

CITY OF NORTH SALT LAKE
EAGLEWOOD GOLF COURSE
OVERSIGHT COMMITTEE MEETING
CITY HALL – COUNCIL CONFERENCE ROOM
10 EAST CENTER STREET, NORTH SALT LAKE
JUNE 8, 2022

FINAL

Chair John Logan called the meeting to order at 5:02 p.m.

COMMITTEE PRESENT: John Logan, Chair
Roger Graves
Court Huish
Ron Jibson
Karen Mills
Lisa Watts Baskin, City Council

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

1. APPROVE MINUTES

The Golf Committee minutes of April 13, 2022 were reviewed and approved.

Committee Member Graves moved to approve the April 13, 2022 minutes as written. Committee Member Mills seconded the motion. The motion was approved by Committee Members Graves, Huish, Jibson, and Mills.

2. OPEN AND PUBLIC MEETINGS ACT TRAINING VIDEO

Wendy Page explained the Open and Public Meetings Act training was required for all public bodies to complete annually.

Ken Leetham commented the City was audited to ensure that this training was completed.

Those present participated in the Open and Public Meetings Act training.

John Logan questioned if four committee members played golf together and discussed golf matters if this would be considered an open meeting. Ken Leetham responded this would not be considered an open meeting.

Councilmember Baskin arrived after 5:15 p.m.

3. REVENUE UPDATE (MAY-FYTD)

Tyler Abegglen reported there were three weeks remaining in fiscal year 2022 (FY22). He presented a graph comparing fiscal year revenue from 2000 to 2022. The revenue for June FY22 to June 6th, 2022 was \$65,958. The total revenues for FY22 year to date was \$1,748,674. Mr. Abegglen said as the revenues were approximately \$25,000 ahead compared to last June that he anticipated ending June 2022 at around \$300,000 and ending the fiscal year at \$2 million in revenues. This information encompassed all revenue sources excluding the cell phone tower rentals and some concessions.

Tyler Abegglen provided a chart showing rounds by fiscal year from 2000 to 2022. Rounds for FY21 through June 6, 2021 were 62,681 compared to FY22 through June 6, 2022 at 59,307 for a difference of 3,374. The revenue for FY21 through June 6, 2021 was \$1,656,421 compared to FY22 through June 6, 2022 at \$1,748,674 with a difference of \$92,254. Mr. Abegglen spoke on this Memorial Day weekend with \$12,000 in revenues compared to \$60,000 in 2021 and attributed the low revenues this year to poor weather.

Tyler Abegglen showed a comparison of merchandise sales by fiscal year from 2008 to 2022. Merchandise sales for FY22 year to date were \$268,159 with \$12,339 in June 2022. He anticipated being around \$50,000 at the end of June for a fiscal year total around \$300,000.

Roger Graves commented the fiscal year to date merchandise sales at \$268,159 was already the highest total in twenty years.

Court Huish asked what the high increase in merchandise sales over the last two fiscal years was attributed to. Tyler Abegglen replied that he was constantly researching new brands and items.

Roger Graves commented there was a better variety and things were 100% improved. He said there were now items in the shop that appealed to all demographics. Tyler Abegglen said he spent more than what he had budgeted but there was still a need due to difficulty in obtaining product because of supply chain issues. Items that sold quickly and were difficult to restock included hats and golf balls.

Tyler Abegglen compared merchandise revenue from FY21 through June 6, 2021 at \$173,728 to FY22 through June 6, 2022 at \$268,159 at a difference of \$94,430.

Court Huish commented the building remodel would help to increase revenues. Tyler Abegglen stated he was also planning to stock some high-end brands in addition to lower and mid-range items.

Roger Graves asked about the net profit on merchandise sales. Tyler Abegglen responded it was approximately 33% overall with 10-20% for golf balls and hard goods. He said hats and polos were the two items that sold well at a good margin.

Ron Jibson stated the shop looked nice and had good merchandise in comparison to other courses. He asked if more merchandise was sold on tournament days. Tyler Abegglen replied typically \$800 to \$1,000 in gift cards were used on tournament days as well as sales of golf balls, tees, and towels.

Roger Graves said when the renovation was complete with the new displays and higher end brands then pro shop sales should increase. He complimented staff on stocking unique items along with the necessary staples and providing what the clientele wanted.

