

Golf Advisory Committee Meeting Minutes
October 27th, 2020, 4:00 pm
<https://youtu.be/EQItuNqQRsU>

Present: Eddie Fahnestock, Dale Goter, Greg Ferris, Richard Schodorf, Troy Hendricks, Troy Houtman, Shana Appelhanz, Penny Garding, Anthony Jenkins (via telephone w/Goter)

Absent: Cory Rainwater, Tom West

Fahnestock called the meeting to order at 4:09
Fahnestock stated there is No Quorum at this time.

1. Approval of Minutes from September 15, 2020

Fahnestock stated since there is no quorum present at this time, we will defer approval of the September 15 Meeting Minutes to the next meeting

2. Monthly updates

- a. Rounds are up 6% in September year-to-date. From just before the July 4 weekend, for the months of July, August and September, those months are up over 13,000 rounds for those same months in 2019.
- b. Memberships leveled off in September at 1,164 memberships with 152 adult, 104 couple, 74 junior, 174 young adult and 660 senior. With the old pass plan we had less than 15 couples memberships, less than 30 juniors, and about 40 young adults. We had more seniors but part of the switch over with the couple membership they had gone back to couples memberships. What we are seeing is young adult growth is what we were looking for. They are looking for places to play. If we can get the juniors to play they will continue to play at our facilities.
- c. Revenue and expenditure projections. What we are billing for memberships is greater than what we would bring in in December of last year. He left it the same way in this report to remain consistent with how the Budget Office is doing it. Projecting year-end October, November and December at about \$3.5 million. As of today we are up over \$150,000 from what we projected October to be. We are at about \$410,000-\$420,000 for projections this month. We are still projecting the same expenses for the last three months. Net income could be \$250,000-\$300,000 at year end.
- d. Equipment replacement fund. We are still projecting \$80,000 plus the November billings will put us at about \$119,000. We should be in about the same ballpark as we were the past two years as well.
- e. Concessions for the Division were up 14%. Sim was up 15%, Auburn Hills down 3%, MacDonald up 83% and Tex Consolver was breakeven at a 1% increase.

- f. Greens fees were up even without calculating in the membership fees. When you calculate those in we're up 51%. We are seeing a 20% increase in regular greens fees, paying regular rates.
- g. Cart rentals up 32% for the month at all the courses. MacDonald is leading at 54% up; Sim is at 28%; Tex at 20% and Auburn Hills is at 31%.
- h. Driving range is an interesting number. For July, August and September compared to last year's three months we are up about \$50,000 in driving range revenue.

Goter asked about the \$140,000 in black, does accommodate the savings from the recently started furloughs. Hendricks responded the furloughs were projected in the budget. Using 2019 included as well. Goter asked if there is any possibility of using some of the \$100,000 in the black and alleviating some of the furloughs. Houtman responded he has been working with the budget office and city manager and the expectation was to use the furloughs to stay in the black, making sure we cover our expenses and unexpected expenses as well. It was share with staff from the beginning. It was shared with staff to be expecting this, from a meeting with them earlier this summer. It was not a surprise, they knew way ahead of time. Ferris stated furloughs are the next item. We can continue this discussion and then you can tell us how these furloughs are going to look.

