Association Meeting Minutes

**Association**  Kentucky PGA

**Meeting** Board Meeting

**Date** March 12, 2017

**Members Present**: Danny Baron, Barry Bonifield, Robert Costello, Craig Heibert, Brad Hicks, Pete Garvey, Ralph Landrum, Kevin Main, Barry Payne, Will Schneider, Sara Stephens, Kelly Williams, Charles Whelan

**Members Absent**: none

**Guests Present**: Frank Chieppa, Keith Fisher, Paul Levy

**Staff Present**: Steve McMillen, Connie Saner, Kim Shafer, Chris Redle

Mr. Landrum called meeting to order at 3:08 pm. Welcomed guests.

***Mr. Landrum made a motion for Executive Session. Executive Session began at 3:10 and ended at 3:55.***

Mr. Levy discussed staying strategic in the Board Meeting. Focus is to grow the game and enhance opportunities for our members. Mr. Levy opened it up for questions or comments for him from the Board.

Mr. Payne asked for comments on the new rule of allowing shorts in practice rounds. Mr. Levy stated this opportunity will connect to future generations. Mr. Levy’s perspective is this will expand into tournaments and not just in practice rounds in 20 years.

Mr. Landrum asked for a motion to approve the minutes from the February 9th, 2017 Board of Directors Meeting. Mr. Garvey requests the KPGA investment funds be listed in Old Business until it is removed so the Board can create a long term strategy of what to do with the money. It was requested the reference to a members name be removed from minutes and just use “a member”.

***Mr. Heibert made a motion to approve the minutes. Mr. Payne seconded the motion. Motion carried (unanimous).***

**District 10 Report**

Mr. Williams discussed what Mr. Levy would discuss during the Spring Meeting on Monday. Mr. Levy encouraged anyone to ask questions during the meeting, and he outlined his discussion points for Monday’s meetings. Topics he will discuss will include the Texas A&M study just completed, standpoint of tournaments and sites, data contracts for 2019, digital contracts which were signed in 2002 and end in 2019, and Ryder Cup contract. Mr. Levy will give an overview of big picture items. Mr. Levy asked the Board for any questions they had before the Monday meeting.

Mr. Garvey would like to discuss the Dick’s Sporting Good (DSG) agreement with Mr. Levy. The Executive Committee on every Section is requesting to know important information before they get a phone call from someone who just lost their job from DSG. Mr. Levy understands communication is important and current protocol needs to be reviewed. Mr. Levy agrees National should get the information to the Section level. The Section officers should receive the information, and then it would be the Section’s officer’s responsibility for sharing the information to their section. Mr. Levy’s personal opinion is Ed Stack’s from DSG isn’t getting the credit he deserves. He has been very successful in the golf profession. The PGA wants to be in the position to be driving the Employment Stirring Wheel and advocate for Golf Pros to make a better living. The PGA needs to grow the relationship with DSG’s, with Ed Stack, and if Nationals grew the relationship maybe the PGA could have been in on the discussions of terminating 700 golf pros. Mr. Garvey feels Mr. Levy did a better job telling the story than the communication he received did. The PGA is the worst at promoting themselves.

Mr. Heibert says it is a business decision and followed proper protocol. Mr. Heibert’s position is the Section was hearing to embrace DSG’s once they wrote a check for $500,000. Mr. Levy offered a rebuttal of Mr. Heibert’s opinion and reminded the group PGA members need to think globally in the game of golf.

Mr. Williams says DSG has no naming rights to any of our facilities. The pilot is starting in Boston. This deal will not happen overnight. The program will guarantee if parents come into DSG’s and are interested in putting their kids in a PGA Junior league; the DSG’s Golf Professional will match that kid with a Golf Pro within a 15 mile radius. Mr. Levy indicated the $500,000 will help fund the program. National is not flooded with money and does not have “all this money” as perception seems. The PGA has to continue to find ways to bring money in. The PGA could grow junior league without DSG’s money but it is financially more responsible to have the sponsorship in place.

Mr. Garvey wanted to stress it is still about communication on such a sensitive issue. Mr. Levy agreed National did a bad job on communication, and assures this will continue to improve.

