

1. Eddie Fahnestock calls meeting to order at 3:02PM
  - a. Attendance
    - i. Eddie Fahnestock
    - ii. Troy Hendricks
    - iii. Rowan Cooper
    - iv. Shana Appelhanz
    - v. Cory Rainwater
    - vi. Tom West
    - vii. Dale Goter
    - viii. Richard Schodorf
    - ix. Mstavola
    - x. Emma Li-Wormington
    - xi. Greg Farris
    - xii. Golf Nut
2. Eddie Fahnestock welcomed everyone to the meeting and informed everyone he would like this to be a direct and positive discussion about how we will meet this year's budget shortfall.
3. Eddie Fahnestock asks if Budget presentation was just Monday or would also be presented today.
  - a. Troy states that the City's Budget office presentation was just for Park Board's meeting on Monday.
4. Eddie opened the floor to the board for questions for staff.
5. Tom West asked what is the actual number of dollars we need to make up?
  - a. Troy responded about making up budget shortfall
    - i. At the beginning of the discussion it was stated we need to reduce our budget by \$342,000.00
    - ii. There was several ways that staff, the City Manager, and Mr. Houtman discussed regard how to make up this deficit:
      1. Closing courses (not the preferred choice)
      2. Starting furlough earlier (preferred choice)
    - iii. Last week the Budget office increased the budget deficit to \$507,000.00.
  - b. Staffed used the 203 reports to look at year end numbers (December 2019) and the month of May of 2019 as comparison.
    - i. These reports show what was budgeted for the year, what was spent and the savings.
  - c. Troy moved to showing the crosswalk and explained how we came up with the savings plan
    - i. This is how Mr. Hendricks came up with the saving expense
    - ii. We reduced it and hid the lines that were irrelevant.
    - iii. Used the Auburn Hills Maintenance as an example:
      1. Part-time staff is budgeted for \$68,072.20 in 2019, what was spent was \$50,522.43, this is roughly an \$18,000 savings.
      2. Savings was developed by subtracting the budgeted numbers versus the actually numbers spent for each category.

3. Looking at the numbers in Period 5 (May 2019) we spent \$10,315.00 on staff.
  4. This year because we were in the process hiring when the COVID-19 shut down happened we only spent \$1,871.00 in seasonal staff.
  5. These numbers totals to about \$25,993.00 in savings, which is how we will make up the budget short fall and continue to staff our course for the balance of the year from June 2019 to end the end of the year in 2019.
- iv. This method was used with all the line items and generated a total savings.
  - v. For example, for electricity we don't have those number because the Controller's office has not put those numbers in the system. So this was calculated by subtracting the budgeted amount from last year and the actual use, which was \$13,000.
    1. So for maintenance at Auburn Hills there would be \$68,366.00.
  - vi. Moving on to the Auburn Hills Clubhouse we looked at the beginning of the year \$119,000.00 for seasonal staff, last year we spent \$76,000.00.
    1. Since the beginning of 2020 we've only spent \$9,500.00, compared to 2019 we had spent \$22,000.00.
    2. With these numbers that means saving for seasonal staff is about \$55,000.00.
    3. The re-inventory for resale is the Snack Bar inventory and the purchases for this line are down because the courses have been closed, or have had limited menu.
      - a. This save about \$10,000.00.
  - vii. This process was done for all four courses.
    1. The savings for Auburn Hills would be \$153,000.00
    2. The savings for Tex Consolver would be \$129,000.00
    3. The savings for MacDonald would be \$81,000.00.
    4. The savings for Arthur B. Sim would be \$68,000.00.
  - viii. On the Admin side there are additional savings as well.
    1. Reducing the advertising budget by \$20,000.
- d. Troy stated we will be saving \$452,000.00 through this savings plan.
  - e. Budget often overestimates costs, this eliminates needs the need to ask for budget adjustments.
6. Troy moved to discuss to the furlough plan.
    - a. Furloughs will be starting earlier this year, at the Budget office's request.
    - b. Courses will be closed for two weeks per golf course instead of four weeks.
    - c. Full-time staff will be furlough for four weeks still.
    - d. Furloughs would be started in September.
      - i. There are no furloughs during Holidays weeks
      - ii. By doing this staff still receive their holiday pay benefits.
      - iii. If staff are not activate on payroll the previous work day then they do not receive their holiday pay the following day.

