
ASSOCIATION MEETING MINUTES

Association Kentucky PGA
Meeting Fall Members Conference Board of Directors Meeting
Date December 6, 2015
Location Marriott Griffin Gate

Members Present

Pete Garvey, Craig Heibert, Kris Kleinsasser, Ralph Landrum, Garry Nelson, Chris Osborne, Barry Payne, Larry Ward, Kelly Williams, Charles Whelan, Colby Wollitz

Members Absent

Danny Yeargin

Guests Present

Dick Bradow, Rick Murphy

Staff and Guests Present

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

Call to Order

President, Kelly Williams called the meeting to order at 4:01 p.m.

Approval of Minutes

The minutes from the October 27-28 Board of Directors Planning Retreat Meeting (which were previously distributed), were reviewed.

Pete Garvey made a motion to approve the minutes as written. Garry Nelson seconded the motion. Motion carried (unanimous)

President's Report

Steve McMillen recognized Mr. Williams for his service as President and presented him with a commemorative ring, a gift for his wife and a personalized framed piece of art. Mr. Williams said a few words. Mr. Williams discussed news from the PGA Annual Meeting, including the PGA's work with an online tee time coalition, the great work Dawes Marlatt and PGA Education are doing on high level education and each inspiring speech from the Annual meeting being available to view on PGA.org. There are also exciting things ahead for the KPGA. The relationship with the KGA-PGA has grown with the agreement on the Memorandum of Understanding, showing each party is invested in the future. The KPGA and KGA agreed to put together a Memorandum of Understanding that will do the following: both groups will contribute all the monies they have from net income, KGA will set aside \$15,000 and KPGA will set aside \$5,000 annually (this does not include KPGA investment income and cash reserves). The rest of the monies will go into KGA-PGA as unrestricted income. This agreement will be signed for a period of three years. Attorneys will review the Memorandum of Understanding after it is written. This shows the family of golf organizations getting back on a positive trajectory and the group playing to win. The future lies in finding new revenue streams and finding ways for the Foundation to benefit all financially.

Kelly Williams made a motion to make a contribution of 50% of 2015 KPGA Profits (less dividends and interest) after the books are closed to the Family of Organizations as a thank you to the KGA for years of support and to kick off 2016 on a positive note. Chris Osborne seconded the motion.

There was a lengthy discussion about restricted funds, splitting up the contributions and an upcoming meeting with Scott Kmiec. Mr. Williams rescinded his original motion and made a new motion.

Kelly Williams made a motion to contribute 25% of 2015 profits (less dividends and interest income) to KGA-PGA immediately and pledge an additional 25% of 2015 profits (less dividends and interest) to KGA-PGA to be determined at a later date how that will be distributed. Chris Osborne seconded. Motion carried (unanimous).

Financial Report

Ralph Landrum thanked Mr. Williams for his leadership and work on getting the Memorandum of Understanding together. He recently had a phone call with Mr. Kmiec about how labor hours are used in the Foundation and expensed to KGA-PGA. Mr. Landrum would like to explore having a policy in place where administrative fees are attached to this, to aid the KGA-PGA. He is meeting with Mr. Kmiec and a tax expert at the PGA Show and anyone interested is welcome to attend this meeting.

Pete Garvey reviewed the notes from the most recent Finance Committee meeting. These notes were included in the meeting packet and outlined how Seward Toddy (an independent director of the Finance Committee) recommend the KPGA Investment Portfolio be allocated for holdings.

Pete Garvey made a motion to adopt the following option recommended by Seward Toddy before December 31, 2015:

Sell all current holdings and purchase Vanguard Exchange-Traded Funds as follows:

U.S. Equity – 50%

- ***S&P 500 (40%)***
- ***Extended Market (7%)***
- ***Small Cap (3%)***

International Equity – 20%

- ***International (14%)***
- ***Emerging Markets (6%)***

Fixed Income – 30%

- ***U.S. Debt (15%)***
- ***High Yield (8.4%)***
- ***U.S. Short Term Debt (6.60%)***

The Committee will also review and rebalance these funds accordingly. Craig Heibert seconded the motion. Motion carried (unanimous).

There was a discussion about the global economy, common strategies for non-profits and Garry Nelson distributed the Periodic Table of Investment Returns.

A short break was taken.

