

Val Halla Board of Trustees

Wednesday, December 10, 2008 6:00 p.m. to 7:44 p.m.

Town Hall – East Conference Room

Meeting Minutes

Present: Bill Putnam, Norene Ward, John Zappia, Roger Brooks, Judi Greene, Tim Moody, and Frank Sola

Others Present: Brian Bickford, Golf Pro, Bill Stiles, Town Council, Alex Kimball, Finance Director, Mark Sunderman, Val Halla Golf Association and Cynthia Stennett.

- I. Welcome & Introduction of Guests** – Bill Putnam called the meeting to order at 6:00 and welcomed and thanked everyone for coming.
- II. Public Comment** – None
- III. Approval of November 19, 2008 Minutes** – Bill Putnam asked if everyone had an opportunity to review the November 19, 2008 minutes in their packets. Seeing that there were no corrections, additions or deletions, the minutes were accepted as written. A motion was made by Judi Greene to approve the minutes as written and seconded by Frank Sola.

VOTE: MOTION PASSED – 5 – 2 ABSTAINED

- IV. Review of Revenue Reports** – Alex reported that the numbers are similar to those of the same period last year and there is not a lot going on. He brought the Board's attention to the Clubhouse Expenses, particularly the Full Time Wages line item, and indicated that this number reflected the severance payment to Kevin Googins, who will be paid through the end of the year. Alex reported that on the Course side, not as many memberships had been picked up as in the prior year and that there is also a decrease in bond expenses, which was not budgeted for this year. He also reported that Toby has been ordering chemicals and those costs are reflected under the expense line item. Alex stated that overall, the figures are a little worse than the prior year, but nothing of any significance.

Alex also stated that, to date, December is showing some positive trends which are because of the additional functions being held and the payments currently coming in. He informed the Board that the last event that Val Halla sponsored was held on the past Saturday evening with a very large crowd in attendance.

Bill Putnam asked about the total year to date figures for expenses and Alex indicated that there had been a math error causing those numbers to be incorrect and stated that he would correct it for the next meeting. Alex also pointed out several highlighted areas which were showing significant changes from the previous year.

Alex informed the Board of the recent developments regarding Personal Touch and the MSGA. He stated that no proposal had yet been received from Personal Touch Catering for operating the Viking Grill, but he indicated that he expected to receive it shortly after the last catered event of the season. Based on this information, he informed the Board that he anticipated they would be having further discussion about this issue at the January meeting.

Alex reiterated that the key concern is the liquor license and stated that it is very difficult to have more than one liquor license under one roof, which he explained is the benefit of having one entity on the premises in charge of all liquor sales. Brian, as a representative of the MSGA, also stated that the MSGA felt that whoever was selected to operate the Viking Grill operation by the Town would probably also be selected to work with the MSGA in the banquet center. Tim asked if there would be any difficulty in getting a liquor license from the Town and Bill Stiles indicated no more so than anyone else getting a liquor license.

Frank asked if the other candidate vying to operate the Viking Grill had any experience in running a restaurant and Alex indicated that they had some experience in restaurant operations, golf course experience and a lot of general maintenance experience. He did state that they had less experience in the food service side, but a lot of experience in the general upkeep and maintenance in a facility of this type. Bill Stiles stated that this particular individual was a more “hands on” operator.

Alex stated that he wanted to let the Board know that it had been a pleasure working with Chris Lesiege at the various events, stating how helpful and knowledgeable he was about the operation. Roger asked if a decision would be made by the January meeting about whom would be selected to operate the Viking Grill and Alex indicated that he anticipated that would be the case.

Brian informed the Board that the MSGA and the Maine Golf House had just received approval this week for their 501(3)C status and reiterated what a big hurdle it had been to get over in order to allow the Maine Golf House to come together for fundraising activities. He explained that had been the final barrier to overcome in terms of the sale and bringing together all the state’s golf functions under one roof.

Alex informed the Board that there would be a slight change in terms in the sale of the banquet center and that they would be focusing on a lease to own for the next six months with the MSGA, with the final sale being finalized on July 1, 2009. He stated that from a practical perspective nothing was really changed, but from an accounting perspective, the moment the banquet center becomes the property of the MSGA, the Town of Cumberland would have to kick in \$500,000 to the Maine Bond Bank for the outstanding principal on the bond for the banquet center, which is a lot of money that had not been planned for, particularly in light of the tough budget year which is currently being experienced by the Town. Alex further explained that this change is because of having to go from a “non-profit” entity to a “for-profit” entity. Brian stated

that by doing this, the MSGA would not have to come up with \$35,000 on January 1st and explained that they will be paying double rent through the end of March

V. New Business:

a. **Business Reports:**

I. Department Reports:

1. Brian Bickford – Pro Shop

Brian brought the Board's attention to his handout, which had been included in the packet, and addressed the report which indicates the number of Member Rounds during the periods of July 16th – 31st, August 1st – 15th and August 16th – 31st, which all show a significant downturn in the numbers as compared to 2007 figures. The report also shows a significant drop in Non-Member Rounds, with a huge downturn during the period of August 1st through the 15th in Greens Fees Rounds. Brian stated that he felt this was directly related to the bad weather experienced during that period of time. When asked, Brian indicated that this information was reflective of approximately 16,000 rounds.

