



DRAFT

JUNIPER GOLF COMMISSION

Juniper Golf Course, 1938 SW Elkhorn Avenue, Redmond, Oregon

Minutes

May 27, 2014

Commission Members: Paul Klotz, Pam Garney, Don Noldge (absent: *John Brenton*; 1 vacancy)
City Staff: Jason Neff, *Finance/Budget Manager*; Cameron Prow, *TYPE-Write II*
CourseCo/Juniper Staff: Steve Bratcher, *General Manager*
Media/Others: None

CALL TO ORDER

Chair Klotz called the meeting to order at 9:07 a.m. with three of four Commissioners present, establishing a quorum.

PUBLIC COMMENTS (*Items Not on the Agenda*)

No members of the public were present.

APPROVAL OF MINUTES

Motion 1 (3/0/0): Commissioner Noldge moved to approve the April 22, 2014, minutes. Commissioner Garney seconded the motion which passed unanimously.

DISCUSSION/DECISION ITEMS

1. Monthly Update and Review of Current 2013-2014 Financials

Mr. Bratcher reviewed (PowerPoint) financial performance of golf operations for July 2013 through April 2014. **July-December 2013:** The number of Rounds (17,671) was down a bit compared to the budget (18,560), but slightly higher than the prior fiscal year (17,560). Total revenue was \$918,025 which was \$80,000 less than budget (\$998,450); net cash flow (\$89,244) was only \$240 above budget (\$89,004).

January-April 2014: He attributed the 46 days of little-to-no-revenue primarily to weather; February was the worst month with 17 days of \$0 revenue. Expenses were close to budget; however, revenue for this four-month period was down significantly.

Year-to-Date: YTD expenses were \$73,000 under budget, but this performance was not enough to offset the loss of revenue. Administration YTD was \$980 over budget, mainly from an 8% increase in insurance costs. Golf Operations YTD was \$38,204 under budget, due mostly to labor cost controls. Maintenance YTD was \$39,362 under budget due primarily to labor, material, and chemical cost controls. Food & Beverage YTD was \$3,360 over budget due to new employees with benefits. Cost-cutting exercises saved \$30,000. Nearly \$44,000 was saved in labor by sending people home when nothing was going on. Juniper staff have not been happy about the cuts but have been loyal and, for the most part, understand the need to reduce expenses. Expenses cannot be cut much more without impacting operational efficiency. Mr. Bratcher summarized strategies he implemented to reduce costs over the winter and said the management team is working hard to get back on track.

Mr. Bratcher asserted that the financial health of fiscal year (FY) 2013-2014 will depend on how well May and June perform. May has been doing better based on the improved weather. He discussed the impact of losing the Oregon Open and changes required if Juniper were to do this again. Event revenue has grown from \$32,074 (1st six months after implementation) to \$159,714 as of June 30, 2013. Based on event revenue of \$131,419 as of May 1, 2014, and bookings, he is expecting May and June to generate \$50,000. Juniper is well known in Central Oregon for good service and good-quality food and has 10 Christmas parties booked for 2014. Growth of this revenue source is limited by the size of the room, time of day, and number per day. He presented Profit and Loss Statements for April and YTD ending April 30, 2014.

Commissioner concerns included risk of staff turnover due to lack of steady work.

2. CourseCo Report/Operational Update

Mr. Bratcher reported that Rounds are down 3% nationwide. He explained how his Tee Sheet Management Program, implemented in mid-May, increased the number of Rounds and revenue. Total revenue gained for May 15-21 was \$2,335 (average \$333.57 per day) and for May 22-28 was \$4,164 (average \$594.86 per day). In time, this program may help make up for losses in membership. CourseCo administers this type of program for all their courses. Juniper's main competition comes from Aspen Lakes, Crooked River, Eagle Crest, Lost Tracks, Meadow Lakes, River's Edge, and Widgi Creek.

