Arlington Association, Inc.
Board of Directors Meeting
Minutes of October 28, 2008
Mulebarn  6 p.m.

**Board Members Present:** Scott Althauser, Allen Ault, Jackie Collier, Jim Conneely, Lyle Cook, Carrie Cooper, Keith Daniel, Ron Durham, John Flanagan, Debbie Newsom, April Clark Pergrem, Rodney Piercey, Donya Smith, President Doug Whitlock

**Unable to Attend:** Jim Clark, Rich Middleton, Tim Stephens,

**Others present:** Joseph Foster, Vice-President Advancement/Foundation Representative; Judy Spain, University Counsel; Jim Marsh, Manager; Patrick Williams; Allen Engle; Bob Geiger; Brenda Ault; Suzi Wilson; Larry Wilson; Carolyn Lane; Missy Smith; John White; B. C. Mansfield; Janice Ohr; Joedy Ohr; Billy Ackerman; Kevin Crosby; Jim Fisher; Irvin Wood; Angela Burrows; Eddy Renio; Mike Hawksley; Bobby Botner

**Welcome and Call to Order**

Chair Allen Ault called the meeting to order at 6:00 p.m. At this time, Chair Ault said we would be moving the Treasurer’s Report to right before the Business and Finance Committee report.

**Approval of the July 2008 Minutes**

Jackie Collier asked for the approval of the July 2008 as submitted to the board via email. Allen Ault moved we approve. Seconded by Scott Althauser. Approved.

**Discussion of Members Recommendations**

Below is the list of member recommendations from the called October 15, 2008 Arlington Membership Forum.

- Consider a modest across the Board Increase
- Modest Dining Minimum
- Combination of across the board increase and dining minimum
- Membership Drive to increase membership (target young people, contact those who dropped their membership—find out why and give them a reason to re-join, give faculty/staff/alumni, etc an incentive to want to join)
- Analysis of Operations (look at each one to see where we’re not making the money
- Close main house on Sunday night or other night(s) that aren’t so busy
- Do not offer daily buffet. Offer buffet on Sundays only or one day a week
- Add kid friendly items such as hotdogs, burgers, macaroni and cheese to menu to attract families
- Once grill is open operate Ratskellar only for private parties to drive revenue
- Lease house (food/beverage) to private contractor
- Do away with Dining only membership
- Change monthly dues for new members
- Offer student memberships
- Offer trial memberships (for golf, swimming, etc) to help increase revenue/memberships
- Strong Marketing Campaign (ads in EKU new employee guide, alumni magazine, football/basketball programs, Richmond Chamber of Commerce publications)
- Decrease base membership fee so that more people can afford to join (cost is prohibitive for most beginning faculty salaries. Need those young professors and families as well as other young families in the community)
- Do away with $20 monthly dining credit
- Fundraising campaign such as “Pops at the Park” event at Arlington to drive revenue
- Allow local business people to use Arlington to entertain for private parties, meetings, etc
- Raise Monthly Golf Fee
- Consider making some changes to the constitution and by-laws of Arlington
- Allow members of Arlington to have more of a voice in the operations and policies by communicating with them via email or taking a survey/vote on the issues. Suggest adding a tear off sheet at the bottom of the monthly bill asking every member to provide his/her email address
- Explore option of Reciprocal Agreements with other clubs in surrounding areas
- Charge flat rate for everyone
- Look at our partnerships (how does money flow to/from EKU and the PGM program)
- Ameliorate the dining experience so more members would utilize the house (make it more convenient)
- Fix the light poles in the entryway
- Survey the entire Arlington membership in the next billing cycle prior to any board decision. Ask members which option(s) would lead them to cancel their membership and which option(s) would be the least offensive. Include a summary of the financial situation and a brief summary of the membership meeting
- Will an increase in dues mean a better quality of service and amenities? Members want to feel they are getting the quality they are paying for. If dues are raised, standard should also be raised. Need better customer service!
- If Dining Minimum is implemented, will the quality of food cause member to WANT to come eat there? It is tough to justify paying $15 or more plus 20% gratuity for a buffet filled completely with adult food that isn’t good anyway
- There is some feeling that members are paying for an improvement that was required for the PGM program and that should have been done by the University if it wanted to add that program
- Most other clubs are run by the membership not a University. The makeup of the board allows the University to decide what happens at Arlington. If Arlington decides to have a dues and fee structure like other country clubs, it needs to give the membership a voice in the management and true country club benefits otherwise the membership will continue to decline and become more expensive for those who stay.
- Renovate restrooms—they never look clean. Need to make Arlington attractive to members and guests
- Concession stands need better management—seem to run out food, are not friendly. This is not at all inviting to members and guests
- Staff needs to be more friendly, inviting and welcoming of members/guests
- Bring back family nights at the pool.
Chair Ault opened the floor for discussion.

