

NENY PGA Board Meeting Review | Conference Call

Tuesday, February 12, 2019

Present on the Call: Officers:

Mike Behan (President)
Ron Ireland (Honorary Pres)
Rich Scott (VP)
Marc Levesque (Secretary)

Directors:

Josh Hillman
Matt Daley
Craig McLean
Tom Sullivan
Rick Wolcott
Tom Oppedisano

Others:

Tracie Warner (ED)
Doug Evans (TD)
Christian Torres (Player Develop. Mgr)
Kevin Cain (Asst. Representative)
Noel Gebauer (District 1 Director)

Excused: Rick Wright, Past DD

1. Financial Reports – Investment Accounts & Operations Budgets

a. Atlas Firm & PGA of America Investment Accounts

- i. At the end of January per the Board's approval, the section set up an account with \$200,000 investment amount (with funds transferred from section's PGA of America Investment Account) to be managed by Atlas with an investment policy as a guide.
- ii. The Section's lone Operating Account (Bank of America checking account) has been sitting with monthly balances of averaging over \$190,000 per month. This amount is in excess of operating needs for the section - see Appendix item
 1. Per Section's Accountant, John Norton and the Finance Committee's recommendation a motion was made, seconded and carried unanimously for \$40,000 to be moved from the BofA checking account into the Section's PGA of America General Investment Fund
 - a. Executive Director will work with PGA HQ staff to complete the move of the funds
 - b. Discussion ensued regarding in 6 months to revisit the performance of the Atlas Investments and the relationship with the possibility of moving additional funds from the PGA General Investment into Atlas

b. Section 2018 FYE Financial Reports Finalized

1. PGA Section Accountant has reviewed his process has officially closed the books out for the year with final reports for FYE 2018 and the section ended on paper operationally ahead (approx. \$27,500 in the black) in comparison to the projected loss of \$6,287. 2018 FYE financial reports attached and distributed.
 - a. The net proceeds are due primarily to:
 - i. to the PGA of America Honorary President Player Development Stipend of \$20,000 grant that wasn't included in as income
 - ii. \$5k of large GofG purchases depreciated versus hitting the expense line as budgeted

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iii. Under estimate of KPG Programming profit

c. Section's 2019 FYE Operations Budget

- i. January 15 was the deadline for the submission of Section budgets via our online tool (Hyperion).
- ii. The budget projects an approx. \$11,000 loss with \$9k of this accounting for depreciation. Other notes of interest are the required increase in Christian's salary in order for the section to meet the NY State Dept. of Labor standard minimum. ADP Funding is now capped at the \$180,000.
- iii. The board unanimously approved the 2018 FYE budget with all financial reports provided for their full disclosure.

2. Tournament Policy Change of National Qualifier Entries to Include Skins Fee

- a. Based on the recommendation from the Tournament Committee, a motion was made, seconded and approved unanimously as proposed to streamline the skins collection to all online during the registration process and all qualifier entries will be increased by \$40 and every player registered will be automatically included in skins with \$40 allocated to that purse.
 - i. Last year, the National Qualifiers (PNC, Asst. Champ and Sr.PNC) were overlooked when the section's policy change called for the elimination of collecting skins on site as entries are taken in and processed by PGA HQ vs. the section
 - ii. It was noted that approx. 80% of each field enters into the optional skins game
 - iii. Assistants Championship – from \$170 to \$210
Professional Championship from \$110 to \$150
Senior Professional Championship – from \$175 to \$215
- b. Assistants Championship – from \$170 to \$210
- b. Professional Championship -from \$110 to \$150
- c. Senior Professional Championship – from \$175 to \$215

3. Section Affinity ATM Bank - Credit Card Launch Reviewed

- a. The ED reviewed the section's new launch of the TCM Bank – MasterCard and noted that she applied for both a personal cc and a section business cc
 - i. The approval process took longer than expected for both and the now waiting for the section business E-Z Links account set up for additional staff cards to be requested and provides an online web portal to all section card activity.
 - ii. Staff plans to do a much bigger launch at the Spring Meeting to the members regarding the Section MC, the benefits etc.

4. Section Website Launch Reviewed

- a. The ED reviewed that the feedback from members was still positive in regard to the website design and the more use by staff on the back-end admin has been coming a little easier to navigate

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5. Section Constitution Revision

- a. The ED revisited the topic from the Board Planning Session regarding a complete revision to the constitution and by-laws with the following items to be kept in mind:
 - i. A revision has never been done since her tenure (17 years)
 - ii. Basic terminology clean up and revision to match PGA
 - iii. Board make up and structure – including independent appointed board members as a possible benefit or not
 - iv. Board quorum policy –Possible reduction from 7 to 6 (dependent on increased board size?)
 - v. Officer – responsibility area's need edited and updated
 - vi. Election voting –proxy discussion
 - vii. PGA Delegates – changing from Honorary & Pres to Pres & Vice Pres
 - viii. The Board determined that an Ad-Hoc Constitution Committee should be created and made up of 2 officers and 2 board members to perform the project with the ED and then return to the board for discussion and review with proposed changes. The ED will take the next steps to confirm the committee and board members can volunteer post-call or will be sought out.

