
ASSOCIATION MEETING MINUTES

Association Kentucky PGA
Meeting Board of Directors Meeting
Date May 26, 2016
Location Golf House Kentucky

Members Present

Danny Baron, Jamie DeKeuster, Pete Garvey, Brad Hicks, Ralph Landrum, Barry Payne, Will Schneider, Kelly Williams, Charles Whelan, Colby Wollitz

Members Absent

Kevin Childers, Craig Heibert

Staff and Guests Present

Bill Coomer, Erin Horn, Steve McMillen, Chris Redle and Kim Shafer

Call to Order

President, Ralph Landrum called the meeting to order at 3:08 p.m. He thanked everyone for attending. USGA Boatwright Interns Sam Klarer and Alex Michalak were introduced.

Approval of Minutes

The minutes from April 21, 2016, Board of Directors Meeting (which were previously distributed), were reviewed.

Kelly Williams made a motion to approve the minutes as written. Jamie DeKeuster seconded the motion. Motion carried (unanimous)

President's Report

Mr. Landrum discussed the upcoming changes to labor laws. It was determined the Kentucky PGA will send out communications from National as soon as they are distributed. It will be good to educate the members and allow knowledgeable PGA Professionals to look good at their facilities. The National Meeting in New York City is the same time as the Presidential election in November. Mr. McMillen is sending absentee ballot information out to the Board today. Mr. Landrum would like to discuss the following at the Fall Planning Retreat: preliminary budgets, tournament schedules, sponsor contracts, marketing schedule and committee goals. This will allow quick votes to be taken at the December meeting. Committee Chairs should plan to have meetings to finalize these details one month before the retreat. There was a discussion about creating a long-term plan. Idle Hour offered to host with out of town members staying at the Courtyard near Malones. Pete Garvey will confirm this availability with Mr. McMillen tomorrow. Greenbrier Golf and Country Club offered their facilities as a backup. There was a lengthy discussion about the sponsorship issue between the KPGA and Dever, Inc. | E-Z-GO.

Ralph Landrum made a motion to pursue a three-year contract for the Spring and Fall Member Conferences with Dever, Inc. | E-Z-Go from 2017-2019 for a minimum of \$30,000 total. A signed contract and designated communications representative will need to be in place. The offer is due by August 1. If Dever, Inc. | E-Z-Go has not responded by, this time, the same contract will be offered to Cunningham Golf Car | Yamaha. Charles Whelan seconded the motion. Motion carried (unanimous)

Mr. Landrum will deliver (by hand) the contract to E-Z-Go. The Marketing Committee was tasked with communicating more sponsorship updates.

District 10 Report

Kelly Williams updated the board on District 10 and National Member Engagement Committee activities. PGA.org is focused on a simple is a better approach to the updated website, for example, there were 17,000 pages on PGALinks.com and there are only 2,000 on PGA.org. Usage has begun to increase with younger members utilizing the site more. Any changes going forward are focused on increasing usage among “older” members. Item creation within the Marketing and Resource Center has increased by 32%. There is still an 8-14 second lag time in responsiveness on the website, which is a priority in correcting. The mobile app for PGA Members project has come to a halt due to quality control issues. They are working with a new vendor/partner beginning July 1 and will hopefully get this project moving again. A great book recommendation for member engagement is, “Race for Relevance.”

The PGA Junior League Golf Championship site is Grayhawk Golf Club in Arizona. The goal is to make this a permanent championship site, much like the Little League World Series has. National Instruction Day was a success. Mr. Williams hopes the spotlight on local Professionals grows with time. Drive Chip and Putt is a wild success, as is Get Golf Ready. Participation numbers for Get Golf Ready in 2015 were 107,485, a nine percent increase from the previous year. Nine out of 10 in the program continue playing golf after the first year. The brand has traction with 465,000 students participating in the program since its inception. An announcement was made recently that all gold medal recipients in the Olympics would receive exemptions into major championships. During yesterday’s Senior PGA Championship Media Day, KitchenAid will be extending its relationship with the event for 14 years with the promise of going back to Benton Harbor on the even years of the Championship. This is big news, especially with the fantastic member benefit KitchenAid gives to Members. National continues to conduct interesting debates over changes to PGA Junior Series events. Mr. Williams will speak more about this at the next meeting, and there should be official news in June. There was a discussion about reviving #ThxPGAPro. Mr. Williams will have a budget to entertain our delegation and District 10 sections for dinner at the National Meeting. The delegation and section members will be on separate tickets. There was a discussion about plans for the D10 Meeting hosted in Kentucky next year. There was a discussion about being a shadowing board member for one year or shadowing in the time between the Fall and Spring Member Conferences. Chris Osborne has offered to chair a Board Recruitment Committee, to start in July or August for those interested in running.

