

**Wicomico Shores Golf Course Advisory Board  
Meeting Minutes  
Thursday, August 13, 2009**

**MEMBERS PRESENT:** Chico Rivers, Chairperson; Jim Hodges, Vice-Chairperson; Phil Cranford, Wayne Pettit, Bob Richardson and Gloria Tippett.

**MEMBERS ABSENT:** Rick Smith previously submitted his resignation from the Board.

**R&P STAFF AND OTHERS ATTENDING:** Phil Rollins, Director, Recreation and Parks (R&P); Patty Meyers, Golf Course Manager; Jerry Slagel; and John Parker.

**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**

**Phil Cranford moved, seconded by Jim Hodges, to approve the minutes of June 10, 2009. Motion carried 5-0.**

**OLD BUSINESS**

**Request that Chairperson Be a Voting Member**

Chairman Rivers updated the Board on the status of making the Chairperson a voting member. The Board voted on April 8, 2009 to request the Board's bylaws be changed to make the Chairperson a voting member. David Weiskopf, Deputy County Attorney, was present during the June 10, 2009 meeting to explain the proposed changes to the bylaws. Chairperson Rivers stated that he has received some feedback from several members since that time on the proposed changes to the bylaws. At this time, a poll was taken on whether the Board supports the proposed changes to the bylaws with all members in support of making the proposed changes. Mr. Rivers will communicate with the Office of the County Attorney on getting the request on the Board of County Commissioners agenda.

He also mentioned that he hopes the BOCC will appoint someone to replace Rick Smith before the October 2009 Board meeting. Mr. Rollins stated that the BOCC has a schedule for appointments (usually June and December) and it may not be until later this year when the appointment is made.

**NEW BUSINESS**

**Financial Report**

Mr. Rollins referred to the financial reports which were previously e-mailed to Board members. The annual audit has not been completed yet, but the bottom line for FY09 is that it was a very difficult year financially for the golf course. The projected net for FY09 is a deficit of \$367,714. That will be offset by the golf course fund balance, but will leave the operation without any reserves.

The reasons for the deficit are many: the \$113,000 annual cost for debt service for the clubhouse; the \$80,000 expense for OPEB (retiree health); some unknown operational costs for the new clubhouse; and costs for gas and electric were much higher than anticipated. Electric and propane gas costs totaled almost \$50,000 in the new facility as compared to about \$15,000 in the old clubhouse. Also, the new clubhouse, pro-shop and restaurant had \$80,000 in one-time, start up costs for equipment, supplies and materials. The restaurant operation didn't do as well as was hoped (\$82,000 loss). Compounding matters was the economy being at its worst in decades and uncooperative weather, which resulted in golf play being down by 4,000 rounds (12%) and golf revenues being down by about \$40,000 (4%) over 2008.

Staff feels that things will get better with the new fiscal year. Play at the golf course was up by 14% in July over last year and golf revenues were up by more than \$20,000. The restaurant has shown a profit each of the last three months, with July's monthly profit being \$8,736. Operational changes are also being made at the restaurant to maximize efficiency and profit. Mr. Rollins plans to provide a status report and financial information to the County Administrator next week.

Jim Hodges asked about the amount financed for the Clubhouse renovation and expansion project; Mr. Rollins responded that about \$1.3 million was financed for the project. The project included a \$500,000 Program Open Space grant and about \$800,000 from the Golf Course fund balance.

Mr. Hodges referred to the restaurant Profit and Loss Statement. He questioned the amounts of the salaries and hourly line items; totaling just over \$200,000. Mr. Rollins stated the salaries line item represents two regular full-time employees and the hourly line item is for part-time employees. He also asked about the line item for the pension plan and the health insurance; the health insurance is for one full-time employee. He then referred to the Annual Comparison FY04-FY10 sheet. He inquired about the line item for depreciation/interest; Mr. Rollins stated that represents the depreciation of the building and equipment. He asked about administration/debt service; Ms. Meyers stated that item represents the Clubhouse payment, cart payments, her salary, a percentage of other staff salaries (Mr. Rollins 15%, Ms. Urbanski 30%, Ms. Bailey 10% and Finance Department support - \$26,184 per year). This is to reimburse the County's General Fund for items related to the golf operation. Mr. Pettit pointed out that some of the expenses for clubhouse are for necessary supplies and inventory needed for start up and they would be one time expenses. The golf shop went from carrying \$4,000 of inventory to \$25,000. Mr. Hodges was surprised that July 09 did better than July 08; Ms. Meyers stated that this spring was very wet, but the course conditions in July were great. She also thinks people are playing more because the economy is picking up; so far, August looks good too.

