

STONE MOUNTAIN MEMORIAL ASSOCIATION
DEVELOPMENT AND FINANCE COMMITTEES MEETING
November 27, 2018

A joint meeting of the Development and Finance Committees of the Stone Mountain Memorial Association was held at 11:00 a.m. on Tuesday, November 27, 2018, at Evergreen Conference Center, Stone Mountain Park, Stone Mountain, Georgia.

FINANCE COMMITTEE MEMBERS PRESENT

Roy Roberts, Finance Committee Member
Jeff, Cown, Finance Committee Member

DEVELOPMENT COMMITTEE MEMBERS PRESENT

Ray S. Smith III, Chairman Development Committee
Joan Thomas, Development Committee Member
Perry Tindol, Development Committee Member

SMMA BOARD MEMBERS ABSENT

Michael Thurmond, Finance Committee Member
Scott Johnson, Chairman Finance Committee
Dick Childers, Development Committee Member

OTHERS PRESENT

Carolyn Meadows, SMMA Board Chairman
Bill Stephens, C.E.O.
Bob Cowhig, Director of Planning and Development
Edna Zimmerman, Director of Finance
Chief Chuck Kelley, Director of Public Safety
Debbie Blihovde, Benefits Administrator
Duane Studdard, Administration Manager

Call to Order

The meeting was called to order.

Review of Year-To-date Financial Statements

Ms. Zimmerman reported that year-to-date revenues through October 31, 2018 were \$8,849,442 compared to a budgeted amount of \$8,788,678. Total operating expenses year to date were \$5,685,670, compared to the budgeted amount of \$6,816,198. The net operating profit before depreciation was \$3,267,043 compared to a budgeted amount of \$2,005,480. The year to date deficiency of revenue over expenses was \$1,030,694 compared to a budgeted loss of \$3,052,850.

The statement of cash flows reflects net cash provided by operating activities of \$958,848 year to date. The net cash used by investing activities year to date was \$790,894. The net increase in cash year to date was \$167,954. The cash and investment balance at the end of the period was \$13,612,146.

There are no capital projects in process currently.

Discussion of 2019 Budget

Ms. Meadows asked Mr. Stephens and Ms. Zimmerman to go over the proposed 2019 budget, which had been mailed out to all board members.

Ms. Zimmerman said total revenues are budgeted at \$10.7 million, which is roughly the same as 2018. Total operating expenses are \$7.8 million, leaving SMMA with an operating profit before depreciation of \$2.9 million.

Depreciation expense for 2019 is budgeted at \$6.6 million compared to \$6.1 million last year and leaves SMMA with a net loss after depreciation of \$3.6 million.

Ms. Zimmerman highlighted the differences between the 2018 and 2019 budgets. She reported that the 2019 occupancy tax revenue is estimated at \$438,000, which is down by \$182,000 from last year in anticipation of closure of parts of the hotel for the upcoming renovation.

Labor costs have increased from last year's budget by \$99,083 or 2.9%. Employee benefits are budgeted at 34% of total labor costs.

Advertising expense is expected to be about \$303,000. This expense is offset by the hotel occupancy tax of \$438,000.

The capital project and equipment budget totals \$917,000. This does not include the hotel renovation. Mr. Stephens stated that there are two big capital projects included in this total. The heating and air unit on top of the mountain needs to be replaced (\$250,000) and the doors on the main building on top of the mountain (\$150,000) need to be replaced. Protective barriers are another major capital project.

Discussion of History of Stone Mountain Park Covered Bridge

Mr. Stephens distributed a report on the Covered Bridge located in Stone Mountain Park. The bridge is unique in its history and architecture. It was constructed in 1891 in Athens, GA for \$1,255. It was built by a gentleman named Washington W King who was born in 1843. He was an African American bridge builder and his father, Horace King, was a famous bridge builder as well. They were known for building bridges across the south.

The bridge fell in disrepair and in 1963 SMMA paid to relocate it to Stone Mountain Park. The bridge has been renovated a couple of times.

SMMA would like to update the signage with historical panels to reflect the correct history of the bridge. SMMA would also like to apply with the National Historic Registry for the bridge to be designated as a national historic site. Mr. Stephens said he would also like for the Board to consider renaming the Bridge to the Washington W King Bridge in honor of Mr. King.

Updates

Ms. Meadows asked about the status of the roads at the campground. Mr. Stephens said SMMA has made a budget request for \$5 million with the State for the campground roads.

Mr. Tindol asked when the hotel renovations would begin. Mr. Stephens said they would begin in April 2019 and run through the end of the year.

Ms. Meadows asked about progress on the Sky Ride. Mr. Stephens said that SMMA had reached an agreement with HFE that in 2019 they would address the ropes and cabling system. In 2020, they will address the operating system of the Sky Ride.

Mr. Kelley informed the Board that Stone Mountain Park Christmas and Snow Mountain were underway and had been very busy.

Meeting adjourned at 12:00 p.m.
Notes taken by
Debbie Blihovde