Vice President’s Report

Pete Garvey reported on 2016 as the “year of transition.” He thanked Mr. McMillen for preparing the detailed Chart of Accounts, which have been presented to the KGA-PGA and are very helpful. The audit process is going smoothly and running on time for the scheduled report in August. Rhona Aime has taken over Eileen Bock’s position with the PGA and has been in communication with the KPGA as we work towards moving the books over to the PGA. Things are moving ahead of schedule for the transition. Tomorrow morning all mutual fund investments will be rolled back into the sweep account to purchase exchange traded funds now that the online application is complete. This is about 60 days behind schedule because of unforeseen difficulties. Mr. Garvey will continue to update the Board on this.

Mr. McMillen presented the First Quarter financial report, which is now time stamped and based on the accrual method. The Financial Position includes total operations cash on March 31 was \$256,990 as compared to \$232,796 on December 31. Specifically, the account balances on March 31 were \$206,752 (Operations Account) and \$50,238 (Reserve Account). The Investment Account (Vanguard) was \$581,624. As of March 31, there were Account Receivables of \$20,723 primarily made up of sponsors and reimbursement due from KGA-PGA for correction of 2015 budget support. The key outstanding receivable is being collected through a payment plan. Accounts Payable as of March 31 was \$51,982 and primarily made up of three items: KPGA pledge of \$19,809 to KGA-PGA, estimated audit fees and an invoice for GHK Shared Services. In 2016, we

began accounting for tournament revenues and expenses on an accrual basis to better watch revenues and expenses thus the significant Deferred Revenue account at March 31 related to tournament entries. Statement of Activities included First Quarter Net Income was (\$30,261) as compared with the budget of (\$30,872) for a favorable variance of \$611. Other Income for the First Quarter was (\$2,224) making the Net Income for the first quarter (\$32,485). First Quarter Ordinary Revenues were \$29,801 as compared with the budget of \$34,734 for an unfavorable variance of \$4,933. The significant variance included Account 4500 Investment/Income Dividends was \$3,836 less due to the market performance being less than forecasted. The forecast was based on a 5% growth for the year, and the total (\$27,000) was allocated equally for each quarter. First Quarter Ordinary Expenses were \$60,062 as compared with the budget of \$65,607 for a favorable variance of \$5,545. The Significant variance was Account 6500 Member Education Expense was \$2,408 less due to lower cost of speakers. Savings in speaker costs will be reallocated to the Fall Member Conference for speakers, if necessary.

There are several key procedures and reporting changes for 2016. As mentioned in the financial position explanation, we have begun recognizing tournament revenues and expenses on an accrual basis. As such, there will be variances between the current and previous years and it is important to analyze deferred revenue and prepaid expenses for tournaments. The net summary of activities has been added to provide a consolidated net view of the key lines of business. Account 6430 Member Business Meeting Expense has been made a stand-alone line item instead of a sub-account of 6400 Committee & Meetings. This was done to provide the board with a better understanding of costs related to member meetings and allow for a big picture view of net consolidated costs related to member meetings and education. KGA-PGA Contribution is the Financial Position account that will be used to track estimated and year-end actual contribution to the KGA-PGA per the new memorandum of understanding.

Mr. Garvey discussed leftover monies in the tournament and education accounts. Education will provide a recommendation to the Board on a course of action in the future. There was also a discussion about the Operations Accounts exceeding \$150,000 and moving the difference to investments. In addition to this, there was an explanation for a variance in the 2015 Fiscal Year. Mr. McMillen explained a variance in shared services that resulted in an accounting error in the 2015 Year End Report. It involved an intercompany transfer from the Kentucky Golf Foundation, which was properly recorded but not paid in December; therefore, a journal entry was not created. This caused 2015 revenue to be understated, and the budget support to cover the loss (paid by the KPGA) was more than it should have been. A KGA-PGA journal entry needs to be made to change the bottom line entry. This will show a \$1,000 profit on the books for 2015. KGA-PGA will then need to reimburse KPGA for the difference and add December 31 Accounts Payable to the KPGA. The KPGA will also need to reapprove the 2015 Financials to show the change.