Mr. McMillen presented the 2016 KPGA Budget. Total Revenue for the 2016 Budget is \$664,322 which is being offset by Expenses of \$631,573 for a bottom line income of \$32,750. This accounts for the \$5,000 being taken out for the Memorandum of Understanding. He outlined the Budget Footnotes for the Revenues: Line 4100 Member Education Revenues is based on 140 attendees at the Spring and Fall Member Conferences, Line 4300 Special Events Revenues saw PGA Junior League moved under Player Development, Line 4400 Player Development is forecasting 19% growth in PGA Junior League Teams (85 teams) and middle school championship having regional qualifiers, Line 4500 Investment Income/Dividends is forecasting 5% growth in investment account, Line 4600 ADP Funding show funding will increase 4.7%, Line 4620 PGA Meeting Reimbursement will be higher due to the 100th PGA Annual Meeting being held in New York and Line 4700 Partnership Revenues shows Vendor Circle Partnership (formerly vendor dues) are now budgeted as

Tournament Revenue. This is due to a tax situation and a recommendation from DMLO. He outlined the budget footnotes for Expenses: Line 5000 KGA-PGA Contribution shows contribution based on the new agreement with the KGA, Line 5100 Professional Fees assumes an audit of the 2015 Fiscal Year (which is estimated high at \$20,000), Line 5500 Printing which has historical data with new copier enabling more accurate forecasting of usage, Line 6300 shows a \$10,000 contribution is planned to support Kentucky Golf Foundation Junior Programs, Line 6500 Membership Education Expenses is based on 140 attendees at both Member Conferences, Line 6700 Player Development shows PGA Junior League and the Middle School Championship being moved under this line, 6900 PGA Meetings Expenses shows the 100th PGA Annual Meeting costs will be approximately \$1,000 higher per individual due to the location in New York and Line 7100 Tournament Expenses shows tournament costs being 95% of tournament income. There was a discussion about the remaining 5% of tournament income, which acts as an operating cushion to avoid inearnment, marketing costs and Challenge Cup and Kaiser Cup expenses.

Ralph Landrum made a motion to approve the 2016 Budget, as written. Craig Heibert seconded the motion. Motion carried (unanimous).

Secretary's Report

Mr. Garvey's report stands as written.

District 10 Report

Mr. Williams welcomed Rick Murphy, who in turn congratulated Mr. Williams on his election as District 10 Director. He looks forward to having Mr. Williams shadow him. Former Deutsche Bank CEO Seth Waugh was elected to the PGA of America's Board of Directors to replace Dottie Pepper's position. The 2015 Annual Meeting was the most informative to date and Mr. Murphy hopes to see everyone in New York City in 2016. He welcomes any feedback and communications from Kentucky PGA Members. He shared an email he received that evening from Larry Ward about the Certified Professional Program. He reviewed the upcoming Youth and Family Golf Summit. PGA Verified will be launched after the PGA Show to test technology primarily for the teacher with the use of Intertech. This process ensures technology is giving teachers the information they are looking for and is only available to PGA Members. He is proud of the updates made to the Port. St. Lucie property and its branding change. He has enjoyed his time on the PGA Board, helping to make decisions and be part of the excitement. Revenues are up and expenses are down. The PGA Brand is expanding globally with GolfTec growing in Japan and global golf being in the future. Mr. Murphy will be available after the Member Conference for any questions. There was a discussion about Playing Ability Test guideline changes with women's yardages going down, taking all ratings and target scores down.

Executive Director's Report

Mr. McMillen is currently conducting annual performance reviews with staff members, which is an ongoing process. They are also working on a strategic plan for the KGA-PGA and Foundation. The Annual Giving Campaign has launched and has already met budget for 2015. The new brochure helps by giving a program summary and sharing what has been done to impact Kentucky lives through golf. Revenue projects include a travel Pro-Am (as a Foundation Fundraiser), bi-monthly online auctions of rounds of golf (and other golf related items), a Fun Run concept and the KGA's Kentucky Scramble. Phil Armbruster will be at the Member Conference to launch the concept to Professionals and hand out commitment cards. This is a fun way to raise money and handicap awareness and drive revenue to facilities. A mobile application for amateurs and professionals is on the horizon with another meeting scheduled next week. This will be great to get out targeted notifications. Golf House Kentucky is hosting a Partnership Appreciation Luncheon from 11:30 a.m. – 1:30 p.m. on Tuesday to thank the 2015 sponsors and all board members are welcomed to attend. Beginning now and going through March is a crucial time to renew sponsorship packages, and Mr. McMillen urged everyone to thank our partners and encourage those not involved to look into a relationship. He is thrilled to have Callaway and Taylor Made back in the fold and looks forward to continuing that relationship. He explained the Split the Pot Foundation Challenge (with supporting documents), which he will announce tomorrow. His hope is 100

members will get involved for a \$1,000 prize in December 2016. He hopes the board will be the front-runners of this initiative.

