



City of Helena

## GOLF ADVISORY BOARD SUMMARY March 28, 2017



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|--|--|
| <input type="checkbox"/> Pete Aspinwall <i>excused</i> | <input checked="" type="checkbox"/> Judy Reddy           |
| <input checked="" type="checkbox"/> Dave Bauer         | <input checked="" type="checkbox"/> Susan Skinner-Bannon |
| <input checked="" type="checkbox"/> Kelly Casey        | <input type="checkbox"/> Lynn Staley <i>excused</i>      |
| <input checked="" type="checkbox"/> Tyson Lesmeister   |  |

### Ex-Officio Members

- Larry Kurokawa, Golf Course Superintendent
- Scott Longenecker, Head Golf Pro
- Amy Teegarden, Parks and Recreation Director
- Jennifer Schade, Recorder

**LOCATION: City-County Building, Room 326**

**Visitors: Jeff Downhour, Glenn Jorgenson, Troy Sampson**

### Call to order/establish quorum/review agenda

- Dave Bauer called the Golf Advisory Board to order at 12:04 pm. A quorum was established.

### Approval of minutes: February 14, 2017

- With no corrections, Kelly moved to approve the February 14 minutes. Judy seconded. Motion carried.

### Old business

- None.

### New business

#### Action Item: Approval of the Conceptual Design for the new Clubhouse/Pro Shop

- Amy gave thanks to the Golf Advisory Board for their patience while we worked through some things regarding the new clubhouse and pro shop.
- Thanks to Glenn and Bob for their assistance with financial services!
- Amy gave an overview of the process.
- Amy opted to go with a conservative approach - she used the higher cost estimate of \$2,020,000, projected expenses on the high-end and projected revenues on the moderate-end.
- Along with the planning of the conceptual design, Amy, Glenn, and Bob have also done a conservative financial analysis. The three areas of focus included:
  - Expense/Revenue Assumptions

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- Expenditure assumptions included: 12 month operation; cost of goods sold; restaurant 15 hour operation; personnel expenses; a modest increase in utilities; and no increases in golf maintenance or operations. Most of the increases in expenditures were in food and beverage.
    - Revenue assumptions included: assuming only revenue resulting from the addition of clubhouse/simulators; based on 12 month operation; gaming revenue; pro shop merchandise sales increase; food/beverage increase; and additional revenue from simulator use. Amy distributed a copy for food and beverage revenue projections which included operational costs assumptions and revenue projection assumptions.
  - Debt and Loan Options
    - Debt and loan options included: intercap loan program, revenue bonds; or public debt. Amy provided information on these using two different loan amounts – the first at \$2,020,000 and the second one at \$1,864,500. Our intercap loan rate went up to 2.75% (not a fixed rate).
  - They took this information and came up with four different alternatives.
  - Alternative Comparisons
    - Alt 1 = status quo
    - Alt 2 = expanded pro shop/clubhouse with no new or non-golfer use
    - Alt 3 = expanded pro shop/clubhouse with 10% increase of new golfer use
    - Alt 4 = status quo with ADA/building improvements
- After reviewing the alternatives Amy provided the board with conclusions and next steps.
  - Conclusions:
    - Financial analysis was high on cost and low on revenues.
    - Hours and personnel expenses can be managed to reduce costs or meet demands.
    - Personnel costs would be the same regardless of the size of the building.
    - We can manage costs to reduce the risks.
    - If planned correctly, a new clubhouse building should position the golf course to compete effectively and generate revenue at a high level for many years – well beyond the time the debt is paid off.
  - Next steps include:
    - Amy feels it is important to reduce project cost estimates to \$1.9 million including equipment.
    - We then will seek Commission approval to approve the loan and move forward with the General Contractor/Construction Manager (GC/CM) process.
    - GC/CM – second phase which would include the design drawings/plans, bid processes, and construction administration. This phase would also include securing the loan.
  - Jeff made a couple changes in the building design to include the reduction of total square footage from 4,300 to 3,900. They reconfigured the entry and will redo the existing bathrooms. This will reduce the renovation costs. We will construct the primary addition first without impact to the pro shop. We will still add handicap bathrooms.

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- Jeff reviewed the schedule
  - Once we have the design and are moving forward, we still have to do design development (details and finishes) and construction documents which are plans and specifications for construction. This will take approximately 3 months. Then we have permitting which could take up to 3 weeks.
  - GC/CM process is not a normal bid process. GC/CM - you hire a general contractor based on qualifications. They then help you select the subcontractors based on bids.
  - The bid process is open to subcontractors, but GC/CM can also bid.
  - GC/CM will do preliminary estimating as well.
- With no further discussion, Sue moved for to approve city staff to recommend to the City Commission to approve a loan and move forward with the GC/CM process to expand and build a new clubhouse and pro shop at Bill Roberts Golf Course. Kelly seconded. Motion carried.
- Amy will give today's presentation at the next Administrative meeting which will be held on April 5<sup>th</sup>. If approved to move forward, she will take the proposal to the City Commission meeting scheduled on April 24, 2017. She invited the board to attend these meetings as a show of support.
- On April 11<sup>th</sup>, Amy will give the Golf Advisory Board an update on the new cost estimates and conceptual plan.
- Dave stated on behalf of the Golf Advisory Board, thanks to the City for their efforts!!

#### Review of Bylaws

- Due to time constraints, Amy asked the board to review the presented Bylaws and be prepared to discuss them at the next meeting.

### **Reports**

#### Parks and Recreation Director's Report

- None.

#### Golf Superintendent Report

- Larry stated maintenance is moving from the inside to the outside. The course is fully opened.
- Carts will be out on March 22.
- Larry is in the process of hiring seasonal staff. He currently has 3 seasonal employees working now.
- They are doing general clean up, bunker clean up, and testing the irrigation system. The wells have been checked and tested and they are now working on the pump houses.
- Striped parking lot
- Larry stated the benches have been built and need to be placed. It was recommended that he place one at the red tee 2 and one at 13.
- Maintenance replaced the faucets in the men's room – 3 sinks replaced.

#### Golf Professional Report

- Scott announced that Josh Kline has left his position. He moved to Seattle to be closer to his father. Scott will not replace that position.
- The simulator generated \$27,000 this year in revenue (last year was \$19,000).
- League was won by Gordy and Cari Kong. Cari is a new golfer.

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- Molly is the new Food and Beverage Manager. She and Scott are redoing the menus to include quicker menu options.
- Demo day will be held on April 28. There will be a tent sale that day with representatives from Callaway, Mizuno, Taylormade, and Cobra.
- The gaming machines have been approved and Scott is working with the vendor. He anticipates that we will have 2 machines set up by next month.

#### Men's League Report

- There will be a captains meeting next Wednesday.
- The deadline for team dues has passed.

#### Ladies League Report

- Sue stated the board will be meeting this evening at the clubhouse.
- The money has been approved for the two benches – Sue now has to take this to the membership.
- Sue would still like to incorporate the Wednesday morning group with the Thursday group.
- Sue stated the board will mail out postcards this week.
- Scott requested that the boards get website changes to him for update.

#### Other

- The board gave sincere thanks to Ron Alles for his support in a new facility!!!
- Amy thanked Judy and John Reddy for the photo of tee #2 which will be hung in the future clubhouse.

#### **Public comment**

#### **Next meeting date – April 11, 2017**

#### **Future agenda items**

- Bylaws
- Election of Officers

#### **Adjournment**

With no further business, the Bill Roberts Golf Advisory Board adjourned at 1:02 pm.

#### **ADA NOTICE**

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