

**City of Inver Grove Heights Minutes of the Proceedings  
Of The Park and Recreation Advisory Commission  
Wednesday, September 12, 2012**

**1. CALL TO ORDER:**

Chair Eiden called the September 12, 2012 Park and Recreation Advisory Commission Meeting to order at 7:00 p.m.

**2. ROLL CALL:**

Present: Chair Al Eiden; Vice Chair Dennis Schueller; Commissioners: Chris Solberg, Jim Huffman, Joe Boehmer, Willie Krech, Stan Johnson, and Mary Hapka

Parks and Recreation Director Eric Carlson

Absent: Recording Clerk Sheri Yourczek

Director Carlson stated Commissioner Mary Hapka was celebrating her birthday this evening. Everyone wishes her a Happy Birthday.

**3. PRESENTATIONS:**

**A. Catherine Link's Tunnel Painting Contest/Project**

Park and Recreation Director Eric Carlson stated as you may remember Catherine Link came before the Commission about a year ago regarding an art contest that consisted of tunnel paintings. She will speak further on her progress.

Catherine Link, Carew Court, Inver Grove Heights stated her project consisted of an art contest for local students from 6<sup>th</sup> to 12<sup>th</sup> Grade in which the winners put up their artwork in a pedestrian tunnel. They received 20 – 30 entries in which nine middle school winners, and three high school winners were chosen. The tunnel painting took place on April 21<sup>st</sup>. The artwork has kept off most graffiti. She walks through the tunnel weekly and removes any graffiti as soon as it appears. She is looking for someone to hold the contest next year and is wondering if the Commission had any suggestions. She would like to meet with the Inver Grove Heights Youth Leadership Council to see if they would like to help take on the contest, but they may need someone to be the main coordinator. Next year she hopes to open the contest to Inver Hills Community College students. In a few years she is considering expanding it to another town in the area.

Chair Eiden asked how she determined the winners?

Ms. Link stated some of the art teachers in the middle school helped pick ones that were best drawn and easier to transfer into the tunnel.

Chair Eiden asked her to describe where the tunnel was.

Director Carlson responded the tunnel was in the Arbor Point Development. It is within the trail system.

Chair Eiden stated now that it is done more people are going to want to see this.

Ms. Link commented that she is hoping the panels can remain permanent at some point. She did this for her Girl Scout Award for Community Service Project and she needed to do something to help the Community and she really liked art. She thought of the tunnel and came up with this idea to make it prettier.

Commissioner Solberg asked what the winners received.

Ms. Link responded they got the really good experience of getting to paint the tunnel with their artwork.

Commissioner Krech asked if there are others they can paint?

Director Carlson stated they started with this one. Ms. Link is hoping someone else will do the project and pick another tunnel to take on. We haven't had a graphite problem yet, but if we can find someone else to do this, it is their hopes to help save the City time and resources to have to remove the graffiti that sometimes happens. It is either a blank tunnel, or one with unwanted graffiti. He thanked Ms. Link for her time and for the kids who were selected to do the artwork. It is greatly appreciated. Anyone can contact either Ms. Link or the Park and Recreation Department to get the process started.

Vice Chair Schueller asked what was used to put the artwork on the walls?

Ms. Link stated it is similar to chalk, but you use a spray can to put it up. It is a brighter color too. The place they got it from stated it can stay up a couple weeks but since this is closed off to the elements, it should last longer.

Commissioner Huffman asked if they were going to do it with paint to make it last longer?

Ms. Link stated it depended on whoever wanted to take it on next.

Chair Eiden thanked her for her time and effort. He hopes someone out there listening will take this on and make this new project grow.

#### **4. ANNOUNCEMENTS:**

- A. You can find information regarding the City of Inver Grove Heights by visiting our Web Site at: [www.invergroveheights.org](http://www.invergroveheights.org)**
- B. Next Meeting: Wednesday, October 10, 2012. Regular Meeting 7:00 p.m.**

#### **5. CONSENT AGENDA:**

- A. Approval of Agenda**
- B. Approval of Minutes of July 11, 2012**

**Motion by Commissioner Solberg, seconded by Commissioner Johnson, to approve the Consent Agenda as presented.**

**Aye: 8**

**Nay: 0            Motion carried.**

#### **6. PUBLIC COMMENT:**

None

#### **7. UNFINISHED BUSINESS:**

None

#### **8. REGULAR AGENDA:**

## A. Review Inver Wood Golf Course Season Pass

Director Carlson stated back in March a Woodbury resident appeared here and wanted the Commission to consider a season annual pass for Inver Wood Golf Course. At that time we asked the Commission to put it off for the 2012 season and ask that we consider it for the 2013 season.

