

ALAMEDA GOLF COMMISSION
MINUTES OF REGULAR MEETING

Wednesday, May 16, 2007

1. CALL TO ORDER

Chair Bob Wood called the regular meeting to order at 6:33 p.m. in Room #360, Alameda City Hall, 2263 Santa Clara Avenue.

1-A. Roll Call

Roll call was taken and members present were: Commissioner Betsy Gammell, Vice Chair Ray Gaul, Commissioner Bill Schmitz, Secretary Jane Sullwold and Chair Bob Wood. Absent: Commissioner Bill Delaney and Commissioner Sandré Swanson. Also present were Interim Golf General Manager Dale Lillard and Golf Services Manager Matt Plumlee.

1-B Approval of Minutes –Special Meeting of April 4, 2007 and the Regular Meeting of April 18, 2007.

The Commission approved the minutes unanimously.

1-C Adoption of Agenda

The Commission adopted the agenda unanimously.

2. ORAL COMMUNICATIONS

3. COMMISSION COMMUNICATIONS

None.

4. AGENDA ITEMS:

4-A Presentation by National Golf Foundation Regarding Golf Complex Operational Review.

The Interim General Manager introduced Ed Getherall of the National Golf Foundation (NGF), the consultant firm hired to perform the operational review. Mr. Getherall gave a brief overview of how the information for the study is compiled. The study has several components; the first component is the financial analysis, operating history and operating efficiencies, the management structure and current trends. The second component will look at what capital improvements should be made with the limited resources. The third component is researching where the Complex stands in the current marketplace and the local competitors. It was noted that the market has changes quite a lot over the past 10 years. He noted that rounds and revenue have dropped while expenses have risen. This trend is not only seen at Chuck Corica Golf Complex but in municipal golf all across the region and all over the country. He stated that 10 years ago 90% of NGF's work was doing feasibility studies for new golf courses and currently 90% is doing operational reviews for City owned municipal golf courses. Municipal Golf Courses are facing common issues, the largest being rapidly rising labor expenses and flat or

declining revenue. He mentioned that the study is in the very early stages and there is a lot of data to review. The goals are to look at ways to make the operation more efficient, raise revenue and rounds as well as decrease expenses. NGF has a lot of experience in the municipal golf industry and has worked with many cities. Mr. Getherall mentioned that he has met with the City Manager, Assistant City Manager and the stakeholder groups. The study generally takes 10-12 weeks to complete. There is also a customer survey, which is also a component of the study. The customer survey will identify certain business drivers such as customer service, condition of the courses and the facilities. It will also show where the competition lies based on what other courses customers are playing and how often. The survey also has an area for comments, which can be very helpful in identifying additional areas. Mr. Getherall will be visiting the neighboring golf courses for comparison. He encouraged the Golf Commission meet with him or call him to discuss any concerns. The Commissioners were asked to coordinate times to meet with Mr. Getherall with the Interim General Manager for tomorrow.

4-B Report on the Status of the Fire Tower.

The Interim General Manager reported that the dumpster at the fire tower has been removed. The dumpster was being used as a dumpsite for the street sweeper and it has been relocated to the model airplane field. A walk through was done at the modular site at the tower and the consensus is to try and keep the tower itself from deteriorating any further. The estimate to seal the tower and patch the cracks is \$120,000 and does not include any asbestos cleanup. Water Tight Restoration did the report. The modular was also looked at and that would cost approximately \$25,000 and \$35,000 to remove. He is still waiting for a price to actually remove the tower completely also. City Council would make the final decision of what to do with the property. Although the Fire Department still needs a place to train they are looking at different areas. Chair Wood requested a copy of the report done by Water Tight Restoration. The statement was made that it seems unfair that the fire Department caused all of the damage yet they are taking no responsibility for the clean up. The Interim General Manager mentioned that regarding the shack on the other side of Clubhouse Memorial Drive; the county has to do an assessment study prior to issuing a permit to remove the building. The study should be done in the next week or two. The removal of the building is planned to be done in house. The pumps and utilities need to stay in place but the other old equipment and debris has been removed from the area.

