

**Wicomico Shores Golf Course Advisory Board
Special Meeting Minutes
Thursday, March 10, 2011**

MEMBERS PRESENT: Robert Richardson, Chairperson; Don Nolan, Vice-Chairperson; Gloria Tippet, Secretary; Gerald Slagel, Robert Collier, Patrick Dugan and Wayne Pettit.

R&P STAFF AND OTHERS PRESENT: Phil Rollins, Director; Pat Meyers, Golf Course Manager; and Jim Farran, Golf Course Superintendent. Approximately 50 citizens attended the meeting.

CALL TO ORDER

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

APPROVAL OF MINUTES

Donald Nolan moved, seconded by Robert Collier, to approve the minutes of July 8, 2010 and February 10, 2011. Motion carried 7-0. There was no quorum at the October 14, 2010 meeting; therefore, there were no minutes taken.

ELECTION OF OFFICERS

On behalf of the Nominating Committee (Gloria Tippet and Patrick Dugan), Gloria Tippet presented the proposed slate of officers for the coming year. The slate consisted of: Bob Richardson, Chairperson; Don Nolan, Vice-Chairperson; and Gloria Tippet, Secretary. No other nominations were received.

Wayne Pettit moved, seconded by Jerry Slagel, to approve the slate of officers for 2011 as presented. Motion carried 7-0.

FINANCIAL REPORT

Mr. Rollins provided a WSGC financial summary of FY10 - FY11 to date through February; a handout showing the fiscal situation for fiscal years FY05 through FY10; and a financial comparison for the Riverview Restaurant for the past 3 years.

Mr. Rollins referred to the summary handout that shows the course is up by about 1,000 rounds of golf over this time last year. The revenue and expense picture has improved over this time last year; however, the WSGC is still operating at a deficit; the deficit through February is about \$180,000; last year the same period saw a \$223,000 deficit. Staff is hopeful the upcoming golf season will see this improve significantly.

The handout showing the fiscal situation from FY05 – FY10 shows how the Course has done financially for the six year period. The last couple of years have been difficult with the opening of the renovated and expanded Clubhouse coinciding with the recession and now needing to pay other post employee benefits (OPEB) and the mortgage on the renovated Clubhouse. At the end of 2010, the fund balance was in the red by about \$6,000. The actuals for FY11 to date (July 2010 through February 2011) show a deficit of about \$180,000 for this point in time. However, the golf season will be in full swing shortly, and this should improve. It's customary to be down at this point in the year, even in good years.

The Riverview Restaurant for FY09 at this point in time showed a deficit of about \$79,000; FY10 for this point in time showed a deficit of about \$35,000; to date this year there's a deficit of about \$6,000. Staff is optimistic that with management changes that have been put in place, and with favorable weather for golf, that the restaurant will break even.

ANNUAL REPORT

Ms. Meyers provided copies of the draft annual report of the Wicomico Shores Golf Advisory Board to members. Members were asked to provide comments and input before the next meeting, during which the report will be considered for approval to send to the BOCC. The Board also has the option to request time on the BOCC agenda to present the report.

STUDENT RATE

Ms. Meyers informed the Board that she received a request for a special rate for young people aged 18-22; especially students. One option would be to treat full-time college students as Juniors (rates for 17 and under). A neighboring golf course has a student rate (minimum of 8 semester credits) for young people under 25. The Board decided to consider this for the next golf season.

OLD BUSINESS

Ride Along Policy – Ms. Meyers reported that the County's Risk Manager's opinion was that non-golfers could ride along on carts; however, a liability waiver should be signed by the rider saying that they will obey all rules and assume all risks associated with the game of golf. The Risk Manager would not recommend more than one rider or anyone under age 13. A parent or guardian would sign the waiver for children under 18.

Patrick Dugan moved, seconded by Don Nolan, to allow non-golfers, six years of age and older, to ride along in golf carts with paying golfers and to accept the other recommendations of the Risk Manager regarding this policy. Motion carried 7-0.

Hamburgers on the Turn – Pre-cooked hamburgers are now available and have been well received.

Numbers on the Golf Carts – Staff has placed numbers on the carts.

E-mail Address Listing – Jars have been placed on the counters for patrons to provide e-mail addresses for future notifications and updates. Approximately 70 addresses have been received to date.

Senior Club Championship – A compromise was reached to allow the Senior Club matches to be played during the week and the Championship finals to be played on the weekend. Those with five day passes would only have to pay cart fees if playing in the Championship finals.

Tennis / Golf Camp – Ms. Meyers stated that staff is considering holding a one week golf / tennis camp this season. This could be offered on a trial basis and be in addition to the Junior Golf program.

