



**To:** Park Board

**Agenda Item #:** V.A.

**From:** Ann Kattreh  
Parks & Recreation Director

**Action**   
**Discussion**   
**Information**

**Date:** February 11, 2014

**Subject:** PUBLIC HEARING - Golf Course Operations Study

### **Action Requested:**

Provide a recommendation to the City Council regarding the golf operations proposal including the recommended closing of Fred Richards Golf Course.

### **Information / Background:**

In July 2013 staff began to study the operation of the City of Edina golf enterprise. The goal of the operational study was to make golf operations cover 100% of its operational costs including future bonding needs so that the city is able to improve its facilities to ensure our ability to provide high quality golf facilities along with superior service to our customers. The expectation in Edina has always been that the municipal golf operations would cover not only its own operation expense, but also the expense of its own capital improvements. The city currently has 45 holes of golf (27 regulation holes and 9 hole executive course at Braemar and the 9 hole Fred Richards Executive Course) with an operating budget of approximately \$3.5 million. Staff began working on this project in the spring/summer of 2013. There were no pre-conceived ideas about how a goal of 100% cost recovery would be achieved.

Staff has prepared financial pro formas through 2020 as part of the operational study. In 2013 golf operations recovered 86% of its costs. With no changes, it is anticipated that recovery would increase to 92% in 2014 and 2015 and decline steadily to 83% in 2020. In this "status quo" scenario, the city would invest \$4.744 million between 2009 and 2020 in a golf enterprise with a declining cost recovery percentage. In 2020 the Golf Fund cash balance would be -\$881,000. There would be no way to pay for golf improvements, assets would continue to decline and a continued significant subsidy from the liquor fund would be required.

### **History**

In 2014 Braemar Golf Course will be celebrating its 50<sup>th</sup> anniversary. In 1963 the city purchased the golf course land for \$500,000 and constructed the course for \$1.3 million. In 1993 the Clunie nine was added at Braemar at a cost of approximately \$3.5 million. The land for Fred Richards Executive

Course (FREC) was purchased in 1992 for \$800,000. Total cost for land and construction was \$2.98 million and total cost including debt was \$4.93 million. When the Clunie nine and Fred Richards Executive Courses were being considered, an estimate of golf rounds was prepared anticipating the number of rounds to be played at Edina's 45 hole municipal operation. (See Attachment B). It was anticipated that rounds would be at 122,000 in 1994, 140,000 in 1996 and level off at approximately 158,000 in 2001 through 2016. Projections were correct through 1998 at approximately 150,000 rounds, but then rounds declined annually to 112,000 in 2002 before leveling off at an average of 116,000 until 2009 when the economic downturn wreaked havoc in the golf industry. In 2010 101,000 rounds were played, and in 2011 and 2012 we sold 96,000. In 2013 we sold 79,529 rounds, our worst year ever due to poor weather conditions.

Nationally the number of rounds of golf declined from 501 million rounds in 2006 to 463 million in 2011. A great weather year nationally in 2012 and the start of economic recovery helped in increase rounds to 486 million in 2012. (See Attachment A, National Golf Round Statistics). This data was collected from the National Golf Foundation.

In Edina the number of rounds played was fairly consistent from 2003 to 2009 after peaking in 1998 and 1999. (See Attachment B, Edina Golf Statistics). The 1992 projection blue line showed the number of rounds anticipated from 1994 through 2016 after the completion of the Fred Richards and Clunie additions.

The Minneapolis/St. Paul metro area has 2610 holes of municipal golf, ranking 118<sup>th</sup> nationally with 1281 residents per hole of golf. Only 13 of the 2451 municipal courses nationally have 45 or more holes of golf. Edina is one of the 13 municipal courses to have 45 holes of golf! In surrounding communities, St. Louis Park has 18 holes of municipal golf (owned by Minneapolis Park Board), Bloomington has 27 holes of municipal golf, Minneapolis has 81 municipal holes (in Minneapolis) and Hopkins, Richfield and Eden Prairie have none. Some recent course closings are: Hidden Creek – 18 (Owatonna, 2010), Pine River – 18 (Pine River, 2010), Parkview – 18 (Eagan, 2012), Lakeview Golf of Orona – 18 (Mound, 2013), Red Oak Executive – 9 (Mound, 2013), Elm Creek – 18 (Plymouth, 2013), Mississippi National – 36 (Red Wing, course closed with future undecided).

**Rounds Played on City of Edina Golf Courses between 2003 and 2013**

	Braemar 18	Braemar 9	Braemar Executive	Fred Richards	Actual Rounds - Braemar and FR
2003	41,106	27,943	26,587	28,134	123,770
2004	38,951	25,839	24,638	27,306	116,734
2005	35,915	26,791	23,512	27,461	113,679
2006	36,478	29,286	23,001	25,995	114,760
2007	34,972	28,840	22,510	26,499	112,821
2008	34,538	30,212	22,038	25,875	112,663
2009	36,590	32,408	22,856	25,965	117,819
2010	32,106	28,738	18,578	21,965	101,387
2011	32,464	27,603	16,631	19,073	95,771
2012	29,570	29,948	17,617	19,361	96,496
2013	23,814	24,404	15,377	15,934	79,529

Determining course capacity involves many factors and assumptions. The Braemar Executive Course and Regulation Courses and Fred Richards Golf Course have the following course capacities:

**Braemar Executive and Fred Richards Capacity Baseline**

Course	2013	2012	2011	2010	2009	2008	2007	Average
Exec.								
Rounds	15,377	17,627	16,631	18,578	22,856	22,038	22,510	19,373
Utilization	25.6%	29.3%	27.7%	30.9%	38.0%	36.7%	37.5%	32.2%
Richards								
Rounds	15,934	19,361	19,703	21,965	25,937	25,875	26,499	22,182
Utilization	25.5%	32.2%	32.8%	36.6%	43.2%	43.1%	44.1%	36.7%

The assumptions are based on the following:

- 9 Hole Course Assumptions
- 200 Day Season
- 10 Hours of Tee Times
- 8 Minute Tee Time Intervals
- 4 Players per Tee Time
- Total Capacity of 60,000 Rounds

**Braemar Regulation Course Capacity Baseline**

Regulation	2013	2012	2011	2010	2009	2008	2007	Average
Rounds	48,218	59,518	60,067	60,844	69,283	64,750	63,812	60,927
Utilization	36.5%	45.0%	45.5%	46.0%	52.4%	49.0%	48.3%	46.1%

The assumptions are based on the following:

- 200 Day Season
- 10 Hours of Tee Times
- 8 Minute Tee Time Intervals
- 4 Players per Tee Time

“Sample Day”

- Tee #1- 18 and 9 hole play, 18 hole play cascades to #10 Tee
- Tee #10- 9 hole play for first two hours, the 18 hole play from Tee #1 (second 9)
- Tee #19- 9 hole play

Capacity

- Tee #1- 300 Players
- Tee #10- 60 Players
- Tee#19- 300 Players
- Total Capacity of 132,000 Rounds

## Presentation of Findings

Staff presented the findings of our operational study along with a recommendation at a public meeting at Braemar Golf Course on January 30, 2014. (See attachment C).

The objectives of the golf operations recommendation are as follows:

- Provide financial stability and self-sufficiency
- Increase customer service levels
- Improve facilities for better play and experience

A six step strategy was presented to achieve our objectives:

1. Narrow the Scope of Golf Enterprise
2. Invest in improvements at Braemar
3. Modify prices and discounts
4. Outsource ancillary services
5. Expand marketing
6. Improve customer service

### **I. Narrow the Scope of Golf Enterprise**

In order to concentrate our energy, attention and investment on the city's primary golf product, staff recommends the city narrow the scope of our golf enterprise by closing the Fred Richards Golf Course. The recommendation to close Fred Richards Executive Course is not an easy one. The course is popular with kids and seniors and is a cherished destination for the neighborhood residents who have either played there or taught their kids to play there. It is well maintained and with tee sheets only 33% full, it's easy to play on short notice. The course has a nice layout for beginners, kids and seniors with flat topography and two flagsticks at each green so that players can choose the easier or more difficult pin placement. Access to the course is difficult. It is not easy to find Parklawn Avenue between 76<sup>th</sup> and 77<sup>th</sup> Streets. There is no direct street access or visibility and customers must enter through a parking lot driveway easement from the adjacent property to get to our parking lot and clubhouse. Even with specific directions, it is difficult to find. The property is bordered by the Pentagon Park office complex and Barr Engineering on the south, and homes and Lake Edina Park on the north.

Prior to the Fred Richards Golf Course development, there was a privately owned course (Normandale) on part of the property and Normandale Park occupied the other 1/3 to 1/2 of the property. Some of the park amenities were three ball fields, tennis courts and a playground prior to the development of FREC. In 2008 and 2009 approximately 26,000 rounds of golf were played at FREC and that number declined to around 19,000 in 2011 and 2012. In 2013 15,934 of rounds were played at Fred Richards. During the same four year period between 2008 and 2012, Fred Richards declined 25% while the Braemar Executive Course declined 20%.

Staff believes that customers and operations would both benefit from having all golf operations at the Braemar location. With the dome, driving range, clubhouse and 36 holes of golf at Braemar, it is expensive and inefficient to have staff and resources spread out over two facilities between

Braemar and FREC. To best meet the needs of all golfing demographics, it would be beneficial for our customers to have a variety of amenities at one location. With just a cursory look at our budget, it is difficult to fully ascertain a full picture of revenues and expenses for each of the business units. Because of the nature of the management of our golf operations and original budget designations, several items are not being charged to the budget as a FREC expense. For example, between 2009 and 2012, Golf Fund budgets show Fred Richards making an average profit of \$47,500. However, the following charges are not being coded to the Fred Richards operation and should be considered:

- \$30,000 in equipment from Braemar's CIP fund is dedicated to Fred Richards annually.
- \$20,000 of commodities from Braemar's budget is consumed at FREC (fertilizer, chemicals, etc.).
- Approximately \$30,000 of maintenance labor from Braemar's budget goes to time spent at Fred Richards annually.
- Approximately \$20,000 in Administrative/Management support from Braemar is utilized at FREC annually (tech support, time cards, invoice payment, hiring and training, management and HR support).

After completing a detailed pro forma of anticipated revenues and expenses, it is estimated that \$734,000 could be saved by 2020. A detailed description of this savings is below and is also included on Page 15 of the Pro Forma (Attachment D).

2015 – 2020 Cumulative Savings: Closing Fred Richards

\$(878,200)	Revenue loss from FREC, Net of Braemar additions
\$1,432,200	Operating expense cash savings
<u>\$180,000</u>	<u>Equipment savings</u>
\$734,000	Total Cumulative Cash Savings

## 2. Invest In Improvements At Braemar

For many years golfers and staff at Braemar have been concerned about the quality of the driving range at Braemar. The driving range is too short for today's club technology. With current clubs, it is possible for golfers hitting from the range to hit into the teaching area on the north end of the range and also into hole 2 on the Executive Course, posing a safety concern for all golfers on the north end of the range. Also, because the lack of depth in the driving range tee area, much of the turf is gone by late spring. This leaves golfers to hit in patchy dirt conditions or off of the much less desirable artificial turf mats. When golfers arrive at the driving range to hit a bucket of balls either as practice or as warm up to a round of golf and they see the signs stating that golfers must hit off mats, often times they leave the facility or skip warm ups to avoid hitting off of mats.

Conservatively, an improved driving range will increase driving range revenues by \$218,000 in 2016

to \$240,000 in 2020, providing a 10 year return on investment. A new driving range would provide the best range facility in the metro area, retaining existing golfers who are eager for the new facility, as well as attracting new golfers to the Braemar courses, clubhouse, dome and pro shop.

Part of the driving range expansion would include some modifications and improvements to the Executive Course, converting it to a Par 3 Course. There are currently 5 holes crowded into the space south of Braemar Boulevard. Two new holes would be added on the north side of Braemar Boulevard, one par 4 would be converted to a par 3 and one par 4 would be converted to two par 3s. This would improve the playability and overall experience of the current Executive Course. The entry drive into Braemar would also be improved with more trees and expanded water features. A new driving range with improvements to the Executive Course/Par 3 Course would cost approximately \$1.1 to \$1.3 million and provide a 10 year return on investment.

Staff also recommends updating the grill and clubhouse. The facility is dark and dated, limiting its marketability to golfers and facility renters. Simple changes in paint, carpeting, window treatments and updated furniture would improve the image. The grill is also in need of a significant updates in order to be appealing to a wider customer base, while also giving us the ability to offer a wider menu and better customer service. The appearance and function of the grill and clubhouse do not match the City of Edina or Braemar Golf Course brands and need significant updating.

Staff also recommends hiring a professional golf course architect to provide a master plan of the Braemar golf courses. Because of the debt service created by the addition of the Clunie nine (holes 19-27) and FREC, significant improvements at Braemar have not been possible. Being one of the oldest courses in the state at 50 years old, the course is in need of many updates. Much of the course is in a flood plain and much of the fairway system is peat based. Over the years the fairways have begun to settle and sink and tee boxes have compacted. Greens and bunkers need renovation and in some cases removal of bunkers is needed. We have too many bunkers and most are 3 times as large as they should be, by current course design standards. Drainage and cart paths need to be addressed. Braemar also has the oldest and largest irrigation system in the state. It is in need of replacement in the next five years at a cost of approximately \$2 million. It is critical that we study, plan and budget appropriately for the renovation of the course amenities. It is imperative that proper planning determines the need and timelines of projects in order to re-do work completed because projects were not sequenced properly.

With the recommended closing of Fred Richards, it is critical that we aggressively market Braemar and provide appropriate facilities for beginners, youth and seniors. It is critical that as we plan for course improvements that will enhance Braemar to provide the beginner/intermediate level experience that we provide at FREC. This will involve improvements to the Executive Course/Par 3 and improvements to the Clunie 9, as well as improvements to the original 18 hole course. Staff is also working on a variety of programs to continue to attract golfers and non-golfers to Braemar.

**Current programs:**Adults

Group lessons with three levels from beginner to advanced. The lessons run mid-April until mid-August.

Tee it Up! Fore Golf which is a rules and etiquette program for students who are ready to be introduced to playing on a golf course. Several sessions are offered throughout the summer.

Juniors

- Group lessons with levels from beginner to intermediate; ages 8-17. Offered June and July.
- Junior Development - Offered all summer.
  - Level 1 is for juniors who have completed levels 1 and 2 and are ready to be introduced playing on the golf course. It is a 3 day program with instruction on the range as well as on the golf course.
  - Level 2 is for juniors who play the regulation course and desire to take their game to the next competitive level. It also is a 3 day program with instruction on the range as well as on the golf course.
- Junior League is made up of 5 leagues, three on the two executive courses, one regulation 9 hole league and one regulation 18 hole league. The leagues play for 6 weeks beginning right after school is out in June.

**New programs for 2014:**Family

- Movies Under The Stars. Outdoor movies on the driving range. A family friendly movie (UP) in August and a more grown up "golf themed" movie (Tin Cup) in June. Complete details have not been completely finalized, but we will offer refreshments, snacks, and games prior to the movie to encourage dinner and entertainment prior to the movie.
- Winter groomed trails: In December 2013, staff began grooming 9' wide winter recreational trails at Braemar. The north loop is 1.7 miles long and the south loop is 1.2 miles long. The trails are being used by walkers, dog walkers and cross country skiers.

Women

- Women's Night Out At The Dome. This is not completely new, but contests and prizes will be added. This will be a night at the dome for women prior to the start of the golf season. Vendors will be invited for equipment demonstrations. Golf clinics will be given by all our golf professionals. Unlimited golf balls will be offered and food and beverages will be served.

### Adults

- Nite Glow Golf. Nine holes of golf on the executive course with a glow golf ball with only the tees, flag sticks and holes being illuminated.

### Other Potential Programs

- Senior Golf Tournament and lunch at the Executive Course in September.
- Cookie decorating with Mrs. Claus in early December at the clubhouse.

### **3. Modify Prices and Discounts**

We plan to modify our fees by increasing fees during periods of highest demand utilizing yield management techniques. Pricing will be set by demand, with the highest charges at the peak demand times. This is a standard practice in the golf industry. Non-peak times will also be studied and programs will be offered to promote course use during those periods. For example, we could offer a Player Development Program. For a set monthly rate, customers would get a discount for green fees and free range time during specific underutilized times. New programs and classes will also be added. These programs will increase awareness of our course, attract new customers, utilize the course or range during non-peak times and provide fun, exciting and/or challenging experiences for new and experienced golfers. Demand is down nationally for golf because it is too hard, too expensive and takes too much time. Women, kids and young adults are under-represented in the golf market. We plan to target them specifically with our amenities, programming and course structure. The existing patron card system will be evaluated. This program has declined significantly over the years and needs to be re-evaluated. Rewards programs are most effective when rewards are frequent, like after the second or third visit. Increased rewards and customer appreciation programs need to be implemented. We need to attract new customers while working hard to retain existing customers. There are a lot of choices for today's golfer. It is critical that we incite golfers to repeatedly choose to golf with us and to bring their friends, family and co-workers with them. Half of the revenues presented in the pro forma are from increases through new fees or fee structures. Different reward programs will be considered.

### **4. Outsource Ancillary Services**

Staff recommends that we outsource grill operations, similar to what the City of Minneapolis has done successfully in its park system with the Tin Fish at Lake Calhoun, Bread & Pickle at Lake Harriet and Sea Salt at Minnehaha Park. We believe that we can improve our customer service by having better food and beverage offerings while generating more revenue to support Braemar operations. This would also provide an opportunity to remodel the grill and clubhouse areas and potentially offer a full service catering kitchen to better meet the needs of our banquet operations. We want to provide a family friendly environment to entice our customers to stay after a round of

golf to socialize, consider attending an event at the clubhouse or bring a client for a round of golf and a casual lunch or dinner afterward.

The Grill at Braemar has been operating on a break even basis. We have one full time year round employee and 27 seasonal employees. Outsourcing the grill would save in staffing, cost of goods sold and utilities. Benefits would be a new and improved menu, enhanced service in the grill and on the course and the opportunity to bring in a restaurant with name recognition, which would help to drive food and beverage sales.

### **5. Expand Marketing**

The proposed plan increases the marketing allocation by from \$67,000 in 2014 to \$143,000 in 2020. We plan to build excitement about our golf operations through a robust and professional marketing campaign, both in and outside of Edina.

### **6. Improve Customer Service**

Our customers are our number one priority and they need to be treated accordingly. We plan to significantly improve the customer service in all aspects of our golf operations. The golf team will view the golfer experience through a series of "touch points" on the golf course. We will improve customer service at all of these touch points, including making tee times, arriving at the course, checking in, warming up, starting, playing a round, making the turn, finishing the 18<sup>th</sup> hole and clubhouse to car. This will involve everything from providing the best access to tee times and class registrations and staying on time, to knowing golfers names. Our customers need to know that we value the time and money that they spend at Braemar and we need to show our appreciation in all customer contact situations. Pace of play will also be a priority of Braemar staff.

Similar to what the Edina Liquor Stores did in 2013, we plan to hire a customer service training team to help us hire, coach and train and evaluate our full and part time staff. We will also conduct secret shopper experiences to accurately evaluate our service. The cost to provide this customer service training for a full season will be \$9600.

### **Summary**

This six step strategy would reduce expenses by \$2.3 million by 2020. (Details on Page 15 of Pro Forma, Attachment D).

\$734,000 will be saved by closing FREC.

\$1,307,900 will be generated with new rates and marketing

(\$592,500) will be the net spent/earned on an improved driving range

\$362,800 will be saved by the reduction of three full time staff and 27 part time staff

\$522,200 will be generated by outsourcing the grill operations

**\$2,334.400 Total Savings By 2020**

The 2013 Quality of Life Survey reported that 76% of Edina residents did not visit Fred Richards Golf Course in the last year. 21% of residents did not utilize trails, 17% did not use neighborhood parks, 52% athletic fields, 53% Edinborough Park, 36% Centennial Lakes Park, 62% the Aquatic Center, 67% Senior Center, 68% Braemar Arena, and 58% Braemar Golf Course.

The biggest financial benefits to the golf fund in this proposal comes from closing Fred Richards Golf Course, improving the driving range and course conditions and increasing rates at Braemar. Additionally, without the \$734,000 estimated savings that will come from closing Fred Richards, it would be extremely difficult to finance the driving range construction. Financing would have to come from not funding other city projects, new debt, or a combination of both. Debt financing comes with additional costs that make the project much less profitable. Also, without the savings from closing Fred Richards, the Golf Fund would not have enough cash flow to pay the debt service in the future. Due to the existing \$1 million debt in the Golf Fund and the annual losses experienced in the Golf Fund, the likelihood of receiving bonding for this project is highly unlikely. If a driving range project is to begin in the fall of 2014, it is critical for a decision on the closing of FREC early in 2014. Final design, watershed approval and the bidding process will take several months.

Staff believes that the \$734,000 estimated savings from closing Fred Richards is conservative. Our historical financial data shows an average profit at Fred Richards of around \$50,000. However, this excludes at least \$50,000 of current expenses in supplies and staffing that aren't being charged to FREC, but are being absorbed by Braemar. It also excludes any future capital improvements, which will be significant. FREC is 20 years old and will start to see significant expenses required to maintain service levels. Some capital projects that aren't currently included in the CIP are:

New Roof	2019	\$50,000
Carpet/Furniture	2017	\$20,000
Fiber Optic to Clubhouse	2015	\$100,000
Point of Sale System	2015	\$1,500
Security Camera	2016	\$7,500
Bathroom Remodel	2020	\$30,000
Outdoor Furniture	2016	\$10,000
Golf Car Replacement	2017	\$16,000
Irrigation System	2025	\$500,000
Fairway rehabilitation due to soil settlement	2020	\$654,000+

Residents expressed concern over a decrease in property values if Fred Richards Golf Course is repurposed to a park. The Trust for Public Land conducted a study on the economic value of city park systems and through their sample found that parks can contribute to the value of residential properties immediately adjacent to a park by as much as a 20 percent marginal value. For properties further away from the location of the park, parks still can provide as much as a 5 to 10 percent marginal value. Parks improve the local tax base and increase property values. It is proven that private property values increase the value of privately owned land the closer such land is to parks. This increase in private property value due to the proximity to parks increases property tax revenues and improves local economies. A Texas A&M review of 25 studies investigating whether parks and open space contributed positively to the property values of surrounding properties found that 20 of the 25 studies found that property values were higher. The real estate market consistently demonstrates that many people are willing to pay a larger amount for property located close to parks and open space areas than for a home that does not offer this amenity.

Staff recommends the creation of a Community Advisory Team to work with the Park Board to prepare a master plan for repurposing Fred Richards Golf Course to Fred Richards Park. This could be completed as a project separate from, but related to the park system strategic plan. The best timing for this project would be at the completion of the 2014 golf season. Customer service training and increased marketing is being incorporated immediately. Outsourcing of the grill would start in 2015.

### **Recommendation**

Because of the integrated nature of the staff's six point strategy, staff requests the Park Board consider the set of recommendations as a package and give the package one of three actions:

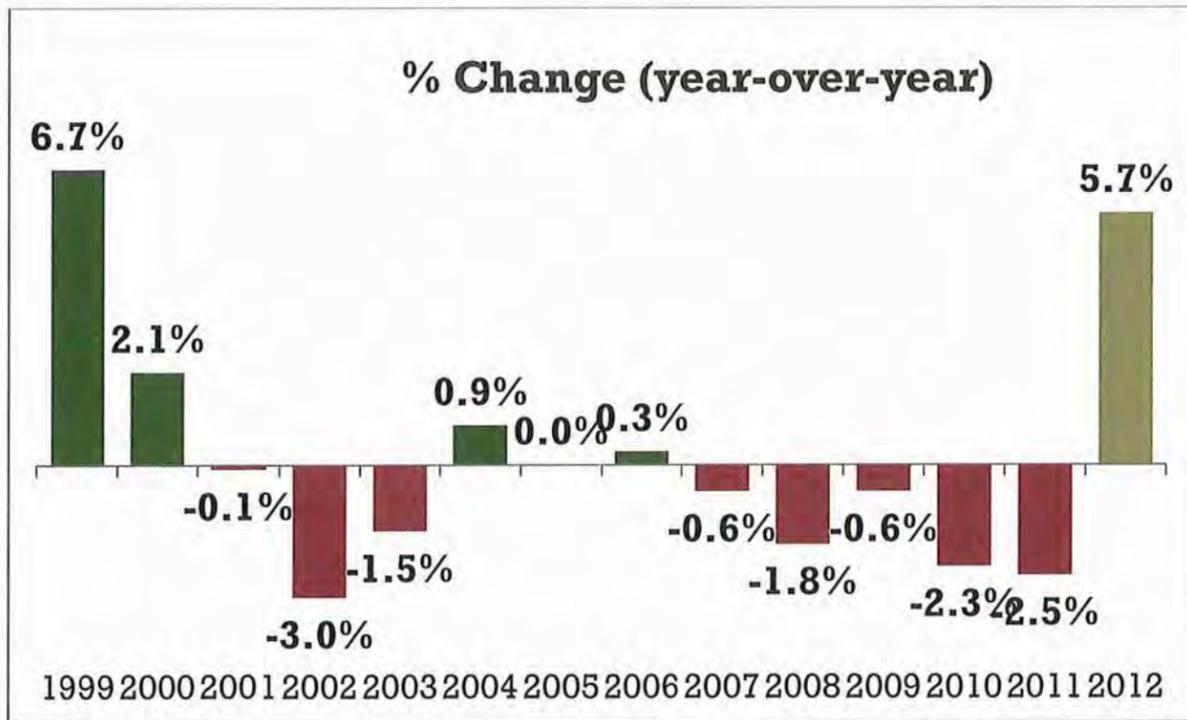
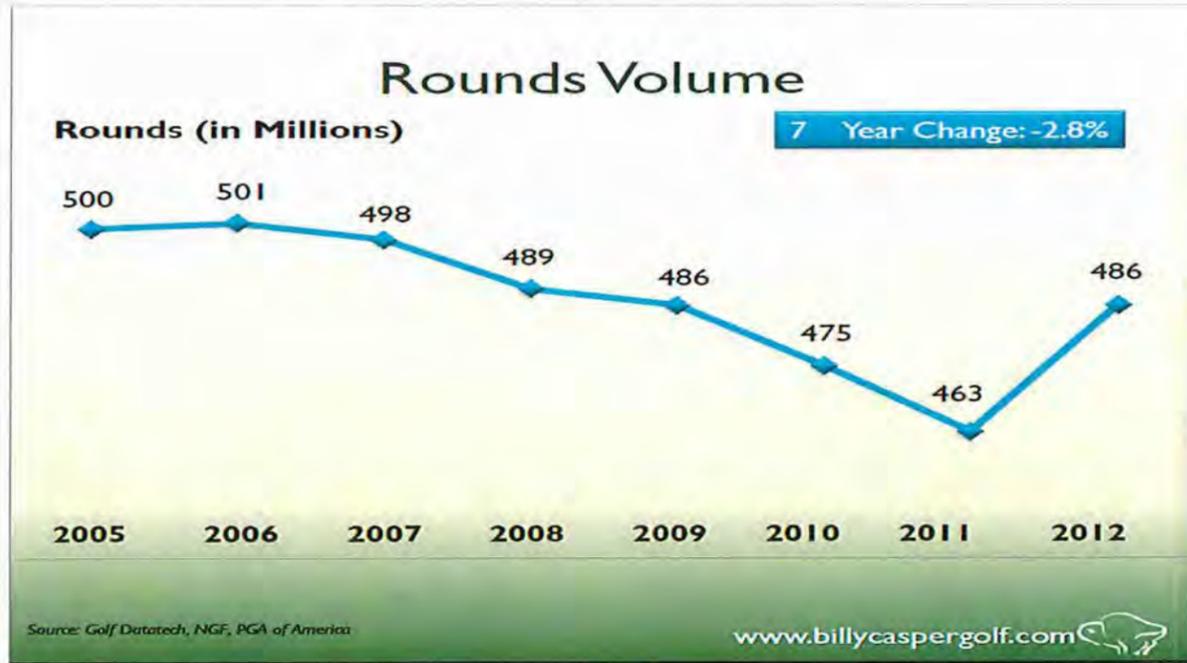
1. Recommend (generally support)
2. Do Not Recommend (do not support)
3. Non-Recommend (do not have enough information to recommend or not recommend)

The City Council will thoroughly and thoughtfully consider your action on this matter at their March 4 City Council meeting.

### **Attachments:**

- A. National Golf Statistics Charts
- B. Edina Golf Statistics Chart
- C. January 30, 2014 Golf Meeting Notes
- D. Golf Pro Forma Scenarios – City of Edina Golf Operations Study
- E. Correspondence

# National Golf Round Statistics



Rounds played fell 11%, or 55 million rounds over the last 10 years. In 2012, almost half of the losses were recovered, providing a reason for cautious optimism.