4-C Review of the 2007/2008 Fiscal Year Golf Complex Budget.

The Interim General Manager referenced the report provided by the Finance Department that shows the revisions made to the original budget prepared for fiscal year 2007/2008. The expenditure and revenue amounts are amended to reflect a more accurate forecast. The amended totals show the projected revenue of \$4,914,000 and projected expenditures of \$5,208,486. The net operating budget shows a loss of -\$294,486, although when you back out the depreciation amount of \$350,136 there is a net contribution to cash of \$55,650. The Interim General Manager stated that there are no Capital Improvement Projects slated for the 2007/2008 fiscal year and that can be reviewed during the mid year adjustment period and if revenues have gone up projects may be added at that time. The question was raised concerning the \$50,000 allocated for drainage and slough work and needs to be spent in the current fiscal year has been completed. The Interim General Manager stated that the Public Works Department handles the money and he has been told that the improvements will be done. Chair Wood asked why the depreciation amount is backed out? The Interim General Manager stated that the depreciation is not an

operational expense. The statement was made that there seem to be many different financial versions and it is hard to know what is correct. The Interim General Manager mentioned that he has been told to use the figures on the report prepared by the finance department. The statement was made that the amended budget still shows a payment to the General Fund of \$780,000 for FY 2007/2008. The budget will go to City Council on June 20, 2007 for final approval. Secretary Sullwold suggested that the Golf Commission discuss the annual surcharge payment with the City Council and ask them why at a time when the Golf Complex is struggling to balance their budget does the City of Alameda feel it can continue to take this money. Commissioner Schmitz requested a copy of the City Council packet for the June 20, 2007 meeting. There was discussion concerning the \$300,000 the Enterprise Fund lent to Development Services for the Alameda Point Project and why they don't have to pay it back during the Golf Complex's time of financial struggle. The funds were to be paid back from proceeds of the Alameda Point Golf Course and no interest was negotiated on the loan.

5. ORAL REPORTS

5-A Golf Shop and Driving Range activities report by Golf Services Manager Matt Plumlee.

The Golf Services Manager reported that the new Point of Sale and Tee System will be installed at the end of June 2007 for live interaction on July 1, 2007. The system will have the capability to interface with the ball machines at the Driving Range. The management staff is researching a new vendor to supply range balls. The vendor would also take over the retrieval of balls from the lakes and sloughs at the Complex. The Golf Services Manager is working on the East Bay Junior Golf Tournament to be held on July 23 and 24, 2007. Also the Jack Clark Pro Am is set for October 15, 2007.

5-B Beautification Program by Mrs. Norma Arnerich.

Mrs. Arnerich reported that the dedication date for maintenance worker Dave May's mother and grandmother is set for June 30, 2007 at 10:00 am and the Ladies Club will be doing plantings for two members at the end of this month.

6. COMMISSIONERS' REPORTS

6-A Marketing and Promotions, Commissioner Gammell.

Commissioner Gammell reported that a new ad would appear in the Alameda and Oakland Magazines for the month of June. The ad states "Fathers Golf for Free for the Month of June with 3 paid Green Fees after 11:00 AM". It was mentioned that the advertised special has also been sent to web site subscribers via email.

6-B Golf Complex Financial Report, Vice Chair Gaul.

Vice Chair Gaul reported that the revenue for golf on all three courses for April 2007 versus April 2006 was up 132% and rounds of golf were up 136%. The fiscal year to date revenue for golf was up 10% and rounds were up 12%. The Mif Albright Course revenue was up 70% from last year and down 1% for the fiscal year. All other concessions excluding golf were up 82% for the month and up 15% for the fiscal year. Total revenue for the Golf Complex was up 106% for the month of April 2007 versus April 2006 and up 12% for the fiscal year 2006/2007.

6-C New Clubhouse Project, Commissioner Schmitz.

