

ALAMEDA GOLF COMMISSION
MINUTES OF REGULAR MEETING

Revised 6/16/08

Wednesday, May 21, 2008

1. CALL TO ORDER

Chair Jane Sullwold called the regular meeting to order at 6:32 p.m. in the Ladies' Lounge at the Chuck Corica Golf Complex, 1 Clubhouse Memorial Road, Alameda, CA 94502

1-A. Roll Call

Roll call was taken and members present were: Commissioner Betsy Gammell, Vice Chair Ray Gaul, Commissioner Bill Schmitz and Chair Jane Sullwold. Absent: Secretary Bill Delaney and Commissioner Jeff Wood. Also present were Interim General Manager Dale Lillard and Assistant Golf Professional Mike Robason.

1-B Approval of Minutes - Regular Meeting of April 16, 2008:

The Commission approved the minutes unanimously.

1-C Adoption of Agenda

The Commission adopted the agenda unanimously.

2. ORAL COMMUNICATIONS

None.

3. COMMISSION COMMUNICATIONS

None.

4. AGENDA ITEMS:

4-A Response from the City Auditor.

Chair Sullwold read a letter from City Auditor Kevin Kearney dated May 20, 2008, purportedly explaining the accounting procedures concerning the golf cart lease. The Golf Fund is being charged the entire amount of the four-year lease -- \$449,000 -- in this fiscal year. Mr. Kearney did not answer the question of why this was necessary in his letter. He compared the golf cart lease to a home mortgage, but, of course, a home owner is not required to put aside the entire amount due to be paid over the 30-year term of his mortgage during the first year, making the comparison inappropriate. The Commission intends to ask Mr. Kearney additional questions.

Prior to the meeting Chair Sullwold asked Interim General Manager Dale Lillard to explain the components of the Services category in the Golf Complex financial reports for May, as this figure is substantially over budget this year. Mr. Lillard reported that the Services category included the four years of payments on the golf cart lease, payments to the National Golf Foundation for the Operational Review and Master Plan, and a charge of \$115,063 for Beltline eminent domain litigation expenses. The Golf Commission questioned why the Beltline expenses, which have absolutely nothing to do with golf or the Golf Complex, are being charged against Golf Complex revenues. [Note: The next day, May 22, 2008, Mr. Lillard clarified by e-mail to the Golf Commissioners that the Services category included a charge of \$374,794 to date for the golf cart lease, and \$79,522 for payments to date to NGF. The charge of \$115,063 for Beltline expenses was attributed to risk management, and was included under the category of Transfers to Other Funds.]

4-B Score card advertising.

Assistant Golf Professional Mike Robason said that he had contacted the company that offered to prepare free scorecards in exchange for advertising rights and had begun negotiations with them to see what they would be willing to do for the Golf Complex.

4-C Feedback on elimination of complimentary rounds; discussion regarding possible changes to various categories of greens fees.

Commissioner Schmitz and Commissioner Gammell, neither of whom was present at the April meeting, expressed serious disagreement with the April vote by the Commission to impose a \$15 charge for employees to play golf at the Golf Complex. Commissioner Gammell said she considered it embarrassing that Pro Shop employees would be allowed to play for free at other courses but would be charged to play at their home course. Commissioner Schmitz moved, and Commissioner Gammell seconded, that the decision to impose employee greens fees be rescinded. Chair Sullwold said she was opposed to the motion as phrased because it went too far. She stated her opinion that greens fees should be waived for part-time hourly employees who do not receive benefits, and that the amount for others should be reduced from \$15 to \$10, but she feels that full-time employees should be required to pay a modest fee in these difficult financial times. The motion passed by a 3 to 1 vote. It was noted, however, that Mr. Lillard had previously sent Commissioners an e-mail indicating that he had approval from Human Resources and the City Attorney's Office to impose an employee rate regardless of the position of the Golf Commission on that issue, and that he therefore did not intend to rescind the policy.

Chair Sullwold expressed her annoyance that a \$15 rate for Golf Commissioners had not been input into the computer at the same time as the charge for employees. Both charges were part of the same motion by the Golf Commission at its April meeting, and the Golf Commission had never asked Mr. Lillard to reconsider the charge for Commissioners, only for employees. Golf

Commissioners who expected to pay the \$15 rate starting on May 1 were told by Pro Shop staff that no such rate existed, so they had to ask to be counted as employees in order to be properly charged. She instructed Mr. Lillard to have the Commissioner rate set up as soon as possible.

