

**KMGA Monthly Meeting
January 19, 2010
Minutes**

President	Vice President	Secretary	Greens Chair
Tom VanderBerg	David Vernier	Teresa Snook	TBA
Board Members			
Vic Callahan	Bob Cavanaugh	Chuck Clinard	Steve Conner
Greg Gagie	Quincy Franklin	Lee Stuart Jr.	
Director of Golf	Business Manager	Greens Superintendent	
Steve Tyler	Don Brinks	Ron Williams	
City Manager		Parks and Recreation	
Ken Collard	Thomas Skrobola	Frances Jewell	Jerome Kisscorni
City Commissioner	Clerk's Office – (Minutes only)		
Barbara Miller	Scott Borling		

- **The Minutes** of the November 17, 2009 meeting were approved.
- **Board Seats:**
 - Due to Orlin Loen's resignation on August 22, 2009, the nominee with the fourth-highest votes in the November 2009 election was deemed to have earned Orlin's seat on the Board*. That person is Tom VanderBerg.
 - There is also an appointed Board seat available. Since there is already diversity within the Board, it was unanimously approved that the seat be offered to Rick Margelis. Rick has been a dedicated member of the Board, serving as the Secretary for many years, and the Green's Chairman in 2009. His name and information were inadvertently left off the ballot in November*. Tom VanderBerg will contact Rick to offer the seat and discuss continuance of Green's Chairmanship.
- **Officers and Appointments:**

The following KMGA officers were elected*:

 - President – Tom VanderBerg
 - Vice President – David Vernier
 - Secretary – Teresa Snook

The following appointments were made:

 - Business Manager – Don Brinks
 - Greens Chairman – Vic Callahan has agreed to share this position with another Board member TBA.
- **Don Brinks presented the Business Manager's Report.**
 - **2009 Financials**
 - ❑ Revenue – Original budgeted revenue was \$1,306,000. In September it was reduced to \$1,256,141. Actual year-end revenue was \$1,239,884.
 - ❑ Disbursements –
 - Administrative: Budgeted - \$39,800; Actual - \$42,248. This category includes start-up costs for beer & wine license - permit, license, & liability insurance.

- Course Maintenance: Budgeted - \$262,738; Actual - \$284,816
- EH Concessions: Cost of Products - \$9,208; Other Costs - \$3,690
Most of this will be notably less or non-existent in coming years.
- Labor: Budgeted - \$525,000; Actual - \$501,000 + \$138,000 owed to Steve Tyler for covering hourly payroll, for a total actual of \$638,000.
- Other Expenses– Budgeted - \$101,028; Actual - \$166,640
This category includes cart rental, bank costs, etc.
- Other Uses of Revenue: Budgeted - \$300,147; Actual - \$231,054
- Indebtedness – Our auditor will look over the following numbers and provide final numbers. It is estimated that the final number may be closer to \$250,000. Our initial numbers follow:

\$138,511 – Steve Tyler payroll

\$17,969 – Steve Tyler overage for EH renovations

\$86,987 – City of Kalamazoo for Master Plan repayment

\$101,102 – Carry-over debt from 2008

\$344,569 – TOTAL

➤ **2010 Budget = \$1,328,790**

- If budgeted revenues and expenditures are met, we would end up +\$316,801 to apply toward debt payment.
- If we utilize 2009 revenues as a guide, however, expenditures will need to be reduced from the Budgeted amounts in order to eliminate the KMGA's deficits.
- Tom Skrobola stated that as a government entity, the State of Michigan requires that the City be debt-free by the end of 2010. If we fail to pay the City back the money owed them, the impact could be that the State takes away the City's ability to finance any future debt. That is a serious consequence that the City cannot afford.
- Contract Services with Steve Tyler - \$480,710. This category includes salaries, insurance and taxes for staff.
- Realizing 2009 revenue amounts, with modest increases for full-year liquor operations and the new cell tower lease, while holding down expenses to \$1,000,000 is the key for 2010. Reduced expenses would involve, at minimum, holding labor costs to \$480,710 (as indicated above), not entering into new debt in 2010 for equipment (saving \$37,500 of budgeted new debt payments in 2010), reducing course maintenance expenditures (as already planned and proposed by the Golf Director, to \$255,500), taking into account the renegotiated cart lease expense (from \$75,250 as budgeted to \$65,360 as renegotiated), and no expenses for projects or capital replacement (as opposed to \$10,000 budgeted).
- Contract Services expenses will be down \$144,290 due to staff changes and a reduction in Labor Costs at both EH & MP.

