

Minutes
Fountain of the Sun Country Club
Board of Directors Meeting
November 19, 2019

The Board of Directors of the FOS Country Club met on November 19, 2019, at 9:00 AM in the Boardroom of the CC. CC Members present were Terry Malott, Dave Schroeder, Jerry Berg, John Larkin, Mike Sebastian, Neil & Mindy Beemer, and Al Laehn

Managing Director Schmidt called the meeting to order at 9:00 AM. Board Members present were Dave Laehn, Tom Kilzer, Ann Schmidt (phone), Chris Erickson, and John Beck. Director Beck left the meeting at approximately 10:00 am to attend to a personal matter.

Beck made a motion to approve the October Board minutes as posted. Kilzer seconded the motion. All voted yes, motion carried.

The October Financial Reports were reviewed. A motion was made by Kilzer to approve the October Financial Reports, second by Beck, all voted yes, motion carried.

Erica Rahn from Birdies Restaurant & Lounge reported that things were going well, the CAN-AM post tournament meal and the Dawgs on Deck promotion both were well attended and successful, and they are seeing an increase in outside the community business.

Head Golf Professional Ryan DeBois gave the following report:

- Morning shotgun play remains light with room for more players. A December play and eat breakfast promotion will be tried.
- Carriage Manor and Silver Ridge ladies contract league play has begun.
- The CAN-AM Tournament was well attended.
- Consideration is being given to adding vending machines possibly on Hole 15 and one other location.
- More information on the possibility of the addition of a beer license to allow sale of beer from the Pro Shop will be provided in the future.
- There have been problems with unsportsmanlike conduct between golfers mainly involving slow play. The Pro Shop was asked to be proactive in preventing future occurrences. The Board asked all members and golfers to remember that the purpose of golf is enjoyment, that all players must respect the rights of others and be familiar with golf rules including those governing pace of play, and that it is the responsibility of the Head Golf Professional or persons he designates, not individual members, to address violations of the rules.
- DeBois emphasized that Pro Shop employees are directed to not attempt to resolve disputes between members or between golfers or groups, and that complaining to employees will not produce results. He requested that all complaints be made to him personally.

Old Business:

The CC and Birdies have negotiated a three year extension of the current restaurant and lounge lease. Execution of the lease should occur in the near future.

Member Sebastian reported that an agreement had been reached with Maricopa County representatives concerning a dispute as to the boundary line of the golf course. There will be no expense to the CC. On motion of Beck, second by Laehn, the Board authorized submission of a request that the County combine three tax parcels into one parcel to clarify things for the future. All voted yes, motion carried.

Director Laehn reported that Parcel 10-3 was again expressing interest in purchasing water from the CC. Laehn was directed to proceed with discussions to see what could be accomplished.

Finance Committee Members Schroeder, Sebastian and Director Kilzer presented recommendations to the Board concerning year end transfers of funds and the amount of fund balances. The Committee recommended moving all of the funds raised in the year 18/19 and which were deposited in the Contingency Account to the Reserve fund, to establish a new Contingency account for the current year, and to invest funds not currently needed in certificates of deposit to increase interest income.

In response to those suggestions, Schmidt moved:

1. That \$30,017.19 be transferred from the contingency account to the Reserve Fund bringing that fund to a total of \$80,434.06. The Board hopes to accumulate a minimum of \$150,000 in reserve to be used as provided in the CC Bylaws.
2. That the remaining balance in the Contingency account of \$20,909.05 remain in that account to be used for the purpose of building and equipment replacement, repair, and improvements.
3. That CC bookkeepers create a "Current Year Contingency Account" and that the budgeted amount of \$25,000 be deposited in that account over the next year.
4. That Finance Director Kilzer be authorized to invest CC funds in certificates of deposit at such time and for such rates and periods as cash flow requirements allow.

Kilzer seconded and after discussion all voted yes, motion carried. The Committee indicated that the CC had had a good year and that a small unobligated surplus of \$12,976.79 was available for future use.

Membership and Long Range Planning Committee member Mindy Beemer reported that member Paul Lucas has agreed to help inventory and recommend kitchen item replacement guideline suggestions, which will be of great assistance in planning. Election ballots have been mailed and are being dropped off in office. The Building inspector contacted by the planning committee has not completed the inspection. Dawgs on Deck was very successful with over 150 attendees. Over two hundred tickets for the meal had been requested and delivered and meals in that amount had been purchased, so the CC ended up paying for fifty meals that were not needed. Mindy suggested that the CC institute a minimal charge for all equity events to reduce no shows as the CC is charged per person for food when catered.

Beemer reported that donations for a new handicap accessible door at the restaurant had been pledged. Kilzer moved that the CC proceed to complete the project. Erickson seconded and all voted yes, motion carried.

Beemer indicated that 214 members had purchased memberships for the 19/20 year. The Finance Committee reported that the budget had projected that there would be 230 members and that at 214, there would be a \$15,000 shortfall in revenue from memberships. As a result, either outside play will need to exceed budget projections or proposed expenditures will need to be reduced.

Member Jerry Favero, in his role as FOSA president, advised that FOSA was addressing drainage issues in FOS and that FOSA recognizes that community excess water drains unto the golf course, especially on Holes 4 and 5. He expressed hope that the Board and FOSA would work together in a shared partnership to address drainage issues. The CC in the past has expressed interest in joint resolution of FOS problems and gave general approval of the concept pending future discussions.

Discussion was held on the possibility of replacing the range ball picker, replacement of lighting fixtures, the agenda for the December 10 annual meeting, and values of CC property for insurance purposes.

The Board adjourned its regular meeting and entered executive session to discuss employee compensation.

The Board exited executive session and resumed the open session.

Schmidt made a motion which was seconded by Kilzer to approve a one time net payment of \$200 to all workers who were under employment agreement with the CC on October 31, 2019 and had worked for the CC for longer than 3 months, and \$100 net payment to all workers who were under an employment agreement with the CC on October 31, 2019 and had worked for the CC for less than 3 months, with the payments being funded from the 18/19 CC cash surplus. All voted yes, motion carried.

Schmidt moved that the remainder of the 18/19 surplus (approximately \$10,000) be placed in the CC Contingency account for future use as previously established. Second by Kilzer, all voted yes, motion carried.

There being no further business, Schmidt moved to adjourn at 11:45 am, second by Kilzer, all voting yes, motion carried.

John Beck
Administrative Director