

**KMGA Monthly Meeting
May 18, 2010
Minutes**

President	Vice President	Secretary	Greens Chairmen
Tom VanderBerg	David Vernier	Teresa Snook	Vic Callahan
Board Members			Rick Margelis
Bob Cavanaugh	Chuck Clinard	Steve Conner	City Clerk's Office
Quincy Franklin	Greg Gagie	Lee Stuart Jr.	Scott Borling
Director of Golf	Business Mgr	Greens Superintendent	City Commissioner
Steve Tyler	Don Brinks	Ron Williams	Barbara Miller
City Manager	City - Finance	City - Economic Develop.	City - Parks & Recreation
Ken Collard	Thomas Skrobola	Jerome Kisscorni	Frances Jewell

- **The Minutes** of the April 20, 2010 Board meeting were approved.
- **Rick Margelis and Vic Callahan presented the Greens Chairmen's' Report**
 - **Rick Margelis – Milham Park**
 - Sand is being added to the bunkers; currently more than half are done.
 - Sand and Ash tree mulch is being stored next to the maintenance buildings. The sand is being used to finish the bunkers; the remainder will go to Eastern Hills.
 - The stumps of the Ash trees have been cut and ground down by City workers.
 - MSU's Master Gardeners Club of Kalamazoo will work on the slope behind #4. They will be asking for donations for plantings. Former Board member, Noel Ocen, is part of this effort.
 - **Vic Callahan – Eastern Hills** (written report attached)
 - We are in our third year of trying to manage the greens without aerification; they are being top-dressed only. Aerification is essential to keeping greens healthy; it relieves soil compaction, provides a method to improve the soil mixture around the highest part of a green's roots, and reduces or prevents the accumulation of excess thatch. (See attached articles provided to the Board.) Eastern Hills does not have an aerator, and the one at Milham Park is very fragile. This equipment breaks easily due to the nature of its use.
 - As a result of not being able to aerate, moss is present on several greens. Last year there was a problem on #10, now it is worse and has spread to at least nine more greens. The moss is spread mainly by foot-traffic and is promoted by moisture, which the greens get a lot of since it's necessary to water them consistently. Regular chemical treatment is the way to keep it in check.
 - A couple of questions and a couple of ideas were voiced:
 - ❖ Can we treat the affected areas and not the entire green?
 - ❖ Can we get an estimate of the cost to treat the problem?
 - ❖ Treat #10 this year and see if it's worth the cost to treat the other holes.
 - ❖ Baking Soda is rumored to work on moss issues – it may be worth trying.
- **Tom Skrobola presented the Business Manager's Report.**
 - Tom Skrobola gave a synopsis of the Executive Committee Meeting:
 - The revised budget, adopted by the KMGA at the April 2010 meeting, was adopted by the City Commission on Monday, May 17, 2010.

- Revenue and expenditures are both in better standing than anticipated. Based on past history, revenue is ahead by \$36,000 and expenditures by \$42,000.
- The question was raised that if Steve Tyler continues to do well in keeping expenditures below budget, could the money he saves be used later in the year for a different line item? Tom Skrobola's answer was yes.
- Steve Tyler's comments on finances:
 - ❖ The punch cards, on which EH & MP are choices, are being used. Right now people are using the buy one-get one cards for free rounds, but it's anticipated that these people will come back over the summer as a result of checking out the courses now. Revenue is up \$16,000 due to punch card sales.
 - ❖ The KMGGA needs to have enough money in September and October to take care of leaf clean up, which is a necessity in order to maintain healthy grass.
 - ❖ Greg Gagie suggested that Steve come up with a Top 10 Deferred Maintenance List, complete with associated costs. Steve recommended that a sub-committee be formed to generate the list. This will be done at the June meeting; Steve will chair the committee.
- **Jim Baker, Auditor** from Siegfried Crandall PC, gave an overview of the KMGGA's 2009 audit and made it clear that phone calls are always welcome if there are questions or concerns about the audit. There are two parts of the financial statement: 1) the letter of opinion by the auditor about the financial statement, 2) our specific information (both are attached). Following are highlights of Jim's presentation:
 - Pg. 4 of report under *Assets*: capital asset added is the liquor license. *Unrestricted Debt* = working capital – cash and near-cash items; this is what we are trying to recuperate with our revised budget.
 - Pg. 6 under *Adjusted Depreciation* = assets are outliving what was initially estimated (i.e., land – greens won't be replaced as soon as first estimated).
 - Pg. 7 under *Cash Flow* = if our rates are not positioned well enough to keep us in the black, we'll have to sell off an asset to pay back debt incurred. Capital-related debt is where we ran into problems in 2009.
 - Pgs. 11-13 contain our *Long-Term Debt* elimination plan.
 - The letter from the auditor is a document that gives another opinion on our debt other than our own financial manager might have. Page three contains a list of policies and procedures the auditor considers problematic, or could become problematic if continued.

