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## MEETING MINUTES

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**Association** Kentucky PGA Section  
**Meeting** Board of Directors  
**Date** June 28, 2012  
**Location** Conference Call

### MEMBERS PRESENT

Gary Bebelaar, Pete Garvey, Ralph Landrum, Brad Morrow, Garry Nelson, Chris Osborne, Chris Redle, Steve Shafer, Mike Thomas, Kelly Williams

### MEMBERS ABSENT

Chris Brown

### STAFF PRESENT

Steve McMillen, Bill Coomer, Patsy Fitzpatrick

### GUEST PRESENT

Dick Bradow, PGA Employment Consultant

### CALL TO ORDER

Chris Osborne, President called the meeting to order at 8:02 a.m. Mr. Osborne asked for a moment of silence for Betsy Gladish as this was the first meeting since her passing.

### APPROVAL MINUTES

The previously distributed minutes were reviewed by Directors. Mr. Osborne called for any questions, changes or comments on the minutes. There were none.

*Mr. Redle made a motion to approve the minutes as presented. Mr. Williams seconded the motion. Motion approved (unanimous)*

### FINANCE REPORT

Kelly Williams, Vice President presented the finance report which included the following:

*District 10 Reimbursements* - Mr. Williams reported the District 10 meeting reimbursement has not yet been received, but is expected in July. The reason for the delay is related to how expenses were submitted. All expenses, including candidates and the other sections were placed on a master bill, which is not how PGA requires this to be done and it has created an issue. Tricia Lovejoy from Darrell Bock's office is helping work with the candidates and section offices to correct the expense report and facilitate the reimbursement.

*Financial Audit* - Mr. Williams informed the board the final Audit invoice has been received and was within the budget. The invoice will show in the 3<sup>rd</sup> quarter financials. To produce the final report, DMLO needs to be informed if the KPGA Board wants a written report or a combination of written and oral presentation. Mr. Williams recommend the later and this was agreed upon without a motion or vote.

*Vanguard Investment Account* - Mr. Williams reported the Finance Committee met and determined agreed to rebalance the funds to a more conservative level. Previous fund allocation was at 76%, which made the funds very market sensitive. On June 26 the fund reallocation was completed. The fund balance as of June 26, 2012 was \$396,000. Mr. Williams thanked the committee for their work and noted Garry Nelson was critical in the allocation process.

*Checking Account* - Mr. Williams informed the Board the \$100,000 surplus funds in the operations account had not yet been moved. Mr. Williams said this would be done once Steve McMillen has made a complete review of KPGA banking accounts. The goal is to keep the surplus funds in a liquid account, but in a high yielding account than the operations account.

*Accounting Methods* - Mr. Williams reported Mr. McMillen has made a recommendation the Board adopt new accounting methods for recording and reporting. Mr. Williams commented he fully supports the recommendation as it will help Board members and members better understand the financial position of the Section. Mr. McMillen commented the Chart of Accounts would be converted into a numerical system with descriptions. Mr. McMillen stated each Director would be provided a copy of the Chart of Accounts to be used as an educational tool. Furthermore, McMillen stated items will be coded differently to improve financial analysis of programs and services. With these changes, Mr. McMillen said he will be able to provide reports that are intuitive and show a comparison of current results as compared to budget and last fiscal year (same reporting period).

Mr. Morrow asked if this new methodology would allow expenses of the Member Conferences to be monitored better. Mr. Williams said it would, but he also stated there are potential inurement issues that need to be researched. Mr. Williams said he has been in communication with Kirk Pottinger at PGA HQ about this to make sure expenses coded in the past to meetings can be coded to other line items. This was received well as everyone agreed expenses for the Member Conferences should only be those directly attributable to conducting the conference. There was no other discussion and the recommendation was adopted without a motion, but by unanimous vote.

*General Discussion* - Mr. Landrum asked about the variances of tournament line items. Mr. Coomer stated the schedule is different this year as compared to last year, which contributes to the majority of the variances. Mr. McMillen stated with the new reporting methods the variances will be a lot easier to explain and discuss in the future.

*Mr. Redle made a motion to approve the Finance Report. Mr. Morrow seconded the motion. Motion approved (unanimous)*

## **PRESIDENT'S REPORT**

Mr. Osborne thanked everyone for taking the time to meet and made special note of the work done by the Finance Committee. Mr. Osborne stated conference calls are not the ideal way to have board meetings, but it is the most efficient way to meet in the summer months. More about future meeting formats will be discussed in new business. Mr. Osborne commented it has been a challenging time with the transition of a new ED and the passing of Betsy Gladish. Mr. Osborne thanked Mr. McMillen and the staff for keeping things together and taking on extra duties during this time. Mr. Osborne commented on the following topics:

- National Secretary Candidates - There only three to four quality candidates, and Kentucky has not given support to a candidate yet. Discussion about candidates will continue over the remainder of the summer and fall before Kentucky decides who to support.
- National President's Plaque Award – Ralph Landrum is a finalist for award.
- 2013 PGA of America Budget – 4<sup>th</sup> largest budget approved in history of organization.
- PGA Properties – Properties are getting better but still losing money.
- Golf 2.0 – Lots of support from allied organizations.

