



City of Longview

1525 Broadway
Longview, WA 98632
www.ci.longview.wa.us

Workshop

City Council

Mayor Don Jensen
Council Member Ken Botero
Council Member Chet Makinster
Council Member Steve Moon
Council Member Scott Vydra
Mayor Pro Tem Michael Wallin
Council Member MaryAlice Wallis

Thursday, April 11, 2019

5:30 PM

2nd Floor, City Hall

NOTICE IS HEREBY GIVEN, in accordance with RCW Chapter 42.30, that the City Council of the City of Longview, Washington, will conduct a special meeting in the Longview City Hall Council Chamber, 1525 Broadway, Longview, on Thursday, April 11, at 5:30 p.m. The topics of discussion follow. Final disposition shall be taken on no other matter.

The City Hall is accessible for persons with disabilities. Special equipment to assist the hearing impaired is also available. Please contact the City Executive Offices at 360.442.5004 48 hours in advance if you require special accommodations to attend the meeting.

1. ROLL CALL
2. CALL TO ORDER
3. WORKSHOP
19-000110 MINT VALLEY GOLF COURSE CONCESSIONS
4. ADJOURNMENT

NEXT REGULAR COUNCIL MEETINGS:
THURSDAY, APRIL 25, 2019 - 7:00 P.M.
THURSDAY, MAY 9, 2019 - 7:00 P.M.

NEXT COUNCIL WORKSHOPS:
THURSDAY, APRIL 18, 2019 - 6:00 P.M. JOINT MEETING WITH HOUSING OPPORTUNITIES OF SOUTHWEST WASHINGTON



City of Longview

Agenda Summary

MINT VALLEY GOLF COURSE CONCESSIONS

COUNCIL STRATEGIC INITIATIVE ADDRESSED:

Council Initiative:

Address Quality of Place

Continue Effective Financial Management

CITY ATTORNEY REVIEW: REQUIRED or N/A

SUMMARY STATEMENT:

The process of transitioning the Mint Valley Golf Course from a contractor management model to a municipal management model began at the Council Workshop on February 22, 2019.

Attached is the time line from the February Council workshop until present which the Mint Valley Management Transition team has accomplished and also lays out tasks we are currently undergoing. (Mint Valley Transition Timeline)

The final step of the transition took place at the October 4 where the business plan for Mint Valley Golf Course was presented and approved. The plan included a forecasted budget based upon 2013-2017 actuals for revenue and expenditures for taking over the full management of the Pro Shop and the Food/Beverage operations.

The Food and Beverage operations supports the golfer's needs at the facility. In the past five years, the operation averaged \$51,785 with a low in 2014 of \$22,193 and a high of \$84,133 in 2015. The previous contractor reported in their Profit & Loss statements that on average \$59,742 was spent on supplies for the restaurant, not including staffing which is unable to be broken down between pro shop staff and restaurant in the statements.

Within the approved plan, the management team forecasted an increase to an average annual revenue of \$100,000 in sales for the food and beverage operations. This forecast is based on the plan to bundle food and beverage with golfing packages, creating an enhanced golfer experience with food included in events and on course bbq, a higher caliber of marketing to increase awareness and sales, remodel and expansion of the restaurant/bar area, as well as fully utilizing the food and beverage cart service out on the course.

The City has received a Cowlitz County Health Permit and Washington State Liquor Control Board Permit for the operation of a restaurant and pro shop that sells food, snacks, candy, beer, cider, and wine. All staff working within the pro shop and restaurant are required and possess both proper food handling (Food Handlers Card) as well the Washington State Mandatory Alcohol Servers Training (MAST). Once the restaurant remodel was complete, the City began selling food and alcohol on February 1, 2019.

The workshop will provide an update and overview of the current operations of Mint Valley Golf Course. Additionally, Council and staff will examine the pros and cons of keeping the food and beverage as a municipal managed enterprise or to bring in a third party vendor and outsource the operation under a newly formed contract.

RECOMMENDED ACTION:

For information, analysis, and discussion

STAFF CONTACT:

Jennifer Wills, Director

Attachments:

1. Mint Valley Transition Plan Timeline
2. 2019 Play & Rev Report- 1st Quarter

MVGC Management Transition Plan Timeline

February 2018

Council Workshop: Staff provided a Mint Valley Golf Course Financial Review. Council directed staff to begin exploring the financial impacts, timeline, and potential implications of taking over management.

