

**Prepared by Sally Boyd, Chair, Board of Governors – Faculty Club  
2001-2002 Annual Report  
August 15, 2002**

Recognizing a years-long trend of annual deficits, the Board of Governors began the fiscal year September 1, 2001, with plans to make the club more profitable. Dues were increased, and in early 2002 a membership sales director was hired. By spring many signs for the future--including growing membership--were looking promising, but the deficit (though decreasing) still existed. The Board of Governors submitted to President Sorensen a detailed analysis and plan for the future that included a request for temporary financial assistance from the University. Based on Dr. Sorensen's decision that such assistance was not appropriate, the Board of Governors voted July 2, 2002, to close the club, effective immediately. A copy of the letter sent to the membership is attached.

The Board of Governors reached an agreement with Tronco's Catering to fulfill Faculty Club's obligations for banquets/receptions scheduled through October 2002. Recent initiation fees have been refunded. A committee of the board is currently working to secure all available resources in order to meet financial obligations to the extent possible.

July 3, 2002

Dear Member:

With deep regret we inform you that, because of insurmountable financial difficulties, the Faculty Club must close immediately. We will honor the commitments for special events in the near future and subcontract or relocate events scheduled far in advance. We communicated to you in early 2001 that the club was facing financial challenges. Our concerted efforts to surmount those problems produced positive results, but not to the degree necessary to keep the operation viable.

The Faculty Club has functioned as an entity separate from the University, dependent on member's dues and patronage as its sole source of revenue. University support has come through a very generous rental arrangement and, recently, a line of credit from the Educational Foundation. Believing that the recent record of a decreasing annual deficit indicated potential for a strong future, we hoped to secure assistance from the University to bridge the gap until both the deficit and the loan could be eliminated. Regrettably, as the University itself faces severe financial challenges, assisting the Faculty Club is not among its priorities. We are informed, however, that President Sorensen is exploring with appropriate academic officials the potential of a student operation of the facility in the future that might benefit the School of Hotel, Restaurant, Tourism Management and the University community.

The Board of Governors is especially grateful to Travis Branaman, who has served as general manager since early 2000. Food, service, and operational functions have improved tremendously under his management, and we wholeheartedly applaud his efforts. We also extend our gratitude to the staff who have worked with such dedication and commitment. They have truly made the Faculty Club an operation in which the University has taken great pride.

As the club ceases operation we will make every effort to honor its financial obligations. To make this possible, we ask that you in turn honor any obligations you have to the club. Your support over the years and at this difficult time is most appreciated.

Sincerely,

|                     |                     |
|---------------------|---------------------|
| Sally Body          | Valinda Littlefield |
| James Bradley       | Ellen Moore         |
| Cathy Gustafson     | Mary Ellen O'Leary  |
| Charles G. Jeffcoat | Ken Peters          |
| Rick Kelly          | Dave Whitener       |

Board of Governors  
Faculty Club at McCutchen House