



CITY OF BATTLE CREEK
CITY MANAGER

**Binder Park Golf Course
Operational Review Committee**

September 2, 2020

11:00 a.m.

Virtual Meeting

AGENDA

- I. Call to Order
- II. Public Comment
- III. Approval of Minutes from 7/15/2019
- IV. Operations Update
 - a. Financial review
 - i. FY 20 financial review
 - ii. FY 21 budget
 - iii. Extended financial projection
 - b. Operational review
 - i. Program and event activities
- V. Old Business
- VI. New Business
 - a. Future meetings
- VII. Adjourn

BINDER PARK GOLF COURSE OPERATIONAL REVIEW COMMITTEE
City Hall
10 N. Division St. Room 302A
BATTLE CREEK, MI 49014
MONDAY, JULY 15, 2019
2:00 PM

Members Present: Commissioners Kaytee Faris, Jim Lance and Chris Simmons; Ted Dearing, Assistant City Manager; Ron Osborne, Golf Course Manager; Duska Brumm, Recreation Director; Kevin Smith, Budget Officer; Ryan Dingman, Golf Course Operations

Absent:

Staff: Victoria Houser, City Clerk

Call to Order/Recognition of Quorum: Mr. Dearing called the meeting to order at 2:04 pm, noting a quorum was present.

Public Comment: There were no public comments.

Approval of Minutes

A motion was made by Commissioner Faris, supported by Commissioner Simmons, to approve the June 27, 2018 Binder Park Golf Course Operational Review Committee minutes. All in favor, none opposed. Motion passed.

Operations Update

A. Financial Review

i. FY 19 Financial Review

Mr. Dearing reviewed the FY 19 finances, noting this was the first year the golf course budget was rolled into the Recreation Dept. budget.

Mr. Smith noted FY 19 revenues were higher than projected and expenses were lower than projected. Mr. Smith also noted the projected general fund subsidy of \$153,640 was more than necessary, instead only needing a subsidy of \$130,057.

ii. FY 20 Budget

Mr. Dearing stated the FY 20 budget was now approved as part of the General Fund budget, within the Recreation Department, not separately as was done in the past.

Ms. Brumm stated it was easy to manage the Binder Park Golf Course budget within the Recreation Department budget.

Mr. Smith, reminding the Committee of an increase in fees for 2020, stated they continue to be conservative when projecting revenues. Mr. Smith noted some FY 20 operating expenses have increased, particularly allocation costs and payroll. Mr. Smith noted there was no capital outlay and that the bond payment fluctuates.

iii. Extended Financial Projection

Mr. Dearing reviewed the projected budget, through 2035. Regarding the annual debt payment, Mr. Dearing noted that golf course revenues are contributing payments to the bond of about \$80,000 annually, stating that once they retire the debt, in 2026, the golf course will be self-sustaining.

Comm. Simmons asked what the savings will be used for once the debt is paid off.

Mr. Osborne stated they plan to allocate the funds to the sprinkler system and golf paths. Mr. Osborne noted the 2.5% fee increases for the next 3 years only amount to about \$0.25 per round.

Mr. Dearing noted any monies received from operations on the gifted portion or the course are required to go back into the facility or recreation activities at the site.

B. Operational Review

i. Program and Event activities

Mr. Osborne provided a summary of activities at Binder Park Golf Course for the 2019 season, including fund raising events for the KCC Scholarship fund, a school safety fundraiser with Sheriff Matt Saxton, and the Chief Moguago fundraiser for local veterans' organizations. Mr. Osborne stated both outing and league business remain strong, with over 475 golfers each week.

Mr. Osborne informed the committee that the golf course would be hosting the Inaugural PGA Junior League State Finals for the second year, on August 14th and 15th, noting last year's event had over 200 participants, with an additional 600 family members. Mr. Osborne stated this provided \$25,000 additional revenue to the course, while also benefiting local hotels and restaurants. Mr. Osborne noted this successful event has resulted in Binder Park Golf Course being requested to be a pilot facility for the PGA Family Cup this year.

