



**CITY OF SANTA BARBARA
PARKS AND RECREATION DEPARTMENT**

**GOLF ADVISORY COMMITTEE
PARKS AND RECREATION COMMISSION**

SPECIAL JOINT MEETING

Monday, June 15, 2015

MINUTES

CALL TO ORDER: The meeting was called to order at 5:32 p.m. at City Council Chambers.

PLEDGE OF ALLEGIANCE: Parks and Recreation Commission Chair Wiscomb

ROLL CALL:

Commissioners Present

Lesley Wiscomb (Chair)
Beebe Longstreet (Vice-Chair)
Nichol Clark (Arrived at 6:13 pm)
Jim Heaton
Mark Rincon-Ibarra

Golf Advisory Committee Members Present

Dominic Namnath
John Craig
Bryant Henson – Recused himself
Maureen Masson
Gretchen Ostergren

Commissioners Absent

LeeAnne French
Intern Andrew Rodriguez

Golf Advisory Committee Members Absent

Bob Garcia

Staff Present

Assistant City Administrator Bob Samario
Parks and Recreation Director Nancy Rapp
Assistant Parks and Recreation Director Jill Zachary
Parks & Recreation Business Analyst Mark Sewell
Golf Superintendent Simon Herrera
Executive Assistant Karla Megill

PUBLIC COMMENT:

None

1. Golf Operating Options Recommendation to City Council – For Action

Recommendation: That the Commission and Committee recommend to City Council one of the following operating options that will best meet the needs of the municipal golf course and the City:

- A. One contract, a Management Agreement, whereby the City would contract for management of the course, and Maintenance, Pro Shop and Food and Beverage operations;
- B. Two contracts, one being a Management Agreement, whereby the City would contract for management of the course, plus Maintenance and Pro Shop operations, and the second being a separate Food and Beverage concession agreement; or,
- C. Three contracts, whereby the City continues management of the course, and has three separate contracts or concession agreements for Pro Shop, Food and Beverage, and Maintenance operations.

Documents:

- Staff Report dated June 15, 2015

Speakers:

- Staff:
 - Nancy Rapp, Parks and Recreation Director
 - Mark Sewell, Business Analyst
- Members of the public:
 - Bryant Henson
 - Mario Medina
 - Lani Medina
 - Jessica Karsan
 - Melissa Osuna
 - Daneille Munoz
 - Meghan Dewey
 - Valerie Ekern
 - Elaine Hewes
 - Mike Thompson
 - Cody Free
 - Kathy Leer
 - Cynthia Goena, SEIU Local 620

Commissioner/Committee Comments:

Commissioner Rincon-Ibarra, who served on the Golf Options Committee, said the Committee had no preconceived notions, no agenda, except to make the golf course an exceptional golfing experience. He said that regardless of the Option, a Management Contractor will need to engage the services of a food provider; he said he see no imminent threat. Mr. Rincon-Ibarra stated that the only goal is to look for the best value for the golf course; it is an Enterprise Fund, and has to be self-sufficient, and going forward the objective is to make it sustainable. He said suggested that any Management Company who does not already have a food

and beverage company under their control, would consider engaging the services of a vendor such as Mulligans; however, there are no guarantees. Mr. Rincon-Ibarra reiterated that the primary objective is to make the golf course an exceptional golfing experience, and sometimes that means engaging the services of a food and beverage vendor for larger production rather than your day-to-day operation, to attract larger, outside events.

Committee Member Ostergren, who also served on the Golf Options Committee, said they spent countless hours trying to make the best decision for the golf course. She said she has known Mario and Lani Medina and Chris Talerico for years. Ms. Ostergren said it is not about trying to replace or displace them, but to make the golf course profitable and make it run well so there is good cooperation between the three entities. She said that is why she felt Option A was the best, because you have one person providing oversight. Ms. Ostergren commented that when the matter moves forward to City Council they can decide whether they want to include a provision, if the Commission recommends Option A, requesting that Mulligan's remain, and the same for the Pro Shop. She said that if there is an entity overseeing things, it seems that everyone is in it for the same reason, to be come profitable and give the most rounds possible.

