

## GAC Meeting Agenda June 25, 2020

1. Attendance
  - a. Eddie Fahnestock
  - b. Tom West
  - c. Greg Ferris
  - d. Dale Goter
  - e. Richard Schodorf
  - f. Troy Hendricks
  - g. Troy Houtman
  - h. Shana Appelhanz
  - i. Rowan Cooper
  - j. Scot Weller
  - k. Steve Blaske
  - l. Cody Lack
  - m. Keith Gunter
  - n. Emma Li-Wormington
  - o. Sean Sandefer
  - p. Mark Manning
  - q. Andrew Jenkins
2. Approval of Minutes
  - a. Dale motioned to approve minutes from previous meeting.
  - b. Greg Ferris seconded.
  - c. Approved unanimously.
3. Greg Ferris motioned to let Daniel Sack go first in discussing the letter of complaint.
  - a. Dale seconded this motion.
  - b. Motions passed unanimously.
4. Daniel begun by stating he will address how the league is arranged, and then would address any questions at the end.
  - a. The league is formatted as a 9 hole best shot/ball.
  - b. The league registration opened in January.
  - c. Teams are set up as twosomes, and they play another twosome.
    - i. 25 teams on the league, this is the average for the past five years.
    - ii. 3 flights, based on the score of the first two weeks.
    - iii. Daniel stated he gets together with Shana Appelhanz to schedule when they will play. Usually this is on a Sunday, this day is good due to holiday schedules.
    - iv. The league uses two courses a weekend, with two flights at one course, and one at another.
    - v. The league is an 8 week season.
    - vi. The league begins the first week of April and goes through the beginning of June.
      1. The league takes weeks off due to mother's day and father's day.
    - vii. Registration for the league closes a week before play. This is so they can get all the twosomes set up.
    - viii. The first week is played without flights, and Daniel collects the scorecards the Monday after the league played.

- ix. Once all the scorecards are calculated and inputted usually by Monday afternoon, Daniel sends out the standing. He e-mails them the schedule himself on Monday afternoon.
- x. Daniel highlighted a part of the letter of complaint about league participants getting e-mails on Friday afternoon, and that is because that is when the Pros are putting the tee times into the system. They should be getting an email from Daniel on Monday/Tuesday.
- xi. Part of the confusion is due to them receiving the second email from the CPS software.
- xii. Dale asks how many golfers are involved.
  - 1. Daniel responded about 25-30 teams of two, so about 60.
- xiii. Greg Ferris asked what day they play.
  - 1. Daniel answered Sunday afternoon 3:00-4:00 PM
- xiv. Dale is glad there is social golf, and asked if they have looked at Lincoln's social golf. He stated they have 300 senior golfers playing in a league. He states there social golf is why they are so successful. It does however require a lot of volunteer involvement.
- xv. Dale said what they are doing is great, but it's small. He himself has about 15 players in his own weekend play group.
- xvi. Troy stated that the Golf Division splits the profits with the Recreation Division.
- d. Greg Ferris asks if the individual knew about the GAC Meeting
  - i. Dale stated that he did. Dale said he contacted him.
  - ii. Greg stated that a lot of the letter doesn't make too much sense to him.
  - iii. Dale asked Troy if he had responded to him.
  - iv. Troy stated what the committee had in their hands was the letter and the intended response in bold and highlighted.
  - v. Troy points out the Golf Pros are in attendance at the meeting and he asked for their opinion on the letter and response.
- e. Conditions
  - i. Troy got an e-mail from a customer that lives out in Newton and he stated the courses look great and he is enjoying his new membership.
  - ii. Troy was asked how MacDonald is looking. Dale stated MacDonald is not looking good, it's covered in trash and generally not maintained.
  - iii. Dale was asked when the last time he played there was. He replied two weeks ago. Dale asked George Kolb, a citizen in attendance what his opinion was on the conditions as he plays there regularly. George stated it is improving, the greens are looking good.
  - iv. Richard stated that the geese issue at MacDonald seems to be doing better. There are not as many geese since they have been using the dog.
    - 1. Keith Gunter, the Golf Professional at MacDonald stated that it is out of season for geese now.
  - v. Water Jugs
    - 1. Troy stated this has been an on-going issue.
    - 2. The Golf Professionals, who were present for the meeting could probably tell you more about them.

