

AN ORDINANCE

2007-05-03-0479

APPROVING A MANAGEMENT AGREEMENT WITH MUNICIPAL GOLF ASSOCIATION-SAN ANTONIO (MGA-SA), A TEXAS NON-PROFIT CORPORATION DEDICATED TO OPERATING AND PROMOTING CITY OF SAN ANTONIO MUNICIPAL GOLF FACILITIES, FOR THE OPERATION OF THE SIX CITY-OWNED GOLF COURSES AND SAN PEDRO DRIVING RANGE FOR A TEN (10) YEAR TERM, NON-PROFIT DUTIES AND CONSIDERATION TO THE CITY.

\* \* \* \* \*

**WHEREAS**, beginning in July 2006, consultant Jim Roschek has been assessing the City's Golf Operations and Management and has recommended a model of golf operation wherein the City works together with a non-profit entity through a management agreement; and

**WHEREAS**, City staff has taken that proposal and negotiated a management agreement with Municipal Golf Association San Antonio (MGA-SA), a newly created Texas non-profit Corporation dedicated to operating and promoting City of San Antonio municipal golf facilities; and

**WHEREAS**, on April 19, 2007, the Quality of Life Committee reviewed and recommended the management agreement come forward to City Council for consideration; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Manager or her designee, is authorized to execute a management agreement with Municipal Golf Association-San Antonio (MGA-SA), a Texas Non-Profit Corporation for the operation of the six City-owned Golf Courses and San Pedro Driving Range for a ten (10) year term. A copy of said management agreement in substantially final form is attached hereto and incorporated herein for all purposes as Attachment I.

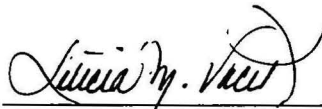
**SECTION 2.** The City Manager or her designee is hereby directed to amend the draft agreement as follows: In the event an economic development opportunity presents itself, and the City Council deems it advisable, the City shall have the right to remove one course from the management of MGA-SA.

**SECTION 3.** This ordinance shall be effective on and after May 13, 2007.

PASSED AND APPROVED this 3<sup>rd</sup> day of May, 2007.

  
M A Y O R

ATTEST:

  
City Clerk

PHIL HARDBERGER

APPROVED AS TO FORM:

  
for City Attorney

# Agenda Voting Results

**Name:** 5. Main motion

**Date:** 05/03/07

**Time:** 11:00:42 AM

**Vote Type:** Multiple selection

**Description:**

| Voter                    | Group       | Status | Yes | No | Abstain |
|--------------------------|-------------|--------|-----|----|---------|
| ROGER O. FLORES          | DISTRICT 1  |        |     | x  |         |
| SHEILA D. MCNEIL         | DISTRICT 2  |        | x   |    |         |
| ROLAND GUTIERREZ         | DISTRICT 3  |        | x   |    |         |
| RICHARD PEREZ            | DISTRICT 4  |        | x   |    |         |
| PATTI RADLE              | DISTRICT 5  |        | x   |    |         |
| DELICIA HERRERA          | DISTRICT 6  |        | x   |    |         |
| ELENA K. GUAJARDO        | DISTRICT 7  |        | x   |    |         |
| ART A. HALL              | DISTRICT 8  |        | x   |    |         |
| KEVIN A. WOLFF           | DISTRICT 9  |        | x   |    |         |
| CHIP HAASS               | DISTRICT_10 |        | x   |    |         |
| MAYOR PHIL<br>HARDBERGER | MAYOR       |        | x   |    |         |

# Agenda Voting Results

**Name:** 5. Flores Amendment - Green Fees to be approved by Council

**Date:** 05/03/07

**Time:** 11:00:08 AM

**Vote Type:** Multiple selection

**Description:** 5. An Ordinance approving a management agreement with Municipal Golf Association-San Antonio (MGA-SA), a Texas Non-Profit Corporation dedicated to operating and promoting City of San Antonio Municipal Golf facilities, for the operation of the six City-owned Golf Courses and San Pedro Driving Range for a ten (10) year term, non-profit duties and consideration to the City. [Presented by Pat DiGiovanni, Deputy City Manager; Jim Roschek, Interim Director, Golf Operations]

| Voter                    | Group       | Status | Yes | No | Abstain |
|--------------------------|-------------|--------|-----|----|---------|
| ROGER O. FLORES          | DISTRICT 1  |        | x   |    |         |
| SHEILA D. MCNEIL         | DISTRICT 2  |        |     | x  |         |
| ROLAND GUTIERREZ         | DISTRICT 3  |        | x   |    |         |
| RICHARD PEREZ            | DISTRICT 4  |        |     | x  |         |
| PATTI RADLE              | DISTRICT 5  |        | x   |    |         |
| DELICIA HERRERA          | DISTRICT 6  |        |     | x  |         |
| ELENA K. GUAJARDO        | DISTRICT 7  |        |     | x  |         |
| ART A. HALL              | DISTRICT 8  |        |     | x  |         |
| KEVIN A. WOLFF           | DISTRICT 9  |        |     | x  |         |
| CHIP HAASS               | DISTRICT_10 |        |     | x  |         |
| MAYOR PHIL<br>HARDBERGER | MAYOR       |        |     | x  |         |

# Agenda Voting Results

**Name:**

5. Haass Amendment - Remove 1 Golf Course from Management Agreement if Economic Development Opportunity arises.

**Date:** 05/03/07

**Time:** 10:59:43 AM

**Vote Type:** Multiple selection

**Description:**

| Voter                    | Group       | Status | Yes | No | Abstain |
|--------------------------|-------------|--------|-----|----|---------|
| ROGER O. FLORES          | DISTRICT 1  |        | x   |    |         |
| SHEILA D. MCNEIL         | DISTRICT 2  |        | x   |    |         |
| ROLAND GUTIERREZ         | DISTRICT 3  |        | x   |    |         |
| RICHARD PEREZ            | DISTRICT 4  |        | x   |    |         |
| PATTI RADLE              | DISTRICT 5  |        | x   |    |         |
| DELICIA HERRERA          | DISTRICT 6  |        | x   |    |         |
| ELENA K. GUAJARDO        | DISTRICT 7  |        | x   |    |         |
| ART A. HALL              | DISTRICT 8  |        | x   |    |         |
| KEVIN A. WOLFF           | DISTRICT 9  |        | x   |    |         |
| CHIP HAASS               | DISTRICT_10 |        | x   |    |         |
| MAYOR PHIL<br>HARDBERGER | MAYOR       |        | x   |    |         |



# MEETING OF THE CITY COUNCIL

5

AGENDA ITEM NUMBER:

DATE:

MAY 03 2007

MOTION:

*Perez / Haass*

ORDINANCE NUMBER:

RESOLUTION NUMBER:

2007-05-03-0479

ZONING CASE NUMBER:

TRAVEL AUTHORIZATION:

|  |
|--|
| ALAMODOME                              |
| ARTS & CULTURAL AFFAIRS                |
| ASSET MANAGEMENT                       |
| AVIATION                               |
| BUDGET & PERFORMANCE ASSESSMENT        |
| BUILDING INSPECTIONS                   |
| HOUSE NUMBERING                        |
| CITY ATTORNEY                          |
| MUNICIPAL COURT                        |
| REAL ESTATE (FASSNIDGE)                |
| REAL ESTATE (WOOD)                     |
| RISK MANAGEMENT                        |
| CITY MANAGER                           |
| SPECIAL PROJECTS                       |
| CITY PUBLIC SERVICE - GENERAL MANAGER  |
| CITY PUBLIC SERVICE - MAPS AND RECORDS |
| CODE COMPLIANCE                        |
| COMMERCIAL RECORDER                    |
| COMMUNITY INITIATIVES                  |
| COMMUNITY RELATIONS                    |
| PUBLIC INFORMATION                     |
| CONVENTION AND VISITORS BUREAU         |
| CONVENTION CENTER EXPANSION OFFICE     |
| CONVENTION FACILITIES                  |
| ECONOMIC DEVELOPMENT                   |
| FINANCE - DIRECTOR                     |
| FINANCE - ASSESSOR                     |
| FINANCE - CONTROLLER                   |
| FINANCE - GRANTS                       |
| FINANCE - TREASURY                     |
| FIRE DEPARTMENT                        |
| HOUSING AND COMMUNITY DEVELOPMENT      |
| HUMAN RESOURCES (PERSONNEL)            |
| INFORMATION SERVICES                   |
| INTERGOVERNMENTAL RELATIONS            |
| INTERNAL REVIEW                        |
| INTERNATIONAL AFFAIRS                  |
| LIBRARY                                |
| METROPOLITAN HEALTH DISTRICT           |
| MUNICIPAL CODE CORPORATION             |
| MUNICIPAL COURT                        |
| PARKS AND RECREATION                   |
| MARKET SQUARE                          |
| YOUTH INITIATIVES                      |
| PLANNING DEPARTMENT                    |
| DISABILITY ACCESS OFFICE               |
| LAND DEVELOPMENT SERVICES              |
| POLICE DEPARTMENT                      |
| GROUND TRANSPORTATION                  |
| PUBLIC WORKS DIRECTOR                  |
| CAPITAL PROJECTS                       |
| CENTRAL MAPPING                        |
| ENGINEERING                            |
| ENVIRONMENTAL SERVICES                 |
| PARKING DIVISION                       |
| REAL ESTATE DIVISION                   |
| SOLID WASTE                            |
| TRAFFIC ENGINEERING                    |
| PURCHASING AND GENERAL SERVICES        |
| SAN ANTONIO WATER SYSTEMS (SAWS)       |
| VIA                                    |