Mr. Osborne informed the committee that revenues are up \$36,883 compared to this time last year, attributable to new memberships, club sales and increases in group golfer offers. Mr. Osborne also noted local high schools have had increased participation on their golf teams, some doubling the number of players from prior years, which he believes is because of the success of the 1st Tee program. A non-golf activity, Yoga classes, had been taught by Amanda Wallace last summer and winter, and will be offered again this year.

Mr. Osborne discussed some of the work staff does during the winter, specifically revamping the 1st Tee website, moving it under the Binder Park website so that it is easier to find. Mr. Osborne stated 1st Tee continues to thrive with over 1,200 direct contacts and 2,800 indirect contacts.

Mr. Osborne noted the golf course continues to be a year-round facility, offering cross country skiing, snow shoeing and sledding in the winter months, noting over 150 users this past winter. Mr. Osborne stated the golf simulator continues to bring people to the course in the colder months, increasing simulator revenues by 26% over last year, allowing them to stay competitive in the golf clubs sales by offering expert club fitting by PGA professionals.

Mr. Osborne also announced that he is serving on the PGA of America National Board of Directors, representing the Michigan, Norther Ohio and Southern Ohio PGA section as the District 5 Director, noting it is for a one year term ending in November, stating it is an honor to represent Binder Park Golf Course and the City of Battle Creek on a national level.

Mr. Dearing stated management time is primarily focused on golf related income such as increasing players, leagues and events as such activities have the greatest potential to generate income at the course.

Old Business

A. Newton Township Liquor License

Mr. Dearing informed the committee that staff continues to consider opportunities to improve revenue, particularly with food and beverage, and beer and wine sales. Mr. Dearing stated that although mixed drinks may improve revenue, they have not had much advancement on discussions with Newton Township regarding a liquor license. Mr. Dearing stated they continue to work with Newton Township leadership, noting the township attorney has drafted a liquor license ordinance.

Mr. Smith stated the township board does not seem interested in expanding liquor options in the Township.

Mr. Osborne noted Newton Township is one of four dry townships in the state. Mr. Osborne stated the course's food and beverage sales, including beer and wine, have increased over the last 5 years, stating a liquor license may help, but may not provide significant increases. Mr. Osborne noted the golf course has significantly more sales than similar municipal golf course.

Comm. Faris suggested partnering with some of the new breweries coming into the City.

B. Land Development

As to the sale of some golf course property, which was purchased in the late 1990s, Mr. Dearing stated there was a possibility of a condominium or residential development, noting this portion of the property was not limited by deed restrictions. Mr. Dearing stated local realtors and developers feel that although the housing market is improving, it may be a few years before a development market would be ready. Mr. Dearing noted the occupants would be Newton Township residents.

Comm. Lance questioned why the property was purchased if the property tax revenue would go to Newton Township.

Mr. Dearing explained that the land was purchased as part of a planned expansion of the golf course and is not subject to the same deed restrictions as the portion of the course that was gifted to the City.

Mr. Smith also noted the City cannot annex this property as it is no longer contiguous to City property after the sale of two other parcels a few years ago.

Mr. Dearing stated that the City would approach Newton Township about a tax sharing agreement for any future development. .

Comm. Lance stated now should be a good time to consider development.

Mr. Dearing stated it would take some time to put a deal together. Mr. Dearing also informed the committee that Charleston Township, in Kalamazoo County would like the City to provide infrastructure, but a tax revenue sharing agreement would be needed, similar to Northpointe Woods, which is in Pennfield Township.

New Business

Comm. Simmons encouraged staff to continue to increase outreach efforts, possibly an open house for City residents, noting golf is seen as an elite activity, and staff needed to change that perception.

