

CITY OF NORTH SALT LAKE
EAGLEWOOD GOLF COURSE
OVERSIGHT COMMITTEE MEETING
SEPTEMBER 16, 2020

FINAL

Tyler Abegglen called the meeting to order at 4:00 p.m.

COMMITTEE PRESENT: John Logan, Chair
Ryan Curtis, Vice Chair
Roger Graves
Court Huish
Karen Mills
Brian Horrocks, City Council

STAFF PRESENT: Ken Leetham, City Manager; Tyler Abegglen, Golf Course General Manager; Andrea Bradford, Minutes Secretary.

OTHERS PRESENT: George Iongi, Tonya Iongi, George's Grill.

1. SOCIAL MEDIA REVIEW

Tyler Abegglen provided a social media review for August and said that he would start easing off the amount of advertising funding through winter. He said he would continue to advertise for the event center and promotions for next year. For Facebook the total lifetime likes was 1,526 with 9,366 engaged users for a total outreach of 104,827 and an organic outreach of 17,669. The cost for social media outreach for August was \$274.53. Mr. Abegglen then reported that there were now 1,201 followers on Instagram. He also said that he had been working with several influencers including a promotion with Admiral Beverage/Rockstar Energy over Labor Day weekend. Rockstar would also be sponsoring the scramble on September 26th and would be providing product and giveaways. Rockstar also provided some marketing with multiple posts promoting the course on their Rockstar Energy Utah Instagram.

The Committee discussed that while Rockstar targeted a younger age group that this was a good partnership to bring in the next generation of golfers. Tyler Abegglen said that the Labor Day giveaway resulted in 120 new followers on Instagram and more views on social media overall.

Roger Graves asked about measuring promotional responses through coupons or contest entries. Tyler Abegglen said he was able to track customers via entries or some promotions.

2. ADVERTISING AND MARKETING

Tyler Abegglen reported on advertising and marketing and showed the flyer for the Rockstar Scramble in September. He also referred to the billboard advertisements on 3300 South, 1700 South and in Layton along the freeway. The upcoming advertising and marketing included a discount special with George's Grill, a Ladies Day promotion, new signage on the roads leading to the course, signage around the building, Black Friday specials, merchandise discounts, and Christmas discounts. The event center and Men's Association special advertising on Google was on hold for now.

Tyler Abegglen then introduced George and Tonya Iongi with George's Grill and invited them to attend the Golf Course Committee meetings.

John Logan asked for an update on George's Grill and where things stood. George Iongi replied that he felt like they could commit to the long haul with the support from the City and Committee.

Roger Graves commented on COVID and asked if things were moving in a positive direction now. George Iongi said things were still difficult especially with fewer corporate tournaments this year but felt like things would be alright.

Roger Graves asked if there would be advertising for holiday parties at the event center. Tyler Abegglen said they were working on pricing that would work for the event space and George's Grill.

Tonya Iongi commented that it was difficult with COVID because of the restrictions on gathering sizes. She said a Christmas party had been booked for twenty people and they would host a breakfast with Santa event as well. Mrs. Iongi said they also wanted to hold a bridal show eventually.

Ken Leetham said one of the difficult things was the use of the event center. He said the Iongi's controlled the café and could do certain upgrades like umbrellas on the patio. Mr. Leetham also said they could not micromanage the café but the event center was different. He said with the short-term reality of limits of 50 people this resulted in a temporary restructured fee schedule which would allow them to be profitable at that level. The previous event center formula allowed the City to obtain 70% of the revenue while the café owners received 30%. This formula was not working right now and needed to be restructured. There were also some contract changes that needed to be made as well.

Ken Leetham also said that in regards to the long-term use of the building the City just signed an agreement with an architect to provide conceptual plans for renovation of the interior and exterior of the building. He said there was support for Tyler to review the long term use of the

facility including the use of vacant office space and the installation of golf simulators, fitness center, etc. Mr. Leetham said this was a journey to reinvent, reinvest and make the golf course and café into a successful business operation.

Roger Graves said the course needed to be sustainable as a year-round facility so the golf simulators were a great idea.

George Longi spoke on a new fitness center in the area and said that they would be meeting with them to discuss a potential partnership. Ken Leetham commented that the City had chosen a path and would not be working with a management company like GreatLife.

Council Member Horrocks commented on the restriction of 50 people in a gathering and said that churches were meeting in larger groups. Ken Leetham replied that the LDS Church was exempt from the yellow risk status that the State adopted. He explained that the yellow risk status only allowed 50 individuals in a gathering or less.

