



JUNIPER GOLF COMMISSION MEETING MINUTES

Date and Time: 03 March 2011; 1:30 pm

Location: Juniper Golf Course; 1938 SW Elkhorn Avenue, Redmond

Commission Members Present: John Brenton; Pam Garney; Paul Klotz; Don Noldge; Bill Saling; Ed Boero, Council Liaison; Camden King, Council Liaison

City Staff Present: Chris Doty, Director of Public Works; Summer Sears, Controller; Jason Neff, Finance/Budget Manager; Susan Bailey, Public Works Administration

CourseCo Staff Present: Tom Isaak, Tom Bugbee and Bob Sommers,

Media/Others Present: Trish Pinkerton, Redmond Spokesman; Lynn Kurth, Bob Cooper, Ron Grace, Jim Flaherty; Juniper Members

CALL TO ORDER / INTRODUCTIONS

The meeting was called to order at 1:32 pm. The Commissioners, City staff and CourseCo staff provided brief introductions.

DISCUSSION / ACTION ITEMS

Election of Chair and Vice-Chair

The Commission members voted to elect Paul Klotz as Commission Chair (nomination by Pam Garney, second by Bill Saling; all in favor, no opposed, no members abstained from the vote). Klotz noted the terms of the positions and that he would like to discuss them on an annual basis.

The Commission members voted to elect Pam Garney as Commission Vice-Chair (nomination by Don Noldge, second by John Brenton; all in favor, no opposed, no members abstained from the vote). Klotz noted that the meetings will follow Roberts Rules of Order.

Monthly Update and Review of Current Budget (Feb 1, 2011 to June 30, 2011)

Chris Doty noted that the budget review will be a part of every Commission meeting. Tom Bugbee of CourseCo stated that February was the transition month and they focused on stabilizing operations, completing inventories, assessment of non-capital items, and addressing staffing needs. Bugbee reported that Bob Sommers joined the team as General Manager and that they are interviewing candidates to fill the Superintendent position vacated by Patrick Riley. Doty asked about the current condition of infrastructures and irrigation as-builts; Bugbee noted that they are in good shape. Brenton inquired about changes in food service; Bugbee reported that services are the same and that the hours of operation have remained the same. Doty asked about membership count; Bugbee indicated that one member has resigned and that "membership" will be more clearly defined for budget purposes.

Budget Presentation (CourseCo)

Bugbee provided an overview of the proposed budget and explained that the revenue numbers are broken out per round. He explained that "tournament" rounds are designated for more than 16 players and that they have been reported differently in the past. Bugbee stated that memberships are an area where definitions are important as memberships are counted as the number sold, not couples or social members.

Councilor Boero asked about discrepancies in the total rounds/revenues and Bugbee reported that there were inconsistencies in the historical data. Bugbee described the basis of the budget calculations noting that merchandise is calculated by dollars per player, food and beverage by average dollars per player, and non-golf events including Rotary luncheons, weddings, etc. Councilor Boero noted the cost of goods sold and Bugbee indicated that the numbers were derived from similar properties and are not historical numbers. Bugbee stated that CourseCo negotiates national sales discounts for merchandise thereby reducing the cost of goods sold.

Don Noldge asked about the reduction in the food and beverage numbers and if new vendors were being contracted with. Bugbee stated that the food and beverage numbers are realistic and are broken down by category (liquor, snacks, food) and by members and events. Tom Isaak noted additional factors in the food and beverage numbers including waste and incorrect ringing in of sales. Bugbee explained that member payments are received typically in December and January, so income is skewed. Noldge asked about revenue from golf lessons and Bugbee indicated that lesson revenue had not historically been recorded.

Bill Saling asked about marketing efforts and Bugbee indicated that CourseCo will be supporting several marketing activities. Noldge asked about specific advertising costs and Bugbee reported that these costs are part of the General Administrative line items, noting that sales materials/collateral are part of the printing line item. Bugbee explained that marketing efforts have four categories: general, SEO (pay-per clicks), print marketing (magazines, newspapers), and golf shows (attending both Portland and Seattle shows next year).

