

CITY OF NORTH SALT LAKE
EAGLEWOOD GOLF COURSE
OVERSIGHT COMMITTEE MEETING
AUGUST 11, 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 July 14, 2021 were reviewed and approved.

2. REVENUE UPDATE

Tyler Abegglen reported on July 2021 revenue and said it was comparable to July 2020, which was a record year. Rounds were down and revenue was up including merchandise sales and the driving range. He said there was a loss of about \$15,000 in revenue due to the July 4th celebration which was held at the course.

Roger Graves asked about the last ten days in July for 2021 compared to 2020. Tyler Abegglen replied that he attributed the lower attendance in July 2021 to the heat. He said the mornings and evenings were busier than 2020 but the afternoons were slower. The driving range was down compared to last year but merchandise sales were higher than 2020.

Tyler Abegglen then compared August 2021 to 2020 year to date. He said last August revenues were \$259,000 and approximately 10,000 rounds. Rounds were a little lower this year but about \$2,500 ahead in revenues.

Roger Graves asked about August tournaments. Tyler Abegglen replied that there had been one tournament so far in August with several more scheduled every Friday and Saturday through the rest of the month. He said the course was on track to meet or exceed last August's revenue of \$259,000.

Tyler Abegglen showed an example of the new logo for the golf course and asked for opinions from the Committee.

Roger Graves commented that a previous suggestion was to include the words “golf and event center” under the logo to differentiate from Eaglewood Estates, which had a similar logo. He made several other suggestions including not using cursive lettering.

The Committee also discussed removing or revising the eagle image and simplifying the logo.

Ken Leetham suggested considering other simple designs rather than the eagle image such as foothills or a pond. He also said there was an artist on the Parks Committee that could potentially provide some designs for the logo.

Tyler Abegglen said he would send several updated logo designs to the Committee for them to review.

3. BUILDING UPDATE

Tyler Abegglen presented updated cabinetry plans for the interior of the building. He said he was preparing for the remodel now so that there were no delays when funding became available. Mr. Abegglen said the concerns were finding an available contractor and the availability of materials.

Court Huish asked if the City Council had approved the remodel. Tyler Abegglen replied that a public hearing had been held regarding the remodel. The next step would be bonding for the project with banks to bid on the loan.

Ken Leetham explained the process and said there would be a rating meeting to determine the City’s credit rating for the bond. Then the public offering would go out in the next couple weeks with investment groups to bid on the bond.

Court Huish asked if the project would be approved and move forward before the end of the year. Ken Leetham responded that the bonds would be awarded by September 9th. He said JZW Architects would then prepare the construction plans and the City would then go through a traditional construction bidding process.

Court Huish asked in regards to the interest rate. Ken Leetham replied that the estimated effective interest rate was 1.8% for this project.

Roger Graves commented that it seemed like construction materials were starting to become available again.

Tyler Abegglen said they would continue to seek bids including the bar tile roof as well as prepare to work on the golf simulator. He explained that the bar tiles were lightweight, high wind rated, and had a 50 year lifespan.

Tyler Abegglen spoke on the cabinets and said the bid was for new cabinets in the office area including two workspaces, counter and storage in the pro shop, club repair area, etc. He said the club repair area would be moved upstairs near the pro shop, which would be easier for staff.

Roger Graves suggested advertising the club repair area along with the golf simulators especially during the winter months to bring people into the clubhouse.

Tyler Abegglen said he obtained a bid from Seasons Four Landscaping for a fire pit area, patio near the driving range, mats, concrete work, etc. He said the bid was approximately \$16,000 for the concrete work and \$13,000 for the mats.

Karen Mills asked if the mats were permanent or replaceable. Tyler Abegglen replied that they were replaceable but weighed at least 80 pounds, which meant they would be hard to steal.

Tyler Abegglen spoke on the benefits of the mats including play even when the grass was not growing through November and December. He said the range was busy through November last year. Mr. Abegglen explained that mats would last about five years.

Court Huish asked in regards to the proposed fire pit and patio area. Tyler Abegglen replied that it would have seating and potentially sunshades as well.

4. GOLF CART UPDATE

Tyler Abegglen reported on the proposed Yamaha gas powered carts. He said the carts would have the new matte finish and Eaglewood would be one of the first courses to get that color. They would also have a black roof and black premium seat. Mr. Abegglen provided updated costs for the carts, which included premium upgrades such as the Vantage GPS system.

Roger Graves asked what the total cart revenue was for the 2020 fiscal year. Tyler Abegglen replied that the total cart revenue was \$477,000. He also said there would be an increase to the cart rental price once the new carts were purchased.

Roger Graves also asked about the maintenance commitment from the dealer. Tyler Abegglen responded that there was not a discount but they did offer general maintenance. This included warranty work and the ordering of parts. He said the golf maintenance budget was \$2,500, which was minimal.

Karen Mills commented that the GPS system would allow for limitations on the greens and hills, which should help reduce some of the maintenance needs. Tyler Abegglen replied that staff would also be placing speed bumps in problem areas including between holes 5 and 6.

Tyler Abegglen said the carts would have one set speed and the GPS would be programmable to ensure that the carts were not driven on the greens.