| NAME                                       | ROLL | AYE | NAY |
|--|------|-----|-----|
| ROGER O. FLORES<br>District 1              |      |     |     |
| SHEILA D. MCNEIL<br>District 2             |      |     |     |
| ROLAND GUITIERREZ<br>District 3            |      |     |     |
| RICHARD PEREZ<br>District 4                |      |     |     |
| PATTI RADLE<br>District 5                  |      |     |     |
| DELICIA HERRERA<br>District 6              |      |     |     |
| ELENA GUAJARDO<br>District 7               |      |     |     |
| ART A. HALL<br>District 8                  |      |     |     |
| KEVIN A. WOLFF<br>District 9               |      |     |     |
| CHRISTOPHER "CHIP"<br>HAASS<br>District 10 |      |     |     |
| PHIL HARDBERGER<br>Mayor                   |      |     |     |

## **GOLF COURSE MANAGEMENT AGREEMENT**

This Management Agreement ("Agreement") is made and entered into by and between the **CITY OF SAN ANTONIO**, a Texas Municipal Corporation (herein referred to as "CITY"), acting herein through its City Manager, or her designated representative, pursuant to Ordinance No. 2007-05-03-0479 passed and approved by the City Council on May 3, 2007, and **MUNICIPAL GOLF ASSOCIATION – SA** (herein referred to as "MGA-SA").

### **1. WITNESSETH**

- 1.1 WHEREAS, City owns various golf courses; and
- 1.2 WHEREAS, City wishes to continue to offer a quality golf experience at an affordable price to citizens and visitors; and
- 1.3 WHEREAS, City contracted with a consultant to provide an Assessment of San Antonio Golf Operations and Management and the consultant report recommended that the City set up a "hybrid" model of operation, involving a partnership between the City and a non-profit entity; and
- 1.4 WHEREAS, CITY and MGA-SA desire to enter into an Agreement for the operation and management of the City-owned Golf Courses and Driving Range, NOW THEREFORE CITY and MGA-SA agree as follows:

### **2. GOLF COURSES TO BE MANAGED**

- 2.1 MGA-SA hereby agrees to assume the management and operation of the real property and improvements located in San Antonio, Texas and listed below ("Golf Courses"), on the dates indicated:
  - A. Cedar Creek Golf Course, 8250 Vista Colina, comprising 172.72 acres, no later than October 1, 2007
  - B. San Pedro Driving Range, 6102 San Pedro, comprising 31 acres, no later than March 1, 2008
  - C. Brackenridge Golf Course, 2315 Avenue B, comprising 113.60 acres, no later than July 1, 2008
  - D. Olmos Basin Golf Course, 7022 N. McCullough, comprising 167 acres, date to be determined by MGA-SA and CITY, however such date shall not be later than three (3) years after the Commencement Date of this Agreement
  - E. Riverside Golf Course, 203 MacDonald, comprising 175.8 acres, date to be determined by MGA-SA and CITY, however such date shall not be later than three (3) years after the Commencement Date of this Agreement
  - F. Mission del Lago Golf Course, 1250 Mission Grande, comprising 182.7 acres, date to be

determined by MGA-SA and CITY, however such date shall not be later than three (3) years after the Commencement Date of this Agreement

- G. Willow Springs Golf Course, 202 Coliseum, comprising 188.6 acres, date to be determined by MGA-SA and CITY, however such date shall not be later than three (3) years after the Commencement Date of this Agreement
- 2.2 Any deviation from the schedule for Cedar Creek Golf Course, San Pedro Driving Range, or Brackenridge Golf Course will be subject to the prior written agreement of CITY, through its City Manager.
- 2.3 If MGA-SA fails to assume the management and operation of any or all of the Golf Courses within three (3) years of the Commencement Date of this Agreement, this Agreement shall terminate with no further action required by CITY. Any deviation from this deadline can only be approved by the prior written agreement of CITY, through its City Manager.
- 2.4 MGA-SA has had full opportunity to examine the Golf Courses and agrees that no representations respecting the condition of the Golf Courses and no promises to alter, repair, or improve the Golf Courses either before or after the execution hereof, have been made by CITY or its agents to MGA-SA unless the same are contained herein or made a part hereof by reference herein. MGA-SA'S management and operation of the Golf Courses shall be conclusive evidence of MGA-SA'S acceptance thereof in good order and satisfactory condition, and MGA-SA hereby accepts the Golf Courses in their present condition, AS IS, WHERE IS, WITH ALL FAULTS, as suitable for the purpose of conducting golf operations and with the full knowledge, understanding, and agreement that CITY disclaims any warranty of suitability for MGA-SA'S use and possession of the Golf Courses as a golf course or for any other purpose.
- 2.5 All permanent structures existing on the Golf Courses and those added during the term of this Agreement shall be the property of CITY.
- 2.6 CITY shall have the right to schedule events held by, sponsored by, or other events of CITY's election ("City Events"), at the Golf Courses, subject to availability. CITY shall provide MGA-SA a written request, at least thirty (30) days in advance, for use of a Golf Course on a specific date(s). If events or activities previously scheduled by MGA-SA preclude such use by CITY, as determined by CITY and MGA-SA, the parties will work cooperatively to identify an alternate date(s). The fees associated with City Events shall be established by MGA-SA and CITY.
- 2.7 CITY and MGA-SA mutually agree that MGA-SA acts in the capacity of manager of the Golf Courses and that nothing contained herein shall be construed by either party hereto or by any third party as creating the relationship of principal and agent, partners, joint venture or any other similar such relationship between the parties hereto, and confirm that all of the services to the public provided by the MGA-SA are provided on behalf of the MGA-SA and not for or on the part of the CITY. Neither party to this Agreement has the authority to bind the other party or to hold out to third parties that it has the authority to bind the other.
- 2.8 In the event that a substantial economic development opportunity presents itself to CITY involving one of the golf facilities, and City Council deems it advisable, CITY shall have the right to remove the golf facility from the management of MGA-SA, provided, however, no further courses shall be removed from MGA-SA's control without MGA-SA's consent.

### **3. MGA-SA MANAGEMENT STRUCTURE**

- 3.1 MGA-SA is a 501c3 non-profit organization, authorized under the rules and regulations of the Internal Revenue Service and hereby agrees that it shall not modify this status without the prior written authorization of CITY, through its City Manager or designee.
- 3.2 Articles of Incorporation of MGA-SA, outlining the provisions of membership, the structure of the Board of Directors, the process for selection of officers, and the duties and rights and responsibilities of members, officers, and Board members has been filed with the Texas Secretary of State and are attached as Exhibit A. MGA-SA hereby agrees that such Articles of Incorporation may not be modified without the prior written authorization of CITY, through its City Manager or designee.
- 3.3 MGA-SA's Board of Directors shall consist of fifteen (15) members: seven (7) will be selected by MGA-SA according to the approved process contained in its by-laws; two (2) will be voting ex-officio member positions for City staff members to be appointed by the City Manager; and six (6) shall be appointed by the City Council.
- 3.4 No capital improvement, expenditure or incurring of a debt obligation in excess of \$10,000 may be undertaken by MGA-SA until it has been authorized by the Board of Directors of MGA-SA and such approval must include the approval of at least one (1) ex-officio member.

### **4. TERM**

- 4.1 The term of this Agreement shall be ten (10) years, beginning ten (10) days following approval by CITY through its City Council, and terminating ten (10) years thereafter, unless extended or terminated as herein provided.
- 4.2 Subject to the consent of the parties and approval by the City of San Antonio City Council through the passage of an ordinance, this Agreement may be extended for two additional five (5) year terms, to begin immediately following the initial five (5) year term..

