

**NOTICE OF PUBLIC MEETING OF THE HGMD CLUBHOUSE/RESTAURANT COMMITTEE**  
**October 13, 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 October 13, 2020**. 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 AVAILABLE BY 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/94555275616?pwd=VFBHeFMxRldqZUNnMzBhU1NIZnFIZz09>

**Meeting ID: 945 5527 5616**

**Password: 499943**

or

**Dial-In Number: +1 346 248 7799 US**

**AGENDA**

Committee Members: Rita Effler Chair; Jerry Brewster, Deb Smith, Janet Arce, Bill Wilson, Gwen Alexander, Eloise Laubach

Staff: Calvin White (General Manager), Linda Aluise (Clubhouse Manager), Cormac Ronan (Rendezvous Manager)

- 1) Determine Quorum Present
- 2) Call meeting to order
- 3) Chair Report
- 4) Review/Approval of Minutes – September 8, 2020 of Regular Meeting
- 5) Report from General Manager
- 6) Report by Clubhouse Manager
- 7) Report by Restaurant Manager
- 8) Review of Clubhouse and Restaurant Financials – September 2020 (if available)
- 9) Unfinished Business
  - a. Business Plan - Gwen Alexander
- 10) New Business
  - a. Review and consider a recommendation to present the proposed Business Plan to HGMD Board for further action.
  - b. Review the 2021 Proposed Budget for Clubhouse and Restaurant and consider a recommendation to HGMD Board to approve of said budget.
  - c. Consider recommendation to the HGMD Board to amend Management Agreement for Restaurant.
- 11) Residents wishing to speak on non-agenda items – time limit 3 minutes
- 12) 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.

**The next Clubhouse/Restaurant Committee meeting will be held on November 10, 2020 at 3 p.m.**

To: Clubhouse/Restaurant committee

From: Chair, Rita Effler

October 13, 2020

**BACKGROUND:**

A committee was appointed originally by Craig Baldwin (President of HGMD until June of 2020). That committee was made up of the chair of the Clubhouse/Restaurant committee (Mike George), a CH/R committee member, the General Manager, Restaurant Manager, Chef and Susan Lambert, HGA Vice-President. During the 2019 budget hearings there was a recommendation made by the Budget and Finance committee to study why the restaurant was increasing losses each month, double budget forecasts. This ad hoc committee originated in January of 2020.

**PRESENT:**

As you are aware, at the end of July 2020, our committee was tasked by the President of the HGMD board David Funk, to develop a Business Plan for the restaurant. This business plan was to Reimagine the Rendezvous. It was to comply with survey results recently compiled.

For the past two months our committee has diligently pursued the task.

**RESULTS:**

The Business Plan was emailed to David Funk, President on October 1, 2020.

To prepare this Business Plan, we compiled data from all members of the committee and included wants, needs, ideas from residents, patrons, and staff as well as survey respondents. Field trips and fact finding that involved confirming what our facilities offered, and lacked, and conversations with staff related to operations caused concern and disturbed staff.

Consequently, I will be replaced as Chair of the committee per an email from President David Funk on September 26. My removal will be announced at the October 15<sup>th</sup> meeting.

I have thoroughly enjoyed Chairing this committee. I appreciate the co-operation and support for the project we were delegated. However, I must respect David's mandate, as President of HGMD, that prohibits me from communicating with employees of HGA, restaurant and clubhouse staff. With those kinds of limitations, I have no desire or reason to continue as Chair of the committee. You cannot fix something that is broken if you do not know where it is broken or how much it costs to fix.

**Heather Gardens Metropolitan District  
Clubhouse/Restaurant Committee Meeting  
September 8, 2020**

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

From: Rita Effler, Assisted by Deb Smith

Subject: Report of the September 8, 2020 Clubhouse/Restaurant Meeting

Committee Members: Rita Effler (Chair), Janet Arce, Jerry Brewster, Deb Smith, Gwen Alexander, Bill Wilson, and Eloise Laubach (New Member)

Staff: Linda Aluisse (Clubhouse Manager), Cormac Ronan (Rendezvous Manager), Calvin White (General Manager).

HGMD Board Present: Bill Archambault, Fran Clemens, Mike George

The meeting was called to order by Chairman Effler at 3:00pm. Zoom Meeting

A quorum was present.

**Chair Comments:** 44 guests attending by Zoom were acknowledged. New member Eloise Laubach was introduced. Chair comments are attached.

**Approval of Notes:** The notes of the August 11, 2020 regular meeting were unanimously approved.

**Report by General Manager:**

1. Calvin White reported that each window replacement would cost about \$1,200. Because of fluctuating rules regarding fresh air availability within a restaurant setting, it has not been possible to estimate how many windows might need to be replaced.

2. White reported that he had given HGMD president David Funk the estimates and options on the HVAC system but thought a full new system was about \$88,000 plus \$14,000 for an ultraviolet light disinfecting option for air.

**Report by Clubhouse Manager:** Linda reported that the indoor pool was open and that the outdoor pool would be open as late in September as weather permits. The auditorium is being used for religious services with additional organizations planning to re-convene. Linda did not report whether locker rooms, restrooms, showers, hot tub, or locker rooms are available. Linda checked into an online reservation system. Though Linda feels many of our residents are not computer literate, the committee felt that \$259 a month to be able to register for classes (someday) and schedule participation for available activities permitted outweighs the cost of staff time to return 200 phone calls and is far more convenient. Opening the clubhouse lobby for coffee was discussed and allowable under Covid. Residents requested that the library be made available to residents as allowable. Linda is trying to schedule classes. A resident also requested that lap swimming rules be posted.

The Aurora food pantry will be here on September 17. If successful, it may continue. The shred event was extremely well attended. Linda also stated that some art classes will begin in late September.

Live concerts were successful, well attended and enjoyed by residents. Other outdoor concerts are scheduled.

**Report by Restaurant Manager:** Cormac was having a bad day! Though Kevin had whipped up beef stew and Cormac baked fresh brown bread, no one came! It was a perfect day for beef stew, snow falling and temperatures in the low 30's, but residents were not venturing out. Cormac and Kevin are working on menus and prepping for the move to inside dining as weather is changing. Tables have been reconfigured in the main dining area to conform to current Covid 19 restrictions. Restaurant is open daily now from 11:30 AM-6:30 PM. Daily specials have been selling out, though adjusting quantities has not always worked and some days sales are less than anticipated. There is a daily email blast and a daily drink special also. Additional marketing has been instigated with ad in Heather Ridge, Heather 'n Yon and numerous yard signs. Cormac's daily drink special has improved the profit margin. The average spent per person is up to around \$14.00 which is \$2 more per person than reported last month.

The ordering system and phone response is being altered after comments from residents.

**Review of Clubhouse and Restaurant Financials:** It was disappointing to note that the cost of goods sold, and staffing exceeded the revenue generated by over \$4,000. Discussion followed regarding application of the payroll protection funds acquired by HGA. HGA, the management company, will use their discretion in the crediting of those funds. Rita and Gwen expressed concern that HGMD will not realize as much credit as possible!

### **Unfinished Business**

- a. Progress of Business Plan – Gwen Alexander provided a “very rough” draft of a business plan for the restaurant. The primary focus of the plan, envisioned, is to provide the benefits of an on-campus restaurant indicated by responses to the Survey conducted for the purpose. The plan includes a smaller daily venue, the present banquet room, to be intimate, cozy and quiet, catering to residents wishes for home style food and more informal and casual surroundings. It was emphasized that the residents of Heather Gardens are our potential sustaining patrons. They are who we must market to and provide for. We are re-imagining the larger Rendezvous area and other clubhouse facilities be marketed as an event venue. This would increase revenue that will subsidize the daily operation of the restaurant. The restaurant has always required a subsidy. The business plan developed by HGA when they took over management in 2014 was not available. (2014 was the first attempt at in house management. Since inception there has been a lease or concessionaire.) Statements in Heather n Yon, 2013 and 2014, indicated that HGA, as managers of HGMD facilities, expected to break even. One goal of the business plan being developed now is to reduce the subsidy for the facility by utilizing the entire facility and marketing those facilities for banquets, celebrations, weddings, reunions, bar mitzvahs, memorial services, birthdays. The buffet table will be an amenity when a group is paying for everything on it! Goal two is to make the Rendezvous a place to rendezvous where residents can be comfortable, pampered, well fed and happy. The committee would like to have full time servers and staff who have benefits and stay with us for a long, long time!

