

CITY OF NORTH SALT LAKE
JOINT MEETING
CITY COUNCIL & GOLF COURSE OVERSIGHT COMMITTEE
MAY 4, 2020

FINAL

The meeting was held via video conference and began at 4:50 p.m.

PRESENT: Mayor Len Arave
Council Member Lisa Watts Baskin
Council Member Natalie Gordon
Council Member Brian Horrocks
Council Member Ryan Mumford
Council Member Stan Porter

Chairman John Logan
Committee Member Ryan Curtis
Committee Member Roger Graves
Committee Member Court Huish
Committee Member Karen Mills

STAFF PRESENT: Ken Leetham, City Manager; Linda Horrocks, City Recorder; Andrea Bradford, Minutes Secretary.

OTHERS PRESENT: Tonya Iongi, George Iongi, Eaglewood Reception Center; Scott Klemme, (5:00 pm), Michael Garrison (6:00 pm), Tyler Abegglen (7:00 pm), candidates.

1. INTRODUCTION

Golf Course Committee Chairman John Logan introduced the golf committee members including Ryan Curtis, a corporate general manager and an avid golfer; Roger Graves, Senior Editor for the PGA magazine; Court Huish who had 40 years in recreation management and was one of the owners of Boondocks; Karen Mills, a former contract negotiator and auditor as well as an avid golfer; and Brian Horrocks who was the City Council Member and liaison for the golf committee. Mr. Logan said he was a former CPA and business consultant as well as an avid golfer.

Ken Leetham explained that the meeting that day was an opportunity to interview the candidate finalists for the Golf Course General Manager position. He said there were three applicants who would each have an hour to provide a presentation and answer questions.

2. EAGLEWOOD GOLF COURSE GENERAL MANAGER FINALIST INTERVIEWS

At 5:00 p.m. Scott Klemme joined the Zoom call.

Scott Klemme introduced himself and said he had been at Centennial Golf Course in New York for over 20 years. He attended New Mexico State University and worked his way up from a range picker to the general manager at Centennial. Mr. Klemme then focused on his Eaglewood Golf Course business plan for 2020-2021. He based his information off January 1, 2018 to June 30, 2019 with actual rounds of 29,420, an average daily rate of \$26.10 plus golf cart, an average merchandise rate of \$5.83, \$51,000 in lesson revenue, food and beverage revenue of \$52,100, golf revenue greens of \$521, 474, cart revenues of \$246, 375, range rentals of \$44,727, and merchandise revenues of \$133,193 for a total revenue of \$1,117,187.

He provided a forecast showing a 10% increase in total rounds for 32,362 in 2021, a 13% increase in the average daily rate to \$29.49, a 5% increase in the daily rate for merchandise to \$6.12, \$90,000 in lesson revenue, a 66% increase in food and beverage revenue to \$86,000, a 22% increase in golf revenue greens to \$636,198, a 29.5% increase in cart revenue to \$319,055, a 13.5% increase in range rentals to \$50,765, and a 25% increase in merchandise revenues to \$166,491 for a 25% total revenue increase of \$1,401,073 in 2021.

Mr. Klemme then said total payroll for 2018-2019 was \$743,073 with total operating expenses of \$1,585,452 with projected operating expenses of \$1,725,200. He said a more thorough review would have to be done to determine where expenses could be cut either through machinery, building, or personnel.

Scott Klemme said that his vision and strategy included increasing play, social events as well as food and beverage revenue, and merchandise revenue. He spoke on several ideas including establishing a ladies league, increased social events, Groupon deals, and reaching out to high schools and police and fire departments. Mr. Klemme then focused on the key issues for 2021 such as reaching out to the customer base, capturing group merchandise sales, maintaining golf course conditions, improving social media use, and flexible pricing. He provided information on the strengths of the course including location, course condition, layout, event space, and customer and Golf Advisor ratings as well as the weaknesses such as market saturation in area, clubhouse condition, lack of marketing, and local economy.