NEW BUSINESS

Mr. Collier “what’s the chance of getting some better hot dogs.” Ms. Meyers stated that staff will check into that.

Mr. Slagel asked how many rounds of golf are played by season pass holders and by walk in players. Ms. Meyers stated that will be made available for the next meeting.

Mr. Slagel expressed concern over the daily and season pass fees. Gloria Tippet stated that she has heard from players that they are upset over the proposed fees. Patrick Dugan stated it would be good to know if all courses in the area are down in rounds. The Board discussed fees at some other area courses. The Board approved the fee increase for next season at the last meeting.

DISCUSSION ON PRIVITIZATION

At a recent BOCC meeting where the liquor license renewal application was presented the issue of exploring privatization was raised. The BOCC has asked for a report on privatization on the food and beverage and golf operation. Over the past two years, the previous BOCC and the WSGC Advisory Board considered options and decided against privatization.

Mr. Rollins provided a handout of survey results on how other County or municipal golf courses operate. Ten counties and four municipalities operate thirty four public golf courses in Maryland. Counties include St. Mary’s (1), Charles (1), Calvert (1), Prince Georges (4), Anne Arundel (2), Montgomery (9), Baltimore (5), Queen Anne’s (1), Howard (1), and Somerset (1). Municipalities include the City of Baltimore (5), City of Frederick (1), City of Rockville (1), and the Town of Ocean City (1). Ten of the fourteen jurisdictions with public golf courses self operate. That is they hire their own staff and directly manage and administer the golf operation.

Counties that self operate include St. Mary’s, Charles, Calvert, Prince Georges, Queen Anne’s, Baltimore, and Somerset. Municipalities that currently self operate include the City of Frederick, City of Rockville, and Town of Ocean City.

Two jurisdictions, Montgomery County and the City of Baltimore, operate their courses through quasi governmental entities – the Montgomery County Revenue Authority and the Baltimore Municipal Golf Corporation. These are self supporting entities.

Two counties, Anne Arundel and Howard, are operated through private contractors – Billy Casper Golf and Kemper Sports, Inc. Anne Arundel converted from self operation to private contractor several years ago while Howard privatized their management from the outset.

Two jurisdictions, Calvert County and the City of Frederick were previously managed by private contractors but converted to self operation because of dissatisfaction with the contractor. One jurisdiction, the City of Rockville, plans to solicit proposals to privatize the management of their course for the 2012 golf season.

Golf course food and beverage operations are very diverse and handled in numerous ways. Operations range from pre-packaged concessions to snack bars to restaurant/banquet facilities. Twelve food and beverage operations are self operated by counties or municipalities; thirteen food and beverage operations are self operated by Revenue Authority or Golf Corporation; eight food and beverage operations are contracted out; and one (Rockville) is a hybrid situation

where the golf professional (a contractor) owns and operates the food and beverage concession. Thirty one of the thirty four golf courses serve alcohol.

Privatization of the restaurant was previously thought to be impractical. That was based on information from Alcohol Beverage Board (ABB) staff and R&P staff's understanding that a private contractor couldn't have an alcohol license at the restaurant if the County operated the golf course and continued to allow alcohol consumption on the course. However, after further discussion, ABB staff has revised their position on this. They now indicate that the alcohol license could be transferred to a private contractor and the County could continue to operate the golf course and allow alcohol on the course. That could happen by establishing a policy for the golf course similar to County park policy that allows alcohol consumption in parks by permit. The issue with this is that a beer purchased at the restaurant could not be opened in the restaurant and then taken out to the golf course. A closed container of beer could be taken from the restaurant to the course and then opened. Likewise, an opened beer could not be brought from the golf course into the restaurant. Logistically, this would present monitoring and enforcement challenges for the restaurant contractor and golf course personnel, but could be done.

Mr. Slagel asked if the restaurant was privatized, "how would you break down the space for the restaurant and the space for the golfers? And what would you charge to lease the restaurant and bar? Ms. Meyers stated the lease would probably be based on a percentage of square footage and the hours of operation. The terms of a lease would be worked out if the decision to privatize is made.

Mr. Collier referred to the months last year when profits were realized for the restaurant. Ms. Meyers stated that typically, the months of October through March don't see a profit; April through September are generally revenue producing months. The more golfers the more restaurant sales. Mr. Rollins stated it's encouraging to look at this year compared to last year.

Mr. Pettit suggested asking the BOCC to wait another year before making a decision on this. He was on the original Golf Board and has always been opposed to privatization. Ms. Tippet agreed and that we should wait until the recent management changes have time to work. Mr. Nolan didn't support privatization and referred to the situation that happened with Chesapeake Hills and the private contractor. However, if the BOCC decides to explore privatization, the WSGC Advisory Board should have input on the conditions for operation.

