

#### THE NEWSPAPER FOR THE GOLF COURSE INDUSTRY

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V.3



#### Arizona scrutinizing water replenishment district

#### **Mexico new frontier**

#### Pebble Beach finances

#### Pebble Beach fix-up

	Daily Fee	Municipal	Private	Unknown
Open before 1990	6,331	2,185	5,146	_
Opened in 1990	166	37	86	-
Opened 1st Qtr. '91	14	7	16	-
Under Construction	351	86	205	5
Total	6,862	2,315	5,453	5

#### COURSE MAINTENANCE

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#### COURSE MANAGEMENT

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# ARSE INDUSTRY Developer submits chem-free plan

Sherman Hollow's Truax draws fire, support over Green Life use

#### By Peter Blais

HUNTINGTON, Vt. — Hoping to end a six-year battle to gain state environmental approval, Sherman Hollow developers will submit plans to manage the controversial golf course without pesticides or fertilizers.

Sherman Hollow, Inc. will present details of its organic turf management program at a July 25 hearing before the same Vermont State Environmental Board that voted 2-to-1 against the project last September because of fears regarding pesticide and fertilizer use.

The use of a non-toxic soil conditioner called Green Life, in conjunction with an organic program, will allow the course to be maintained without chemicals, according to Sherman Hollow President Paul Truax.

"This should remove concerns about the use of pesticides and fertilizers on the proposed golf course that, for the last six years, have prevented Sherman Hollow from receiving a golf course permit from the state of Vermont," Truax said.

Green Life has been researched and tested on several courses over the past 10 years by a Glendale, Calif., company hoping to make inroads into the environmentally conscious Continued on page 20

Maintenance costs high all around

#### From staff reports

Paced by a double-digit increase in payroll taxes and employee benefits, golf course maintenance costs rose 7.8 percent at private country clubs in 1990, according to a recent survey of 250 facilities.

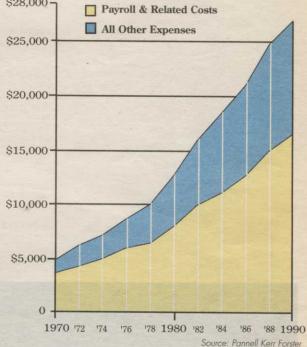
Last year's increase brings the national average figure to \$27,266 per hole and continues the spiraling cost of golf course maintenance, which has jumped 500 percent in the past 20 years, reported the international accounting firm Pannell Kerr Forster in its annual publication *Clubs in Town & Country*.

The highest per-hole costs occurred in the Far West, \$34,328. The South, \$27,443, East, \$25,143, and Midwest, \$22,567 followed.

Nationally, payroll (\$14,031) along with payroll taxes and employee benefits (\$2,718) averaged 61.4 percent of per-hole maintenance costs. The \$16,749 total is more than four times greater than the \$3,800 spent on the same items 20 years ago.

Why have labor costs risen so dramatically? Golfers' demands for perfect conditions simply require greater numbers

#### Yearly average costs per hole at country clubs \$28,000 Payroll & Related Costs



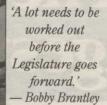
Continued on page 19

Florida lawmakers put water law on hold

#### By Peter Blais

The Florida Legislature will delay action until next year on a proposed water tax that could greatly impact the state's \$5.5-billion golf industry.

The Legislature adjourned last month before committees released bills to levy a 10-cent charge on every 1,000 gallons over a water user's allotment — a fee some estimate would cost many courses \$20,000 to \$30,000 annually.



But Gov. Lawton Chiles has promised to make passage of a water tax a top priority when the Legislature reconvenes early next year, according to Florida Golf Council Executive Director Bobby Brantley.

"We're pleased the bill didn't pass," Brantley said. "A lot needs to be worked out before the Legislature goes forward with plans to tax water consumption."

