



# Mint Valley Golf Course

City Management Model  
Future Forecast

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## INTRODUCTION

The Valley Golf Academy LLC. (VGA), was contracted by the City of Longview to perform a review of the City's municipal golf facility-Mint Valley Golf Course and to create a forecast budget based upon 2013- 2017 actuals (with consideration of 2018 trends) for revenue and expense budget goals.

Activities included in the completion of this report included: statistical analysis, a series of meetings with the Parks Director, a series of visits/inspections of Mint Valley Golf Course, meetings with key potential vendors and partner golf organizations, visits to the area's key competing public golf facilities, a public meeting held August 30 to gain an understanding of the market dynamics that help shape operating results at Mint Valley Golf Course.

Additionally, if the City decides to move forward, the VGA will provide the City with a quarterly strategic plan beginning January 1, 2019 focusing on service excellence and maximizing profitability through the golf course operation. This strategic plan will outline goals, objectives, and deliverables for all areas of the business including, but not limited to:

- Merchandising
- Tee Sheet Management
- Marketing Plan
- Guest Satisfaction/Service Delivery Pace of Play
- Pricing Bundling Strategies
- Memberships
- Competitive Market Analysis
- Volunteer Coordination Plan
- Development of Weekly and Monthly Performance Management Tools
- Lessons/Player Development
- Learning Center/Driving Range Community Based Model
- Golf Cart Fleet Management
- Co-worker Satisfaction/Staff Management and Development
- Food and Beverage Plan

Following is the VGA's report on the City of Longview municipal golf operation and deliverables outlined above. Examples of potential management tools are provided. This report is based upon the observations and data provided to the VGA LLC. Recommendations are based upon the knowledge and experience of the VGA LLC. from operating courses similar to Mint Valley.

## FINANCIAL ANALYSIS

Mint Valley Golf Course is owned by the City of Longview. Historically, the golf course has been operated through a concession or contract management model. Under this model, an individual or company negotiates a percentage share contract with the City and is responsible for the up-front operational costs and the City receives a percentage of the profits from each business center (Appendix A – MVGC Golf Pro Agreement). The City currently and historically has maintained the maintenance of the golf course and absorbs those costs under direction from the Parks and Recreation Department. The City of Longview operates Mint Valley under a defined Golf Enterprise Fund. This is a common approach nationally for municipal golf systems. The enterprise fund establishes a separate accounting and financial reporting mechanism for municipal services for which a fee or service is charged in exchange for goods or services.

For the purposes of this report, VGA will analyze the costs and revenues expected based upon a City Management Model. Under this model, the City would take financial responsibility for the operation of the entire golf course operation. All employees would be hired, work for, and paid through the city. Based upon an examination of the 2013-2017 budgets, the total revenue averages \$820,373 and course maintenance expenses are expected to be targeted at \$500,000 per year. The primary focus of this review will focus on revenue centers and the cost of the pro shop operations. The City has demonstrated a strong ability to manage the course maintenance aspect of the operation, delivering a high-quality product at a reasonable cost with comparable course operations. All revenue totals are taken from the SZEN POS system and are included for reference in the appendix (Appendix B – History of Revenue 2013 – 2017) of this report. Under a city management model, all revenue centers of the operation would be coordinated and the result would be a higher average spent per customer while improving the overall customer experience.

Financials provided for the purposes of this analysis are based upon historical performance of the property under a different management structure. The projections provided are estimates, revenue and expense projections are based upon a number of external and internal factors. Under the proposed City Management Model structure, if the course is not meeting the revenue projections, expenses would be evaluated and reduced in order to balance the operating budget.

### Revenue Breakdown by Category

#### **Greens Fees:**

The course has realized an average of \$463,396 in green fee revenue since 2013. This includes a high of \$522,658 in 2013 and a low of \$327,524 in 2017. Under city management and based upon a review of rates, a competitive market analysis, partnerships with vendors, and the implementation of a strong community-based player development program it can be expected to increase this average to \$500,000 per year and the expectation of a 2% increase on an annual basis.

#### **Range Fees:**

The driving range has averaged \$83,198 in revenue since 2013. This includes a high of \$110,581 in

2015 and a low of \$66,347 in 2017. The driving range provides natural grass and a covered driving range with mats. With a minimal amount of investment and collaborating with the par 3 course, practice putting green, bunker, and chipping green-Mint Valley has an incredible practice facility that should be a competitive market advantage for the facility. The driving range should average \$95,000 in annual revenue and the expectation of a 2% increase on an annual basis.

### **Cart Rental:**

Cart rental has remained consistent with an average of \$80,139.35 in total revenue. The high was \$83,409 in 2015 and a low of \$73,133 in 2014. The carts are currently owned by the concessionaire and would require a city investment if the city implements a city management model. The city could expect a significant increase in ridership percentage with aggressively bundled green and cart rates as well as providing a high-quality product through a lease agreement. Increased ridership would improve pace of play and improve the overall golf experience for customers. Cart revenues should normalize at around \$120,000 per year and expect a 1.5-2% increase each year.

### **Food and Beverage:**

The food and beverage operation supports the golfer's needs at the facility. The food and beverage operation averages \$51,785 and had a low in 2014 of \$22,193 and a high of \$84,133 in 2015. The course should expect to see an average of \$112,000 from the food and beverage operation with potential increases of 2-4% annually based upon a city management model. The food and beverage operation needs to be integrated into all aspects of the course operation with bundling practices-golfer specials, on course BBQ's, and a focus on customer experience.

### **Merchandise:**

Merchandise provides the greatest opportunity for growth in revenue and profitability. With no major competitors (i.e. golf discount stores) Mint Valley should develop strong partnerships, exclusive agreements, and focus on club fitting and player development strategies to dramatically increase total merchandise sales. One such example would be to bundle merchandise with each round and negotiate deep discounts from vendors for exclusive access and pricing to products. Mint Valley had a high in merchandise sales in 2013 with \$201,338 (it should be noted that this was the final year of the prior concessionaire) and a low in 2017 of \$93,503. With the implementation of the above strategies, the course should realize an average of \$200,000 in merchandise sales with the opportunity to grow at a 3-5% pace on an annual basis with inventory control, and a strong purchasing plan leveraging the city's purchasing power.

