

BOARD OF DIRECTORS MEETING  
THE MONARCH AT ROYAL HIGHLANDS, INC.  
August 9, 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 (via video conference call), Vince Laverghetta, Esther Patterson, Mike Russomano, Ann Carter, Steve Ryan and Dave Kozlowski. Bob Keating and Linda Gietz were 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 July 26, 2019 meeting were approved.

**Superintendent's Report – Terry Stephenson**

- Kubota tractor down. Terry talked to Global and they agreed it was their responsibility to have it fixed (parts and labor).
- Lightning hit satellites on #1, #10, #17. Terry had already ordered an entire replacement satellite (which is cheaper than buying individual parts), and #1 is fixed. The satellite on #16 was also hit by lightning last week, and no water was available for 4 days. Even though it rained every day at 6PM, the hottest part of the day is around 2PM, causing heat stress in that area. The crew hand watered the greens, fairway and tees. Terry concerned that the ground on these satellite boxes are not as good as they were; he will schedule Wesco to come out to test them.
- Sprayed Celsius on #16, #4 and #7 last week.
- Still struggling with staffing, had employees miss 4 days this week.
- Board agreed with Terry to have the height of the fairways this winter at .600 rather than .750 as we will be planting more winter rye grass, making a thicker and more dense bed.

**Manager's Report – Sam Floyd**

Sam advised that HD cable boxes are now on all the TVs in the Clubhouse.

There are about 30 members (possibly more) who did not receive their statements this month, and Sam doesn't know what created this problem. Ann will send an eblast to all members advising if they didn't receive their bill by the 3<sup>rd</sup> of any month, to stop by or call the Club. Once Sam gets notification, he will resend their statement, and not charge them the customary late fee due after the 20<sup>th</sup> of each month.

Total of all revenues were below budget \$2,063 and our total operating expenses were over budget by \$11,005.

- July the Golf Department revenue finished <\$935> behind budget and was behind last year by <\$1,852>.
- We were behind budget only <10> total rounds; but behind budget <\$2,355> in Green Fees & Cart Fees. Our revenue per round was budgeted at \$22.41 per round, but we actually only made \$22.02 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 <\$103>, which is not as bad as we have been. This is mainly due to having fewer members on medical leave and the addition of two summer memberships that began in June for 3 to 4 months. 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 two months of the year. This will result in a minimum <\$5,000> deficit to those two remaining months budget performance. Again, I always say 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 <\$6,673> behind budget and <\$18,898> behind last year.
- Pro Shop sales for July were up over budget by \$2,193 and only down <\$732> to budget year to date.
- Golf department expenses were over budget by \$915 which was due to payroll cost which was for additional hourly labor to cover Craig being on vacation for a few days the end of July.
- Maintenance Department was over budget by \$10,301 due to fertilizer \$2,186, Chemicals \$413, Equipment Rental \$1,739, Payroll \$3,137 and Contract Day Labor \$2,584 because the shortage in staff had to be supplemented with Day Laborers. During the budget process, the Board of Directors decided to gamble that Maintenance would not have a full crew year round, so that department's payroll budget was cut and it backfired. The golf course needed all the maintenance labor it could get to keep the course conditions to the level that the Board and members wanted.
- Food & Beverage Sales were down <\$1,285> to budget, but Variable Cost Profit was up \$888. Year to date variable cost profit is ahead of budget by \$10,818. The Crown & Shield is performing extremely well!
- Food & Beverage expenses were under budget by \$1,856 due to payroll cost savings and a few other line item savings.
- Occupancy was over budgeted expenses by \$1,162 mainly due to R&M Equipment \$724 and Janitorial Expenses for cleaning the carpet in the clubhouse at \$710.

We are currently <\$43,252> behind our year to date budgeted Net Income. We are currently behind budgeted Net Ordinary Income year to date by <\$34,348>. We are <\$27,356> behind year to date last year's actual Net Income and <\$15,891> behind year to date last year's actual Net Ordinary Income.

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

### **Food & Beverage – Linda Eaton**

Linda requested that an email be sent out requesting that reservations for dinner be encouraged in order to help her anticipate the volume of food needed and to help with staffing needs.