- vi. Section Awards
    - 1. The incorrect name was stated in the letter, using Mr. Houtman, the Director of the Park and Recreation Department's name instead of Mr. Hendricks.
    - 2. Greg Ferris stated that they do not care about that stuff.
    - 3. Dale stated that we just need to response to the individual. He stated that he has heard from 100 guys with complaints.
  - f. Eddie asked if marshals would be effective in speeding up play.
    - i. Marshals are out at Auburn Hills a lot and they can be effective if they are assertive.
    - ii. When busy having someone drive around helps the flow.
    - iii. Troy stated that now that tee times are time minutes, pace of play should be better as well.
    - iv. Dale stated that there have been Marshals that have not been effective. Greg Ferris stated that the one at Auburn Hills is very direct but friendly.
    - v. How long will we be at 10 minutes?
      - 1. Troy stated the remainder of the year.
      - 2. Pace of play has been better. Auburn has been at ten minutes. The other courses were at nine minutes.
  - g. Dale pointed out to Mr. Fanhestock that usually there is a specific time for public comment.
5. 2020 Budget Short Fall
- a. Revenue Projections- a presented by Sean Sandefur
    - i. This is the time of the year that they begin to look at revenue projections and adjusting the budget.
    - ii. Sean stated that courses were shut down from March 25<sup>th</sup> through April 19<sup>th</sup>. During this time of closure the Golf Divisions missed out on about \$500,000 in revenue.
    - iii. Sean stated that through the end of May the Golf Division is behind \$474,000 this time compared to last year. This is largely due to the COVID closures and the safety measures such as a change in tee times.
    - iv. Dale asked if that included May, and Sean answers that these numbers are through May.
    - v. Dale stated that May 2019 was horrible due to rain.
    - vi. Troy points out the sheet that the Park and Recreation Account put together and states that Sean does not believe those numbers to be accurate. Sean agrees and said there was no way we were \$1 million short in May of 2019.
    - vii. Sean gave an explanation of the new financial system and how there are currently growing pains with this new system. In May of last year the Golf Division was only about \$300,000 behind.
    - viii. Sean explained a little bit about how the golf system looks financially throughout the year.
      - 1. The winter months are slow and usually show a deficit.
      - 2. Spring and summer months are busier and show increases in revenue.
      - 3. Not having April really set the revenue back.
    - ix. Dale asked where the \$1 million shortfall is.
      - 1. That was a report that the Park Accountant prepared.
      - 2. The report Sean handed out is the correct number.

- x. Sean states that the numbers shown in handout reflect the best case scenario for 2020 using the revenue from last year as a base.
  - xi. Sean uses monthly data to create these reports and uses month to month numbers.
  - xii. Currently he states the best case scenario he predicts is that the Golf Division will be in a deficit of \$530,000 by year end.
  - xiii. Sean states expenditures are down, but it's just not as much as the revenue resulting in the deficit. Because when there are closures there are still expenses with maintaining the courses.
  - xiv. Last year was the prediction was down \$260,000 but it came in \$230,000.
  - xv. Sean states he works with the information that is given to him from the controller's office. This causes him to be about 2-3 weeks behind.
  - xvi. Sean opened the floor up for questions.
    - 1. Dale asked if projections are based on last year's actuals.
      - a. Yes they are.
    - 2. Dale asked about the million dollar deficit again.
      - a. Sean reiterated that, that is not his report.
      - b. The information on that report is not accurate.
      - c. The net gain losses \$474,000.
      - d. Last year there was only a net loss of \$300,000.
      - e. Sean stated he doesn't know how June of this year looks.
        - i. Someone stated that it looks like it's been good.
    - 3. Dale asks if revenue can be made up in the next 6 months.
      - a. Sean stated that of course it can.
      - b. Projections are only estimates.
  - xvii. Troy states that with the savings plan we could save \$520,000.
  - xviii. Greg Ferris stated that if we got another \$60,000-\$80,000 then we wouldn't have to do furloughs.
  - xix. Sean stated concern about if the COVID situation worsens.
    - 1. Greg Ferris adamantly stated if COVID comes back don't close the courses. Just do what everyone else is doing by staying open, don't be stupid and close the golf courses.
  - xx. Dale brought up the new pass system.
    - 1. The numbers presented do include the new passes.
    - 2. Dale asked how many passes have we sold.
    - 3. Richard asked to wait until later to discuss those.
    - 4. Richard asks Sean is he was going to stay for the rest of the meeting and Sean agrees he can stay.
  - xxi. Greg Ferris wants to not discuss the savings due to spending a large amount of time discussing the savings last week.
6. Committee requests from June 10, 2020 Meeting
- a. Revenue Reports were handed out.
    - i. Included cart rentals at \$863,000 in cart rentals in 2019.
    - ii. Concession were \$365,795.00 in 2019 for all four courses, in 2018 it was \$361,700.00.
    - iii. Driving ranges \$97,000 in 2019, and 2018 \$101,000.
    - iv. The Pro shop line is from all four of the Golf professionals' shops.
      - 1. This is also broken down by course.

