

JOURNAL OF COMMISSION WORK SESSION
August 15, 2017

City Commission Work Session
Civic Center, Gibson Room 212

Mayor Pro Tempore Jones presiding

CITY COMMISSION MEMBERS PRESENT: Bob Jones, Bill Bronson, Tracy Houck and Fred Burow. Mayor Bob Kelly was excused.

STAFF PRESENT: City Manager Greg Doyon and Deputy City Manager Chuck Anderson; City Attorney Sara Sexe and Chief Prosecutor Neil Anthon; Fiscal Services Director Melissa Kinzler; Public Works Director Jim Rearden; Park and Recreation Interim Director Patty Rearden and Golf Pro Connie Cramer-Caouette; Police Captain John Schaffer; and, City Clerk Lisa Kunz.

**** Action Minutes of the Great Falls City Commission. Please refer to the audio/video recording of this meeting for additional detail. ****

1. **CALL TO ORDER:** 5:30 p.m.

2. **PUBLIC COMMENT**

There were no public comments.

3. **MARSY'S LAW, HB 133 AND UNFUNDED MANDATES IMPACT ON CITY RESOURCES – continued from August 1, 2017**

City Attorney Sara Sexe reviewed and discussed the attached PowerPoint presentation that included, in part, HB 333, HB 168, HB 77, HB 604, SB 200 amending MCA 46-5-307, and SB 228. Other significant items that did not pass or were vetoed by the governor: SB 276, HB 231, HB 404, HB 559, HB 611, SB 177 and SB 239.

4. **MID SEASON UPDATE ON GOLF**

Golf Pro Connie Cramer-Caouette reviewed and discussed the attached PowerPoint presentation that included rounds played and revenues at Anaconda Hills and Eagle Falls golf courses, rounds and revenue joint venture, joint cybercard/pass/total revenue, total season revenue, and fiscal year revenue and expenses for the period 2013 - 2016. She further discussed playable days and events at both courses for the period 2014 – 2017. She explained that, with a limited budget, low cost promotions were done through advertising, radio spots, table displays and sandwich boards, an updated phone system that informs customers on hold about events and tournaments, and press releases.

Golf Pro Cramer-Caouette reported that there was a good turn out for a Scheels' family golf day on Father's Day. She opined that friends and family should be emphasized at Anaconda Hills golf course, rather than the hardcore golfers.

She reviewed concession trends that have decreased each year since 2013. The concessionaire has submitted a letter to Park and Recreation Interim Director Patty Rearden outlining their thoughts and suggestions regarding the City's rate structure. She further reviewed shop merchandise trends that have decreased in volume and sales that she believes is due to the loss of the 25% discount with the cybercard. There isn't dedicated staff to sell merchandise, and there is only a total of 650 square feet of sales area.

Golf Pro Cramer-Caouette discussed fiscal year end financials from 2013 – 2017. FY 18 includes \$75,000 for equipment and \$66,252 for a general fund payment. The objective is to generate sufficient revenue to cover operating expenses, address capital needs and begin repayment of the general fund debt.

The golf courses are behind on capital needs projects. She reviewed two options from \$450,000 to \$675,000 for critical equipment purchases with payments ranging from \$90,000 to \$145,000 for five years.

She reported that the rates and fee structure is antiquated and needs to be looked at, as well as consideration of structuring green fees and promotions to increase play, predict market action/reaction to pricing, length of season at both courses and determine valid dates for season passes.

In conclusion, Golf Pro Cramer-Caouette reported that, after visiting here in Great Falls, Rich Richeson, PGA, provided her with recommendations on a fee structure and player development/marketing. His recommendations would require additional staffing and additional funds to put into place.

Commissioner Houck inquired how many people are employed during the golf season. Golf Pro Cramer-Caouette responded that 13 to 19 people, but that it depends on their availability because the majority of employees have other jobs. Additionally, she reported that staffing covers from 5:30 a.m. to 10:00 p.m. at both courses seven days per week, and that she is the only full time employee in the golf shop in the off season.

