



DISTRIBUTION DATE: 11/7/11
City Administrator's Office

MEMORANDUM

TO: Life Enrichment Committee Members
Vice Mayor Desley Brooks, Chair
Rebecca Kaplan
Larry Reid
Libby Schaaf

FROM: Audree V. Jones-Taylor,

CC: Deanna Santana, City Administrator
Fred Blackwell, Assistant City Administrator
Scott Johnson, Assistant City Administrator

DATE: November 1, 2011

SUBJECT: Montclair Golf Course Compliance

Approval

Deanna Santana

Date

11/7/11

INFORMATION

The purpose of this memo is to provide an update on the operations and compliance of the Montclair Golf Course as requested by Councilmember Desley Brooks on September 13 at the Finance Committee as it relates to an informational report on the options and feasibility of selling the Montclair and Lake Chabot Golf Courses. This memo serves as a means to provide the committee with an update as to the progress and status made by the concessionaire.

In 2004, there were many outstanding compliance issues at the course that raised liability and legal concerns for the City of Oakland. The Office of Parks and Recreation (OPR) and the Parks and Recreation Advisory Commission (PRAC) have worked earnestly over the last five years to bring the course into compliance. On February 28, 2008 and September 29, 2011, OPR toured the full course for the purpose of inspecting compliance progress and to ensure that the concessionaire was meeting the expectations and standards of the agreement.

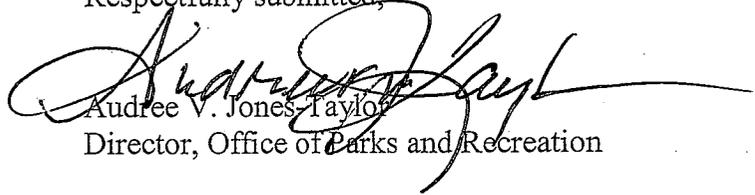
The concessionaire has made significant investments to the premises to meet the construction requirements and outstanding compliance issues as noted by the check marks on *Attachment A*. However, the overall maintenance of the course remains unacceptable. The contract requires the concessionaire to replace tees and mats, improve signage, repair the fencing, paint benches, replace flagsticks, re-sod or re-seed fairways, and to replace irrigation throughout the course to become compliant. OPR recommends a two phase approach-to make improvements to enhance the profitability of the course and improve the play experience of visitors. The phases are defined in *Attachment A* with the timelines. The estimate cost associated with the improvements is \$350,000. Of this amount \$80,000 is available from the Golf Fund. OPR would work with the management company to set priority and ensure that they comply with the standard of the agreement.

On September 29, OPR discussed the outstanding compliance and improvements requirements with the concessionaire and provided expected deadlines as to when the improvements should be completed. Touchstone Golf and the Program Director of the First Tee Program offered their services to support the concessionaire in the landscape and maintenance improvements, in addition to the enhancement and growth of the junior golf program and in increasing golf lessons at the course. A copy of this memo along with the meeting notes from past inspections has been mailed to the concessionaires with a follow up meeting scheduled for November 17th.

To insure the improvements are completed as outlined and described in the attachments, OPR intends to re-establish the Advisory Board who will monitor the course and provide monthly updates to the department.

In addition, the operator will be required to provide quarterly progress reports followed by onsite inspections conducted with OPR. For questions please contact Audree V. Jones-Taylor, 238.7527.

Respectfully submitted,



Audree V. Jones-Taylor
Director, Office of Parks and Recreation

Attachments:

Attachment A – Montclair Golf Contract Requirements

Montclair Golf Course Contract Requirements
October 24, 2011
Attachment A

	Contract Compliance	Status
1	Concessionaire agrees to provide the City with any and all receipts, on at least a monthly basis, of all internet sales of merchandise in order for the City to determine the continuing accuracy of Concessionaire's representation.	√
2	Concessionaire shall construct at his sole cost and expense and additional retaining wall and drainage system located along the perimeter of the parking lot and extending approximately 100 feet from the existing retaining wall.	√
3	Concessionaire shall provide the City with plans and a construction schedule prior to beginning work.	√
4	Concessionaire shall maintain and operate the premises to a standard of quality of at least equal to the standards required of Chabot and Galbraith Golf Courses. <i>Action: OPR is working with the concessionaire to bring the premises up to a acceptable standard as outlined in the contract as described in the various areas that do not meet standards. It is the goal to have all areas above standards by June 30, 2012</i>	Below Standards
5	Payment of monthly fees shall be due to the City at the close of business on the last operating day of each month during the term of this Agreement and shall be made by the Concessionaire to the City not later than the 10 th day of the month immediately following.	√
6	Together with the monthly payment due the City for each month of the year, during the terms of this concession, the Concessionaire shall submit a detailed day-by-day report of the preceding month's operation in such form, detail and number of copies as required by the Director.	√
7	Concessionaire shall substantiate each monthly report with duplicate deposit slips and duplicate daily "Z tapes" from the cash register(s).	√
8	Concessionaire shall keep and maintain a current and complete set of account books and records, in accordance with generally accepted accounting principles and methods.	√
9	Concessionaire shall register all sales made at the clubhouse on cash registers with lock-in total features and shall retain all tape records with the Concessionaire's accounting records.	√
10	The Concessionaire operating the concession described in these specifications, shall open a special commercial bank account for the concession, and shall deposit in this special account all receipts from sales and shall pay from said account for all purchases of supplies, merchandise, and services, and all payroll used in connection with the operation of concession.	√
11	Concessionaire shall submit to the Office of Parks and Recreation with the monthly report duplicate deposit slips for all monies deposited to the account.	√

