

# AGENDA ITEM SUMMARY

## FORT COLLINS CITY COUNCIL

ITEM NUMBER: 21

DATE: October 7, 2008

STAFF: Jim O'Neill  
J. R. Schnelzer

### SUBJECT

First Reading of Ordinance No. 126, 2008, Authorizing the Purchasing Agent to Enter into an Extension of the City Park Nine Golf Course Golf Services and Concession Agreement for up to Five Additional Years.

### RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

At its July 16, 2008 meeting, the Golf Board voted unanimously to recommend extending the term of the Agreement for up to five additional years.

### FINANCIAL IMPACT

Under the terms of the existing five-year Agreement, the Golf Fund is paying a Golf Services Fee to the City Park Nine Golf Course contractual Golf Professional/Concessionaire of \$53,000 for 2008. When the Agreement began in 2004, the Golf Services Fee was \$45,000, increasing \$2,000 annually per the Request for Proposal. For this proposed Agreement Extension, staff and the contractual Golf Professional/Concessionaire have mutually agreed to continue this pattern of annual \$2,000 increases to the Golf Services Fee through 2013, starting with a payment from the City of \$55,000 in 2009 and increasing to \$63,000 in 2013. Sufficient funding has been included in the 2009 Golf Fund budget, and is planned at this time for 2010 through 2013.

### EXECUTIVE SUMMARY

The existing Agreement with City Park Nine Golf Course Golf Professional/Concessionaire, DMAC Golf, LLC, as owned, operated, and assigned by David R. McCleave, PGA, expires on December 31, 2008. As per terms in the RFP and the Agreement, the Agreement may be extended beyond the original five (5) year term if performance is satisfactory, subject to City Council approval and the negotiation of a mutually acceptable extension agreement for up to five (5) additional years. This is contingent on staff recommendation, public input/comment, a recommendation from the Golf Board, and final approval by the City Council. A mutually acceptable Extension Agreement has been negotiated, and both the staff and the Golf Board fully recommend approval by Council.

**BACKGROUND**

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Staff has been very pleased with the performance of David R. McCleave, PGA, and DMAC Golf, LLC, for the past five years. Mr. McCleave has done many things to make the Agreement successful and has provided excellent service to the golfers and customers of City Park Nine Golf Course. He has also developed a good working relationship with the Golf Course Superintendent and his maintenance staff, as well as with the management staff of the Golf Division and with the other two City Course staff. During his tenure, he has improved upon almost every aspect of the Golf Professional and Concession Services at City Park Nine, and has continued to express a desire for further improvements over the next five years, if his Agreement is extended. There was only positive public input/comment, and the Golf Board unanimously agreed to recommend the extension of his Agreement by Council.

As noted, staff has negotiated a mutually acceptable Extension of the Agreement for up to five (5) additional one-year renewable periods through December 31, 2013.

**ATTACHMENTS**

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1. Golf Board Meeting Minutes of June 18, 2008.
2. Golf Board Meeting Minutes of July 16, 2008.
3. Copy of Advertisements that appeared in the Coloradoan and Fort Collins Now Newspapers.

Golf Board Minutes  
 June 18, 2008  
 Page 2

and what changes need to take place. Marty said that Golf was on an upward trend; however after 2001 things changed. He also stated that it would be better to have more funds available for improvements. Dan Preble asked if they were leaning one way or another and J.R. said that they haven't taken anything off the table. He did mention that there was a concern about privatizing and that likely won't take place. Marty feels that's not in our best interest at this time since things aren't broken, we are just looking at improving. Deron Grothe believes that bringing in an outside company would only decrease the quality. David Johnson was a prior Golf Professional and strongly recommends that privatizing not be an option. He has seen it happen in the past and it has only posed a threat. Grant asked if there would be changes to the job description for the Manager of Golf and J.R. responded that we are looking at re-evaluating the position. Marty commented on how well Jerry has done but we may look at hiring a Golf Professional or Superintendent. Jerry said that as far as he knows he is the only Manager of Golf in the area that wasn't a prior Golf Professional or Superintendent.

Shane mentioned that we now have a Policies and Procedures Manual in place and we can build from that. J.R. stated that he and Marty are available anytime for additional input from the Board. Marty said this is a tough decision and the position is critical to the Division. David recommended that staff be involved in the hiring process. Marty said that it is important to him that we hire someone that will fit in well with the great team we already have.

 **Discussion and Preliminary Recommendation on Consideration of Extending the Term of the Agreement with the City Park Nine Golf Professional & Concessionaire**

Jerry stated that he briefly mentioned the extension of the City Park Nine Golf Professional & Concessionaire Agreement at the May Board meeting. He said that he strongly recommends extending David McCleave's Agreement. Jerry reminded the Board of the improvements to the clubhouse that David made. Grant Sherwood feels that David is doing a great job. David Johnson agreed that David McCleave is doing a great job and having him at City Park Nine is a great fit. Shane Houska said that he thinks it's great that David is always at the course and active. He also mentioned that he has taken a look at what does or doesn't work and makes the necessary improvements. Jerry informed the Board that he had a discussion with the City Park Nine Superintendent Jim Higgins and Jim said that he enjoys working with David and supports the extension.