Carrie Cooper, Chair of the House Committee, reported the House Committee would continue to review the list of recommendations and work towards moving some of the recommendations/ideas forward.

Jim Conneely asked if there were any updates to the recommendations list thus far. Jim Marsh reported that he had gotten an estimate on lighting for the entryway to be fixed. He reported that lighting around the area would be a total of $48,000 to replace.

Marsh reported that the restrooms on the golf course have now been properly vented in order to fix the odor. The stacks on the restroom have been extended. He will be monitoring this.

Ault said all recommendations have been considered and will continue to be discussed.

**Naming of Clubhouse and Grill**

Ault said he would like to have the naming of the Clubhouse and Grill open to all members. He asked that a contest to name the building be coordinated by the House Committee. Cooper has taken this charge. The question was asked as to whether or not the Clubhouse Grill would be for all members. Ault said yes. (Note… later in the meeting it was clarified that Dining Only members may use only the Main House because that is what their assessment fee was used towards.)

**Board Meeting on a Monthly Basis**

The Arlington Board will begin meeting on a monthly basis. The next meeting is scheduled for Tuesday, December 2, 2008 at 6 p.m. in the Mulebarn.

These meetings are to review operations, efficiencies, EKU’s Contributions and sustainability of Arlington Association. We will review business plan and budget. Ault reported we are now working with QuickBooks software to get a more accurate look at Arlington’s finances.

**Appointment of Rules Committee**

Ault has appointed Scott Althauser as chair of the Rules Committee and has asked four additional members to serve.

**Student Events at Mulebarn**
Jim Marsh reported there had been some issues with some of the Greeks and Registered Student Organizations and destruction to property when the Mulebarn is being used by them. Due to limited staffing the EKU Police, Richmond Police and Madison County Sheriff departments do not have enough people to patrol or to even work these events when off duty.

Marsh did look into getting security guards. It would take at least five guards per event totaling $330. One of the issues with security guards is their lack of arrest authority.

Jim Conneely said that student leaders of Greeks and RSO’s have tried to police themselves at these events and it has been a challenge. Overall most students are positive and there isn’t an issue with most.

Jennifer __________, Pan-Hellenic Council, reported that the Greeks do turn in a guest list for these functions. It was her request that Arlington allow groups to have their Risk Manager and/or President monitor guest list and allow only those on the list to enter. The biggest difficulty has been uninvited guests. Her question to the board was should all the Greeks and RSO’s be punished for actions of those who do not uphold rules/regulations.

The comment was made that security without arrest authority is a disaster.

There was discussion that the monitoring of the guest list needs to be enforced.

There was then discussion on the charges for the Mulebarn. The rental is $150 for the first three hours then $50 for each hour thereafter.

Ault asked Ron Durham, Chair of Operations Committee, to review the policy of student usage and have a report at the December 2, 2008 Arlington Board meeting.

**Charges for Rooms**

Discussion followed on questions raised by membership in the charging of rooms for usage. It is noted that some members had an issue with paying for room usage when they were also paying a tremendous amount of money for food.

After some discussion and review of By-laws, it was suggested by Allen Engle that we accommodate this by setting room usage on a sliding scale.

The charges for rooms are as follows: Third Floor is $35 for ½ day, Second Floor card room is $35 for ½ day, Sun Porch is $20 for ½ day, Mule Barn is as stated above, Main House is $250 for three hours and $50 for each remaining hour, Powell Dining Room is $__ per ½ day.
There was discussion about whether or not we are even charging enough for non-members who use this under a member’s number. Marsh said usage was $100 more than members. There was also discussion as to whether or not members letting non-members use their numbers, whether or not they were in attendance at scheduled events. Marsh reported that most of the time members are present. When a member reserves for a non-member, the member is to be present at the event.

Ault has asked the Rules Committee along with the Business and Finance Committee and House Committee to get together on this and come back with a recommendation at the December 2, 2008 Arlington Board meeting.

President Whitlock brought up for a point of clarification that what was being referred to as the President’s Dining Room is in fact the J.C. Powell Dining Room.

Committee Reports

--Swim Committee

Donya Smith reported the swim committee met. In addition to Smith, there are five other members on this committee. It is the first time they have met since Smith has chaired the committee.

One of the things they would like to focus on is the update of the rest rooms. Smith wanted to make the Board members aware of all the volunteer/donated materials and hours to the beautification of the pool including painting of posts, donated scoreboard, building of the trophy case, landscaping, umbrellas for life guards. With all of these donations in mind, Smith reports that as a board member she would now find it difficult to ask them to pay more dues.

Another thing the committee is looking into is some sort of a pool card to monitor those using the pool. There were many non-members coming to the pool and this infringes on the benefits of members.