## Treasurer's Report – Linda Gietz

The Monarch at Royal Highlands, Inc.				
Treasurer's Report				
				<b>08/09/19</b>
<u>Account</u>	<u>Account Type</u>	<u>Bank</u>	<u>APY</u>	<u>Balance</u>
Cash - Operating	Checking	BB&T	0.00%	20,729.91
Petty Cash	Currency	Office Safe	0.00%	1,400.00
Capital Reserve	Checking	BB&T	0.75%	6,374.16
Ford Interest Advantage	Note/Checking	Ford Interest Advantage	2.65%	106,923.91
Non Operating Investment Account	Cash	Raymond James	0.25%	534.47
Non Operating Investment Account	Bonds	Raymond James	3.14%	20,058.40
Non Operating Investment Account	CD	Raymond James	2.51%	12,003.96
Cash Balance as of 08/09/19				168,024.81
Change from 07/26/19 Report				(45,044.97)
BB&T Loan			4.80%	969,072.30
BB&T Credit Card				1,186.40
Cash Balance 08/09/19				168,024.81
Cash Balance 07/27/18				209,883.47
Difference				(41,858.66)
<b>Total Reserves:</b>				
Capital Reserve				6,374.16
Year -To-Date Transfers to the Capital Reserve			33,100.00	
Ford Interest Advantage				106,923.91
Raymond James				32,596.83
Total				145,894.90

The Monarch at Royal Highlands							
Reconciliation of Reserve Accounts							
as of 07/31/19							
Date	Additions	Interest	Withdrawals	Ser. Chg	Withdrawals:		
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	Parking Lot Asphalt Overlay & Restripping	26,897.40
11/30/18	3,000.00	0.03	3,000.00	15.00	46.32	Ventilation Motor for Kitchen Hood	3,550.00
12/31/18	3,100.00	0.07	3,000.00	15.00	131.39	Dell OptiPlex 3020 (2018)	844.23
01/31/19	3,000.00	0.08	3,000.00	15.00	116.47	Phone System - Grand Stream GXP2135	3,433.74
01/31/19					116.47	Bad Boy Z-Turn Rebel Mower	8,935.96
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			6,374.16		
08/31/19					6,374.16		
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08/31/19					6,374.16		
08/31/19					6,374.16		
09/30/19					6,374.16		
					6,374.16		
	33,100.00	29.40	43,661.33	135.00	6,374.16		43,661.33

### Vice President – Dave Kozlowski

Dave is continuing his review of the Stalwart Program (a recognition process for rewarding long term members who are loyal and hard-working).

Ann talked about the number of gardens along the course that are being cared for by individuals, and the efforts of everyone involved in taking care of these areas. We talked about ways to provide recognition to these individuals for the time and money spent; and the possibility of placing names of the people taking on each flower bed on the Blue & White stakes.

### Buildings and Grounds – Bob Keating

Trimming of the tree canopy on St Andrews Arc and Royal St Georges will start on 8/13 & 8/14. Sam Floyd was thanked for arranging the rental of the Lift at \$326/day. We have 8 volunteers; Bob Keating and John Buono will do the trimming. Vince will ensure photos are taken for Ann for the newsletter. Keith Patterson will give a training safety exercise. Safety vests and safety cones will be used. Sam advised they will get a tutorial on the Lift before they pick it up. Sam to send CAM an email of what we are doing and when. Rather than using the maintenance utility carts when we trim the trees, we will look into trucks with a hitch to haul the trailer.

There is a concern with nematodes or moles on holes #12, #13, #14, #16 (black tee boxes are the worst). Terry said #12 are nematodes and he is trying to grow grass there; maybe sod that area. He will look at the other holes again.

Cart path between #17 and #18 tee boxes has eroded again. Sam suggested putting Sakrete bags there; Terry will try that.

Need roots painted on #17 and #18 silver tee boxes; Craig will handle.

The Palm tree area on #16 near the bunkers along the right of the fairway past the ditch is messy and needs attention; the Board agreed that Terry should remove the weeds, shrubs and flowers in that area and just leave the palm tree.

### **Secretary – Esther Patterson**

As soon as Mike gets the \$2500 for the Johnson stock transfer, Esther will prepare the stock certificate for signature.

