

**5 Year Forecast  
Enterprise Funds  
2019-2023**

# Chaska Town Course

December 2, 2019

# Objectives of Chaska Town Course

- Provide a high-quality municipal golf course experience to the residents of Chaska
- Be viewed as one of the top public golf course facilities in the Twin Cities, helping to attract out-of-town visitors to our community
- Provide another opportunity to create a premier Community Gathering Location in our community
- Provide an opportunity for our residents to experience high quality golf at a cost that is less than what they would experience golfing other top-tiered golf courses in the Twin Cities
- Generate sufficient resources to allow the course to be operationally self-sustaining going into the future

# Topics for Discussion in 2020-2024 Financial Forecast

- Weather has become much more of a factor the last two years, making it difficult to meet our financial objectives
- Resident vs Regular (Non-Resident) Play-This mix of play has changed dramatically since the Town Course's opening in 1997, with us making few changes to address the financial challenges this change in patron makeup has created
- The Chaska Town Course is aging and requires much more in maintenance efforts than when it first opened to keep this a quality course going into the future
- Chaska Town Course is Co-Host of 2020 Junior Amateur Championship and the 2024 US Amateur

# 2019 Golf Season-Weather

- 2019 Season was the second season in a row that we have seen poor weather in the Spring and Fall limiting “shoulder season” play
  - 2019 also was impacted by wet weather during the summer
- We budget for 32,000 rounds per year, with years like 2017 coming in at 33,763 rounds for the entire season
  - 2018 Rounds: 29,583 (1<sup>st</sup> time having no rounds in April ever-also poor fall weather)
  - 2019 Rounds: 29,374 (Spring and Fall rounds very limited, wet summer)
  - This represented a loss of around \$97,000 in 2018 and \$116,000 in 2019
- We do see that these drops in rounds are mainly related to weather, as our tee sheets have been consistently full when weather is not a factor
  - We have not experienced the drop in golfers that other golf courses have because of the drop in people playing golf (1.9 million players lost in industry between 2012-2017)
  - This is a testament to the quality of our course, maintenance and staff
- Continued weather impacts could have a long-term impact on economic sustainability of Course, especially based on our current rate structures

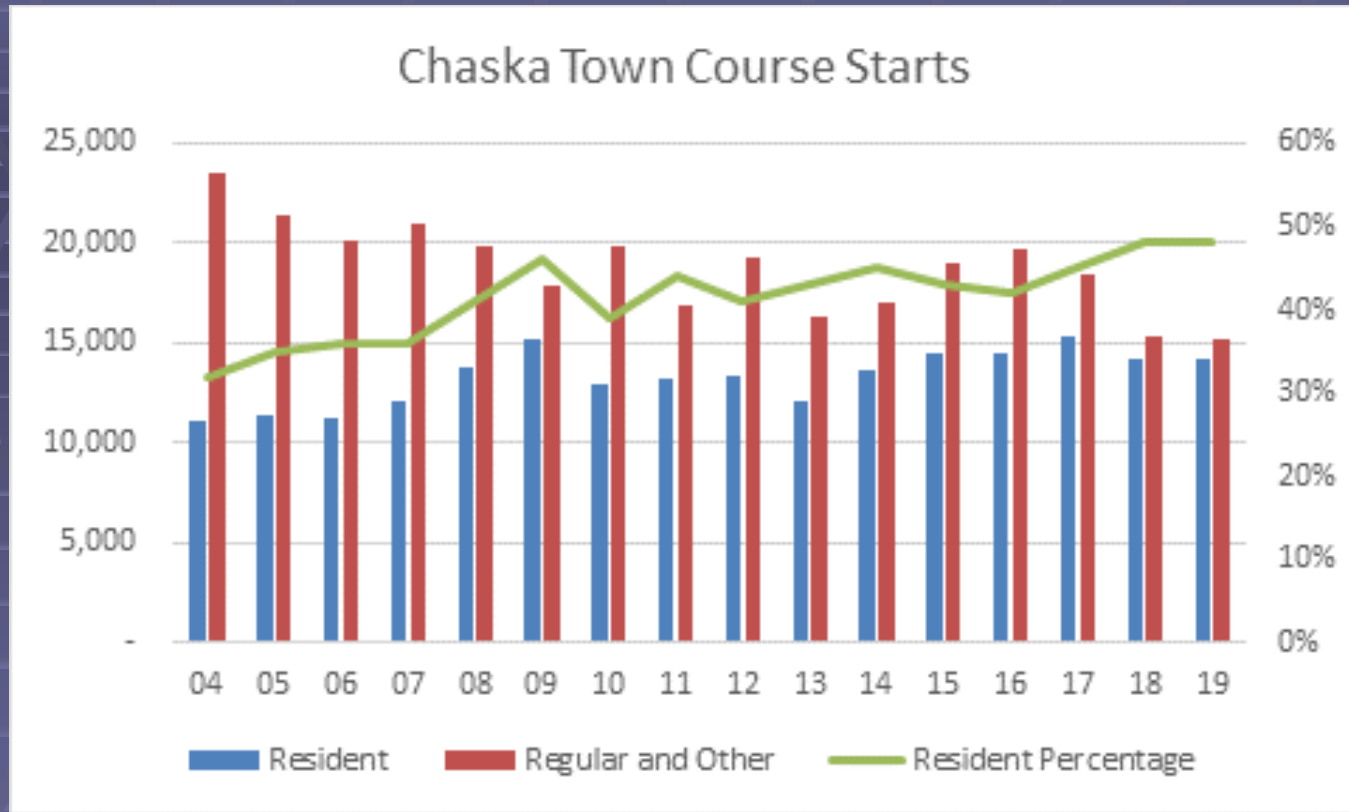
# 2019 Golf Season-Highlights

- Preparation for the 2020 Junior Amateur Championship
  - Planning occurring between Hazeltine and the CTC to showcase both facilities during this event
- 2019 was the fourth year of operation for Oak 19
  - They had very consistent sales in 2018 and 2019, with good reviews coming from patrons on food and beverage cart
- Continue to get very good reviews on our Leagues, Course Conditions and Staff
- Turf management at Chaska Town Course continued to be excellent for 2019
  - Continued with our adjustment to aeration schedule to make sure that we keep the course in great shape, but at the same time try to limit the amount of time that aeration impacts our play
  - All of the bunkers on the course were rebuilt, with significant drainage added to bunkers to keep them dry (this has been a significant issue in past and needed to be addressed)

