

# *MINUTES*

## **FOX RUN GOLF ADVISORY BOARD**

**Thursday, January 19, 2017**  
**Fox Run Golf Course Clubhouse – 12:00 P.M.**

### **Routine Business**

#### Roll Call:

Present: Terry Carda, Kim Auch, Steve Sager, Jake Hoffner, Annette Kohoutek, Carl Kretsinger, and Warren Erickson.

Absent:

Also present were Golf Operations Manager Tom Jeffers, Course Superintendent Rockie Wampol, Director of Parks and Recreation Todd Larson, City Manager Amy Nelson, and Parks Secretary Chasity McHenry

Public Appearances: Doug Brooks, Karol Kittelson, and Jim Gevens

#### Minutes:

December 15, 2016 minutes approved. Erickson motioned, Kohoutek second. Motion carried 6-0.

### **Old Business**

A. None.

### **New Business**

- A. Security Cameras for cart sheds, course security, traffic at night from the west entrance – gate, dead end signs. Have to speak to City Attorney on what legal responsibilities there are with current operations of cart storage. Need to speak to street department to get a dead end sign up along Fox Run housing access drive. Also need to have more discussions in regards to security cameras, gates on access road, chains during winter to stop access on access road, barricades instead of chains, Jersey barriers instead of chains, bollards up by clubhouse to limit vehicle traffic through course, closed storage facilities with access key pad or access swipe card and only those with the codes or cards can enter the facility. Have access through garage door only or include walk-in doors? System has to have doors close after exiting to make sure facility is secure again. It has been reported vehicles drive across the Fox Run Property using the cart path from the clubhouse down to the far cart storage shed and then up the gravel drive into the Fox Run neighborhood.
- B. Great Life discussion. Affiliate agreement (attachment) goes before the City Commission for approval on Monday, January 23. This agreement with Great Life will hopefully bring in more revenue with an increase in rounds played. The course would be reimbursed \$5 for each nine-holes played by the Great Life members and would also realize revenue from cart rentals, pro shop sales, and food and beverage sales. There are minimum monthly payments and maximum monthly payments as a part of this agreement. Tom wants to create a way to track all expenditures of Great Life users when at Fox Run. Question was asked if there is a way to find out how much extra revenue was generated by the Great Life agreement at other golf courses. Discussed the new Course Loyalty

Rewards Program. Is there a way to expand into other businesses in Yankton such as bowling alley, archery, etc.?

**Fox Run's 2017 Loyalty Rewards Program:**

We've got some exciting news for you! Fox Run has implemented a much anticipated Membership Loyalty Program! Here are the Top 4 Reasons why you'll want to participate in this program...

1. All members of Fox Run Golf Course will pay the previous year's fees when they renew their membership. There is no deadline to renew, but all fees must be paid at the same time by either, Credit Card, Check, Cash, Gift Cards, combinations of the previous 4 or by Electronic Funds Transfer (EFT). Golf Shop Credit may not be used.
2. You will receive a 10% discount when you use your membership card at the Pro Shop or Snack Bar. This does not apply to Green Fees, Cart Fees, Range Fees or Memberships.
3. For all purchases, except the purchases of your Fox Run Membership, you will build reward points. Rewards points can be used on anything including the next year's membership. Rewards points are non-transferable and do not have cash value.
4. Fox Run Members Credit will roll over from year to year while non-members will expire at the end of the year.

- C. League updates, simulator operations. First half of league is done. Launch monitor is having problems, looking into replacement or repairs. Revenue for simulator leagues is close to the same as last year. Food and Beverage Revenue is up for the first half of January. Granger makes an anti-fatigue mat that is also anti-static that might help with the simulator. Saturday open play has been busy. Sundays slower and Tom is working with local high schools to promote play on Sundays and other slow times. Tom provided financial reports from the clubhouse computer system for comparing 2015 to 2016 and also for the first eighteen days of January (attachments). Tom has been working to simplify the Point-of-Sale system from both an inventory/sku standpoint and also from the touch-screen entry side. The course needs the Fore software to produce organized and comparative information which is more easily understood.
- D. Course event calendar for 2017. The Fox Run Pro-Am has been moved to earlier in the summer with the new dates of June 30, July 1, and July 2. The Waterloo Open in Iowa was moved to the normal Fox Run Pro-Am dates and it has a \$60,000 purse so it would have been very hard for Fox Run's tournament to compete for players. Tom is discussing with Hillcrest the idea of partnering for the Junior Golf Program. The board wondered if there is a way to get local doctor's to help sponsor the program?
- E. Course conditions and projects. Course looks good to this point in winter but there is a lot of winter left. Receiving rain in the winter has helped the course. Some low spots in fairways have standing/frozen water which will kill the grass. Hopefully, the standing water will disappear before it does any damage.

