

Golf Advisory Committee

Regular Meeting Agenda

Tuesday, December 15, 2020
4:00-5:00 P.M.



Members Present: Eddie Fahnestock, Dale Goter, Greg Ferris, Nile Dilmore, Kyle Ellison, Richard Schordorf
Members Absent: Tom West, Corey Rainwater
City Staff: Troy Hendricks (Golf Division Manager), Rowan Ullman (Account Clerk)

Item	Description
	<p>Call to Order Eddie Fahnestock called the meeting to order at 4:01 PM.</p>
	<p>Announcements There were no announcements.</p>
	<p>Public Comments There were no public comments received.</p>
1	<p>Approve Minutes</p> <p>A. Recommended Action: Dale motions to approve the minutes from October 27th. Eddie Fahnestock seconded. Motion passed unanimously.</p> <p>B. Nile noted in the last meetings minutes there was not a quorum. Dale agreed and motioned to approve the minutes from September 15th. Eddie seconded that motion. Motion passed unanimously.</p>
2	<p>New Items for Consideration</p> <p>Comments concerning New Items on the agenda can be emailed to WichitaParkandRec@wichita.gov no later than Monday, December 14, NOON.</p> <p>A. Introduction of New Members.</p> <p>i. Eddie welcomed the new Golf Committee members, Nile Dilmore and Kyle Ellison.</p> <p>ii. Eddie then facilitated each Golf Advisory Committee introducing themselves and sharing a little about themselves and their interest in golf.</p>
3	<p>Continuation of Prior Business</p> <p>Comments concerning Prior Business Items on the agenda can be emailed to WichitaParkandRec@wichita.gov no later than Monday, December 14, NOON.</p> <p>A. None</p>
4	<p>Rounds Report (Troy Hendricks)</p> <p>Troy Hendricks began by stating rounds were up significantly for the month of November. We had about 11,000 rounds played, compared to 6,145 round played in 2019. Financially, revenue was up to \$302,000 for the month compared to \$161,000</p>

for 2019. Rounds are up compared to 2019, even with the COVID closures, rounds were up 12% over 2019, 15% over 2018, 8% over 2017, and 4% over 2016. Auburn Hills has exceeded over 30,000 rounds for the second time since it opened, and they are set to possibly exceed the 35,000 round mark which has not been seen since it opened in 2001. MacDonald exceeded the 30,000 round mark for the third time in the past ten years. Tex Consolver and Arthur B. Sim continue to be successful, both have exceed 35,000 rounds none of the last ten years. If they had not been closed for four weeks it is possible they could've exceed the 40,000 rounds mark.

Revenue is up 1% over 2019 despite the closures. The Golf Division has surpassed the revised revenue budget by \$526,000. At the end of November the Division were behind the original budget by only \$141,000 with one month to go. December is not a normally high revenue month based on previous years. It is too close to call if we will meet the original budget.

Expenditures are down about \$500,000 from last year and are projected to fall below the original budget but exceed the revised budget. This past Tuesday Mr. Houtman went to City Council to request additional budget authority to offset the shortfall. And estimated expense for the remainder of the year, this was approved. While we were working through this process with the budget office there were additional purchasing limits on all areas to help control spending.

Concession sales continue to be strong and were up by 67% over 2019, with MacDonald (a 97% increase) and Auburn Hills (a 92% increase) leading the way. Sim had a 32% increase and Tex Consolver had a 72% increase.

Green fees are up as well, in green fees alone this year brought in about \$112,000, which is an increase of about \$35,742 from 2019. With the membership fees added in the division is up 147% over 2019. Auburn Hills lead the way there by being up 211%, MacDonald was up 175%, Arthur B. Sim was up 130%, and Tex Consolver was up 107%.

Cart fees continue to be strong they were up 87% over 2019 for the division. The driving range is up 250% for the month. When Troy recently drove by Auburn Hills the driving range was full from once side to the other with golfers hitting balls.