March 2018

City began discussions for transition with current contractor.

April 2018

City provided contractor with a notice of intent not to renew the current agreement with an effective date of December 31, 2018. The City proposed a transition plan.

April – May – June 2018

City and contractor discuss next steps in potential transition plan. It is determined that the City and the Contractor will finish out the remainder of the agreement until December 31, 2018.

June 2018

The City names Jim Nickerson as the designee to the Pro Shop. Jim Nickerson will be doing research, meeting with potential future vendors, evaluating the facility, visiting other municipally owned golf courses, and gathering information to create a business model and ensure a smooth transition of management to the City of Longview.

July 2018

The City enters into a Professional Services Agreement with Russ Olsen of the Valley Golf Academy, LLC. The City sought to contract with a golf course management consultant who will work closely with the City's Parks and Recreation Director and her designee to provide evaluation, direction, and business planning services for the Mint Valley Municipal Golf Course. The City is committed to building a strong and successful team that can improve the customer experience and the profitability of the City's golf course and the Golf Operations Consultant is a key component to that success.

July – September 2018

DELIVERABLES FOR GOLF OPERATIONS CONSULTANT & DESIGNEE:

- Due September 30, 2018-Forecast budget based upon 2013-2018 actuals and remaining revenue and expense budgeted goals.
- Due September 30, 2018- Development of a quarterly strategic plan beginning January 1, 2018 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 business including but not limited to:
 - o Merchandising Plan

- o Tee Sheet Management (Pricing Strategies/Maximizing Utilization)
- o Marketing Plan
- o Guest Satisfaction/Service Delivery Pace Of Play
- o Pricing and Bundling Strategies
- o Memberships
- o Competitive Market Analysis – Initial Evaluation-Then Ongoing
- o Volunteer Coordination Plan
- o Development of Weekly and Monthly Performance Management Tools-Ongoing
- o Lessons/Player Development – Ongoing
- o Learning Center/Driving Range Community Based Model
- o Golf Cart Fleet Management
- o Co-Worker Satisfaction/Staff Management and Development
- o Food and Beverage Plan

October 2018

Present to Council for Approval – initial investment request and operating budget

October – December 2018

- Development of training plan for the City's Golf Operations Manager
- Development of golf course policy and operations manual
- Develop staff training guidelines and requirements
- Development of Golf Programming with implementation January 1
- Apply and obtain all necessary permitting for food and alcohol service.
- Pre purchase of Pro Shop merchandise for implementation January 1

Beginning January 1 - through June 30, 2019

- Implement the budget and strategic plan, upon approval of the City Council
- Schedule monthly meetings or conference call with course Operations Manager, Superintendent and the Parks and Recreation Director
- Staff training for customer service and best practices
- Ongoing Budget management - monthly measurement of profitability and expenses – Ongoing
- Pro shop merchandising – Ongoing
- Monthly inventory management
- Development of Tournament Pricing and marketing materials
- Implementation of a weekly scorecard measuring business practices
- Monthly written golf course audit of operation and course conditions

MINT VALLEY GOLF COURSE PLAY & REVENUE REPORT JANUARY 2019										
PLAYS	2019	2018	2017	2016		REVENUES	2019	2018	2017	2016
18 Hole	319	132	127	146		18 Hole	\$5,740.88	\$1,618.44	\$1,824.45	\$2,464.24
9 Hole	279	125	131	188		9 Hole	\$3,108.00	\$1,456.00	\$1,399.00	\$2,133.00
Par 3	26	3	6	28		Par 3	\$182.00	\$21.00	\$40.00	\$196.00
Pass Play	279	377	332	624		Pass Sales	\$10,076.25	\$5,147.50	\$4,175.00	\$0.00
						Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00
						Trail Fees/Cart Storage	\$2,675.00	\$1,620.00	\$508.25	\$1,070.00
						Driving Range 50% *	\$767.75	\$514.66	\$361.25	\$700.10
						Power Carts 15% *	\$261.41	\$149.80	\$127.86	\$194.89
						Concessions 5% *	\$24.27	\$26.51	\$44.34	\$49.19
Monthly Totals	903	637	596	986		Monthly Totals *	\$22,835.55	\$10,553.90	\$8,480.14	\$6,807.42