Scott Klemme reviewed opportunities such as becoming more active on social media, memberships, wedding packages, and focusing on family values. He also spoke on threats including the current economy, competitor's fee structures, and a saturated market. Mr. Klemme reported on industry updates and competitors including Mountain Dell, Rose Park, Bountiful Ridge, Old Mill, and Glendale. He talked about goals including leveraging a distinct competitive

advantage, developing and retaining employees, delighting and retaining customers, growing the customer base, and reaching the revenue numbers.

Scott Klemme spoke on his sales and marketing strategy proposal including marketing to the community, developing social media, embracing golf industry initiatives, promoting restaurant, increase tournament and catering sales, reach out to schools, utilize ForeUp tee system, and increase merchandise sales. He said the key objectives were to generate \$1,401,073 in total revenue for a 25.4% increase from 2019, to generate 32,362 rounds of golf, which was a 10% increase, and to generate an excess of \$86,000 in food and beverage revenue for a 66% increase from 2019. Mr. Klemme said the strategic direction was to generate revenue cost effectively. These strategies included targeting Salt Lake, generating specials for Monday-Thursday, double play specials, dynamic pricing, and family golf promotions. He then spoke on several events and promotions at his golf course including a PGA junior league, Junior Camp, and an in house tournaments including a “Kneebuckler” 27-hole event and a “Stars and Stripes” event for veterans.

Mayor Arave asked Scott Klemme if he had viewed the website for the golf course and what his opinion was. Scott Klemme replied that overall the website was good but that some of the pictures were not the best quality.

Mayor Arave asked about staffing needs. Scott Klemme responded that the head pro was a good fit and the assistant was an asset if he obtained his Class A certification. He said the general manager needed to be out socializing with customers.

Mayor Arave asked what Mr. Klemme had done to increase league participation. Scott Klemme replied that at his course league participation occurred because of word of mouth about the course. He also said they reached out to the fire and police departments.

Committee Member Mills questioned whether the City could justify hiring a general manager with an increased salary base. Scott Klemme replied that making some changes to the course would offset the cost of a general manager.

Committee Member Huish asked how Mr. Klemme would increase the food and beverage revenue. He also asked in regards to increasing wedding and group events. Scott Klemme replied the profit margins for food were small so this would be tied into events such as a “beer, bucket and burger night”, night time driving range use, or family events.

Committee Member Huish then asked Mr. Klemme to describe the kind of golf experience he would strive to provide. Scott Klemme responded that he wanted to develop an experience at his facility that he would be proud to invite his family or friends to.

Council Member Baskin asked if he had hosted or managed a pro/am or statewide golf tournament. Scott Klemme replied that they had hosted a classic qualifier for the PGA. He said his golf course was too hard for most players to score well and the facility was not of the caliber to host those events. He said they had hosted MGA events numerous times.

Committee Member Mills asked how many tournaments he held at his course each year. Scott Klemme replied that his course hosted well over 100 events per year. He said Eaglewood hosted 59 events last year and felt this could be increased to at least 60 or 70 per year.

Ken Leetham thanked Mr. Klemme for his time and efforts in meeting with them and invited him to leave the meeting, which he did.

At 6:02 p.m. Michael Garrison joined the Zoom meeting.

Michael Garrison presented his business plan, which included a mission statement, strip down period, proposed 2021 budget, immediate revenue generators, long term revenue growth, and customer service and culture change. His mission statement was to “build a team of staff members dedicated to a culture of service and efficiency committed to operating Eaglewood Golf Course without undue financial burden the taxpayers of North Salt Lake.” He then spoke on a strip down period including cutting expenses to the bare minimum and said based on budgeted numbers that Eaglewood lost \$1,000 per day. He spoke on a four step plan including reducing payroll, restructuring comp rounds, limit professional services, and evaluating savings opportunities.