# Resident vs Regular Rounds

- One of the stated objectives of the CTC has been to provide an economic benefit for our residents to play a “high-end” course
- Currently our regular rates are just under the average for high-end courses in the Twin Cities (\$92 with cart), with our resident rates being a 37% discount from the regular rates we had on the course (\$67 with cart)
- When we first opened the course in 1997, the percentage of residents golfing at the CTC was 30%. As the community has grown, this has increased to a 50% split of resident vs non-resident play
- While this has been great in meeting our mission of making this a premier Community Gathering Place for our residents, it has made it very difficult to make the CTC economically sustainable going into the future
  - It has reduced our revenue each year by approximately \$165,000. As we look into the future, and as the community grows, we will likely continue to see the resident rounds increase, which will further increase this annual financial impact

# Resident vs Regular Rounds



- 2004 had percentage of 30%, 2018/2019 had 50% residents
- Rounds have stayed relatively stable, even as the golf industry has lost patrons
  - Average of 2004/2005= 33,750
  - Average of 2017/2018=31,673 (2018 was our worst year for weather ever and our rounds still averaged within 2,000)
    - This helps illustrate the financial issue has been created much more by the amount of our resident discount than rounds played

# Resident vs Regular Rounds

- While Staff does not believe this is an issue that we can feasibly solve in 1-year, we do feel that we need to address closing this gap to a more reasonable difference within this 5-year planning period
- While we look at this transition, we have to be cognizant there is only so far we can bring up our regular rate to keep it competitive with market
  - The average market rate for courses of the Town Course's caliber is right around \$94. Over the 5-year period, that probably does not grow to be more than \$98 per round with cart (weekend)
- With our current discount at 37% for residents on weekend play, our goal needs to be able to define what the proper discount can be to provide residents with a benefit, but still make the Course financially sustainable
  - Once we define that discount, we can then look at how to implement it gradually over the 5-year period
  - For purposes of this forecast, we have assumed a 15% discount for residents when all changes are completely made, but that is something we still need to determine
- Staff is going to focus over the next 2-3 months to meet with some of our regular resident golfers to educate them on the issue and to get their feedback in developing a final recommendation

# Chaska Town Course 5-year Assumptions

- Approximately 64% of total revenue comes from greens fees
- Planning for 30,900 rounds per year throughout 5-years
  - We previously were planning utilizing 32,000 annual rounds
  - While 2017/18 averaged close to 32,000 rounds, when you look at 2018/2019 and the issues with weather, our rounds averaged 29,500
  - We do not want to be too aggressive on the planning numbers
- 5-year plan around 50/50 split between resident/regular rounds
- Had planned on increasing only the Cart Fees in 2020 by \$1. Staff is also recommending that we also increase both the resident and non-resident rates by \$1 in 2020
  - Have tried to keep the rate increases to every two years. However, with the two challenging seasons we have had from a weather perspective, and the improvements we had to make to the bunkers the past two years, we think it is necessary to have a small increase in 2020 to keep up with our expenses
- Scheduled equipment replacement going to every 2-year purchase schedule so we can finance
- Planned improvements over 5-years include 2 bridge replacements, cart path sealcoating at \$12,000 per year, and sprinkler work
- Over the course of the 5-year period, planning for an average of 3% annual increase in rates
  - Will utilize process over the next few months to determine how we utilize this target to help us develop a proposal for developing a new resident/regular rate strategy

# 2019 Rate/Cart Survey with Courses Comparable to CTC

Course	Greens Fees	
	Weekday	Weekend
	18 Hole	18 Hole
Edinburgh USA	\$77.00	\$77.00
Stoneridge	\$69.00	\$77.00
Rush Creek	\$119.00	\$119.00
The Legends	\$99.00	\$99.00
Troy Burne	\$79.00	\$110.00
Meadows at Mystic Lake	\$89.00	\$89.00
The Wilds	\$95.00	\$85.00
Average	<b>\$89.57</b>	<b>\$93.43</b>
Chaska-non res-Current	\$86.25	\$92.00
Chaska non-res-Proposed	<b>\$88.25</b>	<b>\$94.00</b>
Chaska Resident-Proposed	\$62.00	\$69.00

# 2019 Rate/Cart Survey with Local Courses

	Weekday	Weekend
Course	18 Hole	18 Hole
<b>Dalgreen</b>	\$59.00	\$61.00
<b>Bluff Creek</b>	\$57.00	\$63.00
<b>Ridges at Sand Creek</b>	\$57.50	\$62.50
<b>Deer Run</b>	\$74.00	\$74.00
<b>Stonebrook</b>	\$66.50	\$74.50
<b>Average</b>	\$62.80	\$67.02
Town Course Weekend-Current	\$60.00	\$67.00
Town Course Weekend-Proposed	\$62.00	\$69.00

- Even when we compare with courses not at same caliber as the CTC, residents are getting a great bargain at the Town Course

# Food Service

- 2019 Was 4<sup>th</sup> Year of Oak 19 at Town Course
  - Generally receive very positive feedback on food quality and choices
  - Lease has us receiving 5.5% of food sales and 10.5% of alcohol sales
  - The 2019 season was very comparable to the 2018 season from a revenue perspective
  - Total lease revenue was \$44,797 compared to a budget of \$45,000
  - Oak 19 has been a great partner to the Town Course-viewed themselves as part of the entire team and not just a contractor
- City completed first renovation of Kitchen in the facility since 1997 when the Oak 19 opened-made the kitchen much more usable
- Added new table options in 2018 to the patio to increase the number of patrons that can sit in this popular area of the facility
- Oak 19 has had good reviews on the drink selection in bar and beverage cart service and options