It will be necessary to improve the functionality of the kitchen by adding additional equipment. If breakfast is ever going to be offered, some changes are needed. Décor in the dining room will have to be updated. A professional consultant is indicated.

- b. Recommendation to HGMD Board for opening the restaurant for breakfast. Rita reported that the HGMD board was not receptive to extending hours. At the HGMD board meeting Calvin White and Cormac reminded the board that they had tried last summer to extend hours and offer a Saturday morning brunch unsuccessfully. Rita withdrew the request as moot since the kitchen was not conducive to breakfast.

The meeting was adjourned at 4:30 pm.

**Next regular meeting – Tuesday, October 13, 3:00pm**

To: Dave Funk, President, HGMD  
Cc: Calvin White, General Manager, HGA  
HGA Board of Directors  
HGMD Board of Directors  
Cormac Ronan, Manager, Rendezvous Restaurant  
Kevin Marque, Rendezvous Restaurant, Chef  
Susan Lambert, HGA Board of Directors Member  
From: Rita Effler, Chair, HGMD Clubhouse/Restaurant Committee and  
Committee Members: Gwen Alexander, Janet Arce, Jerry Brewster,  
Eloise Laubach, Deb Smith, and Bill Wilson

Date: October 1, 2020  
Re: Rendezvous Restaurant Re-Imagined

The HGMD Clubhouse/Restaurant Committee has been directed by you, President David Funk, at the behest of the ad hoc HGA committee, to develop a business plan for the reopening of Rendezvous Restaurant after the Covid-19 pandemic restrictions are lifted. Your expectations for the business plan were presented to the HGA Clubhouse/Restaurant Committee at an in-person workday on July 31, 2020. The goals were to reimagine the restaurant's business practices with new and better ideas for the restaurant to succeed, not to repeat the existing plan, and to entice customers. As noted in your briefing document, the audience for the business plan includes the HG community and the restaurant management/staff, specifically about guidance for business management, processes and standards of service, and meeting expectations as well as the HGMD and HGA boards for funding, policy/guidance/oversight, commitment, and support.

The committee was charged with addressing the results of the recent restaurant survey while reimagining everything about the restaurant prior to the adjustments that have been made due to the Covid-19 pandemic. Topics to be included in the business plan follow:

- company description and concept
- business operations and services
- business structure, management team/employees
- design
- sample menu
- market analysis/overview
- industry analysis
- target market
- demographics
- location
- competition analysis
- marketing and publicity
- consultants/specialists

When asked what budget we could use as a basis for the business plan, usually the most influential information used to develop one, we were told not to worry about that and it would be determined later by other people. Therefore, this integral part of any business plan is not included; however, we have done our best to answer the call and follow the outline.

We have worked together for many hours as a committee to research, develop a SWOT, read and understand the recent restaurant survey responses and the implications of the results, and combine our viewpoints to develop the attached business plan. It is our hope that it is read closely and understood to be influenced by the many recent changes in social gatherings, staying and cooking at home, our national and world economy, and Heather Gardens demographics.

Heather Gardens is a highly regarded community for older adults and the restaurant is part of that appraisal. We have developed a business plan that calls for an upgraded kitchen and dining rooms; changes in days open for table service, take-out orders, and curbside delivery; weekends dedicated mainly to special events, which are more profitable and will help keep the HGMD subsidy lower; and enhanced marketing that is funded at a rate commensurate with the increased revenue the restaurant is expected to generate.

We are aware of the ethics involved in salaries and hourly work and have included the need to provide restaurant staff, who work just as hard as maintenance, housekeeping, and administrative employees, with the same benefits as other HG employees. The Rendezvous employees have more exposure to the public than any other HG employee and should be employed at least 30 hours a week so they can qualify for health insurance benefits. This will also go a long way in retaining skilled bar and food servers and others who support the enterprise, including dishwashers and prep cooks. This is a major component of the marketing plan because the ambiance of the restaurant is not only in its décor, it's in the satisfaction and happiness of the restaurant staff who represent all of HG to restaurant customers.

The marketing plan calls for the employment of a person who can develop a specific approach to advertising Rendezvous Restaurant online and in print; represent the Rendezvous Event Venue to event planners, clubs, and HG residents; and make reservations and catering sales for parties, celebrations, weddings, and all other special occasions. The specifics of the marketing plan will be developed by the professional who is hired for this position.

Another marketing support is the updating of the kitchen equipment and the dining rooms, which directly affect our product and are the warm, friendly places for meals that responders to the survey want. The efficiency of the kitchen and updated equipment is an integral component of this goal and should be a priority to get ready for the full reopening of Rendezvous Restaurant after the pandemic has diminished. Based on current information, that will probably occur in 2022 with a new normal that we cannot imagine at this time.

We've covered everything to the best of our ability with the information that is available and look forward to following the outcome of our efforts.



# Rendezvous Restaurant Reimagined Business Plan

October 1, 2020

Submitted 10/01/2020 by  
Rita Effler, Chair, Clubhouse/Restaurant Committee  
Committee Members: Gwen Alexander, Janet Arce,  
Jerry Brewster, Eloise Laubach, Deb Smith, and Bill Wilson

# RENDEZVOUS RESTAURANT

## SWOT

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<p>Financial support of HGMD</p> <p>Attractive physical structure</p> <p>Attractive appearance</p> <p>Special events for residents</p> <p>Two patios</p> <p>Curbside delivery and meal pick-up from counter</p> <p>Competent employees</p>	<p>Kitchen equipment</p> <p>Lack of adequate marketing</p> <p>Location</p> <p>Lack of full-time Employees</p> <p>Lack of adequate signage</p> <p>Employees leave for better jobs and benefits</p> <p>Image as restaurant for old people</p> <p>No clear concept for restaurant 10/1/20</p>	<p>Updated décor</p> <p>Full-time fairly permanent staff</p> <p>Updated kitchen equipment</p> <p>Adjusted hours</p> <p>Change of image</p> <p>More and professional marketing</p> <p>Emphasis on special Events, meetings, and catered parties and receptions</p> <p>Updated menu</p> <p>Cover charge for entertainment</p> <p>Breakfast added</p> <p>Bagels and lox</p> <p>Name change to Rendezvous Café</p>	<p>Economic crash</p> <p>Increased pandemic</p> <p>Loss of revenue and/or subsidy</p> <p>Loss of competent management and staff</p> <p>Aging residents</p> <p>More cooking at home</p> <p>Customer disregard for Covid safety measures</p> <p>Employee turnover</p> <p>Another shut-down of restaurants and bars</p>

# Rendezvous Restaurant Reimagined Business Plan

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4:34 PM 1 October 2020

## EXECUTIVE SUMMARY

The Heather Gardens Clubhouse/Restaurant Committee was directed to develop a *Rendezvous Restaurant Reimagined* business plan by Heather Gardens Metro District President David Funk at the end of July 2020. The committee followed directions for considering outcomes and implications of a recent Rendezvous Restaurant survey of Heather Gardens (HG) homeowners, tenants, and other customers as well as using their imagination, innovative ideas, and research. The plan was completed in September 2020 and submitted to David Funk, October 1, 2020.

The Heather Gardens Association (HGA) manages the Rendezvous Restaurant under a Management Agreement with the Heather Gardens Metro District (HGMD), which owns the restaurant and the business enterprise. Because the restaurant was closed for several months in early 2020, reopened partially in the summer, and anticipates curtailed business through the remainder of 2020 and the following year, this business plan assumes full service beginning in 2022. There is not a budget attached to the plan due to the unpredictability of the future; however, the full-service date allows for a year to plan for the restaurant's 2022 budget.

Because the French word "rendezvous" is both a verb for gathering and a noun for the place of gathering, the new concept for the restaurant is based on historic gatherings of the Native Americans, French trappers, gold miners, wagon trains, cowboys, soldiers, and others who discovered, passed through, settled, and participated in *les rendezvous* in the 1800s Denver/Colorado City area where HG is now located. Décor, menu design, and "good home cooking" will reflect this concept.