**Other Business**

- A. Next Meeting Date – Thursday, February 16, 2017

**Meeting Adjourned**

- A. Carda motioned, Erickson second. Motion carried 6-0.

## AFFILIATE AGREEMENT

**THIS AFFILIATE AGREEMENT** (the “**Agreement**”) is made and entered into as of the 2nd day of January, 2017 (hereinafter the “**Effective Date**”), by and between GL Management, LLC, a South Dakota limited liability company (hereinafter “**GL**”), and the City of Yankton, a South Dakota municipality (hereinafter “**Affiliate**”),

### WITNESSETH

**WHEREAS**, GL offers a membership program pursuant to which its Members have privileges to use certain golf courses and fitness centers during the term of the Member’s active membership in GL;

**WHEREAS**, Affiliate owns and operates an 18-hole golf course in Yankton, South Dakota known as Fox Run Golf Course (the “**The Golf Course**”);

**WHEREAS**, GL desires to have its members have access to play the Golf Course subject to the terms and conditions herein during the 2017 golfing season(s) and as may be extended as provided herein; and

**WHEREAS**, Affiliate desires to allow the GL members to play the Golf Course subject to the following terms and conditions herein and to collaborate with GL in golf course operations and maintenance matters as more fully described herein.

**NOW, THEREFORE**, in consideration of the foregoing and of the mutual covenants and conditions set forth herein, the sufficiency of which as consideration is acknowledged, the parties hereto agree as follows:

### **ARTICLE I** **SCOPE OF AFFILIATION**

**A. Golf Privileges.** GL members holding a current and valid GL membership, shall be allowed to play golf, without paying green fees, during the times and subject to the limitations specified in Attachment A hereto, incorporated herein by this reference. Such GL members playing golf on the Golf Course will be responsible for paying any other applicable fees or charges, including without limitation golf cart rental, supplies or food and beverage.

**B. GL Membership Program.** GL shall maintain and allow electronic access by the Golf Course staff to an active database of its members and their active membership status and type (individual, couple or family with members by name).

**C. Payment For Privileges.** GL shall pay to the Golf Course a retainer as specified in Attachment B hereto, and incorporated herein by this reference.

**D. Non-Golf Matters.** In addition to the golfing privileges provided for above, the parties further agree to cooperate on certain golf course operations and maintenance matters as described in Attachment C hereto, and incorporated herein by this reference.

**ARTICLE II**  
**TERM OF AFFILIATION**

This Agreement shall be effective as of the date first set forth above and, shall expire on the 31<sup>st</sup> day of December 2017 (the “**Term**”). Following the 2017 golfing season, the parties may extend the term of this Agreement in annual terms by updating and re-initialing the detailed terms contained in each of the Attachments hereto.

**ARTICLE III**  
**MANAGEMENT**

Each party shall designate a person to be responsible for the overall administration of this Agreement. Such representatives shall meet from time to time during the golfing season to develop mutual operating efficiencies and opportunities between GL and Affiliate.

**ARTICLE IV**  
**NO PARTNERSHIP**

Nothing herein contained shall be construed to imply a joint venture, partnership or principal-agent relationship between GL and Affiliate or the Golf Course and neither party shall have the right, power or authority to obligate or bind the other in any manner whatsoever, except as is provided herein or otherwise agreed in writing.