Roger Graves commented that wedding reception centers were staggering guests to stay within the guidelines. Tonya Longi replied that they were having the staggered guest attendance at an event in October.

Roger Graves asked if there was better synergy now. He said he saw a lot more advertising for the course and the event center. Tonya and George said there was a lot more communication and support now.

Roger Graves commented that if the Longi's wanted to turn the space into a year-round restaurant that may be a good idea in the future. George Longi replied that he had spoken to several restaurateurs and was told they would need to spend a lot to renovate the kitchen, hire at least 90 employees, extend the hours, etc. He said they had four full-time employees based on revenue for this year compared to fifteen employees last year.

Roger Graves asked about walk-in customers and if revenues were close to last year. He said golf revenues were up and asked if café revenues were up as well. Tonya Longi said they were down about 10 to 20% from last year. George Longi replied that every walk-in customer for golf did not necessarily come to the café.

The committee discussed industry trends for takeout orders and how to push food and beverage sales. Tonya Longi said that she and Tyler both did a lot of social media advertising for the café.

Tyler Abegglen spoke on signage around the course that would help. He said there was an online tab for the café on the golf course website but more promotion could be done especially during the winter months.

Tyler Abegglen spoke about the advertising on the scorecards, benches and course guidebooks. He said the golf course was in a contract until 2022/2023 and while he was not against selling advertisements, he felt that these ads took away from a more upscale feel. Mr. Abegglen showed an example of the current score card with advertisements and a rendering of the new scorecard. The course guidebook would also include information on George's Grill. He said he would provide final proofs to the Committee for feedback.

Tyler Abegglen said that with the building remodel he would like to see a rebranding of the course with a new logo, etc.

3. COURSE AND TREE DAMAGE

Tyler Abegglen reported on the damage from the September 8th storm and said there was roof damage to the clubhouse, 86 trees were lost, and three sprinkler lines were pulled.

Roger Graves asked if there were State or Federal funds available per the declared State of Emergency. Ken Leetham replied that the declaration of the State of Emergency allowed the City to make those requests.

Council Member Horrocks commented that the City Council passed a resolution declaring a State of Emergency within the City on September 15th.

Karen Mills commented that the funding should be requested to cover the labor required for cleanup, repairs to the water system and anything else that was damaged. Ken Leetham said the first cost estimate he submitted was \$300,000.

Tyler Abegglen commented that he asked staff to track expenses related to the storm. He said there were three holes that had to be repaired as well as gravel and debris in the sprinkler heads that had to be cleaned.

Court Huish asked if the 86 trees would be replaced. Ken Leetham replied that the tree replacement would be up to the City Council. He said Davis County would request funding from the federal government on behalf of the City. The City Council would then determine what to do with any funds that were obtained.

John Logan asked how much or when decisions would be made. Ken Leetham responded that after 30 days the City should have an idea of the costs and losses. This information would then be submitted to the County. He said with the landslide that FEMA funding was based on availability.

Roger Graves asked about using insurance for the clubhouse repairs. Ken Leetham that the City could go through insurance. He said there was not a 30-day limitation for an insurance claim.

4. AUGUST REVIEW

Tyler Abegglen reviewed August 2020 to August 2019 with revenues for 2020 at \$259,017 compared to \$192,346 in 2019. Other comparisons for August 2020 were 10,841 compared to 8,133 in 2019, revenues per round of \$23.89 compared to \$23.65 in 2019, driving range revenue of \$14,610 in 2020 compared to \$6,221 in 2019, and pro shop sales of \$19,684 in 2020 compared to \$34,378 in 2019.

Court Huish asked about pricing and if course pricing was comparable. Tyler Abegglen said he would not increase pricing based on the competitors. He did recommend a cart fee increase and said the golf cart contract would be paid off in August 2021. Mr. Abegglen recommended keeping the carts as long as possible.

Karen Mills asked about the repair costs related to the golf carts. Tyler Abegglen replied that repair costs were approximately \$600 per month.

The Committee discussed retaining the old carts or buying/leasing new golf carts and selling the old carts. Tyler Abegglen replied that staff would research all of the options.