# Major Expense Items in 5-year

- Staff levels to remain constant through 5-years
  - Are looking at reducing some part-time labor to reduce overall costs to course operations
- 2020 the Bridge on Hole 15 will be replaced; 2021 the bridge on Hole 5 will be replaced
- 2020 and 2021: Planning replacement of Sprinkler components for \$25,000 per year
- 5-Year plan has us continuing to resurface cart paths at \$12,000 per year
- Average around \$190,000 per year in regular replacement of existing equipment, as quality of the course is greatly impacted by having good equipment that is in good working order (cannot have equipment that is down for any extended period of time)
  - We would plan on purchasing this replacement equipment every two years, combining the two years to be able to finance using equipment certificates
- The Town Course is now 22 years old. We have to continue to plan for major replacements, such as improvements in the Clubhouse, and continued work to the course itself
  - This is why addressing the resident/regular rate issue is so critical now, so that we are able to build funds for future replacement work in future

# 2020 Junior Amateur Championship and 2024 US Amateur

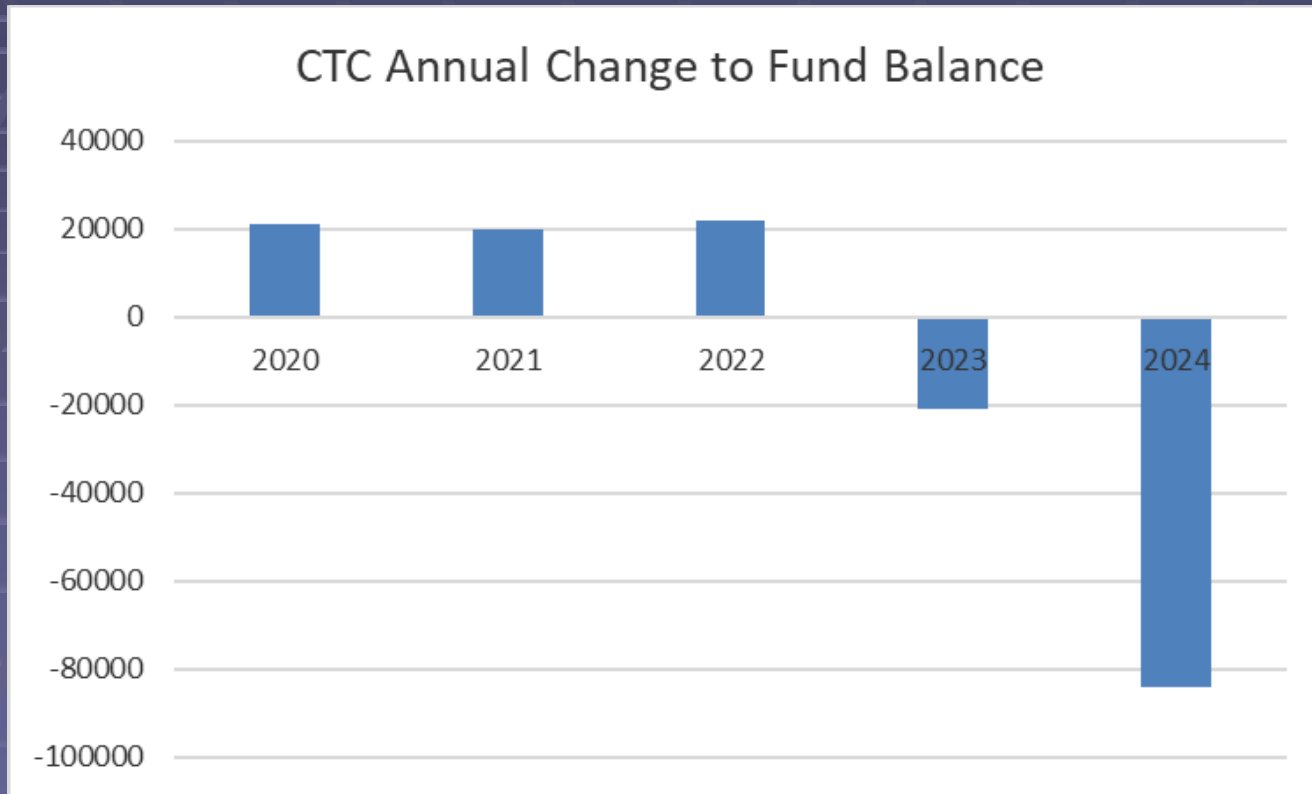
## 2020 Junior Championship

- Chaska Town Course will co-host the USGA Junior Amateur Championship with Hazeltine July 20-25<sup>th</sup> of next year
- This event is for amateur golfers 19 and under
- 2020 is the first year that they are changing the format to be like that of the US Amateur, which includes a larger field of over 264 golfers and includes stroke and match play
- With the larger field of players they need 2 courses-Chaska Town Course will co-host the first two days of stroke play, with match play all being at Hazeltine

## 2024 US Amateur Championship

- US Amateur is the oldest Major Golf Tournament in the Country
- Brings together the best Amateur Golfers in the Country-National Championship
- Will be the 2<sup>nd</sup> time the Chaska Town Course has Co-hosted this (2006 was other)
- Chaska Town Course will co-host the first two days of Stroke Play
- Only other municipal golf course to host is Torrey Pines in San Diego

# 2020 Budget Projection



- This projection assumes that we base projected rounds on the lower average play that has developed the last two years with bad weather
- The major item that effects balance in 2024 is the purchasing of the new Golf Cart Fleet-this needs to be re-purchased every 6 years