### **5. ALLOWABLE USES AND SERVICES TO BE PROVIDED**

- 5.1 MGA-SA, or its contractors, as is provided in Article 8 below, shall provide the following services:
  - A. General/Operational Responsibilities:
    - 1. Provide open golf to the citizens of San Antonio and visitors during established operating days and hours, as approved by CITY
    - 2. Hire and employ qualified and customer-service oriented staff
    - 3. Develop and implement policies and procedures that ensure quality and consistent operational standards
    - 4. Provide amenities, golf instruction, and concessions that enhance the experience and enjoyment of Golf Course customers

**B. Fiscal Responsibilities:**

1. Develop and implement an annual budget, subject to the approval of CITY
2. Collect all established fees and other revenue
3. Pay all expenses associated with the operation of the Golf Courses, including, but not limited to, salaries and other personnel costs, maintenance, equipment, utilities, and all other operational costs
4. Establish and maintain complete and accurate financial records of all revenue and expenses, in accordance with generally accepted accounting and auditing standards
5. Establish and enforce inventory, cash handling, and other fiscal and material controls that ensure appropriate and safe handling of revenues, expenditures, and assets
6. Establish a segregated and dedicated banking account for all of the Golf Courses with revenue and expenditures tracked separately for each Golf Course
7. Operate the Golf Courses in a fiscally responsible manner through effective and efficient management, growth of existing and new revenue opportunities, and appropriate expenditure levels

**C. Maintenance Responsibilities:**

1. Maintain all permanent structures and tees, greens, fairways, roughs, traps, and other improvements in accordance with the provisions herein
2. Secure and maintain in good working order all equipment necessary to achieve the maintenance standards provided herein

5.2 MGA-SA may use the Golf Courses for the operation of golf course and related activities but for no other uses, unless such other uses have received the written approval of the MGA-SA board including the approval of at least one ex officio member of the board.

5.3 MGA-SA shall at all times allow the use of Mission del Lago and Willow Springs Golf Courses parking areas, clubhouse, and restrooms for use at no cost by visitors to creekway hike and bike trails that exist now or may be constructed during the term of this Agreement. Except, however, any organized use to be coordinated and approved in advance by MGA-SA.

5.4 MGA-SA agrees that the Golf Courses shall not be used to conduct political activities for the benefit of any candidate for elective public office, partisan or non-partisan, nor shall MGA-SA personnel be assigned to work for or on behalf of any partisan or non-partisan political activity.



## 6. CONSIDERATION

6.1 Excess Revenue Payment: MGA-SA shall pay to CITY a percentage, as outlined below, of the amount by which Gross Receipts exceed Expenditures. Gross Receipts ("Gross Receipts") shall be defined as all revenue received by MGA-SA, excluding only required taxes and merchandise or services which are refunded to the customer. Expenditures ("Expenditures") shall be defined as all costs associated with the management and operation of the Golf Courses, excluding golf course capital improvement costs, but including debt service, including any debt service payments to the City under section 6.2 below, and fees associated with the purchase and/or leasing of furniture, fixtures, and equipment. The amount by which the Gross Receipts exceed the Expenditures shall, for purposes of this Agreement, be referred to as the Excess Revenue ("Excess Revenue").

A. Based on the schedule outlined below, MGA-SA shall provide a report ("Semi-annual Report") on a semi-annual basis, on the dates and for the following periods of each year of this Agreement:

| <u>Reporting Period</u> | <u>Date Report and Payment due to City</u> |
|-------------------------|--|
| October - March         | May 15                                     |
| April - September       | November 15                                |

B. The Semi-annual Report shall be in a form approved by CITY and provide information regarding all Gross Receipts and Expenditures for each Golf Course, broken down by categories based on the source of Gross Revenue and type of Expenditure and will show a calculation of the Excess Revenue.

C. MGA-SA shall retain 50% of the Excess Revenue, to be separately accounted for at all times by MGA-SA and reserved for capital improvements and/or capital repairs to the Golf Courses ("Capital Improvement Fund"). Expenditure of Capital Improvement Funds by MGA-SA shall be subject to the prior written approval of CITY.

D. The remaining 50% of Excess Revenue shall be paid to CITY by MGA-SA with each Semi-annual Report ("Excess Revenue Payment") and mailed to CITY, on or before the date that the Semi-annual Report is due, by mail to the address shown below:

City of San Antonio  
Treasury Division  
Central Billing Section  
P O Box 839975  
San Antonio TX 78283-3975

With an additional copy of the Semi-annual Report and a copy of the Excess Revenue Payment check sent to:

City of San Antonio  
City Managers Office  
114 W. Commerce  
San Antonio TX 78205

6.2 Line of Credit: From time to time during the Agreement City shall advance funds as a loan to MGA-SA for expenses necessary for the operation of the Golf Courses, but in no event shall

such funds ever exceed \$500,000.00 at any one time. MGA-SA shall owe no interest on such funds it has received from CITY. MGA-SA shall endeavor to repay all such funds by November 15 of each year of the Agreement. All MGA-SA funds not required for working capital shall be applied to paying back these funds on an annual basis. All such funds shall be finally due and owing five years from the commencement of the term of this Agreement. CITY and MGA-SA shall annually review whether MGA-SA any longer has need of this line of credit from the CITY based on a review of MGA-SA's cash reserves, cash flow, revenue generation and overall credit worthiness. The parties will also take into consideration the added financial burden of undertaking the operation of additional golf courses according to the schedule outlined in section 2.1. It is the goal of both parties to terminate this line of credit as soon as it is feasible and prudent for MGA-SA to operate the golf courses without a line of credit from CITY.

6.3 Prior to the final transfer of all golf facilities to MGA-SA, City and MGA-SA shall, when necessary for the efficient provision of municipal golf services to the public, transfer the use of resources including but not limited to golf carts, maintenance equipment and the services of professional personnel, provided, however, all such arrangements shall be in writing and approved by the City Manager or her designee and any such writings shall include the details of the exact resources to be transferred, the terms of such transfers, and the financial consideration or adjustments to be given in return for such arrangements.

## **7. BUDGET, FEES, AND REPORTING TO CITY**

7.1 Within six (6) months of MGA-SA assuming management and operation of each Golf Course, MGA-SA shall provide to CITY the following:

A. Marketing Plan to detail MGA-SA's proposed plan to increase membership, rounds of golf, and increased participation by underserved groups, including economic, geographical, age, genera, and physically challenged

B. Maintenance Plan which is consistent with the provisions of Article 9 of this Agreement, and outlines planned maintenance projects at each Golf Course

C. Equipment Plan, including any planned equipment purchases and/or leases

D. Special Event Plan outlining special events, tournaments, and other similar activities

7.2 On or before March 1 of each year, MGA-SA shall provide a report to CITY which shall include the following related to October 1 through September 30 of each year of this Agreement:

A. Proposed operating budget for each Golf Course, including estimated revenue and expenses by categories, as well as proposed expenditures from the Capital Improvement Fund, as outlined in 6.2 above.

B. Proposed regular fees, including any special or reduced fee structures and a description of the application of such special or reduced fees

C. Any proposed changes to the Marketing Plan, Maintenance Plan, Equipment Plan, or Special Events Plan

D. The proposed operating budget and maximum fees are subject to the approval of CITY, through its City Manager or designee.

7.3 On or before February 1 of each year, MGA-SA shall provide to City an Annual Financial Report for the year ending September 30, reviewed by an Independent Certified Public Accountant in accordance with Generally Accepted Accounting Principles. In addition, MGA-SA

shall provide an annual composite report of the Semi-annual Gross Receipts Reports ("Semi-annual Gross Receipts Reports") for the period, with adjustments made to account for any differences between the Gross Receipts reported in the Annual Financial Report from that reported in the Semi-annual Gross Receipts Reports for the same period. If such reconciliation identifies an underpayment to CITY, MGA-SA shall provide such underpayment, in full, with the financial statement. In the event the reconciliation identifies an overpayment to CITY, MGA-SA may deduct the amount of overpayment from the next Excess Revenue Payment to CITY. However, CITY reserves the right to request an Audited Financial Statement, but not more than twice during the term of the contract.

7.4 On or before June 1, 2007, MGA-SA shall produce and deliver to City a pro forma business plan.

## **8. EMPLOYMENT, CONCESSION OPERATION, AND USE AGREEMENT**

- 8.1 Except as herein provided, MGA-SA shall have the right to directly operate any or all concession operations ("Concessions"), which are hereby defined as: a) food and beverage, b) pro-shop merchandise, c) instruction, and d) golf equipment rental. In addition, except as herein provided, MGA-SA shall have the right to enter into a contract with an individual or entity to operate any or all of the Concessions. In the event that MGA-SA contracts for these services, the terms and conditions of the contract(s) must provide for compensation to MGA-SA based on the gross receipts generated by those Concessions, clearly state which of MGA-SA's responsibilities under the terms and conditions of this Agreement are to be assumed by the Concession contract(s), and shall be subject to the approval of CITY through its City Manager or designee.
- 8.2 CITY is a party to a contract with Catering by Rosemary, Inc. ("Catering by Rosemary") wherein Catering by Rosemary has the exclusive right to provide food and beverage concessions at the Golf Courses (Exhibit B). The term of the agreement ends on August 31, 2011, unless extended through provisions related to closure for repairs or improvements. CITY hereby transfers and assigns and MGA-SA assumes the rights and obligations of CITY under the Catering by Rosemary contract with regard to the Golf Courses, with such assignment to be effective on the date on which MGA-SA assumes the responsibility for the management and operation of each Golf Course. MGA-SA shall continue to collect, segregate, and utilize Golf Course Capital Improvement and Equipment Account funds as directed by the Catering by Rosemary contract, except that MGA-SA must secure the written approval of CITY prior to expending any funds from such account. Any and all Golf Course Capital Improvement and Equipment Account funds collected by CITY prior to the Commencement of this Agreement shall remain with CITY. In addition, CITY shall retain the performance bond provided by Catering by Rosemary under the terms of the contract. MGA-SA agrees to assume the operation of the food and beverage concessions at the Golf Courses at the end of the term of the Catering by Rosemary contract.
- 8.3 MGA-SA hereby acknowledges that CITY is a party to a License Agreement for Beverage Services, currently Bottling Group, L.L.C d/b/a The Pepsi Bottling Group. At any time during the term of this Agreement that MGA-SA operates the food and beverage concessions, or contracts with a food and beverage contractor other than Catering by Rosemary, MGA-SA shall ensure that all such concession operations are in compliance with CITY's License Agreement for Beverage Services.



