



**To:** Mayor and City Council

**Agenda Item #:** VI.B.

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

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

**Date:** March 4, 2014

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

**Action Requested:**

Provide direction to staff 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 hosted two public hearings to present the findings of the golf operations study and the accompanying staff recommendations. The first public hearing was held on January 30, 2014 at the Braemar Clubhouse. The second public hearing was held at the February 11, 2014 Park Board meeting. Over 300 residents were present at each public hearing. The notes from the January 30 meeting and unapproved minutes from the February 11 Park Board meeting are attached.

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

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

### **1. 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. The master plan is also critical to ensure that we're providing state of the art training facilities in addition to courses that will meet the needs of all abilities, ages and demographics. Braemar must be appealing and welcoming to kids, young adults and seniors in order to remain relevant and vibrant well into the future. It would be ideal to begin this process immediately.

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.
- Family Twilight Zone. Every Saturday and Sunday after 6 p.m. a reduced rate will be offered for up to four players.
- Adult/Youth Golf Lesson. Introduce a child to golf with 4 one hour lessons for kids and their parents to learn to golf together.

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.

- Teach and Taste. Golf clinic for women with wine tasting social event.
- Girls Golf League. Short lessons with playing time on the executive/par 3 course. Mentors from the women's league will walk along and help the kids learn the game, rules and etiquette.
- Women's Golf Camp.

#### 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.
- Nine and Wine. Two rounds of nine holes and a bottle of red or white wine.
- One Hour Golf Clinics. One hour clinics on Saturdays with a different focus each week.
- Adult Player Development Series. The program will focus on each aspect of the game in a small class ratio and will include playing time with teaching professionals. Level one will be for the beginning golfer and Level two will be for a more advanced golfer.

#### 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 (prior to debt service) 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 - \$4 million+

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**

At the February 11, 2014 Park Board meeting the board received this presentation and held a one hour public hearing. Residents were allowed to speak for two minutes and all people in attendance had an opportunity to speak if they so desired. After questions for staff and discussion the following action was taken:

Member Segreto made a motion, seconded by Member Deeds, that the Park Board recommendation to the City Council that the golf operations proposals, including the recommended closing of Fred Richards Golf Course, be supported.

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.  
Motion carried.

The unapproved minutes of the February 11, 2014 Park Board meeting are attached.

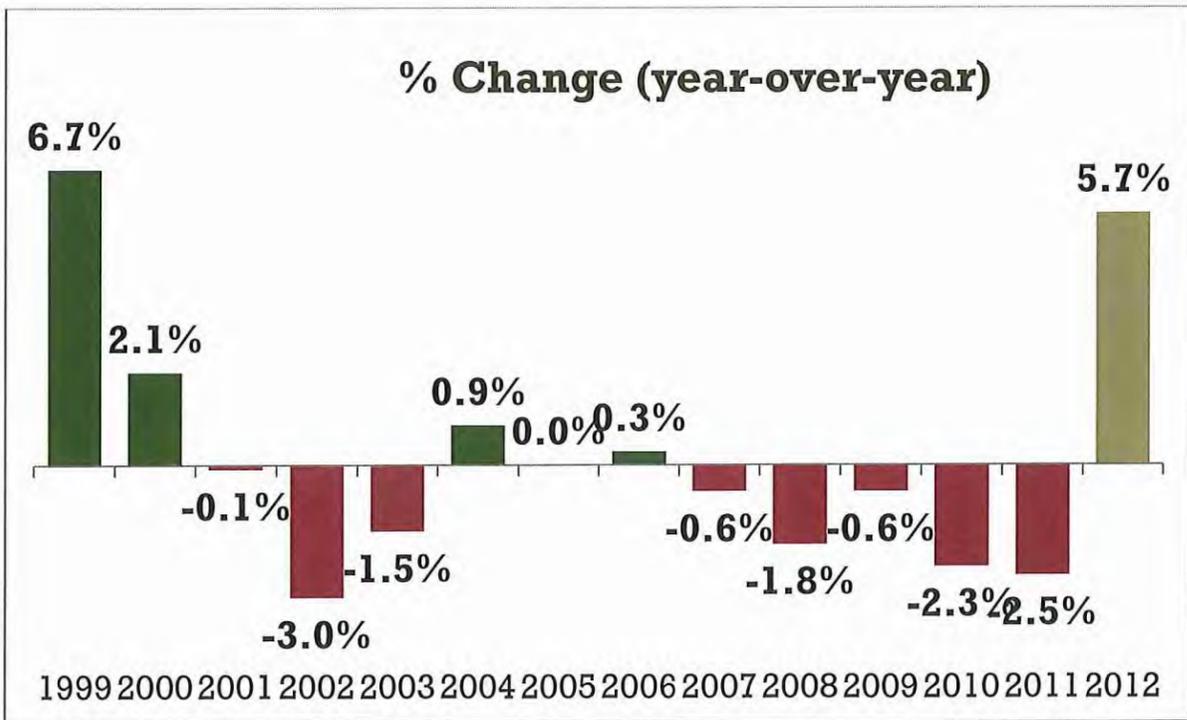
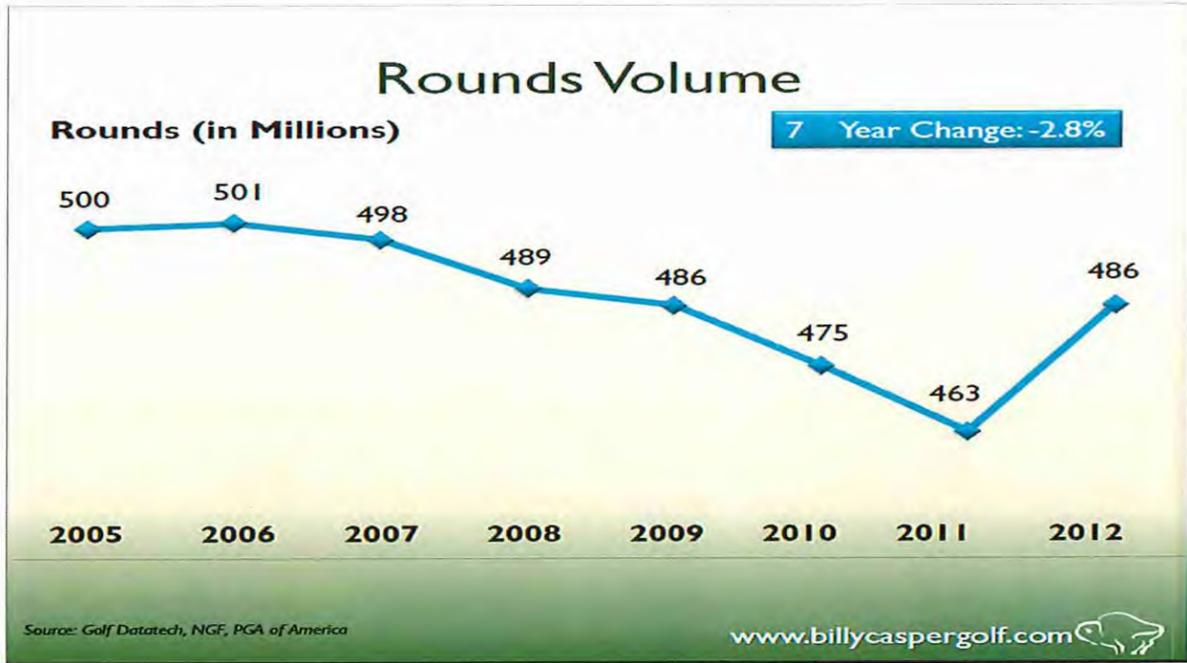
Because of the integrated nature of the staff's six point strategy, staff requests the City Council consider the set of recommendations as a package and give the packet one of the three actions:

