

KALAMAZOO MUNICIPAL GOLF ASSOCIATION
BOARD OF GOVERNORS
SPECIAL BUDGET MEETING
November 6, 2014

MEMBERS PRESENT

President	Curt Wiser
Vice President	Pete Farnier
Secretary:	Noel Ocen
Board Members:	Sue Campbell, Bill Hauke, John Bradshaw, Herman Smith
Dir. Parks and Recreation	Sean Fletcher
Dir. of Economic Development	Jerome Kisscorni
Dir. of Management Services/CFO:	Tom Skrobola

MEMBERS ABSENT: none

STAFF PRESENT: Dean Marks

GUESTS PRESENT: Maggie Sikkema

Approved minutes are forwarded to: Scott Borling, City Clerk

THE MEETING WAS CALLED TO ORDER AT 5:32 pm at Milham Park Golf Course

1. Dean Marks presented the proposed 2015 budget. The 2013 and 2014 actual revenue was down both years. The 2015 budget is based on the actual revenue of 2014. A very slight increase in greens fees is projected because of a slight rate increase. The budget, as proposed, again results in a loss to DM Golf, compounding the losses to DM Golf experienced in 2013 and 2014.

The courses generate enough revenue to cover current expenses if the annual payments for accumulated debt from past years could be reduced and extended (not forgiven). The process is called 'restructuring'. Restructuring the KMGGA debt would allow the courses (Milham Park and Eastern Hills) to continue operation and would return to the City of Kalamazoo all of the borrowed funds—it would take about 4 years longer.

The city was approached with this request. Jerome Kisscorni reported that the City Manager has rejected any consideration of restructuring the outstanding debt. The sale of Eastern Hills must be explored first. The city commission's Administrative Committee consisting of the mayor, vice mayor, and highest vote getter concurred with the City Manager: a sale of Eastern Hills must be pursued before any consideration will be given to restructuring the debt. The city attorney was also present in this meeting. Commissioner Barbara Miller, liaison to the KMGGA board, was also approached with the same issue. Barbara Miller also insisted that the sale of Eastern Hills must be pursued before any consideration will be given to restructuring the debt.

Jerome added that requests for proposals to appraise the value of Eastern Hills have been sent out.

Tom Skrobola moved approval of a motion to accept the 2015 budget as presented. John Bradshaw seconded the motion. The motion passed.

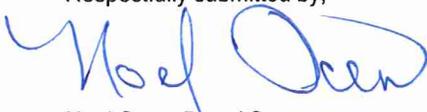
Although it was not in the form of a motion, the Director of Golf was encouraged by the KMGGA Board President to revise the 2015 budget so that it reflect no worse than a break even for the Director of Golf's management company, DM Golf.

2. Given the response from the city, the KMGGA Board reluctantly agrees that the sale of Eastern Hills needs to be explored. Jerome Kisscorni moved approval of a motion to explore the sale of EH for an amount that at least offsets the EH debt and the total KMGGA debt; funds beyond that will be used to provide a fund for future capital expenses. This motion was amended to read that "all proceeds of such a sale will be used to offset the KMGGA debt and fund future capital expenses". Noel Ocen seconded the motion. The motion passed. There was 1 vote against. All three city representatives on the board voted in favor of the motion.

3. John Bradshaw will put together a press release to explain the proposed sale of Eastern Hills. Input for this piece will be provided by the city.

The meeting was adjourned at 6:30.

Respectfully submitted by,



Noel Ocen, Board Secretary