Commissioner Schmitz reported that Doreen Soto from the Development Service Department would be attending the special meeting next week to answer questions regarding the Clubhouse Project. Chair Wood stated that he also had a presentation using the existing buildings he would like to share at the meeting. The Interim General Manager mentioned that he would try to get a price per square foot for the modular buildings prior to the meeting. It was reported that the Metropolitan Golf Links, in Oakland has put up a temporary tent structure for the purpose of housing banquets. The tent can hold 200 patrons and is constructed of steel framing covered in canvas, with glass windows. The concessionaire at the Metropolitan is Wedgwood Banquet Facilities.

6-D Maintenance, Buildings, Security, Albright Course and Driving Range, Secretary Sullwold.

Secretary Sullwold reported that there was a break in and theft in the Pro Shop. The thieves came down through a vent in the roof to an unalarmed utility area where the high-end golf clubs are stored at night. The thieves broke the locked displays and stole the clubs leaving back through the roof. The thieves did not enter any other area of the building, which is monitored by cameras or alarmed which would suggest an inside job. So far there has been no arrests in the investigation. The loss is estimated at \$12,000. The Interim General Manager stated that motion detectors have been installed in the utility area. Also reported about 2,000 range balls and 4 flag sticks were found covering the baseball diamond at Lincoln Park and Ken Arnerich and his wife picked them up and returned them to the Complex. It was suggested that a thank you note be sent to them for their trouble. It was determined that the balls were removed off the range and the flagsticks were removed from the Mif Albright Course. Secretary Sullwold made the motion that the Golf Commission is informed about any and all incidents that occur at the Golf Complex in a timely manner. The motion was seconded by Vice Chair Gaul. Secretary Sullwold also mentioned the need to increase the dog runs to eradicate the geese population, the need to re-paint the red tees on the courses, and the need to re-paint the red yardage on the tee sign on #14 of the Earl Fry Golf Course. She also stated the urgency in repairing the cart paths as she twisted her ankle on #17 of the Earl Fry Golf Course where the concrete cart path and the grass are uneven and suggested that the Cart Path Improvement Project be placed higher on the priority list. The Interim General Manager stated that a vendor had been contacted to supply a quote for the work. Another problem mentioned was the contrast between the freshly painted buildings in the maintenance yard and the dilapidated ones and the need to clean them up. Other areas of concern noted are the benches adjacent to the shack on #9 of the Earl Fry Golf Course and the need to have benches on the par 3 holes near the forward tees. It was stated that a hazard surrounds having people sit at the forward tees due to people teeing off from the back tees. The suggestion was made to designate the area around the shack on #9 of the Earl Fry Golf Course as a beautification project area. The Interim General Manager suggested that a maintenance schedule be put in place to ensure that these items are repaired and kept up on a regular basis. The suggestion was made to repaint the handicap parking adjacent to the clubhouse and possibly expand the parking to cover the entire area. The Interim General Manager said he would have it done.

6-E City Council and Government Liaison, Commissioner Swanson.

No Report.

- 6-F Front Entrance Beautification Project, Chair Wood.

Nothing to report.

- 6-G Golf Complex 80th Anniversary, Commissioner Delaney

No Report.

- 6-H Golf Complex Restaurant Report, Jim's on the Course.

General Manager Erik Alterman reported that Mother's Day was a huge success at the restaurant. He noted that with the summer months coming he is seeing an increase of small children at the restaurant running around and climbing the trees and is wondering what to do about it. The Interim General Manager suggested that an eye be kept on the children and their guardians be notified. The compliment was given concerning the new umbrellas and how good they look.

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 2007 of \$11,170. The year-to-date total to the General Fund is \$121,529 for the fiscal year 2006/2007.

10. ITEMS FOR NEXT MEETINGS AGENDA

Special Meeting-May 23, 2007
Clubhouse Project (Development Services)
Clubhouse Presentation by Chair Wood
Modular Building Report

11. ANNOUNCEMENTS/ADJOURNMENT

Secretary Sullwold made the motion to adjourn the meeting and Vice Chair Gaul seconded. The Golf Commission passed the motion unanimously. The Meeting was adjourned at 8:14 PM.

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