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

**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. Unapproved Park Board Minutes – February 11, 2014

## 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.

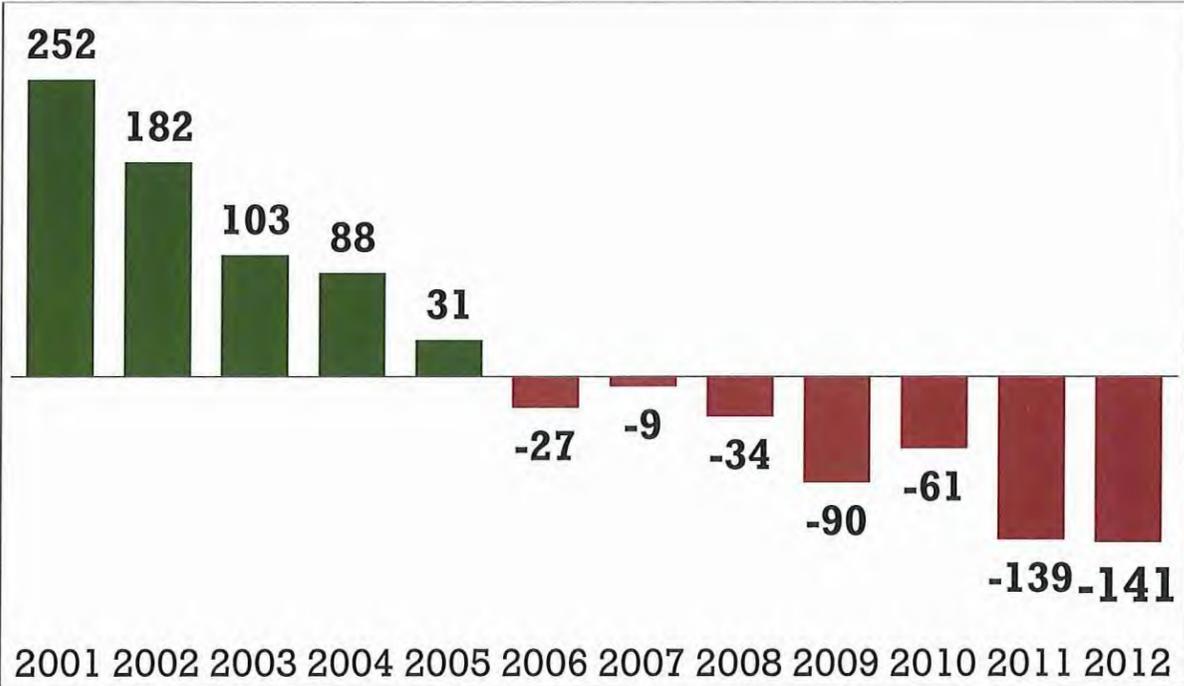
\*\* Statistics by the NGF, the National Golf Foundation

# National Golf Round Statistics

## Net Change in National Supply of Courses

18 Hole Equivalents

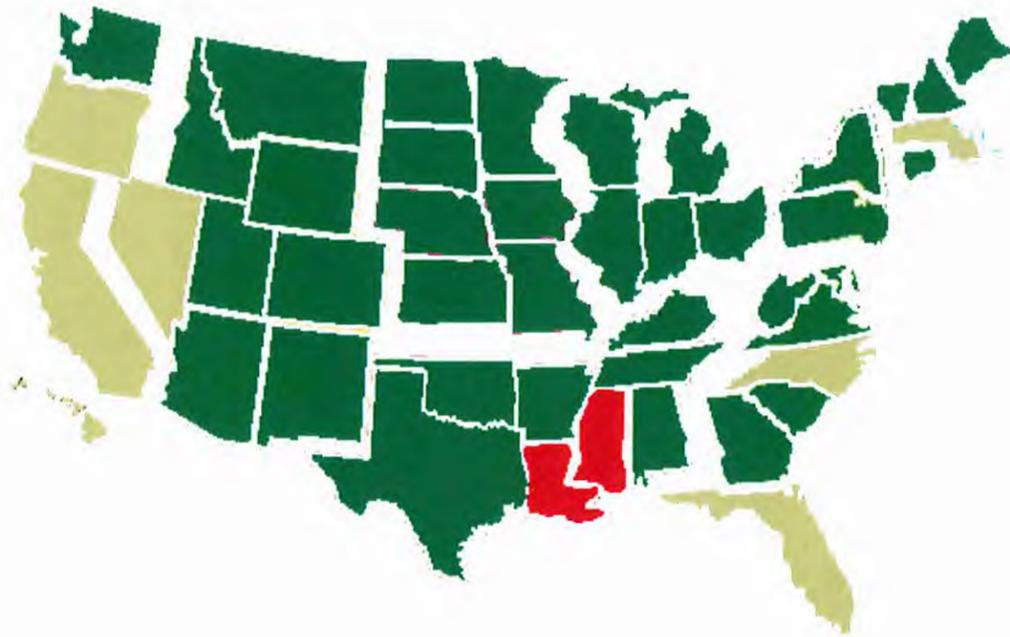
Net Change = Openings Minus Closures (in 18 hole equivalents)



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%**

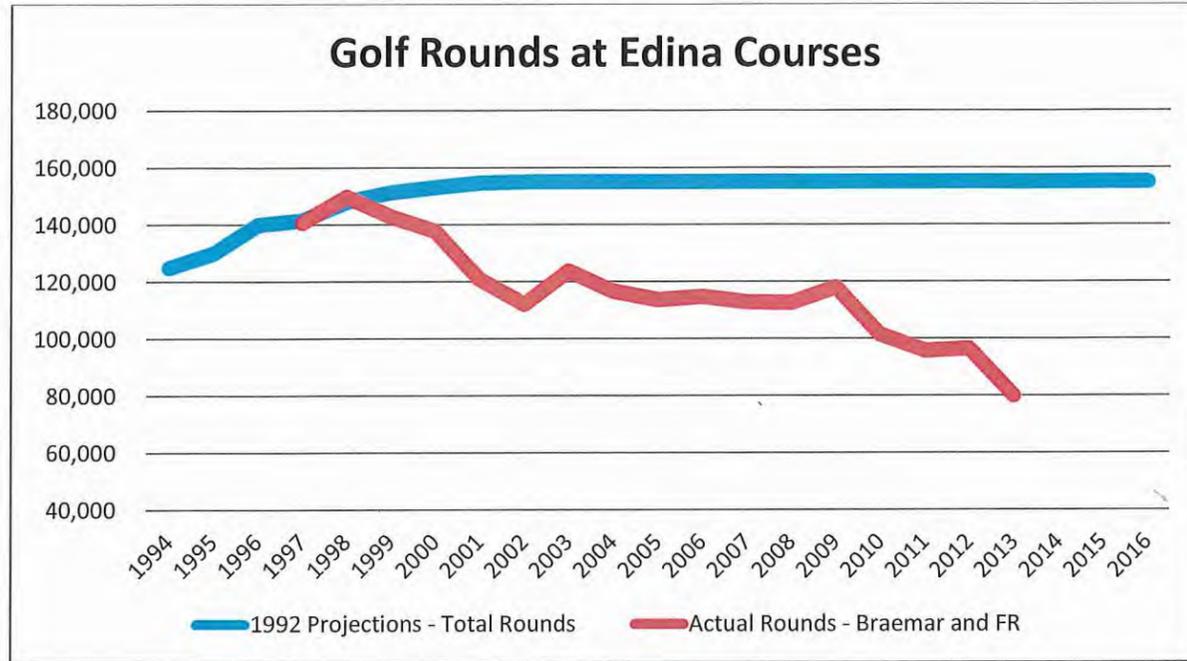
**South Atlantic + 2.4%; South Central + 5.0%**

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

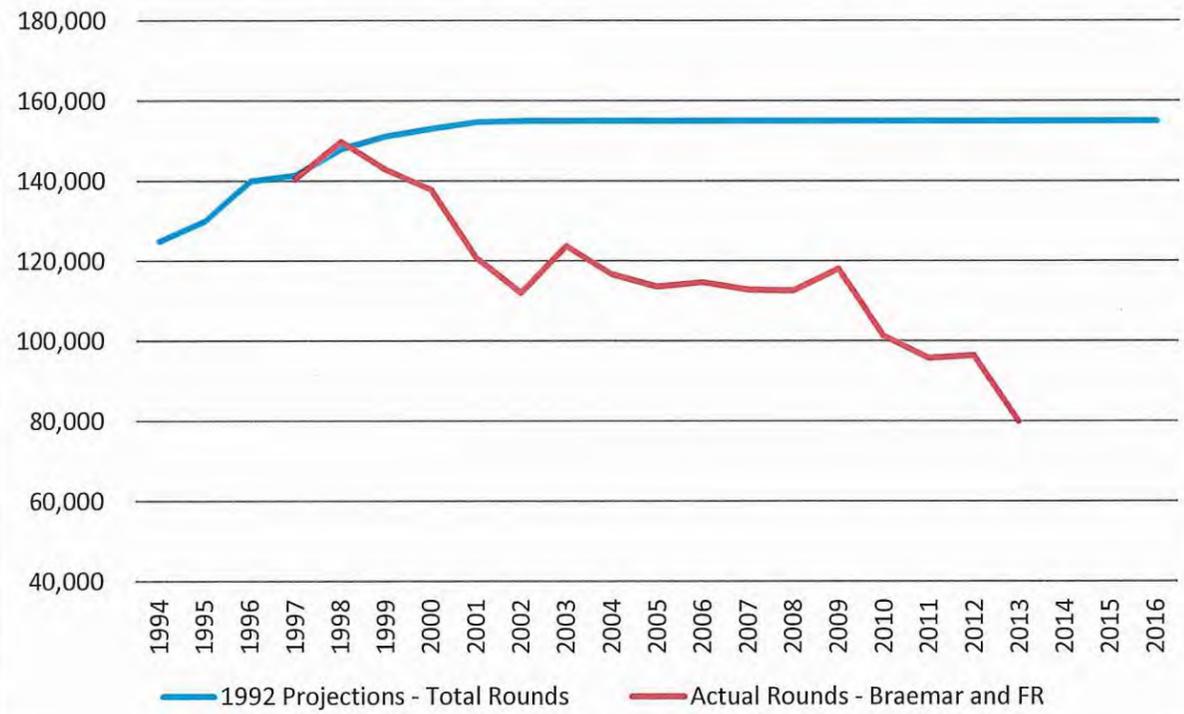
Page 1	Rounds of golf over the years
Page 2	Baseline projections
Page 3	Baseline without Fred Richards (1 FTE staff reduction)
Page 4	City Staff Plan
	Financial Variables
	Close Fred Richards (1 FTE reduction),
Page 5	Rate increases,
Page 6	Improved marketing,
Page 7	Driving range expansion
Page 8	Grill 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)

