

Report of the Golf Course Study Committee

Introduction:

The Golf Course Study Committee (hereinafter The Committee) was formed by City Council for the purpose of having a group of Harrisonburg citizens study and advise council on ways to improve the "bottom line" at Heritage Oaks. The Committee met weekly from October 11, 2010 through January 20, 2011. After conducting interviews with several principals involved with the operation of Heritage Oaks, doing research and having many thorough and lengthy discussions, The Committee has reached the several conclusions that follow. The Committee agreed that each conclusion or recommendation made herein could produce positive results. All members of The Committee agreed that maintaining the status quo in the organizational structure, atmosphere and culture of Heritage Oaks will result in the "bottom line" remaining seriously in the red. All members of The Committee also agreed wholeheartedly that Heritage Oaks is a valuable asset for the City and its citizens, helping to add significantly to the quality of life in the City; that every effort should be made by the City to foster success of the venture.

The report below will follow in form the *Outline for the Golf Study Committee* given to The Committee prior to its first meeting. The outline listed five areas of inquiry: Existing Facilities; Marketing Efforts; Operation and Maintenance Practices; Course Comparisons/Current Trends in Golf; and Projections. It should be noted that there are several recommendations that fit more than one category and are therefore repeated throughout the report.

Existing Facilities:

The Committee recommends that food and beverage be made available as soon as practicable. The permanent location for a restaurant/grill/lounge should be in the current cart storage area. The Committee suggests that consideration be given to contracting out the food and beverage to a food service provider. However, The Committee suggests that temporary facilities for the serving of food and beverage be considered and placed either on the concrete pad to the southwest of the pro shop and/or between the 9th green and the 10th tee area. The location of the proposed food and beverage service area necessitates the construction of a new cart shed. The Committee recommends that both of these facilities be commenced and completed as promptly as feasible.

The Committee has not reached a final conclusion as to the ideal capacity of the food and beverage area. It does, however, need to be large enough to accommodate the various groups that currently use the course. Should the City contract out this service, input should be sought from the food service provider

regarding the capacity of this restaurant area. When the remodeling of the current cart area is addressed, in addition to a restaurant and additional office space, bathrooms should be expanded to provide small changing areas.

The Committee understands that a plan is underway to reduce the amount of inventory in the pro shop. This step will improve the presentation and accessibility of the merchandise and the overall attractiveness of the pro shop.

The pavilion at the First Tee building could benefit from the addition of a wind curtain on the southwest side. Doing so will make the use of it more enjoyable.

Regarding the golf course grounds, The Committee has several recommendations for the purpose of making the grounds more attractive. First, make the water collection area in front of the 14th green a permanent pond. The beautification of this hole would make it a perfect signature hole for Heritage Oaks. Second, there are several areas around the course that could be beautified with flowers and or flowering shrubs. To mention only a few, they would include the area to the left of the 2nd green toward the practice green; behind the 11th teeing area; behind the 13th green; and to the left of the 16th fairway. These beautification projects could be undertaken by local garden clubs, civic organizations, or groups such as the Heritage Oaks Friday night couples group. Perhaps landscaping firms would be interested in projects for advertising purposes. Third, make an effort to fill in patches that are devoid of grass in the non-wooded areas of the rough. Fourth, The Committee recognizes that the water supply is sometimes problematic. Every effort should be made to seek sources of water to aid in maintaining the quality of Heritage Oaks. One step toward that end may be in raising the level of the dam on the pond at the 8th hole. Another may be in continuing to examine the possibility of working with Frazier Quarry as a source for additional water.

Marketing Efforts:

Along with the addition of food and beverage service, marketing and customer relations are crucial to improving the "bottom line". Marketing, first and foremost, begins when the customer walks through the door.

The Committee recommends that a program manager/marketing director position be created at Heritage Oaks. It is envisioned that this position be responsible for implementing programs designed to attract and retain golfers. In an effort to maintain cost neutrality as much as possible, The Committee recommends that the position of Assistant Golf Professional be eliminated and replaced by the program manager/marketing director. (See the attached organizational chart in Appendix A.)

The Committee strongly suggests that the staff maximize use of email and the internet to market Heritage Oaks. Staff should ask visitors for email addresses so they can be included in notifications of tournaments, special events, pro shop specials, rates, and rate specials. Face Book, Twitter and other appropriate web-based social networking sites should be utilized to market Heritage Oaks, as well. The use of these free tools will help increase exposure to the course.

All effort should be made to improve and regularly update the website. It does not appear that any changes have been made to the site since it was first created. The photographs are old and do not capture the scenic views of the course and the scorecard displayed is ancient. Much of the information a potential customer is looking for is missing. As a whole the site appears amateurish at best. The Committee recommends that the Heritage Oaks staff consult with resources such as JMU and other local colleges/schools for low-cost or free assistance in creating and maintaining an attractive site.

Attached to this report is a list of possible marketing tools that should be considered by the staff. If any appear to have the potential to bring in more golfers, they should be implemented. (See Appendix B.)

