



CITY OF SANTA CLARA

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SPORTS AND OPEN SPACE AUTHORITY

AGENDA

A complete agenda packet with back-up reports is available at either City Library beginning Saturday before the Tuesday meeting or at the City Clerk's Office on weekdays. A complete agenda packet is also available at the City Council meeting and on the City's website.

June 24, 2014

6:00 pm

Closed Session

Council Conference Room

Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code Section 54956.9(a)
*Vinod K. Sharma, et al. v. Successor Agency to the
Redevelopment Agency of the City of Santa Clara, et al.*
Sacramento County Superior Court Case No. 34-2013-80001396

REGULAR MEETING

7:00 PM in the City Hall Council Chambers

APPEAL OF HEARING DECISIONS OF THE SPORTS AND OPEN SPACE AUTHORITY MUST BE MADE TO THE SUPERIOR COURT WITHIN 90 CALENDAR DAYS OF FINAL ACTION. BECAUSE OF THE AGENDA PROVISION FOR RECONSIDERATION, FINAL ACTION IS DEEMED TO OCCUR AT THE END OF THE NEXT REGULAR MEETING PURSUANT TO CITY COUNCIL POLICY (P&P 042). (CODE OF CIVIL PROCEDURE SECTION 1094.6)

AB23 ANNOUNCEMENT: MEMBERS OF THE SPORTS AND OPEN SPACE AUTHORITY BOARD ARE ENTITLED TO RECEIVE \$30 FOR EACH ATTENDED MEETING.

- 1. ROLL CALL:**
- 2. APPROVAL OF MINUTES:**
 - A. May 13, 2014.
 - B. May 20, 2014.
- 3. CONTINUANCE/EXCEPTIONS:**
- 4. UNFINISHED BUSINESS:**
 - A. Possible Reconsideration of Actions Taken at Immediately Preceding Meeting. (See Summary of Actions for potential reconsideration, which is attached to the posted Agenda and is in the Agenda Packet Binder in the Council Chambers.)

5. NEW BUSINESS

- A. Approval of the renewal of the City's Master Property Insurance and Excess Boiler and Machinery Insurance for the period July 1, 2014 - July 1, 2015 and authorize payment of insurance premium to Alliant Insurance Services, in the amount of \$619,416; approval of the renewal Boiler and Machinery Insurance for the Donald Von Raesfeld (DVR) Power Plant for the period of July 1, 2014 - July 1, 2015 and authorize payment of insurance premium to Alliant Insurance Services, in the amount of \$217,838; approval of the renewal of the Excess Liability Insurance for the period July 1, 2014 - July 1, 2015 and authorize payment of insurance premium to Alliant Insurance Services, in the amount of \$168,710.
- B. Acceptance of the Status Report for the Fiscal Operation of the Santa Clara Golf and Tennis Club for the Third Quarter ended March 31, 2014.

6. PUBLIC PRESENTATIONS:

This item is reserved for persons to address the Authority on any matter not on the agenda that is within the subject matter jurisdiction of the City. The law does not permit Authority action on, or extended discussion of, any item not on the agenda except under special circumstances. The Authority, or staff, may briefly respond to statements made or questions posed, and the Authority may request staff to report back at a subsequent meeting. Although not required, please submit to the Authority Secretary your name and subject matter on forms available by the door in the Council Chambers.

7. REPORTS OF SOSA MEMBERS AND SPECIAL SOSA COMMITTEES:

- A. Reports regarding conference attendance, if any.

8. CLOSED SESSION MATTERS:

- A. Authority General Counsel Reports:

9. ADJOURNMENT:

- A. To Tuesday evening, **July 1, 2014** at 7:00 pm for the regular scheduled meeting in the City Hall Council Chambers.