Al McMurchie, Golf Course Manager had a brief presentation:

He was directed to do the following per the City Council from the day he started:

- Maximize the financial performance of the golf course.
- Provide fair and equitable access to golf course tee times for all members of the general public.

Patron Card Program:

- Resident and Non-Resident versions
- Currently \$25.00 and \$40.00
- Approximate 15 to 20 percent discount per round
- Resident re-captures the price of the card in four weekend rounds (or five weekday rounds)
- Non-Resident re-captures the price of the card in six weekend rounds (or eight weekday rounds)

Regarding the net income operating income going back to 2006: We have always had a positive net income. When the market changed, we didn't have the same level of success. But we did have a positive income. Now the economy is having an impact on the golf rounds, which impacts our operation. In the fall of 2009 and early 2010, the City engaged in a consultant report. In that report one suggestion was that our revenue per round figure was too high and needed to be lowered and in doing so we need to analyze and develop a market competitive system. We beat every market competitor around us on our various rates. In 2010 we received our first negative in net operating revenue. This was in spite of the best weather year we have ever had in our 20 year history. We had 197 weather days. 2011 was more of an average weather year, in that year we lost, under the same rate system, \$274,000 in rounds. Last fall he met with the City Council and they came to an agreement that it couldn't continue in losses. We have done that, so in 2012 it looks like we will end up about \$59,000 in the positive. The key is the revenue per round idea and have it hovering in the \$30.00 to \$32.00 range. At the suggestions of the consultant, we lowered it. We retraced that round to \$29.77. We still have a few percentage points to go until we are back to the average we need. We lost ground in that time period, 2009 to 2011. We are almost back, and he would hate to see it go south again. One way to make it go south again would be to put an unlimited play season ticket in place.

Commissioner Solberg stated the consultant suggested we have an annual pass program.

Manager McMurchie stated in the report, it was a bullet point listed on one or two pages. There is no feasibility backing that statement, nor an analysis.

Director Carlson stated this was similar to the report the City did for the Community Center. After both of those reports were completed there are approximately 20 to 50 suggestions in both reports. The consultants merely gathered ideas from their experiences in other Countries, etc. They put those ideas into our reports. While these are suggestions, they are not necessarily givens that we will do them. We analyze them to our business plan and markets and see what ideas are good ones, one that maybe need minor adjustments before being implemented, or suggestions not fruitful for our facilities. The annual pass concept is one that Staff has analyzed and is one that we feel is not a good idea for this facility. We have implemented other ideas such as ball dispensing machines at the driving range; we improved the cart paths, purchased new software, made tee times available online, etc. Some we have determined to not be good ideas and this happens to be one of them.

Commissioner Johnson asked how many residents participate in the patron cards?

Manager McMurchie responded they are down to about 75 or 80. They used to have about 200. One of the reasons for the lower amount is due to other competitors offering golf deals, where people don't necessarily gravitate to one course.

Commissioner Solberg asked in your experience in the golf business, what is the best way for this golf course to improve their revenue for the year?

Manager McMurchie stated they are in a situation in the marketplace where results are dead flat. There is no particular upside. That's true of rounds and revenue. We have analyzed it for years. It's not just here; it's other golf courses too. It's hard to get out of that spread. The best way is to be protective if your revenue per round. We want to revert to the average that is around \$31.00.

Commissioner Johnson asked how many good weather days did they had in 2011? How does it look so far this year?

Manager McMurchie responded there were approximately 160 in 2011. So far this year, we are north of that, in the 170 or 175 range. The definition of a good weather day used to be at 50 degrees or better and not interrupted by rain. We are seeing more and more heat days enter into play. He can't change it but July hurt us this year. We had 14 days over 90 degrees and two days of 100 degrees. Morning play was good, but not afternoon play.

Commissioner Solberg asked if a demographic survey had been done to see who the players were?

Manager McMurchie responded they have. They know who their players are. Demographics here are aging. Historically this City, as well as West St. Paul and South St. Paul, are the oldest demographics. We know going in, that we will have senior play. We have a great program for seniors. We did not put into play the income level. That level is a bit lower than neighboring Communities.

Commissioner Solberg asked with the aging demographics, how many more years do we have before it starts to drop? How many years do we have left?

Manager McMurchie stated you have the older cohorts, about age 65 and 66. They are focused on the Executive Course. Then you have the baby boomers turning 60. They play on the Championship course. We have a lot of baby boomers behind that first age group. He would guess 12 to 15 years of baby boomers coming of age. You have a good stock of seniors coming forward. Then when you get into the next generation, they are much less numbers in size and they are probably going to be a lesser course of golf. After that group, they are called the millennial, they are a large group, it remains to be seen what that play will be.

