VERNON MYERS
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

ALLEGRA KITCHENS
COMMISSIONER

PHIL LEARY
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER

ELWIN C. "WOODY" BOYNTON, JR.
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

MATTHEW D. REYNOLDS
FINANCE DIRECTOR

GARY S. GETCHELL
CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT.

DONALD E. HOLMES
CITY ATTORNEY

Regular meeting 2nd and 4th Thursdays each month at 6:00 p.m.

MINUTES
CITY OF PALATKA
Palatka Municipal Golf Course Workshop
April 14, 2011; 11:30 a.m.

Proceedings of a Workshop meeting of the City Commission of the City of Palatka, Florida, held on the 5th day of April, 2011, at the Palatka Municipal Golf Course, 1715 Moseley Avenue, Palatka.

PRESENT:	Mayor	Vernon Myers
	Commissioner	Mary Lawson Brown
	Commissioner	Allegra Kitchens
	Commissioner	Phil Leary
	Commissioner	James Norwood, Jr.

Also Present: City Manager Elwin C. Boynton, Jr.; City Clerk Betsy Jordan Driggers; Finance Director Matthew Reynolds; Police Chief Gary Getchell; Fire Marshal Mark Lynady; Bobby Weed & Ty Day, BWGD-Management, Inc.; Andy Heartz, Golf Pro

CALL TO ORDER – Mayor Myers called the meeting to order at 11:30 a.m. and read the following call, dated April 4, 2011:

TO MESSRS: MARY LAWSON BROWN, ALLEGRA KITCHENS, PHIL LEARY AND JAMES NORWOOD, JR.:

You are hereby notified that a workshop meeting of the Palatka City Commission is called to be held on April 14, 2011, at the Palatka Golf Course Club House, 1715 Moseley Ave., Palatka, Florida, to commence at 11:30 a.m.

The purpose of the meeting is to discuss the progress of the Palatka Golf Course under the management of BWGD-Management, Inc.

/s/ Vernon Myers
Vernon Myers, MAYOR

The following Commissioners acknowledged receipt of a copy of the foregoing notice of a special meeting on the 4th day of April, 2011.

/s/ Mary Lawson Brown
COMMISSIONER

/s/ Allegra Kitchens
COMMISSIONER

/s/ Phil Leary
COMMISSIONER

/s/ James Norwood, Jr.
COMMISSIONER

INVOCATION – Commissioner James Norwood

GOLF COURSE TOUR – Mr. Weed and Mr. Day took members of the Commission, staff and press on a tour of the Golf Course. They pointed out bunkers that have been redone and "native" landscaping areas. Mr. Day said initially they had proposed a $1 million capital improvement budget during the first year, but came in $400,000 under budget. Next they will level tees and work on green sites. They are incorporating more sandy "native," but out-of-play areas into the design. At the equipment shed they noted there is new equipment for managing the grounds, but they are also slowing putting idle equipment back into use through refurbishment. A stop was made at a "nursery green" which is funded by the PMGA, noting the goals is to have all greens at this level or better. Plugs and strips are cut from this green to repair other greens. They are adding coquina shell cart paths. They are systematically ridding fairways and greens of weeds. This will take around 2 years to accomplish. The PMGA will help with fencing for the facility.

Mr. Day introduced Shawn Smock, the new maintenance superintendent, and noted Mr. Smock is the right man to implement the new maintenance programs.

All participants then returned to the Club House to continue with the workshop.

OPENING REMARKS – Mr. Boynton said they are here to discuss the progress the Golf Course has made under the management of BWGD Management. Mr. Weed and his staff provide him with weekly updates. The managing relationship is everything they expected and should be. He has no issues or complaints.

BWDG, INC. PRESENTATION - Ty Day – BWGD, Inc. said they enjoy a good relationship with the City Manger. They talk quite frequently and provide site visit reports. Mr. Day passed out articles concerning the Course from various golf publications.

Ronnie Tumlin, Azalea Tournament, reported on the impact of the Azalea Tournament on the golf course, and the impact of the golf course on the community. He said he has been involved with the golf course for many years as an outside observer. It is his opinion that there have been tremendous positive changes to the course, both inside and out. He works closely with new superintendent and knows where the administration wants to go with this. It took a long time for the course to deteriorate, and it will take a long time to bring it back up. In his opinion, it is now far better than it was a year ago. It needs a lot still, but with a lack of unlimited funds, that will be tough. There has been slow, methodical improvement. The feedback was 100% positive from Azalea tournament participants. He received e-mails from all over the Country raving about the improvement in conditions. He was leery about the pond, and has

been told the water quality is not good and is not helping to grow grass. As to complaints coming from members and media, people as a rule don't like change and many are shortsighted. They need to look at the big picture and what this means down the road for this area.

