

Questions – Parks and Recreation Committee

At the August 27, 2014 Parks & Recreation Committee meeting several people spoke and had questions of staff and the Committee. Chairperson Croatt asked the participants if they wanted the questions answered at the meeting or if they prefer them answered and posted on the City's website. The participants chose them to be posted on the website. Please find the questions and answers below.

1. Of all the other municipalities that were mentioned in the report, how many of them are forced to use city/county staff to operate their golf course (Course Maintenance)?

Based on the information provided from the other municipal courses, the employees are permanent, part-time and/or seasonal. All municipalities must adhere to the Wisconsin State Retirement System requirements for permanent employees. Wage and benefits for part-time and seasonal staff are generally based on City/County compensation plans and personnel policies.

2. Why is depreciation considered an expense when there is no actual expenditure for personnel, supplies or services?

This question will be answered by our finance department whom has the explanation for this accounting practice.

3. Was a consulting report prepared for \$4650 as noted in account # 6404-Consulting Services?? If so, has the Parks and Recreation Committee seen a copy of the report? Is the report available to the public?

No, the proposed 2015 Golf Course Operations Budget includes \$4650 for Consulting Services (Account #6404). These services include soil testing to meet Nutrient Management Program, USGA course assessment, course and/or building engineering services, irrigation system services, etc.

4. Do we have a consultant at the disposal of the City to make recommendations for the golf course?

The Department does not have a consultant under contract to prepare recommendations related to golf course operations.

5. Why is the Golf Course Superintendent's salary in 2015 less than 2014? Is the Superintendent position also being reduced to support the report?

The 2014 budget was developed in July 2013 and approved by the City Council in November 2013. At the time the budget was both developed and approved, Doug DeVries was the Golf Course Superintendent. Mr. DeVries was employed with the City of Appleton for over 32 years and was at the top of the salary schedule. Mr. DeVries retired from the City of Appleton in 2014, so the salary projections for the 2015 budget were reduced to reflect the new Golf Course Superintendent being hired at a lower level of the current compensation schedule.

6. Has the salary for the proposed clubhouse manager position in 2015 been reduced to fit the budget?

The Clubhouse Manager position has been budgeted as a 10-month position.

7. Why are the 2015 green fees revenues used in the projections the same as 2014 budget even though the year to date 2014 revenues are projecting higher than budgeted?

Although the current 2014 revenues are currently higher than budgeted, there are still several months before the end of the season. There are numerous variables that could impact the revenues collected in the remaining golf season, so revenues are conservatively projected for the next fiscal year unless there are noticeable and consistent trends that would allow for an adjustment for the next budget year.

8. Is the course really losing money if depreciation is excluded from the budget analysis?

With or without depreciation, the course is not able to meet operational, capital and debt payments on green fee revenue alone.

9. Does the proposed 2015 include expenses for operating the golf carts?

The Golf Course Operations Budget has always included the fuel for the golf carts since Mr. Gassner purchased his fuel from the golf course. Staffing costs for fueling, daily preparations, etc. are included in the part time wages in account #6108 and fringes in account #6150.

10. Why are the wages of approximately \$15,000 for other City staff allocated to the golf course?

The report submitted to the Parks and Recreation Committee indicated the 2014 budget includes the following allocation of other Department/City staff to the Reid Golf Course Operations Budget: Director of Parks, Recreation and Facilities Management - .05 FTE; Parks Planner - .05 FTE; Administrative Services Coordinator - .025 FTE; Recreation Administrative Assistant - .05 FTE; Customer Service Accounting Supervisor - .05 FTE. The wage and benefits for these employees in 2014 is \$\$21,257. The work responsibilities/duties of these staff members are identified in questioned #12.

11. What are the work responsibilities/duties of these City staff and value added to the golf course and why is charged to the golf course and not the general fund?

These City staff members provide a variety of administrative and program support to the golf course including but not limited to: processing payroll; processing invoices; coordinating technology services for the golf course such as telephone, computer networks, software programs, etc.; programming computer software to document the sale of green fees, passes, coupons, promotional rounds, etc.; marketing such as bi-monthly email messages, clubhouse/course displays and posters, registration forms for special events, radio/print media promotions, website management, etc.; administer contract to ensure compliance with contract requirements such as collection and documentation of all clubhouse operations financial transactions, submittal of necessary reports, securing required permits/licenses, daily

clubhouse management responsibilities, etc.; preparation and submittal of permits to State of Wisconsin; personnel management of City staff; acquisition of supplies/services for golf course operations; administration of service contracts; facilities management and capital project development and implementation.

