

**Val Halla Board of Trustees**

**Wednesday, June 8, 2011 at 6:00 p.m. to 7:20 p.m.**

**Junior Room – Val Halla Golf & Recreation Center**

**Meeting Minutes**

**Present:** Tim Moody, Steve Sloan, Judy Ingraham, Rick Scott, Norene Ward, John Zappia and Bill Putnam

**Absent:** Jeff Porter, Council Liaison and Paul Dugas

**Others Present:** Alex Kimball, Finance Director, Bill Stiles, Council Liaison and Cynthia Stennett

**I. Welcome & Introduction of Guests** –Tim Moody called the meeting to order at 6:00 and thanked everyone for attending. .

**II. Approval of May 11, 2011 Minutes** – Tim Moody asked if everyone had an opportunity to review the May 11, 2011 minutes in their packets. Seeing that there were no corrections, additions or deletions, a motion to accept the minutes as written was made by Steve Sloan and seconded by Judy Ingraham.

**VOTE: MOTION PASSED UNANIMOUSLY.**

**III. Val Halla Golf Association** – Steve reported that everyone is really happy with the course and stated that there are some member/member events coming up this weekend and a one day member/guest tournament the following week as well as a ladies event on Saturday. He also made it a point to compliment Toby on how well things are going.

**IV. Public Comment – None.**

**V. Review of Revenue Reports** – Alex stated that May had been an interesting month and brought the Board's attention to the numbers for Course Income which, at first glance, appears to be similar to last year, except for the differences in the Membership numbers, which are a little better, while Greens Fees and Golf Carts show a loss. Alex reiterated that the difference was made up in Memberships and the Program Revenue line, which is an increased piece of revenue directly related to programs run out of the Recreation Department, i.e., Wine & Nine and the various Golf Camps. Alex stated that the troubling issue is that, in spite of this addition, May was a "break even" month and stated that we are falling behind in revenues as compared to where we were last year at the same time and are up only \$16,000 over the prior year. He brought the Board's attention to the Expenses, where there are catch up expenses, i.e., a cart payment that occurred in May and not in the previous month.

Alex reported that the Pro Shop is up by \$20,000 and explained that May 31<sup>st</sup> is the time when he does transfers between the Town Departments and this number is directly attributable to an

expense from the Recreation Department to the Pro Shop, which is a part of Recreation salaries and indicated that they had budgeted for this and that it was expected.

Alex indicated that the month of May ended up being a loss instead of a gain, although it was a little less than the prior month. Alex also stated that the numbers came in about \$22,000 better than last year. He also brought the Board's attention to the fact that where you end up in May and where you end up at the end of the year tends to be fairly similar because you either break even or lose a little money in June. Alex indicated that he felt we were looking at a \$70,000 to \$80,000 loss for the year, which does mean that Val Halla will come in better than last year.

Alex brought up the issue of the Moody's report, which states that something needs to happen in order for the course to stop getting continued downgrades on our credit rating. Bill Putnam asked for more clarification and Alex indicated that the Town of Cumberland's bond rating was dropped due to continued losses at Val Halla.

Bill Stiles asked about the Membership monies for June and Alex stated that there is a steady "dribble" of monies coming in from mostly Junior Memberships, which cause revenues to bump up to a "break even" status and indicated that he felt that the income and expenses should both come in around \$60,000 for June. Rick asked about the additional electricity costs now that we are using electric carts and Alex indicated that there will be a jump, but stated that some of the electric bill will also be going to Rachel's on the Green. He did point out that this should be offset by reduced gasoline costs.

Bill Shane stated that the Board was going to have to address Membership Fees for next year with around \$150 to \$400 in increased membership costs. He reported that Brian will be coming to the July meeting with some comparison numbers from other surrounding golf courses about where their membership numbers are for this year. He reiterated that he doesn't want to do the 50/50 incentive again as it ends up with someone having to chase money. He did state, however, that he was open to doing a Fall incentive membership rate in order to bring monies in early on and again reiterated that the expenses have been cut as much as they can be at this point.

Bill also informed the Board that he is getting frequent questions from the Taxpayer's Association about Harris Golf taking over Val Halla and he indicated that he wants to be proactive about these issues. He again stated that our rates still are not at the membership rates where they were eight years ago and requested that this be a major agenda item for discussion at the July meeting. Bill Shane stated that he feels this must be dealt with aggressively or we will be "dealt a hand that we don't like". Bill Putnam stated that he agreed that we had done about all we can to cut expenses and indicated that he felt it is a topic for a huge discussion and that there is a lot involved in making the rate decisions.

