

Greenville City Council Agenda

Monday, March 25, 2013
6:00 p.m.
City Hall Conference Room 337
200 West Fifth Street

- I. Call Meeting to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Acceptance of Building Reuse and Restoration Grant Award from North Carolina Rural Center
- V. FY 2013-2014 Budget Kick-Off
- VI. Presentation of Bradford Creek Golf Course Plan of Action
- VII. Workshop Schedule
- VIII. Adjournment

Item IV.

**Acceptance of Building Reuse and
Restoration Grant Award from North
Carolina Rural Center**

INTEROFFICE MEMORANDUM

TO: BARABRA LIPSCOMB, CITY MANAGER
FROM: CARL REES, ECONOMIC DEVELOPMENT OFFICER *CR*
SUBJECT: NORTH CAROLINA RURAL CENTER BUILDING REUSE & RESTORATION
GRANTAWARD/ONE SOURCE COMMUNICATIONS
DATE: 3/7/2013

Background

A local telecommunications management and software company approached the OED for assistance with a proposed expansion of their building and workforce through an application to the N.C. Rural Center's Building Reuse and Restoration Grants Program. This Rural Center program requires local government sponsorship. The company plans to expand their existing building by 15,400 square feet to make room for 50 new employees at an average annual pay of \$23,640 plus a benefits package. These jobs are in the fields of software programming, network maintenance and customer support for in-house created client applications.

The grant awards \$5,000 per job created by the expansion. The company will be reimbursed up to 50% of construction costs which are expected to be in excess of \$1.4 million. The company has 24 months to hire enough workers to meet the jobs target indicated in the grant application and they must retain those jobs for no less than six months. The grant provides \$250,000 towards the construction of the facility based on the total estimated jobs to be created.

As part of the program, the local government is required by the Rural Center to make a 5% cash match to the grant funds awarded to the local company. In this instance, the City of Greenville is required to make an investment of \$12,500.

The City Council approved the application on December 13, 2012 and passed a resolution committing the 5% cash match, for a total of \$12,500, if the grant was awarded to the City. Funding for this match is available through the current budget for the Office of Economic Development.

Grant Award

Per City Council approval, the City applied for the grant on behalf of One Source Communications. The company's expansion is expected to add 50 new jobs to the area over the next 24 months at an average annual salary of \$23,640.

On March 15, 2013 the City of Greenville was notified by Billy Ray Hall, North Carolina Rural Center President, that the City has been awarded \$250,000 through the Building Reuse and Restoration Grant. The award is contingent on receipt of paperwork by the NC Rural Center by April 1, 2013. (Please see attachment.)

Staff Recommendation

Accept grant award and authorize Mayor, City Manager or her designee to sign applicable agreements. Allocate grant match of \$12,500 from the Community Development's Economic Development Division's Budget.

Please call ext. 4510 if you have any questions.

cc: Merrill Flood, Community Development Director



Valeria L. Lee
Chair

Billy Ray Hall
President

March 1, 2013

The Honorable Allen M. Thomas
City of Greenville
Post Office Box 7207
Greenville, NC 27835-7207

Re: FY12/13 Building Reuse & Restoration Fund, Occupied Program
Contract Ref #: 2013-126-60501-118

Dear Mayor Thomas:

On behalf of our Board of Directors, I am pleased to announce that the Rural Economic Development Center, Inc. has selected the City of Greenville for funding under the Building Reuse Grants Fund. Funds have been awarded to you in the amount of \$250,000.00 for the project entitled, "One Source Communications Expansion" in order to create 50 jobs. **Funding is contingent upon the receipt of complete copies of NCU 101 forms.**

Please submit these documents by April 1, 2013.

Congratulations on this award. We extend our best wishes to you for continued success and look forward to working with you on this important project.

If you have any questions, please feel free to contact David Britt at (919) 250-4314.

Sincerely,

Billy Ray Hall

North Carolina

Rural Economic

Development Center, Inc.

4021 Carya Drive

Raleigh, NC 27610

Phone: (919) 250-4314

FAX: (919) 250-4325

cc: Melody Adams, Building Reuse Program Director
cc: Scott Eaton, Economic Development Project Coordinator

RESOLUTION NO. 058-12
RESOLUTION SUPPORTING AN APPLICATION ON BEHALF OF
ONE SOURCE COMMUNICATIONS INC. TO THE NORTH CAROLINA RURAL
ECONOMIC DEVELOPMENT CENTER'S BUILDING REUSE AND
RESTORATION GRANT PROGRAM

WHEREAS, the City of Greenville is committed to advancing and promoting economic development in Greenville;

WHEREAS, the City of Greenville has adopted an Economic Development Strategic Plan for the purpose of enhancing the quality of life in Greenville by advancing economic opportunities for businesses and residents of the City of Greenville;

WHEREAS, North Carolina General Statute 158-7.1(a) authorizes the use of economic incentives for the purpose of private sector job creation;

WHEREAS, One Source Communications, Inc. has pledged to create 50 jobs in the Greenville corporate limits, is eligible to apply for a Building Reuse and Restoration Grant in the amount of \$250,000 through the North Carolina Rural Center, and requires the sponsorship of the City of Greenville to make the application; and

WHEREAS, the City of Greenville acknowledges that, if the grant is awarded, it will be required to commit to a cash match of 5% of the grant amount toward the project for a total cash match of \$12,500.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Greenville that it does hereby support and endorse the application of One Source Communications, Inc. to the North Carolina Rural Economic Development Center's Building Reuse and Restoration Grant Program for a grant in the amount of \$250,000.

Adopted this 13th day of December, 2012


Allen M. Thomas, Mayor

ATTEST:


Carol L. Barwick, City Clerk



Item V.

FY 2013-2014 Budget Kick-Off

MEMORANDUM

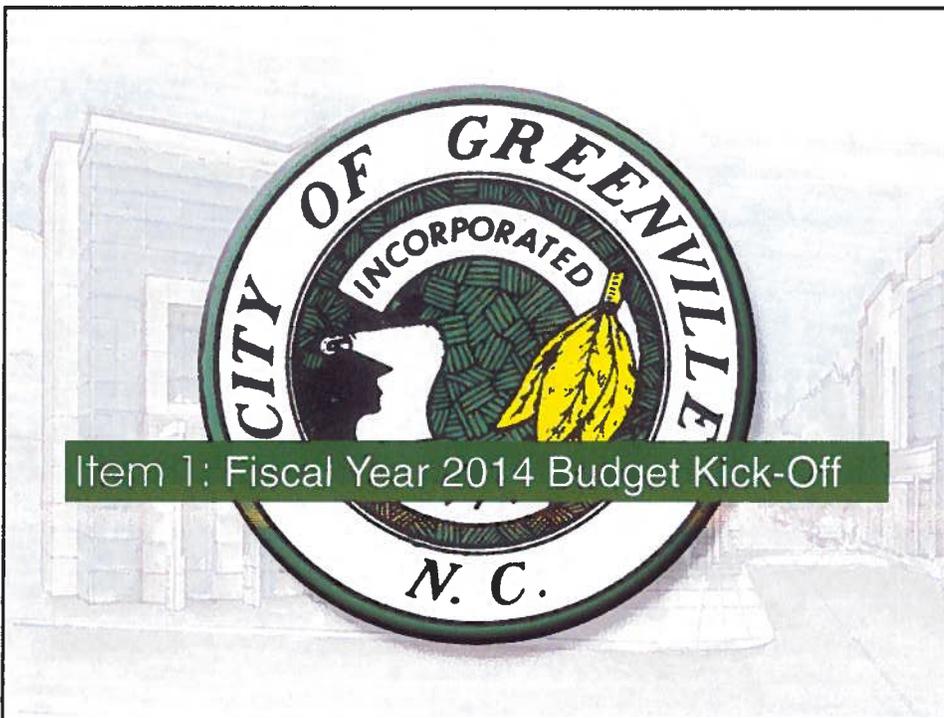
TO: The Honorable Mayor and City Council
FROM: Barbara Lipscomb, City Manager 
DATE: March 20, 2013
SUBJECT: Fiscal Year 2014 Budget Kick-Off

Please find attached a copy of the presentation scheduled to be reviewed with City Council at your March 25, 2013 meeting. The purpose of this presentation is to provide general information and topics related to the Fiscal Year 2014 budget, get input on specific items, and review the budget development calendar.

Please advise if you have any questions prior to Monday's meeting.

Attachment

cc: David Holec, City Attorney
Carol Barwick, City Clerk
City of Greenville Department Heads





CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Overview

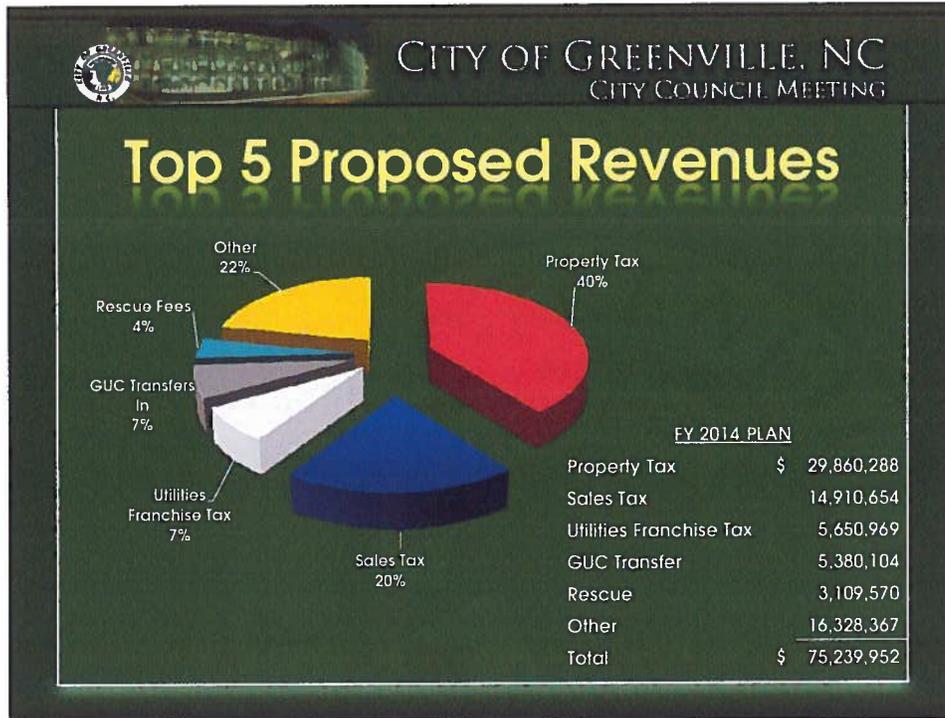
- Fiscal Year 2014 Financial Plan - General Fund
- Fund Balance
- Items to be Discussed / Determined
- Review Budget Calendar



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

General Fund

	Original Approved 2012	Original FY 2013 Budget	Proposed FY 2014 Plan
Amount	\$ 74,400,804	\$ 75,111,601	\$ 75,239,952
Difference		\$ 710,797	\$128,351
Percent Change		1%	Flat



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Top 5 Proposed Revenues

	2013 Original	2014 Plan	% Change
Property Tax	\$ 29,312,043	\$ 29,860,288	1.9 %
Sales Tax	14,611,439	14,910,654	2.0
Utilities Franchise Tax	5,540,166	5,650,969	2.0
GUC Transfer	5,913,275	5,380,104	(9.0)
Rescue	3,062,835	3,109,570	1.5
Other	16,671,843	16,328,367	(2.0)
Total	\$ 75,111,601	\$ 75,239,952	



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

FY 2014 Financial Plan

PLAN Revenue Enhancement Strategies:

	FY 2013	FY 2014
Rescue Transport Fees (Increases in various transport fees)	\$ 162,335	\$ 157,306
Business Licenses (Increase the cap from \$2,000 to \$5,000)	\$ -	\$ 157,306



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

FY 2014 Financial Plan Cont'd...

Revenue Enhancement Strategies:

	FY 2013	FY 2014
Fee Increases for Non-City Residents (Increases in recreation programs River Park North and Aquatic & Fitness Center User Fees)	\$ 37,150	\$ 37,150
Sanitation Fund Indirect Costs Allocation	413,218	413,218
Appropriated Fund Balance (excluding PY expenditures)	272,903	1,585,720



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

FY 2014 Financial Plan Cont'd...

Expense Impact:

	FY 2013	FY 2014
Increasing OPEB	\$ 50,000	\$ 50,000
Budgeted Health Insurance Increase	336,153	499,961
Staffing and Operations of EMS Unit at Fire Station # 7 (25% Year 1 / 100% Year 2)	171,228	515,000
Additional Funding for Street Improvements (40% - 60% Increase)	300,000	200,000



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

FY 2014 Financial Plan Cont'd...

Expense Impact:

	FY 2013	FY 2014
Economic Development Fund	\$ 100,000	\$ 50,000
Building Major Repair Fund	-	150,000
Efficiency Study	100,000	100,000
Bradford Creek Moved to General Fund	51,357	52,041
ERP Implementation (Financing \$2.35M over 20 years)	81,774	163,548

 CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

FY 2014 Financial Plan Cont'd...

Cost Reduction Strategies:

	FY 2013	FY 2014
Freezing Vacant Positions (5 in second year)	-	330,947

 CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Where We Are Now





CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Where We Are Now

REVENUES	2014 Plan	2014 Proposed Adjusted	Difference
Revenues	\$ 73,654,232	\$ 75,030,556	\$ 1,376,324
Appropriated Fund Balance	1,585,720	1,585,720	-0-
Total	\$ 75,239,952	\$ 76,616,276	\$ 1,376,324



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Where We Are Now

EXPENDITURES	2014 Plan	2014 Proposed Adjusted	Difference
Salaries & Benefits	\$ 49,289,572	\$ 48,921,715	\$ (367,857)
Operations & Capital Outlay	15,526,830	15,806,704	279,874
Capital Improvements	2,917,028	2,917,028	-0-
Transfers	6,570,547	6,570,547	-0-
Other	935,975	935,975	-0-
Total	\$ 75,239,952	\$ 75,151,969	\$ (87,983)



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Top Revenue Adjustments

	2014 Original	2014 Proposed Adjustment	Difference
GUC Transfer	\$ 5,380,104	\$ 6,443,463	\$ 1,063,359
Property Tax (Assessed Value)	29,860,288	30,725,377	865,089
Investment Earnings	1,803,744	1,416,062	(387,682)
		Total Adj.	\$ 1,376,324



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Top Expense Adjustments

	2014 Original	2014 Proposed Adjustment	Difference
Fire/Rescue Salaries (Station # 7)	\$ 515,000	\$ 147,143	\$ (\$367,857)
Unemployment 1% Reserve	-	172,000	172,000
Other	4,518,043	4,625,917	107,874
		Total Adj.	\$ (87,983)



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Fund Balance



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

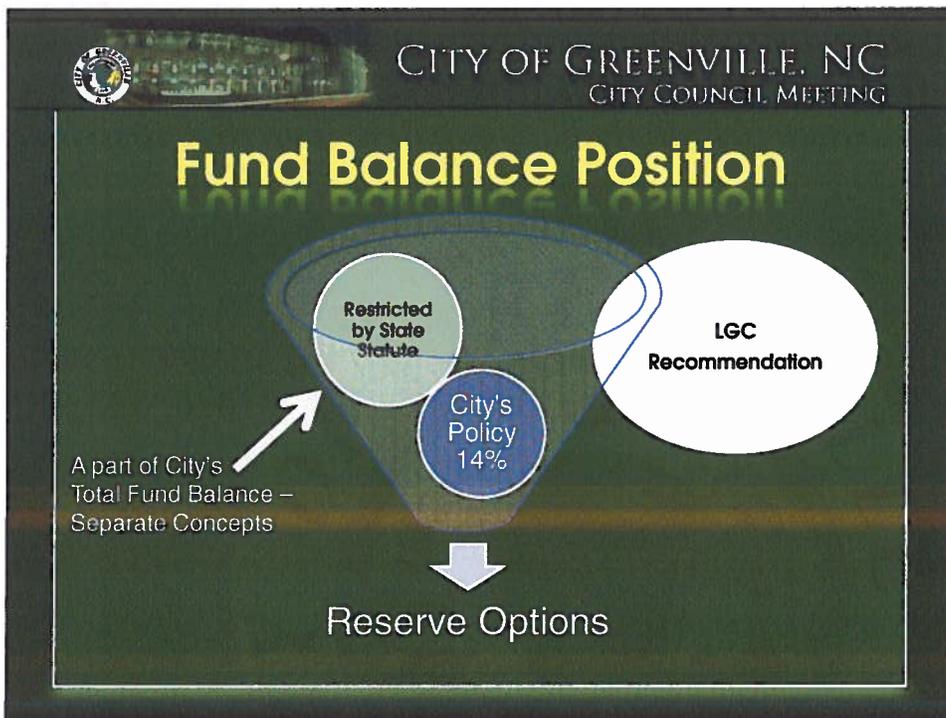
Fund Balance Position

	FY 2012	FY 2011	% Change
Fund Balances:			
Restricted	\$ 11,732,396	\$ 10,851,970	8 %
Committed	3,059,640	2,830,743	8
Assigned	2,489,798	2,090,585	19
Unassigned	14,683,133	13,380,913	9
Total Fund Balance	\$ 31,964,967	\$ 29,154,211	10 %

CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Fund Balance Position

Fund Balance		
Nonspendable		
Prepaid items and inventories	\$	150,759
Spendable		
Restricted		
Stabilization by State Statute		8,086,925
Restricted for general government		1,251,192
Restricted for streets		1,837,757
Restricted for public safety		405,763
Committed		
Committed for catastrophic losses		2,729,453
Committed for League of Municipalities		145,606
Committed for debt service		184,581
Assigned		
Assigned for subsequent years expenditures		2,489,798
Unassigned		14,683,133
Total fund balance	\$	31,964,967



 CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Restricted by State Statute

State Statute - which is not available for appropriation under State law (G.S. 159-8(a)). This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred revenues.

 **\$8,086,925** 

STATE REQUIRED

 CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

LGC Recommendation

FY 2012 Expenses

$\$70,983,908 \times 8\% =$

 **\$5,678,712** 

LGC RECOMMENDATION

 CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Peer Cities

Municipality	FY 2012 Available Fund Balance % of Expenses
Greenville	33.43%
High Point	23.21%
Gastonia	21.70%
Concord	69.69%
Fayetteville	27.16%
Rocky Mount	21.57%

 CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Items to be Discussed



 CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Items to be Discussed

- Market / Merit Increases
- Frozen Positions
- Unemployment Law
- Privilege License Cap
- Additional Capital / Maintenance Funding



 CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Market/Merit

Market Increase	General Fund	Other Funds
1.0%	344,005	63,583
1.5%	516,007	95,376
2.0%	688,335	126,842
2.5%	860,012	158,959

4-year History



Year	Market Increase
2009	0%
2010	0%
2011	1.50%
2012	2.50%



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\$330K in Proposed Savings (GF)

Vacant Positions	# of Positions
Building Inspector	1
Communications Technician	1
Fire/Rescue Administrative Assistant	1
Accounting Technician I	1
Collections Clerk (PT)	1
Cemetery Supervisor	1
Custodian II	1
Quality Control Technician	1
Streets Coordinator	1
Laborer	2
Neighborhood Liaison/Community Ombudsman	1
Marketing Coordinator	1
Parks Maintenance Technician II (PT)	1
TOTAL	14



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Unemployment Law

Beginning in FY14:

- Reserve equaling 1% of taxable wages
- Taxable wages up to \$24,100
- Quarterly payments made to build reserves

Total Impact
\$172,000



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Privilege License Cap

City's Current Practice

Currently calculated:

- \$50 for the first \$25,000 in Gross Receipts
- Additional .50 cents per thousand until \$2,000 reached

Current Timeline for Billing	
March 22 nd	Mail requests for Gross Receipts
April 22 nd	Deadline for response
May 29 th	First billings
June 5-June 30	Check processing

Process on hold pending fee change



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Privilege License Cap Cont'd...

Other Cities' Practices

Municipality	Privilege License Cap
Cary	\$ 5,000
Charlotte	10,000
Winston-Salem	11,000
Raleigh	20,000
Wilmington	No Cap
Durham	No Cap



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Privilege License Cap Cont'd...

	Gross Receipts	Max. Tax
Recommended	\$ 9,925,000	\$ 5,000
2004 - current	3,925,000	2,000
2001 - 2004	2,425,000	1,250
1999 - 2001	1,425,000	750

Current Tax	Yields Gross Receipts	Proposed Tax	Yields Gross Receipts	Difference
\$ 2,000	\$ 551,249	\$ 5,000	\$ 708,555	\$ 157,306

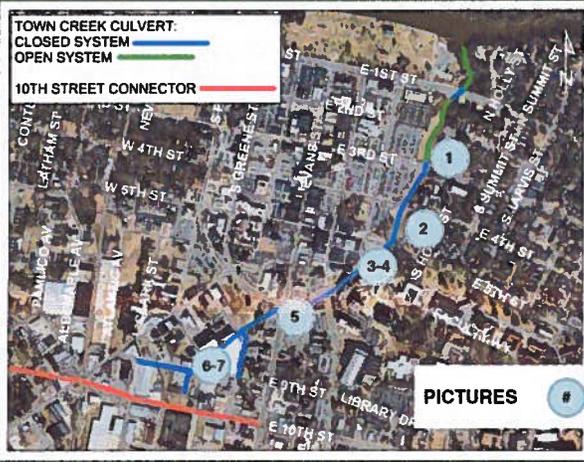
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- CITY OF GREENVILLE, NC
CITY COUNCIL MEETING
- ## Additional Capital/ Maintenance Funding
- Street Improvements
 - Building / Facilities Improvements
 - Parking Deck
 - BANA / ERP
 - Plans / Studies

 CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Town Creek Culvert

 CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Town Creek Culvert - Current

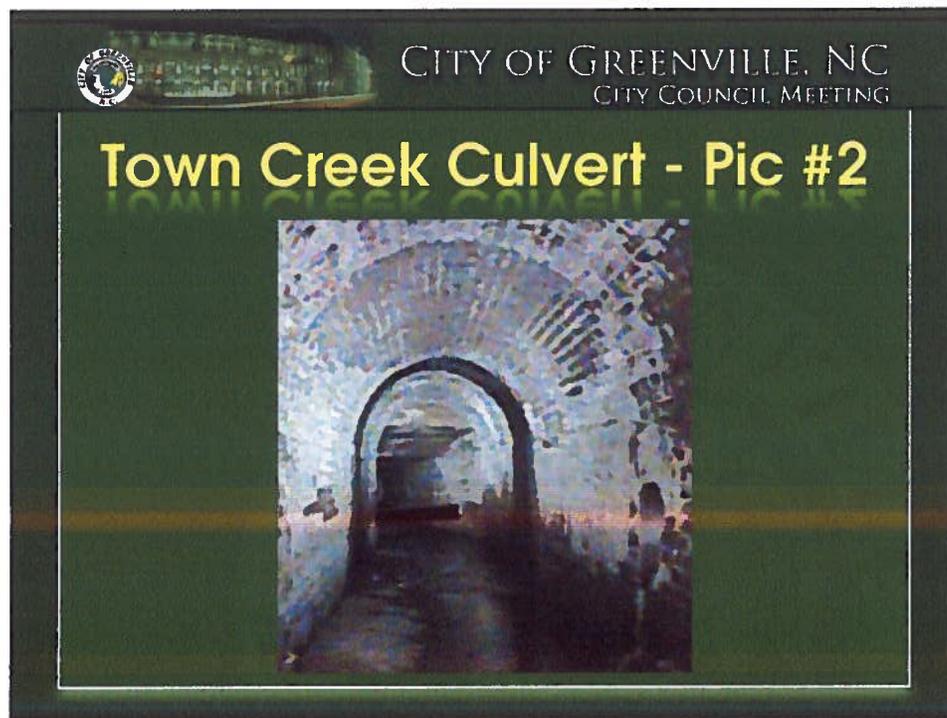
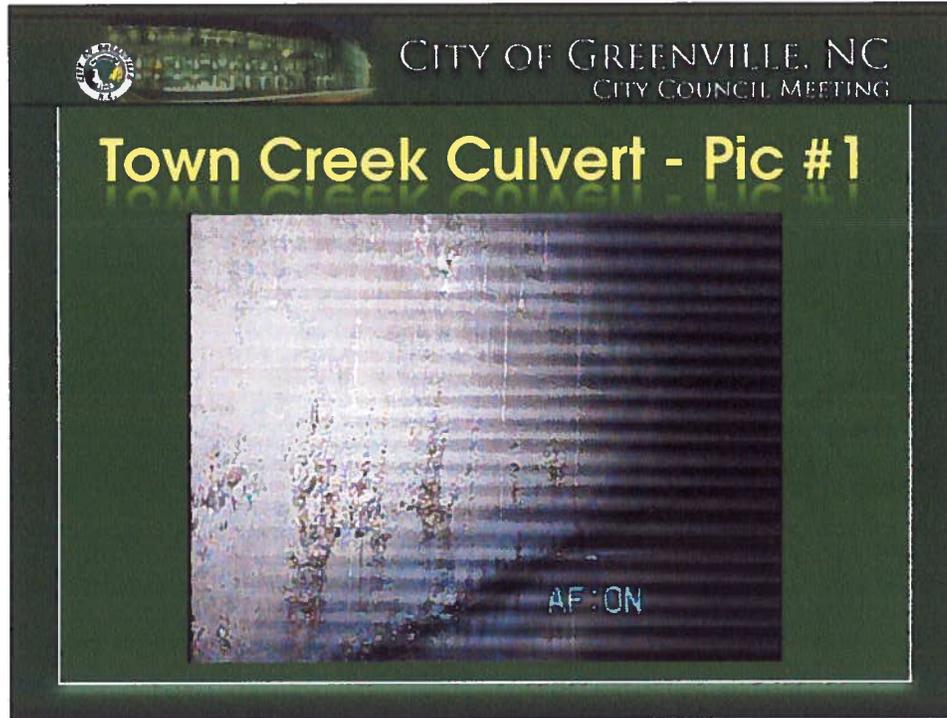


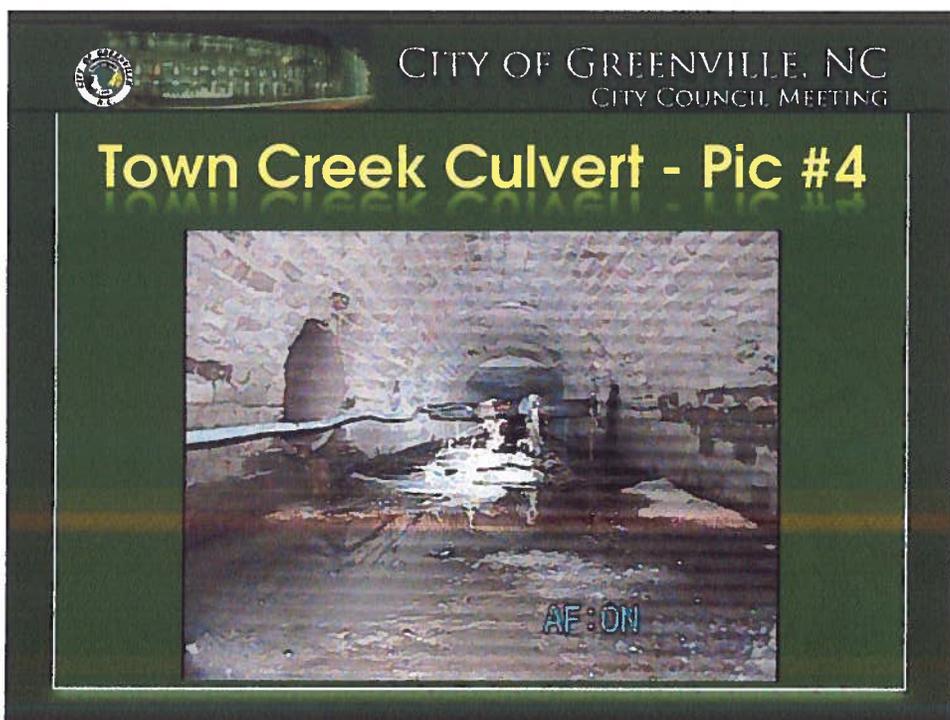
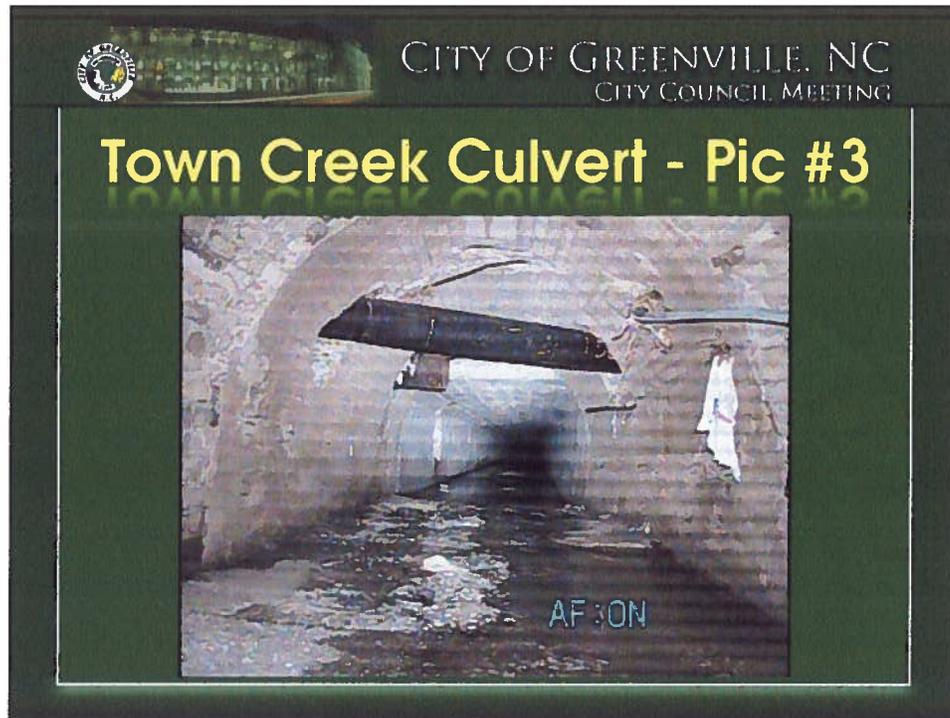
TOWN CREEK CULVERT:
CLOSED SYSTEM ————
OPEN SYSTEM ————
10TH STREET CONNECTOR ————

