

**TUMWATER CITY COUNCIL WORKSESSION**  
**MINUTES OF MEETING**  
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**CONVENE:** 5:33 p.m.

**PRESENT:** Mayor Pete Kmet and Councilmembers Michael Althaus, Joan Cathey, Eileen Swarthout, Debbie Sullivan, Tom Oliva, and Neil McClanahan.

Excused: Councilmember Leatta Dahlhoff.

Staff: Assistant City Administrator Heidi Behrends Cerniwey, City Attorney Karen Kirkpatrick, Finance Director Ursula Euler, Police Chief Jon Weiks, Community Development Director Michael Matlock, Parks & Recreation Director Chuck Denney, Golf Operations Manager Dave Nickerson, Golf Operations Supervisor Russ Olsen, Communications Manager Ann Cook, and Recording Secretary Valerie Gow.

**GOLF COURSE  
UPDATE:**

Director Denney introduced the annual year in review of the golf course. The review featured information on the status of operations, facilities, special events, a recap of the financial status, and golf course programs.

A financial summary of revenues and expenses since 1999 when the City purchased the golf course depicted depreciation of the golf course and equipment, profit/loss, and the percent of costs recovered on the operations of the facility excluding capital debt.

Mayor Kmet asked about the cost recovery of Pioneer Park, the City's largest park. Director Denney advised that cost recovery for Pioneer Park has not been tracked other than the park is the second most expensive facility owned by the City requiring nearly the same number of staff and equipment to maintain as the golf course. The park generates approximately \$30,000 in annual revenue. The golf course is close to covering its operating costs while Pioneer Park only recovers approximately 10%.

During the first years of owning the golf course, the City's cost recovery was higher because more people golfed, there were fewer golf courses, and the golf course had over 400 members in the Men's Club and over 100 women in the Women's Club with the course hosting many more tournaments. The golf course is heavily dependent upon weather. Last year in May, it rained nearly every day, which impacts revenues.

Manager Nickerson reported in May 2017, the golf course transitioned from an older and outdated point of sale (POS) system to the new EZ Links system for Pro Shop operations, tracking, and marketing. A new golf course lease increased the number of carts from 40 to 55, which

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has increased competitiveness of the golf course. Other improvements involved the cart barn extension to cover all 55 carts with charging connections, installation of a front entrance awning, new benchers and ball washers, and rehabilitation of the practice bunker. The covered pavilion was enhanced by adding power, lights, heaters, and a PA system for a full functioning shelter for tournaments and special events.

Special events at the golf course include the annual July 4 Festival and Fireworks Show, Fun Run, Screen on the Green, and the Tumwater Artesian Brewfest. Staff is working with the Olympia-Lacey-Tumwater Visitor and Convention Bureau (VCB) to secure a bid for the 2019 WIAA State High School Golf Tournament. The tournament attracts players from across the state with many arriving early for practice rounds. The golf course plans to partner with other local golf courses to host the annual tournament.

Player development continues with the First Tee program by introducing golf to over 400 area youth. The classes are in high demand with coaching staff anticipated to expand to accommodate youths. Staff established a relationship with Special Olympics of Thurston County by coaching 10 Special Olympic athletes over the summer with two of the athletes qualifying and placing at the Special Olympics state golf competition. In 2018, the program plans to expand to 20 athletes.

Supervisor Olsen reviewed golf course revenue from 2015 to the present. Over the past five years, the golf course averaged \$867,976 in revenue annually. During high rain events, the course can only recapture lost revenue from June through August, typically the highest performing months. Last year's rainfall was historical. This year, rainfall is significantly less with the course generating over \$36,000 during five days in May representing a trajectory of generating over \$1 million for the year if the good season continues.

Supervisor Olsen shared how the course increases revenue by tracking within the membership program and sending email blitzes to fill unreserved times.

Supervisor Olsen reviewed revenues and rainfall by year since 2013. The baseline goal for the course is \$900,000 in revenue each year. Average rainfall a year is 48 inches. In recent years, the area exceeded normal rainfall by over 20 inches. Saturation of the golf course caused by excessive rainfall or hot weather events affect golf course revenues requiring quick reduction in expenses. Reducing maintenance to help offset the loss of revenue is temporarily effective; however, over time limiting maintenance to reduce costs degrades the quality of the course. The golf course is projected to earn \$1,000,907 in 2018 reflecting a

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90%-95% recovery rate.

Councilmember Althausen asked about the reason for the increase in the budget for 2018. Supervisor Olsen said the increase is attributed to the increase in staff wages. The golf course payroll includes 26 employees averaging 12-18 hours a week. The course hires many college students and youth who typically have other jobs requiring some unique scheduling to accommodate an employee's schedule. This year, golf carts were added to the operating budget. Previously, the cost was a bond expense. However, the golf course is able to recover the extra expense because cart rental continues to exceed expenses.

Supervisor Olsen reviewed green fees and cart rentals from 2015-2018. Green fees and cart rentals for the first quarter of 2018 are on track. Merchandise sales for the first quarter total \$241,049. The golf course is number one in sales for Titleist balls, clubs, and equipment in four states. The course bundles balls with green fees creating more value for the customer. Tumwater Valley Golf Club is known as a Titleist shop. In 2018, the golf course is providing a Titleist stainless travel mug with each new \$29.95 membership.

Manager Nickerson addressed comments on how the course leverages volunteer support. The golf course has approximately 50 volunteers each year. Volunteers serve as starters on the 1st tee to assist golfers on the course and as player assistants to move carts from the cart barn for customer rentals. Player assistants work two shifts and assist in monitoring pace in play on the course and addressing any course issues. Several volunteers assist with maintenance tasks. Each year, the City hosts a BBQ for volunteer appreciation. This year the BBQ is scheduled on June 19.