Mr. Osborne noted Binder Park's specials are very affordable, with rates below local competing courses. Mr. Osborne also noted students who qualify for the free lunch program do not have to pay to participate in the 1st Tee program. Mr. Osborne also noted 1st Tee goes into the schools in the winter to give students golf experience and information on how to join. Mr. Osborne also noted the PGA Junior league is subsidized by Dick's Sporting Goods. As to adult outreach, Mr. Osborne stated there were two employee events at Denso and Firekeepers. Mr. Osborne stated they continue to utilize several social media outlets, noting the advertising budget is very low. Mr. Osborne invited the committee to tour the course.

Ms. Brumm informed the committee that 1st Tee had an inflatable at City Fair, in addition to other community events. Ms. Brumm agreed to contact Operation Fit for other opportunities to engage children.

Comm. Lance emphasized the importance of focusing on leagues and events, as they contribute to the course revenues.

Comm. Faris recommended golfers tag pictures while playing. Comm. Faris also suggested a "Golf for Dummies" day for people with little or no experience.

Committee members agreed to meet annually to share information and provide updates.

Adjournment: Mr. Dearing adjourned the meeting at 3:00 pm.



Binder Park Golf Course 2019-2020 Year End & 2020-2021 Budget

Account Description	2019-2020 Adopted Budget	2019-2020 Year End	2020-2021 Adopted Budget
Fund 101 - General Fund			
Department 16 - Recreation			
Business Unit 7060 - Binder Park Golf Course			
REVENUE			
Charges for Services - Parks and Recreation			
Charges for Service -Golf Course Green Fees-9 Holes	37,905	50,473	45,139
Charges for Service -Golf Course Green Fees-18 Holes	64,824	86,692	88,120
Charges for Service -Golf Course Green Fees-27 Holes	2,935	2,742	2,316
Charges for Service -Golf Course Green Fees-League	53,973	49,933	51,476
Charges for Service -Golf Course Green Fees-Jr/Sr	53,750	30,841	30,588
Charges for Service -Golf Course 1st Tee	100	21	194
Charges for Service -Golf Course Binder Booklets-Regular	252	320	
Charges for Service -Golf Course Binder Booklets-Senior	825	113	900
Charges for Service -Golf Course Green Fees-Outings	71,484	56,480	83,605
Charges for Service -Golf Course Practice Holes	2,167	1,668	1,988
Charges for Service -Golf Course Range	20,182	19,528	20,855
Charges for Service -Golf Course Membership Fees-Family	2,325	6,105	1,860
Charges for Service -Golf Course Membership-Couples	6,480	3,780	1,620
Charges for Service -Golf Course Membership Fees-Single	17,980	16,271	15,660
Charges for Service -Golf Course Jr Membership	2,070	2,650	5,290
Charges for Service -Golf Course Membership-Seniors	38,475	35,484	38,475
Charges for Service -Golf Course Membership-Sr Couples	16,200	8,450	18,900
Charges for Service -Golf Course Single Limited	3,600	1,580	5,400
Charges for Service -Golf Course Couple Limited			555
Charges for Service -Golf Course Golf Cart Rental	201,052	191,528	209,528
Charges for Service -Golf Course Pull Cart Rental		1,109	
Charges for Service -Golf Course Golf Club Rental	120	2,144	120
Charges for Service -Golf Course Programs	42,709	55,140	55,000
Charges for Service -Golf Course Sponsorship Advertising	2,000	2,000	2,000
Charges for Service -Golf Course Lounge	31,950	24,520	33,700
Charges for Service -Golf Course Pro Shop	214,900	191,242	214,500
Charges for Service -Golf Course Beer & Wine	102,000	73,702	110,300
Charges for Service -Golf Course Vending	16,100	13,908	16,200
Charges for Service -Golf Course Gift Certificates	(2,000)	1,576	500
Charges for Service -Golf Course Simulator	2,660	3,974	4,500
Charges for Service -Golf Course Outings-Cart Rental	36,426	28,861	41,693
Charges for Service -Golf Course Outings-Food	25,579	19,534	28,353
Charges for Services - Parks and Recreation Totals	1,069,023	\$982,366	\$1,129,335
Other Revenue - Miscellaneous		\$89	\$0
REVENUE TOTALS	1,069,023	\$982,455	\$1,129,335
EXPENSE			
<i>Personal Services</i>	369,071	\$350,711	\$395,138
<i>Materials and Supplies</i>	375,830	\$284,186	\$372,090
<i>Contractual and Other</i>	234,611	\$198,224	\$222,930
<i>Capital Outlay</i>		\$1,700	
<i>Debt Service</i>			
Bond Debt Service Principal Principal-Bonds	185,000	\$185,000	\$195,000
Bond Debt Service Interest Interest - Bonds	49,814	\$49,814	\$42,691
Bond Debt Service Interest Agent Fees	500	\$500	\$500
<i>Debt Service Totals</i>	235,314	\$235,314	\$238,191
EXPENSE TOTALS	1,214,826	\$1,070,134	\$1,228,349
Binder Park Golf Course Net Income/(Loss)	(145,803)	(\$87,679)	(\$99,014)

