

STONE MOUNTAIN MEMORIAL ASSOCIATION

December 7, 2005

Teleconference

**DRAFT**

A teleconference meeting of the Stone Mountain Memorial Association was held at 10:00 a.m. on Wednesday, December 7, 2005, at Confederate Hall in the office of the C.E.O., Stone Mountain Park, Stone Mountain, Georgia.

**ASSOCIATION MEMBERS PRESENT**

Tom Gilliland, Chairman

Greer Johnson, Vice Chair

Mark Baxter

Brent Brown

Bill Chappell

Mike Pentecost

Ray S. Smith, III

Joan Thomas

**MEMBERS ABSENT**

Noel Holcomb

**OTHERS PRESENT**

Curtis Branscome, C.E.O.

Bob Cowhig, Director of Planning & Construction

Gail Durham, Director of Finance

Jerry Spicer, Director of Administration & Public Safety

**CALL TO ORDER**

Chairman Tom Gilliland called the meeting to order. A quorum was present.

**APPROVAL OF MINUTES**

A motion was made by Mike Pentecost, seconded by Ray Smith, and unanimously approved to waive the reading of the minutes of the October 17, 2005 meeting and to adopt the minutes as

printed. A draft copy of the minutes was sent to each Board Member prior to the meeting.

## **PUBLIC COMMENT**

None.

## **FINANCE COMMITTEE REPORT**

Ms. Durham stated that for the ten months ended October 31, 2005 the total operating revenues were \$8.4 million and about \$442,000 better than budget. Total operating expenses are \$5.4 million year-to-date and about \$618,000 over budget. If not for the \$1 million “advertising” expense for the initial funding of the Georgia Tourism Foundation, this variance would have been about \$400,000 better than budget.

Net operating income before depreciation is \$3.1 million compared to the budget of \$3.2 million or about \$176,000 over budget. After depreciation expense, the excess of expenses over revenues is \$609,000 which is \$101,000 over budget.

Cash provided from operating activities for the ten months of operation is approximately \$3 million. The investment and cash balance at the end of October is \$22.4 million.

Capital expenditures year to date include initial engineering and design work for several projects that will not begin until 2006. The sewer re-route project is progressing ahead of schedule.

Greer Johnson moved that the Finance Committee report be accepted as submitted, Brent Brown seconded the motion and it was unanimously approved.

## **PROPOSED 2006 BUDGET**

Mr. Branscome recapped Ms. Durham’s memo regarding the major differences between the 2005 budget and the 2006 budget for SMMA. The memo was distributed to all members prior to the meeting and was reviewed in the Finance Committee meeting.

The summary of the 2006 budget reflects revenues of \$9.4 million, operating expenses of \$5.8 million and profit before depreciation of \$4.3 million. A “breakeven” budget reflects \$25,891 after depreciation expense.

Mr. Branscome stated that the Finance Committee had met last week and had approved a motion to recommend the proposed 2006 Budget to the SMMA Board.

After further discussion, Mr. Chappell made a motion that the 2006 Budget be approved as submitted, Ms. Thomas seconded the motion and it was approved unanimously.

## **SELECTION OF INDEPENDENT AUDITOR**

Mr. Branscome stated that the Finance Committee had approved a resolution to recommend the selection of Mauldin & Jenkins as the auditor to the SMMA Board. Mr. Branscome summarized the bid process undertaken by the staff and the recommendation that evolved. Mauldin & Jenkins has extensive experience and audits more state agencies than any other independent firm. SMMA

received only two bids after soliciting requests for proposals from five independent auditing firms. Mauldin & Jenkins is the incumbent auditor and their price is higher than the bid received from Fricke & Associates. However, after considering the current client list and quality of work performed, Mauldin & Jenkins remains the preferred selection.

Ms. Johnson moved that Mauldin & Jenkins be approved as the auditor for SMMA for a three year period with an option for an additional three years. Mr. Pentecost seconded the motion and it was approved unanimously.

#### OLD BUSINESS

None.

#### NEW BUSINESS

Mr. Branscome stated that SMMA had entered into a long-term arrangement with the Georgia Tennis Foundation to operate the Tennis facility a couple of years ago. Georgia Tennis Foundation working with Leader Enterprises has pursued the use of the stadium as a concert venue. The subsidy for GTF will end in August of 2006 and they have requested that a continuing subsidy be considered for 2007. The argument for this continued support is that SMMA has an obligation to provide public tennis. Mr. Branscome stated that this was not a part of the SMMA mission. SMMA does not provide public facilities for organized sports and has no soccer, basketball, baseball or other venues for these activities.

Ray Smith agreed that public facilities for tennis were not included in the SMMA mission. Mr. Pentecost stated that he also agreed with this analysis. Mr. Branscome said he was looking for guidance and concurrence from the Board before he reiterated to GTF that SMMA has made the last best effort to continue support for the tennis operation, but that no further subsidy would be forthcoming. The Board concurred with this assessment.

Mr. Brown inquired about the concerts that were planned for the tennis stadium. Mr. Branscome said that the concerts for the tennis stadium were still planned for 2006. Leader Enterprises has several potential sponsors and has great enthusiasm for the venue. Contract negotiations are currently being held. The SMMA lease is with GTF and Leader must contract with GTF for use of the stadium. GTF is trying to secure a percentage of the profits from the concerts. These profits may provide enough funding for the GTF to continue operation of the outer courts.

Mr. Branscome reported that DeKalb County Fire Department had approached SMMA about the possibility of building a Fire Station on land owned by SMMA north of the Stone Mountain freeway and not inside the Park. This land is currently in the Natural District. After some discussion, the Chair stated that this is not consistent with the Master Plan.

Mr. Branscome stated that the Christmas program is doing well for HFEC and has received favorable recommendations in the trade journals. Joel Manby, Chief Executive Officer for HFEC has stated that he is committed to making an investment in Stone Mountain Park. Mr. Manby will put his plan in writing and request that the current rent concessions be continued at some level. The discussions relative to this will begin after the first of the year.

Ms. Thomas noted that an article about the Stone Mountain Park Santa Claus, Ed Butchart, had appeared in *Southern Living* magazine.

ADJOURNMENT

There being no other business, the meeting was adjourned at 10:45 a.m.

---

Tom Gilliland, Chairman

Submitted by

Gail Durham, Secretary