

**Continental Country Club
Homeowners Association
Regular Meeting of the Board of Directors
April 23, 2019 3:00pm
Meeting Minutes**

1. **Call to Order:** David Chambers, President, called the meeting to order at 3:03pm
2. **Roll Call:** All members of the board were present except David Evans who is excused because he had a pre-scheduled vacation to Korea to visit his daughter. Others present were Tahlia Murray, Kim Rushing, Linda Caniglia and Susan Thomas.
3. **President of the Board Address:** Chambers informed the Board and homeowners present that the April agenda is sensitive and extremely lengthy and he wanted to cover the rules on how homeowners can address the Board. Homeowners have 3 minutes at the beginning and end of the meeting. Homeowners can also make a comment after the Board seconds a vote but before the vote is finalized. Chambers asked that all comments be directed at the Board only and not amongst each other.
4. **Approval of Agenda:**
 - *Goitia made a motion to approve the agenda. The motion was seconded by King and carried unanimously. (MSCU)*
5. **Approval of Minutes:**
 - Regular Meeting of the Board- March 26, 2019
 - *McGrath made a motion to approve the minutes. The motion was seconded by Smith, Rhoton recused herself, and the motion carries.*
6. **Homeowner Participation / Correspondence**
 - **Lois Walter & Thomas Spinks- 4851 E. Green Mountain Drive-** New Homeowners requested variance for 16x24, 6' tall iron gated garden behind their house. Per the CC&Rs- Ornamental Iron is considered on a case-by-case basis.
 - *Goitia made a motion to approve the gated garden variance. The motion was seconded by Smith and carries unanimously (MSCU).*
 - **Douglas & Sonja Hall- 2183 N. Old Stump Way-** Homeowners requesting a variance for a new parking area. *Homeowners did not show up to meeting.*
7. **Department Reports:**

Golf Committee Report-Bill McGrath:

McGrath proudly announced Mike Krahe will be joining Continental Golf Course as Director of Instruction. After graduating Sinagua High School in 2004, Mike moved to Phoenix to compete collegiately at Grand Canyon University. He competed for 3 National Championships and earned a Bachelor's Degree in Psychology and a Master's Degree in Applied Sports Psychology.

After college, Mike coached at VISION54 Golf School and TourStriker Golf Academy, both of which earned the title as the "Top Golf School in the State" during his tenure. Mike works with the full spectrum of players; from beginning players to tour

professionals. Mike utilizes much of the modern technology in the game in addition to the mental management side in his instruction. Mike will frequently be seen with his tripod, wireless microphone, and a cart full of training aids. He is a firm believer in utilizing external awareness aids for skill development when teaching the golf swing.

As a Flagstaff native and 6-time City Champion, Mike has always dreamed of returning home to coach the game he learned and developed around Continental Golf Course. Mike will be teaching Thursday through Sunday during the summer. We are lucky to have such an esteemed Director of Instruction at Continental.

McGrath stated that the Golf Committee would also like the Board approval for a 10-Play Card for \$500 +tax which would be effective June 1st – April 1st.

- **McGrath made a motion to approve the 10- Play Card. The motion was seconded by Keegan and carries unanimously (MSCU).**

Golf Viability Committee Report-Charlie King:

The Golf Viability Committee met on April 4th and discussed the following.

Water:

Why this year's water cost estimate for golf is \$24K less than last year's actual? Last year required more irrigation than usual because of dry conditions early in the season.

Gary's report on meeting with Jeff Plattis. They have not yet taken the ride to identify areas not to irrigate. Many places to water/not water are served by same sprinkler head. Perhaps need to redesign irrigation system with expert/architect. Tahlia confirmed, however, that it is a simple thing (at the Walnut Canyon Lakes, for example) to replace with sprinkler heads that only cover the desired arc. Therefore, the observation that some heads cover areas that straddle irrigation/non-irrigation areas has little merit.

Gary has some specific ideas for areas not to irrigate: (a) the area behind the trees near No. 1 tee (this area has been used for growing grass/turf); (b) the driving range has an area that nobody is going to drive to that seems to getting much unneeded water. Bill McGrath also has specific ideas about areas that could be left dry.

Gary and Bill will go out to drive the course, probably on April 8, and will take with them maps to mark up with potential non-turf areas and confirm understand where the sprinklers are and how those locations will relate to changes in irrigation patterns. Potentially, if a complete draft irrigation plan is done, a golf landscape architect to be consulted to give input on the plan and, especially, to point out any problems that had not been identified.

Consultant. Keegan was not present at the meeting but had sent an email to the effect that he was in the middle of a business negotiation that made is inconvenient to make inquiries about brokers. We all agreed that identifying a broker was not urgent and presumably could be easily done when we needed one.