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12	The Concessionaire shall have an outside financial review of the concession's financial records performed annually during the term of this Agreement, which shall consist of a balance sheet, revenue and expenditure report, depreciation summary and source of funds report as required.	√
13	Concessionaire agrees to perform a complete financial review/audit of the Montclair Golf Course operation at its own expense for calendar year 1998, 2003, 2008 and 2013 and must submit said financial review/audit to the City within 30 days of its completion.	√
14	The Concessionaire shall obtain and provide proof of a valid City business tax certificate.	√
15	The Concessionaire shall obtain and maintain for sale to the public an adequate stock of golf equipment and supplies including, but not limited to golf bags, clubs, balls, tees, and golf goods.	√
16	The Concessionaire shall provide golf lessons and instructions at reasonable times and for a reasonable fee during the day to any member of the public who pays the prescribed instruction fee and who desires to receive the lessons or instructions. <i>Action: OPR made recommendations to concessionaire to in reference to enhancing the youth program including adding the First Tee component and embracing the ACE after-school program. In addition to increasing the adult lessons to generate additional revenue, Touchstone Golf and the First Tee Director agreed to support the efforts of Montclair Golf.</i>	Below Standards
17	The Concessionaire shall supervise, operate and manage the practice driving range in an efficient, orderly and businesslike manner.	√
18	The Concessionaire shall monitor the play and activities of all players and persons on the golf course.	√
19	Concessionaire shall provide all golf scorecards, and shall obtain prior written approval by Director for all advertising contained therein. <i>Action: OPR will revisit the site next month to ensure the score cards are available.</i>	Below Standards
20	Concessionaire shall maintain the Clubhouse, driving range, parking lot surface, and pitch and putt course. <i>Action: The clubhouse has improved significantly. However, some of the furniture is worn and in need of replacement or simply removed. The driving range is without barriers on the second level as requested in 2008 and required to be replaced by January 2012 the parking lot is completed. The course is in disrepair and will be upgraded in phases. The concessionaire has been informed on the necessary improvements. As described under the course improvements this will be completed in phases. The replacement of furnishings is minor and should be done immediately (November 30, 2011).</i>	The Course is Below Standards

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21	Landscape and ground maintenance shall be provided in accordance with the standards set forth in the agreement. Action: Concessionaire must replace tees, mats, improve signage, fencing, paint benches, replace flagsticks, re-sod or re-seed fairways. OPR recommends a two phase approach-to make improvements. Phase I-Establish clear guidelines and frequency of task- (Attachment A). Phase I is in progress along with minor repairs and adjustments. Phase II-implement an overall Improvement Plan (Attachment B)- Phase I is in progress along with minor repairs and adjustments. (Effective immediately. Phase II implementation to begin in April 2012	Below Standards
22	Concessionaire shall be responsible for fuel reduction and weed abatement along a 10-foot wide buffer zone in the natural areas adjacent to the entrance, driveway, and perimeter of the driving range and 9-hole golf course (except where slope stability and steepness render weed abatement impractical).	√
23	Concessionaire shall be responsible for maintaining all aspects of the Clubhouse and range deck including but not limited to structural maintenance, drainage, grease traps and domestic sewer lines, building foundations, plumbing, heating and air conditioning, electrical, telecommunications and roofing.	√
24	Concessionaire shall maintain at least one business phone on the premises for contact with the City.	√
25	Concessionaire will also be responsible for interior maintenance of the kitchen and restaurant room. Action: The floor in the kitchen is in need of scraping, painting and or full installation of tile. Should be completed by March 1, 2012	Below Standard
26	Concessionaire shall provide all utilities for the premises.	√
27	Concessionaire shall pay all charges for the removal of garbage or refuse.	√
28	Concessionaire shall implement the service program described in Exhibit B of the concessionaire agreement. This pertains to Junior Golf, Ladies and Senior Golf, Demo Day and other Public Programs...	√
29	No alterations, changes, or additions of any character shall be made on the premises by the Concessionaire without written consent of the City first having been secured and, if made, shall be at the sole cost and expense of the Concessionaire who shall agree to hold the City harmless therefore.	√
30	Public pay phones shall not be installed anywhere on the premises without the prior written permission of the Director.	√
31	Concessionaire agrees to provide specified capital improvements to the Clubhouse, driving range, golf course and parking lots totaling one million forty eight thousand dollars (\$1,048,000) in accordance	Below Standards