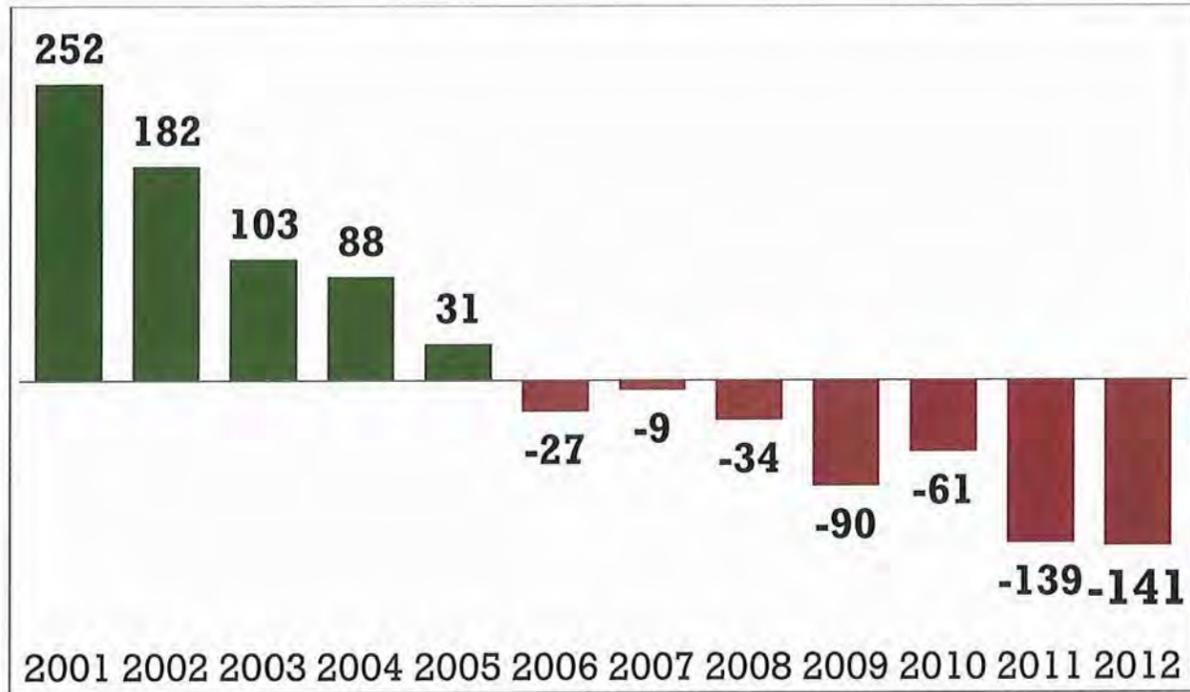
\*\* Statistics by the NGF, the National Golf Foundation

# National Golf Round Statistics

## Net Change in National Supply of Courses

18 Hole Equivalents

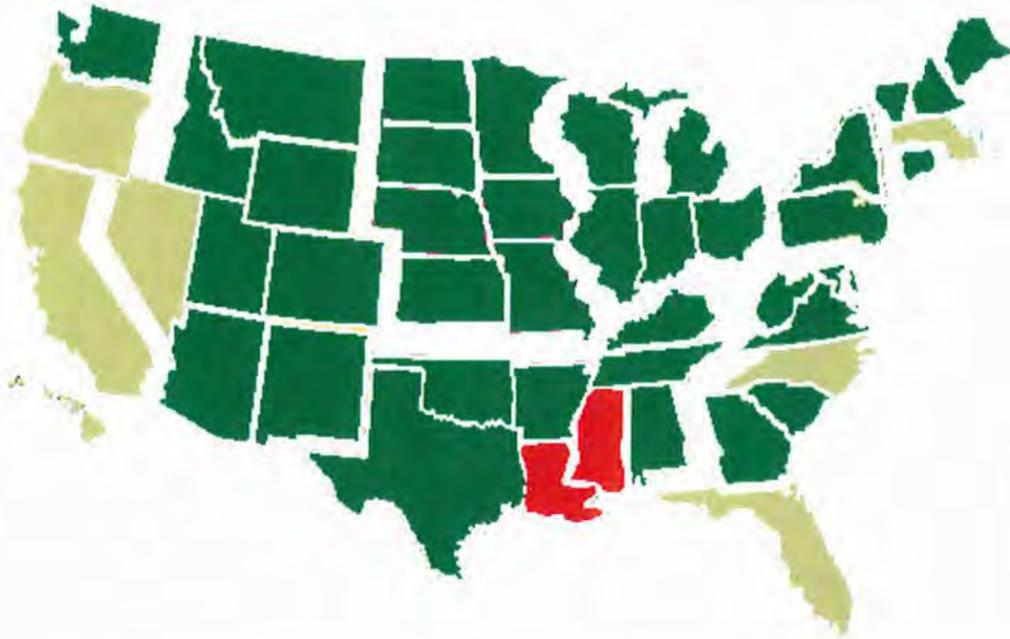
Net Change = Openings Minus Closures (in 18 hole equivalents)



Since 2006, there has been a cumulative supply reduction of 500 facilities.

\*\* Statistics by the NGF, the National Golf Foundation

# National Golf Round Statistics



## Rounds Played in 2012

**+2.0% or higher**  
**+1.9% to -1.9%**  
**-2.0% or lower**

**Pacific + 1.6%; Mountain +7%; West and North Central +7.6% (Including Minnesota)**

**East and North Central +10.8%; New England - +3.2%; Mid Atlantic - +10.1%**

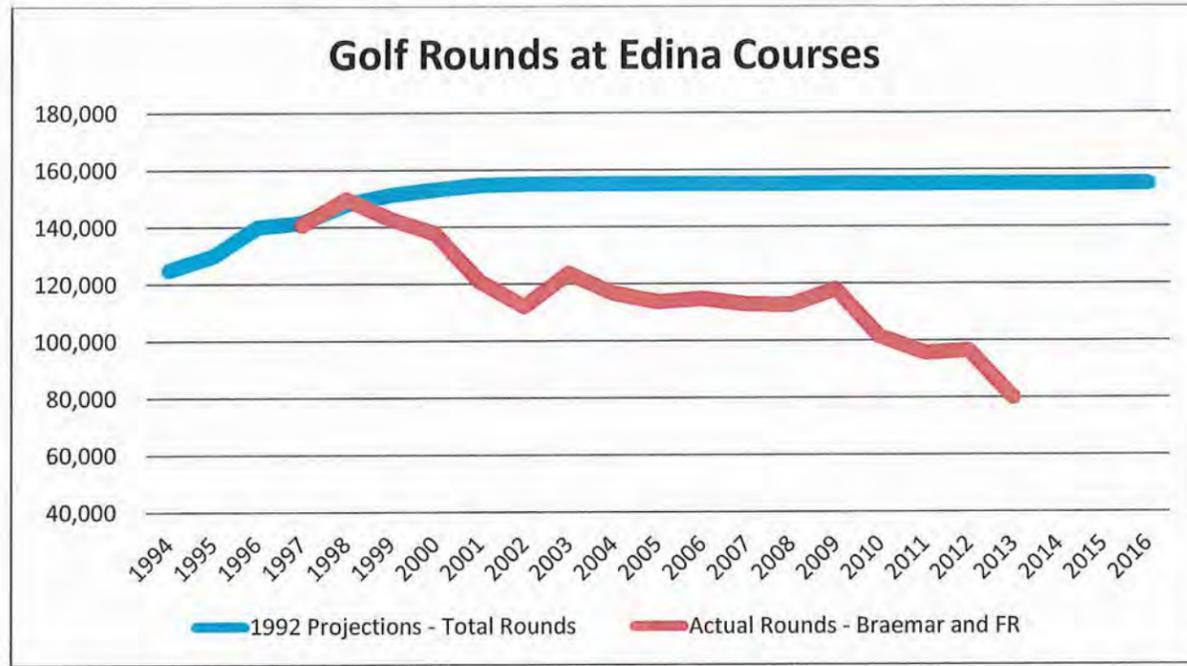
**South Atlantic + 2.4%; South Central + 5.0%**

Extraordinary weather in 2012 drove rounds up by the largest increase since the turn of the century (5.7% nationally). Playable days were up 6.5% according to the PGA of America (data from PGA Performance Trak).

*These results are from a Rounds Played Research Coalition led by Golf Datatech and supported by the PGA of America, the NGF and the NGCOA. Findings are based on rounds played reporting from over 4,000 golf facilities, most of which are contributing their data through the PGA's Performance Trak reporting system.)*

\*\* Statistics by the NGF, the National Golf Foundation

# Edina Golf Statistics



## Attachment C

### City of Edina Golf Meeting Notes January 30, 2014

Scott Neal opened the meeting at 7:10pm.

A request was made for common etiquette to be observed at the meeting to allow for as much input as possible. It was noted that this meeting was in the beginning stages of golf operations discussions with the community. The next two opportunities for input on golf operations are Tuesday, February 11<sup>th</sup> (Park Board Public Hearing, 7pm) and Tuesday, March 4<sup>th</sup> (City Council Meeting, 7pm).

A PowerPoint was shown to the audience (see attached) and commentary given by Scott Neal and Ann Kattreh.

It was noted that the reason for these discussions regarding golf operations in Edina originated with the request by City Council to look into ways to maintain financial stability in golf operations. A reminder was given to attendees that all input is welcome and to please contact staff and council members via the [mail@edinamn.gov](mailto:mail@edinamn.gov) email address.

A Question-Answer Period ensued.

1. **Tom Wexler**, Edina Resident

Noted: Mr. Wexler is happy with customer service at Braemar and sees no need for improvements.

Questions: What will happen to the Fred Richards Golf Course if it is closed? How much is the closing worth and what will Edina do with the money?

Answer (Scott): Fred Richards was purchased in 1982 for \$800,000. The plan is not to sell Fred Richards, but rather to repurpose the area for Edina residents. What to do with the area is an open process and staff wants to have input from the community before repurposing plans are suggested.

2. **Nancy Thorvelson**, Oaklawn Avenue

Questions: What are the projected costs for the consultants you are utilizing in this process?

Answer (Ann): We do not have an exact total number yet as the plan has not been approved and we are still seeking input. One consultant has been used to date (at \$5,000) to estimate the driving range plan costs. A customer service consultant is estimated at \$5,000-\$10,000 and final figures for the driving range consultant would be less than \$25,000.

3. (No Name Given)

Question: How did Edina pay for the Fred Richards Golf Course in the first place?

Answer (Scott): The money came from the Golf Fund.

4. (No Name Given)

Noted: Concerned that Fred Richards is really a course for kids and youth to learn how to play golf.

Question: What will happen to the Youth Golf Program at Fred Richards if the course closes?

Answer (Ann): The City will work with programming and outreach to draw Youth to Braemar programs for kids, especially the Executive Course.

5. **Dan Sleck**, 4708 Kellogue

Noted: The City should look at the profit/loss of all golf operations together, not individually.

Questions: Has staff looked at any successful Par 3 courses in the Twin Cities? Why has the city decided to evaluate finances of individual golf courses as stand-alone instead of collectively? What has the City done to look into the potential loss in property values of residential sites near Fred Richards?

Answer (Scott): We will need to look into these items for the next meeting.

6. **Scott Dorn, Cornelia Neighborhood**

Noted: Residents appreciate the Fred Richards course as one for beginner golfers. It is an intangible asset to the community. We should consider raising greens fees to save the course.

Questions: Is this an issue about Braemar? Where is the decrease in rounds per year most significant?

Noted: Asked for a show of hands in support of the "Save the Fred" effort.

7. (No Name Given), West Shore Drive

Noted: The City needs to have a Master Plan for the Fred Richards course in order to get people on board with the plan.

Question: Where is the plan for Fred Richards?

Answer (Scott): We do not have a Master Plan because we wanted the repurposing question to be left open to the community for input. We are recommending this plan, not saying what should be done. The park planning process must involve the community.

8. **Rob Koop**

Question: How much would it cost to repurpose the Fred Richards? Has any thought been given to close the Clunie 9-hole course at Braemar?

Answer (Scott): The Clunie 9-hole course will be considered in the long-term plan. We do not have an estimate for the repurposing of Fred Richards as the City wants community input first.

9. **Bonnie McGrath**

Noted: Edina is unique in that it has a variety of golf courses to suit all types of golfers. We are trying to fix something that doesn't need fixing. Customer service is great. We should look at marketing the courses more to bring in more revenue. The community has not been able to weigh in on the plan and would like to recommend that the public be brought into committee discussions.

10. **John Stang**, lives at 7<sup>th</sup> green of Fred Richards

Noted: Crestfallen to hear of closing of Fred Richards. Understanding of financial considerations, but supports Bonnie's comments that the suggestion to close Fred Richards without input is unacceptable.

11. **Jim Scattergood**

Noted: Recognizes the declining of golf revenues, but wants to look at other areas that may generate revenues. Stated a complaint regarding the hiring of consultants. Suggests the City approach residents to serve as consultants to save money.

12. **Bill Dobbs**

Noted: Wonders if the City has drawn a comparison between the Chaska Towncourse and Braemar. He would be in support of upgrades for Braemar Golf Course.

13. **Dan Olson, Seagate Technology**

Noted: His company has a golf league that plays every Tuesdays at Fred Richards. Wondered if the Pentagon Park refurbishment is linked to the marketing of Fred Richards to new businesses. He is supportive of the use of Liquor revenue to support golf operations.

Question: Why do the golf courses need to be profitable?

Answer (Scott): Currently 80% of golf operations costs are covered. The City Council decides on what percentage merits looking into support options.

14. **Philip Smith**

Noted: The decline in golf rounds per year has to do with the weather.

Question: What about the golf dome finances?

Answer (Scott): The trajectory of the line graph was caused by additional factors to the weather. Not having the golf dome open last year was difficult on a short term basis, but fortunately we were able to pay for 2.6 million of the 3.5 million cost with insurance payments.

15. **Tom Terwilliger**

Question: How did you come up with the \$750,000 savings if Fred Richards is closed?

Answer (Scott): (needs clarification - The City would not agree that this is a cash-flow positive....too much chatter throughout room to hear complete response).

16. **Nancy Thorvelson**

Noted: There is hostility towards the City Staff because of past experiences with the Pentagon Park question and Cornelia Park issues. The public has a track record with the City and it is not positive. Why does Fred Richards need to make money? Equated Fred Richards to warming houses, ice rinks and other parks. Golf should be an amenity of the City. Recommends a city-wide vote on the issue.

17. **Burt Holling, Cornelia neighborhood**

Noted: The support of the community present surrounding the issue. A reminder to the City that there are people who are missing in the room who need to hear the community, namely, the City Council. 252 people signed the "Save the Fred" petition. Also asked attendees to see the Facebook page and website for Fred Richards.

Response (Scott): Encouraged dialogue with the City and Council. Reminded the audience that the Council would like to hear from the public on this matter.

18. **Gage Halvi**

Noted: He supports Fred Richards and Braemar. He moved to Edina so that he could get a t-time at Braemar. Would like the City to define the problem.

Question: Why close Fred Richards? What problem is the City trying to solve?

Answer (Scott): The City Council has asked staff to look at the long-term sustainability of golf operations in the city. This will be a community choice with community input.

19. **Paul Rosenthal, Rep.**

Question: Is the Fred Richards paid for in full?

Answer (Scott): Yes, as of January 2013.

Statement by Rep. Rosenthal: If the Fred Richards is paid for in full, where will the revenue come from if not from Fred Richards? One month is not enough time for feedback on the golf plan. The entire community must be involved in the process and he requested more time for the effort.

20. **Andrea Keller**

Noted: With regards to the decline in golf rounds, Ms. Keller started a little girls' league that has grown in the past five years from a membership of 30 to 130. She is concerned about the rush to close Fred Richards and would like to see more focus on ways to grow the game of golf in the community.

21. **Hugh Thompson**

Question: Would like to know what the t-time utilization figures are for Braemar and Fred Richards.

Answer (Scott): We will need to get those figures for you.

22. **Wayne \_\_\_**

Noted: He moved to Edina for two reasons: the schools and the amenities, not money. He believes that the sport of golf will rebound as hockey did and that this plan is presumptuous.

23. **Art Lowell**, Kellogue Avenue

Noted: If the City closes Fred Richards the property will go back to the Park Board.

Question: What will the Park Board do to repurpose the property and what will the cost be to maintain the park facility?

Answer (Scott): Difficult to estimate costs without knowing the land use. The land use is open to discussion from the public and no decisions have been made.

24. **Leslie Sharp**

Noted: Has played for 35 years at Braemar, but not at Fred Richards. He likened Fred Richards to a church camp. Even though Fred Richards operates at a loss, it brings new blood into the game (youth) which is crucial for the game's future. Asked the City to please reconsider the park as an asset to the community. Suggested raising greens fees to earn more revenue to keep the Fred Richards open.

25. **Greg Shuster**, Minneapolis resident

Noted: He is a Fred Richards fan and plays often at Braemar.

Question: What is the reasoning behind the closing of Fred Richards?

Answer (Scott): The City put together a package which focuses on earning more revenue from golf operations.

26. **San Asato**, Edina resident

Noted: Thanked the City for hosting the meeting. He likes to golf in Edina and looks forward to making improvements from Braemar as it looks like that is what is best for the city. He does not, however, understand the financial assumptions behind the proposed plan.

Question: Will you have the pro-forma information available as part of the prep packet for the Park Board meeting?

Answer (Scott): Yes, we will have it available.

27. **Pat Shannon**, 76<sup>th</sup> Street

Noted: He was disappointed that only one proposal has been given as a plan.

Question: Is the City open to additional proposals and the creation of a volunteer committee to Save Fred Richards?

Answer (Scott): Yes, other proposals are welcome to be presented at the Park Board meeting. The City's default mode is to find a way not to close facilities so new ideas are always welcome.

28. **Al Grinbrid**

Noted: He does not want the closing of Fred Richards and he suggests that attendees approach their Council Members about the issue.

Question: Is the Fred Richards closing a developer question (based on the two plans developed for the Pentagon Park redevelopment)?

Answer (Scott): The Pentagon Park redevelopment firm, Hillcrest Development, has created two overall plans; one with Fred Richards and one without. The firm is not driving the golf operations project.

29. **Bill Richards**, Cahill Road

Noted: He finds the conversation about the changes to the Executive Course at Braemar very disappointing. He would like to preserve one or two Par 4 courses at Braemar.

30. **Michelle Lamson**, Edina Realtor & Property Manager

Noted: She wanted to note that Fred Richards adds to the property values in the area and keeps the crime rate down for the area. Feels it is very important element of the South East corner of Edina.

31. **Jim Jenkins**

Noted: He would like clarification on the allocation method that is causing Fred Richards to lose money. Would like to know how much is being allocated and what the loss is.

32. **Tom Wexler**

Noted: The City is making a mistake about the anticipated Grill revenues. The emphasis on customer service is being misplaced.

33. **Tim Nasby**, West Shore Drive

Noted: This meeting is long overdue and as a life-long resident, has been very disappointed about the process. Recommends that a vote is taken before the plan is enacted.

Response (Scott): Provided clarification that the City Staff does not make the decisions about enactment of the plan and that the Park Board will take public testimony on February 11<sup>th</sup>.

34. **Tom Terwilliger**

Noted: He suggested that the rounds of golf appear to decline in 2008 during the recession.

Questions: What if the rounds increase to former levels over the next five years, especially if we go ahead and make these improvements? Is the City open to additional proposals?

Answer (Scott): The rounds of golf peaked in 1998 and have had a steady decline ever since. The City is definitely open to additional proposals.

35. (No Name Given)

Question: Is the Braemar Golf Course subsidizing the Braemar Arena?

Answer (Scott): No, the Liquor fund supports the Braemar arena.

Question: Will the City look into various management companies to outsource Grill operations?

Answer (Scott): Yes.

36. (No Name Given)

Noted: He would like the City to tap into the community for solutions to this issue; open the books for broader discussion.

37. **Rosemary Gellen**, Arden Park

Noted: Thanks to Scott Neal and his online Blog containing financial figures. She noted that the Braemar Arena receives funds in the amount of \$600,000 from the Liquor fund. She also wondered why the City is only looking at one component of the budget rather than the whole.

Scott Neal thanked the community for attending the meeting and closed the meeting at 9:07pm.

# CITY OF EDINA



## Golf Operations Study Financial Projections

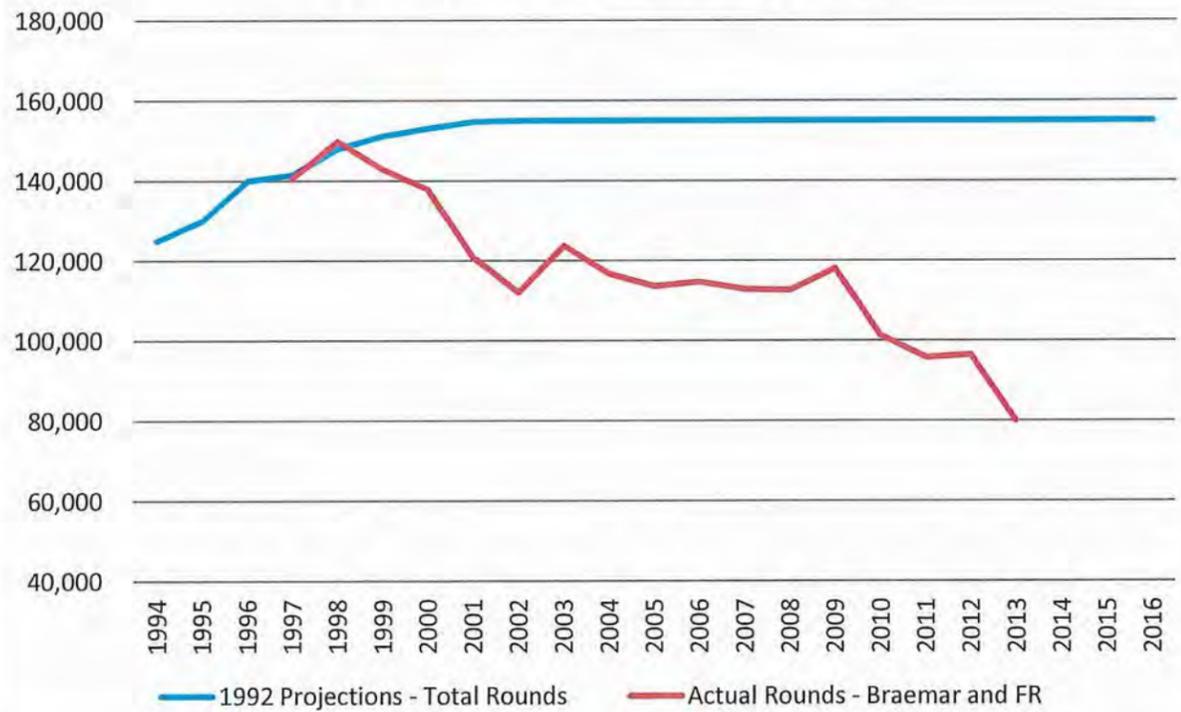
Page 1	Rounds of golf over the years
Page 2	Baseline projections
Page 3	Baseline without Fred Richards (1 FTE staff reduction)
Page 4	City Staff Plan
	Financial Variables
	Close Fred Richards (1 FTE reduction),
Page 5	Rate increases,
Page 6	Improved marketing,
Page 7	Driving range expansion
Page 8	Grill outsourcing (1 FTE reduction), &
Page 9	Staff reduction (1 FTE in addition to 2 others, total of 3)
Page 10	Braemar rates vs. competition
Page 11	ROI calculations for driving range and grill changes
Page 12	Possible future improvements after successful execution of the plan
Page 14	Fred Richards financial history
Page 15	Six-point strategy cumulative and annual savings

Alternatives for faster physical improvements to Braemar

- Transfer more cash to golf from other City funds in 2014 or 2015
- Sell City assets and deposit some of the proceeds to golf fund
- Spend Braemar Memorial fund
- Issue bonds to be paid back with tax dollars
- Issue bonds to be paid back with future golf revenue (risk of additional City subsidies in the future if golf demand continues to decline)

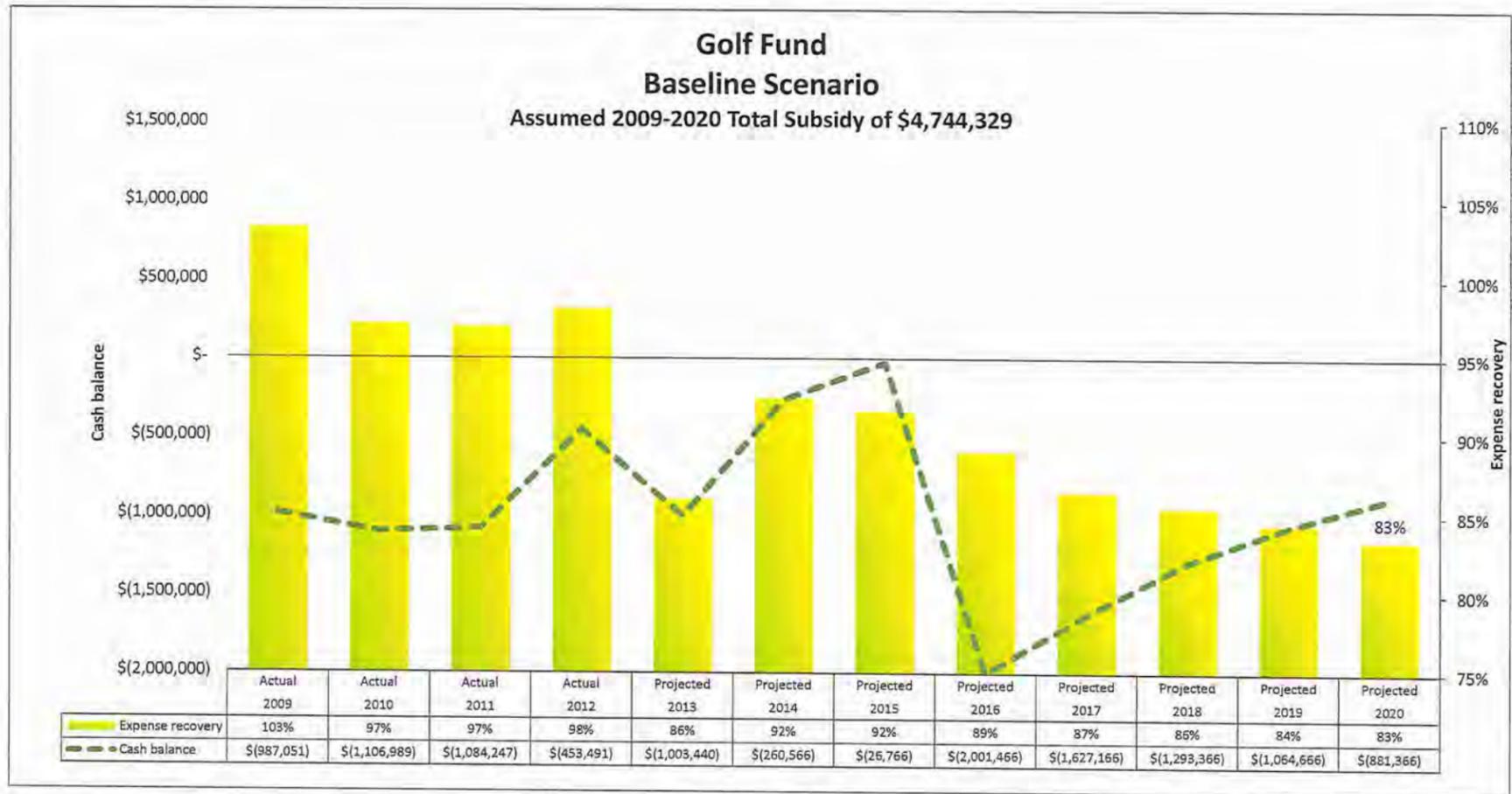
NOTE: All plans and variables assume average weather and consistent demand for golf each year of the study.

