

BOARD OF DIRECTORS MEETING  
THE MONARCH AT ROYAL HIGHLANDS, INC.  
September 13, 2019

A meeting of the Board of Directors for The Monarch at Royal Highlands, Inc. was held at 8:00 a.m. in the Great Hall Meeting Room. Those present: Dick Sjogren, Vince Laverghetta, Mike Russomano, Ann Carter, Steve Ryan, Dave Kozlowski, Bob Keating and Linda Gietz. Esther Patterson was absent. Sam Floyd, Par for the Course Management, Craig Misch, Golf Pro, Terry Stephenson, Course Superintendent and Linda Eaton, F/B, Crown & Shield were also in attendance.

**President – Dick Sjogren**

Dick Sjogren called the meeting to order.

The Minutes of the August 23, 2019 meeting were approved.

**Superintendent's Report – Terry Stephenson**

The Bush hog is down. Parts have been ordered and we should receive by Monday.

The Kubota Tractor is back. We already received the check from Global Turf for their part. The rebate check came in from GBC & Bayer for the early order program. Terry will be meeting with Harrell's & Howards representatives next couple of weeks about E.O.P. for this next year.

Plans are to verticut and double cut the greens on Tuesday and/or Wednesday of next week.

Spot spraying the fairways and tees for the next 2 weeks, then have to stop before over-seeding.

We received a quote from P.M. Pump repairs. The parts were ordered and expect delivery in the next two weeks.

**Dick made the motion to approve the purchase of the necessary parts needed for the P.M. Pump not to exceed \$3,500. This motion was seconded by Vince. Motion passed.**

The over-seeding will take place as follows in order to have better control:

- Course closed Thursday, October 24 – 12 noon
- Course closed Monday, October 28 – 12 noon

Starting next week, we will be lowering the height on the fairways and tees to thin out Bermuda for better seed to soil contact. The second week we will lower the height on the greens.

We will start spraying pre-emergent on October 1<sup>st</sup> around the fairways, tees and greens for POA annua control.

### **Buildings and Grounds – Bob Keating**

Bob has invited those individuals that have a garden on the course to a meeting which will take place on Thursday, September 19<sup>th</sup> at 2:00 pm. It is not mandatory, just for information.

### **Manager's Report – Sam Floyd**

The PRELIMINARY financial statements for August. Total of all revenues were below budget \$3,797 and our total operating expenses were over budget by \$2,008

- August the Golf Department revenue finished <\$5,098> behind budget, and was behind last year by <\$1,728>.
- We were ahead of budget by 164 total rounds; but behind budget <\$2,304> in Green Fees & Cart Fees. Our revenue per round was budgeted at \$22.81 per round, but we actually made \$22.44 per round, which is still good for this time of year. The coupon ad is for 2 for \$49.99/\$24.99 per person.
- Membership dues were behind budget by <\$1,780>, which is not as bad as we have been. This is mainly due to having members on medical leave and the addition of a new membership. Still based on projections for member dues between now and the end of the year, we will fall short of the monthly dues budget by approximately \$2,500 a month minimum during the last month of the year. This will result in a minimum <\$52,500> deficit to that two remaining months budget performance. Again, I have always said that two reasons why you should always increase dues annually, even if it is only a 2% increase; it will help cover the normal increases of doing business and help cover lost membership revenue due to other members being out on medical leave. Year to date membership dues are <\$8,453> behind budget and <\$21,018> behind last year.
- Pro Shop sales for August were down to budget by \$733 and only down <\$1,465> to budget year to date.
- Golf department expenses were over budget by \$162 which was due to payroll cost.
- Cost of Goods in Merchandise was 108% due to a bad count the previous month and 3 invoices that should have been in July, but couldn't get posted until August period. Year to date the cost of goods is still under budget by \$1,549.
- Maintenance Department was over budget by \$2,630 due to fuel expenses and a credit that we are due from Global Turf for \$1,590.72 which will hit the financial statement in September.
- Food & Beverage Sales were up \$1,182 to budget, but Variable Cost Profit was up \$1,214 which is great! Year to date variable cost profit is ahead of budget by \$12,028. The Crown & Shield is performing extremely well!
- Food & Beverage expenses were under budget by \$646 due to the equipment repair that was budgeted for August, was not needed.
- Occupancy was over budgeted expenses by \$138.

We are currently <\$41,524> behind our year to date budgeted Net Income. We are currently behind budgeted Net Ordinary Income year to date by <\$51,319>.

We are <\$25,877> behind year to date last year's actual Net Income and <\$12,326> behind year to date last year's actual Net Ordinary Income.

We are not going to make a net profit this fiscal year mainly due to weather, higher maintenance & operational costs and lower membership revenues collected.

Sam gave the engagement letter from our CPA to Dick for signature.

