



BOARD OF DIRECTORS MEETING MINUTES

October 22, 2021 8:00 am

Aspen Valley Clubhouse

CALL TO ORDER/QUORUM – Tim Hansen called the Board Meeting of October 22, 2021, to order at 8:00 am.

Directors in attendance in person: Tim Hansen, Alisa Carlson, Ed Gussio, John Harrington, Rissa Henderson, Jeff Leffel, Frank Medina

Directors in attendance via Zoom: Larry Haggerty, Dave Wilder

Directors absent: Randy Burton

Staff present: Ivy Sampson, Nicole Ellman

Staff present via Zoom: Jeff Plattis

With 9 Directors in attendance, a quorum was confirmed and the board meeting could proceed.

CALL TO PUBLIC – Tim Hansen – There were no members of the public present

APPROVE MINUTES FROM BOARD MEETINGS (9/23/21 & 9/25/21) – Frank Medina

MOTION was made by John Harrington to approve the minutes as presented from the Board Meetings of September 23, 2021, and September 25, 2021. Motion was seconded by Ed Gussio. Motion was approved unanimously.

OFFICER NOMINATIONS FOR 2022 SEASON – Tim Hansen

Tim Hansen recommended the following Board of Directors serve as officers for the 2022 season:

- Ed Gussio - Vice President
- Frank Medina - Secretary
- Larry Haggerty - Treasure

MOTION was made by John Harrington to approve the recommended Board Members for the 2022 officer positions. Motion was seconded by Alisa Carlson. Motion was approved unanimously.

COMMITTEE CHAIR ASSIGNMENTS FOR 2022 SEASON – Tim Hansen

Tim Hansen recommended the following Board of Directors serve as committee chairpersons for the 2022 season:

- Larry Haggerty - Finance Committee
- Randy Burton - Golf Committee
- Ed Gussio - Greens Committee
- Alisa Carlson - House Committee
- Rissa Henderson - Membership Committee

Tim Hansen also noted that 3 Ad-Hoc committees will continue in 2022 season. The following will lead the Ad-Hoc committees:

- Alisa Carlson - AVGC By-laws Review Committee
- Ed Gussio - Continental Country Club Bankruptcy Committee
- Charlie Alfano - COVID Committee

CONTINENTAL BANKRUPTCY UPDATE – Ed Gussio

Ed Gussio noted that a meeting was held earlier this week with CCC. Aspen Valley Golf Club has been named as a debtor in the bankruptcy proceedings. In the Debtor's plan of Reorganization, CCC has listed 2 options in regard to the AVGC claim:

1. Work with CCC to reorganize and renegotiate FGMC agreement; CCC wants more control of the FGMC operations with performance standards established; addressing water rights issues and lease arrangement
2. Reject CCC plan and be entitled to liquidated damages amount of \$100,000 or such other amount to be established

Attorney Randy Nussbaum has offered to negotiate the agreement with CCC at a cost of \$10 to \$15k. Rissa Henderson suggested that the AVGC CCC Bankruptcy Committee should conduct the initial negotiations and then submit the draft agreement to the attorney for review and legal consultation. This would be a much more cost-effective approach. It was agreed that Tim Hansen, Ed Gussio and Ivy Sampson would meet with Kathy Mitchell, President of CCC as well as members of the FGMC Board to discuss the bankruptcy issues.

Multiple strategies on how best to proceed with the CCC Bankruptcy will be examined, some of which may need to be taken to the AVGC membership for authority to proceed.

COVID-19 UPDATE – Tim Hansen

The COVID Committee will meet in early 2022 ahead of the new season to determine if any safety measures need to be implemented based on the status of the pandemic.

FINANCE COMMITTEE – Dave Wilder

Dave Wilder indicated that 2021 was a good year from a financial perspective. One of the reasons for a strong cash position was the lack of spending by the Greens committee on golf

course improvements. Tim Hansen noted that the \$50k allocated for the Greens Committee in 2021 will be utilized to renovate the 7th green. Construction on the green will begin at the end of October.

Nicole Ellman noted that for future budget planning, the exceptionally strong position for Membership sales (\$94K above budget) may not be sustainable since the membership is at the full 400-member limit. Nicole also noted the following:

- Food & Beverage sales beat budget by \$50k
- Golf Shop sales beat budget by \$57k
- Outside sales was \$2k short of budget due to fewer rentals of golf carts with less rounds played in 2021 than 2020
- \$11K has been spent on legal expenses for the CCC Bankruptcy issue that was not included in the 2020 budget.
- Golf Course maintenance was \$17k over budget due to the purchase of blankets for green protection during the winter and the repair/replacement of an irrigation pump.

