

WICOMICO SHORES GOLF COURSE ADVISORY BOARD

Special Meeting of January 25, 2007

Minutes

6:00 p.m.

MEMBERS PRESENT: Merrill "Chico" Rivers, Chairperson, Jim Hodges, Vice-Chairperson, Phil Cranford, Wayne Pettit, Bob Richardson and Gloria Tippet.

MEMBERS ABSENT: Rick Smith.

STAFF/OTHERS ATTENDING: Phil Rollins, Director, Recreation, Parks and Community Services (RP&CS), and Pat Meyers, Golf Course Manager, RP&CS.

CALL TO ORDER

The meeting of the Wicomico Shores Golf Course (WSGC) Advisory Board was called to order at 6:00 p.m. at the Wicomico Shores Golf Course Clubhouse.

APPROVAL OF MINUTES

Approval of the minutes of January 10, 2007 will be considered during the next Board meeting.

MARKETING CONTEST

Pat Meyers informed the Board that staff would like to offer a contest to promote golf play during the clubhouse renovation period. Each time a member plays they would be asked to guess what day they think operations would move into the renovated clubhouse. If a patron plays thirty times, they would have thirty guesses. Some prizes that have been discussed were two, one year, five-day passes, which could be upgraded to another type of pass. The contest could be viewed as loss of revenue or a increase in revenue depending on how much the winner plays or what pass they upgrade to. Employees or Advisory Board members would not be eligible to participate.

Jim Hodges motioned, seconded by Phil Cranford, to provide two, one year, five day passes for the contest, with the specific contest details to be determined later.

RATE INCREASES

Chairman Rivers reminded the Board that the proposed rates were reviewed during the meeting of January 10, 2007 and that some members thought a few of the rates needed further discussion. Subsequently, Ms. Meyers sent an e-mail to Board members with some updates to the proposed rates. One of the proposals was to implement a standardized percentage for the family pass (similar to the 10% discount for seniors and a 50% discount for juniors on greens fees). After review of what other courses in the area are charging, the proposed rates were revised.

Rick Smith previously communicated to Ms. Meyers that he felt the family pass rate deserved additional study in the future. He thought a family pass should cover an unlimited number of people in a family.

The proposed rates would go into effect after the Clubhouse renovation, in spring 2008. The rates proposed by staff represent a 3% – 4% increase and are as follows.

	Current Rates	Proposed FY08 Rates
7 Day Unlimited – Season Passes		
Individual	1,020	1,050

Family (2 people*)	1,290	1,350
Senior	915	945
Senior Family	1,155	1,215
Junior	510	525

7 Day Limited		
Individual	810	840
Family (2 people*)	1,060	1,120
Senior	730	755
Senior Family	930	1010
Junior	405	420

5 Day Limited		
Individual	605	640
Family (2 people*)	860	930
Senior	545	575
Senior Family	775	835
Junior	305	320

* Extra family passes

Daily Greens Fees – Weekdays

Individual 18 holes		21.00		23.00
Individual 9 holes		11.50		12.50
Senior 18 holes	19.00		21.00	
Senior 9 holes		10.50		11.50
Junior 18 holes	10.50		11.50	
Junior 9 holes		5.75		6.25

Greens Fees – Weekends/Holidays

Individual 18 holes		25.00		28.00
Individual 9 holes		13.50		14.50
Senior 18 holes	22.00		25.00	
Senior 9 holes		11.50		13.00
Junior 18 holes	12.50		14.00	
Junior 9 holes		6.75		7.25

Twilight Rates – Weekdays

Individual		11.50		12.50
Senior		10.50		11.50
Junior		5.75		6.25

Twilight Rates – Weekends/Holidays

Individual		12.50		14.50
Senior		11.50		13.00
Junior		6.75		7.25

Cart Fees

Per Person 18 holes		14.00		15.00
Per Person 9 holes		9.00		9.50

Mr. Hodges quoted a newspaper article that said “Commissioner Mattingly cautioned Mr. Rollins not to raise fees to pay back the County faster.” Mr. Rollins stated that fees would not be raised to pay back the County faster for the Clubhouse (for the Program Open Space grant), but to keep up with the cost of doing business. Historically, the Golf Course has raised fees every few years if needed.

Phil Cranford motioned, seconded by Gloria Tippett, to approve the proposed rate schedule as presented by staff for spring 2008. The motion carried with all in favor.

SCORECARDS

During the November Board meeting Mr. Hodges suggested that the markers and scorecards might be handled "in house" to generate revenue. Ms. Meyers provided some information on the current contract for markers and scorecards. The Golf Course has two signed agreements with Burco; these terminate in 2008 for scorecards and 2011 for tee signs (the company owns the markers).