Chairman Rivers expressed concern that there is no reserve/fund balance left. Mr. Rollins compared the Golf Enterprise Fund to the Recreation Activity Fund where good years make up for years that aren't so good; however, operating at a loss is not desirable.

Mr. Slagel agreed that the conditions at Wicomico are great and “we have the best greens keepers in the Tri-County area.” He expressed concern over the greens fees and the cost of beer at the course. Chairman Rivers stated the fees can be examined; Ms. Meyers agreed to do that. Mr. Slagel asked if there was a reason for only allowing one replay with the ad in the tee time book. Breton Bay allows five, Chesapeake Hills allows three and White Plains allows two. He thought allowing more replay would bring in more business; Ms. Meyers stated that’s up to the discretion of the course and is based on many different factors; but she will look into that also.

Chairman Rivers asked about the plan for replacement of the golf cart fleet and are there funds to replace the carts next year? Mr. Rollins stated that the County budgeted for replacement of the fleet beginning this fiscal year; however, because of the current fiscal situation, the County has decided to defer purchasing all police cars, golf carts and other major equipment. Mr. Rollins and Ms. Meyers plan to meet with the Finance Director on this next week. Ms. Meyers is checking into several options for the golf cart fleet. Mr. Pettit recommended purchasing rain covers for the carts; Ms. Meyers will look into the cost for the covers.

Mr. Rollins noted that he recently received a copy of letter from the St. Mary’s Hospital Foundation to the BOCC commending the golf course staff for making their first annual fundraising tournament such a success. Mr. Pettit stated that he wishes more organizations would hold tournaments at Wicomico. The economy has also caused several tournaments to cancel.

### **Food, Beverage and Banquet Report**

Ms. Meyers reported that the Food, Beverage and Banquet operation showed a profit of about \$3,900 for June. Beginning July 1, 2009 banquets/other functions will be tracked separately from the restaurant operation. The overall food, beverage and banquet operation made a profit of \$8,700 in July. As of now, seven weddings/functions have been booked for the future. Chairman Rivers noted that the restaurant is losing business from the general public when the restaurant is closed for a large banquet rental.

Chairman Rivers stated that he’s heard from patrons that they do not like looking directly into the kitchen from some of the restaurant seating. He suggested a half door might help the situation. Mr. Hodges asked if pro shop staff should be allowed to go behind the bar and pour their own sodas; maybe the bar staff should be doing that. Ms. Meyers will look into that.

Chairman Rivers asked if the restaurant is heading in the right direction with the fine dining theme. Mr. Rollins stated that staff has discussed this and has agreed that, after a year of operation, there isn’t enough business at this time to support a fine dining/full service restaurant. Staff is working on refining the menu to light fare during the week; weekends will continue to serve entrees. Items that aren’t big sellers will be taken off the menu. Hours of operation will also be modified to save on expenses.

Mr. Rollins also informed the Board that the Food, Beverage and Banquet manager’s two year contract is up at the end of this year; he needs to be notified by October 1 if the

contract will be renewed. He and Ms. Meyers would like to recommend to the BOCC that the contract be renewed for another year to give more time to evaluate the outcome of the changes proposed for the restaurant operation. Staff would like the Advisory Board's input on this. Staff does not think privatization of the food, beverage and banquet operation is warranted at this time. Chairman Rivers suggested a special meeting may be needed to discuss this.

#### **OTHER BUSINESS**

- Mr. Parker asked if another water jug could be placed along hole number 14.
- Mr. Hodges asked about golf ball washers; Ms. Meyers stated that she thinks they are located on every other hole.
  
- Chairman Rivers asked if there will be an extra set of winter tees where the course can be played at the distance it is now. Ms. Meyers stated that can be done.
  
- Chairman Rivers asked about the status of the plan to overhaul the traps. Ms. Meyers stated that at least eight traps have been overhauled; others will be done after the club championship.

#### **SCHEDULING THE NEXT MEETING**

The next meeting of the WSGC Advisory Board will be held on Wednesday, October 14, 2009, at 6:00 p.m., unless a special meeting is called.

The meeting concluded at approximately 7:15 P.M.

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Kathy Bailey, Recorder