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# ASSOCIATION MEETING MINUTES

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**Association** Kentucky PGA  
**Meeting** Board of Directors Meeting  
**Date** December 7, 2014  
**Location** Holiday Inn Hurstbourne

## **Members Present**

Jamie DeKeuster, Pete Garvey, Craig Heibert, Kris Kleinsasser, Ralph Landrum, Brad Morrow, Garry Nelson, Chris Osborne, Chris Redle, Jason Stilley, Larry Ward, Kelly Williams

## **Members Absent**

none

## **Staff Present**

Bill Coomer, Erin Horn, Steve McMillen, Kim Shafer

## **Guests Present**

Bob Baldassari, Dick Bradow, Frank Chieppa, Mike O'Donnell

## **Call to Order**

President, Kelly Williams called the meeting to order at 4:05 p.m. He welcomed guests Bob Baldassari, Frank Chieppa and Mike O'Donnell from the PGA Player Development Team. He also welcomed new staff member, Kim Shafer and thanked the staff for their efforts.

## **Approval of Minutes**

The minutes from the October 14, 2014 Board of Directors Meeting which were previously distributed, were reviewed.

***Pete Garvey made a motion to approve the minutes as written. Craig Heibert seconded the motion. Motion carried (unanimous)***

## **President's Report**

Mr. Williams highlighted the District 10 Report in Rick Murphy's absence. The theme of The PGA Annual Meeting in Indiana was "growing the game, serving the member." Congratulations to Suzy Whaley on being elected as Secretary and the first female officer of the PGA. Derek Sprague and Paul Levy advanced in the chairs and Allen Wronowski was elected to an additional term as Honorary Past President. The Strategic Plan was presented and founded from ideas that were pulled up from the section level, rather than pushed down from national. It is formed around eight core products: employment, education, player development, championships, sections, properties, global and PGA REACH. Mr. Williams attended the Section President Breakout Sessions and is impressed with the culture change that has begun at The PGA under Pete Beveacqua. PGA Junior League is a prime example of an idea that is "supported by local and presented by national." A new long-term digital strategy will be unveiled in January, including the PGALinks website being revamped as pga.org, will tie pgalinks.com and pga.com and become fully customizable. PGA Junior League Golf Camps will be launched in 2015. Mr. Baldassari will touch on this at the Fall Member Conference. Disaster Relief funding maximum grant has increased from \$5,000 to \$7,000. Any funding given out after November 29 will reflect this change. That fund is supported strictly by donations by the membership during dues billing. The Board passed a \$65 million fiscal year budget dedicated to growth of the game, section support, member programs and new initiatives. ADP Funding will once again increase and Kentucky has wisely used this money to help fund the

new Director, Marketing-Events position. Mr. Williams is looking forward to tying the introduction of Mrs. Shafer with the explanation of how ADP Funding is created through sponsorships such as Mercedes Benz and Omega, as these sponsorships can sometimes seem like they do not have a direct member benefit. Sponsorships continue with NBC Sports, Samsung (room for growth here) and Omega (longest sponsor). The Inaugural KPMG Women's PGA Championship will be held in 2015. 16,500 youth participated in PGA Junior League Golf in 2014 (nearly doubled from 2013) with 1425 teams and 300 leagues developed. At TPC Sugarloaf, Team California defeated Team Georgia to take the 2014 title. A safety program will be introduced in 2015. Mr. Williams called upon Dick Bradow to discuss the Dick's Sporting Goods employment situation. It is important to note that Dick's is still a major sponsor of The PGA and employees many PGA Professionals through Golf Galaxy. Golf Tec, PGA Tour Superstore and Top Golf are looking to increase hiring of PGA Professionals. The PGA Championship was a wild success with record attendance (despite bad weather) and TV viewership was the highest in five years. PGA Professional Johan Kok finished third in the revived Long Drive Contest. Rory McIlroy was the Champion and named as the ambassador of PGA Junior League Golf. McIlroy reached out to the PGA in this endeavor. Valhalla turned about a \$1.1 million profit in 2014 and continues to do well as a PGA property. An 11-man task force has been formed to aid the US in its quest to win the Ryder Cup. The task force will assist in captain's choices and influence how the team can better prepare to win by reviewing how the PGA handles the selection of the captain, how the players are chosen for the team, when they are announced and how the PGA can help players be better prepared. PGA Country Club has been rebranded as St. Lucie Trail Golf Club, will be open to the public and serve as a testing ground for national player development initiatives. Inurnment was an enormous topic at the Annual Meeting with a discussion lead by a tax attorney. The PGA of America will continue to push them to the line but not go over it and currently fit in the model of what is required for inurnment. Two major discussion points on the local level will be the junior golf tour and an amateur tour will be saved for New Business.