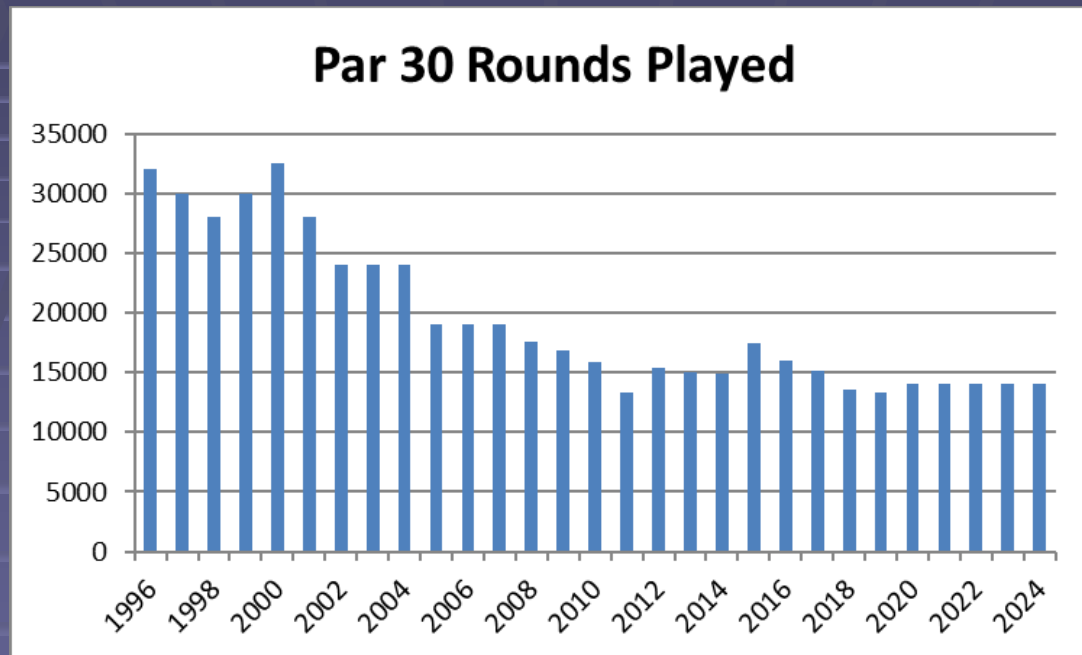
# Par 30 Golf Course

December 2, 2019

# Par 30 Objectives

- Provide the necessary resources for the Par 30 to assure continuation of quality course maintenance and upkeep
- Maintain rates equal to or less than comparable executive courses in the Twin Cities, while also being cognizant that our main draw for the Par 30 is Seniors and Youth
  - Pricing strategies different than with Town Course-patrons often either golf Par 30 or do not golf at all
- Minimize drastic changes in rates, while at the same time being able to afford the on-going operations of the course
- Allow Par 30 to be a Self-Supporting Recreational Program

# Par 30 Rounds Played Golf and Foot Golf



- We have seen a pretty steady number of rounds since 2013
- Just like Town Course, weather in 2018 and 2019 reduced rounds
- Addition of Foot Golf in 2015, saw about 17,500-most in almost a decade
- Based on averages, we are now planning the Par 30 around 14,000 annually

# Par 30: Statistics of Course

- Prior to the Town Course being built, the Par 30 had over 30,000 rounds per year
  - Very similar to the numbers we see at the Town Course now
- When other Executive Golf Courses in the Area opened in the early 2000's, such as Halla Greens, we saw our rounds drop dramatically going down to around 15,000 rounds per year
  - Halla Greens has the advantage of having a driving range attached-the Par 30 does not have the area to accommodate this
- The Par 30 has been able to operate over time coming close each year to breaking even on operational expenses-does not generate the dollars to reinvest back into the course
  - Unlike the Town Course where we have room to move with resident rates, there is very little room to move with rates at the Par 30
- A major expense that we will have in the short-term to keep the Course operational is replacement of the original irrigation system, which could be between \$350,000-\$500,000 to replace
- This is what has made the Learning Links concept intriguing because it could help to make much needed improvements to the course, while also opening up our course to a much broader range of customers

# 9 Hole Rate Comparisons

Course (9)	Junior (9)	Senior (9)	Adult (9)	Range
Halla Greens	\$13.00	\$13.00	\$16.00	Yes
Braemar Executive	\$11.00	\$16.50	\$16.50	Yes
Waters Edge	\$12.00	\$12.00	\$15.50	Yes
Orono	\$12.00	\$15.00	\$18.00	No
Glen Lake	\$12.00	\$12.00	\$16.00	Yes
Average	\$12.00	\$13.70	\$16.40	
Par 30 Current Rate	\$12.25	\$12.25	\$14.25	
Par 30 Proposed Rate	\$12.75	\$12.75	\$14.75	
Par 30 vs Halla	-\$0.25	-\$0.25	-\$1.25	

- All comparisons above are using competitors 2019 rates compared to our proposed 2020 rate structure
- Focus specifically on Halla Greens as that is the major competitor/choice for Par 30 customers- we are lower, but they also offer a driving range

# Par 30 Forecast Assumptions

- Will be assuming 14,000 total rounds per year with no growth assumed during entire 5-year forecast
- The golf industry has seen an increase in the number of patrons that would like to be part of a League but hesitate to because of the time commitment each week
  - To respond to this, we have been adding adult leagues at the Par 30 to compliment our Senior and Junior leagues-we plan to continue this
- The green fees stay competitive with comparable executive courses in area
  - Our rate increase of 2020 would be \$0.50 per round higher. This still keeps us lower than our main competitor which is Halla Greens
- We are currently in negotiations with the Goodman Group for our current lease of 30 parking spaces
  - Are conceptually agreeing to trade parking spaces for a drainage easement on the course
  - This would reduce our annual costs by about \$12,000
- Continue to keep part-time staff hours to minimum to keep expenses down
- Allocate \$5,000 per year towards general course improvements
- Do put in the end of 5-year period the replacement of the irrigation system at \$350,000. We would not replace that until necessary, but want to show that this is a major liability at this course that looms in the future
- Continue to work with Learning Links of Chaska as a potential long-term solution for the Par 30
  - The hope of Learning Links is that they would raise the necessary money in time to be able to make the improvements next summer-we are building a budget for next year in case that goal cannot be met