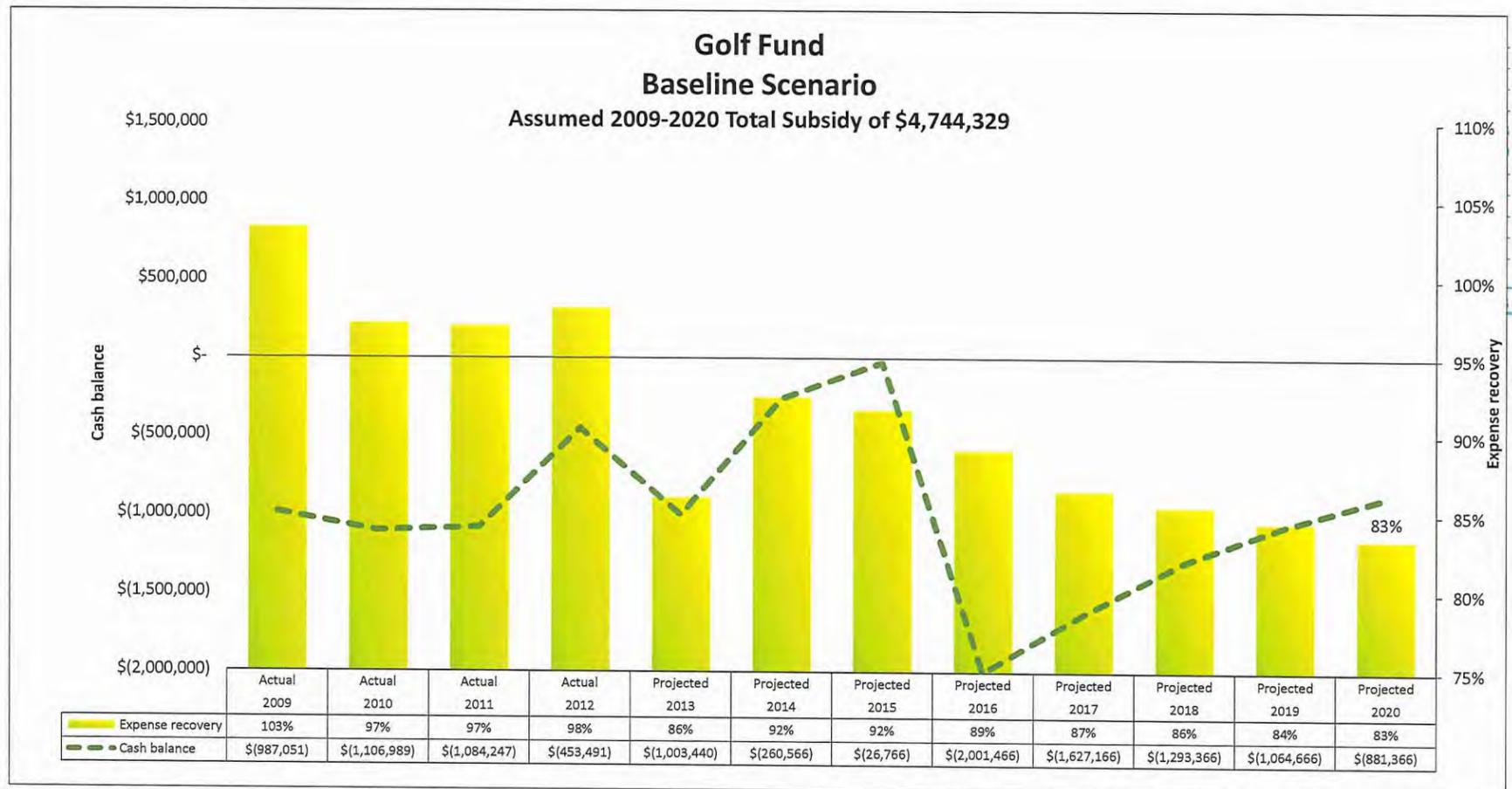
NOTE: All plans and variables assume average weather and consistent demand for golf each year of the study.

### 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>

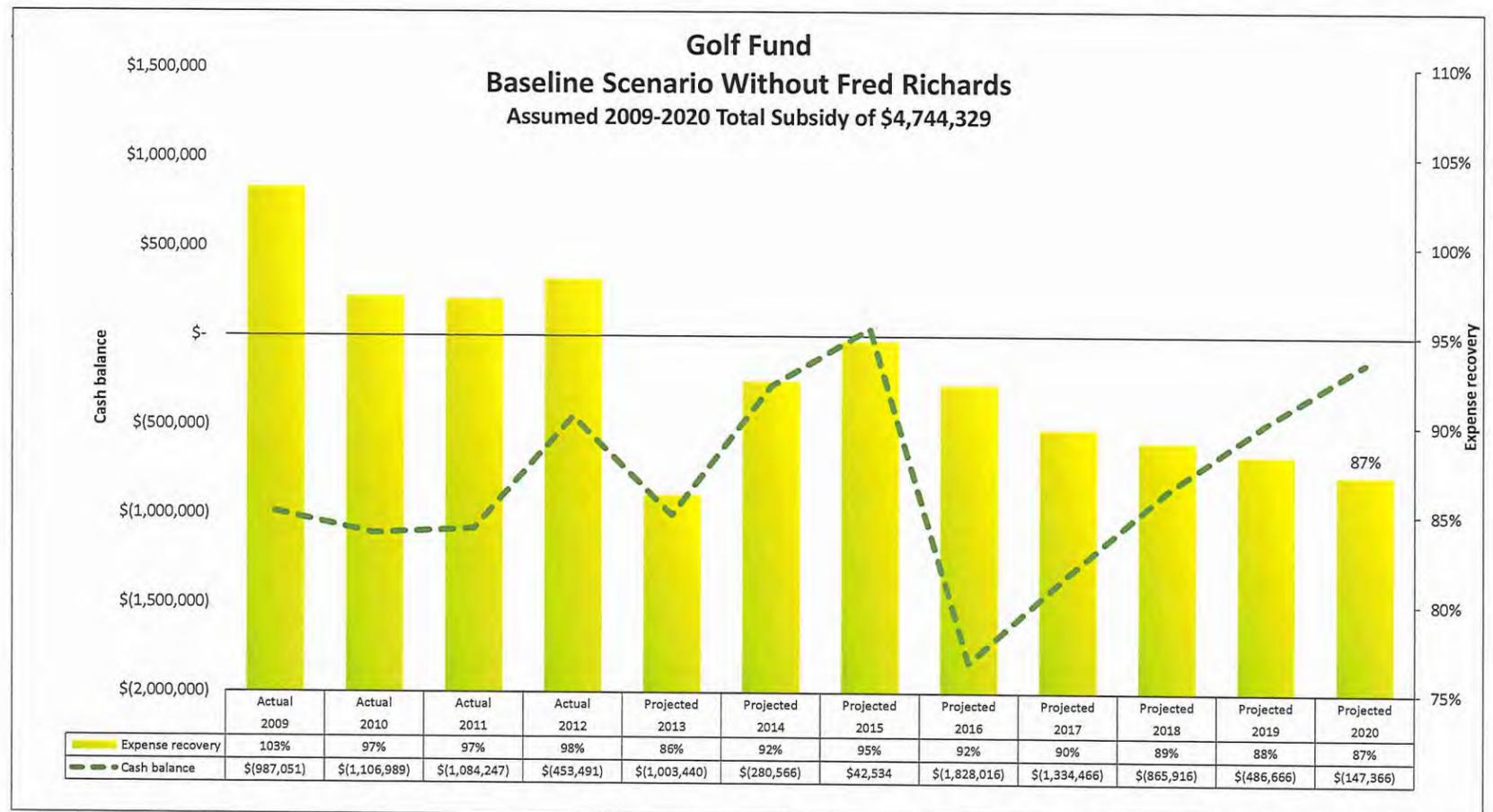


1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	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 asse</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>