6/24/14

CLOSED SESSION NOTICE

Sports and Open Space Authority

6:00PM
SOSA



The **GOVERNING BOARD OF THE SPORTS AND OPEN SPACE AUTHORITY** will meet in closed session on **Tuesday, June 24, 2014**, at **6:00 p.m.**, or as soon thereafter as the matter can be discussed, in the Council Conference Room located in the East Wing of City Hall at 1500 Warburton Avenue, Santa Clara, California, to consider the following matter(s) and to potentially take action with respect to it/them:

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Pursuant to Gov. Code § 54956.9(a)

Vinod K. Sharma, et al. v. Successor Agency to the Redevelopment Agency of the City of Santa Clara, et al., Sacramento County Superior Court Case No. 34-2013-80001396

Date: June 20, 2014



RICHARD E. NOSKY, JR.
Authority General Counsel

6/24/14

2A
SSA

**MINUTES OF THE SPORTS AND OPEN SPACE AUTHORITY OF
THE CITY OF SANTA CLARA FOR REGULAR MEETING
HELD ON TUESDAY EVENING, MAY 13, 2014**

The Sports and Open Space Authority of the City of Santa Clara met at 6:00 pm, on the above mentioned date, for a Closed Session in the Council Conference Room for a Conference with Legal Counsel-Existing Litigation pursuant to Government Code Section 54956.9(a); *Vinod K. Sharma, et al. v. Successor Agency to the Redevelopment Agency of the City of Santa Clara, et al.*, Sacramento County Superior Court Case No. 34-2013-80001396 (Authority General Counsel - 05/09/14).

The Sports and Open Space Authority then met at 9:46 pm for the regular scheduled meeting.

Present: Authority Members Debi Davis, Lisa M. Gillmor, Patrick Kolstad, Patricia M. Mahan and Teresa O'Neill and Chairperson Jamie L. Matthews. Absent: Authority Member Jerry Marsalli (excused).

1. **MOTION** was made by Davis, seconded and unanimously carried (Marsalli absent), that the Authority **excuse** Authority Member Marsalli from attendance at this evening's meeting.

6A. Earlier in the evening, the Sports and Open Space Authority met for a Closed Session in the Council Conference Room for a Conference with Legal Counsel-Existing Litigation pursuant to Government Code Section 54956.9(a); *Vinod K. Sharma, et al. v. Successor Agency to the Redevelopment Agency of the City of Santa Clara, et al.*, Sacramento County Superior Court Case No. 34-2013-80001396 and there was no reportable action.

7A. **MOTION** was made by Davis, seconded and unanimously carried (Marsalli absent), that, there being no further business, the meeting was adjourned at 9:47 pm to Tuesday evening, **May 20, 2014** at 7:00 pm for the regular scheduled meeting in the City Hall Council Chambers.

ATTEST: _____
Secretary

APPROVE: _____
Chairperson

6/24/14

2B
SSA

**MINUTES OF THE SPORTS AND OPEN SPACE AUTHORITY OF
THE CITY OF SANTA CLARA FOR REGULAR MEETING
HELD ON TUESDAY EVENING, MAY 20, 2014**

The Sports and Open Space Authority of the City of Santa Clara met at 6:00 pm, on the above mentioned date, for a Closed Session in the Council Conference Room for a Conference with Legal Counsel-Existing Litigation pursuant to Government Code Section 54956.9(a); *Vinod K. Sharma, et al. v. Successor Agency to the Redevelopment Agency of the City of Santa Clara, et al.*, Sacramento County Superior Court Case No. 34-2013-80001396 (Authority General Counsel - 05/16/14).

The Sports and Open Space Authority then met at 7:49 pm for the regular scheduled meeting.

Present: Authority Members Debi Davis, Lisa M. Gillmor, Patrick Kolstad, Patricia M. Mahan, Jerry Marsalli and Teresa O'Neill and Chairperson Jamie L. Matthews.

2A. **MOTION** was made by Davis, seconded and unanimously carried with Matthews abstaining (not present at the meeting), that the **Minutes** for the meeting of **April 22, 2014** be adopted as written.

7A. Earlier in the evening, the Sports and Open Space Authority met for a Closed Session in the Council Conference Room for a Conference with Legal Counsel-Existing Litigation pursuant to Government Code Section 54956.9(a); *Vinod K. Sharma, et al. v. Successor Agency to the Redevelopment Agency of the City of Santa Clara, et al.*, Sacramento County Superior Court Case No. 34-2013-80001396 and there was no reportable action.