Commissioner Houck inquired what the process was regarding implementing some of the considerations discussed. Golf Pro Cramer-Caouette responded that direction is needed from City Management and City Commission. Park and Recreation Interim Director Patty Rearden added that staff is working with the Golf Advisory Board. At its next two meetings the Board will be reviewing fees to provide a recommendation to the Commission.

Commissioner Bronson inquired how the \$66,252 estimate was determined as a repayment to the general fund by June 30th of next year. Golf Pro Cramer-Caouette responded that rate structures were penciled out that include money from a cybercard promotion. Commissioner Bronson noted that it would then be contingent upon approval by the Commission of an alternative rate structure.

Commissioner Bronson noted that Great Falls is the only city in the state that has two municipal golf courses. The courses are reasonably expensive to operate, noting that there are capital needs. If there isn't revenue generated to operate the courses, then the Commission needs to ask

itself if it is just trying to do too much. He requested a more detailed plan to repay the general fund, based on reasonable estimates and assumptions.

Commissioner Burow received clarification that no funds are budgeted from the general fund to the golf fund this year, as well as the proposal to bring on board a full time golf professional to provide lessons and market the courses wasn't budgeted for this year. Commissioner Burow suggested contracting with a professional to provide golf lessons.

Mayor Pro Tempore Jones commented he has heard a lot of compliments this year about the courses, as well as that people are getting a good deal and are willing to pay more for passes. He would like to see a proposal for increases because he feels there is general support of golfers. He also suggested looking at expanding the course opening/closing dates. The golfers need to know, if both courses are going to continue and be maintained, there is going to be some fee increases. He also requested that she look at revising the tournament fees.

Park and Recreation Interim Director noted that the shoulder seasons are slower and there isn't enough players to support both courses.

Commissioner Burow noted that a golfer informed him that the season pass in Great Falls for two courses is a great bargain compared to other courses.

Commissioner Houck noted that she is hearing wonderful things from season pass holders. However, a season pass is too expensive for people like her that are beginner golfers and, therefore, are not improving their golf games to become season pass holders.

City Manager Greg Doyon commented that the golf course fund is the number one budget priority. The decision needs to be made whether it is appropriate to have two golf courses and to have a resolution to the golf fund debt because that does effect another priority area of quality of life, public safety.

Moving forward, Manager Doyon reported that he will have Golf Pro Cramer-Caouette specifically address and articulate considerations she mentioned in this presentation. He also noted that during the quarterly budget update, there will be a special emphasis on the golf fund. Another update will be presented to the Commission at the end of the golf season.

5. DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

Manager Doyon commented that a quarterly budget review will be presented September 19th. No one suggested adding any topics.

ADJOURN

There being no further discussion, Mayor Pro Tempore Jones adjourned the informal work session of August 15, 2017, at 6:50 p.m.

City Commission Update, cont.

- August 15, 2017 Great Falls City Commission Work Session
 - Presented by: Sara Sexe, City Attorney

HB 333

- House Bill 333
 - Allows the use of Opioid Antagonist
 - Narcan.
 - Provides protection for witnesses
 - Assisting an overdose victim
 - Nothing drug related can be used for any criminal offenses, including drugs found on others.
 - Great Falls PD and GFFR have purchased for use.
 - **In effect**

HB 168

- Allows expungement of misdemeanor convictions after 5 years.
- Automatically granted unless a Assault, PFMA, Stalking, OP violation, or DUI; then prosecutor can object.
- In effect October 1

House Bill 77

- Revises OPD system
 - Created office of state public defender
 - Director at the Department of Administration
 - Public defender advisory commission
- Effective July 1, 2017

House Bill 604

- Statewide public safety communications system.
- Creating and communicating operational recommendations and guidelines applicable to all state agencies.
- Unknown funding impact to City.
- Effective July 1, 2017.

Senate Bill 200 Amending MCA 46-5-307

- Authority for local government ordinances to provide process for disposal of lost, abandoned, and found tangible personal property and evidence.
- Initially requested City Attorney's office
 - GFFD request for assistance with evidence
 - MLCT worked on draft and Senator Ed Buttrely carried
- Effective May 4, 2017

Senate Bill 200

- OCCGF changes for implementation, considering statutory guides:
 - unclaimed property valued at \$20 or more must be held at least 3 months;
 - A notification process;
 - A process where the finder of property may take possession if it remains unclaimed;
 - How unclaimed property will be destroyed, returned to the finder, donated, or otherwise sold at public auction to the highest bidder;
 - Procedures for publication of destruction, return, donation, or sale at public auction of unclaimed property; and
 - Restoring the unclaimed property to its legal owner.

