

## MINUTES

City of San Diego  
Municipal Golf Committee (MGC)  
September 18, 2014

### Meeting held at:

Public Utilities Metropolitan Operations  
Complex (MOC II Building)  
9192 Topaz Way  
San Diego, CA 92123

### Mailing address is:

Torrey Pines Administration Building  
11480 N. Torrey Pines Road  
La Jolla, CA 92037

### ATTENDANCE:

#### Members Present

Susan Casagrande  
Christian Clews  
Kurt Carlson  
Ann Dynes  
David Korty  
Megan Mahoney  
Marc Sorensen  
Paul Spiegelman

#### Members Absent

Albert Bruton  
Michael Zucchet  
Doris Cronkhite

#### Staff Present

Scott Bentley

### CALL TO ORDER

Ann Dynes called meeting to order at 6:00 p.m.

### APPROVAL OF THE AUGUST 21, 2014 MINUTES

A motion was made by Christian Clews and seconded by Paul Spiegelman to approve the August 21, 2014 minutes.

Motion:           **MOVED / SECONDED            MR. CLEWS / MR. SPIEGELMAN**

The vote was unanimous.

### ADOPTION OF AGENDA

Ms. Dynes requested a motion to approve adoption of the agenda as presented.

A motion was made by Marc Sorensen and seconded by Megan Mahoney to approve the adoption of agenda.

Motion:           **MOVED / SECONDED            MR. SORENSEN / MS. MAHONEY**

The vote was unanimous.

## **CHAIRPERSON'S REPORT**

Ms. Dynes had nothing to report at this meeting.

## **STAFF REPORT**

Scott Bentley reported that the IVR system is getting a new PRI. He hopes that this will improve the system and read the digital signals better. He also reported that the Drive, Pitch, and Putt regional competition was held at Torrey Pines. The eight qualifiers will compete at Augusta National in April during Masters week. The Torrey Pines Golf courses also completed the Point Loma College Women's Golf Tournament. The Golf Division has started fall renovations at all courses.

## **COMMITTEE COMMENT**

Mr. Spiegelman wanted to know if there were any dates to the North Course renovation schedule. Mr. Bentley stated that it is projected to start in March, but there are no firm dates at this time.

Mr. Clews would like to add on next month's agenda a dress code policy discussion and follow up on a tee time app. Mr. Zucchet is asked to consider this in establishing the agenda for the next meeting.

Mr. Sorensen proposed the idea of focusing on one course at each meeting. Each course could review with the Committee the maintenance cycle, ongoing projects, and any issues at the course. Again, this suggestion will be considered by Mr. Zucchet.

Ms. Dynes asked why the Golf Division is only overseeing three courses and not the other six or seven courses within the City limits. (Mission Trails, Tecolote, Persidio, Riverwalk, etc...) This will also be the subject of discussion at a future meeting as time permits.

## **NON-AGENDA PUBLIC COMMENT**

John Early presented a lease agreement which has been executed in the past between the City and various hotels which are doing business with the golf courses. Mr. Early highlighted the fees in the agreement that the hotels pay to gain access to tee times. He expressed concern over these fees. Mr. Early also suggested the Golf Division should lower the green fees for the Balboa 9 Hole Course and do away with charging students \$25 to purchase a residence golf card. The members of the Committee duly noted Mr. Early's concerns and views.

## **ACTION ITEM**

### **101. Farmers Insurance Contract**

Mr. Spiegelman presented the sub-committee's report regarding the Farmers Insurance Contract which includes a form of resolution addressing the "soft dollars" compensation arrangement, entered in to in the past by the City, covering the financing and other arrangements for the Farmers Insurance Open held each year. A new contract is currently pending for 2015 and going forward.

Mr. Bentley showed the television ad, which is the primary component of the City's compensation under the agreement, to the Committee. There was extensive discussion on how the Farmers Insurance Contract could best benefit the Golf Enterprise Fund, the community and the City of San Diego.

A motion was made by Mr. Spiegelman to approve the resolution proposed by the sub-committee. (Exhibit A – Attached)

Motion:           **MOVED / SECONDED            MR. SPIEGELMAN / MR. SORENSON**

The vote was one (1) for, five (5) against, and one (1) abstained. The motion did not pass.