Mr. Garrison then reviewed his proposed budget, which included a forecast of 2020 of \$410,000 and a proposal for 2021 of \$634,100 for admissions and lesson fees, equipment rental with a forecast of \$190,000 for 2020 and a proposal of \$290,547 for 2021, a forecast for 2020 of \$105,000 and proposal of \$175,000 in 2021 for merchandise sales, a forecast of \$46,000 in 2020 and proposal of \$108,700 in 2021 for concessions and banquet hall rentals, a forecast of \$111,000 in 2020 and a projection of \$110,000 in 2021 for cell tower and office lease for total operating revenues of \$862,000 forecasted for 2020 and \$1,319,347 proposed for 2021. He also spoke on operating expenses with a forecast for 2020 of \$796,400 for salaries and benefits and a proposal of \$659,674 in 2021, \$8,200 for office expenses and supplies in 2020 and \$10,100 proposed for 2021, a forecast of \$125,500 in equipment for 2020 and a proposal of \$131,500 in 2021, a forecast for 2020 of \$34,100 for buildings and grounds with \$37,100 proposed in 2021, \$37,000 for power in 2020 and \$38,000 in 2021, \$106,200 in water and \$109,300 in 2021, \$39,000 in professional services in 2020 and \$39,000 in 2021, \$118,400 in 2020 for merchandise and \$122,500 in 2021, as well as depreciation and miscellaneous estimates for total operating expenses forecasted for 2020 of \$1,559,800 and \$1,368,940 proposed for 2021.

Michael Garrison focused on immediate revenue generators including starting a women's association, point of sale (POS) system renegotiation, increasing association merchandise spending, a reciprocal program, upselling tournament offerings, and marketing ideas. He then spoke on long term revenue growth including growing the association, expanding clubhouse/room rentals, marketing to bigger corporate events, hosting a state AM qualifier, holding more UGA tournaments on slow days, and marketing ideas. He clarified that reciprocal events included building relationships with other courses such as those in Saint George.

Mr. Garrison then detailed his plan for customer service and culture change which included elevating service standards to create loyalty through doing more than the other courses, offering association member only experiences, free clinic days to residents, bringing a private club experience to the public, and including customers in the decisions.

Mayor Arave asked who owned Glenn Eagle Golf Course. Michael Garrison replied that it was privately owned with a main owner and several shareholders.

Committee Member Graves asked what specific marketing initiatives Mr. Garrison would introduce to increase rounds played, revenue, and corporate events at the reception center. Michael Garrison replied that he would host AM events, work with local PGA, improve league play, increase social media, and establishing a reward program.

Ken Leetham asked about dynamic pricing and if this was part of his proposal. Michael Garrison responded that he was not a fan of dynamic pricing as this trained people to come at a certain time. He felt the effort should be to increase the value and offer promotions such as parent/child golfing on Sunday afternoons.

Committee Member Huish asked about teaching lessons and instructions. Michael Garrison replied that he felt full service offerings were essential. He said lessons contributed to people being active in golf and positive word of mouth. He said instructors needed to take initiative and to teach at their expense.

Committee Member Huish then asked Mr. Garrison to describe the golf experience Eaglewood would provide if he was the general manager. Michael Garrison replied that there would be a culture change. He said staff would be on friendly terms with the customers and it would be like a private club or retreat.

Committee Member Huish then questioned if Mr. Garrison was responsible for the total profit and loss at Glenn Eagle. Michael Garrison responded that he was not solely responsible for the all the profits but was responsible for the marketing efforts and plan. He said Glenn Eagle was operating at a loss for 15 years and he was able to turn it around to gaining a profit that was then put back into improving the course, providing raises, and building a new tee box.

Committee Member Graves asked what Mr. Garrison felt was Eaglewood's primary weakness and how it could be solved. Michael Garrison replied that the primary weakness was perspective. He said most city golf courses were losing money and felt Utah needed to be more responsible to the taxpayer with the onus on the operator to break even.

Michael Garrison asked what the council and oversight committee envisioned the position being and the important factors in the decision-making. Ken Leetham replied that it had taken a year and a half to review the golf operations and course. He said that there needed to be accountability in a general manager and for the golf course overall. Mr. Leetham said they did not want to risk the reputation of the course but felt the course could be run better. Mr. Leetham thanked Mr. Garrison and invited him to leave the meeting, which he did.

At 7:00 p.m. Tyler Abegglen joined the Zoom meeting.