7

Senate Bill 228

- This bill will exempt needle and syringe exchange providers from drug paraphernalia laws.
- Effective March 23, 2017.

8

Other Significant Items

- Either bills which did not pass, or
- Were vetoed by Governor

9

Senate Bill 276

- Appeared to add local government responsibility for code enforcement and citation when requested by tenant.
- Vetoed by Governor on May 22, 2017.

10

House Bill 231

- Would have modified MCA 45-6-201
 - Specific language applicable to rental property
 - Person is asked to leave a rental property by the landlord,
 - Must produce written permission or a valid rental agreement.
 - If not, the person "must be removed from the premises immediately" as criminal trespass.
- Would have also expanded definition of criminal trespass to include remaining unlawfully in an unoccupied structure.
- Vetoed by Governor.

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House Bill 404

- Would have added definition of "abandoned" and modifies definition of "unauthorized person" in LTA and Res Mobile Home Act that cross-references 45-6-201 and 45-6-203.
- Would have made a new section that an unauthorized person "may be removed from the premises immediately by law enforcement."
- Failed 2nd reading in Senate.

12

House Bill 559

- ◉ Would have required all local law enforcement to receive 3 hours of annual training on landlord tenant law.
- ◉ Would have appropriated \$49,900 for training costs.
- ◉ Tabled in House Judiciary.

13

House Bill 611

- ◉ Would have precluded all local law enforcement agencies from refusing to share information with federal immigration authorities or detain a person on a federal immigration order.
- ◉ Bill was tabled in committee.

14

Senate Bill 177

- ◉ Adds LTA and Residential Mobile Home Act as statutes that must be followed by the local government.
- ◉ In Senate hearing, sponsor explained this will require local law enforcement to remove unauthorized persons and otherwise enforce landlord responsibilities with respect to tenants.
- ◉ Vetoed by Governor on May 22, 2017.

15

Senate Bill 239

- ◉ Would have added a cross-reference to 45-6-301 for abandoning unit without paying rent.
- ◉ Tabled in Senate Judiciary.

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Questions?



17

City Golf Courses

Financial Analysis of Where We've Been
Actions to take us Where We Need to Go



City Commission Work Session
August 15, 2017

Where We've Been



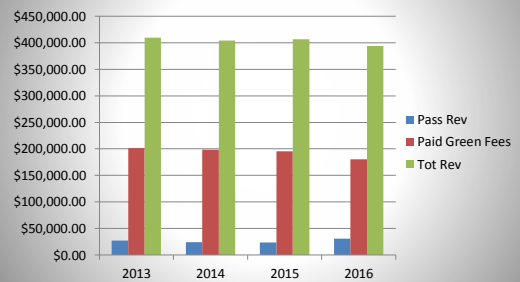
Rounds and Revenue Snapshot Anaconda Hills Golf Course

	2013	2014	2015	2016
# of Paid Rounds	8,487	7,795	7,679	6,467
Revenue	\$201,246	\$198,610	\$195,416	\$180,215
Revenue per round	\$23.05	\$25.07	\$24.73	\$27.35

	2013	2014	2015	2016
# of Member Rounds	2,647	2,133	2,277	2,829
Pass Revenue	\$27,470	\$24,120	\$23,545	\$30,970
Revenue per round	\$10.38	\$11.31	\$10.34	\$10.95

	2013	2014	2015	2016
Total Season Revenue	\$409,545	\$403,781	\$406,192	\$393,830

Anaconda Hills Green Fee/Pass/Total Revenue



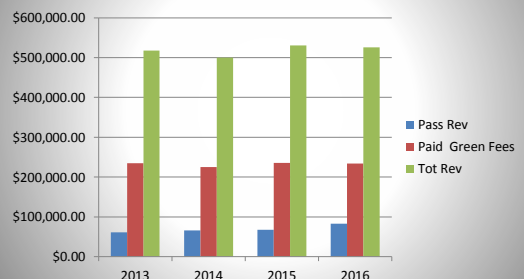
Rounds and Revenue Snapshot Eagle Falls Golf Club

