

BOARD OF DIRECTORS MEETING  
 MONARCH AT ROYAL HIGHLANDS, INC.  
 AUGUST 24, 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: Mike Russomano, Ray Smith, Terry Neikirk, Linda Gietz, Ann Carter, Vince Laverghetta, Bob Keating and Dick Therrien. Dick Sjogren was 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 July 27, 2018 meeting were approved.

**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>07/27/18 Balance</u>
Cash - Operating	Checking	BB&T	0.00%	79,769.15
Petty Cash	Currency	Office Safe	0.00%	1,400.00
Capital Reserve	Checking	BB&T	1.00%	14,025.81
Ford Interest Advantage	Note/Checking	Ford Interest Advantage	1.44%	53,380.64
Non-Operating Investment Account	Cash	Raymond James	0.10%	1,040.36
Non-Operating Investment Account	Bonds	Raymond James	3.26%	29,742.00
Non-Operating Investment Account	CD	Raymond James	2.50%	11,973.72
Cash Balance as of 0824/18				191,331.44
Change from 06/22/18 Report				(18,552.03)

BB&T Loan			4.80%	1,041,883.95
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191,331.44

Cash Balance 08/24/18	
Cash Balance 08/25/17	<u>204,550.80</u>
Difference	<u><u>(13,219.36)</u></u>

Total Reserves:	
Capital Reserve	14,025.81
Year -To-Date Transfers to the Capital Reserve	33,000.00
Ford Interest Advantage	53,380.64
Raymond James	<u>42,755.84</u>
Total	<u><u>110,162.29</u></u>

The Monarch at Royal Highlands, Inc.  
Fixed Assets Purchases for FYE 9/30/18

<u>Date</u>	<u>Description</u>	<u>Amount</u>
11/01/17	2 Cushman Haulers	\$ 8,540.00
01/24/18	Bar Back Beverage Cooler	2,100.00
02/01/18	Greens Irrigation Project	136,962.04
03/28/18	3 Gang Range Picker - front	2,114.52
06/11/18	Irrigation Shaft on 40 HP Irrigation Pump	4,501.62
08/01/18	2014 Bernhard Reel Grinder	7,429.00
08/06/18	Draft Beer Dispenser/Keg Cooler	<u>2,286.15</u>
	Total Capital Expenditures	\$163,933.33

**Linda made the motion to increase the price of the approved amount for the keg cooler to \$2,286.15 as opposed to the \$2,000 already approved. Mike seconded. This motion passed.**

#### **Manager's Report**

July revenues turned out better than expected. Golf department revenue was up \$1,884 compared to budget and F&B Department revenue was up \$119.

Food & Beverage variable cost profit for July was down \$613 compared to budget. Year to date the F&B department variable cost profit is up \$3,656 over last year.

Interest Income/Gain or Loss was up \$4,327 because of the elimination of a Capital Equipment lease gain of \$4,186 on our Top Dresser lease which was completed and paid off June 18<sup>th</sup>.

We have been working on our Balance Sheet to prepare for the yearend review with regard to Capital Leases. (We inherited misinformation from Andrews & Miller on an old golf cart lease that went back to 2012. This error was not caught by any of the Review Companies until we

discovered it. The monthly amortization and depreciation amounts were being posted incorrectly, it is now fixed).

We met with Allan Silbernagel, our C.P.A. review company to work through our entire capital leases to ensure that they are being booked properly, since we have so many new equipment leases. We created amortization schedules and depreciation schedules for all capital leases and made the necessary adjustments in July. Going forward the capital leases will be booked the way the IRS is looking for when their new rules dealing with capital leases start in 2020. Doing this now will prevent future discrepancies with the accounting of those type of leases. With that being said, July's Depreciation line was \$10,715 over budget.

July's Net Ordinary Income was better than budget by \$11,036 and Net Income was still \$321 better than budget. Year to date Net Income is still behind budget by \$9,445 because of June's financial performance.

We are still trending to finish out the year with a profit and not a loss.

The keg cooler in the pantry is broken. The cost to replace it is \$4,000. Can rebuild for \$1,570.15. Sam would like to rebuild rather than replace. The board approved this proposal and it was decided to expense this cost to rebuild.

