

STONE MOUNTAIN MEMORIAL ASSOCIATION
October 20, 2008

A meeting of the Stone Mountain Memorial Association was held at 1:00 p.m. on Monday, October 20, 2008, at Evergreen Conference Center, Stone Mountain Park, Stone Mountain, Georgia.

ASSOCIATION MEMBERS PRESENT

Mark Baxter, Chairman
Greer Johnson, Vice Chairman
Brent Brown
Bill Chappell
Noel Holcomb
Carolyn Meadows
Mike Pentecost
Ray S. Smith, III
Joan Thomas

OTHERS PRESENT

Curtis Branscome, C.E.O.
Bob Cowhig, Director of Planning & Construction
Gail Durham, Director of Finance

CALL TO ORDER

Mark Baxter, Chairman, called the meeting to order.

APPROVAL OF MINUTES

A motion was made by Noel Holcomb, seconded by Joan Thomas, and unanimously approved to waive the reading of the minutes of the September 13, 2008 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.

SILVER DOLLAR CITY/STONE MOUNTAIN PARK REPORT

Gerald Rakestraw stated that Pumpkin Festival was wrapping up and the weather had been very good for this fall event. The Christmas program will begin on November 7 and this will be an employee preview night. The flying Snow Angel will make her debut this year.

Snow Mountain will begin in January and ticket response is already strong. The water issues related to the drought have been addressed and the State and County officials have agreed that SDC/SMP has approached this water use in a responsible way.

FINANCE COMMITTEE REPORT

Ms. Durham reported that the Finance Committee had met earlier and reviewed the financial statements for the period ending September 30, 2008. Revenues for the nine month period were \$8.3 million compared to the budget of \$8.4 million. The unfavorable variance is due to lower than anticipated interest rates on investments this year.

Operating expenses year-to-date are \$4.5 million compared to the budget of \$4.8 million. After depreciation expense the excess of revenue over expense is \$1 million compared to the budget of \$711,000 leaving a favorable variance of about \$356,000.

The statement of cash flows reflects cash provided by operating activities of \$3.5 million and cash invested in capital assets of \$7.8 million year-to-date. The net decrease in cash is \$4.2 million and a cash balance at the end of September of \$20.9 million.

A motion was made by Ray Smith, seconded by Brent Brown, and unanimously approved to accept the Finance Committee report.

ADOPTION OF JULY 2008 STRATEGIC PLAN

Mr. Branscome stated that this plan was reviewed by the Board at the planning retreat in September. Two changes were made to the plan as a result of that meeting. The mission and vision statement was simplified and restated. Also, under strategic goal #1 an objective to continue to identify available areas of green space and recommend to the SMMA Board for purchase. Specific attention will be paid to expanding areas to the south. Mr. Branscome requested that the Board formally adopt this strategic plan.

A motion was made by Mike Pentecost, seconded by Greer Johnson, and unanimously approved to adopt the July 2008 Strategic Plan.

2009 BUDGET

Mr. Branscome stated that the budget for 2009 was being presented to the Board at this meeting and would be approved at a later meeting.

Ms. Durham reviewed the highlights of the proposed budget. Revenues are budgeted for 2009 at the same levels as 2008 except for interest income. Our cash balance is lower and we are taking a conservative approach with rate expectations. Operating expenses are budgeted about 5.6% higher than last year. Labor costs are up slightly and inmate labor provided by the Georgia Department of Corrections has been decreased. A 4% mid-year increase in pay rates has been included in the 2009 budget. The outside services budget has been increased by \$170,000 and part of this cover the loss of inmate labor with services provided by outside contractors.

Employee benefits are budgeted to increase about 15%. Health care benefits continue to increase annually. Workers Compensation insurance will increase to \$85,000. These premiums are determined by Georgia Department of Administrative Services. The advertising and promotion budget will decrease by \$120,000. The \$100,000 support of the Resaca Civil War Commemorative Project will be incurred in 2008 and is not a recurring expense.

Operating supplies increased \$96,000 to cover rises in fuel costs and general overall price increases. Utilities are budgeted to increase about \$60,000 in 2009. We have experienced rate increases and have upgraded communication systems.

Other expenses will be about \$10,000 more than the 2008 budget. Bank fees have increased due to the decrease in the cash balance held in operating and payroll accounts.

Operating profit before depreciation is budgeted at \$3.7 million or about \$960,000 less than 2008. Net profit after depreciation is forecasted at \$53,000. Total operating expenses are budgeted at \$6.7 million or about \$355,000 and 5.6% higher than last year.

The 2009 small capital budget includes new computers and servers. Current computers are five or more years old. Three police vehicles will be replaced in 2009 and other small equipment will be added. The total small capital budget for 2009 is about \$330,000.

Mr. Chappell asked about the situation with the inmate labor. Mr. Branscome explained that the State had cut budgets and some of the detention centers have been closed. We are now drawing details from the Buford, Georgia facility because the Rockdale facility has closed.

Mr. Branscome said that the Board can review the budget and call Ms. Durham with any questions they have prior to the next meeting. He will recommend approval of the budget at the next regular meeting.

OLD BUSINESS

None.

NEW BUSINESS

Brent Brown asked the Board to consider preservation of the southern heritage when considering requests from HFEC to assist them with funding or financing of selective projects. Mr. Brown said the Board should place emphasis on making sure the historical aspects of the Board's oversight are not compromised.

ADJOURNMENT

There being no other business, the meeting was adjourned at 1:30 p.m.

Mark Baxter, Chairman

Submitted by
Gail Durham, Secretary