7A. **MOTION** was made by Davis, seconded and unanimously carried, that, there being no further business, the meeting was adjourned at 7:49 pm to Tuesday evening, **June 10, 2014** at 7:00 pm for the regular scheduled meeting in the City Hall Council Chambers.

ATTEST: _____
Secretary

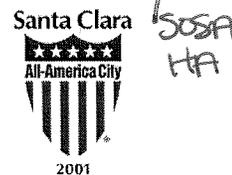
APPROVE: _____
Chairperson

Meeting Date: 6/24/14

AGENDA REPORT

City of Santa Clara, California

Agenda Item # 7A-9/SA



Date: June 4, 2014

To: City Manager for Council Action
Contract Administrator for Sports and Open Space Authority Information
Executive Director for Housing Authority Information
Executive Officer for Successor Agency Information

From: Director of Finance/Assistant City Manager
Director of Finance for Sports and Open Space Authority
Housing Authority Treasurer

Subject: Approve Renewal of City's Insurance for the Period July 1, 2014 – July 1, 2015, and Authorize Payment of Insurance Premiums to Alliant Insurance Services

EXECUTIVE SUMMARY:

The City's insurance broker, Alliant Insurance Services, Inc. sought competitive quotes from several insurance companies for renewal for the following three policies:

Master Property Insurance and Excess Boiler & Machinery Insurance-

The City's Master Property Insurance includes the Golf Course, Convention Center, Convention Center Maintenance District, the Grizzly Hydro Plant and Donald Von Raesfeld Power Plant in the Public Entity Property Insurance Program (PEPIP). The policy is being renewed for the period July 1, 2014 – July 1, 2015 through Alliant Insurance Services, the City's insurance broker. The coverage limit is for \$1 billion per occurrence based on a Total Insurable Value (TIV) of \$1.109 billion. The annual premium, including Surplus Lines Taxes and Fees, is \$594,996, a decrease of \$8,546 or approximately 1.4% from last year.

The primary \$2.5 million layer will continue to be placed with Lexington (Best Rated A XV), and Lexington will also continue to provide the majority of capacity in the \$22.5 million excess \$2.5 million layer, with Lloyd's of London (Best Rated A XV) as its quota-share partner. Excess limits will be placed with London, Bermudian, European and U.S. Domestic markets (Best Rated minimum of A- VII) up to a limit of \$1 billion.

The Excess Boiler and Machinery Policy for the City includes Electric (except the Donald Von Raesfeld Plant which has a separate policy), Golf Course, Convention Center, Convention Center Maintenance District and the Grizzly Hydro Plant. The policy is being renewed for July 1, 2014 - July 1, 2015. The annual premium is \$24,420, an increase of \$78 or approximately 0.3% above last year.

Total annualized premiums for these two policies are \$619,416 for fiscal year 2014-15 compared to \$627,884 for fiscal year 2013-14, a decrease of \$8,468 or approximately 1.3%. The decrease is primarily due to:

- 5.17% decrease in insurance rates, from \$0.0590 per \$100 valuation to \$0.0559 per \$100 valuation
- 4.11% increase in the total insurable value from \$1.065 billion to \$1.109 billion.

Boiler and Machinery Insurance for the Donald Von Raesfeld (DVR) Power Plant-

In conjunction with the commercial operation of the Donald Von Raesfeld Power Plant (the "Power Plant"), the City retains a boiler and machinery insurance policy for the Plant. The current insurance expires on July 1, 2014. The boiler and machinery coverage provides a limit for property damage of \$100 million and a sub limit for business interruption of \$11,804,141. The premium is \$217,838 for the coverage from July 1, 2014 to July 1, 2015 on a Total Insurable Value (TIV) of \$204.5 million for replacement cost and business interruption.