# 2020 Pricing Strategy

- Pricing changes recommended for 2020
  - Recommending \$0.50 per round increase for every category
- Current (2019) Pricing:
  - Senior: Weekday \$12.25/Weekend \$12.25
  - Adult: Weekday \$14.25/Weekend \$14.25
  - Junior: Weekday \$12.25/Weekend \$12.25
- New Rate Structure would bring it to:
  - Senior: \$12.75; Adult: \$14.75; Junior: \$12.75
- Foot Golf would go to \$10.50 per round
- This pricing would keep us competitive in the market, and lower than our main competition at Halla Greens

# 2020 Budget Projection



- This chart illustrates why working with The Learning Links could be beneficial to the Par 30—we continue to have operating deficits on Course around \$30-\$50K per year, and we have a large liability looming with the replacement of our irrigation system

# Chaska Community Center

December 2, 2019

# CCC Objectives

- Promote community gathering and interaction
- Provide family and individual recreation with an emphasis on fun
- Enhance Chaska's community pride and identity
- Be financially self-supporting with no property tax support
- Reinvest back into the facility to keep it good for future generations
- Build a cash-balance in CCC fund to be able to accommodate future maintenance and improvements that will be needed on an aging facility

# Topics for Discussion 2020-2024

- Planning for economic sustainability going into the future with an aging facility
- Membership rates comparisons with similar facilities in Twin Cities-where do we stand
  - How do our current rates hamper our ability to reinvest back into facility
- New Staffing arrangement with creation of City-wide Building maintenance Department
- Improvement projects both now and into the future

# Statistics of CCC Facility

- CCC will be 29 years old in 2020
- Attracts thousands of visitors each year
  - This includes people who are not members of the CCC and pay no entrance fee to utilize (i.e. Hockey Games, Community Rooms, Theater, Walking Track, Programmed activities, etc...)
- Spent over \$22.5 million to construct the original facility in 1991
  - Would now be over \$43,000,000 to replace
- We depreciate \$750,000 of this asset annually
  - We have never had a mechanism to properly reinvest back into this asset-we have only been able to support the annual operational budget from revenues derived from CCC operations
    - Of note, most Community Centers have some tax levy support-60/40 split is common. We are one of few that have never had to do that
  - Additions/Improvements that we have completed (such as The Lodge and our \$4.3 million Ice Arena/Pool Mechanical renovation) have relied on contributions from the Electric Fund

# Family Membership Comparison Resident Rates

2019 Comparable Facilities	Annual Family Membership
Waconia	\$737
Eden Prairie	\$1,266
Shakopee	\$600
Shoreview	\$680
Maplewood	\$1,584
Maple Grove	\$425
Eagan	\$1,068
Average	\$909
Chaska	\$568
Chaska % of Average	62.52%
Actual Difference from Average	\$341

- These facilities represent the facilities across the Twin Cities that are most comparable to the amenities of Chaska Community Center

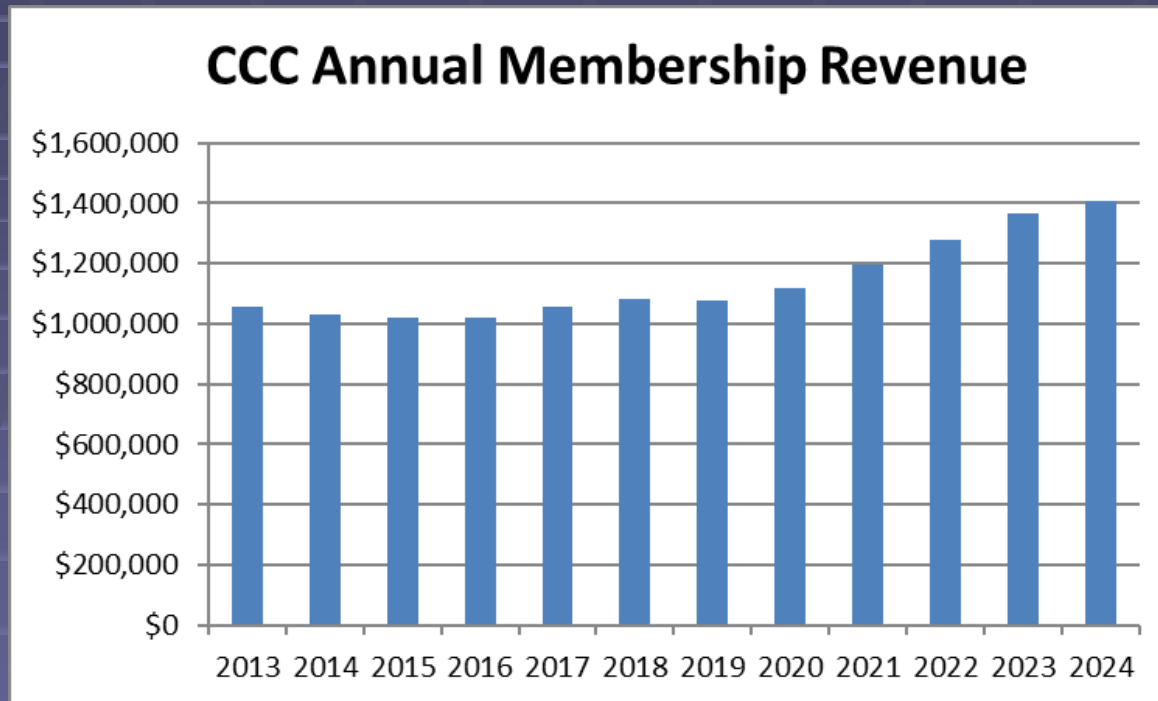
# Membership Rate Comparisons

- Chaska's rates have always been significantly lower than comparable municipal facilities in the Metro Area
  - Currently 37.5% lower than the average of comparable facilities
- Our rates in the past were enough to cover just our operating expenses-not ongoing reinvestment
- As the facility has aged, and more significant maintenance has had to be completed, this has not allowed us to even be able to keep up on our annual operational expenses, as we saw in 2018
- With the facility being 30 years old in 2021, and much of the building in need of renovation if we are going to retain patrons, we need to be more cognizant of setting our rates closer to market so that we can build the necessary reserves to make these needed improvements possible

