

**Arlington Association, Inc.**  
**Board of Directors Meeting**  
**Minutes of October 16, 2007 meeting**  
**Mule Barn 6 p.m.**

**Board Members Present:** Allen Ault, Margaret Baxter, Don Calitri, Jackie Collier, Keith Daniel, Ron Durham, Debbie Newsom, Rodney Piercey, Judy Ridings, Robbie Robertson, Sharon Shasby, Donya Smith, Tim Stephens

**Board Members Unable to attend:** Jim Conneely, Rich Middleton, Cindy Reed, Mark Sandy, President Doug Whitlock

**Others present:** Cheryl Harris, University Counsel; Joe Foster, Interim VP for Advancement and Foundation Board representative; Jim Marsh, Manager; Ernie Moore, Kim Kincer, Eddy Renio, Marc Robbins, Bob Geiger, Chris Cottongim, Brad Noe

**Meeting called to order**

Don Calitri called the meeting to order at 6:02 p.m.

**5253 Design Group Presentation of design of Golf Club House**

Chris Cottongim and Brad Noe from 5253 Design Group presented the Golf Club House design. The facility will be on the same site as the existing cart barn but the new building will be larger which will require adjustments to the area surrounding the existing cart barn. The total square footage will be 10,800 with 5,400 for each floor. There will be a clubhouse grill/kitchen and outdoor patio/deck off of grill area, new pro shop, new locker rooms, two offices, and cart storage. The cart barn will be torn down and this built in its place.

The servicing of the building will be offsite (dumpster). There is a small janitor's closet in the building design on the first floor. Discussion included the use of the existing pro shop. Tentative plans are to convert this to storage.

The building plans have been reviewed by the Pro Golf Management program instructors. The design does comply with accreditation.

The design/display boards will be on display at Arlington for members to view.

**Minutes of the July 17, 2007 Meeting**

The minutes were approved with minor revisions.

**Introduction of Board members**

All board members introduced themselves. This was Sharon Shasby's first meeting. She is the faculty senate representative.

## **Manager's Report – Jim Marsh**

Jim Marsh encouraged everyone to come to the Main House to see the renovations that are completed and the ones that are in the process.

Jim Marsh reported on membership numbers as presented in the packets. We are down 379 members overall from this time last year. He then reviewed the sales reports as included in Board packets for July, August and September. July was down 27% from previous year, August was down 8% from the previous August, and September was up 6% from the previous September.

Arlington continues to work on generating traffic including offering specials such as family night, buy one get one entrée half price.

Staff update: This past year Carol Lane retired and Marilyn Ballinger was hired in her place. Diane Welker is the catering director and Susie Long has retired. Arlington is in the process of hiring her replacement. There was discussion about the process of hiring and the hold up in Human Resources at ECU because of the need to do background checks.

Discussion followed on the decline of membership and what is being done to increase membership. Dr. Calitri said we will discuss this when we get to the membership report.

## **Treasurer's Report – Debbie Newsom**

Debbie Newsom gave a brief financial operations report for both the fiscal year ended June 30, 2007 and the first quarter ended September 30, 2007 of the 2007-08 fiscal year. In addition she noted the annual audit for the 2006-07 fiscal year was very close to completion.

In addition, Ms. Newsom presented to the board a summarized analysis of operations by each area (general, dining, golf, etc.) for the fiscal year ended June 30, 2007, excluding the assessment fees collected for the and construction project expenditures through that period. She reported that overall operations suffered a net operating loss, on a cash basis, of more than \$200,000, explaining that much of this was due to the loss of membership in January resulting from the one time assessment as well as many remaining members switching from a full house membership to dining only, the latter being an unexpected outcome of the assessment. She further noted that this lost revenue was focused primarily in dues, although there was also an effect in other areas, including dining revenues. She pointed out in the comparative analysis that for the fiscal year ended June 30, 2006 the net operation loss was approximately \$85,000; hence the fiscal year 2007 loss was significantly greater.

Ms. Newsom also presented a year to date through September 30, 2007 report in the same format. This report showed that overall operations loss of about \$4,000 versus a comparable positive amount of approximately \$58,000 for the three months ended September 30, 2006, or a decrease of about \$62,000 over the prior year first quarter net income from operations. She cited similar reasons as noted above for the last fiscal year based on the data presented.