### **Lessons/Player Development:**

The facilities at Mint Valley lend themselves to the course serving as a strong educational facility providing facilities that lend themselves to beginning golfers and programs such as First Tee, PGA Get Golf Ready, PGA Junior League, as well as advanced instruction opportunities based upon the integration of strong golf teaching fundamentals with specialized training such as a TPI (Titleist Performance Institute), and PGA trained instructors, and trained golf club fitters. The transition of part of the covered driving range and par 3 course into an instructional-based facility not only would generate increased lesson revenue but also would serve as a development center for future players. The expansion of family golf nights, executive ladies' leagues, community sponsored

junior tournaments, and school programming will create a strong partnership with the local community. Under the current management system, the course has realized a high of \$1,750 in 2013 and a low of \$229 in 2015. With a commitment to instruction and contracted instructors, the course should be able to realize a minimum of \$5,000 annually with the opportunity for much more.

#### **Club Rental/Tournaments/Special Events:**

Mint Valley has a great layout for potential group and community events. The course has seen a high in 2015 of \$35,638 and a low in 2016 of \$21,112. The course will need to develop a consistent tournament pricing plan and make sure that events are priced to maximize the profitability of the facility. As a city owned facility there is a tremendous opportunity to expand community partnerships and host events like; long drive competitions, skill challenges, leagues, Beer/Music Festival, Night Runs, Date Nights, Community Glow Ball, Holiday Lights etc. that bring new and non-golfers to the facility for a greater community benefit. The golf course can serve as a community center while creating additional revenue streams through the expansion of traditional golf activities. The Parks and Recreation Department can provide additional resources to coordinate these events and expand the scope from the traditional golfing community.

#### ***Additional Revenue Areas:***

#### **Gift Certificates, Member Account Payments:**

These additional revenue areas need to be examined to determine how they are accounted for and the policies and procedures for management. While both areas represent income, both need to be tracked as liabilities until the revenue is realized by the course. These areas should be addressed in a procedures manual that will need to be developed.

#### **History of Revenues:**

The following grid outlines the total revenues shown by the SZEN Point of Sale System. The City has only received a portion of these revenues due to the current contract with the concessionaire. The chart was developed for an understanding of the potential opportunities if a change of management structure is implemented.

REVENUE	ACTUAL 2017	ACTUAL 2016	ACTUAL 2015	ACTUAL 2014	ACTUAL 2013	AVERAGE
Green Fees	\$372,524	\$457,053	\$496,195	\$468,551	\$522,658	\$463,396
Range	\$66,348	\$92,266	\$110,582	\$69,324	\$77,472	\$83,198
Cart Rental	\$81,157	\$83,238	\$83,409	\$73,134	\$79,758	\$80,139
Club Rental	\$2,797	\$4,572	\$5,109	\$4,453	\$4,792	\$4,345
Food and Beverage	\$56,529	\$73,753	\$84,133	\$22,193	\$22,320	\$51,785
Lessons	\$773	\$668	\$229	\$220	\$1,750	\$728
Gift Certificate	\$9,929	\$13,494	\$14,400	\$11,470	\$16,897	\$13,238

Merchandise	\$93,504	\$105,439	\$112,102	\$105,334	\$201,338	\$123,543
Tournaments	\$30,043	\$21,113	\$35,638	\$34,433	\$25,473	\$29,340
Member Account	\$6,177	\$5,660	\$6,856	\$11,521	\$14,530	\$8,949
<b>Total Revenue</b>	<b>\$683,560</b>	<b>\$830,481</b>	<b>\$906,159</b>	<b>\$754,679</b>	<b>\$926,986</b>	<b>\$820,373</b>

### Forecast Revenues:

Potential Revenues are found below based upon implementation of a three -year strategic plan under city management. A monthly breakdown (proposed budget 2019 and 2020) of these categories by month and category is included in the appendix (Appendix C – Proposed Budget) of this report.

<b>Revenue (2019)</b>	<b>Total</b>
Green Fees	\$500,000
Range	\$124,000
Cart Rental	\$89,500
Pull Cart/Club Rental	\$4,850
Food and Beverage	\$112,000
Lessons	\$6,000
Gift Certificate	\$17,000
Merchandise	\$144,500
Tournaments	\$31,250
Member Account Payment	\$8,790
<b>Total Revenue</b>	<b>\$1,037,890</b>

## Expenditure Breakdown by Category

### Initial Capital Investment

In order to transition to a city management model, the city will need to make a long-term commitment to investment in capital budgeting activities. For the purposes of this analysis, it is assumed the city will transition to the City Management Model and will make the following investments in the golf course. City staff have estimated based upon historical valuation documents the restaurant will require an estimated \$20,000 in capital investment, \$10,000 for range equipment, and \$20,000 for pro shop equipment. Total capital investment \$50,000.

The total capital investment could be offset with the liabilities owed to the city by the concessionaire from member's book money as well as outstanding gift certificates. The city may also receive back the percentage that was paid to the concessionaire of the value of three months of membership revenues as they do not run on a calendar year and will end on March 31, 2019. Lastly, the City currently owns a 50% share in all range equipment and ownership will be negotiated.



## **Initial Merchandise and Food and Beverage Inventory**

In order to transition to a City Management Model, the city will need to commit to investment in inventory as part of the operating budget for the pro shop and the restaurant facilities. For the purposes of this analysis, it is assumed the city will transition to the management model and will make the following investments in the golf course.

City staff has estimated based upon historical valuation documents the pro shop will require in initial investment of \$75,000 in pro-shop merchandise. This commitment will provide a fully stocked pro shop that will provide an adequate inventory of golf equipment, apparel and supplies that is comparable in quantity, quality, and selection to that of other courses in the region and that meets the public demand. After the initial investment, monthly purchases of \$5,000 - \$10,000 are needed to replenish stock sold within the pro shop.