David McCleave stated that he wants to continue working for City Park Nine and agrees that it's a great fit. He discussed how he grew up playing at the course at a young age and he's trying to bring back that old feel. David reminded the Board that when Dale was renewing his contract he gave back a portion of his additional funds to the maintenance staff and he would like to do the same. He explained that he has the opportunity to make more money and the maintenance staff doesn't and he would like to help them any way he can. David mentioned that he would like to potentially make some improvements to the driving range. David Johnson asked him what that entails and David said that he would like to consider putting in a concrete path around it as well as maybe synthetic grass since it's so difficult to grow grass in that area. SouthRidge Golf Professional Dale

Smigelsky expressed the concerns he had about the course after he left as the Golf Professional and said that it was heading in a downward spiral and when David took over and things have now changed for the better. On a motion by Shane Houska, seconded by Dan Preble, the Board unanimously (6:0) agreed to consider extending the term of the Agreement with David McCleave as the City Park Nine Golf Professional & Concessionaire. Jerry reminded the Board that we will hold our Public Input/Comment Meeting on the extension here at City Park Nine at 7:30 p.m. on July 16th. He said that the information will be published at the courses and in local newspapers. ←

### **Board Recommendation on Staff Proposed 2009 Golf Fees and Charges**

Jerry went over the Staff Proposed 2009 Golf Fees and Charges and mentioned that they hadn't changed since they were first proposed in 2007. He explained that he has done research on other course's fees and charges and has found that ours are either average or below. Jerry feels that it's unfortunate that we need to consider raising our fees; however with the way the economy has been staff feels there's no other alternative. He informed the Board that our cost of doing business is continuing to rise and it's mainly due to the increase in fuel prices. Annual Pass cardholder Mr. Jerry Rice attended the Board meeting to express his concerns regarding the fees and charges increase. He said he is mainly concerned with the increase to the senior rates. Deron Grothe asked how many times a person has to play with their Annual Pass to benefit and Mr. Rice said he believes it's around 23 times, but that's a great deal of play for a senior. He then stated that he would appreciate the Board's consideration on not increasing those rates due to the fact that seniors are on a fixed income. David Johnson said that he would enjoy being able to drop the price of the fees and charges but that doesn't appear to be a possibility with a large increase in our fuel costs over the past two years. Jerry stated that we can hold a Public Input/Comment Meeting next month if the Board chooses. Dan Preble suggested that the Board go forward with the suggestions and hold a Public Input/Comment Meeting in July and if the Board feels that it's not in our best interest to increase the fees for 2009 we can chose to do so at that time. Jerry said that he would like a vote from the Board. On a motion by Shane Houska, seconded by Grant Sherwood, the Board voted (6:0) to hold a Public Input/Comment Meeting on July 16th and then make a final recommendation on the Proposed 2009 Golf Fees and Charges.

### **Other Business**

- ◆ Jerry informed the Board that "Fort Collins Fore Kids" was a success; however we had the most no-shows than any other year. He explained that we try to hold it in early June before most families start vacationing. Jerry said that we had great publicity this year. There was a reporter from the Coloradoan there and the City's Cable 14 taped the event.

### **Correspondence/Financial and Statistical Reports**

- ◆ Jerry explained that we are about 2% behind on revenues through May so hopefully the weather will be in our favor and we'll be able to catch up.

**City of Fort Collins  
Culture, Parks, Recreation and Environment  
Golf Board**

Minutes: Regular Meeting of July 16, 2008

**Council Liaison to the Board:** Councilman Diggs Brown

**Staff Support to the Board:** Jerry P. Brown, Manager of Golf at 221-6350, and Dawn Worth, Administrative Aide at 416-2265

**Call Meeting to Order:** Board Chairperson David Johnson called the meeting to order at 7:30 p.m. at the City Park Nine Clubhouse.

**Agenda Review:** There were no changes to the Agenda as printed.

**Items of Note:**

- ◆ Jerry informed the Board the City Clerk's Office didn't receive any applications to fill the vacancy created by the resignation of Jay Kammerzell, therefore they will advertise again for the beginning of next year.
- ◆ Jerry mentioned that Deron Grothe's term expires at the end of the year. Deron said that he has sent in his information to the City Clerk's Office to renew his term.
- ◆ Jerry said that 28 women will be participating in the Women's City Championship and that's 7 more than last year, with 12 new ladies signed up.

**Approval of Minutes:** On a motion by Lauren DeRosa, seconded by Dan Preble, the Board unanimously (7:0) approved the Minutes of the June 18, 2008 Regular Meeting.

**Citizen Participation:** None at this time.

**Public Input/Comment on Proposed 2009 Golf Fees and Charges**

Jerry asked the Board if they had any questions. He mentioned that Mr. Jerry Rice was concerned with the fee increases at our last meeting. Jerry said that he has done research of other courses in the area and that our fees are still average to below average. He stated that we have continual cost increases like any other business and especially when it comes to fuel; and these changes are consistent with our 2009 budget needs. On a motion by Larry Buckendorf, seconded by Dan Preble, the Board unanimously (7:0) recommended approval of the Proposed 2009 Golf Fees and Charges, recommending them to the City Manager.