Operation and Maintenance Practices:

The first operational practice that The Committee examined is the organizational structure. The Committee agrees that the current structure is not working well in terms of bringing about an increase in play and revenue. The Committee recommends that the golf course facility remain within the Parks and Recreation Department of the City. The Committee is of the opinion that perhaps the Assistant Director of Parks and Recreation could fill the position of General Manager of the facility with full "bottom line" responsibility. This would free up the Head Golf Professional to perform those duties more suitable to his professional training. The General Manager will supervise the Head Golf Professional, the Superintendent, the Program Manager/Marketing Director, and the First Tee Coordinator. The General Manager's physical office should be at the golf course. Clerical assistance will be needed for both the General Manager and the Program Manager/Marketing Director, so it is recommended that an office assistant should be transferred to the golf course. (See Organizational Chart in Appendix A.)

As indicated in the chart, The First Tee Program should continue to be managed by the city through the Heritage Oaks structure. The Committee considered the current discussion of the role of the First Tee Foundation. While we appreciate the Foundation's past and ongoing commitment to First Tee, The Committee recommends that programming for First Tee remain under the City's purview.

Another major operational change The Committee recommends is the addition, as soon as practicable, of food and beverage service as more fully discussed above.

In keeping with the task of looking at "the bottom line", The Committee recommends that the pro shop make every effort possible to reduce its budget expenditures by 10%. This might be accomplished by the reduction of inventory, which is already underway. Another way to do so could be to reduce man-hours in the pro shop. The presence of the General Manager, along with the Head Professional and Program Manager/Marketing Director can act, as the need arises, as the necessary second staff member, thus alleviating the necessity of some part-time staff. All staff should be able to multitask when on duty. The Committee also recommends that rangers volunteer their time in exchange for golfing privileges.

It is also suggested that the number of part-time staff be reduced and the hours increased per staffer, if necessary, so that lines of communication from General Manager through Head Golf Professional and Program Manager/Market Director down to the front desk is maintained in a more professional and comprehensive way. Staff training will be critical. The Committee highly recommends that a significant part of that training be devoted to enhanced customer service. The staff should make every effort to make all visitors and members feel welcomed and appreciated.

The Committee recommends that the maintenance budget be reduced also. The information provided to The Committee indicates that the maintenance payroll is about 62% of the current budget, but that the average is about 53% for private courses. A difference is in the employment policies of the City. However, it is suggested that, at least by attrition, the Superintendent reduce payroll to 53% of the current budget. The Committee would also like to note that it is of the unanimous opinion that the worse thing a golf course can do is cut corners on maintenance resulting in less than favorable course conditions.

The Superintendent should investigate cooperative agreements with other area courses with respect to the purchase of chemicals, additives and other supplies. It is the understanding of The Committee that at least two area courses have joined together to make purchases and thereby saved money.

The Committee would encourage the Superintendent to look into lease versus purchase of equipment and to re-examine current equipment inventory and consider if all of it is needed.

The Committee is of the opinion that as a general rule the rates and fee schedules are appropriate and competitive. There may be times when special rates should

be considered to attract players such as during the aerating seasons and historically or current low-play times.

Course Comparisons/Current Trends in Golf:

While the Committee did not conduct extensive research in this area, it is believed that conditions and rates at Heritage Oaks compare favorably to surrounding courses. The local trends reflect the recent economic conditions that have impacted negatively upon rounds played nationwide.

Projections:

Heritage Oaks has been host to approximately 21,000 rounds of golf for the last several years. In the first six months of the current fiscal year it has seen about 11,500 round played. That does not necessarily equate to 23,000 for the entire year. The expected amount is more like 22,000. The projection for 2012 is 24,000 rounds. The Committee believes that a significant increase in play will occur with the introduction of full food and beverage service. If that service becomes a reality, the projected rounds played in 2013 should reach 27,000. With full food and beverage available in 2014, the projected rounds will be 29,000. Thereafter, it should maintain at or above that level. The Committee is aware that any downward economic trend will adversely affect those projections.

