



CITY OF BATTLE CREEK
CITY MANAGER

**Binder Park Golf Course
Operational Review Committee**

Thursday, August 22, 2024

3:00 p.m.

Room 302A City Hall

AGENDA

- I. Call to Order**
- II. Public Comment**
- III. Approval of Minutes from February 28, 2024**
- IV. Operations Update**
 - a. Financial review**
 - i. FY 24 financial review**
 - ii. FY 25 budget**
 - iii. Extended financial projection**
 - b. Operational review**
 - i. FY24 summary and FY25 programs/events**
- V. Member Comments**
- VI. Adjourn**

BINDER PARK GOLF COURSE OPERATIONAL REVIEW COMMITTEE
Hybrid Meeting Minutes

Wednesday, February 28, 2024 at 10:00am – Room 302A, City Hall and/or Zoom

MEMBERS PRESENT: in Person: Ted Dearing, Ron Osborne, Ryan Dingman, Alex Johnson, Aaron Kuhn

Via Zoom: Commissioner Jim Lance, Commissioner Chris Simmons,
Commissioner Patrick O'Donnell,

ABSENT: Duska Brumm, Mayor Mark Behnke, Commissioner Carla Reynolds

OTHERS PRESENT: Patti Worden – Executive Assistant (via Zoom)

Call to Order: Ted Dearing called the meeting to order at 10:01am.

Public Comment: There were no Public Comments.

Approval of Minutes: Commissioner Lance moved to approve the August 24, 2023 Binder Park Golf Course Operational Review Committee Minutes. Commissioner Simmons supported the motion. All in favor, none opposed. Motion passed.

Operations Update

A. Operational Review

i. Proposed Fee Increase

Ted Dearing discussed Ron Osborne's proposal for an increase in Golf Course Fees of just over 10.5%, which is a substantial increase from what has been done in the past and the purpose for calling this meeting.

Ted mentioned that if the Committee is supportive of this increase, it will need to go before the City Commission for approval and for changes in the Fee Bond and Insurance.

Ron Osborne discussed the proposed fee increases, noting the increase has typically been 2.5% every 3 years in the past. He noted an increase in the consumer index of over 22% due to Covid and that being a consideration to the proposed increases.

Ron mentioned that the Golf Course labor fees have increased almost 19%, fertilizer costs are almost an 80% increase and supplies have increased between 40-60%.

The price of replacing golf carts has almost doubled, noting 2017 price was \$4,000 per cart and 2027 estimate is \$7,500 per cart.

Capital improvements will also be needed, specifically the roof, carpets, parking lot, cart paths and the irrigation system, which is the biggest item (current system was originally installed in 1963). Ron reported that losing the irrigation system results in lost turf, playing conditions and revenue, noting we are currently gambling every year that we could lose the irrigation system.

It was noted the current Bond will be paid off in February of 2025.

Commissioner Lance shared that the Country Club increased their fees by 20% and no one was batting an eye due to the realization that things just cost more now. He feels this increase is in line with the market.

Ron indicated he feels Ryan Dingman does a phenomenal job as the Golf Course Superintendent with the budget he has.

Ron has been in the Golf business for 37 years and feels he knows the customer base and market. He believes if the City brings things back into the facility, the golfers will be happy to reinvest and support the increases when they are receiving the benefits. He indicated Binder Park is one of the best municipal Golf Courses in the State, in his opinion, and improvements would only make it even better.

Ted discussed the Binder Park Golf Course Budget Forecast and commended Ron for generating enough revenue to cover the operating expenses and the Bond payment and still be in the black.

Member Comments: Commissioner O'Donnell commented that he understood the costs, noting he feels them in his work, and that a 10% increase is really not that bad. He agreed with Ron that if we invest in the course, the golfers will support the increase because we have great facilities.

Commissioner Simmons also noted his approval of the increase.

Ted Dearing indicated it would be good to have the endorsement of the Binder Park Golf Course Advisory Committee when taking the Proposed Fee Increase to the City Commission and asked if the Committee would consider a motion to support as presented.

Commissioner Lance moved to approve the Proposed Fee Increase. Commissioner Simmons supported. All in favor, none opposed. Motion passed.

This will be added as an Agenda item for the March 5, 2024 City Commission Regular Meeting.

Adjournment: Ted Dearing adjourned the meeting at 10:20am.

Binder Park Golf Course Budget Forecast 2015-2035 Green #'s are Original #'s

[illegible]

Binder Park Golf Course Fiscal Year End Report '23-'24

Binder Park Golf Course had its best financial year ever in '23-'24. After our best financial year last year. Our total revenue for the year was \$1,575,000. Which is \$452,100 over budgeted revenues (28.8%). And overall net profit, before the bond payment was \$157,138 (unaudited).

The game of golf continues to prosper following the post-covid pandemic. Since '18-'19 our revenues are up 28% following the pandemic. But expenses are up as well. As you recall, back in March we asked for a 10% increase in user fees to keep up with the rising expenses.

The biggest challenges the golf course faces is an aging infrastructure. The expansion to 30 holes was 25 years ago, and we have an aging facility. Cart paths are in need of repair, Carpet & Roofs need to be replaced. But most importantly, The irrigation system on the original 18 hole course is **63 years old**. The system is antiquated, parts are no longer available for repair and if this system goes down – We would lose the golf course turf and subsequent revenues. I feel very Strongly that we need to get a plan in place to replace the irrigation as soon as possible.

The financial 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.

Golf continues to be cool 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 good. 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 4 PGA Junior League teams.

And we just hosted the PGA Junior League State Finals last week for the 3rd 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 and additional revenues to hotels & restaurants in the area.

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