

**NOTICE OF PUBLIC MEETING OF THE HGMD CLUBHOUSE/RESTAURANT
COMMITTEE
July 14, 2020 3:00 PM**

Pursuant to Section 24-6-402(2)(c), C.R.S. the Clubhouse/Restaurant Committee to the Board of Directors of the Heather Gardens Metropolitan District hereby gives notice that it will hold a Zoom videoconference meeting at **3:00 PM on July 14, 2020** at the Heather Gardens Clubhouse, 2888 South Heather Gardens Way, Aurora, Arapahoe County, Colorado 80014. The meeting will be held for the purpose of conducting such business as may come before the Committee. This meeting is open to the public.

THIS MEETING WILL BE VIDEOCONFERENCE TO PRESERVE THE HEALTH, SAFETY, AND WELFARE OF THE PUBLIC IN LIGHT OF THE IMMINENT THREAT CAUSED BY THE COVID-19 PANDEMIC.

Join Zoom Meeting

<https://zoom.us/j/99464785990?pwd=aGkwSEgwMm42ZXBFdTJocWZoU1pNUT09>

Meeting ID: 994 6478 5990

Password: 472929

or

Dial-In Number: +1 346 248 7799 US

AGENDA

Committee Members: Rita Effler Chair; Jerry Brewster, Christa Boehmer, Tom Merges, Tom Tomasik, Deb Smith, Janet Arce, Bill Wilson

Staff: Calvin White (General Manager), Linda Aluise (Clubhouse Manager), Cormac Ronan (Rendezvous Manager), and Courtney Haynes (Rendezvous Assistant Manager)

- 1) Determine Quorum Present
- 2) Call meeting to order
- 3) Chair Comments
 - a. Introduction of new member Bill Wilson
- 4) Review/Approval notes from June 9 Regular meeting and June 24 Special meeting
- 5) Review of Financial Reports – June 2020
- 6) Reports of Management
 - a. Clubhouse Manager, Linda Aluise
 - b. Restaurant Manager, Cormac Ronan (Questions from June 24 meeting)
 - c. General Manager, Calvin White
- 7) Unfinished Business
 - a. Discussion on the Restaurant Survey Results (Condensed comments attached)
 - b. Request/Recommendation to the HGMD Board to direct Management to pursue for the future of the Restaurant

- 8) New Business
 - a. Call for a volunteer to sit on the Capital Program Subcommittee (Meeting scheduled July 22 at 10 a.m.)
 - b. Registration online for activity time slots
- 9) Residents wishing to speak on non-agenda items – time limit 3 minutes
- 10) Adjournment

Residents wishing to speak on agenda items will be given the opportunity at the time the item is discussed.

Note: Clubhouse/Restaurant Committee meeting, when held, are on the second Tuesday of each month at 3:00 PM at the Heather Gardens Clubhouse, 2888 S. Heather Gardens Way, Aurora, Arapahoe County, Colorado, in the Board Room. Residents wishing to address the Committee during the meeting must sign up to speak. Residents doing so will be recognized during the meeting.

The next Clubhouse/Restaurant Committee meeting on August 11, 2020 at 3 p.m.

To: Clubhouse/Restaurant Committee

From: Rita Effler, Chairperson

July 2, 2020

Attached are the 3 pages of the Survey Implications. Susan did an incredible job condensing the data.

Our District taxpayers want their restaurant. Many of them were very helpful with comments.

Below are some solutions that could give them what they want. These solutions come from the Survey and comments I received.

Costs/Expenses:

1. Control portion size. Eliminate Buffets. Continue Prime Rib as a plated meal. Charge by the portion size.
2. Plate buffet food and serve to customers (if we retain the buffet table).
3. Monitor staffing very closely, daily, weekly, monthly. Do not exceed benchmarks by more than 10%.
4. Seek alternative sources of food, supplies, etc.
5. Offer a take-out menu.

Marketing:

1. Market facilities to Wedding Planners, Churches, local office buildings.
2. Offer coupon to workers in office buildings. Solicit lunch crowd, happy hour crowd.
3. Monthly meal plan for residents. Select menu with a specific special on the same day every week.
4. Frequent diner discount. Senior Menu.
5. Theme parties. Fancy dinners occasionally.
6. 11-2 Hot dogs, chips, fountain drink. \$6
7. Actively solicit non-resident patrons.