### **Vice President's Report**

Mr. Landrum thanked Steve McMillen for his work. The total operations cash as of September 30 (year to date) were \$170,907 as compared to \$364,185 as of June 30. Specifically the bank account balances were \$120,909 (Operations Account) and \$49,998 (Reserve Account). The investment account (Vanguard) was \$475,487. Account Receivables was \$28,125 primarily made up of sponsorships. There are ten accounts 90 days past due. Three of these accounts are large corporations and the invoices are being worked though the hierarchy of their accounts payable. Payment has been received for four of the accounts in October. Third Quarter Net Ordinary Income was (\$5,879) as compared with the budget of \$26,066. Year to date Net Ordinary Income was (\$68,508) as compared with a budget of \$95,895 for an unfavorable variance of (\$164,403). Third Quarter Revenues were \$228,034 as compared with the budget of \$270,679. Year to date Ordinary Revenues were \$521,173 as compared to budget of \$525,649 for an unfavorable variance of \$4,476. There were no significant variances compared to budget – see Variance of Activities report. Third Quarter Ordinary Expenses were \$233,913 as compared to the budget of \$244,614. Year to date Ordinary Expenses are \$589,681 as compared to budget of \$429,753 for an unfavorable variance of \$159,927. YTD key variances are summarized on the Variance of Activities report. Significant variances include Contributions and Grants \$159,513 were higher due to the retirement of the Golf House pledge. Member Education was \$4,845 less due to cancelation of the teaching summit. PGA Championship Expenses were \$11,626 were less due to strategic planning and utilization of best practices from past hosts. PGA Meeting Expenses were \$3,191 less due to not having a PGA leadership conference in September. Tournament expenses were \$22,213 higher due to estimates of when the expense would occur. It is expected Tournament Expense will be in line with the overall year-end budget. Expenses for committee meetings have increased with an increase in participation (for MSR hours), increased number of meetings and a more accurate count of gas mileage. There is a District 10 meeting in 2015 and we will not be reimbursed for it. The KPGA paid off their pledge to Golf House Kentucky in the amount of \$162,000, which causes the greatest difference in the bottom line. There was a discussion about line item 6700 and the need for the new position to have a marketing budget. An arbitrary amount of \$5,000 was chosen to get things started. This will be monitored going forward. There was a discussion about paying the refinancing commitment on an annual basis, rather than monthly to help with the possible cash flow issue of the joint body.

Mr. Landrum would like to see a report given to the officers on how profit is made at each tournament. There was a discussion about increasing monies for the Kentucky Women's Open, as it is now open to players outside of the state. Mr. Landrum discussed the Vice President's Breakout Sessions at the PGA Annual Meeting. They made the following recommendations: having inurnment risk examined (Tom Schoenbaechler is looking into this), having a limited audit each year and a full audit every other year, having a non-PGA member on the Finance Committee and having non-Tournament expenses over \$5,000 approved. They also provided a list of acceptable expense amounts. There was a discussion of not expensing items though the foundation that is KPGA related. There was a discussion about staffs' employment being subsidized by the KPGA and how it affects tax benefits.

***Craig Heibert made a motion to approve the 2015 Budget with the recommended change of adding a marketing expense of \$5,000 to line item 6700. Brad Morrow seconded the motion. Motion carried (unanimous).***

***Kelly Williams made a motion to approve the Third Quarter Financials. Craig Heibert seconded the motion. Motion carried (unanimous).***

### **Executive Director's Report**

Mr. McMillen welcomed and reminded everyone mileage and receipts from the meeting in Indianapolis are due on Wednesday. 100 people have only taken the Membership Survey; this is down 40 from last year and will remain open for an extended period to gather a better sample size. He asked everyone to remind employees at their facilities to take the survey. Results thus far have been positive. He reviewed the KGA-PGA and Foundation Financial Summary Reports, which were distributed. There was a discussion about subsidizing junior golf and about the loan balance. Mr. McMillen encouraged everyone to review these reports. Mr. McMillen is very appreciative of the staff. Kelly Newland was let go as a business decision made by the joint body to change the focus of the junior golf tour. He was given a severance package. Mr. McMillen welcomed Mrs. Shafer and will email her job description to the board. It is important to note this description could change greatly over time. Mrs. Shafer explained how excited she is, has reached out to many members already, gathered a lot of feedback and now has a plan. She will be educating members on various programs and how to implement them by meeting with small groups within the districts. She is working to identify small group leaders for meetings of 6-12 people. A Golf in Schools and After School Golf packet will be put on the website and will be continuously updated. She aims to increase PGA Junior League participation, devise Corporate Get Golf Ready programs and form intermural golf clubs on the collegiate level. She has gained many ideas on how to market handicaps and will have a good plan in place soon. She thanked the staff and board for their assistance and feedback. Mr. McMillen shared some enhancements to the Fall Member Conference including, a set of flags that were ordered to display on stage, opening the meeting with the pledge of allegiance, the introduction of USA Cares Spokesperson Bryan Anderson, videos about PGA Junior League, the Table of the Missing Man and the KPGA Tournament Year in Review. He is excited to present USA Cares as the latest charitable impact partner. He looks forward to hosting Member Conferences at nicer venues in the future, with the passing of the 2015 budget.

A break was taken.