Dale said that that was the report that he has been looking for. He does have a question on the regular green fee. He said we have seen record numbers for rounds but the regular green fees revenue is lower about \$300,000 from 2019, and the membership is up. Does this mean we are losing green fees due to the memberships? Troy said no, that is not what that means. With regular greens fee, he means the individuals that walk in and pay an 18 hole or 9 hole green fee. At the end of June regular green fees were down about 9,000 rounds, the reason they were down was due to closures. Since reopening, and reinstating 10 minute tee times in the past 5 months we have had 10,900 regular green fees paid than we did in 2019. You also have to remember in previous years with the season pass, you would collect \$12 from a season pass member when they played which was included in the green fee revenue report, and in the new membership that amount is not collected. Dale says the membership aside you still see a \$300,000 difference in regular green fee revenue. He asked are the number of people playing regular green fees down similarly. Troy states that we are up in membership play by about 15,000 rounds. Our regular green fees are pretty close to being the same as 2019. Dale said no, you are down close to \$200,000. Troy said yes, compared to 2019. Dale said on it's face it

looks like you are losing money from regular green fees. Dale asks if the goal for next year to increase the membership program or are we going to focus on increasing regular green fees. Troy said when he looks at where we are with regular greens fees at the end of November we are at 65,689 regular green fees. For the year of 2019 we sold 69,425 rounds. Greg Ferris says you have to consider the 200 times a golfer played with the season pass, they were counted as green fee rounds. Dale said that the season pass was broken down into separate columns for the pass sold and the copay collected, so no it was never a part of that calculation. Troy stated that the document the Mr. Goter is discussing, does have that information broken down in that manner, and it was set up that way to see how much money the season passes brought in. Troy stated that the document broken do the number of passes sold and the revenue it brought in, and then it also showed how much the co-pay brought in. The co-pay number was also included into the total greens fee number. The spreadsheet that was provided to the committee this morning, and was also provided to Council and the City Manager the green fees, which in 2019 was about \$1,900,000, that number included the \$400,000 from the co-pay green fees. The co-pay is not included this year's numbers due to the new membership. That's why when the membership program was launched 2020 was going to be considered a transition year, as season passes were still being transitioned out. For example, this month of December (which is not included in these numbers), we collected about \$78,000, so if you take that number and bill that same amount of money for the year, it would be approximately \$936,000, which is about \$300,000 more than with the season pass program. Dale asks for a reconciliation for the rounds report for the past several year, as the numbers don't watch up. Troy says he pulls those numbers directly from the point of sale system, how they migrate into the finance system, as Mark Manning will tell you they don't always match up exactly.

Richard would like to address Dale's question about marketing for this year. He stated that the goal for this year should really be to focus on growing the membership program. That is where the growth would be when trying to members of country clubs to realize this is a heck of a better deal. If you're looking for growth in the system it would be in keeping the customers we have, and to market to the people who are paying a whole lot more at other courses.

Dale stated that the tournament revenue is rather low, especially considering Sand Creek leads in hosting tournaments nationally. Troy explained the line is about tournaments that Golf Wichita hosts, not outside tournaments. For example, the Shamrock Scramble. Dale asks how many tournaments are booked right now for this next year. Troy said he would have to ask the Golf Pros as they are the ones who book them, he knows it's not that many due to COVID. Auburn Hills had 12 this year, due to cancellations due to COVID. Those tournaments are rung up under regular green fees. Eddie asked how much an outside tournament costs per player, with food, and with food and drink. Troy said the Golf Committee decided previously for a flat fee for a shotgun tournament for up to 140 players. It was then decided to go to a per person fee which is \$5 more than a regular green fee and cart fee, the \$5 more is used to buy prizes and merchandise. So it is either \$27 or \$32 per person. He believes it is all listed on the website.

Dale said as a closing comment it is amazing that we went from a projected deficit \$500,000 in the presentation the Mark Manning gave, to having a projected \$470,000 in the revenue, and the additional \$500,000 cut in expenses. He is not sure what that means for the future. Troy said it means we were busy we played almost 30,000 rounds in the month of August. Mr. Goter said just to bring the two new members up to speed, The City imposed a one month penalty furlough on all Golf Division employees. They took away one month of pay to balance the budget, the budget is now \$400,000 in the black. He and Mr. Ferris have voiced concern over this and it has not gone anywhere. He hopes that this will be taken care in the future. Eddie said he believes that all of the Golf Advisory Committee reached out to their respective Park Board members and City Council members to discuss this, so it has not been without effort. Hopefully that will change next year, if we continue in the black.