Commissioner Solberg asked if they will need to make changes to the Executive Course due to upcoming players?

Manager McMurchie didn't think so. It's a great golf course. It's for all levels of play, not just seniors. It's a great starter course as well.

Commissioner Huffman asked how much senior passes cost?

Manager McMurchie responded about \$30.00 with a golf cart and play during the weekday. Even as the rate system sits now, one of the other things that happened in the report is that the rate system does now have a weekday and weekend rate system. Weekday rates are less.

Commissioner Johnson asked how many years are left to pay off the debt?

Manager McMurchie responded it is paid off. The land was transferred to the Economic Development Authority and the golf course is now debt free.

Commissioner Johnson stated we are not paying anything on debt this year?

Manager McMurchie responded that net operating income would become capital improvements to the golf course. This would be a big concern as we now have a 20 plus year old golf course. The golf cart path program is halfway through. We have some more to do next year. Then we have totally new golf cart paths. We renovated the clubhouse inside and out so that is new. That's had an impact. We are moving in the right direction. There will be other progress coming down the road. Something they need to keep in mind is an irrigation system. That's way out there to some degree.

Commissioner Hapka asked what the ratio was for residents and non-residents? How many tournaments do you hold there?

Manager McMurchie stated they no longer keep track of residents and non-residents. They used to do that by payment type, typically check, but do not any longer. In rough terms IGH residents are about 20% play. As for tournaments, we don't have any here and don't market for them. We do not have the clubhouse for them. Tents are not requested either with the weather being as it is. It is very easy to event that golf course off for events. It needs to be open to the public, and that's a good golf course strategy.

Commissioner Johnson commented that with your 20 years as our employee running the golf course, you are saying the best deal is staying the course the way we are, do not do season passes.

Manager McMurchie stated season passes will lower revenue round.

Chair Eiden didn't feel they should change the course. However, he would not close the door entirely to season passes. He thinks we should be obligated to do a cost benefit analysis when we consider these things. If we are going to change or add programs we need to have a cross benefit analysis. How do we know that what we are going to change to is going to be more beneficial than what we have today? What are the risks involved if we do that? He knows nothing about how we would put a season pass in place right now. The point is that there are so many elements involved, we have to do due diligence and really understand what could happen. It has to be profitable.

He was disappointed in the public's lack of turnout for the celebration. There are people out there that would love to see the golf course fail. He thinks it's a great amenity that we have to protect. He doesn't have any problems with the fact that we can get the rounds up to so much per round. We need to keep in mind what it takes to take care of things once we get them in here.

Vice Chair Schueller stated the programming at Inver Wood needs to be taken a look at. He doesn't know if adding memberships is the answer. The patron card program that was mentioned before has been decreasing in numbers. In 2010 there were 278 patron card holders; now there are only 213. It's not a big money maker for the golf course. It's a program he thinks has outlived itself. Another program they have is the group outing program. 350 golfers brought tee times for that. Out of 50,000 plus rounds, it's not drawing any players. He didn't feel the assessment was immediately implemented. In 2010 you really couldn't see much of the effect of the assessment. We are starting to see that is has paid dividends for us. Even though cost per rounds is down, rounds are still up. They want to get more people on the golf course. Even though they are paying less per round, you are still making more money. You should look at the amount of rounds being played. Golf memberships are common practice. They are done in neighboring courses. He has checked at other courses, and while some have them and some don't, it's not like this is going to be a losing proposition. These courses would not have these memberships if they were losing out. He doesn't believe as it has been mentioned, that we would lose money from having these memberships. You are dealing with people coming and playing, bringing friends, buying products. The two main reasons you want memberships is to make people become core golfers. They play here and only here. You collect over \$200,000 if you take the average amount of people that would be members and look at the average that they would pay at other courses. You would have over \$200,000 to start your season out. When you look at the fact that they other courses have this, you wonder why it isn't something we take a harder look at. When the guy came from Woodbury, he wanted us to take a look at this. It was his hope Staff would come back to us with a proposal stating what Inver Wood would do with

memberships. Instead, we got a memo that says no, we won't do this. He would like to see that done. We have done it with other policies so we have something to choose from. Most do not realize what a membership program would look like. If you look at other courses websites, they have memberships for a variety of categories. There are advantages to memberships. He thought it was pretty well stated that the assessment felt that this would be advantageous here. Golfers are bargain shoppers in this day and age and they probably won't buy them unless they are a good deal. We have to look at programming at Inver Wood. We need to see what we can possibly do so we have a better choice to make. We really lag behind in programming compared to other community courses. He would like to see some hard looks at this. Maybe we can get input from the general public. It's a course that is far and above other courses around us. That in fact is a tribute to Mr. McMurchie and the Staff.