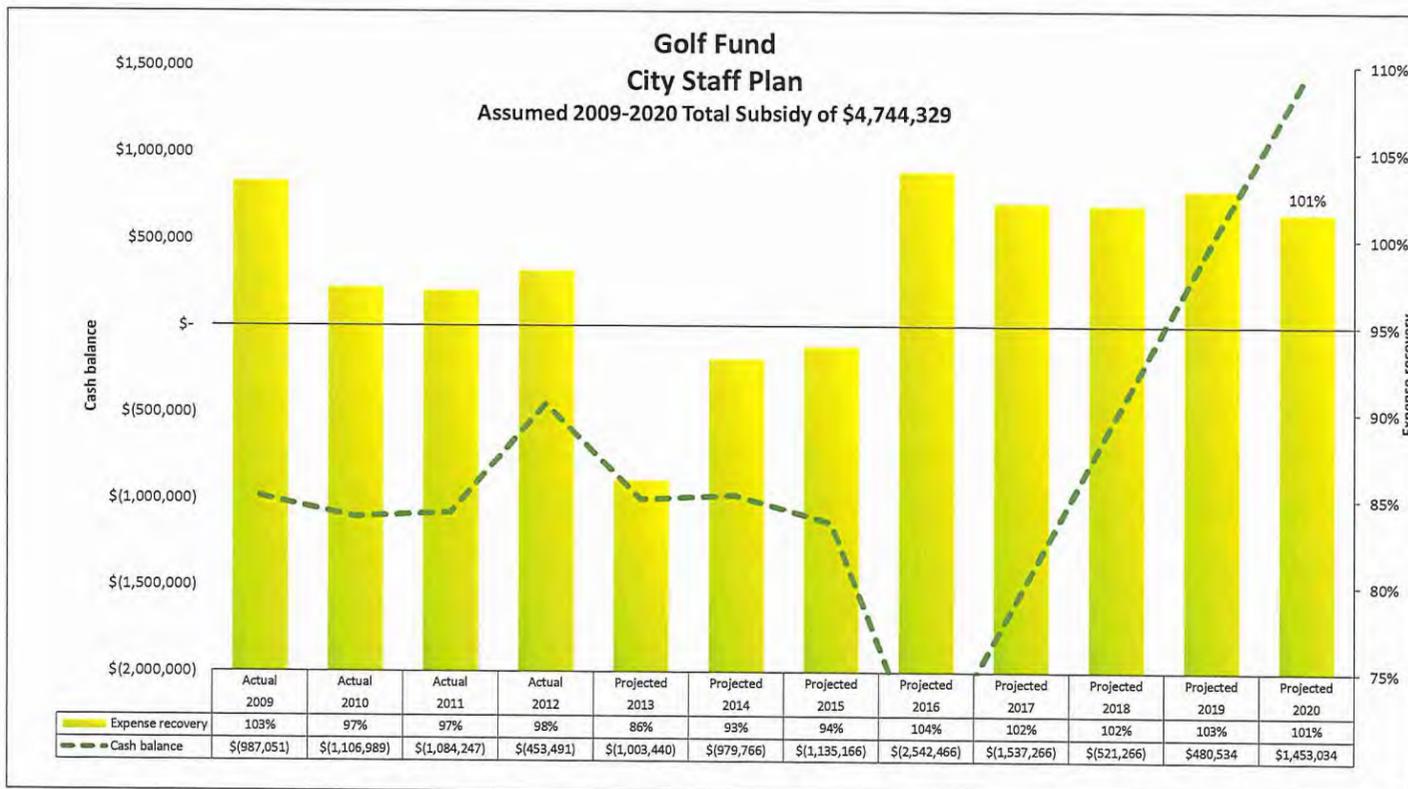


1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

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

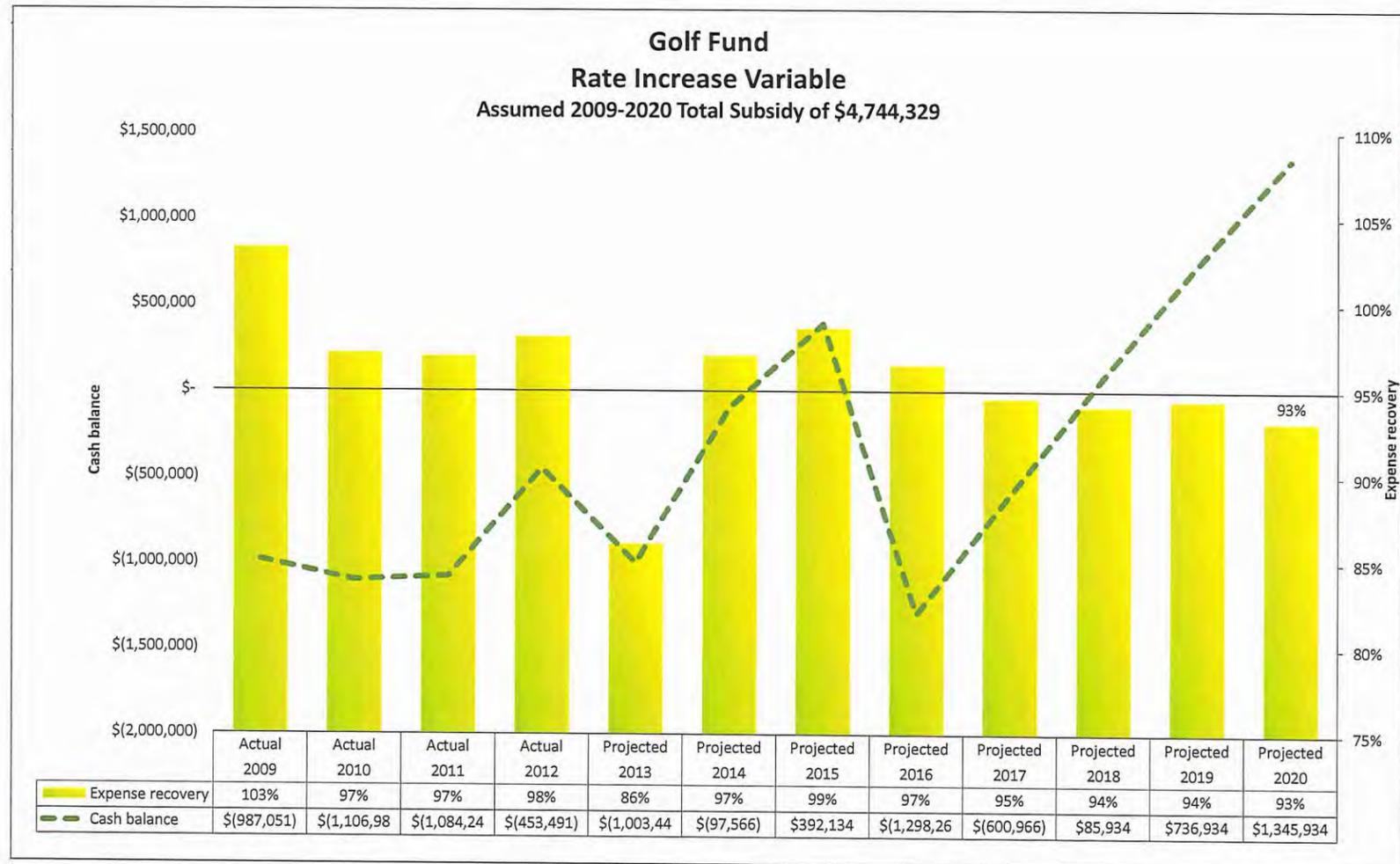
City of Edina Golf Fund  
City Staff Plan

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	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	185,000	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							(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
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	359,484	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	59,200	78,900	73,500	68,000
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	637,800	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)	(55,800)
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	576,000	542,000	631,000	715,000	731,000	750,000	772,000
<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>3,648,668</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>(1,086,989)</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>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: 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>\$ 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>



**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>	<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	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						25,000	47,800	74,800	74,800	99,800	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	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>	<b>103%</b>	<b>97%</b>	<b>97%</b>	<b>98%</b>	<b>86%</b>	<b>97%</b>	<b>99%</b>	<b>97%</b>	<b>95%</b>	<b>94%</b>	<b>94%</b>	<b>93%</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>

