



City of Spokane Park Board Golf Committee Meeting

February 6, 2018 – 8:00 a.m.

Manito Park Meeting Room

1702 South Grand Boulevard, Spokane, Washington

Jennifer Papich – Recreation Director

Committee Members:

- X Sumner, Nick – Chairperson
- X Kelley, Ross
- X Chase, Rick
- X Salvatori, Steve (Call In)

Park Board:

Chase, Rick

Parks Staff:

Conley, Jason
Vorderbrueggen, Al
Papich, Jennifer
Dickson, Fianna
Vandervert, Mike
Nelson, Ben
Greene, Mike
Harty, Josh
Martelle, LaVonne
Schultz, Rex
McEachran, Joe
McMahon, Colin

Golf Professionals:

Conner, Steve
Sanders, Rob
Gardner, Mark

Guest(s):

Holland, Kevin
Saraceno, David

SUMMARY

- Jason Conley presented a resolution and supporting spreadsheet in connection with a loan request from the Spokane Investment Pool (SIP) for \$7.5 million. Nick Sumner moved approval of the resolution, Steve Salvatori seconded, and the motion passed unanimously. The resolution will now go before the Finance Committee.
- Jason Conley and Nick Sumner expressed their sincere appreciation for Ross Kelley's dedication of ten years to the Park Board, and for his support to the Golf Committee.
- Fianna Dickson presented a slide show reflecting the marketing campaign results for 2017, including magazine publication advertising, radio spots, and the Spokane Golf Show.
- Jennifer Papich gave an update on the hiring status of two Assistant Superintendent positions, and also current progress in the recruiting process for a Golf Manager. Rex Schultz reported some changes forthcoming in golf lessons at Downriver and Esmeralda, and also gave a reminder of the upcoming Spokane Golf Show.
- Jason Conley presented the DRAFT 13-month close-out 2017 financial report, noting possible changes due to encumbrances not yet received. All courses reported varied accumulation of remaining snow, along with the status of clubhouse improvement projects.

MINUTES

The meeting was called to order at 8:02 a.m. by the Chair, Nick Sumner.

Action Items:

1. Approval of Board Resolution for loan request from the Spokane Investment Pool in the amount of \$7.5 million

Jason presented a resolution and spreadsheet reflecting proposed payment of the requested loan amount. Considerable discussion followed regarding other funding possibilities and additional means by which golf courses could generate revenue.

Motion #1: Nick moved that the resolution, with edits, be forwarded for approval by Finance Committee. Steve Salvatori seconded, and the motion passed unanimously.

Discussion Items:

1. Thank you to Ross Kelley

Jason and Nick expressed their sincere appreciation for Ross' time and dedication, not only to the Golf Committee, but also to Park Board. Ross then shared his thanks for the past ten years of working with current and past affiliations in serving.

Standing Report Items:

1. Golf Marketing Report

Fianna presented a review of 2017 marketing expenditures; the Spokane Golf Show where 1,000+ collateral pieces were distributed to more than 7,000 attendees, ten ads printed in various publications, approximately 500 radio spots, as well as holiday ads. Forthcoming is distribution of the Recreation Guide that will highlight golf lessons, the upcoming Spokane Golf Show featuring new collateral pieces, and Fianna will soon be meeting with the golf pros for acquiring their 2018 marketing goals.

2. Golf Report

Jennifer updated the committee on the hiring status of personnel; interviews have been completed for the two vacant Assistant Superintendent positions, with offer letters going out soon to the top candidates. Also, she and Jason met with Civil Service regarding the Golf Manager position and will continue to move forward with the process. Rex reminded the committee of the upcoming Spokane Golf Show and announced some forthcoming changes in golf lessons; Downriver will offer a Spring Break Junior Camp for young golfers, and Esmeralda will have classes for women only and couples only.