Mrs. Stephens asked if National has been good in reaching out globally to help the PGA be more active worldwide. Mr. Levy said yes, the PGA has been reaching out. Mr. Levy’s opinion is the PGA should remove the US citizenship deal as the PGA needs to have a footprint in the game of golf globally. What is the PGA doing to move outside to expand employment? National will get a lot more aggressive in the future. Mr. Williams noted a change on citizenship requirement requires a vote from delegates at a national meeting.

Mr. Baron asked for an update on Valhalla and the money National has spent on the club. Mr. Levy said National spent 5.5 million on Valhalla. The work is on time and on budget. Valhalla made over $1 million for the last three years in a row. It is the goal for a PGA National championship to be held at Valhalla once every 10 years.

Mr. Landrum’s asked about how DSG’s effects the funding for Boys & Girls club (BGC) – sponsorship has paid for the kids clubs previously. Funding for BGC is no longer available under the old program. Mr. Levy discussed this as a good example of programs remaining sustainable as programs cost money. For BGC the PGA put up $2.5 million dollars, USGA put up $2.5 million five years ago, however, the program is no longer sustainable. It’s time to find opportunities to get funded locally. Teach the Sections how to develop local relationships. There is now a test market in Boston to work with BGC and DSG funds. The PGA does have two B&G Club National Board Members whom are on the PGA REACH Board of Trustees who came from the relationship the PGA developed with B&G Club.

Mr. Heibert asked question regarding if the PGA REACH is staffed appropriately. Mr. Levy responded additional staff has been added, but not quite sure if it is adequate yet. Mr. Levey stated PGA payroll has gone up tremendously in 4 years. Mr. Levy’s point is there is only so much in funds to spread to employees.

**VP Report**:

Mr. Garvey presented the 2016 Year End Financial Report as written.

The total operations cash on December 31 was 196,671 as compared to 222,118 on September 30. Specifically the account balances on December 31 were 144,304 (Operations Account) and 52,366 (Reserve Account). The Investment Account (Vanguard) was 669,047. As of December 31 there were Accounts Receivable of 54,124 and primarily monies owed from the PGA of America and KGA-PGA that were accrued in 2016. Accounts Payable as of December 31 were 93,731 and primarily monies owed to KGA-PGA in 2016, but due to transition to the Section Accounting System are being dispersed in 2017. These monies included the year end support contribution and credit card reimbursement.

Fourth Quarter Net Ordinary Income was (15,939) as compared with the budget of (3,116) for an unfavorable variance of 12,823. Other Income for the Fourth Quarter was 3,819 making the Net Income for the Fourth Quarter (12,119). Year-to-Date Net Ordinary Income was 20,036.28 compared with the budget of 56,831 for an unfavorable variance of 14,678. Other Income Year-to-Date was 31,335 making the Net Income for Year-to-Date 51,371.

Fourth Quarter Ordinary Revenues were 175,762 as compared with the budget of 163,587 for a favorable variance of 12,175. Year-to-Date Ordinary Revenues were 684,716 as compared with the budget of 664,322 for a favorable variance of 20,393. Year-to-Date key variances are summarized in the Variance of Activities. Significant variances include: 4400 Player Development Revenue was 9,647 higher due to higher participation than forecasted for the Middle School Championship - higher revenue is offset by higher expenses - see acct 6700. 4500 Investment Income/Dividends was 12,713 less due to the market performing below the forecast. The forecast was based on a 5% growth for the year and the total (27,500) was allocated equally for each quarter. 4800 Tournament Revenue was 23,696 higher due participation outperforming the forecast in key events, and year end sponsorship from the PGA national partners programs exceeded forecast.

Fourth Quarter Ordinary Expenses were 191,700 as compared with the budget of 166,703 for an unfavorable variance of 24,997. Year-to-Date Ordinary Expenses were 664,680 as compared with the budget of 629,609 for an unfavorable variance of 35,071. Year-to-Date key variances are summarized in the Variance of Activities. Significant variances include: 5000 KGA-PGA Contribution was 17,808 higher due to net ordinary income being better than forecast. 6700 Player Development was 7,296 higher due to higher participation at the Middle School Championship (offset by higher revenue - see acct 4400). 6900 PGA Meetings Expense was 13,806 less than forecast due to lower cost of attending the PGA Annual Meeting. The PGA absorbed the District 10 dinner costs, ability to have members attend the special dinners, and controlled spending of members. 7100 Tournament Expense was 20,591 higher primarily due to higher participation in events, which resulted in higher variable costs (carts, food, and purse.)