Facility/Management:

1. Put out a Request For Proposal and lease out the facility.
2. Reconfigure: Reduce restaurant area. Use banquet room with booths, limited fast/casual menu with an outside entrance. Enlarge bar area. Market craft beers, top shelf liquor, happy hours at 4 with bar food.
3. Have current management produce a model using data available from surveys and POS program, change in menu, controlled staffing that will break even. (sans depreciation). Make restaurant much smaller, convert other area to club rooms.
4. Provide a casual, quiet, comfortable, friendly space to enjoy dining out.
5. Lower ceiling, more casual décor, more modern, less institutional.

SURVEY IMPLICATIONS These are the problems.

Page 23 Survey Implications

Support for the Rendezvous Restaurant is overwhelmingly positive among both frequent and infrequent patrons. Both groups feel it is important to the quality of life in the community and their property values. Even if you were to include everyone who was terminated because of nonuse in the numbers of people who are opposed to the restaurant (and comments from these individuals do not necessarily support that hypothesis), support for the restaurant would still be overwhelmingly positive.

- However, both frequent and infrequent patrons are not as committed to paying a subsidy to keep the restaurant in business. That would seem to say that, although Heather Gardens residents want a restaurant in the community, they want it to be run in a business-like fashion and to at least break even.
- The presence of competing restaurants in the area does not seem to impact the frequency of patronizing these restaurants by Heather Gardens owners and residents. In fact, a majority of HG residents and owners are NOT frequent restaurant customers in general. Contributing factors could be less mobility, lower discretionary income, and less interest in food in general.

From Page 24 Survey Implications

- Lunch and dinner are clearly the most often supported dayparts. In fact, the Sunday brunch has lower frequency of use and breakfast service appears to have less interest among residents than other dayparts. This suggests that the lunchtime to dinner service hours of operation are probably appropriate. A few respondents would like the dinner hours extended but those numbers do not appear to be large.
- A quiet and comfortable atmosphere is clearly much preferred over entertainment among the attributes that residents want in the restaurant. Thus, it would seem that offering entertainment may not necessarily be increasing our customer base and could possibly be driving some customers away. Entertainment may not be money well spent.
- When it comes to menu choices, restaurant patrons appear to be more interested in simple dishes, as opposed to ethnic or vegetarian options. While quite a few want “more sophisticated dishes”, a larger percentage has a preference for “good old-fashioned home cooking.” This would suggest that the menu should focus on classic American dishes and offer a few more interesting choices to those who may be more adventurous or have more sophisticated palates.

Page 25 Survey Implications

- There is clearly a desire for a more extensive and/or better wine, beer and liquor offering. The acceptance of alcohol prices may also indicate that those who consume alcohol may possibly be willing to pay more for better offerings. This could potentially lead to better revenue for the restaurant, since alcoholic beverages (and desserts) are often priced at a higher markup than main menu offerings.
- Support for the restaurant as a place for gathering and socializing is clear. Perhaps a more extensive snacks and desserts menu might entice groups to gather more frequently and bring more business into the restaurant during downtimes from 2 to 4 p.m. in the afternoons. It will also be important to determine a range of menu options for such gatherings that are both appealing to customers and can

sustain break-even levels for the restaurant. • Almost 40 percent of respondents felt that regular buffet meals are not somewhat or very desirable. They also rate the quality, price and temperature of food on the buffets lower than other restaurant attributes. It is difficult to tell if this is because of concerns about the spread of disease or already a concern before the current pandemic. It may be time to reconsider whether to continue the buffets, since we already know that the restaurant is losing money on these events

**Heather Gardens Metropolitan District
Clubhouse/Restaurant Committee
June 9, 2020**

To: HGMD Board of Directors, HGA Board of Directors and General Manager

From: Rita Effler (Substantially assisted by Deb Smith)

Subject: Report of June 9, 2020 Clubhouse/Restaurant Committee Meeting

Committee Members: Michael George (Former Chair), Rita Effler (New Chair), Janet Arce, Jerry Brewster, Tom Merges, Deb Smith, Tom Tomasik, Christa Boehner (absent.) Staff: Linda Aluise (Clubhouse Manager), Cormac Ronan (Rendezvous Manager)

The meeting was called to order by former Chairman George at 3:00 pm.

Chair Comments: Mike George introduced Rita Effler, the new Clubhouse/Restaurant Chair. Committee members introduced themselves.

Approval of Notes: A motion was made, seconded and passed to approve the notes from the February 11, 2020 meeting.

Review of Financials:

Unfortunately, the MOA was not distributed to the Committee. Review by Rita noted that electricity charge of \$6,000 seems high with the restaurant closed showing how uncontrollable some expenses are.