3. Financial Report / Course Conditions

Jason presented the 13-month Draft close-out report for 2017. Closing financial figures reflected the effects from late course openings, early course closures, and encumbrances arriving after year's end, with possibly more encumbrances yet to come. It was suggested to implement the tracking of playable days versus rounds played to reflect course revenue more accurately. Esmeralda reported that kitchen remodeling is near completion and the course has very little snow remaining. Indian Canyon reported half the grass is visible on the course and pump relocation for ponding water has proved very beneficial. Qualchan's pro shop is having new carpeting installed, has slight snow remaining, and reported that the turf is in great condition. Downriver is in the process of painting and cleaning carpet, and with most greens visible, sights are on a possible February opening.

Meeting adjourned at 9:28 a.m.

The next regularly scheduled meeting is March 6, 2018.

CITY OF SPOKANE PARK BOARD

RESOLUTION

A Resolution from Spokane Parks and Recreation Board of Directors, requesting a loan from the Spokane Investment Pool (SIP) in the amount of \$7,500,000 to upgrade four City golf course irrigation systems and other on-course and off-course improvements over the next 5 years.

WHEREAS, Spokane Parks and Recreation owns and operates four municipal golf courses open to the public, and

WHEREAS, after several decades of continuous operation, each City course is in need of major capital improvements, and

WHEREAS, the quality of the golf experience is directly correlated to course conditions, and

WHEREAS, Golf is operated as a City Enterprise Fund and must recover 100% of all expenditures each year, and

WHEREAS, Green fees paid by each golf participant account for Golf Fund revenues, and

WHEREAS, the Park Board desires to improve the condition of each course and improve the opportunity for additional revenue sources through both golf and non-golfing opportunities, and

WHEREAS, the Golf Fund is hiring a Golf Manager who will work with Staff and the Park Board to seek out additional revenue funding sources by jointly creating a golf strategic plan that will explore sponsorships, event marketing, golf, and non-golf revenue activities at each course, and

WHEREAS, the Park Board along with Staff will commit to review all Golf Fund expenditures and determine if the Park Fund is incorrectly appropriating internal expenditures to the Golf Fund, and

WHEREAS, the Park Board will commit to review all Park Fund revenues and determine if the Park Fund is correctly appropriating the proper pro rata share of revenues to the Golf Fund, and

WHEREAS, Parks and Recreation has established a golf facility impact fee, earmarked to repay the SIP loan over the next 15 years of debt service, and

WHEREAS, construction will start in the fall of 2018, commencing with the installation of new irrigation system at Indian Canyon golf course, along with the design of a new irrigation system at Esmeralda golf course, and

WHEREAS, the Park Board is requesting a \$7,500,000 SIP loan, with the first installment to be issued in 2018 at the amount of \$2,500,000 with future loan draw requests coming in the form of annual Resolution, with the flexibility to adjust the schedule of borrowing, within the total amount stated above.

NOW THEREFORE, IT IS HEREBY RESOLVED that the Park Board request a loan from the Spokane Investment Pool (SIP) in the amount of \$7,500,000. This loan will be repaid over a 15 year term, with facility impact fees attached to the green fees associated with each round of golf. The 2018 loan installment will be in the amount of \$2,500,000. The Park Board, by way of Resolution, will request future loan amounts with the total loan not to exceed \$7,500,000.

Dated this ____ day of February 2018.

Park Board President

Attest:

Approved as to form:

City Clerk

Assistant City Attorney

CITY OF SPOKANE PARK BOARD

RESOLUTION

A Resolution from Spokane Parks and Recreation Board of Directors, requesting a loan from the Spokane Investment Pool (SIP) in the amount of \$7,500,000 to upgrade four City golf course irrigation systems and other on-course and off-course improvements over the next 5 years.