- 8.4 CITY is a party to a Revocable License Agreement for the Use of Brackenridge Park Polo Field Driving Range (Exhibit C). If requested by CITY, MGA-SA hereby agrees to assume the management and operation of the premises of that License Agreement upon the expiration or termination of that Agreement and, for purposes of this Agreement, those premises would then be considered a Golf Course.
- 8.5 CITY is a part to a Ground Lease Agreement for a golf driving range (Exhibit D). If requested by CITY, MGA-SA hereby agrees to assume the management and operation of the premises of that License Agreement upon the expiration or termination of that Agreement and, for purposes of this Agreement, those premises would then be considered a Golf Course.
- 8.6 MGA-SA, or its contractors, has the right to employ and terminate employment for staff necessary to operate the Golf Courses.
- 8.7 MGA-SA, or its contractors, has the right to hire seasonal, temporary, or volunteer employees for staff necessary to operate the Golf Courses.
- 8.8 MGA-SA shall provide employees with competitive wages and benefits based on local market conditions.
- 8.9 MGA-SA shall provide an opportunity to all staff employed by CITY in its Golf Course operations as of March 1, 2007 to interview for employment with MGA-SA but MGA-SA shall not be obligated to offer employment to any CITY employees.
- 8.10 MGA-SA, or its contractor, may offer incentive pay to employees based on the attainment of established performance measures related to the overall success of the Golf Courses, customer service standards, new customers or programs, exceptional maintenance standards, or other measures related to the successful operation of the Golf Courses.
- 8.11 The contracting of MGA-SA for golf director or manager or for Concessions shall not limit the obligations of MGA-SA under the terms of this Agreement.
- 8.12 MGA-SA shall be required to provide play, subject to availability, at all Golf Courses during the months of February and March of each year for the students of those school districts with which CITY contracts for use of their facilities for CITY programs ("Student Play"). CITY shall notify MGA-SA in writing on or before January 1 of each year which school districts are eligible for Student Play.

## **9. MAINTENANCE AND UTILITIES**

9.1 MGA-SA, at its sole cost and expense, shall be responsible for maintaining the Golf Courses and all existing facilities and improvements and any facilities and improvements added during the term of this Agreement: a) in accordance with the Minimum Maintenance Standards to be provided to CITY as outlined in Section 7.1 of this Agreement b) in good, safe, and clean operating condition, c) in accordance with standards generally accepted for golf courses, and d) reasonable wear, tear, acts of God, or unavoidable accident insured casualty loss, only excepted. If MGA-SA is in default of its maintenance obligations, then the CITY may, but is not obligated to, make or cause such repairs or maintenance to be made and shall not be responsible to MGA-SA for any loss or damage that may accrue to the MGA-SA's "business" revenue or operations by reason thereof. If City makes or causes such repairs or maintenance to be made, MGA-SA agrees that it will on demand, pay to CITY the reasonable and necessary

cost thereof, and if MGA-SA shall default in such payment, CITY shall have the remedies provided elsewhere herein for default of indebtedness, costs, or charges due by the MGA-SA to CITY.

9.2 MGA-SA, at its sole cost and expense, shall provide and pay for all utilities serving the Golf Courses. MGA-SA shall provide for and pay directly to the utility companies, all utility company connection charges, including, but not limited to, the cost of installing separate electric and water meters, telephone lines and connections and all charges incurred for heat, gas, electricity, water, sewer, garbage collection, telephone or any other utility services, used in or on the Golf Courses. MGA-SA shall also furnish and install and maintain in good working order all electric light bulbs, tubes and ballasts. CITY shall not be liable to MGA-SA in damages or otherwise if said services are interrupted or terminated because of necessary repairs, installations, improvements or any cause beyond the control of CITY.

9.3 To the extent possible with existing irrigation systems or with systems installed during the term of this Agreement, MGA-SA agrees to provide adequate irrigation to maintain the Golf Courses in good condition. Provided, however, during any time that the Edwards Aquifer Authority or San Antonio Water System (SAWS) has deemed that water restrictions, based on the Aquifer Management Plan, are required, MGA-SA agrees to follow and comply with the posted water restrictions, as may be modified from time to time.

9.4 CITY is a party to an Interjurisdictional Agreement with SAWS (Exhibit F) whereby SAWS provides recycled water to CITY for its use, benefit, operation and control. MGA-SA agrees to work cooperatively with SAWS and CITY regarding the use and amounts of such recycled water at the Golf Courses and meet the obligations of this Interjurisdictional Agreement in a manner that allows the CITY to gain maximum benefit. In addition, MGA-SA agrees to work cooperatively with SAWS regarding any other water reuse and/or conservation programs, as may be requested by CITY.

## **10. FURNITURE, FIXTURES, AND EQUIPMENT**

10.1 CITY hereby transfers to MGA-SA the use, but not the ownership, of certain CITY-owned furniture, fixtures, and equipment (FF&E) itemized in Exhibit G. All FF&E owned by others, including but not limited to, Catering by Rosemary, shall remain the property of that other entity. MGA-SA has the right to use this FF&E for the term of this Agreement and any extensions thereof. If at any time during the term of this Agreement, MGA-SA determines that any FF&E items are no longer needed or wanted by MGA-SA, MGA-SA will notify CITY and CITY shall have the right to take possession of the item(s) for its own use. If CITY does not wish to take possession of the item(s), MGA-SA shall have the right to sell or dispose of the item(s). Upon the termination of this Agreement, all FF&E itemized in Exhibit G, except those items that have been sold or disposed of with the CITY's approval or returned to the CITY prior to that date, will be returned to the CITY.

10.2 MGA-SA is responsible for obtaining any FF&E in addition to that on Exhibit G necessary for the operation and maintenance of the Golf Courses, either through purchase, lease, or lease/purchase. At the end of the term of this Agreement, or any extension thereof, all FF&E purchased by MGA-SA shall become the property of CITY. If MGA-SA has entered into any lease or lease/purchase agreements for FF&E, MGA-SA shall provide information to CITY regarding the terms and conditions of such agreements no later than sixty (60) days prior to the

end of the term of this Agreement or extension thereof so that CITY may evaluate options available to CITY with regard to such equipment.

10.3 MGA-SA will develop and implement maintenance policies and practices that ensure the maintenance of all FF&E in good and serviceable condition.

## **11. OPERATION OF GOLF COURSES**

11.1 Except as may be necessitated by inclement weather, with such determination being made by CITY, through its City Manager's Office, or the construction of Golf Course Capital Improvements, the Golf Courses shall maintain the following operating schedule: Sunrise to Sunset, three hundred and sixty-four (364) days a year; closed on Christmas Day. The operating schedule is subject to the prior written approval of CITY.

## **12. CAPITAL IMPROVEMENTS AND CONSTRUCTION**

12.1 MGA-SA and CITY acknowledge that plans for certain capital improvements at the Golf Courses to be completed during the term of this Agreement are being developed ("Golf Course Capital Improvement Projects"). MGA-SA shall review the plans and provide recommendations to CITY regarding any modifications. MGA-SA shall act as the CITY's project manager for the Golf Course Capital Improvement Projects by providing the following services: a) soliciting proposals and contracting for any future design consultant services CITY determines are necessary, b) soliciting proposals and contracting for any construction services CITY determines are necessary, and c) overseeing and managing the design and construction work to be performed. The selection of any design or construction contractors and the contract between those entities and MGA-SA for contracts in excess of ten thousand dollars (\$10,000.00) shall be subject to the approval of the MGA-SA Board of Directors, including the vote of at least one ex officio member. MGA-SA hereby acknowledges that CITY requirements related to bidding processes, performance and payment bonds, and prevailing wage rates shall apply for the use of all CITY funds. CITY has secured \$3.8 million in Certificates of Obligation for the planned improvements for Brackenridge and Cedar Creek Golf Courses and San Pedro Driving Range and CITY shall provide an amount not to exceed \$3.8 million to MGA-SA for design and construction costs associated with the Golf Course Capital Improvements Projects in a separate Funding Agreement which will outline the rights and responsibilities of each party with regard to these, and future, design and construction projects.

12.2 Except as provided above in 12.1, MGA-SA may not, without the prior written approval of CITY, construct, or allow to be constructed, any permanent improvements or of a material nature, to the Golf Courses or allow to be made any permanent alterations to the structures on the Golf Courses without the prior written approval of (a) the CITY, through its City Manager, (b) the MGA-SA Board of Directors, including at least one ex-officio Board Members, and (c) to the extent required by law, any necessary departments, boards or commissions of the CITY including, but not limited to, the Historic and Design Review Commission. All costs and expenses of such approved physical construction, improvements or alterations to the Golf Courses initiated by MGA-SA, as well as all required permits and licenses for such construction, shall be at MGA-SA's sole cost and expense.