	2013	2014	2015	2016
# of Paid Rounds	9,041	8,278	8,463	7,115
Revenue	\$234,526	\$225,176	\$235,215	\$233,925
Revenue per round	\$25.62	\$26.91	\$27.32	\$32.51

	2013	2014	2015	2016
# of Member Rounds	5,939	6,107	6,455	7,047
Pass Revenue	\$61,253	\$65,665	\$67,285	\$82,890
Revenue per round	\$10.31	\$10.78	\$10.42	\$11.76

	2013	2014	2015	2016
Total Season Revenue	\$517,764	\$499,963	\$530,292	\$525,730

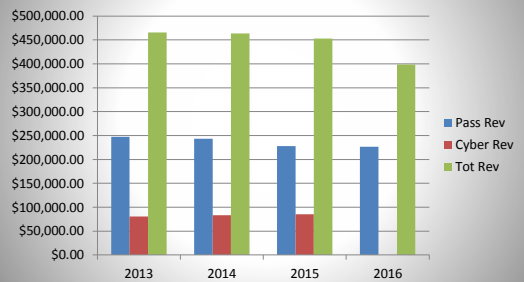
Eagle Falls Green Fee/Pass/Total Revenue



Rounds and Revenue Snapshot Joint Revenue

Joint Revenue	2013	2014	2015	2016
Cybercard	\$80,603	\$83,345	\$85,260	\$0
Membership	22,445	20,727	21,091	18,196
Revenue	\$247,056	\$243,191	\$228,100	\$226,439
Revenue Per Round	\$11.01	\$11.73	\$10.82	\$12.44
Total Revenue	\$465,482	\$463,932	\$453,151	\$390,998

Joint Cybercard/Pass/Total Revenue



Total Season Revenue

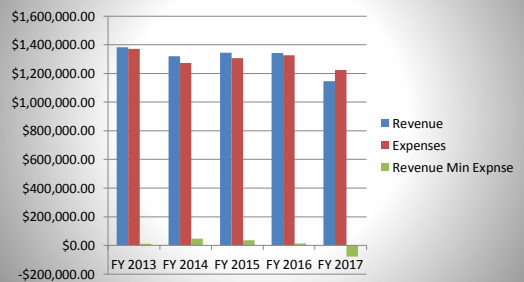
	2013	2014	2015	2016	2017 (Nov-July 17)
Pass	\$335,510	\$331,581	\$318,930	\$340,297	\$328,296
Pass Per Round	\$10.03	\$10.99	\$10.65	\$12.12	
Green Fee - Cyber Card	\$515,387	\$503,122	\$515,891	\$414,080	\$237,988
Green Fee Per Round	\$21.57	\$22.44	\$23.23	\$30.05	

*Season Pass holders played 28,071 rounds and contributed \$340,297 in revenue
*Green fee golfers played 13,582 rounds and contributed \$414,080 in revenue

*76% season rounds are played by season pass holders and contribute 45% of pass and daily fee revenue

*33% rounds are played by daily fee players and contribute 55% of pass and daily fee revenue.

Fiscal Revenue/Expenses/Revenue Minus Expenses (Expenses include Bond Payment)



Playable Days/Events

	2014	2015	2016	2017 (Aug. 15)
Playable Days	229	229	229	154
Tournaments	8 @AH 11 @EF	6 @AH 13 @EF	6 @AH 10 @EF	6 @AH 12 @EF
Course Rentals	4 @AH	4 @AH	4 @AH	6 @AH 1 @AH
Special Events/Group Outings	8 @AH 2 @EF	5 @AH 3 @EF	6 @AH 4 @EF	1 @AH 2 @EF
Total Events	33	31	30	35 (Projected)

