

**LYNNWOOD PARKS AND RECREATION BOARD  
MEETING MINUTES  
November 6, 2013**

- 10. Call to Order – The meeting was called to order at 7:05pm.
- 20. Roll Call

Boardmember Aldrich	Councilmember Smith
Boardmember Bluford	Director Sordel
Boardmember Cheek	Administrative Assistant Flesher
Boardmember Gilbertson	
Boardmember Hildebrandt	
Boardmember Megill	

- 30. Approval of Minutes – Postponed.
- 40. Written Communications – None.
- 50. Public Comments – None.
- 60. Comments from Boardmembers.

Boardmember Cheek reported that he had attended a Comprehensive Plan Open House.

Boardmember Gilbertson thanked the public in attendance, and thanked Councilmember Mark Smith for his service to the City.

Boardmember Hildebrandt also attended the Comprehensive Plan Open House. She commended staff for a commitment to making improvements at Meadowdale Athletic Complex; the Edmonds School District is including these improvements in a bond issue going to the voters in February 2014. City staff also submitted a grant application to the Verdant Health Commission to complete missing bicycle connections in Lynnwood and from Lynnwood to other cities.

- 70. Resolutions and Other Business.

70.1 Golf Course Management Discussion. Director Sordel thanked attendees for their support.

On August 14, a majority of the City Council authorized staff to proceed with an RFP/RFI for golf course management. Staff worked with the City's Purchasing Department to issue the RFP/RFI on August 26.

Four vendors attended a mandatory site visit at the course. Two vendors submitted complete proposals: Course Co and Premier Golf Centers, LLC (Premier).

The review team of Parks Operations Superintendent Colinas, Finance Director Hines, and Director Sordel interviewed the vendors and scored the proposals. Premier was determined to be the apparent successful vendor and negotiations began. Premier currently manages ten courses in the Puget Sound. A five-year agreement will be presented to City Council on November 18.

Director Sordel reviewed the budget projections provided by Premier.

Premier's projected staffing levels are nearly identical to current LMGC operations. They have committed to rehiring the existing Golf Course staff.

Staff is recommending a phased approach, starting with golf course operations (pro shop, marketing and promotions) by January 2014. The next phase would be implementation of course maintenance by Premier, following negotiations with the Teamsters Union, which represents one golf course maintenance employee.

Director Sordel explained highlights of the proposed agreement:

- 5-year agreement with an option for a 5-year renewal
- All revenues collected go to the City. Expenses are submitted to the City on a monthly reimbursement cycle with no mark-up. The City is responsible for funding all capital improvements. There is no profit sharing; the profits will stay with the course.
- The City has a voice in all fees, menus, merchandise and other point of sale components. We will negotiate green fee rates, merchandise, menu prices, etc.
- An annual meeting is held to determine the operating budget for the year. Monthly financial reports are submitted to the City.

Director Sordel explained that Premier has an affinity program with 70,000 Puget Sound members. They also have the ability to utilize SMS Text Messages and social media for promotions, and have a database of 35,000 customer email addresses. They utilize a central reservations system to book tee times.

Director Sordel expressed his excitement to partner with Premier. He believes this is an opportunity to make the golf course sustainable.

Questions and Answers:

Q: My understanding is that the noise issues and maintenance schedules prevent earlier tee times.

A: You can still put people on the golf course earlier and start your maintenance at 7:00am, while people are playing. Premier has explained how they would do this.

Q: You mentioned the hitting area. Where would that be?

A: Near the putting green.

Q: What happens if Premier exceeds their budget for expenses?

A: We have a working budget that defines all of the reimbursables. We agree on those numbers and they are held responsible for maintaining the numbers. We would meet every month and review budget regularly.

Q: They are kind of forecasting rounds to be increased quite a bit in 2014, but most improvements won't take place until 2015.

A: Their technology, putting us in their family of courses and using all of their promotional pieces should increase rounds by approximately 3,000.

Q: Is there a rounds clause as part of the agreement?

A: No. Their rounds estimate was not part of the official proposal, but was a supplemental question requested from the Finance Department.

Q: (Edmonds Community College President Jean Hernandez) A document I read earlier talked about Premier leasing the land. Is Premier leasing the land?

A: No.

Q: (Edmonds Community College President Jean Hernandez) We would like to negotiate the parameters of the lease agreement before you sign on with another organization.

A: A meeting is scheduled with EdCC Vice President Kevin McKay.

Q: (Edmonds Community College President Jean Hernandez) We have asked to look at the whole plan and the impact to the college.

Q: I have concerns about the staff salaries. They seem low. We have two good pros up there now, and looking at the salary scale, it isn't even comparable to what they're making now.

A: That is a big part of the private sector's approach and success, which is why so many public agencies are struggling. That is part of the cost savings.

Q: The area discussed as a snack area is currently used as a walkway, for carts, and for washing off shoes, etc.

A: That patio area is conducive to eating in nice weather. It would require a redesign, but is just a preliminary area.

Q: The plan talks about removing the food shack. I think that would be a big mistake. I don't see people coming from the 9<sup>th</sup> hole all the way back to the pro shop. A beverage cart would be very labor intensive.

