

Minutes
North Georgia Mountains Authority
Board of Directors Meeting
June 25, 2013

The North Georgia Mountain Authority Board of Directors held its regularly scheduled meeting at the Georgia Southern University, Statesboro, Georgia. (A board package and handouts are attached hereto and made official parts of these Minutes as an Attachment)

Board Members Present:

Nancy Addison, Chairman
William Bagwell
Dwight Davis
Bill Jones, III
Ray Lambert, Jr.
Robert Leebern, Jr.
Aaron McWhorter
Philip Wilheit, Jr.
Delos Yancey

Staff:

Commissioner Mark Williams
Homer Bryson
Becky Kelley
Wally Woods
Bill Donohue
Ronnie Phillips

Coral Hospitality:

Lee Weeks, President
Stuart Arp, Vice President of Sales & Marketing

CALL TO ORDER

Chairman Addison called the meeting to order at 12:05 p.m. and requested a motion be made to approve the May 20, 2013 Minutes. A motion was made by Mr. Jones, seconded by Mr. Yancey and unanimously approved.

APPROVAL OF STAFFING AGREEMENT

Mr. Donohue pointed out the only change in the current Staffing Agreement between the Lake Lanier Islands Development Authority and the North Georgia Mountains Authority is the term is two years instead of one. This agreement is cancellable by either Authority with 30 days' notice and has been reviewed by the Attorney General's office and LLIDA counsel. A motion was made by Mr. Yancey to approve the Modified Agreement for services, seconded by Mr. Jones and was unanimously approved.

APPROVAL OF NORTH GEORGIA MOUNTAINS AUTHORITY OPERATING BUDGET

Mr. Donohue reviewed differences between the FY2013 and the FY2014 NGMA Operating Budgets. In reference to the Budget Comparison – Operating Revenues the Resort Operations increase is primarily Brasstown Valley Resort with the balance from an addition of net income of the other resorts. The Lodge Parks revenue is no longer routed through the Authority with an offset paid out in expenses of the same amount. The Park Pass Project Funds is a new line item that NGMA will be receiving as

revenue. The Other Revenue line changed due to some of the lodge revenue and Walasi-yi, which is now on its own line.

The Authority is able to fund another position with the current changes, increasing Salaries with the addition of a new employee in administration working with contracts, legal, budget and board activities with Ronnie Phillips continuing in his role handling projects, operations liaison, DOC crews, resource management and public safety.

LO/GTB Operations number is offset by the Parks Loss Reimbursement since this is in the Parks budget for FY2014.

Mr. Davis presented the question - does the NGMA/State have a long term strategy for George T. Bagby. Mr. Donohue responded saying we lease this from USACE and Becky may have more information. The Authority's main charge is to look at alternatives; operational strategies, other uses, long-term asset strategies instead of losing half a million dollars a year.

Ms. Kelly responded the USACE is looking at all of their sites along the Savannah River and Chattahoochee Basin.

Mr. Donohue responded to a question regarding a health insurance change to save the Authority this large expense with legislation is now in place to support this change. Moving forward if staff is going to be sustained this can be looked into for long term.

A motion was made to approve the North Georgia Mountains Authority FY2014 Operating Budget by Mr. Davis seconded by Mr. Yancey and was unanimously approved as presented.

REPORT BY CORAL HOSPITALITY

Mr. Weeks thanked the Authority for the invitation to the meeting then reported there have been a lot of meetings between NGMA, Parks and Coral with the transition effective July 1. The transition is going smooth with retention of 97% state employees who are now Coral's. Friends of the Parks is going to be a great opportunity and Coral is looking forward to working with them. New updated websites are being worked on for all the properties. Insurance and all the operational items are being taken care of and moving toward completion. Also, we are working with the Georgia Lodge Activities Stay in Play to create more reservations. Economy is still a challenge. State group business is low since the economy went down. Capital projects are needed at the properties to keep them going and to keep people proud to continue to come back allowing for future business.

Mr. Arp reported most people that wanted to stay were offered a job and Coral is looking forward to their expertise. We are looking forward to improve the income of the properties. Mr. Arp responded to a question with marketing is done state-wide through the internet, Georgia Trend, Georgia Leisure, Georgia Golf Trail and our sales team is located in Atlanta and focuses on the entire state. Our job is to market as a destination resort for seasonal business and we are working on getting more group business to fill in the gaps for the soft months.

APPROVAL OF RESORT BUDGETS

Mr. Donohue referred to his memo dated June 25, 2013 for the Resort Operating Budgets under tab 2; section 3 recommending approval of the FY2014 operating budget for Lake Blackshear Resort and Georgia Veterans Park; Brasstown Valley Resort; Amicalola Falls Lodge/Park and Unicoi Lodge/Park; and a 90 day forecast for the Little Ocmulgee Lodge Park/and George T. Bagby Lodge/Park. Mr. Donohue responded to the question about employee incentives and where are they shown in the budgets saying the incentive is built into the salaries and benefits line. The employees receive incentives on their paychecks for upselling. A motion was made by Mr. Jones, seconded by Mr. Yancey and the resort budgets were unanimously approved as presented.

MONTHLY REPORT

Mr. Donohue reported that with Homer Bryson’s help in the negotiations with OPB the bonds are approved. \$7.7M will be available in mid-July with \$5.3M available next year. The focus will be on Amicalola Falls, Unicoi and Lake Blackshear. Some immediate changes will take place at the other lodges to make an impact. These improvements may be larger screen TVs and new beds which can be removed when renovations on the rooms begin.

Mr. Donohue responded to a question that NGMA is not taking over the operation of the Hike-In Lodge at Amicalola Falls, but once we are on-site and start working with them we can help them recognize their opportunity. We think we can increase the rates in the high times and discount them more in the off seasons and with Coral’s yield management system after a year of documenting the rates we will be able to create some best practices for the state park cabins and possibly campgrounds as well.

Chairman Addison expressed thank you to Bill Donohue and Ronnie Phillips for all the work they are doing. And thank you to Homer Bryson for his help; thank you to Lee Weeks and Stuart Arp with Coral for the information and all that they are doing for NGMA. As well as expressed gratitude to Becky Kelley and her staff, for their work on the transition.

Mr. Leebern and family will be staying at Lake Blackshear Resort over the Fourth of July and apologized for any issues that may arise from their stay and is looking forward to this visit.

ADJOURNMENT

There being no further business, the Chairman properly adjourned the meeting at 12:42 p.m.

ATTEST:

Nancy Addison, Chairman

Bill Donohue, Executive Director