Mr. Hodges made some phone calls to the businesses that advertise on the markers. He said there seems to be no consistency in what Burco is charging the advertisers. For instance: the pest control company has two signs and they paid \$1,050 for an annual lease in November 2006. Guy Distributing has a lease for three years for one sign and paid \$750 in May 2005. Burris Insurance has a lease for three years for one sign for \$500. Bell Motor Company has a lease for three years for one sign for \$500. Some have signs at Breton Bay for \$1,000 for three years; Breton Bay handles their own sales. Under the terms of the current contract, the Golf Course gets the granite markers and scorecards, but no advertising funds. The consensus was to review the advertising contract again when it's ready to be renewed to see if a more beneficial arrangement can be made.

CLUBHOUSE PROJECT

Director Rollins provided an update on the presentation made to the BOCC on January 16th. He informed the BOCC that the Clubhouse cost proposal from Dennis Anderson Construction came in at \$2,066,429. An additional \$350,000 is needed in the project budget to cover trailer rental, project management and inspections, equipment and furnishings, and contingencies for a total project cost of \$2,416,429. Staff is currently reviewing potential cost savings from value engineering (HVAC, electrical, etc). Preliminary review indicates the cost savings will be \$50,000 or less.

Chris Bologna, CSBI, Inc., will continue to serve as the construction project manager and monitor the work of contractors throughout the renovation process.

Based on an evaluation of golf course finances and a construction budget of \$2.4 million, staff recommended using \$700,000 from the Golf Course Enterprise Fund Balance and borrowing \$1.2 million through exempt financing. The balance of \$500,000 will come from Program Open Space grant funding previously approved by the State (it is anticipated that this will be paid back to the County for other park projects after the Clubhouse loan is satisfied, when Golf Course revenues permit). There is currently about \$925,000 in the Golf Course fund balance "savings" account and staff is proposing to use only \$700,000 of that. Early payment on the debt is possible without penalty, so the Fund Balance can be used to do that at any time. Interest rates will be obtained from banks for both 10 year and 15 year terms. A loan of \$1.2 million at 5% interest with a 10 year term results in an annual debt service of about \$150,000 (about \$12,730 per month); 15 years would be about \$113,000 per year (\$9,490 per month). According to Finance, based upon golf course financial projections for the next ten years, that level of debt is affordable.

The project site plan was approved last week; staff anticipates receiving the building permit for the renovation within the next few days. The temporary golf operations trailer was delivered this week; the trailer hook-up and prep work should be completed by the contractor by the end of February. It is anticipated that the golf operation will be moved into the trailer by the end of February. A sealed bid auction will be managed through Procurement to dispose of current equipment and furnishings that won't be used in the new facility. Funds raised from the auction will be used for new fixtures and furnishings for the new facility.

The BOCC directed staff to move forward with the solicitation for exempt financing and to issue a purchase order to Denis Anderson for interior demolition of the Clubhouse. This will enable work to begin while the exempt financing and construction contract are being processed. The contractor will begin interior demolition as soon as the golf operation has moved into the trailer. Building construction is expected to be completed within 15 months.

ELECTION OF OFFICERS

Wayne Pettit motioned, seconded by Robert Richardson, to nominate Jim Hodges as Chairperson of the Wicomico Shores Golf Course Advisory Board. Motion carried with all in favor. Phil Cranford motioned to nominate Wayne Pettit as Vice-Chairperson of the Advisory Board; Mr. Pettit respectfully declined the nomination. Jim Hodges motioned, seconded by Wayne Pettit to nominate Chico Rivers as Vice-Chairperson of the Advisory Board; motion carried with all in favor.

Vice-Chairman Rivers stated he would like the bylaws reviewed and possibly amended in the future to clarify the role of the Advisory Board. He felt strongly that it's always the Board's option to report to the BOCC if needed. He stated that staff has been great in providing information to the Board when requested and in working with homeowners with conflicts with errant shots on the Golf Course.

Mr. Hodges thanked the Board for the confidence the Board has bestowed on him with his nomination for Chairperson. He will conduct the meetings in a professional manor, get the agenda out before the meetings, and would like the minutes to be available to the Board well in advance of the meetings.

Mr. Pettit also thanked the Board for the nomination as Vice-chairperson, but is unable to serve at this time due to time constraints.

SCHEDULING OF NEXT MEETING

The next regularly scheduled meeting of the WSGC Advisory Board is scheduled for April 11, 2007 (that will need to be changed as Mr. Rollins will be out of town that week) at 6:00 p.m. The meeting place will need to be changed to the Golf Course Maintenance Facility due to the Clubhouse construction.

The meeting concluded at approximately 7:00 P.M.

Kathy Bailey, Recorder