

BOARD OF DIRECTORS MEETING
MONARCH AT ROYAL HIGHLANDS, INC.
JUNE 8, 2018

A meeting of the Board of Directors for the Monarch at Royal Highlands, Inc. was held at 8:00 am in the Great Hall Meeting Room. Those present: Dick Sjogren, Mike Russomano, Ray Smith, Terry Neikirk, Ann Carter, Bob Keating and Dick Therrien. Vince Laverghetta and Linda Gietz were absent. Also in attendance were Linda Eaton F/B, Sam Floyd Par for the Course Management, Craig Misch Club Professional and Terry Stephenson Course Superintendent.

President – Terry Neikirk.

Terry Neikirk called the meeting to order.
The Minutes for the May 25, 2018, meeting were approved.

Treasurer’s Report – Linda Gietz

The Monarch at Royal Highlands, Inc.				
Treasurer's Report				
<u>Account</u>	<u>Account Type</u>	<u>Bank</u>	<u>APY</u>	06/08/18 <u>Balance</u>
Cash - Operating	Checking	BB&T	0.00%	105,013.55
Petty Cash	Currency	Office Safe	0.00%	1,400.00
Capital Reserve	Checking	BB&T	1.00%	52,878.66
Ford Interest Advantage	Note/Checking	Ford Interest Advantage	1.44%	53,209.22
Non Operating Investment Account	Cash	Raymond James	0.10%	927.51
Non Operating Investment Account	Bonds	Raymond James	3.26%	29,811.10
Non Operating Investment Account	CD	Raymond James	2.50%	11,952.84
Cash Balance as of 06/08/18				255,192.88
Change from 05/25/18 Report				(16,430.45)
BB&T Loan			4.80%	1,053,209.22
Cash Balance 06/08/18				255,192.88
Cash Balance 06/09/17				274,563.43
Difference				(19,370.55)

Manager’s Report

May was better than expected but not a good month. The weather effected rounds and F&B revenues. To give you an example of the number of days the weather played a major factor on our revenues;

- Sunday 5/6/18, 42 rounds; F&B revenue \$914 we would normally do \$1,200.
- Monday 5/14/18, 41 rounds; F&B revenue \$82, we normally do \$300.
- Sunday 5/20/18, 5 rounds; F&B revenue \$901, we normally do \$1,200.
- Monday 5/21/18, zero rounds; F&B revenue \$7, we normally do \$300.
- Sunday 5/27/18, 11 rounds; F&B revenue \$984, we normally do \$1,200.
- Wednesday 5/30/18, 4 rounds; F&B revenue \$1,000 due to Italian Bingo, but we would normally do \$1,400 if we had a decent lunch.

(There were a couple more days that the weather effected our business, these are just the biggest impact days)

Ann mentioned the cancellation of the Memorial Day tournament as an additional loss of revenue.

May as an overall business we missed the total revenue budget by only \$2,932, and our net income was below budget by \$5,194.

Our total year to date revenue is behind budget by \$4,299 but our net income has exceeded budget by \$382.

Our net income year to date budget was \$106,849 and we beat it by \$382.

Our expenses were up over budget in a couple of areas:

- R&M Building in the Occupancy department was \$2,840 over budget due to some needed repairs and maintenance to the clubhouse. Roof repairs, plumbing repairs, carpet cleaning and other work had to be done due to the age of the building.
- Advertising in the Occupancy department was over budget due to the \$200 banner that we purchased for advertising on the RHPOA softball field fence.
- China, Glass & Silverware was over budget \$600 in the F&B department because we had to purchase new round plates for the dining room. Our original plates were old, stained and the finish had worn off on them, so when they were clean, they still looked dirty.
- F&B payroll was over budget by \$1,000 mainly due to vacation pay, but should even out by year end. (Year to date F&B payroll including taxes are still \$5,483 below budget). Year to date variable cost profit is only behind budget \$1,475.

Food & Beverage missed May's budgeted revenue by \$2,638 but variable cost profit budget was only down by \$557. Year to date total revenue in the F&B department is down \$11,201 to budget, and Variable Cost Profit is down \$1,475 and ahead of last year by \$6,600. Our F&B Department is doing well!

We continue to perform well to budget as an overall business, being up \$382 year to date in net income, however June is looking bad at this point due to the weather.

Sam had Terry Stephenson give an update on course conditions and equipment.

The damaged shaft for the irrigation pump has been removed. The replacement shaft they had was the wrong size and they will be back on Monday to finish the job. We are still able to water if we need to because our other pump is still operational. The total cost for the work is \$3,570 plus \$900 to cut the trees so they could get the crane in position.

Terry explained that we had the opportunity to purchase Bernhard grinder to sharpen the reels on our mowing equipment for \$7,448. We currently only sharpen the reels once a year because of the cost (\$2,125). They should be sharpened three times a year which would give us a much better cut on the greens, tees, and fairways.

Dick Sjogren made a motion seconded by Ann Carter to “Spend \$7,448 on a Bernhard grinder so that we can sharpen the reels on our mowers at least three times a year.”

The motion passed.

They sprayed for goose grass on Thursday but the unexpected rain in the afternoon may have voided the effectiveness. They cannot do it again for ten days because they do not know for sure.

