

**Special Quality of Life Council Committee Meeting
Minutes**

Thursday, January 19, 2006

7:30 a.m.

City Hall Media Briefing Room

Members Present: Councilmember Art Hall, Chair, District 8
Councilmember Richard Perez, District 4
Councilmember Elena Guajardo, District 7
Councilmember Chip Haass, District 10

Staff Present: Melissa Vossmer, Assistant City Manager; Frances Gonzalez, Assistant City Manager; Martha Sepeda, First Assistant City Attorney; Malcolm Matthews, Parks & Recreation Director; Ron Smudy, Parks & Recreation Assistant Director; Leslie Haby, Assistant City Attorney; Larry Zinn, Mayor's Office; Stephen Wintworth, Assistant City Attorney; William Warren, Municipal Court; Norma Morales-Aries, Municipal Court; George Logan, Parks & Recreation; Chad Tustison, Budget; David Medina, District 5 Staff; Tiffany Young, District 9 Staff; Brandon Smith, Office of the City Clerk

Also Present: Tony Piazzi, Golf San Antonio; Rusty Konitz, Golf Sub-Committee; John T. Lopes, Golf Sub-Committee;

Call to Order

Chairman Hall called the meeting to order.

- 1. Follow-up presentation on Golf Operations – Malcolm Mathews, Parks and Recreation Director**
 - a. FY'06 Golf Budget**
 - b. Business points of RFP for Willow and Riverside Golf Courses operations**

Items (a) & (b) were addressed concurrently.

Malcolm Matthews presented information on the proposed Golf Fund Revenue Enhancements and Expenditure Reductions for the 2006 fiscal year. He detailed proposed revenue enhancements totaling \$399,600. He noted that rate increases could yield approximately \$200,000 in revenue for the City.

Councilmember Haass expressed his support of advertisement opportunities, sponsorships and cell phone tower leases at municipal golf courses. He noted concerns with an automated reservations system and stated that he was not in favor of such a system.

Councilmember Haass addressed the numerous complaints with golf course concessions. He noted his own unpleasant experience with concessions while visiting a municipal course.

Mr. Matthews stated that staff was exploring options with the concessionaire's attorney to possibly discontinue the contract or to continue at only one municipal golf course.

Councilmember Haass asked if RFPs could be submitted while under contract. He suggested discontinuing the contract or allowing the current concessionaire to continue at one course and contract with a new vendor for the remaining City Golf Courses.

Chairman Hall asked if there has been a decrease in player revenues due to the fee increase. Mr. Matthews replied that there has been no decline in revenues because of fees. He noted that golf in general was flat and that it was a national issue.

Councilmember Guajardo asked for clarification of weekend rates. Mr. Matthews replied that weekend rates are higher on Saturday and Sunday. He noted that the weekend rate starts on Friday at the Cedar Creek Course.

Councilmember Guajardo asked if there was a quality of service clause in the concessions contract. Mr. Matthew replied that the contract does contain default provisions. He noted that letters have been sent to the concessionaire continuously to correct various defaults.

Frances Gonzalez stated that a six month notice of termination can be submitted to the concessionaire stating that the City will begin the RFP process. She noted that staff would need to search available concessions as a back up provision.

In response to Councilmember Guajardo, Mr. Matthews stated that the Automated Reservation System has not yet been implemented. He noted that it was a point of sales item acquired last year and costs approximately \$3,500 to install. Mr. Matthews stated that this system could generate considerable revenue.

Councilmember Perez stated that he was stunned by the concessions performance. He indicated that he is in favor of eliminating all municipal golf courses because they are losing money. Councilmember Perez noted that golf courses are not a primary function of a City. He urged staff to bring forward a solution soon.

Chairman Hall directed staff to bring back a solution before the committee at their March meeting. Councilmember Haass suggested promotions to conduct golfer surveys. Chairman Hall concurred. Councilmember Perez urged staff to be proactive and implement changes to the golf program.

Mr. Matthews reported that the two main revenue sources were advertisements and fee increases. He stated that all proposed revenue enhancements which do not require Council action will be initiated immediately. Mr. Matthews added that all proposed items requiring Council action will be presented at the March Meeting.

Councilmember Perez stated that he would like to keep a reduction in golf courses as a viable option. He asked how many employees book golf reservations. Mr. Matthews stated that one employee at each course covers reservations, sales and the register.

Councilmember Perez stated that the problem with the courses is not with reservations, its with concessions. He noted that he was not in favor of an automated reservation system.

Councilmember Haass directed Ms. Gonzalez to tour the courses with Mr. Matthews and initiate some type of clean up of the facilities.

Mr. Matthews briefed the committee on the Baltimore and Seattle Golf Course models regarding municipal golf course privatization.

Baltimore:

- Outsourced operation ran by non-profit Board of Directors
- No commitment or financial payments to City
- Funds have come back to the City through support of youth programs

Seattle:

- City provided \$1 million to start program 7 years ago
- City took courses back last year with \$1.2 million deficit

In response to Chairman Hall, Mr. Matthews stated that staff has been in discussion with the Golf Board and the Golf Sub-committee regarding privatization. He noted that the last discussion was the privatization of the Willow Springs and Riverside Golf Courses and proposed business points for the plan.

Chairman Hall expressed interest in a Pilot Privatization Program to include 1-2 municipal golf courses. Mr. Matthews pointed out that short term contracts for privatization have been a problem. He stated that a long term contract assures a guaranteed capital improvement program in the contract.

Chairman Hall gave staff the following direction for presentation at the Quality of Life Meeting in March:

- A solution to the Golf Concessions issue
- Prepare revenue enhancement budget items to present to City Council for a mid-year change
- Golf Course Evaluation Plan from a survey standpoint
- A Privatization RFP and selection committee

Ms. Gonzalez offered to explore options for an evaluation plan and update the committee before the March meeting. Councilmember Haass stated that he would like to review the RFP concept two weeks prior to the March meeting.

2. Discussion and action making recommendations to City Council for the appointment and employment of Municipal Court Judges

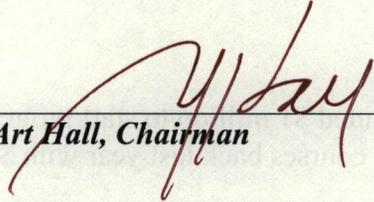
Items 2 and 3 were taken up in executive session.

**3. Executive Session – Personnel under Government Code Sec. 551.074
To deliberate the appointment and employment of applicants for Municipal
Court Judge Positions**

Chairman Hall recessed the meeting to go into executive session at 8:45 a.m.

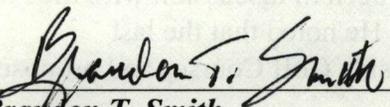
Chairman Hall reconvened the meeting at 9:00 a.m. and announced that no formal action would be taken.

There being no further discussion, the meeting was adjourned at 9:00 a.m.



Art Hall, Chairman

Respectfully Submitted,



Brandon T. Smith
Administrative Assistant II
Office of the City Clerk