Hendricks stated the furlough plan is the golf courses will remain open. The courses that have golf professional, will be covered those weeks by either an assistant or Shana. It should not have direct effect on customers. Ferris asked what is the furlough plan. Hendricks responded everyone will be furloughed for four weeks; two weeks between this week and the end of December and then two weeks between January 1 and the first week of March. Goter asked if they are allowed to use vacation time to offset the financial impact. Hendricks responded no. Houtman added that would add to the expense and not change bottom line. It is not our prerogative or interest to go through with the furloughs. We tried to delay them, tried to find other ways to get past them. He is not necessarily supportive of them and knows it is a hardship on staff. Given the direction we are going and direction received from the budget office and city manager's office we are going to follow through with them just to make sure we stay in the black. Ferris asked what is the amount of savings from the furloughs. Hendricks responded for everyone it will be about a \$90,000 savings. Ferris added if you cut in half and only did two weeks, you would be looking at \$45,000. Your projections are that you have \$140,000 today and you project that by the end of the year you will have somewhere between \$200,000-\$300,000 total net profit, correct? Hendricks responded yes. Ferris added if you only furlough them one week and one week instead of two weeks and two weeks, the financial impact should not be significant. These guys have worked so hard over the last four months because they were shorthanded. They worked double hours, double time on salary to put a profit into the golf system and their reward is to take off a couple weeks and then take off another couple weeks, and you don't get paid for it. There is a philosophical problem with that. To put that burden on those employees is unnecessary in the current position we are in. Goter stated agreement. You have senior employees who have done a remarkable job and the courses are in great shape. He hopes we don't lose good people. Houtman stated we truly appreciate their work and recognize and share with them how much we appreciate their work. We share with them every meeting they are indispensable. We are working hard to

make sure they are protected in the short-term and long-term dealing with what the future might hold. Ferris added we can't take any formal action the feels the entire GAC agree that we should send an email asking. It is reasonable, financially prudent, you are not putting yourself in a bad situation if you cut those furloughs in half. You should go back to the manager and say our golf committee is strongly opposed, the financial situation is better, we can get by with a week and a week. We can relook at it in March if we need to make adjustments. Houtman asked each member to send him an email and take that with his perspective and have discussion with the City Manager. Goter added there is the idea of First Tee taking over the courses and if some major change is going to take place after the first of year it diminishes need to be in black. Fahnestock agrees with everything on furloughs and will send email to Houtman opposing the two and two furloughs.

Goter stated AJ wanted to go back to cart rentals. In the report there is mention of a yearly pass. Is it practical to talk at this point about what level of increase that might bring? Hendricks responded this committee asked to put together information on cart fees and potential pass. For comparison they pulled nine courses and their full- and half-cart fees, their 9-hole full- and half-cart fees. It shows the City of Wichita is at the lowest range. Based on 2019 round and rentals if there was a \$1 increase from \$12.50 to \$13.50 we would make an additional \$75,000. With a \$1.50 increase up to \$14.00 it would be \$145,952 and with \$2.50 it would be \$223,000, \$3.50 would be \$300,000 and \$4.50 would \$378,000. If we raise the fees up to \$15 it would all remain in Operations. If we go over that it would be split 50/50 between a Golf Cart Replacement Fund and Golf Cart Path Replacement Fund. Goter stated it would be defensible if you added a dollar and say you are just remaining competitive with your surrounding courses. Ferris asked if that was \$1 per person or \$1 per rental. Hendricks stated it would be \$1 per person. Ferris asked about taking it \$14. Goter responded maybe take it up \$1 this year and then to \$14 next year. Given the demand and where golf is going this seems to be the appropriate time to do it.

Goter asked about the annual thing, AJ wants to know about allowing, instead of a monthly charge, you would allow people to pay an annual fee for cart access and what that number might be. Hendricks stated he put in information pertaining to a cart membership. We were able to pull from our point of sale system the amount of revenue brought in by the different membership classes. Since August 2019 through end of September 2020 memberships have brought in about \$400,000 in cart revenue. Clarifying that, when you come in to play and pay for your cart at that time it is tied to your name. If you come in and pay your greens fee (or check in) then come back in because everyone decided to ride, they are probably going to just charge you for a cart rental and not tie it to your name. These are the numbers he could pull that are tied to people's names. We are looking at \$405,000 and about 60% of that is paid by the senior memberships. He also included a breakdown of rounds played by membership types. We have other communities that have annual cart memberships. As a starting point he put it down as \$100/month. It is up to the golf committee to come up with a recommendation. Carts are an add-on, you are not required to take a cart. Goter noted at \$1,200/year it is considerably more than some of the others. Fahnestock asked if it was billed on an annual basis. Hendricks stated it would be like the current memberships and billed on a monthly basis. Fahnestock asked if we have the ability to bill, as an example, \$950 for an annual payment or \$100/month for monthly payments. Hendricks responded we had this conversation when we talked about the membership plan. We are able to do the memberships very effectively through the point of sale system to do

