

Notes from Municipal Golf Corporation Meeting conducted in the Foot Room of the Red Wing Public Library on January 9, 2013

Pledges (as donations) of \$100,000 Non-members have donated to keep area green space

Financially not firm, don't have all the answers, pledges not called in, hopefully we won't have to do this

Membership dues collected so far \$20-\$25,000, would pay forward

Don't have startup capital, No money for bar/restaurant equipment

They think they can go forward with a 5 year lease agreement for equipment according to their pro forma

Assistance from the City or deep pockets, Question was what would happen if they don't meet revenue over expenses

There financial pro forma is based on not needing to make a bond payment of \$121,000. How that affects their operation, See Gary/Kent's letter

There financial pro forma is also based on not needing to make property tax payments now at \$51,000 property tax 2012, \$55,000 – 2013 tax exemption due by January 31, Brian is going to check on this

25,000 rounds played, 10-15,000 were non-members these are best guesses only

2009 non-profit - \$150,000 profit, for base year 2010 - \$133,000 if they were a nonprofit this is what they projected revenues would be, without bond payment and taxes.

Avoid having the City spend money this was brought up as something they would try and do if they were in a five year lease, the first year they would need help though.

Lost 12 weddings for 2013, lost 2 or 3 large golf tournaments, this is revenue they can't make up in 2013

February 15<sup>th</sup> is the last date to make this work for the local group, they feel to get everything done they need an answer by then.

18 holes new equipment lease cost 320K 1 year lease not doable, 5 year lease needed

36 holes new equipment lease cost 950K, 1 year lease not doable, 5 year lease needed

27 holes new equipment lease cost 410K 1 year lease not doable, 5 year lease needed

36 holes used equipment used equipment 482K 1 year lease not doable, 5 year lease needed

Who plays and stays? They will keep track of out of town numbers

Cart lease 91K/year – 1 year lease not doable

Cart revenue 2009 - \$292K, 2010 - \$286K

Banquet, Bar they wouldn't open this, just do basic stuff like hot dogs/hamburgers get liquor license

In 2012, \$50,000 membership dues were paid at this time last year

In 2012, \$100,000 membership dues were paid for the full year by July of last year

Beyond us to think we aren't treated the same as Detroit Lakes, Alexandria and a couple of others

If we lose this, we lose a jewel out of our crown. Very important recreational facility for our community.

Statement was made that Detroit Lakes is run in a similar way to what they are proposing (city owned, non-profit operated).