### Golf Rounds at Edina Courses



**City of Edina Golf Fund  
Baseline Scenario**

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	
<b>Total rounds sold</b>	118,076	101,387	95,771	96,496	80,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
<b>Operating revenues</b>													
Liquor sales	\$ 146,632	\$ 144,541	\$ 145,492	\$ 161,040	\$ 151,000	\$ 156,000	\$ 158,300	\$ 160,700	\$ 163,100	\$ 165,500	\$ 168,000	\$ 170,500	
Retail sales	212,886	218,585	230,865	230,120	190,000	215,000	221,500	228,100	234,900	241,900	249,200	256,700	
Concessions	230,776	213,250	203,598	223,775	185,000	218,000	221,300	224,600	228,000	231,400	234,900	238,400	
Memberships	123,761	119,981	108,978	88,555	62,400	65,000	65,000	65,000	65,000	65,000	65,000	65,000	
Admissions	264,671	228,126	313,735	70,049	45,000	282,000	290,500	299,200	308,200	317,400	326,900	336,700	
Building rental	81,728	70,726	87,081	74,215	70,000	88,000	89,300	90,600	92,000	93,400	94,800	96,200	
Equipment rental	359,277	362,763	335,161	359,484	301,500	340,000	345,100	350,300	355,600	360,900	366,300	371,800	
Green fees	1,880,610	1,738,261	1,517,962	1,661,982	1,487,000	1,601,000	1,625,000	1,649,400	1,674,100	1,699,200	1,724,700	1,750,600	
Other fees	358,333	346,971	338,353	356,371	284,000	331,250	336,200	341,200	346,300	351,500	356,800	362,200	
<b>Total revenues</b>	<b>3,658,674</b>	<b>3,443,204</b>	<b>3,281,225</b>	<b>3,225,591</b>	<b>2,775,900</b>	<b>3,296,250</b>	<b>3,352,200</b>	<b>3,409,100</b>	<b>3,467,200</b>	<b>3,526,200</b>	<b>3,586,600</b>	<b>3,648,100</b>	
<b>Operating expenses</b>													
COGS	338,248	328,821	320,132	347,752	320,000	366,540	375,700	385,100	394,700	404,600	414,700	425,100	
Personal services	1,774,558	1,636,091	1,564,676	1,574,394	1,500,000	1,545,000	1,591,400	1,639,100	1,688,300	1,738,900	1,791,100	1,844,800	
Contractual services	580,479	557,828	628,347	489,372	475,000	619,000	637,600	656,700	676,400	696,700	717,600	739,100	
Commodities	323,311	479,783	329,006	344,549	320,000	348,000	358,400	369,200	380,300	391,700	403,500	415,600	
Central services	110,796	116,958	128,266	134,496	140,000	128,628	132,500	136,500	140,600	144,800	149,100	153,600	
Depreciation	414,656	424,077	412,683	395,953	471,000	558,000	562,000	641,000	728,000	747,000	769,000	794,000	
<b>Total expenses</b>	<b>3,542,048</b>	<b>3,543,558</b>	<b>3,383,110</b>	<b>3,286,516</b>	<b>3,226,000</b>	<b>3,565,168</b>	<b>3,657,600</b>	<b>3,827,600</b>	<b>4,008,300</b>	<b>4,123,700</b>	<b>4,245,000</b>	<b>4,372,200</b>	
<b>Operating loss</b>	<b>116,626</b>	<b>(100,354)</b>	<b>(101,885)</b>	<b>(60,925)</b>	<b>(450,100)</b>	<b>(268,918)</b>	<b>(305,400)</b>	<b>(418,500)</b>	<b>(541,100)</b>	<b>(597,500)</b>	<b>(658,400)</b>	<b>(724,100)</b>	
<b>Nonoperating revenues, (expenses), and transfers</b>													
Interest expense	(35,182)	(18,015)	(12,375)	(6,676)	(12,000)	(33,800)	(32,300)	(30,300)	(28,400)	(26,400)	(24,300)	(22,200)	
Miscellaneous	90,315	5,222	9,052	2,623,627	-	-	-	-	-	-	-	-	
Transfers	170,000	99,329	100,000	100,000	570,000	795,000	485,000	485,000	485,000	485,000	485,000	485,000	
<b>Total nonoperating</b>	<b>225,133</b>	<b>86,536</b>	<b>96,677</b>	<b>2,716,951</b>	<b>558,000</b>	<b>761,200</b>	<b>452,700</b>	<b>454,700</b>	<b>456,600</b>	<b>458,600</b>	<b>460,700</b>	<b>462,800</b>	
<b>Change in net assets</b>	<b>341,759</b>	<b>(13,818)</b>	<b>(5,208)</b>	<b>2,656,026</b>	<b>107,900</b>	<b>492,282</b>	<b>147,300</b>	<b>36,200</b>	<b>(84,500)</b>	<b>(138,900)</b>	<b>(197,700)</b>	<b>(261,300)</b>	
<b>January 1 net assets</b>	<b>2,013,091</b>	<b>2,354,850</b>	<b>2,341,032</b>	<b>2,335,824</b>	<b>4,991,850</b>	<b>5,099,750</b>	<b>5,592,032</b>	<b>5,739,332</b>	<b>5,775,532</b>	<b>5,691,032</b>	<b>5,552,132</b>	<b>5,354,432</b>	
<b>December 31 net assets</b>	<b>\$ 2,354,850</b>	<b>\$ 2,341,032</b>	<b>\$ 2,335,824</b>	<b>\$ 4,991,850</b>	<b>\$ 5,099,750</b>	<b>\$ 5,592,032</b>	<b>\$ 5,739,332</b>	<b>\$ 5,775,532</b>	<b>\$ 5,691,032</b>	<b>\$ 5,552,132</b>	<b>\$ 5,354,432</b>	<b>\$ 5,093,132</b>	
<b>Non-GAAP cash reconciliation</b>													
Change in net assets	\$ 341,759	\$ (13,818)	\$ (5,208)	\$ 2,656,026	\$ 107,900	\$ 492,282	\$ 147,300	\$ 36,200	\$ (84,500)	\$ (138,900)	\$ (197,700)	\$ (261,300)	
Depreciation	414,656	424,077	412,683	395,953	471,000	558,000	562,000	641,000	728,000	747,000	769,000	794,000	
Capital expenditures	(173,180)	(173,300)	(89,608)	(233,670)	(3,245,000)	(917,800)	(425,500)	(2,586,900)	(204,200)	(209,300)	(272,600)	(279,400)	
Debt principal (net)	(515,000)	(280,000)	(280,000)	(285,000)	809,258	-	(50,000)	(65,000)	(65,000)	(65,000)	(70,000)	(70,000)	
Other accruals	31,683	(76,897)	(15,125)	(1,902,553)	1,306,893	610,392	-	-	-	-	-	-	
<b>Change in cash</b>	<b>99,918</b>	<b>(119,938)</b>	<b>22,742</b>	<b>630,756</b>	<b>(549,949)</b>	<b>742,874</b>	<b>233,800</b>	<b>(1,974,700)</b>	<b>374,300</b>	<b>333,800</b>	<b>228,700</b>	<b>183,300</b>	
<b>January 1 cash</b>	<b>(1,086,969)</b>	<b>(987,051)</b>	<b>(1,106,989)</b>	<b>(1,084,247)</b>	<b>(453,491)</b>	<b>(1,003,440)</b>	<b>(260,566)</b>	<b>(26,766)</b>	<b>(2,001,466)</b>	<b>(1,627,166)</b>	<b>(1,293,366)</b>	<b>(1,064,666)</b>	
<b>December 31 cash</b>	<b>\$ (987,051)</b>	<b>\$ (1,106,989)</b>	<b>\$ (1,084,247)</b>	<b>\$ (453,491)</b>	<b>\$ (1,003,440)</b>	<b>\$ (260,566)</b>	<b>\$ (26,766)</b>	<b>\$ (2,001,466)</b>	<b>\$ (1,627,166)</b>	<b>\$ (1,293,366)</b>	<b>\$ (1,064,666)</b>	<b>\$ (881,366)</b>	
<b>Expense recovery</b>	103%	97%	97%	98%	86%	92%	92%	89%	87%	86%	84%	83%	
<b>Capital Improvement Projects: Assumed inflation 2.50%</b>													
Driving range expansion		GC-12-005			75,000								
Braemar: carpeting		GC-12-006					26,300						
Braemar: slit drainage 3 fairways		GC-12-007						53,800					
Braemar: clubhouse roof replacement		GC-12-008				82,000	84,100						
Cart path repair/expansion		GC-12-009			25,000	25,600	78,800	80,800	27,600	28,300	87,000	89,200	
Maintenance equipment		GC-13-001			145,000	158,900	162,800	172,300	176,600	181,000	185,600	190,200	
Tee renovation		GC-13-003				51,300	73,500	107,700					
Irrigation replace phase 1		GC-13-004						1,615,300					
Irrigation replace phase 2		NEW						384,700					
Golf dome construction		NA			3,000,000	600,000							
Golf cart replacement		NEW						172,300					
<b>Total</b>					<b>\$ -</b>	<b>\$ 3,245,000</b>	<b>\$ 917,800</b>	<b>\$ 425,500</b>	<b>\$ 2,586,900</b>	<b>\$ 204,200</b>	<b>\$ 209,300</b>	<b>\$ 272,600</b>	<b>\$ 279,400</b>

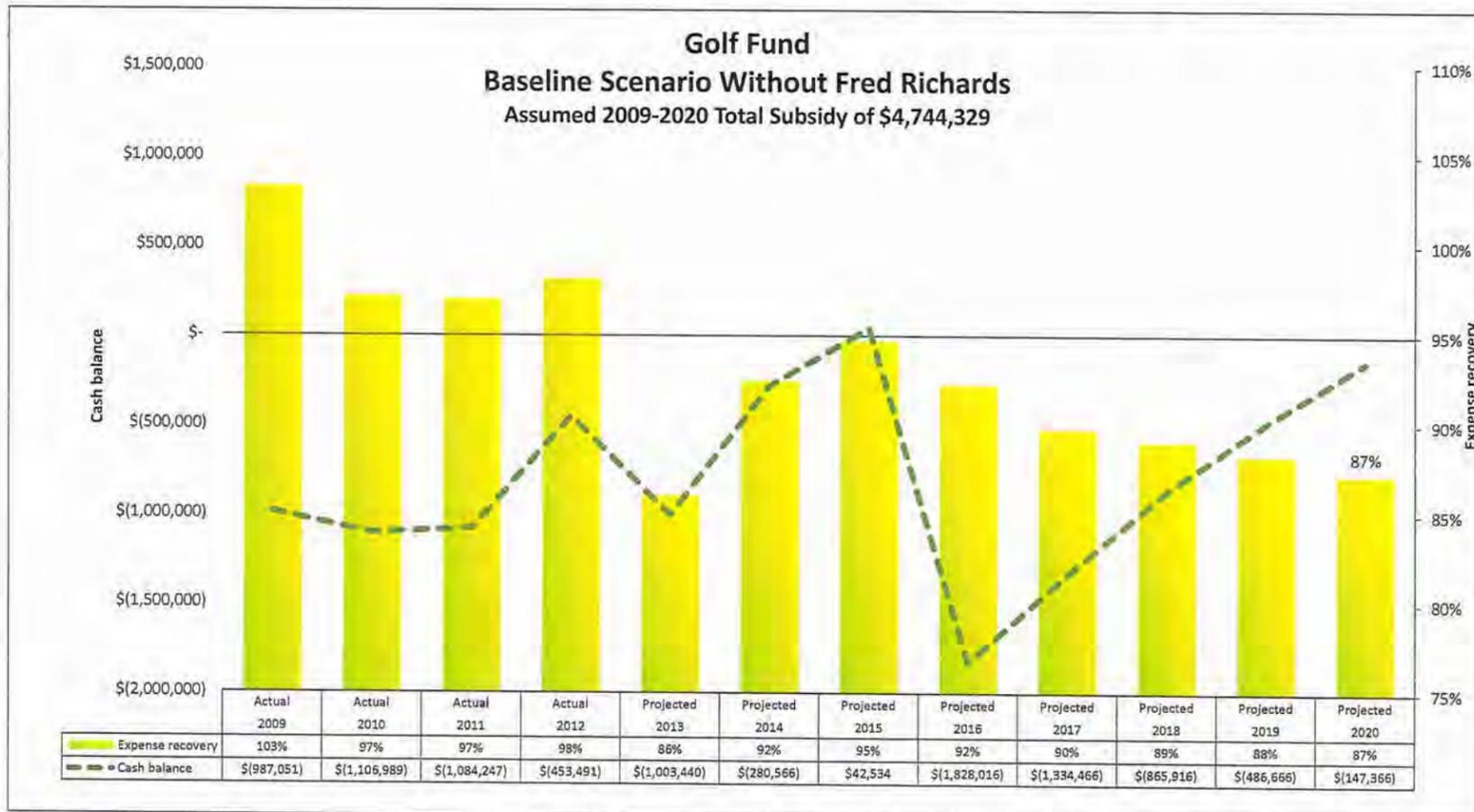


1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

Construction fund pays capital costs currently in CIP through 2014  
After 2014 the only subsidy is from liquor fixed at \$485,000/year  
Projected rounds fixed at 100,000/year  
Driving range expansion not included in baseline scenario

**City of Edina Golf Fund  
Baseline Scenario Without Fred Richards**

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	
<b>Total rounds sold</b>	118,076	101,387	95,771	96,496	80,000	100,000	84,600	85,700	86,800	87,900	89,000	89,000	
<b>Operating revenues</b>													
Liquor sales	\$ 146,632	\$ 144,541	\$ 145,492	\$ 161,040	\$ 151,000	\$ 156,000	\$ 158,300	\$ 160,700	\$ 163,100	\$ 165,500	\$ 168,000	\$ 170,500	
Close FR, net of adds to Braemar							(4,900)	(4,650)	(4,350)	(4,050)	(3,750)	(3,800)	
Retail sales	212,886	218,585	230,865	230,120	190,000	215,000	221,500	228,100	234,900	241,900	249,200	256,700	
Concessions	230,776	213,250	203,598	223,775	185,000	218,000	221,300	224,600	228,000	231,400	234,900	238,400	
Close FR, net of adds to Braemar							(14,000)	(13,200)	(12,400)	(11,600)	(10,800)	(11,000)	
Memberships	123,761	119,981	108,978	88,555	62,400	65,000	65,000	65,000	65,000	65,000	65,000	65,000	
Admissions	264,671	228,126	313,735	70,049	45,000	282,000	290,500	299,200	308,200	317,400	326,900	336,700	
Building rental	81,728	70,726	87,081	74,215	70,000	88,000	89,300	90,600	92,000	93,400	94,800	96,200	
Equipment rental	359,277	362,763	335,161	359,484	301,500	340,000	345,100	350,300	355,600	360,900	366,300	371,800	
Close FR, net of adds to Braemar							(9,800)	(9,200)	(8,600)	(8,000)	(7,400)	(7,500)	
Green fees	1,880,610	1,738,261	1,517,962	1,661,982	1,487,000	1,601,000	1,625,000	1,649,400	1,674,100	1,699,200	1,724,700	1,750,600	
Close FR, net of adds to Braemar							(140,000)	(132,100)	(124,100)	(116,000)	(107,700)	(109,300)	
Other fees	358,333	346,971	338,353	356,371	284,000	331,250	336,200	341,200	346,300	351,500	356,800	362,200	
<b>Total revenues</b>	<b>3,658,674</b>	<b>3,443,204</b>	<b>3,281,225</b>	<b>3,225,591</b>	<b>2,775,900</b>	<b>3,296,250</b>	<b>3,183,500</b>	<b>3,249,950</b>	<b>3,317,750</b>	<b>3,386,550</b>	<b>3,456,950</b>	<b>3,516,500</b>	
<b>Operating expenses</b>													
COGS	338,248	328,821	320,132	347,752	320,000	366,540	375,700	385,100	394,700	404,600	414,700	425,100	
Close FR, net of adds to Braemar							(7,000)	(6,700)	(6,400)	(6,100)	(5,800)	(5,900)	
Personal services	1,774,558	1,636,091	1,564,676	1,574,394	1,500,000	1,545,000	1,591,400	1,639,100	1,688,300	1,738,900	1,791,100	1,844,800	
Close FR							(153,000)	(157,600)	(162,300)	(167,200)	(172,200)	(177,400)	
Contractual services	580,479	557,828	628,347	489,372	475,000	619,000	637,600	656,700	676,400	696,700	717,600	739,100	
Close FR							(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,500)	
Commodities	323,311	479,783	329,006	344,549	320,000	348,000	358,400	369,200	380,300	391,700	403,500	415,600	
Close FR							(50,000)	(51,000)	(52,000)	(53,100)	(54,200)	(55,800)	
Central services	110,796	116,958	128,266	134,496	140,000	128,628	132,500	136,500	140,600	144,800	149,100	153,600	
Depreciation	414,656	424,077	412,683	395,953	471,000	558,000	494,000	570,000	654,000	670,000	689,000	711,000	
<b>Total expenses</b>	<b>3,542,048</b>	<b>3,543,558</b>	<b>3,383,110</b>	<b>3,286,516</b>	<b>3,226,000</b>	<b>3,565,168</b>	<b>3,361,600</b>	<b>3,523,300</b>	<b>3,695,600</b>	<b>3,802,300</b>	<b>3,914,800</b>	<b>4,031,600</b>	
<b>Operating loss</b>	<b>116,626</b>	<b>(100,354)</b>	<b>(101,885)</b>	<b>(60,925)</b>	<b>(450,100)</b>	<b>(268,918)</b>	<b>(178,100)</b>	<b>(273,350)</b>	<b>(377,850)</b>	<b>(415,750)</b>	<b>(457,850)</b>	<b>(515,100)</b>	
<b>Nonoperating revenues, (expenses), and transfers</b>													
Interest expense	(35,182)	(18,015)	(12,375)	(6,676)	(12,000)	(33,800)	(32,300)	(30,300)	(28,400)	(26,400)	(24,300)	(22,200)	
Miscellaneous	90,315	5,222	9,052	2,623,627	-	(1,600,000)	-	-	-	-	-	-	
Transfers	170,000	99,329	100,000	100,000	570,000	795,000	485,000	485,000	485,000	485,000	485,000	485,000	
<b>Total nonoperating</b>	<b>225,133</b>	<b>86,536</b>	<b>96,677</b>	<b>2,716,951</b>	<b>558,000</b>	<b>(838,800)</b>	<b>452,700</b>	<b>454,700</b>	<b>456,600</b>	<b>458,600</b>	<b>460,700</b>	<b>462,800</b>	
<b>Change in net assets</b>	<b>341,759</b>	<b>(13,818)</b>	<b>(5,208)</b>	<b>2,656,026</b>	<b>107,900</b>	<b>(1,107,718)</b>	<b>274,600</b>	<b>181,350</b>	<b>78,750</b>	<b>42,850</b>	<b>2,850</b>	<b>(52,300)</b>	
<b>January 1 net assets</b>	<b>2,013,091</b>	<b>2,354,850</b>	<b>2,341,032</b>	<b>2,335,824</b>	<b>4,991,850</b>	<b>5,099,750</b>	<b>3,992,032</b>	<b>4,266,632</b>	<b>4,447,982</b>	<b>4,526,732</b>	<b>4,569,582</b>	<b>4,572,432</b>	
<b>December 31 net assets</b>	<b>\$ 2,354,850</b>	<b>\$ 2,341,032</b>	<b>\$ 2,335,824</b>	<b>\$ 4,991,850</b>	<b>\$ 5,099,750</b>	<b>\$ 3,992,032</b>	<b>\$ 4,266,632</b>	<b>\$ 4,447,982</b>	<b>\$ 4,526,732</b>	<b>\$ 4,569,582</b>	<b>\$ 4,572,432</b>	<b>\$ 4,520,132</b>	
<b>Non-GAAP cash reconciliation</b>													
Change in net assets	\$ 341,759	\$ (13,818)	\$ (5,208)	\$ 2,656,026	\$ 107,900	\$ (1,107,718)	\$ 274,600	\$ 181,350	\$ 78,750	\$ 42,850	\$ 2,850	\$ (52,300)	
Depreciation	414,656	424,077	412,683	395,953	471,000	558,000	494,000	570,000	654,000	670,000	689,000	711,000	
Capital expenditures	(173,180)	(173,300)	(89,608)	(233,670)	(3,245,000)	(917,800)	(395,500)	(2,556,900)	(174,200)	(179,300)	(242,600)	(249,400)	
Debt principal (net)	(515,000)	(280,000)	(280,000)	(285,000)	809,258	-	(50,000)	(65,000)	(65,000)	(65,000)	(70,000)	(70,000)	
Other accruals	31,683	(76,897)	(15,125)	(1,902,553)	1,306,893	2,190,392	-	-	-	-	-	-	
<b>Change in cash</b>	<b>99,918</b>	<b>(119,938)</b>	<b>22,742</b>	<b>630,756</b>	<b>(549,949)</b>	<b>722,874</b>	<b>323,100</b>	<b>(1,870,550)</b>	<b>493,550</b>	<b>468,550</b>	<b>379,250</b>	<b>339,300</b>	
<b>January 1 cash</b>	<b>(1,086,969)</b>	<b>(987,051)</b>	<b>(1,106,989)</b>	<b>(1,084,247)</b>	<b>(453,491)</b>	<b>(1,003,440)</b>	<b>(280,566)</b>	<b>42,534</b>	<b>(1,828,016)</b>	<b>(1,334,466)</b>	<b>(865,916)</b>	<b>(486,666)</b>	
<b>December 31 cash</b>	<b>\$ (987,051)</b>	<b>\$ (1,106,989)</b>	<b>\$ (1,084,247)</b>	<b>\$ (453,491)</b>	<b>\$ (1,003,440)</b>	<b>\$ (280,566)</b>	<b>\$ 42,534</b>	<b>\$ (1,828,016)</b>	<b>\$ (1,334,466)</b>	<b>\$ (865,916)</b>	<b>\$ (486,666)</b>	<b>\$ (147,366)</b>	
<b>Expense recovery</b>	103%	97%	97%	98%	86%	92%	95%	92%	90%	89%	88%	87%	
<b>Capital Improvement Projects: Assumed inflation 2.50%</b>													
Driving range expansion	GC-12-005				75,000								
Braemar: carpeting	GC-12-006						26,300						
Braemar: slit drainage 3 fairways	GC-12-007							53,800					
Braemar: clubhouse roof replacement	GC-12-008					82,000	84,100						
Cart path repair/expansion	GC-12-009				25,000	25,600	78,800	80,800	27,600	28,300	87,000	89,200	
Maintenance equipment	GC-13-001				145,000	158,900	132,800	142,300	146,600	151,000	155,600	160,200	
Tee renovation	GC-13-003					51,300	73,500	107,700					
Irrigation replace phase 1	GC-13-004							1,615,300					
Irrigation replace phase 2	NEW							384,700					
Golf dome construction	NA				3,000,000	600,000							
Golf cart replacement	NEW							172,300					
<b>Total</b>					<b>\$ -</b>	<b>\$ 3,245,000</b>	<b>\$ 917,800</b>	<b>\$ 395,500</b>	<b>\$ 2,556,900</b>	<b>\$ 174,200</b>	<b>\$ 179,300</b>	<b>\$ 242,600</b>	<b>\$ 249,400</b>

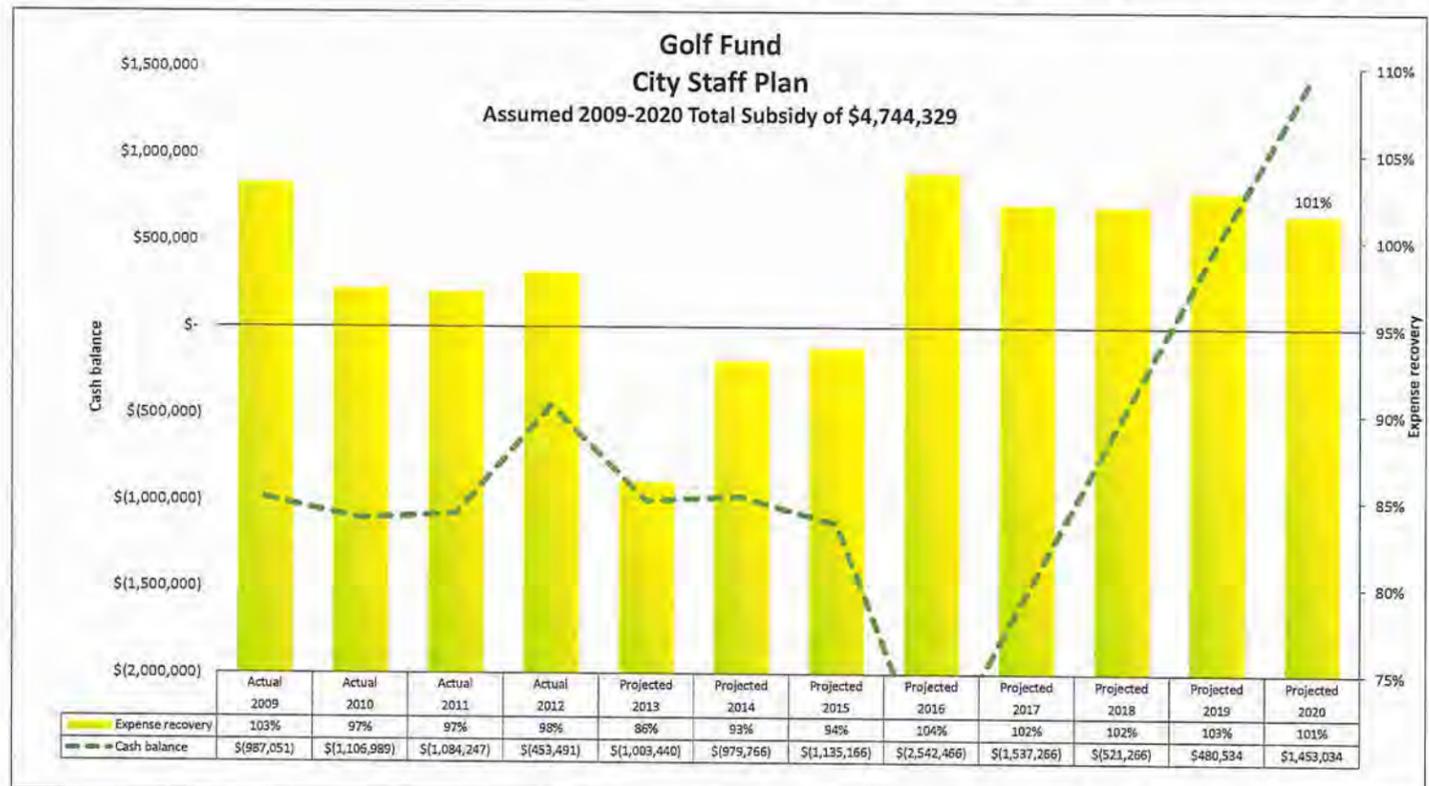


1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

Construction fund pays capital costs currently in CIP through 2014  
After 2014 the only subsidy is from liquor fixed at \$485,000/year  
Projected rounds drop to 84,600 in 2015, gradually increasing to 89,000 in 2018 as FR golfers migrate to Braemar