WHEREAS, Spokane Parks and Recreation owns and operates four municipal golf courses open to the public, and

WHEREAS, after several decades of continuous operation, each City course is in need of major capital improvements, and

WHEREAS, the quality of the golf experience is directly correlated to course conditions, and

WHEREAS, Golf is operated as a City Enterprise Fund and must recover 100% of all expenditures each year, and

WHEREAS, Green fees paid by each golf participant account for Golf Fund revenues, and

WHEREAS, the Park Board desires to improve the condition of each course and improve the opportunity for additional revenue sources through both golf and non-golfing opportunities, and

~~WHEREAS, the Golf Fund is hiring a Golf Manager who will work with the Park Board to seek out additional revenue funding sources by evolving a golf strategic plan that will explore sponsorships, event marketing, golf, and non-golf revenue activities at each course, and~~

~~WHEREAS, the Park Board will commit to review all Golf Fund expenditures and determine if the Park Fund is incorrectly appropriating internal expenditures to the Golf Fund, and~~

WHEREAS, Parks and Recreation has established a golf facility impact fee, earmarked to repay the SIP loan over the next 15 years of debt service, and

~~WHEREAS, construction will start in the fall of 2018, commencing with the installation of new irrigation system at Indian Canyon golf course, along with the design of a new irrigation system at Emeralds golf course, and~~

WHEREAS, the Park Board is requesting a \$7,500,000 SIP loan, with the first installment to be issued in 2018 at the amount of \$2,500,000 with future loan draw requests coming in the form of annual Resolution, with the flexibility to adjust the schedule of borrowing, within the total amount stated above, and

WHEREAS, construction will start in the fall of 2018, commencing with the installation of new Irrigation system at Indian Canyon golf course, along with the design of a new irrigation system at Esmeralda golf course, and

WHEREAS, Parks and Recreation Staff have agreed to confirm the compensation to be paid each affected golf professional prior start of any construction, to identify the source of funds for such compensation, and to have such compensation approved by the Park Board prior to commencement of any construction, and

WHEREAS, the Golf Fund is hiring a Golf Manager who will work with the Park Board to seek out additional revenue funding sources by ~~jointly creating, evolving a golf strategic plan that will~~ explore sponsorships, event marketing, golf, and non-golf revenue activities at each course, and

WHEREAS, the Park Board will commit to review all Golf Fund expenditures and determine if the Park Fund is incorrectly appropriating internal expenditures to the Golf Fund, ~~and and~~

WHEREAS, the Park Board will commit to review all Park Fund revenues and determine if the Park Fund is correctly appropriating the proper pro rata share of revenues to the Golf Fund, and

NOW THEREFORE, IT IS HEREBY RESOLVED that the Park Board request a loan from the Spokane Investment Pool (SIP) in the amount of \$7,500,000, ~~said - This loan will to~~ be repaid over a 15 year term, with facility impact fees attached to the green fees associated with each round of golf ~~to provide revenue for debt service of the SIP loan, and with the - The 2018 loan disbursement to installment will~~ be in the amount of \$2,500,000, ~~and~~

IT IS FURTHER RESOLVED, t-The Park Board, by way of Resolution, will request future loan ~~amounts disbursements for golf course improvements as needed,~~ with the total loan not to exceed \$7,500,000, ~~and-~~

IT IS FURTHER RESOLVED, prior to commencement of any construction, Parks and Recreation Staff shall confirm the compensation to be paid each affected golf professional and identify the source of funds for such compensation, and shall have such compensation approved by the Park Board.

Dated this ____ day of February 2018.

