
ASSOCIATION MEETING MINUTES

Association Kentucky PGA
Meeting Special Board of Directors Meeting
Date February 16, 2015
Location Conference Call

Members Present

Jamie DeKeuster, Craig Heibert, Kris Kleinsasser, Ralph Landrum, Garry Nelson, Chris Osborne, Barry Payne, Kelly Williams

Members Absent

Pete Garvey, John Kells, Chris Redle, Larry Ward

Staff Present

Erin Horn, Steve McMillen, Kim Shafer

Call to Order

President, Kelly Williams called the meeting to order at 8:05 a.m. Two important items are to be discussed in lieu of a formalized agenda.

Digital Golf Pass

Barry Payne presented the concept of a digital revenue idea for Kentucky courses using www.digitalgolfpass.com. He referenced the information about the program provided to Board Members prior to the call. This service allows a course to promote specials similar to the old print Tee Pass without overhead and inventory costs. The Digital Golf Pass is sold as a membership to golfers for \$49 to \$59. The service is free and elective to golf courses. Golf courses have the option to promote up to nine golf packages (including Get Golf Ready programs, instruction, special rates, etc.). The key is the golf courses 100% control their promotion. As part of the marketing partnership, Digital Golf Pass donates to the Kentucky Golf Foundation. The donation is based on a scale of \$8 per membership (up to 1,000), \$12 per membership (1,001 to 2,000) and \$20 per membership over 2,001. At its peak, Tee Pass units sold were 700 and the program was ended in 2013, due to lack of profitability. Digital Golf Pass is asking for a two-year exclusive agreement. As part of the exclusive, the KPGA could not contract with a third party tee time vendor. There was discussion about one- and two-year contracts and what The PGA is looking at in the way of online tee time vendor alliances.

Damon Klepcynski, a PGA member, who created Digital Golf Pass, has asked to attend the Spring Member Conference and present education on the challenges of digital tee time marketing and announcement the partnership. Mr. Klepcynski would be sensitive that some KPGA Members use and are successful with third party tee time vendors.

Barry Payne made a motion to sign an agreement with Digital Golf Pass, provided they agree to a one-year contract and an exclusion to utilize a tee time product developed for The PGA of America during the contract period. Ralph Landrum seconded the motion. Motion carried (unanimous).

Budget Assistance

Mr. Williams presented the KGA-PGA meet last Monday to review and approve the 2015 Budget. He was unable to attend the meeting and Craig Heibert filled in for him. He has since had many conversations with those who did attend. The KGA-PGA, Inc. budget was presented with a \$16,000 deficit. It was stated that revenues are continuing to decline and expense have been cut. However, additional expense can't be cut without impacting services and programming. The key revenue item is Handicap Subscriptions, which the net income is what makes up the KGA's contribution of 401,000. The joint body is seeking help from the KPGA to offset the loss upfront, or at the end of the year. The KPGA needs to determine what and when they are willing to contribute to the budget loss as well as explore new revenue streams to build up cash reserves. There was a number of clarifying questions raised about the overall budget. In addition, there was discussion about the following topics.

- How much the KGA contributes vs what the KPGA contributes
- KPGA Professionals supporting the Handicap Computation Service
- There not being a contract outlining which body is responsible for contributing what
- KPGA dues and how they could be raised to offset future deficit
- Members seeing the KPGA posting a profit and not understanding the challenges of the joint body
- Handicap revenues declining across the country
- A need to change the business model

Mr. Williams expressed it is the KPGA's turn to help the joint body by facilitating the development of quality new revenue streams by the Fall Planning Retreat. In the meantime, if someone has ideas they should present them rather than wait until fall. Mr. Williams asked if anyone was opposed to contributing to the projected budget loss in 2015, there was no objection. The KPGA will support the KGA-PGA loss up to the budgeted amount this year, will inform the joint body of this and let them know new revenue streams are in the works. They will ask for ideas on new revenue streams from the KGA, as well. A discussion continued about paying the money upfront or at the end of the year. It was determined this would occur at the end of the year.

Mr. Williams reminded everyone they will be together again on Sunday, and to please reach out with any additional questions they have.

Adjournment

The meeting was adjourned at 8:58 a.m.

Jamie DeKeuster made a motion to adjourn the meeting. Barry Payne seconded the motion. Motion carried (unanimous).