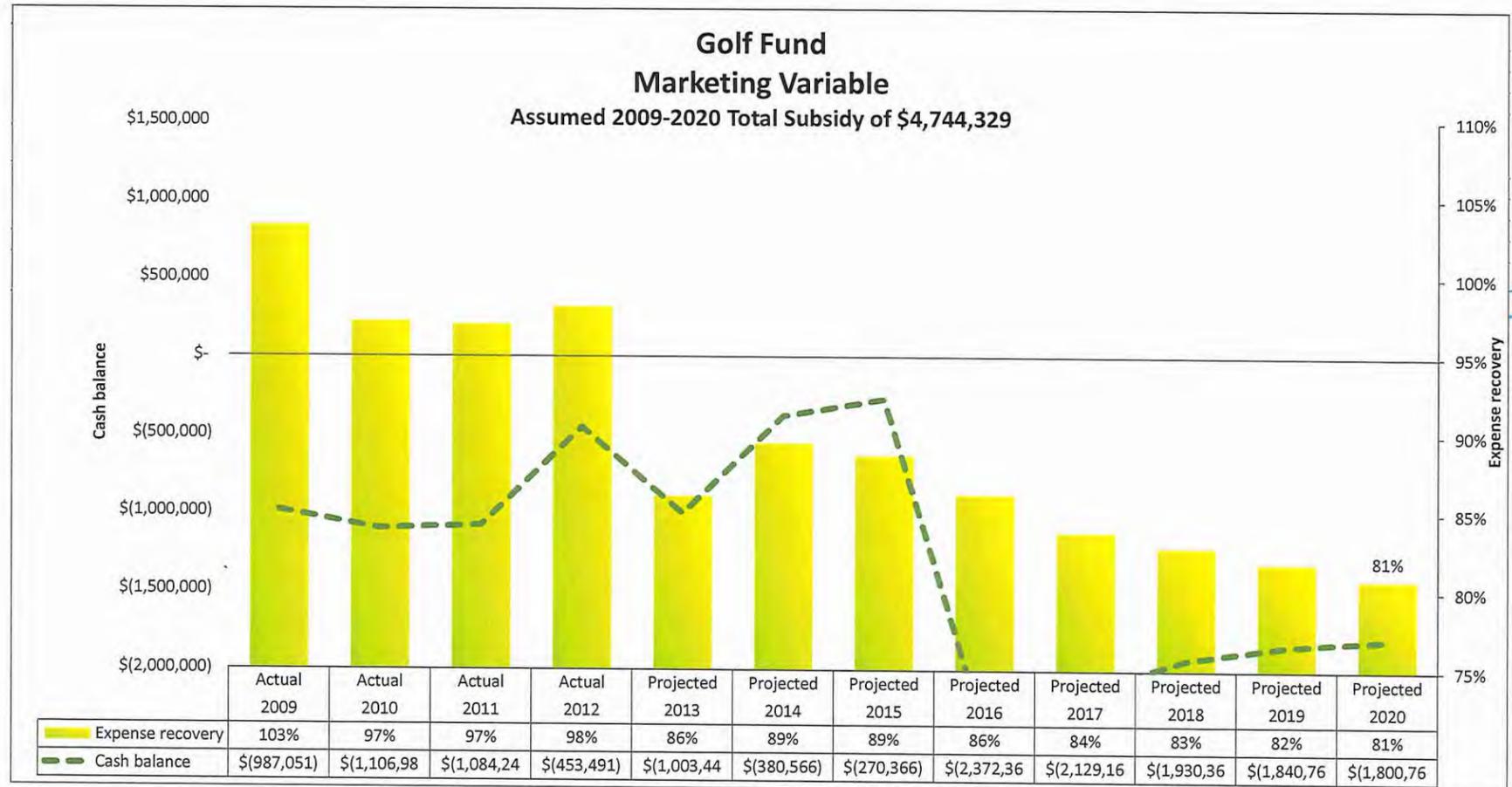


1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

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

**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>	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	
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>	103%	97%	97%	98%	86%	89%	89%	86%	84%	83%	82%	81%	
<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>

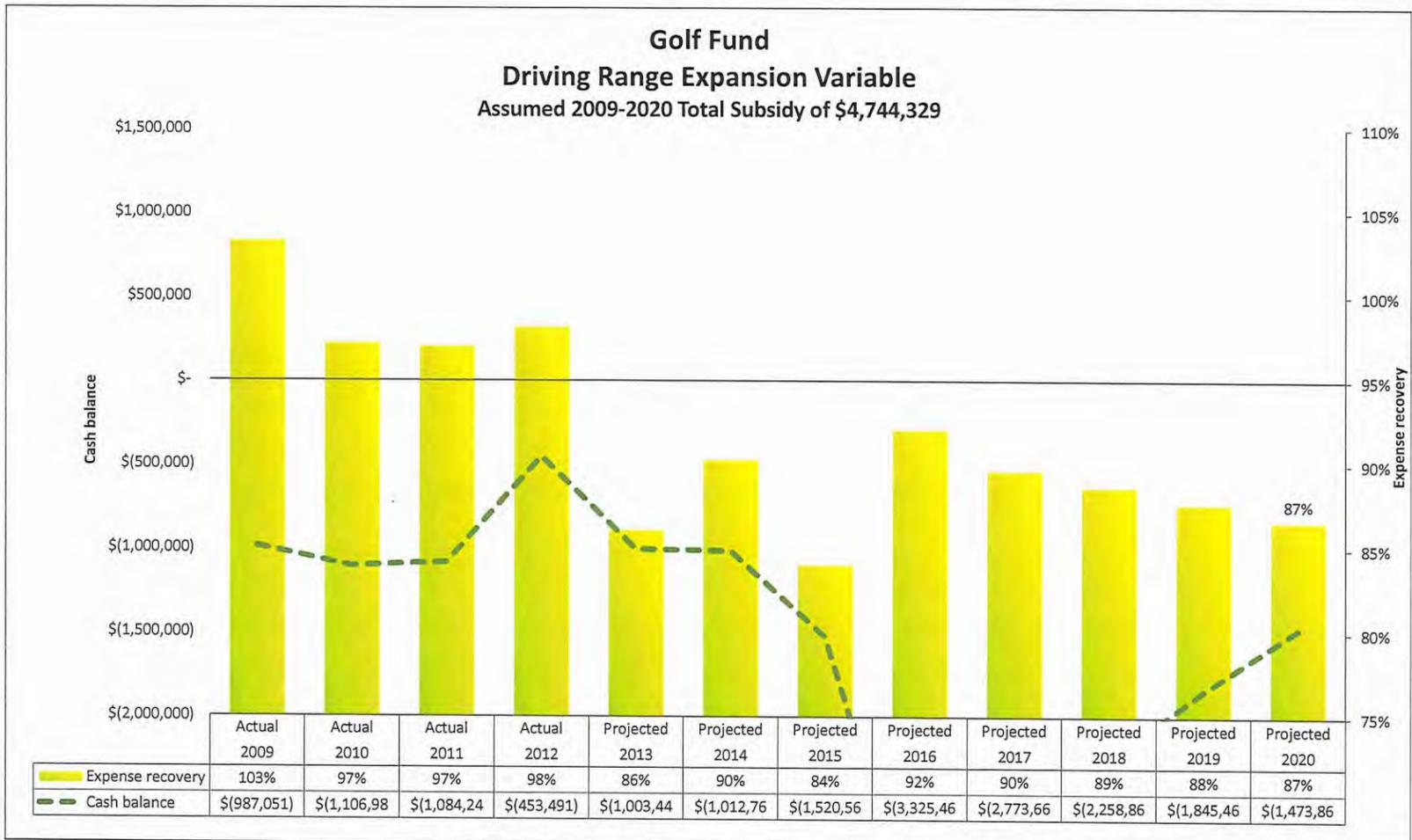


1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
	Actual	Actual	Actual	Actual	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	\$ 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	
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	32,000	37,000	37,700	38,500	39,300	
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	2,623,627	-	-	-	-	-	-	-	-	
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>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	\$ 107,900	\$ 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>