• **Steve Tyler presented the Greens Chairman's Report.**

- The 5th Hole on the West nine at EH will likely be unplayable again in 2010 due to continued flooding. Steve Tyler spoke to county officials who reported that the water table at the Northern end of the county is 4' higher than normal. The goal is to pump most of this excess water up to the original 18.
- A Verizon cell phone tower has been erected North of the clubhouse between the driving range and the 9th hole on the West nine at EH. Verizon pays the KMGA \$1,000 per month for use of this land.

- City workers are scheduled to remove dead Ash trees at MP. In order to stop the spread of the Emerald Ash Borer disease, these trees must be removed.
- **Steve Tyler presented the Golf Director's Report.**
 - An Executive Committee was formed and is comprised of Tom VanderBerg, David Vernier, Steve Tyler, Tom Skrobola, Frances Jewell and Don Brinks. The committee will meet at the Parks Department the Thursday prior to each monthly board meeting to discuss financial issues and prepare items to be presented to the entire Board of Governors.
 - Reimbursement for Steve Tyler – Tom Skrobola reported the following: After meeting with Steve Tyler, Frances Jewell, Tom VanderBerg, and Don Brinks, the following plan has been made for repaying Steve Tyler \$138,511, the amount of labor costs he subsidized for the KMGGA in 2009:
 - As of December 2009, the KMGGA has a cash balance of \$92,000. We will retain \$32,000 for winter necessities and disburse the remaining \$60,000 to Steve.
 - The remaining \$78,511 owed Steve is being requested to the City of Kalamazoo. Once approved, that amount will be added to the \$86,987 currently owed for our Master Plan debt. Our total dollar amount owed the City will increase to \$165,498.
 - The Board unanimously approved the following motion:

The KMGGA will immediately pay Steve Tyler \$60,000 out of its current cash balance. An additional \$78,511 will be added to the KMGGA's debt to the City of Kalamazoo, without interest, with the understanding that the City will use this money to complete the pay-off of the remainder of the \$138,511 (\$78,511) to Steve Tyler for labor costs incurred during the year 2009.
 - This plan needs to be approved by the City Commission. Tom VanderBerg will represent the Board at the Committee of the Whole meeting January 29, 2010, and/or the City Commission meeting February 1, 2010, to clarify any questions the commission may have regarding this issue and its proposed resolution.
 - Great Lakes Restoration Initiative (GLRI) –
 - Steve Tyler and Frances Jewell met with Bill Reed & Brian Boyer regarding the possibility of participating in this initiative. Its purpose is to increase the amount of ground water running into the Great Lakes.
 - Should we participate, it will be a 2011-12 fall project, reducing or eliminating any negative effects on play; a state grant will cover all costs.
 - The Board approved the concept. More information will be sought.
 - See attached project description and documents from Kieser & Associates Environmental Science & Engineering.
 - Master Gardeners – Former Board Member Noel Ocen contacted Steve Tyler with an offer from Linda Whitmore, head of the Master Gardeners program at MSU. The group is offering to plant and maintain hundreds of plants at Milham Park. Steve is looking into having plants donated for this purpose.
 - KMGGA Board Memberships –
 - Discussion included the possibility of offering board members 50% off their memberships and trading volunteer time on the course for memberships.

- A subcommittee was formed to pursue further ideas. That committee consists of: Steve Conner, Dave Vernier, and Chuck Clinard. Chuck will also contact Vic Callahan for his input.
- **Old Business**
 - Handicap system* - Steve Tyler will be at the PGA Show in Orlando the last week of January and will investigate alternative handicapping systems. The system originating out of Grand Rapids (see November 2009 minutes) is a viable option, but Steve wants to check out other possibilities before making a recommendation to the Board.
 - Updating Board Policies & Procedures Notebook*
 - It was decided that we will start by accessing the need to update the KMGGA Constitution; Vic Callahan, Bob Cavanaugh, and Tom VanderBerg did a preliminary analysis. Tom reported that possible changes are being investigated. The following committee was formed to continue this process: Vic Callahan, Bob Cavanaugh, Chuck Clinard, Greg Gagie, Frances Jewell, and Tom VanderBerg.
 - Copies – Steve will have five copies of our current book made for newer Board members.
- **New Business**
 - A schedule of meeting dates for 2010 was distributed.
 - The possibility of extending hours at EH for bar use was discussed. The clubhouse and bar are open following leagues, but Steve maintains that, “nothing good happens after 11:00 p.m. on a golf course.” It is this belief that drives the decision to close by 11:00 p.m.

*Please see attached document submitted by Board Member Vic Callahan who was unable to attend this meeting.

Respectfully submitted,
Teresa L. Snook, KMGGA Secretary