**ARTICLE V**  
**TRADEMARK, TRADE NAME AND COPYRIGHTS**

Except as provided herein, this Agreement does not give either party any ownership rights or interest in the other party’s trade name, trademarks or copyrights. Notwithstanding the foregoing, during the Term of this Agreement, each party may use the other’s name and logo for the specific and limited purposes of promoting this affiliation. The right to use each other’s logo shall terminate upon termination of this Agreement for any reason.

**ARTICLE VI**  
**INDEMNIFICATION**

Each Party shall indemnify, defend and hold the other, its affiliates, employees, agents and its members, managers, shareholders, directors, and officers, as the case may be, harmless to the extent permitted by law from and against any and all third-party suits, actions, investigations and proceedings, and related costs and expenses (including reasonable attorney's fees) relating to activities contemplated by this Agreement and resulting solely and directly from the indemnifying party's negligence or willful misconduct. Neither party shall be required hereunder to defend, indemnify or hold harmless the other and/or its partners, shareholders, directors, officers, directors, employees and agents, or any of them, from any liability resulting from the negligence or wrongful acts of the party seeking indemnification or of any third-party. Each of the Parties agrees to give the other prompt written notice of any claim or other matter as to which it believes this indemnification provision is applicable. The indemnifying party shall have the right to defend against any such claim with counsel of its own choosing and to settle and/or compromise such claim as it deems appropriate. Each party further agrees to cooperate with the other in the defense of any such claim or other matter.

**ARTICLE VII**  
**NON-SOLICITATION OF PERSONNEL**

GL and Affiliate agree not to hire, or to engage as independent contractors, the other's employees during the term of this Agreement and for a period of one (1) year following termination of this Agreement except as may be mutually agreed in writing.

**ARTICLE VII**  
**GENERAL PROVISIONS**

**A. Entire Agreement:** This Agreement together with all documents incorporated by reference herein constitute the entire and sole agreement between the parties with respect to the subject matter hereof and supersede any prior agreements, negotiations, understandings, or other matters, whether oral or written, with respect to the subject matter hereof. This Agreement cannot be modified, changed or amended, except for in writing signed by a duly authorized representative of each of the parties.

**B. Conflict:** In the event of any conflict, ambiguity or inconsistency between this Agreement and any document which may be annexed hereto, the terms of this Agreement shall govern.

**C. Assignment and Delegation:** Neither party shall assign or delegate this Agreement or any rights, duties or obligations hereunder to any other person and/or entity without prior express written approval of the other party.

**D. Notices:** Any notice required or permitted to be given under this Agreement shall be in writing, delivered by hand delivery or by commercial overnight courier or registered or certified U.S. Mail, to the address stated below for GL or to the address stated below for Affiliate, and shall be deemed duly given upon receipt, or if by registered or certified mail three (3) business days following deposit in the U.S. Mail. The parties hereto may from time to time designate in writing other addresses expressly for the purpose of receipt of notice hereunder.

If to GL:  
GL MANAGEMENT, LLC  
3800 West 53<sup>rd</sup> Street  
Sioux Falls, S.D. 57106-4223  
Attn: Tom Walsh, Sr.

If to Affiliate:  
Fox Run Golf Course  
416 Walnut, PO Box 176  
Yankton, SD 57078  
Attn: Todd Larson

With a copy to:  
Quaintance Law Office P.C.  
Attn: John Quaintance  
100 S. Phillips Ave. Suite 100  
Sioux Falls, S.D. 57104

With a copy to:  

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DenHerder & Hosmer Law Office  

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Attn: Ross DenHerder  
329 Broadway Avenue  

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Yankton, SD 57078

**E. Severability:** If any provision of this Agreement is declared invalid or unenforceable, such provision shall be deemed modified to the extent necessary and possible to render it valid and enforceable. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in full force and effect, and be construed and enforced as if such provision had not been included, or had been modified as above provided, as the case may be.

**F. Governing Law and Litigation:** This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota without giving effect to its choice of law principles. Any litigation regarding this Agreement shall be venued in the Second Judicial Circuit Court, Minnehaha County, South Dakota and the prevailing party therein, as determined by the Court, shall recover from the non-prevailing party its attorneys fees and expenses, in addition to its statutory costs and disbursements.