Monday sprayed Affirm and Monument insecticide.

Tuesday sprayed for nematodes on areas of tees that were showing problems.

Aerification will be done on June 18th and they will also treat for mole crickets at that time.

The bush hog rough mower is up and running and they have done the entire course except for #5 because it is too wet.

They have changed the August 6 aerification to August 13. The course will be closed all day

Terry stated that he had received the list of cart path exits and entrances that need to be repaired from Bob Keating. They will be ordering coquina and sod to start the process.

We are using Brown sand instead of Green sand in the summer because it contains a product called Command which is a fertilizer that allows divots to recover quicker when the Bermuda grass is growing. We use the green during the winter because the divots are not going to recover because the Bermuda is not growing.

Vice President – Dick Therrien

Bylaws Review

Articles I and II are complete and waiting for the summary.

Dick Therrien passed out his recommendations for the review of Articles III through Article X for members to review and bring their thoughts to the next board meeting.

Membership – Mike Russomano

Resignation: Harry Wagner eff – 6/1/18

Reinstated: Tom and Jean Bailey Equity Family eff – 6/8/18

On Medical: Harry Taylor
Rich Page
Richard Taylor
Kathy Stephens
Karen Teegarden
Kathy Sjogren
Ed Oberts
Dick Hellem
Tom Campbell
Phyllis Wagoner
Frank Vignone

Marketing – Vince Laverghetta

Vince was absent so Sam presented the marketing information.

The sign to advertise the restaurant is hanging on the fence at the softball field.

Last year in May there were 252 coupon rate rounds and 58 individual outside rounds. This year in May there were 156 coupon rate rounds and 247 individual outside rounds. An increase of 97 non-group outside rounds.

Golf – Ray Smith

There will be a Red White and Blue Tournament on July 1st. The cost will be \$16.50 this includes meal, tip, tax and \$3.00 for the prize pool. The sign up sheet is in the Pro Shop.

Buildings and Grounds – Bob Keating

Bob discussed a proposal from Diane Christie to significantly improve the gardens on holes #9, #10, and #18. This would include a new border on #9 to fix drainage and erosion of the mulch. They also plan to put in pavers and pea gravel. The cost for this will be \$680 to \$720. To fund this there will be a 50 – 50 raffle. Tickets can be purchased from any of the members who supervise the member groups.

Communication – Ann Carter

The Dinner & Bar only numbers from 5/24 thru 6/2 are as follows:

5/24 – Thursday Dinner Special (Chicken & Ribs-21) -49- \$649, Bar \$303 = \$952
5/25 - Friday Dinner Special (Seafood Combo-9) -71- \$1,060, Bar \$341 = \$1,401
5/29– Tuesday Dinner Special (Glazed Ham-1)- 16-\$446, Bar \$221 = \$667
5/30 – Italian Bingo – 49 0 \$599, Bar \$135 = \$734
5/31-Thursday Dinner Special (Veal Parmesan-9) -27 - \$432, Bar \$147 = \$579
6/1– Friday Dinner Special (Crab & Scallops-10) -46- \$898, Bar \$267 = \$1,165
6/2– Tuesday Dinner Special (Liver & Onions-38) -67- \$889, Bar \$283 = \$1,172

For the period May 24 thru June 5 (12 business days) 46 pizzas were sold=3.5/day

Dinner Specials for the second half of June:

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

June 19 – Taste of Italy \$15.99

June 26 - Prime Rib Queen cut (8oz) \$19.99 / King cut (12oz) \$22.99. Baked potato & vegetable

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

June 21- Pot Roast with Mashed Potatoes, gravy, and veg. \$14.99

June 28- ½ Rack Ribs and BBQ Chicken, coleslaw and fries \$16.99

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

June 15- Teriyaki Swordfish with Rice and vegetable \$17.99

June 22- Ahi Tuna with Rice and vegetable \$18.99

June 29- Shrimp and Lobster Scampi \$15.99

June 27 – Taco Bingo

Liaison

Question:

We have a Sorority Club (and we frequently use the Crown & Shield for various small lunches) and would like to have a luncheon on Saturday, March 16 or Saturday, March 23 which would include a fashion show. It would be from 11:00 am to approximately 3:00 pm. There would be 100 to 120 people. We did go to management and were turned down because the men would

get upset. We believe we would be out of the building just prior to the arrival of the Gold Tee Group (teeing off at 11:00 am) and Black Tee Group. I am coming to the board to see if we can't work something out. Many of us in this sorority club are also members of the Monarch Golf Club.

Answer:

Upsetting the men is not the issue. March is in peak season and is one of our busiest months. By having a luncheon starting at 11:00 am, the Saturday breakfast would have to shut down by 9:00 am in order to prepare for a luncheon which would considerably reduce our revenue and would disrupt those that have breakfast each week. If we had a private dining room, it would not be an issue.

If this group could do it after peak season, from May to October, the Crown & Shield would be more than happy to accommodate this event. Or you could have it in season on a Monday when the restaurant is typically closed.

President – Terry Neikirk

Terry called for a closed session for the board to discuss a membership issue.

The meeting was adjourned at 9:40am.

The next board meeting will be June 22, 2018 at 8:00 am at the Great Hall.

Respectfully Submitted,
Dick Sjogren, Secretary