

STONE MOUNTAIN MEMORIAL ASSOCIATION
DEVELOPMENT AND FINANCE COMMITTEES MEETING
October 15, 2007

A joint meeting of the Development and Finance Committees of the Stone Mountain Memorial Association was held at 11:00 a.m. on Monday, October 15, 2007, at the Stone Mountain Inn at Stone Mountain Park.

FINANCE COMMITTEE MEMBERS PRESENT

Bill Chappell, Chairman
Greer Johnson
Mike Pentecost
Brent Brown

DEVELOPMENT COMMITTEE MEMBERS PRESENT

Noel Holcomb
Ray S. Smith III
Joan Thomas

ABSENT

Mark Baxter, Chairman

OTHERS PRESENT

Tom Gilliland, Chairman SMMA
Curtis Branscome, C.E.O.
Bob Cowhig, Director of Planning and Construction
Gail Durham, Director of Finance and Secretary
Gerald Rakestraw, HFEC
Other SMMA and HFEC personnel

Call to Order

The meeting was called to order by Chairman Tom Gilliland.

Variable Parking Fees

Mr. Gerald Rakestraw, Vice President for HFEC, presented a proposal to implement variable parking fees for specific days when guests receive added value due to additional concerts, fireworks, and special events. Parking is usually at or near capacity on these days and the increase from \$8 to \$10 is comparable to many Atlanta area attractions. A comparative chart was provided for review prior to the meeting.

Annual parking permit holders would not be impacted by this daily parking increase. A list of days and events was provided to the attendees. The events included Memorial Day Weekend, the Fourth of July Celebration, Labor Day Weekend, and Yellow Daisy Festival.

Mr. Branscome stated that he and Mr. Rakestraw had discussed this parking increase and it was on the Board agenda for the regular meeting later today. The increase would not take effect until Memorial Day of 2008. If the committees want more time to consider the issue, the agenda item can be postponed to a later date.

Ms. Johnson asked Mr. Rakestraw to explain the added value for the customer. He replied that the extra expense for bands, set-up, and additional security during these events benefits the guest. The additional parking fee would help defray these costs.

Carving Repairs

Mark Lassiter, President of A.E. Drilling Services, LLC presented a slide show to the committees with pictures of the "Dutchmen" that were installed during the carving of the Confederate Memorial on the face of Stone Mountain. Dutchmen are the blocks of granite that are held in place by bolts at various places within the carving. Over the years these bolts are showing some signs of aging. Mr. Lassiter has worked with Bob Cowhig on various projects in the past and has been involved in the inspection, examination, and maintenance of the carving in years past. He explained his qualifications and the work that he and associates performed.

In conjunction with the 50th Anniversary of Stone Mountain Park next year, Mr. Lassiter has been contracted to perform stabilization on the Dutchmen. This process will include drilling holes into the areas and placing stainless steel rods to anchor these pieces to the mountain. He contacted Janod Contractors, a rock stabilization company, and they have tested stainless steel bolts on Stone Mountain granite to be sure the procedure will be successful. Mr. Lassiter and Janod Contractors have climbed down to the carving and examined the areas where the work will be performed. The old bolts will not be removed.

Mr. Gilliland asked how long the work would take. Mr. Lassiter responded that it would require five or six days to complete the project. The work will begin in March next year.

Discussion of the 2008 Budget

Ms. Durham reviewed the proposed budget for 2008. Interest income is forecasted to be slightly higher than \$1 million in 2008. Labor costs will increase about 5%, reflected a 4% mid-year increase in pay rates, a part-time rate increase for Public Safety given in 2007 and one additional pay-cycle for 2008. Employee benefits are budgeted at an 8% increase for rising health care benefits and additional FICA expense.

Advertising and promotion expense includes \$100,000 in support of the Resaca Civil War Commerative Project. Mr. Branscome explained that this will be the gateway for the Civil War Commerative Trail in Georgia. Stone Mountain is helping the Department of Natural Resources raise enough money to build a Welcome Center and direct tourist traffic to Stone Mountain Park.

Outside service expense will decrease about \$100,000 but operating supplies and utilities will increase \$50,000 and \$90,000 respectively. Insurance expense will increase based on rates from the Georgia Department of Administrative Services and depreciation will increase due to completion of capital projects.

Net profit after depreciation is forecasted at about \$807,000.

Mr. Branscome reviewed the small capital budget which includes security cameras, replacement vehicles, and various maintenance and police equipment.

Mr. Branscome stated that the committee would be asked to recommend the budget for adoption at the December meeting.

Year-to-Date Financial Statements

Ms. Durham stated that as of August 31, 2007 operating revenues were about \$8 million compared to a budget of \$7.3 million. Operating expenses are approximately \$4 million and on target with the budget.

The excess of revenues over expenses is \$1.6 million compared to the budget of about \$800,000. This is a favorable variance of a little more than \$800,000 year-to-date.

The capital projects in progress were reviewed and completion dates were discussed.

Meeting adjourned at 12:00 p.m.

Notes taken by
Gail Durham, Secretary