- 12.3 All permanent improvements made on the Golf Courses and/or alterations to permanent structures situated upon the Golf Courses made by MGA-SA shall become the property of CITY upon the end of the term of this Agreement.
- 12.4 CITY shall not be responsible or liable for, and MGA-SA covenants that it shall not bind or attempt to bind, the CITY for the payment of any money in connections with the construction, repair, alteration, addition, or reconstruction in, on, or about the Golf Courses, except as outlined in 12.1 above.
- 12.5 During any periods of time that construction and/or renovation is occurring on the Golf Courses, MGA-SA's contractors will be required to secure Builder's Risk insurance and provide CITY with a certificate of insurance evidencing such coverage.

### **13. FINANCIAL RECORDS AND REPORTING**

- 13.1 Throughout the term of this Agreement and any extensions hereof, MGA-SA and its contractors shall maintain complete and accurate permanent financial records of all income and expenditures. Such records shall be maintained on a comprehensive basis, in accordance with generally accepted accounting principles. Such financial records and supporting documentation shall be preserved in Bexar County, Texas, for at least five (5) years and shall be open to CITY inspection, review, and audit following reasonable notification of intent to inspect.
- 13.2 CITY reserves the right to conduct, or cause to be conducted, a review and/or audit of MGA-SA's records, and the records of any of MGA-SA's contractors, at any and all times deemed necessary by CITY provided, however, an audit will be conducted no more often than one time per year. CITY staff, a Certified Public Accountant (CPA), or other auditors as designated by CITY, may perform such audits and/or reviews. CITY reserves the right to determine the scope of every audit and/or review. In accordance herewith, MGA-SA agrees to make available to CITY all accounting records. If an audit determines that MGA-SA has underpaid CITY, or that any of MGA-SA's contractors have underpaid MGA-SA, all underpaid amounts shall be due and payable within thirty (30) days of the date of notice of such underpayment.
- 13.3 MGA-SA and its contractors shall utilize and maintain in good working order the existing "point of sale" (POS) software accounting system, or a comparable system approved by CITY to handle all transactions authorized under this Agreement. Any costs incurred by CITY to repair or support the operation of this POS system will be reimbursed, upon request, by MGA-SA. In the event that MGA-SA contracts with others, as allowed by Article 8 of this Agreement, MGA-SA will require that each contractor utilize the existing or an alternate POS system that accurately tracks all transactions and information regarding all transactions is available to MGA-SA and CITY from such POS system.
- 13.4 MGA-SA and its contractors shall not obligate CITY for any debt related to the Golf Courses without the prior written consent of CITY.

### **14. ASSIGNMENT AND SUBLETTING**

- 14.1 Except as to the parent, subsidiary, or similarly affiliated company, MGA-SA shall not assign this Agreement, or allow same to be assigned by operation of law or otherwise, or sublet/subcontract the Golf Courses or any part thereof without the prior written consent of



CITY which may be given only by or pursuant to an ordinance enacted by the CITY Council of San Antonio, Texas. Any assignment or subletting by MGA-SA without such permission shall constitute grounds for termination of this Agreement by the CITY, provided, however, that this Section shall have no effect on MGA-SA's right to hire or contract for concession services, as outlined in Section 8 above.

- 14.2 Without the prior written consent of MGA-SA, CITY shall have the right to transfer and assign, in whole or in part, any of its rights and obligations under this Agreement and in the property referred to herein; and, to the extent that such assignee assumes CITY'S obligations hereunder, CITY shall, by virtue of such assignment, be released from such obligation.
- 14.3 The receipt by the CITY of rent from an assignee, or occupant of the Golf Courses shall not be deemed a waiver of the covenant in this Agreement against assignment, and/or an acceptance of the assignee, or occupant as MGA-SA, or a release of MGA-SA from further observance or performance by MGA-SA of the covenants contained in this Agreement. No provision of this Agreement shall be deemed to have been waived by the CITY unless such waiver is in writing and signed by the CITY.

## **15. LIENS PROHIBITED**

- 15.1 MGA-SA shall not suffer or permit any mechanics liens or other liens to be filed against the fee title of the Golf Courses or any buildings or improvements on the Golf Courses by reason of any work, labor, services, or materials supplied or claimed to have been supplied to MGA-SA or to anyone holding the Golf Courses or any part thereof through or under MGA-SA.
- 15.2 If any mechanics' liens or materialmen's liens shall be recorded against the Golf Courses, or any improvements thereon, MGA-SA shall cause the same to be removed within thirty (30) days after such liens are recorded, or, in the alternative, if MGA-SA in good faith desires to contest the same, MGA-SA shall be privileged to do so, but in such case, MGA-SA hereby agrees to indemnify and save the CITY harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said mechanics' lien, cause the same to be discharged and removed prior to the execution of such judgment, such damages to include all costs of court and attorneys' fees.

## **16. INDEMNIFICATION**

- 16.1 MGA-SA covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CITY directly or indirectly arising out of, resulting from or related to MGA-SA's activities under this AGREEMENT, including any acts or omissions of MGA-SA, any agent, officer, director, representative, employee, consultant or subcontractor of MGA-SA, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this AGREEMENT, all without however, waiving any governmental immunity available to the CITY under Texas Law and without waiving any defenses of the parties under Texas Law.

16.2 IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF CITY, THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF CITY, UNDER THIS AGREEMENT. The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. MGA-SA shall advise the CITY in writing within 24 hours of any claim or demand against the CITY or MGA-SA known to MGA-SA related to or arising out of MGA-SA's activities under this AGREEMENT and shall see to the investigation and defense of such claim or demand at MGA-SA's cost. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving MGA-SA of any of its obligations under this paragraph.

16.3 It is the EXPRESS INTENT of the parties to this AGREEMENT, that the INDEMNITY provided for in this section, is an INDEMNITY extended by MGA-SA to INDEMNIFY, PROTECT and HOLD HARMLESS, the CITY from the consequences of the CITY'S OWN NEGLIGENCE, provided however, that the INDEMNITY provided for in this section SHALL APPLY only when the NEGLIGENT ACT of the CITY is a CONTRIBUTORY CAUSE of the resultant injury, death, or damage, and shall have no application when the negligent act of the CITY is the sole cause of the resultant injury, death, or damage. MGA-SA further AGREES TO DEFEND, AT ITS OWN EXPENSE and ON BEHALF OF THE CITY AND IN THE NAME OF THE CITY, any claim or litigation brought against the CITY and its elected officials, employees, officers, directors, volunteers and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.

## 17. INSURANCE REQUIREMENTS

17.1 Prior to the commencement of any work under this Agreement, MGA-SA shall furnish an original completed Certificate(s) of Insurance, including endorsements, to the City of San Antonio and shall be clearly labeled "Golf Course Agreement", which shall be completed by an agent authorized to bind the named underwriter(s) and their company to the coverage, limits, and termination provisions shown thereon, containing all required information referenced or indicated thereon. The original certificate(s), and endorsements, or form must have the agent's original signature, including the signer's company affiliation, title and phone number, and be mailed directly from the agent to the City. The CITY shall have no duty to pay or perform under this Agreement until such certificate shall have been delivered to CITY, and no officer or employee, other than the CITY's Risk Manager, shall have authority to waive this requirement.

17.2 The CITY reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverage and their limits when deemed necessary and prudent by CITY's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement, but in no instance shall CITY allow modification whereupon CITY may incur increased risk.

17.3 MGA-SA's financial integrity is of interest to the CITY; therefore, subject to MGA-SA's right to maintain reasonable deductibles in such amounts as are approved by the CITY, MGA-

SA shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at MGA-SA's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and rated A- or better by A.M. Best Company and/or otherwise acceptable to the CITY, in the following types and amounts:

| TYPE  | AMOUNTS   |
|---|---|
| 1. Workers' Compensation **<br>Employers' Liability **  | Statutory<br>\$1,000,000/\$1,000,000/\$1,000,000  |
| 2. Commercial General (public) Liability Insurance to include coverage for the following:<br>a. Golf Courses operations<br>b. Independent contractors<br>c. Products/completed operations<br>d. Personal Injury<br>e. Contractual Liability<br>f. Broad form property damage to include fire legal liability<br>g. Liquor Liability | For <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence;<br>\$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage |
| 3. Crime coverage   | \$200,000 per occurrence  |
| 4. Business Automobile Liability<br>a. Owned/leased vehicles<br>b. Non-owned vehicles<br>c. Hired Vehicles  | <u>Combined Single Limit</u> for <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence  |
| ** Alternate Plans Must Be Approved by Risk Management  |   |

17.4 The CITY shall be entitled, upon request and without expense, to receive copies of the policies and all endorsements thereto as they apply to the limits required by the CITY, and may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). MGA-SA shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to CITY at the address provided in Section 10.6 herein within 10 days of the requested change. MGA-SA shall pay any costs incurred resulting from said changes.

