



**Hyland Greens Task Force  
December 30, 2015  
6:30 – 8:30 p.m.  
Haeg Conference Room  
2<sup>nd</sup> Floor, Bloomington Civic Plaza  
1800 W. Old Shakopee Road, Bloomington, MN**

**Call To Order:**

Facilitator Irina Fursman called the fifth meeting of the Hyland Greens Task Force to order at 6:30 p.m. in the Haeg Conference Room at Bloomington Civic Plaza.

**Task Force Members Present: 13**

Rod Axtell  
Doug Bruce  
Andrew Carlson  
Diann Kirby  
Mike Kolthoff  
Laura Perreault  
Randy Quale  
Cindy Rollins  
Lenny Schmitz (as an alternate for Jim McCarthy who was absent)  
Virg Senescall  
Rick Sitek  
Cary Weatherby  
Roger Willette

**Task Force Members Absent: 2**

Jim McCarthy  
Liz Heyman

**Other Staff Present: 1**

Alison Warren, Office Support Specialist, Parks and Recreation Division (to take minutes)

**Facilitators Present: 2**

Irina Fursman, *Huelife*  
Erik Juhl, Web Coordinator, City of Bloomington

**Members of the Public Present: 9**

**Welcome and Introductions/Agenda Review - 6:30 p.m.**

Irina welcomed the Task Force members and guests to the fifth meeting for the Hyland Greens Task Force. She requested that the members introduce themselves. The introductions were as follows:

- Irina Fursman introduced herself as the co-facilitator of the Hyland Greens Task Force.
- Cindy Rollins is serving as a member of City staff (Budget Manager)
- Ron Axtell is serving as the representative of the Business Community
- Jack Baloga is serving as a representative of the City Council
- Doug Bruce is serving as a representative of the Community
- Rick Sitek is serving as a member of the City staff (Golf Manager)
- Liz Heyman is serving as a member of the City staff (Planner)
- Randy Quale is serving as a member of the City staff (Parks and Recreation Manager)
- Lenny Schmitz is serving as an alternate representative of the Parks, Arts and Recreation Commission
- Laura Perreault is serving as a representative of the neighborhood
- Roger Willette is serving as a representative of the Planning Commission
- Mike Kolthoff is serving as a Hyland Greens user
- Virg Senescall is serving as a representative of BAA Golf
- Cary Weatherby is serving as a representative of the community
- Diann Kirby is serving as a member of the City staff (Community Services Director)

E. Juhl provided announcements. He stated that L. Schmitz was serving as an alternate representative for the Parks, Arts and Recreation Commission this evening. E. Juhl also noted that a different sound system was being utilized based upon evaluations provided.

D. Kirby reviewed the results from the online survey of task force members and alternates. She noted that when asked which alternative the Task Force would like to research further, the top two choices were: 1) improve the bottom line at Hyland Greens; and 2) partial development that maintained the golf course. Based upon these results, D. Kirby stated that the purpose of tonight's meeting was to focus on the golf course option and that the January 13<sup>th</sup> meeting would focus on partial development that would preserve the golf course.

D. Kirby then reviewed the contents of the meeting materials which included the agenda for December 30, 2015 meeting; the minutes from the December 16, 2015 meeting; a summary charts of the three major categories review from December 16, 2015 meeting; the results of the Hyland Greens Task Force survey from December 2015; a Hyland Greens fact sheet; new golf course questions and answers; the November 2015 golf course financial report; the evaluation summary from the December 16, 2015 meeting; and the evaluation form for the December 30, 2015 meeting. M. Kolthoff read the outcomes for the meeting.

I. Fursman stated that the intention of today's meeting was to study the different scenarios for the golf option. Staff identified five different scenarios that were provided in the December 16<sup>th</sup> meeting materials. I. Fursman asked the Task Force to determine what success would look like at Hyland Greens in a year from now and use that as the basis to review the different scenarios. She listed the four scenarios that were to be reviewed: 1) operations and maintenance changes; 2) hire a management company; 3) develop a year-round facility at the site; and 4) lease the golf course. I. Fursman asked if there were any questions that needed to be answered.

R. Axtell inquired about the ability for the City to move funds from the general fund to an enterprise fund such as Hyland Greens to subsidize operating losses. C. Rollins stated that there have been instances when funds have been moved from the strategic priorities fund to an enterprise fund, but the more common instance would be using a special levy to subsidize operating losses. R. Axtell also inquired about how the internal services charges are allocated to each budget. C. Rollins stated that

each charge is allocated differently. For example, the charges for information services are allocated based on the number of computers, laptops and printers in each division.