When pandemic restrictions are lifted, Rendezvous Restaurant will be open five days a week (Monday-Friday) from 7 A.M. to 7 P.M. for breakfast, lunch, and dinner in the former banquet room. Saturday breakfast and lunch will be served and a Sunday brunch from 10 a.m. to 2 p.m. with a served buffet may also be a weekly or monthly event provided by the restaurant. Weekend afternoons and evenings will be dedicated to special events with Rendezvous catering in the main dining room/pool-side patio area. The parties, celebrations, and special events have produced the most revenue in the past so there will be emphasis on increasing this service. This part of the restaurant will also be used for week-day club and business meetings as well as overflow from the smaller dining room. Part of the larger dining room will be designed as a larger bar/lounge for entertainment and televised sports and other events. The restaurant will also provide catering for other clubhouse rooms that have been rented.

Marketing of the Rendezvous Restaurant and Rendezvous Event Venue will be greatly expanded with a specific employee dedicated to advertising in print and online, signage, making reservations and arrangements for special events, and representing the restaurant and events venue as appropriate (wedding planners, clubs, associations, etc.). The target market for weekday dining is HG residents; the target market for the events venue includes HG residents and others who are looking for an attractive location with catering for their meetings, parties, weddings and other gatherings.

The business plan in general addresses the full meaning of marketing, which is more than advertising and giving out coupons. A product or service that develops a good reputation through being the best in its class will have word-of-mouth recommendations and more repeat sales. At Heather Gardens, the best restaurant is defined by survey respondents as a friendly, quiet place that provides fast service and good food. It is necessary to have the best, friendly, and competent staff. This plan emphasizes the need to have full-time (at least 30 hours per week) restaurant employees who are paid at the same scale as other HG maintenance, grounds, golf, and administrative employees with benefits such as health care, sick leave, and vacations in order to retain competent employees and provide the pleasant ambiance expected by customers.

The restaurant industry as a whole is suffering from consequences of social distancing due to the Covid-19 pandemic and this is expected to last into the indefinite future. Predictions are that up to a quarter of the restaurants in the Denver metro area will or have already gone out of business. Rendezvous Restaurant is in a unique situation with a subsidy from homeowners that will ensure its survival. It has the ability to reposition itself as a neighborhood restaurant that is also an attractive event venue. Although over 500 restaurants are (or were before the pandemic) located within a five-mile radius of Heather Gardens, its distinctive attractions are convenience of the location, a nearby gathering place with friendly neighbors, consistently good food and service, and a known safe place.

The Rendezvous Restaurant is unique in many ways. It is located in the clubhouse of an over-55 community, operated by a homeowner association, subsidized by homeowner fees, and is an appreciated amenity. By emphasizing both the neighborhood restaurant aspects and the special events venue that provides pleasant surroundings and superior catering service, it can continue to be a relevant amenity for Heather Gardens.

## **COMPANY DESCRIPTION/CONCEPT**

Rendezvous Restaurant is an amenity of Heather Gardens (HG). It is managed by the Heather Gardens Home Owner Association (HGA) under a Management Agreement between the Heather Gardens Metropolitan District (HGMD) and HGA. Rendezvous Restaurant is unique in that the building, equipment, and business enterprise are owned by a quazi-metropolitan district and managed by a homeowner association for active adults over age 55. The restaurant is owned by District property homeowners and subsidized by homeowner association fees. It is open to the public; however, non-residents are not the primary customers. Although the primary market for lunch and dinner remains HG residents, the restaurant is a valuable event venue for residents and the larger community beyond Heather Gardens.

Following the closure of the restaurant in early 2020 due to the state's requirements during increased concern about the Covid-19 pandemic, the HGMD clubhouse/restaurant committee was tasked with developing a business plan to be implemented upon full re-opening of the restaurant. The assignment did not include a budget for the re-imagined restaurant, but it did include following the results of a recent survey of the homeowners. With these constraints, the following business plan was developed and presented to the HGMD board of directors with the expectation that it will be approved and passed on to the HGA board.

As indicated by the name of Rendezvous Restaurant, the proposed concept is based on it being a gathering and celebratory venue for customer dining, hosting club and business meetings, and celebrating holidays and special events. Décor will reflect the history of the Native Americans, French fur trappers, military forts, cattle trails and cowboys, gold miners, wagon trains, etc. that discovered, passed through, settled, and participated in *les rendezvous* in the Denver/Colorado City area (HG is located between the two early towns). The goal is to continue it as an enhanced friendly, and welcoming neighborhood restaurant and event venue that most residents value and patronize. This business plan begins with a change of name to Rendezvous Café to give it a more relaxed, informal, and welcoming image.

## **BUSINESS STRUCTURE AND OPERATIONS/SERVICE**

The operation of Rendezvous Café is a management service provided by the restaurant department of the HGA organization. HGMD owns the Rendezvous Restaurant and provides oversight of the restaurant's performance, adherence to policies, and financial activities. The policies developed by HGMD for management of the restaurant provide guidelines for making decisions to assure consistency and avoid having to make the same decision over and over. As a community amenity, Rendezvous Café is supported by restaurant sales revenue supplemented by an annual allocation from the HGMD (an average of \$60 annually per unit).

Rendezvous Café will be open for breakfast, lunch and dinner from 7 A.M. to 7 P.M. Monday-Friday with reservations taken for parties and special events held on Saturday and Sunday afternoons as well as on weeknights after 7 P.M. Breakfast and lunch are scheduled for

Saturday and a Sunday semi-buffet-style brunch will be offered from 10-2 P.M. Buffet food will be displayed in the new buffet table and a server will fill the plate with food that is selected by the customer. Restaurant features include special-needs accessibility, daily meal and cocktail specials, curbside delivery and pick-up, and a convenient location. Dining reservations for any meal are not required but are accepted. The restaurant also provides catering for other rooms in the clubhouse that have been rented to residents and non-residents. All food service on weekends and evenings for special events will be provided by Rendezvous Café.

Orders will be taken electronically at the table in the dining room, by phone or text, for take-out and curb-side delivery, and at the counter for pick-ups. Credit card payment at the table is preferred; however, cash is accepted for table service. Credit card payment will be required upon order, including tips, for take-out, pick-up, and curb-side delivery of meals.

Sysco will continue as the primary vendor of food supplies supplemented by Costco deliveries of fresh breads and pastries. Liquor, wine, and beer will continue to be supplied by the current vendor.

Although management and staff positions are decided by the HGA Management Agreement, this business plan provides for full-time (at least 30 hours of employment per week) employment for all restaurant employees working during the regular schedule of 7 A.M. to 7 P.M. Monday-Friday. These employees will have the same pay schedule and benefits, including health insurance, as the other HGA employees who work in maintenance, grounds, and administration. Part-time employees who serve extra-scheduled events on evenings and weekends will be exempt from this requirement. It is imperative that restaurant servers and associated workers are happy, healthy, welcoming and friendly employees who stay with the restaurant over time as ambassadors of HG to residents and other customers.

In addition to a manager, assistant manager, chef and line-cooks, prep helper, dishwasher, and bar/wait staff, it is also imperative that HGA hire an events coordinator/sales/marketing employee to advertise and implement the enhanced special events program on weekends and requested evenings.

## **DESIGN**

Rendezvous Café currently has one main dining room that includes a bar/bar stools, an extensive buffet table, separate tables and chairs, and direct access to the pool-side patio as well as a separate banquet room for special parties and other events. For this plan, the use of those rooms has been reversed to make the quieter breakfast/lunch/dinner service available in the former banquet room with booths and tables. The bar area of the larger room will be renovated as a bar/lounge with couches/club chairs and small tables. The large remaining area will have the recently-purchased buffet table and typical table/chair arrangements to create a venue for catered meetings and events. During the Monday-Friday week, this room will also be used as needed for dinner service until closing at 7 P.M.

With the assistance of an interior designer with experience in restaurants, the walls will be painted in the colors of nature to add a warm and welcoming ambiance. Framed pictures and posters, as well as artifacts, will reflect the diversity of people and places at this location in the 1800s during the time of adventure and settlement in the area.