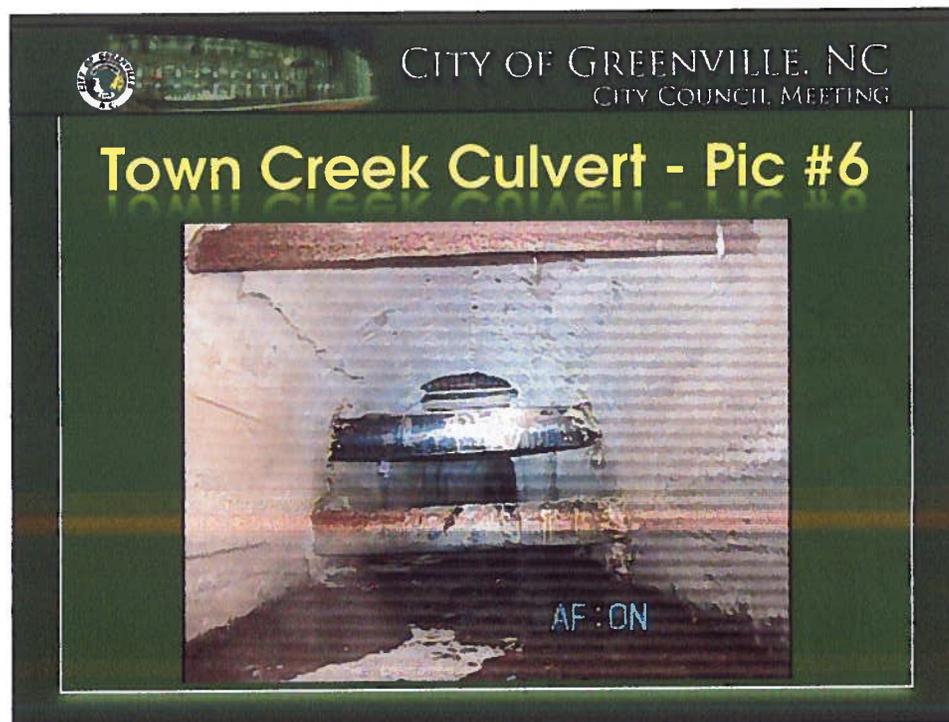
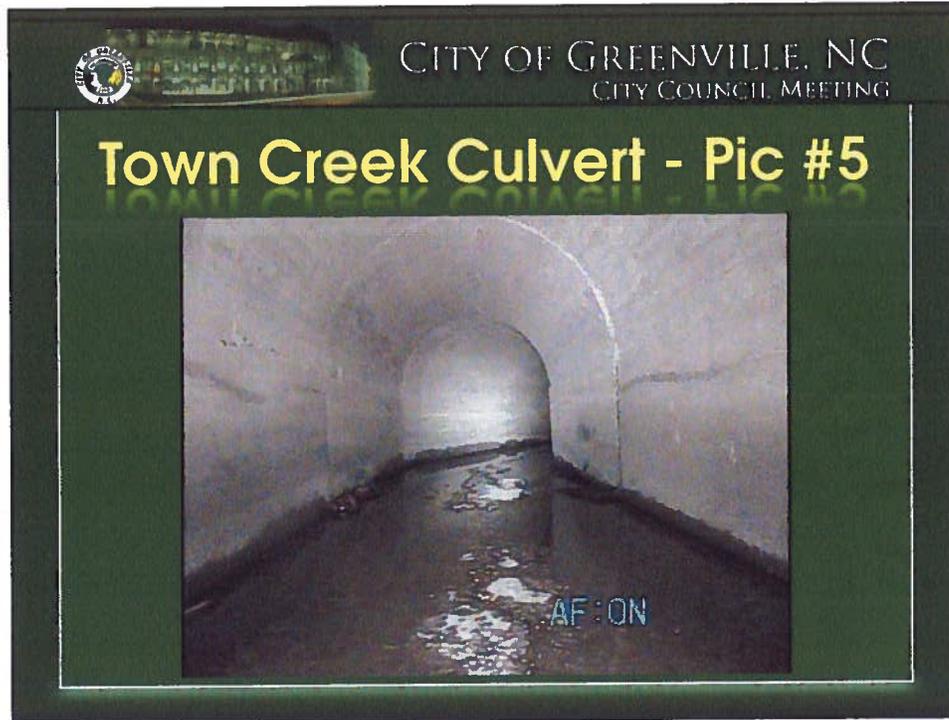
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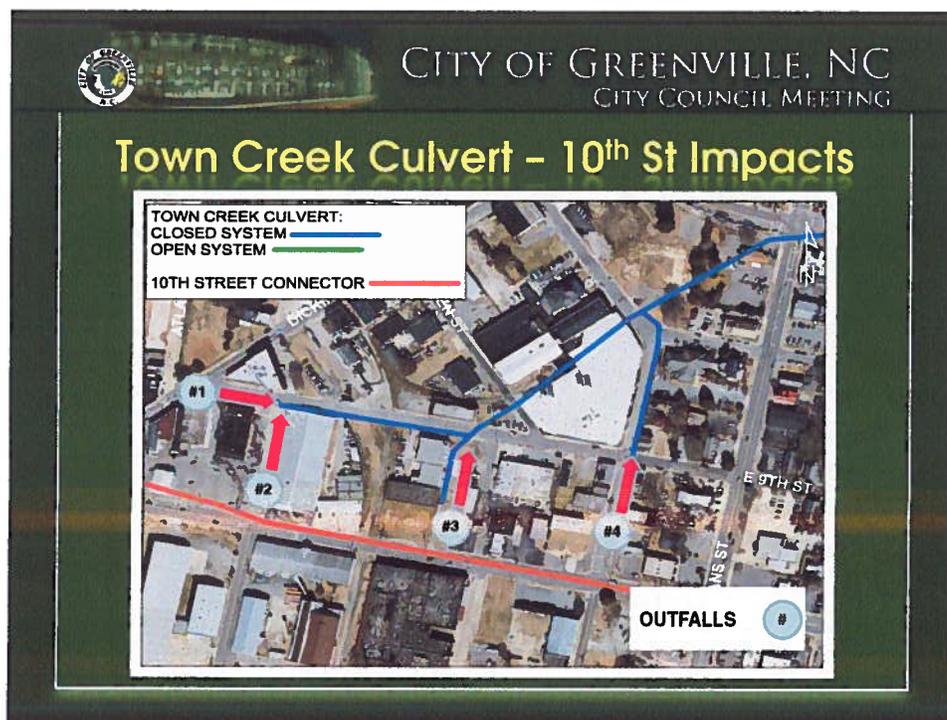
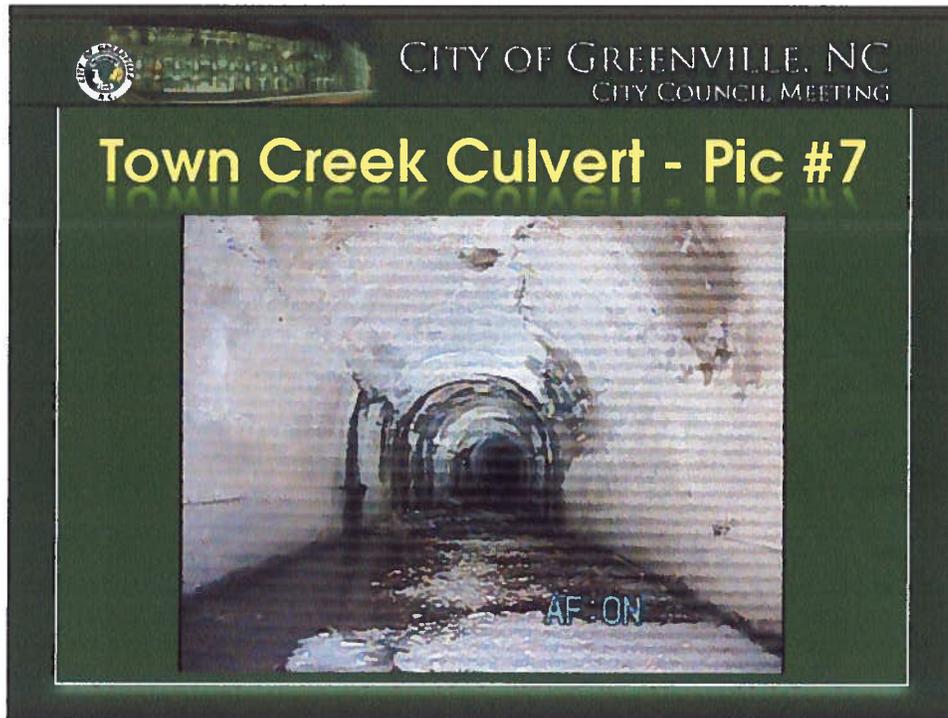
PICTURES #

The map shows an aerial view of a city grid with streets labeled (e.g., W 4th St, W 6th St, E 10th St, E 18th St). A blue line represents the closed system, a green line represents the open system, and a red line represents the 10th Street Connector. Numbered callouts 1 through 7 are placed along the blue line. A 'PICTURES' button with a '#' icon is located in the bottom right corner of the map area.











CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Schedule

Based on June 2017 completion of
10th St Connector
Town Creek Culvert schedule is:

	<u>Start</u>
Design/Permitting (18+ mo.)	June 2013
Construction (24 mo.)	June 2015



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Estimated Cost

Study/Design	\$	1M
Permitting	\$	50,000
Easements	\$	250,000
Construction	\$	5M - 7M
TOTAL	\$	7M - 9M



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Budget Calendar

April 15	Preview of Proposed Budget
May 13	Presentation of Proposed Budget
June 10	Public Hearing
June 13	Adoption of Budget

Coming Soon!



CITY OF GREENVILLE, NC
CITY COUNCIL MEETING

Questions



Item VI.

**Presentation of Bradford Creek Golf Course
Plan of Action**

MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Barbara Lipscomb, City Manager 

DATE: March 20, 2013

SUBJECT: Bradford Creek Public Golf Course – Recommended Plan of Action

Section 1: Introduction

The purpose of this memorandum is to provide staff's recommended Plan of Action related to the Bradford Creek Public Golf Course which will be presented to City Council at your March 25, 2013 Workshop. As the consultant report presented to City Council on January 14, 2013 states, the golf course has many things working against it that cannot be changed (i.e. location, over supply in market, weak demographics). The report further identifies the need for capital investment as a core component of how to achieve long-term viability and further recognizes that the City will need to contribute funding to this capital investment effort. This need for capital funding should be viewed within the context of the Recreation and Parks Department which has significant capital needs associated with existing facilities and overall City budget limitations as is illustrated by the General Fund being balanced using \$1.25 million of fund balance in the FY 14 Financial Plan. As such, the recommended Plan of Action attempts to provide a roadmap that will allow the golf course to continue to serve as a gateway to the game for the community, while requiring limited City funds to subsidize the overall facility operation, including capital investment.

Section 2: Background Information

In 2010, former City Manager Wayne Bowers recommended that City Council pay off the remaining debt service related to the purchase of the Bradford Creek Public Golf Course. The City Manager further recommended that the golf course be permitted to operate for two years without debt, after which time the golf course's financial situation would be reviewed. The end of this two year period coincided with the early stages of the FY 13 and FY 14 bi-annual budget development process. At that time, a great deal of effort went into discussing the golf course which had been designated as an enterprise fund, but had operated at a deficit in recent years leading to questions regarding funding and operations.

On May 7, 2012, staff presented a **Report on Bradford Creek Golf Course Operational Alternatives** to City Council. Upon receiving this report and discussing the alternatives available, City Council decided to designate the Bradford Creek Public Golf Course as a recreational facility to be operated within the Recreation and Parks Department budget, located within the City's General Fund. City Council also directed staff to utilize an outside consultant to

conduct a management and operational analysis of the facility so as to improve operational efficiency.

Staff developed a Request for Qualifications for a **Bradford Creek Golf Course Management and Operational Analysis** and issued the same on June 11, 2012. The City received seven (7) responses from reputable firms from across the country and ultimately contracted with Golf Convergence, Inc., a nationally recognized leader in golf course assessments and feasibility studies. The firm's managing principal, Jim Keegan, directly managed the assessment process. To this end, he conducted two multi-day site visits to the golf course, met two times with the Bradford Creek Golf Course Advisory Board, interviewed facility and management staff, interviewed course customers, secret shopped other golf courses in the area, and interviewed the operators of other golf courses in the area to establish the background and context needed to supplement his firm's data analysis and provide the basis for the report that he presented to City Council on January 14, 2013.

The consultant's report provided very detailed recommendations, but focused on three primary substantive recommendations:

1. Realign staffing to recognize the seasonal nature of the business, the skills and interest of existing staff, and the need to retain a general manager skilled in the business of golf with an emphasis on marketing, yield management, customer service and leadership.
2. Golfers acknowledge their responsibility for paying fair market value for the experience provided by supporting an increase in greens fees.
3. Capital investment is made by the City to bring golf course in-line with current industry standards. This investment would fund bunker renovation, strategic tree removal and reduction of maintained turf initiatives.

Upon receiving the consultant's report, City Council voted to refer the matter to staff for a recommendation on how to proceed with operations and capital needs at the golf course and how to fund the same.

Section 3. Input Received From Golf Course Advisory Board

Staff met with the Golf Course Advisory Board on March 14, 2013, to discuss the recommendations included in the consultant's report and to obtain their input regarding what they would support in a proposed Plan of Action. While this meeting lasted over two hours and numerous topics were discussed, below is a summary of some of the major topics about which the board members present reached a consensus:

- The golf course should not be evaluated solely on its financial performance, but also on its role in supporting the mission of the Recreation and Parks Department, how it serves as a gateway to the game for those that would otherwise not have the opportunity to play,

the positive economic impact to the City from statewide and regional tournaments held at the course, and how it is an amenity to add to the community's overall quality of life.

- A fee increase, up to the \$3 increase proposed by the consultant, is generally supported. There is concern, however, that a \$3 increase could potentially result in a reduction in rounds played, which would negatively impact revenues.
- There is significant support for the current Golf Operations Manager, Mike Cato. He is recognized as an asset to the facility and his impeccable reputation statewide is a positive for the facility.
- The Golf Operations Manager should, within limits, have the ability and flexibility to offer specials at times when the course is not busy, a method used to maximize round yield at private courses.
- Detailed input was provided on capital investment opportunities, most of which was included in the conceptual 5-Year Capital Improvement Schedule provided herein.

Section 4. Recommended Plan of Action

The consultant recommended \$400,000 of initial capital investment in the golf course and an additional annual capital investment of approximately \$130,000. The financial projections provided by the consultant depict significant negative cash flow (operations and capital combined) that would have to be absorbed by the general fund (\$820,791 over five years / average of \$164,158 per year). Given the other needs in the General Fund, including significant capital needs related to other Recreation and Parks facilities, staff does not feel this investment level is reasonably achievable.

As such, staff has reviewed all consultant recommendations and considered input provided by the Golf Course Advisory Board in developing the following Plan of Action which incorporates, either fully or partially, the primary recommendations contained within the consultant's report.

A. Operational Modifications

Action #	General Description	Details	Fiscal Impact
PRO SHOP			
1	Retain a Part-Time Business and Marketing Manager	Hire a part-time business and marketing manager for 28 hours a week, 50 weeks a year @ \$18.00 per hour. This part-time employee will report to the Golf Operations Manager. Primary responsibilities will include: - Marketing the facility (see Action # 6) - Recruiting tournaments and events	\$25,200

Action #	General Description	Details	Fiscal Impact
		(i.e. facility rental) -Quality control and customer service -Limited front counter duty	
2	Golf Operations Manager	Will continue to run the day-to-day operations of the facility. The additional time / capacity created by the Business and Marketing Manager will afford the opportunity to expand the number and variety of youth programs being offered.	\$0
3	Eliminate One Pro Shop Attendant Position	Reduction of one FTE	(\$49,823)
4	Assign responsibility for full utilization of FORE Reservation system to remaining Pro Shop Associate	Effort to maximize available technology	\$0
5	Provide additional part-time pro-shop coverage	40 hours a week , 44 weeks a year @ \$7.75 per hour	\$13,650
6	Develop and implement a marketing plan	Coordinate with ECU School of Business to develop a marketing plan. Provide additional \$3,000 funding for marketing efforts (current budget is \$2,000 / \$5,000 proposed). Marketing Plan to be implemented by the business and marketing manager.	\$3,000
MAINTENANCE			
7	Improve tees, fairways and rough via fertilizer and weed control	Allocate additional funding (\$10,000) to improve tees, fairways and rough via fertilizer and weed control.	\$10,000
8	Raise part-time maintenance wages	Raise part-time salaries from minimum wage (\$7.25/hour) to \$8.00/hour to attract more skilled part-time labor. This will help alleviate the need for an additional full-time employee.	\$5,310
TOTAL			\$7,337

Impact of Proposed Operational Modifications

- Increased focus on marketing and customer service;
- Full utilization of available technology;
- Greater focus on maintenance of the golf course (city asset);
- Increase the number and variety of youth programs being offered;
- Labor is better aligned with seasonal nature of enterprise;
- Annual increase in operating expenditures of \$7,337.

B. Fee Schedule

The implications of fee increases for golf course facilities are difficult to accurately predict. The goal is always to increase revenues, but too large of a fee increase will likely lead to a reduction in rounds being played, which will limit revenue enhancements or even have a negative revenue impact. As such, staff proposes moderate increases (\$2 for most types of rounds) in an effort to increase revenue while not adversely impacting the number of rounds played.

The proposed fee schedule follows:

Monday-Thursday	CURRENT FEE	REVISED FEE	Increase
18 Holes w/Cart	\$29	\$31	\$2
18 Holes Walking	\$19	\$21	\$2
9 Holes w/Cart	\$20	\$22	\$2
9 holes Walking	\$15	\$15	-
Cart; 18	\$12	\$14	\$2
Cart; 9	\$6	\$7	\$1
Fri-Sat-Sun-Holidays			
18 Holes w/Cart	\$35	\$37	\$2
18 Holes Walking	\$22	\$24	\$2
9 Holes w/Cart	\$22	\$24	\$2
9 holes Walking	\$17	\$18	\$1
Cart; 18	\$12	\$14	\$2
Cart; 9	\$6	\$7	\$1
Specials			
Seniors Day – Tuesdays			
18 holes w/Cart	\$22	\$24	\$2
9 holes w/Cart	\$16	\$18	\$2
Ladies Day – Wednesdays			
18 holes w/Cart	\$22	\$24	\$2
9 holes w/Cart	\$16	\$18	\$2
College Day – Thursdays			
18 holes w/Cart	\$22	\$24	\$2
9 holes w/Cart	\$16	\$18	\$2

VIP Partners Program			
New - City Resident	\$59.95	\$59.95	-
New - Non-City Resident	\$59.95	\$69.95	\$10
Renewal - City Resident	\$39	\$39	\$10
Renewal - Non-City Resident	\$39	\$49	\$10
Monday – Thursday 18 holes w/Cart 9 holes w/Cart	\$24 \$17	\$26 \$19	\$2 \$2
Friday – Sunday and Holidays 18 holes w/Cart 9 holes w/Cart	\$30 \$19	\$32 \$21	\$2 \$2
Loyalty Credit	10% credit on all money spent	5% credit on all money spent	N/A
Season Pass			
City Resident	\$995	\$895	-\$100
Non-City Resident	\$995	\$995	-
Range Balls			
Small (approximately 60 balls)	\$6	\$6	-
Medium (approximately 90 balls)	\$7	\$8	\$1
Large (approximately 120 balls)	\$8	\$10	\$2

Impact of Proposed Fee Increases

- Fees are more in-line with local market
- Estimated additional revenues of **\$58,900**

For FY 15/16 budget, explore addition of a \$1 to \$2 fee dedicated for capital improvements to reduce dependency on the general fund

COMPETITOR COURSES RATES		
GOLF COURSE	CITY	18 HOLE GREEN FEE (Weekend with Cart)
Brook Valley Country Club (private club)	Greenville	\$55 with a member \$65 without a member
Greenville Country Club (private club)	Greenville	\$55 with a member \$65 without a member
Ironwood Golf & Country Club (semi-private)	Greenville	\$48.55
Ayden Golf & Country Club (semi-private)	Ayden	\$35
Cypress Landing Golf Club (semi-private)	Chocowinity	\$50 before 1:00 p.m. \$30 after 1:00 p.m.
Farmville Golf & Cty Club (semi-private)	Farmville	\$30
Cutter Creek Golf Club (semi-private)	Snow Hill	\$55
Kinston Country Club, Inc.	Kinston	\$40 with a member

C. Capital Improvements

Staff solicited input from the Golf Course Advisory Board and developed a conceptual five-year capital improvement schedule for Bradford Creek Public Golf Course based upon an estimated \$50,000 funding available annually.

YEAR 1 (FY 14)

Bunker Renovation Program	\$20,000
Targeted Tree Removal	\$5,000
Fairway Modifications with Landscaping	\$10,000
Reduction of Maintained Turf (9 holes) and rework 50 irrigation heads to reduce irrigated turf	\$15,000
Year 1 Total	\$50,000

YEAR 2 (FY 15)

Bunker Renovation Program	\$30,000
Cart Path Repair	\$5,000
Reduction of Maintained Turf (9 holes) and rework 50 irrigation heads to reduce irrigated turf	\$15,000
Year 2 Total	\$50,000

YEAR 3 (FY 16)

Bunker Renovation Program	\$30,000
Cart Path Repair	\$5,000
Fairway Drainage Improvements	\$15,000
Year 3 Total	\$50,000

YEAR 4 (FY 17)

Fairway Drainage Improvements	\$30,000
Landscaping Improvements	\$8,000
Clubhouse Exterior Painting and Fascia Wood Replacement	\$12,000
Year 4 Total	\$50,000

YEAR 5 (FY 18)

Capital Reserve for Phase 1 Irrigation System	\$30,000
Clubhouse Interior Improvements	\$7,000
Bulkhead Replacement (Pump house)	\$15,000
Year 5 Total	\$52,000

Future Year Needs:

- Additional Capital Reserve for Phase 1 Irrigation System (cost unknown)
- Permanent Restrooms on Course (\$75,000)

D. Financial Model and Impacts

The financial model from which the above described Plan of Action was developed is based upon the following assumptions:

1. The facility, as currently organized and operated, is expected to result in a \$35,615 loss (expenditures over revenues) per year based on past performance. This is based on the average results over the past five years, with results from the past three years weighted, as is depicted below:

FY 12: (\$17,920) – weighted x 2
FY 11: (\$86,824) – weighted x 2
FY 10: (\$44,704) – weighted x 2
FY 09: (\$29,536)
FY 08: \$43,508
Average: \$35,615

2. The City has already budgeted a \$50,000 General Fund contribution to the Bradford Creek Public Golf Course for FY13 (current year) and FY 14. It is assumed that this current subsidy will remain in place over the next five years.
3. It is common for increases in user fees for a voluntary activity such as golf to decrease participation. As such, the fee increases depicted herein were limited (to \$1 or \$2) so as to minimize any corresponding decrease in rounds. Additionally, it is

believed that proposed course improvements and additional marketing efforts will off-set any potential losses associated with the proposed fee increase. Consequently, no loss in revenues have been calculated for a potential decrease in rounds associated with the proposed fee increase and no additional revenue calculated for potential increased rounds resulting from improved marketing and course improvements.

4. Estimated additional revenues generated by the proposed fee increase were calculated based upon the average total rounds played at the course by-type for the past two years (FY11 and FY12).

An evaluation of the operational modifications and revised fee schedule outlined herein, within the framework of the previously provided financial assumptions, would result in the Bradford Creek Public Golf Course being operationally self-sufficient with a \$15,948 surplus. The \$50,000 annual City contribution is proposed to be provided for capital improvements as also outlined herein.

Current Operating Loss	(\$35,615)
Impacts of Operational Modifications	(\$ 7,337)
<u>Impacts of Fee Increases</u>	<u>\$58,900</u>
Net Operational Impact	\$15,948

Annual Capital Contribution by City	\$50,000
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Given that the financial success of any golf course is, to some degree, dependant on the weather conditions for that particular year, it is expected that annual results will vary from year to year. As such, the operational surplus, estimated at \$15,948 will be programmed into the annual budget as a reserve fund. If the facility's annual results are positive (revenues greater than expenditures), then the surplus can roll-over for the following year. If the facility's annual results are negative (expenditures greater than revenues) then this reserve fund can be used to off-set losses. If the losses exceed that which is available in the reserve fund, then additional funding will have to be provided from the Recreation and Parks Department budget as this facility is a recreational program of that department.

It is recognized that market demands are always in motion when it comes to the business of golf. As such, it is recommended that the facility's fee schedule be reviewed each year and adjusted as needed to ensure that it will continue to operate within the parameters outlined by this Plan of Action.

Section 5. Conclusions

The Plan of Action provided herein attempts to provide a roadmap that will allow the Bradford Creek Public Golf Course to continue to serve as a gateway to the game for the community, while requiring limited City funds to subsidize the overall facility operation, including capital

investment. The progress related to implementing this Plan of Action will require constant monitoring and it is recognized that shifts in approach may be needed along the way.

Attachments:

Bradford Creek Golf Club Management and Operational Analysis – January 14, 2013
Written Comments Provided by Jim Decker, Golf Course Advisory Board Member
Written Comments Provided by Becky Sweet, Golf Course Advisory Board Member

cc: David Holec, City Attorney
Carol Barwick, City Clerk
City of Greenville Department Heads



Management and Operational Review

City of Greenville

Bradford Creek Golf Club

January 14, 2013

Management and Operational Analysis

Submitted by:

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Golf Convergence



Management and Operational Review

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Executive Summary¹

Recommendations

The goal of this engagement was to craft a strategic vision to ensure that the Bradford Creek Public Golf Course is managed and operated in an efficient and cost effective manner that will allow for the facility's long-term financial viability. To this end, the strategic vision was designed to enable the facility to be operationally self-sufficient (operational costs covered by operational revenues).

While it would be ideal for the facility to generate the financial resources necessary to cover capital needs, estimated at \$130,000 annually, it was recognized that some level of City investment in capital improvements would likely be required.

The Bradford Creek Public Golf Course is an asset with an estimated value of \$3.2 million. While the course has cumulatively generated revenues in excess of operational expenditures since 2004, it does have a cumulative loss exceeding \$900,000 due to debt service payments associated with purchasing the course. Though financially challenged, the facility is deemed by golfers within the community as the superior local public golf course and is shown below:



It is the conclusion of this report that the long-term viability of the Bradford Creek Public Golf Course is achievable if the following three recommendations are implemented:

- 1) Staffing is realigned to recognize the seasonal nature of the business, the skills and interest of the existing staff, and the need to retain a general manager skilled in the business of golf with an emphasis on marketing, yield management, customer service and leadership.