### **Golf – Vince Laverghetta**

The next Couples Tournament will be a Labor Day event and is being discussed with the Golf Committee for approval. Ann will send out an eblast 3 weeks and again 2 weeks prior to the tournament.

### **Membership – Mike Russomano**

Medical (17):           Bev Race  
                              Philip Keetle  
                              Harry Taylor  
                              Karen Teegarden  
                              Tom Campbell  
                              Richard Taylor  
                              Frank Vignone  
                              Tom Christie  
                              Bob Titton  
                              Len Vieira  
                              Wayne Sargent  
                              Al Dame  
                              Debbie Dame  
                              Selden Skelly  
                              Don Snopik  
                              Dick Hellem  
                              Denny Bettisworth

Off Medical:           Jack West

## **Finance and Audit – Steve Ryan**

The Standards packet is going fine; all responses received, and Steve thanked Sam, Linda and Craig for their cooperation. Steve is on schedule to provide his initial report to the Board by the second meeting of September.

## **Communication – Ann Carter**

The Dinner & Bar only numbers from July 11 thru July 23 are as follows:

7/25– Thursday Dinner Special (Shepperd’s Pie-5) 32 in attendance, \$333 Bar \$306=\$639  
7/26 - Friday Dinner Special (Seafood Scampi-10) -42 in attendance- \$577 Bar \$217=\$794  
7/30 – Tuesday Dinner Special (Swiss Chicken 6) -19 in attendance-\$282, Bar \$58=\$340  
8/1– Thursday Dinner Special (BBQ Combo-2) –35 in attendance- \$513, Bar \$223=\$736  
8/2- Friday Dinner Special (Snapper-16)-54 in attendance-\$897, Bar \$311 = \$1,208  
8/6 – Tuesday Dinner special (Liver & Onions-31) 72 in attendance - \$967, Bar \$295 = \$1,262

For the period through July 25th through August 6 (11 business days) 49 pizzas were sold=4.5/day

## **Dinner Specials for the second half of August is:**

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

August 20 – Taste of Italy \$15.99

August 27 – Italian sausage with peppers, onion, & red sauce. Served over rice. \$12.99

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

August 15 – Veal Parmesan over pasta. \$14.99

August 22 – Meatloaf with mashed potatoes, and veg \$12.99

August 29 – Pot Roast with mashed potato, gravy, and veg \$14.99

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

August 16- Crab Cake with sliced Beef Tenderloin with potato & veg. \$18.99

August 23 – Seared Sea Scallops with potato & veg. \$18.99

August 30- Seafood Scampi over pasta. \$17.99

August 8 – MWGA Scramble incl. lunch

August -28 Taco Card Bingo

The list of people caring for the various gardens was not accurate. In error, we left off hole #13 by the tee boxes where the Padgett’s and LaFauci’s have physically and financially cared for the garden for years. Later it was noticed Evelyn Weasner was also left off the list for being responsible for hole #7 by the silver tee box. The Board apologizes for this error as it certainly was an oversight.

We want to thank everyone for their continuing effort by physically and financially caring for our club. Without folks like all of you, we would not have the outside traffic that we do as we are always getting comments how beautiful our course is.

Ann suggested to put out an eBlast seeking volunteers so that we can be sure we get the word out before some of the beautiful gardens are plowed under. The Board agreed to send an eBlast out to the membership.

**President – Dick Sjogren**

Dick asked the Board to put together a task force committee to review the bylaws and look into ways to ensure that members are utilizing the medical leave policy as it was intended. This committee will consist of Dick Sjogren, Mike Russomano, Esther Patterson plus 1 or 2 non-Board Equity members.

General Manager Search - Vince will put out a final job description for review, and as soon as that is agreed upon, he will post it on the website "Indeed". Vince will gather the results of the search and give to the Resume Evaluation Committee to determine the people we will interview. There will be a committee of 3 or 4 Board members to do the evaluating. Vince stated that the first resume will be Craig's.

The next Board Meeting will be held at 8:00 a.m. at the Great Hall Meeting Room on Friday, August 23. The meeting adjourned at 9:50 a.m. Board went into Closed Door session.

Respectfully submitted,  
Esther Patterson, Secretary