

Memorandum

To: Mayor and City Council Members
Douglas Faseler, City Manager

From: Rick Cortes, Assistant City Manager

Subject: Restructuring of Starcke Golf Course Operations

Date: July 28, 2016

City staff would like to provide City Council an update of the planned transition in Golf Management and Operations at Starcke Golf Course. This transition was facilitated by the announced retirement of the Starcke Golf Professional (Golf Pro), Mr. Frank “Biff” Alexander effective at the end of this fiscal year. Please note that Mr. Alexander has performed his services since 1983, some of those services/responsibilities include stocking the Pro Shop with appropriate merchandise to include food and beverages.

For these services, the Golf Pro received a base salary, including health insurance and retirement benefits as provided to other employees, including a cost of living adjustment at the same rate budgeted for other City Employees. Additionally, the City reimbursed the Golf Pro 80% of credit cards fees associated with the operation of the municipal golf course, and 80% of Pro Shop utility costs, with the Golf Pro responsible for the remaining 20%. The Golf Pro also was able to retain 25% of gross revenues from golf cart rentals in exchange for cart maintenance (including preventive maintenance), cleaning and daily transport.

On July 15, 2014 City Council authorized a changed in the Golf Professional Service Agreement which incrementally reduced the percentage of retainage received by of the Golf Professional of gross revenues from power cart rental. The proposed agreement provided for the percentage to decrease from 25% to 20% in FY 2014-15 and 15% in FY 2015-16.

Since being informed of the Golf Pro impending retirement, staff has been deliberating on how to best move forward with this transition. As such, staff is recommending a change in the current method of operating the Golf Course; staff will be converting the Golf Superintendent position to a Golf Course Manager position, who will be responsible for overseeing all day to day golf activities and operations. As such, the Golf Course Manager will work closely with the Golf Professional to insure that all PGA standards and protocols are continued to be maintained. Pro shop staff would include the Golf Pro, Assistant Golf Pro, and four part-time Golf Assistants that would assist in the day to day operations of the shop. The transition would create seven part-time positions to provide golf cart maintenance, cleaning, daily transport, and range ball retrieval.

A significant change to current Golf Course operations will be the City taking control of all food, beverages, and merchandise sales for Starcke Golf Course. If approved by Council, staff will complete, and submit a TABC Beer and Wine application requesting approval for the City to sale these beverages at the Starcke Golf Course. Consequently, staff have been in contact with our liability insurance provider who've indicated that liability insurance is available through one of their brokers at an estimated cost of \$2,500 annually, projected alcohol sales estimated to be excess of \$40,000.

Staff will take this opportunity to modernize certain functions within the pro shop such as a new point of sales software and equipment, which will make golf course operations more efficient and user friendly. Staff is also in the process of studying the feasibility of implementing an online tee time reservation system that will work hand in hand with the proposed point of sale software.

As part of this planned restructuring, Golf Course Superintendent, Bruce Allen is being assigned the position of Golf Course Manager and Assistant Golf Pro Aaron Krause is being elevated to Golf Pro. These changes would be effective October 1, 2016. Staff is available to answer any questions at your convenience.