Driving Range Actual	\$1,535.50
Power Cart Actual	\$1,742.70
Concessions Actual	\$485.31
Merchandise	\$2,577.70
Tournaments	\$0.00
Gift Cards	\$150.00
Full Monthly Total	\$28,273.34

YEAR TO DATE COMPARISONS										
	2019	2018	2017	2016			2019	2018	2017	2016
18 HOLE ROUNDS	319	132	127	146		PLAY REVENUES	\$8,848.88	\$3,074.44	\$3,223.45	\$4,597.24
9 HOLE ROUNDS	279	125	131	188		PAR 3 REVENUES	\$182.00	\$21.00	\$40.00	\$196.00
SEASON PASS PLAY	279	377	332	624		Driving Range 50% *	\$767.75	\$514.66	\$361.25	\$700.10
PAR 3 ROUNDS	26	3	6	28		Power Carts 15% *	\$261.41	\$149.80	\$127.86	\$194.89
						SEASON PASSES	\$10,076.25	\$5,147.50	\$4,175.00	\$0.00
						TRAIL & CART FEES	\$2,675.00	\$1,620.00	\$508.25	\$1,070.00
						Concessions 5% *	\$24.27	\$26.51	\$44.34	\$49.19
Y-T-D PLAYS	903	637	596	986		Y-T-D- REVENUES	\$22,835.55	\$10,553.90	\$8,480.15	\$6,807.42

Driving Range Actual	\$1,535.50
Power Cart Actual	\$1,742.70
Concessions Actual	\$485.31
Merchandise	\$2,577.70
Tournaments	\$0.00
Gift Cards	\$150.00
Full Monthly Total	\$28,273.34

MINT VALLEY GOLF COURSE | PLAY & REVENUE REPORT | FEBRUARY 2019

PLAYS	2019	2018	2017	2016	REVENUES	2019	2018	2017	2016
18 Hole	142	104	153	238	18 Hole	\$2,508.00	\$1,180.06	\$2,348.15	\$4,270.57
9 Hole	156	102	130	282	9 Hole	\$1,740.00	\$1,194.00	\$1,542.00	\$3,328.70
Par 3	14	6	18	41	Par 3	\$98.00	\$42.00	\$126.00	\$287.00
Pass Play	295	345	373	773	Pass Sales	\$52,538.75	\$39,781.75	\$45,970.75	\$47,303.75
					Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00
					Trail Fees/Cart Storage	\$9,095.00	\$6,420.00	\$10,646.50	\$8,560.00
					Driving Range 50% *	\$852.99	\$922.95	\$984.05	\$1,444.52
					Power Carts 15% *	\$766.73	\$171.89	\$155.08	\$255.90
					Concessions 5% *	\$93.45	\$29.27	\$57.90	\$59.26
Monthly Totals	607	557	674	1,334	Monthly Totals *	\$67,692.92	\$49,741.92	\$61,830.42	\$65,509.70

Rentals/Services = Power/Pull Cart-Club Rentals-Repairs	Driving Range Actual	\$1,155.03
	Rentals/Services Actual	\$2,540.40
	Concessions Actual	\$1,869.00
	Merchandise	\$1,750.14
	Tournaments	\$0.00
	Gift Cards	\$310.00
	Full Monthly Total	\$73,604.32

YEAR TO DATE COMPARISONS									
	2019	2018	2017	2016		2019	2018	2017	2016
18 HOLE ROUNDS	461	236	280	747	PLAY REVENUES	\$13,096.88	\$5,448.50	\$7,113.60	\$12,196.51
9 HOLE ROUNDS	435	227	261	644	PAR 3 REVENUES	\$280.00	\$63.00	\$166.00	\$483.00
SEASON PASS PLAY	574	722	705	1415	Driving Range 50% *	\$1,620.74	\$1,437.60	\$1,345.30	\$2,144.62
PAR 3 ROUNDS	40	9	24	88	Power Carts 15% *	\$1,028.14	\$321.69	\$282.94	\$450.79
					SEASON PASSES	\$62,615.00	\$44,929.25	\$50,145.75	\$47,303.75
					TRAIL & CART FEES	\$11,770.00	\$8,040.00	\$11,154.75	\$9,630.00
					Concessions 5% *	\$117.72	\$55.78	\$102.24	\$108.45
Y-T-D PLAYS	1,510	1,194	1,270	2,894	Y-T-D- REVENUES	\$90,528.47	\$60,295.82	\$70,310.57	\$72,317.12