City of Edina Golf Fund  
City Staff Plan

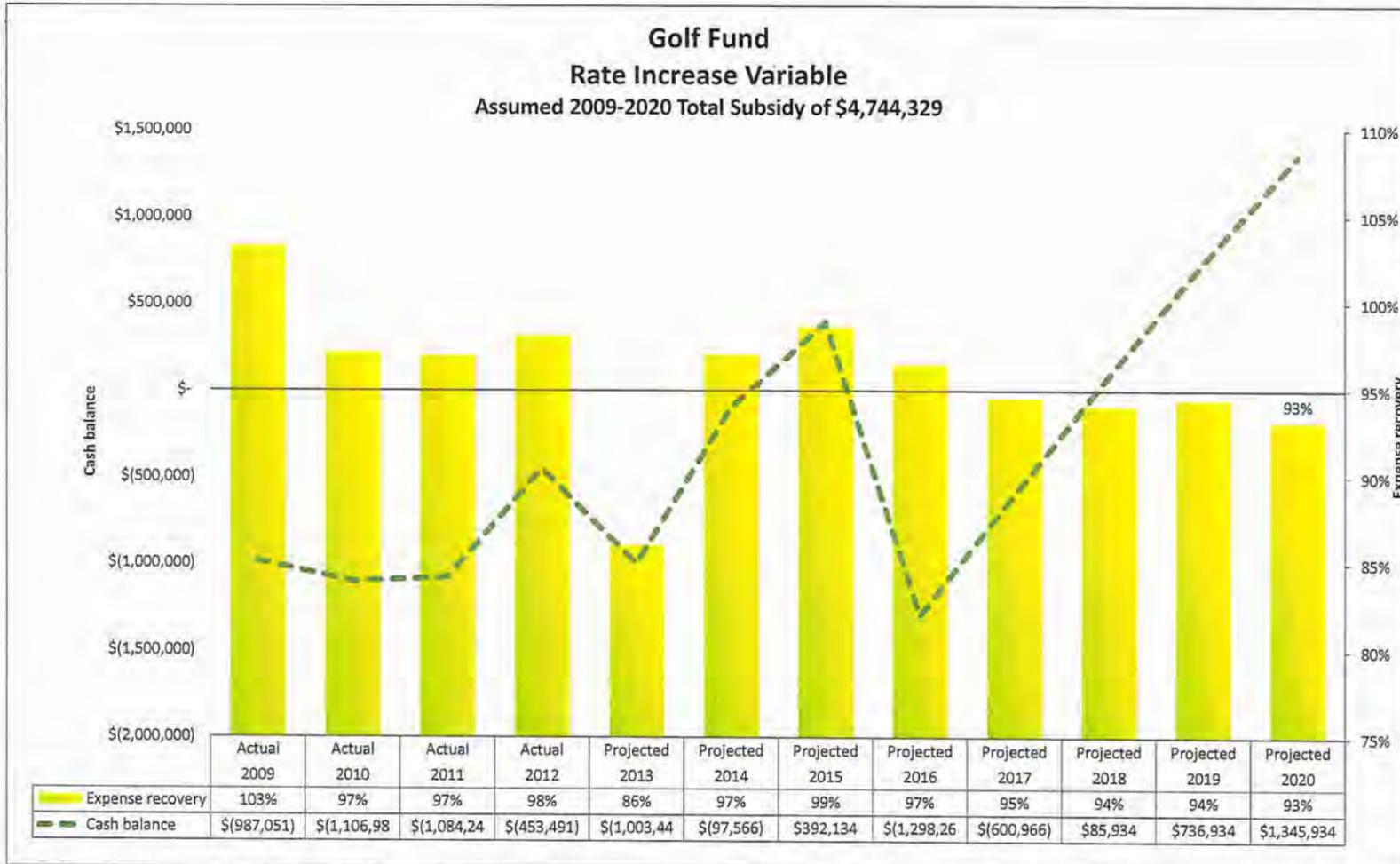
	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected
<b>Total rounds sold</b>	118,076	101,387	95,771	96,496	80,000	96,000	70,000	83,000	84,000	85,000	86,000	86,000
<b>Operating revenues</b>												
Liquor sales	\$ 146,632	\$ 144,541	\$ 145,492	\$ 161,040	\$ 151,000	\$ 156,000	\$ 158,300	\$ 160,700	\$ 163,100	\$ 165,500	\$ 168,000	\$ 170,500
Close FR							(4,900)	(4,650)	(4,350)	(4,050)	(3,750)	(3,800)
Outsource grill							(137,400)	(140,050)	(142,750)	(145,450)	(148,250)	(150,700)
Retail sales	212,886	218,585	230,865	230,120	190,000	215,000	221,500	228,100	234,900	241,900	249,200	256,700
Concessions	230,776	213,250	203,598	223,775	195,000	218,000	221,300	224,600	228,000	231,400	234,900	238,400
Close FR							(14,000)	(13,200)	(12,400)	(11,600)	(10,800)	(11,000)
Outsource grill							(206,300)	(209,400)	(213,600)	(217,800)	(222,100)	(225,400)
Memberships	123,761	119,981	108,978	88,555	62,400	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Admissions	264,671	228,126	313,735	70,049	45,000	282,000	290,500	299,200	308,200	317,400	326,900	336,700
Rate increase						76,000	67,500	58,800	49,800	40,600	31,100	21,300
Building rental	81,728	70,726	87,081	74,215	70,000	88,000	89,300	90,600	92,000	93,400	94,800	96,200
Outsource grill							75,000	76,100	77,200	78,400	79,600	80,800
Equipment rental	359,277	362,763	335,161	359,464	301,500	340,000	345,100	350,300	355,600	360,900	366,300	371,800
Close FR							(9,800)	(9,200)	(8,600)	(8,000)	(7,400)	(7,500)
Rate increase						25,000	42,700	64,500	89,200	114,900	140,600	166,300
Green fees	1,880,610	1,738,261	1,517,962	1,661,982	1,487,000	1,601,000	1,625,000	1,649,400	1,674,100	1,699,200	1,724,700	1,750,600
Close FR							(140,000)	(132,100)	(124,100)	(116,000)	(107,700)	(109,300)
Rate increase						69,500	153,500	129,100	182,400	157,300	241,800	215,900
Driving range expansion						(34,200)	(142,500)	(28,500)	(28,900)	(29,300)	(29,700)	(30,100)
Other fees	358,333	346,971	338,353	356,371	284,000	331,250	336,200	341,200	346,300	351,500	356,800	362,200
Driving range expansion						(41,100)	(151,100)	218,300	227,000	231,500	236,200	240,900
Rate increase						3,000	3,000	43,000	43,000	88,000	88,000	133,000
<b>Total revenues</b>	<b>3,658,674</b>	<b>3,443,204</b>	<b>3,281,225</b>	<b>3,225,591</b>	<b>2,775,900</b>	<b>3,394,450</b>	<b>2,888,900</b>	<b>3,461,800</b>	<b>3,571,100</b>	<b>3,668,700</b>	<b>3,807,100</b>	<b>3,870,200</b>
<b>Operating expenses</b>												
COGS	338,248	328,821	320,132	347,752	320,000	366,540	375,700	385,100	394,700	404,600	414,700	425,100
Close FR							(7,000)	(6,700)	(6,400)	(6,100)	(5,800)	(5,900)
Outsource grill							(150,000)	(153,800)	(157,600)	(161,500)	(165,500)	(169,600)
Personal services	1,774,558	1,636,091	1,564,676	1,574,394	1,500,000	1,545,000	1,591,400	1,639,100	1,688,300	1,738,900	1,791,100	1,844,800
Close FR (1 FTE)							(153,000)	(157,600)	(162,300)	(167,200)	(172,200)	(177,400)
Add PT staff for rate increase/programming change at dome						10,500	10,800	11,100	11,400	11,700	12,100	12,500
Driving range expansion						(15,000)	(65,000)	20,000	20,600	21,200	21,800	22,500
Outsource grill (1FTE)							(170,000)	(175,100)	(180,400)	(185,800)	(191,400)	(197,100)
Reduce 1 FTE, net of PT adds						(50,000)	(51,500)	(53,000)	(54,600)	(56,200)	(57,900)	(59,600)
Contractual services	580,479	557,828	628,347	489,372	475,000	619,000	637,600	656,700	676,400	696,700	717,600	739,100
Close FR							(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,500)
Increase marketing						120,000	123,600	127,300	131,100	135,000	139,100	143,300
Outsource grill							(15,000)	(15,500)	(16,000)	(16,500)	(17,000)	(17,500)
Commodities	323,311	479,783	329,006	344,549	320,000	348,000	358,400	369,200	380,300	391,700	403,500	415,600
Close FR							(50,000)	(51,000)	(52,000)	(53,100)	(54,200)	(55,300)
Outsource grill							(12,000)	(12,400)	(12,800)	(13,200)	(13,600)	(14,000)
Central services	110,796	116,958	128,266	134,496	140,000	126,628	132,500	136,500	140,600	144,800	149,100	153,600
Depreciation	414,656	424,077	412,683	395,953	471,000	576,000	542,000	631,000	715,000	731,000	750,000	772,000
<b>Total expenses</b>	<b>3,542,046</b>	<b>3,543,558</b>	<b>3,383,110</b>	<b>3,286,516</b>	<b>3,226,000</b>	<b>3,648,668</b>	<b>3,080,500</b>	<b>3,332,900</b>	<b>3,498,300</b>	<b>3,598,000</b>	<b>3,703,400</b>	<b>3,813,100</b>
<b>Operating loss</b>	<b>116,626</b>	<b>(100,354)</b>	<b>(101,885)</b>	<b>(60,925)</b>	<b>(450,100)</b>	<b>(254,218)</b>	<b>(191,600)</b>	<b>128,900</b>	<b>72,800</b>	<b>70,700</b>	<b>103,700</b>	<b>57,100</b>
<b>Nonoperating revenues, (expenses), and transfers</b>												
Interest expense	(35,182)	(18,015)	(12,375)	(6,676)	(12,000)	(33,800)	(32,300)	(30,300)	(28,400)	(26,400)	(24,300)	(22,200)
Miscellaneous	90,315	5,222	9,052	2,623,627	-	(1,600,000)	-	-	-	-	-	-
Transfers	170,000	99,329	100,000	100,000	570,000	795,000	485,000	485,000	485,000	485,000	485,000	485,000
<b>Total nonoperating</b>	<b>225,133</b>	<b>86,536</b>	<b>96,677</b>	<b>2,716,951</b>	<b>558,000</b>	<b>(838,800)</b>	<b>452,700</b>	<b>454,700</b>	<b>456,600</b>	<b>458,600</b>	<b>460,700</b>	<b>462,800</b>
<b>Change in net assets</b>	<b>341,759</b>	<b>(13,818)</b>	<b>(5,208)</b>	<b>2,656,026</b>	<b>107,900</b>	<b>(1,093,018)</b>	<b>261,100</b>	<b>583,600</b>	<b>529,400</b>	<b>529,300</b>	<b>564,400</b>	<b>519,900</b>
<b>January 1 net assets</b>	<b>2,013,091</b>	<b>2,354,850</b>	<b>2,341,032</b>	<b>2,335,824</b>	<b>4,991,850</b>	<b>5,099,750</b>	<b>4,006,732</b>	<b>4,267,832</b>	<b>4,851,432</b>	<b>5,380,832</b>	<b>5,910,132</b>	<b>6,474,532</b>
<b>December 31 net assets</b>	<b>\$ 2,354,850</b>	<b>\$ 2,341,032</b>	<b>\$ 2,335,824</b>	<b>\$ 4,991,850</b>	<b>\$ 5,099,750</b>	<b>\$ 4,006,732</b>	<b>\$ 4,267,832</b>	<b>\$ 4,851,432</b>	<b>\$ 5,380,832</b>	<b>\$ 5,910,132</b>	<b>\$ 6,474,532</b>	<b>\$ 6,994,432</b>
<b>Non-GAAP cash reconciliation</b>												
Change in net assets	\$ 341,759	\$ (13,818)	\$ (5,208)	\$ 2,656,026	\$ 107,900	\$ (1,093,018)	\$ 261,100	\$ 583,600	\$ 529,400	\$ 529,300	\$ 564,400	\$ 519,900
Depreciation	414,656	424,077	412,683	395,953	471,000	576,000	542,000	631,000	715,000	731,000	750,000	772,000
Capital expenditures	(173,180)	(173,300)	(89,608)	(233,670)	(3,245,000)	(1,609,700)	(908,500)	(2,556,900)	(174,200)	(179,300)	(242,600)	(249,400)
Debt principal (net)	(515,000)	(280,000)	(280,000)	(285,000)	809,258	-	(50,000)	(65,000)	(65,000)	(65,000)	(70,000)	(70,000)
Other accruals	31,683	(76,897)	(15,125)	(1,902,553)	1,306,893	2,150,392	-	-	-	-	-	-
<b>Change in cash</b>	<b>99,918</b>	<b>(119,938)</b>	<b>22,742</b>	<b>630,756</b>	<b>(549,949)</b>	<b>23,674</b>	<b>(155,400)</b>	<b>(1,407,300)</b>	<b>1,005,200</b>	<b>1,016,000</b>	<b>1,001,800</b>	<b>972,500</b>
<b>January 1 cash</b>	<b>(1,086,969)</b>	<b>(987,051)</b>	<b>(1,108,989)</b>	<b>(1,084,247)</b>	<b>(453,491)</b>	<b>(1,003,440)</b>	<b>(979,766)</b>	<b>(1,135,166)</b>	<b>(2,542,466)</b>	<b>(1,537,266)</b>	<b>(521,266)</b>	<b>480,534</b>
<b>December 31 cash</b>	<b>\$ (987,051)</b>	<b>\$ (1,106,989)</b>	<b>\$ (1,084,247)</b>	<b>\$ (453,491)</b>	<b>\$ (1,003,440)</b>	<b>\$ (979,766)</b>	<b>\$ (1,135,166)</b>	<b>\$ (2,542,466)</b>	<b>\$ (1,537,266)</b>	<b>\$ (521,266)</b>	<b>\$ 480,534</b>	<b>\$ 1,453,034</b>
<b>Expense recovery</b>	103%	97%	97%	98%	86%	93%	94%	104%	102%	102%	103%	101%
<b>Capital Improvement Projects: Assumed inflation 2.50%</b>												
Driving range expansion		GC-12-005			75,000	691,900	513,000					
Braemar: carpeting		GC-12-006					26,300					
Braemar: silt drainage 3 fairways		GC-12-007						53,800				
Braemar: clubhouse roof replacement		GC-12-008					82,000	84,100				
Cart path repair/expansion		GC-12-009			25,000	25,800	78,800	80,800	27,600	28,300	87,000	89,200
Maintenance equipment		GC-13-001			145,000	158,900	132,800	142,300	145,600	151,000	155,600	160,200
Tee renovation		GC-13-003				51,300	73,500	107,700				
Irrigation replace phase 1		GC-13-004						1,615,300				
Irrigation replace phase 2		NEW						384,700				
Golf dome construction		NA			3,000,000	600,000						
Golf cart replacement		NEW						172,300				
<b>Total</b>					<b>\$ 3,245,000</b>	<b>\$ 1,609,700</b>	<b>\$ 908,500</b>	<b>\$ 2,556,900</b>	<b>\$ 174,200</b>	<b>\$ 179,300</b>	<b>\$ 242,600</b>	<b>\$ 249,400</b>



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City of Edina Golf Fund  
Rate Increase Variable

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	
<b>Total rounds sold</b>	118,076	101,387	95,771	96,496	80,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
<b>Operating revenues</b>													
Liquor sales	\$ 146,632	\$ 144,541	\$ 145,492	\$ 161,040	\$ 151,000	\$ 156,000	\$ 158,300	\$ 160,700	\$ 163,100	\$ 165,500	\$ 168,000	\$ 170,500	
Retail sales	212,886	218,585	230,865	230,120	190,000	215,000	221,500	228,100	234,900	241,900	249,200	256,700	
Concessions	230,776	213,250	203,598	223,775	185,000	218,000	221,300	224,600	228,000	231,400	234,900	238,400	
Memberships	123,761	119,981	108,978	88,555	62,400	65,000	65,000	65,000	65,000	65,000	65,000	65,000	
Admissions	264,671	228,126	313,735	70,049	45,000	282,000	282,000	282,000	282,000	282,000	282,000	282,000	
New dome rates						56,000	56,000	56,000	56,000	56,000	56,000	56,000	
Dome format changes						20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Building rental	81,728	70,726	87,081	74,215	70,000	88,000	89,300	90,600	92,000	93,400	94,800	96,200	
Equipment rental	359,277	362,763	335,161	359,484	301,500	340,000	340,000	340,000	340,000	340,000	340,000	340,000	
Rate increases						26,000	47,800	74,800	74,800	74,800	99,800	99,800	
Green fees	1,880,610	1,738,261	1,517,962	1,661,982	1,487,000	1,601,000	1,601,000	1,601,000	1,601,000	1,601,000	1,601,000	1,601,000	
New weekend rate						69,500	69,500	69,500	69,500	69,500	69,500	69,500	
Rate increase						108,000	108,000	108,000	186,000	186,000	296,000	296,000	
Other fees	358,333	346,971	338,353	356,371	284,000	331,250	336,200	341,200	346,300	351,500	356,800	362,200	
Rate increase						3,000	3,000	43,000	43,000	88,000	88,000	133,000	
<b>Total revenues</b>	<b>3,658,674</b>	<b>3,443,204</b>	<b>3,281,225</b>	<b>3,225,591</b>	<b>2,775,900</b>	<b>3,469,750</b>	<b>3,618,900</b>	<b>3,704,500</b>	<b>3,801,600</b>	<b>3,891,000</b>	<b>4,021,000</b>	<b>4,086,300</b>	
<b>Operating expenses</b>													
COGS	338,248	328,821	320,132	347,752	320,000	366,540	375,700	385,100	394,700	404,600	414,700	425,100	
Personal services	1,774,558	1,636,091	1,564,676	1,574,394	1,500,000	1,545,000	1,591,400	1,639,100	1,688,300	1,738,900	1,791,100	1,844,800	
Increase PT dome staff for new programming						10,500	10,800	11,100	11,400	11,700	12,100	12,500	
Contractual services	580,479	557,828	628,347	489,372	475,000	619,000	637,600	656,700	676,400	696,700	717,600	739,100	
Commodities	323,311	479,783	329,006	344,549	320,000	348,000	358,400	369,200	380,300	391,700	403,500	415,600	
Central services	110,796	116,958	128,266	134,496	140,000	128,628	132,500	136,500	140,600	144,800	149,100	153,600	
Depreciation	414,656	424,077	412,683	395,953	471,000	558,000	562,000	641,000	728,000	747,000	769,000	794,000	
<b>Total expenses</b>	<b>3,542,048</b>	<b>3,543,558</b>	<b>3,383,110</b>	<b>3,286,516</b>	<b>3,226,000</b>	<b>3,575,668</b>	<b>3,668,400</b>	<b>3,838,700</b>	<b>4,019,700</b>	<b>4,135,400</b>	<b>4,257,100</b>	<b>4,384,700</b>	
<b>Operating loss</b>	<b>116,626</b>	<b>(100,354)</b>	<b>(101,885)</b>	<b>(60,925)</b>	<b>(450,100)</b>	<b>(105,918)</b>	<b>(49,500)</b>	<b>(134,200)</b>	<b>(218,100)</b>	<b>(244,400)</b>	<b>(236,100)</b>	<b>(298,400)</b>	
<b>Nonoperating revenues, (expenses), and transfers</b>													
Interest expense	(35,182)	(18,015)	(12,375)	(6,676)	(12,000)	(33,800)	(32,300)	(30,300)	(28,400)	(26,400)	(24,300)	(22,200)	
Miscellaneous	90,315	5,222	9,052	2,623,627	-	-	-	-	-	-	-	-	
Transfers	170,000	99,329	100,000	100,000	570,000	795,000	485,000	485,000	485,000	485,000	485,000	485,000	
<b>Total nonoperating</b>	<b>225,133</b>	<b>86,536</b>	<b>96,677</b>	<b>2,716,951</b>	<b>558,000</b>	<b>761,200</b>	<b>452,700</b>	<b>454,700</b>	<b>456,600</b>	<b>458,600</b>	<b>460,700</b>	<b>462,800</b>	
<b>Change in net assets</b>	<b>341,759</b>	<b>(13,818)</b>	<b>(5,208)</b>	<b>2,656,026</b>	<b>107,900</b>	<b>655,282</b>	<b>403,200</b>	<b>320,500</b>	<b>238,500</b>	<b>214,200</b>	<b>224,600</b>	<b>164,400</b>	
<b>January 1 net assets</b>	<b>2,013,091</b>	<b>2,354,850</b>	<b>2,341,032</b>	<b>2,335,824</b>	<b>4,991,850</b>	<b>5,099,750</b>	<b>5,755,032</b>	<b>6,158,232</b>	<b>6,478,732</b>	<b>6,717,232</b>	<b>6,931,432</b>	<b>7,156,032</b>	
<b>December 31 net assets</b>	<b>\$ 2,354,850</b>	<b>\$ 2,341,032</b>	<b>\$ 2,335,824</b>	<b>\$ 4,991,850</b>	<b>\$ 5,099,750</b>	<b>\$ 5,755,032</b>	<b>\$ 6,158,232</b>	<b>\$ 6,478,732</b>	<b>\$ 6,717,232</b>	<b>\$ 6,931,432</b>	<b>\$ 7,156,032</b>	<b>\$ 7,320,432</b>	
<b>Non-GAAP cash reconciliation</b>													
Change in net assets	\$ 341,759	\$ (13,818)	\$ (5,208)	\$ 2,656,026	\$ 107,900	\$ 655,282	\$ 403,200	\$ 320,500	\$ 238,500	\$ 214,200	\$ 224,600	\$ 164,400	
Depreciation	414,656	424,077	412,683	395,953	471,000	558,000	562,000	641,000	728,000	747,000	769,000	794,000	
Capital expenditures	(173,180)	(173,300)	(89,608)	(233,670)	(3,245,000)	(917,800)	(425,500)	(2,586,900)	(204,200)	(209,300)	(272,600)	(279,400)	
Debt principal (net)	(515,000)	(280,000)	(280,000)	(285,000)	809,258	-	(50,000)	(65,000)	(65,000)	(65,000)	(70,000)	(70,000)	
Other accruals	31,683	(76,897)	(15,125)	(1,902,553)	1,306,893	610,392	-	-	-	-	-	-	
<b>Change in cash</b>	<b>99,918</b>	<b>(119,938)</b>	<b>22,742</b>	<b>630,756</b>	<b>(549,949)</b>	<b>905,874</b>	<b>489,700</b>	<b>(1,690,400)</b>	<b>697,300</b>	<b>686,900</b>	<b>651,000</b>	<b>609,000</b>	
<b>January 1 cash</b>	<b>(1,086,969)</b>	<b>(987,051)</b>	<b>(1,106,989)</b>	<b>(1,084,247)</b>	<b>(453,491)</b>	<b>(1,003,440)</b>	<b>(97,566)</b>	<b>392,134</b>	<b>(1,298,266)</b>	<b>(600,966)</b>	<b>85,934</b>	<b>736,934</b>	
<b>December 31 cash</b>	<b>\$ (987,051)</b>	<b>\$ (1,106,989)</b>	<b>\$ (1,084,247)</b>	<b>\$ (453,491)</b>	<b>\$ (1,003,440)</b>	<b>\$ (97,566)</b>	<b>\$ 392,134</b>	<b>\$ (1,298,266)</b>	<b>\$ (600,966)</b>	<b>\$ 85,934</b>	<b>\$ 736,934</b>	<b>\$ 1,345,934</b>	
<b>Expense recovery</b>	103%	97%	97%	98%	86%	97%	99%	97%	95%	94%	94%	93%	
<b>Capital Improvement Projects: Assumed inflation 2.50%</b>													
Driving range expansion		GC-12-005			75,000								
Braemar: carpeting		GC-12-006					26,300						
Braemar: slit drainage 3 fairways		GC-12-007						53,800					
Braemar: clubhouse roof replacement		GC-12-008				82,000	84,100						
Cart path repair/expansion		GC-12-009			25,000	25,600	78,800	80,800	27,600	28,300	87,000	89,200	
Maintenance equipment		GC-13-001			145,000	158,900	162,800	172,300	176,600	181,000	185,600	190,200	
Tee renovation		GC-13-003				51,300	73,500	107,700					
Irrigation replace phase 1		GC-13-004						1,615,300					
Irrigation replace phase 2		NEW						384,700					
Golf dome construction		NA			3,000,000	600,000							
Golf cart replacement		NEW						172,300					
<b>Total</b>					<b>\$ -</b>	<b>\$ 3,245,000</b>	<b>\$ 917,800</b>	<b>\$ 425,500</b>	<b>\$ 2,586,900</b>	<b>\$ 204,200</b>	<b>\$ 209,300</b>	<b>\$ 272,600</b>	<b>\$ 279,400</b>

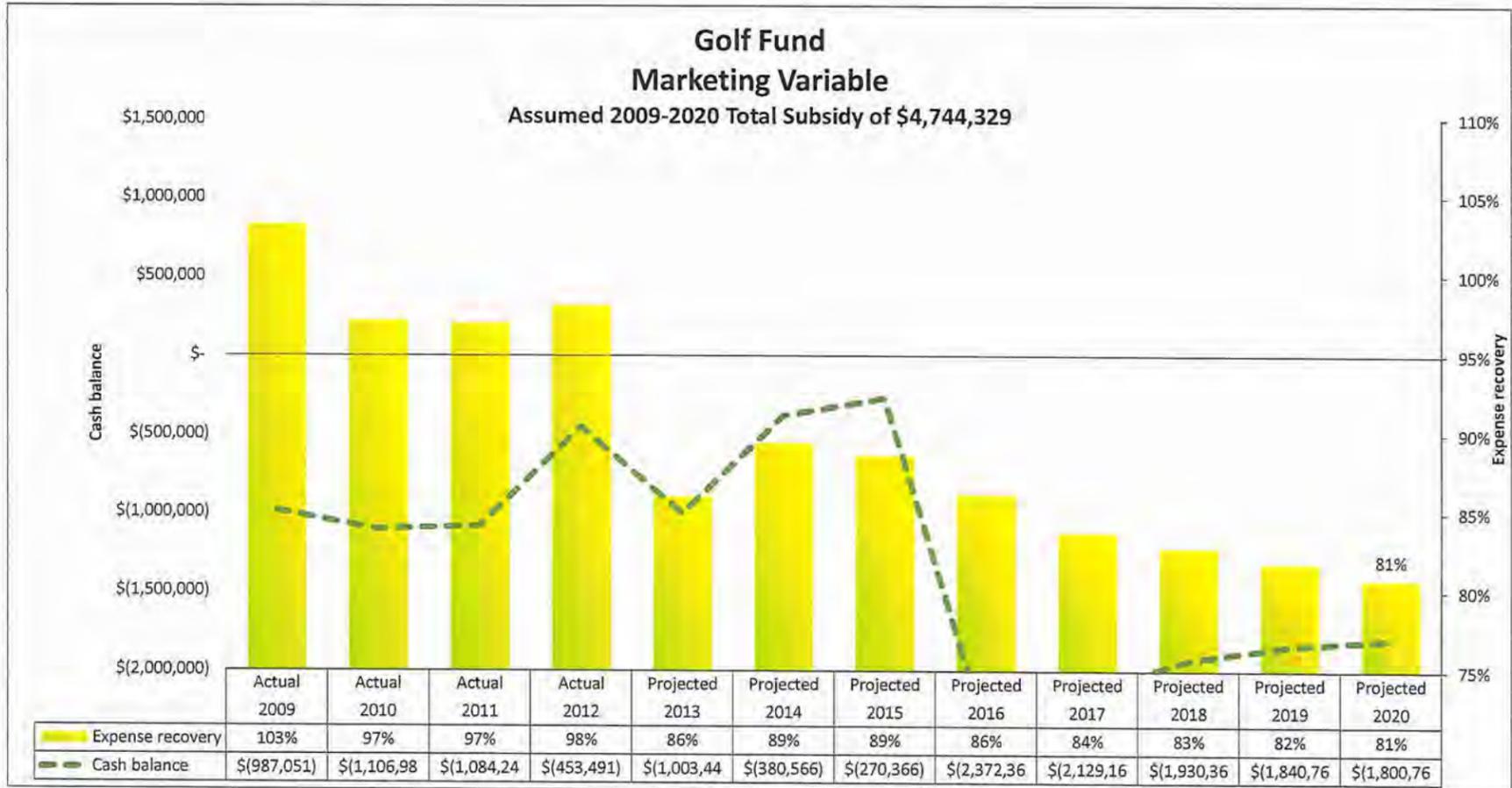


1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

Construction fund pays capital costs currently in CIP through 2014  
After 2014 the only subsidy is from liquor fixed at \$485,000/year  
Projected rounds fixed at 100,000/year

**City of Edina Golf Fund  
Increase Marketing Variable**

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	
<b>Total rounds sold</b>	<b>118,076</b>	<b>101,387</b>	<b>95,771</b>	<b>96,496</b>	<b>80,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	
<b>Operating revenues</b>													
Liquor sales	\$ 146,632	\$ 144,541	\$ 145,492	\$ 161,040	\$ 151,000	\$ 156,000	\$ 158,300	\$ 160,700	\$ 163,100	\$ 165,500	\$ 168,000	\$ 170,500	
Retail sales	212,886	218,585	230,865	230,120	190,000	215,000	221,500	228,100	234,900	241,900	249,200	256,700	
Concessions	230,776	213,250	203,598	223,775	185,000	218,000	221,300	224,600	228,000	231,400	234,900	238,400	
Memberships	123,761	119,981	108,978	88,555	62,400	65,000	65,000	65,000	65,000	65,000	65,000	65,000	
Admissions	264,671	228,126	313,735	70,049	45,000	282,000	290,500	299,200	308,200	317,400	326,900	336,700	
Building rental	81,728	70,726	87,081	74,215	70,000	88,000	89,300	90,600	92,000	93,400	94,800	96,200	
Equipment rental	359,277	362,763	335,161	359,484	301,500	340,000	345,100	350,300	355,600	360,900	366,300	371,800	
Green fees	1,880,610	1,738,261	1,517,962	1,661,982	1,487,000	1,601,000	1,625,000	1,649,400	1,674,100	1,699,200	1,724,700	1,750,600	
Other fees	358,333	346,971	338,353	356,371	284,000	331,250	336,200	341,200	346,300	351,500	356,800	362,200	
<b>Total revenues</b>	<b>3,658,674</b>	<b>3,443,204</b>	<b>3,281,225</b>	<b>3,225,591</b>	<b>2,775,900</b>	<b>3,296,250</b>	<b>3,352,200</b>	<b>3,409,100</b>	<b>3,467,200</b>	<b>3,526,200</b>	<b>3,586,600</b>	<b>3,648,100</b>	
<b>Operating expenses</b>													
COGS	338,248	328,821	320,132	347,752	320,000	366,540	375,700	385,100	394,700	404,600	414,700	425,100	
Personal services	1,774,558	1,636,091	1,564,676	1,574,394	1,500,000	1,545,000	1,591,400	1,639,100	1,688,300	1,738,900	1,791,100	1,844,800	
Contractual services	580,479	557,828	628,347	489,372	475,000	619,000	637,600	656,700	676,400	696,700	717,600	739,100	
Increase marketing						120,000	123,600	127,300	131,100	135,000	139,100	143,300	
Commodities	323,311	479,783	329,006	344,549	320,000	348,000	358,400	369,200	380,300	391,700	403,500	415,600	
Central services	110,796	116,958	128,266	134,496	140,000	128,628	132,500	136,500	140,600	144,800	149,100	153,600	
Depreciation	414,656	424,077	412,683	395,953	471,000	558,000	562,000	641,000	728,000	747,000	769,000	794,000	
<b>Total expenses</b>	<b>3,542,048</b>	<b>3,543,558</b>	<b>3,383,110</b>	<b>3,286,516</b>	<b>3,226,000</b>	<b>3,685,168</b>	<b>3,781,200</b>	<b>3,954,900</b>	<b>4,139,400</b>	<b>4,258,700</b>	<b>4,384,100</b>	<b>4,515,500</b>	
<b>Operating loss</b>	<b>116,626</b>	<b>(100,354)</b>	<b>(101,885)</b>	<b>(60,925)</b>	<b>(450,100)</b>	<b>(388,918)</b>	<b>(429,000)</b>	<b>(545,800)</b>	<b>(672,200)</b>	<b>(732,500)</b>	<b>(797,500)</b>	<b>(867,400)</b>	
<b>Nonoperating revenues, (expenses), and transfers</b>													
Interest expense	(35,182)	(18,015)	(12,375)	(6,676)	(12,000)	(33,800)	(32,300)	(30,300)	(28,400)	(26,400)	(24,300)	(22,200)	
Miscellaneous	90,315	5,222	9,052	2,623,627	-	-	-	-	-	-	-	-	
Transfers	170,000	99,329	100,000	100,000	570,000	795,000	485,000	485,000	485,000	485,000	485,000	485,000	
<b>Total nonoperating</b>	<b>225,133</b>	<b>86,536</b>	<b>96,677</b>	<b>2,716,951</b>	<b>558,000</b>	<b>761,200</b>	<b>452,700</b>	<b>454,700</b>	<b>456,600</b>	<b>458,600</b>	<b>460,700</b>	<b>462,800</b>	
<b>Change in net assets</b>	<b>341,759</b>	<b>(13,818)</b>	<b>(5,208)</b>	<b>2,656,026</b>	<b>107,900</b>	<b>372,282</b>	<b>23,700</b>	<b>(91,100)</b>	<b>(215,600)</b>	<b>(273,900)</b>	<b>(336,800)</b>	<b>(404,600)</b>	
<b>January 1 net assets</b>	<b>2,013,091</b>	<b>2,354,850</b>	<b>2,341,032</b>	<b>2,335,824</b>	<b>4,991,850</b>	<b>5,099,750</b>	<b>5,472,032</b>	<b>5,495,732</b>	<b>5,404,632</b>	<b>5,189,032</b>	<b>4,915,132</b>	<b>4,578,332</b>	
<b>December 31 net assets</b>	<b>\$ 2,354,850</b>	<b>\$ 2,341,032</b>	<b>\$ 2,335,824</b>	<b>\$ 4,991,850</b>	<b>\$ 5,099,750</b>	<b>\$ 5,472,032</b>	<b>\$ 5,495,732</b>	<b>\$ 5,404,632</b>	<b>\$ 5,189,032</b>	<b>\$ 4,915,132</b>	<b>\$ 4,578,332</b>	<b>\$ 4,173,732</b>	
<b>Non-GAAP cash reconciliation</b>													
Change in net assets	\$ 341,759	\$ (13,818)	\$ (5,208)	\$ 2,656,026	\$ 107,900	\$ 372,282	\$ 23,700	\$ (91,100)	\$ (215,600)	\$ (273,900)	\$ (336,800)	\$ (404,600)	
Depreciation	414,656	424,077	412,683	395,953	471,000	558,000	562,000	641,000	728,000	747,000	769,000	794,000	
Capital expenditures	(173,180)	(173,300)	(89,608)	(233,670)	(3,245,000)	(917,800)	(425,500)	(2,586,900)	(204,200)	(209,300)	(272,600)	(279,400)	
Debt principal (net)	(515,000)	(280,000)	(280,000)	(285,000)	809,258	-	(50,000)	(65,000)	(65,000)	(65,000)	(70,000)	(70,000)	
Other accruals	31,683	(76,897)	(15,125)	(1,902,553)	1,306,893	610,392	-	-	-	-	-	-	
<b>Change in cash</b>	<b>99,918</b>	<b>(119,938)</b>	<b>22,742</b>	<b>630,756</b>	<b>(549,949)</b>	<b>622,874</b>	<b>110,200</b>	<b>(2,102,000)</b>	<b>243,200</b>	<b>198,800</b>	<b>89,600</b>	<b>40,000</b>	
<b>January 1 cash</b>	<b>(1,086,969)</b>	<b>(987,051)</b>	<b>(1,106,989)</b>	<b>(1,084,247)</b>	<b>(453,491)</b>	<b>(1,003,440)</b>	<b>(380,566)</b>	<b>(270,366)</b>	<b>(2,372,366)</b>	<b>(2,129,166)</b>	<b>(1,930,366)</b>	<b>(1,840,766)</b>	
<b>December 31 cash</b>	<b>\$ (987,051)</b>	<b>\$ (1,106,989)</b>	<b>\$ (1,084,247)</b>	<b>\$ (453,491)</b>	<b>\$ (1,003,440)</b>	<b>\$ (380,566)</b>	<b>\$ (270,366)</b>	<b>\$ (2,372,366)</b>	<b>\$ (2,129,166)</b>	<b>\$ (1,930,366)</b>	<b>\$ (1,840,766)</b>	<b>\$ (1,800,766)</b>	
<b>Expense recovery</b>	<b>103%</b>	<b>97%</b>	<b>97%</b>	<b>98%</b>	<b>86%</b>	<b>89%</b>	<b>89%</b>	<b>86%</b>	<b>84%</b>	<b>83%</b>	<b>82%</b>	<b>81%</b>	
<b>Capital Improvement Projects: Assumed inflation 2.50%</b>													
Driving range expansion		GC-12-005			75,000								
Braemar: carpeting		GC-12-006					26,300						
Braemar: slit drainage 3 fairways		GC-12-007						53,800					
Braemar: clubhouse roof replacement		GC-12-008				82,000	84,100						
Cart path repair/expansion		GC-12-009			25,000	25,600	78,800	80,800	27,600	28,300	87,000	89,200	
Maintenance equipment		GC-13-001			145,000	158,900	162,800	172,300	176,600	181,000	185,600	190,200	
Tee renovation		GC-13-003				51,300	73,500	107,700					
Irrigation replace phase 1		GC-13-004						1,615,300					
Irrigation replace phase 2		NEW						384,700					
Golf dome construction		NA			3,000,000	600,000							
Golf cart replacement		NEW						172,300					
<b>Total</b>					<b>\$ -</b>	<b>\$ 3,245,000</b>	<b>\$ 917,800</b>	<b>\$ 425,500</b>	<b>\$ 2,586,900</b>	<b>\$ 204,200</b>	<b>\$ 209,300</b>	<b>\$ 272,600</b>	<b>\$ 279,400</b>