# Membership/Fees Recommendation for 2020-2024

- This is not an issue that we can tackle in 1 budget cycle
  - We need to balance our need to bring our rates up closer to market, while not creating too large of change at once for our patrons
  - Easing into rate changes would create two years of using City reserves to fund operations before we would see our fund balance building in year 3
- 5-year Forecast sets targets for where we need to get our memberships/rates/fees within the 5-year period
  - 2020: 4.5%    2021: 7%    2022: 7%    2023: 7%    2024: 3%
- Even with these rate adjustments, we would still be 15.5% lower than comparable facilities, assuming they do not change their rates over the 5-year period (would continue larger gap if they change)
- In conjunction with these rate changes, we need to be able to develop a vision/plan we can communicate to patrons early in this 5-year period to demonstrate what properly funding this facility will allow us to do to reinvesting back into this facility
  - Demonstrate the “Value Proposition”
  - Show how this reinvestment can improve their experience and preserve for future generations (tie this to our 30-year anniversary in 2021)
  - Show we can still provide a great value while accomplishing this

# Membership Trends



- We have seen memberships be very consistent over the past 6 years
- The projection shown assumes bringing our rates closer to comparable facilities with no growth in memberships included
- Bringing our rates closer to market produces \$400,000 additional annually in membership revenue

# Building Maintenance Changes

- With the addition of a centralized Building Maintenance Division as part of our Staffing Study, building maintenance activities will change within CCC
  - This also coincides with the retirement of our long-term CCC Maintenance Supervisor Ron Pieper
- With the new Building Maintenance Division focusing on the Physical Plant of the buildings, the focus of our maintenance staff in the CCC will shift to operational custodial duties throughout building
- Would plan on moving all three of our full-time maintenance staff to overnight hours to be able to deep clean building when patrons are not present
- Instead of re-hiring a Maintenance Supervisor in building, we would instead utilize these resources to create a Facility Coordinator position that would be present during the daytime hours to address daily issues and coordinate operational issues with the Building Maintenance Division.
  - With our ability to do intensive cleaning in the building when patrons are not present, this will reduce our need for Part-time custodial employees during the day
  - With these saved resources, we would also create an Ice Arena Coordinator position to staff during our busy hours in the Ice Arena (3 pm-11pm) to be in charge of any rink attendants, ice resurfacing, general custodial and coordination with the teams to allow for better functionality of events in the Arenas
- These changes will allow us to utilize existing resources to put a premium on having a very clean building, while leveraging the resources of the Building Maintenance Division that can focus on keeping the systems and structure of the facility function properly
  - This is especially critical given the age of our facility

# CCC Partnerships

- St. Francis Addition/Capable Kids: ~\$147,828 annually toward leasing remodeled space in St. Francis Addition of Building
- Breakaway Academy: \$60,000 annual rent
  - Takes the former Capable Kids location which allows us to capture the total of more revenue between the St. Francis Space and this space than we used to under the previous contract which totaled \$185,000 when St. Francis rented the lower level space where Breakaway is now
- ISD #112: Rents about \$25,000 of time annually for gym classes, especially with use of the Ice Rink
- ISD #112: City financed and constructed a new locker room to accommodate the growing High School Girls Hockey Program in Chaska/Chan
  - School District makes payments of \$44,700 annually over 15 years to repay this investment
- Breakaway Ice Program: ~\$48,000 in rent for space within the Ice Arena for Programming