INPUT FROM CITIZENS

Chico Rivers - Expressed concern over the overall operation picture and the future self-sustainability. He asked how much the Enterprise Fund is in the red; Mr. Rollins answered about \$6,000 as of the end of the fiscal year. Mr. Rivers stated that takes away from future maintenance of the course.

A citizen expressed concern over increased prices in single and family season passes. He felt the increased prices may cause people to play at other courses. He felt the season pass holders were bearing the brunt of the increases.

Jim Hodges – Stated the Board didn't vote last year on the issue of privatization. He referred to the losses from FY08 through FY11 to date. Administration and golf course maintenance are big expenses; the only way to solve the problem is to increase revenue. He asked, other than raising fees, what are staff's plans to turn this around and get people onto the course.

Mr. Rollins stated that number of golfers has been down by 15% the last few years and that has had the biggest effect on the overall operation. When people don't come to play golf, they don't spend money in the restaurant. The Board reviewed what other golf courses are charging for daily and season passes at their last meeting.

Patrick Dugan stated he's also been a proponent of increasing revenue and noted it's great to hear that staff is working with the IT Department to generate an e-mail notification listing and a Face book page.

Mr. Guy – Agreed more needs to be done to get people into the course without raising prices. The economy will cause people to go elsewhere. You can't compare Breton Bay to Wicomico. Issues started with the new Clubhouse; however, it was needed. He also expressed concern with conflicts between users of the banquet room and golfers. He noted the conditions of the course are great and thanked the employees for the great job they do. He asked the Commissioners not to panic; does not support privatization; just a few changes needed.

Karen Gates – Agreed it was not fair to increase the season pass holders fees by a greater percentage than the fees for the general public and felt it's the season pass holders who spend money to support the pro shop and restaurant. She also thought there wasn't much of a price break for a single person wishing to become a pass holder. She also thought the golf course could be more accommodating to those who wish to hold tournaments at the facility. She felt the restaurant could be more profitable by making some changes (hold more events for the community, advertise more). The restaurant has only been open for 2 years and we've had a bad winter (just like all other golf courses in Maryland).

A citizen recommended the salaries of all public employees be frozen; Chairman Richardson noted the salaries for County employees and teachers are proposed to be frozen.

Mark – Food service needs to be improved and the facility properly utilized to attract the community to the restaurant. He was not in favor of privatization; but if it is done then restrictions would need to be set.

A citizen said he manages an American Legion Hall. Thinks all events should have to buy beer, wine and liquor from the restaurant. Ms. Meyers noted that is currently the practice.

Jim Wood - The money maker should be the golf course; if you can break even with the restaurant you are doing well. The intention was when the course was donated to the County it would be available to citizens as a public course and not be sold. Mr. Rollins stated he didn't think the County would sell the golf course; however the BOCC has indicated they would like to study the issue of privatization.

Patrick Dugan asked for a show of hands of how many people here tonight support privatization of the bar and restaurant. No hands were raised.

Mr. Dugan asked for a show of hands of how many people here support privatization of the restaurant and golf operation. No hands were raised.

Mr. Dugan asked for a show of hands of how many people here do not support privatization of the bar and restaurant and the golf operation. It appeared that nearly everyone in attendance raised their hands for this question.

A citizen asked what would happen with the staff if the operation was privatized. Mr. Dugan said

they would no longer be employees of the County and would probably have to apply for jobs with the contractor.

A citizen expressed desire to see the restaurant patrons separated more from the bar and grill patrons. Another citizen stated that it took so long to decide on the plans for the new/renovated Clubhouse that prices went up in the meantime and the economy took a downturn.

Wayne Pettitt motioned, seconded by Robert Collier, to recommend to the Board of County Commissioners that the County hold off on privatization discussions for another year. Motion carried 5-2.

After further discussion, Mr. Nolan recommended not specifying a time limit in the motion.

Mr. Slagle motioned that the Board of County Commissioners wait another five months to show the Course can make a profit before considering privatization. There was no second to this motion.

Patrick Dugan amended the first motion made by Wayne Pettitt to recommend to the Board of County Commissioners that the WSGC Advisory Board does not support privatization of the restaurant and bar or golf operations at this time. Motion carried 7-0.

SCHEDULING THE NEXT MEETING

The next regular meeting of the WSGC Advisory Board will be held on Thursday, April 14, 2011 at 6:00 p.m.

The meeting adjourned at 7:30 P.M.

Kathy Bailey, Recorder (from tape recording)