

**Minutes of the  
Annual Meeting of  
CONTINENTAL COUNTRY CLUB  
August 26<sup>th</sup>, 2017**

**CALL TO ORDER:** President Vicki Duncan called the meeting to order at 9:00 a.m. Directors Present: Brian Vance, Vicki Duncan, Bobby Goitia, Dave Chambers, Bobby Zweifel, Larry Dannenfeldt and Bill McGrath were present. Robert Evans was not present.

1. **INTRODUCTION OF THE BOARD MEMBERS:** The Board of Directors introduced themselves to the Membership in attendance.
2. **PROOF OF MEETING NOTICE AND ANNOUNCEMENT OF QUORUM:** Director Vance announced that the Membership was notified of the Annual meeting and that absentee ballots were received and through those, in addition to the property owners in attendance, a quorum was established, and the meeting would proceed.
3. **APPROVAL OF AGENDA:** *Motion made by Chambers to approve the Agenda for the Annual Meeting. The motion was MSC (Motion, Second, Carried)*
  - a. *Duncan made a motion to add a presentation to the agenda by Shaw & Lines regarding the status of Lake Elaine. The motion was MSC (Motion, Second, Carried)*
  - b. *Chambers made a motion to remove the December 31, 2016 Financial Reports due to an error. The motion was MSC (Motion, Second, Carried)*
4. **APPROVAL OF MINUTES OF THE 2016 ANNUAL MEETING:** The minutes of the Annual Meeting of August 27, 2016 were reviewed. *MSC to approve the minutes as written.*
5. **SHAW & LINES PRESENTATION:** Augustus Shaw, of Shaw & Lines, provided information to the members, and answered questions, regarding the present status of the lawsuit relating to Lake Elaine.
6. **REVIEW OF FINANCIAL STATEMENTS FOR JULY 31, 2017.** The financial statements for July 31, 2017 were reviewed in detail for the board of directors and homeowners present.
  - a. Continental is a \$3M Business with 2400 homeowners. In 2017 Revenues were \$1.7M and Operating Expenses were \$1.6M. Chambers explained the biggest change from 2016 to 2017 in expenses was hiring a full time General Manager, Marketing Director and CC&R Compliance Officer. Minimum wage also increased January 1, 2017.
  - b. Chambers stated that, through July 31, 2017, Continental spent \$204K on Legal and Consulting on Lake Elaine, which included Terracon Engineering.
  - c. On July 31, 2017, Continental had \$628K in the Operating Account and \$998K in Bank Debt with a \$664K balloon payment due in 2021. The Board approved \$100K in capital improvements.
  - d. The Golf Operation is showing a 1% increase in revenues and a 6% decrease in expenses. The ADR is at \$44.00. Although rounds were slightly down, the golf operation is showing a positive cash flow.

**7. STATE OF THE CLUB ADDRESS:** Board President Duncan stated that the 2017 year has been very successful. She wanted to start off by thanking the 2016 Board of Directors for hiring Chris Shields, General Manager, full time. Duncan stated that the current staff and management team has brought value to the club.

Duncan proceeded by informing the homeowners that the Board spent countless hours, led by David Chambers, preparing extensive proformas for future repairs around the club house. The Board used this information to update its reserve analysis. In September 2017, the Board approved an increase in the transfer fee charged for every property transfer, which will start to build the reserve fund.

The Board also spent time focusing on safety around the aging clubhouse. All bathrooms were remodeled to meet ADA standards, the attic was organized to prevent fire hazards, a new meeting room was added to the first floor for ADA compliance and aging pool equipment was replaced.

Lastly, Duncan thanked the Board and staff for the teamwork it took to complete the much needed facelift around the clubhouse! The lobby has all new furniture, the meeting rooms upstairs were painted and new lighting was installed, the fitness center was expanded by over 50% and new equipment was added and planting was done all around the clubhouse.

Duncan ended by saying the club has accomplished a lot over the past year but has on-going challenges in the future to tackle. As a team, the club needs to continue to contribute to the reserve fund, continue to update Association documents, address the growing concern of short term rentals in the community, work with the City of Flagstaff on reclaimed water rates, continue to maintain the area around Walnut Canyon Lakes, come to an agreement on Lake Elaine and, last but not least, keep battling the gophers on the golf course.

**8. APPOINTMENT/ANNOUNCEMENT OF BALLOT COUNTERS:** Volunteers were requested to assist Staff with ballot counting.

**9. COLLECTION OF MEETING BALLOTS:** Staff collected ballots from members.

**10. HOMEOWNER FORUM/Q&A:** President Duncan opened the floor to questions from the Membership. Questions included but were not limited to short term rentals within CCC, the plan for payment of the balloon payment due in 2021, the process for changing/updating the CC&Rs, developing a volunteer program, and geese at Walnut Canyon Lakes.

**11. ANNOUNCEMENT OF ELECTION RESULTS:** The results of the election were reported by Association Counsel Lynn Krupnik. Those elected to serve three (3) year terms, expiring in August 2020, were Vicki Duncan, Rob Evans and Dusty Rhoton. The 2017-2018 Board is:

<b>Expires 2018</b>	<b>Expires 2019</b>	<b>Expires 2020</b>
McGrath	Chambers	Duncan
Thompson	Goitia	Evans
	Smith	Rhoton
	Vance	

**12. ADJOURNMENT:** There being no further business, the meeting was adjourned at 10:52 a.m.