#### **Terry Stephenson – Maintenance Supervisor**

Both tractors broke. Our mechanic was able to repair one by installing a new clutch at the cost of \$800.00. The other tractor's transmission and hydraulics went out. It may be 2-3 weeks to fix. A tractor has been rented for a month until September 17<sup>th</sup>. A lot of the areas are much too wet to mow. Mowing is caught up as of this date.

The decks of the 4500 & 3500 plates on the mowers are breaking apart. The cost to replace the 8 plates would be \$800.00 each. The plan is to go to a fabrication company to see if they can build plates to re-enforce the top. They are getting a quote for this. It is felt the fabrication company can do better than the \$6,400.

The mole crickets are breaking through because of the large amount of rain fall. We have a year's guarantee with the product we are using. Harrell's came out and did a tour of the course and will keep us in stock until they are under control.

There is a hole just short of the #2 green. It is not a sink hole. Apparently when the irrigation system was installed, a drain was hit which is washing out. It will be dug up and repaired.

There are some areas on the greens that will be filled in with sod from our nursery. The black areas on the greens is algae and is being treated with chemicals. This is caused by the excessive rain.

Nematodes have been sprayed now that the grasses are growing. This process is a lot better than it used to be. The plan is to continue the process during the year.

Dates have been turned over for all the tentative plans to do maintenance for next year's calendar. Aerification and cricket control will be done the same day.

The Member Guest for Chair 2019 will be Craig Misch.

#### **Vice President – Dick Therrien**

Dick is continuing to work on the current by-laws. There will be a mailing to each of the Equity Members of these proposed changes to be voted on at the December 17, 2018 Annual Meeting. These will be sent to the membership a few weeks prior to this meeting.

There were three policies that were revised which are now posted on the Monarch Golf Club website. These policies will be updated as the original ones that were issued in 2010 are still in effect. There was a misunderstanding and it was deleted in error.

#### **Membership – Mike Russomano**

New Members:

Ernie & Karen Weicht : General 8/9/18

Ralph & Michele Acquaro: Limited General 9/1/18

Resignation: None

On Medical:

- Harry Taylor
- Richard Taylor
- Karen Teegarden
- Kathy Sjogren
- Tom Campbell
- Phyllis Wagoner
- Frank Vignone
- Barb and Ken Gressley
- Reka Reaktenwalt
- Ron Ambrosio
- Terry Neikirk
- Harvey Small eff – 8/1/18
- Len Vieira eff – 8/15/18

### **Marketing – Vince Laverghetta**

Vince is doing a survey of the member's dues at our competitive golf courses. He will have the pricing available to the Board at our next Board meeting so we can see the comparison.

Vince is going to check on getting a sign posted on US27 to advertise our course. There is a vacant billboard just south of us on 27 on the north side that he is going to check to see what that price will be to advertise.

Vince is also looking into advertising our course in some of the golf magazines with hopes to get more people to move into Royal Highlands that are golfers.

### **Golf – Ray Smith**

- Forty-four people have signed up for Labor Day Tournament.
- The men's Crown Cup will begin October 17
- 2019 calendar is being worked on with the various organization to get the dates for next year's events.

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

**Bob made the motion to have Diane Christie & Linda Carey as members of the Buildings & Grounds Committee. Linda seconded this motion. Motion passed.**

Diane and Linda presented a list of proposed items that need to be taken care of on the course. There was a lot of discussion about taking care of the gardens and how to go about it. Originally, many of the gardens were being taken care of by members but many have left the club or are of the age they can no longer do it.

At this point, we do not have enough maintenance man power. If our maintenance staff is assigned to work on the gardens, this causes other areas not to be done. It is thought to do a 3-year long term plan for volunteers to help once a month in specified areas. They will be looking for volunteers to spray beds on a monthly basis, but we need to be careful not to spray grasses that the spray will not work on.