Pete Garvey made a motion for \$41,995.66 be moved from the Operations Account to Vanguard EFT Funds at the percentages recommended by the Finance Committee. Kelly Williams seconded the motion. Motion carried (unanimous).

Pete Garvey made a motion to approve the First Quarter Financials. Kelly Williams seconded the motion. Motion carried (unanimous).

Pete Garvey made a motion to accept the corrected 2015 Year End Budget. Charles Whelan seconded the motion. Motion carried (unanimous).

COMMITTEE & STAFF REPORTS

Executive Director's Report

Mr. McMillen reported on the financial summary of KGA-PGA, Inc. and Kentucky Golf Foundation for the First Quarter. While Net Income Budgeted is showing losses, they are for favorable variances and both organizations are right where they need to be in the First Quarter. He also updated the terms of the building loan.

There are several revenue generating programs in the works. The PGA REACH Kentucky Pro-Am is August 1 and entry forms are now available online, in KPGA Weekly and special emails. He encouraged everyone to play. Online auctions will begin next month using 32Auctions.com. Auctioned items will include rounds of golf, vacation packages, and everyone is encouraged to donate items. The first auction will include Ryder Cup tickets that were purchased at a deep discount. This is promoted through all of our channels: website, social media and in Kentucky Golf Insider. The Kroger Family Fun Zones are continuing in 2016 with six locations (began with PGA Championship for cross-marketing purposes). This brought in \$13,000 in 2015, and we anticipate the same amount coming in for 2016. Golf House Kentucky, Kroger, Anheuser-Busch and PepsiCo conduct these events. A PGA Professional is involved at each location. PGA Golf Day continues in 2016, and Mr. McMillen reminded everyone this is not just about playing 100 holes of golf. Mr. Landrum, for example, ran the Flying Pig Marathon to raise money for his local charity and the Kentucky Golf Foundation. We are looking to increase participation in PGA Golf Day and will do so through increased promotions to professionals and interested outside parties. Jamie DeKeuster is heading up the increased promotions, and Mr. Williams will do his part to motivate the masses by speaking at the KPGA Pro-Pro event. There was a discussion about putting the information on the website. Eight Professionals are now certified through PGA HOPE. The first PGA HOPE Chapter will be launched at Lindsey Golf Course with a Down the Range Clinic in June. Group programming will follow this clinic, once a week, through October. We are promoting this through our website, the local VA and Clyde Hill. The aim is to have 18 veterans at each clinic, and Mr. Hill will be leading each clinic. The new Kentucky Scramble was announced at the Fall Member Conference, and Mr. McMillen has been disappointed in the response. 28-30 courses have committed to hosting an event, but only 22 have confirmed their dates (the deadline was May 23). Many facilities have said they do not have the time or staff to run an event, which is unfortunate because this is a good revenue generating opportunity for them. If each current site averages seven teams participating, the event will break even with the help of the EagleWatchGolf sponsorship monies. Mr. McMillen reported on the continued challenges (there was an email sent out last night on this subject) with the mobile responsive website. The company we worked with produced a product that caused our site to be slow and inefficient. We have terminated the contract with that company and signed with a new one. They will migrate the site to a more powerful server and fix coding errors in the next two weeks. PGA Headquarters Business Development department recently conducted a sponsorship audit of each section and was very pleased with the KPGA. The National Car Rental sponsorship (a topic of conversation at the previous meeting) includes \$16,000 and the possibility of an additional \$5,000 if all required tasks are completed. This includes filing proper reporting at each event (having each participant fill out a form) and 75% of those who play in both Pro-Am events to become enrolled in Emerald Club membership. The following winners for Kentucky were announced as recipients of the National Scholarship Program for PGA Members: Abigail Heibert, Chloe Oldendick, Gabriella Oldendick, Samuel Schmitt, Matthew Sedgwick, Gretchen McGuire and Jacqueline McMillen. These scholarships are based on grades and ACT and SAT scores if the applicant is still in high school. This is a large list of recipients for Kentucky. A recipient can get this \$2,000 scholarship twice. There is also a grand scholarship winner of \$5,000.

Assistants | Apprentices Division

Will Schneider has met with his Vice President Robert Costello. They plan to promote tournaments and education opportunities in 2016 by making personal phone calls. They are reaching out to other assistants to do the same. Mr. Schneider has also been added as a member of the Education Committee.