Golf course operational improvement

Bill McGrath:

He talked with OB Sports, which was recently acquired by Troon.

He shared the results of some research on the experience of other golf courses, including a list of closed courses.

One strategy used elsewhere is the decision of homeowner to subsidize the course, knowing that it loses money. For CCC, this would just be a matter of a dues increase for that purpose approved by CCC members.

We discussed the potential benefit of hiring a consultant like OB Sports. There are cases of courses being turned around by such experts.

Tahlia commented on experiences and observations demonstrating the need to better manage the payroll/workforce. There are days when the course and shop are clearly overstaffed.

Gary thinks there are volunteers who would like to serve as ranger and work in the shop, thereby saving some payroll costs. This would require some details, such as insurance and workers' compensation insurance, to be figured out.

Kim Rushing could potentially handle all of the business side of operating the shop, including vendor relations, merchandise ordering, purchases, reports, etc.

In light of Tahlia's comments, Bill will start reviewing golf staffing, operations etc., on a weekly basis to see how well or poorly they are being done.

Bill discussed the current approach of the Golf Committee, especially the effort to give the Golf Director specific goals and expectations to improve the golf management.

General Manager Report-Tahlia Murray:

Locker Room Insurance Claim- Demolition completed of locker room by Superior restoration. All framing has been replaced and the drywall and texture were completed 04/12/2019. Con-Tek epoxy flooring was installed the week of 04/15/2019. Installation of plumbing fixtures, lighting and all other fixtures will be installed by in-house maintenance. Painting will start week of 04/22/2019. New partitions, lockers and benches have been ordered and expected delivery is 3-4 weeks.

Clubhouse Insurance Claim- On April 10th at approximately 10:30pm a couple in a Penske moving truck ran into the awning attached to the clubhouse entrance. The damage was significant/totaled and presented a liability to the club for people walking under. Pictures enclosed. Jason Woodruff, General Contractor from BEC, quickly removed the structured and secured the area.

Walnut Canyon Lake Maintenance-

Over the past month I have been dedicating some significant time talking with the homeowners at Walnut Canyon Lakes. Their frustrations have been the same for the past few years and many are simple fixes. It is my mission to begin focusing some much need attention to this large AMENITY.

First, I scheduled a series of meetings with Warner's Landscaping which turned out to be very productive. Both Warner's and Continental had wires crossed on responsibilities and we were able to clear those up. Next, I was able to do a drive with both the owner of Warner's, the irrigation technician and the day-to-day manager Scott, of the Clubhouse property, Walnut Canyon Lakes and offsite locations that need to be maintained to set expectations of service. I was very impressed at how quickly they jumped into action. They

have already taken my list of “past due service items” and begun addressing them in an expeditious manner and reporting their completion.

Second, I scheduled a meet/greet meeting with Arizona Lake and Pond Management to establish a working relationship with Jeff Jenkins and Justin (Assistant). We discussed the expectation for Walnut Canyon Lake treatments ((1) per month- ten gallons dye as needed.) He will also call the office when he or his staff arrives on property to treat the lakes.

In house maintenance will be increasing at Walnut Canyon Lakes. The geese fecal matter is always the largest complaint and we will be doing everything we can to get Bailey down there as much as possible this summer. Other projects will include: re-staining of two bridges, concrete work / rock work on water falls, additional Private Property signage and bench staining.

Easter Brunch:

Continental Country Club and the Oakmont hosted Easter Brunch on Sunday April 21st! It was a huge success! The Oakmont has over 400 reservations! Food was delicious, decorations were gorgeous and the egg hunt was a hit! Pictures are included! I hope that you were able to stop by and enjoy the brunch with your loved ones!

Hillyard Meeting:

Bailey and I met with the CCC Hillyard Representative and discussed our current paper products. It was determined that with the volume of people that CCC could save a significant amount of money by simple switch to high efficiency toilet paper dispenser and paper towel dispenser which control the amount of paper that is released. All dispensers were free, all old product was returned and a credit was applied to our account and we are now using the new product!

Alarm Systems:

Continental works directly with Century Security and Alarm.com. Early this year our alarm system was upgraded so that we are able to assign alarm codes and door codes to individuals and track their code throughout the property. In my meeting this month with Jonathan from Century Security, CCC has the opportunity to upgrade our very outdated video surveillance system which currently does not link to the alarm system. Currently, Continental has (6) cameras that will store up to (1) week worth of data. If this system goes down there is no replacement parts available at this time. Current Cameras are monitoring:

1. Fitness Center- back of treadmills
2. Fitness Center- facing side of Pelotons
3. Wide Angle Pool
4. Back Angle Front Desk
5. Back Angle Golf Shop Front Desk
6. Golf Shop Front Door

Century Security could upgrade our outdated system to the most up to date monitoring system that would link into our alarms. It would also link into management’s cell phones for off-site monitoring. Our current coverage of the property is poor. For example when the

front of the building was hit we did not have any video coverage. When the Ping golf club was stolen last year we had minimal coverage in the golf shop. The pool is poorly covered where we have children swim (9) weeks for a Junior Program.

