



GCSAA announces fee and proposed dues increases

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The strong financial state of the association enables GCSAA to provide leading-edge programs and services for its members, affiliated chapters and important constituencies, including golf course owners/employers and the industry that supports professional superintendents.

At the spring meeting of the GCSAA Board of Directors, several revenue increases were approved in order to sustain the positive momentum that GCSAA members have enjoyed and expect. The following provides historical perspective and an explanation of upcoming fee increases and the proposed dues increase.

Historical perspective

During the last 10 years, the board of directors has purposely reduced the size of operating financial bottom lines in favor of plowing net revenues into new programs and services for the membership.

The association has established sufficient financial reserves to provide an intended safety net and has developed systems to effectively manage the organization's finances at historically low margins. This is in recognition that GCSAA's mission is not to generate a large bottom-line profit, but to provide strong programs and services for the membership.

The organization's revenues are principally derived from three sources - membership dues (approximately 20 percent of total revenue); user fees, including education and conference and show registration, (approximately 25 percent of total revenue); and industry support generated by advertising, trade show exhibit fees and sponsorships (more than 50 percent). Significant returns from reserve investments during the late 1990s also have generated revenue.

As a result of the economic downturn experienced during the last two years and its impact on corporate earnings and related marketing budgets, there has been a significant decrease in industry spending and investment returns. Further, the organization has not sought a dues increase since 1997, a significant education fee increase since 1996, or a conference and show attendee or exhibitor fee increase since 1999, while the cost of doing business has continued to rise. The resulting effect was felt most significantly during the 2001-2002 fiscal year.

At the time of this writing, the significantly negative effect of the down investment markets has resulted in a projection of overall negative earnings for the fiscal year that ended June 30, 2002. In an effort to postpone any significant member fee or dues increases until absolutely needed, the organization has relied on established program reserves (as reported in the financial statements the last three years) to support "basic" operations (operations less investments), which would otherwise have been negative for two fiscal years. In addition, like virtually every company in America during the last two years, GCSAA's board and staff have challenged and prioritized spending,

and as a result, the organization is leaner and more focused than ever. Specific operating and program expenditures have been reduced, eliminated or postponed. That said, in order to continue to provide quality programs and services for the membership, it is now time to increase dues and fees.

Proposed dues increase for FY 2003-2004

A 20-percent dues increase is being proposed for the dues year beginning July 1, 2003. The last increase was in 1997 when Class A dues increased from \$210 to \$250.

Under the proposal, Class A and Superintendent Member dues would increase from \$250 to \$300, and Class C assistant superintendent member dues would increase from \$125 to \$150. Such an increase will require approval by the membership at the 2003 Annual Meeting in Atlanta.

The board would then approve corresponding increases in the remaining membership classes, including: affiliate dues from \$250 to \$300, student and educator dues from \$55 to \$65, and associate dues from \$125 to \$150. Retired and inactive classes would remain unchanged at \$70 and \$30, respectively.

Membership dues are the most stable source of revenue for the organization. Given the historical perspective and reasons for the increase noted above, a dues increase has been discussed informally during the last two years at the Chapter Delegates Meeting. There seems to be recognition that a dues increase is needed.

Seminar fee increase for FY 2002-2003

It remains GCSAA's goal to provide quality education that is affordable and accessible.

Fees for regional and conference seminars are being increased by \$10 an instructional day to \$130; half-day seminars are being increased by \$5 to \$65; and two-day seminars are being increased by \$20 to \$260. In addition, continental breakfasts are being eliminated. It is believed that there would be no impact on the quality of education, and the resulting cost savings is substantial.

Beginning with the FY 2003-2004 seminar season, the minimum prepaid attendance for regional seminars will be raised from 20 attendees to 30 (break-even is approximately 40 attendees). GCSAA will continue to work with chapters with attendance close to the minimum required attendance. This timing provides significant advance knowledge for chapter planning.

Conference and show registration fee increase for Atlanta 2003

Costs to the association for conference and show have increased significantly in the last few years, particularly in the areas of food and beverage and transportation (specifically the hotel shuttles). As an example, shuttle costs will be on average 45 percent higher in Atlanta 2003 than in Orlando 2002 and Dallas 2001.

Again, members last experienced a registration fee increase in Orlando 1999. Prior to that, there was an increase in 1997 at the Las Vegas event and in 1994 in Dallas. The pattern has been set for an increase, if needed, every three to four years. Following are the 2003 conference and show increases:

- Discounted full-pack (trade show and conference education) early registration will increase by \$20 for members from \$230 to \$250; early registration for non-members will rise from \$290 to \$350.
- Full-pack on-site registration will increase from \$285 to \$350 for members and from \$350 to \$450 for non-members.
- Discounted three-day trade-show-only passes for early registration will increase from \$100 to \$150. There is no member/non-member differential.
- Three-day trade-show-only passes for on-site registration will increase from \$125 to \$200. There is no member/non-member differential.
- The increase for distributor and exhibitor early registration will remain consistent with the three-day trade show pass increase (from \$100 to \$150).
- On-site registration for distributors will be \$200; however, additional on-site exhibitor badges will remain at \$150 in recognition of the significant commitment that exhibitors make by virtue of their exhibit fees. In addition, the badge allotment for exhibitors will increase from four to five badges per 100 square feet of exhibit space purchased.

Finally, it is anticipated that fees for exhibit space will be increased for the 2004 conference and show in San Diego. Again, this is in recognition of related cost increases since the last fee increase will have been five years previous in 1999. Although the 2001 Industry Advisory Council acknowledged the need for a reasonable increase, it wasn't enacted because of the negative effects of the poor economy on the earnings of GCSAA's industry partners. Further, because industry support accounts for 50 percent of GCSAA's overall revenue and enables the organization to fund many programs and services that do not fully support themselves, it was considered appropriate to increase member dues and fees first.

Dues and fee increases are never popular. However, after carefully scrutinizing spending, increasing GCSAA's revenue is necessary to sustain the positive momentum of the organization. The proposed dues increase will be discussed at the fall 2002 Chapter Delegates Meeting, and it is anticipated that the proposal will be placed before the members for a vote in Atlanta 2003.

The board of directors and staff of GCSAA remain committed to taking the required leadership role in the association's collective effort to serve members, advance their profession, and enhance the enjoyment, growth and vitality of the game of golf.