**Public Input/Comment Regarding Consideration of Extending the Term of the Agreement with the City Park Nine Golf Professional & Concessionaire**

Jerry previously distributed to the Board the two emails he received regarding David McCleave's extension. He said that City Park Nine Superintendent Jim Higgins stated that he enjoys working with David and that he feels we should extend his term. Jerry reminded the Board that Purchasing Director Jim O'Neill who is present tonight is in charge of the process. He asked Jim if he had any additional information and Jim said that he didn't. On a motion by Shane Houska, seconded by Deron Grothe, the Board unanimously (7:0) recommended approval of the Extension of the Term of the Agreement with the City Park Nine Golf Professional & Concessionaire, David McCleave, PGA.



City of Fort Collins Golf Board  
**PUBLIC INPUT REQUESTED**

**Wednesday, July 16, 2008 7:30 PM**

City Park Nine Golf Course Clubhouse 411 South Bryan Avenue

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***Come and share your thoughts with the City Golf Advisory Board  
on Performance Review & Potential Agreement Extension  
for the City Park Nine Golf Professional/Concessionaire.***

The existing agreement at City Park Nine Golf Course with contractual Golf Professional/Concessionaire David R. McCleave PGA, expires on December 31, 2008. This agreement became effective on January 1, 2004 after being awarded through Request for Proposal #P-911. The agreement may be extended annually beyond the original five-year term until December 31, 2013 if performance is satisfactory, subject to public input, negotiations, and City Council approval.

If you cannot attend the meeting, you may send written comments no later than July 15, 2008 to:

Email: [jpbrown@fcgov.com](mailto:jpbrown@fcgov.com)

Fax: City Park Nine Golf Professional/Concessionaire at 221-6586

Mail: Golf Division, P.O. Box 580, Fort Collins, CO 80522

ATTACHMENT  
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ORDINANCE NO. 126, 2008  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
AUTHORIZING THE PURCHASING AGENT TO ENTER  
INTO AN EXTENSION OF THE CITY PARK NINE GOLF COURSE  
GOLF SERVICES AND CONCESSION AGREEMENT  
FOR UP TO FIVE ADDITIONAL YEARS

WHEREAS, Section 8-186(a) of the City Code requires that any contract for services with a potential total term over five years in length be authorized by Council by ordinance; and

WHEREAS, David R. McCleave was the successful bidder under the City's Request for Proposal No. 911 (the "Proposal") and entered into the City Park Nine Golf Course Golf Services And Concession Agreement (the "Agreement") with the City on November 28, 2003; and

WHEREAS, the City and David R. McCleave agreed to an Assignment of Agreement and Consent to Assignment on December 30, 2003 (the "Assignment") where David R. McCleave, a sole proprietor, assigned his obligations under the Agreement to DMAC Golf, LLC ("DMAC"), a limited liability company owned by him; and

WHEREAS, the City and DMAC entered into a First Addendum to the City Park Nine Golf Services and Concession Agreement (the "First Addendum") on February 20, 2004 to modify the type of license DMAC was required to obtain under the requirements of the Agreement; and

WHEREAS, the Purchasing Agent has determined that DMAC, the current contractor providing golf professional and snack bar concession services at City Park Nine Golf Course, has performed those services well and to the satisfaction of the City and the general public over the course of the existing Agreement as modified by the Assignment and First Addendum (the "Modified Agreement"); and

WHEREAS, the Proposal and the Modified Agreement contemplate the possible extension of the Modified Agreement beyond its original one-year term plus four one-year renewals, based on the expectation that a longer term arrangement for those services would enable proposers to offer more desirable services to the City at a more advantageous quality and rate than without such a longer term potential; and

WHEREAS, the Purchasing Agent has further determined that in order to continue with the delivery of high quality golf services and concessions to the public at City Park Nine Golf Course, the extension of the Modified Agreement for up to an additional five one-year terms, without a new competitive process for such services, is advisable and would maintain continuity and provide golf professional and concessionaire stability in the delivery of those services; and

WHEREAS, the Golf Board reviewed a proposed extension at its regular meetings on June 18, 2008, and July 16, 2008, and after receiving positive public input/comments, voted unanimously to recommend and encourage the City Council to authorize such an extension.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that the City Council hereby authorizes, pursuant to City Code Section 8-186(a), an extension of the City Park Nine Golf Course Golf Services And Concession Agreement, dated November 28, 2003, as modified by the Assignment of Agreement And Consent to Assignment dated December 30, 2003, and the First Addendum dated February 24, 2004, for the year 2009, with annual renewal options for the years 2010 through 2013, or a potential total term of ten (10) years.

Introduced, considered favorably on first reading, and ordered published this 7th day of October, A.D. 2008, and to be presented for final passage on the 21st day of October, A.D. 2008.

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Mayor

ATTEST:

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Chief Deputy City Clerk

Passed and adopted on final reading on the 21st day of October, A.D. 2008.

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Mayor

ATTEST:

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City Clerk