The cost associated with this upgrade is minimal:

1. (4) cameras = \$150
2. Installation= \$85 per hour

Locker Room Insurance Claim- January 3rd pool locker room bathrooms backed up causing extensive damage to bathrooms and pool pump room. Insurance claim filed. Claims adjuster accessed property Wednesday January 30, 2018 and determined that all tile needed replaced, three feet worth of dry wall needs replaced. Demolition has been completed of the locker room by Superior restoration. All Framing has been replaced and the drywall will be completed by 03/28/2019. We will be installing epoxy flooring the week for April 15th. New lockers, benches and partitions have been ordered and are expected early May.

#9 Golf Bridge- Full Replacement required. Approximate cost \$2500. Labor will be done in house by Maintenance Manager, Bailey. The golf bridge is completed. Thank you Bailey for your hard work!

Marquee Roof Leak- 3-4 areas over the Marquee Room were leaking. There is a 12 year old heater that was installed incorrectly and leaking under the heater. Water damage in the marquee. Heater to be replaced and roof to be patched. This project is completed.

Total Cost- \$11,440

Master Mechanical- removal of old unit + new unit and install = \$10,900

Chris Short- Roof Repair- \$540

Lobby Bathroom Remodel- Work started Monday February 4th. CCC staff discovered termite damage on a load bearing beam which stalled progress. Exterminator determined that termite damage was old and that it was in CCC best interest to spray when beam was replace and new drywall installed. Engineers/Contractor bids gathered ranging from \$8,000-\$15,200. Jason Woodruff's team started work on February 15th replacing rotted framing/ load bearing beam. Tile work to begin on February 25th. The Tile work is expected to be completed by March 8th. New granite counter tops and partitions will follow. The lobby bathrooms opened on March 29th and look beautiful!

APS- Open Service Ticket # 190219-00388- It was brought to my attention that the CCC clubhouse parking lot is extremely dark at night. When the Oakmont staff leave between the hours of midnight at 2:00am there are multiple light posts there are not lite. I filed a ticket with APS to fix all light poles with brighter light bulbs for safety. **Expected completion March 15th.** APS completed the project.

Tennis / Pickleball Meeting:

Murray reported that she had a very productive meeting with members of the Tennis and Pickleball community discussing the upcoming season. During these meetings it was decided to try and modify the scheduling of Pickleball court use to beginner, intermediate and advance times to allow more play. Murray also shared that the City of Flagstaff will be converting Tennis courts at Thorpe Park to Pickleball courts which could potentially effect CCC.

CC&R Compliance Report: Linda Caniglia-

Caniglia reported that since the last Board meeting she has had 30 violations. She has had 6 new complaints reported that consist of the following:

- trash cans (2)
- Parking (1)
- Noise (2)
- Inoperable Vehicle (1)

CC&R Compliance Report: Susan Thomas:

Thomas stated she has spent the last month researching VRBO, AirBNB and Homeaway to create a master spreadsheet of rentals within the Continental Country Club. She stated there are a number of other rental sites but these are the most popular. She said she has cross referenced the homes within our database to verify they are in fact homeowners. Thomas stated she is maintaining a complaint log to start tracking which properties are causing the most problems within the community so she can start working with those property homeowners right away. She stated she has recorded 103 total rentals within the community.

Thomas stated that now that the new Rules & Regulations will be mailed out she will begin preparing for the May 20th date for enforcement.

8. Discussion Items:

• **March 2019 Financials: Kim Rushing**

Employee Compensation Month to date is down to budget by \$14,000 but Year to date we are right on track. This is mainly due to us paying severance pay to Chris Shields.

- ***King made a motion to approve the March 2019 Financials. The motion was seconded by Goitia and carried unanimously. (MSCU)***

• **Property Management Report:**

King informed the Board that on April 9th Kim and Tahlia were on a conference call with CCMC regarding the Accounting functions for Golf. The call was informative for CCMC and involved (5) of their senior level staff members. Shortly after that call on April 11th Charlie King and David Chambers received a withdrawal email stating they did not feel they could take on CCC operations. King and Chambers stated that at that time they reinstated contract negotiations with AAM.

- **Rules & Regulations, Tenant Registration Policy & Form & Violation Enforcement Policy and Fine Schedule- Charlie King**

King stated that the following list has been created to help the Board finalize the documents for approval.