Promotions

- Paid Advertising
 - Billboards
 - Central Montana Country Travel Planner
 - Signature Montana
 - Senior News – Listing
 - Heads Up (MAFB Monthly Magazine)
- Park and Recreation Weekly Radio Spots, Cherry Creek Radio
- Table display of all current programs and events at Anaconda Hills
- Sandwich board at Anaconda Driving Range with programs/events
- Updated phone system; customers on hold hear information on events and tourneys
- Created and continue to build e-mail data base to target golfers with messages and promotions
- Using MSGA grant, initiated "Swings to the Schools" intro to golf for approximately 500 students
- MAFB Family Days
- Anaconda Hills/Scheels Family Golf Day Father's Day
- Press releases/media interviews



Several Families watching tee offs for the three hole big hole family golf day

**Visit the Fairways by Day
And State Fair by Night**

SPECIAL DINNER AND ACCOMMODATION RATES
FOR THE STATE FAIR WEEK
PLEASE VISIT US ONLINE



Get your tee time
Early!
Call us to reserve



Sample email promos

Concessions trends

- 2013 Season Revenue \$236,152
- 2014 Season Revenue \$226,592
- 2015 Season Revenue \$243,457
- 2016 Season Revenue \$213,600

2017-2019 concessions proposal/agreement reflects a \$6,000 reduction due to decline in sales.

Shop Merchandise Trend January 1 Through December 31

	2013	2014	2015	2016
Sales	\$72,278	\$67,589	\$74,165	\$44,685
Gross Profit	\$27,522	\$24,360	\$23,974	\$17,419
Gross Profit %	38%	36%	32%	39%

- Industry benchmark profit goal is 30%; City profit margin is 36%
- Merchandise sales do not add additional expenses (no extra staffing)
- Retail space available at both courses is 605 sq. ft.
- Brick and mortar golf shops losing a large volume of sales to on-line companies
- We do not require leagues/tournaments to spend their tee prizes or winnings at our Pro Shop

Where we need to go



Fiscal Year Financials

Year	2013	2014	2015	2016	2017	2018 Budget
Revenue	\$1,382,548	\$1,320,883	\$1,343,853	\$1,341,854	\$1,146,837	\$1,431,435
Expense	\$1,371,444	\$1,273,514	\$1,307,916	\$1,327,426	\$1,225,155	\$1,431,435
Total	\$11,104	\$47,369	\$35,937	\$14,428	(\$78,318)	0

- FY 2013-2016 Includes bond payment (\$234,000-\$256,000)
- FY 2016 \$100,000 transfer in from General Fund
- FY 2017 \$75,750 capital investment for golf carts
- FY2018 Includes \$75,000 equipment; \$66,252 General Fund payment

Objective

- Generate sufficient revenues to:
 - Cover Operating Expenses
 - Including expense reductions when possible
 - Address capital needs
 - Begin repayment of the general fund debt

Equipment/Capital Needs

First Option:

- \$450,000 critical equipment purchases
 - Payments estimated at \$90,000-\$100,000 per year for 5 years

Second Option:

- \$675,000 needed equipment purchases
 - Payments of approximately \$135,000-\$145,000 per year for 5 years

Considerations

- Revise fee structure
 - Structure greens fees and promotions to increase play
 - Encourage more tournaments and increase group outings
 - Accurately predict market action/reaction to pricing
 - Swing Time revenue increased \$24,000 after cybercard was discontinued
 - Dynamic pricing and promotions
 - Look at revenue per round, work toward closing the gap (greens fees/season passes)
 - Consider appropriate trail and cart rental fees
- Look at length of season at both courses
 - Currently
 - EF – March 15 – October 31
 - AH – April 1 – October 31
- Determine valid dates for season passes

Rich Richeson, PGA Course Review - February 2017

Recommendations

- Fee Structure
 - Rack rates in line with market
 - Season passes/trail fees need to increase
 - Rewards cards and programs are important – reinstate cybercard (20% recommended)
 - Market to community and MAFB
- Player Development/Marketing
 - Lessons – need a full slate of programs and classes (primarily group lessons/classes)
 - Promote through web page
 - On-site: signage, banners, information table, color brochure
 - Networking into community and offering learn to play programs (large corporations)
 - Would require additional staffing