John Logan asked if the point of sale (POS) system allowed staff to track demographics. Tyler Abegglen responded staff was able to track approximately 95% of the credit accounts and could further examine tracking more of the miscellaneous purchases. He commented the database had approximately 15,000 individuals.

Tyler Abegglen spoke on upcoming revenue streams including the simulators, event center rentals, and café sales. He said the simulator install should be completed by the end of June. The event center would be operated by the City and the café had a new operator. Mr. Abegglen projected \$60,000 in revenues for the simulators in the next fiscal year.

The Committee discussed the potential of the simulators including how they could be used during inclement weather or busy days at the course as well as for parties.

Tyler Abegglen commented the initial opening date for the simulators was May but said there had been difficulties in obtaining materials and contractor staffing issues. The install date by TrackMan for the simulators was June 23rd.

4. CONSTRUCTION PROJECT UPDATE

Tyler Abegglen showed images of the exterior of the building including areas of dry rot. He said the original building, from 1984, was not waterproofed.

Councilmember Baskin asked if the Department of Health had to review the property when there was that level of rot/mold. Tyler Abegglen responded if the rot/mold had been in the interior or the kitchen area then the Health Department would have been involved.

Tyler Abegglen commented the kitchen was 99% completed and some of the appliances had already been installed. He then showed an image of the new signage and said some of it was hand painted. The bottom section of some of the signage would allow for sponsors to be listed.

Mr. Abegglen spoke on the advertising on the bottom of the current scorecards and how he did not like this aspect. He said the contract with Benchmark for the advertising would expire in 2025 and then the Course could discontinue this practice.

Councilmember Baskin asked what the ads were for and if they were golf related. Tyler Abegglen responded for the most part the ads were not golf related and ranged from carwashes to realtors.

Ken Leetham commented the advertising could include the event center and the café. Tyler Abegglen replied once the remodel was completed, he had videographer/photographer lined up to take videos and photos of the course and buildings.

Roger Graves asked about the cost for the new tee signs. Tyler Abegglen responded they were around \$700 per sign.

Mr. Abegglen reported on the construction schedule and said the doors and windows were being installed this week. The exterior rot and weatherproofing would continue through this week. The front deck removal and wood columns would begin tomorrow. The exterior cladding and rocks were in the parking lot but had not yet been installed due to subcontractor delays. The simulator drywall and electrical would continue through this week. He said the snack shack was currently operable. There was a wait for vents and doors for George's Grill but the kitchen should be operable soon. The roof would be completed by the end of the month and the outdoor deck would be completed in August. The exterior work would begin this week. The pro shop would be completed by September 1st, the event center would be completed by November 15th, and the landscaping was on hold until 2023.

Roger Graves asked if there were penalties or bonuses in the contract with the construction company. Tyler Abegglen responded there were not any penalties or bonuses due to the current conditions and the expectation for delays.

Tyler Abegglen reported the kitchen cabinets and simulator room cabinets should be ready for installation by June 13th. The pro shop cabinets would be ready by June 27th for installation. Most of the pro shop should be completed soon minus the painting and flooring. He spoke about asking the contractors to complete the pro shop during the auto show and Liberty Fest in July.

Ron Jibson asked if the car show would cause damage to the grounds. Tyler Abegglen replied he was concerned about the cars/traffic on the grounds and the damage that may occur.

John Logan suggested parking the car show vehicles along the street and not on the grass at the golf course. He also spoke on traffic routes, road closures, and pedestrian safety during Liberty Fest including not permitting car traffic until pedestrians had left the area.

Councilmember Baskin mentioned there could be a shuttle at a staging area that would help to lessen traffic at the golf course where Liberty Fest was held.

Tyler Abegglen commented he would continue to push next year for the auto show to be moved to another location.

Roger Graves asked about the argument for keeping the car show at the golf course this year. Ken Leetham replied it was the Eaglewood Car Show.

John Logan commented the golf course was a benefit for all the community and the car show and Liberty Fest was one of those benefits. He said many of the high-end cars were owned by residents who lived in the area around the course.

Ken Leetham said the car show was originally a private car show by residents who lived by the golf course.

Tyler Abegglen mentioned he had spoken with the City's Finance Director about requiring a rental fee for events that were held at the golf course.