- Association Rules
 - Pine needles – per Lynn - The only change that could potentially cause an issue is the addition of the following: “neatly stacked bags of pine needles, leaves and other yard refuse may be placed curbside at any time.” First, this statement could be seen as conflicting with the restrictions in Paragraph 3 of the Amended and Unified CC&Rs. Second, adding this statement could produce unintended results (bags of yard refuse stacked on the curb at any/all times, or potentially other bags of trash, since it will be difficult to know what is contained within the bag). **Not approved.**
- Rules for Single Family Homes
 - Final discussion re definition of “family”.
 1. For purposes of the CC&Rs and these Rules, the term "family" means a group of one or more adults who regularly (not temporarily) maintain a common household, along with any minor children under the legal custody of the adult(s) in the family and together with their domestic employees or contractors. Notwithstanding the foregoing, a group of more than four (4) adults who are not each related to each other by blood, marriage or legal adoption shall not be considered a "family".
 2. For purposes of the CC&Rs and these Rules, the term "family" means a group of one **but not** more than 4 adults who regularly (not temporarily) maintain a common household, along with any minor children under the legal custody of the adult(s) in the family and together with their domestic employees or contractors.
 3. “Single Family” shall mean a group of one or more adults each related to the other by blood, marriage or legal adoption, or a group of not more than four unrelated adults, all of whom regularly (not temporarily) maintain a common household, along with any minor children under the legal custody of the adult(s) in the family and together with their domestic employees or contractors.”
 4. "For purposes of the CC&Rs and these Rules, the term "family" means a group of one or more adults who regularly (not temporarily) maintain a common household, along with any minor children under the legal custody of the adult(s) in the family and together with their domestic employees or contractors; provided, however the adults in the group shall consist of either: (a) persons who are each related to each other by blood, marriage, or legal adoption; or (b) not more than four (4) persons, some or all of whom are not related to the others by blood, marriage or legal adoption."
 - ***Smith made a motion to approve the #4 definition of single family. The motion was seconded by Goitia, opposed by Keegan. The motion carries.***
- Tenant Registration Form

1. Per Lynn - I recommend retaining the original portion of the form that required information on all adults ages 18 and above, instead of the change that only requires information on the renter/renters. There may be one person who is on the lease, but the law allows the Association to request the contact information and vehicle information for all adults residing in the home. Although this information may not be helpful to know who is going to be present at the time of occupancy (based on the timing of receiving the forms), it could be used to impeach a person if we ended up in litigation down the road and the required information was not provided (i.e. they submitted a form stating only one or two adults was going to be present, but there were actually 10 adults, as an example).
 - ***King made a motion to approve the Tenant Registration Form with the below requirements. The motion was seconded by McGrath, opposed by Keegan and Rhoton because the Single Family definition was not decided on at the time. The motion carries.***
 - ***Must have Single Family Definition***
 - ***10 Lines for Names of all adults***
 - ***Make & Model of Vehicles***
 - ***Include a statement to add an additional form if more lines needed.***

- Violation Enforcement Policy and Fine Schedule
 1. Fine schedule - Lynn K comment - Attached is an updated version of the fine schedule, per my discussions with Dave. We changed the language slightly about the need for courtesy notices and added the \$15 fine for failure to provide the rental registration form to the fine schedule.
 2. See Lynn's suggested fine amounts in red.
 - ***Smith made a motion to approve the Violation & Fine Schedule with the below changes. The motion was seconded by Goitia and carries unanimously (MSCU).***
 - ***Fines for Continuing and Reoccurring- 6 month***
 - ***Parking & Vehicle Violation- Continuing- \$100***
 - ***Fire Protection- Violation= \$250 Continuing= \$500***

- Transmittal letter for single family homes
 1. Note that the Tenant Registration Policy goes into effect on May 20, 2019 and no courtesy notices will be mailed.
 2. ***McGrath made a motion to approve the Transmittal Letter. The motion was seconded by Goitia. Keegan opposed. The motion carries.***

- Oakmont Additional Space

The Oakmont approached CCC, requested to lease additional office/storage space, specifically the back office. The proposed agreement would involve Controller moving offices. The Oakmont would pay \$200/month (tax inclusive) for the additional space and increase our monthly food credit to \$350.00.

 1. ***McGrath made a motion to approve the lease of storage space. The motion was seconded by Rhoton and carries unanimously (MSCU).***

9. Informational Items to and From Board Members and Staff

10. Agenda Items for Next Month- May 18, 2019

11. Next Meeting: May 18, 2019

12. Adjourn:

- *Smith made a motion to adjourn the meeting at 7:19pm. The motion was seconded by Goitia and carried unanimously. (MSCU)*

Respectfully Submitted By,
Tahlia Murray
Interim General Manager