Education Committee

Danny Baron is the new Chairperson of this committee. He referred to the updated Business Plan and Scorecard in the meeting packet. He is currently working on getting caught up on Operations and Financials as he transitions into his new role. He has rotated and refreshed the committee to bring some fresh ideas and is thankful to have Mr. Schneider on board to gain a connection the apprentices, as his main agenda item is to get that group motivated to attend education events. Other new committee members include Josh Snider of Oxmoor Country Club, Jack Sauers of University of Louisville Golf Club and Ross Lingenfelder of Eastern Kentucky University's PGM Program. The group has a lot to cover and plan to meet soon to continue their momentum. Pro2Pro Workshops will continue to focus on four key areas; CPP memberships will grow this year from the current 28 (which ranks first among all sections). Another CPP Sweet Sixteen program will be conducted (tentatively) on December 6-7 at Golf House Kentucky and cover the Teaching certification. Another will be scheduled for the spring of 2017 and cover Golf Operations and one in the fall of 2017 will cover Player Development. Online certification opportunities are posted on the website, as a benefit to KPGA members. Mr. Baron intends to educate members about this benefit and how to locate it. He also wishes to continue to promote the Pro2Pro Helpline Directory. There was a discussion about the speaker for the Fall Member Conference, which the Board was for bringing in Jamie Miller to speak about his Disney Property experience and the Four Disciplines of Execution. He has a \$2,500 speaking fee. Kentucky PGA is ranked first among other sections in completed MSR hours. He discussed the meeting locations at Membership Conferences being held in Lexington.

Charles Whelan made a motion approve contract agreements being signed to hold the Kentucky PGA Fall and Spring Member Conferences in 2017 and 2018 at the Marriott Griffin Gate. Pete Garvey seconded the motion. Motion carried (unanimous).

There was a discussion about holding three of the CPP Sweet Sixteen Seminars within the January online library purchase date, to save members money. Mr. Baron will look into this and assign the dates accordingly (to be held at Golf House Kentucky the first week of January).

There was a brief review of the Business Plan and what has been completed since March 31 (approximately 32% of activities are completed). This information was sent out in an email. There was a discussion about adding it to the website.

Marketing Committee

Barry Payne reviewed the Marketing Committee's Business Plan items, many of which are due by October 1. They have completed (and continue to do so) their May 1 task of sharing information posted by Golf House Kentucky and other professionals on social media to create a buzz around KPGA Professional activities. One of their key focuses is to develop two new promotional tools, and they are currently vetting new ideas. They have been tasked with developing a marketing plan for 2017. The staff created one retroactively that focuses on the main areas of concentration and tactics. The committee is vetting this plan and making suggestions and will submit a completed version by the Fall Planning Retreat. They are looking to add a committee member who is not KPGA member and have narrowed their search to two individuals. They will move to the due diligence stage by June 1. Mr. Payne is planning to present Member Communications Strategies at the Fall Member Conference. He will discuss how the KPGA plans to communicate with its members, thus allowing them to know where to go to find information. The committee is taking an inward focus to member marketing practices. They are also looking at sponsor communication practices and non-endemic sponsor practices. They look at the role the KPGA plays in marketing the family of organizations. Budgetary requests will be made when the Marketing Plan is submitted. They will also identify five new sponsors, working with Mr. McMillen. They are keeping an eye on the Open Championships. He distributed the design ideas of the newly created logo for all three events. Guidelines would have been too tight using PGA specific branding. The committee is watching

how the staff promotes the Kentucky Open before making recommendations. There were discussions about newspaper ads, champion's dinners, shootouts, Pro-Member events and champion's clinics. Mr. Payne asked those with suggestions to please email the committee.

Tournament Committee

The Tournament Committee is looking at where Kentucky Open qualifiers are being held and how many are being held, inviting outside professionals, hosting events in Northern Kentucky and exemptions/qualifications. The committee is focused on meeting deadlines of having a first draft of the tournament schedule complete by May 15 (which has been completed, still in raw format), creating space for the Feeders Supply Pro-Am on the calendar, timelines of events, increasing the Net Promoter Score based on member surveys, having members participate in at least two events. As of the most recent event, 302 tournament entries were made compared with 246 last year. The Pro-Senior had 28 players in 2015 and was up to 38 this year (though historically down), the Match Play is up from 32 to 36 players (average), the Senior increased from 12 to 28 and the Assistant Match Play increased from 21 to 29 players. The National Car Rental Pro-Am at Big Spring was down from 46 to 38 teams (historically down), but the Pro-Pro was up from 62 players to 76 and the newly formatted Pro-Pro-Team is up from 41 to 71. The points of interest include the Kentucky Open, the Pro-Pro Series (with teams named after Hall of Fame members, looking to invite those gentlemen to events). Greg Meadors has been named a new member of the Committee. There was a discussion about the Pro-Senior and Pro-Am event numbers going down, the timing of events with holidays, a golf/fishing event and having individual purses in the Pro-Pro events.