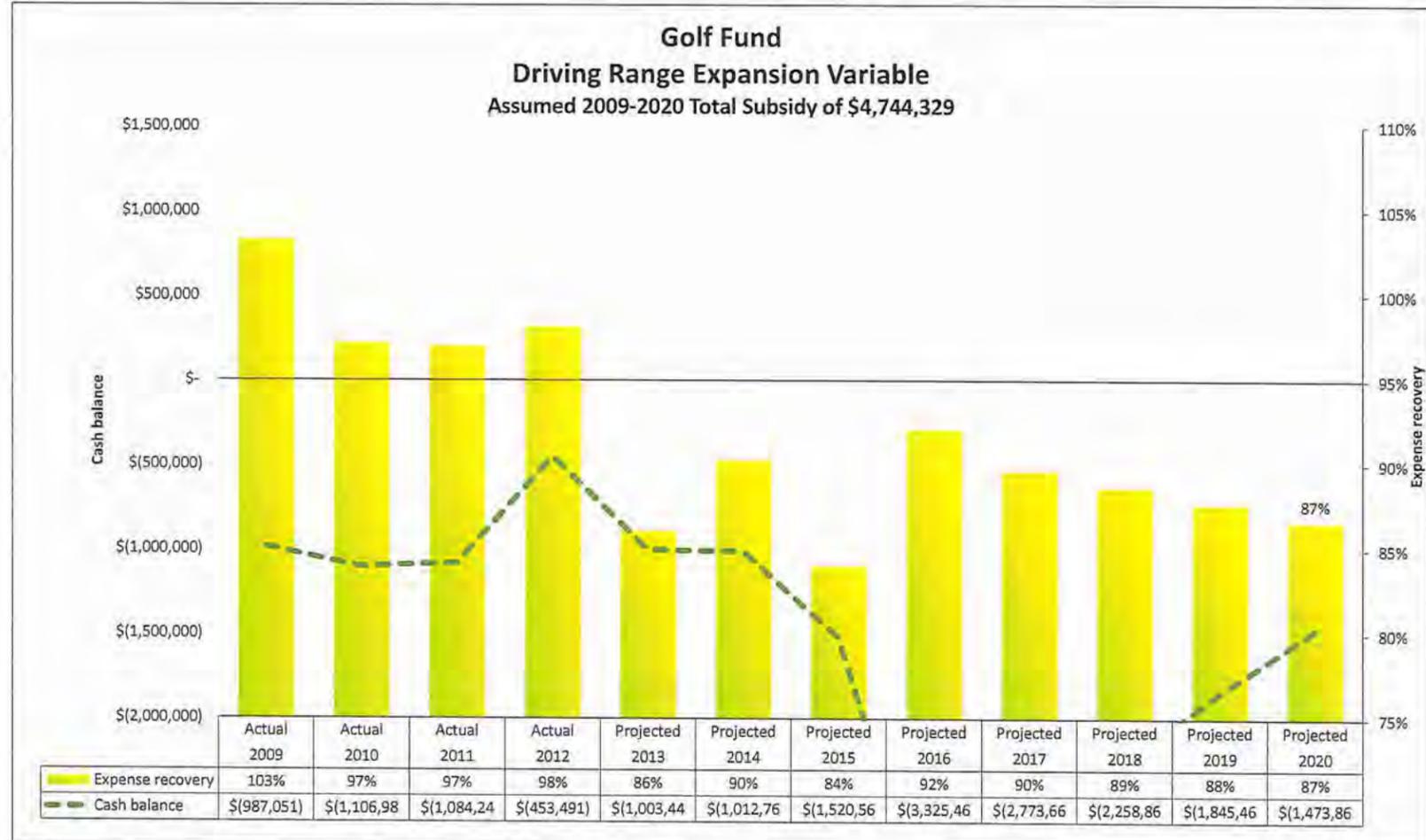


1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

Construction fund pays capital costs currently in CIP through 2014  
After 2014 the only subsidy is from liquor fixed at \$485,000/year  
Projected rounds fixed at 100,000/year  
Driving range expansion not included in baseline scenario

**City of Edina Golf Fund  
Driving Range Expansion Variable**

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	
<b>Total rounds sold</b>	118,076	101,387	95,771	96,496	80,000	96,400	85,000	97,000	97,000	97,000	97,000	97,000	
<b>Operating revenues</b>													
Liquor sales	\$ 146,632	\$ 144,541	\$ 145,492	\$ 161,040	\$ 151,000	\$ 156,000	\$ 156,300	\$ 160,700	\$ 163,100	\$ 165,500	\$ 168,000	\$ 170,500	
Retail sales	212,886	218,585	230,865	230,120	190,000	215,000	221,500	228,100	234,900	241,900	249,200	256,700	
Concessions	230,776	213,250	203,598	223,775	185,000	218,000	221,300	224,600	228,000	231,400	234,900	238,400	
Memberships	123,761	119,981	108,978	88,555	62,400	65,000	65,000	65,000	65,000	65,000	65,000	65,000	
Admissions	264,671	228,126	313,735	70,049	45,000	282,000	290,500	299,200	308,200	317,400	326,900	336,700	
Building rental	81,728	70,726	87,081	74,215	70,000	88,000	89,300	90,600	92,000	93,400	94,800	96,200	
Equipment rental	358,277	362,763	335,161	359,484	301,500	340,000	345,100	350,300	355,600	360,900	366,300	371,800	
Green fees	1,880,610	1,738,261	1,517,962	1,661,982	1,487,000	1,601,000	1,825,000	1,649,400	1,674,100	1,699,200	1,724,700	1,750,600	
Executive closed for construction						(34,200)	(142,500)						
Lower demand for par 3 vs. executive								(28,500)	(28,900)	(29,300)	(29,700)	(30,100)	
Other fees	358,333	346,971	338,353	356,371	284,000	331,250	336,200	341,200	346,300	351,500	356,800	362,200	
Range closed for construction						(41,100)	(178,100)						
Facility fee							27,000						
Price increase								49,300	50,300	51,300	52,300	53,300	
Capacity increase								137,000	139,700	142,500	145,400	148,300	
<b>Total revenues</b>	<b>3,658,674</b>	<b>3,443,204</b>	<b>3,281,225</b>	<b>3,225,591</b>	<b>2,775,900</b>	<b>3,220,950</b>	<b>3,058,600</b>	<b>3,598,900</b>	<b>3,665,300</b>	<b>3,728,400</b>	<b>3,793,100</b>	<b>3,858,900</b>	
<b>Operating expenses</b>													
COGS	338,248	328,821	320,132	347,752	320,000	366,540	375,700	385,100	394,700	404,600	414,700	425,100	
Personal services	1,774,558	1,636,091	1,564,676	1,574,394	1,500,000	1,545,000	1,591,400	1,639,100	1,688,300	1,738,900	1,791,100	1,844,800	
Adjust PT staff						(15,000)	(65,000)	20,000	20,600	21,200	21,800	22,500	
Contractual services	580,479	557,828	628,347	489,372	475,000	619,000	637,600	656,700	676,400	696,700	717,600	739,100	
Commodities	323,311	479,783	329,006	344,549	320,000	348,000	358,400	369,200	380,300	391,700	403,500	415,600	
Central services	110,796	116,958	128,266	134,496	140,000	128,628	132,500	136,500	140,600	144,800	149,100	153,600	
Depreciation	414,656	424,077	412,683	395,953	471,000	576,000	610,000	702,000	789,000	808,000	830,000	855,000	
<b>Total expenses</b>	<b>3,542,048</b>	<b>3,543,558</b>	<b>3,383,110</b>	<b>3,286,516</b>	<b>3,226,000</b>	<b>3,568,168</b>	<b>3,640,600</b>	<b>3,908,600</b>	<b>4,089,900</b>	<b>4,205,900</b>	<b>4,327,800</b>	<b>4,455,700</b>	
<b>Operating loss</b>	<b>116,626</b>	<b>(100,354)</b>	<b>(101,885)</b>	<b>(60,925)</b>	<b>(450,100)</b>	<b>(347,218)</b>	<b>(582,000)</b>	<b>(309,700)</b>	<b>(424,600)</b>	<b>(477,500)</b>	<b>(534,700)</b>	<b>(596,800)</b>	
<b>Nonoperating revenues, (expenses), and transfers</b>													
Interest expense	(35,182)	(18,015)	(12,375)	(6,676)	(12,000)	(33,800)	(32,300)	(30,300)	(28,400)	(26,400)	(24,300)	(22,200)	
Miscellaneous	90,315	5,222	9,052	2,623,827	-	-	-	-	-	-	-	-	
Transfers	170,000	99,329	100,000	100,000	570,000	795,000	485,000	485,000	485,000	485,000	485,000	485,000	
<b>Total nonoperating</b>	<b>225,133</b>	<b>86,536</b>	<b>96,677</b>	<b>2,716,951</b>	<b>558,000</b>	<b>761,200</b>	<b>452,700</b>	<b>454,700</b>	<b>456,600</b>	<b>458,600</b>	<b>460,700</b>	<b>462,800</b>	
<b>Change in net assets</b>	<b>341,759</b>	<b>(13,818)</b>	<b>(5,208)</b>	<b>2,656,026</b>	<b>107,800</b>	<b>413,982</b>	<b>(129,300)</b>	<b>145,000</b>	<b>32,000</b>	<b>(18,900)</b>	<b>(74,000)</b>	<b>(134,000)</b>	
<b>January 1 net assets</b>	<b>2,013,091</b>	<b>2,354,850</b>	<b>2,341,032</b>	<b>2,335,824</b>	<b>4,991,850</b>	<b>5,099,750</b>	<b>5,513,732</b>	<b>5,384,432</b>	<b>5,529,432</b>	<b>5,561,432</b>	<b>5,542,532</b>	<b>5,468,532</b>	
<b>December 31 net assets</b>	<b>\$ 2,354,850</b>	<b>\$ 2,341,032</b>	<b>\$ 2,335,824</b>	<b>\$ 4,991,850</b>	<b>\$ 5,099,750</b>	<b>\$ 5,513,732</b>	<b>\$ 5,384,432</b>	<b>\$ 5,529,432</b>	<b>\$ 5,561,432</b>	<b>\$ 5,542,532</b>	<b>\$ 5,468,532</b>	<b>\$ 5,334,532</b>	
<b>Non-GAAP cash reconciliation</b>													
Change in net assets	\$ 341,759	\$ (13,818)	\$ (5,208)	\$ 2,656,026	\$ 107,800	\$ 413,982	\$ (129,300)	\$ 145,000	\$ 32,000	\$ (18,900)	\$ (74,000)	\$ (134,000)	
Depreciation	414,656	424,077	412,683	395,953	471,000	576,000	610,000	702,000	789,000	808,000	830,000	855,000	
Capital expenditures	(173,180)	(173,300)	(89,608)	(233,670)	(3,245,000)	(1,609,700)	(938,500)	(2,586,900)	(204,200)	(209,300)	(272,600)	(279,400)	
Debt principal (net)	(515,000)	(280,000)	(280,000)	(285,000)	809,258	-	(50,000)	(65,000)	(65,000)	(65,000)	(70,000)	(70,000)	
Other accruals	31,683	(76,897)	(15,125)	(1,902,553)	1,306,893	610,392	-	-	-	-	-	-	
<b>Change in cash</b>	<b>99,918</b>	<b>(119,938)</b>	<b>22,742</b>	<b>630,756</b>	<b>(549,949)</b>	<b>(9,326)</b>	<b>(507,800)</b>	<b>(1,804,900)</b>	<b>551,800</b>	<b>514,800</b>	<b>413,400</b>	<b>371,600</b>	
<b>January 1 cash</b>	<b>(1,086,969)</b>	<b>(987,051)</b>	<b>(1,106,989)</b>	<b>(1,084,247)</b>	<b>(453,491)</b>	<b>(1,003,440)</b>	<b>(1,012,766)</b>	<b>(1,520,566)</b>	<b>(3,325,466)</b>	<b>(2,773,666)</b>	<b>(2,258,866)</b>	<b>(1,845,466)</b>	
<b>December 31 cash</b>	<b>\$ (987,051)</b>	<b>\$ (1,106,989)</b>	<b>\$ (1,084,247)</b>	<b>\$ (453,491)</b>	<b>\$ (1,003,440)</b>	<b>\$ (1,012,766)</b>	<b>\$ (1,520,566)</b>	<b>\$ (3,325,466)</b>	<b>\$ (2,773,666)</b>	<b>\$ (2,258,866)</b>	<b>\$ (1,845,466)</b>	<b>\$ (1,473,866)</b>	
<b>Expense recovery</b>	103%	97%	97%	98%	86%	90%	84%	92%	90%	89%	88%	87%	
<b>Capital Improvement Projects: Assumed inflation 2.50%</b>													
Driving range expansion		GC-12-005			75,000	691,900	513,000						
Braemar: carpeting		GC-12-006					26,300						
Braemar: slit drainage 3 fairways		GC-12-007						53,800					
Braemar: clubhouse roof replacement		GC-12-008				82,000	84,100						
Cart path repair/expansion		GC-12-009			25,000	25,600	78,800	80,800	27,600	28,300	87,000	89,200	
Maintenance equipment		GC-13-001			145,000	158,900	162,800	172,300	176,600	181,000	185,600	190,200	
Tee renovation		GC-13-003				51,300	73,500	107,700					
Irrigation replace phase 1		GC-13-004						1,615,300					
Irrigation replace phase 2		NEW						384,700					
Golf dome construction		NA			3,000,000	600,000							
Golf cart replacement		NEW						172,300					
<b>Total</b>					<b>\$ -</b>	<b>\$ 3,245,000</b>	<b>\$ 1,609,700</b>	<b>\$ 938,500</b>	<b>\$ 2,586,900</b>	<b>\$ 204,200</b>	<b>\$ 209,300</b>	<b>\$ 272,600</b>	<b>\$ 279,400</b>

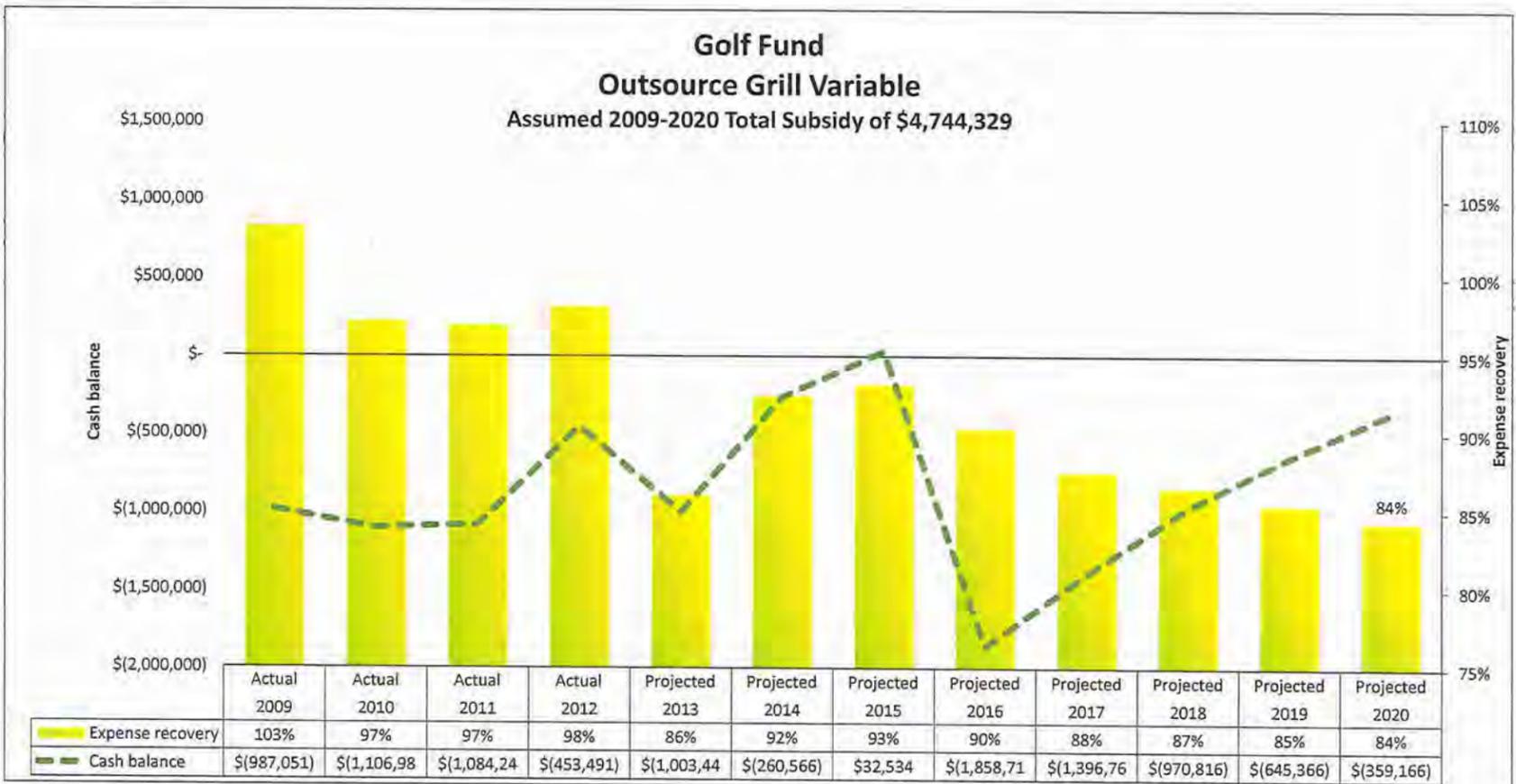


1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

Construction fund pays capital costs currently in CIP through 2014  
After 2014 the only subsidy is from liquor fixed at \$485,000/year  
Projected rounds fixed at 100,000/year  
Driving range expansion in 2014 does not include \$300,000 transfer from Braemar Memorial Fund

**City of Edina Golf Fund  
Outsource Grill Variable**

	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	
<b>Total rounds sold</b>	118,076	101,387	95,771	96,496	80,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
<b>Operating revenues</b>													
Liquor sales	\$ 146,632	\$ 144,541	\$ 145,492	\$ 161,040	\$ 151,000	\$ 156,000	\$ 158,300	\$ 160,700	\$ 163,100	\$ 165,500	\$ 168,000	\$ 170,500	
Outsource grill							(137,400)	(140,050)	(142,750)	(145,450)	(148,250)	(150,700)	
Retail sales	212,886	218,585	230,865	230,120	190,000	215,000	221,500	228,100	234,900	241,900	249,200	256,700	
Concessions	230,776	213,250	203,598	223,775	185,000	218,000	221,300	224,600	228,000	231,400	234,900	238,400	
Outsource grill							(205,300)	(209,400)	(213,600)	(217,800)	(222,100)	(225,400)	
Memberships	123,761	119,981	108,978	88,555	62,400	65,000	65,000	65,000	65,000	65,000	65,000	65,000	
Admissions	264,671	228,126	313,735	70,049	45,000	282,000	290,500	299,200	308,200	317,400	326,900	336,700	
Building rental	81,728	70,726	87,081	74,215	70,000	88,000	89,300	90,600	92,000	93,400	94,800	96,200	
Outsource grill							75,000	76,100	77,200	78,400	79,600	80,800	
Equipment rental	359,277	362,763	335,161	359,484	301,500	340,000	345,100	350,300	355,600	360,900	366,300	371,800	
Green fees	1,880,610	1,738,261	1,517,962	1,661,982	1,487,000	1,601,000	1,625,000	1,649,400	1,674,100	1,699,200	1,724,700	1,750,600	
Other fees	358,333	346,971	338,353	356,371	284,000	331,250	336,200	341,200	346,300	351,500	356,800	362,200	
<b>Total revenues</b>	<b>3,658,674</b>	<b>3,443,204</b>	<b>3,281,225</b>	<b>3,225,591</b>	<b>2,775,900</b>	<b>3,296,250</b>	<b>3,084,500</b>	<b>3,135,750</b>	<b>3,188,050</b>	<b>3,241,350</b>	<b>3,295,850</b>	<b>3,352,800</b>	
<b>Operating expenses</b>													
COGS	338,248	328,821	320,132	347,752	320,000	366,540	375,700	385,100	394,700	404,600	414,700	425,100	
Outsource grill							(150,000)	(153,800)	(157,600)	(161,500)	(165,500)	(169,600)	
Personal services	1,774,558	1,636,091	1,564,676	1,574,394	1,500,000	1,545,000	1,591,400	1,639,100	1,688,300	1,738,900	1,791,100	1,844,800	
Outsource grill							(170,000)	(175,100)	(180,400)	(185,800)	(191,400)	(197,100)	
Contractual services	580,479	557,828	628,347	489,372	475,000	619,000	637,600	656,700	676,400	696,700	717,600	739,100	
Outsource grill							(15,000)	(15,500)	(16,000)	(16,500)	(17,000)	(17,500)	
Commodities	323,311	479,783	329,006	344,549	320,000	348,000	358,400	369,200	380,300	391,700	403,500	415,600	
Outsource grill							(12,000)	(12,400)	(12,800)	(13,200)	(13,600)	(14,000)	
Central services	110,796	116,958	128,266	134,496	140,000	128,628	132,500	136,500	140,600	144,800	149,100	153,600	
Depreciation	414,656	424,077	412,683	395,953	471,000	558,000	562,000	641,000	728,000	747,000	769,000	794,000	
<b>Total expenses</b>	<b>3,542,048</b>	<b>3,543,558</b>	<b>3,383,110</b>	<b>3,286,516</b>	<b>3,226,000</b>	<b>3,565,168</b>	<b>3,310,600</b>	<b>3,470,800</b>	<b>3,641,500</b>	<b>3,746,700</b>	<b>3,857,500</b>	<b>3,974,000</b>	
<b>Operating loss</b>	<b>116,626</b>	<b>(100,354)</b>	<b>(101,885)</b>	<b>(60,925)</b>	<b>(450,100)</b>	<b>(268,918)</b>	<b>(226,100)</b>	<b>(335,050)</b>	<b>(453,450)</b>	<b>(505,350)</b>	<b>(561,650)</b>	<b>(621,200)</b>	
<b>Nonoperating revenues, (expenses), and transfers</b>													
Interest expense	(35,182)	(18,015)	(12,375)	(6,676)	(12,000)	(33,800)	(32,300)	(30,300)	(28,400)	(26,400)	(24,300)	(22,200)	
Miscellaneous	90,315	5,222	9,052	2,623,627	-	-	-	-	-	-	-	-	
Transfers	170,000	99,329	100,000	100,000	570,000	795,000	485,000	485,000	485,000	485,000	485,000	485,000	
<b>Total nonoperating</b>	<b>225,133</b>	<b>86,536</b>	<b>96,677</b>	<b>2,716,951</b>	<b>558,000</b>	<b>761,200</b>	<b>452,700</b>	<b>454,700</b>	<b>456,600</b>	<b>458,600</b>	<b>460,700</b>	<b>462,800</b>	
<b>Change in net assets</b>	<b>341,759</b>	<b>(13,818)</b>	<b>(5,208)</b>	<b>2,656,026</b>	<b>107,900</b>	<b>492,282</b>	<b>226,600</b>	<b>119,650</b>	<b>3,150</b>	<b>(46,750)</b>	<b>(100,950)</b>	<b>(158,400)</b>	
<b>January 1 net assets</b>	<b>2,013,091</b>	<b>2,354,850</b>	<b>2,341,032</b>	<b>2,335,824</b>	<b>4,991,850</b>	<b>5,099,750</b>	<b>5,592,032</b>	<b>5,818,632</b>	<b>5,938,282</b>	<b>5,941,432</b>	<b>5,894,682</b>	<b>5,793,732</b>	
<b>December 31 net assets</b>	<b>\$ 2,354,850</b>	<b>\$ 2,341,032</b>	<b>\$ 2,335,824</b>	<b>\$ 4,991,850</b>	<b>\$ 5,099,750</b>	<b>\$ 5,592,032</b>	<b>\$ 5,818,632</b>	<b>\$ 5,938,282</b>	<b>\$ 5,941,432</b>	<b>\$ 5,894,682</b>	<b>\$ 5,793,732</b>	<b>\$ 5,635,332</b>	
<b>Non-GAAP cash reconciliation</b>													
Change in net assets	\$ 341,759	\$ (13,818)	\$ (5,208)	\$ 2,656,026	\$ 107,900	\$ 492,282	\$ 226,600	\$ 119,650	\$ 3,150	\$ (46,750)	\$ (100,950)	\$ (158,400)	
Depreciation	414,656	424,077	412,683	395,953	471,000	558,000	562,000	641,000	728,000	747,000	769,000	794,000	
Capital expenditures	(173,180)	(173,300)	(89,608)	(233,670)	(3,245,000)	(917,800)	(425,500)	(2,586,900)	(204,200)	(209,300)	(272,600)	(279,400)	
Debt principal (net)	(515,000)	(280,000)	(280,000)	(285,000)	809,258	-	(50,000)	(65,000)	(65,000)	(65,000)	(70,000)	(70,000)	
Other accruals	31,683	(76,897)	(15,125)	(1,902,553)	1,306,893	610,392	(20,000)	-	-	-	-	-	
<b>Change in cash</b>	<b>99,918</b>	<b>(119,938)</b>	<b>22,742</b>	<b>630,756</b>	<b>(549,949)</b>	<b>742,874</b>	<b>293,100</b>	<b>(1,891,250)</b>	<b>461,950</b>	<b>425,950</b>	<b>325,450</b>	<b>286,200</b>	
<b>January 1 cash</b>	<b>(1,086,969)</b>	<b>(987,051)</b>	<b>(1,106,989)</b>	<b>(1,084,247)</b>	<b>(453,491)</b>	<b>(1,003,440)</b>	<b>(260,566)</b>	<b>32,534</b>	<b>(1,858,716)</b>	<b>(1,396,766)</b>	<b>(970,816)</b>	<b>(645,366)</b>	
<b>December 31 cash</b>	<b>\$ (987,051)</b>	<b>\$ (1,106,989)</b>	<b>\$ (1,084,247)</b>	<b>\$ (453,491)</b>	<b>\$ (1,003,440)</b>	<b>\$ (260,566)</b>	<b>\$ 32,534</b>	<b>\$ (1,858,716)</b>	<b>\$ (1,396,766)</b>	<b>\$ (970,816)</b>	<b>\$ (645,366)</b>	<b>\$ (359,166)</b>	
<b>Expense recovery</b>	103%	97%	97%	98%	86%	92%	93%	90%	88%	87%	85%	84%	
<b>Capital Improvement Projects: Assumed inflation 2.50%</b>													
Driving range expansion		GC-12-005			75,000								
Braemar: carpeting		GC-12-006					26,300						
Braemar: slit drainage 3 fairways		GC-12-007						53,800					
Braemar: clubhouse roof replacement		GC-12-008					82,000	84,100					
Cart path repair/expansion		GC-12-009			25,000	25,600	78,800	80,800	27,600	28,300	87,000	89,200	
Maintenance equipment		GC-13-001			145,000	158,900	162,800	172,300	176,600	181,000	185,600	190,200	
Tee renovation		GC-13-003					51,300	73,500					
Irrigation replace phase 1		GC-13-004							1,615,300				
Irrigation replace phase 2		NEW							384,700				
Golf dome construction		NA			3,000,000	600,000							
Golf cart replacement		NEW							172,300				
<b>Total</b>					<b>\$ -</b>	<b>\$ 3,245,000</b>	<b>\$ 917,800</b>	<b>\$ 425,500</b>	<b>\$ 2,586,900</b>	<b>\$ 204,200</b>	<b>\$ 209,300</b>	<b>\$ 272,600</b>	<b>\$ 279,400</b>