### **Golf Options Review – 6:40 p.m.**

I. Fursman asked the Task Force to describe what a successful Hyland Greens golf course would look in one to two years. She asked members to describe how it would be different from its current state. The following responses were received:

- More usage – potentially a 10% increase or a goal of 24,000 rounds; more marketing; more activities within the course such as big cup golf; different types of golfers using the facility (*C. Weatherby*)
- Different allocations of cost, less full-time staff (*M. Kolthoff*)
- A well-maintained facility (*R. Quale*)
- Electronic tee time scheduling (*D. Bruce*)
- A capital reinvestment plan funded outside of the operational budget; a well-functioning and somewhat modernized clubhouse (*R. Axtell*)

I. Fursman described Scenario 2 from the staff memo of December 16<sup>th</sup> which is to implement operations and maintenance changes at Hyland Greens that might include marketing, customer service, pricing changes, online reservations, cost controls, and consulting assistance. I. Fursman asked the Task Force to describe the things that are currently being done well that need to continue, gaps or things that need to change, the benefits to the community and the potential dangers of this scenario.

In regard to the things that are currently being done that need to continue, the following responses were received:

- Several very good leagues for seniors; the BAA golf partnership; excellent lessons for all ages; a nice chipping green facility (*V. Senescall*)
- A good driving range (*M. Kolthoff*)
- Good minor investments being executed (*R. Axtell, R. Sitek*)

Regarding gaps or things that need to change, the following responses were received:

- Might need to change how the costs are allocated; increase and strengthen the partnership with BAA golf (*V. Senescall*)
- Increase signage including advertisement to golfers at Dwan about the driving range at Hyland Greens; a website and social media presence for the golf courses separate from the City's online tools; less full-time staff and instead utilizing seasonal employees; different allocation of funds (*M. Kolthoff*)
- Digital marketing (*L. Perreault*)
- Online tee time reservation, increased usage by residents, a larger putting green practice area (*R. Axtell*)
- Increased and improved curb appeal (*L. Schmitz*)
- A database to capture users and utilized to target marketing (*D. Kirby*)

In response to the question, "If this scenario is successful, what are the benefits to the community?" the following responses were received:

- Sustaining green space; sustaining the value of properties in the neighborhood; continuing to provide a place for youth to learn and play the game; a place for seniors to continue to play the game in Bloomington (*V. Senescall*)
- Keeping the golf course (*R. Axtell*)
- Eliminates the uncertainty about what could happen with the space in the future (*L. Perreault*)
- Ability to fund minor improvements (*M. Kolthoff*)
- Providing a sustainable operation (*C. Rollins*)

In response to the question, “If this scenario is successful, what are the potential dangers to the community?” the following responses were received:

- Increased traffic in the neighborhood (*D. Kirby*)
- A possible reduction of rounds played at Dwan (*R. Quale*)
- An increase in wait times for tee time reservations (*L. Perreault*)
- Increase in people and cars getting hit with golf balls (*C. Rollins*)
- Increase in crime (*D. Bruce*)
- A larger burden on the aging facilities; more wear and tear (*L. Schmitz*)

Task force members made additional comments about scenario 2. L. Schmitz stated that the entirety of the facility should be utilized, particularly the old driving range which he called an eyesore. He noted that the old driving range is the most visible portion of the course, yet the most unappealing portion as well. A. Carlson agreed, stating that first impressions do matter and in this particular case it is not being done well. L. Schmitz also commented on the general state of the restrooms, noting that almost every patron uses the restroom facilities and they should look nice to provide a good image of the facility.

I. Fursman described Scenario 3 which is to contract with an outside vendor to operate Hyland Greens via a management agreement. It was noted that fees would likely be involved as the City would likely pay the vendor a portion of the profits as well as other charges. Within this scenario, I. Fursman asked the Task Force to what describe what was good about this option, gaps or things that would need to change, the benefits to the community and the potential dangers.

L. Schmitz inquired about the viability of Scenario 3 and whether there was any interest among private vendors to manage Hyland Greens. He asked whether this scenario was worth discussing if there were no interested parties. D. Kirby stated that there seems to be potential interest and that the scenario is worth considering. M. Kolthoff suggested that if both golf courses were available for private management, it could be more attractive to a vendor.

In regard to what are the strengths about this scenario, the following responses were received:

- Potential to limit net loss that is being experienced by the City (*R. Quale*)
- An outside vendor could operate cheaper than the City (*R. Willette*)

Regarding the gaps and weaknesses of this scenario, the following responses were received:  
What would change?

