

CITY OF NORTH SALT LAKE
EAGLEWOOD GOLF COURSE
OVERSIGHT COMMITTEE MEETING
JULY 14, 2021

FINAL

Tyler Abegglen called the meeting to order at 5:00 p.m.

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

STAFF PRESENT: Ken Leetham, City Manager; Tyler Abegglen, Golf Course General Manager.

1. MINUTES APPROVAL

The Golf Committee minutes of June 9, 2021 were reviewed and approved.

Committee Member Mills moved to approve the June 9, 2021 minutes as written. Committee Member Graves seconded the motion. The motion was approved by Committee Members Logan, Graves, Huish, Mills, and Horrocks.

2. REVENUE UPDATE

Tyler Abegglen reported on last year's numbers with rounds at 70,890 and \$1.8 million in revenues. He said the previous highest revenue and rounds were in 2007 at \$1.25 million in revenues and 70,006 rounds. Ken Leetham clarified that the fiscal year just ended on June 30th and the new fiscal year began in July.

Roger Graves commented that last year was an all-time record in rounds and revenues for the 26 years the golf course had been in business.

Tyler Abegglen compared the previous highest ever revenues and rounds of all time to fiscal year 2020. The highest ever revenues were \$1.25 million and 70,006 rounds in 2007. The highest ever merchandise sales were \$214,460, the highest revenues for the driving range were \$102,463, and the event center rentals were \$44,985. For fiscal year 2020 merchandise sales were \$141,965, the driving range revenues were \$31,218, and the event center rentals were \$19,350. He said for June 2021 merchandise sales were at \$48,000. April, May and June last year were low with COVID. July 2020 rounds were 10,855 and revenues were \$263,494

compared to July 12, 2021 with 4,147 rounds and \$102,594 in revenues. The projected rounds for July 2021 were 10,702 rounds and \$265,025 in revenue.

Roger Graves asked if an analysis had been done on the driving range. He inquired what the net profit might be. Tyler Abegglen replied that each golf ball cost 50 cents and that even with the cost of labor that the driving range was a significant moneymaker. He commented that there were several prior issues that had been fixed, including a broken picker and closing the range at 6 p.m., that contributed to the increased revenue for the range.

Tyler Abegglen shared the café sales revenue at approximately \$23,000 with 15% profit to the golf course. He said revenues for the cafe were around \$200,000 for the fiscal year.

Roger Graves asked for an opinion on the café revenues and said that \$400,000 in revenues seemed more appropriate. Tyler Abegglen responded that as a small business food operation the addition of evening and weekend hours as well as a remodel of the space were needed.

Karen Mills commented on the effects of COVID and said that the limited café space affected their ability to allow for social distancing.

Roger Graves stated that there was room for improvement at the cafe including advertising and trying to connect with the golfers.

Tyler Abegglen said that the current concessionaire did not want to spend any more money as they would most likely not be renewing their lease. He commented that he had asked them to purchase patio furniture, which was part of their contract, but this had still not been done.

Tyler Abegglen reported that as of July 12th the revenues for this year were within a \$1,000 of last July and rounds were similar as well. He said play was busy in the mornings and then from 3pm to close, especially on the weekends.

3. GOLF COURSE CLUBHOUSE REMODEL

Tyler Abegglen reported that JZW Architects was working on updated pricing and plans for the clubhouse remodel including the decking, HVAC, mechanical and electrical updates. The plans would be completed by July 20th and the estimates for the work would be received by July 25th. This information would be presented for a public hearing to the City Council on August 3rd. He said if the funding was approved then the final plans and drawings would follow the approval right away and the golf simulator construction would begin immediately. Mr. Abegglen commented that the biggest concerns were replacing the roof, windows and exterior work before winter. He anticipated that the exterior building construction and the roof would begin around October 1st.

Karen Mills asked about the roofing material. Tyler Abegglen replied that he favored the bar tile roof while JZW initially quoted the metal seam roof. He said he was still in the process of obtaining quotes and reviewing samples.

Tyler Abegglen spoke on the golf cart path repairs, which would be part of the bond, which would cost approximately \$100,000 with \$50,000 for the overlay and \$30,000 to \$50,000 for the asphalt.

