

City of San Dimas
Golf Course Advisory Committee
Meeting Minutes
Thursday, January 21, 2016
San Dimas Canyon Golf Course Clubhouse

CALL TO ORDER

The meeting was called to order at 7:32 a.m.

Present: Curt Morris, San Dimas Mayor
 Charles Rosales, La Verne Councilmember
 Ron Ingels, La Verne alternate
 Debbie Iketani, San Dimas public member
 Doug Shultz, San Dimas public member

 Blaine Michaelis, City Manager
 Theresa Bruns, Director of Parks and Recreation
 Brian Bode, SDCGC General Manager
 Trip Stevens, SDCGC Manager
 Jeff Hwang, SDCGC Assistant Manager
 Brent Boznanski, American Golf Regional Manager
 Jeff Perry, AGC Regional Vice President

Absent: Emmett Badar, San Dimas Councilmember - excused

APPROVAL OF NOVEMBER 12, 2015 MEETING MINUTES

The minutes of November 12, 2015 were unanimously approved.

REVIEW OF MONTHLY REVENUE REPORTS FOR OCTOBER, NOVEMBER AND DECEMBER

Trip Stevens reported that the fourth quarter report for 2015 saw the food and beverage numbers up in all months, with the quarter realizing a 21% increase in food and beverage. The quarter also saw a 2.7% increase in rounds played relative to the same quarter last year, while total annual rounds were up 5.6%.

Total income reported for the quarter increased by 4.6%. The 2015 year end summary included a 7.6% increase in total income compared to 2014.

Brian Bode reported that San Dimas Canyon reported rounds played in excess of 74,000 for the year, in comparison to other local courses reporting in the range of 40,000 annual rounds, with some local courses experiencing drops of approximately 8% in annual rounds played.

MANAGER'S REPORT

A. General Update

Trip Stevens reviewed his quarterly manager's report as submitted to the committee, noting only one less playable day as compared to the same quarter last year. He reported that tournament rounds and private events continue to be strong, and experienced growth of 17% for the year.

B. 2015 Capital Improvement Project Review

Trip Stevens reported that the status of the **2014 Golf Course** CIP projects includes:
Parking Lot Lighting Project \$86,000 approved budget
Project completed at budget.

Trip then reported the status of the **2015 Golf Course** CIP projects includes:
Maintenance Building Design \$80,000 approved budget
Project is substantially complete, with design review and cost evaluation underway.

Trip also reported that the status of the **2014 Clubhouse** CIP projects includes:
Softscape Clubhouse Entry \$8,000 approved budget
It was requested that this project be temporarily suspended.

Trip next reported that the status of the **2015 Clubhouse** CIP projects includes:
Enclose Waite Service Station \$10,000 approved budget
In planning and design phase, then to City for review and approval.
Doors, Floors and Window Shutters \$10,000 approved budget
In product review and selection phase, then to City for review and approval.
Outdoor Lighting \$5,600 approved budget
In product review selection phase, then to City for review and approval..

C. 2016 Capital Improvement Project Review

Trip Stevens reported that **2016 Golf Course** Capital Improvement Project Budget includes an approved budget of \$650,000 for construction of the Maintenance Facility. The project is currently in design and cost evaluation, and will not go to bid for some time.

The **2016 Clubhouse** CIP budget includes an approved budget of \$17,000:
Garden Room Window Coverings \$8,000
Currently in product style, material review and selection phase, then to City for review and approval.
Banquet Room Dance Floor replacement \$9,000
Floor has been ordered.

Trip also reported that the irrigation fill line replacement project has begun, and is expected to be completed within a month. This project is funded with the water cost savings account.

REVIEW OF AMERICAN GOLF PLAYERS CLUB PROGRAM

Jeff Hwang described the Players Club program as having begun as a range membership incentive program that has evolved to include additional golf benefits, and product discounts.

The monthly membership fee is \$29.99 per person, or \$14.99 for seniors, and the program includes the following benefits:

- 29% discount on all green fees and cart rates
- One beverage per round
- Unlimited range balls
- Merchandise discounts
- Monthly clinics at San Dimas Canyon and Mountain Meadows
- Golfzing Reward Point program
- Access to Players Club Tournaments and golf events at other course locations

It was explained that the program runs on a month to month commitment for membership. There is no long term enrollment commitment required. A handout was distributed which illustrated the savings comparisons based on time of day rate categories. The more rounds played per month, the more a player will save on fees. The program is designed to establish a customer loyalty base for each course.

Jeff Perry explained that the program is modeled after health club membership programs, and based on a shrinking golf market. It is anticipated that growth of a players club will reward the players that frequent their local course, through greater savings for increased rounds played.

Mayor Morris inquired about whether the program allows for priority tee time reservations, and Trip Stevens responded no, this does not allow for any priority in tee time reservation. Mayor Morris stated that must remain as occasional players still must be accommodated, as we are a public course. Trip replied that the current rates and incentives will continue as usual and the Players Club program will run parallel to current operations. Brian Bodes commented that we currently are seeing about 74,000 rounds per year, and in the high times the course would hit 90,000 annual rounds, so there is capacity for growth.

City Manager Michaelis inquired about the assignment of the revenue in the monthly financial reporting. Brian Bode responded that the Players Club membership fees will be included in the golf fees. It was suggested the future finance reports identify a breakdown of Players Club fees, as well as define "other income." AGC will adjust the report accordingly. Jeff Perry assured the Committee that the Players Club program is based on point of sale accounting and the revenue for this program will be assigned to San Dimas.

There was discussion regarding the "tipping point" for increasing rounds played versus decreasing revenues, as well as pace of play considerations. American Golf representatives will monitor all of these considerations and commit to a valued product at San Dimas.

Mayor Morris commented that the lease agreement favors the operator and the City desires a good course, well managed, and does not wish to interfere with operations, however, the Committee has oversight and must look out for the interest of the players, and the City as landlord.

Charlie Rosales asked if the Players Club is expected to impact Food and Beverage. Trip Stevens responded that it likely will add to the food and beverage as hopefully players will eat at the course and maybe book events based on exposure to the site. Theresa Bruns explained the accounting for the lease agreements for the Course operations versus the Clubhouse operations.

Debbie Iketani asked if there is an expected number of memberships that will be purchased. Trip responded that it is anticipated that 100 may be sold in the first few months and Jeff Perry added that it is likely the program will reach 500 members based on course location and conditions.

RON INGELS MOVED TO APPROVE THE PLAYERS CLUB PROGRAM AT \$29.99 PER MONTH, PER PLAYER AND \$14.99 PER MONTH FOR SENIOR PLAYERS, WITH REVENUE TO BE REPORTED AS GOLF FEES AND IDENTIFIED ON THE FINANCIAL REPORT, SECOND BY DOUG SHULTZ, AND PASSED UNANIMOUSLY.

ORAL COMMUNICATIONS

Theresa Bruns reported the Golf Course lease is scheduled to expire December 31, 2016, but American Golf and the City have exercised a five year lease extension provision, extending the lease to December 31, 2021.

ADJOURNMENT

The meeting was adjourned at 9:05 a.m. to the next meeting on Thursday, April 21, 2016 at 7:30 a.m.