**G. Paragraph Headings:** The paragraph headings set forth in this Agreement are for the convenience of the parties, and in no way define, limit, or describe the scope or intent of this Agreement and are to be given no legal effect.

**H. Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the parties, by their duly authorized representatives, have caused this Agreement to be executed as of the date first written above.

**GL MANAGEMENT, LLC**  
a South Dakota limited liability company

The City of Yankton.  
a South Dakota municipality

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

By: Amy Nelson \_\_\_\_\_  
Its: City Manager \_\_\_\_\_  
Date: \_\_\_\_\_

## ATTACHMENT A

### Golf Privileges

#### **Times:**

During the Term of this Agreement, GL Members may play (defined as reserved or approved starting tee time) the Golf Course without paying green fees whenever the course is open for public play.

#### **Advance Booking Reservations:**

As a general matter, GL Members (valid and active) may reserve tee times in advance by contacting the Golf Course golf shop by phone or electronically (if facility exists) not more than three (3) days in advance.

By way of illustration only:

A GL Member wants to play golf at noon on Friday, the 15<sup>th</sup> of a month. He or she would be able to reserve the desired tee time, subject to previously booked commitments to the Golf Course Members or guests, beginning at noon on Tuesday, the 12<sup>th</sup> (the 3<sup>rd</sup> day prior).

The golf course may, at its discretion, allow GL members to reserve tee times more than three (3) days in advance.

GL Members who do not make advance reservations are still welcome to play the course without paying green fees, but would be considered a “walk-on” and subject only to the standard availability constraints as would any other walk-on golfer, whether or not a member of either the Golf Course or GL.



## ATTACHMENT B

### Minimum/ Maximum Monthly Retainer

March 2017	\$ 5 per nine-hole round up to a maximum of \$ 1000
April 2017	Minimum of \$250 or \$ 5 per nine-hole round up to a maximum of \$ 2000
May 2017	Minimum of \$250 or \$ 5 per nine-hole round up to a maximum of \$ 2000
June 2017	Minimum of \$500 or \$ 5 per nine-hole round up to a maximum of \$2000
July 2017	Minimum of \$500 or \$ 5 per nine-hole round up to a maximum of \$2000
August 2017	Minimum of \$500 or \$ 5 per nine-hole round up to a maximum of \$2000
September 2017	Minimum of \$250 or \$ 5 per nine-hole round up to a maximum of \$ 2000
October 2017	Minimum of \$250 or \$ 5 per nine-hole round up to a maximum of \$ 2000

The Minimum/Maximum Monthly Retainer shall apply to rounds of golf played by GL members 14 years of age or older. Children 13 years of age or younger who are part of a family with a GL family golf and fitness membership may play golf without charge, and the affiliate will not be entitled to compensation. The affiliate may, at its discretion, require that children 13 years of age or younger be accompanied by an adult.

The affiliate will not be entitled to compensation by GL for rounds played by members or pass-holders of the affiliate golf course who also are GL members.

Notwithstanding that no Monthly Retainer is required of GL during the months of November through February, GL Members may play the Golf Course on the terms appearing on Attachment A on those days prior to March 1 and after October 31 on which the Golf Course is open for play.

## ATTACHMENT C

### Operations and Maintenance

The parties shall, on a best efforts basis, coordinate and collaborate for their individual and mutual benefit, plus that of their respective members, in the following matters affecting operations and maintenance:

1. **Computerized Records**: GL will be using a membership database, reservation, and point-of-sale system. The Golf Course will have access to the “Admissions” module of that system to allow the Golf Course to verify the valid membership status of GL Members as well as to make tee time reservations electronically to the extent possible through the Admittance Module of the software.
2. **Golf Expos**: During Golf Expos, the parties shall, in their respective booths, if any, explain to prospective members the nature and terms of the affiliation between the parties based on the terms and provisions contained in this Agreement.
3. **GL Buying Group**: The Golf Course shall be offered the option to order and purchase any supplies available through a buying group, if any, for GL affiliates.

