

STONE MOUNTAIN MEMORIAL ASSOCIATION

MAY 17, 2004

The regularly scheduled meeting of the Stone Mountain Memorial Association was held at 1:00 p.m. on Monday, May 17, 2004, at the Commons Clubhouse, Stone Mountain Park, Stone Mountain, Georgia.

**ASSOCIATION MEMBERS PRESENT**

Wayne Garner, Chairman

Greer Johnson, Vice Chair

Mark Baxter

Bill Chappell

Tom Gilliland

Walter Gordon

Mike Pentecost

Ray S. Smith, III

**ASSOCIATION MEMBERS ABSENT**

Lonice Barrett

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

Other SMMA Staff

Rick Medwedeff, General Manager, Evergreen Conference Center and Resort

Gerald Rakestraw, Director of Operations

Other HFEC Staff

Cindy Presto, Senior Assistant Attorney General

Members of the Public

## **CALL TO ORDER**

Chairman Wayne Garner called the meeting to order.

## **APPROVAL OF MINUTES**

A motion was made by Mr. Gordon, seconded by Ms. Johnson, and unanimously approved to waive the reading of the minutes of the March 22, 2003 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**

Ms. Jan Martinez of the Friends of Stone Mountain Park asked Mr. Branscome if he had chosen citizens to participate in an advisory group for the amendment to the Master Plan. Mr. Branscome responded that he was looking at an informal group and had not chosen the participants at this point. Ms. Martinez responded that she has a list of persons willing to participate. Mr. Branscome thanked Ms. Martinez and said he would welcome input.

## **STONE MOUNTAIN PARK REPORT – HFEC**

Mr. Branscome introduced Rick Medwedeff, the Marriott lead representative at the Park. Mr. Medwedeff reported that Evergreen Conference Center and Resort was currently hosting their largest customer, PricewaterhouseCoopers, and the hotel was completely booked. The revenues for Marriott lodging at Stone Mountain Park are up \$1.4 million over last year, or about a 17% increase. The occupancy is up 10% at Evergreen and almost 3% at Stone Mountain Inn. The convention business is very strong at Evergreen. The first quarter was record breaking for bookings with over 19,000 group rooms booked. This is the highest numbers of rooms booked in any given quarter. Through the month of March there has been a 28% increase in market share. Comparative properties are Chateau Elan, Pine Isle, Emerald Point and the Emory Conference Center, Marietta Conference Center, and Wyndam Peachtree Conference Center. The Stone Mountain Inn has always maintained a high market share and continues to do so.

The sales team was just recognized as the sales team of the quarter for the southeast region due to the high performance. Guest satisfaction scores at Evergreen are very high as well. Currently Evergreen is ranked number three in the southeast region and number 19 out of the entire company, which includes 309 full service properties. The food service scores are also ranked high in guest satisfaction. The breakfast scores rank number two in the company and the overall dining score is number four.

Recently completed projects include resurfacing the pool and replacement of the decorative tile with stone. For the balance of the year \$1.5 million in additional projects are planned. This includes replacing furniture in 249 original guest rooms. Meeting rooms on the main level will also be renovated. Eleven suites and the lobby area will be upgraded as well. At Stone Mountain Inn the exterior of the building has been repainted.

Pete Byers, the Director of Operations at Stone Mountain Inn, was recently promoted to Director

of Operations at the Perimeter Center property. His replacement will be Mark VanWaggonon who has over 20 year experience with Marriott.

Mr. Branscome thanked Mr. Medwedeff for his very favorable report.

#### FINANCE COMMITTEE REPORT

Ms. Johnson reported that the Finance Committee had met earlier that same day and reviewed the year-to-date financial results through March 31, 2004.

For the three months ending March 31, 2004 the financial results are better than budget. Total revenues of \$2.2 million are at budget while operating expenses of \$1.14 million are about \$200,000 better than budget. The net operating profit before depreciation is about \$1 million. After depreciation expense, total expenses exceeded revenues by \$63,000, but are better than the budget loss of \$266,000. The budgeted loss was forecasted as a result of the decrease in lease revenue. Lease revenues year-to-date are \$671,000 less than the prior year.

The capital project expenditures year-to-date are about \$1 million and we are forecasting about \$2.9 million in additional expenditures this year. With a solid cash balance of about \$19 million, we are in a good financial operating position.