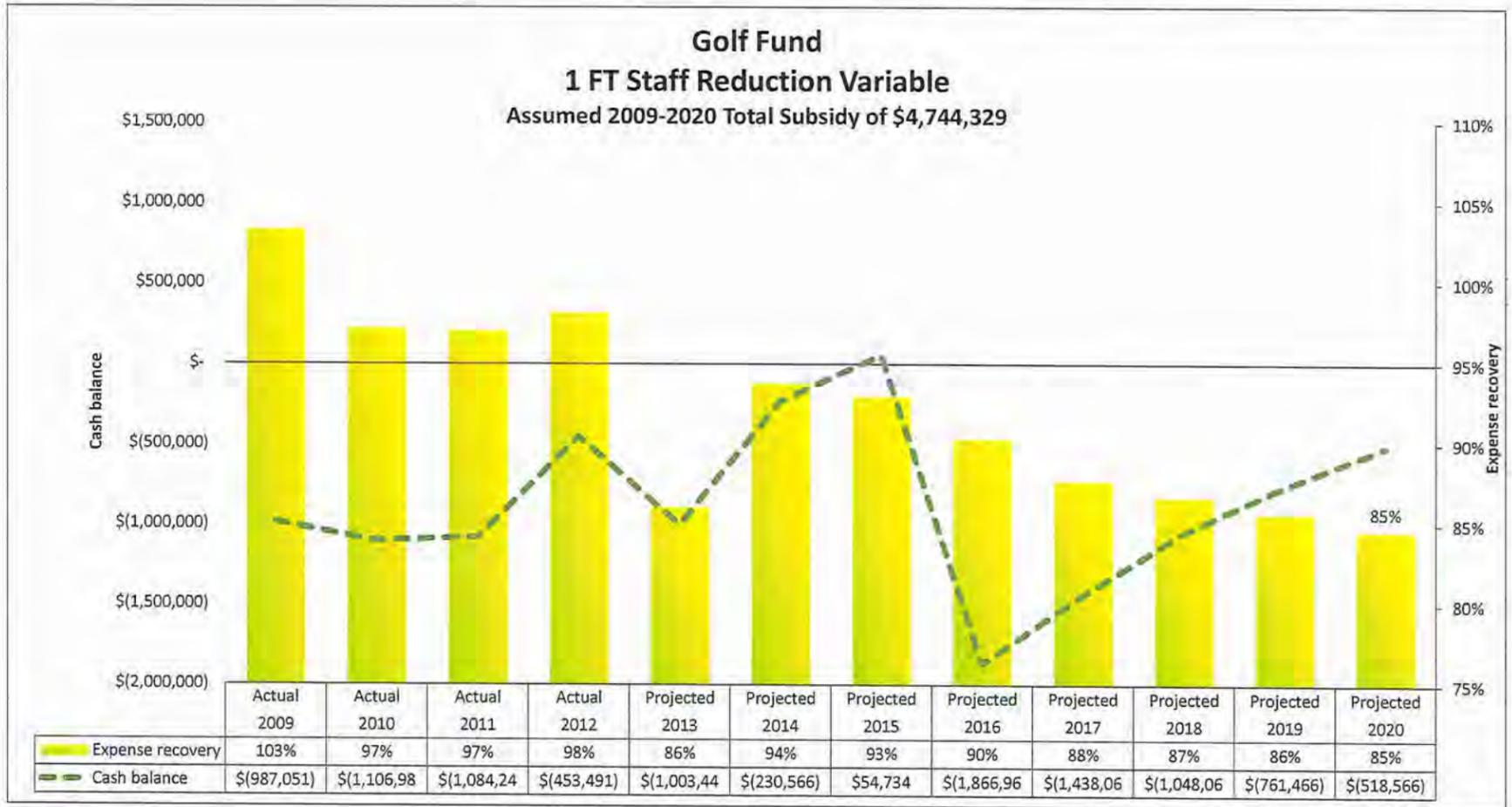


1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

Construction fund pays capital costs currently in CIP through 2014  
After 2014 the only subsidy is from liquor fixed at \$485,000/year  
Projected rounds fixed at 100,000/year  
Driving range expansion not included in baseline scenario

**City of Edina Golf Fund  
FT Staff Reduction Variable**

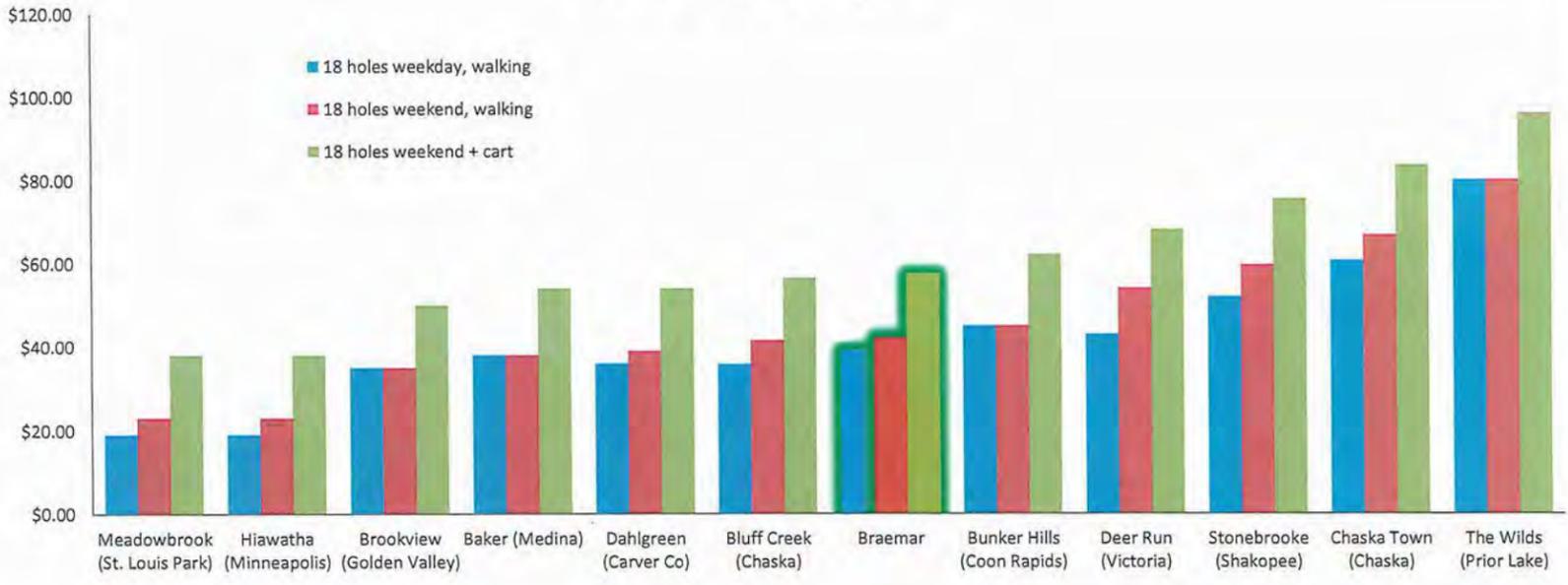
	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	
<b>Total rounds sold</b>	<b>118,076</b>	<b>101,387</b>	<b>95,771</b>	<b>96,496</b>	<b>80,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	
<b>Operating revenues</b>													
Liquor sales	\$ 146,632	\$ 144,541	\$ 145,492	\$ 161,040	\$ 151,000	\$ 156,000	\$ 158,300	\$ 160,700	\$ 163,100	\$ 165,500	\$ 168,000	\$ 170,500	
Retail sales	212,886	218,585	230,865	230,120	190,000	215,000	221,500	228,100	234,900	241,900	249,200	256,700	
Concessions	230,776	213,250	203,598	223,775	185,000	218,000	221,300	224,600	228,000	231,400	234,900	238,400	
Memberships	123,761	119,981	108,978	88,555	62,400	65,000	65,000	65,000	65,000	65,000	65,000	65,000	
Admissions	264,671	228,126	313,735	70,049	45,000	282,000	290,500	299,200	308,200	317,400	326,900	336,700	
Building rental	81,728	70,726	87,081	74,215	70,000	88,000	89,300	90,600	92,000	93,400	94,800	96,200	
Equipment rental	359,277	362,763	335,161	359,484	301,500	340,000	345,100	350,300	355,600	360,900	366,300	371,800	
Green fees	1,880,610	1,738,261	1,517,962	1,661,982	1,487,000	1,601,000	1,625,000	1,649,400	1,674,100	1,699,200	1,724,700	1,750,600	
Other fees	358,333	346,971	338,353	356,371	284,000	331,250	336,200	341,200	346,300	351,500	356,800	362,200	
<b>Total revenues</b>	<b>3,658,674</b>	<b>3,443,204</b>	<b>3,281,225</b>	<b>3,225,591</b>	<b>2,775,900</b>	<b>3,296,250</b>	<b>3,352,200</b>	<b>3,409,100</b>	<b>3,467,200</b>	<b>3,526,200</b>	<b>3,586,600</b>	<b>3,648,100</b>	
<b>Operating expenses</b>													
COGS	338,248	328,821	320,132	347,752	320,000	366,540	375,700	385,100	394,700	404,600	414,700	425,100	
Personal services	1,774,558	1,636,091	1,564,676	1,574,394	1,500,000	1,545,000	1,591,400	1,639,100	1,688,300	1,738,900	1,791,100	1,844,800	
Reduce by 1 FT position, net of PT adds						(50,000)	(51,500)	(53,000)	(54,600)	(56,200)	(57,900)	(59,600)	
Contractual services	580,479	557,828	628,347	489,372	475,000	619,000	637,600	656,700	676,400	696,700	717,800	739,100	
Commodities	323,311	479,783	329,006	344,549	320,000	348,000	358,400	369,200	380,300	391,700	403,500	415,600	
Central services	110,796	116,958	128,266	134,496	140,000	128,628	132,500	136,500	140,600	144,800	149,100	153,600	
Depreciation	414,656	424,077	412,683	395,953	471,000	558,000	562,000	641,000	728,000	747,000	769,000	794,000	
<b>Total expenses</b>	<b>3,542,048</b>	<b>3,543,558</b>	<b>3,383,110</b>	<b>3,286,516</b>	<b>3,226,000</b>	<b>3,515,168</b>	<b>3,606,100</b>	<b>3,774,600</b>	<b>3,953,700</b>	<b>4,067,500</b>	<b>4,187,100</b>	<b>4,312,600</b>	
<b>Operating loss</b>	<b>116,626</b>	<b>(100,354)</b>	<b>(101,885)</b>	<b>(60,925)</b>	<b>(450,100)</b>	<b>(218,918)</b>	<b>(253,900)</b>	<b>(365,500)</b>	<b>(486,500)</b>	<b>(541,300)</b>	<b>(600,500)</b>	<b>(664,500)</b>	
<b>Nonoperating revenues, (expenses), and transfers</b>													
Interest expense	(35,182)	(18,015)	(12,375)	(6,676)	(12,000)	(33,800)	(32,300)	(30,300)	(28,400)	(26,400)	(24,300)	(22,200)	
Miscellaneous	90,315	5,222	9,052	2,623,627	-	-	-	-	-	-	-	-	
Transfers	170,000	99,329	100,000	100,000	570,000	795,000	485,000	485,000	485,000	485,000	485,000	485,000	
<b>Total nonoperating</b>	<b>225,133</b>	<b>86,536</b>	<b>96,677</b>	<b>2,716,951</b>	<b>558,000</b>	<b>761,200</b>	<b>452,700</b>	<b>454,700</b>	<b>456,600</b>	<b>458,600</b>	<b>460,700</b>	<b>462,800</b>	
<b>Change in net assets</b>	<b>341,759</b>	<b>(13,818)</b>	<b>(5,208)</b>	<b>2,656,026</b>	<b>107,900</b>	<b>542,282</b>	<b>198,800</b>	<b>89,200</b>	<b>(29,900)</b>	<b>(82,700)</b>	<b>(139,800)</b>	<b>(201,700)</b>	
<b>January 1 net assets</b>	<b>2,013,091</b>	<b>2,354,850</b>	<b>2,341,032</b>	<b>2,335,824</b>	<b>4,991,850</b>	<b>5,099,750</b>	<b>5,642,032</b>	<b>5,840,832</b>	<b>5,930,032</b>	<b>5,900,132</b>	<b>5,817,432</b>	<b>5,677,632</b>	
<b>December 31 net assets</b>	<b>\$ 2,354,850</b>	<b>\$ 2,341,032</b>	<b>\$ 2,335,824</b>	<b>\$ 4,991,850</b>	<b>\$ 5,099,750</b>	<b>\$ 5,642,032</b>	<b>\$ 5,840,832</b>	<b>\$ 5,930,032</b>	<b>\$ 5,900,132</b>	<b>\$ 5,817,432</b>	<b>\$ 5,677,632</b>	<b>\$ 5,475,932</b>	
<b>Non-GAAP cash reconciliation</b>													
Change in net assets	\$ 341,759	\$ (13,818)	\$ (5,208)	\$ 2,656,026	\$ 107,900	\$ 542,282	\$ 198,800	\$ 89,200	\$ (29,900)	\$ (82,700)	\$ (139,800)	\$ (201,700)	
Depreciation	414,656	424,077	412,683	395,953	471,000	558,000	562,000	641,000	728,000	747,000	769,000	794,000	
Capital expenditures	(173,180)	(173,300)	(89,608)	(233,670)	(3,245,000)	(917,800)	(425,500)	(2,586,900)	(204,200)	(209,300)	(272,600)	(279,400)	
Debt principal (net)	(515,000)	(280,000)	(280,000)	(285,000)	809,258	-	(50,000)	(65,000)	(65,000)	(65,000)	(70,000)	(70,000)	
Other accruals	31,683	(76,897)	(15,125)	(1,902,553)	1,306,893	590,392	-	-	-	-	-	-	
<b>Change in cash</b>	<b>99,918</b>	<b>(119,938)</b>	<b>22,742</b>	<b>630,756</b>	<b>(549,949)</b>	<b>772,874</b>	<b>285,300</b>	<b>(1,921,700)</b>	<b>428,900</b>	<b>390,000</b>	<b>286,600</b>	<b>242,900</b>	
<b>January 1 cash</b>	<b>(1,086,969)</b>	<b>(987,051)</b>	<b>(1,106,989)</b>	<b>(1,084,247)</b>	<b>(453,491)</b>	<b>(1,003,440)</b>	<b>(230,566)</b>	<b>54,734</b>	<b>(1,866,966)</b>	<b>(1,438,066)</b>	<b>(1,048,066)</b>	<b>(761,466)</b>	
<b>December 31 cash</b>	<b>\$ (987,051)</b>	<b>\$ (1,106,989)</b>	<b>\$ (1,084,247)</b>	<b>\$ (453,491)</b>	<b>\$ (1,003,440)</b>	<b>\$ (230,566)</b>	<b>\$ 54,734</b>	<b>\$ (1,866,966)</b>	<b>\$ (1,438,066)</b>	<b>\$ (1,048,066)</b>	<b>\$ (761,466)</b>	<b>\$ (518,566)</b>	
<b>Expense recovery</b>	<b>103%</b>	<b>97%</b>	<b>97%</b>	<b>98%</b>	<b>86%</b>	<b>94%</b>	<b>93%</b>	<b>90%</b>	<b>88%</b>	<b>87%</b>	<b>86%</b>	<b>85%</b>	
<b>Capital Improvement Projects: Assumed inflation 2.50%</b>													
Driving range expansion	GC-12-005				75,000								
Braemar: carpeting	GC-12-006						26,300						
Braemar: slit drainage 3 fairways	GC-12-007							53,800					
Braemar: clubhouse roof replacement	GC-12-008												
Cart path repair/expansion	GC-12-009				25,000	25,600	78,800	80,800	27,600	28,300	87,000	89,200	
Maintenance equipment	GC-13-001				145,000	158,900	162,800	172,300	176,600	181,000	185,600	190,200	
Tee renovation	GC-13-003					51,300	73,500	107,700					
Irrigation replace phase 1	GC-13-004							1,615,300					
Irrigation replace phase 2	NEW							384,700					
Golf dome construction	NA				3,000,000	600,000							
Golf cart replacement	NEW							172,300					
<b>Total</b>					<b>\$ -</b>	<b>\$ 3,245,000</b>	<b>\$ 917,800</b>	<b>\$ 425,500</b>	<b>\$ 2,586,900</b>	<b>\$ 204,200</b>	<b>\$ 209,300</b>	<b>\$ 272,600</b>	<b>\$ 279,400</b>



1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

Construction fund pays capital costs currently in CIP through 2014  
After 2014 the only subsidy is from liquor fixed at \$485,000/year  
Projected rounds fixed at 100,000/year

### Braemar Pricing Comparison



Driving range cost recovery calculation

\$ 1,279,900 range & executive construction cost  
\$ 395,900 revenue loss during construction  
\$ 1,675,800 total cost to build

\$ 169,800 annual revenue increase less expense increase

9.9 years to cost recovery  
10.1% return on investment

Outsource grill cost recovery calculation

\$ - construction cost  
~~\$ - revenue loss during construction~~  
~~\$ - total cost to build~~

\$ 79,300 annual revenue increase less expense increase

- years to cost recovery  
#DIV/0! return on investment

### CIP (and Memorial Fund) Wish List

The below list reflects some new and expanded ideas to our CIP that was originally generated. The list is broader and more involved and encompasses all aspects of our operation to enhance the entire experience for our customers.

#### **Golf Course ideas:**

Here are a few options that would help bring energy back into the golf course. These are based on the survey monkey responses asking for a better experience. Unfortunately, I do think these options all should be formally designed by an architect so the feel of the course is uniform. I also believe there will be significant watershed permit issues related to these projects.

Irrigation system replacement = \$2,000,000 (2017)

Driving range expansion = \$1,500,000 (2015)

#### Cart Paths

##### Maximum Plan-

Invest \$600,000 in wall to wall cart paths on 1-27. Most of these paths would be asphalt, some would be gravel.

##### Minimum Plan-

Invest \$100,000 in a focused mix of gravel and asphalt paths that eliminate most of the problem areas on the course.

#### Drainage

There are at least 11 areas on fairways that need drainage or to be regraded. An estimate of about \$25,000 per site totals \$275,000.

#### Bunkers

There are 68 bunkers at Braemar Golf Course. The most difficult 9 bunkers we have are on the executive golf course. I think these 9 bunkers increase our operating costs and reduce the experience of the golfers that play the executive course. Any opportunity to remove these bunkers during the driving range expansion should be considered.

##### Maximum Plan-

It costs approximately \$6,000 to rebuild a bunker. The remaining 59 bunkers on 1-27 would cost about \$350,000 to rebuild.

##### Minimum Plan-

Evaluate these 59 bunkers and determine which ones should be removed. Also, pick the "top 10" that should be rebuilt. Project cost is \$60,000.

#### Tees

The most dated area of the golf course is the tee box area. The tee signs, benches, trash cans and plantings are dated and difficult to maintain. Some of the tees are not level and are also difficult to maintain. The original design had 4 sets of tee markers (Blue, White, Red and Yellow). A significant portion of our league golfers have requested a course that plays shorter than the original design, which is a current trend in golf. With this feedback we have implemented 2 additional sets of tee markers (Silver and Green). The silver tees are used mostly by senior men and are located with the white tees on some holes and with the red tees on other holes. The green tees are used mostly by women and are located with the red tees on some holes and with the yellow tees on other holes. In addition to leveling, the tee areas could be redesigned with a broader market of men, women, and beginners in mind.

##### Maximum Plan-

Rebuild and relocate the tees to better suit all of our customers. Create a new tee marker plan. Replace the signs, furniture and update any necessary plantings. Some of the cart paths would have to be replaced in this process. Estimated cost is \$550,000.

##### Minimum Plan-

Replace the signs, furniture and plantings for \$150,000.

**Building ideas:**

The scope of many these projects are smaller and may be a good fit for our memorial fund monies. We feel the memorial fund is an option because these projects will be less likely to bring in significant revenues but will enhance the customers overall experience and opinion of our facilities.

Grill facelift = \$125,000 (2016)

Roofing = \$160,000 (2014 & 2015--expecting insurance money from storm damage)

Banquet room tables and chairs = \$20,000 (2015)

Carpeting throughout (2015)

**Pro Shop counter**

Moving the pro shop counter to the west end of the pro shop will require customers to walk through our shop and merchandise and will give our staff better site lines of the tee boxes. This project should be done in conjunction with new carpeting.

**Banquet Room**

The numbers will be pending a meeting with an interior decorator and can potentially be done in one project or likely cafeteria format where projects can be picked based on priority and budget.

- Lighting in banquet room
- Lighting in east corridor
- Artwork and furniture
- Rest room updates
- Hallway modifications (removing half doors and phone booth)
- Removing hallway wall paper and painting (should be done with above line project)

**Roof shape/design**

This can be carried out in our roofing budget. The idea would be to standardize the roof lines and remove the antiquated look. Consideration would be given to using standard shingles (which are cheaper than cedar shakes) and applying the potential savings to roof shape design/modifications.

**Technology upgrades**

Consider removing the stand alone projects currently in the CIP (AV upgrades and security cameras) to a larger scoped project that would incorporate those two projects along with an internal message board and two new outdoor sign boards—one at the entry and one 'marquee' board announcing events. We would need to work with CTS (IT) to determine budget and potential of this project.

**Deck resurfacing and new deck furniture**

This project will depend on how we move forward with the grill. It would likely be a minimum of \$50,000.

**Landscape lighting**

Replace the lighting outside the clubhouse along the entry and around oak tree.

**Repurpose locker rooms and upgrade lounges**

These are very long term projects that would likely involve larger dollars.

**Fred Richards Golf Course**  
**Detail Revenue and Expenses 2007 through 2013**

	2007	2008	2009	2010	2011	2012	2013 preliminary
<b>Fred Richards Revenue</b>							
Vending / Miscellaneous	\$185	\$102	\$75	\$95	\$244	\$222	\$42
Concession Sales	\$18,163	\$24,387	\$23,158	\$23,218	\$23,209	\$19,799	\$15,437
Rent Golf Carts	\$9,177	\$11,456	\$13,150	\$10,002	\$8,993	\$14,039	\$11,744
Car, Cart, & Club Rentals	\$3,864	\$4,517	\$4,261	\$3,419	\$4,029	\$4,933	\$4,084
Green Fees	\$226,624	\$220,325	\$217,749	\$203,595	\$175,542	\$188,550	\$170,628
<b>Total Revenues</b>	<b>\$258,013</b>	<b>\$260,787</b>	<b>\$258,393</b>	<b>\$240,329</b>	<b>\$212,017</b>	<b>\$227,543</b>	<b>\$201,935</b>
<b>Administrative Expenses (BU 5430)</b>							
Cost of Sales	\$8,337	\$12,289	\$11,775	\$12,291	\$8,845	\$10,240	\$8,064
Personal Services	\$43,343	\$43,631	\$46,194	\$46,488	\$44,134	\$51,147	\$36,440
Contractual Services	\$14,722	\$14,727	\$13,430	\$13,139	\$12,788	\$15,208	\$14,124
Commodities	\$1,341	\$2,421	\$2,833	\$1,575	\$3,599	\$2,102	\$5,476
<b>5430 Administrative Expenses</b>	<b>\$67,743</b>	<b>\$73,068</b>	<b>\$74,232</b>	<b>\$73,493</b>	<b>\$69,366</b>	<b>\$78,697</b>	<b>\$64,104</b>
<b>Maintenance Expenses (BU 5431)</b>							
Personal Services	\$92,141	\$94,167	\$92,340	\$83,652	\$92,572	\$93,995	\$87,325
Contractual Services	\$1,450	\$6,262	\$5,366	\$2,670	\$5,466	\$2,972	\$3,695
Commodities	\$19,984	\$20,846	\$15,301	\$20,647	\$20,085	\$17,248	\$18,736
<b>5431 Maintenance Expenses</b>	<b>\$113,575</b>	<b>\$121,275</b>	<b>\$113,007</b>	<b>\$106,969</b>	<b>\$118,123</b>	<b>\$114,215</b>	<b>\$109,756</b>
<b>5430&amp;5431 expenditures</b>	<b>\$181,318</b>	<b>\$194,343</b>	<b>\$187,239</b>	<b>\$180,462</b>	<b>\$187,489</b>	<b>\$192,912</b>	<b>\$173,860</b>

**Fred Richards Golf Course**  
**Summary of Operations 2007 through 2013**

	2007	2008	2009	2010	2011	2012	2013
Total Revenue	\$258,013	\$260,787	\$258,393	\$240,329	\$212,017	\$227,543	\$201,935
Expenses in BU 5430&5431	-\$181,318	-\$194,343	-\$187,239	-\$180,462	-\$187,489	-\$192,912	-\$173,860
FR expenses recorded to Braemar (estimate)	-\$50,000	-\$50,000	-\$50,000	-\$50,000	-\$50,000	-\$50,000	-\$50,000
FR debt principal & Interest	-\$256,380	-\$248,288	-\$249,497	-\$244,457	-\$236,750	-\$232,250	-\$252,500
CIP/improvement projects							
<b>Cash increase (decrease)</b>	<b>-\$229,685</b>	<b>-\$231,844</b>	<b>-\$228,343</b>	<b>-\$234,590</b>	<b>-\$262,222</b>	<b>-\$247,619</b>	<b>-\$274,425</b>

**CITY OF EDINA STAFF SIX-POINT GOLF STRATEGY**  
**Cumulative and annual savings summary**

	Cumulative savings: present day through 2020	Average annual savings
Strategy 1	2015-2020 cumulative savings: close Fred Richards \$ (878,200) Revenue loss from Fred Richards, net of Braemar adds 1,432,200 Operating expense cash savings 180,000 Equipment savings <u>\$ 734,000</u> Cumulative cash savings	Average annual savings: close Fred Richards \$ (146,400) Revenue loss from Fred Richards, net of Braemar adds 238,700 Operating expense cash savings 30,000 Equipment savings <u>\$ 122,300</u> Average annual cash savings
Strategy 2	2014-2020 cumulative savings: adjust rates \$ 1,680,900 Rate increases 546,400 New rate categories <u>\$ 2,227,300</u> Cumulative cash savings	Average annual savings: adjust rates \$ 240,100 Rate increases 78,100 New rate categories <u>\$ 318,200</u> Average annual cash savings
Strategy 3	2014-2020 cumulative savings: improve marketing <u>\$ (919,400)</u> Cumulative cash savings	Average annual savings: improve marketing <u>\$ (131,300)</u> Average annual cash savings
Strategy 4	2014-2020 cumulative savings: improve range \$ (1,204,900) Construction cost (395,900) Lost revenue during construction 1,008,300 Revenue increase after construction <u>\$ (592,500)</u> Cumulative cash savings	Average annual savings: improve range \$ (172,100) Construction cost (56,600) Lost revenue during construction 144,000 Revenue increase after construction <u>\$ (84,700)</u> Average annual cash savings
Strategy 5	2014-2020 cumulative savings: outsource grill <u>\$ 522,200</u> Cumulative cash savings	Average annual savings: outsource grill <u>\$ 74,600</u> Average annual cash savings
Strategy 6	2014-2020 cumulative savings: reduce staff <u>\$ 362,800</u> Cumulative cash savings	Average annual savings: reduce staff <u>\$ 51,800</u> Average annual cash savings
Six-point plan Total savings	\$ 734,000 Close Fred Richards 2,227,300 Adjust rates (919,400) Improve marketing (592,500) Improve driving range 522,200 Outsource grill 362,800 Reduce staff <u>\$ 2,334,400</u> Six-point plan cumulative savings	\$ 122,300 Close Fred Richards 318,200 Adjust rates (131,300) Improve marketing (84,700) Improve driving range 74,600 Outsource grill 51,800 Reduce staff <u>\$ 350,900</u> Six-point plan average annual savings



If they get a preferred rate and time, are we also extending those preferences to Hopkins or Richfield Public Schools?

Would love any links to documentation of policies surrounding this as well.

Thank you!

Laura Nisi  
[lnisi@mac.com](mailto:lnisi@mac.com)  
612.834.4034

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**From:** Aaron C Swann [<mailto:aaron.c.swann@seagate.com>]  
**Sent:** Thursday, February 06, 2014 8:33 AM  
**To:** [swensonann1@gmail.com](mailto:swensonann1@gmail.com); Josh Sprague; Mary Brindle (Comcast); [jonibennett12@comcast.net](mailto:jonibennett12@comcast.net); Edina Mail  
**Subject:** Fred Richards

Mayor Hovland and Council Members Bennett, Brindle, Sprague and Swenson

This note is to communicate my families very strong support of the Fred Richards golf course and the need for it to remain open. The course offers a casual golfing environment that is rare and that would be impossible to replicate at Breamar. I believe that the proposals so far offered by the city are incomplete and have jumped straight to the answer of closure without considering the full costs or other opportunities to improve the financial status of the golf operations. To me this simply shows a lack of vision or imagination with regard to this issue. In addition, I am very concerned that the quick path to closure is wrapped up with the desire of the Hillcrest Development company to include new parks in their Pentagon Park redevelopment effort. This seems like something that needs to be further investigated to understand the influence that is being applied here.

While I am unable to attend the next parks meeting due to travel, I will continue to strongly support the efforts of those working to save Fred Richards.

Regards,  
Aaron Swann  
6710 Cahill Rd  
Edina, MN 55439

952-944-5261

\*\*\*\*\*

**From:** John Stang [<mailto:John.Stang@genmills.com>]  
**Sent:** Wednesday, February 05, 2014 10:25 PM  
**To:** Ann Kattreh; Scott Neal  
**Cc:** Edina Mail; [jonibennett12@comcast.net](mailto:jonibennett12@comcast.net); Mary Brindle (Comcast); [joshsprague@edinarealty.com](mailto:joshsprague@edinarealty.com);

[swensonann1@gmail.com](mailto:swensonann1@gmail.com); John Stang; [jtstang67@gmail.com](mailto:jtstang67@gmail.com)

**Subject:** Request for Public Information

Scott & Ann,

In order to better evaluate the merits of your recent proposals to improve Edina's golf operations, I am formally requesting you send me the following information:

- P&L statements for all of Edina Golf Operations for the past three (3) fiscal years (including Braemar, Dome, Fred)
- Same information above for past three (3) fiscal years broken out by separate operations....Braemar, Dome, and Fred.
- Specific allocation model for any expenses not directly charged to a specific operation.

Thanks in advance for your timely reply.