### **PGA Player Development Team**

Mike O'Donnell congratulated Mr. Landrum on his National Player Development Award. He gave a brief bio about himself. Mr. O'Donnell spoke about the new collaborative nature of the PGA and the work to "deprogram" Player Development. The new plan is to grow the game from everywhere, especially working with Executive Directors and Section Officers. He reviewed the consumer life cycle of a golfer and how it relates to PGA Player Development's Long Term Plan. He shared the philosophy that "if something does not drive a round or revenue, it is not actually considered player development." Initiatives like Get Golf Ready are a nice introduction to this real core of player development. He explained the Revenue Scorecard available to Members. He encouraged everyone to share their ideas and is always looking for different points of view. The

team is honing their current programs, rather than churning out new ones and finding out where roles like Mr. Chieppa's and Mrs. Shafer's intersect. This is a member value proposition. He believes the real value of Mrs. Shafer's position will be realized in about three years. He is pleased with the difference in culture at National and looks forward to reconnect on a local level.

## **Committee Reports**

### **Assistants | Apprentices Division**

Kris Kleinsasser announced the winners of the Assistant's Championship (Blake Watts) and Assistant's Match Play Championship (Austin Meyer). There are currently 48 apprentices in Kentucky and he is working to help move these individuals through the certification program. This can be accomplished by growing support systems within the districts. He is very open to the ideas anyone may have to improve apprentices.

### **Education**

Mr. Heibert announced changes to the Spring Member Conference. This is a two-day event, with a vendor show on Tuesday morning and Teaching Summit at High Performance Golf Academy in the afternoon. Education opportunities will be held closer to the June MSR cycle deadline. Pete Bevacqua will speak at the Fall Member Conference. PGA Professional at Oxmoor Country Club, Josh Snider will be leading a CPP Study Hall Education Seminar on December 18 at Golf House Kentucky at 3:00 p.m. There was a discussion about joining with Southern Ohio for a joint education opportunity.

### **Employment**

Mr. Bradow echoed how the culture has changed at PGA to one of collaboration. Section job activity has been quiet, but this is a cyclical trend. He will speak at the Fall Member Conference about the PGA Strategic Plan from an employment standpoint. He plans to motivate the membership to complete the Revenue Scorecard and other tools to help quantify their value to their facilities. The Compensation Survey will also be launched again in early 2015.

### **Junior Golf**

Larry Ward explained the report would be submitted as written, as there is no formal plan in place for junior golf until the discussion in New Business. There was a discussion about having three regional PGA Junior League events in 2015 and adding club golf at every facility.

### **Growth of the Game**

This report also stands as written. Mr. Landrum is looking to motivate the masses to step up and report their activities, especially golf in schools.

### **Special Awards**

Garry Nelson submitted his report as written and reminded everyone to complete their nominations by the December 15 deadline.

### **Business Development**

Brad Morrow is cautiously optimistic about the upcoming efforts of the Business Development Committee. He approached Mr. McMillen this season about the Committee being more involved. Their focus will now move to the efforts of PGA REACH Kentucky. Charitable Impact Partners Blessings in a Backpack and USA Cares will be vital elements of getting golf in schools and motivating the masses. He complimented Mr. McMillen's efforts for creating an excellent roadmap thus far.

### **Tournaments**

Chris Redle presented the 2015 calendar with dates and formats. This will be distributed at the Conference. An update to this sheet is Oxmoor Country Club will host a Kentucky Open Qualifier. The Pro-Junior is the only outstanding event on the calendar and Bill Coomer is in touch with Oldham County Country Club to host this. This is a quality schedule of events highlighted by the new stableford event. Mr. Redle is excited about the KGA-PGA taking over the Challenge Cup and the changes they have made to this event. The Pro-Junior will be expanded in 2015 to feature a 9-hole professional plus a PGA Junior League Team scramble in the morning

(hopefully will have two divisions) and the normal event in the afternoon. He thanked the committee and hopes to gain new committee members at the conference. He will also ask members to complete the survey. Mr. Williams thanked Mr. Redle for his efforts.

### **Secretary's Report**

Mr. Garvey's report stands as written. At the conference, he will speak about some valuable statistics on where Kentucky stands among PGA Sections.

### **Old Business**

There was none on file.

### **New Business**

#### **KPGA Amateur Golf Tour**

Mr. Williams spoke with Tom Cooksey this week about the KPGA conducting an Amateur Golf Tour. This can provide more tournament rounds to played for golfers across the state and compensate the golf professional. These will mainly be weekend events and can create ways to grow the handicap program. The current KGA Bylaws do not allow them to pay for green fees at tournament sites and they are not willing to move away from this practice. They give their blessing to the Professionals to run the events but do not want their name attached for this reason. They only ask that events do not conflict with the KGA Tournament Schedule. The KGA did also ask that if staff is utilized to run events, some sort of contribution should be sent to KGA-PGA for the resources. Kasey Dickenson was approached about a possible merger, but this did not come to fruition. The door is open to create a new revenue stream. In January, this plan will be unveiled with a possible six event pilot program. This is a PGA Professional driven series without staff involvement at the event site. There was a discussion about gift certificates, trophies, sponsorship, host site guest fees and conflicts with the KGA. There was also a discussion about guest fees for KGA events.

#### **Junior Golf Tour Future**

The meeting went into an executive session during this discussion.