¹ Note: The Executive Summary, at 25 pages, is excessively long, and we apologize for that. It is our experience that a reader will read only this portion of the business plan. Because it is essential to understand the foundation for the recommendations, the Executive Summary is longer than desired.



Management and Operational Review

- 2) Golfers acknowledge their responsibility for paying fair market value for the experience provided by supporting an increase in green fees.
- 3) A capital investment of \$400,000 is made by the City to bring the golf course in-line with current industry standards. This investment will fund bunker renovation, strategic tree removal and reduction of maintainable turf initiatives.

If one were to view this asset as a small component of the City's resources from merely a financial perspective, the greatest return to the City will result from the sale of the asset. However, that alternative is likely to be politically unpopular for many reasons, including resistance from golfers, deviation from the mission of Recreation and Parks Department to provide a value-based leisure activity to the citizens, and the recognition that the original acquisition was ill-advised.

Privatization is another option as the employee benefits exceed 40% of base salary. However, it is unlikely that a quality operator would be attracted to manage Bradford Creek due to the many factors addressed herein.

Thus, should any of these recommendations not be achieved, one could quickly reach the conclusion that the golf course is not operationally sustainable without general fund support.

The conclusions reached were that the Greenville market is oversupplied, the course is poorly located, the demographics conducive to golf are weak, the number of playable days suggests that the scheduling of staff could be changed, technology is not being used effectively, the financial benchmarks are consistent with industry averages and suggest that significant savings in reduction of expenses is not available, and that customer service could be enhanced, since customer loyalty is neutral.

However, framed within these three recommendations, this report provides numerous suggestions to create a value-based golfer experience on a foundation that is fiscally sustainable.

The Puzzling Truths about a Golf Course and Bradford Creek

There are 7 fundamental principles that govern the management of a golf course that City Council, City Management, Staff, Golfers and Taxpayers would benefit from understanding.

- 1) A golf course facility is a "small business" that, at a municipal golf course, averages nationally slightly over \$1 million in annual revenue. Bradford Creek brings in slightly under the median.
- 2) A golf course is a living organism that requires constant reinvestment, since each of its 12 principal components (such as greens, tees, bunkers, irrigation system, and more) has a predictable life cycle. Annually, in addition to \$500,000 in normal maintenance, \$130,000



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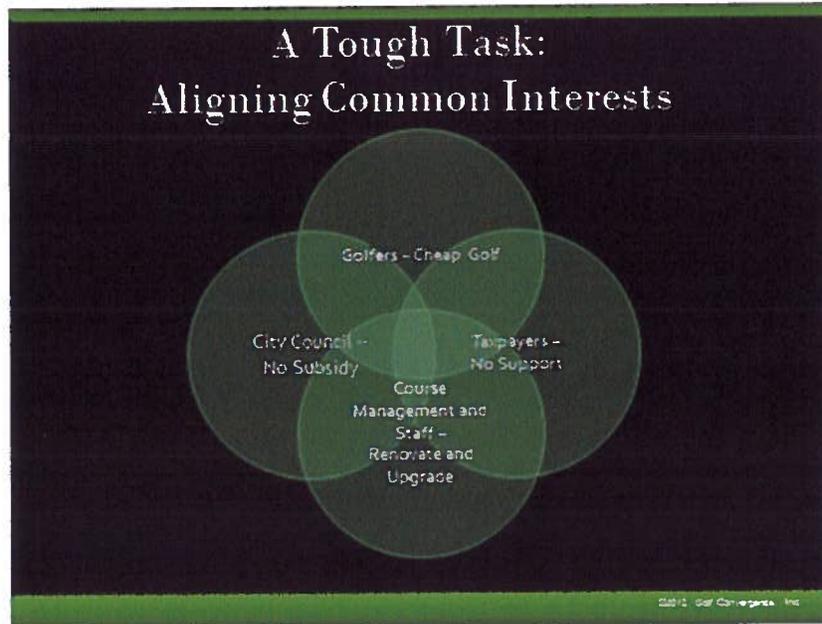
needs to be expended or invested in reserves to replace those assets to ensure the fiscal sustainability of the golf course. Because so little has been invested in the golf course, deferred capital expenditures are approaching \$2 million.

- 3) A golf course is managed by the intersection of farmers, short-order cooks, teachers, and retail merchandisers. Services are largely provided by low-paid, seasonal workers hired to fill a short-term need. Employees at a golf course are attracted by the game of golf and usually have few skills, training, or interest in the business of golf. Leadership, marketing, and focus on the details of the business are areas that need improvement.
- 4) Nationally, golfers average 41.5 years of age with a median household income of \$85,800, and nearly 80% are Caucasian and 78% male. The customers of the Bradford Creek Golf Course average 47.82 years of age, have median household income of \$88,285, and are 86% male. Golf appeals to only 6.5% of the population within a 30-mile radius of Bradford Creek.
- 5) Golfers experience 13 potential customer touch points on the assembly line of golf. Their experience and loyalty is largely determined by the employees who are paid the least. Bradford Creek offers only five customer touch points.
- 6) Ninety percent of all golfers reside or work within 30 minutes of a golf course. Fifteen percent of a course's golfers generate 60% of its annual revenue. The typical golf course has only 6,000 distinct customers each year, and those golfers generate the 30,000 rounds played. Bradford Creek is not utilizing its currently installed technology properly, and it is thus not possible to identify the distinct number of customers who play 24,000 rounds per year there.
- 7) Customer loyalty to a course occurs when the experience received equals or exceeds the fees charged. To the extent that the price exceeds the experience, customer attrition occurs. Golfers rarely appreciate the cost of properly operating a golf course; they seek the lowest price, are seldom willing to pay for the value received, and threaten to play elsewhere if their demands are not met. The loyalty of season pass holders and VIP members to Bradford Creek is satisfactory – slightly above the national average. The loyalty of other golfers and private club members in the City of Greenville to Bradford Creek is exceedingly low.

Beyond these governing tenets, there is an undercurrent that greatly influences the management and operation of a municipal golf course, as reflected below:



Management and Operational Review



City Councils usually believe that a golf course should be a fiscally self-sustaining community benefit. Course management and staff consistently seek investment capital to renovate and upgrade the golf course to ensure that a superior experience is provided. Taxpayers who don't play golf (they represent 93.7% of the population within 10 miles of Bradford Creek) feel that general fund dollars should not be allocated to subsidize the recreational experience of the affluent.

Lastly, golfers, particularly season pass holders (members,) feel entitled to pay far less than fair market value for many reasons, including that as taxpayers, they feel they are financially supporting the City through property taxes from which many derive marginal personal benefit. Golfers view investments made by a City in other parks and recreational activities such as baseball, soccer, swimming, as similar to golf. Unfortunately, these golfers fail to comprehend that the City's other parks and recreation activities are unlikely to be funded by private enterprise, whereas golf is largely funded by private enterprise in the United States, with only 15% of the nation's courses municipal-owned and only 8% of the nation's courses operated by government employees. Golfers in the City of Greenville, particularly members of the Golf Advisory Committee, believe that the City should fund up to 7% of the annual operating deficit from the general fund.

Aligning common interests is always a difficult task. There is no single issue likely to dominate a City Council meeting more than the "correct" management and operational philosophy for a municipal golf course. The heated discussion frequently begins when green fees, particularly annual season pass rates or VIP prices, are established for the forthcoming golf season. We fully expect a debate about the price increases proposed from this review, increases needed to support the forthcoming golf course renovations.



Management and Operational Review

Reviews like this one are rarely fully implemented, but are watered down by the politics of appeasement. Accountability is compromised, with a preference to acquiescence and the display of social graces.

The Hand Dealt – Uncontrollable Factors

How do you explain why things don't go as you assumed they would? The common answers provided are underfunding, poor management, or bad market conditions.

Or, how do you explain how others are able to achieve things that defy all of your assumptions? For example, in 2011, the average municipal golf course achieved \$150,000 in earnings before interest, taxes, depreciation, and amortization. How were other cities able to achieve such success while Bradford Creek Golf Course has a negative general fund balance of over \$900,000 and has consistently lost money over the past several years? The quick answer is that those "other courses" are in major population centers.

Why is Bradford Creek struggling? Simply, the course should not have been purchased. Its long-term prospects were dim from the outset, and they have deteriorated.

The course is poorly located in relationship to the population – 7.3 miles from downtown. It is not located in close proximity to the residential centers of the community.

It contains 185 acres of turf to maintain, contrasted to the normal golf course of 100 maintainable acres. The course lacks convenient storage for electric carts. The experience provided on the front nine, that is at best boring, results from poorly positioned and largely hidden bunkers. There is little shot value variety to attract and retain the accomplished golfer who plays frequently.

Further, the market is oversupplied. There are four golf courses within 10 minutes of downtown Greenville, three of them private clubs, and all are reported as financially struggling. There is a need for only slightly more than two golf courses in the Greenville market.

It Can't Be That Bad, Can It?

There is hope.

The financial statements prepared by the City provide little clarity regarding operational performance. To illustrate, depreciation for the maintenance department was booked in 2011, but not in 2012. Contract services allocated to the maintenance department include POS licensing fees, credit card processing fees, and cart lease payments – all of which should be allocated to the golf operation. Also, cart fees have been integrated with green fees based on the historical accounting practice of the prior owner.

The segregation of cart fees from green fees is appropriate to properly measure their utilization. Financial statements prepared consistent with generally accepted accounting principles for golf



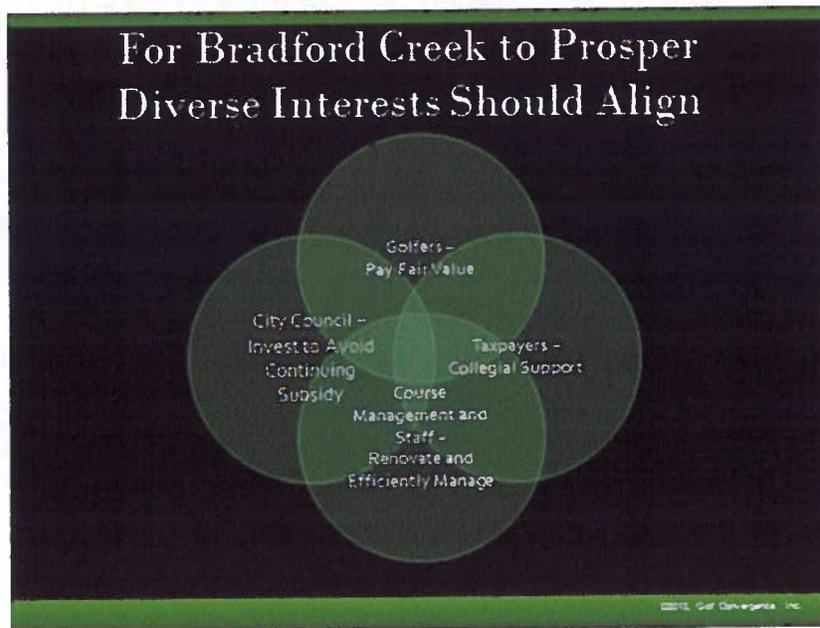
Management and Operational Review

courses will greatly aid in the management of the facility by facilitating comparison to industry benchmarks to ensure efficient management.

Further, technology installed is not fully leveraged. Marketing efforts have been scant and diffused. Disputes about proper green fees have been ongoing. Known capital improvements have been deferred. The condition of the bunkers, observed and confirmed in a survey of golfers, was rated very low. As a result, during this time, the quality of the core asset, from the perspective of the season pass and VIP golfers, has deteriorated and the financial performance has suffered.

All of those aspects can be enhanced to leverage the course's best asset, its attractiveness and the playability of its greens. The functionality of the current clubhouse could be improved, at a minimum, by creating a more welcoming atmosphere. We suggest television sets, a limited menu more diverse than hot dogs and cold sandwiches, and beer on draft.

To achieve the financial goal that Bradford Creek Public Golf Course should operate based on revenues generated at the facility and without taxpayer support, a partnership of all vested parties is advocated and is illustrated below:



We recommend an initial investment of nearly \$400,000 by the City to enhance the golf experience, to renovate the bunkers, to remove trees that adversely affect playability, and to reduce the amount of maintainable turf.

With a commitment by the City to improve the asset, golfers must also invest by paying slightly higher green fees; this as their commitment to ensure the golf course is economically sustainable. Discounts to VIP members should be reduced, and seasonal rates should be introduced

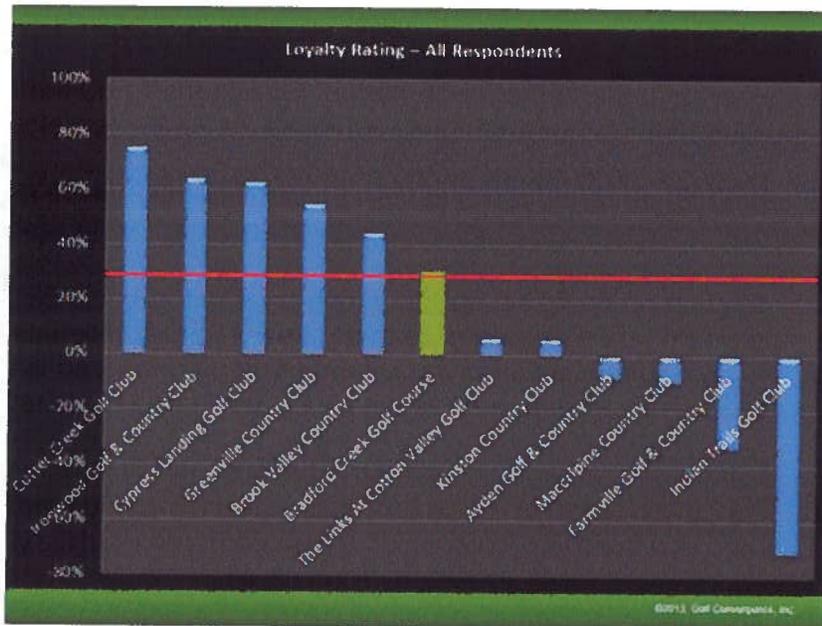


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commensurate with the value provided according to time of the year, time of the day, and the classification of the golfer (senior, junior, etc.).

Specifically, it is recommended that new fee structures be implemented for peak and off-season prices set by daylight savings versus standard time. Peak season prime time prices should represent up to a \$3 increase, depending on the number of holes played and the time of the day. VIP members should receive a \$4 discount per 18 holes. The current \$5 discount, 10% loyalty rewards, and quarterly coupon incentives should be curtailed. Season pass prices should be reduced from \$995 to \$895. Cart fees should be increased by \$2 throughout the golf season to be consistent with other golf courses.

The customer survey conducted as part of this management and operational review indicated the following loyalty to golf courses throughout the Greenville community:



Note 1: that the red line represents the national average for golfer loyalty to a public golf course

Bradford Creek is the highest rated public golf course within the Greenville market place and is just below two of the area's private clubs.

Historical Perspective

While much attention has focused on Bradford Creek's negative fund balance of \$900,000, the golf course has actually generated positive cash flow since 2004, if the years' incomes are averaged, as illustrated below:



Management and Operational Review

	Revenue	Operating Expenses	Net Income	Accumulated Income/Deficit
2004	850,493	681,500	168,993	168,993
2005	912,378	705,614	206,764	375,757
2006	865,358	942,090	-76,732	299,025
2007	864,081	877,457	-13,376	285,649
2008	894,494	803,154	91,340	376,989
2009	819,509	837,483	-17,974	359,015
2010	756,888	848,832	-91,944	267,071
2011	752,313	913,967	-161,654	105,417
2012	843,598	875,248	-31,650	73,767
Average	839,901	831,705	8,196	

Note: Slightly immaterial variances exist to the published CAFR reports.

Only since 2009, during the current economic downturn, has the cash flow at Bradford Creek been negative for four consecutive years.

The fiscal year ending June 30, 2012 showed considerable improvement over the prior year. Improvements in the economy, a competitive course closing, and favorable weather, combined with proactive changes implemented by management during the 2012 fiscal year, greatly narrowed the operational deficit as shown below:



Management and Operational Review

Revenue	6/30/2011	6/30/2012	Differential
Green Fees	524,957	588,052	63,095
VIP	12,869	11,447	-1,422
Annual Fees	7,160	8,336	1,176
Total Green Fees	544,986	607,835	62,849
Cart	13,388	15,035	1,647
Merchandise	28,139	42,888	14,749
Food and Beverage	60,598	67,981	7,383
Range	100,419	101,967	1,548
Other	4,783	7,892	3,109
Gross Revenue	752,313	843,598	91,285
Food and Beverage	35,301	40,805	5,503
Pro Shop	24,465	21,571	-2,894
Cost of Goods Sold	59,767	62,376	2,609
Net Operating Income	692,546	781,222	88,676
Pro Shop			
Total Salaries	283,724	235,553	-48,171
Other Expenses	111,154	110,757	-397
Total Pro Shop	394,878	346,310	-48,568
Maintenance			
Salaries	232,322	242,277	9,955
Other Expenses	227,000	224,285	-2,715
Total Maintenance	459,322	466,563	7,240
Total Expenses	854,201	812,873	-41,328
Cash Flow	-161,655	-31,651	130,004

Note 1: Financial Statements for the year ending June 30, 2012 are preliminary subject to the issuance of the CAFR report.

Note 2: The Financial Statements for the year presented above have been re-categorized to be consistent with golf industry principles.



Management and Operational Review

Bradford Creek is the only municipal golf course within 30 miles of Greenville. The combination of an extensive driving range that is lighted, a short-game practice area to facilitate lessons and clinics, and the regional recognition of the Director of Golf, Mike Cato, as one of the finest teaching professionals, provides hope that the course can clearly serve an important role in the community as the “entry door” to the game of golf for new participants, students from East Carolina University, and the course of choice for the frequent public golfer.

Thus, creating a business plan on which a consensus can be built is vital.

Strategic Analysis – What is the Potential?

What is the potential of the Bradford Creek Golf Course? Decisions can’t be formulated in a vacuum but need to include the uncontrollable and controllable factors impacting the golf course.

An analysis of those factors is presented below:

Strengths	Weaknesses	Opportunities	Threats
Unique championship layout	Location	Marketing	Politics of Appeasement
City Asset	Course management	Technology	Competition
Clubhouse Entrance and Ambience	Deferred maintenance	Renovation	Capital requirements

The core asset, the championship layout, is clearly superior, and while rankings as to what is the “best course” are subject to widespread opinion, it is our professional opinion that Bradford Creek is currently among the top public golf courses in the Greenville market. Bradford Creek’s back 9 holes are very good.

The economic difficulty the course is facing are largely caused by uncontrollable factors, including the oversupply of the market. Perhaps the best threat to the success of Bradford Creek comes from “private clubs” that allow public access on a limited basis. Cutter Creek, Cypress Landing, and Ironwood are clearly superior. To the extent that those private clubs expand public play options, particularly if the guest fee is set at a value-oriented rate, Bradford Creek will face a financial challenge.

It should be noted that this professional opinion was formed by “secret shopping” eight courses that directly compete with Bradford Creek and by conducting a golfer survey of consumer preferences and loyalty. The competitive course set is shown below:



Management and Operational Review

Dist	Company Name	City	Holes	Opened	Type	Tee Stations	Green Fee
0.0	Bradford Creek Golf Course	Greenville	18	1995	MU	30	35
3.9	Brook Valley Country Club	Greenville	18	1966	PE	20	60
7.8	Greenville Country Club	Greenville	18	1923	PE	25	56
9.7	Ironwood Golf & Country Club	Greenville	18	1996	PN	20	65
13.1	Ayden Golf & Country Club	Ayden	18	1963	DF	15	35
14.9	Cypress Landing Golf Club	Chocowinity	18	1996	DF	20	55
15.3	Robersonville Country Club	Robersonville	9	1965	PE	0	25
17.6	Farmville Golf & Country Club	Farmville	18	1932	DF	0	28
18.1	Indian Trails Golf Club (closed 2011)	Grifton	18	1962	DF	0	26
18.6	Roanoke Country Club	Williamston	18	1955	PE	12	30
19.9	Washington Yacht & Country Club	Washington	18	1949	PE	12	45
22.0	Cutter Creek Golf Club	Snow Hill	18	2008	DF	18	47
22.9	The Links At Cotton Valley Golf Club	Tarboro	18	2000	DF	50	40
24.4	Hilma Country Club	Tarboro	9	1900	PE	0	27
24.8	Maccriline Country Club	Pinetops	18	1966	PE	15	34
29.9	Bayview Golf Course	Bath	9	1975	DF	8	11
30.0	Kinston Country Club Inc	Kinston	18	1940	PE	9	52

Note: the average 18-hole green fee of courses built since 1995 in Bradford Creek's competitive market is \$35.00, equal to the 18-hole prime time rack rate green fee. The median green fee in the State of North Carolina is \$28.00

Will Decreasing the Green Fee Boost Rounds?

Our firm, while serving clients for the past 25 years, has yet to hear a single time from any golfer, "We should raise the green fees because the value we are being provided far exceeds the price we are being charged." To the contrary, golfers continually maintain that prices should be lowered and that rounds will increase accordingly. They speak from self-interest, not from a communal concern for the financial welfare of the golf course. This was evidenced in the City of Greenville during our first meeting with the Golf Course Advisory Committee. As reported in the local newspaper covering that meeting, committee members were advocating that lowering the rates would boost play and increase revenue.

We believe that strategy is flawed for two reasons. A 25% decrease in prices, as advocated by some within the community, would require a 33 1/3% increase in rounds to generate the same revenue. That is unlikely to happen, because there is insufficient demand in the marketplace, as documented in the geographic local market analysis performed for this report. It should be noted that a 25% increase in prices will generate the same revenue, even if rounds decrease by 20%. A tertiary beneficial impact of fewer rounds is that course conditions improve. Thus, the odds are in the house's favor to raise - not lower - prices.

The chart below reflects current weekend price with cart at \$35 and a new rate proposed by a small by vocal group, at a 25% discount.



Management and Operational Review

Discounting: A highly flawed strategy

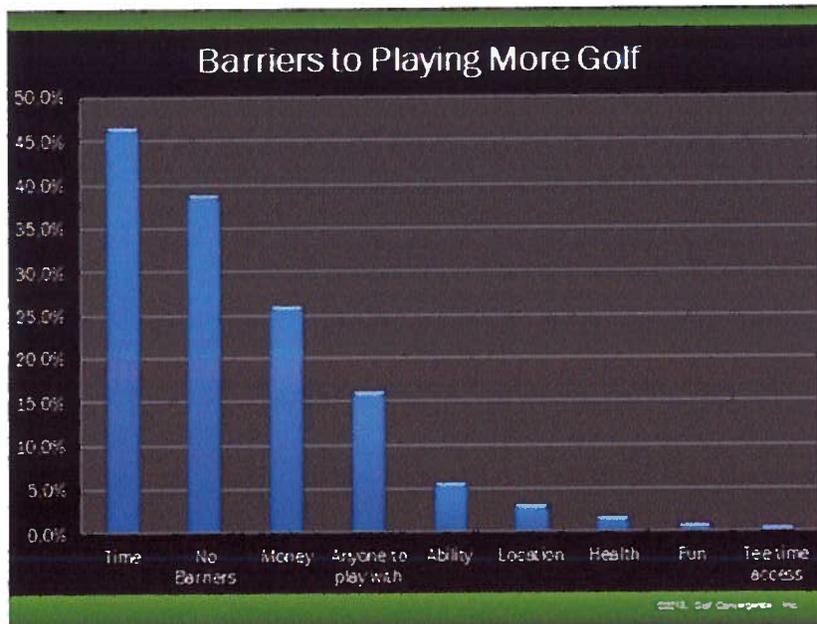
Course location challenged to attract rounds

Category	Amount
Rack Rate	\$35.00
Proposed Rate by Survey Respondents	\$29.40
% Discount	16%
% Increase in rounds to break-even	19.4%
Additional Rounds Required to Generate Same Revenue as currently	4,591

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There is insufficient demand in the market to generate the incremental rounds required to equal current revenue.

Secondly, from the survey conducted as an integral part of this management and operational review, golfers indicated that the primary barriers to playing more golf were “time” or “they were playing as much as they could,” as shown below:





Management and Operational Review

“Time” and “no barriers,” both uncontrollable factors, are the principal barriers to increased play. Only 26% of respondents indicated that the fees charged were the issue.

This analysis leads to a single topic. What is the role of municipal golf today?

The Role of Municipal Golf

A municipal golf course serves a vital role in a City, providing value-based recreation and leisure entertainment to its citizens.

Why? It serves as an entry door to the game as it introduces individuals to the game, its rules, and its defining culture. It is the only sport in which professionals are role models who demonstrate that referees are not necessary for an event to be fair and fun.

For families and friends, golf is an opportunity to enjoy each other’s company via a walk through nature’s preserve. For the competitive athlete, it is an arena to demonstrate one’s ability. For business men and women, it is an office, and for those who are retired, it serves as a place to meet, exercise, and enjoy the reward for a life of diligent effort.

During the past decade, and specifically since 9/11, the financial priority for the allocation of municipal funds has been police and fire, while other municipal services compete for the remaining resources.

Thus, it is essential to understand the organizational framework in which the golf course operates within a City’s defined charter of providing leisure services. Parks and Recreation systems across this country provide three types of services:



Management and Operational Review

- **Core Essential Services:** These are services the city must provide to manage parks. They would include providing parks and open space for nominal cost, park maintenance, security, administration, and essential parks-related duties that are considered totally public good services. These types of services are typically supported by tax dollars.
- **Important Services:** These are services which provide for the public good and for the private good. Examples of Important Services would include programs such as swim lessons, summer day camps, and after-school programs.
- **Value-Added/Discretionary Services:** These are services that are nice to provide if money is available to support the services and if the community is willing to invest in them through user fees. These services would include golf, senior trips, fitness programs, and individual instructional classes and lessons.

With golf clearly a value-added/discretionary service, the investment in this asset, in our professional opinion, the golf course needs to be ***fiscally self-sustaining***, especially since private enterprise can often adequately fulfill this need for the citizens. It is with this understanding that the recommendations within this report were framed.

Where to Now?

The issues have been identified. The question remains, “Do you raise your prices to fund the deferred capital investment required or do you invest first and improve the customer golfing experience and then raise rates?” A judicious and conservative path of investment over the next three years is recommended, based on the following table:

Course Component	Issues	Cost		Time to Complete Project
		Minimum	Maximum	
Sand Bunkers	56 bunkers reduce maintenance expenses, eliminate contamination	\$300,000	325,000	3 months
Trees	Improve turf playability, reduce maintenance expenses	4,000	6,000	1 week
Turf Reduction	Conversion of maintained to low-maintenance area with planting fescue, etc.	10,000	15,000	3 weeks
Turf Fertility	Reduce nitrogen and bolster herbicides, fungicides, budgets	25,000	40,000	Progressive
Driving Range and Practice Facilities	Re-grading 3 tees to 1 to increase hitting area to enhance turf quality	7,500	10,000	1 month
Irrigation System	1994 irrigation system is nearing end of functional life.	900,000	1,400,000	4 months
		\$1,246,500	\$1,796,000	



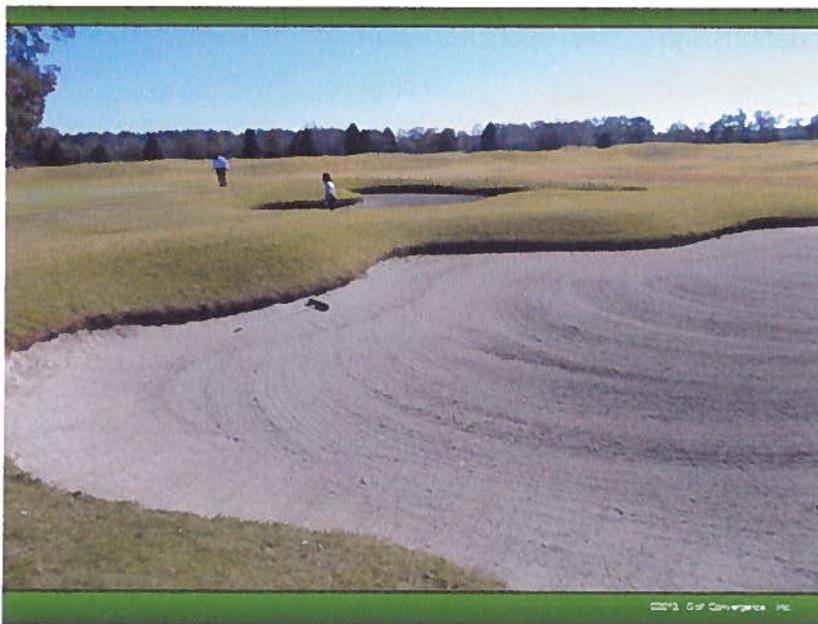
Management and Operational Review

While the irrigation system can be rendered functional for up to five years by the City's knowledgeable and talented superintendent, the sand bunkers currently are one of the most limiting factors to an enjoyable golf experience.