City staff has estimated based upon historical valuation documents that the restaurant will require an annual estimated investment of \$60,000 in food and beverage inventory. This evaluation will fluctuate based upon demand and bundling opportunities. Unlike a fully stocked pro shop necessary to begin operations, launching of the restaurant food and beverage services will be evaluated throughout the winter months and will be operated accordingly.

## **Proposed Operating Budget**

The goal of the City is for the golf course to provide a community benefit, break even for operating costs, and prioritize reinvestment of operating profit back into the property. For the purposes of this evaluation, an estimated operating plan has been developed to provide a framework for decision makers. The maintenance part of the operation will target to run at or under \$500,000. This budget is managed by the Parks Director and the Golf Course Superintendent. For the purposes of this report, it is assumed that this will be the continued budgeted goal. The remaining budget focuses upon the costs associated with the day-to-day operational costs of the facility.

This is a proposed model for the purposes of discussion rather than a formal submittal for consideration. A one-time expense is included under the "Purchase of Merchandise" a one-time purchase of \$50,000 - \$75,000 will be required if the city assumes the management of the entity to stock the Pro Shop. The purchase of new inventory would then normalize to approximately \$5,000 per month. The budget also recognizes \$6,610 for the leasing of a 55-cart fleet that will be required for the bundling and marketing strategies recommendation. The total proposed first year operating budget is estimated at \$1,009,568. Staffing models are also included in the appendix (Appendix D – Staffing Model) of this report to back up the temporary help categories.

It should be noted that the balance sheet records the \$150,000 expense for initial and ongoing purchase of merchandise and the \$59,500 expense for purchase of food and beverage as inventory and are not included in the total cost of expenses since the profitability from those areas will be



measured in the Net from Operations including the inventory valuation and cost of sales. The inventory will be recorded at the end of the year as to what is on hand. Supplies are required to maintain operating a year round facility and are necessary to be used going into the following year. Inventory is not depleted at the end of each year and started over. The initial inventory is seen as an investment that will pay itself back over time with the cost of goods to the consumer.

### Pro Shop/ Outside Services

Proposed Operating Expenses	2019
Salaries	\$75,000
Temporary Help	\$142,000
Benefits	\$87,888
Purchase of Merchandise	\$150,000
Uniforms	\$750
Office Supplies	\$1,200
Other Expenses	\$3,000
Cart Parts	\$2,400
Small tools	\$600
Professional Services	\$9,000
Alarm Monitoring	\$3,348
Shipping	\$300
Travel	\$1,000
Advertising	\$4,500
Rentals and Leases	\$79,325
Insurance	\$12,000
Repairs & Maintenance	\$2,400
Software	\$600
Printing	\$600
Dues	\$300
Laundry	\$3,850
Banking Fees	\$19,200
State Excise Tax	\$4,807
<b>Total</b>	<b>\$604,068</b>

### Food and Beverage

Proposed Operating Expenses	2019
Temporary Help	\$52,500
Purchase of Food / Alcohol	\$59,500
Misc. Expense	\$3,000
<b>Total</b>	<b>\$115,000</b>

### Competitive Market Analysis

The following competitive market analysis {CMA} provides a framework for setting competitive rates and understanding the market segment that defines Mint Valley. The golf marketplace is hyper competitive and based upon a review of market conditions it is the recommendation of the VGA, LLC that a CMA be completed on quarterly basis and provided to the appropriate stakeholders and that the setting of rates be the responsibility of the course manager and approved by the Parks Director. The setting of rates needs to be completed based upon data, past performance, and coordinated with a comprehensive/integrated strategic plan and budget. Below is an example of the proposed format to complete a CMA and rate setting worksheet for Mint Valley Golf Course.



## Competitive Market Analysis

Course: Mint Valley Golf Course

Date of Analysis: 9/16/2018

### Quality Rating Scale

- 5 – Excellent
- 4 – Very Good
- 3 – Good
- 2 – Fair
- 1 - Poor

General Facility Information	Mint Valley	Three Rivers	Tri- Mountain	Lewis River
Distance from Your Course		6.7	29.3	27.9
No. of Holes	24	18	18	18
Driving Range? - (Y or N)	y	y	y	y
Rating of Clubhouse	3	4	4	4
Rating of Snack Bar/Restaurant	3	4	4	4
Rating of Banquet Facilities	3	4	4	4
Rating of Layout	4	4	4	4
Rating of Course Conditions	4	4	4	4
Rating of Value				
Rating of Overall Golf Experience				
Overall Rating - (20 Maximum)	8	8	8	8

Mon - Fri	Time of Day Rate is Available	Current Rates	Updated Rates	Three Rivers	Tri- Mountain	Lewis River
18 holes	Before 12	\$28.00		\$32.00	\$38.00	\$25.00
9 holes	Before 12	\$15.00				\$15.00
9holes	After 8 Monday-Thursday			\$18.00	\$22.00	
Early Bird	Before 8 Monday-Thursday				\$30.00	
Twilight	After 12:00	\$25.00				
Twilight	After 3:00	\$20.00			\$30.00	
9 holes	After 12:00	\$15.00				
Happy Hour	After 3:00	\$20.00				
9 holes	After 3:00	\$10.00				
Senior Rate	62 plus	\$24.00		\$28.00		
Senor 9 holes	62 plus	\$15.00		\$15.00		
Junior	9 – 17 18 holes	\$18.00			\$14.00	
Junior 9 holes	9 - 17 9 holes	\$10.00			\$10.00	
Par 3	All day	\$7.00				
Par 3 Juniors	All day	\$0.00				
Special	After 1:00 18 holes with cart \$5.00 food					\$50.00
Special	After 3:00 unlimited golf with cart \$5.00 food					\$35.00
Special	18 holes cart bucket			\$45.00		
Twilight Special	Twilight after 2:00			\$25.00		
Twilight Special	Twilight after 2:00 with cart			\$35.00		