DMLO has closed out the 2016 Fiscal year for the Kentucky PGA. During the closing they verified all inter-company accounts were balanced and receivables and payables were accurate. DMLO tax department will now prepare the KPGA's 990. Typically, DMLO will file an extension and complete the 990 after the May 15 filing deadline. As the transition continues to the PGA Sectional Accounting System (SAS), the fiscal year end statement of activities will be provided to our staff accountant so the books can be fully transferred over to the PGA SAS. As a reminder, the KPGA's fiscal year is based on the calendar year, thus the first quarter will close on March 31. PGA SAS will close our quarter and release preliminary reports to Steve McMillen (Executive Director) and Pete Garvey (Vice President) with 35 days of closing date. The final report will be issued and made available to the KGPA Board with 45 days of fiscal period closing. It is important to know the chart of accounts are very different, thus the ability to micro compare line items in fiscal year 2018 will be impracticable. The reporting focus in 2017 will be at a macro level with education of the reports. Executive Director, Steve McMillen will continue to provide a management report on a quarterly basis.

Mr. Garvey reported on some additional notes concerning report:

2017 will be a challenging to when comparing financial results with previous years because of the change in accounting systems. Mr. Garvey reported the transition to the Section Finance System was meeting expectations. Mr. Garvey stated he wanted it on record the KGPA feels the SFS is understaffed. Ashley Aloneftis is the KPGA’s designated accountant. Ashley is currently on maternity leave and Brett Rose, Director, Section Finance is currently handling the KPGA accounting tasks. Mr. Levy commented that he believes the PGA needs to get two more people on staff.

Mr. Garvey stated the KPGA needs to push communications to members the purse payouts for tournaments is different; checks are now mailed from a processor center in Washington State. Mr. McMillen passed out Direct Deposit Forms. Direct Deposit will be quicker than receiving check.

Mr. Garvey reported in 2017 budget the KPGA has $4500 investment income dividend leaving the account close to $28,000 thanks to Trump Bump in Vanguard account.

Three questions were received in advance that Mr. Landrum asked Mr. Garvey to address:

Question: In the minutes from our last meeting a couple of questions came up about what plans do we have for our funds and what is the minimum amount we feel should have in an account as an "insurance policy" fund? Has there been any discussion on these subjects?

Response: Mr. Garvey stated he needs feedback from the Board so options can be considered. This will remain as Old Business until a plan is in place.

Question: How will paying the $88,800 due to the KGAPGA affect our checking account balance at the end of 2017? I would have to think that the $88,800 is profit so next year, if we make the same gross profit the $88,800 would be back in the checking account on 12/31/17 and we would have another payable for $88,800.

Response: Mr. Garvey recognized Mr. McMillen who reported that based on the budget there should be cash on hand of $109,000 as of 12/31/17. Furthermore, cash on hand should go up $5,000 a year for the next 3 years due to the MOU with the KGA.

Question: When will national provide us our 1st quarter financial reports? Are they satisfied with how we are providing them with what they ask for?

Response: Mr. Garvey reported that SFS staff are comfortable with the transition and how everyone is working together. SFS will provide a draft financial report to the Executive Director for review 30 days after the close of a quarter. Per KPGA Governance Policies this allows Mr. McMillen and the Vice President to review and provide final copy to the KPGA Board 45 days after close of the quarter.

***Mr. Garvey made a motion to accept and close the 2016 financial report. Mr. Williams seconded the motion. Motion carried unanimously.***

**Executive Director Report**:

Mr. McMillen welcomed Connie Saner to the team and thanked her for her efforts to date. McMillen addressed why staff is not at the entire meeting. In working with the officers, staff will be in attendance at their particular reports, and then will leave. This decision is a function of being respectful of staff time.

The transition to the third party marketing company (The Marketing Squad) is meeting expectations; however it is not without an adjustment to how marketing is handled internally. Website navigation has been number one priority. Mr. McMillen would like to hear feedback. Next priorities will include working on Schedule & Results pages, Member Hub, Lesson hub, and the redesign of KPGA Weekly. The Marketing Squad is helping to revise promotional plan with a focus on 90 windows. The Marketing Squad thinks GHK needs to streamline communication to membership a frequency of 1 to 2 times a week. Suggesting such a plan would be more efficient and effective.