- Elimination of city jobs (*R. Quale*)
- Good chance you would need a large capital investment (*R. Axtell*)

In response to the question, “If this scenario is successful, what are the benefits to the community?” the following responses were received:

- A percent of the profits would return to the City (*R. Axtell*)
- Would gain a professional golf perspective (*C. Weatherby*)
- Professional marketing experience (*L. Perreault*)

In response to the question, “If this scenario is successful, what are the potential dangers to the community?” the following responses were received:

- Loss of control of the land and facility (*V. Senescall*)
- An increase in fees and charges among select groups who have benefits right now (*R. Quale*)
- An initial large investment (*L. Perreault*)
- Potential for only a short-term contract with interests only in short-term success (*L. Schmitz*)

M. Kolthoff noted that with Scenario 3, allocations for City services would not be necessary. V. Senescall inquired about the ability for a management company to change current practices and policies at the site. He stated that there could be a potential risk to the current operations and benefits to specific groups and clients. R. Quale stated that with a management company there would be give and take. He added that everything would not necessarily be the same; otherwise, the management company would be suffering the same losses that are currently being experienced by the City. A. Carlson noted that because there is not a specific reasonable offer on the table, there are many unknowns about this scenario such as the costs and terms of agreements. He stated that it did not seem beneficial to dig deeper into this scenario, while adding that it cannot be discounted in case of future opportunities.

I. Fursman next brought up Scenario 4 which is to enter into a partnership on a year-round facility. She asked the Task Force to describe what is good about this option, gaps or things that would change, the benefits to the community and the potential dangers. M. Kolthoff inquired if this is still a viable option. D. Kirby stated that while the Minnesota Golf Academy proposal is no longer viable, the City has been approached by another group of investors interested in constructing a year-round facility on the site.

In regard to what are the strengths about this scenario, the following responses were received:

- Could maintain the 9 hole course (*R. Axtell*)
- Could limit the losses of City funds (*C. Rollins*)

Regarding the gaps and weaknesses of this scenario, the following responses were received:

- The City’s financial investment is unknown (*D. Kirby*)
- Is there a demand for this type of facility? (*L. Perreault*)
- Not a short-term solution (*A. Carlson*)

In response to the question, “If this scenario is successful, what are the benefits to the community?” the following responses were received:

- A bold and unique option in the City (*C. Weatherby*)
- Could increase and change the users of the facility (*L. Perreault*)

In response to the question, “If this scenario is successful, what are the potential dangers to the community?” the following responses were received:

- Could change the affordability of the facility (*M. Kolthoff*)
- Impact on the neighborhood including curb appeal, traffic, green space (*L. Perreault*)
- Decrease in property values (*V. Senescall*)

A. Carlson stated that he thought that this scenario was a very bold proposal. He noted that a potential facility could still include golf activity, although he added that this also would incur risks similar to a new development. He also stated that with no real proposals at this time, time spent discussing this option may not be useful until there is something realistic on the table. R. Axtell inquired if this could be something similar to the Braemar Golf Dome. He wondered if people used it and if it was successful. R. Sitek stated that he believes it is being used, but not necessarily making money due to the cost of the dome and other related costs such as heating. He also noted the potential for an increase in cost to use this type of facility, such as membership fees.

I. Fursman described Scenario 5 which is to lease Hyland Greens to a private operator. D. Kirby noted that this is similar to scenario 2, but the City would lease out all operations, management and maintenance while receiving rental income for the facility. I. Fursman asked the Task Force to discuss what is good about this option, gaps or things that would change, the benefits to the community and the potential dangers.

In regard to what are the strengths about this scenario, the following responses were received:

- Potential to limit net loss that is being experienced by the City (*R. Quale*)
- An outside vendor could operate cheaper than the City (*R. Willette*)

Regarding the gaps and weaknesses of this scenario, the following responses were received:

- Loss of City jobs (*C. Weatherby*)
- Potential loss of current benefits to specific clients (*R. Quale*)

In response to the question, “If this scenario is successful, what are the benefits to the community?” the following responses were received:

- A guarantee of costs and revenues (*M. Kolthoff*)
- No capital expenses for the City (*C. Rollins*)

In response to the question, “If this scenario is successful, what are the potential dangers to the community?” the following responses were received:

- Loss of control of the facility (*R. Axtell*)
- Loss of City jobs (*C. Weatherby*)
- Liabilities due to poor management (*L. Schmitz*)

R. Axtell inquired about the management arrangement with Como Park in regard to the food and beverage operations. M. Kolthoff noted that Braemar has also subcontracted their food and beverage operations and receives a percentage of the revenue. L. Perreault inquired about the willingness for a private operator to take on Hyland Greens if it is not profitable now.

