

CITY OF RYE

NOTICE

The City Council will hold a Workshop on the Rye Golf Club with members of the Rye Golf Club Commission and the Rye Golf Club Strategic Committee on Wednesday, June 12, 2013, beginning at 7:00 p.m. in Council Chambers at City Hall.

AGENDA

1. Opening remarks by Mayor Douglas French.
2. Presentation by the Rye Golf Club Commission on proposed changes to Commission responsibilities.
3. Presentation by the Rye Golf Club Strategic Committee on recommendations for the long-term use and operation of the Rye Golf Club.
4. Adjournment.



CITY COUNCIL AGENDA

NO. 2 DEPT.: City Council DATE: June 12, 2013
CONTACT: Mayor Douglas French

AGENDA ITEM: Presentation by the Rye Golf Club Commission on proposed changes to Commission responsibilities.

FOR THE MEETING OF:
June 12, 2013
RYE CITY CODE,
CHAPTER
SECTION

RECOMMENDATION:

IMPACT: Environmental Fiscal Neighborhood Other:

BACKGROUND: The Rye Golf Club Commission has suggested proposed changes to the Rye Golf Club Charter relating to Commission responsibilities for oversight of RGC.

See attached documentation:

- Memo from the Commission on Proposed Revisions to RGC Commission Charter
- Redlined version of the Charter outlining the proposed changes
- Final version of Charter outlining the proposed changes

M E M O R A N D U M

June 5, 2013

To: Rye City Council
From: Rye Golf Club (“RGC”) Commission (the “Commission”)
Re: Proposed Revisions to RGC Commission Charter

Overview

- Since its inception, the Commission has served in an advisory capacity with respect to the operation of RGC. The City of Rye has ultimate authority for decisions relating to RGC, and ultimate responsibility for obligations incurred by or on behalf of RGC which cannot be satisfied by the resources of RGC.
- Historically, the Commission provided some input with respect to the management and operations of RGC, including a draft budget for inclusion within the City’s overall budget, but principal responsibility for RGC operations remained with the RGC General Manager, who was a City employee and reported directly to the City Manager. Much of the day-to-day decision-making and information regarding operations of RGC was in the hands of the General Manager and was not always shared with the Commission.
- In light of the recently identified alleged financial improprieties regarding the former General Manager, the Commission has considered a number of alternatives to increase its oversight and/or direct responsibility for the operation and management of RGC. These have included: (1) authorization of direct, independent decision-making authority for the Commission for certain budgetary, operational or managerial decisions, and alternatively, (2) a continuation of the solely-advisory role for the Commission, but with enhanced management and operational decision-making at the Commission level, subject to ultimate oversight by the City Council.

Recommendation

- The Commission recognizes that the Mayor and City Council have formed, and received a report from, a Strategic Committee and may consider modifications to the structure of,

or offerings at, RGC. The Commission has been consulted, and would expect along with the general membership of RGC to continue to be consulted, in connection with suggestions from the Strategic Committee.

- Pending any determination to act upon recommendations of the Strategic Committee, the Commission recommends the following regarding its responsibilities for RGC:
 - The Commission will remain, ultimately, an advisory committee, which means that its decisions are subject to oversight of the City Council and, through the City Council, the City Manager.
 - However, day-to-day oversight and decision-making at RGC will be the subject of much more direct involvement by the Commission than has been the case in the past.
 - The Commission committees will have roles in such oversight as determined by the Commission, and continue to report to the full Commission.
- This enhanced oversight would include:
 - Principal responsibility for negotiation of contracts involving RGC, subject to final approval by the City Manager (with input from City Counsel).
 - Direct operational reporting and oversight of the RGC General (or Interim) Manager and department managers by the Commission.
 - Consultation with the Commission by RGC managers prior to incurring expenses or contractual commitments exceeding \$2,500.
 - Periodic updates from the City Manager, Comptroller and RGC personnel of operational and financial information regarding RGC. Currently, the Commission has requested information on the following:
 - a) Whitby restaurant breakdown including current inventory.
 - b) Whitby catering update and bookings
 - c) Snack bar update
 - d) Membership numbers broken down by category
 - e) Rounds of golf played per month

- f) Number of guest rounds by weekday/weekend
- g) Cart usage
- h) Guest book sales for golf & pool.
- Continuation of the current authority to approve spending by the RGC General Manager of RGC funds consistent with the budget, which budget will continue to be approved by the City in keeping with historical practice.
- The Commission believes this approach has at least three advantages:
 - (1) “Pushing down” decision-making and oversight to a body which is closer to the operations and needs of RGC;
 - (2) Reducing the oversight and time demands on the City Manager, who already has substantial responsibilities in other municipal areas; and
 - (3) Retaining the advisory nature of the Commission to avoid liability and insurance concerns with respect to Commission members.