Sat & Sun	Time of Day Rate is Available	Current Rates	Updated Rates	Three Rivers	Tri- Mountain	Lewis River
18 holes	Before 12:00	\$28.00		\$32.00		\$30.00
9 holes	Before 12:00	\$15.00				\$20.00
9 holes				\$18.00		
Twilight	After 12:00	\$25.00				
Twilight	After 3:00				\$32.00	
9 holes	After 12:00	\$15.00				
Happy Hour	After 3:00	\$20.00				
9 holes	After 3:00	\$15.00				
Senior Rate	62 plus	\$24.00		\$28.00		
Senor 9 holes	62 plus	\$15.00		\$15.00		
Junior	9 – 17 18 holes	\$18.00			\$14.00	
Junior 9 holes	9 – 18 9 holes	\$10.00			\$10.00	
Special	After 1:00 18 holes with cart \$5.00 food					\$60.00
Special	After 3:00 unlimited golf with cart \$5.00 food					\$35.00
Special	18 holes cart bucket			\$45.00		
Twilight Special	Twilight after 2:00			\$25.00		
Twilight Special	Twilight after 2:00 with cart			\$35.00		

Cart Rates	Current Rates	Update Rates	Three Rivers	Tri-Mountain	Lewis River
18 Hole	\$28.00		\$20.00	\$16.00	\$16.00
9 Hole	\$16.00		\$10.00	\$10.00	\$10.00

## Rate Worksheet

Course: Mint Valley

As of: 9/7/2018

Month Under Review:		# of Wkdays in Month:		# of Wkends in Month:	<u>0</u>
Month Under Review:		# of Wkdays in Month:		# of Wkends in Month:	<u>0</u>
Month Under Review:		# of Wkdays in Month:		# of Wkends in Month:	<u>0</u>

### Green Fees

☒ Please place an "X" in this box if you bundle your weekday green fee and cart fee price

Weekday Rates (Monday thru Friday)	Time Available	Average Rnds/Day	Current 2018	New Avg Rnds/Day	Revised 2018	Rev. Impact per Day	Rev. Impact for Period
EB Back 9	0	0	\$0.00	0	\$0.00	\$0	\$0
18 Hole Early Special	Before 8:00am	0	\$0.00	0	\$0.00	\$0	\$0
18 Hole - Non Resident	0	0	\$0.00	0	\$0.00	\$0	\$0
18 Hole Resident	8:00-12:00	0	\$0.00	0	\$0.00	\$0	\$0
18 Hole Senior	60 or Better	0	\$0.00	0	\$0.00	\$0	\$0
18 Hole Junior	After 1:00	0	\$0.00	0	\$0.00	\$0	\$0
18 Hole Tournament	\$25-\$45	0	\$0.00	0	\$0.00	\$0	\$0
Senior Lunch Special	All day	0	\$0.00	0	\$0.00	\$0	\$0
9 Hole Resident	0	0	\$0.00	0	\$0.00	\$0	\$0
Twilight	After 2:00	0	\$0.00	0	\$0.00	\$0	\$0
Super Twilight	After 5:00	0	\$0.00	0	\$0.00	\$0	\$0
Leagues	0	0	\$0.00	0	\$0.00	\$0	\$0
0	0	0	\$0.00	0	\$0.00	\$0	\$0
0	0	0	\$0.00	0	\$0.00	\$0	\$0
<b>Totals</b>		<b>0</b>		<b>0</b>		<b>\$0</b>	<b>\$0</b>

☐ Please place an "X" in this box if you bundle your weekend green fee and cart fee price

Weekend Rates (Sat, Sun, & Holidays)	Time Available	Average Rnds/Day	Current 2018 Rate	New Avg Rnds/Day	Revised 2018 Rate	Rev. Impact per Day	Rev. Impact for Period
EB Back 9	0	0	\$0.00	0	\$0.00	\$0	\$0
18 Hole Early Special	Before 6:30	0	\$0.00	0	\$0.00	\$0	\$0
18 Hole - Non Resident	0	0	\$0.00	0	\$0.00	\$0	\$0
18 Hole Resident	6:30-12:00	0	\$0.00	0	\$0.00	\$0	\$0
18 Hole Senior	60 or Better	0	\$0.00	0	\$0.00	\$0	\$0
18 Hole Junior	After 1:00	0	\$0.00	0	\$0.00	\$0	\$0
18 Hole Tournament	\$45.00-\$65.00	0	\$0.00	0	\$0.00	\$0	\$0
Senior Lunch Special	All Day	0	\$0.00	0	\$0.00	\$0	\$0
9 Hole Resident	0	0	\$0.00	0	\$0.00	\$0	\$0
Twilight	After 2:00	0	\$0.00	0	\$0.00	\$0	\$0
Super Twilight	After 5:00	0	\$0.00	0	\$0.00	\$0	\$0
Leagues	0	0	\$0.00	0	\$0.00	\$0	\$0
0	0	0	\$0.00	0	\$0.00	\$0	\$0
0	0	0	\$0.00	0	\$0.00	\$0	\$0
<b>Totals</b>		<b>0</b>		<b>0</b>		<b>\$0</b>	<b>\$0</b>

### Cart Fees - (If you do not bundle your GF/CF Price)

Current Ridership %	<u>0.0%</u>	Anticipated New Ridership %		<u>0.0%</u>	
	Average Rnts/Day	Current 2018 Rate	New Avg Rnts/Day	Revised 2018 Rate	Rev. Impact per Day
Weekday Carts	0	\$0.00	0	\$0.00	\$0
Weekend Carts	0	\$0.00	0	\$0.00	\$0
					\$0
	Current Avg Rnds or Rentals	New Avg Rnds or Rentals	Average Rev. Impact per Day	Estimated Rev. Impact for Period	
Total GF Impact	0	0	\$0	\$0	
Total CF Impact	0	0	\$0	\$0	
	Combined Impact		\$0	\$0	

## Strategic/Business Plan

A critical component for a successful municipal golf operation is a clear plan for the management of city resources and a strategic approach to how those resources will best be maximized to deliver results for the community. To achieve these goals, it is the recommendation to the city that a quarterly strategic plan be developed in cooperation with community representatives to provide an access point for public participation. This tool should align the goals of the city and the public into a comprehensive approach. The strategic plan should be directly aligned and respectful of the approved city budget for course operations. The strategic plan should be reviewed for the prior quarter and adjustments should be documented and measured for each subsequent quarter.