# Fox Run Golf Course

## Comparative Sales Summary by Department

	Jan 01, '17 - Jan 18, '17		Jan 01, '16 - Jan 18, '16				
	Qty	Sales	Qty	Sales	QtyΔ	\$Δ	%Δ
<b>Golf Course Revenue Total:</b>	33	\$6,220.43	62	\$19,053.26	-29	-12,832.83	-67.35%
<b>Golf Shop Revenue Total:</b>	43	\$410.97	16	\$443.52	27	-32.55	-7.34%
<b>Food &amp; Beverage Reve Total:</b>	314	\$1,159.14	143	\$428.32	171	730.82	170.62%
<b>Simulator Revenue Total:</b>	109	\$1,485.95	117	\$1,551.49	-8	-65.54	-4.22%
<b>Unrecognized Revenue Total:</b>	111	\$514.04	64	\$466.56	47	47.48	10.18%
<b>Accounts Receivables Total:</b>	8	(\$5,370.53)	21	(\$13,060.11)	-13	7,689.58	-58.88%
<b>Grand Total:</b>	<b>618</b>	<b>\$4,420.00</b>	<b>423</b>	<b>\$8,883.04</b>	<b>195</b>	<b>-4,463.04</b>	<b>-50.24%</b>

# Fox Run Golf Course

## Comparative Sales Detail by Department: Golf Course Revenue

Item #	Description	Jan 01, '17 - Jan 18, '17		Jan 01, '16 - Jan 18, '16		QtyΔ	SΔ	%Δ
		Qty	Sales	Qty	Sales			
<b>Department: Golf Course Revenue</b>								
<b>Sub Department: Annual Pass Fees</b>								
Category: Limited								
Sub Category: Adult								
1410	Annual Pass Adult Limited Play	3	\$1,200.00	7	\$2,813.09	-4	-1,613.09	-57.34%
<b>Adult Total:</b>		<b>3</b>	<b>\$1,200.00</b>	<b>7</b>	<b>\$2,813.09</b>	<b>-4</b>	<b>-1,613.09</b>	<b>-57.34%</b>
<b>Limited Total:</b>		<b>3</b>	<b>\$1,200.00</b>	<b>7</b>	<b>\$2,813.09</b>	<b>-4</b>	<b>-1,613.09</b>	<b>-57.34%</b>
Category: Unlimited								
Sub Category: Adult								
1408	Annual Pass Individual Adult +1	0	\$0.00	8	\$5,458.00	-8	-5,458.00	-100.00%
1409	Annual Pass Adult Individual	5	\$2,500.47	8	\$4,186.96	-3	-1,686.49	-40.28%
4669	'17-Annual Pass Adult Individual	1	\$541.40	0	\$0.00	1	541.40	100.00%
<b>Adult Total:</b>		<b>6</b>	<b>\$3,041.87</b>	<b>16</b>	<b>\$9,644.96</b>	<b>-10</b>	<b>-6,603.09</b>	<b>-68.46%</b>
Sub Category: Jr Adult								
4435	Annual Pass Jr. Adult Individual	0	\$0.00	2	\$560.74	-2	-560.74	-100.00%
<b>Jr Adult Total:</b>		<b>0</b>	<b>\$0.00</b>	<b>2</b>	<b>\$560.74</b>	<b>-2</b>	<b>-560.74</b>	<b>-100.00%</b>
<b>Unlimited Total:</b>		<b>6</b>	<b>\$3,041.87</b>	<b>18</b>	<b>\$10,205.70</b>	<b>-12</b>	<b>-7,163.83</b>	<b>-70.19%</b>
<b>Annual Pass Fees Total:</b>		<b>9</b>	<b>\$4,241.87</b>	<b>25</b>	<b>\$13,018.79</b>	<b>-16</b>	<b>-8,776.92</b>	<b>-67.42%</b>
<b>Sub Department: Golf Carts</b>								
Category: Cart Storage								
1415	Annual Golf Car Storage Fee	3	\$774.66	10	\$2,594.30	-7	-1,819.64	-70.14%
<b>Cart Storage Total:</b>		<b>3</b>	<b>\$774.66</b>	<b>10</b>	<b>\$2,594.30</b>	<b>-7</b>	<b>-1,819.64</b>	<b>-70.14%</b>
Category: Annual Trail Fee								
1414	Annual Trail Fee	5	\$837.25	13	\$2,186.99	-8	-1,349.74	-61.72%
2948	Annual Trail Fee (co-Owner)	0	\$0.00	1	\$70.10	-1	-70.10	-100.00%
<b>Annual Trail Fee Total:</b>		<b>5</b>	<b>\$837.25</b>	<b>14</b>	<b>\$2,257.09</b>	<b>-9</b>	<b>-1,419.84</b>	<b>-62.91%</b>
<b>Golf Carts Total:</b>		<b>8</b>	<b>\$1,611.91</b>	<b>24</b>	<b>\$4,851.39</b>	<b>-16</b>	<b>-3,239.48</b>	<b>-66.77%</b>
<b>Sub Department: Other Golf Fees</b>								
Category: Advertisements								
3823	Advertisement - Golf Cart Wraps	0	\$0.00	1	\$900.00	-1	-900.00	-100.00%
<b>Advertisements Total:</b>		<b>0</b>	<b>\$0.00</b>	<b>1</b>	<b>\$900.00</b>	<b>-1</b>	<b>-900.00</b>	<b>-100.00%</b>
<b>Other Golf Fees Total:</b>		<b>0</b>	<b>\$0.00</b>	<b>1</b>	<b>\$900.00</b>	<b>-1</b>	<b>-900.00</b>	<b>-100.00%</b>
<b>Sub Department: Handicaps</b>								
Category: Handicap Fee								
1444	Handicap Fee	16	\$366.65	12	\$283.08	4	83.57	29.52%
<b>Handicap Fee Total:</b>		<b>16</b>	<b>\$366.65</b>	<b>12</b>	<b>\$283.08</b>	<b>4</b>	<b>83.57</b>	<b>29.52%</b>
<b>Handicaps Total:</b>		<b>16</b>	<b>\$366.65</b>	<b>12</b>	<b>\$283.08</b>	<b>4</b>	<b>83.57</b>	<b>29.52%</b>
<b>Golf Course Revenue Total:</b>		<b>33</b>	<b>\$6,220.43</b>	<b>62</b>	<b>\$19,053.26</b>	<b>-29</b>	<b>-12,832.83</b>	<b>-67.35%</b>
<b>Grand Total:</b>		<b>33</b>	<b>\$6,220.43</b>	<b>62</b>	<b>\$19,053.26</b>	<b>-29</b>	<b>-12,832.83</b>	<b>-67.35%</b>