Smith said the pool committee would like to survey membership and come back with specific recommendations.

--House Committee

Carrie Cooper reported the House Committee met on August 21, 2008. They are scheduled to meet again in November. Their priority goal is to collect member feedback through surveys and focus groups. Marc Whitt has volunteered to facilitate focus groups, and we will seek the support of institutional effectiveness for the print/online survey. Member feedback will be solicited on food quality, service, menu and atmosphere.
The committee reached consensus on the following recommended actions:

1. Offer a better wine selection. Two representatives from the house committee (and Vineyards club) met with Diane Welker to assist with the selection.
2. Require members to be present with their guests. It was noted that some members “call in” guests and this is inappropriate.
3. Send letter to administrators and department chairs urging them to use the facility more often.
4. Get wireless networking for the mule barn so more groups will reserve the facility.
5. Stop spending the allocated money for holiday decorations and reuse what we already have.

Some members of the committee were in favor of re-evaluating Arlington’s availability during the holidays. It is possible that changing the hours for the coming season may not produce the outcome desired, but for the long term they saw benefits to not mirroring holiday hours at Arlington to the EKU calendar. If the board would like to consider new hours for the coming holiday season, the following schedule may be an option:

- December 24-25 (Wednesday-Thursday), closed
- December 26-December 30, open for lunch and dinner (Monday?)
- December 31, open for New Years Eve Bash only (no lunch)
- January 1- ?, Closed for annual maintenance (and staff holiday break)

Other issues discussed included: the decline of income generated from wedding reception business (-9,981); the need to increase menu prices to cover expenses; the examination of the lunch buffet format- it only makes sense if the crowd is consistently large, and it is not.

November Agenda Items for House Committee

1. Review survey draft and review focus group planning
2. Review ideas generated by membership following Budget meeting (related to House)
3. Holiday Decorations- Arlington Staff Involvement and Leadership
   (including not spending the entire allocated budget of $2500 and use the ones that we currently have)
4. Follow up on Recommended Actions from August meeting

Carrie Cooper moved we accept the holiday hours as presented in her report.
Lyle Cook seconded.

Discussion followed including what is the implication of staffing. Marsh reports that this will not impact staffing during this time. There was then a good deal of discussion about doing a New Years Eve event. In the past the New Years Eve celebration was
done away with because membership would not support this event along with the Christmas dance.

Marsh said a New Years Eve event would be about $72 per person to have dinner then dancing. We would need 100 participants to break even on this event. Discussion took place on whether or not that was really the best thing to do. Jane Ann Whitaker said in the past there were heavy appetizers and drinks and then following the dance, breakfast was served. A New Years Eve party should be at the Main House and not the Mulebarn.

Scott Althauser suggested that a member survey including surveying on pool, tennis, golf, dances, etc. be put out to the membership. We only want one survey not several going out.

Following all the discussion, Lyle Cook moved to make an amendment to the Holiday Hours as follows with ordering from the menu and not buffet except for Sunday Brunch

- December 24-25 (Wednesday-Thursday), closed
- December 26, 27, 30 for dinner, Sunday Brunch on December 28
- December 31, open for New Years Eve dinner only OR dance at the discretion of Management
- January 1 through mid-January, Closed for annual maintenance (and staff holiday break)

Seconded by Scott Althauser, passed.

--Golf Committee

Lyle Cook said the Golf Committee wanted to have a Driving Range Policy. He moved the yardage to the boundary of the driving range will be clearly posted at the range and players will be asked to hit only clubs that do not exceed that yardage. Failure to observe this standard is subject to corrective action up to and including loss of driving range privileges. Seconded by Keith Daniel. Passed.

Other items discussed included
- Front and back nines will be switched when Grill is dedicated
- The Hanger Cup will be reformatted and coordinated with the dedication of the Grill
- Updated layer rules and polices will be included in calendar
- Calendars have been reworked to improve member access.
Outings of outside groups will be encouraged on Mondays
PGM students will be involved in ‘show you care’ projects
Several logo designs are in development for member consideration
Committee recommends the board consider an intermediate membership classification for those under the age of 35 at a reduced rate

There was discussion on the switching of the nines. While logistically it will be a better view when the Grill is finished, the main reason is that most courses the back nine are the more difficult holes which have a big impact with tournaments.

John Flanagan wanted to make sure when the Driving Range Policy is posted that it is emphasized that safety is an issue.

**Operations and Outlay Committee**

Durham asked for various committee input on operations.

**Membership Committee**

Keith Daniel opened discussion on the 217 Dining Only members and the impact of this decision on membership. He continues to hear conflicting reports on the Dining Only members and their charges. Daniel said the more he hears about the different ‘level’s’ of memberships the more he wants to narrow the focus of membership status.

