

**ALAMEDA GOLF COMMISSION
MINUTES OF REGULAR MEETING**

Tuesday, December 13, 2011

1 CALL TO ORDER

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

1-A ROLL CALL

Present: Chair Jane Sullwold, Commissioner Ray Gaul, Commissioner Betsy Gammell, Vice Chair Bill Schmitz, and Secretary Jeff Wood

Absent: None

Staff: John Vest, General Manager, and Matt Wisely, Superintendent

1-B APPROVAL OF MINUTES

The minutes of the regular meeting of November 8, 2011, were approved unanimously.

1-C ADOPTION OF AGENDA

The Commission unanimously adopted the agenda.

2 ORAL COMMUNICATIONS

None.

3 COMMISSION COMMUNICATIONS

None

4 WRITTEN/ORAL REPORTS

4-A Maintenance activities report by Matt Wisely

Matt Wisely stated that fairways and rough will be mowed less frequently due to the colder weather, which will give them more opportunity to do detail work on the course through the winter. The greens are rolling fast and smooth. We have experienced recent frost delays due to low temperatures. They have been filling pot holes and have begun removing the pampas grass on Clark # 1. More dead trees have been removed, including a Monterey Pine on Fry # 5. Greens on both courses have been

edged again for the kikuyu grass. They have two more memorial trees to plant on the north course; one going next to Fry # 15 green and the second site is yet to be determined. The sod nursery is ready to have sod put down and it is leveled.

A new mechanic has been hired, and has many years of experience.

Chair Sullwold asked what plans, if any, there are to improve drainage this winter. Matt stated there is no plan at this time for the sloughs as they do not have the capability. Chair Sullwold also asked if he had any idea what the cost would be to rent the equipment to dredge the sloughs. Matt stated that it is not the right time of year to do this. Moreover, there are permits to be obtained, and he doesn't know the cost of the equipment rental. He also stated that the sloughs are low at this time. Some new drains have been added, but it is not significant. When asked what role Public Works plays in maintaining the sloughs, Matt said its responsibility is solely to make sure the thoroughways are clear. They come out a couple of times a year to check this, which includes the thoroughway from the front of Fry # 16 north to the pond adjacent to the maintenance shop, and the one from Harbor Bay Parkway to Clark # 17.

Chair Sullwold asked Matt whether, in his opinion, there was an amount of money that would enable the course to weather a winter better than last year in terms of drainage. Matt stated that any amount of money could be beneficial, but he does not have an estimate as to how much per square foot it would cost to dredge a pond. Matt stated that since October, they have been working proactively to clear drains and make sure all of the catch basins are clear.

Ed Downing asked if the problem was getting the water out of the sloughs to wherever it drains, or is the problem getting the water off the course into the slough, and Matt responded that is off the course into the slough. Ed also asked about staked trees that no longer require stakes, and Matt said they were working on removing them.

4-B Golf Shop and Driving Range activities report by John Vest

John Vest stated that 93 rounds were played in the Thanksgiving Day shotguns, somewhat below expectations because of threatening weather that morning. The day after was much better with 472 rounds. We will be open on Christmas Day this year. For the month of November, revenue is up 3% compared to last year. The light fixtures on the range need repair. Quotes have been obtained, and they are preparing to have them repaired. Rounds for November were up 15% over prior year. 525 Groupon coupons were purchased over a period of three days. There will be another run of Groupon in December.

There will be an open house on December 15, 16 and 17 that will include a lot of specials and complimentary gift wrapping. Specials for December include an early bird range special for \$10.00, including a cup of coffee, a breakfast sandwich and a large bucket of balls. The \$35.00 special after 11:00 includes a sandwich.

For the calendar year, revenue is about \$30,000 ahead of prior year.

4C Beautification Program and Junior Golf Club by Mrs. Norma Arnerich

Norma Arnerich stated there is not much going on right now. There will be a tree planting ceremony next month.

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

None.

5 AGENDA ITEMS

5-A Status Report on long term lease, Mif Albright negotiations, and proposal for Golf Complex reconfiguration by Ron Cowan and Harbor Bay Isle Associates, including Golf Commission recommendations, if any.

Chair Sullwold stated that the City decided to send out another Request for Proposals for the long term operation of the golf complex. Per John Russo's request, she had a great deal of input into this RFP and is pleased as to how it turned out. It is much more open ended, and basically states that you can bid on 36 holes or 45 holes, include the driving range or not, with a minimum buy-in of \$1,000,000 and a proposal of a minimum payment to the City, which can be waived during construction, and a detailed schedule of how they propose to do the construction. It went out on Thursday or Friday and has been posted on the website. Bob Sullwold, with Joe VanWinkle's help, prepared a draft, as did the City's consultant, David Sams. Chair Sullwold was not happy with the Sams draft, but, at a meeting with Dale Lillard and Sams on January 5, the other two agreed to use Bob's draft as the basis for the final version.

