

Golf Committee Meeting  
August 9, 2016

Present: Greg Ferris, At-Large, Leon Lungwitz, District IV, Cindy Renard, District III, Richard Schodorf, District V, Michelle Haun, Troy Hendricks, Shana Appelhanz, Scot Weller, Steve Blaske

Absent: Troy Palmer, President, Chair, Dr. Michael Williams, District I, Blaine Knott, District II, Debbie Burch, District VI

Meeting was called to order at 4:06pm.

**Approval of Minutes from 7/5/2016**

Ferris made a motion to approve.

Schodorf second.

**Rounds/Expenditures**

Hendricks stated that rounds and revenue were both down 2% for July. Year to date rainfall has been amazing so far. We have already exceeded the average rainfall for the year at the end of August. Net income is down 2%. Expenditures and encumbrances are up 12%. Net income is down 135%, but this is incorrect. Finance and the controller's office booked half of the debt service to Auburn Hills. This will be adjusted. Once this is corrected, we are comparable to 2013. Expenditures are still up. We are still looking into a few other items, such as the water bill at Clapp and cart expenses. Additionally, labor costs are high at Clapp and Auburn Hills.

**Golf Cart Update**

Hendricks stated that the green sheet for the new golf carts will go to council on the 23<sup>rd</sup>. The funding source is a loan from the Park Department and the balance will be from the landfill fund.

Ferris asked why we are paying the loan back in three years rather than 10.

Hendricks stated that we would like to be able to borrow money again in three years.

Ferris stated that he has been taking a closer look at our cart situation. He determined that the savings would pay for a new cart fleet within 10 years.

Hendricks stated that it cost an average of \$505 to operate an electric cart versus \$248 for a gas cart per year. He stated that we will be saving approximately \$250 per cart, per year.

Ferris stated that would be saving us \$75k per year.

Hendricks stated that MacDonald only paid \$3000 for cart maintenance in 2015, since they received 30 new carts in 2013.

Ferris stated that we need to convince the city that we can bond these carts over 10 years, in order to replace the entire fleet.

Hendricks stated that Mark Manning said the asset has to cost more than \$5k per cart in order to bond it and they won't bundle the cost.

Ferris stated that we need to go to council to make this happen.

Lungwitz stated that the bad carts are bringing down the image of our courses and it is becoming a safety issue.

Ferris stated that nicer carts would probably rent more often too.

Lungwitz asked if we can purchase used carts.

Hendricks stated yes.

Ferris stated that you can't bond used carts and you would lose the three to four years where there should be minimal maintenance cost.

### **Open Discussion**

Schodorf stated that golf is a business, but it is not being operated as a business. The Park Board is a tax supported entity which provides services to the community. When golf needs more money all we can do is raise fees. We have numerous business decisions that need to be made.

Hendricks stated that the debt service is still the biggest drain on the golf system.

Lungwitz stated that if we are paying the city directly for debt service, then the city should be able to forgive the amount or reduce the amount, or at least extend it out.

Schodorf asked when the courses are going to be run like a business.

Hendricks stated that we will have two meetings in September. The mayor is planning to attend our regular meeting on the 27<sup>th</sup>. We will also have a joint meeting with the Park Board on the 12<sup>th</sup> because it seems some of the things the committee is trying to get done get stalled at the Park Board.

Ferris stated our Park Board representative no longer comes to any meetings.

Lungwitz stated that we should lay out a plan to discuss with the mayor when he attends our meeting.

Ferris stated that as an enterprise fund, the GAC should be appointed directly by the council, not by the Park Board.

Lungwitz asked if we can ask the mayor to explain our role.

Schodorf stated that we need to tell him what we want and need.

Ferris stated that if golf is expected to be an amenity, then the city should fund more. We should know how many people use the golf courses. Three things we need to address with the mayor include 1) GAC should be accountable to council, 2) city owes us \$2 million and 3) if we can demonstrate we can buy something, finance shouldn't tell us that we can't.

Schodorf asked if we can have something to give the mayor.

Renard asked if the Park Board would have any say in changing who the GAC reports to.

Ferris stated no. Council can do whatever they want. Land that is deeded to the Park Board is something that we cannot make decisions on.

Schodorf moved that the three items be given to mayor.

Ferris second.

Voted 3 – 1

Renard opposed.

Hendricks stated that we will have the plans about the ponds at MacDonald for the mayor too.

**Next Meeting September 27<sup>th</sup>**