Manager Nickerson described how the course only sells range passes when staff is able to move equipment on the range. During many periods, the range is closed early to retrieve balls because the course is too wet for the equipment to move without damaging the course.

This year the golf course is focused on filling off peak tee times through email/text notifications through the new POS system, developing a sustainable and consistent staffing model, remaining competitive in a very dynamic marketplace (infrastructure/facilities improvement), and operating the course using an effective business plan focused on customers and adding value to the community. Efforts continue to focus on the history of Tumwater through pictures of the brewery on scorecards and the membership card. The golf course features the brewery whistle for special events and during shotgun golf tournaments. The golf course is using the original course logo

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previously shared with Tumwater Valley Athletic Club. Another area of focus is on staff with time invested in training and increasing skills. Manager Nickerson cited many former staff members who went on in their career to become a project engineer, electrician, a school teacher in Japan, attorney, and an assistant PGA at a prime golf property in Oregon. Many former staff members have returned and are now working in full-time positions not held at the golf course.

Supervisor Olsen shared information on the successful First Tee program, which the golf course has incorporated into local schools. A positive meeting with representatives from the Tumwater School District was held for piloting the program in four schools. On May 11, the course is hosting physical education teachers to learn more about the First Tee program. The inclusion of the program will be funded through the school district budget for classrooms to create a connection between the golf course and the classroom. He cited other contacts with other school districts and individuals and spoke to the importance of opening doors for youth to golf.

Director Denney reported the golf course capital debt would be retired in 2025. He recommended reinvesting some money back into the golf course to ensure systems remain intact and operational.

Director Denney reported approximately 30% of the community or those who responded to surveys play golf. The national average for individuals in communities playing golf is 10%. For those 70% who do not play golf, the golf course employs other methods to attract more users by sponsoring an array of other events. The golf course hosts environmental projects with local school environmental classes for testing in the wetlands and water. The golf course received a commitment from Titleist to invest at some level in redoing the covered hitting area on the driving range. The area hosts many events. Staff has been reviewing different designs to build a new covered hitting area that would also serve as a stage for special events. The area offers 10 acres of a flat grassed surface. The course also initiated efforts to become the first municipal golf course in the state to become a certified salmon safe golf course. The certification is a national certification requiring an extensive review process by the sponsoring organization on maintenance practices, operations, and equipment.

Denny reported the restaurant lease is scheduled for re-negotiation in May 2019. The operator owns two other restaurants. The City owns the building and all restaurant equipment and furniture. The operator pays a percentage of the restaurant's gross sales.

Councilmember Oliva encouraged staff to begin negotiations earlier than May to afford sufficient time to renegotiate a contract.

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**CITY COUNCIL  
RETREAT  
PREPARATION:**

In preparation for the Council's retreat scheduled on May 18-19, 2018, Assistant City Administrator Behrends Cerniwey briefed the Council on final background documents, scheduled briefings, and recommended materials to review prior to the retreat. The Saturday session will focus on parks and recreation funding, housing and homelessness, and the brewery project. Paul Knox is scheduled to facilitate the housing and homelessness discussion.

Background materials reviewed and provided to the Council included the Brewery Action Plan developed in 2011 following the outcome of the Brewery Visioning project, and a map of the historic site of the original brewery operation at the base of the Deschutes Falls and the brewery properties located south of Custer Way (Knoll) to include the warehouse buildings (Valley). Property owners for each brewery property were identified.

The Brewery Action Plan serves as a roadmap to promote redevelopment of the sites by removing barriers to redevelopment, helping promote the success of redevelopment, and incentivizing to help projects move forward.

Assistant City Administrator Behrends Cerniwey addressed questions about current obstacles for securing an easement across the railroad tracks near the brewery warehouses and some options for incentivizing development. The City is focusing on efforts to become the center for brewing, distilling, and cider making. The City partnered with South Puget Sound Community College (SPSCC) and the brewing/distilling/cider making industry to move the City forward in a number of ways to promote brewing, distilling, and cider making. SPSCC is offering an educational component in the fall of 2018 as part of the new Craft District project.

Mayor Kmet and Assistant City Administrator Behrends Cerniwey addressed questions about partnering efforts to secure easements from property owners located along the future Deschutes Valley Trail and efforts to increase agriculture in Thurston County to support brewing and distilling.

In preparation of the retreat, Assistant City Administrator Behrends Cerniwey asked the Council to review the results of the Parks and Housing Survey, 2017 Year in Review, feedback from Tumwater University participants, and the Council's Strategic Priorities/Goals.

Mayor Kmet shared information on the planned efforts by City staff to pursue discussion with brewery property owners to discuss the status of future development of the properties.

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**MAYOR/CITY  
ADMINISTRATOR'S  
REPORT:**

The Community Summit is scheduled on Thursday, May 17, 2018 at Tumwater Middle School. The summit focus is on challenges faced by homeless people and factors that contribute to poverty.

Mayor Kmet reported on his meeting with staff from the Association of Washington Cities (AWC) to discuss an article AWC plans to publish on Tumwater focusing on community involvement (Tumwater University, FRESH Farm, and other community efforts).

Council and staff discussed retreat agenda topics, retreat hours, and the location of the retreat this year at the Thurston County Public Works facility off Tilley Road.

**ADJOURNMENT:**

**With there being no further business, Mayor Kmet adjourned the meeting at 7:24 p.m.**

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