Binder Park Golf Course Fiscal Year End Report '19-'20

After the first half of the 2019- 2020 fiscal year we were trending to have one of our best seasons in a few years. As spring rolled in and so did the COVID-19 situation, the golf course was shut down from March 16 until April 24. It obviously had a major negative impact on our revenues, membership sales, golf leagues, daily green fees and carts, retail sales and food & beverages during that 5-week period.

At that point, we began making adjustments. We stopped the spring hiring process payroll and froze purchasing for Pro Shop and Food & Beverage. Going into the spring, we need payroll to prepare the course and Pro Shop for our customers. I'm very proud of our staff and the work ethic and what it took to get us through these challenging times. We've worked long hours and sacrificed a lot.

Year End Actual verses Budget

Pro Shop and Food & Bev. Sales only	down	\$61,577
Total Golf Courses Sales	down	\$86,567
Payroll	down	\$37,360 all part-time staff

Remarkably, the overall profit and loss which was projected to be \$-145,803 and the course ended up being \$-87,679. This is \$58,124 better than budget. Quite remarkable considering the challenges that we had to face.

I would like to elaborate a little more on the payroll piece. Binder Park Golf course is 330 acres and has 30 golf holes, and Ryan Dingman, our golf course superintendent, and staff of 2, worked long days and kept things going until we could get some additional help. We did finally get some help from CCDC in July, which provides us with some relief with seasonal staff. Ryan Dingman is one of the hardest working golf course superintendent, I've ever met. I can't thank him enough for his dedication and hard work. On the revenue side, we typically do between 80-100 golf outings and events, we have had over 60 golf outings and events canceled so far this year. These events require a lot of prep time and additional staff and outings are big part of our income. CCDC got a PPP grant from the government that will help us through the rest of the season. I would be remised to not mention the P & R staff that also came out to help while their department was shutdown. They stepped up and work any hours that I asked of them and did any duties that was required. Finally, our volunteers that kept us going by keep our golf carts clean and sanitized during the pandemic. I don't know if I would have been able to properly keep up with the safety measures without their help. I just can't thank everyone on our staff enough for stepping up this year.

Bottom Line:	Budget	Actual	Over/(Under)
Golf Course Revenues	\$1,069,023	\$982,455	(\$86,567)
Golf Course Expenses	<u>\$979,512</u>	<u>\$834,820</u>	(\$144,691)
Golf Course Net Profit	\$89,511	\$147,635	\$58,124
Bond Payments	<u>\$235,314</u>	<u>\$235,314</u>	
Golf Course Net Income/(Loss) After Bond Payments	(\$145,803)	(\$87,679)	\$58,124

2020 Season Update

As I mentioned earlier over 60 outings and events were canceled this year because of the Covid-19. The golf course was completely shut down for 5 weeks. Golf leagues started 3-4 weeks late, there was no food and beverage sales until June 8th, and we pretty much missed the window for new clubs sales (April /May is the buying season in the northern part of the country). And golf carts were not allowed to be used for a period of time, so we lost out on cart revenue as well. My best estimation is that we lost over \$90,000 in revenues during this period.