Phil Armbruster, KGA President will speak on Monday to talk about Ky Best Ball. There will be 36 local qualifiers. October 2nd at Keene Trace Golf Club (Champions Couse).

Mark calendars (July 31) for the PGA REACH Kentucky Pro-Am at Valhalla. Four (4) amateurs and 1 professional on a team. Request to make sure each facility has a team or is involved in some way. Valhalla has offered a reduced rate for this event. This will be the 4th year. Last year the event generated approximately $50,000 for GHK foundation. Mr. Levy asked how GHK uses Valhalla for events. Mr. McMillen stated there are two other events hosted every other year at Valhalla that rotate between events.

Las Vegas Pro Am – Mr. McMillen passed out the first official registration form. This is a foundation program. Entry fee is $2,050. Held at 4 courses in Las Vegas. GHK is using an outside company to help with this Pro Am, Barry Flemings from North Carolina. Dates scheduled for November 12 thru the 16th. The deadline for deposit is May 22.

Youth on Course, this is another foundation program. Provide access to life changing activities for the youth. Soft launch on April 1 at Northern Kentucky, Louisville, and Lexington. A youth will pay a $5 or less green fee at these participating. How many kids will this effect and how will this grow the game. Youth on Course strives to impact 1,000 kids and grow rounds 7,500.

Utah’s Youth on Course Program is the second most successful next to Northern California. Mr. Heibert asked if Utah has a junior golf tour. Mr. McMillen replied yes. Mr. Levy said Utah is the highest percentage of all public courses of all the sections. Utah is about 70% public. Kentucky is 60%/40% for private versus public.

Youth on Course is a project managed by the foundation. Mr. Garvey asked Mr. McMillen if fundraising dollars for Youth on Course will go in to the foundation, not the restricted funds. Mr. McMillen stated that fundraiser would be for the general fund and not a restricted fund unless a donor requests it be restricted. McMillen stated there is approximately $150,000 in restricted funds at this time.

Mr. McMillen challenged the Board to donate to the Foundation. Mr. McMillen will match each Director’s donation up to $25.

**Special Awards Report**:

Mr. Bonifield’s agenda for the Special Awards Luncheon will stand as his report.

Mr. Bonifield discussed the game plan for the Awards luncheon. Mr. Baron wanted to make sure Mr. Bonifield feels confident the time frame is good. Mr. Bonifield said he felt confident. Mr. Bonifield asked the Board if they want him to read what the awards are specifically. The Board feedback was Mr. Bonifield should not read verbatim from the script. Mr. McMillen reminded everyone it is important for there to be at least 30 minutes after lunch with vendors, so staying on time with the award presentation is key.

***Mr. Landrum called a break for the meeting at 5:17. Meting resumed at 5:26.***

**Player Development Report**:

Mr. Heibert submitted report as written. Mr. Heibert will talk tomorrow about the Lesson Hub. Also, he briefly discussed Launch, Pitch and Roll, which has 24 facilities participating and only 1 facility is left to fill.

**Assistants-Apprentice Report**:

Mr. Whelan submitted report as written. Mr. Schneider will give the report for the last time. Mr. Whelan reminded Board the VP election will be held Monday after lunch. There are three candidates interested in the position.

Mr. Garvey commented he wants to see an increase in participation with assistants/apprentice. Mr. Garvey says he will recommend the Board eliminate this Division if the assistants/apprentice do not participate. Mr. Whelan says the committee is trying to get that point across to assistants/apprentice. The Board needs to communicate to the Head Pros to make sure the assistants/apprentice need to attend meetings. This Board has decided to invest in their future and if they do not care, then Board will eliminate this Division. Mr. Garvey and Mr. Landrum would like to be able to see what assistants/apprentice will be at meeting ahead of time. Mr. Heibert made a point to say the Board needs to give Mr. Whelan’s committee some time to see if he can motivate assistants/apprentice to show up for meetings.