Conneely reviewed the May 2004 minutes where a monthly charge was voted in for those with the Dining Only membership along with what the By-Laws have in place. Collier reported that it was stated at the January 2007 meeting that there would be no food charge for those Dining Only memberships. More discussion followed.

Larry Wilson spoke from the floor and said he thought we should have one Arlington instead of the Dining Only vs. full membership vs. golf, pool, tennis, etc.

There was a good deal of discussion on the assessment and where do we go from here when new members come on board. There was discussion on going after former non-resident members. It was suggested that we think about all new faculty/staff to Eastern get one year free only paying for food/fees, etc. Also consider a 25-35 age group reduced membership.

It was again brought up that we need to put the assessment issue behind us and move forward.

There was a good deal of discussion about how to increase dues with membership.

Engle said that it appears that membership thought the assessment fees were put on them without any warning or information prior to receiving.
Newsom reported this entire issue was discussed at Board meetings, open forums, in newsletters for one to three years. The assessment had to be done to make up for the lack of dues increase and the lack of new membership. Initiation fees are what are put into reserves for

Ault asked the Membership committee to come to the December meeting with recommendations on any changes in membership policies ready to be presented to the board.

**Treasurer Committee**

Debbie Newsom noted her concern regarding various discussions in recent board and committee meetings questioning the validity of the Arlington financial information. She noted there have been a number of references to reconciliation issues and various discrepancies. Newsom made clear to the board that the financial information presented at each and every meeting was the result of the compilation of financial data from the official Arlington financial records. In addition she noted, in her opinion, the recent confusion seemed to be based on requests to Financial Affairs for special reports, the content, although correct, was not operationally focused, but which were distributed to the board. Further she reported the continued confusion as to the relationship of the yearend audit report to the operational statements. She explained in this meeting again the differences between the accrual based audited financial statements and the cash basis operations statements, noting the importance of the quarterly reports being on a cash basis so the board can have a more clear indication of the inflows and outflows of cash, as well as the cash position as of the report date.

Newsom discussed the reports included in notebooks of the fiscal year to date financial report as of September 30, 2008. She indicated she had reformatted the report based on prior input to make it more condensed and easier to digest at a glance. She reported there was an operating loss of $103,000 for the first quarter of the fiscal year. This is compared to a loss of approximately $5,000 for the same period in the prior fiscal year, or an unfavorable change of almost $100,000. Ms. Newsom noted there could be certain timing differences, such as when various purchases were made between the two periods. In addition she indicated on an annualized basis, if all things were equal, this could presumably result in a fiscal year loss of $400,000. However, various indictors in the revenue stream seem to be on track with the prior year, an indication the fiscal year outcome might be on target with the prior year, a loss of approximately $250,000. Newsom made it clear that, while broad assumptions could be made with the year to date financial information, any operational projections should come from the Arlington management as they have a much better indication of events and other plans for the remainder of the fiscal year.
Discussion followed Newsom’s report, including the request for a balance sheet on a periodic basis. Newsom reported that she would have yearend receivables and the audit report including a balance sheet.

Allen Engle asked about point of sales software that could possibly be at EKU that could be used at Arlington that would help track sales. This would be helpful in addition to the QuickBooks being used at Arlington. It would help track finances and be beneficial as we make decisions about Arlington.

Doug Whitlock said we need to continue to review the management of the Association and Board along with revenue analysis. This should be an on going process.

More discussion took place about point of sales software and QuickBooks and how these tools, along with management, could be of benefit to Arlington Association.

Ault reported that in view of the time, the Executive Session of the Board would be moved to the December 2 Board meeting.

**Business and Finance Committee**

Jim Conneely reported the Business and Finance Committee had been meeting. The question was asked as to whether or not we are being good stewards of Arlington and how we can build reserves.

The committee looked at Membership Dues, Food and Beverage Minimum, taking away dining credit.

The Committee reviewed the following possible scenarios: increases in dues… $8 and $10 and a $20 and $40 Food and Beverage minimum. With this, there would be a projected income of $200,000 to $290,000 to help with continued maintenance.

Again, discussion followed on making sure Arlington Association operates efficiently being good stewards of dues. There were questions on food costs and how they are tracked as well as what is spent.

It was discussed that there is a need for a strong financial plan which will build reserves so there is not a need to do an assessment in the future.

At this point in time, the scenarios presented on dues increase are per membership not per member.

Ault asked the Committee to come back to the December 2, 2008 with firm recommendations.
Ault also asked for input to survey and/or letter to be mailed to members to be in his hands as soon as possible. These should be directed to him. He would like to have materials in the hands of the membership two weeks prior to the December 2, 2008 meeting.

President Whitlock moved we adjourn the meeting. Rodney Piercey seconded. Adjourned at 8:30 p.m.

Respectively submitted by Jackie Collier, Board Secretary
October 30, 2008