
**BUSINESS & RESPONSIVE AGENCY ADVISORY COUNCIL
MEETING MINUTES**

MISSION STATEMENT

This Council advises and makes recommendations to the programs and operations of
Metro Parks Tacoma concerning financial management and business practices.

Metro Parks Tacoma
4702 S 19th Street, Tacoma, WA 98405
April 11, 2017

Present: Jeff Albers, Aaron Blaisdell, Don Golden, Peter Kram, Johnny Mojica, Dan Powell
Absent: Su Dowie
Staff: Tara Dunford, Julie Wilfong
Board Liaison: Commissioner Baines
Guest: Noreen Plum, Marina Becker, Chris Goodman

SUMMARY

- A presentation on Meadow Park Golf Course Sustainability/Business Plan was given.

CALL TO ORDER

The meeting was called to order at 7:35 a.m.

MINUTES

The March 14, 2017 minutes were approved as written.

RECRUITMENT UPDATE

No update was given.

DESTINATION POINT DEFIANCE UPDATE

No update was given.

MEADOW PARK GOLF COURSE SUSTAINABILITY/BUSINESS PLAN

Chris Goodman the Manager of Meadow Park Golf Course (MPGC) stated the golf market over the past ten (10) years has significantly declined in rounds since 2005-06. MPGC for the last two (2) years has had a small increase in earned income. Over the last ten (10) years MPGC has had three (3) years that had earned income in comparison to the deficits they have experienced in seven (7) of those years. There are long range and capitalization issues that need to be addressed. Community programming issues are growing and is not necessarily profitable. Metro Parks has taken steps to better position the golf course for the next six year.

The use of a third-party vendor brought in the ability to book online tee-times at MPGC and has increased rounds bookings by 10% and represents 20% of the overall revenue for the facility. The service was implemented in February 2015 and 2016 was the first full year of online booking. With the different levels of fees, the individual member that comes out once a month or 4-5 times a year is the most profitable and these players pay the full green fees. With this online service MPGC is able to market the tee-times better but it is still a work in progress with a major emphasis in 2017. Dan Powell asked the question, if online booking is prepaid with a credit card? Chris Goodman responded that MPGC does not have the feature for players to pay the booking fee online but may be a possibility in 2018 or 2019. As we move in to a dynamic pricing structure, MPGC feels it should move in the direction of online payments.

Aaron Blaisdell asked why can't they move in the direction of online payments now? Chris Goodman stated the Point of Sale (POS) system and the online booking system are from two different companies and are not compatible. These systems are separate from Metro Parks. In the future MPGC would like to purchase an integrated POS systems that would fit its complex pricing structure.

The sale of merchandise has been tough especially with the big box store competition, therefore some products had to be eliminated from golf operations. Erik Haag, MPGC's new golf professional has designed a program that outlines an emphasis on clothing, gloves, shoes and balls. With this implementation of the new program, they have been able to increase their gross margin up to the 30% range from the historic 20% - 22% that is has been at.

Peter Kram asked, what is the breakeven number for gross margin or is there a way to measure it? Chris Goodman replied they do not include staff time. They take the cost of goods and do a monthly inventory reconciliation that includes merchandise cost, shipping and handling expenses. It's a number they can achieve if they can maintain the 30% gross margin.

In 2016, MPGC replaced some equipment that included maintenance parts, a rough mower and golf cart replacements. They now have a service contract with a vendor to perform maintenance on turf equipment which has been cost effective for the facility.

With the passing of the 2014 Bond, \$1.5Million was set aside for critical improvements needed at Meadow Park Golf Course. It was broken down into three categories - Course Improvement, Infrastructure Improvement and Revenue Enhancement.

Under Course Improvements, the irrigation control system was replaced to improve the course conditions. In addition, a change of the greens to valve and head capability made it easier to turn each valve on or off individually. It is now controlled by a weather station and central computer. In the past, MPGC could not make a change or adjust the irrigation system based on weather. There was more maintenance cost on hotter days as staff had to water the greens by hand. The new system allows staff to control or adjust the sprinklers. A GPS moisture meter was also purchased to provide moisture control reading for the grounds using probes. This tool can be plugged into a smart phone and provide a report based on solidity, oxygen, temperature and can indicate if there is a hot spot in certain areas of the greens before it can be physically seen. With this small purchase, it is one of the best investments the facility has made.

Meadow Park has increased community programming for kids. This is a Park District mission and a personal passion for the facility. They have a great partnership with the First Tee of Puget Sound, they have seven (7) high school golf teams that play and practice at the facility. This is a 6% increase for the year.

Meadow Park will enter into a partnership with the Washington State Golf Association (WSGA) for a new program called Youth on Course. This program would have funding available to kids who make it into the program. These kids would pay a small fee and possibly \$5.00 for green fees. The WSGA will help subsidize the program and pay an additional \$5.00 that will turn the green fees into \$10.00.

As we look at the overall operations of the facility for net operating income, they are forecasting a small profit in 2017-18. However, when working with a negative working capital balance eventually money will need to be paid back. The Park Board passed a resolution to pay \$50,000 per year for five (5) years to MPGC to help with the junior community program based on an analysis of the program cost. This will also help reduce the working capital balance.

Peter Kram asked what is the long-range impact based on the emphasis on more community programs? Chris Goodman stated that one of the dilemmas is the drop-in participation from kids over the age of 18. Peter also asked what about college club program organized by students? Chris responded that is a lot of work.

Aaron Blaisdell asked what are the main revenue streams for MPGC? Chris Goodman stated the revenue streams are the Championship 18, Williams 9, the driving range, rentals, merchandise and miscellaneous. The miscellaneous category consists of the revenue from a PGA Jr. League and the restaurant rent.

The Men's and Women's Clubs are struggling for membership. These are independent clubs that choose to play at this facility. MPGC does some pass-thru business with them. An example would be their membership. MPGC would collect the membership for the Women's Club and then give it directly to them. As the new Youth Golf program

begins, MPGC will look at running one club that will be all encompassing of men, women and youth and hope to reach different audiences.

Meadow Park is looking at other revenue enhancements for the facility. Recently new LED lights in the driving range were added. This is the first LED lighted driving range in the country. Heat will also be added to the driving range. In the fall the driving range will stay open longer in the evening. A learning center will be built for players to practice their game with a golf instructor.

Peter Kram wanted the group to be aware that Chris and Meadow Park Golf Course paid off the Bonds that were tied to the facility two (2) ago. This is a huge accomplishment in a very tight market.

FINANCIAL REPORT

Tara Dunford reported revenue came in higher than expected, taxes came in above budget across the board for sales, property and leasehold. Recreation had a really good summer with camps and runs due to the great weather we had. There is some savings in the general fund due to vacant staff positions. Northwest Trek and Point Defiance Zoo also had a great year with attendance and had an increase in revenue compared to 2015. The Boathouse and Meadow Parks are on budget.

MEETING SUMMARY AND FOLLOW-UP

Next month's meeting at the STAR Center to discuss membership and registration for the last six (6) years.

Aaron Blaisdell would like to have a few minutes at the next meeting to review year-end financials and first quarter 2017.

The council would like an update on the status of the Chief Financial Officer position.

NEXT MEETING

The next meeting is scheduled for Tuesday, May 9, 2017, held at Metro Parks Tacoma Headquarters.

ADJOURNED

The meeting ended at 8:57 a.m.

Approved:

Aaron Blaisdell, Chair

Submitted by: Julie Wilfong