John Stang  
4525 Sedum Lane  
Edina, MN 55435  
612.804.7292

~~~~~

**From:** Ron Way [<mailto:ron-way@comcast.net>]

**Sent:** Wednesday, February 05, 2014 5:06 PM

**To:** Edina Mail

**Subject:** Council Member Joni Bennett

Following our brief meeting at Precinct Caucuses last night, I sent the below to a few folks who are interested in Braemar and golf issues. I have a larger list of guys who strongly favor Braemar improvements, and I'll next send a note to them along the lines as the below.

I sent bbc's of this to Ann Kattreh, the Mayor, and selected others. I talked with Ann this afternoon and she gave me the full dose of reality facing Edina's golf enterprise.

I have a brief meeting on this with Josh Sprague on Friday morning.

Thank you for your time, and your interest.

Ron Way 612-986-5158

----- Original Message -----

**From:** Ron Way

**To:** Reeves, Chris (MPL) ; [michaelqwolff@comcast.net](mailto:michaelqwolff@comcast.net) ; [jcouchman@comcast.net](mailto:jcouchman@comcast.net) ; [cpete572@aol.com](mailto:cpete572@aol.com)

**Cc:** R. J. Smiley ; Bill Hollway ; Paul Domholt

**Sent:** Wednesday, February 05, 2014 12:28 PM

**Subject:** Re: Save the Fred - meeting follow-up

**To Bob Peterson:**

I'm back in town through tomorrow, and perhaps we can meet up and talk through the matter of Fred Richards.

Some thoughts on your notes re Braemar and Fred Richards:

While the City Council seems to be quite serious that Edina's "golf enterprise" be self-sustaining, I'd side with you and others who say that in the context of community purpose there should be consideration to the community sharing in underwriting those services. As a comparative example, the Sports Dome will not be self-sustaining and property taxes will be tapped to underwrite some of that impressive cost.

But in my view this argument would be futile. It's a sad fact that City surveys show that golf interest rates nowhere near hockey and soccer, and even Centennial Lakes' facilities are vastly more popular than our game.

Yes, FR is a quality venue for folks to take up and play the game at a friendly facility. Obviously, FR has a core of devoted followers. Yes, there'd be disruption if FR and Braemar's exec course are closed simultaneously. And while I appreciate the oddity that a course whose recently-retired debt is a candidate for closure, it's also true that the new cast at the helm shouldn't be burdened bone-headed decisions of the past.

I think a Braemar Par 3 could satisfy any desire by users to hit "longer clubs." Truth is, many golfers (and most beginners) can't hit the ball over 150 yds, and surely some holes in a Par 3 layout would be that long or longer. Besides, I agree with the notion that Clunie tees could be adjusted to make that a "long short course" and, even, a 6-hole facility for the growing many who prefer to spend less time on the course. There are options.

To me, a central question is whether Edina's "golf enterprise" is financially sustainable, and I think some pretty good numbers show that it currently is not. Maybe it's weather related, maybe debt-retirement would change that, and maybe better marketing and course conditions and customer service could boost revenue.

But maybe also THE KEY factor is diminishing interest in our game. If that's as true as I suspect it is, then it makes sense to examine alternatives to maintaining the "enterprise" in its full and current form. We must avoid a situation where we're stuck with facilities that, together, are not self-sustaining and the City Council loses interest (understandable, given golf's low ranking in city surveys). The real danger here is that trying to maintain "the enterprise" in its full form may well result in funding levels that would reduce all courses to mediocrity. Face it, the condition of Braemar is already diminished from being the state's top public facility to one that is out of the top tier, and that won't change without making adjustments in golf-related service levels.

We should examine all options, of course. But to me, "doing nothing" (as in maintaining the politically-safe status quo) almost certainly would mean that Braemar continues to suffer.

Thanks, and let's talk this through (I'll buy the first round).

Ron 612-986-5158

----- Original Message -----

**From:** [cpete572@aol.com](mailto:cpete572@aol.com)

**To:** [Chris.Reeves@DexOne.com](mailto:Chris.Reeves@DexOne.com) ; [ron-way@comcast.net](mailto:ron-way@comcast.net) ; [michaelgwolff@comcast.net](mailto:michaelgwolff@comcast.net) ; [jcouchman@comcast.net](mailto:jcouchman@comcast.net)

**Sent:** Sunday, February 02, 2014 11:56 AM

**Subject:** Re: Save the Fred - meeting follow-up

To me a big point is that they are closing both executive courses at the same time. They need a course where some longer clubs can be hit. The Fred is also level and easy to walk! Not good planning considering all the leagues that play at Fred and Braemar Exc. Where are they going to play and how many will continue on a par 3 course? It is a sin to give up on a \$5 million dollar investment without more discussion. Thanks, Robert Peterson 35 year patron at Braemar

[cpete572@aol.com](mailto:cpete572@aol.com)

-----Original Message-----

From: Reeves, Chris (MPL) (MPL) <[Chris.Reeves@DexOne.com](mailto:Chris.Reeves@DexOne.com)>  
To: 'Ron Way' <[ron-way@comcast.net](mailto:ron-way@comcast.net)>; michael wolff <[michaelqwolff@comcast.net](mailto:michaelqwolff@comcast.net)>; 'Robert Petersen' <[cpete572@aol.com](mailto:cpete572@aol.com)>  
Sent: Sat, Feb 1, 2014 9:07 am  
Subject: Fwd: Save the Fred - meeting follow-up

FYI

Begin forwarded message:

**From:** "chrisandrachel@comcast.net" <[chrisandrachel@comcast.net](mailto:chrisandrachel@comcast.net)>  
**Date:** February 1, 2014 at 8:59:30 AM CST  
**To:** Chris Reeves <[chris.reeves@dexone.com](mailto:chris.reeves@dexone.com)>  
**Subject:** Fwd: Save the Fred - meeting follow-up

Sent from my iPhone

Begin forwarded message:

**From:** Liz Couchman <[lcouchman@comcast.net](mailto:lcouchman@comcast.net)>  
**Date:** February 1, 2014 at 8:12:10 AM CST  
**To:** Rachel Reeves <[chrisandrachel@comcast.net](mailto:chrisandrachel@comcast.net)>  
**Subject:** Fwd: Save the Fred - meeting follow-up

FYI- here's the lowdown.

Begin forwarded message:

Dear Friends of The Fred,

First, the bad news. Last night, City of Edina Staff led by City Manager Scott Neal, formally announced a 6 point plan to reduce costs and increase revenue for Edina golf operations. Sadly, the very first point in the plan is a recommendation to close Fred Richards Golf course. Enough of the bad news, now on to the good news!

**THE GOOD NEWS!**

- FRIENDS of the FRED TURNED OUT! Of over 300 people at the meeting, approximately 90% were there to support the Fred!
- Friends of the Fred handed out 150 neon yellow t-shirts with the phrase "Save the Fred" on the front. We ran out of T-Shirts 10 minutes before the meeting even started. City Staff were startled to look out and see a WALL OF YELLOW sitting in front of them.

- It was obvious to everyone in the room from the first slide on the screen that the plan being presented was flawed and not well thought out. The City's presentation provided little to no support for their numbers related to the economics of Fred Richards golf course.
- Several FOF brought up that **repurposing of Fred land would cost money**...both in initial capital and in ongoing maintenance costs. When asked about this, the City Manager confirmed that potential future costs of operating and maintaining a park were **NOT** included in the city's financial analysis that led to the recommendation to close the FRED.
- Friends of the Fred spoke passionately for over one hour and fifteen minutes when the meeting was opened to comments. Highlights:
  - City proposed timeline is for a vote on closing the Fred on March 4<sup>th</sup>...we let them know loud and clear this is unacceptable! They have been working on this with consultants and staff for MONTHS, AND MONTHS, AND MONTHS.
  - Golfers of all ages have enjoyed Fred Richards for over 20 years and City Staff proposed public consideration of ONE MONTH. That timeline cannot and will not stand!
  - FOF spoke eloquently about years of enjoying rounds on the Fred with children, grandchildren, friends and family.
  - Fred Richards league members talked about how great the course is and how their leagues are growing (Patty Berg League, Happy Hackers League, Fairway Femmes League, Toro League, Seagate League, NWW League etc.).
  - Many great questions were asked about the financial assumptions underlying the recommendation. Quite simply, the numbers don't add up and Friends of the Fred in attendance let the City know it.
  - FOF put forward great ideas about how to generate more revenue at the Fred and across golf operations. When asked whether any of these ideas were even considered by staff when putting together their recommendation the answer was almost always NO.
  - FOF stressed how talented and resourceful Edina residents are and challenged City Staff to put together an ad hoc team to study other alternatives to increasing golf revenue WITHOUT closing the Fred.
- We applaud Mayor Hovland for attending the meeting and listening to our concerns. After the meeting he expressed significant concern over the timeline for making a decision to close the Fred and also remains open to other ideas and proposals.
- None of the City Council Members attended the meeting. We sincerely hope they will get involved and take every opportunity to listen to the voice of the citizens that they represent in the near future.

#### What's Next:

- Friends of the Fred team will be meeting this weekend to discuss an action plan for next steps...stay tuned!
- Public hearing of the Edina Park Board at City Hall on Tuesday, February 11<sup>th</sup> at 7PM.
- City Council Meeting on Tuesday, March 4<sup>th</sup>.

#### **THREE THINGS YOU CAN DO NOW TO HELP SAVE THE FRED!**

1. **THE SUPPORT WE HAD LAST NIGHT WAS TREMENDOUS, BUT IT'S ONLY THE BEGINNING! WE NEED YOU TO COME TO THE PARK BOARD MEETING ON FEBRUARY 11<sup>TH</sup>. WE ARE ORDERING MORE "SAVE THE FRED" YELLOW T- SHIRTS! EMAIL [jtstang67@gmail.com](mailto:jtstang67@gmail.com) to let us know you will be there to support the FRED.**
2. **FLOOD** the Mayor and City Council Members with emails and letters to express your support for the Fred (See email addresses below). **THE MAYOR AND CITY COUNCIL WILL MAKE THE FINAL DECISION.** Tell them the timeline proposed is offensive and ask for the City to approve an ad hoc team of concerned residents to develop alternative proposals for consideration.
3. **Watch your email for more updates from us and visit the FaceBook page for SAVE THE FRED every day!**

James Hovland  
Mayor  
612-874-8550  
[mail@EdinaMN.gov](mailto:mail@EdinaMN.gov)

Joni Bennett  
City Council Member  
952-927-0661...  
[jonibennett12@comcast.net](mailto:jonibennett12@comcast.net)

Mary Brindle  
City Council Member  
952-941-7746  
[mbrindle@comcast.net](mailto:mbrindle@comcast.net)

Josh Sprague  
City Council Member  
612-501-0252  
[joshsprague@edinarealty.com](mailto:joshsprague@edinarealty.com)

Ann Swenson  
City Council Member  
952-927-7524  
[swensonann1@gmail.com](mailto:swensonann1@gmail.com)

\*\*\*\*\*

**From:** [halling.bill@gmail.com](mailto:halling.bill@gmail.com) [<mailto:halling.bill@gmail.com>]  
**Sent:** Wednesday, February 05, 2014 2:46 PM  
**To:** Edina Mail  
**Subject:** Contact Us form submission

Name: bill halling  
Organization: edina resident  
Website:  
Address\_1: 5608 interlachen boulevard  
Address\_2:  
City: edina  
State: MN  
Zip\_Code: 55436  
Email: [halling.bill@gmail.com](mailto:halling.bill@gmail.com)  
Phone: 9529294711  
Referrer: google

Message: Earlier I attended a city led meeting that said Edina golf operations were losing \$500,000, however, it was not stated how much was caused by Fred Richards - you should disclose this information - our belief is that it is a mistake to convert Fred Richards into commercial activity - it is a wonderful course and used much - it may not be the highest revenue producing site for the city, but neither are many other city owned properties - we should not be in



Edina. Also, it is adjacent of the Pentagon Park and by thinking about it soon rather than later, there may be opportunities to get synergies from the two redevelopment projects.

One basic amenity absent in Edina is a performing arts center. If good access can be provided (in contrast to the difficult route to Fred Richards), that could be an excellent site for such a center, given that it is hard to see anywhere else in the community that a building with adequate parking could be built. The Edina Art Center would be relocated that in that scenario.

## **2. Invest in improvements at Braemar.**

Braemar is now a 27 hole course, which allows three different starting places. This is the time to consider the option of turning Braemar into a golf complex with 36 holes, unless it is totally clear that is not technically feasible. Fred Richards as a par three course was not successful. Turning the Executive Course into another par 3 course might not be a good idea. I believe that a 36 hole course could strong drawing card for serious golfers – because serious golfers could conceivably do one round in the morning, have lunch and do a second round in the afternoon, not repeating any holes. I just throw that out as an alternative that might not have been considered.

## **3. Modify prices and discounts.**

Golf is a wonderful alternative for our youth, particularly those not inclined toward team sports. Edina HS is well known for its athletic excellence, but has not been as competitive in golf as in many other sports in recent years. Although you need to make money, I think that it is very appropriate if there is any subsidy from the city involved, that it is directed toward making golf more accessible to youth and teens. Likewise, it make sense to invest in getting young adults involved in the game, as the average age of golfers has risen over time. The pricing policy should advance broader interests than just making money. Rounds of wealthy adult golfers should not be subsidized, as those golfers have two excellent private clubs in Edina that their incomes allow them to access, but if we can give young people a price break, we should.

## **4. Outsource ancillary services.**

In the recent community survey, it appeared that satisfaction with the current Braemar operation is high in the general community – but of course you may have done research on your golfers that suggests otherwise. Bringing in outside expertise to run the clubhouse and hire and train staff may be a response to dissatisfaction among current golfers or approaches being used at more financially successful organizations. If instead, the reason is to lower personal costs and solve administrative headaches, then I'd be a little concerned about displacing loyal employees to save a few payroll dollars. . In many communities, non-golfers eat meals at the golf course. If you have different management of the clubhouse, there might be some new signage at the entrance of the course indicating that the clubhouse grill and store are open to all, with sales and specials also publicized there.

## **5. Expand marketing.**

It appears that traditional measures to limit adult golf and team sports to those who work and live in Edina are no longer necessary. As participation levels have gone down, access to service has not been significantly widened to fill the gap. At the same time Park and Rec looks at what percentage of golfers should be allowed to come from outside the community and what level of additional charges those outside participants should pay, it would make sense to look at the same issue for all its adult sports leagues.. If you allow recruiting of players from outside Edina, within new but looser limits, it will make it easier to form teams. Likewise with golf, if you make it easier for there to be mixed foursomes (Edina and non-Edina residents) more groups of golfers are likely to use their course as their regular destination. If leagues are now limited to Edina golfers, that also could be redefined – although of course, outsiders could be asked to pay more.

**6. Improve customer service.**

Again, there has to be a clear definition of what the customer service problems vendors are going to be expected to solve. Then vendors can be expected to commit to reaching defined customer service targets in order to earn performance bonuses.

Finally, I think that it is very premature to promise that the subsidies will end. While I don't think you want to have subsidies to general operations, if there are subsidies for things like youth golf instruction and providing low-cost access to young people with limited financial means, that should remain an option, as the community should be investing in its youth, even if that activity isn't totally covering its expenses. In fact, if it is feasible, the city should consider trying to work out with the school district an arrangement that all Edina students are exposed to golf at Braemar as part of their physical education program (a parallel program could be developed for Edina families with students in other school districts or private schools)..

Thanks,  
Joel

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**From:** [cpete572@gmail.com](mailto:cpete572@gmail.com) [<mailto:cpete572@gmail.com>] **On Behalf Of** cpete572  
**Sent:** Tuesday, February 04, 2014 6:57 PM  
**To:** Edina Mail; [jonibennett12@comcast.net](mailto:jonibennett12@comcast.net); Mary Brindle (Comcast); [joshsprague@edinarealty.com](mailto:joshsprague@edinarealty.com); [swensonann1@gmail.com](mailto:swensonann1@gmail.com)  
**Subject:** Planning for Braemar's future/Jan. 30 meeting

Council members:

I attended last week's meeting regarding the future of Braemar golf course. I have been a patron card holder at Braemar since 1979. I have played some 30 rounds a year there. I started the Wednesday night league, constructed and maintained wood duck houses on the course, and did the Audubon certification photography. I care a great deal about the future of Braemar.

Braemar is 50 years old and in need of capital improvements. The plans for a new driving range look great and are long overdue. But the new range necessarily eliminates the executive course which I feel the community needs. I hope the city will reconsider its plans to close Fred Richards. It provides an executive course which is easy to walk and will continue to serve

leagues that want a longer (not par 3) course. It plays an important supportive role to Braemar in helping to develop new players for the future. The city needs an executive course!

Revenues from Braemar were used to pay off Fred Richards' \$5 million debt. If the Council is seriously considering closing Fred Richards now--without considering the many marketing opportunities it presents plus quality of life it represents--then the Council is being shortsighted and, I believe, not fiscally responsible.

Braemar is a civic jewel. Fred Richards play a complimentary role. The process of planning for changes to these two civic assets should take into account Edina residents' views, especially golf course patrons'. I appreciate Mayor Hovland's attendance at Thursday's meeting. I hope Council members will give all comments the attention they deserve.

Robert K. Peterson, DDS  
5620 Doron Drive  
Edina 55439

952-944-0261

~~~~~

**From:** Doug Smalley [<mailto:douglas.smalley@gmail.com>]  
**Sent:** Tuesday, February 04, 2014 3:18 PM  
**To:** Edina Mail  
**Subject:** Fred Richards GC

Dear Members of the Edina City Council,

As a relatively new member of the Cornelia neighborhood living a few blocks from Fred Richards GC I'm writing to express my support for the contemplated redevelopment of that property as expanded park space.

I'm an avid golfer, actually, but believe residents and families in the area would derive much more year-round & day-to-day benefit from a larger more intentionally managed park in that location. Not only would we use it heavily (2 kids + dog) but I imagine the families living in the rental/apartment housing nearby would love it too since Arneson Acres isn't really walkable for those of us in this quadrant.

I'm not intimately familiar with the financials, but if the course is on the bubble or in the red it seems to me that redevelopment as a park makes great sense. I know it would enhance the quality of life for those of us living nearby.

Thank you!

// Doug Smalley  
// Email: [douglas.smalley@gmail.com](mailto:douglas.smalley@gmail.com)  
// Mobile: [651-955-8899](tel:651-955-8899)



- “Improvements at Braemar” are self-justifying, both financially and for competitive operational necessity. The content of the presentation shows no direct dependency on the recommended changes.  
The driving range and necessary re-configuration of the executive course should proceed as soon as reasonable, not extending beyond fall of 2014.
- The nominal attempts to compare golf operations to other functions exposed a flaw in the Edina City accounting system; the system *prevents* adequate cost and operational comparisons between/among various city-run functions including the Ice arena, Edinborough, city parks, athletic fields, and golf operations.
- While the introductory material did show a graph of declining “rounds played,” the material did not identify elements of causation. Demographics, economy, weather, playing conditions, the status of neighboring golf courses, are just a few that must be reviewed.
- The abrupt conclusion – and first chart – “Close Fred Richards” did not include an assessment of consequences to such a step. As a professional with experience with strategic planning, I found the presented material woefully void of alternative solutions to perceived problems.  
A few considerations that show the lack of depth to the study are:
  - “Close Fred Richards” without either justification or an impact statement is a mistake. If further, objective investigation arrives at this conclusion, then such a recommendation is defensible. Without such an analysis, this recommendation is not justifiable.
  - “No golfers will be displaced” – an un-supported and naïve conclusion, at best. New, young, casual, and senior players have little interest in hilly terrain and challenging venue. It is unlikely that all of these clients will matriculate to Braemar as assumed.
  - As a premiere city, Edina’s unique asset provides a learning and experience resource that needs more thoughtful consideration than this unsupported – and unsupportable? – recommendation makes.
  - The removal of a resource for post-retirement activity is especially disconcerting as we endorse the localized development of increased housing density.  
Similarly, the loss of a municipal resource that currently permits casual introduction to new golfers is shortsighted in light of the stated objective of activity for life and our Vision 20/20 goal to improve the quality of life here.
- Consultants from outside the community do not have familiarity with the unique appeal that Edina has. Of special concern, Edina residents include many professionals with significant expertise – and self-interest! These resources would love to provide insight, guidance, and leadership as we develop and protect community investments. Enlist their skills.
- The dedication and passion from the “Save the Fred” organization was evident and well-articulated. It is unfortunate that Park Board and Council members were not encouraged to attend the session. Thanks to Mayor Hovland for his attendance; ask him if he thinks these two bodies would have sensed the community’s commitment and passion – and would have learned from the session.
- A major communication flaw was exposed:  
By comparison to other City of Edina actions and communications, this meeting, late by any measure (one month for the public to respond after many months of project development in isolation?), exposed a serious misunderstanding of the plan’s importance to the community. By not including a valid cross-section of perspectives in the planning process, especially considering the obvious misunderstanding of the importance of this decision to the community, the Park Board and City Council might have been confronted with a decision with few options.

The recent street repair and improvement communication process should be used as a model for a communications strategy.

As I listened to the feedback from the potentially displaced audience, I was struck by how my personal investment in Edina's golf resources has developed. As a newbie to golf and as a recent past president of the Braemar Men's Club, I take umbrage in the potential golf has for the future. To take action without having knowledgeable, invested, and skilled resources involved might have been a miscarriage of community interest.

In summary, I humbly recommend that the listed improvements at Braemar be started as soon as possible. Further, any decision regarding Fred Richards – a non-starter in the funding of Braemar's investment – deserves a considerably more open and thoughtful analysis. To achieve this objective, establish and utilize an advisory panel of Edina expert residents to act as on-going information source. Without such analysis, then I request the Park Board and Council reject the Fred Richards proposal as it currently stands.

Thank you for your consideration.

Mike Welbaum  
7232 Monardo Lane  
Edina, MN 55435  
952-920-5455

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**From:** [Rodney.K.Vucenich@wellsfargo.com](mailto:Rodney.K.Vucenich@wellsfargo.com) [<mailto:Rodney.K.Vucenich@wellsfargo.com>]  
**Sent:** Tuesday, February 04, 2014 11:11 AM  
**To:** Edina Mail; Mary Brindle (Comcast); [joshsprague@edinarealty.com](mailto:joshsprague@edinarealty.com); [nvucenich@msn.com](mailto:nvucenich@msn.com); [Rodney.K.Vucenich@wellsfargo.com](mailto:Rodney.K.Vucenich@wellsfargo.com)  
**Cc:** [jonibennett12@comcast.net](mailto:jonibennett12@comcast.net); [swensonann1@gmail.com](mailto:swensonann1@gmail.com)  
**Subject:** Save the Fred- we need more time!!

I am a long time Edina resident of nearly 30 years and I am very disappointed in how you are handling this situation. It appears that you have already made up your minds and are unwilling to listen to the very people who voted you into your positions! This same behavior was experienced last Fall when you jammed the pathway initiative through in the Cornelia Neighborhood. How can you turn a deaf ear to what you witnessed last week at Braemar? We need more time to come together as a community and weigh our options. It is very apparent that you have an agenda that clearly is in conflict to what the tax payers of Edina want. Is this how politics are run in our city?

**Rodney Vucenich**  
**Senior Financial Advisor**  
**Vice President- Investments**  
Wells Fargo Advisors, LLC  
MAC N9305-111  
90 South 7th Street  
11th Floor  
Minneapolis, MN 55402  
Ph: 612-667-3871  
Fax: 612-316-4938



A city should be doing all it can to maintain amenities such as this small neighborhood golf course. It is amenities like this that attract people to the city and to individual neighborhoods. Not to mention all those people with homes on the golf course. Are you seriously taking that amenity away despite the impact it would have on their property values? I may not live right on the golf course but I am close enough to feel the impact of such a drastic decision.

Moreover, the timing of this is unacceptable. This meeting was held January 30 to discuss "Edina golf operations". It should have more properly been titled "closing Fred Richards." The decision was already made. You may argue that it has not yet been made; however, when there is only one proposal on the table and that proposal involves closing Fred Richards, there isn't much room for debate. The decision is made. It is just not yet official. It will be made official at the meeting on March 4. That is just over one month from the initial meeting of January 30. How long has the park board and the city been working on this? Why hasn't it been brought to us sooner? Again, this is the city moving forward on its own agenda without regard to the impact on or the wishes of the residents of the city and, more particularly, the residents of the neighborhood impacted most dramatically by this decision.

This whole process is a repeat of the "discussion" to add a path from the Parklawn neighborhood to Kellogg Ave. I attended that meeting at city hall as well. It was the first I had heard of the issue. I found out then that the Parklawn residents knew of it a year prior. While the homeowners in my neighborhood didn't find out until about a month before the meeting at city hall where the issue was voted right through despite many voices of opposition in the audience. Apparently providing adequate notice and information to the residents has taken a back seat in recent months. I find this practice completely unacceptable and disrespectful. I hope you're hearing the same from other residents.

Give us more time to come up with a proposal that would allow Fred Richards to remain open. As we learned last Thursday, there are many options that have not yet been explored. Let's do that work before making such an extreme decision.

Nicole Vucenich

\*\*\*\*\*

**From:** Mary Paulson [<mailto:mbowmanpaulson@yahoo.com>]  
**Sent:** Monday, February 03, 2014 1:53 PM  
**To:** Edina Mail  
**Cc:** Mary Brindle (Comcast); [joshsprague@edinarealty.com](mailto:joshsprague@edinarealty.com); [swensonann1@gmail.com](mailto:swensonann1@gmail.com); [jonibenett12@comcast.net](mailto:jonibenett12@comcast.net)  
**Subject:** Fred Richards Golf Course

Dear Mayor Hovland and Esteemed Council Members:

I am writing today to protest the proposed closure of Fred Richards Golf Course, or, in fact, any green space in the City of Edina.

As a person who plays golf, I have come to value Fred Richards Golf Course for many reasons; accessibility and to the fine tuning needed in any short game as well as the wildlife one can observe there, from wild turkeys and fox to the ever present Canadian geese, to name a few.

Fred Richards does more than provide a revenue stream, of sorts, to the City; it also provides ecological benefits and personal well-being, physically and mentally, for the individuals who use the facility.

After taking my walk today and observing the pollution layer that obscured my enjoyment of the blue sky, I want to make it very clear that I believe it is the City's obligation to zealously protect the environment and jealously guard all green spaces within the City borders.

Having lived in Edina for over 20 years, I have seen the deterioration of clean air and water in my neighborhood as well as the efforts made to improve the situation with holding ponds at Rosland Park prairie grasses at the Public Works building to help the environment and cannot understand the reasoning behind the closure and possible development of such a valuable green space as Fred Richards.

From my perspective, Edina does not need any more residents. Edina needs to protect its current residents by cherishing its green spaces and creating more areas that will preserve the quality of life that was once embodied in Edina.

Respectfully,

Mary Paulson

~~~~~

From: Halling, Barton R [<mailto:Barton.Halling@umr.com>]  
Sent: Monday, February 03, 2014 12:15 PM  
To: Ann Swenson  
Cc: Edina Mail  
Subject: RE: The Fred

Hi Ann - thanks for your prompt response. Understand the state law restriction - but I guess my concern is why there was not a public notice for this specific meeting? Clearly, a recommendation to close a neighborhood amenity like Fred Richards is going to draw some controversy and with over 350 people showing up and sharing testimony in support of retaining Fred Richards in its current state as a golf course - it would appear that you and the other council members lost a great opportunity to hear what your constituents have to say about the issue.

You note below indicated that "many weeks or months for public input" was going to be provided - but the truth is that for you as the council - only 2 weeks has really been allowed. The park board will meet on 2/11 and review Scott Neal's proposal - including his misguided proposal to close Fred Richards and spend \$1.0 million on expanding the Braemar driving range (why would we take more people off the course and force them onto the range? I can guarantee you that if you ask any golfer, youth to senior, if they would rather spend more time playing golf - or more time at the range - 100% would want to play). Per Scott's agenda he delivered last week, the next council meeting which will provide a public hearing with opportunity for input to be heard - is the 3/4 meeting - with his recommendations for golf operations on the agenda. That is 30 days from his first meeting last Thursday 1/30. This plan has been worked on with the Pentagon Park developer for over a year and as a community we are allowed 30



**To:** Edina Mail; [jonibennett12@comcast.net](mailto:jonibennett12@comcast.net)  
**Subject:** FW: Fred Richards

Dear Mayor and City Council,

We live in Richfield and have been playing the Fred for fifteen years or more. Both of my kids played youth and high school golf, and with the closing of Rich Acres, much of their golf was played at the Fred. My son is now in college and he brings his college buddies to play the Fred when they only have 90 minutes to play, and these newcomers love it!

Your support is greatly appreciated.

Tom

Tom Webster | Optum Finance  
13625 Technology Drive | Eden Prairie, MN 55344  
MN051-B210 Office 952-917-7450  
[thomas.webster@optum.com](mailto:thomas.webster@optum.com)

~~~~~

**From:** Paul Hughes [<mailto:phughes999@gmail.com>]  
**Sent:** Sunday, February 02, 2014 4:58 PM  
**To:** Edina Mail; [swensonann1@gmail.com](mailto:swensonann1@gmail.com); [joshsprague@edinarealty.com](mailto:joshsprague@edinarealty.com); Mary Brindle (Comcast); [jonibennett12@comcast.net](mailto:jonibennett12@comcast.net)  
**Subject:** Do not allow Fred Richards to close!

Dear Mayor Hovland & City Council Members,

I am contacting you regarding the development planned for Pentagon Park which may include closing the Fred Richards Golf Course. While the redevelopment of the current commercial property is welcomed, the closing of Fred Richards is not, and I feel this would be a poor decision for the City of Edina to make. The developer's own public statement to the Minneapolis Business Journal states that he could live with the option of keeping Fred Richards Open: <http://www.bizjournals.com/twincities/print-edition/2013/12/06/in-pentagon-park-plan-is-there-room.html?page=all>

Fred Richards is a community asset that has unfortunately been a victim of poor weather this past year. In fact, all of our outdoor golf operations suffered in 2013 due to the late start of the golf season. In addition, years of minimal marketing efforts by the City of Edina have kept Fred Richards from realizing it's full potential. I have spoken to many residents of Edina that have no idea that the Fred Richard course even exists.