1. Financial Review - 2018				
	2018 Finals	2019 Budget	Variance	
Total Revenue				
Total COS				
Gross Profit				
Total Payroll				
Total Other				
Total Expenses				
NFO				

2. List key 2018 accomplishments (financial, operational, personal/developmental, etc.)	
1.	
2.	
3.	
4.	
5.	

*Add lines if necessary*

3. What, if anything, would you have done differently if you had 2018 to do over?	
1.	
2.	
3.	
4.	
5.	

*Add lines if necessary*

4. What are your keys to success for 2019? (Example)	
1.	Group Sales-Not only achieving budget, but concentrating on off peak in house events and promotions.
2.	Build membership base of 350 Members-work with clubs to fill off peak times
3.	Utilize scorecard for weekly communication with team regarding weekly performance
4.	Develop customer loyalty and satisfaction through consistent pace of play, consistent service, and continue to strive to create a seamless golf experience.
5.	Execute and maintain a marketing plan that not only creates demand but increases knowledge of location and proximity to Portland.

5. 1st Quarter Financial Review			
	5-year Average Jan- March	2019 Budget Jan- March	Variance
Total Rounds			
Total Revenue			
Total COS			
Gross Profit			
Total Payroll			
Total Expenses			
NFO			

5 Key Strategies to achieve the 2019 Target-List your strategies and the action plans necessary to achieve each:

**Goal:** Exceed \$ NFO delivering on our commitment to our members, guests, and co-workers.

Strategies:

1. Increase Efficiency with Pride
2. Improve Product Quality
3. Guest Satisfaction / Service Excellence
4. Pace of Play
5. Revenue (listed separately with goal)

1. Increase Efficiency with Pride (Example)			
Action Step	Who	Update	Complete
A. Post a monthly schedule in all departments with weekly hourly goals			
C. Schedule time for pro shop co-workers to maintain cleanliness around facility and maintain individual property responsibilities (tournaments/ merchandising, memberships)			
D. Establish monthly meeting schedule for co-workers to express needs and understand how the property is doing			
2. Improve Product Quality (Example)			
Action Step	Who	Update	Complete
A. Establish monthly maintenance audits			
B. Train and hold each other accountable for all RSI strategies			
C. When play increases dramatically, insure we have resources to handle demand			
D. Establish Capital Improvement Plan			

<b>3. Guest Satisfaction/ Service Excellence (Example )</b>			
Action Step	Who	Update	Complete
A. Issue customer survey 1st week February			
B. Review and understand RSI and Service Excellence standards for 2019			
C. Develop quarterly newsletter from course to members			
D. Implement Power Walk with key staff. Do bi- weekly to start			
<b>4. Pace of Play {Example}</b>			
Action Step	Who	Update	Complete
A. Pro Shop team to meet with volunteers to discuss past years challenges and ways to improve			
B. Volunteer lead to submit action plan for each quarter discussing strategies for Pace of Play {POP}.			
C. Communicate expectations with guests at the counter and first tee			
D. Institutionalize POP cards in some fashion during the 1st quarter/starter sheets			

### Revenue Strategies/Goals:

**Goal:** Exceed 2018 budgeted revenue in all areas. (Example)

### Strategies:

<b>1. Maximize Revenue through Revenue &amp; Service Integration (RSI).</b>
<b>2. Maximize Revenue through Group Sales (Tournament).</b>
<b>3. Maximize Revenue through Membership.</b>

<b>1. Maximize Revenue through Revenue &amp; Service Integration {RSI}.</b>			
Action Step	Who	Update	Complete
A. February start Thurs callback for WE-Call Men's/Ladies Club to fill in blank times			
B. Bounce Back Promotions handed to each customer			
C. Tournament Blitz January/February			
D. Uphold all RSI standards maintain 90% or better average			
<b>1B. Pricing and Bundling Strategies</b>			
Action Step	Who	Update	Complete
A. Merchandise- Develop bundling strategy by 1/31for year			
B. Aggressively market to seniors with bundling (March)			

C. EB Back 9 7:30-8:30am \$5.00 upgrade to play the front based on space			
D. Begin marketing in season rates February			
<b>2. Maximize Revenue through Group Sales/Event Management (Tournament &amp; Catering). The GOAL is to increase both by 25%</b>			
Action Step	Who	Update	Complete
A. Tournament lead in place			
B. Host one in house event each month- February: Super Bowl Shotgun			
C. Help promote Men's/Ladies Club events- through membership etc.			
D. Contact all previous year's first and second quarter events to insure rebooking has occurred			
<b>3. Maximize Revenue through Membership strategies.</b>			
Action Step	Who	Update	Complete
A. Contact all members for monthly course sponsored event - special member rate			
B. Create call list from memberships to fill open tee times			
C. Work with teaching professionals and sales reps for membership special events			
D. Membership drive in March			

### Development of Weekly/Monthly Performance Management Tools/Tee Sheet Management

The weekly scorecard presented next is a great tool to measure the revenue and expenses of the facility. The scorecard should be aligned with the budget and strategic plan that will be completed cooperatively by the golf course management team. The scorecard will be completed on Monday mornings by the golf course operations manager and will submitted to the Parks Director by noon. The scorecard will be posted so all staff are able to see the performance of the property and what the revenue and expense goals are for the month. The scorecards will be an integral part of the quarterly business plan review and budgeting process. Additional items can be added to the scorecard based upon the needs of the city management and council.





## **Merchandising**

Included is an example of a merchandising budgeting guide. To maximize profitability a value-based approach is recommended. Mint Valley should enter exclusive relationships with golf vendors to receive the best pricing and pass that on to the customer. An annual purchasing plan should be developed, and monthly sales goals established. Merchandising should be integrated into all aspects of the course operation including memberships, player development, daily green fees, group sales and special events. Monthly promotions should be marketed, and an online presence needs to be established. As a municipally managed property the city should be able to take advantage of discounted payment terms. The city should attend the annual PGA merchandise show and develop relationships with vendors.