2. It included their inventory sales as well as the number of lesson they are teaching.
  3. They receive 95% of their sales and lesson, the City retains the other 5%.
- b. Membership Breakdown; including cart use
- i. Dale asked about how the pass system effect concession and pro shops sales.
  - ii. Troy stated that as he mentioned last meeting unless staff in inputting the name of the golfer in when they are purchasing concessions, there is now way to track the pass sales and the concessions sales effecting each other.
  - iii. Dale asked if we have reports of pass renting carts.
  - iv. The Golf Division was able to track it by member types and how many carts they have rented.
  - v. Troy states the only way they can tied cart use to the members is if staff members ring up a cart for each member each time they golf. This becomes difficult when one guest pays for a full cart, and another rides with them (thus not renting a cart but still rides).
  - vi. Dale asked if current pass members are renting carts at a higher rate than the previous season pass holders.
  - vii. Troy responded based on the information we have, yes.
  - viii. Greg stated that the numbers cannot be right, and Troy stated that in 2019 we show that 21,000 carts for members.
  - ix. Dale asked how many passes we currently have.
  - x. Shana stated that we currently have 931 memberships.
    1. Dale asked how many of those are Seniors
    2. There are 480 Senior memberships.
    3. Dale asked it the balance are regular memberships.
    4. Dale asked how many Adult members there are.
    5. There were 49 Adult members at the end of 2019.
    6. Dale asked to see total prediction of revenue from the memberships, for example Seniors paid \$55 a month so  $(55*12=660)$ , and then  $480*660=316,800$ ). He then wants to compare those numbers to 2018. He explained that last year the senior passes brought in \$310,000. So there is not a large difference in profit between the two systems.
  - xi. Dale argues about the new membership and its effectiveness, since it has not brought in more profit.
    1. Richard argues but there has only been a month where the membership has been in full effect.
    2. Dale argued that it useful to understand where the system stands now.
    3. He also stated he doesn't know why everyone doesn't sign up for it since it's a great deal.
    4. Dale asked how many Adult Members there are, and Shana answered there are 123.
  - xii. Dale asks how this new pass system effect regular green fees.
    1. Dale stated that he could not get prime time tee times with the old system.
    2. Dale asked if there has been a loss of revenue with Senior members golfing during that time.
    3. Greg asked if there was a way to track Senior members who play before noon.

4. Troy stated he would have to look into it and see if there was a report he could run.
  5. Dale asked the Golf Pros how they see it in the field.
    - a. Steve Blaske, Head Golf Professional at Tex Consolver said there is a big difference.
- xiii. Dales asks for the information to be boiled down.
1. Troy stated that the Golf Division was asked a broad question.
  2. This is why there were so many paper handouts given during the meeting.
  3. Dale asked for these items:
    - a. Amount of revenue generated by season passes
    - b. Breakdown of senior passes versus adult passes
  4. Dale stated concern of regular greens fees being effected by Members using tee times during peak times.
  5. Troy stated the question was posed to the Golf Advisory Committee during the formation of the pass system about whether or not there would be a time limit and the Committee voted "no".
- xiv. Richard talks about the importance of the memberships, versus the season passes. He stated the Golf Division was losing money to the old system.
1. Richard also stated rounds are important because it is getting people in the door. Rounds were declining all over the country.
  2. The membership system was bases on Mark Manning's presentation to the Park Board over the golf budget.
    - a. Mark stated in this meeting that carts and concessions sales are variables that we can change.
    - b. You cannot sell carts and concessions unless the consumers are here.
  3. Dale stated that with the season passes there was \$400,000 in revenue with the seniors and super-seniors. Therefore, it was successful.
  4. Richard states part of the membership is getting individuals who pay \$300 a month a country club will see this as a deal and come paly at our courses and join our membership.
  5. Dale says this membership is \$100,000 behind last year's numbers.
  6. Greg Ferris stated that you cannot compare the two, season passes and the membership yet.
  7. Dale wants to know the generated revenue for concession and cart rentals every time we meet.
  8. Dale stated that rounds are not going down, the National Golf Association stated this year rounds increase all over the country.
  9. Greg reiterated what Dale is wanting to know:
    - a. How much revenue was brought in by passes
    - b. How much revenue was brought in by green fees
    - c. How much revenue was brought in by carts
    - d. Doing this by comparing month to month from 2018 to 2019.
  10. AJ asked if concessions and cart in going up in prices.
    - a. Troy stated that there were some small price increases in concessions.

