

**Wicomico Shores Golf Course Advisory Board
Meeting Minutes
Wednesday, January 14, 2009**

MEMBERS PRESENT: Jim Hodges, Chairperson; Chico Rivers, Vice-Chairperson; Bob Richardson, Rick Smith and Gloria Tippett.

MEMBERS ABSENT: Wayne Pettit and Phil Cranford.

RP&CS STAFF AND OTHERS ATTENDING: Phil Rollins, Director, Recreation and Parks (R&P); Patty Meyers, Golf Course Manager; and Jay Morgan, Food, Beverage and Banquet Manager.

CALL TO ORDER

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

APPROVAL OF MINUTES

Rick Smith motioned, seconded by Gloria Tippett, to approve the minutes of October 8, 2008. Motion carried with all in favor.

Vice-Chairman Rivers wanted to “put to rest” the issue of the tall grass which was covered in the minutes of October 8, 2008. He expressed the opinion that tall grass promotes slow play and is against it if not needed to buffer homes.

He noted that in December the course went through another tee time change and several players told him they were not notified. If there is a sign displayed a week prior to the change, he has no problem with that.

REORGANIZATION OF GROUNDS MAINTENANCE SECTION

Patty Meyers, Golf Course Manager, briefed the Board on the proposal to reorganize the Grounds Maintenance section. She noted that in April 2008 a Maintenance Foreman retired from the golf course; this position was left open to evaluate organizational and operational needs. An additional hourly employee was hired during this time to partially offset the absence of the foreman. Recently, another golf course maintenance employee submitted paperwork to retire at the end of February 2009. After reviewing the operation from last season and considering the pending retirement, the management staff is recommending reorganization of the Grounds Maintenance section.

Currently there are five full time positions in this section: a Superintendent (grade 7); a Maintenance Foreman (grade 4), and three Groundskeepers (grade 2). Staff’s recommendation is to reclassify the Maintenance Foreman position to a Groundskeeper position and to reclassify two existing Groundskeepers to Senior Groundskeepers (new grade 3). The new plan would have two Senior

Groundskeepers at grade 3 and two Groundskeepers at grade 2. The two Senior Groundskeepers will report to the Superintendent and each will be responsible for supervising one full time Groundskeeper and share the supervision of seasonal staff.

Staff believes this organizational structure will be more effective and productive and also allows more opportunities for internal advancement. Fiscally, the impact of the proposed reorganization is cost neutral for the remainder of FY09 and FY10. Because of the retirement, personnel costs in this section will be about \$12,000 less in FY10 than currently budgeted.

Chico Rivers motioned, seconded by Bob Richardson, to endorse staff's proposal to reorganize the Golf Maintenance section as presented. Motion carried with all in favor.

GOLF COURSE SUPERINTENDENT'S REPORT

Ms. Meyers provided the following report from the Golf Course Superintendent.

- Some drainage issues will be taken care of this spring before the new season begins.
- Aerification of the greens is scheduled for the last week of March.
- Some additional bunker sand will be installed this spring.

Vice-Chairman Rivers asked what was done when the first two drains were closed. Ms. Meyers stated that was for water wicking; this was done on the older greens where the drainage is not as good. The water wicking procedure helps stabilize the subsurface and saves the course from having to rebuild the entire green area.

GOLF COURSE AND CLUBHOUSE REPORT

Ms. Meyers provided a report on Golf Course and Clubhouse items. Systems in the renovated Clubhouse are working and the facility has been very well received by patrons. The Riverview Restaurant has also been well received by patrons; however, revenues are down from projections for the restaurant, mainly due to the economy.

FOOD AND BANQUET OPERATION

Jay Morgan, Food, Beverage and Banquet Manager, provided a report on the food and beverage operation.

- The facility has been open for about three months.
- The restaurant added breakfast to the menu in December.
- Winter hours of operation were implemented in January. A light fare menu is offered Monday - Wednesday from 8:00 AM until 6:00 PM; the regular full service menu will be offered Thursdays and Fridays from 8:00 AM until 8:30 PM and on weekends from 6:30 AM until 8:30 PM. Regular hours of operation will return in the spring.
- All equipment in the kitchen seems to be working well at this time.

Vice-Chairman Rivers inquired about the status of the discussion during the last meeting regarding the concern with people lining up at the outside railing and the possible hazard with falling down the steps. Ms. Meyers will ask the County's Risk Manager to come out again and assess the facility for this concern. It was decided that steps will be roped off in the event of icy conditions. Vice-Chairman Rivers recommended a gate to prevent people, especially children, from falling down the stairs. Mr. Rollins stated that staff will look into that.