Sand bunkers are visually one of the most important elements on a golf course. They frame and define each hole, and they influence the difficulty and playability of each hole. Bunkers are also often one of the highest maintenance issues on a golf course. With 56 bunkers at Bradford Creek, there is certainly an opportunity to reduce maintenance costs and improve play.

Unfortunately, most of the bunkers at Bradford Creek were constructed so that they are not visible to the golfer. This negatively affects pace-of-play and impacts the golfer's enjoyment of the game.

In addition, the bunkers at Bradford Creek have become severely contaminated, as illustrated in the picture below, and they are difficult to maintain. Over time, as bunkers are edged and as the native soils erode into the bunkers, the sand becomes contaminated. This results in poor drainage, inconsistent playing conditions, and the perception that the course is poorly maintained.



Note: while difficult to see precisely from this small picture, the bunker on the top is severely contaminated in contrast to the bunker near the bottom of the picture that was rebuilt in the last several years.

Where Will the Money Come From?

The investment in Bradford Creek must come from two sources concurrently - from the City providing the initial seed capital of up to \$400,000 to ensure the 2013-2014 capital improvements are funded, and from the users of the golf course through appropriate green fees that are based on the increased fair market value of the experience being provided.



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While a municipal golf course often has over 80 different rates by golfer type, time of the day, day of the week, and time of the year, presented below are the recommended rates that should be implemented during daylight savings time in 2013; March 10 until November 3:

Player Type	Regular							
	18 Holes				9 Holes			
Day of Week	M - T		F, S, S, H		M - T		F, S, S, H	
Year	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
With Cart	29	32	35	38	20	22	22	24
Walking	19	20	22	24	15	15	17	18
Cart	12	14	12	14	6	7	6	7
Carts Required	No	No	Till 11 - Loosely Enforced	Till 12 - Mandatory	No	No	Till 11 - Loosely Enforced	Till 12 - Mandatory

It is appropriate to maintain the current rates during "standard time." It is suggested that VIP members receive a discount of \$4 from the posted rates for 18 holes. Other recommendations are:

	2012	2013
VIP		
Renewal	40	60
New	50	N/A
New Residents	N/A	75
New Non Residents	N/A	90
Season Pass		
Residents	995	895
Non Residents	N/A	995
Range Balls		
Small (60 balls)	6	6
Medium (90 balls)	7	8
Large (120 balls)	8	10
Specials		
Twilight	All Day After 3	All Day After 3
Senior	Tuesday	Monday - Thursday: \$25 with cart
Ladies	Wednesday	Monday - Thursday: \$25 with cart
College	Thursday	Monday - Thursday: \$25 with cart



Management and Operational Review

The process of establishing rates is based on an analysis of competitive market conditions and the value of the experience received at the golf course, and the rates are subjectively adjusted for political considerations. The rate changes suggested above incorporate all of those elements.

With the City of Greenville moving Bradford Creek from an enterprise to the general fund, there is political pressure to create a rate differential between residents and non-residents to provide residents a perceived value for City taxes paid.

While we understand the rationale of the argument, we don't agree with the conclusion, because there aren't enough golfers within the Greenville community to sustain four golf courses. It is our professional opinion that creating a price differential will discourage non-residents from playing Bradford Creek and is ill-advised. The chart below illustrates that accurate financial data is not available to assess the impact of that decision, and that the majority of golfers may be non-residents:

City	Percentage Of Bookings
Unknown	47.57%
Greenville	27.73%
Winterville	8.43%
Washington	6.80%
Grimesland	2.24%
Chocowinity	2.11%
Belhaven	1.00%
Blounts Creek	0.75%
Farmville	0.37%
Grifton	0.33%
Ayden	0.33%
Chicago	0.28%
Williamston	0.26%
Kinston	0.20%
Plymouth	0.14%
Wilson	0.10%
Stanley	0.08%
Rocky Mount	0.08%
New Bern	0.07%
Raleigh	0.05%
Nashville	0.05%
Chesapeake	0.05%
Youngsville	0.05%
Stokes	0.04%
Pinellas Park	0.04%

However, mindful of the desire to provide for City residents, we have created a non-resident rate for season passes and new VIP members.



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The greatest controversy from this recommendation will likely come from VIP members. In addition to recommending that they receive only a \$4 discount per 18 holes, we are strongly advocating abandoning their 10% loyalty discount and quarterly coupon special promotions. In essence, the City is discounting a discounted rate that was discounted. Simply stated, the net effective yield from VIP play needs to increase to financially support the golf course. We believe that Bradford Creek offers a superior public course experience to Ayden, Farmville, Links at Cotton Valley and Maccripine and should be priced accordingly. The incremental cost for the majority of golfers to drive to those facilities undermines the position that Bradford Creek should be priced identically to those courses.

Benchmarks to Achieve Profitability

Can Bradford Creek achieve fiscal sustainability? It is important to note that for the fiscal year 2012, the golf course reduced its cash flow deficit by \$130,004. One could debate that the golf course receives in-kind contributions from the Parks and Recreation Department for landscaping the clubhouse and is not assessed an indirect charge which is common in municipal golf course operations, for the accounting, human relations, information technology, legal, purchasing services provided on its behalf by the City. But the core asset of the Bradford Creek Golf Course is competitive with the Greenville market.

The key to incremental revenue will be generated from proper pricing of green fees to match the experience created and through leveraging technology to benefit from cost-effective marketing.

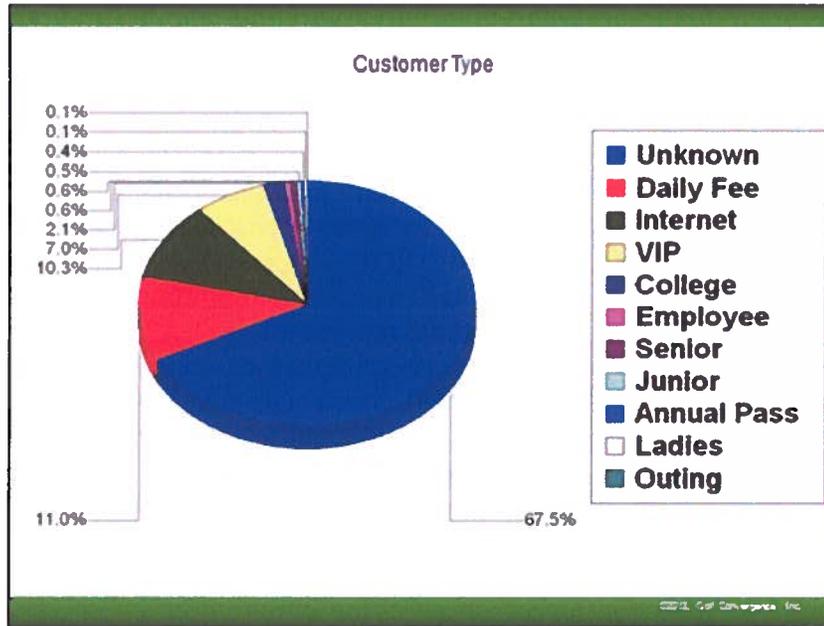
The installation of the FORE Reservation system in 2012 holds fabulous potential – if properly used. Considering that the golf course has created a customer database of only 1,200 names, contrasted to the standard municipal golf course database that exceeds 4,000 email addresses, the opportunity to gain incremental revenue by tying tee time reservations to customer transactions will increase from regional play when customer-relationship marketing is used.

Presented below are recommendations the City of Greenville can implement immediately to ensure continued positive cash flow sufficient to fund the capital renovations required:

- 1) Customer transaction tracking, which is not occurring, should commence. The identification of core, acquired, and defector golfers is essential to boost profitability. Presented below is a screen shot from the system, in which 67.5% of customer transactions remain unidentified as to customer type.



Management and Operational Review

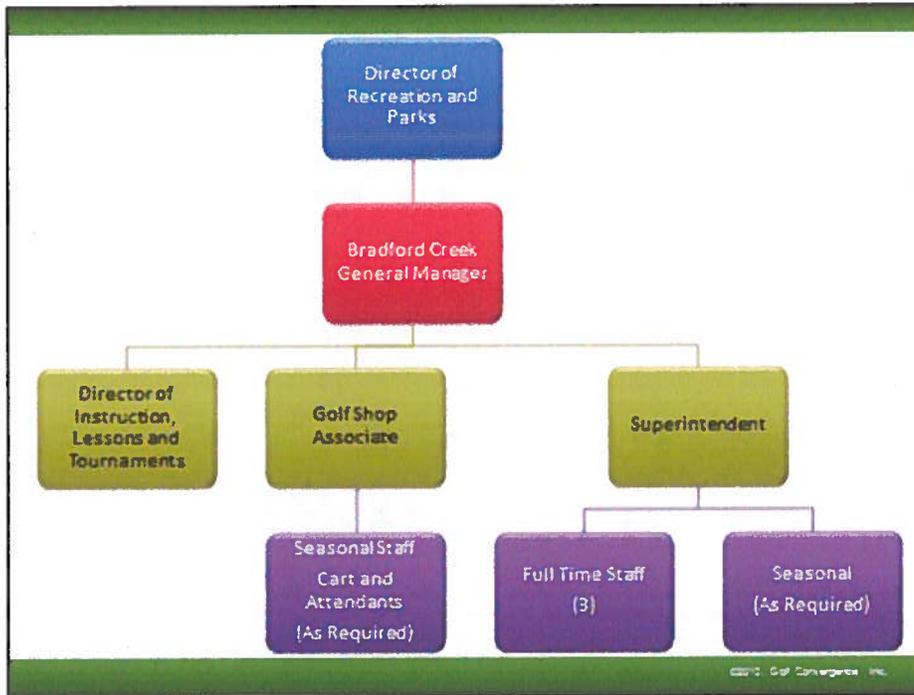


The golf course does not know empirically who its best customers are by dollars spent. Marketing efforts, including periodic electronic newsletters to properly promote the golf course, are currently negligible and should be adopted.

- 2) The staff should be retrained in the proper use of the FORE Reservation system commencing with attending the software firm's annual user meeting.
- 3) Consideration should be given to hiring a full-time business manager in the Pro Shop rather than relying on a golf operations manager whose duties and interests are divided between the game of golf and the business of golf. A proposed organization chart is as follows:



Management and Operational Review



- 4) An emphasis should be placed on advertising and marketing. The course spent \$2,499 in advertising contrasted to the industry recommended budget of 3% of gross revenue, which would near \$25,000.

The Bottom Line

A fundamental principal of a management and operational review is to determine upside potential. The chart presented below highlights that Bradford Creek will continue to face challenges in the short term until the capital renovations, deferred for 20 years, are completed and proactive marketing can again establish the course as a regional favorite among golfers:



Management and Operational Review

Bradford Creek Revenue	Financial Projections					
	Current	2013	2014	2015	2016	2017
Green Fees	607,835	387,000	393,947	400,811	407,802	414,923
Carts	15,035	257,250	262,421	267,695	273,076	278,565
Green Fees and Carts	622,870	644,250	656,368	668,506	680,878	693,488
Merchandise	42,888	48,471	49,445	50,439	51,453	52,487
Food and Beverage	67,981	76,831	78,375	79,950	81,557	83,197
Range	101,967	115,241	117,557	119,920	122,331	124,789
Other	7,892	42,875	43,737	44,616	45,513	46,427
Total	843,598	927,668	945,482	963,432	981,731	1,000,388
Cost of Goods Sold						
Merchandise	40,805	31,506	32,139	32,785	33,444	34,117
Food & Beverage	21,571	53,781	54,862	55,965	57,090	58,238
Total Cost of Goods Sold	62,376	85,288	87,002	88,751	90,535	92,354
Net Operating Income	781,222	842,380	858,480	874,681	891,197	908,034
Operations						
Administration & Clubhouse	0	70,000	70,700	71,407	72,121	72,842
Maintenance	466,563	491,780	497,486	503,266	509,119	515,047
Pro Shop	346,310	289,925	293,428	296,979	300,577	304,224
Total Expenses	812,873	851,705	861,615	871,651	881,817	892,113
EBITDA Before Capital Reserves	-31,651	-9,325	-3,134	3,030	9,380	15,920
Capital Reserves	0	300,000	132,170	133,491	134,826	136,174
Cash Flow	-31,651	-309,325	-135,304	-130,462	-125,446	-120,254

The financial projections presented are not what are forecast to happen but rather set a goal of what should occur if the golf course can achieve positive cash flow within three years.



Management and Operational Review

The conclusion of this review is that unless the capital investment is made, the golf course will succumb to the “death spiral” and losses will continue. Judicious investment, combined with an emphasis on leveraging technology to engage in customer relationship management, can have a positive result.

It will take a consensus among the City Council, Management, Staff, Golfers and Taxpayers that the core asset of Bradford Creek is very special and that collectively each group needs to invest to preserve the integrity of the golf course



Management and Operational Review

Management and Operational Review for City of Greenville's Bradford Creek Golf Club

Analysis and Research Performed

To undertake this management and operational review, Golf Convergence employed a precise methodology of eight steps. These steps and the knowledge gained from each are summarized below:

Step	Function	Description	Knowledge Gained
1	Strategic	Geographic Local Market Analysis	Do the demographics indicate that there is sufficient demand to meet the available supply of golf courses? Based on the age, income, ethnicity, and population density, what type of facility would create the highest probability of a fiscally sustainable golf operation?
2		Weather Impact Analysis	Are the current losses being realized a function of adverse weather or of management policies? Are there sufficient playable days to generate a return on the proposed investment?
3	Tactical	Technology	How effectively has an integrated golf management solution been deployed to create the collection of data required to properly manage the golf course?
4a		Key Metrics	How does the operational performance of BCGC compare to the 15 industry benchmarks that measure strengths and weaknesses?
4b		Financial Modeling/ Revenue Management	Are the proposed course renovations on the 27-hole regulation course, driving range, and new maintenance facility financially viable? What debt service can the golf course cover? Have accurate financial models that support proactive decision-making been developed. What is the current utilization and REVPAR?
5	Operational	Golf Operation and Course Agronomic Review	What is the current physical state of the golf course? What is the optimal and best use of the property? What are the recommendations for facility expansion and layout modification?
6		Management, Marketing, and Operational Review	Does the value provided equal or exceed the associated fees? Are the proper operating procedures consistently deployed through each step of the "assembly line of golf"?
7		Customer Preferences	Who are your core customers and how much do they spend? What is the annual retention rate of your golfers? What are the barriers to increased play? What are the primary reasons they select one course over another?
8		Customer Loyalty	How loyal are your customers? What are the key loyalty drivers that create satisfaction, and what is the financial referral impact of promoters versus the negative impact of detractors?



Management and Operational Review

Step 1: Analysis of regional and local trends in public golf, including supply and demand

Geographic Local Market Analysis

For this operational review, we conducted intensive research of the demographic trends, the local golfer base, supply levels, the current supply/demand balance, and the impact of historical supply dilution.

This analysis is undertaken because we have learned, from conducting strategic analyses for over 200 golf courses, that certain characteristics are predictable, as highlighted below:

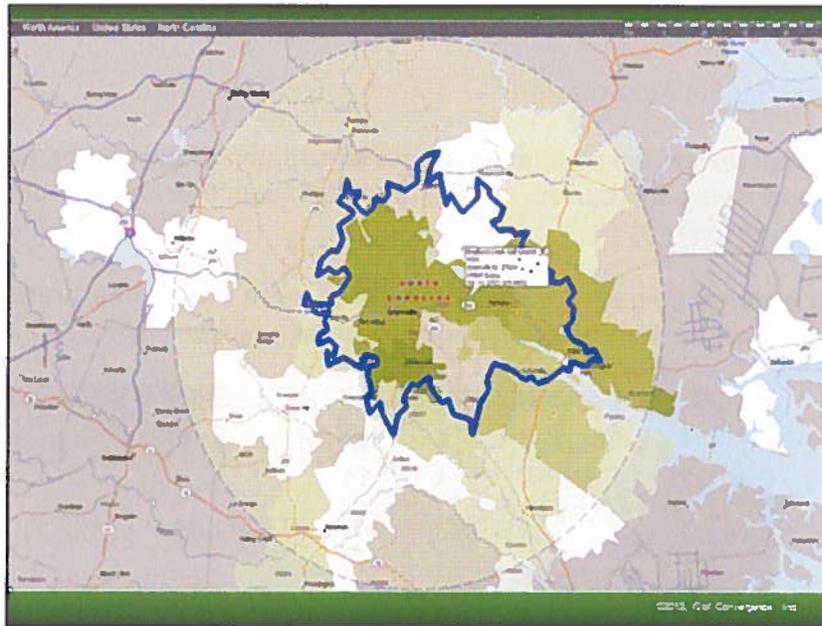
Just the Facts: The Industry	
90% Rounds	30 minutes
15% of Customers	60% of revenue
Distinct Customers	6,000: 4 to 7 courses
Barriers	Time
Defectors	50%
Game	Caucasian, Rich, Old, Male

Ninety percent of golfers live or work within 30 minutes of the golf course. 15% of the customers generate 60% of the revenue. On average, golfers play four to seven courses per year, citing time as the largest barrier to their playing more golf. Fifty percent of the golfers that visit one year don't return the next.

As an integral part of crafting this management and operational review, a 25-question electronic survey was undertaken. Respondents were from the following areas:



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Note: The Blue line represents a 30-minute drive time to Bradford Creek. The largest green circle represents a 30-mile radius.

In undertaking the golfer survey, we were fortunate to elicit the support of the Greenville Country Club who sent the survey to their membership. Based on that survey of golfers, it was enlightening to compare their responses and the statistics of the public golfer:

The Variances in Demographics is Shocking

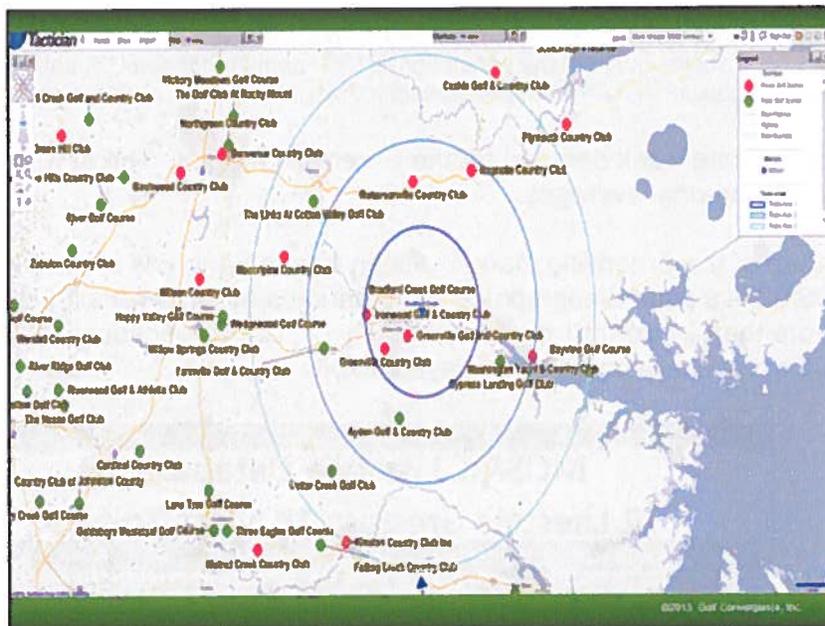
	Greenville Season Pass + Park Department	Brook Valley Greenville CC
Gender Female	14%	10%
Age	47.8	52.4
Income	88,285	138,411
Education	15.3 years	16.3 years
Rounds	32.7	45.4
City Residents	45%	78%
Courses	7.6	7.6
Barrier - Time	Time > No Barriers	Time = No Barriers
Paying - Cash	81%	60%
Criteria for Selecting	Price	Course Condition
Length of Course	6,033	(All) 6,038



Management and Operational Review

The ages, the income levels, the number of rounds played, and the percent of respondents who were City residents were far higher among Greenville Country Club members than golfers who played at Bradford Creek. Interestingly, “price” was the criteria selected by public golfers, versus “course condition” cited by Greenville Country Club members as the most important attribute in selecting one course over another. However, considering the income level of both groups, it is hard to fathom that price is an issue in the frequency of their play.

Consequently, in determining the competitive forces surrounding Bradford Creek, golf courses that are located within 10/20/30 miles from the City of Greenville were evaluated. The competitive map of golf courses within 30 miles of downtown Greenville is as follows:



It is interesting to note that the golf courses closer to downtown Greenville are all private clubs. One would think that, based on its location within a City of 86,000 residents, and since it is the only public golf course, Bradford Creek could be economically sustainable if the experience provided equaled the fees assessed and if the facility were marketed properly.

Demographics

The City of Greenville golf market is very unique. (See Appendix 1 for a detailed demographic analysis of the Bradford Creek Golf Club (BCGC)).

To undertake an operational review for BCGC, it is necessary to first measure the potential for each course individually, and second, to consolidate those financial projections to create a concentric perspective for the enterprise. Presented below are the geographic local market demographics for the City of Greenville:



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Category	10	20	30	North Carolina	U.S.
Demographics					
Age (Median)	32.30	33.60	35.20	37.10	37.10
Age (Index)	87	91	95	100	100
Income (Med Household)	\$38,101	\$38,776	\$37,701	\$47,120	\$51,618
Income (Median)	74	75	73	91	100
Disposable Income (Med Hhld)	\$33,407	\$33,943	\$33,106	\$40,257	\$45,301
Disposable Income (Median)	74	75	73	89	100
Ethnicity (% Cauc.)	59.60%	59.40%	56.50%	68.50%	73.90%
Ethnicity Index	81	80	76	93	100

Note: An age index of 87 represents that the population is 13% younger than the U.S. population. Similarly, an index of 74 indicates that the population has 26% less household income than the U.S. population.

These statistics indicate weak demand for the Greenville market. The age, income, and ethnicity are trending below national averages.

The unique nature of the Greenville market is seen from an analysis of the MOSAIC® lifestyle database. MOSAIC is a geo-demographic segmentation system developed by Experian and marketed in more than 20 countries worldwide. These 12 classifications are based on a wide range of demographic characteristics displayed below:

MOSAIC Lifestyle Database					
12 Lifestyle Groups: 1 st Most Golfers					
	Life Style Groups	Examples - 1	2	3	4
1	Affluent Suburbs	American Wealthiest	White-collar Suburbia	Enterprising Couples	Small-town success
2	Upscale America	Status-conscious consumers	Affluent urban professionals	Urban commuter families	Second-generation success
3	Small-Town Contentment	Second City homebodies	Prime Middle America	Suburban Optimists	Family Convenience
4	Blue-Collar Backbone	Neuro Hispanic Families	Working Rural	Lower-income essentials	Small-City endeavors
5	American Diversity	Ethnic Urban Mix	Urban Blues	Professional Urbanities	Mature America
6	Metro Fringe	Shepherd conservatives	Southern Blues	Urban Grit	Grass-roots living
7	Rustic America	Hardy Rural Families	Rural Southern Living	Coal and Crops	Native Americans
8	Aspiring Contemporaries	Young cosmopolitans	Minority Metro communities	Stable careers	Aspiring Hispanic
9	Rural Villages and Farms	Industrious country living	America's Pastlands	Cozy country living	Hinterland families
10	Struggling Societies	Rugged rural style	Latino Nuevo	Struggling City Centers	College town communities
11	Urban Essence	Unattached Multi-cultures	Academic Influences	African-American Neighborhoods	New Generation Activists
12	Varying Lifestyles	Military Family Life	Major University Towns		

It is from these statistics that major chains such as Starbucks, Nordstrom, and Best Buy determine where to build stores. The basic premise of geo-demographic segmentation is that people tend to



Management and Operational Review

gravitate towards communities with other people of similar backgrounds, interests, and means. The vast majority of golfers can be classified in the Affluent Suburbia, Upscale American, and Small-Town Contentment Profiles.

The vast majority of individuals who live in or near BCGC fall within the MOSIAC profile are in the Small-Town Contentment, as shown below:

**MOSAIC Lifestyle Database
Greenville, CO**

	Population Groups					
	Radial Trade Area, 10 miles		Radial Trade Area, 20 miles		Radial Trade Area, 30 miles	
	Number	Percent	Number	Percent	Number	Percent
Affluent Suburbia	3,236	4.6%	3,948	2.6%	6,225	1.7%
Upscale America	0	0.0%	0	0.0%	163	0.0%
Small-Town Contentment	15,434	18.3%	24,260	9.8%	26,239	7.1%
Blue-collar Backbone	157	0.1%	1,535	0.6%	4,604	1.2%
American Diversity	2,742	2.4%	3,215	2.3%	8,104	2.2%
Metro Fringe	4,176	3.7%	19,063	7.7%	30,648	8.2%
Remote America	22,437	19.6%	68,740	27.9%	131,213	35.8%
Aspiring Contemporaries	11,134	9.8%	14,720	6.0%	14,874	4.0%
Rural Villages and Farms	13,983	14.0%	41,031	16.6%	38,784	13.8%
Struggling Societies	13,477	11.8%	22,034	8.9%	34,210	9.2%
Urban Essence	18,974	16.6%	38,173	15.3%	47,316	12.8%
Varying Lifestyles	4,380	4.0%	3,853	2.4%	7,100	1.9%
Total	114,372	100.0%	248,333	100.0%	371,704	100.0%

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BCGC Golf Course is located within the demographics of remote American and urban essence, neither of which are naturally supportive of golf.

Supply of Golf Courses

When considering price, quality, proximity, and accessibility to the BCGC, golfers have few viable alternative courses to play that are in close proximity to Greenville, which is important, since proximity from work/home to the golf course is a determining factor in measuring the viability of a golf course and its tendency to prosper. A detailed list of courses within 30 miles of BCGC and in the State of North Carolina is included in the research deliverables to this report (not included herein).

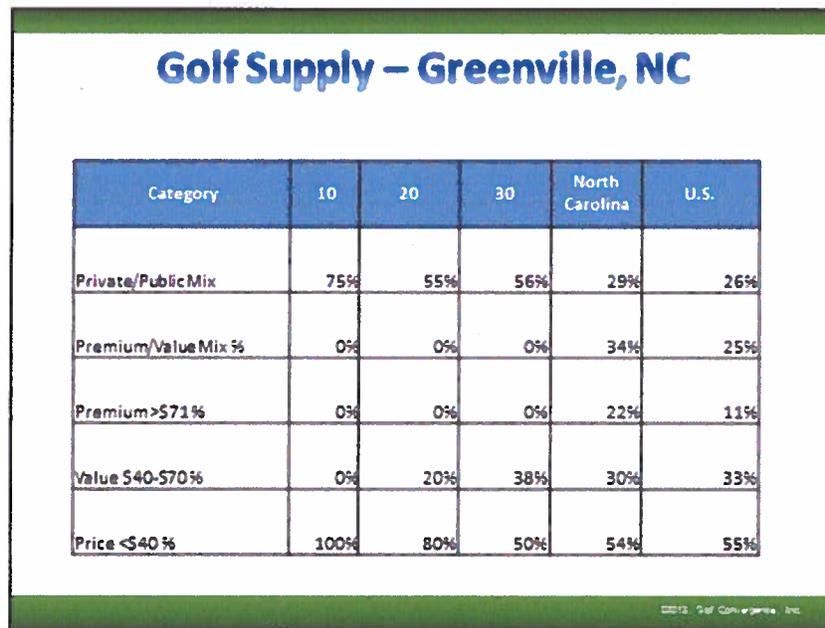
Presented below is a summary of the supply of golf courses within a 30-mile radius of the Greenville area:



Management and Operational Review

Category	10	20	30	North Carolina	U.S.
18-Hole Equivalents	4.0	10.5	15.0	567.0	14,882.0
Public 18-Hole Equiv.	1.0	5.0	7.0	402.0	10,593.5
Private 18-Hole Equiv.	3.0	5.5	8.0	165.0	4,288.5

While the above chart reflects the number of 18-hole equivalents, a standard measure of golf course supply within a local market, the segmentation of those courses by price point and public/private status allows for greater insight as to the potential of an individual facility. For the Greenville market, these statistics are presented below:



Note: Price listed is based on a weekend green fee, inclusive of cart.