The proposed upgrade of the kitchen will provide the best service to restaurant patrons and make it more efficient for the kitchen and service staff. The update also makes it possible to serve more customers and larger events/ parties to increase revenue. The extent of the upgrade will depend upon the budget allocated by the HGMD for the project. At the minimum, it should cover more and better equipment, such as a larger grill to enable a complete breakfast menu, pizza oven, salamander (broiler), and more as determined by management and staff.

The outcome of so many restaurants going out of business due to the economic collapse of the industry means there are bargains now for buyers of pre-owned equipment that is fairly new and in very good condition. Now is the time to find and purchase equipment that will enable this plan to reach fruition. This plan includes that the HGMD and HGA boards complete a walk-through of the restaurant and kitchen before deciding on the extent of the upgrade to the kitchen equipment and the reconfiguring of the available dining rooms. Without first-hand knowledge of the current conditions, it will be nearly impossible to plan for a sufficient timeline and budget.

## **SAMPLE MENU**

The current menu was devised by the restaurant manager and chef for the partial reopening of the restaurant this summer and fall. For re-imagining the restaurant at full re-opening, the menu will be upgraded to fit the new name and concept of the restaurant by a professional menu designer. Menu items for children will be included. The back of the menu will explain the history of the area in an engaging and humorous way and connect it to the *Rendezvous at the Rendezvous Café* marketing/brand idea. The menu will also use descriptions of each item to entice customers to order them. The menu will be colorful, use a substantial thicker paper, and be encased in a covering that will be swiped for sanitation after each use. There will be a place on the menu for the specials of the day for food and beverages.

## **MARKET ANALYSIS OVERVIEW**

“Marketing” does not begin or end with advertising, although that is an important aspect of marketing. It begins and continues to be successful by creating and maintaining a high quality product. According to survey responses, that means providing an enjoyable atmosphere that is quiet in some areas and more lively in others areas. It means that there is a general ambiance that is welcoming to customers. The entire staff will be dedicated to making the customer experience satisfying and so they will want to return. The dining rooms and restrooms must be clean and sanitary, the kitchen staff must be quick and competent so the food is delicious and as expected, and the servers and other staff must endeavor to satisfy customers. A happy staff makes a happy place and word-of-mouth recommendations to others is the most important



marketing result. To attain that, employees must feel that they are appreciated, compensated fairly, and have secure jobs.

This business plan includes a marketing program that will encourage homeowners to gather at Rendezvous Café for breakfast, morning coffee/pastries, lunch, afternoon snacks, adult beverages, dinner favorites and specials from 7 A.M. to 7 P.M. Monday-Friday and special events on the weekends and evenings after 7 p.m. Marketing efforts will reach out to residents and non-residents to reserve the restaurant for special events after 7 P.M. Monday-Friday and Saturday and Sunday afternoons when it is not open for regular meals. It also includes the offering of a Sunday 10 A.M.-2 P.M. served buffet (once through the line with customers choosing what they want, and a portion put on their plate by the server behind the food). The price will also be increased to assure that the brunch is a profitable offering.

## **INDUSTRY ANALYSIS**

The restaurant industry is in turmoil as this business plan was being organized due to the economic consequences of the Covid-19 pandemic. Following closure of all restaurants, bars, and other venues that have associated food services in early 2020, some have been authorized to re-open under strict guidance rules: social distancing of customers, mandatory sanitary measures, and outside tables and/or pick-up, curbside delivery, and home delivery services. The Denver area expects to lose about a fourth of its current number of smaller restaurants before the pandemic is over. Many restaurants of all sizes have gone out of business already.

As an amenity supported by the HG homeowners, upon full reopening Rendezvous Café will continue to serve HG residents and will expand special event marketing to increase revenue. The catered special events have historically brought in more revenue than table service in the dining room. The recently purchased buffet table will need to be adapted to include accommodations for a cafeteria-like service instead of a serve-yourself buffet. The cost of a dedicated server will be factored into the price of the buffet.

There will be considerable competition for customers in the restaurant field. HG residents have a “hand in the game” so with proper and frequent communication from Rendezvous Café, there should be a rebound from the restricted partially-open operation that has resulted from the Covid-19 social-distance requirements expected to last through 2021.

## **TARGET MARKET**

HG residents are THE target market for Rendezvous Café. In addition to being able to walk to the restaurant for breakfast, lunch and dinner or a snack and drinks, residents use it for special community events and treating their visiting family and friends to a meal. Golfers and other neighbors who know about its existence visit from time to time. This plan intends to change its current image of an old-folks neighborhood restaurant to a happening place that has a lot going on with special weekend events such as large club gatherings, birthday parties, weddings, receptions, and more. It will become again a gathering place for residents, their families and

guests, and special events for residents and non-residents who will become more acquainted with all the restaurant has to offer.

## **DEMOGRAPHICS**

The target market demographics are easy to determine. HG is a community of active adults over 55 years of age with a few younger residents involved because they are related to the owners/renters. Although the magic age to purchase or lease a residence in HG is 55, and many of the residents are from 55 to over 100, many are still very active and enjoy eating out, playing golf and tennis, swimming, and having a good time in general.

In addition, Rendezvous Café is located in a high-population area of people who will be planning social gatherings when the distancing restrictions due to the existing pandemic are lifted. The marketing plan for Rendezvous Café will be ready to be implemented to attract reservations for large celebrations and events held on Saturday and Sunday afternoons and evenings as well as after 7 P.M. on weeknights.

## **LOCATION**

Rendezvous Restaurant is hidden inside the HG clubhouse and not an obvious place for “outsiders” to discover. In normal times and the parking lot is full of cars that obscure vision of the small Rendezvous Restaurant sign. People who are driving fast down Yale Avenue do not know the best little restaurant in town is not too far away. This is a benefit because it is meant to be an amenity for residents of HG and their guests and also welcomes the public. The marketing plan will address the “hide-away” nature of the location and the parking lot that has more space for cars on the weekends when most special events will be held.

## **COMPETITION ANALYSIS**

Prior to 2020, there were over 500 +restaurants of all types within a five-mile radius of Heather Gardens. There is no opportunity to conduct a direct competitive relationship between Rendezvous Café and peers since it is unique: a restaurant owned by a quasi-municipal district and managed directly by a homeowner association. Although there are very few restaurants in the same situation, some golf clubs across the country operate restaurants as part of the golf course/club. They do not expect to be profitable except as a feature that attracts golf customers. Research about these restaurants indicates that “It’s not if they will lose money, but how much.” This could be applied to the situation of the Rendezvous Café. This plan believes that marketing a venue for special events will attract more customers and make more income while still being competitive with other special event venues. The high quality of the food and staff will make all the difference.

## SURVEY RESULTS

This plan is based on the results of a recent survey of HG residents that pertains to the restaurant. The survey is based on 1,126 responses from an estimated 3,800 residents. This is a fairly substantial sample and the results have been informally verified by conversations with, and written suggestions from, residents. The statistics presented in the results are an indication of what the HG community wants and expects from Rendezvous Café.

Overall, almost a third of the respondents ate at the Rendezvous Restaurant once a week or more, and one-fourth frequented the restaurant once a month or less. The preponderance of responders (82%) believe that the on-site restaurant amenity is important to maintain property values and the quality of life at Heather Gardens; however, only about 72 percent are willing or somewhat willing to pay the small subsidy included in HOA fees. Rendezvous Restaurant patrons (87%) were more willing to pay the fee for an on-site restaurant. More than half of infrequent users (61%) also realized the importance of the restaurant and are willing or somewhat willing to pay the fee.

This means that there is a high percentage of responders who want Rendezvous Restaurant to continue and are willing to pay a small fee to sustain it. Rendezvous Restaurant had very high marks for overall satisfaction and, specifically, for the courtesy and friendliness shown by the wait and other staff; however, about 20-25 percent were concerned about the price of buffet and menu food.