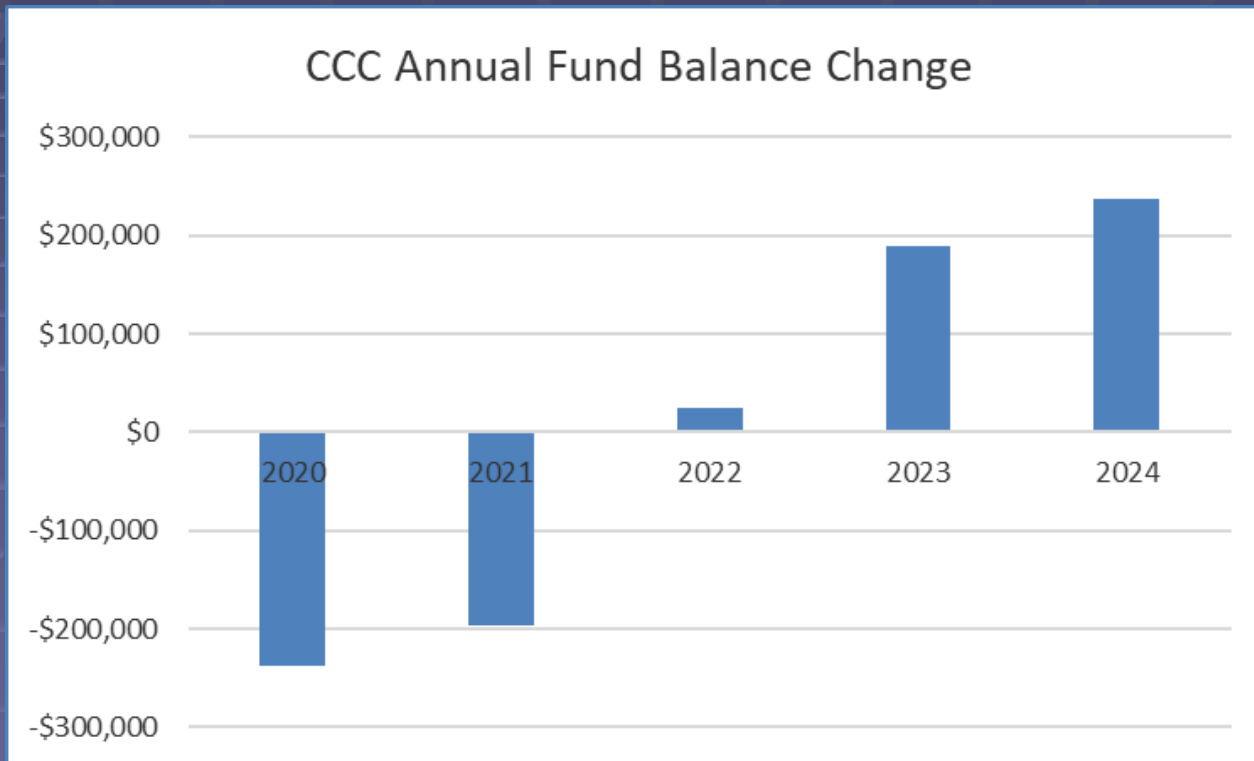
# CCC-Transfers From Other Funds

- \$100,000 Annually from the Electric Fund (has occurred since the original construction of the CCC)
- The Lodge Debt-Transfers coming in from Electric and Equipment Acquisition Fund of \$182,000 annually
  - Last year of debt service 2027
- Electric Fund makes a contribution of \$150,000 annually to support the \$275,000 in annual debt service expense for the Pool and Ice Arena renovation projects.
  - Last year of debt service 2033
- Our plan would be to keep these dollars coming into the CCC after the debt is retired
  - This, along with dollars we can start building in the fund balance can help to provide dollars to do a major renovation on the CCC
  - Would include these resources as part of visioning plan to look at what and when we can accomplish a major reinvestment into the facility

# 5-Year Forecast Assumptions

- Membership/Program Rates increase by 4.5% in 2020
  - 7% increase 2021-2023 with it back to 3% in 2024 to get our rates closer to market
- Planning to keep our Ice Rates matching the School District in Victoria
- Staffing changes occurring in the CCC Maintenance Division with the addition of a City-wide building maintenance division
  - Moving full-time maintenance staff to overnights
  - Creation of Facility Coordinator and Ice Coordinator position with the resources saved from reduction in part-time maintenance help and the retiring CCC Maintenance Supervisor position
- In conjunction with our 30<sup>th</sup> Anniversary in 2021, develop a Visioning/Reinvestment Plan for the CCC and timeline for implementation
- Our regular \$50,000 of Capital improvements for 2020, which this year would include the replacement of the failing floor surface in the Ice Arena entry into Arena #2
- No new additions to facility through entire 5-year period

# 2020-2024 Budget Projection



- This plan would budget for a loss the first two years, but Staff feels it is important that if we make a change we do it gradually and with good communication to our patrons of “why”

# Chaska Curling and Event Center

December 2, 2019

# Curling/Event Center Objectives

- Provide the necessary resources for the CEC Fund to assure continuation of quality service to our customers, including providing a world-class curling facility
- Utilize the facility's amenities and the newly-renovated Firemen's Park, to attract people into downtown Chaska as a destination location
- Promote community gathering and interaction, with an emphasis on creating a variety of programs and services to draw people to this location throughout the year
- Be operationally self-supporting with no property tax support
- Reinvest back into the facility to keep good for future generations
- Work to build a cash reserve in the CEC Fund to support future maintenance and improvements

# Chaska Curling/Event Center History

- Curling and Restaurant opened in late 2015 to large immediate usage
  - Event Center hosted first events in Spring of 2016, close to the opening of Firemen's Park
- Curling Membership grew from just over 600 in December 2015 to over 1200 in July 2016
  - Currently close to 974 members, which is on-track with where we were last year at this time
  - 78% non-residents, 22% residents (achieve goal of attracting visitors)
  - Over 900 league members curling in Sunday-Friday leagues
  - Winter 2 Season only has openings in one League (Sunday late league)
- Facility has continued to host many large events such as the Fire and Ice Bondspeil/Festival, The Big Speil, along with other smaller competitions
  - Was the host of NBC Sports "Curling Night in America" in 2018
  - Was named as the official National Training Center for the High-Performance Curlers in the USCA-will occur through Olympics in 2022
  - Creation of High School Curling this Year-Chaska has 4 teams competing

# Primary Sources of Revenue

- CEC divided into operational revenue to support all its own operations, with debt service revenue supported by the newly established Community Building Fund
  - Debt for this goes out to 2036 (20 years)
- Operational Revenue: (supporting all operational expenses in building-Park as this in General Fund)
  - Restaurant Lease Revenue: Budgeted to be \$428,000 in 2019. It is on-track to be \$400,000 for the year. Setting budget for 2020 at \$411,000
  - Curling Operation Revenue: Budgeted at \$460,000 for 2019-on track to meet this
    - Budgeting \$498,000 in 2020
  - Event Center Rentals: Budgeted at \$148,000 in 2019, on track to be at \$120,000 for the year
    - Budgeting to stay at \$148,000 as our new rate structure really takes effect in 2020
  - Corporate Events: Budgeted at \$218,000 for 2019-on track to meet this
    - Budgeting the same at \$218,000 for 2020
- Community Building Fund Revenue at \$1,300,000
  - This along with the \$300,000 we established in EDA levy (now moving to the General Fund) that we established at the beginning of the project to support the Park improvements pay the annual debt service of \$1,580,000

# Crooked Pint Lease

- Crooked Pint chosen to be the food provider in CEC based on responses from RFP
- CEC provides all of the permanent/ immovable fixtures and kitchen equipment as part of the lease
  - Allows CEC to be able to move quickly to replace food vendor should we need to find a vendor in the future
  - Set up very similar to food service in Chaska Town Course
- Crooked Pint responsible for all operations of the restaurant, including staffing, POS, cooking, menu, liquor license, inventory, etc...
- Crooked Pint lease based on 7.5% of all sales for food, and 10.5% of all sales for alcohol
- Lease revenue expected to be around \$400,000 for 2019 with us projecting similar sales on 2020

