Sligo Creek Task Force Work Group
October 19, 2009

MINUTES

Begin: 7:03 p.m.

Welcome remarks by Valerie Ervin and Nancy Floreen

Introduction of Task Force Members

Tedi Osias, Chair, reminded the group members that the Council has entrusted in the Task Force with finding a solution for this property. She emphasized the importance of supplying the Council with a report by Jan. 19 to allow for budget deliberations and any possible recommendations that require an appropriation in the FY11 Budget.

The Task Force watched the Council Session on Sligo Creek Golf Course Appropriation.

Discussion/Presentation:

Jeff Zyontz, Council Staff, led the group discussion regarding the materials distributed at the meeting. He began by determining the time period of interest. Since 2008-2009 was an unusually bad golf year due to terrible weather, and the recession began in FY09, Mr. Zyontz suggested that the most appropriate time period that would provide the best data is the time period between 2000-2008. Increasing the time period shows a decline in revenues and rounds due to extraneous circumstances. The task force accepted his recommendation.

Rounds: Nationwide, rounds are down 5.7%. In the County from 2000-2008, rounds were down 8% (a little worse than national numbers). Sligo rounds decreased 26% during this same period.

In 2003, all County golf courses saw a significant reduction in rounds, perhaps because of the sniper. From 2000 to 2003, six additional golf courses opened in the region.

Mr. Goozner asked why Sligo did not recover after 2003. Keith Miller suggests that the system has not recovered and the main reason is the additional courses opening.

Revenues: Although rounds are down countywide, revenues are up. Mr. Zyontz recommended removing Hampshire Greens because its numbers are outliers and distort the trends.

The renovation at Falls Road likely contributed to the increased revenues at this course because it has a full service driving range with lights that were recently installed.

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The chart on © 4 of the October 19th handout indicates that Northwest and Needwood, two M-NCPPC courses, and Falls Road, generate the greatest income for the entire golf course system. Reasons include location, demand, and need.

Task Force members posed questions about the data, such as: Why are rounds dropping at Falls Road but revenue is increasing? How do the driving range fees impact the revenue number?

What factors can be attributed to the performances of Needwood and Northwest that makes them different than the other golf courses? Both of these courses have driving ranges, 27 hole courses and an "inside 9" course. All other courses are 18 holes.

The Task Force would like to have the numbers broken out for Falls Road, Needwood, and Northwest golf courses to identify what other revenue streams are contributing to the total revenues at these courses. This data should also identify the rounds for the 9 hole courses (Inside 9 and Executive), 18 holes, and the driving range.

Mr. Brosnan requested the capital investment compared to other courses for the past 20 years. He also asked whether there were assessments done at Sligo that identified what needed to be done at the course. Other questions included: What is the capital investment in Sligo compared to other courses? When were assessments made at Sligo Creek Golf Course? What were the results of these assessments? Mr. Brosnan requested a copy of any previous assessments made at this course.

Mr. Zyontz said that a history of capital improvement plans for Sligo Creek would be provided to the Task Force at the next meeting.

Ms. Bradford explained that the Parks Department Enterprise Fund operates in a similar manner as that of the Revenue Authority in that all operating and capital costs should come from the revenues generated by the activities within the Fund. The assessments requested by Mr. Brosnan were done by the Parks Department but the recommended improvements did not occur because the Fund could not afford to do them. The construction of Little Bennett imposed an additional burden on the Enterprise Fund because of required debt service related to improvements there.

Visitor Questions:

- Why does the management fee jump substantially over the three year period of 2007-2009?
- What is the anomaly with Hampshire Greens in 2000? The comparison of rounds played and revenue generated seem to be disconnected.

Pages © 9-11 of the October 19th handout explain the management fee break-out. Keith Miller explained that the change in the fee is largely due to the change in management at MCRA. In 2007 the Revenue Authority went on a different accounting system. In

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addition, the MCRA Executive Director announced his retirement and the CFO retired. MCRA was going through a transition. Until the new Executive Director was hired, the acting CFO was on a volunteer basis. In addition, the agency restructured because it nearly doubled in size, and MCRA restructured the management fee.

Mr. Brosnan suggested that since some task force members are considering bringing in alternative management, the revenue/expenses for Sligo Creek Golf Course should not include the MCRA management fee.

Mr. Goozner requested an explanation of the Operating Expenses on ©6 of the October 19th handout for Sligo Creek FY07-FY09 Actuals. Specifically he would like clarification on why Golf Operations increased $24,160 from FY08 to FY09 but Golf Course Maintenance decreased $75,554 from FY08 to FY09.

Mr. Miller explained that golf course maintenance decreased in 2009 in anticipation of closing the course.

Adjourn- 9:05 p.m.

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