A general discussion ensued regarding possible ways to enhance Golf Complex revenues by changes to greens fees. The Golf Commission approved a recommendation to City Council to (1) equalize rates on the Clark and Fry courses by bring Clark rates up to Fry rates, (2) create a "super super" twilight rate of \$10 per round after 6:00 p.m. on a 90-day promotional basis, and (3) raise the weekend rate at the Mif Albright course from \$7.00 to \$9.00. Mr. Lillard was asked to present these proposals to City Council as quickly as possible. Chair Sullwold asked Mr. Lillard and Mr. Robason if either had any additional revenue-enhancing ideas for the Golf Commission to consider, but neither could think of any. Both were encouraged to come forward immediately if they had any new ideas, or if any new ideas were suggested to them.

4-D Discussion on marketing plan by Secretary Delaney.

Chair Sullwold read an e-mail dated May 21, 2008, from Secretary Delaney as follows:

I have secured an individual who will add a great deal to our marketing discussions. He is available after June 6th, thus I plan to schedule an input and brainstorming session shortly after that. It would be a 5-hour meeting initially to discuss issues, characteristics of the course/facility, competitive activities, other entertainment facility events, etc. The objective is to find a common ground to begin the brainstorming session. There would be a second meeting to get into actual strategic issues, messaging and maybe some creative approaches. Execution efforts will come from the second meeting. We'll also want to consider how we measure our efforts (i.e. ROI and impact). All of this will be part of our discussions. I would think we should have no more than 7 people involved. 3 Commissioners, 2 course staff (Mike and Dale), one "friend" of the course (Tony Corica?) and my professional contact (Larry Kurtz). Any more than that and it becomes difficult to manage. As chair, you need to decide if you want to be a part of the process or want to be one of the decision makers who reviews the task force recommendations and blesses them. Once that is done, you and I (and the commission) would present our thinking and plans to the council/mayor. We will need someone like yourself to view this effort separately to make sure we are thinking correctly and not getting caught up in our own beliefs. If you chose to take that role, I see us communicating to you after each meeting to offer insights to what we discussed and to give you insight to our next steps.

The Golf Commission felt that only one member should be on this committee, and the other three members present felt that the committee member should be Chair Sullwold. Former Golf Commissioner Tony Corica agreed to serve on the committee as well. Chair Sullwold will contact Secretary Delaney to get this ball rolling.

5. ORAL REPORTS

- 5-A Golf Shop and Driving Range activities report by Assistant Golf Professional Mike Robason.

The Assistant Golf Professional reported that the Taylor Made Demo Day held on May 17, 2008 was very successful bringing in \$6,500. The Golf Complex will be hosting a Ladies Day on June 11, 2008 in conjunction with the PGA of America's Women's Golf Month. The activities will include a "Demo Day" with Titleist/Cobra and teaching clinics. The event is free.

- 5-B Golf Complex Maintenance activities report by Superintendent Doug Poole.

Absent.

- 5-C Beautification Program and Junior Golf Club by Mrs. Norma Arnerich.

No tape transmission available.

- 5-D Golf Complex Restaurant Report, Jim's on the Course.

No Restaurant representative was present. Mr. Lillard reported that ceiling tiles had been replaced, and plans were in the works to replace the carpet.

6. COMMISSIONERS' REPORTS

- 6-A Marketing and Promotions, Commissioner Gammell.

Nothing to report.

- 6-B Golf Complex Financial Report, Secretary Delaney.

Absent. Financial matters discussed earlier.

- 6-C New Clubhouse Project, Vice Chair Gaul and Commissioner Schmitz.

Nothing to report.

- 6-D Maintenance, Buildings, Security, Albright Course and Driving Range, Commissioner Wood.

Absent.

7. ORAL COMMUNICATIONS, NON-AGENDA (Public Comment)

None.

8. OLD BUSINESS

None.

9. WRITTEN COMMUNICATIONS

Included in the Commission packet was a memorandum to the Finance Department showing the surcharge payment for April 2008 was \$11,790. The year-to-date total to the General Fund is \$112,231 for fiscal year 2007/2008.

10. ITEMS FOR NEXT MEETING'S AGENDA

Golf Complex financials.

11. ANNOUNCEMENTS/ADJOURNMENT

The Meeting was adjourned at approximately 8:00 PM.

The agenda for the meeting was posted 72 hours in advance in accordance with the Brown Act.