12. Were the cost of the 8 security cameras installed in the clubhouse and monitoring costs included in the P & L Report for 2014?

No, the camera upgrades were part of the city-wide security system upgrade. To remain compatible with the city system, these cameras were replaced.

13. What is the impact of the department's greater involvement in the golf course and will it impact the golf course's ability to recover some of the lost revenues if the operational method is changed?

The Department has reviewed other golf courses, current trends in the golfing industry, current operations, participation numbers, etc. and would explore the following opportunities to expand its customer base and use of the golf course:

1. Expand Youth Programs. The current sales report through August 31, 2014, indicates seventeen (17) youth participated in the Junior Golf Lesson program and four (4) in the Junior Golf League program. The Junior Division of the City Tournament had twelve (12) participants. The Recreation Division has a strong history of providing quality recreation programs to the community that are well-attended and establish a foundation for continued participation in the activity by the program attendees. Utilization of a variety of marketing efforts has resulted in strong participation levels for youth programs. The Recreation Division has also established strong working relationships with various group/organizations in the communities to provide recreation programs. The Department would use their expertise, marketing efforts and community connections to expand youth programs at Reid Golf Course.
2. Expanded Electronic Marketing. Real-time pricing of available tee times have increased revenues for golf courses that actively manage their tee sheets and promote open tee times. An initial review of the current tee sheets, sales reports, cancellation reports, utilization reports, etc. indicates there is an opportunity to expand daily fee rounds by accurately managing the tee sheet and offering available tee times, historically slower times, cancellations, etc. through electronic marketing and online reservations.
3. Expand Programming to All Golfers. As noted earlier, the Recreation Division provides recreation programming for all demographic groups in the community. Programs/activities/events would be explored for individuals/groups where golf is experiencing growth or growth is available. Examples include: Couples' leagues; group lessons; expanded programs for women; lessons for minority communities; Parent/Child lessons; 6-hole programs; etc.
4. Special Events/Activities. Offering special events and/or activities expands the appeal of the golf course and increases revenues. Special events/activities include Big Cup Tournaments, FootGolf, Couples Night Out, Senior Buffets, Equipment Demonstration Days, Family Days, etc.
5. Coordinated Promotions. Self-operating the clubhouse allows the City of Appleton to coordinate all customer service activities and offer promotions that may include combinations of rounds of golf, cart (s), food/beverage and/or merchandise.

14. Why are the proposed 2015 green fee revenues the same as 2014?

See answer to question # 7.

15. Has the Department considered how the loss of revenues will be addressed if the City of Appleton terminates its contract with GNOBOGEYS, LLC and golfers do not return in 2015?

A change should not have a significant impact on revenues. Generally speaking the majority of golfers play at a course because of course conditions and overall value. A small percentage of golfers may feel obligated to not golf at Reid in the future. These losses may be offset by other golfers who continue to find Reid a great course at a great value and other opportunities as listed in question 14 above.

16. What additional costs will the golf course incur to recover the loss revenues if the contract with GNOBOGEYS, LLC is terminated and golfers do not return in 2015? (Marketing, etc.)

The report submitted to the Parks and Recreation Committee recognizes the connection established between the current clubhouse manager and some of the golfers, but it is difficult to determine what impact a decision to self-operate the course would have on revenues. The proposed 2015 budget includes resources to self-operate the golf course with some adjustments in staffing, supplies and services to address the change in operations.

17. How many youth participated in the 2014 Jr. program offered by GNOBOGEYS, LLC?

The sales report from the Fore! Reservations Point of Sale (POS) system for Reid Golf Course through August 31, 2014, show seventeen (17) youth were enrolled in the Junior Golf Lesson program and four (4) in Junior Golf League program.

18. What was the role of the Golf Advisory Committee in this recommendation?

The current charge of the Golf Advisory Committee is to “provide a forum for golfers of all abilities and interests to review and make recommendations to the Department on golf course operations, solicit feedback and input from other golfers and serve as a sounding board to the Department on golf course programs, capital improvements, fees and rates, and general course conditions.” Advisory committees are not expected, nor given the responsibility to make financial or significant operational decisions.