17.5 MGA-SA agrees that with respect to the above required insurance, all insurance contracts and Certificate(s) of Insurance shall contain the following required provisions:

- Name the CITY and its officers, employees, volunteers, and elected representatives as additional insureds, by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under AGREEMENT with the CITY, with the exception of the workers' compensation and professional liability policies;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the CITY is an additional insured shown on the policy;
- Workers' compensation and employers' liability policies shall provide a waiver of subrogation in favor of the CITY.

17.6 When there is a cancellation, non-renewal or material change in coverage which is not made pursuant to a request by CITY, MGA-SA shall notify the CITY of such and shall give such notices not less than thirty (30) days prior to the change, if MGA-SA knows of said change in advance, or ten (10) days notice after the change, if the MGA-SA did not know of the change in advance. Such notice must be accompanied by a replacement Certificate of Insurance. All notices shall be given to the CITY at the following address:

**City of San Antonio  
City Manager's Office  
P.O. Box 839966  
San Antonio, Texas 78283-3966**

17.7 If MGA-SA fails to maintain the aforementioned insurance, or fails to secure and maintain the aforementioned endorsements, the CITY may obtain such insurance, and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement; however, procuring of said insurance by the CITY is an alternative to other remedies the CITY may have, and is not the exclusive remedy for failure of MGA-SA to maintain said insurance or secure such endorsement. In addition to any other remedies the CITY may have upon MGA-SA's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the CITY shall have the right to order MGA-SA to stop work hereunder, and/or withhold any payment(s) which become due to MGA-SA hereunder until MGA-SA demonstrates compliance with the requirements hereof.

17.8 Nothing herein contained shall be construed as limiting in any way the extent to which MGA-SA may be held responsible for payments of damages to persons or property resulting from MGA-SA's or its subcontractors' performance of the work covered under this Agreement.

17.9 It is agreed that MGA-SA's insurance shall be deemed primary with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

## **18. FIRE OR OTHER CASUALTY**

- 18.1 Partial Destruction: In the event that any part of the improvements on the Golf Courses should be damaged by fire or other casualty and such casualty does not render the Golf Courses inoperable or reconstruction and/or repair of the damaged improvements is economically practical, as determined by MGA-SA in its reasonable judgment, then, in such event or events, the damaged or destroyed improvements shall be rebuilt and/or repaired to the extent of the insurance proceeds received by MGA-SA and insurance proceeds provided by for such rebuilding and/or repairing. Any rebuilding or reconstruction work shall be performed in a good and workmanlike manner by MGA-SA personnel or by one or more independent contractors selected by MGA-SA,



provided; however, that the extent of such reconstruction or repair shall be limited to restoring the damaged improvements to substantially their condition immediately prior to the casualty unless approval for a design difference from the original design has been obtained from CITY. The approvals required pursuant to Section 11 above shall be required for these renovations.

- 18.2 CITY shall provide support, as is feasible by available staff, in the event of a major casualty event such as the flooding of Olmos Basin Golf Course.

## **19. CONDEMNATION**

19.1 It is agreed and understood that in the event the Golf Courses are taken, in whole or in part, by any governmental authority other than CITY, this Agreement and all rights or permissions to use hereunder shall, at the option of the CITY, cease on the date that title to such land so taken or transferred vests in the condemning authority. MGA-SA hereby waives all rights to any proceeds of such condemnation of the real property owned by the CITY, but specifically reserves its rights with respect to loss of business and personal property to seek proceeds from condemnation proceeding of the property and any other proceeds that may become available to the MGA-SA under such proceedings.

## **20. DEFAULT AND REMEDIES**

- 20.1 The following events shall be deemed to be events of default by MGA-SA under this Agreement:

A. MGA-SA, or its assigns, sublessees, or successors in interest, shall cease to be a non-profit corporation;

B. MGA-SA shall fail to pay to the CITY any money due and owing as provided for in this Agreement and such failure shall continue for a period of ten (10) days.

C. MGA-SA shall fail to comply with any term, provision or covenant of this Agreement, other than the payment of money, and shall not cure such failure within thirty (30) days after written notice thereof to MGA-SA, unless MGA-SA has undertaken to effect such cure within such thirty (30) day period and is diligently prosecuting the same to completion.

D. MGA-SA initiates any construction or improvement(s) without prior written approval of CITY; and

- 20.2 Upon the occurrence of an event of default as heretofore provided and after compliance with the procedures set forth herein, the CITY may declare this Agreement and all rights and interests created by it to be terminated, may seek any and all damages occasioned by the MGA-SA's default hereunder, or may seek any other remedies available at law or in equity.

- 20.3 Upon the CITY's election to terminate this Agreement, the CITY, its agent or attorney, may take possession of the Golf Courses and MGA-SA shall make good any deficiency. Any termination of this Agreement as herein provided shall not relieve the MGA-SA from the payment of any sum or sums that shall then be due and payable to the CITY hereunder, or any claim for damages then or theretofore accruing against the MGA-SA hereunder, and any such termination shall not prevent the CITY from enforcing the payment of any such sum or sums or claim for damages by any remedy provided for by law, or from recovering damages from the MGA-SA or any default thereunder. All rights, options and remedies of the CITY contained in this Agreement shall be construed and held to be cumulative and no one of them shall be exclusive of

the other, and the CITY shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or at equity, whether or not stated in this Agreement. No waiver by the CITY of a breach of any of the covenants, conditions, or restrictions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other covenant, condition, or restriction herein contained.

- 20.4 Except as provided in Article 10 above, MGA-SA shall have the right, within thirty (30) days after the termination of this Agreement, whether such termination be by the expiration of the term or an earlier termination under any provision of this Agreement, to remove from the Golf Courses all of its furniture, fixtures, equipment and furnishings and other property which are not the property of the CITY and have not become the property of the CITY as herein provided or by attachment to the Golf Courses, and with respect to any damage caused thereby, it shall have the obligation to restore the Golf Courses to its condition prior to such removal, and provided that, if any of MGA-SA's property remains in or on the Golf Courses after ninety (90) days following termination of this Agreement and no renewal agreement has been executed, such property as remains thereon shall be deemed to have become the property of the CITY and may be disposed of as the CITY sees fit, without liability to account to MGA-SA for the proceeds of any sale thereof.

## **21. MISCELLANEOUS PROVISIONS**

- 21.1 MGA-SA shall observe and comply with all Federal, State and local laws, regulations, ordinances, and codes pertaining to its activities under this Agreement. In the event that following the date of this Agreement the CITY should modify its laws and/or ordinances, and (i) the operations of the MGA-SA otherwise carried out in conformance with the terms of this Agreement are found to be in violation of the terms of this Agreement due to the change in the CITY laws and/or ordinances, (ii) the CITY elects to enforce the terms of this Agreement to remedy such default, and (iii) the remedy exercised by CITY will impair the ability of the MGA-SA to continue to operate in the manner it has in the past under this Agreement, MGA-SA may elect to terminate this Agreement by providing written notice to CITY of the time (not to exceed twenty-four (24) months) it will take to vacate the Golf Courses.
- 21.2 MGA-SA covenants that it, or its agents, employees or anyone under its control; will not discriminate against any individual or group based on race, color, sex, age, religion, disability, political affiliation, belief, or national origin, directly or indirectly, in employment practices or in admission to the Golf Courses, which said discrimination MGA-SA acknowledges is strictly prohibited.

## **22. SEPARABILITY**

- 22.1 If any clause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision of this Agreement that is illegal, invalid or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such illegal,

invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

## **23. NOTICES**

23.1 Notices to **CITY** required or appropriate under this Agreement shall be deemed sufficient if in writing and hand delivered or mailed, Registered or Certified mail, Postage Prepaid, addressed to:

City of San Antonio  
City Manager's Office  
P.O. Box 839966  
San Antonio, Texas 78283-3966

City of San Antonio  
City Clerk's Office  
City Hall-Second Floor  
P.O. Box 839966  
San Antonio, Texas 78283-3966

or to such other address as may have been designated in writing by CITY from time to time.

Notices to MGA-SA shall be deemed sufficient if in writing and hand delivered or mailed, Registered or Certified mail, Postage Prepaid, addressed to MGA-SA at:

Municipal Golf Association – SA  
Brackenridge Park Golf Course  
2315 Avenue B  
San Antonio TX 78215

Or at such other address on file with the City Clerk as MGA-SA may provide from time to time in writing to CITY.

## **24. ENTIRE AGREEMENT/AMENDMENT**

24.1 This Agreement, together with its attachments and the authorizing ordinance or ordinances, in writing, constitutes the entire agreement between the parties, any other written or parole agreement with CITY being expressly waived by MGA-SA.

24.2 No amendment, modification or alteration of the terms of this Agreement shall be binding unless the same is in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

24.3 It is understood that the Charter of the CITY requires that all contracts with the CITY be in writing and adopted by ordinance. All amendments also need approval evidenced by an ordinance.

