

AGENDA ITEM: _____

DATE: 6/16/2014

**CITY OF CASA GRANDE
REQUEST FOR COUNCIL ACTION**

Date Submitted: 5/7/2014	Date Requested: 6/16/2014
Type of Action Requested	Subject
<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Formal Action/Motion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Other	Golf Course Maintenance Agreement for the Dave White Municipal Golf Course with Falcon Golf Management.

RECOMMENDATION:

Staff recommends that the City Council approves a Golf Course Maintenance agreement for the Dave White Municipal Golf Course with Falcon Golf Management ("FGM") a subsidiary of Landscapes Golf Group ("LGG") and Bellows Golf Management ("BGM") and authorize the City Manager to sign a 2-year maintenance service contract in the amount of \$438,400.00 annually. The contract would also allow for three 1 - year renewal options.

DISCUSSION:

The proposed change to a commercial golf course maintenance system is based on cost analysis and operational data collected over the past several years. Assessments were conducted in the areas of personnel, ongoing contractual services, material supplies and capital equipment. As a defined enterprise fund, the Dave White Municipal Golf Course was intended to generate its own revenue sufficient to support its existence without assistance from the City's General Fund. It is with this business model in mind that has prompted this proposed change.

It is anticipated that all golf fees being charged and all other associated revenue generated at the golf course will remain under city administration. The Golf Pro will remain as an independent contractor. The Golf Pro Assistant and all part time clubhouse staff will continue to remain on the city payroll. The remaining three full time golf course maintenance staff members (Crew Leader, Maintenance Worker and Assistant Mechanic) will be absorbed into three vacant positions currently being held open within the Community Services and Public Works Divisions.

The ultimate goal of any golf course operation is to provide sustainable quality playing conditions in the most cost effective manner by controlling expenses and maintaining a high level of customer service. After a recent solicitation of a Request for Qualifications (RFQ), Falcon Golf Management (FGM) was considered the top candidate and negotiations began with the principal, Jim Bellows.

Jim Bellows has been in the golf course business since 1970 and has been a member of the Professional Golfers Association (PGA) since 1976 and has over 30 years of public and private golf course expertise. Mr. Bellows has been involved in all phases of municipal, public and private golf course operations. His experience also includes public and private golf course construction and design, clubhouse planning and design, golf community development, golf course acquisitions and golf course sales.

Originally from Southern California, Mr. Bellows moved to Arizona in 1985 to participate in the development of Troon Golf and Country Club in Scottsdale, AZ as its first Director of Golf. Currently FGM has one contractual agreement at a privately owned public golf course facility (Falcon Golf Club in Litchfield Park, Arizona) as well as two municipal golf course management contracts for the City of Oceanside, California.

LGG is a wholly owned subsidiary of Landscapes Unlimited from Lincoln, Nebraska with offices in Scottsdale, AZ. Landscapes Unlimited has been one of the largest golf course contractors for over 30 years with more than 1,000 golf course renovation and construction projects. LGG as their subsidiary owns and manages 24 golf courses across the country.

As a business partner, FGM can provide certified and professional maintenance staffing and proven turf management techniques, cost efficient operational models, enhanced equipment acquisition and valuation techniques, shared and collective operational management services, long term equipment investment counsel, and project funding.

FISCAL IMPACT:

Category	FY 14	Proposed FY 15	Savings
Personnel Services	\$482,940	\$142,300	(\$340,640)
Contractual Services	\$205,350	\$179,600	(\$25,750)
Maintenance Contract - Variable	\$0	\$360,400	\$360,400
Maintenance Contract - Fixed	\$0	\$78,000	\$78,000
Materials and Supplies	\$439,800	\$226,400	(\$213,400)
Debt/Transfers	\$206,840	\$204,800	(\$2,040)
Total Operating Budgets	\$1,334,930	\$1,191,500	(\$143,430)
Capital Budget	\$161,900	\$36,000	(\$125,900)
Total Budget	\$1,496,830	\$1,227,500	(\$269,330)

The overall operational costs of the golf course can be reduced with a contractual maintenance agreement as the vast majority of savings are derived from the area of personnel services and through the acquisition of material and supplies. It is anticipated that golf course conditions will continue to improve which will have a positive effect on revenue generation and the overall long term fiscal improvement of the golf course enterprise.

Reviewed by
Finance Director: Doug Sandstrom

Reviewed by
City Attorney: Brett Wallace

ALTERNATIVES: Retain golf course maintenance under city administration.

Prepared by:

Recommended by:

Approved by:

William Schwind
Community Services Director

William Schwind
Community Services Director

Jim Thompson
City Manager