

ALAMEDA GOLF COMMISSION
MINUTES OF REGULAR MEETING

Wednesday, October 15, 2008

1. CALL TO ORDER

Chair Jane Sullwold called the regular meeting to order at 6:28 p.m. at the Chuck Corica Golf Complex, Ladies Lounge, 1 Clubhouse Memorial Road, Alameda, CA 94502.

1-A. Roll Call

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

1-B Approval of Minutes – Regular Meeting of September 17, 2008

The following corrections were made:

Item 5-A, line 3: insert "the" between that and Council.

Item 5-C, line 6: "girl's" should be "girls".

The Commission approved the minutes unanimously with the aforementioned corrections.

The motion was made and seconded to have a draft of the minutes reviewed by Chair Sullwold prior to being sent out. The Golf Commission passed the motion unanimously.

1-C Adoption of Agenda

The following corrections were made to the agenda:

Item 1-B: August 20, 2008 should be September 17, 2008.

Item 4-A will be moved down on the agenda to accommodate the arrival of the Chief Financial Officer.

The Commission adopted the agenda unanimously with the aforementioned changes.

3. COMMISSION COMMUNICATIONS

Chair Sullwold reported that she spoke with the Mayor this afternoon regarding rumors that there is a change in the Request for Proposals (RFP) for management of the Golf Complex. The Mayor stated that the City of Alameda is currently in

negotiations with the Alameda City Employees Association (ACEA), the union representing the golf course maintenance employees, regarding union concessions for Golf Complex maintenance. Should the discussions work out and an agreement is reached, the City of Alameda might then seek a management contract for the Pro Shop operations only, excluding maintenance. The general scope of the proposed concessions involves offering golden handshakes to encourage early retirements by current maintenance workers, plus transfer of some workers into other City jobs. The interim manager would be free to hire replacement workers at non-union salaries, and would be responsible for supervising both the remaining union employees as well as any replacement workers. It is not clear that it will work out but the City is exploring the proposal. Chair Sullwold suggested that all of the prospective outside managers would be unlikely to achieve anything close to their original proposals without including maintenance.

4. AGENDA ITEMS:

4-A Response from the Interim Chief Financial Officer.

Chair Sullwold introduced the Interim Chief Financial Officer, Ann Marie Gallant. Ms. Gallant responded to the letter sent by the Golf Commission in September requesting information concerning the fiscal year 2007/2008 year-end reports. The questions regarded the extraordinary items that were taken from the Golf Enterprise Fund that adversely affected the cash flow, specifically: (1) the cart lease wherein the Golf Complex was required to pay the entire principal balance of \$449,000 for the four-year lease in the first year, (2) the decision by City Council to hire NGF for the operational review and master plan for approximately \$100,000 and (3) the \$115,000 in additional Risk Management expenses assessed against the Golf Complex. Had these charges not been made, expenditures for the year would have exceeded the revenue by approximately \$129,000 instead of \$700,000. Ms. Gallant confirmed expensing of the lease and stated that NGF had been paid \$139,521 in FY 2007/2008. She stated that a portion of the \$115,000 for Risk Management was for the Beltline Litigation and the remainder was a catch-up amount that should have been charged in prior years. She further stated that no other extraordinary expenses were charged against the Golf Complex than those three. Months ago the Golf Commission requested a detailed line item budget for the golf operations and have yet to receive it; Ms. Gallant agreed to look into this matter. Chair Sullwold inquired why the two sets of financial reports received in September, one of which was for FY 2007/2008 year-end, and the other of which concerns August 2008 results, contained differences as to the prior year's budget. Ms. Gallant stated that cities tend to review the budget every quarter and possibly make changes, although without further research she cannot be certain what the differences represent.

4-B Election for Golf Commission Board Positions for 2009. (Action Item)

The Nominations for Golf Commission Board positions for 2009 made at the last meeting are as follows:

Chair: Jane Sullwold
Vice Chair: Bill Schmitz
Secretary: Jeff Wood

The Golf Commission elected the nominees unanimously.