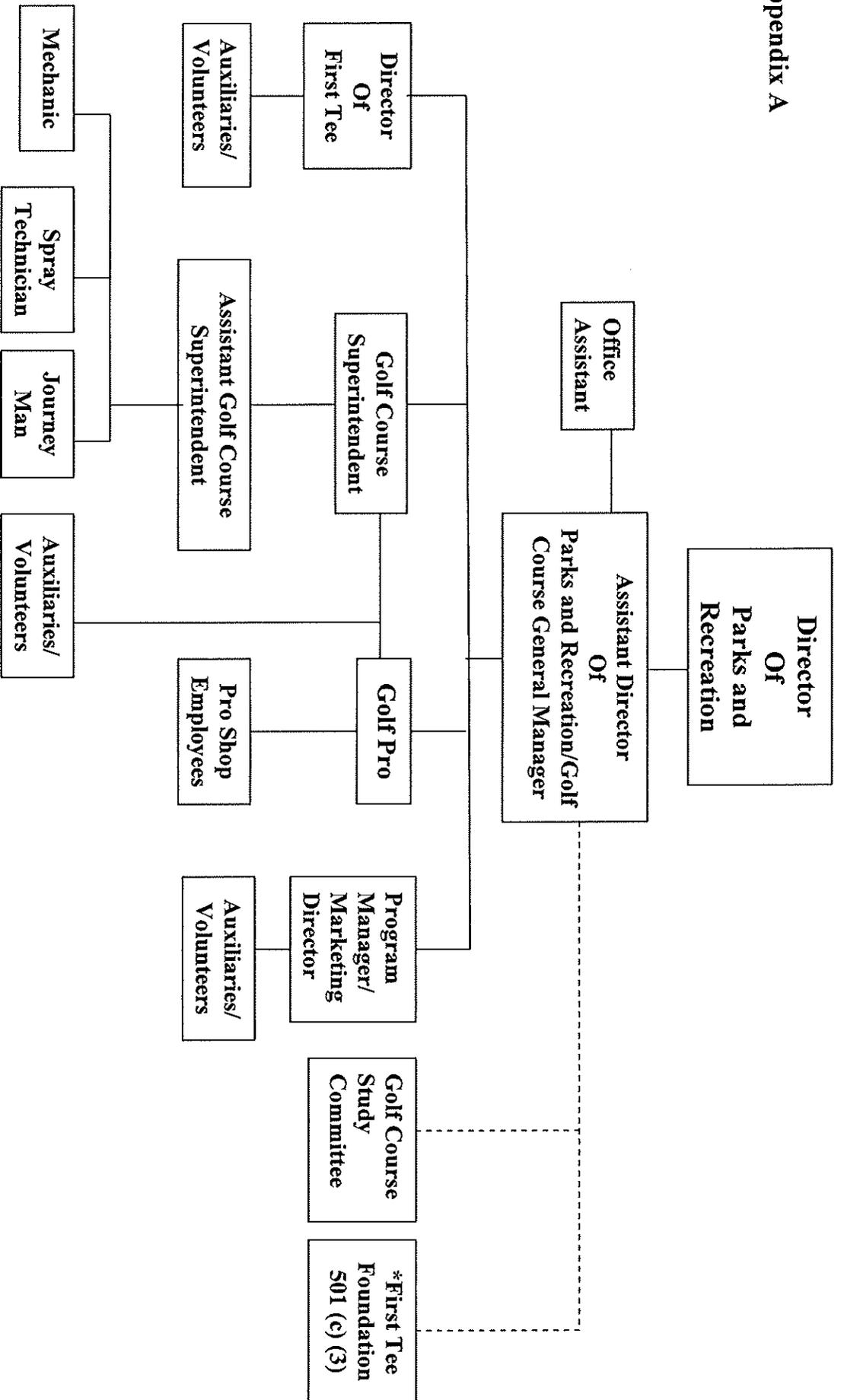
There are only so many rounds of golf available in this area for capture by Heritage Oaks. It is of utmost importance that the City, the Parks and Recreation Department, and the staff at Heritage Oaks take all necessary steps to make Heritage Oaks a financial success. While Heritage Oaks in the near future may not be revenue positive, we still believe it is a great recreational asset for citizens of all ages in the City of Harrisonburg and surrounding area.

Respectfully submitted,

Wilma Bowers
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January 25, 2011

Appendix A



*The relationship between the First Tee Foundation and the Golf Course General Manager is one of advice and support to the First Tee Program.

Appendix B

Marketing Tools To Be Considered by the Golf Course Staff

Ideas in Group A should be given priority consideration:

- Actively promote and increase special events such as mixed events and mini tournaments.
- Establish special rates and target advertising for traditionally slow times.
- Actively market the course to tournament sponsors.
- Seek agreements with surrounding area courses for rights of reciprocity for discounted greens fees. Members could play at surrounding courses when Heritage Oaks is closed for tournament play.
- Design and implement a membership retention program which might include limited special benefits for members (i.e., once a month reduction on a cart fee or free small bucket of range balls.)
- Develop and increase corporate relationships through hole sponsorships and corporate rates.

Group B:

- Explore providing childcare services through the CAC.
- Market the course to beginning golfers by offering incentives.
- Offer a couple's night package deal – one price for golf round, cart, and meal.
- Birthday promotion – offer a percentage off on customer's birthday or free cart to members.
- Send handwritten thank you notes to renewed members.
- Donate greens fees to nonprofit organizations for benefit fundraisers.
- Give a free greens fee to members to pass on to friends who have not played our course.
- Establish a member referral program with incentives for members who refer a new member.
- Public relations – representatives from Heritage Oaks should speak at civic group meetings, etc.

Group C:

- On designated days have a bowl of apples, plums, or oranges on the pro shop counter for customers.
- Have a candy jar or plate of cookies available on the pro shop counter.
- Organize traveling groups (seniors or ladies) to compete against other clubs.