As to the Azalea tournaments, there were 180 players in the regular Azalea. Staff did a good job getting people to come. 150 were from out of town. By his calculation, they spent at least $150,000 in the County. In the Senior Tournament they had a full field, which is unusual for participation nationally. He is very involved with Senior Golf Tournaments and this was one of the best tournaments for those entered vs. those who showed. People came from California, Colorado, Bermuda, Texas, Tennessee, Illinois, Michigan, Ohio, Minnesota and Wisconsin, to name a few. By his estimate, these participates spent $350 per person at the golf course per man, which totals $28,000 in gross income over three days. They also spent $600 per man on rooms, food, drinks, and gas, for a separate total of $48,000. The local player guys average spending $6,000, which adds up to over a quarter of a million dollars of impact to the community between the two tournaments, by his conservative estimates. These tournaments, like the golf course, are very valuable to community economically.

As to Putnam County's participation, it was promised they would try, but haven't to date. St. Johns County is shutting down one of their courses due to lack of participation. By his assessment, this Course is light years away from where it was one year ago. He is very encouraged.

Mr. Day said the participation was the strongest field in the country, so far as senior tournaments go. Mr. Tumlin said on a scale of 1 – 1,000, they received 800 points and were promised 1,000 next year. This course will be first golf course on the circuit to go from zero to 1,000 points in four years. This is due to the people and facilities.

Mr. Day provided departmental highlights. As to Sales & Marketing, they've updated the new website with real-time results and pairings, integrations, applications, and integrated tee times. This provides a good first impression of the facility – it is very professional, classy and clean. They have integrated social media, i.e. Facebook, Google, etc. They've bought all the domains; Palatka comes up in the first five or six results in searches. They can Google up Palatka Golf Club to see. They have integrated tee times for point of sale. They have put together over 600 contacts via electronic media, and closer to 800- 900 for direct mail. The E-mail marketing program reaches over 500 people. As to the new logo development, they have digitized it and there is a new sign at the corner of Crill and Moseley. They are ready to expand this throughout the city. They are advertising in Flagler-Palm Coast and N. Daytona area, reaching 6,000 people. They have developed a relationship with the golf channel and the PGA. They have set up avenues and channels for marketing. They have also developed relationships with sports writers, ESPN Golf Zone, Newspapers and magazines.

As to Golf Operations, the new golf cart fleet has eliminated safety concerns, and they have reduced the monthly fee by cost saving measures, such as using the covers for the old carts on the new carts. They have installed a new Point Of Sale system, upgraded the credit card system, and the reduction of credit card rates paid for the upgrades. As they were able to benchmark players, they found that 50% of play comes from residents outside the City. 13% comes from the Palm Coast/Jacksonville area. They don't draw as much from Gainesville as they thought they would. They also draw players from N. Daytona and St, Augustine. They have installed new golf professional staff and developed a Junior Golf Grant through partnering with professional companies. The course has been rerated through the USGA.

This year $135,000 was generated through greens fees and carts through tournaments, most of which are charitable. Most weekends are taken up with tournaments. People on the street can play the club; the public play in the morning and afternoon as they work them all in. The tournaments don't mean the public can't play.

Mr. Day described other highlights, as noted in his report (filed).

Bobby Weed, BWGD, Inc. said as to the water quality, they received the results of a new water analysis study yesterday, which measures all of the components. The water is high in sodium, there are issues with bicarbonates, high ph, and high total dissolved salts. By knowing all this they can implement new programs to lower salts and sodium by increasing calcium to the soil. This impacts the root system, but between the water analysis samples, the soil tests analysis, and nematode problem, this creates significant issues. Nematodes are parasites that suck out all the juices in the root system; a recent UF article said Palatka may be the "nematode capital of the State." Test results allow them to formulate new programs. They are treating the course for nematodes tomorrow. They had a "less than successful" greens transition this year, but the goal is to have all greens looking like those at the nursery. They can get these issues under control.