This chart reflects that the market for golf in City of Greenville has an abundance of “price < 40” golf courses; reflective of the median household income in the region and an overabundance of private golf courses.

Demand for Golf

To evaluate the economic potential of this golf course, it is appropriate to examine the demand demographics within a 30-mile radius of BCGC, measuring the number of avid golfers, total participation, golfing fees, and golf fees per round. These statistics for Greenville are presented below:



Management and Operational Review

Golfer Profile - Greenville, NC

Demand	10	20	30	North Carolina	U.S.
Avid Golfers	2,137	3,895	5,894	185,850	6,887,600
Total Golfers	7,975	14,535	21,991	693,469	25,700,000
Golfing Households	6,484	11,817	17,879	563,796	21,219,240
Rounds Played	142,876	276,328	432,849	14,656,305	463,000,000
Rounds Played Locally	75,533	150,110	232,413	8,060,735	279,190,432
% of Rounds Played Locally	53%	54%	54%	55%	60%
Golfing Fees	4,233,005	9,290,711	15,322,733	548,117,376	2,179,122,176
Golfing Fees Per Household	653	786	857	972	951
Rounds Played Per Golfer	17.91	19.01	19.68	21.13	18.02
Golf Fees Per Round	29.63	33.62	35.40	37.40	43.58
Golf Participation	6.03%	6.37%	6.53%	7.11%	8.37%
Total Population +18	100,552	172,865	255,816	7,393,520	232,116,402
Population	132,276	228,265	336,635	9,752,572	307,156,296
Households	52,242	90,140	132,073	3,924,792	113,900,256
Population/Household	2.53	2.53	2.55	2.48	2.70

The golfing fees per household, golf fees per round, rounds played per golfer, and the number of avid and golf participants are all below the national average, based on the Tactician analysis.

Further, when the demand statistics are measured against the supply of golf courses to determine the relative balance of demand versus supply, the weakness of the City of Greenville's golf franchise becomes very evident:



Management and Operational Review

Supply vs. Demand The Market is Oversupplied

Supply	10	20	30	North Carolina	U.S.
Total Facilities	4	11	16	556	15,677.00
If Market in Balance	2.39	4.60	6.75	339.79	14,882.00
Golfers Per Facility	1,994	1,321	1,374	1,247	1,639
Public Facilities	1	5	8	397	11,647
If Market in Balance	1.70	3.28	4.80	241.87	10,593.50
Golfers Per Facility	7,975	2,907	2,749	1,747	2,207
Private Facilities	3	6	9	159	4,030
If Market in Balance	0.69	1.33	1.94	97.92	4,288.50
Golfers Per Facility	2,658	2,422	2,443	4,361	6,377

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Note: This calculation is meant to measure the relative strength and potential within 30 miles of each golf course. Because the calculation is based on the number of avid golfers and doesn't weigh the relative importance of age, income, ethnicity, or general population density, it would be inappropriate to conclude an actual number of courses that should be built or closed.

This analysis explains the why the Greenville golf market is challenging, particularly for private clubs, and why there may be a potential opportunity for Bradford Creek.

The struggle of private clubs is well known. Ironwood and Greenville Country Club have discussed consolidating their club operations. In early 2012, Brook Valley and Greenville Country Club merged in the hopes of achieving economics of scale in operation and providing existing members additional benefits and attracting new members. Initiation fees are currently waived. The deferred capital expenditures at these facilities likely exceed \$2 million. Dues increases or assessments may occur. The cost of membership is nearly triple that of an annual fee at Bradford Creek. To the extent Bradford Creek's experience could be enhanced through improvements in course conditions and customer service, the opportunity to attract "bubble" members, while remote, is a possibility.

This potential is measured in the avid intensity index. It calculates the number of avid golfers, those who play over 25 rounds per year within a geographic local market, versus the national average. For the City of Greenville, the facts are not positive, as evidenced below:



Management and Operational Review

Avid Intensive Index – Greenville, NC

	10	20	30	North Carolina	U.S.
Intensity Index – National					
Golf Intensity Index	115	80	85	71	100
Avid per 18 Holes	533	371	393	328	463
Public Golf Intensity Index	328	130	129	71	100
Avid per Public	2,131	779	842	462	650
Private Golf Intensity Index	44	44	46	70	100
Avid per Private 18	710	708	737	1,126	1,606

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From this chart, the clear conclusion is that there exists a substantial demand for public golf in Greenville. Thus, the experience offered becomes vital to attracting and retaining sufficient golfers to ensure the economic viability of Bradford Creek.



Management and Operational Review

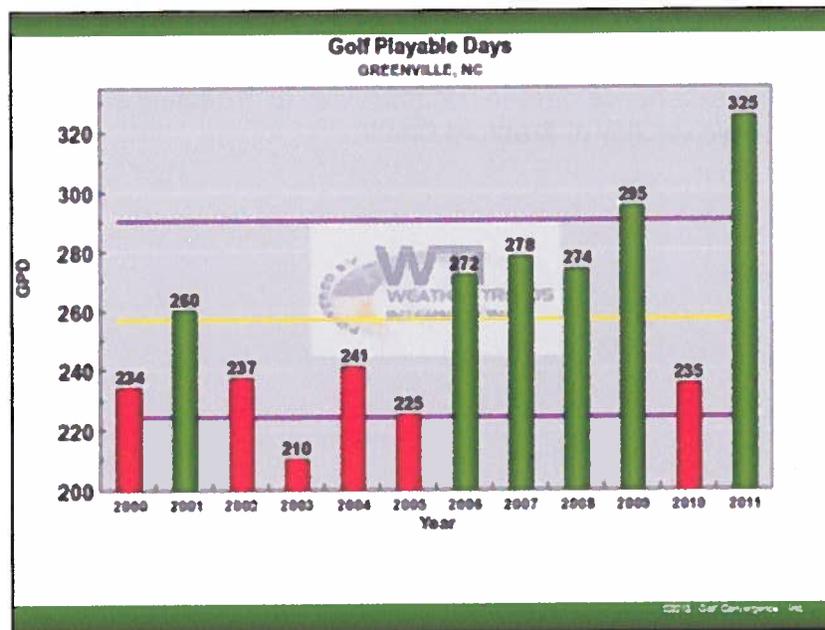
Step 2 - Weather Impact Study

The axiom that “if rounds are up, it’s because of good management and if rounds are down, it’s because of bad weather” is a standard joke, but golf is an outdoor sport. Experts estimate that over 90% of rounds are played when the temperature is between 55 and 90 degrees. Rain, snow, and wind are mitigating factors that will reduce the number of playable days.

Monitoring the number of playable golf days in a year compared to a 10-year trend allows an analyst the opportunity to filter the financial information to clearly differentiate between the impact of weather and the impact of management on a course’s performance.

Annual Golf Playable Days

In three of the past 6 years (2006 – 2011), the amount of playable days at BCGC was significantly above Greenville’s 10-year average. That is slightly discomfoting and provides insight as to an uncontrollable factor in golf course gross revenue. On average, there are 259 playable golf days per year in Greenville, as illustrated below:



Based on this chart, and the knowledge that weather to date for 2012 has been very favorable, it explains one factor why revenue in FY 2012 has increased.

If the weather pattern returned to “normal,” what could be expected in revenue contraction? The answer is not too alarming, as charted below:



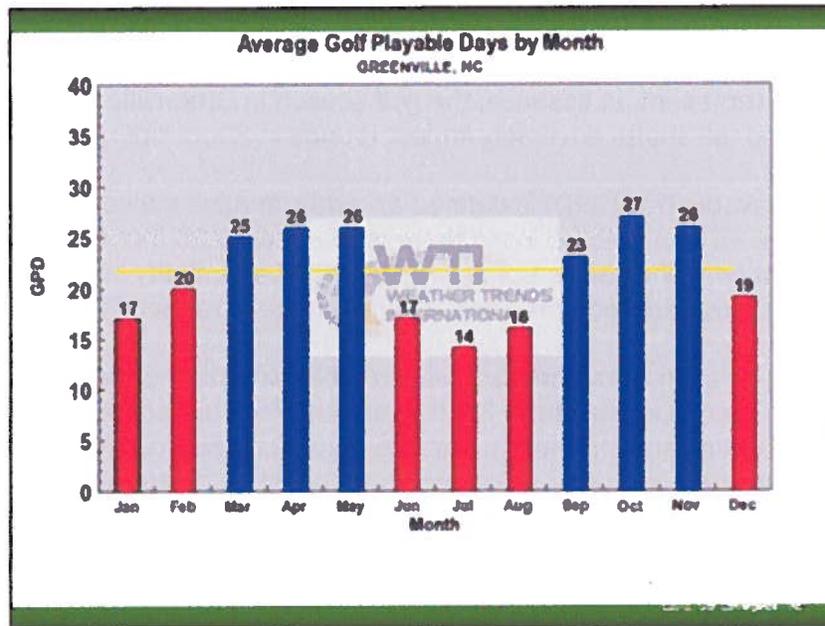
Management and Operational Review

Description	Amount
10 Year Average Playable Days	259
2006 - 2011 Playable Days	279
Favorable Weather Last 7 Years	20
Revenue Per Playable Day (9 Year Average)	3,242
Potential Decrease in Revenue from Normal Weather	65,240
% Decrease in Revenue	7.6%

The fact that the course experienced favorable weather during the economic downturn favorably impacted revenue. It is now important to focus on properly maintaining the golf course to ensure customer loyalty should the weather return to 10-year normal patterns.

Viabile Operating Season

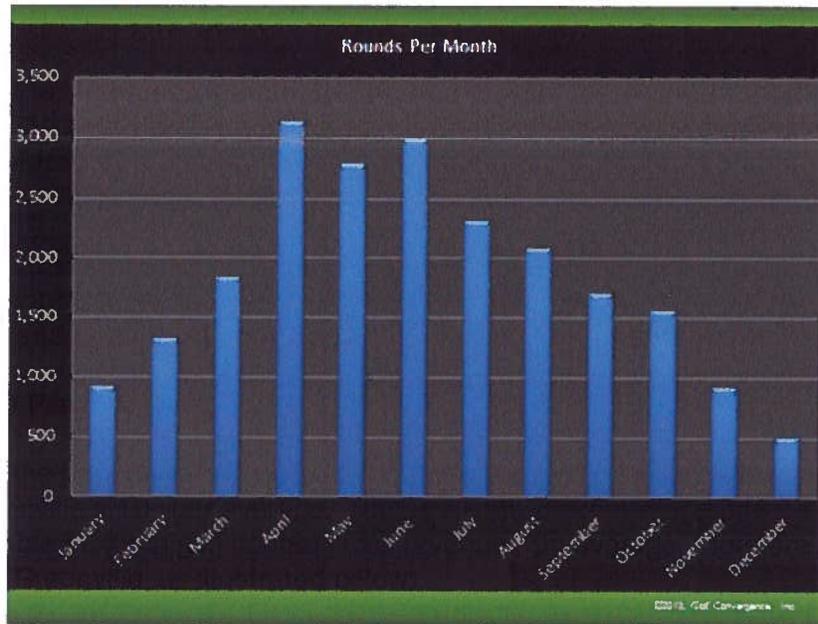
A second analysis of weather playable days determines the City of Greenville effectively has a 6-month golf season, as illustrated below:



The variable weather, from chilly winters to oppressive summers, makes staff scheduling a challenge. This challenge is reflected in the number of rounds played per month:



Management and Operational Review



Note: Rounds Per month were played during 2011 and 2012

April through June represent, in essence, the golf season in Greenville. July and August are excessively hot, and fall sports adversely impact rounds in September through November.

Note that a Golf Playable Day (GPD) is defined as a day (sunrise-sunset) on which the maximum heat index is above 45 and below 95 and there is less than 0.20 inches of rainfall. The heat index (HI) is an index that combines air temperature and relative humidity in an attempt to determine the human-perceived equivalent temperature – how hot it feels, termed “the felt air temperature”.

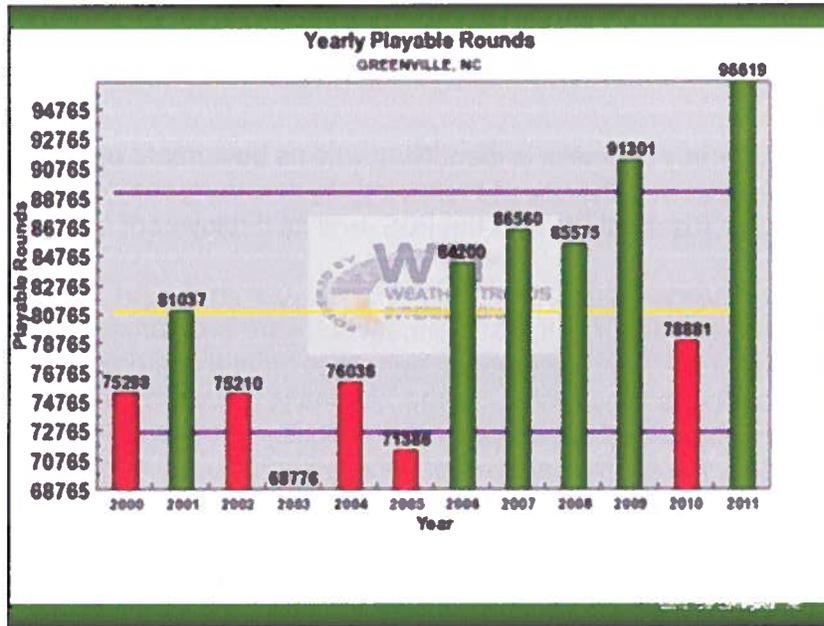
A golf facility that has such a seasonal schedule comes with the operational challenges of balancing full-time and seasonal staff. For the maintenance department, because of the requirement for “skilled” and “trained” labor, the emphasis should be on full-time employees - up to 4. Conversely, in golf operations, part-time staff should be preferred over the three current full-time staff members. While customer service may suffer slightly from the rotation of part-time staff, the opportunity to save labor expenses is attractive.

Yearly Playable Rounds

A third analysis has been undertaken to determine the efficiency of management, this by comparing actual rounds played to the course’s theoretical capacity, based on weather patterns.



Management and Operational Review



The capacity of a golf course is defined by its potential number of starts from sunrise to two hours before sundown on the number of playable days available, presuming a starting interval of eight minutes.

In contrast to the airline and hotel industry, in which utilization exceeded 70% in 2011, the utilization of the golf course industry was 52%. Rounds at BCGC for the past several years have averaged 24,000. Thus, the 27.0% utilization at BCGC was far below industry averages, which typically, and at BCGC, results from supply exceeding demand. But in this case, the results may also indicate that the golf course requires capital investment and the clubhouse is dysfunctional.



Management and Operational Review

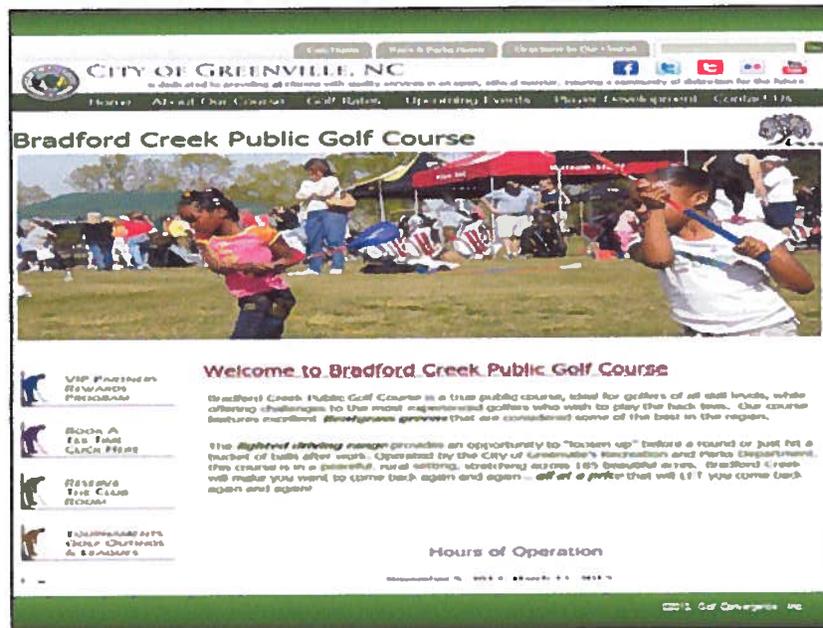
Step 3: Technology

Who Is the Customer?

A fundamental test for any business is identifying who its customers are and what they are spending. Thus, we reviewed the use of technology by analyzing the golf course's internet use, its integration of tee time reservations with the POS, and its deployment of email-based communication.

The City has installed a superior golf management software program provided by Fore Reservation Systems. The ability of the Fore Reservation system to build a customer database and generate insightful executive reports is superior. Its market analysis system automatically generates emails to golfers based on pre-defined events and is marvelous. However, the system is not being effectively used. Only 1,200 email addresses have been acquired. The typical golf course averages 4,000 email addresses in its customer database.

In contrast, the web site is graphically attractive, as illustrated below:



The rotating "flash" pictures of the clubhouse, senior golfers, junior lessons and the clubhouse are very effective.

There are several suggestions for improvement to conform to industry best practices. A lot of information on the home page is "below the fold," as illustrated below:



Management and Operational Review

Welcome to Bradford Creek Public Golf Course

Bradford Creek Public Golf Course is a true public course, ideal for golfers of all skill levels, who offering challenges to the most experienced golfers who wish to play the back tees. Our course features excellent *strategic greens* that are considered some of the best in the region.

The *signature driving range* provides an opportunity to "loosen up" before a round or just hit a bucket of balls after work. Operated by the City of Greenfield's Recreation and Parks Department, this course is in a peaceful, tree setting, stretching across 185 beautiful acres. Bradford Creek will make you want to come back again and again... *all of a sudden* that will *LET* you come back again and again!

Hours of Operation

November 7, 2012 March 11, 2013

Bradford Creek will be closed Thursday November 21, 2012 for Thanksgiving holiday. The Staff at Bradford Creek wishes you a Happy Thanksgiving!

Day of week:

	PROFESSOR TEES	INTERMEDIATE TEES
MONDAY	7:30-5:00	7:30-5:00*
TUESDAY	7:30-5:00	10:00-5:00**
WEDNESDAY	7:30-5:00	7:30-5:00
THURSDAY	7:30-5:00	7:30-5:00
FRIDAY	7:30-5:00	7:30-5:00
SATURDAY	7:00-5:00	7:30-5:00
SUNDAY	7:00-5:00	7:00-5:00

*Driving range hours allowed for maintenance.
**Driving range hours allowed for maintenance.

The ability to sign up for the e-club and the birthday club, nearly identical functions, are next to each other below the fold. Further, while an icon exists on the home page directing the web site user where to book a tee time, much like the web sites of major airlines and hotels, the ability to enter date, time, and group size should be prominently displayed on the home page. An example of such proper presentation is illustrated below:

Wynn Golf

TEE TIME RESERVATION

Course: Wynn Golf
Date: 11
Time: 11:00
Players: 2

EXPERIENCE GOLF
PLAY LAS VEGAS MOST
UNIQUE GOLF COURSES

Las Vegas Golf Courses

Las Vegas Golf Packages

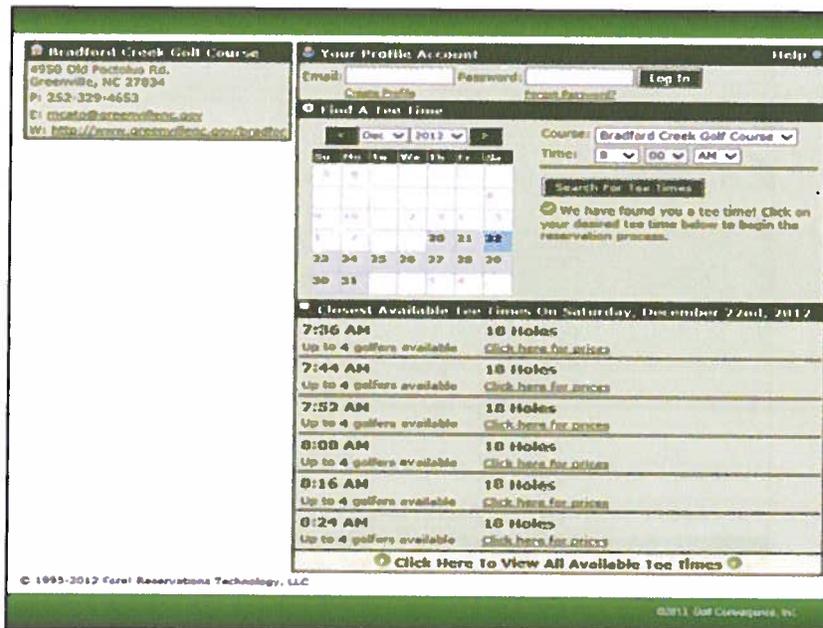
Reservations from \$100

Best Rate Guarantee



Management and Operational Review

The online tee time reservation system displays 100% of available tee times as noted below:



Competitors will often view a golf course's available tee time reservations to determine their relative strength in the market. It is suggested that available times be limited to 4 times per query.

Further, the link on this page² shown in the footnote below is broken. It returns only the header and a blank page.

The key to market positioning is establishing strong, exclusive brand recognition. This could be occurring more effectively for the BCGC, even though the use of title and metal tags in promoting the golf course on the Internet is appropriate. Google searches for Bradford Creek pulled up the golf course in the first position.

The Formula for Proper Adoption of Technology

The formula to profitably operate the course is simple and consists of the following steps:

- Create a customer database of upwards of 4,000 names.
- Integrate the Tee-Time Reservation System with POS.
- Issue identification cards and/or capture golfers' email addresses.
- Communicate with your customers via an opt-in email marketing program.
- Display tee times by best available time or price (maximum four times displayed).

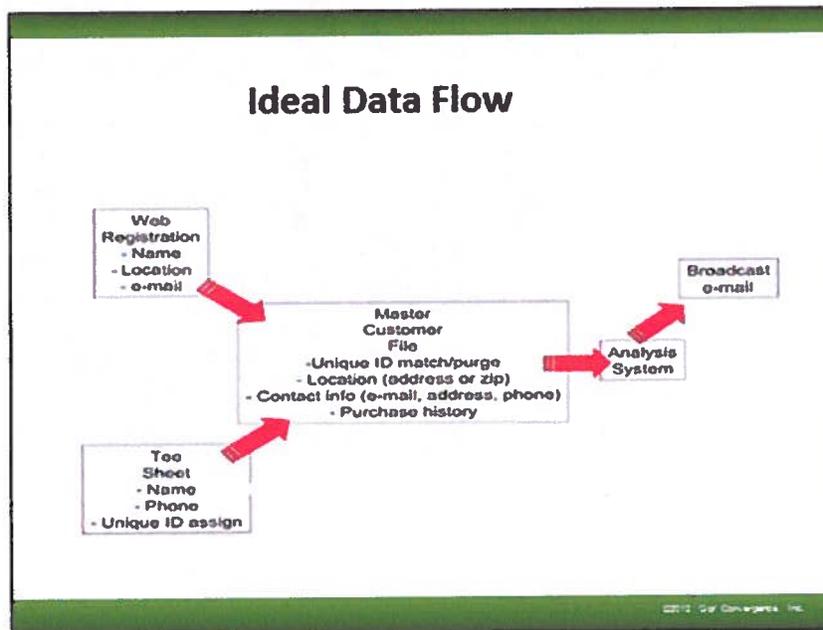
² http://www.greenvillenc.gov/bradford_creek/default.aspx?id=10446



Management and Operational Review

- Center a marketing focus on your Web site.
- Develop a consolidated reporting system, and monitor the 15 key management benchmarks.

As noted in the list above, the golf course, while it is in on the right path, is still a long way from ideal in its utilization of technology. The ideal system will have the following components:



An online registration system integrated into the POS system can identify specific golfer interests, such as last-minute tee times, tournaments, and other course activities. Fore Reservations has a marketing analysis program that can help the golf course operator effectively target-market to the community. It is recommended that this upgrade be installed during the off season.

For the survey launched on November 8, 2012, the email statistics confirmed that greater efforts can be placed in this area, as noted below:

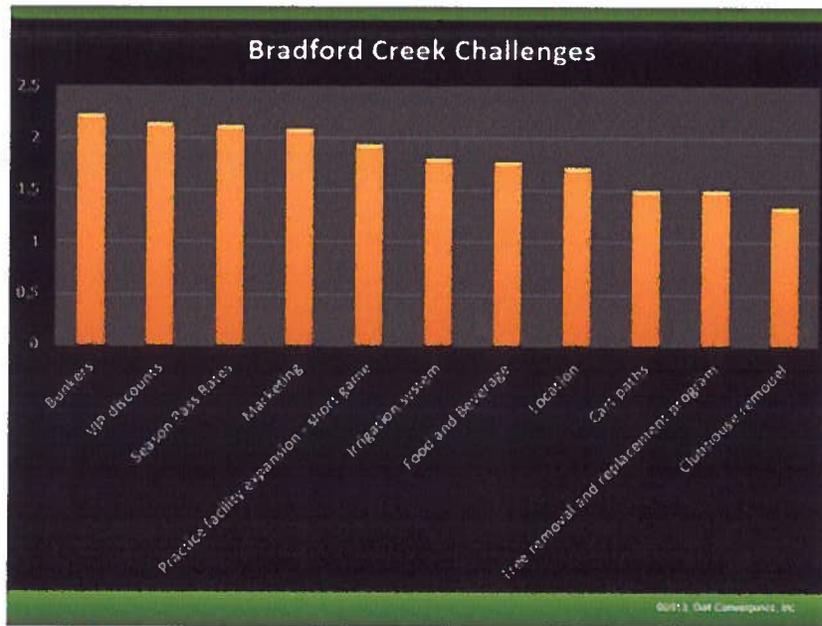
Launch Date	Emails Sent	Open	Clicked Through	Bounce Rate	Unsubscribe
November 8, 2012 5:57AM	1,227	35.6%	23.8%	11.0%	0.65%

The bounce rate of 11.0% indicates that the database is not being maintained and culled of bad addresses. However, the unsubscribe rate was acceptable.



Management and Operational Review

In the survey conducted, golfers indicated VIP Discounts, Season Pass Rates, and Marketing were items that required management's focus.



In the two meetings with the Golf Advisory Committee, the lack of marketing was frequently mentioned. In the survey conducted, golfers said their preferred method for communication was technology-based; email and web sites:





Management and Operational Review

Facebook, twitter, etc. ranked very low. Also note that more expensive forms of advertising, such as daily newspapers and other print, media were not favored either.

Thus, the correct deployment of technology, including an integrated POS system properly used and email marketing, will yield the following benefits:

- Maximize Revenue
 - Web-based marketing presence
 - Reservation cards sold for premium access
 - Dynamic yield management
 - Create a distinct BCGC Golf Course brand

- Increase Operational Efficiency
 - Better internal control
 - Timely and more meaningful reporting
 - Elimination of repetitive tasks by staff
 - Enhance customer service
 - 24-hour access to tee-time reservations
 - Email communication of promotions, tournaments, and updates
 - Sell prepaid gift cards online

In conclusion, the proper use of technology is to create a management and marketing advantage. The creation of a unique selling proposition (such as affordability) that is communicated to the existing customer base will boost revenues. This can only be done effectively if technology is properly installed and utilized.



Management and Operational Review

Step 4: Financial Analysis

Revenue

The financial analysis of a golf course starts with analysis of the green fees. Carts, merchandise, food and beverage, range, and other revenue activities are always a derivative of the number of rounds played and the prices charged.

Usually, the prices charged by municipal golf courses serve as the standard from which all other area golf courses determine their fees.

There are many ways to establish the green fees:

- 1) A percentage of the construction cost
- 2) Value provided
- 3) Competitors' prices

It is our professional opinion that the value provided is the most appropriate benchmark.

For BCGC, based on the proposed capital investment over the next three years, \$39.00 would be an appropriate rack rate green fee for prime time, 18 holes with cart.

Currently, the prime time rack rate with cart is \$35.00. The typical course green fees in the United States and North Carolina:

Type of Course	United States		North Carolina		Holes	Median Age	Average Age	Median Fee	Average Fee
	Courses	%	Courses	%					
Daily fee	9,233	58.10%	370	64.69%					
Municipal	2,393	15.06%	38	6.64%					
Private Equity	2,602	16.37%	87	15.21%					
Private Non-Equity	1,632	10.27%	72	12.59%					
Private Other	31	0.20%	5	0.87%					
Total Private	4,265	26.84%	164	28.67%					
North Carolina			572	100.00%	10,476	1971	1971	28.00	31.83
Total US	15,891	100.00%			268,254	1969	1965	45.00	56.00

The fee proposed is 22% higher than the State average but 31% below the national average fee. How can that be justified?