Nile asks Eddie, if he was sent the same information that are being discussed. He asks that these numbers be sent after the meeting. Eddie asks if Kyle received the same information that was being discussed. Troy clarifies the spreadsheet he sent was drafted for City Council following last week's Council meeting. They had asked where the Golf Division was in regards to revenue in comparison to previous years. That would be the only documents the two new members were sent. What Dale is asking about is a spreadsheet that Troy puts together in January after the Year End of revenue and revenue categories, and their percentages. With the new pass plan, the division knew it would be losing some green fee revenue, but it would be made up with the new membership fees. When looking at the spreadsheet that was just sent out, the revenue for season passes was \$409,000 in 2019, this year it is \$614,000 with one more month of bill to be brought in.

Eddie asked Troy for an update on the membership program. He asked if there are any promotions going on for the holidays. Troy said holiday promotions are similar to what has been done in the past, the division sells gift certificates. We will sell probably \$30,000-\$40,000 in gift certificates in the holiday season, however that money does not become revenue to the Golf System immediately. It goes into a liability account. Dale would like to note comparing apples to apple the membership report this year is state at \$614,000, the total revenue for the season pass in 2018 was \$623,000. He likes that the revenue is locked in, but it has not exceed the revenue from before. Troy said that is correct, when you look at Year End 2018 there were 1,004 season pass holders. That was explained to Council when this transition plan was proposed. Right now, there are 1,167 memberships currently. The breakdown for the memberships are 152 Adult Memberships, 107 Couples Memberships, 75 Junior Memberships, 660 Senior Memberships, and 173 Young Adult Memberships. If you were to look at the 2018 season membership break down there were 82 Adults, 22 Couples, 28 Juniors, 827 Seniors, and 45 Young Adults. He sales Dale is correct the sale of the passes and the co-pay greens fees did total to \$627,000, but you also have to remember when looking at January this year, how many membership did the system have. This has been a transition/growing year for the membership program, it was previously discussed that this year would be a difficult year to compare since you have that membership plan grow. That why he stated earlier if you billed the 1,167 members for 12 months, it brings in \$936,000 a year in revenue, which is about \$300,000 more in revenue than in 2018.

Dale asked to schedule a meeting to discuss increasing the membership. He is playing golf for \$4 a round, and believes he should be paying more and that the membership is underpriced. Eddie says he would consider looking into it, but he poses the question of how much people might be spending on concessions or carts. Dale agrees that he and his fellow golfers may be considered the extreme, but they are still consuming rounds that could be sold at a higher price. Greg stated that he is similar to Dale in that he doesn't spend more because of the membership, but when you look at the revenue for carts and concessions they are both up so it is working. He does agree that it is underpriced and over-valued, so there are a few tweaks that could be made to ensure the continued success. Richard said he has spoken to many Senior Members and they have said the fact they don't have to pay anything when they check in, it allows them to spend money on carts and concessions when they come in. He really believes if we continue with what we are doing it will be successful. Customers like this programs and we have continued to be a benefit to the community. If we can get the marketing initiative going to really continue to grow the program, he doesn't think it's the time to start increasing the price. Greg just says we need to look at the numbers and just evaluate it. He also says this year was an anomaly, and people are playing much more often this year. The concern is that the system is selling a limited product with the number of tee times that can be sold, you can't make more tee times. The goal is to capitalize on the tee times we have.

Dale says that the one thing that the GAC hasn't done is have an active role and does not have a significant presence in the decision making process. He says if we do not look into these things the Golf Advisory Committee will continue to be as irrelevant as it has been in the past. Richard disagreed and says it has not been irrelevant as the Golf Advisory Committee has created a program that seems to be working. Dale stated that it is arguable due to revenue being down \$1,000,000 from several years ago, there is a lot of work to do. Eddie says it is definitely a balancing act of keeping the memberships up, but also protecting the tee times and revenue. He agreed to Richard's comment in that we have found something that works and that Wichita likes. He has heard many people say they really like the membership program, and he doesn't want to tweak it just yet. Mr. Goter asked if Mr. Hendricks could provide the weekend tee time usage of members versus non-members.