Tyler Abegglen presented his mission statement for Eaglewood, which was "to have an inclusive family friendly experience that creates a welcoming and positive experience for all customers year after year." He said his vision for Eaglewood was to become a premier golf course in the State of Utah. Mr. Abegglen spoke on how to accomplish the mission and vision statements by providing quality amenities and customer satisfaction, having excellent course conditions and top tier professional assistance, as well as growing all associations, engaging the community in events and activities, establishing SMART goals and engaged staff, having successful marketing and targeted advertising, and developing the right programs. He then focused on the strengths, weaknesses, opportunities and threats of the course. The strengths included top of the line maintenance facility, great location and course conditions, large and multiuse clubhouse, additional rents and leases, PGA professionals, and proximity to dense population areas. The weaknesses included declining clubhouse condition, ineffective use of POS and tee time system, lack of focus on target audience, online presence and utilization, declining revenues, and social media usage and interaction. Opportunities were association growth, event center and concessions, increasing corporate outings, growing social media and online presence, lessons and clinics, and community outreach programs. Threats to the course included competition for time and other recreation, current or future economic downturns, ten other courses in Davis County, proximity to Bountiful Ridge course, and the cost of upcoming improvements.

Tyler Abegglen then reported on historical revenues, forecasted revenues for 2020 and budgeted revenues for 2021. The forecast for 2020 was \$862,000 and the budgeted for 2021 was \$1,253,000. He spoke on the goals and objectives including the initial areas of focus such as the pro shop with a focus on employees, social media integration, tracking and reporting procedures, marketing and advertising, increasing association participation, and corporate tournaments. He then mentioned maintenance, which included a focus on employees, a review of expenses and equipment, determining course condition goals, implementing the right tools for success, and a

master project schedule. Mr. Abegglen talked about the third focus area, which was the event center and concessions. This included marketing and advertising, social media collaboration and integration, a discussion of successes and failures, and developing creative ways to increase revenues.

Mr. Abegglen reviewed increasing rounds and said in fiscal year 2021 he projected 5% growth to 50,400 rounds, 3.5% growth in 2022 with an increase to 52,164 rounds, 2.5% growth in 2023 to 53,468 rounds, 2% growth in 2024 to 54,537 rounds, and 2% growth in 2025 to 55,627 rounds. SMART goals would be growing associations by 15% for 2021, holding fall and summer PGA junior league programs, creating three new UGA events for 2021, and generating five new corporate outings for 2021. Initiatives included developing an online registration and results portal, updating online website information, focus on Google and SEO, optimize PGA professional teaching opportunities, use ForeUp tools and social media, introduce the Youth on Course program, and host winter clinics and activities at local schools. He then spoke on the event center and concession revenues. The concessionaire's objectives would include renting out the event center, maximizing concession and catering revenues, and bringing corporate events to Eaglewood. He said Eaglewood's responsibilities to the concessionaire included being a support system, assisting in advertising and marketing, bringing them corporate catering and business, holding them accountable, notifying customers of the concessions and food available before, during and after rounds, and incorporating their information into Eaglewood's website and Google information. The initiatives included running Google advertising for the event center, including catering and food options in all corporate business information, integrating an online menu and café information, having snacks and drinks available during off-peak times, providing on course information for food and ordering information, and using ForeUp booking information to notify of any specials and food options.

Tyler Abegglen then spoke on marketing and advertising including online golf operations, event center and concessions, and marketing materials. He focused on online operations, which included generating Google reviews, running ads and campaigns on social media, incorporating ForeUp tools to engage customers, and implementing a loyalty program. For event center and concession marketing and advertising he suggested working with the concessionaire on goals and areas they needed help with, combining and strengthening online business locations, running targeted Google ads for reception and wedding searches, and increasing online SEO. Mr. Abegglen then focused on marketing materials which included creating appealing and easy to understand flyers and other materials, having these items easily accessible online and at the course, reaching out to local businesses owners for corporate passes and tournament opportunities. He then showed examples of social media campaigns, giveaways, promotions and advertising. He spoke on things to consider to grow the associations including a focus on the customer experience, meeting expectations, course setup, social and recreational activity, accessible information, quick results, interactive results platform, social media posting, and strategic advertising.

Tyler Abegglen recommended off-season clinics including a scholarship program, junior golf camps, and a ladies association with a focus on social media. He spoke on utilization of the golf course to expand the tournament base and the benefits of this such as generating credits, obtaining additional cart and range revenue, bringing in outside golfers, word of mouth, additional revenue through sponsorships, additional concession revenue, outside media coverage, and driving interest to the course.