11. Dale wants the Golf Division to look at Sand Creek and their concession model. They sell out all their concessions on the weekend. They sell pulled pork and BBQ sandwiches.
  12. Shana explained that every month there is a breakdown of the line item of the good and beverage. The Golf Professionals provide her the information of what they need for their concessions.
  13. Emma Li-Wormington, the Park Accountant shows a spread sheet.
    - a. The deficit for the Golf Division is large due to the deficit
    - b. In 2019 the division had lost \$250,000.
    - c. Dale asked for Emma to send a summary of what she is covering due to not being able to hear.
    - d. Emma stated that from what she is hearing is that people are wanting to see where number are at, and so she will send these reports out month by month
    - e. Dale said he will submit the six things he would like to see reports on for a month by month report. He wanted to compare those numbers to 2018.
- c. Reports with a \$1 green fee increase.
- i. Troy Hendricks stated that this would not be able to go to City Council until probably August 1<sup>st</sup>.
  - ii. With the \$1.00 increase in greens fees for the remainder of 2020 it would bring in \$18,851.00 using 2019s rounds as base for the predication.
  - iii. For the 2021 year with the increase \$1.00 the prediction would be \$74,000 increase in revenue again use 2019 rounds as a base for the prediction.
  - iv. AJ asked if we considered if raised cart fee, as the overage cart fee in the areas is \$15.00. Tom and Richard agreed with this idea.
    1. Troy explained that in order to take this to the Park Board there would
    2. Dale stated that he is reluctant to ask golfers to increase fees when our administration costs are so high.
    3. Richard said he would like to see an increase in green fees and cart fees.
    4. Dale said he would vote for that if it was companioned by arguing the administrative cost.
    5. Dale stated that the administrative cost are retainer fee for human resources and the legal department.
    6. Dale also argued that police are not covered in the administration cost as that's another \$75,000. Why do they pay taxes to be protected at home and in the car, but you step on the golf courses and suddenly are not protected by the police without those costs?
- d. Greg stated the county has \$99 million of COVID relief that they have to spend or they will lose it.
- i. There is cost with the safety precautions of the cup risers, and having single rider carts. Has the Golf Division looked into applying for the COVID relief fund?
  - ii. Houtman stated that we have complied the expenses throughout the Department and submitted it Finance who will submit it to the County. Golf only had about \$10,000 in expense.
  - iii. Houtman addressed Dale's comment, stated that they asked the Department as a whole to cut cost. A lot times when this happens people adamantly say "no". Staff has asked and it hasn't changed, so the next step would be Council.