Ed Gussio made a **MOTION** to approve the September 2021 financials as presented. Motion seconded by Rissa Henderson. Motion approved unanimously.

FGMC UPDATES – Jeff Plattis

- Been a struggle finding/keeping staff; currently have 5 full-time and 3 part-time; should be at 11 full-time and 1 part-time.
- Prepping the course for winter shutdown; aerating all but greens will be completed this week; aeration of greens will begin on Monday, November 1st.
- Blankets to protect the greens over the winter are staged and ready to be placed when temperatures warrant (usually December 1st).
- Elk activity on the course has increased; fencing around greens will be completed this week.
- Complaint was filed with Arizona Department of Environmental Quality (ADEQ) on FGMC regarding washing facility draining into a storm drain. Have to come up with a solution that both ADEQ and City of Flagstaff agree upon.
- Construction on 7th green will begin November 1st; sod removal will take place on October 28th.

GREENS COMMITTEE – Ed Gussio

Ed Gussio expanded on the schedule for the 7th green renovation:

- Sod removal - October 28th
 - Re-grading of the green - November 2nd and 3rd
 - Irrigation installation - November 4th and 5th
 - Sod replacement - November 8th
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Tim Hansen stated that renovating the 7th green will be an example of the proposed improvements for the remainder of the course being considered. John Harrington noted that taking the 7th green out of play during the final week of the season impacts the end of the year closing tradition. Ed Gussio noted that by having the work start the last week of October, the costs are approximately 20% to 30% less due to work crew availability.

HOUSE COMMITTEE – Alisa Carlson

Alisa Carlson stated that carving of the tree stump adjacent to the putting green will begin after the season is complete. The artist will be expecting 50% payment of front (\$400) and the remainder upon completion.

Alisa Carlson also noted that the unspent minimum Food & Beverage expenditures stands at approximately \$8k, which is considerably less than the \$12k to \$15k at similar times in years past. Staff are actively pushing members to spend their \$300 annual requirement.

GOLF COMMITTEE – Jeff Leffel

Jeff Leffel noted the committee met on Thursday, October 21st and discussed the following:

- The Committee voted to continue the Member/Pro tournament on an annual basis; suggested dates will be proposed at the Board of Director's Fall retreat.
- Discussion took place not allowing outside group play on Fridays through Sundays. Voted to allow the BVP game and ladies AVWGA games to continue in 2022; any other groups would need to fill out an application and submit to the golf committee; all non-sanctioned outside groups will be playing on non-prime days (Monday - Thursday)
- Committee voted to allow a women's flight in the member/member tournament (Maximum 12 teams). Coed tournaments and ladies only tournaments will be discussed further at the next golf committee meeting, with proposed dates brought forth at the retreat (Ladies Fall Classic equivalent and a new proposed Coed tournament).

MEMBERSHIP COMMITTEE – Rissa Henderson

Rissa Henderson indicated that a meeting is scheduled for Monday, October 25th. Items being considered in the coming year will be to review formalization of the membership process and materials and planning for the 2022 new members welcoming party.

Ivy Sampson indicated that 42 memberships were sold in 2021, with 24 potential members on the waiting list. The last membership was sold at the \$10k price. Currently there are four memberships for sale with asking prices ranging from \$10k to \$17.5k.

BY-LAW REVIEW UPDATE – Alisa Carlson

Alisa Carlson noted that there are conflicting views on the Transfer Fee issue. Looking at other ways to state this to eliminate the confusion regarding the portion of the membership sale that is retained by the Club. Tim Hansen stated that the by-laws have conflicting information regarding the Transfer Fee and needs clarification on who pays the transfer fee, the buying or selling party (the Transfer Fee comes out of the amount received by the selling party).

GENERAL MANAGER UPDATE – Ivy Sampson

Ivy Sampson reported on the following:

- The club website is currently being updated; each committee chairperson needs to provide Ivy with an updated list of committee members
- New carts have been ordered and are to be delivered next Spring prior to Opening Day.
- The replacement pizza oven is expected to be delivered before the end of the year.

OLD BUSINESS

NEW BUSINESS

The Board set the annual retreat dates for Friday December 3rd and Saturday December 4th, both days from 8:00 am to 12:00 pm. Will be held at the Aspen Valley Golf Club Clubhouse.

Board meeting adjourned at 9:48 am.