Commissioner Kitchens suggested they contact UF for innovative ways to deal with the problem. Mr. Weed said they have; they've offered up test areas and their door is always open to new testing and products. High salt, the water and sandy soil contribute to the problem. They need to use a more sugary material, and will change fertilization practices. This doesn't happen overnight.

Commissioner Leary questioned as to whether they are using both effluent and well water. Mr. Weed said they are using 100% effluent. They have back-up wells for emergency purposes. When they get a good rainfall, that's a good flushing agent. They are changing the fertilizer and watering systems over to combat the problem. The new Maintenance Superintendent is on board with the programs.

Mr. Tumlin said he spoke to a Sr. Azalea Tournament player, who is a professional DC lobbyist. He asked him if he can find federal money to help with the Course. The gentleman contacted him and said he'd "looked under every nook and cranny" for funds. It was actually written in the Stimulus Plan that not one dime can go to golf courses.

Commissioner Norwood asked as to the relationship with WWTP and Golf Course reference to effluent. Mr. Weed said they stay in touch with Mr. Boynton and the WWTP plant; when levels fluctuate they call them. They do a good job of supplying the Course with effluent. They are aware of issues, and have tools to deal with those issues. These problems are not insurmountable. He's grateful for the effluent, as water in Florida is a precious commodity and will become more so in the future. They will deal with the challenges. They will monitor water and soil on a quarterly basis. They will meet transition challenges. They will be extremely aggressive in the next 4 – 6 weeks.

Mr. Boynton said they did activate all the wells about 3 months ago, but given the amount of pipeline in the ground, flushing those wells wasn't worth the cost. As they evaluate compounds to use, they can negate affects. They can improve WWTP conditions through changes. They won't overreact yet as new aeration system and pumps are coming in. They need to determine the balance between chemicals at WWTP and golf course. Not worth making changes until 2012 when the new aeration/pumps are in place. It will be either a fertilizer or chemical added here or at WWTP. Salt will not settle out in wastewater, and will need to find that compound, like calcium, that will balance that out. Mr. Weed said he will provide test results with City WWTP for tracking ,monitoring and tweaking.

Commissioner Leary suggested alum injections. Mr. Boynton said they have too much alum in the plant at this time. They've recently had the worst 2 months in Mr. Drew's history with alum and leachate. The Pond has been up and down; the WWTP didn't pump to the Golf Course for several weeks due to valve problems. The Golf Course is not the sole user any more. They need to supply everyone. With the new aeration system and filters, this will be a by-gone issue in 2012. Commissioner Norwood said they have to be careful using alum due to aluminum by-products

Regarding Food & Beverages, Mr. Day said they need to get cost back down to a manageable level. They are looking at re-pricing the menu due to increased food costs, especially veggies. They are breaking even on food & beverage at this point.

Regarding Human Resources, Mr. Day said the PEO has worked very well. Other than some communication issues, it's been a seamless and efficient operation.

Long range Capital improvement plan – Mr. Weed said for the 1st year they concentrated on improvements on bunkers and native areas. They plan to address tees in the 2nd year greens enlargement & expansion in the 3rd year. They may forego 2nd year tee improvements this year if revenues aren't there. They need to maintain fiscal responsibility with expenses and need to grow revenues. This is their objective. They have a plan in place and are ready to move on it, and will continue to move on it. The BWGD Group's goal is to leave it in better shape than they found it. They are comfortable with the Plan and are extremely under-budget so far, and that will continue through 2nd a 3rd phases. He is excited about the improvements. Noting the Plan being shown, he referenced the hole-by-hole notes. They have finished Phase I, Phase 2 is the tees, and Phase III is the green enlargements. They are currently on-track, will continue to work with City and be fiscally responsible. They know where the constraints are.

Mr. Day referenced the Financial Review for the first six months in his report (filed), noting the City has gone through a conversion of its accounting system, so the numbers are not dead on, but close. Revenues are better this year than last. It was noted "rounds" should not be formatted with a dollar sign. They were short 1,800 rounds projected for the first six months. The drivers are the disparities between budgeted and actual revenues. Golf Course revenue is actually up. They account for revenue in membership by ringing up amounts each month; tracking this on a monthly basis. They are concentrating on protecting their assets.

Mayor Myers noted Cart Fees are about 10% of the revenues. Mr. Day said it's the way they ring it up; greens fee/cart fee is how they account for it.

