



PUBLIC GOLF COMMITTEE
Meeting Minutes December 6, 2022
Conference Room 330



I. Call Meeting to Order

President Crosby called the meeting to order at 5:02 p.m.

II. Roll Call

Present: Amanda Crosby, David Demmer, Jim Sandness, Dan Baumgartner, Jessica Peterson, Jim Filby Williams

Not Present: Thomas Griggs, Aaron Gorman, Tammy Sundbom, Steve Kinney

III. Approval of February 15, May 17, and September 20, 2022 Meeting Minutes

Crosby motioned to approve the February 15, May 17, and September 20 meeting minutes. Second Demmer. Motion carries.

IV. Presentations and Informational Updates

A. Indigo Operating Agreement (Informational) Jessica Peterson, Manager

Sandness questioned if there are any provisions in the contract for equipment maintenance. Peterson stated that Capital equipment is purchased through the city. Indigo sometimes is able to find better rates for equipment, so the city works with them on equipment purchases.

Baumgartner questioned if there was a conversation of Indigo investing or if they were interested in anything like a simulator. Jim Filby Williams stated that there have been solicitations of things such as a long term lease agreement. Other method looked at is including capital improvements in a short term agreement like this, financing a capital improvement and charge interest to the City. Long term lease makes it impossible to do tax-exempt bonding. The additive cost of interest is greater than the max amount they could contribute.

Demmer questioned if there are any other models besides long term and short term lease. Jim Filby Williams stated that the city does not see another model. There has been no test case in MN courts of whether long term lease would require the city to pay property taxes on the land. The city may end up with enormous property tax on the land.

V. New Business

VI. Old Business

A. Duluth Golf Operations and Enger Golf Course Renovation Updates (Informational) Jessica Peterson, Manager

Baumgartner questioned if the rounds being down is due to COVID golfers backing down and if there is still an opportunity to get more golfers. Peterson stated that regional differences apply but national trends indicate COVID tailwinds. Stated that the city will continue to work with Indigo to promote growth in the golf community. Stated that the weather/seasons impact the numbers as well, including this year's late spring.

Questioned if the projections include the golfers that may come back. Peterson stated that the projections are low due to anticipation of some holes being closed to begin the course renovations instead of due to last year's numbers.

Sandness questioned downward trending line graph if the numbers are EBITDA or CAFR income. Jim Filby Williams stated that it is adjusted EBITDA. Stated that the intent in charting a sustainable future is to ask for



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the debt to be forgiven. There has been a commitment to reduce it by half, but there will likely be a request forthcoming to forgive the entire amount.

Demmer questioned how Council responded to the golf budget presentation. Peterson stated that there were a couple questions, but they were not focused on the operating models.

Jim Filby Williams stated that the City took three big swings to close funding gap- different variety of bonding; support from City to draw on cash reserves; attempted to secure natural resources grant funding dollars. The restoration strategy fell through but the others were successful.

Sandness questioned when the rebidding process would be. Peterson stated that the bids were just opened and the process for rebidding has not been fully reviewed yet. Stated that the current bid will be given due diligence and consideration. At this point it is too soon to presume what a later process will look like.

Questioned what the support from country clubs for bonding looks like. Jim Filby Williams stated that keeping golf going benefits these other organizations and they passed resolutions affirming the tax abatement bonding process.

Questioned what the plan is for funding clubhouse renovation. Peterson stated that the clubhouse is not included in phase 1. Stated that the city will continue to pursue other funding sources for the clubhouse. The irrigation system is the main goal at this time. Stated that the golf subsidies are planned to be used to do some basic maintenance of the clubhouse. Jim Filby Williams stated that there is a case for using tourism tax to raise the standard of play at the golf course.

Baumgartner questioned if and when the city should consider pursuing a simulator. Peterson stated that the option could be on the table when clubhouse design is beginning.

Peterson stated that Enger will be open in 2023. Stated that the City will continue to work the problem of the irrigation system costs.

B. Discussion of Structure and Future of Public Golf Committee

Peterson provided observations and comments regarding the structure and effectiveness of the Public Golf Committee, including a series of accomplishments in 2021 followed by limited attendance of committee members that have prevented the committee from meeting quorum and its ability to conduct business in 2022. Peterson informed the committee of the City's recommendation to discontinue the committee in 2023 and shared an alternate set of strategies to engage with golfers moving forward.

Baumgartner stated that the committee has restrictions and there may be a more effective way to communicate with the golf community.

Sandness stated that there needs to be a way to get information to golfers at key times, not just at pre- and post-season meetings. Peterson stated that the pre- and post-season meetings are the minimum that Parks will meet with golfers. Stated that with other stakeholder groups, meetings are called when there is information to share, as well as attending stakeholder meetings as invitees to share information with a group that is already in place. Stated that there are good examples across the park system of stakeholder groups/friends groups interacting well with the city.

Demmer stated that the committee has met all the charges stated in the bylaws. Questioned if there would be a permanent golf advisory board as stated in the bylaws. Peterson stated that the meetings with the stakeholder/friends group could be that advisory board. Stated that the hope is to work with course



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Conference Room 330



management and communicate with leagues to set up a meeting in the spring to discuss what the communication would look like moving forward. Stated that the scope of the advisory board would be determined in consultation with admin, commissioners, and golfers. Stated that what the advisory board looks like can change over time.

Jim Filby Williams stated that according to commission bylaws, aside from admin and staff ability to continue supporting this structure, the committee does not meet the requirements according to what is laid out for sub-committees in the bylaws. An exception was made to provide staff admin support to this committee in order to meet the demand of important decisions and provide transparency in the form of public notice and meetings. The same presentations are given twice to both committee and commission, and efforts are duplicated. Demmer stated that he disagrees with Jim Filby Williams' statement that the requirements are not being met.

Crosby stated that she is committing to be a liaison to and from the commission for the remainder of her term to allow for continuing conversation between the golf community and the commission/city.

Demmer stated that he needs assurance that the City is committed to a permanent advisory board. Jim Filby Williams stated that the intent has been stated and he believes that the proposed direction of moving to a friends group will allow for more efficient and effective communication.

Sandness stated that he needs assurance that there will be regular dialogue and meetings between the city and the golf community and that there is a guarantee that complete information will be given. Peterson stated that she and city staff are always available for questions and discussion. Jim Filby Williams stated that with other stakeholder groups, there is regular communication from the city about important information.

Jim Filby Williams asked if it would be helpful for a more specific, written account of intent for engagement with the golf community for moving forward over the next year to be provided.

Demmer stated that a written commitment would be helpful and he would like it to be included in the action item/motion.

Peterson stated that there are many examples of the city being trustworthy in communicating with user groups throughout the park system.

Jim Filby Williams stated that as with all other user groups the city will provide elevated levels of communication and engagement as appropriate during important moments in projects.

Demmer stated that in his role on the commission, he has not seen any reason why the current management and admin cannot be trusted. Crosby stated that she trusts the integrity of management, staff, and administration. Demmer stated that the efforts have been made by the city in good faith and have made efforts to bridge the gap of trust with the golf community. Demmer also stated that golfers, too, play a role in two-way communication.

Jim Filby Williams stated that progress is made slowly because the work is really hard. The fact that we are proceeding despite how hard it is demonstrates the commitment to public golf.

Crosby stated that she would follow up with members of the committee before the commission meeting next week.



PUBLIC GOLF COMMITTEE
Meeting Minutes December 6, 2022
Conference Room 330



Peterson requested that these meeting minutes be approved at commission next week so that they could be approved for posting for the public.

VII. Adjournment

Meeting adjourned at 7:34 p.m.

VIII. Next Meeting

NA