## **25 TEXAS LAW TO APPLY**

25.1 **THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN BEXAR COUNTY, TEXAS.**

## **26 GENDER**

26.1 Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

## **27 PARTIES BOUND**

- 27.1 If there shall be more than one party designated as MGA-SA in this Agreement, they shall each be bound jointly and severally hereunder.
- 27.2 The covenants and agreements herein contained shall insure to the benefit of and be binding upon the parties hereto; their respective heirs, legal representatives, successors, and such assigns as have been approved by CITY.

## **28 CAPTIONS**

- 28.1 The captions contained in this Agreement are for convenience of reference only, and in no way limit or enlarge the terms and conditions of this Agreement.

## **29 CONFLICT OF INTEREST**

- 29.1 MGA-SA acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a CITY officer or employee, as those terms are defined therein, from having a financial interest in any contract with the CITY or any CITY agency such as CITY-owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the CITY or in the sale to the CITY of land, material, supplies, or services, if any of the following individual(s) or entities is a party to the contract or sale: a CITY officer or employee, or his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market values of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a CITY contract, a partner or a parent or subsidiary business entity.
- 29.2 MGA-SA warrants and certifies, and this contract is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of the CITY or any of its agencies such as CITY owned utilities.

## **30 AUTHORITY**

- 30.1 The signer of this Agreement for MGA-SA hereby represents and warrants that he or she has full authority to execute this Agreement on behalf of MGA-SA.
- 30.2 The City Manager, or designee, shall be CITY'S principle agent for monitoring the MGA-SA's compliance with this Agreement and shall be CITY'S representative responsible for CITY'S administration of this Agreement.
- 30.3 Unless written notification by MGA-SA to the contrary is received and approved by CITY, the \_\_\_\_\_ shall be MGA-SA's designated representative responsible for the management of all contractual matters pertaining to this Agreement.

## **31 RESERVATIONS: CITY**

- 31.1 MGA-SA shall permit CITY'S agents, representatives, or employees to enter upon the Golf Courses at all reasonable times, for the purpose of audit or inspection, in order to determine whether the MGA-SA is in compliance with the terms hereof.
- 31.2 CITY park police and other safety personnel shall have the right of entry on and into the Golf Courses as needed to investigate any circumstances, conditions, or person(s) that

may appear to be suspicious. MGA-SA shall cooperate with all reasonable requests by such personnel to facilitate public safety and orderly conduct by persons. MGA-SA expressly understands and agrees that CITY has not agreed to act and does not act as an insurer of MGA-SA's property and does not guarantee security against theft, vandalism, or injury of whatever nature and kind to persons or property.

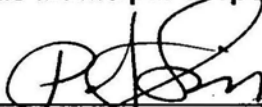
### 32. EXHIBITS

- A. MGA-SA Articles of Incorporation
- B. Catering by Rosemary Contract
- C. Revocable License Agreement for the Use of Brackenridge Park Polo Field Driving Range
- D. Ground Lease Agreement
- E. Minimum Maintenance Standards
- F. Interjurisdictional Agreement with SAWS
- G. Furniture Fixtures and Equipment

CITY:

CITY OF SAN ANTONIO,  
A Texas Municipal Corporation

By:

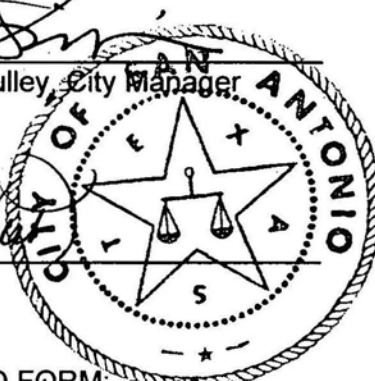
  
For Sheryl Sculley, City Manager

ATTEST:

  
City Clerk

APPROVED AS TO FORM:

  
City Attorney



MGA-SA:

MUNICIPAL GOLF ASSOCIATION - SA a  
Texas Non-Profit Corporation

  
Title

2315 Ave B  
Address

San Antonio, TX 78230  
City, State, and Zip Code

Area Code/Telephone Number

**EXHIBIT A**

**MGA-SA ARTICLES OF INCORPORATION**

**EXHIBIT B**  
**CATERING BY ROSEMARY CONTRACT**



**EXHIBIT C**

**REVOCABLE LICENSE AGREEMENT FOR THE USE OF BRACKENRIDGE PARK POLO  
FIELD DRIVING RANGE**

**EXHIBIT D**

**GROUND LEASE AGREEMENT**

**EXHIBIT E**

**INTERJURISDICTIONAL AGREEMENT BETWEEN THE CITY OF SAN ANTONIO AND THE  
SAN ANTONIO WATER SYSTEM TO TRANSFER USE AND CONTROL OF CITY WELLS TO  
THE SAN ANTONIO WATER SYSTEM AND PROVIDE RECYCLED WATER TO CITY  
FACILITIES**

**EXHIBIT G**  
**FURNITURE, FIXTURES, AND EQUIPMENT**



**CITY OF SAN ANTONIO**  
**Request for Council Action**

Agenda Item # 5  
Council Meeting Date: 5/3/2007  
RFCA Tracking No: R-1540

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**DEPARTMENT:** City Manager's Office

**COUNCIL DISTRICT(S) IMPACTED:**  
City Wide

**SUBJECT:**  
Management Agreement with Municipal Golf Association-San Antonio (MGA-SA)

**SUMMARY:**

This ordinance authorizes the City Manager or designee to accept and execute a management agreement with the Municipal Golf Association-San Antonio (MGA-SA) for the operation and management of the City-owned Golf Courses and Driving Range.

**BACKGROUND INFORMATION:**

Beginning in July 2006, consultant Jim Roschek has been assessing the City's Golf Operations and Management. In September 2007, Mr. Roschek recommended a "hybrid" model of golf operation, involving a partnership between the City and a non-profit entity. Since that time, staff has been making progress toward the transition to the non-profit and has developed a proposed management agreement with Municipal Golf Association – San Antonio (MGA-SA).

On April 19, 2007, the Quality of Life Committee reviewed and recommended the management agreement come forward to City Council for consideration.

The management agreement identifies the dates that MGA-SA will assume management of the golf courses through a three year transition period. The initial courses to be transitioned within the first year will include Cedar Creek, San Pedro and Brackenridge. The term of the agreement will be ten (10) years with two additional five (5) year term renewal options.

As outlined in the agreement, the City shall be paid 50% excess revenue with each semi-annual report. MGA-SA shall retain the remaining 50% of excess revenue to be reserved for capital improvements. The semi-annual report will provide information regarding all gross receipt and expenditures for each golf course and show the calculation of excess revenue. MGA-SA will also be required to provide the City an Annual Financial Report reviewed by an Independent Certified Public Accountant in accordance with Generally Accepted Accounting Principles. Within six months, MGA-SA will provide the City plans for marketing, maintenance, equipment and special events.

In addition, MGA-SA will provide an annual report to the City that will include a proposed operating budget, proposed fee schedule and any changes to the marketing, maintenance, equipment or special events plans. The proposed budget and fee schedule are subject to the approval of the City through the City Manager.

MGA-SA management structure will be a 501c3 non-profit organization with Articles of Incorporation outlining the provisions of membership and board structure. The Board of Directors will consist of a total of 15 members, seven selected by MGA-SA according to provisions in its by-laws, six appointed by City Council and two ex-officio voting members appointed by the City Manager. No capital improvement, expenditure or debt obligation in excess of \$10,000 may be undertaken by MGA-SA without approval of the Board and at least one ex-officio member.

#### **ISSUE:**

Exploring the options of alternative governance models for the management of City golf courses provides an opportunity to increase the quality and accessibility of golf at an affordable rate to citizens and visitors.

#### **ALTERNATIVES:**

City staff reviewed three governance models including Parks Board, Sports Venue District and Non-profit Corporation. Upon review of these governance models, the Non-profit Corporation Model is recommended as the best fit with the objectives the City is trying to achieve.

The City may choose an alternative governance model or to continue with the existing golf management and operations governance structure and not enter into an agreement with MGA-SA.

#### **FISCAL IMPACT:**

The proposed financial plan provides that the City keeps any and all of the equity built up in Golf Operations before any transfer to the non profit is initiated.

Proposed financial sources include:

|  |                      |
|--|----------------------|
| Equity in golf carts                       | \$ 450,000.00        |
| Equity in Equipment Replacement Fund       | \$ 900,000.00        |
| Equity in existing equipment (approximate) | <u>\$ 300,000.00</u> |
| Total dollars available for plan           | \$1,650,000.00       |

Proposed financial uses include:

|  |                      |
|--|----------------------|
| Eliminate deficit in calendar year 2007                                | \$ 250,000.00        |
| Eliminate 50% of the long term debt in the golf operations fund        | \$ 400,000.00        |
| Deferred maintenance of Olmos, Willow, Riverside, and Mission Del Lago | \$ 500,000.00        |
| Line of credit to MGA-SA   | <u>\$ 500,000.00</u> |
| Total dollars  | \$1,650,000.00       |

During the transition, Golf Operations will lease golf carts and equipment for the courses remaining under City management. The cost for the lease of golf carts and equipment will be appropriated in the FY 2008 Budget.