Mr. Day said merchandise sales are down; they have about $26,000 in outstanding credit that people need to spend. Regarding food and beverages, they don't have pricing where they need to have it, and need to raise prices to get the balance right. Regarding green fees, Mr. Weed said they haven't raised greens fees in 4 – 5 years. The do want to institute a raise for the first time in 5 years this fall after further improvements are made. Commissioner Leary said the County isn't participating in the cost of operating the course; therefore, the City should look at a tiered greens fee to reduce fees for city residents if Putnam County won't participate. Mr. Day said they have looked at a $5.00 increase for out-of-county players. They are down 1,800 rounds, need to get those up, and this comes up to a couple of extra foursomes per day. They are not proud that they didn't make their numbers, but have a good foundation set to market and increase sales in the future. Mr. Tumlin said when green fees increases come up, most of the people in the County raise heck when you talk about raising rates. Most of their players don't come from the City. Commissioner Leary said they need to approach the County on that. Commissioner Norwood said they need to put a plan in place and present it to the County. They need a return on their investment. They can't ask the County to give something for nothing. Commissioner Brown said the more people who approach the County, the better

chance the BOCC will participate. Mayor Myers said this is informational today; they need to put a plan in place before they approach the County. Commissioner Norwood said they should direct the City Manger to approach the County on this.

Mr. Day said the drivers are very close; they just need rounds participation to increase. As to Cost of sales, they inventory at the beginning of each month. When you get a true cost, the number is actually adjusted down, but once you add inventories back in, the number comes back up, which brings costs in line. Food & Beverage is not in line.

As to Payroll Benefits, Mr. Day said subtracting the overage from clubhouse and maintenance, there is a $5,000 savings there. There was some transitional cost involved, which is non-recurring.
As to other clubhouse expenses, Mr. Day said they were over a little in the clubhouse, electricity and maintenance cost are higher than anticipated. Adding back in the inventory and the capital outlay, the adjusted loss is $104,000 and may even be lower. They aren't happy with these numbers, but have a plan going forward. Revenues are better than last year, but are not up to where they need to be. They are putting their plan together, looking for areas to cut, reallocating resources, etc. They are in this together. They will work to reduce fees the City is paying Mr. Weed in order to help the financial part of it. They got into this to do good for the community, not to make money. They want to bring this resource back to the community. They want to be part of the solution. Mr. Weed said they want part of the fee to go back into the golf course to help rectify the issues they've brought up today. They are working hard on the numbers for the workshop in May. They are already working on these issues. They see the shortfalls today, but in the Recovery Plan they want to be part of the solution and not part of the problem. They want to be transparent in every component. They would like to enlist the Commission's assistance. Their relationship with PMGA is important. They want to stand behind the commitments they made to the Commission. The level of enthusiasm remains very high and they are meeting the financial challenge. They manage every line item; their fee is also a line item, and they need to manage that also and will work with the City on that. They started this process last night. Once they get the accounting all identified, the numbers will start failing back in line. They are working towards a solution.

Mr. Weed said there are people here with PMGA. The PMGA is very important to this Course. At every opportunity, they put funds they've raised back in the golf course. They have volunteer days where the members assist with maintenance and other issues. That's an important component and makes them work harder to get where they need to be.

PUBLIC COMMENT
Greg Jungenberg, Azalea Tournament Co-chair, PMGA, said they had two great tournaments, but he was more involved with the regular Azalea. The greens are not in the best shape, but no one complained about them. Mr. Weed is headed in the right direction; they will help as much and in as many ways as they can. As

to something that can help, they have a lot of benefit tournaments and smaller tournaments, like those to raise money for cancer, etc. Golfers here are notorious for last minute sign-ups. They get the word out to people via Danny Hood's golf column in the PDN. If there's any way the powers that be can help get Danny's column back to being published once a week, it would help generate play. People play tournaments because they heard about them through Danny's newspaper column.

Mark Lynady, Fire Marshal, said the Fire Department recently held their Fire Prevention Golf Tournament, sponsored by LaFarge Gypsum, at the Course. He thanked the golf course staff for their assistance. It was their 5th tournament and was very successful. They raised a little over $10,000; proceeds for the five tournaments they've held is over $40,000. One hundred percent of the proceeds go into fire prevention and safety, and back into the community.

Dana Jones, President, Putnam County Chamber of Commerce said they are here to support the Course as a community asset.