Respondents gave fairly high marks (56-88%) of “very/somewhat desirable” to options for the future that were provided in the survey. At the top was “space to hold meetings and events” at 88 percent and the provision of alcoholic beverages at 82 percent, while entertainment was the lowest at 56 percent. This is mainly because the noise interferes with table talk, often due to impaired hearing and the resulting inability to sort out background music and conversations. Delivery and take-out services were highly valued at 70 and 80 percent. Although regular self-served dinner buffets and salad and/or soup bar were at 61 and 62 percent, the continuation of buffets is questionable because of sanitary concerns going forward. Self-serve buffets are also major revenue loss offerings and should be reserved for special events that are charged by the amount of food ordered by the planner. This plan responds to the 65 percent of responders who rated breakfast as “desirable” with a provision for breakfast service.

Although there is a full gamut of restaurants within a five-mile radius of Heather Gardens, 80 percent of respondents indicated they ate out 1-6 times at other restaurants each month, averaging about once a week. This indicates that the HG community does like to eat out and residents are probably very susceptible to increasing the times they stay nearer home.

The most desired attribute in a restaurant was a friendly atmosphere although reasonable prices were a close second. Responders also rated healthy meal choices, a variety of choices on the menu, and different types of ethnic food very high for any restaurant. More than half responded that entertainment was “not important or somewhat unimportant.” Other

important aspects of choosing a restaurant were a quiet and comfortable atmosphere and good old-fashioned home cooking but many also preferred more sophisticated dishes. A little over a quarter of respondents thought a vegetarian/vegan option is important and 36 percent overlapped the preference for a lively atmosphere with the other preference for a quiet and comfortable atmosphere. This means that for some responders, it depends. The attributes of a good restaurant in this paragraph are almost the same for responders who were either frequent or infrequent Rendezvous Restaurant patrons. By adding the former banquet room to the meal service for breakfast and lunch Monday-Friday and providing dinner in both dining rooms, customers have a choice of dining in an area with entertainment or in a quieter location.

As applied to the HG community, survey implications imply the following:

- HG residents support the Rendezvous Restaurant for the quality of life and property values it supports
- HG residents would prefer that the restaurant break even, or any subsidy remains small
- Patrons enjoy their meals better in a quieter restaurant
- A majority of HG residents are not frequent restaurant customers in general
- Lunch and dinner are the main meals expected of the restaurant although quite a few support the idea of a breakfast menu
- Good old-fashioned cooking is appreciated but also variety, ethnic dishes, more sophisticated dishes, and vegetarian/vegan choices are desired

## **REIMAGINING FOR THE FUTURE**

The success this summer of curbside delivery and pick-up informs the committee that these services should be continued. With sufficient advertising to increase patronage in the future profitability will be increased. If curbside service interferes with efficient table service or requires the addition of an employee to deliver the order to customers (through cold, rain, snow, and ice in the winter), the additional revenue compared to additional expenses should be considered. A service fee could be added to partially cover this expense.

This plan reassigns the banquet room as the dining room for breakfast, lunch and dinner for Monday-Friday 7 A.M. to 7 P.M. table service. The main dining room will be dedicated to overflow from the smaller room, special entertainment such as music through the dinner hour or sports games on the TV. A professional restaurant designer should be engaged as a consultant for the project. The dance floor will remain in the former banquet room for occasional special events after 7 P.M. when the food service is over.

This business plan provides for booths around the perimeter and tables in the middle of the former banquet room. Easy access to the room from the bar and the kitchen will be necessary. As specifically addressed in the survey results, the room should be quiet and comfortable. Service at the pool-side patio and the former banquet-room patio will continue in the late spring, summer, and early fall months.

Courtesy and friendliness, as well as quick attention, had the highest ratings in the survey and are the reasons residents liked Rendezvous Restaurant. This is a branding issue (we want to be known for courtesy, friendliness, and fast service) and will serve as good “word-of-mouth” recommendations. The way to ensure this is to hire and keep courteous, friendly, and well-trained competent staff members. To the committee, this means the restaurant staff needs to be full-time employees (at least 30 hours per week) who are treated well and paid at the same level as maintenance, grounds, and administrative staff members, with all of the same benefits, such as health insurance, sick leave, and vacation pay. They need the respect they deserve as ambassadors for the HG community. Their role in providing a welcoming and comfortable atmosphere for restaurant visitors as well as safe handling and provision of food and drinks is essential to the success of the marketing plan. It also contributes to enhancing the image of Rendezvous Café by retaining excellent restaurant employees.

## **MARKETING AND PUBLICITY**

Marketing is defined as anything and everything done to create an opportunity and a desire within a prospect to buy your services. Marketing is the most important thing for a successful venture because it covers the creation of the product and outstanding service as well as forms great relationships with returning customers. Providing good restaurant/bar services as a solution to HG residents’ needs for dining out for lunch and dinner, a welcoming place for happy hour, and a venue for special events is a win-win situation.

The four Ps of marketing are product, price, place, and promotion. Rendezvous Café’s product is providing high quality food and beverages with the best service in a comfortable, attractive, and friendly setting. The price in money, time, and safety risk is reasonable compared to other neighborhood restaurants. The place is convenient, safe, and pleasant. Promotion includes communication messages, materials, and activities that will reach the target HG market and promote the benefits of supporting Rendezvous Café as well as the product, price, and place features.

The marketing strategy team includes oversight by the HGMD Clubhouse/Restaurant Committee. The committee agrees that a continual marketing effort requires a dedicated restaurant staff member to help create and activate the marketing plan. This full-time position will include the responsibility of event planning to maximize increased sales income. This plan includes the recommendation of the employment of such a person as soon as pandemic restrictions for social distancing are lifted.

Marketing plans and ideas for new ways to satisfy customer needs don’t go too far if there isn’t enough money to put a plan into operation. Having ascertained from the survey that the market for the Rendezvous Restaurant is primarily the Heather Garden community, the challenge is to decide what actions need to be taken to entice more residents to patronize the restaurant on a frequent and constant basis. This includes hosting visiting family and guests as

well as special life events such as birthday celebrations. Addressing the challenge requires a high priority effort to engage the community in embracing their restaurant amenity.

### **CONSULTANT/SPECIALISTS**

We could find no specialized consultants in homeowner association restaurants that are operated internally. Most restaurant consultants have experience with privately-owned and branded chain restaurants.

This business plan includes professionally-designed menus and an interior designer who has experience in restaurant renovations and provides excellent referrals.

### **FINANCIAL ANALYSIS**

This business plan has been prepared by the HGMD Clubhouse/Restaurant Committee that had express directions to use imagination, innovation, and the results of the restaurant survey. This has been accomplished to the best of our ability, especially since no budget was designated. It assumes that it will be implemented to some extent when the restaurant is fully reopened, which will probably be in 2022, an informed guess that is based on current information.

In these changing times, updated financial analysis is the information needed to respond to change and update operations as necessary; this need will continue after full reopening occurs.

Although, square footage rent is not charged, staffing, utilities, housekeeping, maintenance, and other items are charged back to the restaurant and incorporated into its financial reports as expenses. The net loss difference between sales revenue and “costs of goods sold/other expenses” is covered by a subsidy from the HGMD collected by the HGA. It is essential that the monthly fee homeowners pay for supplementing this amenity be kept under an average of \$5 per month/\$60 annually and that they feel they are getting their money’s worth in enjoyment and pleasure from an attractive, convenient, and safe restaurant.

### **COMMENTS**

The current Rendezvous Restaurant management-level consists of the HGA Board, the General Manager hired by the HGA Board, and a Restaurant Manager hired by the General Manager. While the management of the clubhouse and restaurant are defined in the Management Agreement that is now in place, the HGMD Board of Directors is responsible for oversight of clubhouse and restaurant policies, finances, and operations with assistance and suggestions from the Clubhouse/Restaurant Committee. For this reason, there must be transparency in communications and the sharing of information; otherwise, there is no need for a dedicated committee.