The proposed Charter revision attached to this memo reflects the Commission’s suggested modifications to implement its recommendation. There may be additional changes the Commission will recommend in the future, and this proposal is focused principally on providing for enhanced oversight of RGC by the Commission.

Rye Golf Club Commission Responsibilities

1. The Commission.

- (a) *Role.* The Commission shall serve in an advisory capacity on behalf of the members of the Golf Club and shall have the responsibilities set forth in Section 1(c) below. Neither the Commission, any Committee of the Commission nor any member of the Commission or member of any Committee thereof, shall have any ~~direct~~final authority or responsibility for execution, implementation or management of any activity, program, employment matter, or contract involving the Golf Club. However, it is intended that the Commission will have day-to-day oversight responsibilities for the Golf Club, including as set forth in Section 1(c) below. The Golf Club Manager (~~who reports to the City~~if there is one) and the respective department heads (e.g., Golf Professional, Superintendent, and Restaurant Manager) shall be responsible, under the oversight and direction of the Commission (and subject to final oversight of the City Council), for the execution, implementation and management of the authorized operation of the Golf Club.

The Commission will work in consultation with the Rye City Manager and other City employees and consultants, but will report directly to the City Council.

- (b) *Advisory Recommendation.* The Commission shall make such recommendations as it deems proper in respect of the current and proposed activities, programs, policies and other matters, including those that have financial impact, related to the Golf Club, ~~the.~~ The Commission shall also make recommendations concerning the duties and responsibilities of independent contractors (e.g. Golf Professional, Restaurant Manager), including recommendations concerning employment of prospective individuals to fill those positions, and any other areas the Commission deems appropriate, ~~such.~~ Such recommendations shall, in the Commission's discretion, be made directly to the Golf Club Manager (if there is one), other department heads or the Rye City Manager or City Council. The Commission shall also make recommendations concerning the duties and responsibilities of the Golf Club Manager, including recommendations concerning employment of prospective individuals to fill the position, and any other areas the Commission deems appropriate, ~~such.~~ Such recommendations shall, in the Commission's discretion, be made directly to the Rye City Manager or City Council.
- (c) *Responsibilities.* The Commission shall:
- (i) Have the authority to commit Golf Club funds consistent with the approved budget.

- (ii) Have responsibility for and involvement in all negotiations for contracts which will bind the Golf Club (other than omnibus municipal contracts) subject to final approval by the City Manager (with input as needed from the City Counsel).
- (iii) Have responsibility for interviewing and recommending to the City Manager and City Council Managers and similar personnel to be employed by or consultant to the Golf Club as well as termination of such persons.
- (iv) Have, unless otherwise specified by Commission resolution, the responsibility of being consulted by any Manager who intends to expend, or proposes to sign a contract contemplating expenditure, of any funds over \$2,500 (subject to adjustment by the Commission) including purchase orders.
- (v) Be provided with monthly operational and financial updates as requested. Updates are to include financials of the food and beverage, golf and pool operations as per specific requests made by the Commission.
- (~~vi~~) Adopt, interpret, apply and enforce such rules and regulations relating to the use of the Golf Club as it deems appropriate, which rules and regulations shall not be inconsistent or conflict with any agreement of the City of Rye or any published policy of the Rye ~~Club~~City Council~~;~~.
- (~~ivii~~) Review, advise on and approve an annual budget for the Golf Club provided and prepared by Golf Club staff and finance committee. Annual budgets shall include proposed annual membership categories and fees and proposed charges for other services provided by the Golf Club, prior to timely submission of such annual budget to the Rye City Manager~~;~~.
- (~~iii~~viii) Select a Commission Chairperson~~;~~ and.
- (ix) Have department heads, Golf Club Manager (if there is one) and City Manager, report and update the Commission on all operations regarding the Golf Club as requested.
- (x) Have the authority to hire an independent auditor using Golf Club funds, which auditor shall report to the Commission.
- (xi) Have the authority, in conjunction with the city comptroller, to recommend changes necessary to ensure accurate accounting practices at the Golf Club.
- (xii) Require that any Golf Club Manager position (if there is one) to be a contract employee directly reporting to the Commission.

(~~iv~~xiii) Decide such matters as may be properly brought before the Commission for a decision.

The Commission may delegate such responsibilities to Committees or others as it shall deem appropriate.

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subject to final approval by the City Manager (with input as needed from the City Counsel).

