



CITY OF BATTLE CREEK
CITY MANAGER

**Binder Park Golf Course
Operational Review Committee**

Thursday, August 24, 2023

3:00 p.m.

Room 302A City Hall

AGENDA

- I. Call to Order**
- II. Public Comment**
- III. Approval of Minutes from August 30, 2022**
- IV. Operations Update**
 - a. Financial review**
 - i. FY 23 financial review**
 - ii. FY 24 budget**
 - iii. Extended financial projection**
 - b. Operational review**
 - i. FY23 summary and FY24 programs/events**
- V. Member Comments**
- VI. Adjourn**

BINDER PARK GOLF COURSE OPERATIONAL REVIEW COMMITTEE
City Hall
10 N. Division St. Room 302A
BATTLE CREEK, MI 49014
TUESDAY, AUGUST 30, 2022
4:00 PM

Members Present: Mayor Mark Behnke; Ted Dearing, Assistant City Manager; Ron Osborne, Golf Course Manager; Duska Brumm, Recreation Director, all attending remotely from Battle Creek, Michigan. , attended remotely from Grand Rapids, Michigan.

Absent: Ryan Dingman, Golf Course Operations (alternate) Vice Mayor Carla Reynolds, Commissioner Jim Lance, Revenue Services Director Linda Morrison

Staff: None

Call to Order/Recognition of Quorum: Mr. Dearing called the meeting to order at 4:02 PM, noting a quorum was present.

Public Comment: There were no public comments.

Approval of Minutes

A motion was made by Mayor Behnke, supported by Mr. Osborne, to approve the August 17, 2021 Binder Park Golf Course Operational Review Committee minutes. All in favor, none opposed. Motion passed.

Operations Update

A. Financial Review

i. FY 21 Financial Review

Mr. Dearing reviewed the FY 22 Budget Performance Report, stating that from a revenue perspective, it was a very successful year. Mr. Dearing also noted the overall debt payment including interest of \$235635, and total expenses operating expenses of \$1,114,716. Mr. Dearing noted revenues were able to cover 55% of the debt payment.

ii. FY 23 Budget

Mr. Dearing presented the FY 23 budget, noting they are taking a conservative approach. Golf Course Manager Osborne shared optimism for the upcoming year based on July and August numbers.

iii. Extended Financial Projection

Mr. Dearing presented the multi-year performance projections, noting 2025 is a key year as it represents the retirement of the debt expense. Mr. Dearing presented financial information to year 2035.

B. Operational Review

i. FY 21 Summary and FY 22 Programs/Events

Mr. Osborne presented the Binder Park Golf Course Fiscal Year End Report '21-'22, noting the significant increases in revenue from greens fees, cart rentals, range fees, memberships and the pro shop. Mr. Osborne note July 2022 revenues exceeded July revenues over the last year, stating he continues to be optimistic about FY 2023.

Mr. Osborne noted that expenses are up a bit due to labor and fuel costs and aging facilities. Mr. Osborne noted local golf course closures in the market and the impact on Binder and the good condition of the course. Mr Osborne also noted the return of many of the golf outings suspended during the pandemic.

Mr. Osborne noted the return of young people to the game and shared information on Binders' junior golf program.

Member Comments

Mr. Dearing shared comments from member Lance recognizing the good work of the Golf Course staff.

Adjournment

Mr. Dearing adjourned the meeting at 4:19 pm.

Binder Park Golf Course Fiscal Year End Report '22-'23

Binder Park Golf Course had its best financial year ever in '22-'23. Our total revenues were \$1,482,926. Which is \$353,272 over budgeted revenues (23.8%). And overall net profit, before the bond payment was \$260,862 (unaudited). Here is snapshot at our revenues in fiscal year '22-'23:

Green Fees: \$35,311 over budget

Cart Rental: \$62,165 over budget

Pro Shop: \$86,659 over budget

Memberships: \$20,799 over budget

Range: \$10,752 over budget

The game of golf continues to prosper following the post-covid pandemic. Since '18-'19 our revenues are up 28% following the pandemic. But we also have some challenges. Expenses continue to rise. Labor cost & staffing continue to be a challenge, gas prices have gone out of sight, food and beverage costs continue to rise along with pesticides and fertilizers are at an all-time high. To offset some of those expenses, I would recommend that we have a one-time increase to catch up with those expenses.

Golf is cool again, and young people (18-29 year old) have continued play, and for that, I think the future of golf is bright. Our outings and events have returned, and business is back to normal. Better than normal. Our Binder Park Junior Golf Academy is busier than it has ever been. Here is a snapshot of what we offer:

Junior Instruction for 5-18 year olds. From tiny tots to advanced juniors. We serve over 150 Juniors every year.

We have 3 PGA Junior League teams.

We run a County wide Junior Tour.

And we just hosted the PGA Junior League State Finals last week for the 2nd straight year. We hosted over 300 young golfers from around the state. That event alone brings in over \$13,500 dollars to the golf course.

The future of golf and Binder Park GC is very promising. The bond payment ends in February 2025, and the golf course continues to cover most, if not all of the bond payment. The City of Battle Creek has a gem of a facility at Binder Park GC and I look forward to the upcoming year.

Thank you,

Ron Osborne, PGA

Binder Park Golf Course

City of Battle Creek