# Event Center Facility

- Parties rent room and equipment for events
- Parties allowed to have any vendor cater the food
  - Liquor Sales all go through Crooked Pint since they are the license holder on premise
  - This important from liability perspective
- Room Rental fees based on time and date booking facility
  - As low as \$150 for residents for a 2-hour block on Sunday-Thursday evenings, to \$1,600 for 8-hour block on a Saturday for a non-resident
- Non-Profit groups in town have access to our Community Fund to help off-set costs of facility/equipment rental
  - We budget \$12,000 a year in the General Fund to support this
- Caterers charged based on percentage of food sales just as we do with the Crooked Pint Lease
  - As part of Crooked Pint lease, they are considered a preferred caterer with a fee 12%
  - All other caterers charged at 17%

# Event Center Facility- Recommendations

- Event Center usage on Friday, Saturday and Sunday is very consistent, bookings on weekdays is where we still see vacancies
- For weekend bookings, we are a very good deal compared to other facilities in area
- Recommend for 2020 that we adjust the rates to keep up with the market
  - Important to note that we usually have a year lag between when we implement rates and when we actually have them affect our budget as people often book event a year in advance.

Friday	2019 Resident	2020 Resident	2019 Non-Resident	2020 Non-Resident
8 hour minimum	\$1,000	\$1,100	\$1,200	\$1,300
Saturday				
8 hour minimum	\$1,250	\$1,350	\$1,500	\$1,600
Sunday				
2 hours	\$150	n.a.	\$200	n.a.
4 hours	\$300	\$400	\$375	\$475
8 hours	\$550	\$650	\$675	\$725

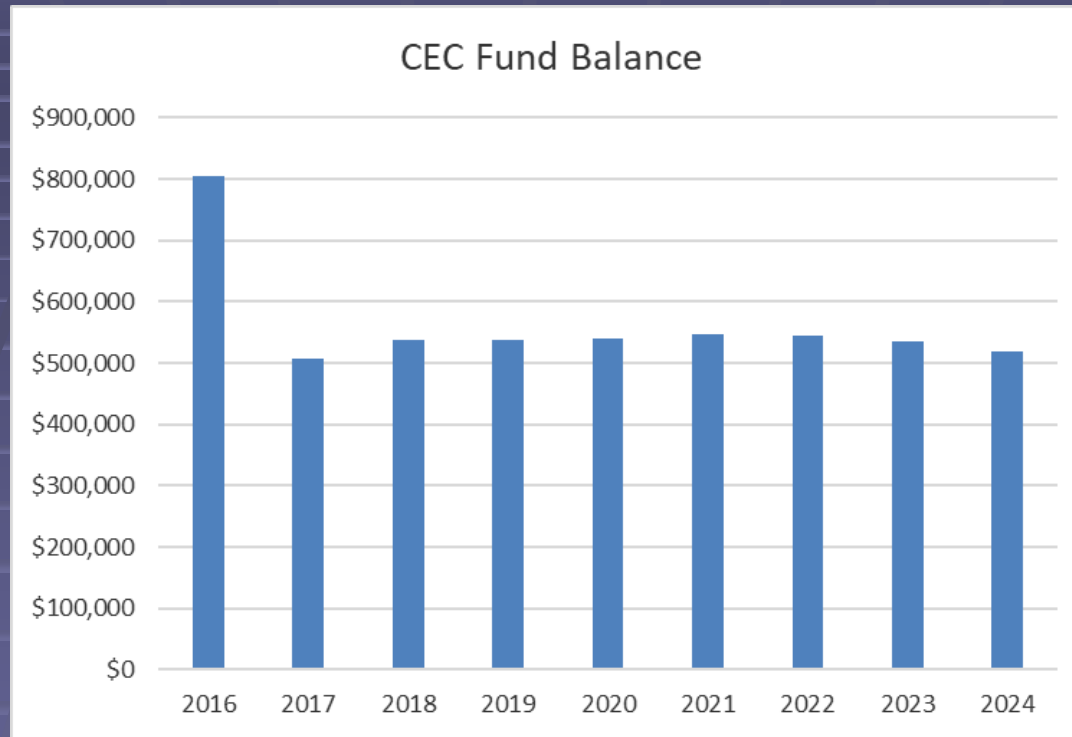
# Curling Facility

- Currently have 974 members-about 25 more than this time last year

	Residents	Regular Rate	League Fee
Junior (under 21)	\$38	\$45	
Adult (age 22+)	\$102	\$120	\$400/Team of 4

- Membership is required to participate in Leagues, and includes other benefits:
  - Free Practice on available Ice
  - 10% discount at Crooked Pint
  - Buy 1/Get 1 Range Tokens at Chaska Town Course
  - Discount on CCC Membership
  - USCA Membership Benefits
- Currently have over 900 people playing League Play-expect this to be similar in 2020 as we continue to have league times filled out
  - We only have 1 League time that has available slots for Winter 2, which is Sunday night at 8 pm
- We added a Facility Coordinator Position on Weekend/Evenings in 2019
  - This has allowed us to reduce the amount of Part-time employees we were hiring over past 2 years
  - This has also allowed us to have a Person in Charge (PIC) during non-business hours
- Recently renewed to continue to be the National Training Center for High Performance (HP) Players through 2022 (this is through the next Olympic cycle)
- Corporate Events held most afternoons-Generate over \$200,000 per year in Corporate Events
- Also host a number of Bondspeil's during the course of the year-usually 1 per quarter

# 2020 Budget Projection



- We anticipate keeping our Fund Balance relatively consistent through the 5-year period
- 35% Fund Balance Target would be about \$993,000
- Are currently looking at opportunities for Sponsorships in Curling Facility (similar to other facilities) that could generate dollars to support the approximate \$80,000 our CIP says we should put back into facility

Questions??