Commissioner Longstreet commented that its important the City maintain control over golf course policies and fees. She stated that the City is trying to maintain this as Santa Barbara's Community Golf Course that is affordable, and that means that things will have to change. She said she believes with what has been said about the current contractors. She concurred with the comments about the them, but also expressed her belief that when dealing with a public entity, contract negotiations for public property need to be open and available to all contractors—it needs to be a fair playing field. She said it is a public resources, not anyones private feifdom Ms. Longstreet stated that she is pleased to see living wage and Integrated Pest Management is included. Ms. Longstreet said the City is operating a hybrid right now, and Option A has the most benefits and she believes it will shake out in the RFP process, but it has to be open and fair to all. She said she hopes they will keep the known entities. She said the City has to protect the resources it has. Ms. Longstreet stated that Option A is most beneficial to the Golf Course Enterprise Fund and to keeping golf affordable in our community.

Commissioner Clark commented that it seems as though people think that this is profit versus community, but it's not really about that; it is not profit for profit's sake, but profit for the community's sake. She stated that if the golf course is not fiscally responsible, there will be no golf course left, and the whole community will lose. Ms. Clark said that as much as she would like to see Mulligan's stay, she believes they needs to go with the most fiscally responsible solution for the golf couese, which she believes is Option A.

Committee Member Craig read this statement: “On May 10th, the City Council directed staff to, *I quote*, ‘pursue contracting for golf course maintenance services following living wage requirements.’ Three months later, we are here. With the only financial disability coming from course maintenance, I find it hard to throw out the whole system when it appears we only need a minor fix. Over the last three calendar years, Mulligans has paid an average annual rent of \$135K, and the Pro Shop has paid \$184K. The recommendation from the Options Committee, of which I was a part, was Option A, guaranteeing the City \$368K, but offers no guarantees to the workers of the two establishments. Option C guarantees \$318K. Option C guarantees the supporters of Muni will not be affected. As reflected in the minutes of the Options Committee on June 3rd, the four other members voted to, *and I quote* ‘refine the focus of the discussion to the Management Contract to Options A and B, by rejecting Option C’. I descented. Wasn’t Option C what we were directed to pursue?”

Commissioner Heaton commented that looking at it from a business perspective of the overall golf course and what is the best overall option profit-wise, he said he kept focusing on the question is the goal a municipal golf course overhaul or is it to improve the economical situation and make it a more sustainable golf course. Mr. Heaton stated that he went back and watched the City Council meeting and deliberations on the issue, and what were looking for is to ensure the golf course remains self-sustaining, the City controls policy, maintenance quality, and fees. He further said that their direction was to pursue a golf course maintenance service agreement with living wage requirements, and Option C meets the goals of City Council and the Community in making it more sustainable and solving the problems. He said there were other actions that were taking, refinancing the debt, increased marketing, that altogether should make it a more viable business. Mr. Heaton stated it may not be the most profitable one, but it will solve the problem and create financial sustainability. Mr. Heaton commented that he believes that Option C is the best solution and Option B would be the alternative. He said that projections and trends provide good information, but not enough for him to recommend an overhaul of the structure that is working. Mr. Heaton said the City has already committed to outsourcing the maintenance, and that is projected to ensure the golf course continues without the support of the General Fund; a long-term maintenance commitment is not needed. He suggested it is something that could be pursued and, if for some reason the course is not doing as well as it projected with the maintenance agreement, or not following other national trends, it could be revisited. Mr. Heaton stated that he believes that Option C is the best solution.

Committee Member (Chair) Namnath commented that the Golf Course has been fighting this fiscal problem for a number of years and at 60K rounds, the golf course is not sustaining, and at that pace, the golf course only has about 18 months to go before it is out of business. Mr. Namnath said the maintenance contract will decrease costs. He said he is unsure whether raising revenue is the right idea; at 60K rounds you can pretty much get a tee time whenever you want.

Mr. Namnath stated that when rounds were at 90K, he got turned away, and selfishly, he is annoyed with the concept of trying to raise rounds. Mr. Namnath said he does not believe the City wants 90K rounds being played at the golf course for maintenance and similar reasons. Mr. Namnath stated that when the Options Committee got into the discussion, the fiscal factor was the primary driver of the discussion. He said looking at Option C, he sees the City leaving \$300k on the table over the course of five years. He said he has been leaning towards Option A, because it gives the City that control and the extra \$50K to address financial concerns, but additionally, \$300k reinvested into the golf course will surely make it one of, if not the best golf course in California over the next decade. He did say that because of what he has heard tonight, and read in the emails, he is wavering between Options A and B because of Mulligan's and the service they provide to the community.

