

**Continental Country Club
Homeowners Association
Regular Meeting of Board of Directors
October 27th, 2015
2:30 p.m.**

1. **Call to order** – DeeDee Malmstone, President, called the meeting to order at 2:33 p.m.
2. **Roll Call** – CCC Staff Member Barrett called roll. Greg Kleiner was not present. Bill McGrath & Bill Babb joined the meeting shortly after roll call. All other board members were present. Others present at the meeting were Executive Director Bobby Zweifel, FGMC Superintendant Jeff Plattis and staff members Noble, Barrett, Murray and Wright.
3. **Approval of Agenda** – Malmstone asked about #7 on the minutes regarding Pride in the Pines scheduling needs for the CCC Practice Facility. Barrett & Rolley clarified the schedule that was presented by Pride in the Pines Committee. Chambers made a motion to approve the agenda as amended. **Motion was seconded and carried unanimously. (MSCU).**
4. **Resignation of Board Member** - Chambers made a motion to appoint Larry Dannenfeldt to fill the vacant seat on the Board of Directors. **Motion was seconded and carried unanimously (MSCU).**

5. Homeowner Participation

Homeowners Louis and Anna Garcia, Barry Bertani and Jen Grogan were present

- Louis Garcia voiced his concern about the possibility of not having the Grandkids Pass available to homeowners for 2016. The board thanked Mr. Garcia & stated that they would take his concerns as a homeowner into consideration when evaluating the Grandkids Pass for 2016

6. CC&R's

- Construction of observatory at 701 N. Sky View St. - Malmstone stated that the board did not approve the construction of the observatory
- Construction of Guest House at 401 N. Sky View - Malmstone stated that the board would review & discuss the proposed variance to CC&R's for construction of a detached guest house on the lot

7. Approval of Minutes

- **Babb made a motion to accept the minutes as amended. The motion was seconded and carried. (MSCU).**

8. Department Reports

- **Jeff Plattis reviewed the following FGMC report, highlighting**

- ❖ Current Conditions of Course: Healthy
- ❖ Completed Projects: Winter Fertilization of tees, fairways and rough. Aerification of tees, approaches and collars
- ❖ Ongoing Projects: Edging & cleaning around valve boxes, clean up of native areas and goose droppings
- ❖ Future Projects: Aerifying fairways and greens, blow out irrigation system, weed eating, clean up pine needles & debris and elk fencing

Chambers inquired into why FGMC had a budget increase. Plattis explained that in attempt to boost the integrity of staff personnel, he was tasked by the FGMC Mgt. Committee to increase staff wages in 2016. Plattis explained that it was a 5% wage increase

- **Recreation Report – The board and staff reviewed the recreation report**
 - ❖ Noble asked for clarification on the following statement in the report: Wyndham gave CCC a sum of \$19,425 in the form of a loan. Zweifel explained that those are actually the advanced loans to the Pickleball Club
 - ❖ Malmstone stated that until Pickleball group membership grows enough to warrant additional Pickleball courts, it might be helpful for the Pickleball Drop In Group to stagger their drop in times in order to better manage the overflow of people waiting to play all at once

- **Greens & Grounds Committee Report – Duncan reviewed the G&GC Report, highlighting:**
 - ❖ **Projects to complete before winter:** Clean up the back field by Soliere, behind the front nine. Plattis to get a back hoe and fill in the hole with demo material. Duncan to meet with and get direction from Warners Nursery on landscaping that area.
 - ❖ **Donate a Tree Program:** The purchase of trees with the money from the Donate a Tree Program will be pushed back to spring. Cost of trees will be discounted because the trees will be lumped in with FGMC's large spring order.

- **Golf Operations Report – Wright reviewed the Golf Report highlighting:**
 - ❖ **September** was a good business building month. CCC Golf shop hosted the Men's Club 2nd round party and two rounds of Ladies Club championship. There were starters, rangers and the director of instruction present at the tournaments helping out. CCC Golf also had Business League conclusion and NAU scholarship event. NAU spent about \$2000 at the golf shop on gifts and prizes. All events were very successful. In addition, golf hosted the high school kids which despite getting rained out, expressed interest in re-booking the event for next year
 - ❖ Plattis asked that the high school coaches instruct the high school kids to replace divots and be cognizant of the overall care for the course as they play next year

- **Golf Committee – Chambers reviewed the Golf Committee report, highlighting:**
 - ❖ There was no golf committee meeting due to time constraints with Lake Elaine projects
 - ❖ Revised green fee's are in the packet with the proposed \$1 increase
 - ❖ Issues to Resolve: OB Sports Review
 - ❖ Malmstone inquired into whether anyone has met with Mens Club regarding our proposal that they start at noon. Malmstone suggested that we require them to start at 11:00AM as opposed to 12:00pm
 - ❖ Duncan inquired about the liability policy for golfers on the golf course and asked if golf staff was enforcing it. Wright answered that the liability policy is posted throughout the golf course and on the receipt stating that golfers are responsible for themselves if they are injured on the course.

- **Marketing Report – Murray reviewed the Marketing report, highlighting:**
 - ❖ That she has been working with Kristy on how everything went this past season and what things we want to try for next season and making sure that it is lining up with what has been budgeted.
 - ❖ She will present a preliminary list of ideas for promotions and events that her and Wright have brainstormed for Golf Operations 2016. The biggest

expenses appear to be the design and printing of fliers and staffing golf events. She would be taking over the design and printing of fliers. Chambers suggested Tahlia meet with OB Sports to see what resources they have for us for graphics design of posters and marketing.