the ACH charges. That is about a five hour process one day a week. If you split it so they can pay up front, you have two different types of billing cycles which can get confusing. To keep things simple you would want it in the same format as billing for memberships. Ferris added Goter's point is our memberships are lower than theirs, therefore, the value would still be the same. When you compare to Lincoln our membership fees are lower so cart fees would be lower. We have a limited number of carts so it needs to be high enough; if you make it too cheap you are going to be in trouble with not having enough carts. Hendricks stated he does not feel we have enough good information. We are up to 1,100 memberships and looking at the growth each month, we don't have the consistent data to look at. Ferris agrees. Nobody has to buy a membership, but they may decide it is a good deal for them. Raising the cart fee is important, that is a base fee we get revenue from. Goter stated raising the basic fee is step 1, there is no reason to not put that forward. The whole thing is in a state of flux, we don't know what we are dealing with. A \$1 increase from \$12.50 to \$13.50-\$14.00 is a sellable point and keeps us competitive. Ferris inquired about the date of the next Park Board meeting. Goter responded December. Hendricks stated in November. Ferris added you should bring it up in November so it can take affect either December 1 or January 1. It should be done as soon as possible and that money coming in. If you are bringing in some extra revenue maybe you can offset some of those furlough questions. Goter asked if the Park Board would advance a recommendation to Council without a formal recommendation from the Golf Advisory Committee. Fahnestock responded we could send it out in an email to the GAC because the next Park Board meeting is November 9. Goter stated email meetings are illegal. Ferris stated it does not matter, if Park Board has the authority to make that recommendation to raise those rates to City Council with or without the GAC. If Fahnestock and Goter bring it up at the Park Board meeting saying everyone at the meeting was not opposed to it. Goter added you should include a caveat about alleviating part of the furloughs as part of that package. It would be important for Mr. Hendricks and Mr. Houtman would support that from a staff perspective would be important as well.

Fahnestock asked about the additional revenue coming in from a cart fee increase. Do furloughs fall under operations? He is seeing if it goes about \$15 it is split 50/50 between Golf Cart Replacement Fund and Golf Cart Path Replacement Fund. Hendricks responded that is just a recommendation. It would go into operations. He was trying to think of a way to put some money into an account to start repairing some of the cart paths. Fahnestock stated both of these topics are important and go hand in hand. We should bring both issue to the Park Board. He will ask to have that on November 9 Park Board Agenda.

Goter stated there seems to be a lot of cart maintenance issues right now. Hendricks responded last check with staff Auburn Hills has 1 cart down and it has since been fixed, 6-7 at Mac still need batteries, all carts are running at Sim and all at Tex Consolver are running. Goter stated the issue of single riders has to fit in sometime too. Can you put a number to that? Hendricks responded there is a fuel cost. You are probably looking at \$3,000-\$4,000 additional fuel cost. There are 72 carts at Tex Consolver, 72 at Auburn Hills, 72 at Sim and 68 at MacDonald. Goter asked how often do you run out of carts on a busy weekend. Hendricks responded every day. Ferris not even on weekends. Twice on a Friday and Monday there no carts available. It's because of single riders because of COVID. He feels there are some people doing single riders only out of convenience, but there are some people who do care. He does not agree that, if you have a threesome, the third person