6. PGA of America Updates & Reviews

- a. The Board discussed the recent change and modifications to the By-Laws approved by the PGA Board of Directors at their January meeting and as shown in the Appendix item.
 - i. There was no discussion on the items that passed but it was agreeable to all that the District Director election process would not benefit a smaller section like the NENY PGA and that the current process in place seemed to be effective and provided guaranteed representation at the PGA Board of Directors and section leaders would be against any changes that would jeopardize that.
- b. ED informed the Board that she and the current section President have been invited to PGA HQ on March 26-27 along with 5 other PGA Section leaders for meetings on the PGA Reach Foundation for idea sharing and following the PGA Reach umbrella set up
 - i. An agenda will be shared and the meeting results will be provided to the board at the April board meeting
- c. ED reminded the board about the upcoming Section Operations Audit that will be performed by an HQ Finance Staff personnel on April 16-18

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- i. Any results of the audit will be provided in written form and shared with the board and proposed changes and items could be requested that the section will need to put into place

7. Player Development Programming Update

- a. ED updated the board thjat the Kids Play Winter League programming that Christian ran at NexGen Indoor Golf Center was going smoothly and there were 18 kids in the program.
- b. Goal is complete a successful and profitable program and pass on the program to the PGA Professionals of NexGen to continue to offer an additional KPG Winter League for continued player development initiatives and as a revenue generator program
- c. PGA Junior League team and captain registrations are still continuing and section professionals are a little slow to get registered but captain and team numbers are anticipated to outnumber last year's.

8. Section Office Lease with Town of Colonie Up for Renewal

- a. ED informed the board that the section office lease term expires in April, and that a proposed lease with the same terms, 4 year lease with, two, 4-year renewal options and the \$25 annual monthly increases has been sent to the Town Board and will be placed on their meeting agenda for their February meeting later this month for approval

9. Special Awards Program Update & Review

- a. ED reminded the board that she will complete along with the Awards Committee Chair the nomination for Derek Sprague for PGA Hall of Fame by the March 31 deadline
- b. The Special Awards Committee will be meeting on March 7th to determine and review the Special Award nominations and select winners.

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Appendix : Operating Balance History: BofA Checking Account

| PGA of America Northeastern NY Section BOA Bank Balance | | |
|---|--------|------------|
| Month | Amount | |
| Jul-17 | \$ | 281,347.59 |
| Aug-17 | \$ | 235,124.81 |
| Sep-17 | \$ | 221,181.46 |
| Oct-17 | \$ | 159,244.71 |
| Nov-17 | \$ | 111,446.93 |
| Dec-17 | \$ | 174,641.67 |
| Jan-18 | \$ | 152,150.09 |
| Feb-18 | \$ | 191,110.72 |
| Mar-18 | \$ | 176,388.92 |
| Apr-18 | \$ | 162,737.29 |
| May-18 | \$ | 167,667.72 |
| Jun-18 | \$ | 177,601.95 |
| Jul-18 | \$ | 276,279.89 |
| Aug-18 | \$ | 248,849.50 |
| Sep-18 | \$ | 219,222.94 |
| Oct-18 | \$ | 160,702.72 |
| Nov-18 | \$ | 125,537.30 |
| Average | \$ | 190,660.95 |

Available Balance As of February 5th

| | Available | Fusion R10-12 Checks | Fusion R5 Checks | Actual Available |
|-----------------|------------|----------------------|------------------|------------------|
| | | | | - |
| | | | | - |
| Northeastern NY | 167,141.65 | (3,921.84) | (497.56) | 162,722.25 |

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Appendix – NEW PGA OF AMERICA BOARD POLICIES

From: Tom Brawley

Sent: Thursday, February 07, 2019 2:26 PM

To: Tom Brawley <TBrawley@pgahq.com>

Cc: John Lindert, PGA <jlindert@pgahq.com>; John Easterbrook Jr., PGA <JEasterbrook@pgahq.com>

Subject: GoveAnance Update - Board Approved Bylaw Modifications

Board Approved Bylaw Modifications

The PGA Board of Directors made multiple Bylaw modifications during their meeting on January 25, 2019, including concepts related to the Governance Task Force recommendations which were presented and discussed during the 2018 Annual Meeting.

Extend the validity of a Playing Ability Test (PAT) from Two (2) years to Eight (8) years (effective immediately).

The Board considered and passed a recommendation from the Membership and Employment Committees that the validity of a PAT Qualifying Score, and PAT passing score be modified from two years to eight years. Therefore, one entering the PGA Professional Golf Management Program would need to have a PAT Qualifying or passing score that is within eight years of the matriculation date into the PGA Professional Golf Management Program.

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- Allow Collegiate Events to be used as a Playing Ability Test (PAT) (effective immediately).
The Board considered and passed a recommendation from the Membership and Employment Committees allowing scores from the first two competition rounds of a collegiate golf tournament (Division I, II, III and NAIA) be used to satisfy the 36-hole PGA Playing Ability Test (PAT) requirement. Playing Ability Test validity would extend eight years past the date of passing. Applicant would be responsible for submitting documentation of scores, yardage and course rating to verify Playing Ability Test eligibility, and all PGA minimum standards for the Playing Ability Test must be met. This is consistent with what is allowed for the PGA WORKS Collegiate Championship.
- Addition of a PGA Member At-Large Director (effective immediately).
The Board considered and passed a recommendation from the Governance Task Force to add a PGA Member as an At-Large Director.
- Addition of an Independent Board Member (effective immediately).
The Board considered and passed a recommendation from the Governance Task Force to add an additional (third) Independent Director.

Removal of the Prohibition on Independent Directors Serving Consecutive Terms (effective immediately).

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The Board considered and passed a recommendation from the Governance Task Force to remove the prohibition on Independent Directors serving consecutive terms on the Board.

- Removal of the Honorary President as a Board Member (effective post the 2019 Annual Meeting).

The Board considered and passed a recommendation from the Governance Task Force to remove the Honorary President as a Board Member.

The PGA Board of Directors will continue to review the Governance Task Force recommendations regarding the District Director Election at the March Planning Session, so please provide as much input and feedback as possible to your Section and National Leaders.

To view the specific Bylaw changes, please click here: <https://www.pga.org/articles/pga-governance-update-board-approved-bylaw-modifications>