## 2019 Merchandise Budgeting Guide

	Spring Season						Fall Season						Total
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Retail Sales Budget	\$6,060	\$6,060	\$8,333	\$8,206	\$9,539	\$15,403	\$20,537	\$21,042	\$15,896	\$15,150	\$7,575	\$20,200	\$154,000
Sales @ cost (C.O.S.)	\$3,636	\$3,636	\$5,000	\$4,924	\$5,723	\$9,242	\$12,322	\$12,625	\$9,538	\$9,090	\$4,545	\$12,120	\$92,400
% to total sales	4%	4%	5%	5%	6%	10%	13%	14%	10%	10%	5%	13%	100%

Merchandise Turn Goals	Monthly Sell Thru	Annual Turn
Turn (cost sales/cost inventory)	25%	3
	25%	3

### 2019 Pro Shop Inventory Targets based on Merchandise Income plans derived from Income sales per round, monthly C.O.S., and turn goals

	Spring Season						Fall Season						Annual Target Sums
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Maximum stock level	\$24,240	\$24,240	\$33,330	\$32,825	\$38,156	\$61,610	\$82,147	\$84,167	\$63,585	\$60,600	\$30,300	\$80,800	\$615,998
Minimum stock level	\$14,544	\$14,544	\$19,998	\$19,695	\$22,893	\$36,966	\$49,288	\$50,500	\$38,151	\$36,360	\$18,180	\$48,480	\$369,599
Averaged targets	\$19,392	\$19,392	\$26,664	\$26,260	\$30,524	\$49,288	\$65,717	\$67,333	\$50,868	\$48,480	\$24,240	\$64,640	\$492,799
R.O.I. if targeted numbers are hit	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%

2019	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Budgeted Rounds	500	1,000	2,000	3,000	4,500	6,000	6,000	6,000	4,000	2,000	1,000	500	36,500
Budgeted Sales	\$6,000	\$6,000	\$7,500	\$7,500	\$10,000	\$15,000	\$20,000	\$20,000	\$15,000	\$10,000	\$7,500	\$20,000	\$144,500
Income per Round	\$12.00	\$6.00	\$3.75	\$2.50	\$2.22	\$2.50	\$3.33	\$3.33	\$3.75	\$5.00	\$7.50	\$40.00	\$3.96

2020	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Budgeted Rounds	500	1,000	2,200	3,250	4,250	6,100	6,100	6,250	4,197	3,000	1,000	500	38,347
Suggested Sales Budget	\$6,060	\$6,060	\$8,333	\$8,206	\$9,539	\$15,403	\$20,537	\$21,042	\$15,896	\$15,150	\$7,575	\$20,200	\$154,000
Income per round	\$12.12	\$6.06	\$3.79	\$2.53	\$2.24	\$2.53	\$3.37	\$3.37	\$3.79	\$5.05	\$7.58	\$40.40	\$4.02
Total Cost of Sales	\$3,636	\$3,636	\$5,000	\$4,924	\$5,723	\$9,242	\$12,322	\$12,625	\$9,538	\$9,090	\$4,545	\$12,120	\$92,400

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Insert % Growth over Last year by month	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Insert C.O.S. Budget by month	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%

## Memberships

It is recommended to maintain the current membership pricing and benefit structure until further engagement and communication can occur with the members of Mint Valley. Many of the memberships are renewed in March and represent approximately \$100,000 of total revenues. In the future memberships should be tracked and reported separately from green fees. The current members are very committed to the success of Mint Valley and want to be engaged on priorities and the evolution of the business strategies regarding the course. The passion of the members and customers of Mint Valley is one of the biggest strengths for the future success of the property.

## Guest Satisfaction

The balancing of revenue generation and guest satisfaction is a critical component of a long-term sustainable approach to golf course management. To measure and create an atmosphere of accountability and continual improvement the following revenue service checklist should be completed on a weekly or monthly basis. This document can be used for training of new/seasonal staff and should be an opportunity to catch staff doing something right versus as something that is punitive. In addition, the operations manager should conduct a daily walk of the facility from the parking lot through the pro-shop/restaurant and driving range/practice area to make sure all customer service areas are maintained and meeting the customer's expectations.

## Revenue Service Integration Checklist

Course: \_\_\_\_\_

Reviewer: \_\_\_\_\_

Date: \_\_\_\_\_

## Pre-work

Reservation Call by Facilitator		Date call was made:			
		Co-worker answering:			
1.	Phone is answered by the third ring and with the standard greeting.				
2.	Co-worker asks the number of players before offering a tee time.				
3.	Low demand times are offered before high demand times.				
4.	Co-worker asks for a phone# to reserve the time. Phone only				
5.	As part of the reservation script, Co-worker explains the cancellation policy.				
6.	If requested tee time is not available, Co-worker asks to put caller on the Wait List.				
7.	Prior to the end of the transaction, the caller is thanked for their business.				



### Cancellation Call by Facilitator

		<b>Date call was made:</b>			
		<b>Co-worker answering:</b>			
1.	Phone is answered by the third ring and with the standard greeting.				
2.	Co-worker offers to rebook the caller for another day or time when canceling tee time.				
3.	Prior to the end of the transaction, the caller is thanked for their business.				

### Review Process

<b>Tee Sheet Management</b>		<b>Date of Review:</b>			
1.	Opening time correctly set ½ hour prior to sunrise 7 days a week.				
2.	Short groups are being paired consistently.				
3.	All tee times on Tee Sheet have a phone#.				
7.	Tournaments have been allotted the correct number of times per their contracts.				
8.	A Wait List is in place and being used to capture excess demand for prime tee times.				
9.	Co-workers are calling every name on the Wait List prior to the requested day of play.				

### Gap Management - Courtesy Call - starts with season February

1.	Complete name & phone number is captured for every tee time.			
2.	Schedule for calls to be made is part of the standard operating procedure.			
3.	Measurement system is in place to track Courtesy Call Backs.			