5. FY 21-FY20 COMPARISON

Tyler Abegglen compared FY21-FY20 from July 1st through August 31st. Revenues for FY21 were \$522,511 compared to FY20 at \$321,719 with a \$200,792 difference. He then provided a review of September 2020 compared to September 2019 with revenues of \$112,673 in 2020 compared to \$68,136 in 2019 for a \$44,537 difference. Rounds for 2020 were 4,660 compared to 3,306 in 2019 and revenues per round were \$24.18 in September 2020 and \$20.61 in 2019. The driving range revenue was \$4,981 for September 2020 compared to \$3,185 in 2019. Pro shop sales for September were \$8,086 in 2020 compared to \$13,033 in 2019. The projected revenues for September 2020 were \$210,173 compared to \$149,726 actual revenues in September 2019. Projected rounds for September 2020 were 8,600 compared to 6,204 in 2019 and revenue per rounds for 2020 were \$24.44 compared to \$24.13 in 2019.

Roger Graves asked if there were any corporate events scheduled for the end of September and first of October. Tyler Abegglen replied that there were four events scheduled and they all recently cancelled for various reasons including funding, travel restrictions, etc.

Roger Graves asked how far in advance a tournament needed to be cancelled. Tyler Abegglen replied that the contract required payment in advance seven days prior to the event. He said future bookings would require signed contracts with specifications for food, payments, and player requirements, etc.

Court Huish said that if a group committed to a certain number of players but showed up with less they should still be required to pay for what they had committed to. He recommended that they could then be given vouchers for the extra play so they would not feel cheated and to create positive customer service experience.

Tyler Abegglen said that he projected the course would be up \$260,000 compared to last year. He said the spreadsheet would be updated for the Committee to review. Mr. Abegglen also said his goal was to convert the spreadsheets to one sheet for a year-to-year comparison.

Karen Mills said it would also be nice to compare the revenue and expenses to the City's budget as well. Ken Leetham replied that the City's financial director could provide this information.

6. ROOF REPAIR

Tyler Abegglen spoke on roof repairs and replacement estimates. He said the roof needed to be replaced before next winter but said was not cost effective to replace the roof now in the hopes of a new building in the future. The estimated cost for repairs would be \$5,000 and would provide temporary waterproofing for the winter. The estimated cost for replacement of the roof would be \$120,000 to \$160,000 for asphalt shingles, \$130,000 for Bar Tile, or \$180,000 for alternate roofing materials such as metal.

Council Member Horrocks commented that he had bad experiences with metal roofs in his line of work.

Tyler Abegglen said that the bar tile would be a good option if it was similar to asphalt shingles.

Ken Leetham spoke on the bar tile option and said that it was uncertain if the current trusses could support the weight of the tiles.

7. AUDIO SYSTEM

Tyler Abegglen said he was working on redoing the audio system inside and outside of the pro shop and café areas. The estimates ranged from \$7,400 to \$9,922 and included four outdoor speakers and five indoor ceiling speakers, a rack, and labor. He said these speakers would play soft music and provide intercom services.

Council Member Horrocks asked if there were resident complaints related to the speakers. Tyler Abegglen said he had not received any complaints to date but this question was raised with the companies providing estimates.

Tyler Abegglen said he would like to have the speakers installed before next spring and would make things much easier for staff as the current speakers did not work well.

Roger Graves asked if there was a need for video cameras on the premises. Tyler Abegglen replied that there was a need especially related to security.

Ken Leetham commented that his dream was to fence the course.

The Committee then discussed golf carts and having GPS on the carts and the pros and cons of this type of system. Tyler Abegglen said he researched the GPS system and found a retrofit option that would be \$35 per cart per month, which would be \$26,000 a year. He said some of the justification for those would be selling advertisements on the golf course and if café sales could be done through the system.

John Logan commented that guests noticed the amenities and extras such as the ball washing stations. The Committee then discussed the extras such as gas versus battery-powered carts, club towels, coolers on the carts, free tees and bottles of water, etc.

Ken Leetham talked about the details that a country club offered and suggested that the Committee think about these things. Tyler Abegglen commented that there was a transformation occurring at the course.

John Logan said that the employee response had been more positive since Tyler started. Karen Mills commented that the employee nametags were also helping.

Council Member Horrocks asked about artificial turf tee boxes. Roger Graves commented that artificial turf did not simulate real turf and was part of the reason why the popularity of Top Golf was declining. He said it ruined golf clubs.

8. ADJOURN

The meeting was adjourned at 5:34 p.m.

The foregoing minutes were approved by the Eaglewood Golf Committee by procedures adopted in City Ordinance 2013-06.



Linda Horrocks, City Recorder