AGENDA

GOLF ADVISORY BOARD

CITY OF PORT ORANGE

Meeting Date: Tuesday, August 2, 2016

Time: 6:15 PM

Type of Meeting: Special

Location: City Manager's Conference Room
City Hall, 1000 City Center Circle

A. CALL TO ORDER

1. Roll Call

B. PUBLIC COMMENTS

C. DISCUSSION/ACTION

2. Approval of Minutes (March 1, 2016 meeting)
3. Delegate authority to approve minutes

D. REPORTS AND COMMENTS

E. ADJOURNMENT

ANY PERSON WHO DECIDES TO APPEAL ANY DECISION MADE BY THE **GOLF ADVISORY BOARD** WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE HE OR SHE MAY NEED TO ENSURE AT HIS OR HER OWN EXPENSE FOR THE TAKING AND PREPARATION OF A VERBATIM RECORD OF ALL TESTIMONY AND EVIDENCE OF THE PROCEEDINGS UPON WHICH THE APPEAL IS TO BE BASED. NOTE: IF YOU ARE A PERSON WITH A DISABILITY WHO NEEDS ANY ACCOMMODATION IN ORDER TO PARTICIPATE IN THIS PROCEEDING, YOU ARE ENTITLED, AT NO COST TO YOU, TO THE PROVISION OF CERTAIN ASSISTANCE. PLEASE CONTACT THE CITY CLERK FOR THE CITY OF PORT ORANGE, 1000 CITY CENTER CIRCLE, PORT ORANGE, FLORIDA 32129, TELEPHONE NUMBER 386-506-5563, WITHIN 2 WORKING DAYS OF YOUR RECEIPT OF THIS NOTICE OR 5 DAYS PRIOR TO THE MEETING DATE; IF YOU ARE HEARING OR VOICE IMPAIRED, CONTACT THE RELAY OPERATOR AT 1-800-955-8771.

GOLF COURSE BOARD OF DIRECTORS REGULAR MEETING MINUTES
CITY MANAGER'S CONFERENCE ROOM
1000 CITY CENTER CIRCLE
PORT ORANGE, FL
MARCH 1, 2016

The Regular Meeting of the Golf Course Board of Directors was called to order by Chairman Ford at 5:00 p.m.

Present:	Bob Ford, Chairman/Board Member Jake Johansson, City Manager/Board Member
Also Present:	Tracey Riehm, Finance Director Susan Lovallo, Parks & Rec Director Bob Duquette, KemperSports James Halleran, CPA, James Moore CPAs & Consultants Matthew Jones, Assistant City Attorney Fran Gosnell, Administrative Assistant

B. APPROVAL OF MINUTES

2. Regular Meeting – December 1, 2015

Motion made by Mr. Johansson seconded by Chairman Ford, to approve the minutes from the December 1, 2015 meeting. Motion carried unanimously by voice vote.

3. FY2015 Audit

James Halleran, CPA provided an overview of the FY2015 Audit from a "big picture" standpoint stating that approximately the same membership is coming in, with increases of approximately $50,000 on both the asset and liability side due to prepaid golf fees and prepaid dues coming in before the end of the year. There were a lot of fixed costs even with no activity on the course, and there were no debt service payments this year.

Mr. Halleran stated that KemperSports is now the management company and their agreement is in place; there was an incentive management fee of $66,226 which was not met and therefore, nothing paid.

With regard to the FY2015 Audit, following audit standards, there is one comment which is a significant deficiency with reference to cash receipts, wherein they tested 25 items with seven of those items showing no evidence of direct approval by the general manager, constituting a control procedure deficiency, which had appeared two years ago as well. A control procedure must be put in place to segregate responsibilities.

Current year comments included a Management Agreement Modification relating to the management agreement with KemperSports expiring on October 1, 2017 to operate the golf course, clubhouse, pro shop and restaurant. Effective October 1, 2015, the City contracted with a third party vendor to operate the restaurant, and created an amendment to the management agreement to reflect the change in operations and a reduction in the fixed management fee by 24%; however, the amendment did not address the incentive management fee in section 3B.

Chairman Ford asked what actions are being taken to ensure the audit deficiency is not repeated. Susanne Snider, KemperSports, stated that the procedure which is in place and is being done now, is that she enters the Journal Entry and then it is signed by the manager.

4. Financial Reports

Bob Duquette, KemperSports General Manager, provided an overview of the Course Cash Flow Report for January, 2016 and an overview of the Comparative Income Statement for the four months ending January 31, 2016, from the Agenda packet.

Mr. Duquette reported that they have been involved in a new national program called GLF (Giant Leap Forward) which is designed to help promote the game of golf to young golfers throughout the school system beginning in the elementary level all the way to high school. They are currently scheduled to begin the program at Cypress Creek Elementary School on February 15th with second and third-graders, and later on with fourth and fifth graders, incorporating other schools throughout February and March.

