



## JUNIPER GOLF COMMISSION MEETING MINUTES

Date and Time: 28 April 2011; 2:00 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; Jason Neff, Finance/Budget Manager; Susan Bailey, Public Works Administration

CourseCo/Juniper Staff Present: Tom Bugbee, CourseCo; Bob Sommers, General Manager

Media/Others Present: Bob Cooper, Ron Grace, Jim Flaherty, John Severson; Juniper Members

### **CALL TO ORDER**

Paul Klotz called the meeting to order at 2:00 pm and asked for public comments.

### **PUBLIC COMMENTS**

A member of the public thanked CourseCo staff for the great job on the appreciation dinner for Patrick Reilly.

Klotz paused the meeting so a photograph of the Commission members could be taken.

### **DECISION ITEMS**

*1. Approval of Minutes from 27 January 2011*

Noldge moved to approve the minutes, seconded by Saling, motion unanimously passed.

*2. Approval of Minutes from 03 March 2011*

Noldge moved to approve the minutes, seconded by Garney, motion unanimously passed.

### **ANNOUNCEMENTS**

Klotz called for announcements and none were presented.

### **DISCUSSION ITEMS**

*1. Monthly Update and Review of Current Budget*

Bugbee noted that the financials provided are both the February and March results, and that a prior year column will be added for historical reference. Bugbee reported that the revenue shortfall the first two months was mainly due to the weather. He cited that the dollars per player numbers are close to and over what was budgeted. Bugbee discussed the re-alignment of the point-of-sale system. He reviewed the expenses and stated that things are going well with labor savings, noting that the maintenance expenses did not reflect a full staff the first six weeks due to staff leaving. There was a \$2,000 savings in March because they did not irrigate the course.

Bugbee discussed marketing savings in the administrative department and how they have been working with vendors. He noted a \$5,000 delayed expense due the purchase of range balls being held. *[Councilor Boero joined the meeting.]* Bugbee noted that a full staff has been hired for maintenance. Sommers stated that they are very happy with the maintenance crew. Bugbee reported that they have punched three fairways.

Boero asked about membership in comparison to last year's numbers. Bugbee explained that the formats used for calculating the figures are different from previous formats and may not be accurate. Boero asked about the number of memberships and Sommers reported that 23 memberships have been added since February, with about 270 total members. Klotz asked about accounting for members paying up front and Bugbee reported that it is spread out through the year. *[Brenton excused himself from the meeting.]*

Garney asked about the new cart lease program. Bugbee indicated proposals from three companies and that they are still negotiating. A member of the public asked if the employees receive health insurance and Bugbee answered that full time employees do. Doty noted that on a quarterly basis a detailed budget document could be given to the Commissioners for review.

## *2. Managers Report/ Operational Update*

Sommers reviewed his first 86 days at Juniper Golf Course citing the cold weather and snow. He noted that membership is critical and that membership has grown. Sommers stated the challenges of replacing Patrick Reilly, the superintendent, and that approximately 100 applications were received for the position. Kurt Noonan was selected as the new superintendent and is doing an outstanding job. Additional grounds crew has also been hired.

Sommers reported that he has been networking with community members and businesses, and will host a Chamber Coffee Clatter in June. Sommers will partner will local businesses to market the course. In May, Stuart Allison will return as a teaching golf professional and various clinics and instructional opportunities will be available. Sommers provided an overview of club news including the dinner and golf tournament for Patrick Reilly.

Sommers stated that he is focusing on strategies to bring in more business as the golf season approaches. King asked that a copy of Sommer's report be provided to Commissioners and Council. Doty noted that a quarterly report will be given to the Council from the Commission and that he will schedule it for June. Garney asked about the search for a Sales and Marketing person. Bugbee reported that the first phase was not successful but they are confident that they will find someone. They have one candidate however, do not want to make a quick hire. Boero asked about the restaurant closing at nighttime and what the future plans were. Sommers indicated that starting in May, the restaurant hours will be 7:00 am to 8:00 pm, and as needed, with closures due to weather. Bugbee noted a set schedule during the peak season. Saling cited excellent service over the weekend. Doty asked about the intermittent closure days and the possibility of providing some sort of signage in the parking lot to communicate the closure. King noted the importance of letting golfers know the restaurant is closed. Sommers stated that they check to see how many people are on the course before they close the restaurant. Noldge noted the access to the restrooms when the clubhouse is closed. Noldge stated that Sommer's "open door" policy was appreciated.

## *3. Marketing Plan*

Bugbee discussed the marketing plan and gave an overview in terms of first and second year. He stated that he worked with Nancy Devine as a consultant to provide her perception of the course. Bugbee noted that Sommers will set a schedule for the execution of the plan, with committed local, regional and national dollars. Bugbee explained that the majority of marketing efforts would be local and free through e-mail and web marketing, targeting 2,500 golfers from the database. Bugbee noted that there will be less hard numbers and data in the first year and they will be better able to assess results in the second year. Doty asked about how the database was populated. Bugbee indicated that information would be gathered from front counter, e-club, and golf shows. Boero asked about collaborating with the neighboring expo center and developing a marketing plan for every group that comes in. Bugbee indicated that they have worked with the expo center to get information to attendees prior to their arrival.

Boero asked about the food and beverage sales and if any special dinners were planned to get people out and reintroduced to the course. Sommers noted that a new menu will be rolled out and that there will be some evening events. Boero noted the 4<sup>th</sup> of July fireworks show. Saling suggested developing a connection and building a relationship with the Channel 21 sports reporter. Doty indicated that there is a shortage of holiday brunch options in Redmond and focusing on Mother's Day, Easter, etc. Garney noted previous events were not well advertised. Sommers indicated staffing limitations and the need to wait until they can do it right. Klotz noted Sommer's "open door" policy to share marketing ideas. Bugbee explained that the marketing person will be salary plus commission, so will be motivated to plan events.

