



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.

September 29, 2015

6:00 pm

Closed Session

Council Conference Room

Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code Section 54956.9(d)(1)
*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. CONTINUANCE/EXCEPTIONS:**
- 3. 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.)
- 4. NEW BUSINESS**
 - A.** Acceptance of the Status Report for Fiscal Operation of the Santa Clara Golf and Tennis Club for the fourth quarter ended June 30, 2015 and end

of Fiscal Year 2014-15.

5. 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.

6. REPORTS OF SOSA MEMBERS AND SPECIAL SOSA COMMITTEES:

A. Reports regarding conference attendance, if any.

7. CLOSED SESSION MATTERS:

A. Authority General Counsel Reports:

8. ADJOURNMENT:

A. To Tuesday evening, **October 13, 2015**, at 7:00 pm for the regular scheduled meeting in the City Hall Council Chambers.



**City of
Santa Clara**
The Center of What's Possible

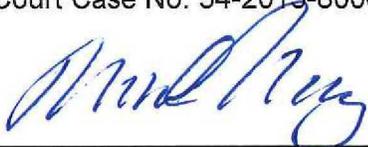
AGENDA ITEM #: SOSA
6:00 PM

CLOSED SESSION NOTICE

The **GOVERNING BOARD OF THE SPORTS AND OPEN SPACE AUTHORITY** will meet in closed session on **Tuesday, September 29, 2015, 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(d)(1)
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

Dated: September 24, 2015



RICHARD E. NOSKY, JR.
Authority General Counsel



Date: September 29, 2015

To: Contract Administrator for Sports and Open Space Authority

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 Fourth Quarter Ended June 30, 2015 and End of Fiscal Year 2014-15

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 & Management Fee Calculation paid to American Golf and Net Income Comparison Graph for the fourth quarter and end of fiscal year 2014-15.

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 quarter was \$83,544. This transfer to SOSA was \$233,734 less than budgeted. Income was \$247,410 less than budgeted mainly due to parking events for Levi's® Stadium and to fewer golf tournaments. Cost of Sales Merchandise was \$9,150 greater than budgeted due to higher cost of special order merchandise. Operating Expenses were \$22,827 less than expected primarily due to lower salaries/wages and fertilizer costs. The revenue and expense variances resulted in a total unfavorable variance of \$233,734 in Net Income for the fourth quarter. The fiscal year net income of the Golf and Tennis Club transferred to SOSA as of June 30, 2015 was \$592,754, which was \$368,045 less than budgeted.

ADVANTAGES AND DISADVANTAGES OF ISSUE

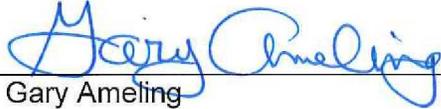
The Status Report for the Fiscal Operation of the Santa Clara Golf and Tennis Club for the Fourth Quarter and End of Fiscal Year 2014-15 provides current information on the fiscal operation of the City's Golf and Tennis Club.

ECONOMIC/FISCAL IMPACT

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

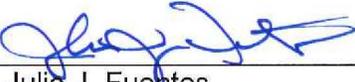
RECOMMENDATION

That the Authority accept the Status Report for the Fiscal Operation of the Santa Clara Golf and Tennis Club for the fourth quarter ended June 30, 2015 and End of Fiscal Year 2014-15.



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) Administrative & Management Fee Calculation**
- 4) Net Income Comparison Graph**