City Excess Liability Insurance-

The policy is being renewed for the period of July 1, 2014 to July 1, 2015 with the Alliant National Municipal Liability Program (ANML). The excess liability insurance has an aggregate and per occurrence coverage of \$20 million with the City's self insured retention limit (deductible) being \$5 million. The coverage is provided by Starr Indemnity Insurance Company, rated A, Excellent by the A.M. Best Company and Arch Specialty Insurance Company, rated A+, Superior by the A.M. Best Company for \$10 million each for a total of \$20 million. The annual premium is \$168,710, an increase of \$4,900 or approximately 3% compared to last year.

The full insurance proposals are available for review in the Finance Department.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

Master Property Insurance and Excess Boiler & Machinery Insurance-

The coverage for PEPPIP remains at \$1 billion per occurrence, the same as last year's policy. The coverage for the Excess Boiler and Machinery is \$100 million, also the same as last year's policy. It is prudent to have insurance since, without insurance, the City retains full risk if damage occurs to City property or its boilers and machinery. In addition, insurance is required per the terms of the Grizzly Development and Mokelumne Settlement Agreement for commercial operation of that Plant. The City would not be able to operate the Plant without the required insurance.

Boiler and Machinery Insurance for the Donald Von Raesfeld (DVR) Power Plant-

The advantage of purchasing boiler and machinery insurance coverage is to protect the City's investment in the Power Plant and its components, especially from the risk of loss due to mechanical or accidental breakdown. The policy provides business interruption protection for a period of time so that lost generation capacity will be covered while the Plant is not operational. The deductible amount for this policy is \$500,000 for the gas turbines, \$250,000 for property damage and a 30-day waiting period for business interruption. The recommended insurance carrier, Zurich American Insurance Company, has A.M Best Guide Rating of A+, Superior.

City Excess Liability Insurance-

One advantage of insuring the City for liability is that for a charge of \$168,710 a year, the City has protection against large liability claims, which can amount to millions of dollars. Another advantage is that it is a reasonable alternative to fully self-insuring given the size of the premium. There are no disadvantages.

ECONOMIC/FISCAL IMPACT:

Master Property Insurance and Excess Boiler & Machinery Insurance-

The total cost for the City's Master Property Insurance and Boiler & Machinery Policy (including the City, Golf Course, Convention Center, Convention Center Maintenance District, Tasman Drive Parking Structure, and Grizzly Hydro Plant) is \$619,416. This figure also includes property but not boiler and machinery insurance for the Donald Von Raesfeld power plant which is under a separate policy.

Funds are available as follows: \$525,547 in Special Liability Insurance (082-0142-87840) for the City (including Electric); \$63,236 in the Convention Center Insurance Account, \$17,517 in the Convention Center Parking Structure (026-2961-87840); \$5,603 in the Convention Center Maintenance District Insurance Account (026-2961-87840); and \$7,513 in Golf Course Insurance Account (811-8013-87840) for SOSA.

Boiler and Machinery Insurance for the Donald Von Raesfeld (DVR) Power Plant-

The fiscal impact is the payment of the annual premium of \$217,838, a decrease of \$12,615 or 5.5% from last year's \$230,453. The renewal rate decreased slightly and the premium decrease is attributed to the decrease of 0.4% in the total insured value. Funds required to pay this premium are available in the General Liability Internal Service Fund Insurance Premiums account (082-0141-87840).

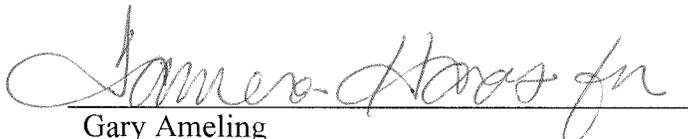
City Excess Liability Insurance-

The policy premium is a total of \$168,710 for coverage from July 1, 2014 to July 1, 2015. Funds are available in the Special Liability Fund Contractual Services (082-0141-87840).