Management and Operational Review

The guidepost for a management and operational review is the value provided to the customer. To the extent that the experience exceeds the price, value is created and customer loyalty is developed. Conversely, to the extent that the price exceeds the experience created, value is squandered and customer attrition occurs.

Value in golf derives from two basic components shared by all golf courses: the physical – infrastructure – property (course), plant (clubhouse), and equipment (maintenance equipment); and secondly, the human element; the personnel.

To determine the appropriate price to charge, we need to evaluate the value provided to the golfers. To the extent the price charged exceeds the experience, customer attrition occurs. When the prices are comparable to the experience provided, a golf course will thrive.

Unless the golf experience improves, the harsh answer is, in this case, that it cannot be supported. However, while it is 7.3 miles from downtown, BCGC is the only public golf course within a 15-mile radius of Greenville, and it offers a potentially superior experience to other public courses in the outlying area.

The first step in boosting revenue is to attract a group of avid golfers through season passes. Currently only eight golfers purchase a season pass at the rate of \$995 at Bradford Creek. While that price is significantly below national market, as reflected below, based on the survey conducted of golfers in the Greenville market, it is our professional opinion that a season pass for residents, for a calendar year, should be \$895, based on the following calculation:

Criteria	National (Note 1)	Bradford Creek (Note 2)
Holes	18	18
Playable Days	240	259
Playing Frequency	36%	22%
Rounds Played	86	59
Rate Rack	40	22
Frequency Discount	32%	30%
Annual Fee - Fair Market Value	\$2,339	\$908

Note 1: Based on national survey conducted of golf course operators in May, 2012 by Golf Convergence
Note 2: Based on survey conducted for the City of Greenville in November, 2012

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Management and Operational Review

We believe that since the cost of belonging to the local private clubs is nearly 400% greater than the season pass, if the BCGC is improved and the course marketed and branded correctly, additional avid golfers can be attracted to the facility. These recommendations were formed based on an examination of the competitive rates in the Greenville market, as shown below:

Course	Phone Number	Green fee	Cart fee	Initiation fee	Monthly fee	Month F&B	Annual fee	Miles from City Hall
Greenville CC	252 756 1237	40	17	0	262	35	3,144	3.76
Brook Valley	252-756-5500	40	17	0	227	35	3,144	4.15
Ironwood	252 752-6659	39	16	0	269	45	3,228	5.54
Bradford Creek	252 329-4653	22	13	0	N/A	N/A	995	7.31
Ayden Golf	252 746 3389	22	13	500	95	N/A	1,140	14.15
Farmville Golf	252-753-3660	20	15	100	90	N/A	1,080	15.53
Indian Trails	252 524 5485	Closed	Closed	Closed	Closed	Closed	Closed	19.35
Cypress Landing	252-946-7788	N/A	Included	0	204	N/A	2,448	21.54
Maccripline	252 827-5537	20	14	0	75	N/A	900	23.86
Cotton Valley	252-824-0818	22	13	0	75	N/A	900	28.58
Cutter Creek	252747 4653	45	17	1,200	165	N/A	1,980	29.54
Kingston	252-523-2197	37	17	500	246	30	2,952	30.35

These recommendations were also based on considering the distance from each of the primary public courses from Greenville City Hall. It would cost a golfer between \$290 and \$902 more to play any public golf course in the Greenville market other than Bradford Creek.

Gas Calculation	Bradford vs. Ayden	Bradford vs. Farmville	Bradford vs. Cotton Valley
Mileage Different	6.84	8.22	21.27
Round Trip	2	2	2
Miles to Play 1 round	13.68	16.44	42.54
Times Per Year	40	40	40
Total Miles	547.2	657.6	1701.6
Miles Per Gallon	25	25	25
Gallons of Gas	21.888	26.304	68.064
Cost of Gas	3.75	3.75	3.75
Total Incremental Cost	82.08	98.64	255.24
Total Miles	547.2	657.6	1701.6
IRS Depreciation Cost/Mile	0.53	0.53	0.53
Actual Cost of Driving to Alternative Courses	290.02	348.53	901.85



Management and Operational Review

Key Benchmarks

Presented below is the “median” financial performance of 18-hole courses nationally, municipal golf courses nationally, municipal golf courses in the Carolinas Section, and Bradford Creek:

	18 Holes		18 Holes Carolinas PGA Section - Municipal	Bradford Creek
	All	Municipal		
Rounds	22,000	30,000	27,157	24,721
Peak-Season Green Fee – 18 Holes	\$65	45	36	35
# of Full-Time Employees	14	6	11	6
# of Full-Time Golf	3	3	4	3
# of Full-Time Maintenance	5	4	6	3
# of Part-Time Employees Facility Wide	25	20	12	
Facility Revenues	\$1,375,000	978,249	850,000	843,598
Membership Fees and Dues	\$297,500	96,500	141,450	19,783
Green Fees	\$250,000	440,548	442,500	588,035
Cart Fees	\$167,119	190,239	245,000	15,035
Green Fee/Membership and Cart Revenue	\$714,619	727,287	828,950	622,853
Merchandise Revenue	\$125,000	86,000	80,000	42,888
EBITDA	\$205,435	142,406	361,271	31,651
Revenue Per Round	\$62.50	32.61	31.29	\$34.12
Carts as % of Green Fee Revenue	30%	35%	41%	2.5%

Note: Carolinas Section includes North and South Carolina Source: 2011 PGA Performance Trak

There are some anomalies in the data. It is unfortunate that the financial benchmarking of golf courses in the United States is more “art than science.” Of the 15,677 golf courses in the United States, less than 20% submit their financial statistics to PGA PerformanceTrak, and even those who do, do not submit information for all 44 reports that are provided from this service.

With that limitation understood, the financial performance of Bradford Creek with respect to revenue is consistent with other municipal golf courses in the Carolinas region. The largest variance is in EBITDA, which would address expenses incurred by Bradford Creek not incurred by other municipalities.

The question that first must be answered is, “What is the potential performance of a municipal golf course?” and that is reflected below:



Management and Operational Review

Municipal Golf Courses: Nationally					
	Platinum Top 10%	Gold Top 25%	Silver Median	Steel - Bottom 25%	Bradford Creek
Rounds Played	50,000	40,000	30,000	22,865	24,721
Full Time Employees	20	11	6	5	6
Total Revenues	2,081,461	1,400,000	978,249	615,128	8434,598
Green Fees	1,000,000	710,867	400,548	215,000	588,032
Cart Fees	360,000	280,000	190,239	120,000	15,035
Merchandise	205,000	140,000	86,000	50,000	42,488
Golf Shop Salaries	455,052	276,000	182,908	128,000	235,553
Maintenance Salaries	498,000	357,269	250,000	150,000	242,217
Maintenance Expenses	538,500	350,000	142,406	58,000	224,586
EBITDA	1,000,000	572,541	487,000	50,000	-31,651

Source: 2011 PGA Performance Trial
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Bradford Creek's financial performance is between the 50th and the 25th percentile. Of concern is BCGC's EBITDA (earnings before interest, taxes, depreciation and amortization), which merits a close examination of expenses.

The Dilemma with Maintenance Expenses

With respect to maintenance, the annual cost of maintaining the various types of golf courses, usually laid out on about 100 acres of maintainable land, can vary from \$200,000 to more than \$2.5 million. The National Golf Foundation reported the following total maintenance costs in a report titled, "Operating and Financial Performance Profiles of 18-hole Golf Facilities in the U.S."³

Description	Annual Maintenance Costs
Public Mid-Range Frostbelt	\$377,160
Public Mid-Range Sunbelt	540,660
Public Premium Frostbelt	555,460
Public Premium Sunbelt	825,640
Private Mid-Range U.S.	611,240
Private Premium U.S.	1,412,720

This study was updated in 2010 by the National Golf Foundation. Public Frostbelt courses generating less than \$800,000 in revenue had maintenance budgets that averaged \$308,700.

³ National Golf Foundation, "Operating and Financial Performance Profiles of 18-hole Golf Facilities in the U.S.," 2006 edition, pages 4, 10, 17, 24



Management and Operational Review

The maintenance budgets for golf courses generating \$800,000 to \$1.3 million in revenue was \$486,600.⁴ These are consistent with Bradford Creek's budget.

Other financial benchmarks provided by PGA PerformanceTrak are illustrated below:

	18 Holes		18 Holes	Bradford Creek
	All	Municipal	Carolinas PGA Section	
Golf Operations Payroll, Benefits	\$182,000	247,848	215,503	220,817
Golf Course Maintenance Payroll & Benefits	272,784	250,000	263,391	242,277
Total Payroll and Benefits	\$454,784	497,848	478,894	465,051
Golf Course Operations Other Expenses	77,633	113,838	96,904	110,757
Other Maintenance Expenses	294,424	220,000	200,000	224,285
Total Maintenance	567,208	470,000	463,391	466,563
Other Property Expenses	45,000	119,420	28,000	N/A

Note: Carolinas Section includes North and South Carolina

Source: 2011 PGA Performance Trak

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The sad conclusion is that expenses for Bradford Creek are in line with industry benchmarks in all significant and material respects. The opportunity to create fiscal sustainability will result primarily from an increase in rounds and from the yield per round played.

⁴ National Golf Foundation, "Operating and Financial Performance Profiles of 18-hole Golf Facilities in the U.S.," 2010 edition, pages 15, 19



Management and Operational Review

Step 5: The Physical Assets - Resources on Which to Grow

BCGC is an 18-hole golf course configured as follows:

	Yardage	Par	Slope Rating	Course Rating
Red	7,151	72	126	73.2

The average slope rating for U.S. golf courses built prior to 1980 is 120. Since 1980, the slope rating has increased to 127. This indicates that BCGC's rating is considered makes it a "more difficult" golf course suited for avid golfers.

The course layout and the associated investment is one component of a successful golf course operation. Another important element is the how that asset is maintained through appropriate agronomic practices.

The Review Performed

Course conditions for the course were reviewed in combination with the impact of trees on course playability and golfer experience. Included in this review was an evaluation of soil profiles, turf conditions, and maintenance practices, including hitting various golf shots off tees, fairways, rough areas, and bunkers, as well as putting on numerous greens on each nine to evaluate green speed, smoothness, texture, and quality from a golfer's prospective. Interviews were conducted with management and staff.

Perspectives

Course conditions, on the days the reviews were conducted, were very good and consistent with comparable municipal operations. Golf course mowing, aeration, fertilization, disease control, soil analysis, fiscal management, and employee supervision were all at very acceptable levels.

But we noted that there are eight specific architectural issues that should be addressed to improve course conditioning, reduce ongoing maintenance costs, and potentially increase revenue at Bradford Creek:



Management and Operational Review

Course Component	Issues	Cost		Time
		Minimum	Maximum	
Sand Bunkers	56 bunkers reduce maintenance expenses, eliminate contamination	\$300,000	325,000	3 months
Trees	Improve turf playability, reduce maintenance expenses	4,000	6,000	1 week
Turf Reduction	Conversion of maintained to low maintenance area with planting fescue, etc.	10,000	15,000	3 weeks
Turf Fertility	Reduce of nitrogen and bolster herbicides, fungicides budgets	25,000	40,000	Progressive
Driving Range and Practice Facilities	Re-grading 3 tees to 1 to increase hitting area to enhance turf quality	7,500	10,000	1 month
Irrigation System	1994 irrigation system is nearing end of functional life.	900,000	1,400,000	4 months
		\$1,246,500	\$1,796,000	< Six Months

Sand Bunkers

Sand bunkers are visually one of the most important elements on a golf course. They frame and define each hole, and they influence the difficulty and playability of each hole. Bunkers are also often one of the most expensive maintenance issues on a golf course. With 56 bunkers at Bradford Creek, there is certainly an opportunity to reduce maintenance costs and improve play.

Unfortunately, most of the bunkers at Bradford Creek were constructed so that they are not visible to the golfer. This negatively affects pace-of-play and impacts the golfer's enjoyment of the game.

In addition, the bunkers at Bradford Creek have become severely contaminated, as illustrated in the picture to the right, and they are difficult to maintain. Over time, as bunkers are edged and as the native soils erode into the bunkers, the sand becomes contaminated. This results in poor drainage, inconsistent playing conditions, and the perception that the course is poorly maintained.

Our recommendation would be to conduct a bunker renovation intended to make the bunkers more visible, reduce maintenance, and improve the overall playability of the course. This would involve stripping the turf and re-grading the bunkers to make them more visible and easier to maintain. Then, new sand and drainage would be installed and the disturbed areas would be re-grassed. Much of this work can be done while the course is open for play and would therefore have little impact on play or revenue.

We anticipate that this project might take six to eight weeks to complete, provided that the City utilizes an experienced golf course contractor who has the proper equipment and experience to complete the work in an efficient manner.



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During this renovation, the majority of the bunkers would be reconstructed in their current location. A few bunkers, such as the left greenside bunker on No. 2 and the center fairway bunker on No.10 could be removed or repositioned to reduce maintenance and improve playability. Depending on the specific situation, these areas would likely become grass collection areas similar to that which exists on the right side of No. 7 green. The key is to make these changes without jeopardizing the character or integrity of the golf course.

Trees

Overall, the condition of the course is quite good. There are however a few areas where trees are negatively impacting turf quality and making ongoing maintenance more difficult than it needs to be. The most significant areas involve the trees located south of holes No. 3, 12, 15 and 16 greens and the trees which are shading the tees on hole No. 13 tee.

Shade on greens and tees weakens turf, increases disease pressure, and increases maintenance. Selectively removing these trees would not only improve overall course conditioning but would also provide for a more enjoyable experience for golfers.





Management and Operational Review

Turf Reduction

There are a number of areas on the golf course which could be converted from maintained turf to low-maintenance areas.

These areas of Bermuda grass which are currently being mowed, irrigated and, in some cases, fertilized could be converted to areas of Fescue or Love Grass which would need little or no maintenance once established. These include areas between holes No. 5 and 6 and near the tees on many of the holes.

Long-term, this would reduce the time commitment on the maintenance staff and would allow them to focus their financial resources on tees, greens, and fairways. To convert the turf, these areas would be sprayed with a non-selective herbicide such as Roundup and then re-grassed. With proper guidance and additional staffing, much of this work could be done by the maintenance staff.

Turf Fertility and Maintenance

The bent grass putting greens are in exceptional condition. They are, in all likelihood, probably one item which sets Bradford Creek Golf Course apart from its competition. However, in speaking to the superintendent, I understand that they are currently applying 5 pounds of nitrogen fertilizer annually to the greens. That likely explains why they are so lush and in such good condition. However, in my travels, I typically see superintendents applying more on the order of 3.5 pounds of nitrogen annually. Although the savings would be somewhat minimal, I would suggest that a slight reduction in the amount of fertilizer might free up some dollars to address fairway, tee, and rough conditioning.

The tees, rough, and fairways appear to be somewhat lacking in fertilizer and weed control. In fact, the superintendent mentioned that his budget this year did not allow for any fairway fertilizer and that they have not fertilized the roughs for seven years. This condition, if continued, will likely result in turf which is weak, thin, and increasingly difficult to manage. I suggest that the City consider reducing the fertilizer on the greens to four pounds annually and increase the maintenance budget to allow for proper fertilizer, fungicide, and weed control on the tees, roughs, and fairways.

Driving Range and Practice Facilities

The course has a fairly good driving range which appears adequate in width and length. However, there appears to be an opportunity to reduce daily maintenance while potentially increasing revenue by re-grading the driving range tee and installing a concrete tee line with synthetic turf



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mats. The existing range tee was constructed with three tiers of turf. By regrading the area to create one large tee line, the area will be easier to maintain. This will also essentially lengthen the range by moving the tee back. In addition, by adding a concrete tee line, the City will be able to expand use in the winter months when the turf is not actively growing.

The Irrigation System

The irrigation system at Bradford Creek was installed in 1994 when the course was originally built. The United States Golf Association (USGA) and the American Society of Golf Course Architects (ASGCA) states that the life of a PVC pipe irrigation system is approximately 20 to 30 years. After time, sprinkler heads wear out and plastic pipe and fittings fatigue or crack. The superintendent tells me that they are already repairing two to three leaks or breaks per month. In the next five to six years, the City of Greenville should be prepared to consider the installation of a new irrigation system, including heads, piping, and a computerized central control.

A new system with modern more-efficient sprinkler heads and improved coverage would not only improve course conditioning but allow the maintenance staff to more effectively manage and potentially reduce the amount of water used at the course.

In addition, the City should consider the installation of a more efficient variable frequency drive (VFD) unit for the irrigation pump station. The VFD will reduce wear on the pumps and can save a considerable amount of money in electrical costs.

Staffing

It is my understanding that the golf course currently employs three full-time maintenance employees (a superintendent, an assistant, and a mechanic) as well as a number of seasonal employees. Typically, we see a fairly low-level of productivity and a high rate of turnover with seasonal employees, so it can often be advantageous to replace two or three part-time seasonal employees with one more highly-trained, full-time employee. As a full-time employee, this individual would be able to complete tasks which a seasonal employee can't, including chemical applications and irrigation troubleshooting. In addition, this employee should be more productive and more familiar with the requirements of the golf course and, benefits aside, that adjustment should result in some savings and increased level of course conditioning.

Ensuring Consistent Playing Conditions through Agronomic Practices

The initial impression of Bradford Creek is very favorable. The drive to the golf course, the clubhouse, and the pro-shop facilities are very nice.

The course has a spacious routing with good sightlines. Overall, the condition of the golf course is quite good. The putting surfaces are exceptional – the best we have seen all year in touring courses nationally.



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These assets can be leveraged to produce an appropriate value-based public golf experience in Greenville.



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Step 6 – Operations & Marketing

Key Benchmarks

Knowing who your customers are, their spending preferences, and their playing frequency is fundamental to maximizing your net income, increasing your operational efficiency, and enhancing your customer service. This knowledge is the essential foundation for a meaningful marketing program. Without this information, most golf courses greatly minimize their revenue opportunities.

A leading golf course management company⁵ that serves more than 100 public golf courses has identified certain predictable characteristics:

- 1) A golf course, on average, has 8,000 distinct customers, from a minimum of 3,500 to a maximum of 11,000.
- 2) 10% to 20% of those customers are “initiators” and make the tee time.
- 3) 50% of those customers play the course only once per year.
- 4) 50% of those who play will not return the next year.
- 5) Only 13% will play six or more times.
- 6) Customers average six rounds played at a specific course per year.
- 7) 20% of a golf course’s wallet share will come from core golfers who play 40 rounds per year.
- 8) Customers become at risk of not returning when they haven’t played your course in 90 days.
- 9) The response rate from customers offered a 20% off coupon, a 10% off coupon, or merely receiving acknowledgement that they are missed is nearly the same.

It is fair to conjecture that golfers at the City of Greenville have comparable profiles, except that this golf course probably serves only 4,000 distinct customers annually.

However, because the POS system is not properly utilized, measuring any of the key metrics is not possible at this time.

By the proper adoption of technology, BCGC will be able to engage in Customer Franchise Analysis to identify retained customers, defectors, and new acquisitions. Targeted messages to appropriate golfer segments can be automatically created and delivered monthly. (Note: as a general rule of thumb, a course should only send an email to its entire list of golfers two or three times per month.)

Implementation of pro-active marketing will greatly boost revenues for BCGC.

⁵ Peter Hill, Billy Greenville Golf Management, “Programming for Profit,” February 4, 2009 presented at NGCOA Multi-Users Conference.



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The Assembly Line of Golf

From the time an individual contemplates playing golf to the time that golfer leaves the golf course, there are a number of touch points through which the customer experience is defined, as highlighted below:

Touch Point	Municipal	Daily Fee	Resort	Private Club	Military
Reservations	X	X	X	X	X
Club Entrance	X	X	X	X	X
Bag Drop		X	X	X	
Cart: GPS		X	X		
Locker Room Before Round			X	X	
Pro Shop	X	X	X	X	X
Range	X	X	X	X	X
Starter & Marshalls	X	X	X	X	X
Beverage Cart Attendant		X	X	X	
Halfway House			X	X	
Cart Return—Club Cleaning			X	X	
Locker Room After Round			X	X	
Bar/Restaurant	X	X	X	X	X
Likely # of Contact Points	6	9	13	12	6

Our review of BCGC indicated that each customer touch point has the opportunity to enhance customer service. The fundamental challenge from which nearly all golf course customer problems emanate is the poor positioning of the clubhouse and its interior layout.

The customer’s first impressions when entering BCGC is very positive, as pictured:



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Unfortunately, that positive image is not carried throughout the experience. The front entrance door has a repetitive message regarding the dress code and looks cluttered. There are 12 different messages posted on the front door. Do you think any customer reads them?

Management and staff often forget, because they see these eyesores daily, the impression made on the first-time customer and the conclusions they reach as to the customer experience at this place.

There are many other customer service issues: the container holding the range balls is broken, the area for washing the balls is also by the front entrance with the tournament score board. It provides an unsightly first impression.

The lighted range is a great asset and generates over 12% of the revenue of the facility's revenue, which is beyond national benchmarks.

The putting green is a prized treasure, though the location of the short green practice facility at the end of the range renders a prized asset vastly underutilized.

While playing the golf course, one can see that it has great potential, but in the collage of photographs that follow, it is clear that the asset is begging for capital repair.

Presented below is a collage of the "golf experience," and the question as to whether the customers are receiving value is evident.

Do these pictures seem to say that rounds are down because of location, oversupply in the Greenville market, or the golf experience is inferior for the price charged?

Hidden bunkers



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Broken Cart Sign

Another hidden bunker

Porta-potties: the bane of women

Cart path challenges

Cracked cart path

Hidden bunker on 10

11th Hole Tee Sign Missing

12th Fairway poor turf

The good news is that the vast majority of the items cited, except for the bunkers, can be repaired for less than \$15,000. The potential exists, if the investment is made, to render Bradford Creek competitive with other public golf courses.



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Step 7 - Customer Survey

Creating an operational review requires a clear understanding of the golf industry and the unique characteristics that define the sport.

Presented below are some statistics regarding golf in the United States provided by the National Golf Foundation:

- There are 26.2 million golfers in the United States.
- 36.7 million Americans are golf participants, defined as anyone ages 5 and above who either played a round of golf or visited a golf practice facility.
- More than 45 percent of golfers (11.9 million) are between the ages of 18 and 39. Seniors (ages 50 and over) comprise another 33 percent, or 8.6 million.
- There are 5.76 million female golfers; they represent 22 percent of all golfers. And 6.1 million juniors play golf.
- There are 15,677 golf facilities, 11,637 of which are open to the public.
- The golf handicap for a male is 16.1, representing a score of 92. For women, the average handicap is 28.9, representing a score of 110. The average scores have changed very little over the years.

In conducting a management and operational review, it is invaluable to obtain a current perspective of the customer database by identifying customers' ages, genders, net incomes, ethnicities, playing frequency, favorite golf courses, and price point barriers. The key point being measured is the opportunity to increase current market share.

We conducted a survey of the golfers in the City of Greenville

The survey remained open for 10 days, from a survey sample size of 1,227 email addresses provided by Bradford Creek Golf Course, from a posting on the City's Web site, and from an email to the members at Brook Valley and Greenville Country Club. In that over the sample size exceeded 2,000 invited to respond, we are left with a 90% confidence factor with a margin of error on the results of 5% +/- based on the 712 responses received. The completion rate for those starting the survey was 86%, an acceptable average that suggests the survey was well-constructed.



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Who Is the Bradford Creek Golfer?

The geographic local market analysis performed in Step 1 of the Golf Convergence WIN™ formula indicated that the City of Greenville’s golfers were likely to be Caucasian, slightly older, and with above-average income. The survey confirmed that fact.

The respondents average 50.0 years of age, have median household incomes of \$103,906 (nearly 275% higher than the average income of a Greenville resident), are 88.7% male and 92% Caucasian, and play 37.6 rounds annually on 7 different golf courses. Note that Greenville CC respondents averaged 52.4 years of age, have median household incomes of \$138,411, are 90.0% male, and play 45.4 rounds annually, also on 7 different golf courses.

What Do Golfers Like about Bradford Creek Golf Club?

The golfers were asked to rate 16 attributes of BCGC. What always surprises us about these surveys is that the golfers always get it right. Presented below is a comparison of these factors:



The friendliness of the staff, tee time availability, and the quality of the practice facility rated high. The bunkers, food and beverage service, on-course services, and pace of play were rated as deficient. Our professional opinion is consistent with that of the respondents.

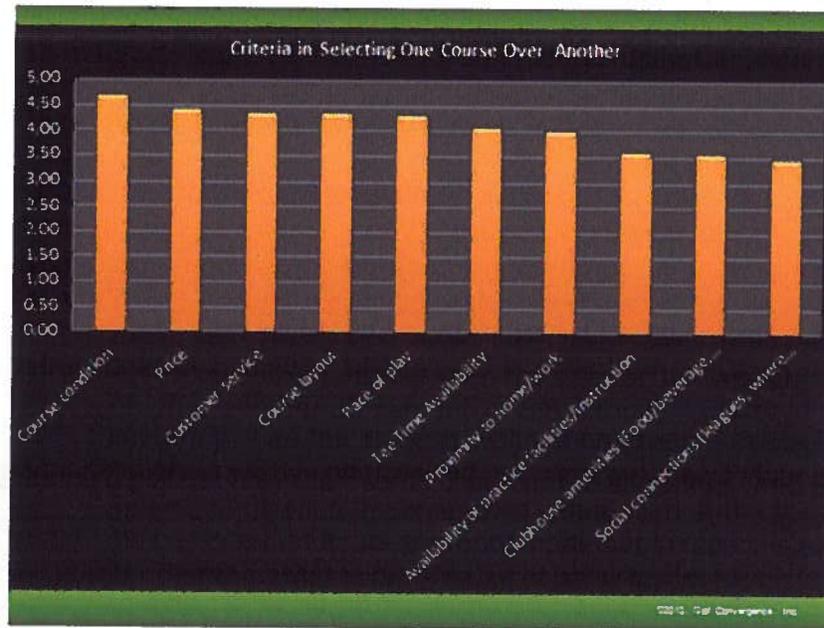
What Is Important?

When asked, “What factors are important to you in selecting one course over another?” the results of the City of Greenville survey were consistent with other surveys conducted by Golf Convergence and by leading trade organizations such as the Golf Course Superintendents Association of



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America. Positive impressions of conditioning and value (price/experience delivered) predict success, as shown below:



Regarding those items that ranked low as criteria in selecting one course over another, the fact that social connections ranked last is no surprise. That has ranked low on every survey performed by Golf Convergence. However, the clubhouse amenities and the availability of practice facilities are of note. While BCGC has a fine short-game area, it is at the end of the range, and it is inaccessible and inconvenient for the majority of patrons.

Since a large part of the "experience" equation is the conditioning of the golf course, it should be no surprise that it ranks as the most important criterion in selecting a golf course. Of concern is the fact that the survey respondents ranked "price" as the 2nd most important criterion for choosing what course to play. The temptation is to lower prices. Such a trade-off is perilous, as noted in the chart below:



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Decrease in Price	Number of Additional Rounds Required to Offset Discount
5%	5.26%
10%	11.11%
15%	17.65%
20%	25.00%
25%	33.33%
30%	42.86%
35%	53.85%
40%	66.67%
45%	81.82%
50%	100.00%

Despite many survey respondents asking for lower prices, discounting makes little economic sense, as the golf course only achieves 50% yield on the rack rate advertised. Considering that the median household income reported is \$103,906, a rate increase could easily be absorbed by the constituents to help fund the capital investment sought.