Keeping in mind that most cities that own municipal golf courses finance them completely, Vic Callahan asked Mr. Baker if it would be acceptable for the City of Kalamazoo to contribute financially to the KMGGA. Mr. Baker responded that legally and ethically a contribution would be acceptable, but said it may not be feasible. Callahan noted that, conversely, the KMGGA contributed handsomely for many years to the City's Parks and Recreation Department.

- **Steve Tyler presented the Golf Director's Report.**

- **MSU's Master Gardeners –**

- This group has offered to mulch behind the 4th green at Milham Park at no cost to the KMGGA. They will use mulch from Ash trees that were removed last fall. The limbs have been shredded and are not contaminated with the Ash Borer. Board approval was granted.
- Pod Gardens – Steve is fund-raising for a walkway project to be fashioned between the sidewalk on Lover's Lane and the #10 tee box at Milham Park. He

is soliciting memorial contributions for plants and has collected \$1,500 of his \$5,000 goal. Again, Master Gardeners will do the work free of charge.

- **Eastern Hills West #4 & #5** – These holes are much improved from the water damage done last year. League players are happy that it's open for play.
- **Milham Park Irrigation** – the motor in the pump house at Hole #4 is continually breaking. It is currently functioning at 35% of water accessibility, which translates to 60-70% total function. Steve believes that there is a surge problem, which gets worse as other consumers on the same grid increase their electrical usage. The motor has been repaired three times in the last 18 months, and no one will agree to repair it again due to the age and condition of the pump house. A new motor would cost \$2,500-\$3,000. A surge protector would cost around \$2,000, but there's no guarantee one would work. The situation is very dangerous; Consumer's Energy has been out to access the situation, and they won't touch it due to the calamitous condition the pump house is in. The idea of pumping from a well was pursued, but that would cost approximately \$100,000.

- **Old Business**

- **Constitution** – the Board was asked to continue to look over the proposals made by the subcommittee. This will be discussed at the June meeting.
- **KMGA Board Memberships**
 - Vic Callahan shared his thoughts regarding the vote that took place in March to discontinue golf memberships for board members. He was out-of-state at the time. His concerns included:
 - ❖ Timing and implementation of the decision.
 - ❖ His vote didn't count even though it was verbalized to a board member and a written statement was sent to the secretary who read it at the meeting. He made the point that only 3 of 11 elected and appointed board members voted for the change. It didn't seem like a true indicator of the correct path to take. Other Board members shared that the March meeting was very tense and they felt pressured into making a decision that could have been tabled until better representation of the entire board was present.
 - ❖ The ethics behind recruiting members to run for the Board and then changing the policy four months after they were elected.
 - ❖ By forcing all Board members to pay \$250 this year, one or more Board members would have to step down because this cost is not feasible for them. His contention was that all Board members should be able to complete their term in office under the conditions under which they started the year. Any changes should be made prior to when new Board members are encouraged to run.
 - The following motions were made:
 - ❖ Vic Callahan made the motion that all changes to policies, procedures, and board membership policies be voted upon by October 2010 and implemented in January 2011. This would allow all current board members to finish this year in good standing before making a decision as to their future with the Board. CARRIED.
 - ❖ Vic Callahan made the motion to allow all members the opportunity to vote on issues that directly affect them (i.e. cost to Board members for their memberships). Jerome Kisscorni and Frances Jewell noted that, generally, only those in physical attendance for votes at board meetings of any kind are allowed to vote. The idea of allowing a member to vote through use of technology was considered. After discussion, the motion was WITHDRAWN.

- ❖ Vic Callahan made the motion that from this time forward Board members receive a membership in exchange for the time and commitment put forth during the term for which they serve. Motion was not seconded.
 - ❖ After continued discussion on the above, Rick Margelis made the motion to reestablish memberships for Board members, as was the policy in effect prior to the March Board meeting. CARRIED
 - The following points were made during discussions:
 - ❖ The City of Kalamazoo chose not to sell Eastern Hills Golf Course, assisted the KMGA in acquiring a liquor license, and supplied a loan (interest-free for three years) for necessary renovations to the clubhouse. It was stated that Board members should view their contributions as a service to the City and not as work to be compensated.
 - ❖ At least one Board member feels their service is a way to use the barter system since personal funds are not available to pay cash for their membership.
 - ❖ The City's consideration of selling Eastern Hills was detrimental to sales.
 - ❖ There is frustration on the part of Board members that it seems the City has forgotten the KMGA's generosity to its Parks and Recreation Department. When the KMGA was in good shape financially, it gave over \$1.5 million to the City's Parks and Recreation Department (1996-2005), but now the City is not willing to work out a deal with the KMGA regarding its approximate \$254,000 debt due by the end of 2010. It was noted that if the \$1.5 million had not been donated to the City, the KMGA would not have been in the position to need a loan in the first place.
 - Commissioner Miller was unable to stay for the duration of the meeting. She was disappointed with the results of the above votes. Her written thoughts are attached, along with responses from Board members.
- **New Business**
 - A copy of an e-mail from former Board Member and Green's Chairman, Dave Ballingall, was given to each Board Member (attached).

Respectfully submitted,
Teresa L. Snook
KMGA Secretary