**HGMD 2021 OPERATING BUDGET**

**CLUB HOUSE**

	<b>2021 Budget</b>	<b>2020 Budget</b>	<b>% Change 2020 Budget 2021 Budget</b>	<b>2020 Forecast</b>	<b>% Change 2020 Budget 2020 Forecast</b>	<b>2019 Actual (Audited)</b>
<b>Summary</b>						
<b>Wages/Benefits</b>	278,509	330,166	-15.65%	245,684	-25.59%	288,531
<b>Operating Expenses</b>	523,825	516,825	1.35%	410,751	-20.52%	529,189
<b>Total Expense</b>	<b>802,334</b>	<b>846,992</b>	<b>-5.27%</b>	<b>656,434</b>	<b>-22.50%</b>	<b>817,720</b>

**Wages/Benefits**

C500	Salaries - FTP	107,607	103,326	4.14%	102,568	-0.73%	102,038
C510	Salaries - Part Time	90,768	86,717	4.67%	49,454	-42.97%	80,828
	Covid Adjustment	(9,077)	-		-		-
C520	Salaries - Overtime	-	-	0.00%	42		189
C530	Salaries - Teachers	98,007	94,043	4.21%	56,259	-40.18%	89,866
	Covid Adjustment	(49,003)			-		
C540	Taxes - Payroll	25,193	24,227	3.99%	16,998	-29.84%	23,590
	Covid Adjustment	(4,944)	-		-		-
C550	Retirement Expense	2,045	3,245	-36.96%	1,808	-44.27%	1,574
C553	Insurance - Personnel	13,810	12,130	13.85%	13,643	12.48%	11,302
C574	Recruit/Train/Services	2,295	2,295	0.00%	1,030	-55.12%	654
C575	Employee Bonus	-	800	-100.00%	400	-50.00%	50
C588	Workers Comp Insurance	3,608	3,385	6.59%	3,859	14.02%	1,576
C588.1	Workers Comp Adjustments						
	<b>Total Wages/Benefits</b>	<b>280,309</b>	<b>330,166</b>	<b>-15.10%</b>	<b>246,062</b>	<b>-25.47%</b>	<b>311,667</b>
C675.2	Salary Charge Out-Operations	(1,800)	-		(378)		(23,136)
	<b>Net Wages/Benefits</b>	<b>278,509</b>	<b>330,166</b>	<b>-15.65%</b>	<b>245,684</b>	<b>-25.59%</b>	<b>288,531</b>

	<b>Full Time Employees</b>	2.00	2.00
	<b>Part Time Hours</b>	7,281	7,301
	<b>Overtime Hours</b>	-	-
	<b>Teacher Hours</b>	3,600	3,894

**Operating Expense**

C621.1	Mileage Reimbursement	96	204	-52.94%	69	-66.05%	32
C627	Pool Care & Supplies	19,138	17,400	9.99%	16,862	-3.09%	20,165
C639	Software & IT	4,080	4,080	0.00%	4,120	0.97%	4,894
C640	Electric	85,551	91,847	-6.85%	80,978	-11.83%	87,346
C643	Gas	17,617	17,656	-0.22%	14,383	-18.54%	19,644
C662	Office Supplies & Postage	8,520	8,520	0.00%	7,107	-16.58%	8,256
C662.1	CC & ActiveNet Software	14,200	11,000		9,758	-11.29%	12,363
	Covid Adjustment	(5,680)	-		-		-
C671	Outside - Contractors	19,980	26,047	-23.29%	24,443	-6.16%	18,435
C673	Maintenance Hours	76,077	67,682	12.40%	57,204	-15.48%	71,845
C676	Golf Charge In Hours	4,598	4,598	0.00%	5,214	13.40%	4,991
C677	Roads & Grounds Hours	13,393	6,948	92.78%	6,503	-6.41%	8,486
C678	Custodial Hours	136,419	95,949	42.18%	91,894	-4.23%	106,435
C683	Repairs - Equipment	9,015	4,400	104.89%	9,983	126.88%	8,370
C684	Supplies	22,875	22,875	0.00%	11,687	-48.91%	16,420
C684.1	Custodial Supplies	24,000	18,360	30.72%	18,347	-0.07%	19,411
C684.2	Coffee Supplies	9,000	9,000	0.00%	2,183	-75.75%	8,200
	Covid Adjustment	(2,250)	-		-		-
C686.1	Special Events Supplies	18,125	21,800	-16.86%	3,007	-86.21%	12,226
	Covid Adjustment	(9,063)	-		-		-
C686.2	Special Events Contractors	14,450	13,850	4.33%	3,222	-76.74%	25,917

**HGMD 2021 OPERATING BUDGET**

<b><u>CLUB HOUSE</u></b>		<b>2021 Budget</b>	<b>2020 Budget</b>	<b>% Change 2020 Budget 2021 Budget</b>	<b>2020 Forecast</b>	<b>% Change 2020 Budget 2020 Forecast</b>	<b>2019 Actual (Audited)</b>
	Covid Adjustment	(7,225)	-		-		-
C687	Trips Expense	27,600	31,992	-13.73%	7,988	-75.03%	32,987
	Covid Adjustment	(13,800)	-		-		-
C688	Non Capital Equipment	8,870	12,985	-31.69%	12,525	-3.54%	17,111
C689	Phone & Internet	4,440	4,680	-5.13%	4,180	-10.69%	4,814
C698	Water & Sewer	23,798	24,953	-4.63%	19,096	-23.47%	20,841
	<b>Total Operating Expense</b>	<b>523,825</b>	<b>516,825</b>	<b>1.35%</b>	<b>410,751</b>	<b>-20.52%</b>	<b>529,189</b>
<b>TOTAL PAYROLL &amp; OPERATING EXPENSE</b>		<b>802,334</b>	<b>846,992</b>	<b>-5.27%</b>	<b>656,434</b>	<b>-22.50%</b>	<b>817,720</b>



**CLUB HOUSE**

	<b>2021 Budget</b>	<b>2020 Budget</b>	<b>Percent Change</b>	<b>2020 Forecast</b>	<b>2019 Actual</b>
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<b>C574-Recruit/Train/Services</b>					
New Hire Screening/Ad	460	460			
Lift Training - OSHA	300	300			
CPR for 10	500	500			
Colo Parks & Rec Membership	85	85			
CASC workshop	150	150			
CPRA Conference	-	-			
CPO Course (every 2 years)	500	500			
Computer Class	300	300			
	<b>2,295</b>	<b>2,295</b>	<b>0.00%</b>	<b>1,030</b>	<b>654</b>

<b>C588 - Workers Comp Insurance</b>					
Monthly Insurance (renew in Aug)	2,608	2,806			
Deductible	1,000	1,000			
	<b>3,608</b>	<b>3,806</b>	<b>-5.20%</b>	<b>3,859</b>	<b>1,576</b>

<b>C627 - Pool Care Supplies</b>					
UV Services	1,760	1,600			
Chemicals	9,240	8,400			
Pool Perfect System/Maintenance	2,200	2,000			
Testing Kits/Supplies	680	620			
Recalibrate Palin Tester	330	300			
Leak Control Replacement	1,628	1,480			
Replace Socks & O Rings	3,300	3,000			
	<b>19,138</b>	<b>17,400</b>	<b>9.99%</b>	<b>16,862</b>	<b>20,165</b>

<b>C639 - Software &amp; IT</b>					
SOS	4,080	4,080			
	<b>4,080</b>	<b>4,080</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>

<b>C662 - Office Supplies/Postage</b>					
Misc Office Supplies	1,200	1,200			
Specialty Paper	240	240			
Copier Lease	3,120	3,120			
Copies	3,960	3,960			
	<b>8,520</b>	<b>8,520</b>	<b>0.00%</b>	<b>7,107</b>	<b>8,256</b>

<u>CLUB HOUSE</u>	2021	2020	Percent	2020	2019
	Budget	Budget	Change	Forecast	Actual
<b>C662.1 - ActiveNet Software &amp; CC Expense</b>					
Active Net 2.5% of all registrations	4,600	1,051			
Credit Card - 100% of all Sales @ 3.5%	9,600	6,000			
	14,200	7,051	<u>101.39%</u>	9,758	12,363
<b>C671 - Outside Contractors</b>					
Exercise equipment demo	240	360			
Resurface Auditorium Floor	3,000	8,000			
Tower Electric	1,000	1,000			
Department of Labor - Chemicals	25	25			
	-	-			
Tune pianos	320	400			
Test fire alarm system	600	575			
Glass replacement/mirrors	1,600	750			
Trash removal	4,200	4,200			
Pool window cleaning - acid wash	240	220			
Window Cleaning	780	750			
Sound system preventative Maintenance	500	500			
Rose Sign Language Interpreting	180	144			
Fitness Equipment Service Contract	360	350			
Fire Alarm Monitoring	360	360			
Fire Extinguisher Testing	540	520			
Sprinkler Testing	240	230			
Backflow Testing	245	245			
Billiards Repair	150	150			
Elevator Maintenance	2,100	1,968			
HVAC Service Agreement	3,000	5,000			
Equipment Certification for lift	300	300			
	19,980	26,047	<u>-23.29%</u>	24,443	18,435
<b>C673 - Maintenance Hours</b>					
Maintenance Charge out	74,217	67,682			
Paint Charge Out 24hour/2x/year	1,860	1,856			
	-	-			
	76,077	69,538	<u>9.40%</u>	57,204	71,845
<b>C683 - Repairs Equipment</b>					
Wood Shop equipment	1,680	800			
Exercise equipment repairs	2,400	750			
Kiln repairs	1,050	500			
Piano	525	250			

