

Summary from GCSAA Chapter Delegate Meeting

October 22-24, 2010 Kansas City, MO

PRE MEETING SOCIAL

Ideas shared as to why Chapters have attendance issues...

1. Chapters spread out meetings-some 4X a year, some spread to 6 weeks. Most agendas have grown stale. One Chapter had a meeting geared to Equipment Techs by visiting 3 different shops and a different breakfast item was at each shop.

PRESIDENTS MESSAGE-JIM FITZROY, CGCS

- The Board has done a zero-based reassessment of GCSAA and are basing the new CEO search on what the position entails today. They have 6-10 solid applicants. Hope to have a decision by GIS.
- Do all our members receive GCSAA Industry Spotlight?
- Budget cuts have been made with the least member impact.
- Two more Field Staff will be added in 2011...regions undecided as of now. Field Staffs role is to bridge the gap with local and national...retain and recruit members.
- GCSAA has a strong foundation. No long term debt and \$6.5 million in reserves.
- 95% member retention rate
- GCSAA exploring how to diversify revenues, grow equity with golfers, employers and the public
- Committed to address challenges from increased legislation, regulation and special interests
- My opinion this is where the most value is in a membership
- GIS space sold down, major industry partners downsizing space bought, smaller vendors not participating as much.
- Estimate 190,000 ft2 exhibit space for 2010. 2008 in Orlando was 310,000.
- GCSAA goal is to be MORE visible with all levels of government. There are 15,000 McDonalds in the USA, 16,000 golf courses
- GCSAA is working hard to cultivate improved relationships with the PGA and USGA.
- Lobbying being done to modify the Health Care Bill to allow insurance providers to sell health insurance across state lines. The buying power would be a tremendous member benefit and part of the new Affiliate Program (rolled out day 2)
- GCSAA Staff will prepare a specific packet for your specific need with a
- phone call from you.

J. RHETT EVANS-Interim CEO

- The State of Golf...golfers, course openings, other revenue down, rounds flat, closings up. Slow growth projected over the next 5 years. Club and ball sales down 24-29%.
- GCSAA is actually 3 companies: GCSAA 501(c)(6) Tax Exempt Professional Society
- GCSAA Communications-for profit taxable subsidiary
- The EIFG 501(c)(3) Tax exempt charitable organization, separate board of trustees
- Financial Position stable but used \$400K in reserves in 2010
- The loss of exhibit space from 310 to 190,000 translates to loss \$1.7 million for the

association 53% of Association revenue comes from advertising, exhibit space and sponsorships, 27% from Dues, 12% User Fees (GIS Registration, education, golf tournament, 2% Investments, rest from EIFG grants and rent of space at HQ

- Print advertising declined \$800K since 2008
- Overall revenues from the Industry are down \$3.1 million since 2008.
- 30 positions eliminated at HQ last year, salaries frozen, benefits reduced. Research money suspended, cut administrative costs and all expenses an equal percentage to the loss of revenues. Doing more with less like all of us.
- Feels the Field Staff will help retain members and cultivate some new ones. Only 55% of superintendents are GCSAA Members. The Field Staff will bridge the disconnect between Lawrence and the field.
- Continue to Increase Advocacy and Outreach....electronic bulletins were sent to members and a video made along with communication to allied associations. 1200 media outlets received releases regarding the summer heat stress.
- I will take ownership of this and be on the lookout for communications that would be of value for our members.

GCSAA and allied associations are now joining forces and combining resources. Unified as one voice to grow the game and sustain the environment. Golf 20/20, Get Golf Ready, Image of the Game, We Are Golf, Golf's Drive to Sustainability.

I urge everyone to take a look at these programs...they are great initiatives for our sustainability. Here are the links:

GET GOLF READY: <http://www.playgolfamerica.com/ggr/>

WE ARE GOLF: <http://www.wearegolf.org>

GOLF's DRIVE TOWARD SUSTAINABILITY: <http://www.eifg.org/sustainability/>

GOLF 20/20: <http://www.golf2020.com/>

- Web site redesign in progress
- Discussed NEW member products that will be rolled out Sunday

GCSAA CFO - CAM OURY-DUES INCREASE PROPOSAL

- Revenues down 25%....expenses reduced 25%
- Core Mission Programs: Education, Advocacy. Career Services, Networking
- As agreed upon by Delegates smaller increases tied to CPI were to be implemented rather than larger increases. CPI over last 3 years 6.1% Increase was due last year but was voted down. Requesting a \$20 increase for Class A and Supt. Members, \$10 for Class C. This is 5.4 cents a day.
- GCSAA realizes this could impact EIFG, which has a current 14% participation rate.
- Compared our dues to PGA\$200-600, NGCOA \$355, CMAA \$750
- Raises \$90K for GCSAA
- The advocacy alone is worth the price of dues. I like the direction the Association is heading with this Board pushing the Strengthening the Game and backing away from the disastrous Sustainability Initiative, which was not even mentioned.

STRENGTHENING THE GAME: INDUSTRY COLLABORATION

- GOLF 20/20 does impact studies and teaches golfers in 5 lessons introduction to the game (grants are available)
- First Tee program for children targets children...We as an Association can get involved to grow the game thru kids.
- GET GOLF READY: Adults...Play Golf America, marketing grants for facilities, positive retention so far
- IMAGE OF THE GAME: Golf generates \$2.4 million for charities, communicates positive aspects of golf (economic, Diversity, environment, health & recreation. Targets golfers and non-golfers
- WE ARE GOLF: Lobbying effort in Congress about how golf has national and local impact. The golf business currently is EXEMPT from receiving disaster relief...lobbying to change this. We retain a group in DC on golf's behalf. Collaboration with the PGA, NGCOA and CMAA,
- EIFG

If you haven't checked the EIFG website, take some time this winter to do so. I have learned more about what they do that benefits each of us. I have copies available of all Environmental Profiles including the most recent Nutrient Use and Management on US Golf Courses. It is not drinking the kool aid. It is better understanding what EIFG does on our behalf.