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	with the Schedule C attached to agreement. <i>Action: Concessionaire was informed and instructed on September 29, 2011 that the barriers must be installed by December 2011</i>	
32	Concessionaire agrees to provide a bi-monthly construction schedule including estimated completion dates, tasks to be completed within those dates, sub-contractor names, projected cost of each task, and estimated percentage completed for all required capital improvements. The report must be submitted to the City by the 10 th day of each month in which the report is due.	√
33	Concessionaire agrees to provide a bi-monthly cash expenditure report for all required capital improvements.	√
34	Should any bond become insufficient, the Concessionaire shall renew the bond within 10 days after receiving notice from the City.	√
35	Concessionaire agrees to furnish a faithful performance bond in the sum of twenty thousand dollars (\$20,000) (or a cashier's check or cash deposit in an interest bearing trustee account, with interest payable to Concessionaire in lieu thereof), it being understood and agreed that such bond shall be in force at all times during this Agreement; and, if canceled, the Concessionaire shall immediately seek another required bond or this Agreement shall be subject to termination.	√
36	Concessionaire shall within one year of execution date of this Agreement establish a maintenance reserve fund to be capitalized at not less than fifteen thousand dollars (\$15,000).	√
37	Concessionaire agrees to purchase and install a video surveillance/security system to monitor all cash register operations.	√
38	The Montclair Golf Course Advisory Council shall meet monthly at the Montclair Golf Course for the purpose of inspecting and evaluating the facility to determine if the performance standards are being met. Action: Re-establish Advisory Council by January 1, 2012 with citizen representation from Council District 4, and representation from PRAC.	In progress
39	Monthly evaluation reports shall be prepared by MGCAC and shall be submitted to the Director not later than 30 days after the month being evaluated.	√
40	The Concessionaire shall not conduct any business activity on the premises, which is not directly related to the concession.	√
41	The Concessionaire shall not permit a third person(s) to display or vend any goods, without the prior written permission of the Director.	√
42	The Concessionaire shall not install or permit the installation or use of any vending machine, "Juke" box, video game, lottery machine or coin operated amusement device of any kind without the prior written permission of the Director.	√

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43	The Concessionaire shall not make changes, modification or alterations to the premises without the prior written permission of the Director.	√
44	There shall be no religious worship, instruction, or proselytization as part of, or in connection with the performance of the Agreement.	√
45	The Concessionaire shall not engage in political activities, including but not limited to sponsoring or conducting candidate's meetings, or engaging in any publicity or propaganda activities designed to support or defeat legislation pending before federal, stat or local government.	√
46	The Concessionaire shall operate the food and beverage concession during the terms of the contract at all hours when the driving range is open to the general public.	√
47	Concessionaire may modify hours of operation on rainy days.	√
48	Prior to the commencement of business, the Concessionaire shall submit to the Director a complete list of foods, beverages, services and merchandise products, that are proposed for sale, together with the prices proposed to be charged.	√
49	The Concessionaire shall notify the Director, in writing, of any substantial changes to the list of items for sale or their prices not including sale and/or promotional items.	√
50	No imitation, adulterated, misbranded, or impure articles shall be sold or kept for sale by the Concessionaire, and all merchandise kept on hand by said Concessionaire shall be stored and handled with due regard for standard practices of public health food handling requirements and sanitation.	√
51	Concessionaire shall not display any advertising matter or signs except as may be permitted by the Director.	√
52	Concessionaire shall, at all times, operate the concession for the City in a businesslike manner and render to the using public, good quality products with efficient and courteous service.	√
53	Concessionaire shall conduct continuous customer satisfaction surveys through the use of customer survey forms and a suggestion box both located in a conspicuous location.	√
54	Living Wages/ Contract Compliance – the City received a complaint alleging the Montclair Golf was in violation of the city's living wage ordinance. (LWO). A full investigation was launched by Contract and Compliance. After months of arbitration the arbitrator ruled on behalf to the concessionaire;	√-
55	Construction Renovation Status: <ul style="list-style-type: none"> • Clubhouse Addition • Restrooms Addition • Kitchen Renovation • Parking / Site Work • Landscaping of Entry way • Installation of Fire Hydrant 	√- Completed 2008