- Joe Steranka – Search firm (RSR Partners) has been retained to facilitate the hiring of the next CEO. The National Board has made it a priority to ensure qualified PGA professionals have the opportunity to be candidates.
- Kentucky Golf Hall of Fame – Pete Garvey has been appointed to serve on the committee.

## **OPERATIONS REPORT**

Mr. McMillen stated the transition has not been as he envisioned. His management style is very different from Mark Hill's; as a result, putting the puzzle of the family of organizations together coupled with the loss of Betsy Gladish has made the transition a challenge.

*Staffing* - Mr. McMillen stated the search process is going well for Betsey's replacement and by the end of the week he will make an offer to a candidate. Overall there were 100 candidates and a PGA Member is one of the finalists.

*PGA Reporting Requirements* - Mr. McMillen reported there are a lot of reporting deadlines required by PGA throughout the year. He stated there is not a comprehensive list to be used as a checklist, which makes tracking the deadlines a challenge to learn. The key requirements are those related to ADP Funding. Mr. McMillen stated a business plan must be submitted and to date, Kentucky has not done so. Mr. McMillen stated Brad Sullivan and Darrell Bock have stated Kentucky is being given great latitude this year due to the transition.

*Pepsi Junior Tour* – Mr. McMillen said operations of the tour for this summer are good. He expressed his appreciation for Kelly Newland and his staff for their hard work to date. The advance series is not going well and the last three events have been cancelled due to low participation. Mr. McMillen commented the perception is the Pepsi Junior Tour is not the state's elite tour. He informed everyone he has asked Kelly Newland to form a task force of PGA Professional to provide input how the tour can be improved and attract more kids as well as the better players.

Mr. Williams voiced his concern the KPGA Business Plan has not been developed. After brief discussion, Board Members were asked to submit comments about the 2011 Plan so it could be updated for 2012 and submitted. All comments are to be submitted to Ralph Landrum who will combine and forward to McMillen for final development.

## **COMMITTEE REPORTS**

*Employment-Golf 2.0* - Mr. Bradow stated he met with Mr. McMillen to map out how to work together on employment issues. Mr. Bradow commented the current unemployment rate in Kentucky is 4.6% and 65% of all 18 hole facilities have PGA presence. These numbers are consistent with previous reported results. Mr. Bradow said the new Golf 2.0 resource "Know Your Customer" playbook has been completed and is available. The next resource "Connecting with Her" will be available this fall. Mr. Bradow said Golf 2.0 should be a major part of next year's business plan.

*Assistants/Apprentices* - Mr. Redle gave the report for Blake Watts who was traveling home from the PNC. Mr. Redle explained the Assistants and Apprentices are again having a raffle to help with costs to the Assistants Championship. French Lick again donated the grand prize for the winner. Mr. Redle noted if an Assistant/Apprentice sells at least 50 raffle tickets, then half of all sales over 50 will be added to their prize check.

*Sponsorship* - Mr. McMillen presented his methodology of getting sponsors. He stated it is important to treat potential sponsors as clients and to develop custom proposals instead of a one size fits all approach. Mr. McMillen said what he needs help with is networking with key decision makers of companies.

*Tournaments* – Mr. Shafer reported there have been only two tournament issues since the last meeting, which is a record. He said participation is flat for most events and to date entries are well below the forecast for the Kentucky Open. Mr. Shafer said entries come in at the last minute, but Bill Coomer would be doing several final promotions before the July 5 deadline.

Mr. Landrum commented Traditions had a problem in their club qualifier for the Kentucky Open, which resulted in an Ohio resident qualifying. Mr. Landrum said the eligibility requirements should be reviewed for clarity.

## **OLD BUSINESS**

*PGA Golf Day* - Mr. Williams commented the momentum is building for PGA Golf Day and encouraged everyone to participate. Mr. Williams congratulated Mr. Morrow on his and Colby Wollitz's success with their day at Hunting Creek. Mr. Redle said his event is scheduled for September 2, and has invited a number of Louisville pros to join him with the goal to raise 50K that day. Mr. McMillen reported he is having Don Russell produce a segment on IKG about PGA Golf Day.

*Business Planning Session* – Mr. Osborne said it has been hard to schedule a business planning session to date so the session will be in mid-October. Mr. Osborne will send out date options by the end of July.

## **NEW BUSINESS**

*Future Board Meetings* – Mr. Osborne commented meetings are best face-to-face, but during the summer conference calls are very efficient. Mr. Osborne said another conference call would be scheduled in July and a face-to-face meeting would be scheduled in August.

*Fall Membership Conference* – Mr. Osborne reported the idea of a one day conference this year was the choice of most people he surveyed. Mr. Morrow stated he has heard vendors would prefer more face time and perhaps adding a trade show to the fall conference in the future would be a good idea. Mr. Osborne asked Mr. Morrow to get together with Mr. McMillen to talk about this idea for 2013 and report back on the concept. Mr. McMillen said the meeting date for the Fall Conference needs to be set ASAP. Several date options were discussed and the order of preference was December 3, November 19 and October 22.

## **ADJOURNMENT**

*Mr. Redle made a motion to adjourn. Mr. Garvey seconded the motion. Motion approved (unanimous).* The meeting was adjourned at 10:09 a.m.