

Teleconference Minutes
Professional Disc Golf Association (PDGA)
October 21, 2008

Board Members:

Present: Todd Andrews, Chris Bellinger, Ron Convers, Bob Decker, Matt Gillis, Juliana Korver and Rick Rothstein

Quorum present? Yes

Others Present:

Executive Director: Brian Graham

Other: Rich Givens & Bill Flynn – FDM, Dan “Stork” Roddick – Director Special Projects

Proceedings:

Meeting called to order at 7:34 pm by Chair, Bob Decker

FDM

- Brian Graham introduced Rich Givens who requested to address the board directly with regards to FDM
- Issue 4 is currently at the printer and should ship middle of next week.

Givens presents the circumstances that have created the delays in the magazine:

- There were unknowns such as the opt-out and the back issues. We did not expect such a large opt-out. Also, we didn't expect that a late membership registration would receive only the remaining issues and not the back issues. The combination of these two factors changed the dynamics of the situation that we had planned on. The net result is that the amount of copies that were purchased was reduced, which resulted in the necessity for us to put in additional funds.
- As we work at the lower minimum numbers of what we can do, the economy of sales is not very sustainable. We were upside down on both issues 1 and 2.
- I am hopeful that the board will consider a couple of possibilities as we move forward.
- 1. I request that the board consider offering a full subscription regardless of when the user signs up for the PDGA. Thus back issues will be given to a new member.
- 2. I request that we revisit the opt-out issue.

Decker: What rate of opt-out did you plan on?

Givens: The early projections that I received stated an opt-out of about 10%, but it is actually around 30%.

Bob: 30% is the opt – out that we expected.

Actual PDGA subscriptions for each issue:

1st issue – 5200, 2nd - 7000, 3rd- 8400 (includes mail copies as well as extras)

Givens: It is not reasonable to print only 5000 so we printed more. We found ways of using the extra copies that we have to expose people to our magazine and the sport of disc golf, but the bottom line is that we are paying for magazines that we don't have buyers for.

- Actual print loads: 1st issues 15,000, 2nd 15,000, 3rd 10,000

- Dec 2007 year end 11 thousand+ members.
- Givens: Bottom line: if we have 10,000 copies of this issue for PDGA members we will be OK.
- Givens: I do not expect that what we receive from you will fully finance the magazine, but I do expect that it will be considerable.
- The lower our numbers, the harder it is for us to get outside sponsors.
- Opt-out becomes somewhat self fulfilling. As we move later in the year, I'm guessing that opt-outs increase.

Decker: Why has your communication been so weak with regard to these problems?

Givens: When I determined that this situation was not what I expected, I choose to deal with it myself. I've been communicating with Brian and I've been optimistic about the outcome or the direction we were going. I wanted to be careful in what I said and therefore said less then I should.

Board: We were under the assumption that issue 4 was at the printer and being printed then later we find that the funds are not available to take care of the printing.

Givens: We do not have a reserve to deal with what we have run into.

Board: Why did you plan on 15000 magazines for the 1st issue when even the best case scenario would require 12000, but more likely 8000 would be needed?

Givens: the additional copies did not significantly affect the price of the printing. We will not print less than 10000 copies.

Board: Is there a definite deadline on the next issue?

Givens: Yes Thursday.

Board: What assurances can you give us that you will fulfill the next 2 issues?

Givens: We are fully committed, what assurances are you looking for? We have done about 50% of the production work for issue 5 and have already started on issue 6. We are late only because of cash flow.

Board: Do you have a balance sheet that you could provide us so we could be assured that you have the resources to complete the next two issues.

Givens: I will have to discuss that before I supply you with such information.

Board: Because we advanced you the funds for issue 4, we are now in a position of a banker which gives us the right to ask you such questions.

Stork: The question of content and direction of the magazine. What is your feeling about that going forward and any potential adjustments based on reader feedback or board direction. Is that something you are willing to do or would that be too restrictive?

Givens: I feel very good about the content of our magazine. We have received a tremendous response that we are going in a good direction. We certainly did not cross any bad lines or go over the top with our first issue and we have made modifications in previous magazines.

Decker: The magazine says that it is the “official magazine of the PDGA” and some of the content has gone beyond the level of good taste and I don’t believe that our younger market should even be exposed to it. I don’t believe your editorial staff is keeping the bigger picture in mind.

Answer: The text has changed so it no longer says that this is the “official magazine of the PDGA”.

Convers: I am very much pursuing a younger crowd. I’m actually hoping to get many more kids involved in this. I would like to have a magazine that I can give to a Sunday school class or a scout master. I cannot do that if there are drug references.

Decker: Ever since I’ve been on the board, we have been doing everything we can to distance ourselves from that issue.

Stork – what is the mood of the team at this point? Imagine that you don’t get both of the suggestions that you made. What is your feeling going forward?

Rich – I wouldn’t continue to do what I’m doing nor would my staff if I didn’t believe in what we are doing. We have a small internal staff. There are a few people that make all this happen. I am very close to all of them. I love and adore disc sports. It is something I’m passionate about.

Rick – issue 2 to 3, the binding changed from perfect bound to saddle stitch, did you change printers?

Answer – yes, we had quite a bit of feedback regarding damage. This was an attempt to see if we could eliminate the damage.

Brian – it sounds like you’ve found the money you need to get issue 4 out. What about issue 5? Will you have the money to print and ship issue 5 without an advance from the PDGA? Do you have a plan in place for raising the revenue to get 5 printed? Answer – Yes we do.

Givens – we are trying to create something that will entertain the audience.

Convers – What is the feasibility of you managing memberships? If a member signs up in May could you then send them the next 6 issues?

Givens – I have no problem keeping track of subscription control. I prefer that.

Decker – So you would prefer to see the fiscal year approach to the subscription schedule.

Answer – yes.

(Rich and Bill now leave the teleconference and the board continues the discussion.)

Following Rich and Bill’s departure, the board discussed many options and then directed Brian Graham to follow up with Rich concerning the promised 10/30/08 delivery of the next issue.

Other Business –

Graham and Duesler worked together with Jim Lepera to put together a sponsorship package that has been sent out to possible sponsors. It requests \$50,000 for sponsorship of NT and an additional Second \$75,000 to be used for TV buy time to broadcast the USDGC. We would give both of these for \$100,000.

The Lodge – in Pawhuska, OK will be hosting an NT. Local business man, Jim Taylor, is excited about disc golf. He wants to start broadcasting NT's live on the web.

Fox sports crew was at the IDGC today to film a 30 second spot which will air Dec 28th of a fisherman playing one hole of disc golf.

MOTION (Rothstein/Convers)

To adjourn.

Passed unanimously

- Meeting adjourned at 9:34pm
- Minutes submitted by Secretary, Juliana Korver