

KALAMAZOO MUNICIPAL GOLF ASSOCIATION  
BOARD OF GOVERNORS MEETING  
May 21, 2015

MEMBERS PRESENT

President	Curt Wisner
Vice President:	Pete Farner
Secretary:	John D. Bradshaw
Board Members:	Noel Ocen, Sue Campbell, Ryan Franklin
Dir. Parks and Recreation	Sean Fletcher
Economic Development:	Jerome Kisscorni

MEMBERS ABSENT:

Dir. of Management Services/CFO:	Thomas Skrobola
----------------------------------	-----------------

STAFF PRESENT

Director of Golf	Dean Marks
------------------	------------

VISITORS PRESENT

Diane Worden

Approved minutes are forwarded to: Shelby Moss for Scott Borling, City Clerk

1. The meeting was called to order at 5:39 pm, in the Commissioners Chambers of Kalamazoo City Hall. **Noel Ocen moved for approval of the minutes of the April 16, 2015 meeting with a correction that Ryan Franklin was present at the last meeting and Curt Wisner was the one member absent. With that correction Curt Wisner 2<sup>nd</sup> the Motion. The motion passed.**
2. Director of Golf Report:
  - Dean stated that KMGA has had strong numbers so far for April especially RA, which has had a strong Student presence.
  - The MPGC Pro Shop has had strong numbers so far this year and memberships are UP over last year at this time.
  - Administrative expenses are up over all, but in check. He noted that there has been an uptick in computer expenses and payroll taxes.
  - May rounds are up over last year.
  - The spring fest was flat with 26 teams.
  - The demo day was flat.
  - FootGolf has been well received—with only Saturday so far being used, but would like to increase days as volunteers warm up and promote it.
  - Dean reported that David Kiel has given 'Notice' and is moving to California by 6-1-15. He will be missed.
  - Noel Ocen asked about the status of the 'divot replacement' signs. Dean stated that they had talked about it and that he would move on the signs.
  - **Financials:** After a review of the financials, there was a discussion about any correlations to be seen in the downturn of golf here in the last few years—and perhaps in other areas. Sean Fletcher stated that he would try and get some more information on this. Curt Wisner stated that the pool of golfers is 'just not getting bigger'.
3. Greens Report:
  - Ryan reported that the greens committee will be meeting in the near future.
4. Red Arrow:
  - Diane reported that the course has the highest number of volunteers in 4 years—up to 45 by the end of May. This number includes 5 regular volunteers that have medical issues.
  - Diane stated that application to the Fetzer Foundation for a grant had been approved. That amount will be \$5,000. The amounts will be used, partially for a renovation of the bathroom and to upgrade the water

supply to the main structure, which will cost approximately \$3,500. Further, they will spend less than \$400 for the remainder for various promotions. She stated that when they receive the Money in June, those expenditures will deplete the fund by July.

A **MOTION** was made by Noel Ocen to accept the grant from the Fetzer Foundation, and that the funds are to be used as outlined by Diane.

Seconded by Pete Farner

Upon a vote the **Motion PASSED**.

- Diane stated that the Boys and Girls Club Neighborhood Youth Access Program has had twice as many participants as they had anticipated which is a good thing.
- Finally, the Board gave A Special Thanks to Diane for all of her hard work at Red Arrow.
- **RA Fund Raiser Outing:** As to the Red Arrow benefit, it was Agreed that we should give a free Foursome to our food vendor, for his work in the proposed dinner at the benefit—for just \$5.00 per head to offset some of his costs. Additionally, brochures were handed out to all of the Board Members,

6. Eastern Hills Update:

- Jerome Kisscorni stated that there has been a Purchase Agreement submitted by JTM management, Inc. for the sale of EH in the amount of \$2,190,000.00. This has not been signed as it must be approved by the City Commission.
- It includes a \$20,000 escrow and ALL equipment goes with the sale. It is proposed to be a re-development project.
- There was much discussion and questions from the gallery including :

Whether land will still belong to City of Kalamazoo: NO

Will it still be a golf course: Probably not---it will be a mixed use project.

Will the leagues at EH be able to be absorbed into MPGC: Probably not for after work leagues.

Will they put a drive through EH: Unknown.

- Comments from the Board were:

**Curt Wisner:** We have investigated refinance of the debt, and even if we eliminate some of the ongoing payments, we would still owe the money and still look bad financially in the long run. The point is to keep Dean Marks Golf interested in the management of the course as he is our best hope to keep golf in Kalamazoo.

**Sue Campbell:** This sale is better than losing everything.

**Noel Ocen:** It should be noted that the KMGGA had provided \$1.6 million to the City of Kalamazoo for the maintenance of the Parks and Recreation Department for programs in the early 2000's. The income stream, at that time, was sufficient to cover the KMGGA'S indebtedness, but the City of Kalamazoo decided to use the KMGGA net income to support the Parks and Recreation Department, in lieu of paying down the debt. The outstanding debt that has caused the City to now decide to sell EH, is not the result of KMGGA or Directors of Golf fiscal mismanagement.

**Noel Ocen:** That any recommendation to sell should include a provision that the net proceeds be used for the capital expenditures of KMGGA and not for any operating expenses of KMGGA or the City of Kalamazoo, because we are selling one half of our assets.

**Pete Farner:** We need \$2 Million to balance our budget and get out of debt. Maybe we could have a capital campaign, but that would be the only viable option.

A **MOTION** was made by John Bradshaw:

That the KMGGA Board of Governors accepts the Sales Agreement for the purchase of Eastern Hills Golf Course from JTM Management, Inc., for \$2.19 Million, ----**only** with the provision that the net excess, after payment of KMGGA debt and closing costs, be placed into a KMGGA capital expenditures account to be used for KMGGA capital improvements only, and not for operating expenses.

Seconded by Jerome Kisscorni

Upon a vote the **Motion** passed with Ryan Franklin voting no.

The meeting was adjourned at 6:55 PM.

Respectfully submitted by

John D. Bradshaw  
Secretary

