



CITY OF BATTLE CREEK
CITY MANAGER

**Binder Park Golf Course
Operational Review Committee**

August 30, 2022

10:00 a.m.

Room 302A City Hall

AGENDA

- I. Call to Order**
- II. Public Comment**
- III. Approval of Minutes from August 17, 2021**
- IV. Operations Update**
 - a. Financial review**
 - i. FY 22 financial review**
 - ii. FY 23 budget**
 - iii. Extended financial projection**
 - b. Operational review**
 - i. FY22 summary and FY23 programs/events**
- V. Member Comments**
- VI. Adjourn**

BINDER PARK GOLF COURSE OPERATIONAL REVIEW COMMITTEE
City Hall
10 N. Division St. Room 302A
BATTLE CREEK, MI 49014
TUESDAY, AUGUST 17, 2021
4:00 PM

Members Present: Vice Mayor Kaytee Faris, and Mayor Mark Behnke; Ted Dearing, Assistant City Manager; Ron Osborne, Golf Course Manager; Duska Brumm, Recreation Director, all attending remotely from Battle Creek, Michigan. Commissioner Jim Lance, attended remotely from Grand Rapids, Michigan.

Absent: Ryan Dingman, Golf Course Operations (alternate)

Staff: Victoria Houser, City Clerk; Linda Morrison, Revenue Services Director

Call to Order/Recognition of Quorum: Mr. Dearing called the meeting to order at 4:00 PM, noting a quorum was present.

Public Comment: There were no public comments.

Approval of Minutes

A motion was made by Vice Mayor Faris, supported by Commissioner Lance, to approve the September 2, 2020 Binder Park Golf Course Operational Review Committee minutes. All in favor, none opposed. Motion passed.

Operations Update

A. Financial Review

i. FY 21 Financial Review

Mr. Dearing reviewed the FY 21 Budget Performance Report, stating that from a revenue perspective, it was a very successful year. Mr. Dearing also noted the debt payment of \$195,000, which is included in the total expenses of \$1,253,396. Mr. Dearing noted revenues were able to fully pay the debt payment.

Mayor Behnke expressed his appreciation to Mr. Osborne and his staff for all their work during a difficult year.

ii. FY 22 Budget

Mr. Dearing presented the FY 22 budget, noting they are taking a conservative approach.

iii. Extended Financial Projection

Mr. Dearing presented the multi-year performance projections, noting 2025 is a key year as it represents the retirement of the debt expense. Mr. Dearing presented financial information to year 2035.

B. Operational Review

i. FY 21 Summary and FY 22 Programs/Events

Mr. Osborne presented the Binder Park Golf Course Fiscal Year End Report '20-'21, noting the industry was up 13%, and Binder Park was up 17%. Mr. Osborne note July 2021 revenues exceeded July revenues over the last two years, stating he continues to be optimistic, but also realistic, remaining conservative.

Mr. Osborne noted the golf course revenues were \$244,556 over budget, all while 80% of their usual golf outings were cancelled during the pandemic. Mr. Osborne stated the demand for tee times was at an all-time high during the pandemic, allowing residents to enjoy fresh air while exercising. Mr.

Osborne noted some event coordinators remain cautious due to the increase of the Delta Variant of Covid-19.

Mr. Osborne noted young people are gaining interest in golf, offering scrambles for 18-29 year olds, and the Junior Academy is busier than it has ever been. Mr. Osborne also noted tiny-tots golf remains popular.

Old Business: There was none.

New Business: There was none.

Adjournment

Mr. Dearing adjourned the meeting at 4:20 pm.

Binder Park Golf Course Fiscal Year End Report '21-'22

Binder Park Golf Course had another great year in fiscal year '21-'22. Our total revenues were \$1,244,311, our 2nd best revenue year ever. Which is \$215,489 over budgeted revenues (17.3%). And overall net profit, before the bond payment was \$139,445. Here is snapshot at our revenues in fiscal year '21-'22:

Green Fees: \$64,527 over budget

Cart Rental: \$48,632 over budget

Pro Shop: \$37,425 over budget

Memberships: \$19,726 over budget

Range: \$14,854 over budget

The game of golf continues to prosper following the post Covid pandemic. But we also have some challenges in the future. Expenses continue to rise. Labor cost & staffing continue to be a challenge, gas prices have gone out of sight, food and beverage costs continue to rise and pesticides and fertilizers are at an all-time high. To offset some of those expenses, Binder Park did have a 3% scheduled price increase this spring, but not enough to keep up with inflation.

But golf is cool again, and young people (18-29 year old) have taken up the game, and for that, I think the future of golf is bright. Our Binder Park Junior Golf Academy is busier than it has ever been. Here is a snapshot of what we offer:

Junior Instruction for 5-18 year olds. From tiny tots to advanced juniors.

We have 2 PGA Junior League teams.

We run a County wide Junior Tour.

We host the PGA Junior League State Finals – West Side, over 162 young golfers from around the state. That event alone brings in over \$7,500 dollars.

The future of golf and Binder Park GC is very promising. The bond payment ends in 2025, and the golf course continues to cover most, if not all of the bond payment. The City of Battle Creek has a gem of a facility at Binder Park GC and I look forward to the upcoming year.

Thank you,

Ron Osborne, PGA

Binder Park Golf Course

City of Battle Creek