- Create a lot of positive publicity for our industry. Our industry is everyone's responsibility.
- In lieu of individual contributions, EIFG is accepting Chapter donations. Only 14% of members contribute towards our sustainability.
- GIS
- Half the Associations revenue is from the GIS
- Many changes this year...18 new seminars, 7 two hour seminars, 4 new sessions, more education on Friday,
- GCSAA GIS has a new Smartphone Application-check it out
- NEW FOR 2010 thru Rhett Evans hospitality experience there are negotiated lower rates for hotels starting at \$65 Econo Lodge, \$85 Red Roof Inn, \$95 Extended Stay Deluxe
- New online packages offering the show and Doubletree for 2-3 nights \$395 to \$495 GCSAA website
- Negotiating savings on meals at popular restaurants.
- Site Selection next 3 years: 2011 Las Vegas, 2012 San Diego, 2013 Orlando

TOWN HALL MEETING

- GCSAA does NOT officially endorse the USGA comment BROWN IS GOOD...the official endorsement is FIRM AND FAST
- When pressed for a comment on Mark Woodward, President Fitzroy gave a stock answer to a collective groan..."Mark resigned to pursue other interests, we wish him well". A heated side conference occurred from a long time delegate from New Jersey He cut the delegate off by saying this is what the lawyers have told him to say. End of subject. pulling the president aside at break complaining how the water is muddy.
- Much discussion over the dues increase but it is 5.4 cents a day

2.5 HOURS OF MEET THE CANDIDATES AND SPEECHES

DAY 2

CHAPTER IDEAS AND SUCCESS STORIES

- Michigan GCSA combined 4 regions to pool resources. They have a nice magazine (I have copies). They structure their advertising like our association. They present it to partners in book form. I brought a copy to look at. They used the Outreach Grant to distribute marketing pieces to promote the MiGCSA and its impact on golf in Michigan.
- California GCSA had a fascinating discussion about the EPA and their little publicized assault on the golf industry. There currently is support for a nationwide NPDES-General Pesticide Permit for applications of chemicals in, over or near waters of the USA. Near has a broad definition. It has started in California. Why is it important to know this? At Kevin Breen, CGCS course in Truckee, CA, they have to test 17 different points of runoff EACH time they have a precipitation event of 0.4 inches or greater. These tests have become a \$50,000 line item in his budget.
- Chava McKeel is new to the GCSAA Government Relations Department.. We can contact her with any of the local laws proposed and she will put the legalese into words the membership can understand.
- Eric Spurlock from Old Dominion spoke about the Chesapeake Bay proposals. The Old Dominion uses Peter McDonough to help them thru the maze. They are writing in conjunction with the VTC and Virginia Tech a manual of Best Management Practices. Baseline nutrient levels will need to be established. They are trying to get the club managers and PGA on board. The discussion was cut short in the interest of time. I have contacted him for information and access to their BMP when it is available.
- The Northeastern GCSA uses e-newsletters to add member value. Sample at www.northeasterngcsaa.com
- This session was an eye opener with regard to how water regulatory issues are creeping in everywhere. We Are Golf can be utilized to help us with the Chesapeake Bay proposals.

PROGRAMS, PROJECTS,SERVICES, UPDATES

- Upcoming important surveys: November-Member Needs...your voice can be heard. Compensation & Benefits December. GIS Surveys March 2011.
- GCSAA Website complete redesign
- New redesigned Job Board coming. Revamped and will be completely free.
- ***Member Affinity Program to be rolled out: Added membership value. There will be new vendors offering GCSAA discounts like Nike 5% over wholesale. Other vendors under negotiation: Staples, Office Depot, NAPA, Geico, Joseph A. Bank, Wyndham, Zones Technology, Corporate Clothiers, Michelin, Grainger. Some will be online and some will be a discount when you show your GCSA A gold card. GCSAA lobbying on Capitol Hill to change the healthcare bill to allow insurance to be sold across state lines. They potentially could offer health insurance in the future.
- Certification Audit underway
- New Self Assessment tool launched October 12 replacing PDR. More user friendly and

dynamic.

- New e-learning tool allowing 24 hour access and now MAC access
- Golf Industry Spotlight rolled out as an information piece to members
- GCSAA RADIO...new means to communicate with members . There will be RSS podcasts to deliver education and various messages, Preliminary stages of development. Cost to develop \$500.
- EIFG has an IPM template for creating a nutrient management program
<http://www.eifg.org/sustainability/toolbox/ipmguide/default.aspx>
- EIFG has many kids scholarships available
- GCSAA looking at International Opportunities as a revenue source
- GCSAA Outreach: TV, internet, magazine ads, sponsorships (LPGA), Outreach Grants, employer events, editorial placement, brand management/identity media relations, PR, Allied Industry Relations. Member/Chapter assistance.

As you can see, there is a lot of information crammed into 2 days. I hope my notes translated in an understandable way. Thanks for the opportunity to attend the Delegates Meeting. It is exhausting but the experience and relationships gained are priceless.

Mike Salvio, CGCS
October 27, 2010