John Logan commented it was unique to have the car show up on the hill at the golf course.

Ron Jibson said he did want to see the tradition continue but this seemed like a hard year with the water restrictions at the golf course.

Tyler Abegglen commented there might need to be a limit on the number of cars allowed at the car show especially if it resulted in course closures or damage to the property.

The Committee discussed limiting the number of cars at the car show and the possibility of charging a participation fee.

Tyler Abegglen reported the event center interior remodel would begin October 2nd through November 15th. He said event center bookings began in April and there were already more bookings this year than all last year including weddings and receptions. Mr. Abegglen said the City took over managing the event center and had done more advertising which had resulted in the increased number of events.

Ken Leetham said the City took over the event center management last year from the food concessioner, the Iongis. He said there was some pushback but there had been too many customer complaints. Tyler Abegglen also commented the City was in the process of ending its contract with the Iongis.

Karen Mills asked about a new food operator. Tyler Abegglen replied it would be difficult to find a new company mid-season so he had several caterers in mind for tournaments.

Roger Graves inquired about the tipping point for severing ties with the Iongis. Ken Leetham responded the City had presented the Iongis with a more favorable contract several weeks ago which they never responded to. He also spoke on customer complaints the City had received about how difficult the Iongis were to work with.

John Logan commented if the City hired staff to work as concessionaires the customer service and everything would be better run overall.

Roger Graves asked about the 90 day provision in the contract and if the Iongis would run the café for the final 90 days or if the City was prepared otherwise. Tyler Abegglen replied there were no issues with the kitchen operating through the Health Department or the DABC.

Councilmember Baskin expressed concern with having the Iongis finish out the 90 days as they would not be motivated to continue. Ken Leetham commented the City would not be adverse to offering the Iongis a settlement to leave now.

Roger Graves mentioned the Bountiful Ridge Golf Course lost over a million dollars in food and beverage revenue when their operator left.

Ken Leetham commented the City could offer a base salary plus incentives for a food and beverage manager position.

Councilmember Baskin said the policy question to ask was if the City was in the business of government or the business of business. She mentioned this was an enterprise fund that the City wanted to be successful. Ken Leetham replied in this instance the City was running a retail operation, the golf course. He said he had confidence in that type of model as the Golf Committee helped the golf course get to where it was today with the hiring of the general manager. Mr. Leetham gave the example of how the Golf Course General Manager position was now a base salary plus incentives position and how Tyler Abegglen had met the performance goals thus far. He said the food and beverage position could be a similar compensation and revenue model, but the individual must be a City employee for maximum control.

Roger Graves asked if the Iongis ever met any of the incentives in their contract particularly in bringing tournaments to the course. Tyler Abegglen replied he did not believe they did.

Councilmember Baskin asked if the Iongis met any performance markers. Ken Leetham responded he thought they may have reached the second tier once or twice.

Ron Jibson commented the reputation of a good restaurant would bring in residents and others. Tyler Abegglen said he did not want to spend any advertising dollars when the effort was not there from the Iongis. He spoke on areas that had been underutilized including delivery services.

John Logan spoke on several items that the Committee had previously been unaware of including the new/redone tee boxes and the letter to the Iongis regarding café operations. He also asked about plans for the future of the irrigation system and the fairway operations. Ken Leetham suggested a presentation for the Committee on all the bond funds.

John Logan said the Committee would like to remain updated on the to do list for the course. Tyler Abegglen provided a brief update on the irrigation system as well as trees around the course.

Councilmember Baskin spoke on her idea to have resident volunteers hand water trees.

Councilmember Baskin mentioned the camp on Victory Road and if there had been individuals accessing the golf course. Ken Leetham said there were some issues at Tunnel Springs Park. He said homelessness was a big issue.

Tyler Abegglen provided a review of the JM Thomas/Make A Wish Golf Tournament on Saturday. He said there were 144 players with about \$10,000 to \$11,000 in revenues. This was followed by an afternoon tournament with 46 golf pros and 64 amateurs with about \$8,800 in revenues.

5. ADJOURN

The meeting was adjourned at 6:44 p.m.

The foregoing was approved by the Eaglewood Golf Course Oversight Committee of the City of North Salt Lake on Wednesday July 13, 2022 by unanimous vote of all members present.



Wendy Page, City Recorder