- iv. Dale agrees and stated that in his and Greg's role they can serve as advocates of eliminating the administrative cost.
  - e. Dale stated they will need draft a resolution to send to Council from the Golf Advisory Committee.
    - i. Mr. Houtman stated that there would need to be some kind of motion to proceed forward and move it to Park Board.
    - ii. Dale asked Mark Manning if any of the County funds were available to help offset the short-fall. Mark responded that no you cannot use those funds for lost revenue. You can use it for COVID related expenses.
  - f. Dale stated the bylaws of the membership for the committee.
    - i. If you miss three meetings you're no longer on the committee.
    - ii. Eddie agreed, and wants to foster communicate. He said he know lots of young individuals who want to help out and foster ideas for the Golf Division and industry.
- 7. Tom wanted to address two first tee items.
  - a. First tee wants help with marketing of MacDonald driving range, and to advertise it as the Steve Hatchet Youth Golf Campus Driving Range or something of that sort.
    - i. There have been radio ads that have been called MacDonald Range
    - ii. He stated that they have half a million dollars' worth of donors that would like it to be called the Steve Hatchet Youth Golf Campus Driving Range.
    - iii. Shana explained that those ads were sent to Cob Media, and finished running the 3<sup>rd</sup> week of June.
    - iv. Tom reiterated that any reference on any marketing the range should be Steve Hatchet Youth Golf Campus Driving Range.
  - b. First Tee asks have shared revenue, but the current contract doesn't have First Tee getting shared revenue.
    - i. Troy Hendricks stated that he talked to MR. Houtman about renegotiating to contact to see if it is possible.
    - ii. Tom stated that First Tee needs a consistent revenue steam, and since they paid for the contract of the range some profit from it would be nice. Maybe a \$1.50 a bucket of balls.
    - iii. Eddie stated that is something we could look into.
    - iv. Houtman discussed the operational cost of the range for the Golf Division.
    - v. Greg asked if the prices are the same at Auburn Hills and Tex Consolver. Tory responded yes they are. Potentially add a \$0.50 surcharge out at MacDonald. It is the only driving range on the East side of town.
- 8. Lincoln Nebraska Comparison
  - a. Dale appreciated this being on the agenda.
  - b. He stated several facts are incorrect.
    - i. He stated that there are four courses. Not five.
    - ii. Their playing year is not the same, as the average winter temperature is 32 degrees which is freezing and therefore not playable. The playing season is considerably less.
    - iii. They increases their revenue by 1.1 million. What are they doing right?
    - iv. There are communities they are doing really well in the Golf industry.
  - c. Tom stated the growth in the game is increasing.



- i. First tee has gone from 220 to 500 kids' participation in Wichita. That is a combination of demand for parents to find things frothier kinds to do after quarantine.
    - ii. They have a particular program where they have asked all the high school coaches in the area to bring kids in for free coaching. They ran out of room there were so many participants.
    - iii. On a National level the numbers are just as startling. Which is an indication that the days Golf being a dead sports are over.
9. Dale asked if we have ever approached Medi-care to discuss if they will cover golf memberships. Currently, he can get a membership at a health club and they cover it.
  - a. Hendricks said we can look into it.
10. Troy stated in regards that they can only show their revenue is accurate during 2015-2019 from his discussion with the Manager.
  - a. In 2015 is when they implemented their Point of Sale Sytem.
  - b. Dale said he only cares about his big number, and that is they have \$3.9 million from their four courses.
11. Troy asked Dale why he wanted the Golf Professionals to be here. Troy asked if it was because Dale wanted to discuss Food and Beverage.
  - a. Dale stated that he was unsure how much engagement they have. When he asks them questions they state they do not know, and then two days later the answer comes from City Hall staff.
  - b. Dale stated that morale is low due to furloughs. Dale said he thinks the Professionals do great work and he would like to see them engaged in the marketing side, and believes the marketing efforts are too isolated.
12. AJ wanted to address that most of the tee times on Saturday and Sunday morning are being taken by the memberships. Is there a way bring in more money with regular green fees?
  - a. Steve said it goes back to what Troy states with restrictions on the passes. The senior pass is \$55 a month. His regulars are up at 2:00 in the morning and are booking tee times. So when it comes to noon he is 30% full. He stated 40% of his tee times are regular green fees. But the only way to address memberships effecting the sale of regular green fees would be to change the policy of the membership.
  - b. Scot said the majority of are men's groups are members, so he asked are we going to penalized our members with every other tee time, when they are try to all book together. Rounds will definitely be there, but the cost per round will go down without current membership process.
  - c. Scot stated that cash sales are down mostly due to CIVID. We were doing credit card only, thus raising our credit card fees which is another administrative cost.
13. Richard stated we have lost 5 million golfers in the last ten years, 5% of that was in 2018, but last year we saw an increase of 1.5% of golfers.
14. Richard asked if we have a lot of people calling and asking about booking tee times. Keith said when there was 20 minute tee times and only foursomes they had upwards of 30 calls a day. Keith said he still getting calls now on weekends, Someone will call Friday wanting a tee time for Sunday morning and he'll be booked.
  - a. Richard said he just called and got a 10:30 tee time on Sunday at MacDonald.
  - b. Scot, said people are booking at midnight, when he comes to work at 5:15 in the morning and the tee times will be booked.
  - c. Dale asked about the PGA recommends as far as seeing an increase in tee times during peak hours. Is there a way to increase green fees at that time?