The turnout by Edina citizens at Thursdays City Staff meeting was overwhelmingly in support of keeping Fred Richards open. As a taxpayer I understand the City's desire to stem the losses from their golf course operations. However, the estimates given by the City Staff show that the golf course operations are estimated to lose less money next year and come close to breaking even in 2015. If the city spent a little effort on promoting Fred Richards I think they would find it would pay for itself. Has this option ever been considered?

Do all of our parks make money or does the city have to fund them? Does Braemar arena pay for itself? Do all of the other sports leagues fees in this town cover the cost of operating and maintaining the fields they play on? The answer is no. All of our facilities are subsidized by the city. My kids play or have played soccer, hockey, baseball, flag football, and golf on at edina parks and facilities. That is one reason I moved to Edina 10 years ago. Would I want to see the city close any of these parks/facilities? No. These are community assets that make Edina a wonderful community to live in.

Great cities have great green places and activities for their citizens. Keeping an asset so many people in our community utilize and enjoy is the right move to make. I hope you will agree and listen to your community.

Thank you,

Paul Hughes  
SAVE THE FRED

~~~~~

**From:** Allen Nelson [mailto:[nelsonallenhome@yahoo.com](mailto:nelsonallenhome@yahoo.com)]  
**Sent:** Saturday, February 01, 2014 4:18 PM  
**To:** Edina Mail  
**Subject:** powerpoint examintionear e

Dear, Mister mayor and city council members, point 1 Reduce scope and operation, I am. checking with edinas senior center if my monday league held at the fred is excluded from the most point in powber point 1. Otheres living around the fred have clamed a leek exists and the outcome is already Definate. Power point 2 how many "new" golfers will be braught in by adding these 76 8.5-foot stalls? th target green gone from the Dome, why is a new one needed at bramat 18 hole? how many new studants will be braught in with this new 35 stalls with mats? I took my lessons three years ago and the six or eight of us had no trouble learning stance, positona, grip, and musle memoy at the teaching aria behind the driving range is it is. point3 last year in 2013 was my first experiance using bramas new patron card with merchandice discount at the pro shop.



2. I am guesstimating that over 300 people were at the January 30, 2014 meeting. No one spoke in favor of the proposal and many voiced displeasure that there have not been more community meetings along the way to discuss the proposal.
3. Many also voiced the objection that the notice of the proposal is unreasonably short, because it is scheduled to be heard by the Park Board on 2/11 and by the City Council on 3/4. This is a very important matter which deserves careful investigation of the plan costs and projections. That investigation cannot likely be accomplished on such short notice.
4. A number of comments at the meeting questioned the financial support for the plan and for the projections. Apparently the FRC has no long term debt and generated a profit of \$21,000 the past golf season (before allocation of general overhead expense). No specific information was provided at the meeting to justify the projected savings from closing FRC.
5. One person commented that a careful review of the city financial records reflects that the city subsidizes many recreational facilities.
6. There appears to be no dispute that the number of golf rounds is down locally or nationwide. No data was presented at the meeting about whether the number of rounds at FRC was down.
7. It would be nice if the golf operations were self-supporting, but a number of Edina recreational facilities are not self-supporting.
8. There are likely things that can be done to improve the net revenues from golf operations. Improvement of the driving range is one of them. I have been using the golf facilities at Braemar for over 40 years and the driving range turf has been a consistent problem. Sometimes I go elsewhere to practice because the Braemar turf is inadequate. Other times, when the Braemar range is hitting off grass, I still move a mat up to the grass area because there is no grass. I expect that other golfers who want good practice are also taking their business elsewhere.
9. Some golfers who live in or near Edina choose to play elsewhere because the Braemar course is too difficult. Recent emphasis on teeing it forward may help get those players back to Braemar. However, making the third regulation nine more user-friendly may also help.
10. A few of the other city staff recommendations do not appear to be well thought out. First, the suggestion that there could be improved revenue if customer service is improved appears to be vague and unsupported. I have never felt there was anything deficient about the customer service in any part of the golf operations. The staff has always seemed to me to be friendly and helpful. The staff proposal to somehow improve customer service in a way that would increase revenue needs a lot more explanation and factual support: It's a nice sound-bite, but I have my doubts. No one at the meeting stated that they felt a need to improve customer service.

Second, the proposal to outsource the grill or restaurant operations and hopefully make the restaurant a family dining place does not appear to be adequately investigated. No data was presented at the meeting about the current gross or net revenues from the food operations. Is it currently profitable? Nor was any information provided as to whether the city staff has contacted any restaurant operators about whether they would be interested in operating the restaurant or how much they would pay to lease it. It is my impression that the restaurant business is a difficult business. It is very competitive and families have many choices about how to spend their food dollars. It is also my impression that private golf clubs have regularly experienced difficulty making their restaurant operations profitable, so that they require their members to spend at least a certain amount each year in their restaurants.

11. Some of the comments at the meeting suggested a more deliberate and phased approach to making changes. So, for example, the driving range change might generate more revenue. Marketing and price adjustments might also generate more revenue. Maybe these should be tried first, before the more drastic and forever closing of FRC.

12. A few of the comments from the audience at the meeting noted that the failure to involve the community in the city planning process deprived the city of the business and professional expertise that exists in our community. Perhaps if the city had invited a committee of residents to be involved in the study and had made full disclosure of the relevant data, there could have been other viable suggestions to be evaluated.
13. Another question which was not answered at the meeting was what is the comparative tee-time utilization at each of our courses.
14. A few people at the meeting also questioned why the staff was coming up with just one proposal. Should we be considering other alternatives and what are they?
15. Perhaps the most compelling opposition to closing FRC came from the many parents who spoke at the meeting and told about the many children who regularly use and enjoy the FRC facility.
16. Perhaps we should focus on marketing and expanding the junior programs that use the golf facilities at all our golf locations.
17. One of the speakers at the meeting was a Seagate employee which has a 100 member golf league using the FRC.
18. In summary, there appears to be reason to be concerned about the financial need to close FRC as well as the soundness of the financial projections made by the city staff.  
There is reason to be concerned that the precipitous forever closing of FRC will deny a significant facility to future generations. It seems likely that this matter requires a more deliberate evaluation than the current scheduling provides. And even if the golf facilities continue to require some financial support, maybe that has collateral benefits to the community that justify that support.

Respectfully submitted,  
Thomas W. Wexler  
7520 Cahill Rd. #119  
Edina, MN 55439

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January 31, 2014  
Ann Kattreh, Park & Recreation Director  
Edina Park & Recreation Department  
4801 West 50th Street  
Edina, MN 55424  
Subject: Closing Fred Richards Golf Course

I am a retired Edina Residence, after serving as Vice President of one of the leading privately owned companies in Minnesota for 37 years while we increased the business from just 5,000 employees to over 170,000 employees today. Perhaps some of my experiences could be useful in the discussions about Fred Richards Golf Course.

We basically did not shut an enterprise down without a lot of thought. First if we sold a business we made sure that it created a great profit to the

company. One business we sold was larger than many competitors and gave the company some \$17 Million in profits each year but as the industry changed and a company ( that had decided this was a great growth area for them) wanted to buy it and it was sold for over \$1 Billion. Another example was a building that we built for \$51 million it was sold for \$63 million which was very attractive. A lease back was needed but financially it was a great deal

Closing Fred Richards means we have a great facility and we know if closed we will have many dollars spent to make it useful as a multi use facility.

An additional approach we took with business that were not profitable was we looked what we could do over a 5 year period with that enterprise. We would indicate the need to maintain our cost structure which was done and then we needed to figure out a way to increase our income by marketing the right way. Additional income could go to the bottom line if we were successful in keeping our costs in line We perhaps lost money for 2 or 3 additional years but if we had good management we could look back and satisfy ourselves that we had a total profitable return over the five year period. If not we had a decision to make.

I have been retired for 21 years and when I look at our neighborhood which is on West Shore Drive in the Cornelia area, I see it changing rapidly with many young families and lots of young children. With Fred Richards as a golf course we could create a whole generation of young golfers with the availability of Fred Richards Golf Course. Without it transportation to Braemar is perhaps not availability for working parents from this part of Edina.

A few weeks ago I was at dinner at a leading Edina Country Club and there was only two table of patrons. I think the consultant was in error if they felt we could make our clubhouse a destination dining experience as there are just too many fine restaurants in the area. We can look at the difficulties the Woman's Club of Minneapolis is going through right now.

Over the years working with consultants, I probably learned they don't have all the answers but good solid thinking from participants is most valuable.

**My suggestion for the most benefit to Edina residence is to keep Fred Richards Golf Course Operating for at least the next five years as see if**

**we can't make this a very successful enterprise!!! It's too important for all Edina Residents.**

Sincerely,  
Dick Johnson  
7328 West Shore Drive  
Edina, MN 55435  
Phone 952/925-2044

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**From:** Mary Rogers [<mailto:minnesotamaryann@gmail.com>]  
**Sent:** Friday, January 31, 2014 7:01 PM  
**To:** Edina Mail  
**Subject:** Fred Richards Golf Course

Dear Mayor Hovland:

I am writing to express my concern about closing Fred Richards Golf Course. I took up golf after retired and play at least ten times a summer at Fred Richards. I am truly fond of that course, and have introduced my children and grandchildren to golf there. It would be a great shame to close it.

When I talked with Joni Bennett last fall about this issues, she said that a survey revealed that only one-fourth of Edina residents (or homes, I'm not sure which) used Fred Richards in the prior year. Frankly I think that is huge. She seemed to think it was insignificant.

I hope you and the city council members will keep in mind what a unique and special place Fred Richards is.

Thank you,  
Mary Rogers (mother of Caitlin Rogers, if you remember her)

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**From:** John Parker [<mailto:john.parker@nrsgetsresults.com>]  
**Sent:** Friday, January 31, 2014 2:33 PM  
**To:** Edina Mail  
**Subject:** Future of Municipal Golf Operations

I was in attendance at the golf operations meeting last night at Braemar. First of all, I'd like to remark on just what a composed presentation Scott Neal gave. I was impressed with his information but more impressed by his composure in the face of a lot of opposition. I have learned in my fourteen years of living in Edina there are a lot of people who absolutely know their opinion is the right one. That can be pretty hard to take after awhile.

I don't use the Fred Richards golf course so I don't have strong feelings about if it should close. I would personally rather see it stay open, mostly for the sake of young golfers. And as I grow older, there may come a time when it is just right for me. I would hate to see a commercial development go up where the course is now, as some suggested might happen.

But I would really like to see the proposed changes to the Braemar course. If it could be on a par with Chaska Town Course or Edinburgh USA, that would be great! I don't have any issues with the clubhouse or grill. I guess a nicer restaurant would be fine. The staff there and in the pro-shop are great people, as far as I am concerned. The changes I would like to see are specific to the range and course. The range is usually in such bad shape I'd love to see it upgraded. The course could really stand renovating with new tee boxes, fairways, bunkers and greens. And the on-course management could stand some significant improvements. Slow play is a killer and the marshals and rangers never seem to get people moving. And my personal gripe is finishing number 9 only to find another group has been inserted in front of us at number 10. If the Clunie nine were shut down, I wouldn't miss it a lot, but it is nice to have that as an option for folks who want to just play nine holes.

I have bought a patron's card for many years and although I typically play about 100 rounds a year (all over, not just Braemar) but this past year I played at Braemar three times because I thought the course conditions were so bad. I live within minutes of the course so if it was improved, I certainly would appreciate it and use it more.

I am glad I don't have to make these decisions. I look forward to seeing the outcome.

John Parker  
Northern Reporting Service, Inc.  
612-378-7777  
[john.parker@nrsgetsresults.com](mailto:john.parker@nrsgetsresults.com)

Please send all investigative and/or surveillance assignments to: [nrs@nrsgetsresults.com](mailto:nrs@nrsgetsresults.com)

# NRS

Northern Reporting Service, Inc

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**From:** Schmidt, Joe P. (BLM) [<mailto:joe.schmidt@express-scripts.com>]  
**Sent:** Friday, January 31, 2014 2:16 PM

**To:** Edina Mail  
**Subject:** Golf Operations

Greetings!

Please see the attached letter concerning Feedback on the proposed municipal golf operations strategy.

Thanks!

Joe Schmidt  
4617 Woodland Rd W  
Edina MN 55424  
925-0443  
Cell: 612-816-7015  
[Joseph.p.schmidt@gmail.com](mailto:Joseph.p.schmidt@gmail.com)

January 31, 2014  
Parks & Recreation Department  
Edina City Hall  
4801 W 50<sup>th</sup> Street  
Edina MN 55424

Council Members, Parks & Rec. Dept. and City Staff:

I have been a resident of Edina since 1986. During that time, I raised two daughters, worked just across the border on West 78<sup>th</sup> Street and enjoyed the wonderful parks and recreation areas for which Edina is famous. I have been a golfer for over 40 years; however I learned early on that trying to find a half-day to go golfing fell well-behind my other priorities in life. I am now at a point where I can find time to enjoy playing a round or two per week at Braemar, weather permitting.

Since golf is truly a "life-sport," one of the challenges unique to such an activity is accommodating players aged 5 to 95. However, that is also one of the joys of the game. My 91 year-old father loves being able to share a round of golf with his children and grandchildren, both male and female. Because of that, I appreciate how the current operation supports the full spectrum of ages and skill-levels involved – The Fred for beginners, families and multi-generations; the Executive course for its intermediate length and challenge to those developing their game, dealing with time constraints or continuing golf later in life; Braemar 1-18 for its regulation-length challenges but fairness on errant shots; and holes 19-27 for its beauty, access and unforgiving challenge. However, I understand that golf isn't as popular as it once was; weather affects the number of rounds played and maintaining two separate land-masses is expensive; so something needs to be done.

To my professional disappointment, the six corrective action items presented last night were in reverse order to their immediate potential impact on improving the operations' finances. The most irreversible and long-term recommendation was first – closing down a golf course permanently. The more-immediate impacts from improving marketing and modifying the price structure was listed third and fifth. Note that neither of those two items requires waiting for money to be appropriated, dirt to be moved or land to be "repurposed".

Marketing: The current marketing of Braemar perpetuates the urban legend that you can't get on at Braemar, which Mr. Neal refuted by noting that that situation hasn't been true for years. My suggestion is to collaborate with a marketing class or senior capstone project group at the University of Minnesota's Carlson School of Business or at the University of St. Thomas, to create a marketing program for 2014 that will boost this year's utilization and revenue. Professors and students alike are constantly searching for real-world business problems to which they can apply their coursework, interests and creativity; and the cost of the collaboration is more of Time rather than Money. It only takes a phone call to initiate the process but classes have already started, so don't procrastinate.

Prices and Discounts: Unless there's a legal or regulatory reason that prohibits it, why not get a small committee together from the Braemar golfing community (who also have pricing experience) or a cross-functional group of students from the University of Minnesota or St. Thomas to review the 2014 pricing structure? If done properly, the pricing recommendations will support balanced utilization on all of the golf courses as well as encourage new blood into a life-sport:

- Perform an analysis of golf course utilization, determine the root causes and identify opportunities,
- Assure that there are programs, courses and facilities to support the various abilities of golfers throughout their active life,
- Recognize the unique values of the following and adjust prices accordingly:
  - o Prime teetimes,
  - o Advance reservations (higher fee for seven-day advance reservations than for five-days in advance than for two-days in advance than for same-day reservations)
  - o A season-long, recurring reservation (e.g., 4:00 PM teetime every Monday)
  - o Braemar's condition and proximity to the entire west metro area
  - o Nine-hole rounds for busy lifestyles and/or physical constraints
  - o Fill less-desirable tee times with those who can use them
  - o Continue to encourage youth and beginning golfers by subsidizing their fees,
- Other ways to add value to the Braemar golfing experience without increasing costs
  - o Implement measures to assure a relatively quick round during high-demand periods,
  - o Add some "speed" to the Regulation Course greens,
  - o Introduce one or two shot-gun starts for primetime golf on weekends,
  - o Coordinate an after-school and summer First Tee program with Edina Kids Club (including transportation to/from home bases)
  - o Introduce a multi-tier Patron Card program, similar to the Delta Skymiles program, that varies levels of access, benefits and costs

Lastly, I appreciated the audience question about needing to extend the study to the Clunie ("New") Nine. Being a hacker whose goal is to break 100, I find 19-27 to be very unforgiving, which usually means that I lose six balls in the thicket, emerge with three replacements and add another 20-30 minutes to my round. If the Executive Course gets remodeled into a Par-3, then study converting the Clunie Nine into a new Executive Course with sufficient refinements to make it less physically and mentally taxing. By doing something like that I can look forward to continue golfing well into retirement – without holding up the low-handicappers hitting into me.





lost money and how much for Braemar? Not just the golf "enterprise" it sounds like somebody is trying to hide something. We would be a lot smarter to improve and manage what we have instead of doing something we don't need. I've lived in Edina for over fifty years and can tell you Fred Richards Golf Course is asset for the city, it would be a mistake to close it.

Thank you,

John Lundeen  
4525 Belvidere Ln  
Edina

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**From:** [Vicoula4@aol.com](mailto:Vicoula4@aol.com) [mailto:Vicoula4@aol.com]  
**Sent:** Friday, January 31, 2014 10:42 AM  
**To:** Edina Mail  
**Subject:** Re: Fred Richards

Dear Council Members and Park and Rec Department:

I attended the meeting last night at Braemar. As a long time resident of Edina and current resident on Sedum Lane, I am very upset with the plan to close Fred Richards Golf Course.

The first item on the list was to close Fred Richards. No afterthought, just close it and start pouring money into Braemar Golf course. What seems to be missing in all this discussion is how will Fred Richards be re-purposed. There is no definitive response to that question. It is always a vague response as to the possibilities. It should not be closed until that question is definitely answered so residents know. This answer should be as much a part of the process as what your plans are for Braemar. Fred Richards should not be closed, and then start thinking of what to do with the land. That planning needs to be occurring consecutively and be communicated clearly and in detail with the residents.

Also, re-purposing will also cost money; which bucket will that come from, seeing as money will be diverted to Braemar? It will cost to develop the land for a new purpose and to maintain it. If it is converted to a type of Centennial Lakes park, there is no real revenue coming from that.

The statements were made about all the improvements that would be made to Braemar and to market it more. What about marketing Fred Richards. I never see any promotion for that golf course.

More thought should be given to solutions to keep both golf courses open, including managing each better. Closing Fred Richards is a mistake.

Sincerely,

Vicki Withers  
4504 Sedum Lane

Edina, MN 55435

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**From:** Halling, Barton R [mailto:[Barton.Halling@umr.com](mailto:Barton.Halling@umr.com)]  
**Sent:** Friday, January 31, 2014 10:09 AM  
**To:** Edina Mail  
**Subject:** Fred Richards...meeting last night

Mayor Hovland,

First, I want to thank you for your attendance at the meeting last night – it was good to see you there and I believe very important that you heard what was shared by your constituents, of which I am one. My wife and I made a conscious decision when our kids reached school age that we would move to Edina. We even scouted the Cornelia neighborhood and put 3x5 cards in mailboxes – introducing ourselves to homeowners and asking them if they ever decided to sell that they give us a call – which is how we eventually came to own our home on Gilford Drive. We specifically chose the South Garden Estate area for a few reasons:

1. Proximity to Cornelia Elementary
2. Walkable, safe neighborhood with no through streets and traffic patterns
3. Evidence of a high concentration of young families
4. Proximity to parks (Cornelia, Rosland) and the pool
5. AND very specifically – proximity to Fred Richards Golf Course

We have lived in the neighborhood for what will be 15 years come September. All 4 of our children (now 18, 16, 15, and 14) learned how to play golf at Fred Richards. I have been golfing since I was 7 yrs old and believe it is one of the best lifetime sports/pastimes available to us. My dad introduced me to golf and the many life lessons about patience, etiquette, hard work, honesty, focus, competition, etc. – it provides. Our boys grew to love the game and the fact that they could put their clubs on their backs and walk 2.5 blocks to the course was a big part of that. They developed weekly summer games and leagues with friends. They grew in their confidence/independence and learned how to make tee times through TeeMaster – as well as develop a great relationship with the staff at the Fred Richards clubhouse. Our two oldest boys built a love for the game that led them to their first jobs as caddies at Interlachen CC.

We still play regularly and have spent many, many incredible hours and days on the Fred Richard course with friends and family. Both of my parents have golfed for many years and live in Edina during summers (snowbirds in FL during winter). We have enjoyed some incredible 3-generation rounds on the course together – and the Fred is a great place for seniors like my parents who no longer play regulation courses (with 7 different titanium joint replacements between them – Fred Richards is perfect and still walkable). The course has also been a big factor in driving community connection in the neighborhood. I have played for 12+ years with a group of dads on Saturday mornings each week during the season – and have valued those friendships and the ability to spend 2 hours in friendly competition while sharing about life's joys and challenges and learning what it means to be in community with neighbors.

All of that said – I am absolutely embarrassed that our Park Board and supposed strategic leadership believes that closing Fred Richards is the right move for this community. If ever there

was a black and white conclusion to draw on a community issue, this seems to be it. The feedback and community support for keeping, and even enhancing/improving Fred Richards, was overwhelming and obvious last night...as was the open and clear disregard that they planning process had and has for the input from those of us that live in Edina – and have a stake in this decision. I am very disappointed in the Park Board/Park Staff and City Council on a number of fronts, including but not limited to the following:

- Unbelievable and unacceptable that all 5 of the city council members were not in attendance. As I stated earlier, thank you very much for being there – but the statement was made loud and clear by the other council members that either they have already made up their minds, or they just don't care about hearing what residents have to say. No better forum for them to get the information they need to make an informed decision than that meeting last night. Why were Josh Sprague, Mary Brindle, Joni Bennett and Ann Swenson not in attendance?
- Unacceptable and offensive how little information was provided around the rationale for recommending the closure of Fred Richards.
- Unacceptable that there was no transparency and no information provided around how long the Park Board/Staff team has been working to develop this proposal.
- Unacceptable that only one proposal was provided with no alternatives
- Unacceptable that the timeframe provided for making a decision is 30 days when negotiations have been in the works with developers, city planners, city council members for well over a year with no input from residents impacted by the decision.
- Amazing that there was an attempt to isolate golf operations and specifically the Fred Richards golf course when analyzing cost structures and the Park Board P&L. Very enlightening to hear from a resident (not a city official presenting last night) that other amenities like the Braemar Hockey Arena require subsidization in the neighborhood of \$650k annually from the Edina liquor fund – and carry heavy debt load of over \$2.3 million. How is it that a different criteria is being used for a golf course that was fully paid off (as of 1/1/2013) with no debt service/load, and is operating at or near positive cash flow? Don't get me wrong, I have 3 kids who have spent years in the EHA system and I have coached EHA Hockey for 11 years as a volunteer – but that shifting criteria is just wrong and stinks of backroom agenda.
- Frustrating to hear that general mismanagement of the overhead costs associated with universal golf operations in Edina has lead to an "allocation" financial model that drives an appearance of financial downfall at Fred Richards. On the contrary – it appears that Fred Richards, in economics 101 speak, is the golf operation's "cash cow". Acquired at an incredibly low capital cost – fully paid off – generating incremental revenue for the city – operating at or near cash flow positive – and engaging the next generation of customers and golf afficianados that will utilize the championship courses and range/clubhouse facilities at Braemar. We should be investing in/improving/leveraging Fred Richards instead of closing it. How can the team have possibly come to a different conclusion?

I would guess that you know from your interaction with Edina residents that we are blessed with a community full of reasonable, intelligent, articulate, resourceful and creative individuals. On a whole, we certainly expected and I believe deserve more due diligence and better informed recommendations on a critical community situation than what was delivered last night. I have full confidence that you will represent what was said, shared and discussed last night with your



Lorenzo Tunesi  
4413 Ellsworth Dr  
Edina, MN 55435

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**From:** J B [mailto:jab229@gmail.com]  
**Sent:** Friday, January 31, 2014 7:09 AM  
**To:** Edina Mail  
**Subject:** Save the Fred

Dear Mayor Hovland,

Thank you for attending last night's public hearing about the future of the Golf program in Edina. As a resident on West Shore Drive, I am concerned about the future of the Fred Richards property. At the hearing last night, I learned about several assets of this 'gem' in Edina as a golf course and heard no alternative better use plans for the property.

- Youth golf is an important program which has a long, positive history at Fred Richards. Destroying the Fred limits the opportunities for new golfers to practice and become proficient, providing players for the next generation of golfers.
- At least two people hinted that the Fred was an amenity in attracting new businesses to the Pentagon Park area.
- No evidence was presented that the Fred is losing proportionately more money than the Braemar course.
- The Fred provides green space and drainage in the southeast quadrant of town. Without a plan for alternative use, the neighbors are concerned that building or other blight--fallow land, for example--will take over. When we moved to the neighborhood 20 + years ago, the land was fallow and unsightly; we do not want that repeated.
- One resident mentioned a possible home valuation decline if the properties on the north side of the course no longer abutted a golf course. In 2013 a million-plus dollar house was built on the golf course; I cannot think of another property use which would help that house retain its value
- Finally, I am appalled that the destruction of the Fred seems a foregone conclusion without adequate opportunity for citizen input. As a resident and significant taxpayer, I was hopeful that I would have input into this decision, even as our neighborhood had input into the sidewalk on Hibiscus and the Normandale access road.
- Without more specifics as to the cost burden of the Fred vs the course burden of the Golf Dome or Braemar Exec or the full course, we citizens are distrustful of the City's blanket "the Fred is too expensive and must go" position.

Thank you for reading and reflecting on this issue.

Sincerely,  
JoAnn Blatchley  
7432 West Shore Drive

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From: [cavender.ben@gmail.com](mailto:cavender.ben@gmail.com) [mailto:[cavender.ben@gmail.com](mailto:cavender.ben@gmail.com)]  
Sent: Thursday, January 30, 2014 9:36 PM  
To: Edina Mail  
Subject: Fred Richards

Very disappointed by the presentation tonight. The notion that we would save \$750,000 over the next few years by closing the course when we don't even know what the alternative use (and therefore cost) would be is insulting. Either our city staff is not that smart, or they don't have a lot of respect for our intelligence.

Ultimately, it does not seem this is really about saving money. If it is about supporting other activities -- soccer and lacrosse -- the people leading this effort should be honest about it. Then we can debate it on its merits.

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**From:** [Vicoula4@aol.com](mailto:Vicoula4@aol.com) [mailto:[Vicoula4@aol.com](mailto:Vicoula4@aol.com)]  
**Sent:** Friday, January 31, 2014 10:42 AM  
**To:** Edina Mail  
**Subject:** Re: Fred Richards

Dear Council Members and Park and Rec Department:

I attended the meeting last night at Braemar. As a long time resident of Edina and current resident on Sedum Lane, I am very upset with the plan to close Fred Richards Golf Course.

The first item on the list was to close Fred Richards. No afterthought, just close it and start pouring money into Braemar Golf course. What seems to be missing in all this discussion is how will Fred Richards be re-purposed. There is no definitive response to that question. It is always a vague response as to the possibilities. It should not be closed until that question is definitely answered so residents know. This answer should be as much a part of the process as what your plans are for Braemar. Fred Richards should not be closed, and then start thinking of what to do with the land. That planning needs to be occurring consecutively and be communicated clearly and in detail with the residents.

Also, re-purposing will also cost money; which bucket will that come from, seeing as money will be diverted to Braemar? It will cost to develop the land for a new purpose and to maintain it. If it is converted to a type of Centennial Lakes park, there is no real revenue coming from that.

The statements were made about all the improvements that would be made to Braemar and to market it more. What about marketing Fred Richards. I never see any promotion for that golf course.

More thought should be given to solutions to keep both golf courses open, including managing each better. Closing Fred Richards is a mistake.

Sincerely,

Vicki Withers  
4504 Sedum Lane  
Edina, MN 55435

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**From:** Jeanine Roddy [<mailto:jeanineroddy@gmail.com>]  
**Sent:** Wednesday, January 29, 2014 8:51 PM  
**To:** Ann Kattreh; Scott Neal  
**Cc:** [joshsprague@edinarealty.com](mailto:joshsprague@edinarealty.com)  
**Subject:** Municipal Golf Operations

Ann & Scott,

I am writing in regards to the municipal golf operations meeting tomorrow evening. Unfortunately, I won't be able to attend the meeting and wanted to ensure my feedback was considered.

I live in the neighborhood directly adjacent the Fred Richards golf course. It is very disappointing to learn of the gross financial losses attributed to the City's golf enterprise. What's more concerning to me as a neighboring resident of Fred Richards is the waste of a valuable asset to our neighborhood. This land could be renovated or re-purposed to meet the growing need for recreational facilities in our community such as baseball and soccer fields. I would also like to see the space used to incorporate a neighborhood park, which could be utilized by the growing number of young families in our neighborhood and city.

I hope there will be additional opportunities for community residents to participate in conversations on the future plans for these facilities.

Regards,

Jeanine Roddy  
7213 Trillium Lane  
Edina, MN 55435  
952.217.4286

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**From:** Wayne Vander Vort [<mailto:wvandervort@isurtec.com>]  
**Sent:** Monday, January 27, 2014 4:08 PM  
**To:** Ann Kattreh  
**Cc:** John Stang  
**Subject:** Save Fred Richards  
**Importance:** High

Hi Ann

I have been a citizen of Edina since 1960. I am supporting the preservation of the Fred Richards Golf Course. I am a frequent user of same.

I would appreciate your assistance. Specifically, when did Edina purchased same (the year) from whom and cost. I assume bonds were issued. What were the amounts of the bonds, if known and when were the bonds fully paid/retired for the purchase of FR? What were the bi-annual or annual bond payments during the period same were being paid off?

It is my recollection Dunn & Curry developed Pentagon Park, but not certain if they also owned the FR real estate or operated it as a private golf course.

Thanks in advance for your assistance.

Wayne

Wayne A. Vander Vort.  
4525 Gilford Drive  
Edina, MN 55435  
Cell: (612)-597-3038  
E-mail: [wvandervort@isurtec.com](mailto:wvandervort@isurtec.com)