A motion was made by Tom Gilliland and seconded by Walter Gordon to accept the Finance Committee report and the motion carried unanimously.

#### ACCEPTANCE OF 2003 AUDIT

Mr. Branscome introduced Ms. Meredith Lipson of Mauldin & Jenkins, Certified Public Accountants, the independent auditing firm engaged by SMMA to perform the annual audit. Ms. Lipson presented a comprehensive report to the Finance Committee this morning and will do a summary for the full Board. Ms. Lipson has become a partner with her firm since last year.

Ms. Lipson referred the board to the spiral bound report which contains the Audit Agenda for the year ended December 31, 2003. She stated that the audit was conducted in accordance with generally accepted auditing standards and government auditing standards.

An unqualified or "clean opinion" was issued by her firm.

The total assets of the Association at December 31, 2003 were approximately \$96 million. About \$18.8 million was cash and investments. Total liabilities were about \$700,000 and the Association's equity or net worth approximated \$95.3 million as of year-end.

Revenues decreased by \$800,000 compared to the past year. Lease concessions made to Herschend contributed to this decrease. Net income at year end was \$1.31 million compared to the prior year of \$3.07 million.

Operating activities were strong and provided almost \$6 million in cash flow. Overall the financial operations look good. The audited financial statements provide detail information in the footnotes about the Association, its accounting policies, fixed assets and other financial data. Ms. Lipson also discussed the audit report on compliance and internal control. She explained that this

report basically states that her firm found no compliance issues or problems with internal control. She stated that she would be glad to answer any questions for the Board or they could contact her at her office at any time.

Mr. Chappell moved to accept the 2003 Audit Report for SMMA and Ray Smith seconded the motion. The motion passed unanimously.

#### REPORT ON EDUCATION PROGRAM

Kerrie Anne Loyd gave a brief update on the opening of the Confederate Hall Historical and Environmental Education Center. Ms. Loyd stated that the opening had been successful with school groups and park guests visiting the center. Since March 11 this year, teaching has occurred almost every day and we have reached over 2,500 children. This has been accomplished with three instructors on staff. The Atlanta City Schools and Fulton County Schools have responded favorably. This is a good opportunity for those schools because they typically do not have as much funding for science and education field trips.

There are 24 education programs offered on various topics and Ms. Loyd distributed some brochures that describe the various programs. The Education Center receives hundreds of visitors each day, both tourists and school groups that are visiting the Park for a day.

Friday summer programs will be offered for families visiting the Park. These will be several hours long and are available on a sign-up basis. The feedback we have received from our guests has been favorable as well as the feedback received from teachers who have brought their classes out for an educational field trip.

Ms. Loyd said that good use is being made of the facility and thanked the Board for supporting the education center. Mr. Gordon commented that 2,500 students since March 11 was impressive and wondered if that number would decrease this summer. Ms. Loyd responded that school programs would not take place this summer, but that the time would be used to develop and prepare a new brochure and programs based on experiences from the spring. Her goal is to meet the needs of the schools and the guests.

Mr. Branscome stated that the school groups have an opportunity to evaluate the program they experienced based on a four point scale. He has been reviewing those evaluations and determined that the overall score for the programs is about 3.98. Ms. Loyd stated that we had been fortunate to be able to hire instructors who were already trained in a non-formal education setting. These instructors know how to teach outside, how to prepare a program and how to handle the children.

Ms. Johnson inquired as to how many children are normally in a group. Ms. Loyd said a program is limited to one classroom sector, but that could be from 15-30 kids depending on the normal classroom size for the city or county. A classroom size group keeps the learning effective and maintains a safe outdoor environment.

#### OLD BUSINESS

None.

#### NEW BUSINESS

Mr. Branscome said that the Board was invited to go to Crossroads parking lot immediately after the meeting to ride the new Duck attraction. Gerald Rakestraw of HFEC has made arrangements for the Board to be able to enjoy this experience.

Mr. Branscome also stated that SMMA was dedicating four police officers to the security force at Sea Island for the G-8 Summit. The meeting itself is three days, but our officers will be serving for 10 days.

Mr. Cowhig updated the Board regarding the Tennis Center and said that it was in the final four cities for the USTA Davis Cup bid.

#### ADJOURNMENT

There being no other business, the meeting was adjourned at 1:45 p.m.

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Wayne Garner, Chairman

Submitted by

Gail Durham, Secretary