Richard stated that when Finance did the report one area that has potential for growth was concessions. Eddie asked our new members, Nile and Kyle what they look for when using our four courses as far as concessions, a hot dog and a beer, or something more extravagant. Nile said if he goes after the turn on the first nine, he is looking for something quick like a hotdog and a soft drink. Before or after a round he wouldn't mind an expanded lunch option like they have at Auburn, where they had tacos or something like that. He said that he doesn't believe most golfers are looking for something like that they are looking for something quick. Kyle said that he agrees, when he goes he usually has his daughter with him and usually after nine holes he's hungry. So he will grab a hot dog, chips, and some candy bars. He said beyond that for him personally anything that is more finger food works for him. He says box lunches can be difficult when driving the cart and playing, and that drinks are always good. Dale said that concessions can go far beyond just the golfers, he has looked at several other courses and they generate revenue from their concessions especially

with alcohol. They have a different operating module where their Golf Professionals are incentivized to sell concession. He stated that they are making 4 million a year with half the population.

Greg Ferris left at about 5:00PM.

Eddie asked what are the challenges we face as far as increasing options for the lunch and dinner menu. Troy stated that we have worked at doing that. This year we had no concession sales until Memorial Day weekend due to COVID, so there was 2 ½ months without concession sales. We've found golfers like something handheld. When Auburn Hills it had an expanded menu and when they had been opened for a while they looked at what sold the most often and reduced it down to those options. Then there was a specialized menu for tournaments with sandwiches, burger, and sometimes steaks. The second year Auburn Hills was open they hosted 35 events and brought in a lot of money from the food and beverage side. It still comes down to golfer's desire for something quick and convenient. Now when they are down, like Nile's had said it is something different, like the fired taco which where done for the Men's Club but they were difficult to do. The course don't have the capability to have some of these menu items. Troy stated that Shana is a very good Food and Beverage Manager, she worked for Red Robin and two years ago she hosted a demo day at Arthur B. Sim Clubhouse using their equipment they have in there. She showed them how to makes the sandwiches, and go the extra step in working on the presentation of the food. We also ran some specials that year, that were all done through the app. The Golf Professionals would do it during that month and then they stopped because it was difficult. Richard states that the way you make money is not through food but through soft drinks and alcohol sales, if you can capture the group that leaves the courses to go to a pub to drink beer you can capture a lot of revenue. Troy says he doesn't disagree, but the problem is the clubhouses are not designed for that style of operation. The clubhouse at Arthur B. Sim, it is not designed with a kitchen for that type of operation. They could've designed that clubhouse with a full service kitchen but the previous Golf Pro and others did not do that. Richard stated that turning the clubhouses into pubs band selling beer is not that expensive. Nile stated that Arthur B. Sim does not have the seating capacity, as far as the other three courses he said that Richard is right as far as the capacity being there. Dale said these points are great, but when you look at Sand Creek he sells pulled pork and other items like that to increase sales and revenue, we should model after that. He stated that there are those that have had successful concessions and would like to think our marketing department would look to those for help. He asked if Troy was willing to do that, he would like to see a plan of looking into that. He stated that 10 or 12 years ago Auburn Hill's concessions was at about \$80,000, but now it's nowhere near that. Troy stated that concessions in 2019 was \$100,000, in 2018 it was \$108,000, if you go back to 2012 it was \$170,000 for Gross Concession sales. As far as Net Revenue the concessions maintained about 35% margins. Part of the reason 2012 was such a good year was due to hosting weddings, but that does not benefit the golfers. Due to golfers coming in and it being set up for a wedding, they actually had tables set up in the Pro shop for golfer to be able to sit and eat. It is difficult to host multiple events anymore because in 2017 we were instructed to see the overflow parking lot for housing.