Mr. Abegglen then focused on maintenance objectives including providing a consistent product that is appealing, examining maintenance procedures to better facilitate new technology, vericut and top dress greens each month, roll and smooth greens regularly, aerating procedures, reviewing future projects and creating a master schedule for those projects. He also touched on the irrigation remodel.

Tyler Abegglen spoke on trainings and said he would like to have weekly pro-shop meetings, weekly maintenance meetings, monthly employee meetings and lunches, and PGA and CGSSA trainings. He also said each employee needed to be trained to handle all good or bad customer interactions. Mr. Abegglen then focused on accountability and said in order to hold employees accountable he would provide clear expectations, provide tools and resources, have measurable goals, allow for feedback, make sure they understand the consequences, have appropriate actions if needed, and always keep communication open.

Mr. Abegglen presented a bar graph with forecasted revenues, expenses and operating income for 2019 through 2025. He projected that for 2020 the total revenues would be \$862,000, total expenses would be \$1,299,800 and operating income would be \$(437,800). Projected numbers for 2021 included total revenues of \$1,253,000, total expenses of \$1,460,200 and operating income of \$(207,200). He then spoke on performance and key metrics to monitor including course utilization, revenue per round, various revenue streams such as green fees, carts, driving range, etc., merchandise COGS and margin percentages, lessons and clinics, returning customers, Google business and online statistics, and customer loyalty programs.

Tyler Abegglen focused on big picture objectives such as ensuring resources were utilized, generating revenues, monitoring expenses, and growing the programs. He then provided information on why he was a good candidate for the position including having a master's degree from BYU, being a certified golf professional, a family history of golf, and a willingness to learn and grow.

Committee Member Huish asked if he had any experience with golf sprinkler systems. Tyler Abegglen said that his current golf course was in the process of installing a new system but it was put on hold due to the pandemic. He said he had performed maintenance on these systems and helped his father design and reconstruct several golf courses.

Committee Member Huish then asked him to address teaching and instruction. Tyler Abegglen said his focus was on youth programs, golf lessons and clinics, and would have Brent Moyes teach.

Committee Member Huish commented that Mr. Abegglen had done his homework and could talk the talk. He asked how he felt about being held accountable to what he presented. Tyler Abegglen replied that his expectation was to be held accountable and he would hold staff accountable to meeting goals as well.

Committee Member Mills asked how profitable the current course was. Tyler Abegglen replied that over the last nine years his course was in the black and was an asset to the city. He said the city remodeling the golf course, event center and clubhouse.

Committee Member Mills also asked if a major job of the manager was to market the golf course. Tyler Abegglen said one of the main areas Eaglewood was deficient in was marketing and advertising.

Committee Member Graves asked what three fundamental changes must be made to reverse the financial deficit at Eaglewood. Tyler Abegglen replied that these changes included working with staff, improving the exterior of the building, improving the customer experience, and growing the association and programs. He said there were million dollar home around the course and Eaglewood should reflect that.

Committee Member Graves asked what challenges Mr. Abegglen saw in the transition to general manager as he had only worked as an assistant professional for the past ten years. Tyler Abegglen said that while this would present more opportunities and challenges he had been more of a golf professional and not just the assistant. He said he had taken on more responsibilities at his current course than most golf assistants.

Committee Member Graves asked how many Utah Golf Association or USGA events he thought Eaglewood should host each year. He asked about the benefits of these types of events. Tyler Abegglen replied that he thought three events to start would be appropriate. He said the short term benefit of these events was to bring people to the course and the long term benefit was word of mouth recommendations.

Chairman Logan asked why expenses were so high in 2018 and 2019 at his current course. Tyler Abegglen replied that part of the expenses was the event center addition, remodeling the bathrooms, and installation of pergola and water feature.

Committee Member Huish asked how he would feel about meeting with the golf committee on a monthly or quarterly basis. Tyler Abegglen said this went back to accountability and felt that the committee members had experience with business and golf and would be a resource.