Mr. Bratcher summarized other strategies he is employing to improve operational performance, such as more aggressive marketing, ads in local papers, membership retention programs (Black Cards, monthly dinners), new member incentives, better player development, social member structure, and new events (four weddings last year, eight this year).

Guest Survey Results: Mr. Bratcher handed out a survey form, which requested feedback on the Golf Course, Golf Shop, Helpfulness of Staff, Food & Beverage, and Overall Experience. He reviewed Member and Nonmember ratings as well as comments of the 70 respondents in May 2014. Member ratings were lower than those of Nonmembers but all scored higher than 4 out of a possible 5 points.

Memberships: Mr. Bratcher presented membership statistics including conversions and discussed their significance. As of May 27, 2014, there were 236 members (102 Social). The spring membership promotion generated 23 new members, 3 of which were Full memberships, but 26 canceled, so the net gain was -3. Response to the Black Card Program has been mixed, but he is committed to making this program work. The monthly dinners are going well. The only negative complaints have been from people wanting more drinks free than coffee and soda.

Partner with Community Programs: Bluebird houses, installed as part of the Bluebird nest project with Obsidian Middle School, are now in use. The Osprey Pole has a potential tenant.

Upcoming Events: June 15 (Father's Day Special), June 12-15 (US Open Promotion), June 21 (monthly Membership Dinner and Bounty Get Golf Ready clinics), July 4 (outside BBQ lunch, City of Redmond Parade cart and booth sponsor), July 19 (monthly dinner/buffet), July 17-20 (British Open Specials).

Staffing: Jeff Roundtree has been promoted to Assistant Superintendent. Sheryl Mobley is the new Marketing Coordinator, replacing Carol Burnett who retired.

Commissioners discussed potential income vs. damage from playing the greens during winter months, financial and branding impacts of enforcing a collared-shirt dress code, overcoming the impact of Central Oregon winters, discounting Round costs vs. customer re-education, impact of the Internet on golf sales, percentage of tee times not filled, effectiveness of discounting the new membership rate, allowing 50/50 memberships (Full and Social), effectiveness of converting

Social memberships vs. recruiting new members, average monthly revenue from each Full member, and increased social opportunities from the Black Card Program.

ACTION ITEMS (None)

COMMISSIONER COMMENTS

Commissioner Vacancy: Chair Klotz requested a status report on recruiting a new commissioner to replace Bill Saling. Commissioners discussed recruitment sources (group reviewing how the City functions), residency requirements, qualifications, and potential candidates. Mr. Neff said the vacancy will be posted on the City website. He summarized the application process and requested assistance in recruiting a new commissioner.

Juniper Corporation Checking Account: Commissioner Garney summarized the background of this issue. The City left \$10,000 in this account to cover outstanding bills and a potential lawsuit. The board of directors has not been dissolved and is paying a Certified Public Accountant \$250 per year to prepare an annual tax return for a corporation with no activity. She recommended closing this account and transferring the balance (\$9,000 approx.) to the golf course's Capital Maintenance Fund. Mr. Neff said he has been working to resolve this situation for two years but has been unsuccessful due to issues outside his control. Commissioner Noldge suggested the City Attorney write a letter. Commissioners requested monthly updates until this situation is resolved.

Community Relations: Commissioners expressed concern about the impact of two recent editorials in *The Redmond Spokesman* on how the golf course operates. Following discussion on ways to counter negative publicity, Commissioners agreed by consensus to conduct a workshop at their June meeting on how to better communicate the long-term economic impact of Juniper Golf Course on the City and other positive impacts on the Redmond community.

STAFF COMMENTS (None)

PUBLIC COMMENTS

No members of the public were present.

ADJOURN

With no further business, Chair Klotz adjourned the meeting at 10:38 a.m.

APPROVED by the Juniper Golf Commission and SIGNED by me this _____day of _____, 2014.

ATTEST:

Paul Klotz, Chair

Jason Neff, Finance/Budget Manager