SCORE CARD ADVERTISING

Mr. Hodges provided an update on his research regarding the score card and tee ads. The Board previously discussed the idea of managing the score card and tee ads in-house, allowing the golf course to sell the ads and keep the revenue. The score card ad sales contract expires on December 31, 2008. Currently, Burco sells the ads and provides the score cards free of charge to the golf course.

After some discussion with Burco, representatives offered the following to Chairman Hodges for the Course:

- Burco will give the Golf Course \$50 for each of the \$300 ad spaces sold (Mr. Hodges has this in writing from Burco)
- The total from the ads sold comes to \$750
- Burco will provide pencils at no charge; a \$159 value
- This is a net gain of \$909
- Burco will still print the scorecards for free

Chairman Hodges previously communicated this information to the Board via e-mail. The consensus was to accept this offer from Burco. Ms. Meyers will monitor this and make sure the Golf Course receives the money from Burco. The agreement on the tee ads is a six year agreement and ends in May 2011. Burco should not sell ads that expire after the end of the agreement.

FINANCIAL REPORT

Chairman Hodges referred to the financial report that was previously e-mailed to Board members. This included an Annual Comparison from FY04-FY09 and a Restaurant Profit and Loss statement. Mr. Rollins noted the bottom line for the actual figures from July through December 2008 shows a deficit of \$190,974. However, he stated this includes the debt service for the Clubhouse for the entire year and includes start up costs for the restaurant. Also, the expense for funding employee retirement benefits didn't come forward until FY09. He noted the upcoming spring golf season should help bring this number down. He thinks the BOCC will recognize the financial challenges with opening the new Clubhouse and the state of the economy. The goal of most enterprise funds is to break even each year; however, if the fund doesn't break even in a given year the goal would be to make that up the next year.

Mr. Hodges stated that he's not surprised that the Course is running in the red in the food and beverage operation; that's understandable for the first year. The bulk of the revenue from season passes will be received by April. Contracts have

been mailed for outings. Chairman Hodges asked if the course is down rounds of golf for this point in the year; Ms. Meyers stated that rounds of golf are down somewhat over this time last year. Play is down about 11% and this could be attributed to weather conditions and the economy.

Chairman Hodges asked about the banquet rental actuals; Ms. Meyers stated the figure only represents 2 ½ months the new facility has been open. He asked about what staff is doing to advertise the Riverview. Jay Morgan stated that advertising has been done on the County website, channel 95, ads in the newspapers, R&P program guide, flyers and information in the Property Owners of Wicomico Shores newsletter, website and billboard. Mr. Morgan stated there are nine upcoming events scheduled. Southern Maryland This is Living magazine plans on doing a feature on the Riverview in the spring.

Mr. Hodges asked about the advertising budget for the Riverview; Ms. Meyers stated that advertising is budgeted at \$5,000. Mr. Morgan stated that he recently ran two ads in the newspaper that cost at total of \$900. Mr. Hodges stated that the advertising budget might need to be increased because promotion is extremely important. Staff has plans to advertise at spring wedding shows and other events. Mr. Morgan thinks the economy and the time of the year the restaurant opened have affected revenues. Mr. Rivers stated that he thinks when the weather gets warmer more people will come to the restaurant.

Chairman Hodges asked about the banquet hall revenue line item on the Golf Course financial statement; he thought that should show up on the Restaurant profit and loss statement. He also asked about the revenue to date for the golf pro shop; Ms. Meyers stated the revenue is lower because the new shop has only been open for 2 ½ months. Mr. Rollins stated that while this to date figure is in line with previous years, the FY09 projection was probably overestimated somewhat.

The Board reviewed the operating expenses. Chairman Hodges asked about the \$217,905 spent this year to date on course maintenance. Ms. Meyers stated that is in line with previous year's spending. The spring season is when the Superintendent spends a large portion of the budget. Chairman Hodges asked about the \$45,000 capital equipment expense. Ms. Myers stated that the Finance Department comes up with this figure and it includes depreciation.

Chairman Hodges asked about the budget process timeline. Mr. Rollins stated that staff is working on the budget request which is due to the Finance Department by February 6. The BOCC will then have work sessions and hold public hearings in March and April. The budget will be adopted by the BOCC by the end of May. Chairman Hodges asked if Board members would like to hold a special meeting to have additional input in the process. Mr. Smith stated that he's comfortable with staff's recommendations; Gloria Tippet agreed with Mr. Smith.