Chair Wiscomb said that Commissioner Clark had a really good point regarding community and fiscal policy. She said the direction from City Council is the sustainability of the municipal golf course; there are no General Funds for the Golf Course. Ms. Wiscomb stated that the choice has become much more limited. She said that being a member of the Golf Operating Options Committee, they had three goals: sustainability—the ability to operate independently; City control over policies and fees and keeping it a public golf course; and keeping it an excellent full-service experience for both golfers and visitors. Ms. Wiscomb acknowledged that Mulligan's has done a fantastic job in becoming a destination restaurant, but whoever goes there, from dining, to check-in, to golf, the desire is that it be a really great experience. Ms. Wiscomb said she liked Ms. Longstreet's comment that it is public property and there is a need for a fair playing field. She stated the everyone here knows that on June 30, 2016, the contracts are going to expire, there are no more options. She said it is not new news, and it is not about rejecting the current vendors, but about the fact that it is a contract, and it should be a fair process and competitive playing field to get the best product the City can get at the municipal golf course, and make sure it is sustainable for the long-term. She expressed the hope that if City Council goes with Option A, that there will be opportunities for the people who have worked so hard at the golf course to build their businesses to have an opportunity to be part of that. Ms. Wiscomb said she is in favor of Option A; it has the strongest potential to increase financial performance, revenue projections are significantly higher than Option C; and it offers the most benefits to the community and the fairest way to move forward.

GOLF COURSE ADVISORY COMMITTEE ACTION:

Golf Advisory Committee Member Ostergren moved, seconded by Golf Advisory Committee Member Namnath, to recommend City Council adopt Option A. The motion failed 2 / 2.

Absent: Garcia Recused: Bryant Opposed: Craig/Masson

Golf Advisory Committee Member Craig moved, seconded by Golf Advisory Committee Member Masson, to recommend City Council adopt Option C. The motion failed 2 / 2.

Absent: Garcia Recused: Bryant Opposed: Namnath/Ostergren

Golf Advisory Committee Member Namnath moved to recommend City Council adopt Option B and to retain Mulligans as the food and beverage concessionaire and extend their contract.

This motion died due to the lack of a second.

Golf Advisory Committee Member Craig moved, seconded by Golf Advisory Committee Member Ostergren, and passed 4/0 to table the Golf Advisory Committee decision until after the Parks and Recreation Commission takes a vote on the matter.

Absent: Garcia Recused: Bryant

PARKS AND RECREATION COMMISSION ACTION:

Commissioner Rincon moved, seconded by Commissioner Clark, and passed 4/1 to recommend Option A to City Council.

Absent: French Opposed: Heaton

GOLF COURSE ADVISORY COMMITTEE ACTION:

Golf Advisory Committee Member Ostergren moved, seconded by Golf Advisory Committee Member Namnath, to recommend City Council adopt Option A.

The motion failed 2 / 2.

Absent: Garcia Recused: Bryant Opposed: Craig/Masson

Golf Advisory Committee Member Namnath moved, seconded by Golf Advisory Committee Member Masson, to recommend City Council adopt Option B.

Committee Member Masson commented...if there were some way to maintain Mulligan's, and asked if the term of the agreement is five years. Ms. Rapp said that the term of the contract would be decided by City Council. She said a management contract is typically for three to five years, but it has not been

determined. She said if it is a separate restaurant concession and it is the current restaurant with a good history of working with the City, the term could be longer.

Committee member Masson said that it is difficult for her since it was City Council who negotiated the unsustainable contract with SEIU to begin with.

Committee Member Craig said that since two of the Golf Advisory Committee members have been excluded due to a conflict of interest because they are marshalls, and knowing they would support Option C, he would urge the other members of the Golf Advisory Committee to maybe lean that way.

Ms. Rapp expressed that Committee Member Craig's comment was inappropriate and asked that the Committee members disregard what was said. She stated that the two members recused themselves because of their conflict, and she does not believe it is appropriate for someone else to speak on their behalf, and she is not comfortable having someone speak for them when they are not a part of the discussion. Ms. Rapp stated that she would not want their action to be overturned later by the City Attorney.

Golf Course Advisory Committee Chair Namnath amended his motion as follows, to which Member Masson agreed.

Golf Advisory Committee Member Namnath moved, seconded by Golf Advisory Committee Member Masson, to recommend City Council adopt Option B with a strong recommendation that Mullignas be considered as the Food and Beverage concessionaire.

The motion failed 2 / 2.

Absent: Garcia Recused: Bryant Opposed: Craig/Ostergren

Ms. Rapp stated that the Committee appears to be at an impasse and staff will move forward with what has been provided.

ADJOURNMENT

At 7:52 p.m., with no further business to be addressed by the Commission, the meeting was adjourned.

Respectfully submitted,

Nancy L. Rapp
Parks & Recreation Director