Player Development Committee

Colby Wollitz reported on two of the three Ladies Golf Nights being canceled due to lack of participation. The committee will look to Mr. Landrum's leadership to increase engagement on these. There was a discussion about the Bluegrass Amateur Series events, an outline of the promotions done and all four current events being canceled with the most having three people registered. It was decided to end the Bluegrass Amateur Series programs. There was a discussion about the Golfweek Amateur Tour, its non-use of USGA handicaps and ways to support it.

Kim Shafer spoke about PGA Junior League. In 2015, there were 69 teams at 42 facilities registered. Three teams did not follow through, creating 66 teams at 39 facilities. The goal for 2016 was to have 85 teams. Six facilities decided to consolidate the number of teams at their facilities. There was a discussion about substitution issues. Mr. Williams is keeping good notes on this discussion to report on the National Board level. With just a few leagues left to be formed, we have approximately 81 teams and have increased the number of facilities participating from 39 to 54 and 925 junior golfers registered. The online registration process has been challenging, and Ms. Shafer has created detailed instructions to assist with this. There was a discussion about scholarships for PGA Junior League and those interested being encouraged to make a KPGA Grant Request or designate it for a PGA Golf Day activity. Something that cannot be measured but was a major goal of Ms. Shafer's was to elevate the entire experience of PGA Junior League for juniors, parents, and professionals. Her position has helped in doing so. She will also send out a list of captains and teams to all coaches so "fun" matches can be formed outside of the league series events.

Chris Redle spoke about the Kentucky PGA Junior Tour, which currently boasts 421 members (were at 331 this time last year). Entries have increased due to Middle School Championship (brought in at least 21 new members). Six of the 58 scheduled events have been conducted this year and have generated \$79,100 in tournament entry fee revenue (36.6% of estimated revenue for the year). The Valhalla promotion has been conducted, and Trevor Caudill of Georgetown, Keista Elder of Elizabethtown and Logan Liles of Vanceburg were the lucky winners who will play with Mr. Redle at Valhalla this season. Entries for this promotion were up 60% in 2016. Six regional locations have been set for the Middle School Championship and are being promoted to all athletic directors, middle school and high school coaches, junior tour participants and JCPS main Athletic

Directors. Registration opens August 1 for these events, and sites include Cherokee, Battlefield, Paxton Park, Juniper Hill, Glasgow and Boone Links (Ridgeview Course). This should allow us to host 400 players for the championship – triple last year’s participation. The Junior Tour ramps up Tuesday with a very busy schedule. The referral and caddy bib programs have been successful. They are hosting events on the same day, in the same city as Drive Chip and Putt Local Qualifiers to boost registration. Mr. Redle has recruited graduates of the tour to use for his labor force program. There was a discussion about recruiting those not playing college golf to play in KGA events. Mr. Williams complimented Mr. Redle on his revitalization of the tour when the family of golf organizations was ready to get out of the junior golf business a couple of years ago. Growing junior tour numbers will be shared with KPGA members at Member Conferences and in upcoming KPGA Weekly emails.

Special Awards

The Committee has been modified. In addition to the selection committee that meets once per year, four people will meet to do the administrative work necessary outside of that meeting and includes Mr. Wollitz, Charles Whelan, Danny Baron and Erin Horn. The selection committee will still be very active and made of the same composition as the past. The committee will encourage winners to work with them on submitting award nominations to national. They are still working on when to contact winners and other logistical issues. National is unable to move their award winner deadlines. There was a discussion about switching tournament and special awards at the Member Conferences. The awards presentation needs to be also improved. Eric Gilliland is a finalist for the National Deacon Palmer Award, and the National Committee meets on June 8 to determine those winners.

Old Business

There was no old business on file.

New Business

There was no new business on file.

Adjournment

Charles Whelan made a motion to adjourn the meeting. Kelly Williams seconded the motion. Motion carried (unanimous).

The meeting adjourned at 7:57 p.m.

The next meeting is June 23 at 8:00 a.m. via conference call.