4. GOLF CART UPDATE

Tyler Abegglen spoke on the golf cart update and compared electric and gas-powered carts. He shared the pros for the electric Club Car brand option which had a lithium-ion battery, GPS system, premium seating, and variable speeds. The quote included 80 carts with GPS at \$95,836 a year for a total of \$477,836. The quote from Hunt Electric to install outlets and chargers would be \$65,000 to \$100,000 with an estimated savings of \$10,000 per year versus gas powered carts. The gas-powered carts would be Yamaha brand with premium seats, ball and club washers, and GPS system. The quote for 80 carts with GPS would be \$59,645 per year for a total of \$298,228.

Roger Graves asked if Club Car or Easy Go offered gas powered carts. Tyler Abegglen replied that he had tested the other carts and found them to be loud and not as comfortable as the Yamaha. He said that the Club Car electric cart system would allow for the speed to be controlled whereas none of the other carts had that ability.

Karen Mills commented that the GPS system in the Club Car was in a better position as it was eye level and less likely to be damaged. She also said that the Club Car was more stable and better suited for the course.

Tyler Abegglen said the Club Car had a five year warranty and no monthly maintenance. He commented that the Yamaha Vantage customer service system was the best of the three systems he reviewed. The existing gas tank would need to be re-fluted and serviced which would cost \$8,000. Mr. Abegglen suggested that future considerations should be taken into account such as hybrid carts or requirements from the State to have electric carts. He recommended purchasing the gas carts at this time as well as adding the other proposed amenities.

John Logan mentioned solar and whether that might be a benefit at the golf course. Tyler Abegglen replied that there would not be room to install enough solar panels to power the golf carts.

Tyler Abegglen spoke on the suggestions made by the Commission including waiting to purchase new carts, the potential to install outlets and charging stations for electric carts, and preparing trenches when the parking lot was redone.

Roger Graves asked if the proposed pricing for the carts included the trade in value for the current carts. Tyler Abegglen replied affirmatively. He explained that it would cost around \$35 per month for each cart for the GPS system. The Yamaha carts would cost around \$112,000 with the additional cost attributed to the GPS.

Ken Leetham asked how the GPS system functioned at the golf course. Tyler Abegglen responded that the Yamaha Vantage System ran off T-Mobile, GPS, and ATT whereas the Club Car only worked off GPS and ATT.

The Committee had a discussion about service issues in the area.

Council Member Horrocks said there was a proposal a few years ago to install a water tank with a cell tower inside but the residents in the area were not in favor of the tower and Verizon declined to install it.

John Logan asked if there was enough time to prepare for the public hearing by August 3rd. Tyler Abegglen replied that the basic plan would remain similar to what the Golf Committee had already approved. He said the changes included HVAC, mechanical, the addition of storage, some structural changes to allow for more cart storage, and updated pricing.

John Logan asked what the presentation to the City Council would include. Ken Leetham responded that the presentation would include everything that the Committee had recommended. He said that the Council would most likely approve the \$8.5 million for the remodel. The proposal would include the remodel, irrigation needs, golf cart path, etc. Mr. Leetham said it was important to include a list of all the recommended items.

Karen Mills asked if it would be beneficial for the Committee to review the list of recommended items. Tyler Abegglen replied that he would share his list with the Committee and would be happy to meet again before the August 3rd meeting if necessary.

Ken Leetham suggested a Zoom meeting with the Committee on July 27th to review the items.

Roger Graves questioned what was currently on the list. Tyler Abegglen replied the building, cart paths, controllers, parking lot, golf simulator, mechanical upgrades (HVAC), landscaping, concrete work, cameras, and the audio/video system in event center.

Ken Leetham commented that based on the golf course numbers for the fiscal year that the City Council felt comfortable issuing the debt.

5. ADJOURN

The meeting was adjourned at 5:50 p.m.

The foregoing was approved by the Eaglewood Golf Course Oversight Committee of the City of North Salt Lake on Wednesday August 11, 2021 by unanimous vote of all members present.



Linda Horrocks, City Recorder