Park Board President

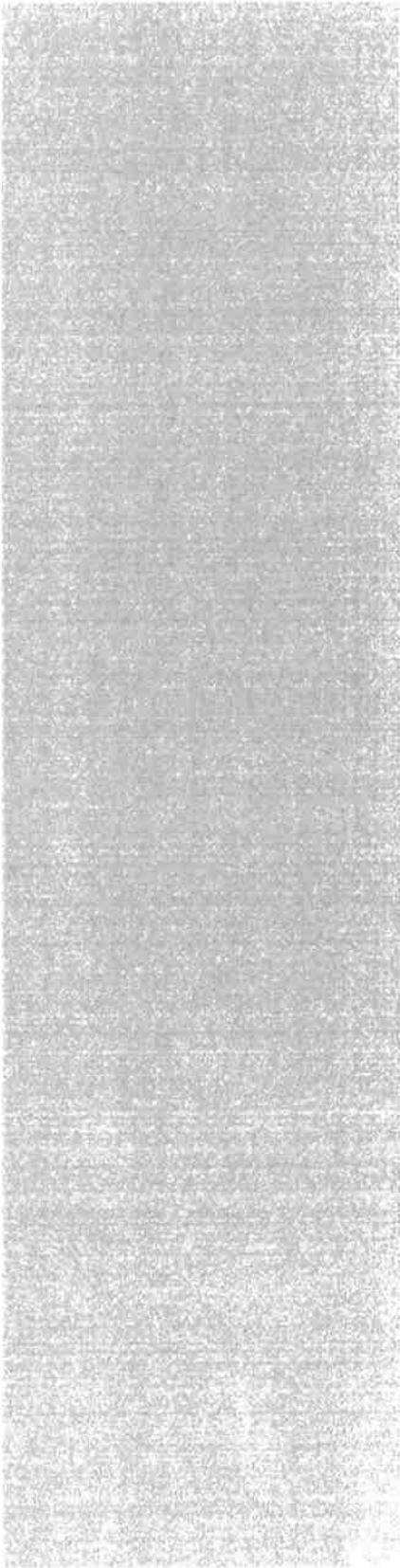
Formatted: Strikethrough

Attest:

Approved as to form:

City Clerk

Assistant City Attorney



	2018	2019	2020	2021		Capital												
Department Capital:																		
Golf	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ -		\$ 7,500,000												
Available Funding	\$ -	\$ -	\$ -	\$ -		\$ -												
Total to be Financed	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ -		\$ 7,500,000												
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Debt Service:	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2018 Borrowings	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ -	\$ -
2019 Borrowings		\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ -
2020 Borrowings			\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ 217,082	\$ -
2021 Borrowings				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 217,082	\$ 434,163	\$ 651,245	\$ 651,245	\$ 651,245	\$ 651,245	\$ 651,245	\$ 651,245	\$ 651,245	\$ 651,245	\$ 651,245	\$ 651,245	\$ 651,245	\$ 651,245	\$ 651,245	\$ 434,163	\$ 217,082	\$ -
# Rounds	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000
Cap Fac Fee	\$ 2.00	\$ 3.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Available Funding:	\$ 292,000	\$ 438,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000	\$ 730,000
Excess Available	\$ 74,918	\$ 3,837	\$ 78,755	\$ 78,755	\$ 78,755	\$ 78,755	\$ 78,755	\$ 78,755	\$ 78,755	\$ 78,755	\$ 78,755	\$ 78,755	\$ 78,755	\$ 78,755	\$ 78,755	\$ 295,837	\$ 512,918	\$ 730,000
Cumulative Excess		\$ 78,755	\$ 157,510	\$ 236,266	\$ 315,021	\$ 393,776	\$ 472,531	\$ 551,286	\$ 630,042	\$ 708,797	\$ 787,552	\$ 866,307	\$ 945,063	\$ 1,023,818	\$ 1,102,573	\$ 1,398,410	\$ 1,911,328	\$ 2,641,328

Golf Marketing



2017 Outputs

- Presence at Spokane Golf Show, with audience attendance of 7,450
- Printed and distributed ~1,000 collateral pieces
- Sent 3 Chip Shots to 82,970 golfers in Washington, Idaho, and British Columbia



2017 Outputs

- Placed 10 print ads, with a combined circulation of 620,120 (JOB, Pacific NW Golfer, Spokesman, Inlander, & Visit Spokane guide) + Rec Guide 40,000/quarter



2017 Outputs



- Earned 82,550 impressions and 1,650 clicks (and a very high click-through-rate of 2%) through Golf Search
- Ran 470 radio spots in Spokane, 215 of which were matching PSAs, and achieved a reach of 29% and a frequency of 8.5
- Earned 433,400 impressions and 3,035 clicks by participating in My Fox Spokane Golf Tour Card

Coming Up...

Spring Rec Guide, 40,000

Golf Show February 24-25

Meeting with DH in next 2 weeks
to plan media buys and strategy
for 2018



GET GOLF READY

UP YOUR GAME WITH PROFESSIONAL INSTRUCTION FROM OUR FRIENDLY STAFF
GO TO SPOKANEGOLF.ORG OR CALL 509-625-6200 FOR MORE INFO

ADULT GOLF LESSONS

Ages 18+ Fee includes five hours of lessons, tees & golf balls.