Committee Reports

Assistants Apprentices Division Report

Danny Yeargin has accepted a Head Professional job at a club in Memphis, Mississippi and the board congratulates him. Mr. Williams suggests the board looks at how the division is handled and make this a discussion for the future. The division will meet before lunch at the Conference to hold an election. Mr. Landrum and Mr. Garvey will attend this meeting.

Education Committee Report

Craig Heibert recently met with Todd Sammons. Mr. Sammons will be conducting a series of four live CPP certification education seminars for Kentucky PGA Professionals over the next 24 months. The first will be January 11-12 at Golf House Kentucky and cover the General Management Certification. Attendees must purchase the CPP Library to attend this seminar. The seminar is \$50. There are four Winter Workshops in 2016 covering Teaching, Merchandising, Career Development and Player Development. The goal is to encourage members to get involved and the committee is getting involved in inviting attendees to the workshops, which are each \$25. The Committee is in the process of creating an online resource for various golf certifications. The Spring Member Conference will feature an additional day Teaching Summit that can be attended for \$25. Mr. Heibert thanked the staff for their efforts.

Employment Services Report

Dick Bradow reported on 12 CareerLinks jobs done in Kentucky in 2015, which is about average. There are a few jobs open now and some in uncertainty. He reported to Mr. Landrum that he contacted a judge and Daniel Moening at Kenton County, but have not gotten a response back yet. He will continue to work on this item. Nationally, 764 management level positions were filled through CareerLinks in 2015, which is 100 more than the previous year and 40% more than the five year average. Twelve platinum level jobs were filled, which is a fee-based, hands-on, facilitating service the Employment Department provides with great feedback. This has grown each year and is time intensive; but it is great to see what high-end facilities are looking for in potential candidates. Last year, 75 non-PGA facilities were converted to have PGA presence and 89 new management level jobs were created for PGA members that had not existed before. They have gotten high marks on their services. Developments within the Department include hiring a new Senior Director of Employment (Mr. Marlatt is focused back on Education and internal staff development) and filling the position of two retiring consultants Tom Kendrick and Bill Keys, who have worked in the Department a long time and have very large territories. They are looking to break these territories into four smaller pieces for management purposes. There will also be additional staff brought on at Headquarters to help with administrative work. It is an exciting time for the department. The Strategic Plan for Employment focuses on creating more opportunities and higher compensation for members. They are exploring global markets and the challenges those present. They are looking to get more engagement with high-level management and executive management positions and golf management companies. They are also looking at a stronger marketing presence. Mr. Bradow will remind conference attendees about Compensation Survey, PerformanceTrak, pga.org and employment resources. There was a discussion about the search-ability function of pga.org. There was a discussion about a report prepared for the District Director that has some information that needs to be broken down to be better represented. There was a discussion about supply and demand of PGA Professionals, apprentices and facilities.

Player Development Committee Report

Mr. Landrum gave special thanks to Mrs. Shafer and the staff for a successful 2015. He will be highlighting programs that can benefit the individual professional, their facility and grow the game during his speech at the conference.

Special Awards Committee Report

Colby Wollitz will remind everyone at the conference nomination forms are due on December 14. The Committee will meet in early January to choose the 2016 Special Award Winners.

Sponsorship and Fundraising

Garry Nelson submitted his report as written. He will highlight the partners at the conference.

Tournaments

Kris Kleinsasser's report stands as written. The 2016 Calendar will be presented at the conference. He thanked the staff for their assistance. 2015 tournament winners will be showcased at the Champions Tribute tomorrow. Mr. Kleinsasser will rally the troops to get involved and bring participation up in 2016. He will also talk about casual golf days and ask those interested to see Barbara Peak in order to receive targeted communications.

Old Business

Tournament Calendar Changes

Winchester Country Club is now hosting the Kentucky Senior Professional Championship in place of Cherry Blossom and the date will remain the same. The Club at Olde Stone is hosting the Southern Amateur in 2017 and has asked to be taken out of consideration for all other events (except the Challenge Cup) until 2018 to prepare. The Stableford event will now be held at Cherry Blossom.

KGA-PGA Funding

This agenda item was addressed earlier in the meeting.

New Business

Mr. Murphy clarified a point to Mr. Nelson about PGA Members and citizenship.

Mr. Williams conducted a good-natured "roast" and special thank you to each attendee in the room.

Adjournment

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

The meeting adjourned at 8:02 p.m.