RECOMMENDATION:

That the Council:

- 1) Approve the renewal of the City's Master Property Insurance and Excess Boiler & Machinery Insurance for the period July 1, 2014 – July 1, 2015 and authorize payment of insurance premium to Alliant Insurance Services in the amount of \$619,416;
- 2) Approve the renewal of Boiler and Machinery Insurance for the Donald Von Raesfeld (DVR) Power Plant for the period July 1, 2014 – July 1, 2015 and authorize payment of insurance premiums to Alliant Insurance Services in the amount of \$217,838;
- 3) Approve the renewal of the Excess Liability Insurance for the period July 1, 2014 to July 1, 2015 and authorize payment of insurance premium to Alliant Insurance Services in the amount of \$168,710; and
- 4) Authorize the City Manager to execute any and all documents necessary to complete the transactions.



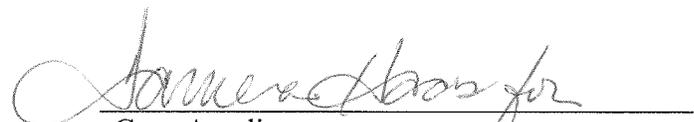
Gary Ameling
Director of Finance/Assistant City Manager
Director of Finance for Sports and Open
Space Authority
Housing Authority Treasurer

Certified as to Budget Form: 
082-0142-87840 \$525,547
860-8014-87840 \$ 63,236
026-2961-87840 \$ 23,120
811-8013-87840 \$ 7,513
082-0141-87840 \$386,548

APPROVED:



Julio J. Fuentes
City Manager
Contract Administrator for Sports and Open
Space Authority
Executive Director for Housing Authority
Executive Officer for Successor Agency



Gary Ameling
Director of Finance/Assistant City Manager
Director of Finance for Sports and Open
Space Authority
Housing Authority Treasurer
MAJORITY VOTE OF COUNCIL

Documents Related to this Report:

- 1) *Executive Summary for PEPiP and B&M*
- 2) *Executive Summary for DVR B&M*
- 3) *Executive Summary for Excess Liability*

Executive Summary for PEPiP and B&M

Attachment 1

	<u>2013-14</u>	<u>2014-15</u>	<u>Y-T-Y change</u> <u>(\$)</u>	<u>Y-T-Y change</u> <u>(%)</u>
<u>Insurance Premium</u>				
PEPiP	\$603,542	\$594,996	-\$8,546	-1.4%
B&M	\$24,342	\$24,420	\$78	0.3%
<u>Total Insurance Cost</u>	<u>\$627,884</u>	<u>\$619,416</u>	<u>-\$8,468</u>	<u>-1.3%</u>

Total Insurable Value (TIV \$ in M)	\$1,065,175,954	\$1,108,939,334	\$43,763,380	4.11%
Account rate (per \$100)	\$0.0590	\$0.0559	-\$0.003	-5.17%

Executive Summary for DVR B&M

Attachment 2

	<u>2013-14</u>	<u>2014-15</u>	<u>Y-T-Y change</u> <u>(\$)</u>	<u>Y-T-Y change</u> <u>(%)</u>
Total Insurance Premium	\$230,453	\$217,838	(\$12,615)	-5.5%
Total Insurable Value (\$ in M)	\$205,312,561	\$204,571,427	(\$741,134)	-0.4%
Total Insurable Value (TIV \$ in M)	\$205,312,561	\$204,571,427	-\$741,134	-0.36%
Account rate (per \$100)	\$0.00113	\$0.10649	\$0.10536	9323.89%

Executive Summary for Excess Liability

Attachment 3

	<u>2013-14</u>	<u>2014-15</u>	<u>Y-T-Y</u> <u>change (\$)</u>	<u>Y-T-Y</u> <u>change (%)</u>
Total Insurance Premium	\$163,810	\$168,710	\$4,900	3.0%

Meeting Date: 6/24/14

AGENDA REPORT

City of Santa Clara, California

Agenda Item # 5B

SOSA



Date: June 10, 2014

To: Contract Administrator for Sports and Open Space Authority Action

From: Director of Finance, Sports and Open Space Authority

Subject: Acceptance of Status Report for the Fiscal Operation of the Santa Clara Golf and Tennis Club for the Third Quarter ended March 31, 2014

EXECUTIVE SUMMARY:

Submitted for Sports and Open Space Authority (SOSA) review and acceptance are the following reports: Santa Clara Golf and Tennis Club Income Statement, Variance Report, the Administrative and Management Fee Calculation paid to American Golf, and Net Income Comparison graph for the third quarter of fiscal year 2013-14.