Besides raising much-needed revenue, tax supporters say the extra charge Continued on page12

# GCSAA out \$1.4M to McLoughlin

By Mark Leslie The Golf Course Superintendents Association of America will appeal a May 9 jury verdict in a Topeka, Kan., federal district court

awarding \$1,457,742 to

former Executive Director

James McLoughlin. The jury verdict awarded McLoughlin \$457,742 for breach of a separation agreement and \$1 million for libel — \$500,000 compensatory damages and \$500,000 punitive damages.

GCSAA attorney Robert Ochs said he would first file motions with Judge Richard Rogers for a new trial, and if that is denied, he will appeal the decision to the U.S. Court of Appeals for the 10th Cir-Continued on page 22

#### MAINTENANCE

# Kansas jury awards former GCSAA Executive

**Continued from page 1** 

cuit. He expects Rogers will rule on the motion for a new trial in four to six weeks. The appellate process could take a year, Ochs said.

Ochs said he was "very disappointed" and "very much surprised" by the amount of the verdict. Asked if the sizable award could be construed as an exclamation point by the jury, he said, "We can't get in their heads" but the size of the award is "the only way juries speak."

"This is taking longer than anyone had hoped," said GCSAA President Stephen Cadenelli of Metedeconk National Golf Club in Jackson, N.J. "All the boards since this action was first taken have been very involved and totally informed."

He said the \$1,457,742 loss would have "very minimal impact. It won't affect the GCSAA's operations whasotever."

Cadenelli said the jury's guilty finding will not affect the jobs of anyone in the GCSAA administration, even those the jury ruled libeled McLoughlin.

Current Executive Director John Schilling and former employee James Prusa were among those involved in the case.

McLoughlin, of Pleasantville, N.Y., served as GCSAA executive

director from September 1980 to May 1983, when he was pressured to resign his position because of an investigation into a supposed multimillion-dollar national gambling syndicate and claims within the organization that he was mismanaging GCSAA funds.

Law agencies investigating the allegations found only that McLoughlin was running a family football pool. A misdemeanor was charged and later dismissed after McLoughlin completed some community service work in New York.

Evidence presented at the trial showed the fiscal mismanagement charges were set up when the GCSAA's financial records were destroyed after McLoughlin left his position and then the books were altered to show that the association was on the verge of bankruptcy when it was not.

McLoughlin filed suit in November 1985, charging that the GCSAA intentionally breached a separation agreement that was integral to his resignation.

The jury agreed with McLoughlin's attorney, Dennis Egan of Kansas City, Mo., who argued that not only were charges of fiscal mismanagement, embezzlement and womanizing false, but they The \$1,457,742 loss would have 'very minimal impact. It won't affect the GCSAA's operations whatsoever.'

> — Steve Cadenelli GCSAA president

were grounds for the breach of the separation agreement and the basis for a libel case against GCSAA.

Egan, of the Popham Law Firm, said the jury was presented evidence that the separation agreement was breached in three areas, including:

• The GCSAA did not retain McLoughlin as a special adviser, as had been agreed.

• The GCSAA breached provisions of the contract that required no statement would be made about the circumstances surrounding McLoughlin's resignation or his employment without his approval, and that no disparaging comments be made about him.

• The GCSAA was to pay McLoughlin 15 months in "separation payments" but stopped after eight months and didn't resume payments for 10 months.

In the second part of the damages, the jury ruled eight specific libels were made and repeated. McLoughlin had claimed nine libels in a Nov. 9, 1984, letter written by then GCSAA President James Timmerman accusing McLoughlin of various forms of mismanagement and dishonesty.

The GCSAA won in one area of the case — a conspiracy claim by McLoughlin against Schilling, Prusa and others. The judge had ruled before trial that Egan had to prove conspiracy occurred after Nov. 8, 1983, because the statute of limitations for conspiracy expires in two years. Egan had claimed that the conspiracy against McLoughlin has been continuous and ongoing.

Yetthejury ruled for McLoughlin in two counterclaims. Thejury ruled against GCSAA's claim that McLoughlin spent \$31,000 in unauthorized expenses. It ruled against Prusa's charge that McLoughlin had libeled him.