SANTA CLARA GOLF AND TENNIS CLUB
INCOME STATEMENT
FOR THE QUARTER ENDING JUNE 30, 2015

	FOR THE QUARTER ENDING JUNE 30, 2015									
	QUARTER		VARIANCES		PRIOR YEAR	YEAR-TO-DATE		VARIANCES		PRIOR YEAR
	ACTUAL	BUDGET	AMOUNT	%	ACTUAL	ACTUAL	BUDGET	AMOUNT	%	Y-T-D
SALES AND FEES										
INSTRUCTION	2,757	2,300	457	20	1,200	7,690	9,200	(1,510)	(16)	5,475
GREEN FEES	371,558	549,500	(177,942)	(32)	490,435	1,452,421	2,015,000	(562,579)	(28)	1,675,012
CART RENTAL	108,121	125,600	(17,479)	(14)	126,794	398,342	440,100	(41,758)	(9)	403,336
RANGE INCOME	61,241	109,500	(48,259)	(44)	79,811	236,212	376,000	(139,788)	(37)	301,869
TENNIS INCOME	9,679	16,100	(6,421)	(40)	15,891	36,693	51,000	(14,307)	(28)	48,192
MERCHANDISE SALES	49,145	43,500	5,645	13	47,086	149,861	155,000	(5,139)	(3)	142,110
OTHER INCOME	9,689	13,100	(3,411)	(26)	8,907	370,199	48,200	321,999	668	382,319
TOTAL INCOME	612,190	859,600	(247,410)	(29)	770,124	2,651,418	3,094,500	(443,082)	(14)	2,958,312
COST OF SALES										
MERCHANDISE	38,283	29,133	(9,150)	(31)	39,110	113,004	103,808	9,196	9	101,275
TOTAL COST OF SALES	38,283	29,133	(9,150)	(31)	39,110	113,004	103,808	9,196	9	101,275
GROSS PROFIT	573,906	830,467	(256,560)	(31)	731,014	2,538,414	2,990,692	(452,278)	(15)	2,857,038
OPERATING EXPENSES										
SALARIES/WAGES	196,975	223,483	26,509	12	216,806	801,915	869,666	67,751	8	848,351
UTILITIES-WATER	89,555	75,100	(14,455)	(19)	80,594	316,907	277,100	(39,807)	(14)	300,201
UTILITIES-POWER	14,023	11,400	(2,623)	(23)	11,188	54,675	44,600	(10,075)	(23)	47,733
SEED, SOIL, FERTILIZER	(756)	19,500	20,256	104	12,772	36,066	81,975	45,909	56	73,000
REPAIR & MAINTENANCE	38,112	14,000	(24,112)	(172)	20,136	101,330	70,850	(30,480)	(43)	81,808
SUPPLIES	26,440	18,625	(7,815)	(42)	17,820	86,934	78,525	(8,409)	(11)	80,944
UNIFORMS/LAUNDRY	578	1,350	772	57	231	9,517	8,000	(1,517)	(19)	7,338
BANK & CARD FEES	10,943	14,600	3,657	25	13,117	38,921	54,900	15,979	29	47,306
LEASE/RENTAL	21,810	29,706	7,896	27	24,276	96,888	122,944	26,056	21	108,466
SANITATION	7,568	7,800	232	3	6,932	26,386	30,200	3,814	13	32,802
TELEPHONE	2,662	3,000	338	11	2,862	11,070	12,000	930	8	15,104
RANGE BALLS	2,317	4,000	1,683	42	4,005	6,642	16,000	9,358	58	8,984
OTHER EXPENSES	6,318	6,625	307	5	6,690	45,713	37,450	(8,263)	(22)	51,726
MGMT/ADM FEES	70,484	78,726	8,242	10	77,004	299,349	304,587	5,238	2	304,256
INSURANCE	3,337	5,274	1,937	37	3,183	13,347	21,096	7,749	37	12,729
TOTAL OPERATING EXP	490,363	513,189	22,827	4	497,616	1,945,660	2,029,893	84,233	4	2,020,748
NET FROM OPERATIONS	83,544	317,277	(233,734)	(74)	233,398	592,754	960,799	(368,045)	(38)	836,290
LESS: CAPITAL OUTLAY	0	0	0		0	0	0	0		0
NET INCOME	83,544	317,277	(233,734)	(74)	233,398	592,754	960,799	(368,045)	(38)	836,290
NUMBER OF ROUNDS	15,572	21,900	(6,328)	(29)	20,698	59,893	78,765	(18,872)	(24)	65,437



September 17, 2015

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 June 30, 2015

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 June 30, 2015:

	FAVORABLE/ (UNFAVORABLE) VARIANCE	SUBTOTAL	VARIANCE – EXPLANATION
INCOME:			
INSTRUCTION	457		Higher revenue due to start of Nike Junior Camps in June.
GREEN FEES	(177,942)		Lower revenue due to fewer tournaments booked and to 6 full day closures for parking events
CART RENTAL	(17,479)		Lower revenue due to fewer tournaments booked and to 6 full day closures for parking events
RANGE INCOME	(48,259)		Lower revenue due to fewer tournaments booked and to 6 full day closures for parking events. Lower revenue during week daytime hours due to congestion accessing the property from Tasman
TENNIS INCOME	(6,421)		Lower revenue due to closures for parking events and lower rental revenue from contractors
MERCHANDISE SALES	5,645		Higher revenue primarily due to sale of special order golf clubs
OTHER INCOME	(3,411)		Lower revenue from rentals of golf clubs, fewer members joining Junior Golf Program and purchases of NCGA memberships
TOTAL INCOME VARIANCE		(247,410)	