- iv. Example: Staff are furloughed August 31<sup>st</sup>- September 6<sup>th</sup>, they would not be paid Labor Day, September 7<sup>th</sup>.
- e. Savings would be \$11,600.00 for the Administration portions of furloughs.
  - i. This is only calculating payroll savings.
  - ii. Does not include benefits savings.
  - iii. We will also save due to benefits, because when staff are furloughed the City does not cover their benefits. The employee must cover their benefits during that time.
  - iv. This also doesn't consider the 7.65% of social security.
- f. Savings will be close to \$70,000.00, but could also be more due to these additional factors.
- g. Courses would only be closed in November, December and January, and the beginning of February.
- h. Another reason we are furloughing staff every other week is so staff are not out of pay status for more than a week, because this can affect their retirement benefits, and continuous service for The City.
- i. Dale asked about the big picture- Does this add up to the budget shortfall.
  - i. Troy said it does.
  - ii. Dale asked if this is to balance the 2020 budget or 2021.
  - iii. Troy responded that it is to balance the rest of 2020.
- j. Dale asked are we hoping to not receive budget relief from City Council.
  - i. Troy explained we are submitting this plan to the Budget office and the City Manager.
  - ii. Based on the numbers Budget and Finance gave us if we maintain the numbers of play we had in 2019 we should have a balance budget for 2020.
- k. Dale asked what this plan does to impact the customer, and their experience for the rest of the year.
  - i. Troy explained they should not notice anything because we will still be mowing and still have seasonal staff working the clubhouse.
  - ii. Staff will have the same amount of money to pay seasonal staff as they had last year
  - iii. What we have done is eliminate the excess budgeted funds and cut the money we would have spent during the shutdown.
- l. Dale asked how the revenue is projected, is it solid or is it based on assumptions.
  - i. The revenue projections is put together by the budget analyst.
  - ii. The budget analyst was the one who gave the division the \$507, 000.00 shortfall to make up.
  - iii. The discussion was that number would be comparable to last year's numbers.
  - iv. Dale discussed the importance of revenue in calculating the budget.
  - v. Dale would like to see specific line items in revenue for items such as: Food & Beverage, carts, memberships, etc.
  - vi. Troy stated he will get with Budget to see if he can get that together. The contact would be Sean Sandefur is our budget analyst.
- m. Dale asked if there is a plan for growth.

- i. Troy stated there is always opportunity for growth in rounds and revenue.
    - ii. Dale asked if there is a plan to increase the growth.
    - iii. Troy responded the membership process is a large area for growth.
    - iv. The membership has the opportunity to bring in new golfers.
    - v. Dale stated that Mark Manning focused on the money side on Monday at park board, not so much the new customers.
    - vi. Dale asked to see a month to month performance report on how memberships are progressing, and comparing it to the old pass system.
7. Dale asked for meetings to occur more often instead of once every two years.
  - a. Dale asked for a meeting in six weeks to review actual numbers of cart rental, Food & Beverage, how it compares to the numbers of 2018.
  - b. Troy stated he can get the total numbers on revenue, total number on cart fees, total numbers on green fees, and total number of membership fees.
  - c. Troy stated we can see when golfers get carts and rounds since they check-in under their name in the Club Profit System
  - d. Targeting a specific person at concessions is difficult because they do not check out under their name.
8. Emma Li-Wormington, the Park and Recreation Department's Accountant, asked to address the board about their questions.
  - a. Regarding revenue, the formula Budget used to calculate revenue by using the net loss and net revenue based on last year.
  - b. Emma will send it out the information requested by the board.
  - c. She encouraged the board and staff to to focus on the month by month reports and course by course reports.
  - d. Dale asked what the total revenue is projected at for 2020.
  - e. Emma stated she will get that for the board, but she reiterated that the projected is just a rough estimate.
  - f. Emma also reiterated the fact that the month by month report will be the most helpful.
9. Richard wanted to address sales in clubhouse, and the restrictions due to COVID
  - a. Troy stated restrictions changed this week people are now allowed to sit in clubhouse to eat up to 30 people.
  - b. Richard stated he wants to increase the ambiance and the selction in the concession.
  - c. He has been working to get grants, and has a grant writer he would like to lend to The City to work on these grants. He wanted to know if this was possible
  - d. Richard stated he estimates we could receive \$200,000-\$250,000 in grant funds to make these changes.
  - e. He stated that every board or committee he has been on they get involved in raising funds for the organization.
  - f. These organizations like to see what improvements you will make with the funds.
  - g. Richard asked to see if there is a possibility to apply for grants, and if he could lend The City his Grant Writer.
  - h. Troy stated that this would be a conversation to have with Mr. Houtman, Gentry Thiesen is a grant writer in our department.