should have to pay full cart price to ride by themselves. He believes there should be a surcharge if someone requests to ride by themselves. Hendricks stated once we go back to not having to wear masks it was suggested that we go to a single rider cart fee that is 80% of what a full cart would be. Prior to 2008 we did charge single rider carts. That is what was carried over until the Golf Advisory Committee voted to eliminate the single rider carts. Schodorf stated one of the reasons we stopped the practice was because we were losing people to the private courses. One thing that is working for us with the new membership program, people have more money to spend. Before we enter into any program like that we need to make sure what affect it will have on memberships. Hendricks responded to the question what are the additional costs associated to single rider carts. It is not necessarily the additional costs, it is the additional damage to the golf course. Ferris stated he understands but doesn't feel you can rationally do something that nobody else does just because they used to do it because the Pros could do it when they were making money on the carts. He has not played anywhere that charges a different amount when there is just one person or two people in the cart. Hendricks stated his report gave all the single rider carts. Ferris stated you should have a surcharge if someone specifically asks for a single rider. If four people come up and want four carts, give them four carts but charge them \$2 extra per cart. Schodorf added when you talk about damage to the course he has observed that everybody goes straight down the middle of the course. Nobody does a 90 degree. We need to enforce that. We could cut a lot of that damage down. Goter stated he is having trouble with the damage aspect. He played at Auburn Hills and looked for damage and could see nothing attributed to cart damage. Hendricks provided an example at Sim. When they were closed for those seven weeks in the spring there was grass grown in places where it never is during the golf season because the carts all drive that same path. Goter is going to go look at it. Schodorf added it still goes to his point about educating people and saying if you can if you can't understand the 90 degrees we will give you the opportunity to walk. Hendricks stated the superintendents do good job trying to control the cart traffic. They put up ropes and stakes and then have them tangled under carts because the golfers drive through them. Schodorf stated literally nobody is doing cart paths. We should address the problem before we start charging by reminding them this is a 90 degree course. Ferris agreed and said when they check in we should remind them that 90 degrees means you don't drive down the fairway to get to your ball. Goter played at Colbert Hills a couple weeks ago and they have a system where they have two poles that mark the entrance onto the fairway.

Houtman left – 4:57

Hendricks stated they have the same thing at Flint Hills.

Ferris stated the important question is, is it fair to charge someone playing by themselves a full cart rental. Goter agreed, the big deal is the money thing. The issue of where to drive a cart is up to the Professional to make that work on his course. Ferris stated we can bring up memberships again when we have a full group. The two biggest issues are the furloughs and raising the cart fees. If you bring up the cart fees and want to bring up a single rider surcharge that is up to the Park Board. It is a good idea and would discourage some people. It's not about the course and the wear and tear, it's about having enough carts for people that want to play golf. Hendricks added part of that, once we get the mask mandate over in December, we are going back to two riders per cart. Schodorf stated it will not happen. It

will be renewed until at least June. We need to make sure our courses will be allowed to be open, not closed like last year. The mask rule is going to stay and we need to support it. Goter stated two weeks ago at one of our courses a group of young men walked in to pay their fees and not one of them was wearing a mask. He doesn't know what the solution is, but you do not walk into the club house without a mask on. Ferris said it is easy, if they come to the counter to pay you send them back to the car to get their mask. Part of the problem those is not all employees are wearing masks either. Hendricks stated he has reminded staff and Pros they need to be wearing masks. Goter added if we are going to control the numbers going forward we shouldn't back off. We have got to do a better job of protecting our golf courses and staff. Ferris said if we send a memo that says don't take any money if they don't have a mask on. Schodorf it's the law. Hendricks stated we have had some of our staff quarantine over the summer. It has not shut the courses down. Goter it is going to make a less safe environment. He is nervous about it. Ferris stated he is not strong on it one way or the other, but it is not that hard to enforce. If you don't take money from anyone that doesn't have a mask on when they come to the counter, they are not going to leave the golf course. Goter suggested more aggressive signage.

Schodorf stated he was late getting into the meeting, how were the numbers last month.

Goter left the meeting at 5:06 p.m.

Hendricks reviewed the numbers for September again. Schodorf stated what to do with increased money, he hopes we look long term to create a fund to bond so we can do some larger projects.

Hendricks asked Fahnstock to send email for what to do for the Park Board and he will put it together.

Next Meeting, December 9, 2020

Fahnstock adjourned the meeting at 5:08.