4-C Discussion on City Council Report Regarding Recommendation for Golf Course Management.

The Interim General Manager stated that the only changes to the City Council report is the addition of the new scenario concerning the maintenance employees. He reported that the top four candidates were advised about the possible union concessions and invited to submit new proposals in which they would be responsible for Pro Shop operations only, not maintenance. Responses are due on Friday, October 17. Chair Sullwold reported that the management candidates were ranked after interviews as follows: 1) Kemper Sports, 2) Bellows, 3) Empire Golf, and 4) Mike Robason Golf. It was suggested that the Golf Commission should urge City Council not to rush into a decision concerning the Golf Complex operations prior to reviewing all of the information. It was mentioned that most of the RFPs the City of Alameda sends out contain the following language: "The City of Alameda reserves the right to reject any and all bids". Chair Sullwold stated that she does not believe the RFP for the Interim Golf Course Management contains that particular language. The Golf Commission agreed that a new RFP excluding maintenance operations should be sent out to all companies that received the original request. The ACEA union representative noted that at the original informational meeting concerning the proposal it was stressed to the attendees that it would be in their best interest to try and work with the union to avoid problems with the workers. The Golf Commission agreed that the original screening committee should review the revised proposals and the Golf Commission should have a special meeting to discuss the findings. It was unknown when an agreement between the City of Alameda and ACEA might be reached. It is anticipated that there will not be a new operator at the Golf Complex before 2009. The motion was made and seconded to have the revised RFPs reviewed by the original screening committee, and that a Special Golf Commission Meeting be scheduled for October 29, 2008. The motion passed unanimously.

4-D Update on the Rate Increases.

Chair Sullwold reported that green fee rounds and revenue increased for the first half of October 2008 compared to the same period in 2007. Monthly ticket sales and revenue for the same period decreased. For the period since the new rates began on September 1, 2008 through October 14, 2008, the rounds and revenue for green fees has increased over the same period in 2007. Monthly ticket sales for the same period have decreased, although revenue has increased slightly. In conclusion, the rate increase has had a positive effect on revenue.

5. ORAL REPORTS

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

The Assistant Golf Professional reported that it is business as usual in the Pro Shop and Driving Range. Also reported, September is the seventh month in a row that golf rounds played at the Golf Complex have increased over last year.

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

The Assistant Golf Professional reported that the crew is in the process of aerating the greens on the Earl Fry Golf Course.

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

Mrs. Arnerich reported that there would be a tree dedication for Nick Cooley on Sunday. The Jack Clark invitational Golf Tournament raised approximately \$3,000, even though it was hard to get sponsors for this year's event. Those playing in the event had a good time. Mrs. Arnerich thanked all of the participants. Also reported Junior Golf Club member and Alameda High School golfer Grace Na was recently interviewed in the San Francisco Chronicle and praised the Chuck Corica Golf Complex and the Alameda Junior Golf Club in the article.

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

No representative from the restaurant was in attendance at the meeting. A member of the audience stated that she has encountered rude service from one of the bartenders at the restaurant for quite some time and no longer patronizes the facility and encourages her friends to do the same. Chair Sullwold will contact the owner to discuss the problem. The suggestion was made to have a representative from the restaurant attend a Golf Commission meeting in the near future to respond to these complaints.

6. COMMISSIONERS' REPORTS

- 6-A Marketing and Promotions, Commissioner Gammell.

Nothing to report.

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

Previously discussed.

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

No report.

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 September 2008 was \$14,095. The year-to-date total to the General Fund is \$47,304 for fiscal year 2008/2009.

Attached to the minutes is the letter sent from the Golf Commission to the City Council on October 1, 2008.

10. ITEMS FOR NEXT MEETING'S AGENDA

- Discussion on City Council action for Golf Complex management,
- Update on the rate increases.

11. ANNOUNCEMENTS/ADJOURNMENT

The Meeting was adjourned at 8:25 PM.

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