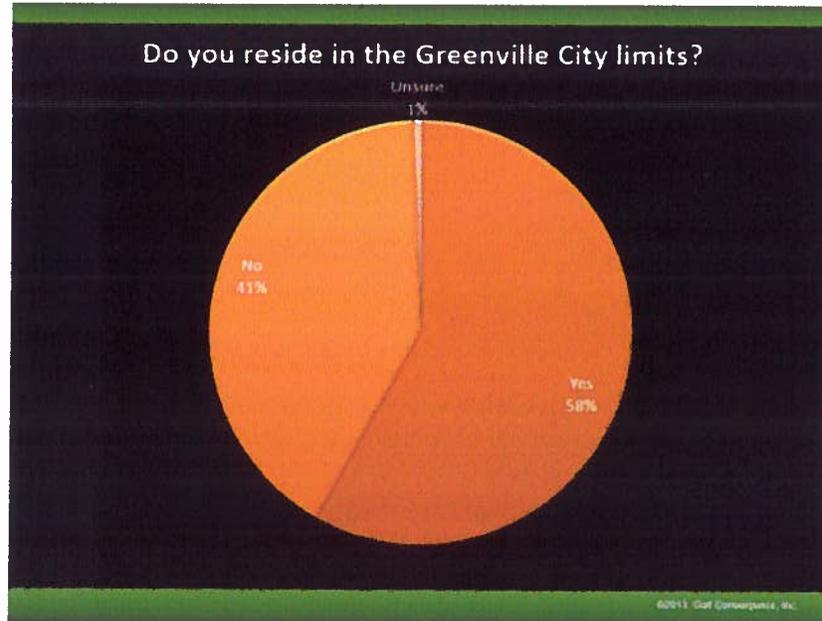
The median household income levels of the respondents suggest that rates should be raised; affordability, while feigned as a challenge by the golfer, is not really the issue. From the chart below, one will note that if prices were increased, rounds would fall and produce the same gross revenue:

Increase Price	Decrease Rounds
5%	4.76%
10%	9.09%
15%	13.04%
20%	16.67%
25%	20.00%
30%	23.08%
35%	25.93%
40%	28.57%
45%	31.03%
50%	33.33%

A dominant topic of this review was that, now that the golf course has been absorbed by the general fund, there should be a differential between resident and non-resident rates. The chart below highlights the number of customers that reside with Greenville City limits.



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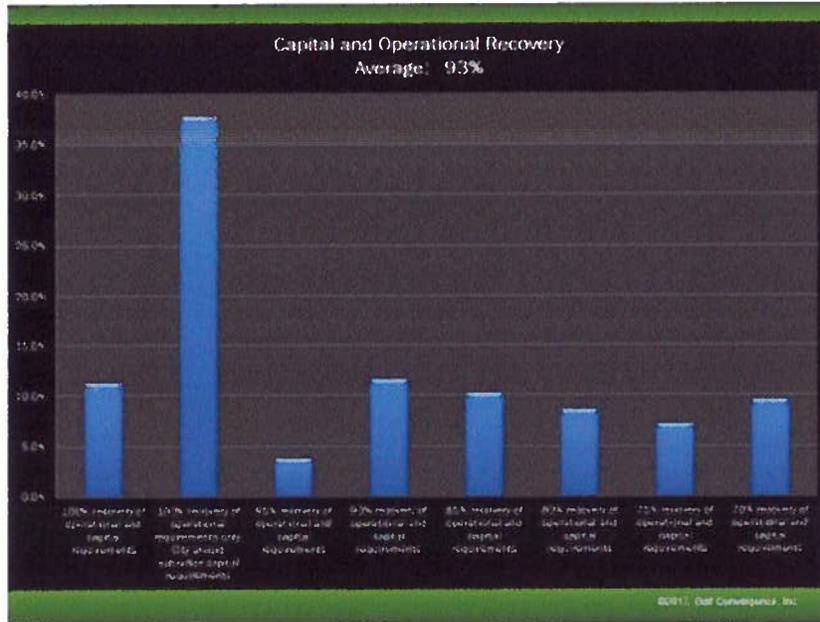


With 42% of current patrons being non-residents, there is a justified hesitancy to raise rates, fearing that a lower number of rounds will exceed the incremental revenue earned.

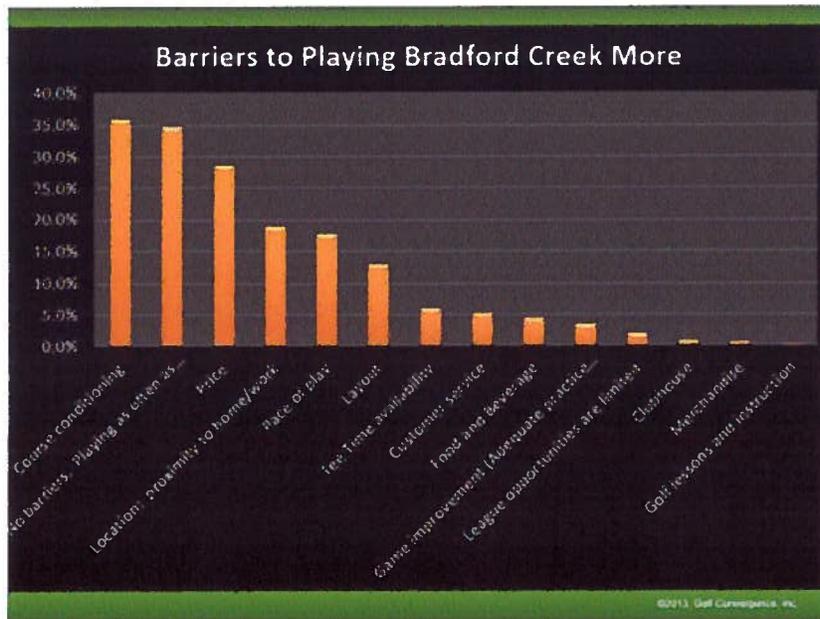
As a corollary to the examination of issues important to golfer, we measured attitudes about whether they believed that Bradford Creek should be a fiscally sustainability entity. The golfers indicated that the golf course should be subsidized to the extent of 7% of the gross revenue realized, as shown below:



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The real challenge was to determine what the barriers to increased play are. With BCGC at 27% utilization compared to the national average of 51%, as highlighted in the financial benchmarks, BCGC is more likely to become sustainable by increasing revenue than by reducing expenses.





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While course conditioning, (such as bunkers) was a recurring them, “no barriers” is a troubling factor because it is uncontrollable. With respect to price, it is our professional opinion that as value is provided to the golfer through improvement of the course, higher green fees will be accepted and paid.



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Step 8 - Customer Franchise Analysis

The customer franchise analysis (CFA) provides operators with the first tool to win the share-of-golfer battle caused by the current oversupply environment in many markets. The CFA leverages information in the operator's point-of-sale (POS) or electronic tee sheet system to understand and target key customer groups regarding financial metrics. The CFA measures customer franchise health, such as the number of unique guests acquired, retained, and lost, as well as the spending level of each group down to the individual customer level.

In undertaking this operational review, a golf course must identify core customers, spending patterns, customer retention, turnover frequency of golfers, zip code distribution, course utilization, revenue per available tee time, and revenue per tee time purchased. These critical metrics have not been created for BCGC. Our analysis revealed that only 22% of the salient customer information was being captured within the POS system.

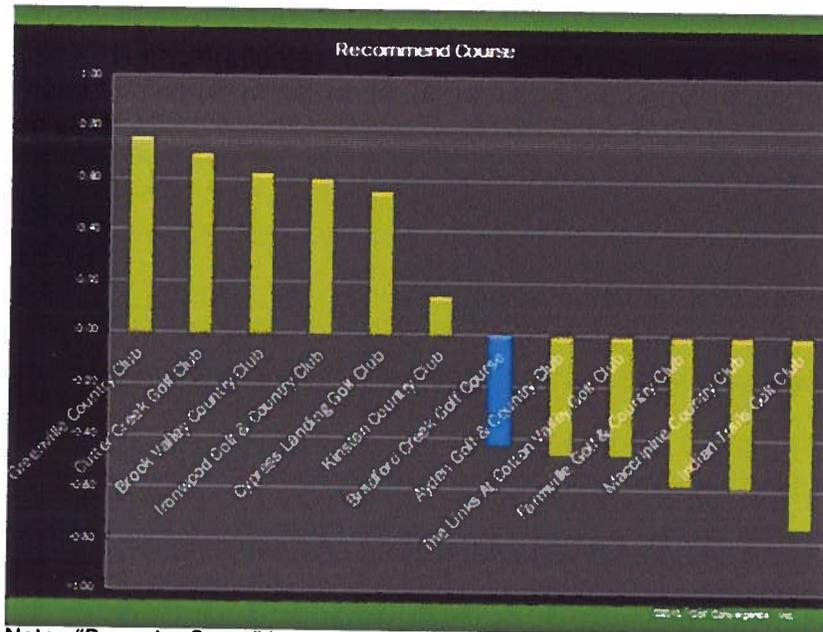
In the survey conducted, we filtered out the loyalty of current customers at BCGC from the perceptions of members of the Greenville CC. With a national average being 26, the BCGC loyalty score was a very encouraging 70.3., as noted below:



While that rating from current customers is very high, the loyalty ranking provided by members at Greenville CC was very low at negative 42%, as shown below:



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Note: "Promoter Score" is a term to measure the loyalty of customers to a facility. Are they "promoters" of that enterprise? The national average is 26. A negative score represents that the facility has more detractors than loyal customers.

Changing the perceived image of BCGC in the Greenville marketplace will be essential if incremental growth in revenue is to be achieved. If there is any positive to be taken from such a low ranking, the Greenville members ranked Bradford Creek the highest among the public golf courses. Understandably, those members have a strong preference for private clubs versus public facilities.

Why are those loyalty share numbers important? Loyalty correlates to wallet share, and the percentage of wallet share a course receives from its golfers is a highly predictive factor of success. Higher wallet share equals higher revenue equals higher net income. Wallet share represents the percentage of a golfer's money spent at each golf course versus the total amount spent annually by the golfer.

It is much easier to attract a greater wallet share of an existing customer through building loyalty than it is to attract a new customer to the golf course. Promoters refer five golfers per year to the facility, while strong detractors can provide up to five negative references.

In our professional opinion, the City's current annual loss is largely attributable to: 1) uncontrollable factors - demographics, oversupply of golf courses, and course location; and 2) the experience currently offered. The insights provided from this survey reinforced the recommendation contained here regarding the allocation of capital resources



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Summary – A Community Asset of Costly Potential

Operational review for BCGC necessitated the evaluation of the potential of the facility, the future investment required, the highest and best use of the property, and whether the experience offered to golfers was consistent; all of these were evaluated with the goal of creating a plan designed to assure the creation of a financially self-sustaining entity. Our evaluation of the BCGC golf course concluded that challenges exist, as noted below:

Project	BCGC
Strategic	
Vision - Competitive Mix	Yellow
Demographics	Red
Weather - Recent	Green
Tactical	
POS/TTRS	Yellow
Web Site	Yellow
Financial	Red
Operational	
Course Layout	Green
Agronomic	Yellow
Deferred Capital	Red
Clubhouse	Red
Range/Short Game	Yellow
Food and Beverage	Red
Tournament/Outing Site	Green
Parking	Green
Golf Playing Preferences	Yellow
Customer Loyalty	Yellow

Key:
Red – negative
Yellow – neutral
Green – positive

BCGC is in need of capital and is likely to see short-term operational losses. Thus, the City Council members must decide to what extent they are willing to subsidize, in the short-term, a recreational asset utilized by a small minority of the population, a minority that has the financial resources to enjoy golf and whose need is adequately met in the Greenville community by private enterprise.

The long-term hope is that the golf course, because of the superior course layout, can once again attract regional participation that will ensure that the course becomes a tangible asset of economic value and an intangible asset that enhances the brand image of the City of Greenville.



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APPENDIX A – Research Performed

Scope of Work

The City of Greenville was seeking to complete a management and operational review of the Bradford Creek Golf Club course, pictured below:



The conclusions contained in this report have been reached based on the evaluation of the following:

- ◆ Geographical Local Market Analysis
- ◆ Weather Playable Days review
- ◆ Technology adoption
- ◆ Financial Statements
- ◆ Architectural review of physical layout and condition of golf course
- ◆ Capital improvement needs
- ◆ Competitive review of courses
- ◆ Fee structures
- ◆ Management systems and alternatives
- ◆ Golfer survey

The analysis also included a review of the market and the financial performance of the course, as well as an analysis of national, regional, and local trends in public golf, including supply and demand.

Attached to this report are the research and data that support the conclusions presented.



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The chart below summarizes the research from which the conclusions and recommendations in this report were formed. This data was presented to the City of Greenville as a supplement to this report.

Task	Document	Date
Step 1 - City of Greenville - Geographic Local Market Analysis	Power Point	9/5/2012
Step 1 - City of Greenville - Geographic Local Market Analysis	Excel	9/21/2012
Step 1 - NGF Golf Demand Report: 10 20 30 Miles	Adobe Acrobat	9/21/2012
Step 1 - NGF Golf Supply Report	Adobe Acrobat	9/21/2012
Step 1 - NGF Facility Report: 10 20 30 Miles	Adobe Acrobat	9/21/2012
Step 1 - Tactician Demographic Trend Report	Adobe Acrobat	9/21/2012
Step 1 - Tactician Income and Disposable Income Report	Adobe Acrobat	9/21/2012
Step 1 - Tactician MOSAIC Comparative Population Report	Adobe Acrobat	9/21/2012
Step 1 - Tactician Population Greater than 18: 10 20 30 Miles	Adobe Acrobat	9/21/2012
Step 2 - Weather Trends International Playable Days Report	Adobe Acrobat	9/21/2012
Step 2 - Playable Day Analysis vs. Management Performance	Excel	9/24/2012
Step 4 - Financial Comparison to National - State Benchmarks	Excel	10/22/2012
Step 4 - 2010 - 2011 Operating Statistics Review	Excel	10/22/2012
Step 5B - Agronomic Review - Kevin Norby	Adobe Acrobat	10/23/2012
Step 5C - Golf Course Master Plan	Adobe Acrobat	11/8/2012
Step 6A - Competitive Course Review : Bradford Creek	Adobe Acrobat	10/23/2012
Step 6B - Competitive Course Review : Bradford Creek Competitors - 8 golf courses	Adobe Acrobat	10/24/12 12/3/2012
Step 7A - City of Greenville Customer Survey	Adobe Acrobat	11/8/2012
Step 7B - City of Greenville Raw Data Files -- Survey Summary	Microsoft Excel	12/3/2012
Step 8 - Bradford Creek Patron Customer Loyalty Analysis	Power Point	12/3/2012

This analysis also included review of:

1. 2011 Consolidated Annual Financial Report for City of Greenville
2. 2011 - 2012 Historical Data, by G/L account code, for Bradford Creek
3. 2011 - 2012 financial data by line item - unaudited
4. Meeting with City staff and Golf Course Management to discuss questions/issues arising from review of above
5. Identifying any contractual or use-permit compliance issues.



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6. Preparing findings and recommendations, including plan for financing improvements and achieving financial stability
7. Conducting site visits on October 21 - 24, 2012 and December 2 - 4, 2012

It is our hope that this operational review achieves the goal of aligning common interests.

Limitations of Study and Caveats

This management and operational review has taken many twists and turns, and although this is not unusual, they have created some unanticipated challenges, including the following:

- ◆ The City has not created a strategic business plan for the golf course, so the vision for the facility isn't defined.
- ◆ The facility's adoption of technology, including meaningful customer tracking, is lacking. A thorough yield-management analysis to determine the revenue potential of the facility is therefore restricted in scope.
- ◆ The political environment, with strong insistence on maintaining unreasonably low season pass fees, effectively constrains the magnitude of prudent investment that will be required to produce a sustainable financial return.
- ◆ The Clubhouse is architecturally challenged. The associated third-party lease for food and beverage is not being renewed upon the conclusion of the 2012 golf season. These issues present some unique ongoing operational challenges that are beyond the scope of this limited golf course review. The ability of the City to successfully resolve these operational issues will have a direct impact on the sustainability of the golf course.



Management and Operational Review

APPENDIX B: How a Management and Operational Review Relates to a Strategic Plan?

This management and operational review aims to objectively and rationally uncover the strengths and weaknesses of the existing business or proposed venture, opportunities and threats presented to the Bradford Creek Golf Course, the resources required to carry through, and ultimately the prospects for success.

In its simplest terms, the two criteria to judge feasibility are 1) cost required and 2) value to be attained.

As such, a well-designed management and operational review should provide the historical background of the business or project, a description of the product or service, accounting statements, details of the operations and management, marketing research, policies, financial data, legal requirements, and tax obligations.

A management and operational review is the precursor to the development of a strategic plan, which is a written document that defines a golf course's future direction. It is a beacon with which elected officials, the facility's lessee, management and staff of the golf course, golfers, and the taxpayers can see the value proposition for the enterprise. A strategic plan provides a consensus for future direction, one that can be measured and evaluated.

Without a defined management and operational review, effective tactical plans cannot be developed. Without tactical plans, efficient operational execution cannot occur.

This guidepost for the implementation of the strategic plan is an understanding of the value provided to the customer. To the extent that the experience exceeds the price, value is created and customer loyalty is developed. Conversely, to the extent that the price exceeds the experience created, value is squandered and customer attrition occurs.

Value in golf derives from two basic components shared by all golf courses: the physical infrastructure - property, plant, and equipment (the course, the clubhouse, and maintenance equipment); and secondly, the human element - the personnel.

How these resources are applied determines the experience created, as depicted below:



Management and Operational Review



While the creation of a new strategic plan for the BCGC was beyond the scope of this analysis, understanding the facility's role within the community of providing a leisure-based entertainment experience was fundamental to determining the feasibility of the proposed options available for the golf course.

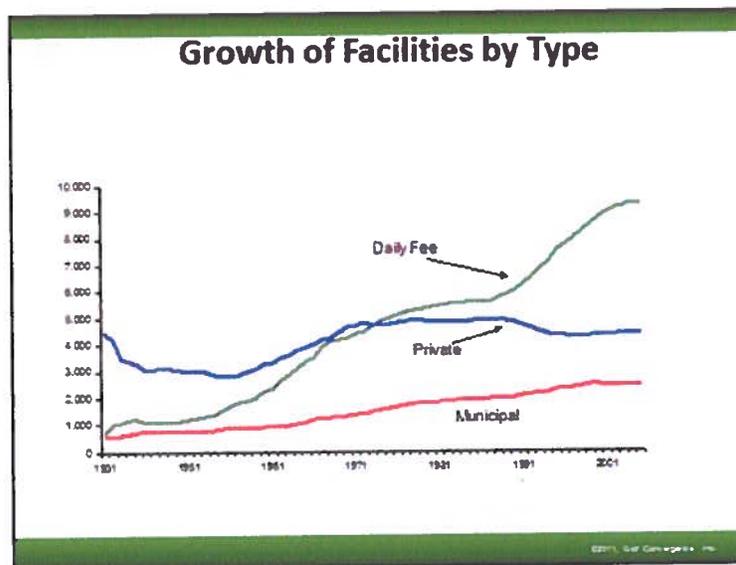
The Role of Government in Golf

Golf started in North America in the late 1880's. Access was largely through private country clubs.

Because of the origins of the game within the U.S. as private and club-based, municipalities filled the void for the public by building golf courses as part of their Parks and Recreation programs. The need for municipalities to continue to operate golf courses has been largely eliminated by the evolution of daily fee golf courses – those open to the public via private enterprise—which became a significant factor starting in the 1960's, as illustrated below:



Management and Operational Review



The current debate: Is providing golf to citizens an essential function of government?

The role of government is to provide those essential services to a society, services that could not otherwise be provided efficiently or effectively by private enterprise. Hence, police, fire, water, sanitation, and highways are usually within the bailiwick of government. But if a need of the citizens is adequately met by private enterprise, should the government provide that service if it is not essential to the health and welfare of its citizens?

It is impractical for a government to sustain losses from the operation of a golf course to serve a small portion of the electorate.

The Organizational Structure of Municipal Golf

Municipal golf courses serve various constituencies, including: City of Greenville City Council, Management/Staff, Golfers, and ultimately, Taxpayers.

The mission statement of a municipal golf course can range from generating the largest possible return on investment to merely creating a value-based recreational opportunity, or alternatively, catering to the perceived needs of niche groups. Some golf courses also emphasize the value of teaching core values to young golfers.

The national brand image of municipal golf courses often gets a bad rap, especially those facilities viewed as an entry door to the game, which often are downtrodden and ill-kept.

Such is not the case at BCGC. Both management and staff are dedicated, hardworking, and passionate about creating value. But decision-making in response to the uncontrollable factors reported, as well as the lack of resources, often impairs their ability to execute.



Management and Operational Review

With that considered, the real organization chart for most municipal golf courses is as follows:



With this understanding of the macroeconomic factors prevalent in our nation, the microeconomic influences affecting the local golf course, and the current political, economic, and financial environment observed in the City of Greenville, this much is clear— if the City is to provide golf, it must do so in a way that ensures that the golf course is financially self-sustaining and free from general fund support.

Two beacons of hope for the future of golf suggest that perhaps in the intermediate, and maybe even in the long term, BCGC might be viable.

First, on November 16, 2011, the National Golf Foundation reported that there are positive developments that suggest the golf industry has reached some balance, as noted below:



Management and Operational Review

Second, municipalities, recognizing that labor expenses and the associated fringe benefits are the source of many of their financial challenges in operating golf courses, are seeking privatization of those operations. By December, 2011, 43% of all municipal golf courses had privatized.

Of concern for the City of Greenville is that fringe benefits exceed 40% of base salary. National management companies could introduce economics of scale to the operation; however, their threshold remains at \$1 million in current revenue. The opportunity to privatize to a regional operator remains viable.

Global perspectives on the economy and the micro-economic forces impacting the golf industry provide the appropriate framework by which an understanding of the recommendations contained within this report is made.

Global Perspectives – Current Economic Outlook

Golf is a recreational sport that consumes the disposable income of its patrons. Golf competes for the entertainment dollars of its consumers.

The financial prosperity of golf is indirectly correlated to the world economy. To measure the impact of current economic conditions on the golf industry, in April, 2010, the National Golf Foundation (NGF) included at its annual symposium a presentation titled, "Economic and Capital Markets at Home and Overseas."⁶

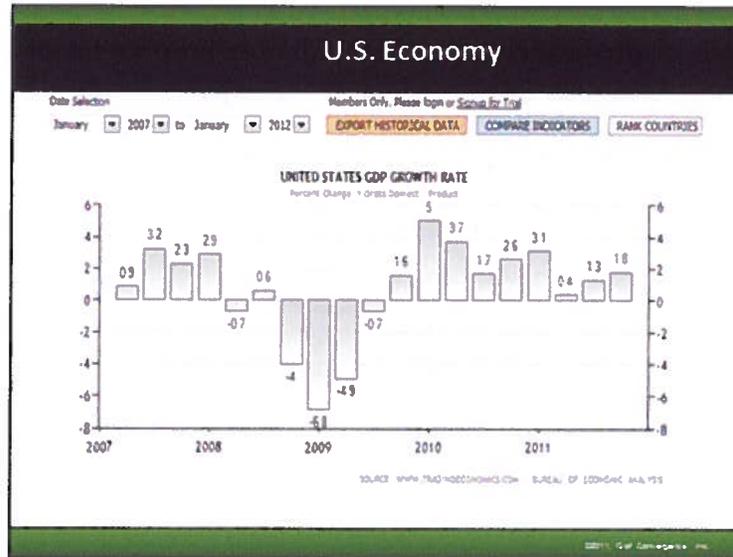
The speaker, Chris Holling, Vice President of IHS Global Insight, presented the case that the U.S. economy was at a crossroads. Negative factors included high unemployment, reduced asset values, tight credit, and high debt burdens. Countering those factors are real income growth, low inflation, low interest rates, and the stock market rally.

The net result of those factors becomes reflected in the U.S. GDP growth rate, as highlighted below:

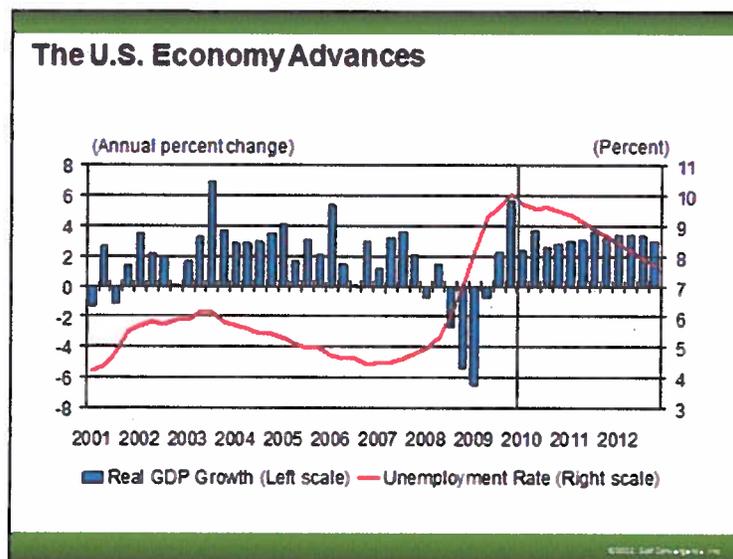
⁶ IHS Global Insight, "Economic and Capital Markets and Homes and Overseas," April 29, 2010, Slide 4



Management and Operational Review



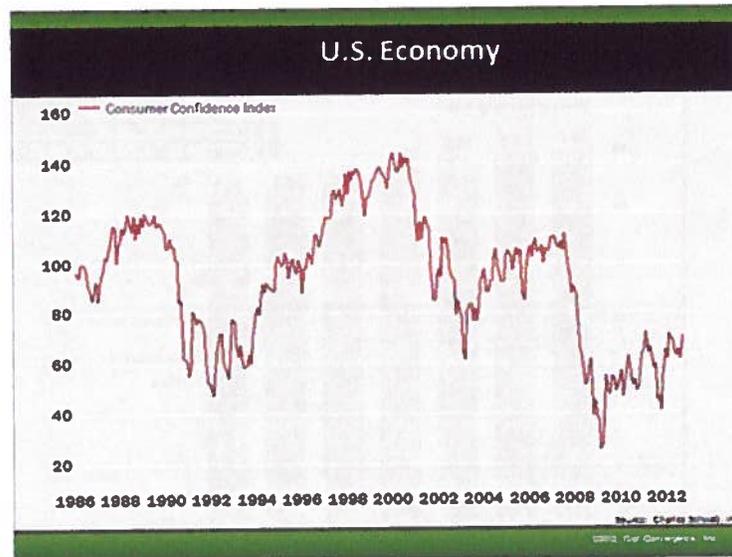
Of great concern is that the economy is considered at full employment when unemployment is 4%. Unemployment is expected to exceed 7.5% for the next three years. That factor alone has a significant impact on consumer confidence and on the average disposable income available for recreation and entertainment.



Another important economic measure is the Consumer Confidence Index. Presented below is the U.S. consumer confidence index, sourced from the Conference Board, Inc.:



Management and Operational Review



Looking ahead, consumers are more optimistic that business conditions, employment prospects, and their financial situations will continue to get better. While consumers are in a somewhat more upbeat mood, it is too soon to tell if this is a rebound from earlier declines or a sustainable shift in attitudes. While consumer confidence improves, it remains far below the levels achieved a decade ago.

Why is consumer confidence important? Since golf is a recreational activity that consumes disposable per capita income, the higher consumer confidence is, the greater is the probability that entertainment activities, such as golf, will be sustainable.

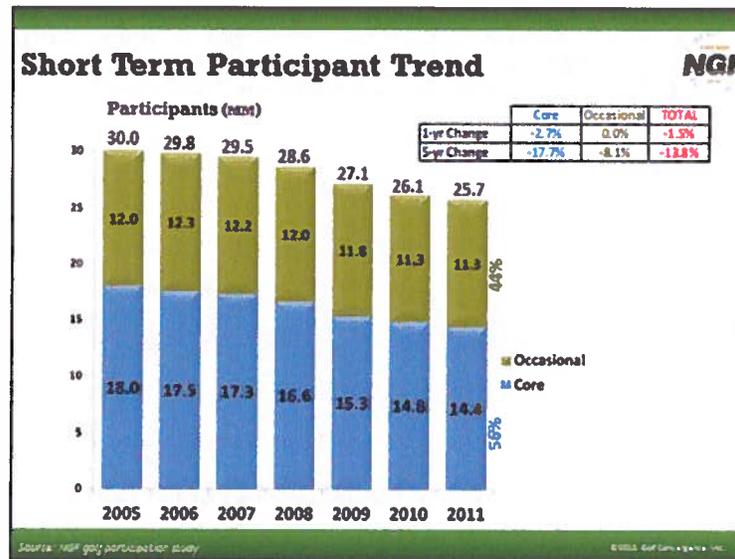
Analysis of National Trends in Public Golf, including Supply and Demand

All economic forecasts from leading industry research groups forecast a "flat industry" for the foreseeable future. For the next decade, the sport is likely to remain at 25 to 30 million participants, and revenue growth will only come from market share increases (stealing your competitors' customers) or price increases.

