



TUCSON GREENS COMMITTEE MINUTES OF THURSDAY, FEBRUARY 21, 2019

The regular meeting of the Tucson Greens Committee was called to order at 3:00 p.m., on Thursday, February 21, 2019. The meeting was held at Randolph Golf Complex, 600 S. Alvernon Way, Tucson, AZ.

Committee members present: John Anttonen, Joseph Cates, Thomas Flanagan, Ken Kavanaugh, James Scoville, and Matthew Witzke.

City staff in attendance: Greg Jackson (Parks and Recreation).

OB Sports staff in attendance: Robb Palmgren (General Manager – Randolph Golf Complex); Jeff Brandt (General Manager – Fred Enke Golf Course); Robert Spikes (General Manager – El Rio Golf Course); Dennis Palmer (General Manager – Silverbell Golf Course); Phil Green (Chief Operating Officer/Principal – OB Sports).

Public in attendance: None.

1. CALL TO ORDER / ROLL CALL

The meeting was called to order at 3:00 p.m.

2. APPROVAL OF MINUTES – OCTOBER 18, 2018 AND JANUARY 17, 2019

Mr. Flanagan made a motion to approve October 18, 2018 minutes with noted changes, second by Mr. Anttonen and passed unanimously. Motion by Mr. Anttonen to approve January 17, 2019 minutes, second by Mr. Flanagan and approved 6-0.

3. CALL TO THE AUDIENCE

None.

4. GOLF COURSE OPERATIONS REPORTS – OB SPORTS

Mr. Palmer reported that Silverbell had a good month despite the weather. In an attempt to generate some non-golf revenue there was a fish fry and karaoke on Friday, January 18 with twenty-five attendees. The water treatment piping project began and the range will probably be shut down in the late afternoon to finish the project. March 25 will be Mr. Palmer's last day before heading to Pine Top for the summer.

Mr. Witzke inquired about #2 being left as it is today. The answer was the berm will stay and an additional tee box will be added. He then inquired about the status of #4. Staff met with Mr. Kavanaugh and we agreed to let it go through the season and see what kind of comments we received from the golfers. We would then evaluate the course of action if any.

Mr. Kimball stated the MATTS inspection went fairly smooth. Staff has been clearing out the maintenance yard.

Players 1st report shows that restaurant numbers are up after the kitchen upgrade.

General Reports – Silverbell’s club rounds were higher due to club rotations. Mr. Anttonen commended Mr. Brandt for doing an excellent job at Fred Enke. Opening #3, #8, and other holes has improved playability.

Tucson City Golf Learning Center programming has been launched. Get in the Game series was very successful. The junior after school program was not successful so TCG will focus on junior camps during spring break. Family day at each course on Sunday afternoons after 3 p.m. (1 adult and 2 juniors) is catching on more and more.

5. OPERATING REVENUES, EXPENSES AND ROUNDS REPORT – OB SPORTS

~~Mr. Palmgren stated January had a rough start but made a strong comeback. Revenues were \$67,000 ahead of budget and \$29,000 ahead of prior year. Expenses were down. There was \$14,000 savings in payroll and \$14,000 in operating. Overall NOI finished about \$95,000 ahead month-to-date compared to budget. Expenses will be occurring soon with the range netting and tree removal at Randolph, and infrastructure for the electric golf cars.~~

~~Mr. Palmgren stated that December was a little bit wetter which was a savings on water system wide. There was a significant increase in revenue to budget and prior year. This was due to the seven days of deals holiday promotion that generated about \$283,000 in sales; however, not all of that revenue is recognized right away because some of it is gift cards and some of it is golf cash.~~

~~Expenses have been managed very well. Overall the NOI looks great coming out of the month. Month to date was \$88,000 ahead of budget and year to date \$186,000 a head of budget.~~

~~Rounds of golf are down to budget but 351 ahead of prior year. Mr. Jackson cautioned two things comparing year to year. There have not been any big expenses like in previous years. There will be big hits with the netting and tree removal on Randolph within the next six months.~~

~~Mr. Palmgren stated January had a rough start but made a strong comeback. Expenses will be occurring soon with the range netting at Randolph, infrastructure for the electric golf cars, and tree removal at Randolph.~~

Mr. Cates confirmed the numbers are looking good and commended OB Sports for doing a good job.

6. TUCSON CITY GOLF BUDGETING – OB SPORTS

Mr. Green stated the budget was presented to city staff two weeks ago. OB Sports is projecting a combined consolidated revenue budget of \$8,061,000 against a projected forecast of 7,732,000 for this year. Gross profit is projected to increase \$315,263. Payroll increases are about 4% or \$121,000 and is attributable to minimum wage increases for the year in the guest services, golf shop, and food and beverage areas. Operating expenses are budgeted for \$3,658,000 against a forecast of \$3,482,000 a 5.1% increase in core services, and is primarily the cost of the golf cart fleet leases going up. Projected EBITDA earnings of \$598,245 for next year against the forecast of \$580,775 this year.

Mr. Flanagan questioned the ability to take surplus revenue to pay for deferred maintenance? Mr. Jackson stated there is some flexibility and that requests would go through the City Manager’s office for approval. Requests are based on necessity and priority.

Mr. Cates asked about the impact on payroll if Mayor and Council increased the minimum wage and how that would affect OB Sports. He also asked if courses will continue to use a shared manager structure. He also asked about the rounds of golf at Randolph and if OB Sports expects an increase in the rounds. Mr. Green indicated yes.

7. RATE SHEET AND PASS OPTIONS – OB SPORTS

The item was tabled for a later date.

8. RANGE ACTIVITIES LIKE TOP GOLF

Mr. Anttonen wanted to know if there are opportunities to encourage people to get on the range to play games and festive things. Mr. Green replied there may be options that can be cost effective. This will be put on the list for programming ideas.

9. DISCUSSION ABOUT QUESTIONS TO MAYOR AND COUNCIL

Mr. Scoville stated he doesn't feel it is adequate the Greens Committee is in the position of giving advice but not getting a response back. He also inquired if this was any type of open meeting law. Mr. Jackson clarified that open meeting laws are related to having an open discussion in a public forum and not meeting "behind closed doors." Open meeting laws do not require Mayor and Council to respond to advisory council recommendations.

10. CALL TO THE AUDIENCE

None

11. MEETING SCHEDULE AND TIME – NEXT MEETING DATE AND LOCATION

The next meeting is scheduled for March 21, 2019, 3 pm at Randolph Golf Complex.

12. FUTURE AGENDA ITEMS

- OB recommendation for bunkers to fill in at each course and sand for traps
- Randolph North partnerships updates
- Alternative recreational uses of golf courses
- Cost for infrastructure to convert El Rio and Fred Enke cart fleets to electric
- Audubon certification update
- Disposition of parcel south of Silverbell Golf Course (Goret property)
- Impact of leasing LWCF encumbered properties at Silverbell and Fred Enke
- Impact of removing trees and adding tree canopy at golf courses
- Impact if the city increases the minimum wage to \$15

13. ADJOURNMENT

Meeting adjourned at 3:48 p.m.