Mr. Fisher spoke about opportunities for National to follow up with new employees, so they could reach out to the assistants/apprentice to let them know about educational opportunities and the importance of these opportunities. Mr. Levy mentioned he wants to institute protocol where National follows up with new hires. Currently, National does nothing like this, and he wants to see Employment Services move in this direction.

It was stated the KPGA has 45 apprentices. Events are about networking and assistants/apprentice need to understand how networking can make their future better as a golf professionals. This is how assistants get ahead. Be an expert in the golf business. Mr. Schneider stated he believes this going in the right direction. Note only the President and VP are elected positions on this committee so it is important whoever doesn’t get elected, the Board needs to find a way to keep them involved.

**Education Report**:

Mr. Baron submitted report as written.

Mr. Baron reported the education session on Monday has 4 programs in the afternoon, so Board needs to be mindful of time and keep things moving. Tuesday’s teaching summit has good registration and will be successful.

Mr. Bonifield asked if the committee has given any thought to video conference in for the Teaching Summit. Mr. Bonifield says he can’t make the teaching summit because he has to work shop, but if the weather isn’t good, it would be great to be able to video in to summit.

Mr. Landrum applauded Mr. Baron for doing a great job with the committee.

**Marketing Report**:

Mr. Hicks submitted the report as written. Mr. Hicks discussed The Marketing Squad and he is receiving great feedback already. Between April 15 and May 15 committee would like to have mobile app up and running.

**Tournament Report**:

Mr. Payne submitted report as written.

**Employment Report**:

Mr. Garvey’s submitted report as written.

Mr. Fisher reported on Employment Services. He stated there was a change from his Employment Services report because these numbers were produced on March 1 and have changed slightly: Compensation Survey is up to 45.6% (last year was at 75.8%). The Employment Committee has not ramped up this participation yet, but communication will go out and will be addressed in Monday’s meeting.

CareerLinks participation - the Kentucky Section ranks 4th at 83.1%. As an employment team, nationally 69% have not updated their employment records in the past year; however, in Kentucky 63.7% have not updated their careerlinks profile within the same time frame. The importance of updating employment records is because employment is tracked thru CareerLinks. If Members want to receive positions they are interested in, information must be updated.

Two (2) new Directors have been hired to cover certain regions. Tim Marks will be the Western Director and Don Sweeney will be Eastern Director. Mr. Fisher believes he will be covering all of Kentucky along with his other territories.

Mr. Bonifield requested if the Board could be provided the names of those who haven’t completed the survey so the Board could reach out to them and encourage them to complete the survey. Mr. Fisher does know the names of the people who are not completing the Compensation Survey and can provide list. Mr. Fisher believes when members receive information from Section leadership, it is more impactful and will motivate members to complete survey. Mr. McMillen reminded the Board he sends out an email to those who haven’t completed survey at approximately 10 days before the deadline. Mr. Garvey asked who benefits from the compensation survey. Mr. Fisher says everyone benefits. The reason it is so important is because this helps drive compensation up for golf positions. A professional can use this information to negotiate your next contract. Mr. Garvey says the Board needs to do better at communicating the benefits of this compensation survey. Mr. Fisher says he has tried to communicate the benefits, and will continue to help explain the benefits.

**KGF Junior Golf Report:**

Mr. Redle reported on what he will discuss on Monday at meeting. He discussed the opportunities for “Golden Ticket” holders for Junior Players.

Adult/Child Tour. Any member who is eligible on the Junior Tour may participate with anyone who is not eligible.

Junior Pro-Am. Juniors register for event themselves, but GHK will invite Professionals who work with juniors to participate. Those Professionals will have the opportunity to pick their juniors who they want to play with.

Mr. Redle thanked the KPGA Board for their support with the Junior Tour financially. The Board provides $10,000 to the Tour every year. More than $14,000 went back to KPGA Professionals throughout the year through honorariums and $80,000 went back to the facilities in revenues.

Mr. Redle has secured 6 regional locations for the middle school state championship. Mr. Redle has experienced 68% growth of the KPGA middle school state championship last year in terms of participation.

Mr. Garvey commented he wants to ensure the KPGA remains the top sponsor on the Junior Tour. If this sponsorship is interested by another company it needs to be more than what the KPGA is paying and the KPGA should still remain involved.

