

Minutes
Fountain of the Sun Country Club
Board of Directors Meeting
April 9, 2019

The Board of Directors of the FOS Country Club met on April 9th, 2019 at 9:00 am at the Boardroom of the CC. CC Members present were Mike Sebastian, Neil & Mindy Beemer, Dave Schroeder, Arnie Novotny, Don Anderson, Jim Johnson, and Mike Williams.

Managing Director Schmidt called the meeting to order at 9:00 am. Board Members present were Dave Laehn, Tom Kilzer, Ann Schmidt, and Chris Erickson. John Beck arrived shortly after the meeting began.

Schmidt made a motion to approve the March and April 2nd Board minutes as posted. The motion was seconded by Beck and all voted yes, motion carried.

Director Dave Laehn presented a report on activity on the golf course. He indicated that spraying and fertilizing are continuing and that there is noticeable improvement being seen in the clearing of fungi and yellow spots, the CC is still looking for repair parts for the Cushman work vehicles, we are waiting for a good buy on used equipment and could see something in the near future as it is the time when equipment is coming off lease, vacuuming of leaves has continued, replacing sand in some sand traps has been set as a summer project, the concrete project at the maintenance shed has been completed, and that we are waiting for a quote on stucco repair.

Laehn and member Jim Johnson had obtained a quote for repairs of part of the tee box on hole 5. Member Bruce Dodge will donate timbers, Johnson will donate carpet, and the remaining costs were bid at \$745.00 with completion expected in about a month. A motion was made by Laehn, second by Beck to accept the bid of CNF Contracting for \$745.00 to complete the project, and to thank Dodge and Johnson for their contributions. All voted yes, motion carried.

Head Golf Professional Ryan DeBois gave the following report:

March sales were over \$100,000 which is the best month since he has been at the CC. Summer hours will begin in May with the Pro Shop open from 6 am to 2 pm, 18 Holes will cost \$22.00 and 9 holes \$15.00, with the rates adjusted for weather conditions and competitive pricing. Nonmembers will be allowed to golf during summer league times, but may not join the leagues. A summer pass will cost \$250.00 plus \$8.00 each time a pass holder plays golf. A motion was made by Schmidt, second by Laehn, to approve the rates and conditions for summer play suggested by DeBois. After discussion all voted yes. Motion carried.

DeBois also reported that the Contract Leagues had negotiated leases and presented a document with proposed rates for a two year agreement with the first year at \$28.00 per player for 9 Hole leagues and \$30.00 per player in the second year. 18 hole league contracts will be signed in October. An additional ladies group has contracted for play on Friday, after which they will go to Birdies for their Friday fish fry. Discussion on the proposed contract occurred and Schmidt moved to approve the terms negotiated with the limitation that contract members may play as

often as desired but may receive the discounted contract rate no more than twice per week. The motion was seconded by Erickson, and all voted yes, motion carried.

The Board discussed a variety of items with DeBois, including use of members as course rangers, rates at area golf courses, nonmember play on league days in the summer, contract member play limits, and members using FOSSC carts at no cost to the member. DeBois was asked to research and give a report at the May meeting on alternatives to the no cost use of carts policy.

The Board reviewed the Action List, noting that some items had been completed, some had work orders outstanding that were awaiting contractor completion, some were placed in next year's budget, some referred to Long Range Planning, and some needing more information before decisions can be made. Three items were added (restaurant floor sealing, additional signs for parking, review options for curbs on patio). A copy of the list is available at the CC office.

Member Mindy Beemer submitted a first draft of a long range planning project list. The committee will continue to refine the list over the summer.

Member Mike Sebastian reported that the joint FOSA/CC Water Committee report had been rejected by FOSA and that he was unsure what FOSA intended to do and that as long as they continued payments as agreed, the next move was up to FOSA. He also reported that water sales to Parcel 10-3 and Parcel 11, were waiting action by the City of Mesa, and as a result continue to be delayed.

Schmidt reported that she and Sebastian had met with FOSA president Jerry Favero and vice president Keith Hilgendorf at their request to discuss mutual concerns. Items discussed were nuisance enforcement for a FOSA member feeding pests on CC property, drainage issues on Hole 5, the concept of a new large building for all FOSA and CC activities, and traffic issues. Further meetings on joint concerns may be scheduled. The FOSA representatives did indicate that they are not in a position to purchase the CC. Schmidt indicated to FOSA that that was not a problem as the CC is not for sale.

Schmidt asked Golf Pro Ryan to remind golfers heading out during a shotgun start, that they are not exempt from the rules that all traffic must stop at stop signs and that they do not have the right of way when leaving the CC parking lot.

Schmidt initiated a discussion on people using the CC parking lot to advertise items for sale and presented a photo showing someone promoting the sale of walkers from the back of a golf cart. The Board reviewed FOSA parking rules and reached the conclusion that the situation was out of control and something needed to be done. Schmidt moved that the following rule be added to the CC policies:

Country Club Parking Lot and Sale Restrictions

No automobiles, motorcycles, motorbikes, golf carts, or other motorized vehicles shall be parked on any Country Club parking lot with the intent of advertising the sale of such vehicles without permission from the Country Club Board of Directors. Advertising or offering for sale or rental

any other property on Country Club property is forbidden without permission from the Head Golf Professional or Pro Shop Manager.

Erickson seconded the motion and all voted yes. Motion carried.

The Finance Committee presented the first draft of a 2019/20 budget. Discussion was held on projected income, including possible increases from new contract leagues. Expenses for many items were estimated due to the difficulty of obtaining concrete figures this far ahead of the end of the current year. Both short range and long range project costs will be finalized in the next few months. The draft budget did not project a rate increase, but did project a deficit which must be eliminated before adoption. The Board thanked the Finance Committee for its work and asked it to refine the draft for finalization in September.

On motion of Schmidt, second by Erickson, with all voting yes, the Finance Director and Managing Director were authorized to sign all documents authorizing the appointment of persons of their choosing to discuss Club financial matters with State and Federal Tax authorities, including execution of a power of attorney.

The Finance Committee presented the March Financial Report. After discussion, a motion was made by Schmidt to approve the report, second by Kilzer, all voted yes, motion carried. Members of the Finance Committee requested authority to review options to increase income by investing funds in a manner that the CC would receive higher interest rates on CC deposits. They were directed to do so.

Employee Teri Wickstrom who was working her last day for the CC, was asked to come into the Board room and the Board expressed its appreciation to her for her efforts and wished her well in her new employment. Wickstrom thanked the Board for the expression of support.

Kilzer reported that he was conducting interviews to fill the office vacancy with the help of member Bonnie Pioreschi and employee Deb Call and that member and CC accountant Terry Malott agreed to help with finances until a new hire was retained.

The Board went into executive session to discuss contract negotiations on the contract with Birdies.

The Board returned to regular session and asked Schmidt and Sebastian to discuss renewal of Birdies contract with Birdies' owners. They agreed to do so and will report to the Board on the results of the discussion.

The next regular meeting will be at 9:00 am on May 14, 2019 at the CC Boardroom.

There being no further business, the meeting was adjourned at approximately 11:30 am.

John Beck
Administrative Director