10. Greg Ferris thinks closing the golf courses in September is foolish and strongly opposes this due to the opportunity for business. He also disagrees with closing on the weekends.
  - a. Troy stated we aren't closing courses in September and October.
  - b. Furloughs will be happening during that time, but will be run by seasonal staff.
  - c. Richard thinks we should raise green fees a dollar and increase memberships as well.
11. Dale wants to know what 2021 budget looks like.
  - a. The meeting software shut down for approximately 5 minutes.
  - b. Troy stated we met with budget in April and no further discussion has been had.
  - c. Whatever Budget has tentatively developed is what will be presented.
  - d. Budget starts developing the 2021 budget in March and should have the 2021 budget completed by the end of June.
12. Richard wanted to know if we can raise the membership.
  - a. Can we explain that due to COVID we will be increasing the green fee.
  - b. Richard doesn't think closing courses saves us any money.
  - c. Dale reiterates the need for a line item budget with food & beverage and carts, and that there is no proof the membership plan is working.
  - d. Richard stated that it was going to take two years to establish if the membership plan was working. This membership was designed to encourage other golfers to switch to Golf Wichita.
  - e. Dale stated that you would be contradicting yourself if you raised rates because you would not be letting the membership rates have a chance to bring new people in.
  - f. Dale wanted to reiterate the need for a line item budget.
  - g. Richard argues that the demand for tee times is greater than our capacity, for example this past year in November.
  - h. Dale agreed with Richard on his points but stated we need the numbers.
13. Troy reads Cory Rainwater's comments that he texted in.
  - a. Cory stated regarding this year's number, using them would be bad data.
  - b. Cory also agreed with Richard on the need for two years of data for the membership program, but he also agrees with the need of raising the rate.
14. Troy revisited the furlough plan and explained that this year courses would only be closed two weeks and that furloughs only target Full Time staff.
  - a. So this year we will only have courses closed 8 weeks instead of 16 weeks.
  - b. Additionally, the closures would not start until later in the year from last year.
  - c. Courses would also be open during the week of Holidays due to the furlough schedule.
  - d. The number saved in the Furlough plan are just for Full Time Staff, if we were to keep courses open we would still incur cost of have seasonals operating the Clubhouses.
  - e. Troy stated he can review how much savings we would have with the courses being closed those 8 weeks and compare to the profit of keeping the open.
15. Dale wanted to know if we are negotiating the 6.1% admin fee
  - a. Dale believes these fees can be reduced.
  - b. Troy stated there are some things in the budget that we cannot control.
  - c. In 2004 we started paying the Public Safety fee that has only got up.
16. Tom asked Troy if he was hoping for a decision today.
  - a. Troy responded we are looking for the committee's support of the saving plans.

- b. Tom proposed we do not have enough information to make a decision today.
  - c. Tom stated there is an opportunity to raise prices due to COVID. He states the need to see revenue report.
  - d. Dale agrees with Tom on the need for the revenue report.
17. Dale motions that staff discuss with Administration to negotiate the administration fees.
- a. He brought up the Lincoln, Nebraska study and what their administration costs.
  - b. He wanted to know if The City can give a little bit on that.
18. Greg wanted to see the reports run with the fees increased on green fees and memberships.
- a. Greg wanted to meet again in two weeks.
  - b. This way the committee can see all the requested information.
  - c. Troy stated we asked for a fee increase back in 2018 and received push back from this request.
  - d. Richard stated the courses have only been up and running for a few weeks and so he doesn't know what the memberships will show.
  - e. Troy stated we are showing an 11% no-show rate at all four courses for booked rounds.
  - f. Membership rounds are 50% rounds versus regular green fee play.
19. Committee would like
- a. Revenue projects and how they are calculated?
  - b. What it would look like with a \$1 green fee increase.
  - c. What would it look like with a membership increase.
  - d. Break down of memberships.
  - e. Break down of line item budgets.
  - f. Dale stated we have many talented Club Professionals, and wants them to be brought to the table. He believes this would be beneficial to bring them in to give insight into food & beverage and customer service.
  - g. Dale wanted to see a plan for tournaments and leagues.
  - h. Richard requested a different venue.
    - i. Troy suggested the meeting room at Auburn Hills.
20. Dale brought up comments from Golfers.
- a. Flag situation
  - b. Walk-in policy
  - c. Dale wants to leave it up to an educated golf public and believes there is minimal risk to touching the flag and the walk-in policy.
  - d. Troy stated we've ordered cup raisers to mitigate this issue.
  - e. Richard encourages us to reach out to those that make the statements regarding the concern for COVID spread.
  - f. Troy explained the new product that has been ordered and how it works.
  - g. Dale disagreed that this is not effective as people are going to touch their golf ball and it will touch the cup.
  - h. Troy asked what the committee's opinion is regarding single rider carts
    - i. Dale stated that he has heard golfers would like it to be left up to an educated golf public.
    - ii. Golfers can make the decisions on how best to keep themselves safe.

- iii. Richard states it is a public health issue, and wants us to not get too excited since COVID numbers are increasing.
- iv. Dale stated that golf has been considered an exemption to the COVID restrictions.
- v. Troy explained that the Golf Division did not decide to close the courses.
  - 1. Dale asked who made that decision.
  - 2. Troy stated he got a call one night that we were to close the courses on Tuesday.
  - 3. Dale asked who told the Golf Division to close.
  - 4. Troy stated he got the call from Mr. Houtman, but he is unsure who made the decision if it was The City Manager, or City Council.
  - 5. Dale stated he hope in the future there is better communication, so the Committee can be supportive.

21. Troy moves to adjourn the meeting at 4:05PM

- a. Dale and Richard second the motion.