September 17, 2015

Santa Clara Golf & Tennis Club Variance Report for the Quarter Ended June 30, 2015

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	FAVORABLE/ (UNFAVORABLE) VARIANCE	SUBTOTAL	VARIANCE – EXPLANATION
COST OF SALES MERCHANDISE	(9,150)	(9,150)	Higher expense due to special order merchandise

	FAVORABLE/ (UNFAVORABLE) VARIANCE	SUBTOTAL	VARIANCE – EXPLANATION
OPERATING EXPENSES:			
SALARIES/WAGES	26,509		Lower expense due to closures for parking events.
WATER	(14,455)		More irrigation due to hot, dry weather
POWER	(2,623)		Higher utility cost for A/C due to hot weather
SEED, SOIL & FERTILIZER	20,256		Less products needed than budgeted and had credits that processed in quarter
REPAIR & MAINTENANCE	(24,112)		Higher repair and maintenance expenses than budgeted. Examples - \$8,200 electrical work in cart barn, \$10,000 landscaping clean-up, \$2,400 to install metered faucets in golf shop bathrooms, \$1,800 potable water pump repair, \$700 toilet repairs in golf shop
SUPPLIES	(7,815)		Higher expenses than budgeted. Purchased new rental clubs \$6,000 and spent \$2,000 on course amenities
UNIFORMS	772		Eliminated purchase of staff uniforms during the quarter
BANK AND CARD FEES	3,657		Lower usage due to fewer rounds of golf sold and lower range usage
LEASE/RENTAL	7,896		Lower expense than budgeted. Annual budget based on lease costs for leases that have since expired.
TELEPHONE	338		Lower expense than budgeted
RANGE BALLS	1,683		Reduced quantity of new balls purchased due to lower range usage. Lower expense helped offset overrun in supplies.

September 17, 2015

Santa Clara Golf & Tennis Club Variance Report for the Quarter Ended June, 2015

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MGMT/ADM FEES	8,242		Lower fees due to financial results not meeting plan.
INSURANCE	1,937		Billed amount less than budgeted
OTHER VARIANCES	539		Expense categories with variances of less than 10%.
TOTAL EXPENSE VARIANCE		22,827	

NET INCOME VARIANCE		(233,734)
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Note: Total may not add due to rounding.

Please feel free to contact me with any questions.

Sincerely,



Lynn Jones
General Manager
Santa Clara Golf & Tennis Club
408-980-9515

SANTA CLARA GOLF & TENNIS CLUB
 AMERICAN GOLF ADMINISTRATIVE & MANAGEMENT FEE CALCULATION
 FOR FOURTH QUARTER FY 2014-15 ENDED JUNE 30, 2015

<u>REVENUE DESCRIPTION</u>	<u>GROSS REVENUE</u>	<u>3% MANAGEMENT FEE</u>	
Instruction (1)	\$ -	\$ -	
Green Fees	371,558	11,147	
Cart Rental	108,121	3,244	
Range Income	61,241	1,837	
Tennis Income	9,679	290	
Merchandise Sales	49,145	1,474	
Other Income (2)	<u>9,689</u>	<u>291</u>	
TOTALS	<u>\$ 609,433</u>	<u>\$ 18,283</u>	\$ 18,283
FIXED MANAGEMENT FEE (\$13,853 per month)			41,559
ADMINISTRATIVE FEE (\$4,500 per month)			<u>13,500</u>
TOTAL MANAGEMENT FEE FOR QUARTER ENDED JUNE 30, 2015			\$ 73,342
Management Fee Variance (3)			<u>(2,858)</u>
Management Fee per Income Statement for Quarter Ended June 30, 2015			<u>\$ 70,484</u>

- (1) Instruction Revenue during fourth quarter 2014-15 totaled \$2,757, but is not subject to the 3% Management Fee.
- (2) Consists of pull-cart rentals, American Golf Membership fees, and payment from the 49ers to compensate for lost revenue during parking events.
- (3) Reversal of prior period post-closing adjustment to revenue.

**SANTA CLARA GOLF & TENNIS CLUB NET INCOME COMPARISON
FOR THE QUARTER ENDED JUNE 30, 2015
ACTUAL, BUDGET, AND PRIOR YEAR ACTUAL**

