The economic uncertainty in our nation and throughout the world continues to challenge our association as well as the industry of which we are a part. This past year emulated the previous year in that golf course operational budgets continued to tighten and the “do more with less” mantra has been replaced with “just survive as best you can.” Golf participation numbers continue year in that golf course operational budgets continued to tighten and the “do more with less” mantra has been replaced with “just survive as best you can.” Golf participation numbers continue to slide or, at best, remain flat. The short-term outlook remains bleak, especially when the GCSAA anticipates up to a 24-month recovery lag in our industry compared to the general economy. The good news is that we are a very special group of individuals highly capable of making lemonade out of lemons. We tend to thrive on challenges...is that not what we do every day of the golf season as we spar with Mother Nature? We, as an industry, will get through this and we will be leaner and meaner going forward.

**Association memberships are down slightly over the previous year** yet your Board of Directors is doing a wonderful job controlling costs and keeping the MGCSA on solid financial ground. Over the past year, we as a Board, have engaged in lengthy conversations regarding ways to keep the MGCSA moving forward as efficiently and as productive as possible, despite the economy. With that said, we have made several changes to help us in that direction. The Wee One Tournament was added as part of our annual event rotation due to the quality of its cause and growth potential. The Board decided to combine the research and scholarship scrambles, beginning in 2012, into one event for two reasons. The arrangements committee is having difficulty securing venues during the summer months of June, July, and August. Clubs are simply not willing to give up the revenue during prime time. Therefore, we have events/tournaments stacking up in September and October and our attendance declines. Secondly, the golf-maintenance job market in Minnesota has all but dried up so we made the decision to suspend offering turfgrass scholarships. MGCSA will continue to offer legacy scholarships for member’s children. Any proceeds raised by this combo event will be split 50/50 between the research and scholarship accounts.

**Government regulation continues to be on the forefront in our industry.** Water conservation and water quality are taking center stage and your MGCSA has stepped forward to offer a voice that represents your industry. Just recently, the MGCSA joined the Minnesota Environmental Initiative (MEI), a bipartisan organization that seeks solutions to Minnesota’s environmental problems through collaborative action taken by innovative partnerships. MEI brings together nonprofits, businesses, and government agencies to find consensus on critical issues and respond with actions that have measurable, positive environmental outcomes. We believe that through our participation in this organization we will form valuable partnerships that will enable us to promote our industry and to educate other stakeholders with the facts regarding water usage within the golf industry. Your MGCSA board is in the process of developing a water usage BMP program for Minnesota golf courses. By being proactive, we believe we will have better control of our destiny versus simply accepting government mandates. MGCSA will also address pesticide usage and fertilizer usage at a future date.

**Two of our current Board members are finishing their terms** and will not be returning. Tom Proshek has enthusiastically served the MGCSA for the past six years. As chair of the Arrangements Committee, his persistence and organizational skills locked up most event venues one to two years in advance. We will miss his proficiency. Shane Andrews has been a thoughtful and productive contributor to the Board and his common sense approach to issues was most appreciated. Thank you to both of these members for the time and effort they put forth.

Thank you to our affiliate members whose participation and generosity keep the wheels of MGCSA turning. Their support keeps our association viable. I also would like to thank Scott and Jeff Turtinen for their help and commitment to the MGCSA. Their dedication keeps the day-to-day operations of our association running smoothly.

- Paul Diegnau CGCS