The Income Statement includes a summary of Golf Course attendance categorized as "Number of Rounds" that is presented at the bottom of the Statement. The Variance Report provides a narrative explanation of significant variances between actual and budgeted Golf Course revenues and expenditures. The Net Income Comparison Graph provides a graphic comparison of the current quarter and fiscal year actual, budget, and prior year actual Net Income for the Golf Course. Detailed departmental reports on the Golf Course operations are available for review in the Finance Department.

The Golf Course Net Income transferred to SOSA for the third quarter was \$242,078. The Golf Course was closed February 2, 2014 through March 23, 2014 for Levi's® Stadium parking infrastructure work. A payment by the 49ers of \$348,559 was received by American Golf during this quarter to make up for lost revenue during the course closure. The total transfer to SOSA was \$36,717 greater than budgeted. Instruction, Green Fees, Cart Rental, Range Income, Tennis Income, and Merchandise Sales were less than budgeted by \$332,334 due to the closure. Total Income was \$9,116 greater than budgeted when including the payment by the 49ers. Operating Expenses were \$15,058 less than expected primarily due to Lease/Rental fees charged in December 2013 that normally would have been charged in January 2014. This resulted in a total favorable variance of \$36,717 in Net Income for the third quarter.

ADVANTAGES & DISADVANTAGES OF ISSUE:

The Status Report for the Fiscal Operation of the Santa Clara Golf and Tennis Club for the Third Quarter ended March 31, 2014 provides current information on the fiscal operation of the City's Golf and Tennis Club.

ECONOMIC/FISCAL IMPACT:

Acceptance of this report will have no fiscal impact to the City other than administrative staff time and expense.

Contract Administrator for Authority Action
Status Report for the Fiscal Operation of the Santa Clara Golf and Tennis Club

June 10, 2014
Page 2

RECOMMENDATION:

That the Authority accept the Status Report for the Fiscal Operation of the Santa Clara Golf and Tennis Club for the Third Quarter ended March 31, 2014.



Gary Ameling
Director of Finance, Sports and Open Space Authority

APPROVED:



Julio J. Fuentes
Contract Administrator for
Sports and Open Space Authority

Documents Related to this Report:

- 1) Santa Clara Golf & Tennis Club Income Statement***
- 2) Variance Report***
- 3) Fee Calculation***
- 4) Net Income Comparison Graph***