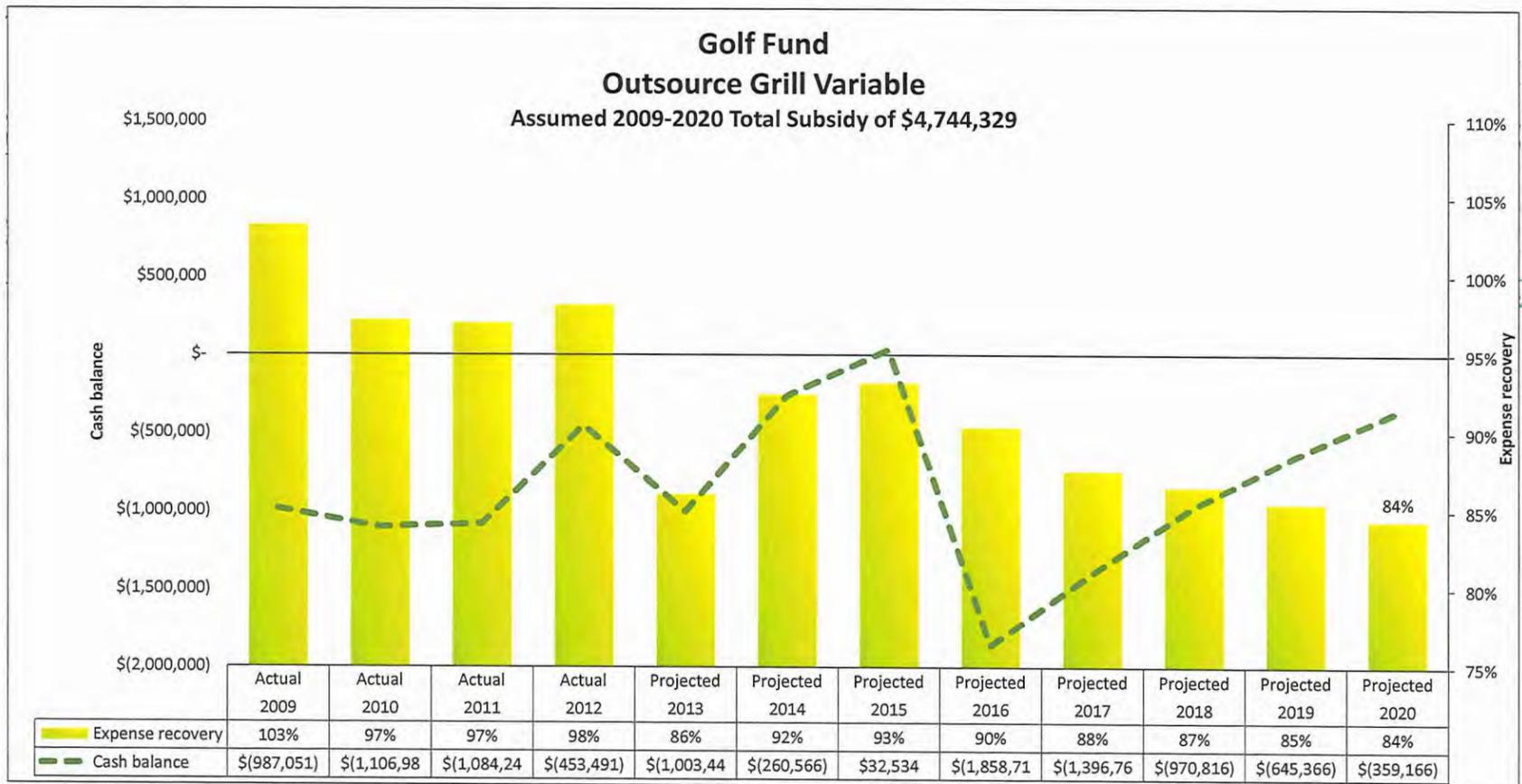


1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

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>	<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	
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>	<b>103%</b>	<b>97%</b>	<b>97%</b>	<b>98%</b>	<b>86%</b>	<b>92%</b>	<b>93%</b>	<b>90%</b>	<b>88%</b>	<b>87%</b>	<b>85%</b>	<b>84%</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>

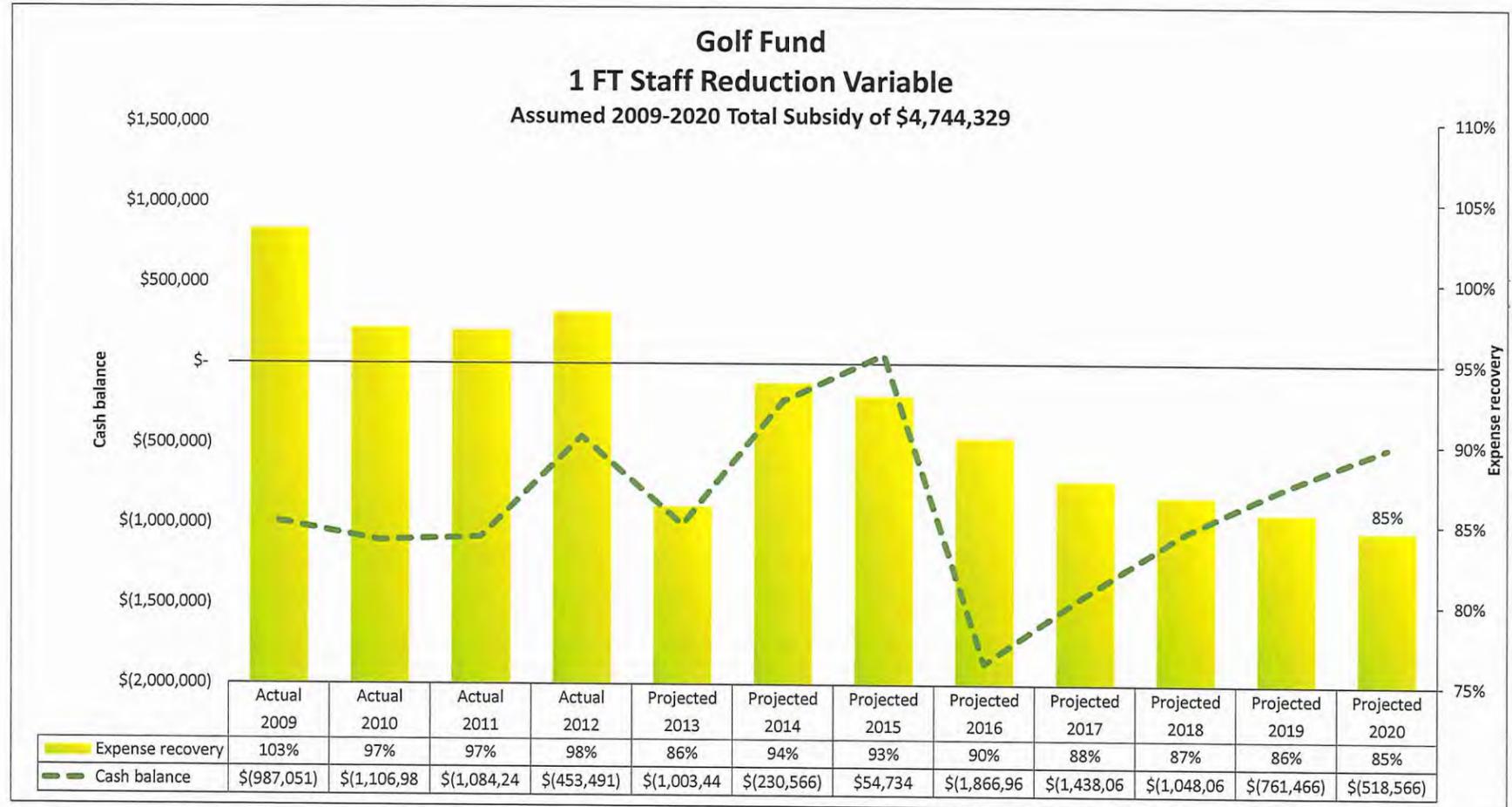


1,039,329 Estimated 2009-2013 subsidy  
3,705,000 Future subsidy assumed 2014-2020

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  
FT Staff Reduction Variable**

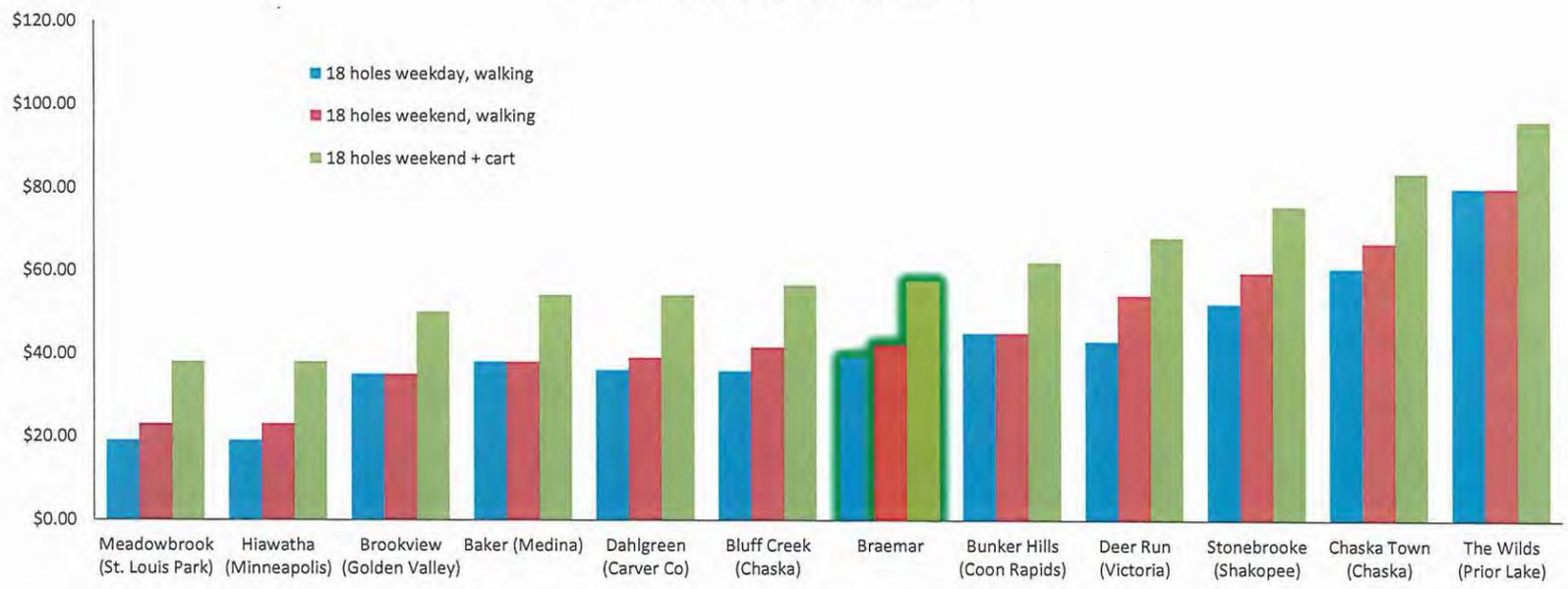
	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	
<b>Total rounds sold</b>	118,076	101,387	95,771	96,496	80,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
<b>Operating 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	
Reduce by 1 FT position, net of PT adds					(50,000)	(51,500)	(53,000)	(54,600)	(56,200)	(58,000)	(59,900)	(62,000)	
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>3,515,168</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>	103%	97%	97%	98%	86%	94%	93%	90%	88%	87%	86%	85%	
<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