### Gap Management - Procedures for filling No Shows/Short Shows

1.	The squeeze slot is being used to book singles and twosomes whenever possible.			
2.	Optimum Booking or Stand-by Golf is being strategically applied during peak times.			
3.	Guests who show up short are asked to wait to be paired.			

<b>Tournament Acceptance &amp; Event Management</b>		<b>Date of Review:</b>		
1.	Only events with the highest dollar values are being booked during peak times.			
2.	A discounted pricing strategy to move group business to off-peak times is being used.			
3.	Various tee systems are being utilized relative to group business to maximize play.			
4.	Deposits are being collected & applied in POS appropriately.			
5.	The final guaranteed number of players is being confirmed a minimum of 10 days out.			
6.	Collection of payment in full for peak event is occurring before the day of play.			
7.	OM is reviewing tournament bookings for the next two months on a weekly basis.			

### **Guest Transaction/Front Counter Procedures**

1.	Co-worker extends a warm greeting when each guest comes to the counter.			
2.	The guest is referred to by name at some point during the transaction.			
3.	Membership card is asked for and properly swiped if available.			
4.	Point of purchase displays are in place to promote bundled specials at the front counter.			
5.	Every guest is offered a bundled special at the front counter .			
6.	Every guest is asked if they would like to rebook.			
7.	At some point the Co-Worker genuinely thanks each guest for their business.			
8.	Tournament lead sheets are readily available at the front counter.			
9.	Co-workers are aware of any event activity that day and the event chairperson's name.			

### **Management Procedures/Expectations**

1.	Daily expectations are set with Co-workers about course-specific RevPAR opportunities.			
2.	OM is reviewing the Tee Sheet on a frequent basis throughout each day.			
3.	System to audit the tee sheets after the day of play is in place and being executed.			

4.	GM is printing and reviewing utilization reports at least once per week.			
5.	Continual focus is being placed on improving the Pace of Play.			

### Demand Creation Programs

1.	Rates are appropriately structured to maximize RevPAR based on historical demand.			
2.	Member/Non-Member pricing is being leveraged to drive off-peak play.			
3.	Outbound calls are being made to generate new group leads and/or book individual times.			
4.	Replay system has been established and is being used whenever the 1 <sup>st</sup> tee is empty.			
5.	Bounce backs are readily available and are being handed out to every guest.			

### Strategy Tracking System Scoring System

1 - Consistent & complete implementation. 3 - No action taken since last review.

2 - Improving but needs continued focus. 4 - Introduced during this review

RevPAR Strategies to Be Implemented		Date of Review:		
1.	Bundles - new products and focus			
2.	Bounce backs - different offer and consistency in delivery			
3.	Move group business to off-peak			

(Do not utilize the block below until you have achieved a score of "1" on at least one of the above strategies)

Additional Strategies		Date of Review:		
1.				
2.				
3.				



## **Golf Course Quality Audit**

Monthly the operations manager and golf course superintendent should complete a golf course quality audit. An example is included in the appendix (Appendix E – Golf Course Quality Audit) of this document. Standards of quality should be set for each area and supported by the budget approved by the city council. The assessments provide a foundation for tracking course quality and measurement of investments made by the city into the facility. This document should be part of the quarterly business plan development and the annual budget discussion. Participating in the course audit process is a great way to have all members of the management team understand what it takes to maintain a high-quality product.

## **Volunteer Coordination Plan**

Volunteers are critical to the success of a municipal golf course. Strong volunteer programs provide a foundation for future employees, First Tee Coaches, and provide valuable feedback to course staff for improvements. The development of a volunteer manual including training is necessary to make sure volunteers are up to date on course policies and procedures. The following document provides an overview of the Tumwater Player's Assistant Program. The volunteer plan should be developed with current volunteers at the course and members of the public.



## TUMWATER VALLEY GOLF CLUB PLAYER ASSISTANTS PROGRAM

Quality customer service along with a value added experience is a daily goal we strive for at TVGC. As Player Assistants, we have one of the most recognizable "faces" to our customers. What we say, what we do, how we interact with the public and enforce policies is vital to the overall success of the course.

In recognition of your time & efforts, TVGC provides PA's with complimentary golf, range and cart privileges during the time you are actively volunteering. Please keep in mind that our public play and tournaments have priority use in all areas as we have to generate enough revenue to cover our operating expenditures. So having enough carts, range balls, and prime time tee times to meet the public demands, is a necessity.

General outline of duties and expectations:

### **Time commitment:**

- Morning shifts: 20 minutes before sunrise to noon. Afternoon shifts: Noon to 6pm. (Modified hours for winter.)
- Arrive on time and work entire shift.
- If schedule changes are needed please find coverage from "Sub List" and report changes to Tony Niemeyer in advance of your shift. If you cannot find coverage, please notify Tony.
- Those working less than the standard 6 hours per week shifts will be contacted by Tony to discuss being placed on our "Call List" for other activities supporting the golf course.

### **General Duties:**

- Use radios at all times.
- Check with pro shop staff for cart needs and assist with turning carts throughout your shift.
- Repair ball marks on greens and sand divots on tee boxes.
- Monitor pace of play, assist with moving slower groups along, and enforce course policies.
- PA's major priorities & focus: Assisting TVGC staff, monitoring course, enforcing policies, improving course conditions and consistently being visible & available & interacting with the public in a positive manner.
- During your shift avoid: Spending unnecessary time in the pro shop, practicing or playing golf, ball hunting, etc.

### **Course Policies:**

- No mixed use on course: Jogging, walking, biking, fishing on any areas of the golf course is prohibited. River rafters must remain in the river and not exit onto the course.
- Dogs are not allowed.
- Carts in parking lot are prohibited.
- Maximum amount of players per group is 4 during "in season" months.

***Our goal is to have our volunteers feel appreciated and a part of the TVGC Team. We welcome you aboard and appreciate all of your efforts in making TVGC a great place to be!***

Please sign, date and return to Tony Niemeyer and a sincere thank you for your participation and service.