Brian stated that in terms of Greens Fees, "If the weather is good, the players will come out"; "If the weather is bad, they will not". Brian informed the Board that he would like to keep the data ongoing so that it is available for review on a monthly basis for tracking purposes. Roger asked about having the weather information available as well and Brian indicated that he will attempt to have that available at the same time.

Brian brought the Board's attention to the second report in the packet which had to do with Cart Rentals. He indicated that 2007 Cart Rentals show a much higher variation, but that again there is a significant drop during the period of August 1st through the 15th and he indicated that he felt this was directly attributable to bad weather conditions.

Brian suggested that the figures for the second half of August may have been affected by the relocation of the Member/Guest event, not the weather, but that was difficult to determine at this point. He also stated that he felt that once the Member/Guest event is over, many folks put their clubs up for the season.

Tim asked if it made sense to consider keeping the course open until the snow flies and what the expenses and detriment to the Course would be in order to do that. He backed that up by stating

that some of the other area courses were remaining open for a longer period of time and were still bringing in income by doing so long after the season was over. Bill Stiles asked why the date of the 15th of November had been selected and Brian stated that this date was picked as it was at the time of year when there seemed to be little interest in playing golf. He also stated that he felt that by that point in time, some individuals were interested in playing at a different location, if they played at all.

Bill Putnam stated that, as a Board, a decision to extend the season could be made and suggested that if they chose to do that they should take a close look at all the pros and cons. He also stated that he felt that they should take any staff concerns into consideration prior to making that type of a decision and reiterated that his main concern was what type of damage might be done to the course by staying open for a longer period. Bill Putnam also stated that he realized that they were taking a more cautious stance, but suggested that it might be something to be considered, going forward. Brian stated that he would advocate for starting earlier rather than going later into the season. Frank stated he felt without having the bar and Pro Shop open that there was not much income potential to be made by remaining open longer.

Alex stated that the non members who come during July and August generate a huge amount of revenue for Val Halla and based on that, he felt that if it were only members playing there wouldn't be much to be gained in staying open for a longer period of time. Bill Putnam stated that if the members have a more value based product, he felt that there would be greater revenues generated. Norene stated that she would play if the course were open longer, but she also expressed concern about how the greens would be impacted and indicated that she felt it would be better to open earlier rather than stay open later in the season. Brian stated that the figures reflect greater numbers in May and June rather than September and October. Roger stated that he also felt that it would be more beneficial to open earlier in the season. Bill Putnam stated that he felt that they needed Toby's input before any further decisions could be made regarding this issue.

Brian brought the Board's attention to the handout he had prepared pertaining to the Membership Guarantee. He reviewed the highlights of the program, stating that this applies to all membership categories. He further elaborated by providing four different scenarios and reviewed them with the Board. Bill Putnam asked Brian to be responsible for administering the program and he indicated that he would do so.

Alex stated that he felt that it was not necessary to have a 50% maximum carry forward in order to get the same impact and stated that he felt limiting the percentage to 25% could get the same impact. He also stated that he questioned Example 2 and indicated that it appeared that when one individual in a couple plays more than the other, the course is still getting the same use, monies are coming back, and that it didn't seem fair. He suggested that each person should be handled individually in this type of situation. Bill Stiles stated that he felt that 40% was a better figure to use in administering this program and reiterated that he felt that next year would be when there would be more need for revenues to be coming in. Bill Stiles also stated that the figures could be adjusted up once we know how they work out.

Frank stated the thing that he likes most about this proposal is the fact that it gives people a reason to come back for the next year. Norene stated that she would be curious to know how many members played less than 20 rounds last year and Brian stated that he felt it was around 50 members or 15%. He also stated that based on conversations with these individuals, they had indicated that they were just not playing enough rounds of golf to justify their membership.

Alex stated that one of his concerns is those individuals who played less than 20 rounds of golf and decided to rejoin anyway. He stated that based on this program they would be receiving a discount and might have joined anyway, even without the membership guarantee program. When questioned about medical exemptions, Brian stated that there are special situations in which medical exemptions are allowed.