Rentals/Services = Power/Pull Cart-Club Rentals-Repairs	Driving Range Actual	\$2,690.53
	Rentals/Services Actual	\$4,283.10
	Concessions Actual	\$2,354.31
	Merchandise	\$4,327.84
	Tournaments	\$0.00
	Gift Cards	\$460.00
	Full Monthly Total	\$101,877.66

MINT VALLEY GOLF COURSE PLAY & REVENUE REPORT MARCH 2019										
PLAYS	2019	2018	2017	2016		REVENUES	2019	2018	2017	2016
18 Hole	857	441	214	348		18 Hole	\$16,746.15	\$6,370.73	\$3,491.50	\$6,744.33
9 Hole	890	502	228	367		9 Hole	\$9,574.00	\$5,751.51	\$2,569.00	\$4,145.40
Par 3	129	64	31	81		Par 3	\$903.00	\$448.00	\$217.00	\$567.00
Pass Play	938	643	600	951		Pass Sales	\$26,517.50	\$21,607.75	\$17,325.00	\$47,178.25
						Miscellaneous		\$0.00	\$0.00	\$0.00
						Trail Fees/Cart Storage	\$10,165.00	\$8,062.50	\$5,885.00	\$11,250.00
						Driving Range 50% *	\$2,647.77	\$2,534.49	\$1,577.73	\$2,722.83
						Power Carts 15% *	\$891.61	\$738.51	\$277.18	\$416.80
						Concessions 5% *	\$401.50	\$110.30	\$46.90	\$137.46
Monthly Totals	2,814	1,650	1,073	1,747		Monthly Totals *	\$67,846.53	\$45,623.78	\$31,389.30	\$73,162.06

	Driving Range Actual	\$5,295.54
Rentals/Services = Power/Pull Cart-Club Rentals-Repairs	Rentals/Services Actual	\$6,527.57
	Concessions Actual	\$8,029.99
	Merchandise	\$7,168.21
	Tournaments	
	Gift Cards	\$369.00
	Full Monthly Total	\$91,295.96

YEAR TO DATE COMPARISONS										
	2019	2018	2017	2016			2019	2018	2017	2016
18 HOLE ROUNDS	1318	677	494	732		PLAY REVENUES	\$39,417.03	\$17,570.74	\$13,174.10	\$23,569.24
9 HOLE ROUNDS	1325	729	489	837		PAR 3 REVENUES	\$1,183.00	\$511.00	\$383.00	\$1,050.00
SEASON PASS PLAY	1512	1365	1305	2348		Driving Range 50% *	\$4,268.51	\$3,972.09	\$2,923.03	\$4,867.45
PAR 3 ROUNDS	169	73	55	150		Power Carts 15% *	\$1,919.75	\$1,060.20	\$560.12	\$867.59
						SEASON PASSES	\$89,132.50	\$66,537.00	\$67,470.75	\$94,482.00
						TRAIL & CART FEES	\$21,935.00	\$16,102.50	\$17,039.75	\$20,880.00
						Concessions 5% *	\$519.22	\$166.08	\$149.13	\$245.91
Y-T-D PLAYS	4,324	2,844	2,343	4,067		Y-T-D- REVENUES	\$158,375.00	\$105,919.61	\$101,699.88	\$145,962.19

	Driving Range Actual	\$7,986.07
Rentals/Services = Power/Pull Cart-Club Rentals-Repairs	Rentals/Services Actual	\$10,810.67
	Concessions Actual	\$10,384.30
	Merchandise	\$11,496.05
	Tournaments	\$0.00
	Gift Cards	\$829.00
	Full YTD Total	\$193,173.62

*Red Numbers are to show where we would be comparing last year's contractual obligation with this year's revenue.