**New Business:**

Mr. Landrum reported the date for the August Board Meeting needs to be changed due to a conflict with the Kentucky PGA Senior Professional Championship.

***Mr. Landrum called a break for dinner at 6:15 pm. Meeting resumed at 6:59 pm.***

**New Business Continued**:

Mr. Landrum asked Mr. Heibert to lead discussion on a recommended guideline for when a KPGA Member passes away. Mr. Heibert passed out a new policy on deceased members. Mr. McMillen addressed using social media for deceased members. If the deceased members are older members, maybe social media isn’t as appropriate. Mr. Main noted the Board could make a group on Facebook which would only include KPGA members targeting those would need to know. Mr. McMillen asked if a Director would make a motion and approve the new deceased member guidelines.

***Mr. Heibert made a motion to accept. Mr. Garvey seconded the motion. Motion approved.***

Mr. Landrum discussed Hall of Fame selection and specifically asked if the KPGA should nominate Larry Gilbert and Jim Osborne. Nominations are due March 31. Mr. Baron stated he would speak with Chris Gilbert about his father Larry Gilbert and Chris Osbourne. Mr. Levy feels like the Board would have enough time to get the nomination in. Mr. Levy thinks the nomination is just a form to fill out. There are 3 different categories to Hall of Fame per Mr. Levy. Mr. Landrum says the two nominations the Board is discussing would not be in the same category. Tom Brawley is point person at National for Hall of Fame nominations. Mr. Landrum would like to try to nominate both of the candidates and if it doesn’t work, the Board will get feedback and then make changes going forward. Mr. Garvey is taking the lead on this.

Mr. Williams read off the awards and what they are from his online search. The Board can put as many as 5 nominations in at one time to the nominating committee. He discussed what the Board would need to do before the March 31 deadline of nominations. If a nomination is not made by March 31, the Board cannot nominate for another 2 years. Mr. Williams says if the Board has to pick one more urgent over another; the Board should pick Chris Gilbert with him living, whereas the other candidate is deceased. Mr. Garvey is going to see what he can pull together tomorrow to see if the Board can move quickly.

KPGA Fund is used to provide grants. Mr. Payne curious about funds and how they are dispersed. Mr. Garvey says the current committee would like some more guidance and requirements concerning how Fund is spent. Mr. Heibert shared ideas the committee bounced around. The applications received for the grant requests were a little vague per Mr. Heibert. Mr. Whelen says the form itself is a little vague, so it’s not surprising the applicants were vague. Suggestions were made for the committee to firm up the form and the process. Mr. Garvey says the committee should suggest the form be looked at and rewritten. Mrs. Shafer let the Board know she made personal phone calls to everyone who applied for grants.

Personal opinion of Mr. Landrum is the biggest bang the Board gets for their dollar is the equipment purchased for the golf house which is loaned out. Mr. Landrum says when the Board tells everyone all the great things the KPGA is doing, the more funds will be raised. The message will drive fundraising.

Mr. Landrum asked for discussion on about potential concerns related to members of the Special Awards committee voting for or against someone they work with.

Mr. Heibert feels the committee member needs to recuse themselves from the voting process for conflicts of interest.

Mr. Levy suggests it is necessary to create a conflict of interest statement for the Board which would handle issues like this.

Mr. Williams also would like to know if it would be possible to remove names from the nominations so the vote is truly a “blind vote”. Mr. Williams understands this may be difficult but would like committee to think about it as an option.

Mr. Heibert stated he feels the committee structure is noble, but not necessarily right. Previous year’s winners are the new committee. Mr. Heibert thinks the Board needs to look at the structure of this committee. Mr. Levy says the Board could email other Sections to see how they are doing it. Mr. Heibert says who is “best” is very subjective. He feels the committee needs to decide how awards are chosen and the decision should not be determined by one or two people.

Currently the committee has a first and second ballot system which is documented. Mr. Baron discussed awards and how the committee gives awards when only 1 person is nominated.

Mr. Levy agreed it is a difficult decision to make when there is only one nominee per award and he gave an example of another section who did not give out certain awards due to this.

Mr. Chieppa shared Illinois’ committee is comprised of: past president is chair of awards committee for two years, then committee is made up of previous year’s award winners. Mr. Chieppa thinks it’s hard to make it objective.