Chair Eiden asked if they are getting responses to the survey on the website?

Manager McMurchie responded they are getting some, but most make comments when they are done on the course. We have had one or two of them this year. One of them was that we don't have a liquor license. He doesn't think it should. It tends to be highly problematic.

Chair Eiden felt this is an amenity in this City. He stated that whoever does these things needs to do a cost analysis. We need to see the risks and benefits of doing things.

Commissioner Hapka agreed with Chair Eiden in that you have to look at some other things that courses have compared to what we have to offer people so they don't course hop. Other courses may have restaurants, or a sports room, etc. You have to make sure you are comparing equal courses.

Vice Chair Schueller felt we can't move forward without the necessary information about memberships. We are never going to move forward unless we have information about that decision.

Chair Eiden commented that we need to direct Staff what we want them to do.

Vice Chair Schueller stated when we asked for membership information, why didn't we get a cost analysis on why it would work and why it wouldn't?

Commissioner Krech asked if we did a survey, we could find out if this is even worth pursuing. This may be a good starting place. They could come back and say so many would be interested.

Vice Chair Schueller commented we have the assessment from advisors. They found out what memberships had, and what they charged. They were not going to set up a membership program here. They say we should have them, which leaves that responsibility to Staff to do that. They do that by doing a survey and cost analysis and whether it would work or not. Nobody went out and said why we can't do it, we see a statement that said we would lose money if we do it, and without evidence that states how it would happen. Average payment is about \$150,000. These people play golf on the course on a regular basis. Other courses do this too. He wants to know why we are not doing this.

Commissioner Krech asked if we had memberships, would this bring others along to provide more memberships?

Vice Chair Schueller stated people who come on a regular basis, sometimes bring their friends to play. Those people buy products at the course, be it food and beverages, clothing, etc. More people create more revenue. For example, he had a friend that brought him along to play at another course. He had to pay when he went there. That's more money for the course that wouldn't normally go there. We have a lot of space for people to play at Inver Wood. It is not a situation where all the tee times are sold. There are times to be used. If designed

properly it creates a good atmosphere for the golf course. We can even have a tournament for memberships at the end of the year.

Chair Eiden asked if memberships would require other benefits? They are paying a fee; do they get preferential times for tee times? None of that stuff is laid out. Do we want the Staff to go out and do that?

Vice Chair Schueller stated it isn't that difficult to check other courses and see how they are set up. Some courses have locker room privileges, sometimes they get discounts at the pro shop, or tee times earlier, or pay more for a cart privilege. They are all designed differently. He would like to have seen this laid out to see what Inver Wood can do for memberships.

Chair Eiden commented if we want change, we have to lay out what we want Staff to look for. We can't make changes just because someone made a comment.

Commissioner Hapka suggested we look at other courses that have similar things we have. Then do the cost benefit. You would have to ask if they are making money with the membership program.

Manager McMurchie stated his first few years of business were spent working at Private Country Clubs. He has also been a consultant on over 40 different projects. If he has made a recommendation just as this consultant has made, he would have backed that recommendation with detailed feasibility. There is a long mathematical string involved that has led to this decision. At the end of it all, there are two major displacement factors that come into play.

In his consulting experience, he has been to courses that have been struggling. For example, the City of Grand Rapids has a course. They called him ten years ago to help them out with a business plan. They are doing \$200,000 in revenue. They are doing 40,000 rounds. That's just \$5.00 per round. Why was that? They had season tickets, they had memberships. How do you get out of that once you get into that? It's not going north. If you do this the numbers will go south. There is plenty of professional experience in here. He doesn't like to be called to say he hasn't done his job, he has.

Commissioner Johnson commented when the gentleman was here from Woodbury twice. He was looking for a way so he could pay an average lower price per round. He goes by here a few times a week and he stops and then he may bring friends too.

Manager McMurchie stated the patron card holders bring others in here too.

Commissioner Johnson stated they say they try to get more play for the money. He thinks Mr. McMurchie is correct, your revenue may not go up but your rounds would.

Commissioner Solberg stated the whole point in this was to raise the revenue. Are there other ways that we can increase the revenue? He asked what are we not doing that we should be doing to raise this revenue?

Manager McMurchie stated we are doing that right now. We came out of the hole that was dug and it's going up. We need to increase the rates. We have a consistent source of volume. The only changes to that are based on the weather.