Dale has an expense question on the MacDonald water use. He said that from the information Emma Li-Wormington, the Park Account sent, we spent about \$80,000 more on water last year at MacDonald Golf course than the previous year. Are we budgeted for that this year and how to plan on meeting the water needs out at MacDonald. Troy asked if Dale was discussing 2020, Dale said that 2019 water service was \$40,000, and 2020 was \$116,000. His understanding is that the course was using City water supply because the local ponds were insufficient. Troy stated that there was not a lot of rain from the end of June through October, so the ponds went dry, but that is why there is the opportunity to use City water if need be. The water budget has not exceeded \$35,000-\$40,000, so that year was an anomaly. There has been a request to the budget office to improve the ponds, and fix the valves. When they received the request they took the money out of the CIP plan, and Golf does not receive CIP money. Dale stated the First Tee has said the ponds are not useable any more, and it will take a major capital improvement to use them. Troy stated that all it take is money, and Dale responded with that it was a great idea but Troy did not take it to anyone. He stated it should've been brought to the Golf Advisory Committee. He stated that there should be an agenda in front of them right now as to what capital improvements will be made for the next year. Troy stated that this was in 2014 and Richard had been involved in it, and it's been taken to Park Board, to Council and to the City Manager. Dale stated that he has not seen it on an agenda and he has been attending these meetings for three years now. Troy repeated it was in 2014 and 2015. Richard agreed with Troy, and said the hope is that with the increase revenue we hope to gain these projects can be completed.

Dale asked on a related question, with \$478,000 in the black are we going to be able to decide how to spend that money. Troy said we also need \$250,000 to cover the first quarter of the year according to what budget has estimated. Once we know where we are as far as revenue after the first quarter we can move forward and make plans for capital improvement in the second quarter. Dale asked if this is a plan that they will all see and Troy said yes.

Dale stated one last thing, at the City Council meeting Council Member Claycomb asked if the Golf Division was going to make a debt service payment. The answer provided was that the division has not paid a debt service payment in three years. He stated we need to get rid of that 5 million dollar debt. He stated that Sand Creek is being paid off by the tax revenue increases from the surrounding property. The City has made so much money off of Auburn Hills for a long time. Troy stated that he has made presentations to the Council members during workshops discussing forgiving the debt service. Dale made a request that Troy or Finance make a report of the increase property tax revenue surrounding Auburn Hills over this lifespan. The first 8 million for Auburn Hill was covered, but then when we over spent the 5 million was not covered. Troy stated when these discussion have occurred previously Former Mayor Longwell discusses the revenue and stated that the debt should have been forgiven due to being paid by increased tax revenue, but it didn't go anywhere. Richard stated he supports Dale on this, and discussing this with Council Members. Nile asked Troy if there is anything that Troy can think of that might help more this forward. Troy said visiting with your Park Board members, and the two of you (the GAC members and their Park Board Representatives) talking with your Council

	<p>Members would be helpful Nile asked if Troy can ask someone from the Finance Department come explain the Property tax and where that money is. Richard said if there was a motion and that we voted on, and send it up. Then they have something to start with, and it needs to come to this committee. Dale said that having the number would be helpful for the argument. Troy said when he asked Mark Manning for that number previously Mark Manning said there is no way he could generate that number. Dale said that there is a way to look up how much each subdivision has generated due to property tax. Troy said when they were working on these developments they were initially vales at \$150,000-\$175,000. Now it is probably more along the lines of \$250,000-\$300,000. Nile asked Troy if he could invite someone from the Finance Department to explain why they can't that number, or explain that number to the committee. Troy said he will get with Mr. Houtman to get someone to attend the meeting.</p> <p>Nile asked when our next meeting is. Rowan explained the schedule, the next meeting in 6 weeks would be January 26, 2021. She also said she would send out the list of all of 2021's meetings after the meeting ended. Troy stated that if the committee would like to schedule a meeting in between we can do that. Dale stated that he thinks it needs to be before then, and that the six week schedule is insufficient. He stated that the committee needs to meet monthly. He brought up the concern of the possible switch in management for the Golf Courses. Nile suggested limiting the agenda to just setting the goal to eliminate the debt service. Meeting was set for January 7th, due to the Park Board meeting following January 11th.</p>
5	President's Update (Eddie Fahnstock)
6	Adjourn Dale moved to adjourn and Eddie seconded. Meeting was adjourned at 5:24 PM