## **Draft Recommendation – 8:00 p.m.**

I. Furman recapped the discussion regarding what Hyland Greens would look like as a successful golf course and the scenarios that were discussed. She then asked the Task Force to consider the core elements of a recommendation if the golf option was selected.

R. Quale stated that a core element would be to reduce net costs to the City and improve the bottom line. V. Senescall expressed that continuing to offer golf options for youth and seniors as well as expanding audiences would need to be core elements. M. Kolthoff stated that a specific action plan would be a core element. A. Carlson said that he believes that there needs to be specific goals and plans included in the recommendation. He also mentioned including what steps need to be taken in a specific time frame to achieve those goals. He noted that this can be accomplished through updating and adding appendices to the current business plan.

R. Axtell stated that he believes that the Task Force can only include so much detail into a recommendation. He noted that the recommendation would go to City Council and they would provide direction to staff or potentially hire a consultant. He also said that the Task Force should not and make specific decisions due to the potential for legal ramifications in terms of employment and other issues. R. Axtell said that the Task Force can recommend implementing a plan with regular reports back to the City to ensure accountability.

L. Perreault agreed stating that the Task Force's charge is to provide direction, noting that the Task Force members are not experts in the tangible steps that are needed to get to the final outcome. She suggested that the recommendation include goals such as improving marketing and ideas as to how to reach those goals. M. Kolthoff stated that he thinks the recommendation needs to be more specific. For example, he said instead of listing "improve the bottom line" in the recommendation, he thought that it should state "cut \$200,000 from the budget."

L. Schmitz stated that it is important to have a plan, but some changes may not provide immediate results. He noted that in 2015 the weather was ideal and revenues were good. He said it would be hard to make a comparison in only one year if for example the weather was poor. L. Schmitz said that if the Task Force is committing to Scenario 2, it needs to last longer than one year.

R. Axtell added that he would like to include in the recommendation implementing a levy to subsidize the capital investment at Hyland Greens. He noted that even if the revenues increased, there still would not be enough funds to make significant changes to the Hyland Greens facility. C. Weatherby stated that her preference would be Scenarios 3, 4 or 5, noting that the City has been running Hyland Greens for a long time and she does not see small improvements making a significant impact on the financials. She also mentioned that the amount of revenue required to create a capital investment fund at Hyland Greens does not seem like a realistic option. M. Kolthoff suggested that the Task Force try Scenario 2 and then move to either Scenario 3 or 5 if not successful. He noted that this option has the most upside in his opinion and gives the City the most control with opportunities for change.

I. Fursman reminded the Task Force that the recommendation is for the long-term. A. Carlson noted that at this time the City Council is supportive of the Task Force and change at Hyland Greens. He mentioned that Council members and priorities can quickly change. He suggested

taking advantage of the Council's willingness and support to make effective long-term recommendations now. L. Perreault agreed stating that she would like to make the ultimate best decision for the long term instead of trying multiple options over a long period of time and potentially losing the empathy and support of City Council.

C. Weatherby said that other city golf courses in the area are moving toward private operations. She noted that some of the changes that are suggested in Scenario 2 have already been tried and deemed failures by other city courses. She said that although more can be done at Hyland, there is not enough opportunity to significantly increase revenues. L. Perreault added that she felt the Task Force was being naive in thinking that the City can turn Hyland Greens into a profitable enterprise if professional golf management companies are not even interested in the facility due to its lack of profitability.

L. Schmitz stated that he felt like coming to a recommendation today regarding just the golf option was short-sighted, noting that there were other options to still be vetted. He reminded the Task Force that at the next meeting the objective is to look at a partial development option while keeping the golf course. M. Kolthoff suggested the option to recommend both options for improving the golf operations as well as a potential partial development. He noted that although selling some land may provide a cash payout, it does not solve the problem of net losses at Hyland Greens. V. Senescall inquired about the availability of time to execute Scenarios 3, 4 or 5 for the 2016 season. C. Weatherby noted that Hyland Greens will operate as a golf course in 2016 no matter what and that the Task Force's recommendation is for 2017 and beyond. V. Senescall suggested that Scenario number 2 should be executed for the 2016 season no matter what is decided for 2017 and beyond.

#### **Closing and Evaluation – 8:20 p.m.**

The meeting closed at 8:36 p.m. I. Fursman requested that the Task Force members complete meeting evaluation forms found in the Hyland Greens Task Force Binders. She stated the next meeting of the Task Force is January 13, 2015.