Alex stated that the Greens Fees and Carts do not bring in a large piece of revenue and both Bill Shane and Alex cautioned the Board not to think that good weather automatically means increased revenues. Bill Shane stated that the \$70,000 loss could easily have been much larger had the cuts not been made and that the losses could have been in the six figure number.

Steve Sloan asked why the course couldn't be moved into the Recreation side and Bill Shane stated that it was something to think about and stated if they can't make the numbers, they need to look at some type of supplement from the Town budget, going forward. Bill Putnam asked if part of the discussion regarding membership rates should be coupled with this discussion. Bill Shane stated that he would like to see a packet of information sent out the week before the next meeting in the Board packets and asked the Board to come to the meeting prepared to have a heavy duty discussion of all options and how to proceed, going forward.

Norene asked if Val Halla would still affect the Moody's report if they were part of the Town and Bill Shane indicated that it would not. Bill Shane explained that there are two bond rating agencies, Standard & Poors and Moody's. He reported that we were upgraded by Standard & Poors, which base their rating more on management and Moody's bases theirs on fund balance. He stated that we have \$2.1M in fund balance and \$1.6M is an IOU from Val Halla. The question was raised about the sale of the banquet center and Bill Shane indicated that there will be a profit of about \$100,000 on the sale. He again reiterated that there will have to be significant changes made if there is any hope of turning things around and asked the Board to come to the July meeting prepared to have a frank and difficult discussion as Brian needs to have clear direction of where things are going by September. Bill Shane stated that he felt that we are a public course supported by public funds and that we may need to face the fact that we may need to supplement the enterprise fund.

Norene asked Brian if he would be able to provide the number of new members that have been generated by the Recreation programs, i.e., Wine & Nine and he indicated that he would provide that information at the next meeting. Judy asked about whether or not any revenues were generated by the tennis courts and Brian indicated that there were not and there was some discussion about possibility of instituting some fees. There was also discussion related to off-season uses at Val Halla and capitalizing and publicizing them.

## **VI. New Business:**

### **a. Business Reports:**

#### **I. Department Reports:**

##### **1. Brian Bickford – Pro Shop**

Brian brought the Board's attention to the information that he had included in their packets related to the concept of a shorter course for golfers and reviewed the information with them. Brian indicated that he is suggesting that a team/committee be put together consisting of himself, Toby, a Greens Committee member, a Tournament Committee member, a Val Halla Board Member, a Junior, and a Ladies Member to hold further discussions about this possibility. There was some discussion by the Board of that possibility and the general consensus was agreement. John Zappia indicated that he would like to serve on the Committee.

Brian reviewed that Statistics & Revenue Report and stated that it is a

work in progress as he's starting to get information out of Active Golf. Tim commented on the Resident/Non-Resident Greens Fees numbers.

Brian also brought the Board's attention to the Membership numbers, which are starting to show some growth.

## **2. Toby Young – Course**

Bill Shane stated that he felt we had the best superintendent in the area and wanted to make sure that Toby knows that he has the full support of the Board behind him.

Toby stated that he is working to add more tees and is trying to make things easier and more fair on the course, i.e., the second hole ladies tee in particular, as brought up by Judy who spoke very positively about the changes. Toby indicated that he is very open to any suggestions for improvements. Bill Putnam suggested changing the views from the tees.

Toby reported that they started pulling up the mat on the second fairway, and that it is significantly drier now. He also reported that they will be working on the landing area on #3. A suggestion was made to put up a sign on the tee indicating "white stakes not out of bounds" and Toby agreed to put up a sign.

Steve asked what happened on #4 over the past weekend and Brian explained that it appears that a single rider had the cart take off on him once he had left the cart and then the cart started careening across #4, #5 and into a stand of alders where it appeared that the accelerator was jammed. Brian stated that at this point, it appears that a rock was jammed in the mechanism.

**VII.Old Business** – Bill Stiles stated that he has had several people speak to him about balls coming over the net at the driving range and people either being hit by them or nearly hit by them. Brian stated that there are signs posted in the area to warn people.

There was some discussion about Bill Putnam's term on the Board and it was determined that his term of service would run until 2012. Cindy will make the correction.

**VIII.Final Public Comment – None.**

**IX. Adjournment, next meeting, Wednesday, July 13 2011, 6:00 p.m. in the Council Chambers at Town Hall.** A motion to adjourn was made by John Zappia and seconded by Norene Ward. Meeting adjourned at 7:20 p.m.

**VOTE: MOTION PASSED UNANIMOUSLY.**

Val Halla Board of Trustees  
June 8, 2011

Respectfully submitted,

Cynthia A. Stennett  
Recording Secretary