Ed Downing noted that he was surprised and pleased to see that the RFP acknowledges that the Golf Complex has always generated an operating profit. He asked why it was only optional for an operator to include the driving range, and Chair Sullwold explained that one possibility is for the driving range to be operated by Alameda Junior Golf in conjunction with operation of the Mif Albright course. She agreed, however, that it was unlikely that any golf operator would choose not to include the range as part of its proposal.

Ed also asked about the language in the RFP about the breakdown between the current operator and the City. Chair Sullwold said it was intended to convey simply that negotiations had failed to reach a final contract; the sentence on that point was written by the City. Ed also asked who would be appointed to the negotiating committee. Tim Scates suggested that Chair Sullwold and Joe VanWinkle should recuse themselves from the process, as they have made it quite clear over the last year their distrust of Kemper. Chair Sullwold agreed that she has been very critical of how the Kemper executives from Chicago handled the negotiations regarding the first RFP (although she reiterated that her problem was not with the local people managing the Complex under the interim contract), but stated that the new RFP represents a clean slate. All bidders will have an equal opportunity to compete, and she will support the best proposal for the Golf Complex, whether it be Kemper's or that of some other company. Vice Chair Schmitz noted that the Golf Commission is typically invited to

participate in the screening process for selection of Golf Complex vendors, but does not make the final selection.

Ed Downing said he thinks Kemper is being unfairly blamed for wanting to shut down the Mif and reducing the Complex to 27 holes, when they were only doing what the City requested. Chair Sullwold said she also believed that Kemper's plan for 27 holes was entirely driven by their backroom information about what the City wanted: Ron Cowan has stated that former City Manager Debbie Kurita and former Assistant City Manager David Brandt are the ones who first broached the idea of a Mif swap in a private meeting several years ago.

Tim Scates asked about what has happened to the Cowan proposal. Chair Sullwold speculated that City Manager John Russo will come to City Council on March 6 with two options: either the Cowan/Kemper land swap plan that was recommended in the staff memo dated October 4, 2011, or an operator that has responded to the new RFP and has been selected as the best candidate. Bob Sullwold stated Cowan has tried to buy off the Alameda Youth Sports Coalition and create conflict between other sports and golf. Cowan apparently approached Pat Bail and asked what he could do to gain her support for the land swap. According to an interview she gave, she told him that the Coalition might be interested if Cowan would sweeten the pot for other sports. Allegedly, Cowan agreed that the Coalition could have \$5 million -- money from the swap over and above the \$3.5 million for golf, plus an additional donation from him to make up the difference. Part of the \$5 million would be used to build fields on the North Loop property, and the balance used as seed money for a sports complex at Alameda Point.

5-B Update on Golf Complex Finances

Bob Sullwold reported that for July through October, rounds are up, but revenue is down 1.5%. The Fry course has 3000 rounds more than last year and the Clark course has 700 rounds more. The Mif is down about 100 rounds. The financial statement that was presented to the Golf Commission in July for fiscal year 2010-11 has been revised. Version 2 shows net operating income as \$648,000, whereas Version 1 showed only \$190,000. There are two principal reasons for this adjustment, one concerning revenue and one concerning expenses. Regarding revenue, there were stale gift certificates worth about \$200,000 that had been purchased but not redeemed that they decided to include in revenue. Regarding expenses, the original statement showed that the "Services" category was substantially over budget. After several requests, the Finance Department finally broke out some of the components of this category. Apparently they realized in the process that some of the charges were not operating expenses, and should be capitalized. This amounted to another \$200,000. We are still waiting for a complete breakdown of the services category from City Controller Fred Marsh.

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

Bob Sullwold stated that Joe VanWinkle is very committed to the Golf Complex, is very experienced in business, and is also very smart, but not all of his ideas have merit.

7. OLD BUSINESS

None

8. WRITTEN COMMUNICATIONS

Included in the Commission packet was a memorandum to the Finance Department showing a surcharge payment for November 2011 of \$7,340.00. The year-to-date to the General Fund for surcharge is \$56,093 for FY 2011-12.

9. ITEMS FOR NEXT MEETING'S AGENDA

- Status Report on Long Term Lease, Mif Albright Negotiations, and proposal for Golf Complex reconfiguration by Ron Cowan and Harbor Bay Isle Associates, including Golf Commission recommendations, if any
- Update on Golf Complex Finances

10. ANNOUNCEMENTS/ADJOURNMENT

The meeting was adjourned at 7:55 p.m.

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

