

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE CLUB AT COBBLE CREEK, INC.

A meeting of the board of directors of THE CLUB AT COBBLE CREEK, INC. (the "Club") was held on October 17, 2022, at 5pm. Those present and participating in the meeting:

Mike Weber, President
Pat Pitz, Vice President
Betsy (Betty) Willy, Secretary
Gary Poteet
Eddie Anderson, General Manager
Chris Cox, CC HOA liaison
Ned Frazier Spruce Point HOA liaison

Approval of minutes: The minutes of the BOD meeting on 10/10/22 were approved as revised per email.

Long Range Planning Committee Report:

Cart Path Replacement Project: The goal is to replace deteriorating asphalt golf cart paths with concrete. The plan originally was to replace the section of paths from 16th green through the 18th tee box along with repair of the retaining wall by the pond next to the 16th green. However, during the summer, a section of the path by hole #2 has deteriorated significantly. Cold patching has been completed in many areas on the course by volunteers.

Pat Pitz as Long Range Planning committee chairperson reported that this fund now contains \$71,403. We will continue accepting donations until 10/31/22. We will close the campaign at this time to prevent overlapping the Angel Tree Fund Raising Campaign. A reminder will be sent to the members to encourage any who have delayed donating to do so before 10/31. Decisions regarding the choice of plaque for acknowledging donors of one thousand dollars or more and all other donations will be deferred until after the close of the campaign. "Thank you" letters are being sent to donors by Kayla Bright. These funds are reserved for the use of this project and are not a part of general operating funds.

Approximately \$100,000 was the projected cost of the cart path from the sixteenth green through 18 tee box including a bridge across the culvert between the 17th green and 18th tee boxes. The plan was to complete the project with available funds. To accomplish this, the original length of this section to be replaced will be shortened by 435 feet. The section of deteriorated path of 490 feet by hole number two will be added. The bridge plan was deferred and will be replaced with a concrete pad over the culvert. The repair of the wall by 16th green will be included as funds become available

For these sections to be completed, it is estimated that an additional \$3,400 is needed. The board voted to provide additional funding through the general operating budget. Work on this project is expected to commence in early Spring based on the Contractors schedule.

Capital Projects: The board is asking the CC HOA to help fund the “Rough” mower and repairs/replacement of pumps for the irrigation system as these will provide service to the entire community through mowing of the common grounds as well as the golf course and irrigation of the common grounds. Eddie has been authorized to provide the seller of the mower with a commitment for purchase. The owner’s time frame is to sell in April. The price is between \$40,000 and \$50,000 for the used mower as opposed to \$130,000 for a new one.

Potential Expansion of the Clubhouse plan: Decisions regarding the plan as well as funding sources will be deferred until the restaurant committee and LRPC concur on which option they wish to pursue. At that time, architectural drawings will need to be completed and funding sources identified. The plan is to apply for the City of Montrose Expansion Grant; however, the city will require more concrete plans than we have at this time. Jim Knight has provided the Club with renderings of floor plan options which will be shared with these committees. And once they have narrowed the options, input will be sought from club members. It is anticipated that this plans for this project will not be finalized until the next board is in place in the new year.

General Managers Report:

Member Agreement Extension: The BOD unanimously approved extending the member agreement for an additional five years terminating on December 31, 2027, as permitted by Section 2.5 of the 2020 Member Agreement of The Club at Cobble Creek which states: “I understand that the terms of this Agreement shall terminate on December 31, 2022. However, provided the Club Facilities are still in operation, the Membership Agreement may be extended after termination of this Agreement at terms and conditions outlined by the Company, or its successor in interest. The terms of said extension shall be provided at least sixty (60) days prior to the expiration of the term herein.”

Membership dues and Golf fees for 2023: Eddie presented projected budget figure comparison from 2022 to 2023 based on an anticipated increase of 3% in expenses. He then presented potential revenue increases which could be realized through three different scenarios applied to member dues and all golf fees. The board has asked for further study of projected expenses pending 3rd quarter financial results.

