

COTTAGE GROVE CITY COUNCIL

12800 RAVINE PARKWAY SOUTH

COTTAGE GROVE, MN 55016

SPECIAL MEETING – River Oaks Golf Course & Event Center - 5:00 P.M.

April 2, 2025

1. CALL TO ORDER

The City Council of the City of Cottage Grove, Washington County, Minnesota, held a special meeting on April 2, 2025, at River Oaks Golf Course (11099 Hwy 61 Cottage Grove, MN 55016). Mayor Bailey called the meeting to order at 5:00 p.m.

2. Agenda Item

A. River Oaks Golf Course, Event Center and Eagles Bar and Grill Business Update

Welcome and Introductions

- Dennis Neitz opened the meeting with a statement on River Oaks' mission statement:

To create and maintain a venue where guests can enjoy themselves, have a great meal, and create lasting memories. Both on and off the course, River Oaks is committed to continuous improvement and providing an exceptional guest experience for Cottage Grove residents and visitors in a welcoming and professional environment.

Neitz continued his presentation by illustrating the complexities of River Oaks through an analogy: managing River Oaks is akin to simultaneously operating twelve distinct businesses. He then provided the following example to elaborate on this comparison:

1. **Restaurant:** Casual grill with patio, Dining, Quick stop on the turn... our grill serves many purposes.
2. **Event Venue:** Weddings, Special Occasions, Banquets... you've got an event? We've got you covered.
3. **Mobile Convenience Store:** Ever tried operating a drink and snack truck? We do it daily, 6 months out of the year; give or take.
4. **Liquor Store:** Full bar, beer, seltzers, spirits – everything a liquor store sells, we sell too.
5. **Service Provider:** Memberships, Lessons, League management – we are selling and servicing all at once.
6. **Rental Car Agency (but worse):** 75 carts for 18 holes, gas topped off, batteries charged, oil changed... Just to have them driven like bumper cars every round.
7. **Call Center:** Hundreds of calls a day. Tee times, questions, complaints, rain checks, lost head covers.. you name it.
8. **Farm Operator:** 125+ acres of land, every inch expected to be perfect. Industrial grade equipment and an irrigation system running daily, but our equipment must be precise on cutting heights.
9. **Road Crew:** Maintaining 10+ miles of paths because somehow, they always need fixing.
10. **E-Commerce Store:** Every product or registration in the pro shop, we can sell online too.

11. **Marketing Firm:** social media, email campaigns, drip campaigns, AdWords, brochures, website, digital ads, golf cart ads, highway signs, community relations.
12. **Recruiting & Training Firm:** And right now, in peak hiring season, we're trying to find 100-130 seasonal employees, train them, and make the magic happen.

Neitz finished up his example by explaining that running a golf course is hard and it is one of the most complex small to medium sized business models and yet River Oaks makes it work even when there are economic challenges.

2024 Year in Review

Mr. Neitz highlighted the 2024 Year in review:

- Invested – Capital Expenses (-\$256,027) Maintenance Equipment, Carpet and Chairs.
- Completed Irrigation System (2 loan payments made)
- Cash Reserve - \$194,130
- Hosted 253 Events
- Maintenance
 - Course Conditions – Positive Reviews
 - Brush Clearing
 - Cart Path Repairs
 - Tee Box #3

Neitz's analysis concluded by comparing the profitability of hosting large versus small events across different seasons. His findings highlighted the increased expenses and staffing difficulties associated with operating smaller events during the winter months. To illustrate this point, Neitz presented a graph demonstrating the financial advantage of hosting small events in the summer, a period characterized by greater staff availability and lower utility costs.

Neitz addressed comments and questions from the attendees and concluded his portion of the presentation and turned the presentation over to Parks and Recreation Director Zac Dockter.

Dockter's discussion focus was on the future business plan and the following objectives:

- Continued focus on innovative improvements for customer experience to capitalize on current success.
- Study ability to improve patio experience
- Interest in expansion of event center to achieve goal of a 240 person venue
- Further analysis on building connection or modifications if golf simulators are able to help business
- Concern about controlling expenditures to maintain profitability goals. Payroll, cart fleet purchase and cost of goods are immediate areas of concern.

Dockter reported that staff will incorporate an analysis of these discussion points into the 2026-2030 business plan for Council consideration later this year.

Next, City Administrator Jennifer Levitt provided a brief update on park projects and a finance review. Levitt presented the proposed plans for Denzer Park, Oltman Park, and Kingston Park, outlining the suggested features for each. Levitt then detailed some financing challenges staff were addressing for these proposed parks. Specifically, the Denzer Park project cost has increased from \$500,000 to approximately \$700,000, and the Norhart development, a significant funding source for Denzer Park, is currently stalled. Furthermore, splitting the Oltman Park improvements into a two-year project is not cost-effective, and grant funds must be fully utilized by June

2026. Levitt also noted that several Capital Improvement Plan (CIP) projects still require funding, including Still Ponds, Roberts Lake Neighborhood Development, Military Trailhead, and East Ravine Neighborhood Park.

Levitt presented Council with three options for their consideration. The Council selected the option that involves delaying the Denzer Park project, proceeding with the Oltman Park project, and postponing the Kingston Park project. The advantages of this decision include the ability to utilize a \$350,000 grant for Oltman Park, the potential to bond \$2 million for Oltman Park due to the delay of the Denzer Park project until the Norhart development progresses, the possibility of bonding and constructing Kingston Park in the same year, and providing both staff and Council with additional time to finalize decisions during the upcoming budget discussions.

The meeting was adjourned at 6:40 P.M.

These minutes serve as a summary of the key points discussed during the meeting. Minutes prepared by Tamara Anderson, City Clerk.