<u>CLUB HOUSE</u>	2021 Budget	2020 Budget	Percent Change	2020 Forecast	2019 Actual
Locks,keys, signage	630	300			
Locker Room	-	-			
Stanley doors	2,520	1,200			
Patio Furniture	-	-			
Tennis Club ball machine	210	100			
	-				
	9,015	3,900	<u>131.15%</u>	9,983	8,370

<b>C684 - Supplies</b>					
Electric, plumbing, hardware	7,800	7,800			
Stained Glass Tools	300	300			
Holiday Decorations	200	200			
First Aid Supplies	600	600			
Class Supplies	600	600			
Outdoor flowers	2,600	2,600			
Trees & shrubs	1,500	1,500			
Mulch	3,000	3,000			
Inventory Withdrawals	2,400	2,400			
Staff Shirts	500	500			
Clay	225	225			
Quilting	150	150			
Air Filters	1,200	1,200			
Supplies	1,000	1,000			
Fitness class	800	800			
	-				
	22,875	22,875	<u>0.00%</u>	11,687	16,420

<b>C686.1 - Special Events Supplies</b>					
Movie License	4,140	4,100			
Movie Supplies	1,800	1,800			
First Sat Dance food	1,320	1,200			
Dance Supplies - décor/table cloths	-	0			
Monthly Concerts/Events	1,200	2,400			
Resource Fair	640	600			
Fitness Fair	1,600	1,600			
New Year's Eve Party	500	500			
Poker Table Tops	-	300			
Miscellaneous Expense	1,200	3,600			
SESAC License	1,400	1,400			
BMI Music License	875	800			
Talent Show	150	150			
Popcorn Machine	200	200			
Flea Market	400	400			
Craft Fair	700	700			

<u>CLUB HOUSE</u>	2021 Budget	2020 Budget	Percent Change	2020 Forecast	2019 Actual
Clubhouse Showcase	200	200			
Fashion Show	400	200			
Travel Expo	500	500			
Texas Hold'em	900	900			
	18,125	21,550	<u>-15.89%</u>	3,007	12,226

<b>C686.2 - Special Events Contractors</b>					
First Sat Dance	4,200	4,200			
Volunteer Luncheon	1,500	1,500			
Monthly Concerts/Events	4,800	4,800			
New Year's Eve Party	1,000	1,000			
Miscellaneous Holiday Events	1,400	800			
Miscellaneous General	-	-			
Memorial Day	200	200			
Smithtonians Bell Choir	400	400			
Denver Brass	450	450			
John Phillip Souza Band	500	500			
	14,450	13,850	<u>4.33%</u>	3,222	25,917

<b>C687 - Trips Expenses</b>					
RTD Senior Ride Trips	9,600	14,400			
Chartered Coach Trips	18,000	17,592			
	27,600	31,992	<u>-13.73%</u>	-	-

<b>C688 - Non Capital Equipment</b>					
Billiard Table Repair & Cover	1,500	1,500			
Pickleball/Tennis Equipment	2,000	2,500			
Projector	3,000	3,000			
Compressor	300	300			
Drill Press	1,500	-			
Tables	570	-			
	8,870	7,300	<u>21.51%</u>	91,894	106,435

<b>C689 - Telephone &amp; Internet</b>					
Comcast	2,400	2,484			

CLUB HOUSE

Telephone  
Internet

2021 Budget	2020 Budget	Percent Change	2020 Forecast	2019 Actual
840	816			
1,200	1,380			
4,440	4,680	-5.13%	4,180	4,814

**HGMD 2021 OPERATING BUDGET**

**RESTAURANT**

	<b>2021 Budget</b>	<b>2020 Budget</b>	<b>% Change 2020 Budget 2021 Budget</b>	<b>2020 Forecast</b>	<b>% Change 2020 Budget 2020 Forecast</b>	<b>2019 Actual (Audited)</b>
<b><u>Summary</u></b>						
<b>Sales</b>	658,491	690,293	-4.61%	466,665	-32.40%	753,768
<b>Cost of Goods Sold</b>	211,772	265,029	-20.09%	177,448	-33.05%	283,285
<b>Gross Profit</b>	446,719	425,265	5.04%	289,217	-31.99%	470,483
<b>Wages/Benefits</b>	360,833	402,826	-10.42%	307,937	-23.56%	473,277
<b>Operating Expenses</b>	152,290	134,543	13.19%	115,067	-14.48%	166,981
<b>Net Income &lt;Loss&gt;</b>	<b>(66,404)</b>	<b>(112,105)</b>	<b>-40.77%</b>	<b>(133,787)</b>	<b>19.34%</b>	<b>(169,775)</b>

**Sales**

D506	Food Sales	557,534	584,461	-4.61%	395,123	-32.40%	639,006
D506.1	Beer Sales	32,658	34,235	-4.61%	20,712	-39.50%	31,974
D506.2	Wine Sales	35,642	37,363	-4.61%	26,851	-28.14%	42,189
D506.3	Liquor Sales	32,658	34,235	-4.61%	23,980	-29.95%	40,599
<b>Total Sales</b>		<b>658,491</b>	<b>690,293</b>	<b>-4.61%</b>	<b>466,665</b>	<b>-32.40%</b>	<b>753,768</b>

**Cost of Goods Sold**

H450	Food (34%)	189,562	239,629	-20.89%	160,951	-32.83%	250,910
H455	Beer (22%)	7,185	8,216	-12.56%	5,047	-38.58%	10,597
H455.1	Wine (22%)	7,841	8,967	-12.56%	5,859	-34.67%	13,375
H455.2	Liquor (22%)	7,185	8,216	-12.56%	5,592	-31.94%	8,403
<b>Total COGS</b>		<b>211,772</b>	<b>265,029</b>	<b>-20.09%</b>	<b>177,448</b>	<b>-33.05%</b>	<b>283,285</b>
<b>Gross Profit</b>		<b>446,719</b>	<b>425,265</b>	<b>5.04%</b>	<b>289,217</b>	<b>-31.99%</b>	<b>470,483</b>

**Wages/Benefits**

H500	Salaries - FTP	142,069	183,754	-22.68%	187,494	2.04%	257,107
H510	Salaries - Part Time	164,623	158,767	3.69%	71,524	-54.95%	144,438
H520	Salaries - Overtime	4,151	4,151	0.00%	653	-84.27%	4,504
H540	Taxes - Payroll	27,544	29,496	-6.62%	24,114	-18.25%	43,517
H545	Temporary Outside Labor	-	-		-		-
H550	Retirement Expense	2,729	9,013	-69.72%	2,002	-77.79%	(63)
H553	Insurance - Personnel	13,810	12,130	13.85%	15,526	28.00%	18,194
H574	Recruit/Train/Services	1,720	1,255	37.05%	1,474	17.48%	2,005
H575	Employee Bonus	-	1,200	-100.00%	600	-50.00%	1,500
H588	Workers Comp Insurance	4,186	3,061	36.76%	4,550	48.66%	2,075
H588.1	Workers Comp Adjustments	-	-		-		-
<b>Total Wages/Benefits</b>		<b>360,833</b>	<b>402,826</b>	<b>-10.42%</b>	<b>307,937</b>	<b>-23.56%</b>	<b>473,277</b>