Vice Chair Schueller stated that it is a real competition in price for golfers now. You must give people a reason to go to your golf course. If you raise your fees they are going to go elsewhere where the fee might be less for the same product. What are you doing to encourage people to come here?

Manager McMurchie stated the programs are documented every year. Instruction, Men's Program, Women's Program, and Junior's Programs. The golf facility is well programmed. Results enable us to increase slightly on the rate. Volume doesn't seem to move with slight rate increases. We have the same volume as we did last

year and the rates were raised. When we lowered the prices in 2010, we had the same volume. The industry doesn't understand that. They discounted when discounting became the norm.

**Motion by Commissioner Solberg in the absence of evidence and analysis to the contrary, especially within the consultant's report, he will defer to the judgment of Manager McMurchie and recommend that we not go forward with the season pass program as presented tonight. Seconded by Commissioner Johnson.**

**Aye: 8**

**Nay: 0 Motion carried.**

Manager McMurchie wanted to thank Commissioner Krech for helping them out with the Anniversary Celebration. It was a good day. The morning lunch period was really nice.

## **9. ADMINISTRATIVE PRESENTATIONS:**

### **A. Department Happenings**

Director Carlson stated he had nothing specifically to report but can stand by for questions.

### **B. Future of Our Parks Report – Park & Recreation System Plan**

Director Carlson stated the subcommittee of Commission members has met with the consultant for a kickoff meeting and a tour of the park system. We have been doing a number of activities to gather input from the public. Some Staff attended the Elementary School Open Houses in area to encourage people to visit our website. We were at the Inver Grove Heights Days Street Fair on Sunday. We are holding an open house on October 16<sup>th</sup>. We will be meeting with our park partners on October 2<sup>nd</sup>. And then we will be presenting information to the City Council on September 24<sup>th</sup>. We encourage anyone listening to go to our website and take our survey. Please contact the Park and Recreation Department if you are interested in getting involved. He encouraged the Commissioner's to take the survey if they haven't done so already. Please encourage others to do the same. Monthly we will continue to update the Commission on the progress, as well as update the City Council.

Commissioner Krech asked what kind of input they received from Inver Grove Heights Days.

Director Carlson stated they had about 30 to 40 people stop by with information. Some wrote on our legalized graffiti board with comments about our Parks and Recreation System. We have had 40 surveys filled out online so far. We continue trying to make people aware of it.

### **C. Discuss Skyview Outdoor Rink**

Director Carlson commented as you may recall in 2008 we purchased a new set of plastic boards for one of the rinks at Skyview Park. That proved to be defective. We contacted the company that sold us the product to return it and get a cash settlement. At this point we have not re-installed the rink and do not plan to do so for this winter season. We are opting to see what the park system plan comes up with to see what others may envision for that site. For those listening regarding that park, at this point we are not planning to put one there, but it could return there for future seasons depending on how the plan is put together.

Commissioner Hapka asked if there will still be a pleasure rink there?

Director Carlson responded that will remain.

## **10. COMMISSION COMMENTS:**

Commissioner Johnson had no comment.

Commissioner Solberg asked for an update on the Mississippi River Regional Trail that is going through our City.

Director Carlson responded the final two sections are under construction from Cahill south, down Inver Grove Trail though the science and natural area along the Mississippi River. The County will finish that this construction season.

Commissioner Krech asked if it will make it to the bluff?

Director Carlson responded that it will get to the Rosemount border this year.

Commissioner Krech had no comment.

Commissioner Hapka commented that Money Magazine's September issue talked about America's best place to live. One of the top reasons people want to live in a Community is for recreation and amenities. This gives credit as to why we do the Comprehensive Plan. Our trails, golf course, hockey rinks, Community Center, and access to the Regional Trail are all appealing in our Community.

Vice Chair Schueller sends his appreciation to the Park and Recreation Department regarding the open hockey program. He felt we had the best open hockey compared to other Communities. At Rich Valley ball park it was nice to see national tournament with teams from all over the Country using the facility. He also wants to thank all those people who worked as volunteers for Inver Grove Heights Days. It was a great success. The parade, the fireworks, and everything else that is done there. He would like to see the fishing contest re-instated. They need a sponsor. If anyone wants to sponsor that, it would be great to it have back.

Commissioner Boehmer thanked everyone from Inver Grove Heights Days. It was a good turnout, good weather, and a good time.

Commissioner Huffman had no comment.

Chair Eiden stated that while summer may be winding down, fall is winding up so watch the website, watch the brochures.

## **11. ADJOURN**

**Motion by Commissioner Krech, seconded by Commissioner Huffman, to adjourn the meeting at 8:28 p.m.**

**Aye: 8**

**Nay: 0            Motion carried.**