Boero asked about non-labor costs and also stated he would like to see how much is being spent on marketing over time. Isaak noted that there will be personnel costs for marketing including the head pro doing outreach and the hiring of a sales manager to do event sales. Saling suggested marketing to other country clubs and utilizing the Central Oregon Visitors Association (COVA). Isaak stated he met with COVA and understands the importance of reaching out to pros at other clubs.

Doty stated that a motion was needed from the Commission regarding using the proposed budget numbers in the City's budget process. Doty noted that the budget shows \$105K available for debt service. Bugbee stated that the budget is moderately aggressive. Noldge pointed out that the revenues are based on current rate greens fees. Boero asked about the beginning balance for next year and Doty noted that it will be a Council decision regarding the debt service payment. Doty stated that if this budget is approved, it will become part of the City's budget and that contract provisions with CourseCo will be in effect if the budget is not met.

Klotz asked about the capital improvement fund, noting that there are no funds at this time in the budget. Isaak stated that capital improvements are important and that they would operate on direction from the City regarding capital replacement. Isaak stated that they will submit a 5-year capital plan recommendation for next year. Summer Sears noted a \$65K capital improvement item on the City's budget.

Klotz noted that part of the greens/membership fees go towards capital improvements. Doty stated that the City is holding that cash for capital improvements and that for those funds to be used, a supplemental budget would be required. Jason Neff indicated that a contingency could be put in place which would require Council approval for use of the funds. Boero stated he would like to see a capital improvement planning meeting that would be part of future budgets.

Klotz expressed interest in establishing how a portion of the fees are allocated for capital improvements as a capital reserve contribution. Doty noted the intent of the City is to honor what members are paying. Doty will follow up with Bugbee and Isaak regarding a capital plan as well review the membership agreement and operation contract to make a staff recommendation. Attendee Bob Cooper stated he would be willing to participate on committee to review a capital reserve plan.

Saling made a motion to approve the Budget-Summary of Operations for FY 11/12 as submitted by CourseCo, (second by John Brenton; all in favor, no opposed, no members abstained from the vote). Doty noted this will now go to the City's budget committee.

Other Issues as Raised by Operator

Bugbee stated that they will continue to work on transitioning with staff and members. Doty asked about the pro shop inventory and Bugbee noted that they are selling off some stale inventory at reduced prices. Bugbee stated that there will be no impact on the budget for restocking inventory.

Klotz asked the Commission if they had any specific questions regarding the operator contract. He noted the definition of "senior" in the contract is age 65; current membership status states "age 60 and over" is considered "senior." Bugbee stated that there is not a "contracted" senior rate so there is no issue.

Klotz asked for clarification of references to "City" and "Director." Doty noted that immediate action items go to the Public Works Director and budget items are City issues. Klotz also asked for clarification on insurance and liability of the Commission. Doty noted that the Commissioners are not personally liable as they are an advisory board to City Council only.

Determine Future Meeting Dates

Doty indicated that the meetings should take place after the 20th of the month so that there is time to prepare the monthly budget for review. After additional discussion the Commission agreed to meet on the 4th Thursday of the month at 2:00 pm at the Juniper Golf Course.

Boero noted that he would like to see a marketing plan within the next three months and a meeting devoted to the capital improvement plan within the next six months. Klotz indicated that review of the financials would be a standing agenda as well as a course report. Boero noted the need for a membership report and information on upcoming events at the course. Doty reminded the Commission that the business and marketing plan is a function of this group and should be presented with the budget. Doty stated he would like to discuss the marketing plan and capital plan at the next meeting.

PUBLIC COMMENTS

The Chair asked for public comments. Attendee Ron Grace noted that he was pleased to see City Council members at the meeting.

ADJOURN

There was no further business. The meeting was adjourned at 3:10 pm.

Next Meeting: The next meeting will be held on April 28th, 2011, at 2:00 pm at the Juniper Golf Course.

APPROVED by the Juniper Golf Commission and SIGNED by the Chairperson this 28th day of April, 2011.



Chairperson