A substitute motion was then made by Mr. Sorensen and seconded by Mr. Clews to modify the last paragraph of the sub-committee's resolution as follows: "That, accordingly, we recommend that the City adopt an appropriate reduction in the land use fee paid by the Golf Division to the City for 2015 and going forward." (Exhibit B – Attached)

Motion:           **MOVED / SECONDED            MR. SORENSON / MR. CLEWS**

The vote was unanimous and the motion passed.

## **INFORMATION ITEM**

### **201. Business Plan Update Discussion**

In response to Mr. Spiegelman's inquiry about the ratio concerning the rate increase percentages for residents at 3% & non-residents at 5%, Mr. Bentley responded that there is no specific ratio. Pursuant to City Council policy previously adopted, resident rates can increase up to 3% per year independent of a maximum increase for non-resident rates of 5% per year.

### **202. Pace of Play Follow-up**

Ms. Dynes suggested that Al Bruton put the topic Pace of Play back on the agenda if he would like to pursue his recommendations further.

## **ADJOURNMENT**

The meeting adjourned at 7:20 p.m.

Next Regular Meeting:           **Thursday, November 20, 2014, 6:00 P.M.  
Public Utilities Metropolitan Operations Complex  
(MOC II Building)  
9192 Topaz Way, San Diego, CA 92123**

Future meetings are scheduled for Thursday, January 15, 2015.

### **Exhibit A**

The Municipal Golf Committee, recognizing that it does not have access to what negotiations between the parties must have given rise to the previous structure of the Farmers Open Agreement, expresses its consensus views to the City of San Diego as follows:

That the Golf Division annually experiences approximately a \$335,000 loss of revenue and associated expenses as a result of the staging of the Farmers Open at its Torrey Pines Courses, which loss impacts the annual resources of the Golf Enterprise Fund upon which golf operations are dependent; this shortfall in the Golf Enterprise Fund has, in previous years, been “reimbursed” by an expenditure of soft dollars by Open sponsors in the form of television and print advertisements;

That the MGC does not believe that advertising components of the reimbursement structure realistically reimburse the Golf Enterprise Fund for lost revenue and other expenses incurred as a result of the Open nor do such components really improve the yield of course usage by visitors above and beyond the very real benefit of holding the Farmers Open at Torrey Pines; the pre-existing Agreement terms essentially turn the Golf Enterprise Fund in to a marketing and promotional arm of the City;

That the Golf Enterprise Fund was established to be a self-sustaining operation independent of City operations and is in need of revenue lost on the booking of any outside tournaments or events to implement much delayed golf course improvements pending in its capital improvements program and to preserve the future of affordable golf for City residents; and

That, accordingly, a more tangible form of reimbursement—cash, a charitable contribution from the Century Club or an appropriate reduction in the land use fee paid by the Golf Division to the City, should be negotiated in the agreement for 2015 and going forward.

### **Exhibit B**

The Municipal Golf Committee, recognizing that it does not have access to what negotiations between the parties must have given rise to the previous structure of the Farmers Open Agreement, expresses its consensus views to the City of San Diego as follows:

That the Golf Division annually experiences approximately a \$335,000 loss of revenue and associated expenses as a result of the staging of the Farmers Open at its Torrey Pines Courses, which loss impacts the annual resources of the Golf Enterprise Fund upon which golf operations are dependent; this shortfall in the Golf Enterprise Fund has, in previous years, been “reimbursed” by an expenditure of soft dollars by Open sponsors in the form of television and print advertisements;

That the MGC does not believe that advertising components of the reimbursement structure realistically reimburse the Golf Enterprise Fund for lost revenue and other expenses incurred as a result of the Open nor do such components really improve the yield of course usage by visitors above and beyond the very real benefit of holding the Open at Torrey Pines; the pre-existing Agreement terms essentially turn the Golf Enterprise Fund in to a marketing and promotional arm of the City;

That the Golf Enterprise Fund was established to be a self-sustaining operation independent of City operations and is in need of revenue lost on the booking of outside tournaments and events so that it may implement much delayed golf course improvements pending in its capital improvements program and preserve the future of affordable golf for City residents; and

That, accordingly, the MGC recommends that the City adopt an appropriate reduction in the land use fee paid by the Golf Division to the City for 2015 and going forward.