Those conclusions are reached based on overall golfer trends, as reflected below:



Management and Operational Review



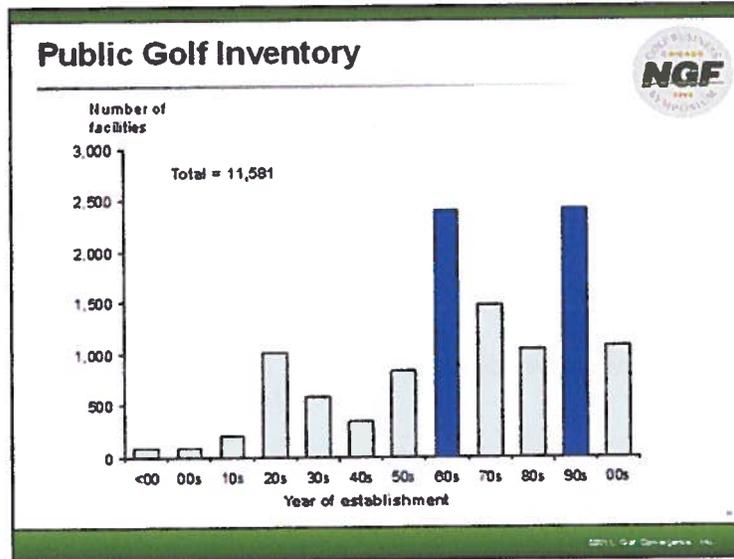
The net decrease of 1.4 million golfers from 2009 to 2011 included 5.2 million golfers who left the game; their numbers were not offset by the 1.8 million beginners and the 2.0 million former golfers who returned to the sport.

Since 1990, the growth in the number of golf courses is up 24%, while the number of golfers has increased only 16%. As a result, rounds played at each golf course have fallen from 40,400 in 1990 to 31,303 today. During this same period, while the number of golfers has fallen 9.2%, rounds volume has fallen 2.7%.

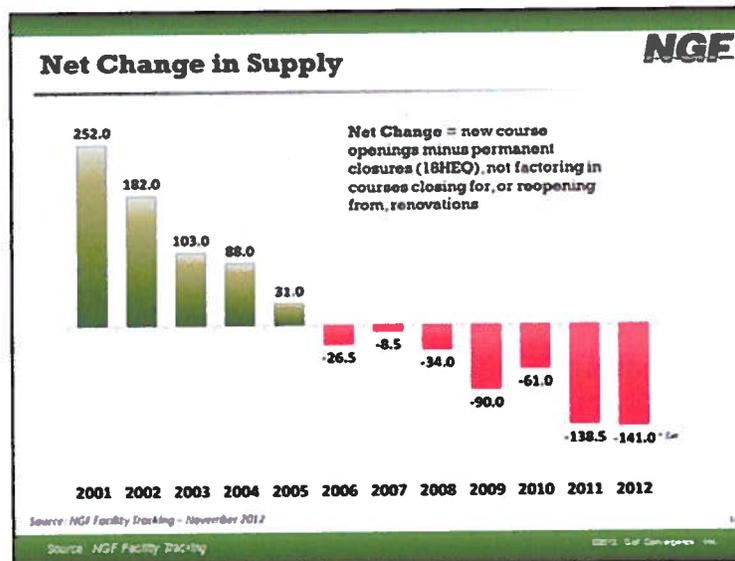
Today's supply imbalance is attributable to the golf courses opened during the '60's and the '90's, as reflected below:



Management and Operational Review



For the past seven years, and for the first time in history, more U.S. courses have closed than opened, as evidenced in the following chart:



Thus, the largest contributing influences are “uncontrollable factors” at a national level, and a quick reversal is not likely. And there are no foreseeable changes which will provide the City of Greenville the opportunity to grow its golf course operation based on a surge in demand or a dramatic reduction of supply.



Management and Operational Review

In 2009, The National Golf Foundation published an extensive study on “The Future of Public Golf in America,”⁷ which cited that 15% of golf courses rated their financial health as extremely poor. Of those golf courses, 56% of daily fee golf courses were considering closing and selling, and 26% of municipal golf courses were evaluating the same alternatives. Uniformly, with rounds and revenue off, losses had increased, maintenance standards were deteriorating, capital investments were deferred, and discounting practices were being used to boost rounds. The City of Greenville has experienced the same situations.

As a result, the NGF concluded the golf courses most at risk⁸ were:

- Facilities with lower price points
- Alternative facilities
- Facilities in less-populated areas

BCGC, being located in a less populated area, is at risk of closing, even though its green fee (\$22) and cart fee (\$12) are below the national average of \$40 for an 18-hole prime time green fee with cart.

The NGF study further revealed significant differences between how successful golf courses were operating in contrast to those courses that were financially challenged. These differences are reflected below:⁹

The Right Things		
	Success (7-10)	At-Risk (0-3)
Customer service emphasis	73%	52%
Have strategic plan	69%	48%
Structured player development	59%	41%
Customer surveys	49%	36%
Promote other revenue centers	43%	26%
Pace of play	43%	24%

⁷ National Golf Foundation, “The Future of Public Golf in America,” April 22, 2009, Slides 1 -43.

⁸ National Golf Foundation, “The Future of Public Golf in America,” April 22, 2009, Slide 21.

⁹ National Golf Foundation, “The Future of Public Golf in America,” April 22, 2009, Slide 26.



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Maintaining customer databases, engaging in email marketing, and publishing newsletters are additional traits of successful facilities that have been widely recognized over the years. While the City of Greenville doesn't fully engage in such activities, these missing marketing activities increase its risk of failure. Fortunately, Information Systems Technology systems are in place at BCGC, so these deficiencies are correctable.

The Business of Golf – Balancing Demand and Supply

In theory, business is actually very simple. It is simply balancing supply against demand. By establishing the price that correctly balances the value delivered commensurate with market demand, net income is maximized.

Business can be made very complicated. The permutations of operating a successful golf course increase quickly when one considers the factors that impact supply (the number of golf courses) or those factors that affect demand (course conditioning, price, weather, service, and customer demographics and preferences).

In a perfect market, customers purchase products that satisfy their needs or desires for prices they determine to be the best value. Golfers purchase a round of golf for the price that creates the social status they seek, for the networking they want to achieve, for convenience to home or business, and for the recreational and leisure experience.

Unfortunately, capitalism is not about perfect markets. Inadequate information, undisciplined decision making, and government intervention can create aggregate failure. The essence of capitalism is for the successful entrepreneur to gain a strategic advantage over competitors within an imperfect market.

The goal of the golf course owner should be to blend the following triad:

- 1) Superlative information
- 2) Disciplined decision making
- 3) Crisp execution

But that first component, superlative information, starts with an understanding of the breadth and depth of the golf industry.

An understanding of macroeconomics as it relates to supply and demand and the underlying performance, structure, and behavior of the golf industry creates the essential perspective necessary to craft an operational review as part of an operational analysis for which this study was commissioned. In the previous pages, we have examined macroeconomic supply and demand changes, but it is necessary to take a microeconomic perspective regarding demand.



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A Closer Look at Demand – What Is the Profile of a Golfer?

In 1899, when 307 golf courses existed in the United States, Thorstein Veblen, the author of *The Theory of the Leisure Class*, expressed his opinion that golf was a game in which individuals participated to demonstrate their conspicuous consumption of leisure¹⁰. In essence, individuals were attracted to the sport to demonstrate their superior financial position and to flaunt their lack of need for work as America transitioned from an agrarian to an industrial society.

From that meager beginning, golf in the United States has grown to a \$24.8 billion industry in which 26 million golfers play 463 million rounds while frequenting 15,882 facilities.

Despite that growth, more than 110 years later, golf has not lost its elitist brand. Two-thirds of golf rounds are played by those with a household income of at least \$85,500, and whose median age is 41.9. The national median household income is \$51,618, with a median age of 37.1. For every round played in the U.S. by someone who is Hispanic or African American, Caucasians play seven rounds. For every round played by a female, men play 5.1 rounds. The fact that Generation Y is playing 58% less than baby boomers is hardly the foundation for an industry hoping for dynamic growth.

The harsh economic environment, combined with adverse weather during the past several years, particularly in Greenville, has contributed to the fact that golf is a struggling industry in which the supply of facilities exceeds demand. Over the past six years, 358.5 more U.S. courses have closed than opened. We forecast that 1,659 U.S. facilities will close in order to balance the industry.

The financial health of the business of golf can be measured by many numbers. Three of the most effective are the relationship between the number of golf courses, the number of golfers, and the number of rounds played. Many factors influence those three components.

In order to compute the number of golfers and the number of rounds, we first need to define “golfer.” The National Golf Foundation defines a “golfer” as an individual, age 6 or older, who played at least one round in the past year. “Core golfers” are defined as those adults 18 or older who play between eight and 24 rounds per year. The term “avid golfer” is used for those golfers who play more than 24 rounds per year. Other industry research groups use “12 years or older” as the benchmark for what constitutes a golfer. Again, the golf industry’s methods of gathering statistics are not standardized.

Another term that causes much debate is “round.” When you play a “round,” have you played nine or 18 holes? The most common use of the word “round” merely means “a start.” In other words, a golfer teed off on at least one hole.

¹⁰ Thorstein Veblen, *Theory of the Leisure Class* (Oxford, Oxford University Press), 1899. http://en.wikipedia.org/wiki/The_Theory_of_the_Leisure_Class.

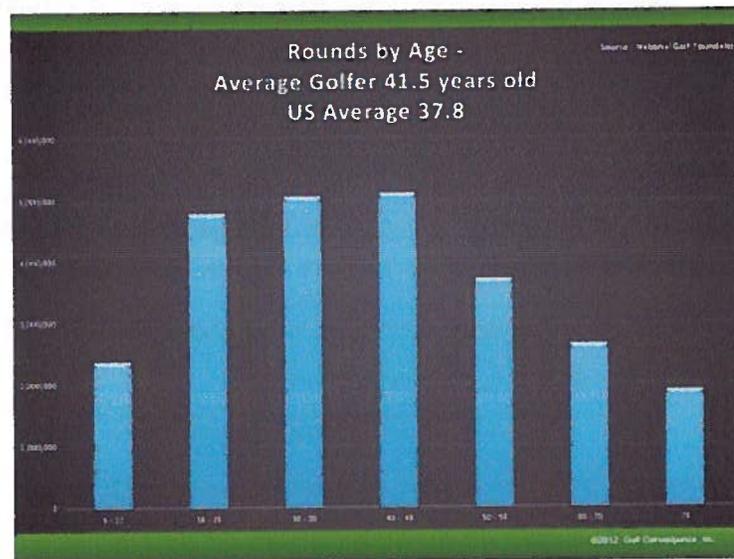


Management and Operational Review

With the term “golfer” now defined, a further analysis reveals that the game of golf is all of the following:

- 1) Golf is a game of the aging population.
- 2) Golf is a game of the wealthy.
- 3) Golf’s growth is constrained by the time-crunched nature of our society.

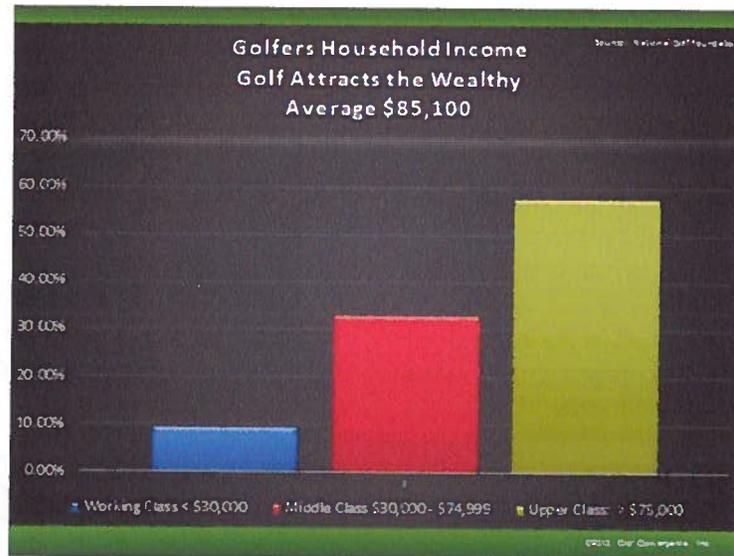
As has been demonstrated in economic surveys conducted throughout the world, golf thrives in cities where the population is aging. Over 68% of all golf rounds are played by those older than 43 years of age, as reflected below:



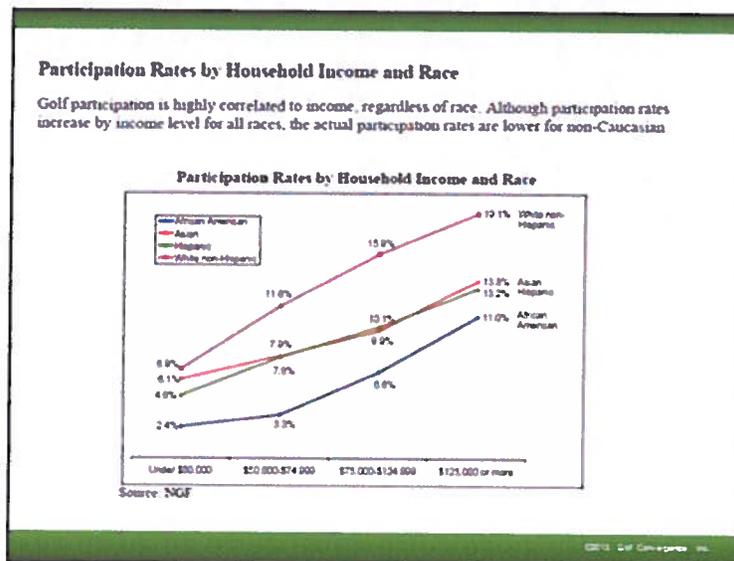
The City of Greenville’s population is 13% younger than the national average. And not only is golf a game whose participants are aging, golf is also a game of the wealthy, and the sport is clearly losing its middle-class appeal, as reflected below:



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The fact that golf is an elitist game is clearly demonstrated with the statistic that indicates that those with incomes of less than \$34,999 play only 3.45 rounds per year, while those with incomes greater than \$75,000 play 431% more, or 14.89 rounds per year. Golf is clearly losing its middle-class appeal, and it appeals to primarily Caucasians, as highlighted below:



Further complicating the challenges for Bradford Creek, the median household income within 30 miles of the golf course is 36% above national averages – \$38,101 contrasted to the national median household income of \$51,618. Those statistics indicate a negative market potential for BCGC.



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All of this begs the question as to why golf is not more popular among the young, middle, and working classes.

First, the game is difficult to learn, and if you're not very good at it, it isn't a lot of fun. Second, the cost to even begin playing is high—clubs, shoes, golf balls. It's not uncommon to invest at least \$500 to more than \$3,000 to start. Third, a round of golf consumes the better part of a day. Fourth, the attitude present in many male-dominated pro shops creates a harsh and unfriendly environment for many women. Finally, many golf course personnel believe that they are "members" of the club, not "workers" at the club.

While the demand/supply imbalance bodes poorly for golf, such imbalance masks a more subtle and pervading problem that is retarding the growth of the game. That problem is the significant change in the demographics of how our society functions in the United States. Sociologists track seven major categories to determine the nature of a society, some of which are technology (medicine, computers), social trends (reduced social conformity), and demographics (baby boomers and Gen X).

Within the seven categories, when three or more become altered significantly, society changes. That is what has occurred during the past seven years. Labeled the "time crunch," societal changes include the following:

Factor 3: A Time Crunched Society

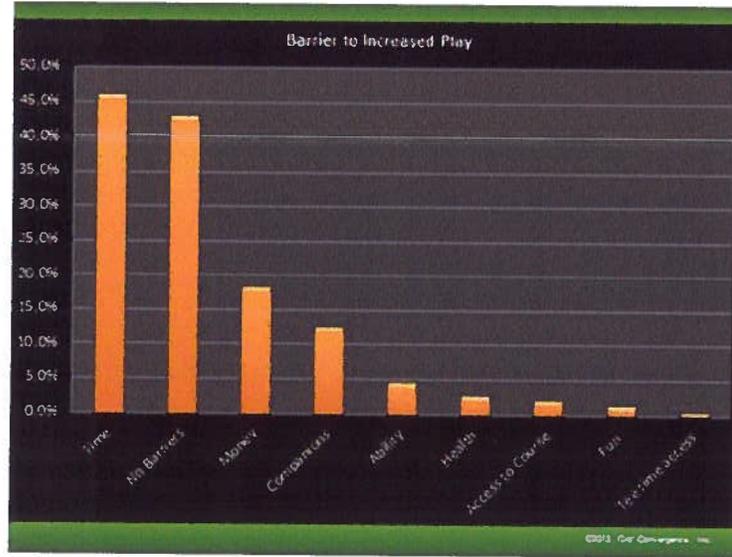
1. **The technology trap of endless improvements:** the more empowered technology makes you, the more you are expected to do.
2. **The update mandate:** We must be constantly updating our information: our devices (phones, email), our knowledge (events, educations), our values (tolerance to risk, work, etc.). We have dramatically increased our "work cycles." Employee productivity is up 24.2 in the past ten years.
3. **The marketplace of endless choices:** (47 car manufacturers, hundreds of models, 1000 of choices.) Shopping takes a lot more energy, thought and time.
4. **We have become an experience economy:** Starbucks to see it made, Krispy Kreme to watch in bake, Harley to gather on weekends at events to participate.
5. **Lifestyle integration:** Our key value is that everything must be efficient and we can do it at once causing the erosion of the barriers between home, work, and commuting.
6. **Child centeredness:** Our focus on wants, needs and desires have transferred from ourselves to our children. There is now a social status attached to "child first" attitude. Our parents put themselves first. We put our children first.
7. **Conspicuous activation:** Status is now achieved by showing off at how being you are and how many activities you are involved in.

The time crunch, in which 50% of all families are divorced and 80% of existing families have dual wage earners, has completely redefined the concept of leisure.

In undertaking this operational review for the City of Greenville, we asked, "What are the primary barriers to playing golf?" The survey results are outlined below:



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The survey results are not encouraging. “Time” and “No Barriers” are uncontrollable factors that will have a negative impact on the golf course’s future potential. The survey for the City of Greenville also confirmed that the individuals who utilize the golf course mirror the national demographic trends regarding number of golf courses played and playing frequency

The factors of golf’s lessening popularity and changes within our societal framework have created the downward environment that BCGC has experienced recently.

Comments on the Operational Analysis of Bradford Creek Public Golf Course (03-14-13)

Jim Decker, 214 King George Road, Greenville, NC 27858, 252/757-1518, jdecker18@suddenlink.net

- I am:
 - a 23 year Greenville resident, and
 - supporter of Greenville Recreation and Park department for the stellar, nationally recognized, job they do in all areas of our community, and
 - a member of the Bradford Creek Public Golf Course Advisory Committee, and
 - a member of Greenville Country Club.

- Regarding the Operational Analysis of Bradford Creek performed by *Golf Convergence*:
 - The analysis alludes to the predicament facing municipal golf courses nationwide. But it uses less than 1,000 words in doing so. It does not reveal that there are 23 municipal golf courses in North Carolina, most in much smaller communities than Greenville (e.g., Thomasville, Forrest City, and Lexington). Rather, it used 100,000 words to paint a financial picture of Bradford Creek Public Golf Course.
 - While this 'analysis' is a subjective review, it employs an empirical tone, making broad statements. For instance:
 - "If one were to view this asset [Bradford Creek] as a small component of the City's resources from merely a financial perspective, the greatest return to the City will result from the sale of the asset." (page 5)
 - "...recognition that the original acquisition [of the course] was ill-advised. (page 5)
 - "Why is Bradford Creek Struggling? Simply, the course should not have been purchased." (page 8)
 - All of these statements are purely financial. Using the same logic, the City would be advised to sell its garbage trucks, police cruisers and even City Hall! Of course each of these 'assets' provide meaningful value and liquidation of them would have negative consequences.
Unfortunately this 'analysis' made no attempt to quantify the value Bradford Creek Public Golf Course to the citizens of Greenville!

- The 'analysis' repeatedly indicates the Greenville market is "oversupplied" using, the author's logic and formulae. I really do not know what this means. Moore County NC, which is only 54% the size of Pitt county, has 44 golf courses. The newest Moore County course, The Dormie Club, opened two years ago. The Dormie Club an old facility renamed and reopened, it is an entirely new course!
 - All North Carolina taxpayers should be happy next year when the United States Golf Association brings it's Men's' and Women's Open Championships to Moore County. This will contribute millions of tax dollars to North Carolina finances and millions more to Moore County economic development.
 - I doubt these events will ever come to Greenville. At the same time, it is the City's standard practice to produce economic impact statements of hosted events, including those at Bradford Creek. **Bradford Creek statements detail hundreds of thousands of dollars of economic impact from events held there. However, this is never mentioned in the 'analysis.'**
 - Furthermore in declaring the Greenville market 'oversupplied' a variety of indices are employed, however, they are all tangential. Nowhere in the report is there a comparison of the number of rounds played at Bradford Creek (24,721 in FY12) to those at other Pitt County courses. Perhaps this is because private clubs are not willing to share those data. I contend Bradford Creek has more rounds played annually than any other course in Pitt County. **If indeed the Greenville market is 'oversupplied' why would the busiest course in the county be targeted for closure?**
 - The "analysis" declares that a survey found the mean annual income of Bradford Creek patrons to be \$88,000. While I do not question that the survey conducted by the authors may have indicated this, even a person with a high school education can understand that several uncontrolled intervening variables make this finding less than factual. **Personally I doubt its accuracy. Furthermore I challenge the authors to find anybody who has spent time at Bradford Creek to agree with this finding.**

- The 'analysis' indicates that the mean annual revenue of municipal golf courses nationally is 1.2 million dollars and that Bradford Creek is far below that. In fact the National Golf Foundation (NGF) report from which this benchmark was extracted includes all sources of revenue, include amenities which Bradford Creek does not have (e.g., restaurant, swimming pool, etc). If just the golf course operation is counted the national mean is \$825,300. In FY12 Bradford Creek revenue was \$859,829 exceeding the national average!
- The 'analysis' made no attempt whatsoever to quantify how Bradford Creek fulfills the mission of Greenville Recreation and Parks.
 - A partial roster of Bradford Creek Junior Golf Team members over the past 10 years reveals 181 boys and girls. Some of whom participated 4, 5, and 6 years in a row. Aggregated it represents over 400 participants. These are young men and women to for the most part have now graduated from high school, some even from college. I have no doubt that participants and their parents' reflection on Bradford Creek would be glowing.
 - Of course GR&P also provides meaningful participation for thousands of youth soccer, baseball and softball participants. But I do not recall any of those programs covering 93% of their costs, much less being expected to demonstrate a profit and provide for capitol expenses!
 - The 'analysis' contained numerous charts and graphs comparing the Bradford Creek to other area courses with such subjective indices as 'loyalty.'
 - It does not reveal that Bradford Creek Head Professional, Mike Cato, was the Carolinas PGA Junior Golf Leader award in 2008. The number of other Pitt County golf professional who have earned this honor in the past 30 years is zero.
 - It does not reveal that Mike Cato has served as the President of the Eastern North Carolina Junior Golf League for 13 years, responsible for 30 teams across the East and literally hundreds of boys and girls. The number of other Pitt County golf professional who have served in this role is zero!
 - It does not indicate that Bradford Creek has hosted USGA Junior Amateur Qualifiers, the PGA Play Golf America, the North Carolina Junior Championships and annually hosts one of the top junior tournaments in the Eastern United States. The number of other Pitt County golf facilities which do any of these things is zero!
 - It does not mention that Bradford Creek received a Carolinas Golf Association Grant (\$2,500) to introduce golf to Police Athletic League youth. The number of other Pitt county golf facilities who have done this is zero!
 - That is not to say that other area golf professionals are not competent. Rather they are highly competent, highly competent at serving their members!
 - Simply put Bradford Creek Public Golf Course plays many a unique role in our community. That is because of the award-winning, dedicated Bradford Creek staff fully committed to serving the public!
 - Bradford Creek Public Golf course is under the auspices of the Greenville Recreation and Parks Department. The mission of GR&P is: *"to advance parks, recreation, and environmental conservation efforts that promote mental and physical health, serve as a deterrent to illegal or inappropriate behaviors, and enhance Greenville's quality of life."*
 - In my analysis, Bradford Creek's award-winning staff are a major reason why Greenville Recreation and Parks Department is a nationally recognized award-winning program.
 - Moreover, as a taxpayer I fully support Bradford Creek expenditures and welcome further documentation and acknowledgement of its contribution to our Greenville quality-of-life.

Respectfully,

Jim Decker

Thoughts about Bradford Creek Public Golf Course

I regret that I can't be at the meeting on Thursday as I will be travelling to Richmond, VA for a short visit with friends. However I do want to express my thoughts for the record.

This has been an excruciating process over many months and perhaps a year that needs an end so that the staff and the loyal band of golfers who call Bradford Creek our golf course can prepare for our favorite season... **GOLF!**

I was skeptical about the outcome of the consultant's review of the course, but some of the recommendations seem valid. Those would be accommodating for fewer hours in the winter when the course is not busy and is actually losing money. Another is to raise the rates and charge non-residents more money to play. Many of the suggestions for improving the course are also valid such as taking down some of the trees, repairing bunkers and cart path, reducing the fairways etc. In addition, the consultant stated that Bradford Creek is an asset to Greenville. We have a great course according to members of our private courses. What makes it so special to those of us who play here are the people that work here. Mike has assembled a great front office crew, grounds crew and the young folks that are seasonal who obviously love being around golf and make it fun for us! It is a cross-section of Greenville with a spirit of camaraderie of like-minded folks who love golf, and a place where you feel accepted.

What I do NOT want to see happen from the consultant's recommendations is money spent for a business manager. **Mike Cato is completely capable of running Bradford Creek without intervention.** He does not need to be micro-managed, he just needs a realistic budget, so he can keep the course in good shape. However in the last few years there has been little money from the City Council to provide maintenance for equipment, the sprinkler system and course maintenance. The City has financial specialists, let them work with Mike during budget time to have at least a 5 year plan **that is financed** every year so that routine maintenance happens as planned, equipment purchased or leased when needed and the **addition of a part-time marketing person.**

In closing, the hardest part about this ordeal for me as an Advisory Board member is not getting detailed information from Parks and Recreation when we volunteer our time to meetings that have no new content to consider in terms of what is happening. Perhaps they don't get the information from their superiors to keep us informed. I hope the process is still fluid and the meeting on Thursday will be informative, interactive, with open dialogue .

I value my time on the Advisory Board and believe that one of my jobs is to promote Bradford Creek on behalf of Parks and Recreation and I will do whatever I can to help.

Sincerely,

Becky Sweet

Bradford Creek Advisory Board member

Item VII.

Workshop Schedule

Adopted Meeting Schedule

<i>March 4</i>	<i>2:00 PM</i>	<i>Joint City/GUC Pay & Benefits Committee Meeting</i>
March 4	6:00 PM	Regular City Council Meeting
<i>March 7</i>	<i>5:00 PM</i>	<i>Workshop: Sanitation</i>
March 7	7:00 PM	Regular City Council Meeting
<i>March 25</i>	<i>6:00 PM</i>	<i>Workshop: Budget kick-off and Bradford Creek Golf Course Action Plan</i>
<i>March 28</i>	<i>2:00 PM</i>	<i>Joint City/GUC Pay & Benefits Committee Meeting</i>
<i>April 8</i>	<i>4:30 PM</i>	<i>Workshop: Economic Development Incentives</i>
April 8	6:00 PM	Regular City Council Meeting
<i>April 11</i>	<i>5:30 PM</i>	<i>Joint City Council/GUC Board Meeting</i>
April 11	7:00 PM	Regular City Council Meeting
April 15	6:00 PM	Budget Workshop: City Council Preview of Proposed City Budget
<i>April 22</i>	<i>6:00 PM</i>	<i>Workshop: Stormwater and Comprehensive Crime Plan (Police Department Update)</i>
May 6	6:00 PM	Regular City Council Meeting
May 9	7:00 PM	Regular City Council Meeting
May 13	6:00 PM	Budget Workshop –Budgets Presented to City Council
May 20	6:00 PM	Regular City Council Meeting
June 10	6:00 PM	Regular Meeting; Public Hearing FY 2013/2014 Budget
June 13	7:00 PM	Regular Meeting; Adoption of FY 2013/2014 Budget
June 24	6:00 PM	Regular City Council Meeting

Updated: 3/7/13