Linda questioned the \$1700 charge on the credit card. It was last minute decision to use the card as the company would not take a check. This was for the repairs for the tractor.

**Treasurer's Report – Linda Gietz**

The Monarch at Royal Highlands, Inc. Treasurer's Report				
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<u>Account</u>	<u>Account Type</u>	<u>Bank</u>	<u>APY</u>	<u>09/12/19 Balance</u>
Cash - Operating	Checking	BB&T	0.00%	68,753.85
Petty Cash	Currency	Office Safe	0.00%	1,400.00
Capital Reserve	Checking	BB&T	0.25%	10,361.23
Ford Interest Advantage	Note/Checking	Ford Interest Advantage	2.65%	58,633.09
Non Operating Investment Account	Cash	Raymond James	0.25%	0.73
Non Operating Investment Account	Institutional MM	Raymond James	2.12%	10,647.00
Non Operating Investment Account	Bonds	Raymond James	4.00%	10,008.10
Non Operating Investment Account	CD	Raymond James	2.50%	12,000.84
Cash Balance as of 9/13/19				171,804.84
Change from 08/23/19 Report				(22,657.35)

BB&T Loan			4.80%	962,844.68
Accounts Payable				20,218.36
BB&T Credit Card				3,034.95

Cash Balance 09/13/19	171,804.84
Cash Balance 09/14/18	199,067.45
Difference	<u>(27,262.61)</u>

Total Reserves:			
Capital Reserve			10,361.23
Year -To-Date Transfers to the Capital Reserve		37,100.00	
Ford Interest Advantage			58,633.09
Raymond James			32,656.67
Total			101,650.99

The Monarch at Royal Highlands  
Reconciliation of Reserve Accounts  
as of 09/30/19

	<u>Date</u>	<u>Additions</u>	<u>Interest</u>	<u>Withdrawals</u>	<u>Ser. Chg</u>	
Beginning Balance:						17,041.09
	10/31/18	3,000.00	10.14			20,051.23
	10/31/18		10.06	20,000.00		61.29
	11/30/18	3,000.00	0.03	3,000.00	15.00	46.32
	12/31/18	3,100.00	0.07	3,000.00	15.00	131.39
	01/31/19	3,000.00	0.08	3,000.00	15.00	116.47
-	01/31/19					116.47
	02/28/19	3,000.00	0.32	1,447.40	15.00	1,654.39
	03/31/19	3,000.00		844.23	15.00	3,795.16
	04/30/19	3,000.00	1.05	3,433.74	15.00	3,347.47
	04/30/19					3,347.47
	05/31/19	3,000.00	1.82	8,935.96	15.00	(2,601.67)
	06/30/19	3,000.00	2.13		15.00	385.46
	07/31/19	3,000.00	2.05		15.00	3,372.51
	08/31/19	3,000.00	1.65		15.00	6,359.16
	08/31/19		1.94			6,361.10
	09/30/19	4,000.00	0.13			10,361.23
						10,361.23
		<u>37,100.00</u>	<u>31.47</u>	<u>43,661.33</u>	<u>150.00</u>	<u>10,361.23</u>

Since our last meeting the reserve account has been changed so now will not be charged a service fee as long as we keep a balance of at least \$ 1,000.00.

The cash in the Raymond James account has been converted to a Fidelity Institutional Money Market Account. This account along with the Wells Fargo CD are both FDIC insured.

**Vice President – Dave Kozlowski**

Dave has a team consisting of Mike Kowalski & Dick Therrien that are doing a total inventory of our club. We want to determine what we have and when replacement is needed for our Long-Range Plan. They are actively working on this project.

Sam gave Dave a copy of the inventory that was done September, 2011 which will be very helpful for this group.

The carpet needs some attention. It was cleaned about 2 months ago and there are a lot of areas that are showing serious wear. Dave will get quotes to replace the carpet from carpet companies, starting with those that sponsor for our Member Guest tournament.

Linda said she is noticing the ceiling fans are showing dust. Sam will take care of getting them cleaned.

**Secretary – Esther Patterson-absent – Ann Carter is acting secretary**

**Golf – Vince Laverghetta**

The Golf Committee does not have any up-coming events this month. The Crown Cup will be starting October 16<sup>th</sup>. The Men's Match Play is starting their next session October 14<sup>th</sup>.

The Golf Calendar for 2020 has been issued and will be on the Monarch Golf Club website in the next week or two.