DOWNRIVER

Beginner: M 4/2-4/30 6:30-7:30 PM \$90
Beginner: Su 4/15-5/20 12:00-1:30 PM \$90
Beginner: M 5/7-6/4 6:30:00-7:30 PM \$90

ESMERALDA

Womens: Th 4/19-5/17 4:00-5:00 PM \$90
Womens: Th 4/19-5/17 5:00-6:00 PM \$90
Womens: Th 4/19-5/17 6:00-7:00 PM \$90
Beginner: F 4/20-5/18 5:00-6:00 PM \$90
Couples: F 4/20-5/18 6:00-7:00 PM \$90

INDIAN CANYON

Beginner: Sa 4/21-5/19 10:30-11:30 AM \$90
Beginner: Sa 4/21-5/19 11:45-12:45 PM \$90

INDIAN CANYON (CONTINUED)

Beginner: Tu 4/24-5/22 4:00-5:00 PM \$90
Intermediate: Tu 4/24-5/22 5:15-6:15 PM \$110
Beginner: W 4/25-5/23 9:30-10:30 AM \$90
Intermediate: W 4/25-5/23 10:45-11:45 AM \$110
Beginner: W 4/25-5/23 5:30-6:30 PM \$90

CREEK AT QUALCHAN

Beginner: Tu 5/1-5/29 5:00-6:00 PM \$90
Beginner: Tu 5/1-5/29 6:00-7:00 PM \$90
Intermediate: W 5/2-5/30 5:30-6:30 PM \$110
Intermediate: W 5/2-5/30 6:30-7:30 PM \$110
Beginner: Th 5/3-5/31 5:00-6:00 PM \$90

SENIOR GOLF LESSONS

Ages 55+ Fee includes five hours of lessons, tees & golf balls.

DOWNRIVER

Beginner: M-F 4/2-4/6 11:00 AM-12:00 PM \$80
Beginner: Sa 5/5-6/2 1:00-2:00 PM \$80

ESMERALDA

Beginner: F 4/20-5/18 4:00-5:00 PM \$80

CREEK AT QUALCHAN

Beginner: Tu 5/1-5/29 4:00-5:00 PM \$80
Beginner: Th 5/3-5/31 4:00-5:00 PM \$80

JUNIOR GOLF LESSONS

Ages 7-17 Fee includes five hours of lessons, tees and golf balls.

DOWNRIVER

M-F 4/2-4/6 12:00-1:00 PM \$75
Su (four 90 min. lessons) 4/15-5/20 1:30-3:00 PM \$75

Sa 5/5-6/2 2:00-3:00 PM \$75

ESMERALDA

Sa 4/21-5/19 3:00-4:00 PM \$75
Sa 4/21-5/19 4:00-5:00 PM \$75
Sa 4/21-5/19 6:00-7:00 PM \$75

Indian
Canyon
GOLF COURSE

Downriver
GOLF COURSE

Qualchan
GOLF COURSE

Esmeralda
GOLF COURSE

CITY OF
SPOKANE PARKS
RECREATION
GOLF

City of Spokane - Parks & Recreation
 Golf Fund -- 4600
 Preliminary Financial Report
 Year-End 2017