- ❖ Duncan asked if the clubhouse had wifi. Noble confirmed that we do. She also expressed a need for the clubhouse to provide a space for members to come to and hang out and use our wifi, much like Starbucks.
 - ❖ Malmstone inquired into social events for the club in 2016. Murray stated that she would be working with Barrett on planning the schedule of events Malmstone & Zweifel put together
- **Executive Director Report - Bobby Zweifel reviewed his report, highlighting:**
 - ❖ **Fitness Room** - He would like to see a joint venture between CCC & Wyndham in expanding the fitness center.
 - ❖ **Restaurant** – Food quality is getting better. Cleanliness is a big issue. There is a need for a quieter space for dining.
 - ❖ **Lake Elaine** – Zweifel feels strongly that we need to purchase the aerators for the lake.
 - ❖ Dannenfeldt asked how independent the restaurant was in terms of decision making. Noble replied that the owners of the restaurant have to get certain things approved but the menu is not one of them. Zweifel stated that we are taking more of an interest in the restaurant now than we did with past restaurants and a CCC representative meets with them quite a bit regarding operations.
 - **CC&R Report – Judi Barrett reviewed her report highlighting:**
 - ❖ The need to be firm but fair when it comes to enforcing the CC&R's with new homeowners.

9. Discussion

- **Reclaimed Water Rates and City of Flagstaff** - Dannenfeldt & Chambers gave an overview of the challenges CCC is having with the City in terms of being considered for reclaimed water rates. Challenges include:
 - ❖ Changing the perception the city of Flagstaff has toward CCC as a customer/consumer of reclaimed water by the City of Flagstaff. CCC is more of a place that provides a public service by offering recreation to the public and aesthetic appeal to the neighborhood through care of lakes and less like a private golf course and a country club. CCC Golf does not use nearly as much water as city thinks
 - ❖ The City never performed a cost of service study for reclaimed water
 - ❖ With the onset of more businesses using more reclaimed water, the city of flagstaff water group is beginning to see reclaimed water as a source of revenue instead of a service that promotes an alternative to using fresh water.

10. Action Items

- **CCC Lobbyist** – The board discussed hiring a lobbyist to get CCC's message out to the city in regards to increasing water rates. The board identified Joe Galli as a credible lobbyist and decided that CCC will reach out to him.

- **Aerators – Chambers moved to approve the aerators for Lake Elaine. The motion was seconded and carried. (MSCU).**
- **Appointment of FGMC Management Committee** – Plattis and Duncan reviewed the terms of service policy for FGMC operating agreement. **Rolley made a motion to approve Chambers, Prida and Frank Malmstone as CCC’s representing mgt. committee for FGMC. The motion was seconded and carried. (MSCU).**
- **CC&R Enforcement** – The board reviewed the policy & violation letter that was drafted by Association Counsel. The documents offered stricter enforcement for repeating and re-occurring CC&R violations. The board decided to revisit the policy and violation letter at the Board Retreat. Zweifel stated that he and staff would produce a list of specific fines for specific violations for the board retreat.
- **Finance Committee Report – September 2015: Rolley reviewed the following financial reports:**
 - i. Income statement for the month of September 2015
 - ii. Income statement for Year to Date September 2015
 - iii. Income statement for Golf Business Unit: month of September 2015
 - iv. Income statement for Golf Business Unit: Year to Date September 2015
 - v. Income statement for Small Business Units: month of September 2015
 - vi. Income statement for Small Business Units: Year to Date September 2015
 - vii. Statement of Cash Flows: Month to Date September 2015

Chambers asked the board what ADR they want reflected in the financials. He asked if the board wanted to see the real number of rounds of golf or the number of rounds of golf that people actually paid to play golf. The board decided to keep it the same. **Rolley made a motion to approve the financials as presented. The motion was seconded and carried. (MSCU).**

- **Budget Review**
 - ❖ Board reviewed Capital Improvement line items. There was a total of \$66,000 in capital expenditures. that included (but not limited to) parking, cart path on front nine holes, half of fitness room expenditures, carpet replacement in golf shop, pool house upgrades (bathrooms) and 15th tee box
 - ✓ Bobcat for snow removal
 - ✓ Signs on course & street entrance of CCC
 - ✓ Signage for parking
 - ✓ Completion of two parking lots at the clubhouse
 - ✓ Cart Path on the front nine holes
 - ✓ Fitness Rm upgrade
 - ✓ Carpet in the Golf Shop –
 - ✓ Poolhouse upgrades (bathrooms)
 - ✓ 15th tee box
 - Zweifel will come to the next with some estimates for poolhouse bathrooms, fitness room upgrade and parking lot. Malmstone would talk to homeowner Ribelin about having a Country Club sign on the corner of Continental & Butler.
 - ❖ Rolley presented the Budget Income Statement for 2016
 - ❖ Malmstone & Rolley inquired into Oakmont’s lease terms for utilities; specifically, is there a cap on cost of utilities for the restaurant and if so, is the restaurant responsible for covering the cost of utilities beyond that cap? Noble stated that she would look into the lease and find out.
 - ❖ The board reviewed the Golf Budget – The board agreed that OB Sports needs to be more involved in the golf budgeting process in terms of consultation. Rolley

asked the golf committee to meet and finalize their budget numbers, then take it to OB Sports for consultation. The Golf Budget to be approved in the November Board Meeting.

11. **Informational Items** – Chambers requested to change the dates due to holiday scheduling. The board agreed to move the next board meeting to November 17th.
12. **Agenda items for November** –
 - Review of OB Sports and recommendations for their contract going forward.
 - Golf Budget
 - CCC Lobbyist – Joe Galli
13. **Adjourn.** There being no further business, **Malmstone made the motion to adjourn the meeting at 5:55 p.m. The motion was seconded and carried unanimously (MSCU).**

Respectfully Submitted:
Judi Barrett, Director of Membership Services
Continental Country Club