**Membership – Mike Russomano**

New: James Taylor – General single 9/1/19  
Resignations Jim Parker – 9/1/19  
Denny & Linda Bettisworth 9/15/19

Medical (19): Bev Race  
Philip Keetle  
Harry Taylor  
Karen Teegarden  
Tom Campbell  
Richard Taylor  
Frank Vignone  
Tom Christie  
Bob Titton  
Len Vieira  
Wayne Sargent  
Al Dame  
Dick Hellem  
Sherry Anderson

Carl Lacobie  
Ken & Barb Gressley  
Kathy Sjogren  
Chuck Gietz  
Jack West

Off Medical: Don Snopik

**Finance and Audit – Steve Ryan**

Nothing to report

**Communication – Ann Carter**

The Dinner & Bar only numbers from August 8 thru August 20 are as follows:

8/8– Thursday Dinner Special (Salisbury Steak-8) 18 in attendance, \$236 Bar \$138=\$374  
8/9 - Friday Dinner Special (Salmon-14) - in attendance- \$691, Bar \$237=\$928  
8/13 – Tuesday Dinner Special (Prime Rib-42) -47 in attendance-\$1,095, Bar \$249=\$1,344  
8/15– Thursday Dinner Special (Veal Parmesan-11) –33 in attendance- \$439, Bar \$220=\$659  
8/16- Friday Dinner Special (Crab & Tenderloin-23)-64 in attendance-\$1,146, Bar \$300 = \$1,446  
8/20– Tuesday Dinner special (Taste of Italy Pasta) 50 in attendance - \$776, Bar \$255 = \$1,031

For the period through August 8 thru August 20 (11 business days) 50 pizzas were sold=4.5/day

**Dinner Specials for the second half of September is:**

**Tuesday 's – Served with your choice of a cup of soup, or dinner salad**

September 17 – Taste of Italy \$15.99

September 24 – Jerk Chicken served with Chef's choice starch & vegetable \$13.99

**Thursday's- Dinners – Served with choice of a cup of soup or dinner salad**

September 19 – Fried Chicken with mashed potato, gravy & vegetable \$13.99

September 26 – Pot Roast with mashed potato, gravy & vegetable \$14.99

**Friday's – Dinners – Served with choice of a cup of soup or dinner salad**

September 20 – Twin Crab Cakes with starch & vegetable \$18.99

September 27 – Seafood Scampi over pasta \$17.99

**PLUS**

September 21 – Birthday Bash

September 25- Italian Card Bingo

September 26 – MWGA's President's Cup including Lunch

## Liaison

1. Isn't the hiring of Linda Gietz as Club Financial Manager a violation of "No Relative of Club Member may be employed by Monarch" Policy?

**Answer: NO – See motion made by Dick Sjogren below**

2. If Linda is an employee of the Club, does she no longer have to pay dues as employees of the Club play golf for free?

**Answer: It's up to Linda. She is doing this to help the club. However, the Board has decided she will remain as a dues paying member.**

3. Because the financials will be handled by a Board Member will there be oversight? There should probably need to be a full regular annual audit by an outside independent company.

**Answer: Linda will no longer be a Board member effective November 1<sup>st</sup>.**

4. If the club is hiring a full Time Financial Manager, what really is the need for a General Manager since the primary responsibilities of a GM are financial/accounting and will now be handled by a Financial Manager.

**Answer: She will not be full time. However, the GM job is to supervise all employees of the club and to make recommendations for the club. The General Manager is running the entire club.**

5. Does this mean the Board may now hire a General Manager (i.e. Craig) who doesn't have the necessary financial qualifications? What about Restaurant Management qualifications? Will there even be enough work for a full time GM if there are no financials?

**Answer: The Board has made the decision and yes, has chosen Craig to do the job. Craig is familiar with restaurant activities and will learn all the financial responsibilities and expects to be working 40-60 hours a week to full fill this General Manager's position.**

6. If the new GM is Craig, will the club need to hire a new pro? Who will run the pro-shop?

**Answer: No**

7. Lastly, why does the BOD require a closed door session practically every meeting other than being able to avoid having to document those discussions to membership via the Board Meeting Minutes. I would think membership would want to have some knowledge of the decisions being made which will directly impact us.

**Answer: All Board meetings are in closed session when there are discussions of personnel issues. Also, all decisions are voted on in open session, never in closed session.**

## Dick Sjogren – President

**Dick made a motion to amend the policy regarding hiring relatives of members:**

**"No Members or relatives of Members will, as a rule be hired for any position at the club.**

**The Board of Directors reserves the right to make an exception to fill a position with a**

**member if it is determined that person has a unique skill or ability which will be of significant benefits to the club". This motion was seconded by Dave Kozlowski and passed.**

**Dick made the motion to hire Craig Misch to be the General Manager, Pro Shop manager and Head Pro for the Monarch Golf Club. This will take place November 1<sup>st</sup>. The motion was seconded by Dave Kozlowski. Motion passed.**

The next Board Meeting will be held at 8:00 a.m. at the Great Hall Meeting Room on Friday, September 27. The meeting adjourned at 9:03 a.m., went into closed session then returned at 10:05 am and adjourned at 10:25 am.

Respectfully submitted,  
Ann Carter, Acting Secretary