Restaurant Manager Report – Cormac Ronan

Cormac has been reviewing reports from Tri-County Health and the CDC on plans for reopening. Tri-County has eased some of the restrictions.

Discussion Included: Considering delivery or perhaps get a food truck that would visit buildings and host happy hour parties with food prepared at the restaurant and placing tables and chairs between the buildings for seating and social distancing. Providing service at the restaurant patio along with curbside service. HVAC system, repair, and/or replacement costs. Working with the ALOHA system to get daily cost reports.

Clubhouse Manager Report – Linda Aluise

Linda reported that they are carefully reviewing what is needed to open the pool. Both the pool and the fitness center would have to be cleaned hourly. The lockers could not be used; everyone still must use the locker rooms to shower. We would need reservation times to keep numbers within the guidelines provided. Linda is working to develop classes that meet the criteria allowed.

New Business

Report from Susan Lambert on restaurant costs

A committee was formed consisting of Tom Merges, Calvin, Courtney, Mike George, Cormac, and Susan Lambert to perform a business analysis. ALOHA is the point of sale program we use that gives us information on staffing, COGs, and financials. Downloading the data is laborious. Susan eliminated “Bad data” weeks. (There were 1300 responses to the customer wishes survey. Data will be available soon.)

2019 had a \$61,000 increase in actual sales over budget. But, for every \$1 additional in sales, there is 83 cents more loss and the restaurant. Increasing revenue leads to more loss and a larger subsidy. The restaurant does not pay rent. During June-Aug of 2019, the restaurant had longer hours. Sales, COGs, and wages and benefits were all up, so our net was less, and the subsidy was more. Thus, extended hours were abandoned.

Susan discussed a prime ratio – COGS + wages and benefits as a % of sales. Part-time wages as a % of sales exceeded budget almost every week, as did operating expenses and FT wages. We can break out how many customers per check and \$ spent per person. It was determined that the number of customers served per wait staff hour is 2. The majority of our costs are variable. When sales go up, so do costs. All numbers need watching continuously. Buffet food costs are high, ranging from 29% to 78%.

Tom Merges noted that banquets need a count in advance. Rita asked that we write our ideas and email to her for compilation and distribution. Committee members and interested residents are encouraged to submit ideas and suggestions for the restaurant to Rita Effler at rl_effler@hotmail.com. They will be presented at next month’s meeting.

Calvin noted that labor costs and the cost of goods sold are higher than the menu prices. We need to determine what folks want, what they are willing to pay. The amenity fee (rec fee) part of dues includes about \$4.25 average per month per unit subsidy for the restaurant.

Some staff are still on the payroll. A State program will help with the costs of staff as will the Federal Payroll Protection Plan. These costs will be partially reimbursed sometime in the future. Currently, there is no revenue to offset expenses. The extended liquor license has been procured to include the golf course. This is a great opportunity to have liquor available for golfers’ consumption on the course.

Resident Comments: Norma Tell – Performs with her band. She mentioned how much residents like that.

The meeting was adjourned at 4:30 PM

Next meeting Tuesday, July 14, 2020 3:00 pm

**Heather Gardens Metropolitan District
Clubhouse/Restaurant Committee
Special Meeting
June 24, 2020 3:00 P.M.**

To: HGMD Board of Directors, HGA Board of Directors and General Manager

From: Rita Effler (rita.effler@heathergardens.org), assisted by Deb Smith

Subject: Report of the June 24, 2020 Clubhouse/Restaurant Committee Special Meeting

Committee Members: Rita Effler (Chair), Janet Arce, Christa Boehner, Jerry Brewster, Tom Merges, Deb Smith, Tom Tomasik via Zoom.

Staff: Linda Aluise (Clubhouse Manager), Cormac Ronan (Rendezvous Manager), Courtney Haynes (Rendezvous Assistant Manager), Calvin White.

The meeting was called to order by Chairman Effler at 1:00 P.M.

Chair Comments: We had, at one time, 98 people attending via Zoom. The purpose of this meeting was to review the findings of the restaurant survey, presented by Susan Lambert for the special committee formed by Calvin consisting of Calvin, Mike George, Susan Lambert, Tom Merges, and Cormac. Survey tool used was Survey Monkey. The Questions were designed by Susan with input from the special committee.