Tyler Abegglen reported on the trade value and said it was previously \$212,000 and was now \$236,000. He said next year the trade in value could be \$176,000 due to increased mileage and one additional year. The current lease payment was \$55,000 per year with a bond of \$26,000. Mr. Abegglen explained that if the trade in was done now there would be a net of \$5,000 and said it would be beneficial to trade now. He said the trade in value was higher this year because of a limited supply of used carts.

Roger Graves asked about the delivery date for the new carts. Tyler Abegglen replied that it would be early in the second quarter or approximately April of 2022.

Tyler Abegglen said the previous cart price was \$4,680 with a lower trade in value. The new cost per cart would be \$5,451 per cart with the premium features. The total cost was \$436,000 minus the \$236,000 trade in for approximately \$200,000 for the cart purchase or \$40,016 per year for five years. The GPS system would be an additional \$35 per cart per month at \$168,000 over the five years.

Roger Graves asked if 80 carts would be enough. Tyler Abegglen replied it would be an additional \$20,000 to add four more carts. He said 86 carts could fit in the storage area.

The Committee discussed the need for additional carts for tournaments or when carts were being repaired.

Committee Member Mills moved to recommend ordering a total of 84 carts. Committee Member Logan seconded the motion. The motion was approved by Committee Members Graves, Horrocks, Huish, Logan, and Mills.

Tyler Abegglen commented that the carts would be numbered and branded with the new logo. He said the new system would make a big difference for operations to know where the carts were on the course, to be able to send messages to customers through the GPS system, and automated notices or warnings. Mr. Abegglen explained that there was a feature to setup geo fences, which would help prevent cart theft.

John Logan asked about the process for approval once a new quote for 84 carts was obtained. Ken Leatham replied that the quote could then be submitted to the City Council for approval as early as September 7th or potentially even August 17th.

Tyler Abegglen reported that there had been additional issues with the range picker equipment. He said the equipment was only a year old and the repairs had been under warranty so far but the backup was a 25 year old machine. Mr. Abegglen recommended purchasing a different system that would work better on the hills.

Court Huish asked what was needed for approval from the City Council to purchase a new range picker. Ken Leetham replied that any purchase over \$25,000 required approval by the City Council especially things that were not budgeted for. He said he would work with Tyler to determine the next steps.

Tyler Abegglen then spoke on increasing cart fees next year from \$8 to \$10 for 9 holes and from \$16 to \$20 for 18 holes. He said the other rates would stay the same with the exception of removing the senior rate. The current senior rate was currently \$15 for 9 holes and \$30 for 18 holes. The punch card rate would be changed to the senior rate and would be available to everyone.

Roger Graves asked about the rationale of removing senior rates. Tyler Abegglen replied that this was the trend at other neighboring golf courses.

The Committee discussed senior rates, specials, dynamic pricing, punch passes, and price comparisons to other courses in the area.

Roger Graves commented that the course was priced not the lowest or highest priced and was comparative to Bountiful Ridge. He asked about the current pricing for the punch cards. Tyler Abegglen replied that the senior punch cards were \$130 and regular punch cards were \$150. This was for 10 9-Hole rounds during the week. The new punch card rate would be \$130 for everyone and the senior rates would be removed.

Tyler Abegglen said junior rates would remain the same and the new junior program was on Tuesdays. He said there had been a handful of participants and hopefully more after heavier advertising. The subsidy for the junior program should begin next year.

John Logan asked about golf lessons. Tyler Abegglen replied that there were four golf professionals on staff and most of them were booked out.

Roger Graves asked how many lessons were being taught each week. He asked what percentage the instructor and the golf course made from lessons. Tyler Abegglen responded that each instructor was booked out and taught several lessons each week with the instructor retaining 100% of the profits.

Roger Graves spoke on how Salt Lake City tried to retain 100% of the lesson revenue, which resulted in instructors not wanting to provide lessons. He said now it was a 50/50 split and said there was no motivation to give a lesson if the instructors did not receive a portion of the profits.

John Logan suggested a 90/10 split of the profits from golf lessons.

The Committee discussed lessons via the simulator and that there would need to be a charge for simulator use or a percentage of the lesson to help pay for the cost of the simulator.

Tyler Abegglen spoke on the event center and sending out an RFP or request for an event center operator shortly.

Roger Graves asked about the food and beverage comparison for the last fiscal year and this year. Ken Leetham replied that it was up from last year. Tyler Abegglen said it was \$48,000 for this fiscal year up to June 2021.

The Committee discussed some issues with the current food service operator such as the need for better customer service including an incident when a customer brought in outside drinks.

Court Huish thanked Tyler and said he had noticed the improvements being made. Roger Graves echoed these sentiments and said the little things had been taken care of much better since Tyler had been hired. He said all these things added up to a big thing, which helped to retain customers.

5. ADJOURN

The meeting was adjourned at 6:20 p.m.

The foregoing was approved by the Eaglewood Golf Course Oversight Committee of the City of North Salt Lake on Wednesday September 15, 2021 by unanimous vote of all members present.



Linda Horrocks, City Recorder