- an eleven percent increase (8% estimated Consumer Price Index (CPI) for FY ending December 31, 2022, plus 3% of the maximum allowable increase not utilized for FY 2022 dues increase)
- an eight percent increase (Estimated CPI for the FY ending 2022)
- a four percent increase

A portion of this projected income would be targeted for the Reserve fund, a portion to Capital expenses and/or Reserve Funds and the remainder to offset rising labor and supply costs.

An 11% increase for singles and couples would result in the following out-of-pocket cost for members per month: (again these are approximate figures)

Club Membership Dues: The board approved an increase in membership dues and golf fees of 11%.

Singles Club membership dues - \$111/month (2022) increased to \$123/month (2023) or \$12.21 increase/month or \$146.52/year

Couples Club membership dues - \$149/month (2022) increased to \$165/month (2023) or \$16.39 increase/month or \$196.68 /year

Annual golf greens fees if increased by 11%, would result in the following out of pocket cost per month:

Singles- \$160.41/month (2022) increased to 178.05/month (2023) or an increase of \$17.65/month or an annual increase of \$211.86 per year in 2023.

Couples - \$271.25/month (2022) increased to \$301.08/month (2023) or an increase of \$29.84/month or an annual increase \$358.05/per year (in 2023)

After discussion of the impact each option would have on the operation of the Club and the cost to each family as well as projected net revenue for each scenario, the BOD voted unanimously to approve an 11% increase in membership dues and golf fees. (These figures are approximate and will be compared to competing golf course fees in our area before finalized.) The actual fees will be published in the Extension of the Member Agreement Schedule 1 due out to members October 31, 2022.

The extended member agreement will be sent electronically to members by October 31, 2022, which they may print for their convenience. Those members who do not utilize email will receive their copy in the mail. Members are asked to call Kayla Bright at the office if they have not received their copy by October 31, 2022.

Board of Directors election: Dates set for the election of three open positions on the Club BODs include:

Workshop for candidates:	November 16, 2022
Resumes due to BOD:	December 2, 2022
Ballots and proxy forms mailed to members	December 16, 2022
Candidates present to members	January 3, 2022
Deadline for ballot submission	January 11, 2022
Vote Count	January 13, 2022
Annual Member Meeting and First BOD meeting in 2023 with new board	January 16, 2022

We will ask an external accounting firm to provide a monitor and be the recipient and safe keeper of the ballots. Kayla Bright will be asked to seek input from Madison regarding last year's process. She will coordinate preparation and mailing of the ballots. Betsy Willy will seek volunteers to assist with the ballot prep and mailing process. Tracy Dickenson has volunteered to seek volunteers and coordinate the vote count.

The resignation of Buck Andrews as the West Star appointee to the Board of Directors was formally accepted by the BOD. Mike will contact Flint Ogle and Randy Griffin to request a replacement to fulfill the term through the end of 2023. At that time, West Star will have fulfilled their obligation to provide an appointed member to the board. All board members will be elected by the membership to serve on the board commencing January 2024.

GM Status: The board is in receipt of multiple emails from members with common themes. Instead of answering each email individually, the BOD will issue a memo to the membership.

Steps forward: Three areas will be outlined in a memo to be sent to the membership before the Coffee with the Board on Thursday morning at 11am. These will address:

- the commitment of the BOD to seek a financial review using the same accounting firm which performed the review of Club finances last year.
- the commitment of the BOD to conduct a thorough review of the Club's personnel policies and procedures, ensure they comply with current labor law and industry standards. These policies and procedures will be implemented immediately with documentation required to provide evidence of compliance.
- the commitment of the BOD to continue to be as transparent as possible regarding the affairs of the Club.

The regular meeting of the BOD adjourned to executive session. Following the executive session, there was no further action taken.

There being no further business the meeting was adjourned at 7pm.

Respectfully Submitted

Betty Willy

Secretary