The slide presentation will be on the website under 'news' and 'resource center research'. www.heathergardens.org

The goal of the survey was to examine how to meet the needs of the restaurant customers and discern current patrons' satisfaction. We measured:

1. Patron frequency at Rendezvous and other restaurants
2. Patron satisfaction with Rendezvous
3. What services are most desired
4. What patrons want most from any restaurant
5. Overall support of the restaurant by residents

Susan reported 1252 total responses. Eliminating 112 responses, people who had not patronized the Rendezvous in more than a year, resulted in 1126 viable responses. This is an outstanding sample.

From the Survey:

41% of the respondents eat at the Rendezvous less than once a month. 52% eat out 1-3 times a month. 82% feel the restaurant is important and important for home values.

Buffets and variety of food options scored low. Alcohol selection needs improvement. Price is a concern. Satisfaction with staff is excellent.

The response to the restaurant was overwhelmingly positive, but paying a subsidy is not popular.

Patrons want healthy food, friendly atmosphere, good price, variety, a quiet comfortable atmosphere, and home cooking. Lunch and dinner are preferred to buffets and there is not much interest in breakfast.

Susan concluded her presentation. For a complete overview go to the Heather Gardens Website.

Chair and Committee Comments:

Susan's presentation was professionally presented both visually and with Susan's explanations of the data.

It is apparent that lunch and dinner are preferred to buffets. The biggest surprise was minimal interest in breakfast. The cost of goods sold for plated food has been calculated at about 29% with buffets running as high as 64%. Staffing costs should be 29% benchmark. We are as high as 59%.

Resident Comments:

BUFFETS

Doggy bags at buffets?

Are not allowed. But have been.

\$4 or \$5 grab bag pick up after buffet nights to lessen waste.

Brunch- cold?

Chef table bad?

How many outside groups use our facilities?

Buffets are good for groups outside. Could Cormac/Courtney compile data on number of outside groups use of the facilities including the revenue and profit generated? Need same data for buffets and resident events.

Prime rib?

Wildly popular but a 64% COGs. If this is to be used as a marketing tool, we need to track and see if the people return for other nights. Perhaps make it a special plated entrée'.

BAR

Maybe bar service and snacks for entertainment time?

3-5 beefing up happy hour?

When we market top shelf liquors, they sell.

Alcohol on golf course?

Some snags with the city have delayed the extended license being issued.

Poor bar area design?

PRICING

As HOA dues up, folks can't afford to eat out.

Perhaps different pricing for residents.

We do not have much outside patronage. Perhaps a frequent diner incentive, discount, etc.

MARKETING

Office buildings – lunch special

Coupons etc. for neighboring areas

Bingo, Trivia, open to public every Wed 8-10pm; fundraising w/Overland High School

ENTERTAINMENT

Use banquet room for entertainment

Entertainment noise level concern

Norma brings in her own group who drink and contribute to revenue as well as profit margin

Her band is not subsidized.

Cormac said Saturday nights with entertainment bring in more outside people and more alcohol is served. The Elvis night was sold out at \$40 pp. No data for profit was presented. The Bronco nights do not make money. People could sit in the banquet room for quiet on entertainment nights.

RESTAURANT

How long has AC been down?

Since winter and now with COVID, we need to look at alternatives. Asked bids be requested for replacement "in case". \$30,000 repair estimate.

Will owners vote on final restaurant plan?

No. Not necessary. That is why you elect a Board of Directors. Residents have been requested to submit their suggestions and ideas to be incorporated into a report by the Clubhouse/Restaurant committee of Heather Gardens Metro District, who will recommend to Heather Gardens Assn, a Management Co, who will confer with Calvin White, General Manager who will confer with his Staff.

Open for takeout soon? 50%? Delivery?

Rules are changing daily. Cost to gear up will be substantial. Proceeding cautiously and partially dependent on results of this survey.

Is Calvin in charge of the restaurant bottom line?

HGA operates the restaurant but HGMD sets policy

Wages and benefits are much more than industry benchmark

Calvin said wages and benefits amounts are not high except in relationship to revenue

We need to remember that the restaurant does not pay rent.

CP4 enjoys monthly dinners, Omega holiday parties.

What about a snack/dessert time from 2-4, which is a slow time for the restaurant?

Susan will make all the data, including survey respondent's comments, available to the HGMD committee to use in conjunction with the data the committee has compiled. The Clubhouse/Restaurant committee will recommend to the HG Metro District board any changes/policies they think need to go to HGA for consideration.

The meeting was adjourned at 2:50pm.

Next regular meeting – Tuesday, July 14, 3:00pm