Committee Member Curtis commented that Eaglewood lagged behind other courses during the pandemic. He asked about the barriers that had to be overcome to continue to offer services at Mr. Abegglen's current course. Tyler Abegglen replied that they followed the State's recommendation and took precautions to continue to provide carts and keep the driving range open.

Committee Member Curtis focused on training and asked about the strategy for seasonal hiring and attracting return staffing. Tyler Abegglen said it went back to making sure staff was invested, empowered, and felt part of the course.

Ken Leetham thanked Mr. Abegglen, and he left the meeting at 7:53 p.m.

3. CONSIDERATION OF HIRING RECOMMENDATION BY THE GOLF COURSE OVERSIGHT COMMITTEE FOR THE GENERAL MANAGER POSITION

Ken Leetham asked if the Golf Course Oversight Committee had a recommendation for the general manager position to give to the City Council.

Chairman Logan commented that while Michael Garrison would cut expenses key personnel may leave. He said Tyler Abegglen had the strongest motivation and felt that he would be a good fit personality wise with current staff and clientele. He felt it may be important to ask how soon each candidate could start.

Committee Member Graves said that he kept a scorecard and felt that Tyler Abegglen answered many of the questions but was lacking experience as a general manager. He said Mr. Abegglen had the education and enthusiasm and had experience with social media and marketing. He said Michael Garrison was his second choice but had concerns about him cutting things down to bare bones, which would neutralize the upscale appeal of Eaglewood.

Committee Member Mills felt that Tyler Abegglen only focused on marketing and not on other aspects of Eaglewood such as weddings, events, and food and beverage. She said that Michael Garrison seemed more well-rounded.

Committee Member Curtis commented that this was a tough decision and said that while Scott Klemme had confidence that it would be too hard for him to move here from the east coast and make things work. He felt that Michael Garrison missed the memo by focusing on cost cutting as money could be spent effectively and efficiently. He said that while Tyler Abegglen lacked

general manager experience that everyone had to start somewhere and he would have 17 years of experience in the current staff at Eaglewood.

Committee Member Huish said that you could not cut your costs to profitability as so many of the costs were fixed. He said he liked that Tyler Abegglen had an MPA, which meant he learned about financial statements including profits and loss. He also felt Mr. Abegglen was the most experienced with social media and would be able to spend more time growing with the course due to his age. He said he would like the committee to meet with Tyler Abegglen monthly if he was chosen for the position to ensure he was held accountable.

Mayor Arave said he felt it would be helpful for the golf committee to stay involved as it would take time. He said that having a general manager over Brent Moyes may not be sustainable. He also said marketing was important.

Committee Member Huish said there should be incentives to meet goals for the general manager and the golf pro.

The Committee discussed golf pro lessons, teaching revenues, salaries, pay for performance, incentives, and the relationships with the new general manager and current employees.

Ken Leetham spoke on salaries and said the general manager's proposed salary would be \$79,000 with incentives and the golf pro's salary would be \$75,000.

Council Member Horrocks commented that he liked the concept of incentives and if someone could make the golf course profitable then they should be paid accordingly.

Committee Member Graves said the challenge would be setting obtainable goals with realistic incentives. He felt the committee and City staff would be helpful in determining what this would be.

The committee continued to discuss salaries and incentives, long term planning, and the virus including related unknowns.

Ken Leetham said he would put a proposal together for review.

Chairman Logan said that it seemed like the committee was in agreement on the candidate. Committee Member Mills commented that she was not in favor of Tyler Abegglen as he mainly focused on marketing and revenue and not expenses or net. She expressed concern that the incentive program would give the new general manager carte blanche to do what they wanted based on positive net income.

Committee Member Roger Graves moved to recommend to the City Council Tyler Abegglen for the General Manager position at Eaglewood Golf Course. Committee Member Court Huish seconded the motion. The motion was approved by Committee Members Curtis, Graves, Huish and Logan. Committee Member Mills abstained from voting.

Ken Leetham and Mayor Arave thanked the committee members for their perspectives and help with this process.

Committee Member Huish commented that if Tyler Abegglen did not measure up in two years that he would be the first to suggest that he be let go at that time.

4. ADJOURN

The meeting was adjourned at 8:37 p.m.

Mayor

City Recorder