Mr. Fisher shared Southern Ohio section’s process. Chairman of committee is Secretary of Board, and they typically bring in members of the Section with impeccable reputations. The committee commits to 2 years and knows they can’t win for that time period. They would discuss the award applications and if there were any questions at all, they would bring in the applicant for a face to face interview to gain more insight. Mr. Levy then shared Southern Texas and Southern Cal’s process. He recommends the Kentucky section reach out to other sections to see how they are doing things and then determine the best way for the Kentucky section to work.

Mr. Landrum would like to create a task force for a committee to reach out to Kentucky Board of Education; task force could start from scratch, create a plan, set goals and would hopefully appeal to state. A successful task force would get a lot of kids involved in the game of golf and get kids on the course. Per Mr. Heibert, JCPS is working on an initiative to get golf into the curriculum in all middle school and high school. Curious if any other golf sections or organizations have had success with a lobbyist. Mrs. Stephens says in Woodford County, Mira Blackwelder, was the leader on this. Mira went in and taught the gym teachers how to teach golf. Mrs. Stephens thinks reaching the State Level would be harder than at a Regional level for this task force. Golf is a lifelong sport, and would be great for gym teachers to teach. Mr. Landrum thinks this task force would be a two year initiative at best. The Board was in favor of moving forward on this task force.

Mr. Garvey would like to look at the KPGA Investment Fund broadly in the interest of time.

* The Vanguard investment account is standing at $690,000 today
* KPGA is 1 of 3 families
* KPGA understands GHIN is struggling and could continue to struggle
* There is a note on a building which ultimately would default on KPGA
* KPGA has a memorandum of understanding that KPGA is in the 2nd year of a 3 year contract between the KPGA and KGA

The Finance Committee doesn’t have a recommendation currently. Mr. Garvey stated he wants feedback from the Board how this money should or could be spent, and what should be the reserve. Mr. Garvey also stated the Board is aware the money is viewed as an insurance policy for the family. The account is rapidly approaching 1 million dollars and a decision needs to be determined.

Mr. Heibert stated, the Board should remember this is Kentucky PGA’s money and thus belongs to the membership. Under the MOU with the KGA, the KPGA gives all but 5,000 of the net income less investment income to Golf House Kentucky.

Mr. Levy was asked to comment. Mr. Levy says National has never had a discussion of joint relationships. He says he has seen some good models and some bad models of joint relationships. However, he does not feel like he knows enough about the Golf House Kentucky model to have an opinion.

Mr. Heibert’s stated his personal opinion is if the Board authorized use of the investment fund for the GHK operations, then GHK is truly a broken business model. Mr. Landrum says if the KPGA did not put all profits in the joint body this year, then GHK would have been in trouble, citing that the KGA put in $346,000 this year and the KPGA put in $126,000. Mr. Heibert says the KPGA has to do its share as the KPGA and KGA are in a partnership. Mr. Landrum says if the KPGA didn’t contribute, then the GHK business model would have had to change. Mr. Landrum asked out loud would would be a reserve everyone would feel safe.

Mr. McMillen stated the KPGA always talks about making sure GHK is sustainable and the MOU after the first year indicates it can be sustainable. He further stated his opinion that if the KPGA is going to use reserves, it should be used for the growth of the game.

Mr. Levy suggested an outside independent party should study GHK and provide a recommendation. Mr. Levy further stated that the PGA National may be able to help so this would not cost any money.

Mr. Baron asked some questions about the loan on the building. Mr. McMillen stated KGF owns the building, but if they loan could not be paid; the KGA and KPGA have guaranteed the load. The monthly payment on the building is $3600 with 12 years left to pay. The KPGA paid off the remaining $160,000 of the original pledge in 2014. The KPGA has a new pledge of 1,000 per month until the current loan is paid off.

Mr. Landrum suggested that Mr. Garvey look into a third party organization to analyze the GHK relationship. Mr. Levy says there is a call on Friday which will release some new information which might help start this process. Mr. Williams would like everyone to consider this over the next 30 days and then discuss on next call. This will give the Board Members time to think about this.

**Adjournment:**

The meeting adjourned at 8:17 pm.

***Mr. Bonifield made a motion to adjourn the meeting. Mr. Williams seconded the motion. Motion carried (unanimous).***