Print Full Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Lessons/Player Development/Learning Center

The facilities at Mint Valley lend themselves to the course serving as a strong educational facility providing facilities that target beginning golfers and programs such as First Tee, PGA Get Golf Ready, PGA Junior League, as well as advanced instruction opportunities based upon the integration of strong golf teaching fundamentals with specialized training such as TPI (Titleist Performance Institute), and PGA trained instructors, and trained golf club fitters. The following provides a background on the First Tee of South Puget Sound. The First Tee is a national leader in Junior Golf Development Programs and has a strong presence in the south sound area. The potential expansion to southwest Washington fits with the goals of the First Tee of South Puget Sound especially at a municipally owned and operated facility. The following information outlines the background and statistics of the First Tee of South Puget Sound.



### Our Mission

To impact the lives of young people in the South Puget Sound by providing educational programs that build character, instill life-enhancing values and promote healthy choices through the game of golf.

The First Tee of South Puget Sound is open to all youth ages 5-18. We have 6 levels the kids progress through:

- **Little Drivers** - Introduction to The First Tee using SNAG Equipment (Starting new at golf) Oversize equipment teaching the basics of golf Chip, Pitch, Putting and Full Swing.
- **PLAYer** - starts at age 7 - Teaches the nine core values such as Honesty, Respect, Responsibility and introducing nine healthy habits such as Energy, Mind, Friends, Community
- **PAR** - Typically ages 8-10 talking about personal par, meet and greet
- **Birdie** - Typically ages 11-15 talking about goal setting (short term and long term) First Tee National opportunities
- **Eagle** - Typically ages 15-17 talking about the goal ladder going rung to rung and diving deeper into how we set goals
- **ACE** - typically ages 16-18 Invite them to assist with a PLAYer class as well as develop the skills they need to be successful in life

### Since Being Founded, The First Tee of South Puget Sound has:

- Established Executive Board of 14 passionate community members
- Trained over 200 volunteers to assist with programming
- Established program partnerships with 18 youth serving agencies - B&G Clubs across the SPS, Rescue Mission, Kings in Training, Parks and Rec programs
- Reached over 50,000 youth through on course and outreach programs
- 82 Elementary and Middle Schools across the South Puget Sound
- Serving over 2000 participants at 11 local Golf Courses a year (Started with 94 in 2011)

- 60% of our participants receive full or partial scholarships based on need
- 40% of our participants are female (National First Tee Chapter Average is 36%)
- 50% of our participants are minority's (National First Tee Chapter Average is 47%)

If successful in implementing, the Mint Valley Junior Program could be coordinated with the efforts of Tumwater Valley Golf Course that is currently municipally owned and operated. The Tumwater First Tee Program is now in our 4th full year of programming. Tumwater started a pilot program in the spring of 2014 running one class a week of 10 kids. Since that pilot class, Tumwater has been able to accomplish the following:

- Served over 1400 participants at Tumwater Valley and have a great partnership with Tumwater Parks and Rec as well as Tumwater Valley while running 8-10 classes per season (Spring, Summer, Fall)
- National School Program is currently at Tenino and are in talks with 15 other Schools. We plan to be in these Schools by the end of Fall this year
- Tumwater Valley will be adding its first all-girls class this fall.

## Public Involvement

A public meeting was held from 7:00-8:30 pm on Thursday August 30, 2018. The purpose of the meeting was to seek public input on a series of questions regarding Mint Valley. The plan was to utilize a world cafe model for discussion. Under this model, small groups would discuss each question presented and report out to the larger group regarding the outcomes from their discussion. The questions were:

1. What do you like most about the golf course/ facility?
2. Thinking 10 years into the future, what improvements would you like to see at Mint Valley?
3. In what ways would you like to be involved in future planning for the management of the golf course?

Approximately 60 people attended the meeting. At the beginning of the meeting several members of the public raised questions regarding the status of the current concessionaire and why changes were being considered. Strong support from those in attendance was voiced for the performance of the current concessionaire. Based upon the desires of the public the consultant determined the best approach would be to capture the comments of the community and work to frame the questions within the group discussion. While there was a lot of energy in the room, the consensus was strong support for Mint Valley Golf Course. It was very apparent the community takes a lot of pride in the facility. The public needs to be involved in future discussions regarding the operations of the facility. Here is a bulleted list of many of the comments/ideas offered regarding the above questions during the meeting:

- Help engage Men's and Women's clubs and golf committee
- Get feedback
- Maintain Quality

- Men's and Women's Club events together (combine to a board)
- Get word out about Par 3
- Advertising Vancouver/Portland and up north
- Parent/Child Events
- Like the multiple tees the course offers
- The course should hire high school students
- Fix green on 17
- Create associate memberships
- Attract new people but be serious about golf
- Phone system
- Members bring new people to course
- Get kids out on course
- Real Instruction (No fun house)
- Family Destination
- Inviting to public
- All commit to making it better
- Talk it up
- Incorporate First Tee
- No done deal
- Improve bunkers
- Build trust between golf course and city
- Open and honest communication
- Men's and Women's Clubs create foundation for scholarships
- Additional players not just locals
- Investigate partnership with Three Rivers
- Joint memberships with Racket Club
- Nick Van is asset to the golf course (stated many times) (strong organizational skills)
- Course sponsored tournaments
- Annual Passes (Senior)
- Welcome to women golfers
- Practice facility
- Par 3 (improve)
- Programs for kids
- Junior City Tournament
- Green from tee to tee
- Walkability
- Friendly staff
- Family feel
- Support for maintenance crew
- Best greens around
- Independent Operator
- Discounts to members
- Personal Cart Storage

- Only public course in Longview
- Call and make tee times with a person
- Well maintained
- Director of golf plays with members
- Outstanding Driving range
- Well treated current employees (good current employees)
- Approachability of person in charge-efficient, responsive
- First Tee Program or US Kids
- Expanded Restaurant/Clubhouse
- Updated restrooms with locks
- Fix bulkhead on 17
- Fix cart paths
- No housing development
- Green improvement and drainage
- Youth program especially for girls
- Junior high golf
- Qualified golf instructors
- Sustainable golf course
- Cart paths moved out of landing zones