GOLF CART REPLACEMENT PLAN

Ms. Meyers presented a handout on replacing the golf cart fleet. The gas carts used now are five years old and are starting to show wear. The handout compared the costs between replacing the cart fleet with 69 gas or electric carts. The cost for gas carts was estimated at \$211,200; the cost for electric carts is \$238,800. Five-year payoff would be about \$45,540 per year for gas carts and \$51,492 for electric carts. The cost to operate each gas cart for four years was estimated at \$1,160; the cost for the electric carts is \$1,098. Conversion to an electric cart fleet would also require retrofitting the cart storage area with spark proof fixtures, larger exhaust fans and wiring to the chargers at between \$70,000 - \$90,000. Staff is proposing replacing the fleet in FY10 and recommends delaying conversion to electric carts until the next five-year replacement cycle.

Chairman Hodges stated "we should rethink the conversion to electric carts." He estimated that it would be approximately \$14,000 less to maintain the electric carts over five years. The electric carts cost \$27,600 more to purchase and the retrofit would be about \$80,000; total \$107,600. Then subtract \$14,000 for the decrease in maintenance for a total of \$93,600. He thinks it will cost twice as much to retrofit if we wait five years. Vice-Chairman Rivers suggested that maybe the course could purchase gas carts then trade them in and convert after two or three years. Ms. Meyers stated that's something that could be looked at. Mr. Rollins stated that the Department would like to convert to electric carts as soon as possible; however, the course budget can't support the cost to retrofit for electric at this time.

Chico Rivers motioned, seconded by Rick Smith, to endorse staff's recommendation on purchasing the gasoline golf carts. Motion carried with all in favor.

PROPOSED FEE INCREASE

Ms. Meyers explained that rate increases approved in a fiscal year historically have not gone into effect until the following April (example: an FY10 increase would go into effect until April 1, 2010). However, she is proposing a two step increase; half of the increase to become effective April 1, 2009 and the other half effective April 1, 2010. Staff is proposing a \$100 increase for individual season passes (\$200 for family). Daily rates are proposed to increase by \$1 for nine holes and \$2 for eighteen holes; the weekend increase would be \$2 and \$4.

Vice-Chairman Rivers stated that he can't justify recommending a rate increase in these tough economic times. Chairman Hodges said the increase might be implemented on April 1, 2010. Ms. Meyers stated that any increase in FY10 would need to be placed in the draft budget now. Breton Bay, White Plains and Potomac Ridge are all planning increases; Chesapeake Hills and Cameron Hills are either not sure or will hold fees for another year.

Bob Richardson stated that Babe Ruth Baseball had to increase fees due to increased costs for equipment, umpires and insurance. He noted that other leagues have had to do the same.

Robert Richardson motioned, seconded by Gloria Tippett, to endorse staff's recommendation to increase golf fees as proposed. Motion carried 2-1 (with Chico Rivers voting nay); Rick Smith abstained.

ANNUAL ELECTION OF OFFICERS

Gloria Tippett nominated Chico Rivers as Chairperson. Rich Smith nominated Gloria Tippett as Chairperson; Ms. Tippett declined the nomination. Rick Smith motioned, seconded by Bob Richardson, to close the nominations. Motion carried with all in favor. Chico Rivers was elected as Chairperson.

Chico Rivers nominated Jim Hodges as Vice-Chairperson. No other nominations were received. Rick Smith motioned, seconded by Bob Richardson, to close the nominations. Motion carried with all in favor. Jim Hodges was elected as Vice-Chairperson.

NEW BUSINESS

- Ms. Meyers asked Mr. Smith if there was any additional information available about the golf association; he did not have any information.
- Ms. Meyers will be working on a course newsletter shortly and asked for input from the Board.
- She asked the Board for input on implementing an interim/student fee rate, between a junior and a regular, for ages 18 – 23. Juniors currently pay half of what an adult does; she suggested 75% for students. Ms. Meyers will include that in the draft budget.

Vice-Chairman Rivers stated that since the Board only meets every three months, that the full membership should try and attend all the meetings. For the future, he suggested that if members know in advance they can't make a meeting to let him know and possibly the meeting can be rescheduled for full attendance.

SCHEDULING THE NEXT MEETING

The next meeting of the WSGC Advisory Board will be held on Wednesday, April 8, 2009, at 6:00 p.m. However, a special meeting was called for February 18, 2009.

The meeting concluded at approximately 7:30 P.M.

Kathy Bailey, Recorder