

**Wicomico Shores Golf Course Advisory Board
Special Meeting of
Thursday, December 15, 2011**

MEMBERS PRESENT: Robert Richardson, Chairperson; Gloria Tippet, Secretary; Bob Collier, Everett "Ebie" Cooper, Gerald Slagle, Don Nolan and Tom Schumacher.

R&P STAFF AND OTHERS PRESENT: Phil Rollins, Director; and Pat Meyers, Golf Course Manager.

CALL TO ORDER

The meeting of the Wicomico Shores Golf Course (WSGC) Advisory Board was called to order at 6:00 p.m. at the Recreation and Parks main office in Leonardtown.

Chairperson Richardson introduced new Board members Ebie Cooper and Tom Schumacher.

APPROVAL OF MINUTES

Approval of the minutes from October 20, 2011 was deferred until the next meeting.

WSGC DEFICIT REDUCTION RECOMMENDATIONS

Mr. Rollins stated that the purpose of tonight's special meeting is to discuss deficit reduction recommendations for the golf course and food and beverage operation. Staff and members of the Wicomico Shores Golf Course Advisory Board presented a financial status report to the Board of County Commissioners on December 6, 2011. Staff and the Board previously made a presentation to the BOCC in spring 2011 on this matter; during that meeting, the BOCC decided to review the financial situation again after the 2011 golf season.

The county audit for FY2011 shows the Golf Enterprise Fund with a cash balance of \$184,000. Due public accounting methods and the way depreciation and future liabilities are shown, the Fund balanced shows a deficit of about \$81,000. The recession, mortgage payment for renovated clubhouse and OPEB expenses have all contributed to the current fiscal situation. The BOCC asked staff and the Board to come back in January with some deficit reduction recommendations. That meeting is set for January 17, 2012.

Staff and the Board discussed several deficit reduction measures. Board supported measures included:

- Refinancing the Clubhouse loan
- Eliminating the administrative reimbursements assessed to the Golf Enterprise Fund
- Hiring an hourly employee at a lower rate of pay to replace the vacant Pro Shop Manager position
- Requesting the County refund the Admissions and Amusements tax funds that were previously collected by the golf course and refunded to the county's general fund

Some other items discussed, but may or may not be feasible:

- Stop accepting debit and credit cards to eliminate the bank fees (the Board did not think this would be popular with patrons)
- Closing the restaurant for the winter months
- Eliminate the contracted janitorial service (use existing staff and community service workers)

Privatization of the golf and/or food and beverage operation is also an option that the BOCC will consider. Mr. Rollins talked to some counties that have been through privatization of golf courses. Typically, the way management companies operate, is a contract is written for a private company to

manage the course for a set sum per year. Rockville worked with the National Golf Foundation to evaluate their course and make recommendations on how to manage the operation. What they determined was that most companies won't come in and lease the facility and assume the entire risk. An RFP was done and Rockville only got one proposal to lease the facility (Billy Casper Golf; same company that managed Chesapeake Hills). Most companies want to manage the facility for a fee (Rockville's estimates ranged from \$86,000 to \$200,000). In addition to the fee, companies develop and present an operating budget for expenses and revenues. Revenues would go in the county's account and the company is paid a monthly management fee. This scenario may not solve the deficit problem.

Ms. Meyers provided information on an article about Cincinnati, Ohio municipal courses that were privatized. The courts are indicating that by privatizing the operations they are no longer considered municipal courses and may have to start paying property taxes. If the Ohio courts uphold the findings, this may have an effect on future municipal course privatizations.

The BOCC will hold a Public Forum on Tuesday, January 3, 2012 at the Valley Lee Firehouse at 6:30 p.m. This is the time that the Board and the public may let the Commissioners know of their opinions and recommendations for the golf course and any other matters.

EXECUTIVE SESSION

Don Nolan motioned, seconded by Gloria Tippet, to meet in Executive Session to discuss matters of personnel as provided for in Article 24, Section 4-210(a) 1. Motion carried 5-0 (two new members are not voting members until appointment forms are signed and submitted).

Present: Robert Richardson, Chairperson; Gloria Tippet, Secretary; Bob Collier, Everett "Ebie" Cooper, Gerald Slagle, Don Nolan, Tom Schumacher and Phil Rollins, Director.

Authority: Article 24, Sections 4-210(a)1.

Time held: 6:30 p.m. - 7:00 p.m.

SCHEDULING THE NEXT MEETING

The next meeting of the WSGC Advisory Board will be held on Thursday, January 19, 2012 at 6:00 p.m. at the Clubhouse.

The meeting adjourned at approximately 7:00 P.M.

Kathy Bailey, Recorder (from tape recording)