A: Premier would be open to those comments.

Q: It seems to me that the golf course has been there for 20 years and has paid off the bond. The only reinvestment that the City has done in the 20 years is the bathroom on the 4<sup>th</sup> hole. Somehow it's been determined that the city and college don't want to be in the golf business and someone else could do it better, and now you're finally going to spend \$230,000 on these capital improvements. Why didn't the City invest years ago? You spent \$25,000,000 on the Rec Center but wouldn't spend any money on the golf course.

Q: I live in Mountlake Terrace and my backyard was the Lake Ballinger golf course. I want to comment on how important it is that you're entering into a marriage. Lake Ballinger had so many horror stories with the City and concessionaire working together. It's important that you're both on the same page.

A: The City of Everett attributes its current success to their partnership with Premier. If we're going to present a sustainable model and give the golf course a chance to be successful, this is our only option. We want to be in that same position. Yes – you have to find ways to reduce costs. Our goal has been to keep this facility moving forward. We've been talking about making an investment for a long time. I'm confident that in two or three years we'll be able to start talking about paying back debt. I don't see any

other way to make this work. We were fortunate to get two very competitive proposals.

Director Sordel reported that Mr. Schickler from Premier would be at the November 18 Council meeting. He has pledged to provide a transition within 30 days once an agreement is finalized. The first thing he wants to do is to meet with staff and stakeholders.

We have done our job. It's a very simple agreement. If we don't like them, there is an out clause in 90 days. Bellevue, Seattle, Everett, Maple Valley and Pierce County are all very happy with Premier.

Q: What's in it for them? What is their incentive for growing revenues for the City?

A: Their mission and philosophy is the game of golf. They manage quality venues And they make money. There is an incentive clause in the agreement if they meet a certain revenue target. We join a family of other courses that have a good reputation and have success. We are committed to keeping this golf course sustainable.

Boardmember Aldrich thanked Director Sordel for all of the time and effort he's put in to try to keep the golf course open.

Boardmember Gilbertson indicated that he has enjoyed the golf course. He believes it is part of a comprehensive recreation program of services that the city should provide. You have to make these capital improvements. Parking is still such a critical piece. Premier has been a very good partner with the City of Seattle.

Boardmember Gilbertson asked whether Premier's course maintenance would use the City's equipment. Director Sordel responded that would use the City's equipment.

Boardmember Gilbertson mentioned that, in Seattle, they looked for comparable positions outside of the department for golf staff. Would this be the case in Lynnwood? Director Sordel indicated that he had had those conversations with HR. We're formulating some strategies for that if this agreement gets approved.

Boardmember Gilbertson asked if Premier's maintenance would lower the standards set by former Superintendent Stormo to save money. Director Sordel indicated that Premier has agreed they would meet the City's current standards. Their economies of scale in purchasing equipment and materials, and their savings in wages and benefits, make it less expensive.

Boardmember Aldrich asked if Premier's employees float from course to course. Director Sordel responded that he does not believe that to be the case.

Boardmember Cheek asked if the maintenance equipment would need to be worked out with the college. Director Sordel indicated that the City would continue to store the equipment in the same location until another option is available.

Councilmember Smith suggested that Council would want to see line item detail comparisons of the LMGC budget and the projected expenses under Premier's management. It is also critical that the City clarify the terms of the lease agreement with the college. We need to know how much net profit the course will generate and how it will be able to pay back the debt.

Boardmember Gilbertson noted that, of the providers, Premier has a proven track record. It's hard to see City employees losing their jobs, but you cannot sustain operations without this model. The alternative of closing the course is just not an option.

Boardmember Aldrich asked if any of Premier's other municipalities have any complaints or concerns about them. Director Sordel responded that there were none.

Boardmember Cheek thanked Director Sordel for his work. It seems like we are nearing the end.

80. Staff Reports.

Director Sordel reported to the Board on the Lynndale Park Amphitheater improvement project. Boardmember Aldrich asked if Verdant Health Commission might be a potential partner in the project since the improvements address the safety or health of patrons. Director Sordel noted that Verdant does not typically fund capital projects.

Director Sordel indicated that a mid-biennium budget adjustment has been requested for a statistically valid survey to help finish the PRCA comprehensive plan. Staff is doing all the other work but cannot do a survey without a consultant.

Boardmember Gilbertson offered to take the comprehensive plan displays to the Rec Center on a Saturday morning and talk with patrons. Boardmember Hildebrandt suggested using the library as a venue for open houses.

Boardmember Gilbertson asked for an update on the Lund's Gulch property. Director Sordel indicated that discussions are continuing.

Boardmember Gilbertson asked about the status of the Lynnwood Link plan with Sound Transit. Director Sordel indicated that Sound Transit has eliminated alternatives C1 and C2. They are currently reviewing alternative C3 as well as the new alternative proposed by the City. Boardmember Aldrich asked if there was any news about the maintenance facility. Director Sordel replied that there was no news.

90. Messages from the City Council – None.

100. Adjournment – The meeting was adjourned at 9:00 p.m.