

MEETING MINUTES FOR THE BOARD OF DIRECTORS

Board of Directors Meeting Douglas Public Facility Municipal Property Corporation

Wednesday, June 24, 2015 – 4:00 p.m.

Douglas Golf Course
1372 E. Fairway Drive

1. Call to Order.

Meeting was called to order by Mr. Ken Nelson at 4:02 p.m.

2. Roll Call.

Board Members present were: Ken Nelson, Vicky Merritt, Larry Moss, Adrian Vildosola, Manny Robles, and Francisco “Tachi” Durazo.

Member(s) Absent and Excused was Paula Shelton.

City Staff Members present were: Carlos De La Torre, City Manager, Luis Pedroza, Finance Director, Ana Urquijo Deputy City Manager, Barbara Rodriguez, Administrative Secretary and Jeff Smythe, Facility Manager.

Member(s) Absent and Excused were Juan P. Flores, City Attorney and Rocio Garcia-Pedroza, HR Manager.

3. Persons wishing to address the committee in writing or verbally on any item not on the agenda.

None

4. Approval of Meeting Minutes from May 14, 2015 Organizational meeting.

Motion by Vicky Merritt to approve meeting minutes, **seconded** by Francisco “Tachi” Durazo.

(Motion passed unanimously)

5. Discussion/Decision to approve the Douglas Golf Club and RV Park operating budget for fiscal year 2015/2016.

Carlos De La Torre provided background on the Douglas Golf Club and RV Park operating budget for fiscal year 2015/2016, using the best figures in terms of both revenues and expenditures. Looking at history, we were able to reflect the line items that were given to you. \$120,000.00 is what the city is providing as income. Mr. Nelson asked if this had to be final, could it be amended. Carlos De La Torre’s response was “You still can, we are starting July 1st, that is why we prepared it before hand, ideally you have between now and July 1st to amend”. Mr. Francisco “Tachi” Durazo had a concern as to the income side, looking at the budget 2015 year to date through April and then looking at the 2015-2016 fiscal year,

there are increases in every category and they are substantial. Ana Urquijo explained that there were certain assumptions made to accommodate projected revenues based on the Managers new plans on changing operations. The most recent change was an increase in staffing level for grounds maintenance. Mr. Nelson stated that this budget is a rough only because it's new. Ana Urquijo stated it was somewhat of a guideline.

Motion by Larry Moss to approve the Douglas Golf Club and RV Park operating budget for fiscal year 2015/2016, **seconded** by Manny Robles.

(Motion passed unanimously)

6. Discussion/Decision to approve the general liability and professional liability insurance for the Douglas Golf Club and RV Park, effective July 1, 2015.

Staff gathered quotes for the insurance, the insurance will no longer be with the City it is part of the corporation now, General Liability, Liquor Liability and everything else to protect the property within the site. The quotes were fairly higher than anticipated, one issue being the history of the business being in operation and other things similar to that, this is why I believe it was higher than anticipated, the other issue that we felt that we should add at least for the first year was insurance coverage for the Directors and Officers, so that way if someone was to personally hold the officers or the Board liable, we would be able to have some coverage to be able to cover for that, we have 3 quotes, yes it is significantly higher, the board can decide not to do that, but my recommendation is to include and proceed with the coverage for the Board members, the cost would be \$15,00.00. Vicki Merritt asked if this was included in the budget, Ana Urquijo responded by explaining that the general liability was included, and I did include \$5,000.00 for potential claims. Mr. Nelson agrees to have the D&O insurance.

Motion by Francisco "Tachi" Durazo, to approve the general liability and professional liability insurance for the Douglas Golf Club and RV Park, effective July 1, 2015, **seconded** by Manny Robles.

(Motion passed unanimously)

7. Discussion/Decision to approve a Concessionaire Agreement between the City of Douglas and the Douglas Public Facility MPC.

Carlos De La Torre provided background; this is the proposed agreement that would provide the mechanism to allow for MPC to take over, the use the management and the operation, the entire operation of the golf course to the MPC.

Motion by Manny Robles, to approve a Concessionaire Agreement between the City of Douglas and the Douglas Public Facility MPC, **seconded** by Francisco "Tachi" Durazo.

(Motion passed unanimously)

8. Discussion/Decision to approve the management agreement between Jeff Smythe and the Douglas Golf Club and RV Park.

This agreement is between the MPC saying we are soliciting the services of Jeff Smythe, here is the obligations and the relationship between the Board and him, here it shows what his responsibilities are and how he is going to be compensated. There term of the agreement is up to 3 years, good for 12 months, the compensation is listed as 20% of membership sales, \$1.00 per car rental, \$1.00 per 18 hole round sales and prorated to 9 holes, if he is just selling 9 holes, he is entitled to .50¢, 50% of the net profit from the bar and restaurant sales, under the Concessionaire Agreement. The use of the manufactured home for the exclusive use of the manager, for his use only, to include utilities because he will be an onsite manager. A 3% commission based on the evaluation of the golf course, in the event that the board transfers or sells this property to another party or entity outside of the City of Douglas. Larry Moss inquired if Jeff is an employee, Carlos responded that he is a Contractor he will be given a 1099.

Motion to approve the management agreement between Jeff Smythe and the Douglas Golf Club and RV Park Vick Merritt, **seconded** by Francisco "Tachi" Durazo.

(Motion passed unanimously)

9. Scheduling and/or confirmation of next meeting date(s), and suggestions for future agenda items.

Possibly scheduling of a Work Session with the MPC, items on future agenda, Bank Account, Payroll contract and Booking Services, application for a 501.

10. Adjournment.

Motion to Adjourn by Manny Robles, seconded by Vicky Merritt.

Meeting adjourned at 4:34 p.m.

(Motion passed unanimously)