She also brought to the board a summary of assessment amounts collected to date, those that are to be collected over the next nine years based on the options offered the membership, and the proceeds from Arlington's investments, which were being held on behalf of Arlington by the Eastern Kentucky University Foundation and were liquidated/paid out to Arlington as of June 30, 2005. In addition the schedule showed the project expenditures to date and an estimate of the total remaining costs of the project, including financing costs over the next ten years. Ms. Newsom emphasized this was an estimate, but the calculations indicated a small residual if all goes as planned.

In general discussion with the Board regarding Arlington operations, Ms. Newsom noted that Arlington was now at a point where it was operating at a negative cash position. There was some discussion by the board, including at what point the board should specifically address this issue. Ms. Newsom's recommendation was to look at the financial data at the end of the second quarter, December 31, 2007, as a part of this discussion.

### **Secretary's Report – Jackie Collier**

Jackie Collier reviewed the report in the packet. At the end of September we had a total of 1030 members. At the end of September 2006 we had a total of 1409 members.

### **Membership Report – Joey Foster**

Joey Foster reported for Mark Sandy. He reviewed the steps being taken to market EKU to targeted Alumni body including promotions in the quarterly EKU Magazine as well as a brochure that is being developed to compliment the magazine promotions.

The brochure will review the membership categories.

There was discussion about Faculty/Staff and how we go about encouraging their membership. Knowing that in today's economy, membership is viewed as a luxury there was further discussion about groups to target in addition to Faculty/Staff. The brochure will go in orientation packets for employees, the Chamber of Commerce, distributed in neighborhoods, freshman orientation for parents.

### **House Committee – Judy Ridings**

No report

### **Pool Committee – Margaret Baxter and Donya Smith**

No report

### **Golf Committee – Tim Stephens**

The golf committee added three new members for this next year and took three off. (MARC ROBBINS, ALLEN AULT & PEGGY WILLIAMS). The golf committee met and discussed three topics.

1. Was presented and looked at the foot print sketch of the new pro shop building.

2. Talked with Jim Cox & Pat Stephens regarding winter projects and the process on the sand trap renovations going on.
3. Went over ideas regarding the organization of the Hanger Cup golf tournament next year.

We also discussed the importance of meeting each month during the building process of the new clubhouse.

### **Tennis Committee**

Dr. Rodney (Buzz) Piercey will serve as chair of the tennis committee.

### **Old Business**

Joey Foster reported the revised lease between Arlington and the ECU Foundation has yet to be executed as financial agreements are still being considered.

*Note: As the Board has previously authorized the Chair to effectuate, The Foundation and Arlington Association, Inc. are to enter into a revised lease agreement to allow for the change in description of the Leased Premises allowing for the approximately ten currently unused acres to be subtracted from the land leased by the Association so that it be can be leased to a third party who will develop a driving range facility; and change in rent due from \$1 per year to an amount proportional to the debt repayment incurred to finance.*

Don Calitri and Jim Marsh reported on the renovations and deferred maintenance. The roof is completed with the new gutters in place. Outside painting is to be completed before cold weather. Trees are being removed for parking area. Most of these trees were dead or diseased. The house renovations will be completed by the first of the year.

With the parking area, there is discussion about how to block traffic from pool/golf area. Tentative plans are to use heavy duty planters to block traffic yet be aesthetically pleasing.

The Dumpster area will be reworked.

The pool renovation is ready to be done by Wilburn. Work should be completed by spring. Pool will be ADA acceptable.

There was discussion on letting membership know when gates are to be closed or drives are closed so as not to cause traffic mishaps.

There was discussion about doing a business plan for Arlington to put it on course, possibly asking Dean Robert Rogow for his assistance/input.

### **Next Arlington Board Meeting**

The next Arlington Board meeting is scheduled for Tuesday, January 22, 2008 at 6 p.m.

Dean Allen Ault moved we adjourn and Dr. Rodney Piercey seconded. Adjourned at 8:15 p.m.

Respectively submitted by Jackie Collier, Arlington Board Secretary  
October 30, 2007.