#### 4. Capital Plan

Bugbee reported on the capital plan and noted that a capital equipment list will be completed in a few weeks. The plan is currently small and includes a new computer server and the replacement a point-of-sale terminal. Bugbee indicated that the new range ball machine would need to be enclosed to protect the electronics and insure security. He suggested an outdoor PA system which would save in labor dollars. Bugbee also noted that two ovens in the kitchen need to be replaced within the next year and should be scheduled for the 2012-13 budget year. Boero asked if the range ball machine would increase revenues and how much revenue could be anticipated. Sommers reported that an estimated \$1,500 to \$2,500 per year is lost in tokens. Bugbee will put together estimated revenue numbers.

Noldge inquired about the process for utilizing the capital account and the specific policies and procedures if something needed to be expedited in the event of an emergency. Doty noted that the City has the ability to respond to emergency situations. Bugbee cited that they have access to demonstration equipment from vendors if needed to cover in emergency situations such as replacing the ovens in the kitchen. King asked about longer term considerations and reserves such as building rehab. Doty stated that the City is responsible during the budget process to provide a capital plan based on input from the operator. Doty noted the City can determine if profit should get applied to debt service, other expenditures or building reserves.

Bugbee will have a capital plan for the equipment to the Commission within the next two months. Doty stated that the Commission takes an annual operating plan to Council, so no action is needed today. Doty indicated that a full packet with the capital plan will be given to Council for the next budget. Klotz asked about the ball machine and if it would provide flexibility for other fees.

#### 5. Capital Fee Discussion

Doty reviewed the prior practice of setting aside a portion of member dues and greens fees as a capital maintenance fee. Doty addressed the question of what happens to the current fees and prior allocation of dues payments. Doty reported that in prior years the capital maintenance fee was an isolated fee on top of dues, and that new membership fees also referenced a portion of the dues being a capital maintenance fee. Doty indicated that nothing obligated the City to honor that, however, the intent is to utilize the funds collected for capital maintenance and that an amount of \$66,000 was carried over. Doty stated that there is ownership in the fund by the club members to use the funds for capital maintenance.

Doty asked for motions from the Commission regarding capital fees and explained that the motions referenced in his staff report would authorize the drafting of a policy and clean up the membership agreement to remove any reference to capital fees. A member of the public referenced a membership letter he received in 2009 stating that \$10 would go to a capital assessment account. Doty noted that this was a budgeting practice by the prior the operator. Doty indicated that the intent of the City is to let members know that their agreements would be honored, and to maintain the course long-term and make capital investments when appropriate. Doty reported that funds are being held for capital maintenance, as they were originally set aside for, recognizing that they are an investment by Juniper members. Doty cited \$66,000 set aside in the City's budget as a reserve.

Noldge is in favor of a policy for appropriating dues for operating and capital maintenance. He inquired if tracking was done and if the \$66,000 was the true amount. Noldge stated the policy should be continued and funds should be reflected on the financial statement. Neff noted that the fund is an enterprise fund, referenced as a "reserve account" in the budget, and it cannot be used for anything other than the Juniper Golf Course. Doty noted the priority for spending funds and whether they should go to debt service or capital reserve. A member of the public noted the original \$10 fee was created by the Juniper Member Board to help keep dues from being raised.

Klotz noted that there are two issues; first, that the \$66,000 is intact and set aside, and second, that there is a prudent plan going forward. Doty noted the two motions in front of the Commission and that there needs to be clarity in how capital maintenance fees are identified as member fees. Doty stated that the City assumes the risk for capital replacement. A member of the public asked that Sommers provide an explanation of the fees in the newsletter. Klotz concurred that some sort of member communication needs to clarify the fees.

Saling moved, seconded by Noldge, to authorize City staff to draft a policy for review at the May 26<sup>th</sup> meeting which documents the intent of the Juniper Golf Commission regarding the expenditure of reserved capital funds obtained through the transfer and transition process from Juniper Golf Club/PBC. The motion was unanimously approved.

Saling moved, seconded by Noldge, to direct CourseCo, Inc. to amend the Membership Agreement "Addendum A" to remove any reference to capital fees. The motion was unanimously approved.

Klotz noted that CourseCo only needs to maintain this structure for one year and then they can change it if needed. Doty noted that member agreements should not specify any type of capital account. Neff reported that the current budget will get approved and funds would not be able to be spent until next the next fiscal year. Neff asked if any funds needed to be allocated for use this year. Doty noted that funds could be held for this year.

**PUBLIC COMMENTS/COMMISSIONER/STAFF COMMENTS**

Klotz asked for public and staff comments.

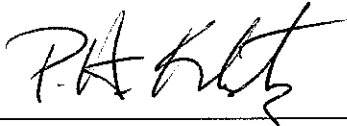
Noldge asked about when the bonds for the course expired and if they could be renegotiated. Neff stated that they expire in 2026 and that they can be renegotiated at the 10-year mark, indicating that it would be another 5 years.

**ADJOURN**

There was no further business. The meeting was adjourned at 3:46 pm.

Next Meeting: The next meeting will be held on May 26<sup>th</sup>, 2011, at 2:00 pm at the Juniper Golf Course.

APPROVED by the Juniper Golf Commission and SIGNED by the Chairperson this 26<sup>th</sup> day of May, 2011.

  
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Chairperson