SANTA CLARA GOLF AND TENNIS CLUB
INCOME STATEMENT
FOR THE QUARTER ENDING MARCH 31, 2014

	FOR THE QUARTER ENDING MARCH 31, 2014									
	QUARTER		VARIANCES		PRIOR YEAR ACTUAL	YEAR-TO-DATE		VARIANCES		PRIOR YEAR Y-T-D
	ACTUAL	BUDGET	AMOUNT	%		ACTUAL	BUDGET	AMOUNT	%	
SALES AND FEES										
INSTRUCTION	700	1,500	(800)	(53)	1,034	4,275	6,700	(2,425)	(36)	5,101
GREEN FEES	191,883	444,500	(252,617)	(57)	445,028	1,184,577	1,523,450	(338,873)	(22)	1,469,086
CART RENTAL	42,412	85,950	(43,538)	(51)	88,503	276,541	312,250	(35,709)	(11)	310,629
RANGE INCOME	56,129	75,000	(18,871)	(25)	75,858	222,058	247,000	(24,942)	(10)	240,297
TENNIS INCOME	8,368	9,750	(1,382)	(14)	9,287	32,300	34,900	(2,600)	(7)	31,915
MERCHANDISE SALES	17,874	33,000	(15,126)	(46)	31,513	95,023	116,000	(20,977)	(18)	108,203
OTHER INCOME	355,250	13,800	341,450	2474	7,396	373,412	35,100	338,312	964	24,907
TOTAL INCOME	672,616	663,500	9,116	1	658,619	2,188,186	2,275,400	(87,214)	(4)	2,190,138
COST OF SALES										
MERCHANDISE	9,557	22,100	12,543	57	21,103	62,165	77,689	(15,524)	(20)	73,647
TOTAL COST OF SALES	9,557	22,100	12,543	57	21,103	62,165	77,689	(15,524)	(20)	73,647
GROSS PROFIT	663,059	641,400	21,659	3	637,516	2,126,021	2,197,711	(71,690)	(3)	2,116,491
OPERATING EXPENSES										
SALARIES/WAGES	202,431	209,503	7,072	3	200,486	631,545	641,136	9,591	1	593,483
UTILITIES-WATER	17,915	18,000	85	0	6,614	219,607	183,000	(36,607)	(20)	191,350
UTILITIES-POWER	12,297	11,100	(1,197)	(11)	12,855	36,544	33,200	(3,344)	(10)	37,942
SEED, SOIL, FERTILIZER	23,547	24,025	478	2	23,454	60,228	65,175	4,947	8	67,347
REPAIR & MAINTENANCE	14,855	14,000	(855)	(6)	13,230	61,673	55,100	(6,573)	(12)	52,823
SUPPLIES	15,209	14,900	(309)	(2)	12,951	63,124	61,500	(1,624)	(3)	54,041
UNIFORMS/LAUNDRY	2,651	2,500	(151)	(6)	2,854	7,107	6,500	(607)	(9)	5,290
BANK & CARD FEES	6,287	11,800	5,513	47	10,343	34,189	40,300	6,111	15	37,004
LEASE/RENTAL	17,171	29,706	12,535	42	27,156	84,190	93,238	9,048	10	83,409
SANITATION	9,517	6,200	(3,317)	(54)	2,291	25,870	18,800	(7,070)	(38)	35,494
TELEPHONE	3,226	2,250	(976)	(43)	2,083	12,242	6,750	(5,492)	(81)	6,312
RANGE BALLS	0	5,000	5,000	100	4,955	4,979	15,000	10,021	67	9,594
OTHER EXPENSES	18,598	8,925	(9,673)	(108)	9,546	45,036	30,825	(14,211)	(46)	25,358
MGMT/ADM FEES	74,094	72,856	(1,238)	(2)	72,765	227,252	227,082	(170)	(0)	224,604
INSURANCE	3,183	5,274	2,091	40	3,453	9,547	15,822	6,275	40	10,357
TOTAL OPERATING EXP	420,981	436,039	15,058	3	405,036	1,523,133	1,493,428	(29,705)	(2)	1,434,408
NET FROM OPERATIONS	242,078	205,361	36,717	18	232,480	602,888	704,283	(101,395)	(14)	682,083
LESS: CAPITAL OUTLAY	0	0	0		0	0	0	0		0
NET INCOME	242,078	205,361	36,717	18	232,480	602,888	704,283	(101,395)	(14)	682,083
NUMBER OF ROUNDS	7,119	17,030	(9,911)	(58)	16,923	44,739	58,075	(13,336)	(23)	57,091



June 10, 2014

Gary Ameling
 Director of Finance
 Sports and Open Space Authority
 City of Santa Clara
 1500 Warburton Avenue
 Santa Clara, CA 95050

Re: Santa Clara Golf & Tennis Club Variance Report for the Quarter Ended March 31, 2014

Dear Mr. Ameling:

The following is a brief discussion of revenue and expense variances over/under 10% and \$200 compared to budget for the quarter ended March 31, 2014:

	FAVORABLE/ (UNFAVORABLE) VARIANCE	SUBTOTAL	VARIANCE - EXPLANATION
INCOME:			
INSTRUCTION	(800)		Less city class sign ups than expected
GREEN FEES	(252,617)		Course closed February 2 through March 23 for parking infrastructure work
CART RENTAL	(43,538)		Course closed February 2 through March 23 for parking infrastructure work
RANGE INCOME	(18,871)		Range open during course closure but closure suppressed range revenue
TENNIS INCOME	(1,382)		Lower play levels than expected
MERCHANDISE SALES	(15,126)		Golf shop open during course closure but closure suppressed merchandise sales
OTHER INCOME	341,450		Payment by 49ers for lost revenue due to closure.
OTHER VARIANCES			

June 10, 2014

Santa Clara Golf & Tennis Club Variance Report for the Quarter Ended March 31, 2014

Page 2 of 2

TOTAL INCOME VARIANCE		9,116	
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COST OF SALES MERCHANDISE	12,543	12,543	Lower sales due to closure
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	FAVORABLE/ (UNFAVORABLE) VARIANCE	SUBTOTAL	VARIANCE - EXPLANATION
OPERATING EXPENSES:			
POWER	(1,197)		More usage than budgeted
BANK AND CARD FEES	5,513		Less usage than budgeted due to closure
LEASE/RENTAL	12,535		Underreported due to January, 2014 payment charged in December, 2013
SANITATION	(3,317)		More expense than budgeted
TELEPHONE	(976)		Corporate changed phone vendor company-wide resulting in increased expenses
RANGE BALLS	5,000		Did not order as not needed due to closure
INSURANCE	2,091		Billed amount less than budgeted
OTHER EXPENSES	(9,673)		Replaced failing telephone system, POS sever, and wiring infrastructure
OTHER VARIANCES	5,082		Expense categories with variances of less than 10%
TOTAL EXPENSE VARIANCE		15,058	

NET INCOME VARIANCE		36,717	
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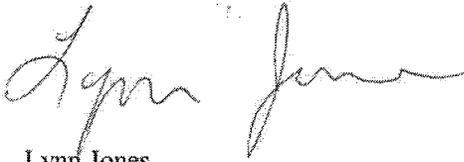
June 10, 2014

Santa Clara Golf & Tennis Club Variance Report for the Quarter Ended March 31, 2014

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Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lynn Jones".

Lynn Jones

General Manager

Santa Clara Golf & Tennis Club

408-980-9515

SANTA CLARA GOLF & TENNIS CLUB
 AMERICAN GOLF ADMINISTRATIVE & MANAGEMENT FEE CALCULATION
 FOR THIRD QUARTER FY 2013-14 ENDED MARCH 31, 2014

3% MANAGEMENT FEE:

REVENUE DESCRIPTION	GROSS REVENUE	3% MANAGEMENT FEE	
Instruction (1)	\$ 0	\$ 0	
Green Fees	191,883	5,756	
Cart Rental	42,412	1,272	
Range Income	56,129	1,684	
Tennis Income	8,368	251	
Merchandise Sales	17,874	536	
Other Income (2)	<u>355,250</u>	<u>10,658</u>	
TOTALS	<u>\$ 671,916</u>	<u>\$ 20,157</u>	\$ 20,157

FIXED MANAGEMENT FEE (\$13,479 per month) 40,437

ADMINISTRATIVE FEE (\$4,500 per month) 13,500

TOTAL MANAGEMENT FEE FOR QUARTER ENDED MARCH 31, 2014 \$ 74,094

Rounding (0)

Management Fee per Income Statement for Quarter Ended March 31, 2014 \$ 74,094

(1) Instruction revenue per the Income Statement	\$ 700
Less - Revenue from instructor rent and golf lessons not subject to the 3% management fee	<u>(700)</u>
Instruction revenue subject to the 3% management fee	<u>\$ 0</u>

(2) Consists of Pull-Cart rentals, American Golf Membership fees, and payment from 49ers to make up for lost revenue during course closure.

**SANTA CLARA GOLF & TENNIS CLUB NET INCOME COMPARISON
FOR THE QUARTER ENDING MARCH 31, 2014
ACTUAL, BUDGET, AND PRIOR YEAR ACTUAL**