Ken Venables, 2002 Cherry Lane, asked where the fees the Bobby Weed Group received from the City are shown and if rates and fringes are shown under the figure. Mr. Day said Wages and benefits are shown in the figures, and Bobby Weed's Fee is shown under other expenses under clubhouse.

Mr. Venables said he lives 25 feet off the 10th Fairway and has seen city crews working on fairways and other parts of the course. He asked if that's something the City does according to the contract between Bobby Weed and City, or is Bobby Weed paying the City for these services? Mr. Day said the City takes care of certain work to alleviate liability for the City, as in taking out dead trees. All requests for work done by City crews go through Mr. Boynton.

Mr. Boynton said over the past few years, through change of leadership, one thing that's gone by the wayside is the Golf Course Advisory Board. Commissioner Norwood is the liaison from the City. He'd like to see those meetings resume. It currently consists of members from the various Professional Golf Associations, but he'd like to see a revision to the membership.

Mr. Boynton said the City hasn't schedule a pre-budget workshop yet as they feel everything is on course at this time. This workshop was held so the Commission can gather the information. Due to the software changeover, they are probably 2 to 3 weeks behind in budget preparation paperwork. They will probably schedule a pre-budget workshop for the 4th Thursday in May and move forward. Outside of the golf course they are comfortable with where the City is.

COMMISSIONER COMMENT

Commissioner Kitchens asked if they are publicizing the Course as a Donald Ross Trail Course. Mr. Day said yes, they are working with other courses on that. They can facilitate a Donald Ross trail, and are starting to put a formalized trail

together. Mr. Weed said they have hosted the other Donald Ross course representatives. There currently is not a "Donald Ross Trail." They want to get the "product" up to where it needs to be before they implement that trail, on which they will be doing the "heavy lifting." If the course is good, the golfers will come, which will drive play. They've dragged their feet a little on other marketing and PR due to limited funds. They need the golf course to be the best sales point. Commissioner Kitchens said they should investigate putting the course on the national registry of historic places. Mr. Day said they will look into that.

Commissioner Norwood thanked Mr. Weed and his staff for the workshop. He is excited by what he sees; he's been critical of the golf course in the past. Mr. Weed and his group are on a path to correct past issues. Advertising is the key; they need to advertise every asset including food and beverage. They have made significant progress on the revenue shortfall, but still have goals to reach. He will propose to the City Manager and other groups to make a formal request to Putnam County for their participation. They understand the challenge and have a plan in place, which is good. They provided him with some insight on the thinking and logic behind these improvements. The Improvement Plan will take time to implement. They've done a tremendous job in their first year. He is hearing good things from the community as well.

Commissioner Brown said they talked about marketing. That's a problem with all City projects and activities. There are other things going on around town and they are starting to market those projects. If they marketed them jointly they all benefit. When they advertise the Golf Course they should expand on that to bring people in for longer than just a day to play golf. They should put packages together for golf, historical tours, etc and have the Chamber help with packages and marketing. They all have avenues for marketing their programs. Deals are made on golf courses; they need to promote this course. She came out to get brochures of the golf course to take to some of her out-of-town meetings so she can take that message outside the community. In getting ready for the Blue Crab Festival, they also need to also advertise the golf course. They need a partnership on marketing between Downtown Palatka, The Chamber, the festivals and the boats.

Commissioner Leary said he's played on the course for the last 40 years; he looks forward to the opportunity to work with them. They are trying to grow grass on a "beach." He looks forward to working with them.

Mayor Myers said this is a community asset, a community issue and a community challenge. They realize the County will only voluntarily help. They appreciate the community's continued support. This is a challenge complete with serious financial issues they need to face. He appreciates their candidness. They will use this information to come up with the best solution they can within the next 60 days.

John Salmons, Putnam Co. Code Enforcement, Audience Member, said the Chamber is the best marketing source, so any discussion with the County should also involve the Chamber.

Mr. Tumlin said Golf Week Magazine and the World Golf Village contacted him three weeks ago asking if it would be ok to piggyback a National Senior Tournament on the tail end of the Palatka Azalea Tournament. This is big news and good news. This is planned for 2012.

Mr. Weed said they will continue to raise the bar; they like all challenges. They want to bring this asset up to a standard to make everyone take note.

There being no further discussion, the Golf Course Workshop was adjourned at 1:50 p.m. upon a motion by Commissioner Brown, seconded by Commissioner Kitchens.