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

## Attachment E

**UNAPPROVED - MINUTES  
OF THE REGULAR MEETING OF THE  
EDINA PARK BOARD  
HELD AT CITY HALL  
February 11, 2014  
7:00 PM**

**I. CALL TO ORDER**

Chair Steel called the meeting to order at 7:04 p.m.

**II. ROLL CALL**

Answering roll call were Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Student Members present: Good, Johnson.

Also present: City Manager Scott Neal.

**III. APPROVAL OF MEETING AGENDA**

**Chair Steel made a motion, seconded by Member Deeds, to amend the rules of the public hearing to limit speakers' testimony to two minutes per speaker in order to allow more residents to speak.**

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion carried.

**Member Gieseke made a motion, seconded by Member Deeds, to approve the meeting agenda.**

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion carried.

**IV. ADOPTION OF CONSENT AGENDA**

**Member Deeds made a motion, seconded by Member Segreto, to approve the consent agenda as follows:**

**IV.A. Approval of Minutes – Regular Park Board Meeting of January 14, 2014**

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion carried.

**V. PUBLIC HEARINGS**

**V.A. Golf Course Operations Study**

Mr. Neal noted this presentation regarding the city's golf enterprise was first given to about 300 members of the public at Braemar Golf Course on January 30, 2014. He presented data showing a significant decrease in rounds of golf sold since 1998, which has increased costs to the taxpayers. He looked at the past subsidies of the golf fund as well as the proposed \$485,000 subsidy going forward. He noted the city's three objectives going forward are financial stability and self-sufficiency, increased customer service levels, and improved facilities for better play and experience. He noted a significant issue is how to pay for improvements at the golf courses.

Mr. Neal presented a six-step strategy, beginning with narrowing the scope of golf operations, specifically closing Fred Richards as a golf course at the conclusion of the 2014 season.

Ms. Kattreh noted the second step is to make improvements at Braemar, including improvements at the driving range, the teaching range, the drive into the golf course, and the Grill and clubhouse. She

discussed the importance of creating a master plan for Braemar, in order to accommodate youth, women, seniors, and players of all abilities.

Mr. Neal indicated the third step is to modify prices and provide discounts.

Ms. Kattreh noted that part of the plan is to outsource ancillary services, specifically the Grill. A better product and more inviting environment are possible.

Mr. Neal noted another step is to expand marketing at Braemar.

Ms. Kattreh stated the sixth step is to improve customer service at Braemar. The plan is to hire a customer service consultant to help train, hire, evaluate, and coach.

Mr. Neal then presented pro-formas for golf rounds in the future and discussed the repurposing of the Fred Richards site, which would remain as a public area with low-intensity use going forward.

Member Deeds stated it is important to have conservative projections for golf rounds sold, for example, if only 90,000 rounds are sold rather than the 100,000 projected rounds. Ms. Kattreh responded the improved customer service and marketing levels should make 100,000 rounds sold feasible.

Member Segreto asked about the opinion of the Braemar Golf Course manager.

Todd Anderson, Braemar Golf Course Manager, concurred the golf industry is difficult right now, and he is in agreement with the six-part plan.

Member Jones asked about the staging of the repairs and improvements. Mr. Neal explained that the staging of the improvements is also impacted by the possibility of obtaining credit to make the improvements. However, the credit rating agencies always have significant questions about the operations of the two golf courses and the revenue losses. Regarding staging, the new driving range should be commenced at the tail end of the golf season.

Member Jones asked about preservation of the wildlife and green space at the Fred Richards course and the possibility of land being sold to a developer. Mr. Neal responded the Council has not given any indication that they are interested in selling park property. Fred Richards was acquired in 1992 for \$800,000; staff has no recommendation for anything other than future park use. Ms. Kattreh concurred, noting that process for determining how to use the site would involve a citizen advisory committee as well as the Park Board.

Member Jones asked about putting certain holes at Braemar on hold. Ms. Kattreh noted that as part of the master plan, every hole will be considered.

Chair Steel opened the public hearing at 7:40 p.m.

Gene Nord, 6425 Nordic Circle, Vice President of the Braemar Men's Club, read aloud the letter from Rick Ites, the President of the Braemar Men's Club and the Braemar Golf Association. He noted many improvements are needed at the Golf Course.

Leslie Sharp, 6501 Cherokee Trail, expressed support for plan and for the improvements of Braemar Golf Course, particularly for cart paths.

Andrea Keller, 4010 Monterey Ave., a PGA teaching professional, spoke against the proposal for closing Fred Richards. She stated it is an ideal course for juniors, and specifically young girls, to learn the game.

Derek Johnson, 7421 West Shore Drive, noted the Fred Richards course was profitable was 2013. He stated the course at Braemar is not as suitable for beginning golfers. This plan closes a revenue-generating facility and converts it to a non-revenue-generating piece of land.

Scott Nelson, 6428 Vernon Ave., stated Fred Richards is a great place, but it is time to let go of the course. He noted Braemar was one of the top courses in the state, and it should be returned to that status.

Katie Bourget, 6203 South Knoll, asked for more time for research to develop programs at Fred Richards, as it is a great course to develop beginners, specifically young girls.

Richard Johnston, 4505 Wooddale Ave, stated Fred Richards offers a unique golf experience, and it should be retained for future generations. He also agreed with the improvements at Braemar. He suggested working on making Fred Richards more profitable.

Marie Leggett, 6 Spur Road, stated she has been playing on Fred Richards for the past three years.

Anita Leggett, 6 Spur Road, encouraged the Park Board to encourage other options to raise resources rather than closing Fred Richards. She read aloud an email from PGA in support of golf and noted there may be untapped potential with coming of the 2016 Ryder Cup.

John Marshall, 6404 Stauder Circle, spoke against the current proposal to close Fred Richards. He is concerned about a lack of plan to keep the game of golf growing.

Tim Nasby, 7408 West Shore Drive, commented on the two consultant reports completed on golf operations. He noted the NGF report stated that while Fred Richards Golf Course may not be consistently profitable for the City of Edina, it's a place as a feeder facility to develop new players and will benefit all other golf courses in the system.

Dan DeYoung, Scottsdale, Arizona, stated the golf industry will continue to decline. Making Fred Richards into a park does not make the city money. He played a lot of golf at Fred Richards as a young player.

Scott Dorgan, 4504 Gilford Drive, stated Fred Richards is cash-flow positive and should remain in operation for kids and grandparents learning the game. He urged Park Board members to spend an afternoon at Fred Richards this summer. The kids should be placed in highest value in this decision.

Lorenzo Tunesi, 4413 Ellsworth Drive, expressed support for the six-step proposal presented.

Anna Heirigs, 4529 Gilford Drive, stated she has learned to play golf at Fred Richards over the last two years.

Barton Hallin, 4424 Gilford Drive, stated his children have learned to play golf at Fred Richards, and it is a great place to have three generations golfing all at once. He also questioned the timing of creating a citizen advisory team after, rather than before, Fred Richards is closed.

Tom Terwilliger, 7421 Kellogg Ave, referred to the 2011 NGF consultant report that cited Fred Richards as an invaluable feeder facility for the Edina golf system.

Dan Goodenough, 5604 Valley Lane, cited the city should be investing several million dollars in both golf courses to bring them up to par.

RJ Smiley, 6205 St. Johns Ave., observed Edina cannot support 45 holes of golf. There is a tremendous demand for an executive golf course in Edina. He recommended closing Fred Richards and immediately begin a master redevelopment plan for Braemar that would include 18 holes of quality golf and also create an executive 9-hole course.

Dan Olson, Minneapolis, indicated the league he participates in a Tuesday league at Fred Richards with all levels of golf ability, which would not be possible at Braemar.