Mr. Johansson stated that in his travels around the schools, there is a lot of interest at the other golf courses and reminded folks that before they come to Council and ask for police and/or fire favors, to consider Spruce Creek as a venue for their fund raising event. Mr. Duquette responded that they have received interest from the school system.

Ted Noftall, citizen, asked when the financial transactions will be seen. Chairman Ford responded that he has spoken with the Finance Director, and expect to see that resolved soon.

Mr. Noftall asked about the pro shop having a loss and what the plans are if it continues running at a loss. Chairman Ford replied that this is a good issue for the advisory board to look into. Mr. Jody Graham, Regional Operations, KemperSports, responded that the pro shop operation does not operate at a loss and is very successful.

5. Evaluation Report

Mr. Duquette stated that the course conditions and the golf cart fleet are in great shape, expenses are lower, the pro shop is very successful with merchandise and special orders, and over $1,292 in gift card sales. Ms. Reggie Hunter, Sales and Marketing, has been gathering business and events, with April-May sold out, as well as being active with Rotary, Ambassadors, and Chamber of Commerce. Mr. Graham has also been helpful with Kemper Club and other aspects of social media, and as reported above, golf in schools and clinics are very well attended. Mr. Duquette stated that they are working with Susan Lovallo to obtain more interaction with the Parks and Recreation programs. Also, 1,200 questionnaires were mailed out with great results and ratings, and that anyone that responded to a questionnaire and provided their name and number with comments were responded to as well as any other customer comments that are received are taken care of.

Mr. Duquette provided preliminary numbers for revenues in February of over $140,000, exceeding the February budget of $129,000.

Chairman Ford asked if they will be paving the parking lot. Mr. Johansson stated yes; they will put it on the City's paving contract but the question will come up as to how to pay for it.

6. Proposed Ordinance Establishing the Golf Course Advisory Board

Matthew Jones, Assistant City Attorney, discussed the proposed ordinance establishing the Golf Course Advisory Board and opened the floor to questions regarding the proposed ordinance. Discussion ensued regarding the composition and qualifications of members, and that representatives from organizations must be in good standing with that particular organization.

Mr. Johansson asked if the appointment from the Council was the same as other boards. Mr. Jones confirmed that it was.

Discussion ensued referencing past issues with the management of the course and the micromanaging of the advisory board, as well as the make-up of the future board to include both those living in Port Orange and those not living in Port Orange but involved with golf.

Mr. Jones stated that any new advisory board would not have a management standing and provided an overview of the Sunshine Law and how it applied if a Council member was placed on the board, as well as the application of the law towards board members discussing issues.

Mr. Duquette asked if he was required to apply to the advisory board. Chairman Ford replied that he would be Ex Officio, just like any other board.

Ms. Lovallo provided an example of how to proceed with policy; i.e., they will not direct Kemper how to do their job; but rather make suggestions and defined the advisory board as 'users' that provide knowledge and extra information from the community to Council, but as a Board they must agree with those changes before providing them to Council.

Chairman Ford would like to see a Council member on the Board, and stated that the Board would continue to have influence if a Council member was on it, but it is to the Council, not the management team. There will not be day-to-day interfering and safeguards will be built in, noting that the culture of Port Orange is considerably different now than it was in the past, and will urge Council to be sure of representation with two key concerns: not only people that live there but also those using the course.

Mr. Alan Angelone asked if there was a schedule for implementation. Mr. Jones responded that with the modifications and revisions, this can move forward and get a vote on the next Council agenda, then determine how the corporate board comes to a position where it is no longer necessary, and wrap up at some point in time.

Mr. Johansson stated his understanding of the arrangement at the last meeting was to get the advisory board off the ground. If they can move this forward in the next three months to a place where they are happy that the advisory board is set up, they can entertain sun setting of the corporate board the next meeting if the advisory board is approved by Council, with the stipulation that there is a quorum (4 out of 7) on the advisory board.

Chairman Ford agreed with the stipulation of a quorum of four members on the board, that they sun set, and requested that this revision be added in the proposed ordinance.

Ms. Lovallo stated that the ordinance will have two readings; by May they can solicit members to go to Council with the advisory board put together by June.

> Motion made by Mr. Johansson seconded by Chairman Ford, to bring the ordinance as amended to Council to establish the advisory board. Motion carried unanimously by voice vote.

C. PUBLIC COMMENTS:

Richard Lee, Cypress Head HOA, reported that there is a bump on the cart path between the 7th and 8th holes, and would like to know if there is a way to get the concrete lifted or repaired. Mr. Duquette stated that they have been working with the City and they have obtained a sawblade to cut it out and regrade/pave to have a more natural curve.

D. ADJOURNMENT: 5:47 p.m.

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Bob Ford, Chairman