# Fox Run Golf Course

## Comparative Sales Summary by Department

	Jan 01, '16 - Dec 31, '16		Jan 01, '15 - Dec 31, '15		QtyΔ	SA	%Δ
	Qty	Sales	Qty	Sales			
<b>Golf Course Revenue Total:</b>	25,598	\$447,788.42	34,890	\$467,460.35	-9,292	-19,671.93	-4.21%
<b>Golf Shop Revenue Total:</b>	7,606	\$91,063.55	9,704	\$131,487.32	-2,098	-40,423.77	-30.74%
<b>Food &amp; Beverage Reve Total:</b>	41,033	\$140,560.63	40,241	\$141,702.02	792	-1,141.39	-0.81%
<b>Simulator Revenue Total:</b>	631	\$8,594.59	671	\$9,266.41	-40	-671.82	-7.25%
<b>Advertising Revenue Total:</b>	1	\$994.61	1	\$1,100.00	0	-105.39	-9.58%
<b>Unrecognized Revenue Total:</b>	2,997	\$67,813.87	2,829	\$29,803.67	168	38,010.20	127.54%
<b>Accounts Receivables Total:</b>	51	(\$52,370.45)	42	(\$26,215.41)	9	-26,155.04	99.77%
<b>Grand Total:</b>	<u>77,917</u>	<u>\$704,445.22</u>	<u>88,378</u>	<u>\$754,604.36</u>	<u>-10,461</u>	<u>-50,159.14</u>	<u>-6.65%</u>