Year-to-Date Comparison

Monthly Comparison

	2017 Current Adopted Annual Budget	2017 Budget Balance	2016 - 2017 Monthly Difference			2015				2016 - 2017 YTD Difference				2016 YTD		2017 YTD	
			2016 Year-End Actual	2017 Year-End Actual	2016 - 2017 Monthly Difference	2015 YTD Actual	2016 YTD Actual	2017 YTD Actual	2015 % of Annual Budget	2016 - 2017 YTD Difference	2016 YTD Actual	2017 YTD Actual	2016 - 2017 YTD Difference	2016 YTD % of Annual Budget	2017 YTD % of Annual Budget	Change in Budget	
Revenue:																	
Program Revenue	3,681,270	609,766	829	(5,394)	\$ (6,223)	3,148,529	3,223,201	3,071,504	95.3%	\$ (151,697)	3,223,201	3,071,504	\$ (151,697)	95.3%	83.4%	-11.89%	
2017 Pre-Sale Revenue		-						60,671	1.8%	\$ -		60,671	\$ -	1.8%	1.6%		
Other Transfers In	45,000	-	35,000	-	\$ (35,000)	312,108	35,000	45,000	100.0%	\$ 10,000	35,000	45,000	\$ 10,000	100.0%	100.0%		
TOTAL REVENUE:	\$ 3,726,270	\$ (549,095)	\$ 35,829	\$ (5,394)	\$ (41,223)	\$ 3,460,637	\$ 3,258,201	\$ 3,177,175	95.4%	\$ (81,026)	\$ 3,258,201	\$ 3,177,175	\$ (81,026)	95.4%	85.3%	-10.11%	
Expenditures:																	
Salaries and Wages	1,261,001	122,273	23,636	(7,410)	\$ (31,046)	1,115,572	1,122,327	1,138,728	98.7%	\$ (16,401)	1,122,327	1,138,728	\$ (16,401)	98.7%	90.3%	-8.44%	
Personnel Benefits	319,722	(65,190)	4,753	3,543	\$ (1,210)	363,037	404,538	384,912	91.1%	\$ 19,627	404,538	384,912	\$ 19,627	91.1%	120.4%	29.25%	
Supplies	345,020	19,182	(15,749)	10,646	\$ 26,365	254,195	212,261	325,838	83.9%	\$ (113,577)	212,261	325,838	\$ (113,577)	83.9%	94.4%	10.50%	
Services and Charges	1,090,016	(56,337)	177,818	149,623	\$ (28,145)	921,529	1,032,940	1,146,353	100.9%	\$ (113,413)	1,032,940	1,146,353	\$ (113,413)	100.9%	105.2%	4.23%	
Interdepartment Svcs	398,288	49,760	(2,172)	4,015	\$ 6,187	384,974	346,452	348,528	88.6%	\$ (2,075)	346,452	348,528	\$ (2,075)	88.6%	87.5%	-1.12%	
Intergovernment Svcs	21,000	258	(10)	0	\$ 10	20,650	21,302	20,742	77.6%	\$ 560	21,302	20,742	\$ 560	77.6%	98.8%	21.17%	
Subtotal Op. Exp.	\$ 3,435,047	\$ 69,947	\$ 188,306	\$ 160,467	\$ (27,839)	\$ 3,059,957	\$ 3,139,820	\$ 3,365,100	95.9%	\$ (225,280)	\$ 3,139,820	\$ 3,365,100	\$ (225,280)	95.9%	98.0%	2.09%	
Capital Outlay	301,134	104,802	-	19,424	\$ 19,424	116,799	221,247	196,332	63.3%	\$ 24,914	221,247	196,332	\$ 24,914	63.3%	65.2%	1.94%	
Transfers Out	-	-	-	-	\$ -	11,345	-	-	92.7%	\$ -	-	-	\$ -	92.7%	95.3%	2.60%	
TOTAL EXPENDITURES:	\$ 3,736,181	\$ 174,748	\$ 188,306	\$ 179,891	\$ (185,285)	\$ 3,188,100	\$ 3,361,067	\$ 3,561,433	95.3%	\$ (384,258)	\$ 3,361,067	\$ 3,561,433	\$ (384,258)	95.3%	95.3%	2.60%	
Total Funding: (Rev. less Exp.)	\$ (9,911)		\$ (152,477)	\$ (185,285)		\$ 272,536	\$ (102,866)	\$ (384,258)			\$ 272,536	\$ (102,866)	\$ (384,258)				

Beginning Fund Balance	\$ 347,992
Less 7% Reserve Requirement	\$ -
Beginning 2017 Excess Reserves	\$ 347,992
2017 YTD Change in Cash	\$ (364,258)
Encumbrances at Month End	\$ (20,130)
2017 YTD Available Cash	\$ (56,396)