But there is good news to replace all the doom and gloom. Revenues are up for June, July and August 2020 compared to the same months in 2019. How? Open Golf is up across the country and people feel safe playing golf during the pandemic. They are outside in open space and feel safe. We are very diligent about cleaning and disinfecting the entire operation and especially the golf carts. And I've never seen so many young people playing golf. It's been great to see and hopefully it will carryover for years to come. We recently hosted a 20-something scramble to get them more involved and hopefully committed to playing golf at Binder Park.

New events for 2020. Honestly, we have only done what events we have done in the past but not too much new. We have been short staffed and extremely busy with day to day operations. Again, revenues are up and payroll is down.

1st Tee update. The 1st tee was shutdown until July 1st. We have been limited to small classes of 4 or less, only taught only by the ED, Tony Evans. And The PGA Jr League was conducted with very strict safety measures in place.

Respectively,

Ron

2020 COVID LABOR JUNE 15 TO CURRENT

Setting pins Normal 3 days a week. Now 2 days per week

Bunkers groomed normally 3 days a week. Now once per week
Bunkers edged, weeded, and stone removal usually done monthly

Cart paths touched up at least once a week. Now when we get a chance

Greens are usually verticut and toppedressed as needed (not enough staff)

Ropes mowed and moved once a week. Now when we get a chance

Tees mowed and markers moved 3 days a week. Now one time per week

Tee box divots filled with seed and sand Normal Once per week. Now when we get a chance

Driving range tees filled with sand and seed once per week. . Now when we get a chance

Weed whipping entire course 2 to 3 guys 2 to 3 days per week. Very little has been done

Flowers are normally planted on 12 holes plus a big spread at the front entrance.

Weeding around buildings, flower beds and front entrance, normal once per week. Very little has been done

Sprinkler heads edged (a must!!) Normal 1-2 times per year @ 60 man hours. Hasn't been done.

Oil and all filters plus brake adjustments on all 92 carts once per year. 10 carts have been done

We have some utility carts, fairway mowers, and a rough mower that aren't operational and need attention.

Yardage plates in fairways edged and leveled normally every 3 weeks. Marsh & Preserve were done for Calhoun County Amateur.
Granite yardage markers on par 3 tees & driving range edge every 3 weeks. Not being done

Water coolers on the course filled daily. Now not being done due to (COVID)

Ball washers filled every 2 to 3 weeks. Not being done due to (COVID)

Low lying branches to be pruned or overgrown areas to be thinned out normally once every two weeks. Not being done

Blower usually is taken out 3-4 times per week to cleanup debris, and clippings on entire course. Not being done

Cutting Height on greens has been raised to reduce turf stress, and additional labor.

Storm Damage June 10th 40 trees not counting all the LARGE branches. All the ones that impede play or traffic have been cleaned up but not perfect. Several areas still need attention

NO PROJECTS being done to improve the courses appearance and provide a better product for the customer

Rough needs fertilizer!! Not enough staff to apply it and keep it maintained.

Weed Killer applied throughout the course plus around all the buildings, parking lot and sidewalks should have been done in June.

Restrooms and shop need to be cleaned daily

LABOR

Currently have 7 individuals working on CCDC payroll

City Payroll: Ryan Dingman plus one temporary seasonal

We were 6 positions short of a typical full crew this season (Equivalent to 160 hours/week)

With most of the outings being cancelled or postponed it has made it easier for the **reduced staff** to get the essential tasks done throughout the week.

Several individuals have volunteered there time throughout the season to reduce the workload on the maintenance crew.