**RECOMMENDATION:**

Staff recommends approving this ordinance and entering into a management agreement with the Municipal Golf Association-San Antonio (MGA-SA) for the operation and management of the City-owned Golf Courses and Driving Range.

**ATTACHMENT(S):**

| File Description            | File Name                        |
|-----------------------------|----------------------------------|
| <u>Management Agreement</u> | Management Agreement 4-19-07.pdf |

**APPROVED FOR COUNCIL CONSIDERATION:**

Pat DiGiovanni Deputy City Manager

# **Municipal Golf Association- San Antonio (MGA-SA) Management Agreement**

Item # 5  
May 3, 2007

## **Background**

- Discussion among the City Council and Quality of Life Committee going back to FY 03-04 regarding golf operations and management. Concerns included:
  - Loss of market share
  - Financial deficit
  - Lack of capital improvements
  - Cuts in operations including personnel losses



## **Consultant**

- Beginning in July 2006, Jim Roschek has been assessing the City's Golf Operations and Management. His recommendations included:
  - All courses need significant capital improvements
  - Operating and marketing plans should be implemented that target the needs of each facility
  - Implement a "hybrid" model of golf operation, involving a partnership between the City and a non-profit entity
  - Cedar Creek, San Pedro and Brackenridge are recommended to initiate a hybrid program

3

## **Options Considered**

- During a Council B Session on October 18, 2006, staff presented three proposed governance models for the management of the golf courses including:
  - Parks Board
  - Sports Venue District
  - Non-profit Corporation
- The non-profit model was recommended as the best fit with the objectives the City is trying to achieve.

4

## **Benefits of Non-Profit Model**

- Establish semi-independent governing board
- Significant input from interested citizens and patrons
- City return on investment
- Flexibility in day to day management (i.e. purchasing, hiring and contracting)
- Maintain significant City interest in policy issues – owner responsibilities

5

## **Structure of Non-Profit**

- Requires adoption of Articles of Incorporation by 3 initial Directors
- Articles of Incorporation must be filed with the Secretary of State
- Governing Board determined by Articles of Incorporation and By-laws
- Control of City properties through management agreement allowing for as much or as little control as desired

6

## Council Direction

- During the B Session on October 18, 2006, City Council gave direction to proceed with the non-profit model.
- Since that time, staff has been making progress toward the transition to the non-profit, including:
  - Capital improvements
  - Proposed management agreement
  - Proposed financial plan
  - Employee transition

7

## Capital Improvements Plan

| <u>Funding Source</u> | <u>Sources of Funds</u><br>(in millions) |             |             |             |             | <u>Total</u> |
|-----------------------|--|-------------|-------------|-------------|-------------|--------------|
|                       | <u>2007</u>                              | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |              |
| Debt Plan             | \$3.8                                    | \$2.8       | \$2.8       |             |             | \$9.4        |
| Golf Revenue Fund     |  |             |             | \$2.8       | \$0.5       | \$3.3        |
| Grand Total           | \$3.8                                    | \$2.8       | \$2.8       | \$2.8       | \$0.5       | \$12.7       |

8

## Capital Improvements Plan

| <u>Golf Course</u>      | <u>Uses of Funds</u><br>(in millions) |              |              |              |              |               |
|-------------------------|---------------------------------------|--------------|--------------|--------------|--------------|---------------|
|                         | <u>2007</u>                           | <u>2008</u>  | <u>2009</u>  | <u>2010</u>  | <u>2011</u>  | <u>Total</u>  |
| Brackenridge            | \$2.8                                 |              |              |              |              | \$2.8         |
| Cedar Creek             | \$0.5                                 |              |              |              |              | \$0.5         |
| Riverside               |                                       |              |              | \$2.8        |              | \$2.8         |
| Olmos                   |                                       | \$2.8        |              |              |              | \$2.8         |
| Willow Springs          |                                       |              | \$2.8        |              |              | \$2.8         |
| Mission del Lago        |                                       |              |              |              | \$0.5        | \$0.5         |
| San Pedro Driving Range | \$0.5                                 |              |              |              |              | \$0.5         |
| <u>Grand Total</u>      | <u>\$3.8</u>                          | <u>\$2.8</u> | <u>\$2.8</u> | <u>\$2.8</u> | <u>\$0.5</u> | <u>\$12.7</u> |

9

## Management Agreement

- Staff has been working with the Charter members of Municipal Golf Association-San Antonio (MGA-SA) in drafting the management agreement between the City of San Antonio and the MGA-SA.
- The management agreement identifies the dates that MGA-SA will assume management of the golf courses through a three year transition period.
  - Cedar Creek no later than October 1, 2007
  - San Pedro no later than March 1, 2008
  - Brackenridge no later than July 1, 2008
  - Remaining courses transitioned no later than 3 years of commencement of agreement

10

## **Management Structure**

- MGA-SA filed their Certificate of Formation and Articles of Incorporation with the Texas Secretary of State as a 501c3 on April 13, 2007.
- Board composition will include six positions appointed by City Council, seven by MGA-SA and two voting ex-officio appointed by the City Manager.
- No capital improvement, expenditure or debt obligation in excess of \$10,000 may be undertaken by MGA-SA without approval of the Board and at least one ex-officio member.

11

## **MGA-SA Operational Responsibilities**

- Provide open golf to citizens of San Antonio as well as visitors during established operating hours approved by the City
- Hire and employ qualified customer-service oriented staff
- Develop and implement policies that ensure quality and consistent standards
- Provide amenities, golf instruction and concessions that enhance the experience of golf course customers

12

### **MGA-SA Fiscal Responsibilities**

- Develop and implement annual budget, subject to approval of the City
- Collect all established fees and other revenue
- Pay all expenses associated operational expenses
- Establish and maintain complete and accurate financial records
- Establish and enforce inventory, cash handling and other fiscal controls
- Establish segregated and dedicated banking account for all courses with revenue and expenditures tracked separately for each course
- Operate in a fiscally responsible manner

13

### **MGA-SA Maintenance Responsibilities**

- Maintain all permanent structures and tees, greens, fairways, roughs, traps and other improvements
- Secure and maintain all equipment

14

## **Allowable Uses**

- Golf courses may only be used for the operation of golf course and related activities unless approved in writing by MGA-SA Board with the approval of at least one ex officio member.
- The use of facilities and parking at Mission del Lago and Willow Springs shall at all times be available to visitors utilizing the hike and bike trails, other organized use to be coordinated and approved in advance by MGA-SA
- Golf Courses shall not be used in political activities, nor shall MGA-SA employees be assigned to work on behalf of a political activity

15

## **Term**

- The term of the agreement will be ten (10) years with two additional five (5) year term renewal options.

16

## **Consideration**

- The City shall be paid 50% of excess revenue with each semi-annual report.
- MGA-SA shall retain 50% of excess revenue to be reserved for capital improvements.

17

## **Budget**

- MGA-SA shall annually provide the City a proposed budget for each course including:
  - Estimated revenue
  - Expenses by categories
  - Proposed expenditures from the Capital Improvement Fund
- MGA-SA shall provide the City proposed regular fees, including special or reduced fee structures
- The proposed operating budget and maximum fees are subject to the approval of the City through the City Manager or designee.

18



## **Reporting**

- MGA-SA shall provide the following reports:
  - Semi-annual report providing information regarding all gross receipt and expenditures for each golf course and show the calculation of excess revenue
  - Annual Financial Report reviewed by an Independent Certified Public Accountant in accordance with Generally Accepted Accounting Principles on or before February 1 each year
  - Plans for marketing, maintenance, equipment and special events within 6 months of assuming management

19

## **Proposed Financial Plan**

- With this new management structure in place, there is a proposed plan to fund it.
- This plan provides that the City keeps any and all of the equity built up in the golf division before any transfer to the non profit.

20

## Proposed Financial Plan Sources

|  |                      |
|--|----------------------|
| Equity in golf carts                       | \$450,000.00         |
| Equity in Replacement Fund                 | \$ 900,000.00        |
| Equity in existing equipment (approximate) | <u>\$ 300,000.00</u> |
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21

## Proposed Financial Plan Uses

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22

## **Department Transition**

- Golf Division is now independent division within the City Manager's Office
- Staff –
  - Jim Roschek, Temporary Interim Director
  - George Logan, Golf Operations Manager
  - Brad Fryrear, Golf Operations Superintendent

23

## **Department Transition**

- Options during the transition have been communicated to golf employees through memos as well as scheduled meetings.
- Options include:
  - Transitioning to similar position within Parks & Recreation
  - Transitioning to similar position within another City department
  - Remaining in the Golf Division and pursuing employment with MGA-SA (employment with MGA-SA not guaranteed)

24

## **Department Transition**

- To assist in preparing employees, training will be offered in resume writing and interviewing techniques as well as the opportunity to obtain a commercial driver's license.

25

## **Recommendation**

- Staff recommends entering into a management agreement with MGA-SA for the operation and management of the City-owned Golf Courses and Driving Range.

26