Robert Peterson, 5620 Doron Drive, spoke in support of the major reinvestment at Braemar. In 1984, it was the number one golf course in the State of Minnesota, but the golf course has been allowed to decline.

Ms. McGrath, 4619 Moorland Ave., stated she plays in the girls' league on Sundays at Fred Richards, and it is important to keep the course open.

Megan Keller, 4010 Monterey Ave., asked that Fred Richards be kept open.

Andrea Keller, 4010 Monterey Ave., asked for the Park Board to explore the many other opportunities for funding. She noted Braemar will never be a small, unintimidating course. If the city closes Fred Richards, many golfers will be lost.

Wayne VanderVort, 4525 Gilford Drive, stated he plays golf with many of his grandchildren at Fred Richards. He requested that the Park Board create a citizen committee to look at the financials with staff. He has spoken to three golf groups from Fred Richards who indicate they will not transfer to Braemar. He also noted the PGA is on a crusade of creating courses with only 9 holes.

Dan DeYoung, Scottsdale, AZ, suggested the Park Board explore other options to see what keeps the course busy during the week and on the weekend.

Elizabeth and Katie Dickey, 5021 Yvonne Terrace, indicated both have played Fred Richards with their father, and they expressed support for keeping it open.

Tom Gastler, 4417 Gilford Drive, expressed support for Fred Richards. He does not believe public engagement has sufficiently been sought in this process.

Paul Rosenthal, 4721 Hibiscus Ave., expressed support for Fred Richards, calling it a jewel of the community. He expressed concern about the condensed timeline not allowing for sufficient public input.

John Velgersdyk, 4516 Sedum Lane, stated he is encouraged by the improvements at Braemar. He opposes the closing of Fred Richards and believes the 2011 and 2013 studies show the course is profitable.

Ella Marshall, 6404 Stauder Circle, and Emily Bourget, 6203 South Knoll Drive, indicated they both love playing with family and friends on the Fred Richards course.

Kevin Holm, 4501 Belvidere Lane, expressed support for the improvements to Braemar as well as closing Fred Richards.

Barton Halling, 4424 Gilford Drive, expressed support for Fred Richards. He mentioned the development on Pentagon Park near Fred Richards, and the developer has said it could work with either a golf course or something else. He noted more people are using executive courses, so there seems to be a new set of players for Fred Richards, right next to the course. He suggested tabling the decision on Fred Richards at the end of 2014, whereupon two or three proposals should be put forward, one of which should be retaining Fred Richards.

George Griffiths, 4444 Dunham Drive, stated the Braemar 9-hole course is the most consistently used course of the four courses in Edina. Additionally, there are nine distinct cost centers in the Braemar Golf operations (Braemar 18, Braemar 9, Braemar Executive, Fred Richards, Golf Dome, Driving Range, Pro Shop, Club House and other social functions) that could be established in the golf enterprise in order to embark on a study to find out exactly what is making money and what is losing money.

Derek Johnson, 7421 West Shore Drive, thanked the Park Board for the chance to speak tonight and asked that the Park Board take additional time to consider options other than closing Fred Richards.

Chair Steel closed the public hearing ended at 8:44 p.m.

Member Deeds asked Mr. Neal to discuss the financials to clear up the questions raised by the public. Mr. Neal asked Mr. Roggeman to speak, as he prepared the pro-formas.

Eric Roggeman, Assistant Director of Finance, stated there are two business units that account for business activities at Fred Richards, one for maintenance and the other for activities. At first glance, it looks like a positive cash flow of \$50,000. What is not accounted for is about \$250,000 in debt and historic interest payments. Also not included are several items that run through the Braemar cost center, such as a load of fertilizer or maintenance equipment, which would be another \$50,000. He believes the cash flow has historically been negative by at least \$250,000. The question is whether Fred Richards can cash flow going forward, especially as improvements are needed in the future.

Member Deeds asked about the bond rating agencies' concerns regarding golf operations. Mr. Neal responded the City of Edina has a AAA rating. One of the underpinnings of the credit rating is management. One of the measures of that management is how many municipal operations run in an enterprise setting. When the analysts see that there is deterioration in a major enterprise like the golf course, they become concerned about it and ask about future planning. The city's answers to those questions could potentially impact the city's bond rating. The city would like to have a solid plan in place for those creditors.

Member Deeds noted one option to fund improvements is the use of revenue bonds. He asked about the possibility of using revenue bonds for Braemar improvements. Mr. Neal responded a major borrowing has not occurred in the golf operation. Staff would like to point at the golf operation revenue and use that as leverage for future debt. General obligation bonds will probably have to be issued to do improvements. If the city can pay it with golf revenues, great. Otherwise, it becomes a tax burden.

Member Segreto noted there are significant capital improvements coming up if Fred Richards remains open. The city cannot maintain both courses.

Chair Steel asked about accommodating youth at Braemar with the improvements.

Ms. Kattreh stated staff does not underestimate the value of Fred Richards to youth golfers in Edina. The master plan at Braemar would invest significantly in women, youth, and seniors.

Member Cella asked if there is a way to preserve a low-stress environment at Braemar, similar to the one residents are in support of at Fred Richards.

Ms. Kattreh responded it would be possible. The master planning process would determine the best allocation for those 36 holes of golf.

Chair Steel summarized that a working group would be formed, and it would come before the Park Board to be sure the residents are being served.

Member Jones questioned the timeline of the decision-making process. She asked about an improved communications process with neighbors.

Mr. Neal communicated the input is being gathered, and if there is some interest in meeting with representatives of the Fred Richards group, that can happen.

Chair Steel indicated she is adamant there has to be a clear public process going forward, and a timeline to allow for the facilitation of ideas. However, she does not think that time would change the financials before the Park Board tonight.

Member Gieseke concurred, noting something needs to change, but he would also like more public discussion about the future of Fred Richards.

Member Deeds stated he likes Fred Richards, but the city has more holes of golf than the city can support. Fred Richards is the least utilized asset of the park system. This is a hard decision before the city. He applauded the staff's work on the pro formas. Given the future investment needed in Fred Richards, a convincing case is made that there are too many holes of golf. He suggested every effort be made to create the same atmosphere Braemar for the kids, but Braemar must be invested in.

Member Cella concurred with Member Deeds' comments. She would like to have specific programming language that Braemar must create the stress-free opportunities for youth and those new to golf.

Member Jacobson wondered whether Fred Richards could be changed into something that is more like a park and not a business.

Student Member Johnson suggested the Braemar improvements be separated from the issue of closing Fred Richards.

**Member Segreto made a motion, seconded by Member Deeds, that the Park Board recommendation to the City Council that the golf operations proposals, including the recommended closing of Fred Richards Golf Course, be supported.**

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion carried.

**V.B. Seasonal Off-Leash Dog Area at Strachauer Park**

Susan Faus, Assistant Parks & Recreation Director, asked to make the off-leash dog area at Strachauer Park a permanent amenity. After the first year, no complaints were received regarding barking or increased traffic at the park. Staff feels using hockey rinks year-round makes sense and it also provides an off-leash area in this area of Edina.

Chair Steel opened the public hearing at 9:15 p.m.

No one spoke.

Chair Steel closed the public hearing at 9:15 p.m.

**Member Deeds made a motion, seconded by Member Gieseke, to make the off-leash area at Strachauer Park a permanent amenity.**

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion carried.

**VI. COMMUNITY COMMENT**

Kim Montgomery, 5300 Evanswood Lane, stated after four years of process, the city has not developed a process for maintaining the former Public Works 3.3-acre site. She asked the Park Board to recommend to the City Council to preserve the Grandview land for public use and to prioritize a new Community Center.

**VII. REPORTS/RECOMMENDATIONS**

**VII.A. Pamela Park Shelter Building Working Group**

Ms. Kattreh asked for Park Board approval for the creation of the working group and also for Park Board member participation on the working group.

Member Segreto volunteered to join the working group.

**Member Deeds made a motion, seconded by Member Gieseke, to approve the working group.**

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion carried.

**VIII. CORRESPONDENCE AND PETITIONS**

**VIII.A. Council Updates**

No discussion.

**VIII.B. Other Correspondence**

No discussion.

**VIII.C. Veterans Memorial Committee, December 20, 2013 Minutes**

No discussion.

**IX. CHAIR AND BOARD MEMBER COMMENTS**

None.

**X. STAFF COMMENTS**

Ms. Kattreh made the following comments: there will be a Park Board work group with the Council on February 18; so far, 49 of the 55 plots of the community garden are rented; staff has been talking with the Minnesota Wild about using Braemar Ice Arena as a permanent practice facility, and hopes to have a proposal before the Park Board at the March meeting.

**XI. ADJOURNMENT**

**Chair Steel made a motion, seconded by Member Deeds, to adjourn the meeting at 9:25 p.m.**

Ayes: Members Jones, Gieseke, Steel, Segreto, Cella, Deeds, Jacobson.

Motion Carried.

The meeting adjourned at 9:25 p.m.