<b>Full Time Employees</b>	2	3	-33.33%		
<b>Part Time Hours</b>	15,875	13,780	15.20%		
<b>Overtime Hours</b>	252	252	0.00%		

**HGMD 2021 OPERATING BUDGET**

<b><u>RESTAURANT</u></b>		<b>2021 Budget</b>	<b>2020 Budget</b>	<b>% Change 2020 Budget 2021 Budget</b>	<b>2020 Forecast</b>	<b>% Change 2020 Budget 2020 Forecast</b>	<b>2019 Actual (Audited)</b>
<b><u>Operating Expense</u></b>							
H621.1	Mileage Reimbursement	-	-				-
H639	Software & IT	3,600	3,600	0.00%	2,566	-28.72%	3,820
H640	Electric	22,167	22,777	-2.68%	21,368	-6.19%	21,840
H643	Gas	4,404	4,384	0.47%	3,924	-10.48%	4,847
H644	Water	2,367	2,480	-4.57%	2,158	-12.99%	2,015
H645	Phone & TV	3,600	2,400	50.00%	4,174	73.91%	3,978
H646	Trash Removal	5,100	4,104	24.27%	4,954	20.72%	4,843
H651	Uniforms	960	1,000	-4.00%	681	-31.95%	110
H652	Discounts & Comps	6,585	6,500	1.31%	4,138	-36.33%	8,519
H655	Linen Service	4,704	4,704	0.00%	3,045	-35.26%	9,867
H662	Office Supplies	660	660	0.00%	512	-22.42%	2,632
H671	Outside Contractors	6,730	6,730	0.00%	5,207	-22.63%	14,765
H673	Maintenance Hours	10,234	3,120	228.01%	5,075	62.65%	13,897
H674	Custodial Hours	7,560	6,375	18.58%	4,465	-29.96%	2,870
H681	Credit Card Fees	19,755	20,709	-4.61%	16,707	-19.32%	18,809
H683	Repairs - Equipment	4,910	7,200	-31.81%	4,828	-32.94%	2,584
H684	China/Glass/Flatware	3,000	3,000	0.00%	1,512	-49.61%	2,933
H684.1	Restaurant/Kitchen Supplies	19,755	18,000	9.75%	13,250	-26.39%	22,140
H684.2	Supplies - Other	-	-		-		4,393
H684.3	Equipment	-	-		-		-
H685	Cleaning Supplies	12,600	3,600	250.00%	3,352	-6.89%	9,354
H688	Non Capital Equipment	3,000	8,700	-65.52%	8,700	0.00%	4,784
H689	Marketing	6,000	-		-		-
H690	Licenses & Taxes	4,600	4,500	2.22%	4,451	-1.09%	2,566
<b>Total Operating Expense</b>		<b>152,290</b>	<b>134,543</b>	<b>13.19%</b>	<b>115,067</b>	<b>-14.48%</b>	<b>166,981</b>
<b>NET INCOME</b>		<b>(66,404)</b>	<b>(112,105)</b>	<b>-40.77%</b>	<b>(133,787)</b>	<b>19.34%</b>	<b>(169,775)</b>

	2021 Budget	2020 Budget	Percent Change	2020 Forecast	2019 Actual
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<b>H574 - Recruiting Training</b>					
Craigslist	420	420			
Employment Screening	1,200	735			
CPR Training	100	100			
	1,720	1,255	-37.05%	1,474	2,005

<b>H588 - Workers Comp</b>					
Monthly Insurance (renew in Aug)	3,186	2,061			
Deductible	1,000	1,000			
	-				
	4,186	3,061	-36.76%	4,550	2,075

<b>H671 - Outside Contractors</b>					
Hood Cleaning	1,980	1,980			
Hood Inspection	950	950			
Grease Trap Pump	1,400	1,400			
BEC Gift Cards	600	600			
Entertainment	1,800	1,800			
	-				
	6,730	6,730	0.00%	5,207	14,765

<b>H684.3 - Equipment</b>					
2 Drawer Bread Warmer	-	-			
Microwave	-	-			
	-	-		-	-

<b>H688 - Non Captial Equipment</b>					
Sandwich Prep Cooler	3,000	3,000			
Fryer	-	1,200			
Server Stations (3)	-	4,500			
	3,000	8,700	65.52%	8,700	4,784

<b>H689 - Marketing</b>					
Heather n Yon	-	-			



	2021 Budget	2020 Budget	Percent Change	2020 Forecast	2019 Actual
Heather Ridge	-	-			
Miscellaneous	6,000	-			
Print Media	-	-			
	6,000	-		-	-

<b>H690 - Licenses &amp; Taxes</b>					
Aloha Annual License	2,000	2,000			
Personal Property Tax	700	700			
Liquor License	1,900	1,800			
	4,600	4,500	-2.22%	4,451	2,566

Rendezvous Restaurant P&L								
	2014	2015	2016	2017	2018	2019	2020	2021
Jan	\$ (21,899)	\$ (19,580)	\$ (12,598)	\$ (4,975)	\$ (2,335)	\$ (9,770)	\$ (17,592)	
Feb	\$ (12,024)	\$ (15,935)	\$ (11,623)	\$ (6,528)	\$ (11,273)	\$ (18,006)	\$ (7,747)	
Mar	\$ (15,027)	\$ (5,603)	\$ (5,311)	\$ (3,692)	\$ (1,998)	\$ (12,336)	\$ (28,029)	
Apr	\$ (5,486)	\$ (9,908)	\$ (11,727)	\$ (2,012)	\$ (3,891)	\$ (13,613)	\$ (24,189)	
May	\$ (8,073)	\$ (5,026)	\$ (7,327)	\$ (2,731)	\$ 3,045	\$ (2,870)	\$ (21,634)	
Jun	\$ (12,129)	\$ (5,073)	\$ 631	\$ (1,333)	\$ (23,881)	\$ (21,870)	\$ (13,696)	
July	\$ (12,218)	\$ (7,846)	\$ 4,144	\$ (2,027)	\$ (499)	\$ (15,660)	\$ (14,093)	
Aug	\$ (4,455)	\$ (6,929)	\$ (3,158)	\$ (1,367)	\$ (15,732)	\$ (15,244)	\$ (13,613)	
Sept	\$ (15,118)	\$ (5,479)	\$ (8,483)	\$ (9,672)	\$ (9,629)	\$ (16,953)		
Oct	\$ (9,579)	\$ (5,459)	\$ (5,750)	\$ (4,057)	\$ (31,443)	\$ (17,867)		
Nov	Not Avail	\$ (11,806)	\$ (2,614)	\$ (4,850)	\$ (7,661)	\$ (14,386)		
Dec	Not Avail	\$ (19,025)	\$ (406)	\$ (11,088)	\$ (19,764)	\$ (20,167)		
Total Yr	\$ (115,998)	\$ (117,668)	\$ (64,220)	\$ (53,084)	\$ (129,550)	\$ (176,424)	\$ (140,619)	
Budget	\$ (30,215)	\$ (106,557)	\$ (113,804)	\$ (92,650)	\$ (111,054)	\$ (127,968)	\$ (112,102)	\$ (66,404)
Per Unit Per year		\$48.50	\$26.47	\$21.88	\$53.40	\$72.72		
Per Month		\$4.04	\$2.20	\$1.82	\$4.45	\$6.06		
2014 Marked the beginning of Management and Operations by HGA using employees of HGA.								
Prior to that time restaurant facilities were leased by consessionaires.						Indications are that a subsidy of less than \$60,000 per year existed prior to 2014. Tom Lucas was hired in December of 2013 to open the new Rendezvous.		
Jan 21, 2014 Kevin Olson opened the Rendezvous and served as restaurant manager until May 23rd, 2018.								
Cormac Roanan has been restaurant manager since 6/2018. HGA has been management including operations.								
Subsidy from residents has tripled.								
Based on the performance by HGA as the management company for the Rendezvous Restaurant, I recommend that the Committee request HGMD to amend the Management Agreement with HGA and remove the Restaurant from HGA management and operations. I further recommend that HGMD consider another management situation for all holdings of HGMD and/or request a proposal from concessionaires/leasees for the Rendezvous Restaurant.								
Rita L. Effler, Chair Clubhouse/Restaurant Committee 10/07/2020								
Director, HGMD								