### **Communication – Ann Carter**

The Dinner & Bar only numbers from July 26<sup>th</sup> through August 21<sup>st</sup> are as follows:

7/26 – Thursday Dinner Special (1/2 Rack Ribs & BBQ Chicken-12) -28- \$395, Bar \$125 = \$520

7/27 - Friday Dinner Special (Shrimp & Lobster Scampi-54) -98- \$1,555, Bar \$482 = \$2,037

7/31 – Tuesday Dinner Special (Prime Rib-21)- 320-\$676, Bar \$255 = \$931

8/2 - Thursday Dinner Special (Salisbury Steak-8) -38- \$498, Bar \$252 = \$750

8/3 – Friday Dinner Special (Crab Combo-16) -72- \$1,169, Bar \$513 = \$1,682

8/7– Tuesday Dinner Special (Liver & Onions-33) -58- \$791, Bar \$257 = \$1,048

8/9 – Thursday Dinner Special (Meatloaf)-14- \$280, Bar \$80 = \$360

8/10 - Friday Dinner Special (Salmon-13) -59- \$877, Bar \$285 = \$1,162

8/14 – Tuesday Dinner Special (Porkloin-3) -8-\$211, Bar \$108 = \$319

8/16 – Thursday Dinner Special (Chicken Fried Steak-10)-48- \$472, Bar \$394 = \$866  
8/17 - Friday Dinner Special (Sea Scallops-29) -73- \$1,205, Bar \$323 = \$1,528  
8/21– Tuesday Dinner Special-Taste of Italy Pasta-47- \$828, Bar \$262 = \$1,090

For the period July 26th through August 21st (24 business days) 74 pizzas were sold= 3/day

Dinner Specials for September are:

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

September 4 - Liver and onions with bacon, mashed potatoes, gravy & vegetable \$12.99

September 11 - Beef Stroganoff over pasta \$14.99

September 18 – Taste of Italy - \$15.99

September 25 - Pot Roast with mashed potato, gravy, and veg \$14.99

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

September 6- Chicken Cordon Bleu, baked potato and veg \$14.99

September 13- Sliced Beef Tender Medallions with roasted potato & veg. \$15.99

September 20- Cubed Steak with mashed potato, gravy, & veg. \$13.99

September 27 – Fried Airline Chicken Breast with mashed potato, gravy, & veg. \$13.99

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

September 7- Soft Shell Crab & Scallop Combo, Au Gratin Potato & vegetable \$18.99

September 14- Teriyaki Swordfish with rice and vegetable \$16.99

September 21- Seared Sea Scallops, potato and veg. \$18.99

September 28- Shrimp, lobster, & crab scampi over pasta \$16.99

September 3 – Labor Day Golf Tournament

September 15 – Birthday Bash

September 26 – Italian Bingo

**NOTE**

Ann Carter has renewed her notary license effective December 4, 2018 which is for 4 years. She has been reimbursed for this expense. Note – Ann keeps a record of all charges and uses this money for necessary items to help the club.

**Liaison**

**Question:**

1. We are under the assumption that to use our Practice Green at the Clubhouse, one has to be a Member of Monarch. We have observed on a number of occasions, Outside-Non-Members using the Practice Green whenever they feel like it. The Pro Shop employees and Members have been told, by Craig, that we are a Customer Service Facility and they as Pro Shop employees are not to stop any Non-Members from using

the Green and we as Members have also been advised that we cannot say anything to these folks about using the Green.

2. Any Non-Member who purchases a Driving Range Program is allowed to use the Practice Green whenever they want.

We truly feel and have felt from the day we joined, that our becoming dues paying Members would allow us the use of the Practice Green, at any time. It was and is a perk of our Membership. We were told that Non-Members/Outside Players would not be allowed to use the green, unless they were paying to play, which we have observed is not always the case, especially residents who come up whenever they feel like it.

Allowing Non-Members to purchase a Driving Range Program is a very good idea, BUT it does not give them the privilege of using the Practice Green, because we as Members are paying for the privilege with our monthly membership dues. Why should a Non-Member join to get the perks that we Members pay, IF they can use it without paying???

We are asking that the Board look at this disturbing disregard for our Members and make it clear to all that Rules are enforced, that Non-Members/Outside Players DO NOT have the use of the Practice Green, unless they are doing so before they pay to play the course.

Answer:

The current policy allows for members and guests paying for green fees or driving range privileges to utilize the putting green. In addition, residents of Royal Highlands that are regular customers are allowed to use the putting green as an incentive for them to consider membership in the club. The Pro shop staff will monitor the situation to insure the privilege is not abused.

**President – Terry Neikirk**

The meeting was adjourned at 10:25

The next board meeting will be September 14, 2018 at 8:00 am at the Great Hall.

Respectfully Submitted,  
Ann Carter – Acting Secretary