Bill Putnam stated that he was very comfortable starting out with a 40% figure for the membership guarantee and reiterated that he felt it was a good marketing tool. Mark Sundermann stated that he felt that the 40% figure was also a good idea and that he hoped more people from other courses might consider joining because of it. John stated that he felt that the 25% figure was more in line of where he would like to start and Roger stated that he did not like the idea of starting low and going up. Bill Putnam reminded the Board that it would all be handled on a pro-rated, individual basis.

Tim made a motion that Brian's proposal be accepted with one change that the maximum carry forward in any given year be changed to 40%. The motion was seconded by Frank Sola.

VOTE: MOTION PASSED – UNANIMOUSLY

Brian stated that he had begun work on the December newsletter and reviewed the items which would be included in the newsletter. Some of the items included were the MSGA receiving 501(3)C status, the MSGA signing the sales agreement with the banquet center, Val Halla Golf Association announcement of their 2008 Scholarship Award Recipients, the Membership Guarantee (Risk Free Membership), the longest standing member question winner, winterizing the golf course, Early Bird Pro Shop Sale and the best senior moment.

2. Toby Young - Course

In Toby's absence, there was no Course report provided.

2. Val Halla Golf Association – Mark Sunderman

Mark stated that the Association will be working with the MSGA and banquet center to set their dates for their events and to make arrangements for banquet services with whomever is selected by the MSGA to handle the catering arrangements. He stated that they need this information prior to publishing their booklet in the spring.

Mark also stated that the Association generally felt that moving the Member/Guest event from Labor Day weekend had been a big mistake and stated that it had impacted the turnout and that participation had been reduced. He stated that he was unsure if it was the date or the fees and if the Board was in agreement, he would like to move the Member/Guest event back to Labor Day weekend. Judi stated that it had always been traditional to have it on Labor Day weekend and a lot of folks plan for it. Bill Putnam stated that he had felt it would have less of an effect on Greens Fees to have it on Labor Day weekend and stated that he felt it was unfair to the members not participating in the Member/Guest to not be able to play golf at all on Labor Day weekend. Judi stated that members could still play during that weekend, but agreed that it was not a guarantee and was dependent on the Member/Guest entries.

Mark stated that another option was to cut it down to a two day event and leave a portion of the weekend for anyone else who would like to play. Brian stated that he would rather have a mid-August weekend back as a revenue producing weekend for Val Halla and give the Association the Labor Day weekend for their Member/Guest event.

Mark reported that the Association has accumulated a surplus of cash and they are looking to invest in some type of course improvement project to utilize these monies. More information will be forthcoming regarding this.

3. Greens Committee Report – Rick Doane

There was no report from the Green's Committee in Rick Doane's absence.

c. Other New Business –

Bill Putnam brought up the issue of Incentive Plans for Resident Members. Norene stated that she had done some research on added benefits and found that a lot of the private clubs can offer more than Val Halla is able to offer. She stated that the public courses are offering about the same programs as Val Halla, but there were some instances of discounts at the Pro Shop and opportunities of reciprocal agreements to play at other area courses being offered as well.

She also stated that she realized, as she was doing the research, that over the past three years Val Halla has changed in many positive ways and she passed out a handout listing some of those changes. Norene suggested that they might want to explore a more aggressive marketing approach to promote these changes.

Norene also suggested that there be a Cumberland Residents Day, perhaps on a Monday or Tuesday, where Cumberland residents can play for reduced Greens Fees.

Bill Putnam suggested that perhaps they consider offering a Discount Card with a differentiation for Cumberland residents. He stated that he felt this card should have a set value to start with and suggested that Brian be appointed to administer this program for Cumberland residents and Brian agreed that he would work on it. There was discussion by the Board of possible ideas to implement this program and Norene reiterated that she felt that it should be stressed what a good value Val Halla. Brian stated that he felt we should be marketing the fact that Val Halla is now the home of the MSGA as part of the publicity campaign.

VI. Old Business

Bill Putnam brought the Board's attention to the letter sent out to the Snowmobile Club which was handed out to the Board for their information.

Bill Putnam acknowledged the fact that this was Judi Greene's last meeting and thanked her for her service. Cindy stated that there had been one individual who had expressed interest in serving on the Board and had submitted an application for consideration.

Bill Stiles asked what the maximum number of memberships were that could be accepted and expressed concern about the possibility of more folks being interested in joining than there were memberships available. Bill Putnam stated that he thought

that once the number of memberships rose above 400 some decisions may need to be made.

VII. Adjournment, next meeting, Wednesday, January 14, 2008, 6:00 p.m. at the Town Hall in the East Conference Room.

There was a motion made by Tim Moody and seconded by Frank Sola to adjourn the meeting at 7:44 p.m.

VOTE: MOTION PASSED UNANIMOUSLY.

Respectfully submitted,

Cynthia A. Stennett
Recording Secretary