- i. Troy states that that's called dynamic pricing, and it's what the hotel industry uses. They do it in Palm Springs and Florida. Dale asked can we do it here. Tom says not with a membership.
- ii. Troy explained how this could be difficult explaining to council since you would have to explain from 7:00AM-8:00AM we would change this rate, and then from the next time block we would change this rate. It can become challenging to explain and then therefore approve.
- iii. AJ stated that the weekend is pretty consistent, correct? There are not a lot of no shows. Keith stated there are a lot of no-shows even in regular groups. Keith says if there are people in a group they need to appoint someone to manage the group.
- iv. Troy said that Scot does the same thing at Auburn Hills from when the Men's Group started there. They're tee times are blocked off in advance, and then Thursday they call and update how many people will show up. Friday at noon he would open up unused tee times, and by the end of the night they would be sold.
- v. Steve said he often squeezes in time when people no show frequently. The system often will tell people when a customer is a frequent no show as well. Keith states people can simply call and cancelled so we don't lose revenue.
- vi. Dale brings up that Troy stated the no show rate was at 23%.
  1. Troy stated that yes when we reopened in was at 26%, for May it was at 11%.
  2. The tee sheet states how many tee times are booked and how many are actually played. Those are the numbers used to calculate the no show rate for each course and overall.
  3. Dale says that they can't book single tee times so he would have to book for two, and therefore that's an automatically a no show.
  4. Troy stated that it is the Golf Professionals that actually mark people as a no show in the system.
  5. Cody stated he books no shows if they book 4 people and only show up with 1 person.
  6. Troy states there is a safety valve on the point of sale system.
    - a. If a golfer has a tee time at a different course there is a notification that pops up, we can see it when they call but that is not the case with the app. So people book multiple tee times at different courses.
    - b. Cody also stated that they all know their regular singles, so if some books online, they can but N/A as the second player and the Golf pros can delete that extra person. The individuals is not the biggest issue, it's the person who books four people and only shows up as a single.
  7. AJ asked Shana about the e-mail blasts she sent out about being more mindful about no-showing, did that help? It can
  8. Dale asked if the app contribute to no shows. Shana said no, the app is just a window dressing for the online booking system. Keith stated it is more to do with the attitude of the golfers that is the issue. Dale asked if the app has made it easier for golfers to abuse the system. Troy stated the app has made it easier for people to book tee times. Shana

explained that it eliminates some of the phone calls the Pros have to take.

9. AJ asked Cody about having an extra time on the weekend.
  - a. Cody was going to squeeze one extra time in per hour on the weekend before the restrictions. Now he's squeezed in four tee times for this weekend, because he know the no show rate.
  - b. AJ asked if that is on the app or a phone call, Cody says it's only through the phone. AJ asked if that could work for Steve. Steve said it could.
10. Tom asked if we could require a credit card at the time of the booking.
  - a. In 2015 we did that, but the City policy states that we cannot store credit card numbers.
  - b. Customers would have to fill that out every time and there were complaints. So the City eliminated that practice.
11. Richard asked about forces people to play as foursomes. There are some course who will not allow golfers to play as a twosome. They have to go off as a foursome. Richard stated that twosomes ruin the pace of paly. Keith stated it would be difficult to get some people to book as a foursome and we could lose revenue. Cody explains that they pair people up when they can.
12. Dale wanted the Pros to comment about how to make up the deficit.
13. Dale requested for the Pros to be at the next meeting so they can have a brainstorming opportunity for some of the big picture items.
  - a. Eddie stated he doesn't want to pull them away from their Golf Courses. Dale asked is that not what they are supposed to be doing as PGA Professionals. Eddie said based on their schedule it is up to them, if they feel like it is important they can be here.
14. Eddie adjurons the meeting at 3:57PM