McLoughlin said the 3-1/2-week trial exonerated him and the three GCSAA presidents during his term — Mel Lucas of Round Hill Golf Club in South Dartmouth, Mass., Mike Bavier of Inverness Golf Club in Palatine, Ill., and Jim Wyllie of Toronto, Ontario.

"When they (GCSAA officials) discredited me, they were discrediting these presidents' administrations," McLoughlin said. "All these men have had to suffer and have been embarrassed these last eight years... It's a vindication for them, too. During their watch, nothing went wrong. Their administrations were clean as a whistle. They were honorable, professional people. As good presidents, they are entitled to be recognized that way."

Lucas said he does feel vindicated by McLoughlin's victory.

Saying he has known McLoughlin 25 years and has faith in him and his "honesty, credibility and dedication," Lucas blamed McLoughlin's discharge from GCSAA on a coalition of employees who wanted to stop GCSAA from moving headquarters from Lawrence, Kan., to Florida.

"For a number of years (after 1983), Wyllie, Bavier and myself were refuting statements coming out of headquarters. We went out of our way to get statements from individuals who were being quoted. We had it in writing... We sent information to the Past Presidents

When it comes to covering a lot of ground, the competition isn't the only thing

## Director McLoughlin \$1.4M; appeal expected good things golf is all about. This

Council to try to work this out from within ... and they didn't," Lucas said.

"I feel glad Jim has won. The settlement is sizable and I don't feel good about that. But they certainly had many years to digest a lot of very good information. They had opportunities to reverse some of these things and it wouldn't have gone this far."

Lucas said he holds no grudges, is always well received in GCSAA circles, and is as active as probably any past president. "Which isn't very active," he added.

As for McLoughlin, he said he was without a job for four years after leaving the GCSAA, because of harmful written and oral statements made against him mainly by three GCSAA officials.

He started The McLoughlin Group, a golf consulting business, in 1984. But it has taken him seven years to re-establish himself in the golf industry, he said.

"Every association in golf dropped me from their long-standing committees," he said. "This lawsuit will hopefully change that.'

McLoughlin said: "The awarding of punitive damages tells the golf community that this was deliberate and intended to do harm ... You cannot whitewash punitive

They (GCSAA) had opportunities to reverse some of these things and it wouldn't have gone this

> far.' - Mel Lucas GCSAA ex-president

damage and you can't whitewash \$1.4 million.

"Money is one thing and it obviously helps me compensate for certain things. But the thing I wanted most was a verdict of a sufficient sum and nature that tells the golf community: There was no wrongdoing by McLoughlin. McLoughlin did the right things. The people around him did the right things.' We have that. They can never take away the statement made by the jury.

McLoughlin said one of the reasons the trial lasted nearly four weeks was because each and every allegation made against him was put before the jury and refuted by a combination of written documents and testimony from 26 witnesses. The former GCSAA executive director said, "We won on every one of these issues - leaving absolutely no wrongdoing allegation closely in that area again. against me, or the administrations I served."

McLoughlin applauded the few people who "stood up and confronted the storm when it was very unpopular to do so ... Not only am I pleased for myself, but also for them.'

He singled out Lucas, Bavier and Wyllie; the late Don Rossi, who was executive director of the Golf Course Builders of America and Golf Cart Manufacturers Association; Robert MacNally, president of Tommy Armour Golf and a board member of the National Golf Foundation; National Club Association Executive Vice President Gerald Hurley; Massachusetts Golf Association Executive Director Dick Haskell; USGA Western Regional Affairs Manager Ron Reed of Pebble Beach, Calif.; USGA ex-Communications Director John Morris; and Chuck Martineau, superintendent at McLoughlin's home, Whippoorwill Club in Armonk, N.Y.

"Unfortunately, there has been a cloud over this part of the profession for eight years. Everybody's had to choose one side or the other. That cloud will be gone shortly ... I have a high regard for the profession. I have a high regard for the GCSAA... Now I hope I'll have an opportunity to work

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