- (iii) Have responsibility for interviewing and recommending to the City Manager and City Council Managers and similar personnel to be employed by or consultant to the Golf Club as well as termination of such persons.
- (iv) Have, unless otherwise specified by Commission resolution, the responsibility of being consulted by any Manager who intends to expend, or proposes to sign a contract contemplating expenditure, of any funds over \$2,500 (subject to adjustment by the Commission) including purchase orders.
- (v) Be provided with monthly operational and financial updates as requested. Updates are to include financials of the food and beverage, golf and pool operations as per specific requests made by the Commission.
- (vi) Adopt, interpret, apply and enforce such rules and regulations relating to the use of the Golf Club as it deems appropriate, which rules and regulations shall not be inconsistent or conflict with any agreement of the City of Rye or any published policy of the Rye City Council.
- (vii) Review, advise on and approve an annual budget for the Golf Club provided and prepared by Golf Club staff and finance committee. Annual budgets shall include proposed annual membership categories and fees and proposed charges for other services provided by the Golf Club, prior to timely submission of such annual budget to the Rye City Manager.
- (viii) Select a Commission Chairperson.
- (ix) Have department heads, Golf Club Manager (if there is one) and City Manager, report and update the Commission on all operations regarding the Golf Club as requested.
- (x) Have the authority to hire an independent auditor using Golf Club funds, which auditor shall report to the Commission.
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- (xii) Require that any Golf Club Manager position (if there is one) to be a contract employee directly reporting to the Commission.
- (xiii) Decide such matters as may be properly brought before the Commission for a decision.

The Commission may delegate such responsibilities to Committees or others as it shall deem appropriate.



CITY COUNCIL AGENDA

NO. 3

DEPT.: City Council

DATE: June 12, 2013

CONTACT: Mayor Douglas French

AGENDA ITEM: Presentation by the Rye Golf Club Strategic Committee on recommendations for the long-term use and operation of the Rye Golf Club.

FOR THE MEETING OF:

June 12, 2013

RYE CITY CODE,

CHAPTER

SECTION

RECOMMENDATION:

IMPACT: Environmental Fiscal Neighborhood Other:

BACKGROUND: The Rye Golf Club Strategic Committee was appointed at the City Council Meeting of October 24, 2012 and was charged with developing strategic recommendations for the long-term use and operation of the Rye Golf Club.

See attached report.

RGC Strategic Committee

INITIAL REPORT TO RYE CITY COUNCIL

5/1/2013

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1. OVERVIEW

This INITIAL progress report from the RGC Strategic Committee provides a recap of historical governance models for RGC as well as some alternatives for consideration. The RGC Strategic Committee requests feedback from the City Council on the content in this report to ensure the assessment is meeting expectations, to determine whether there is a strong preference to delve deeper into one or two specific options, and to align on next steps.

2. BACKGROUND

The Rye Golf Club (RGC) was purchased by the City of Rye in 1965 and has operated successfully as a valuable community asset for 48 years at zero cost to City of Rye taxpayers. The club provides recreational activities (golf, pool) for resident and non-resident members as well as a public restaurant and catering facility. It is positioned as a lower cost alternative to a private country club and is more expensive than a public fee based alternative.

In 2012, RGC enjoyed 1,370 memberships and about 4,500 members including 940 residents (19% of Rye Households based 4,900 households estimated in the 2000 census) and 422 non-residents. Membership peaked in 2008 with 1,613 total.

The organizational structure is setup as an Enterprise Fund, separate from the City of Rye General Fund. RGC has generated a surplus over time and, as of 12/31/2012, the Balance Sheet reflected \$725,886 in Unrestricted Fund Balance and \$195,349 in unspent project funds. It is somewhat concerning however that the fund balance has been reduced significantly over the past several years largely driven by net operating losses during a very difficult economy and while the restaurant was operated as a City owned facility. Prior fund balances were: \$820,256 in 2011; \$1,205,349 in 2010; \$2,478,431 in 2009; \$3,493,929 in 2008, \$2,244,589; and \$2,781,516 in 2006.

The historical P&L Statements reflect significant losses 2009-2011, as expenses rose dramatically, after years of net income previously (actually back to 2002).

	Revenue	Op Expense	Op Profit	Non Op Exp	Net Income
2006-A	\$5,378,934	\$5,110,614	\$268,320	(\$52,461)	\$215,859
2007-A	\$6,990,360	\$6,596,429	\$393,931	(\$18,847)	\$375,084
2008-A	\$7,264,208	\$6,816,864	\$447,344	\$95,066	\$352,278
2009-A	\$6,575,095	\$7,112,248	(\$537,153)	\$169,809	(\$706,962)
2010-A	\$6,276,272	\$7,553,839	(\$1,277,567)	\$73,622	(\$1,351,189)
2011-A	\$6,504,603	\$6,912,568	(\$407,965)	\$105,991	(\$513,956)
2012-A	\$6,759,393	\$6,900,086	(\$140,693)		(\$140,693)
2013-B	\$6,455,025	\$6,379,621	\$75,404		\$75,404

The Balance Sheet reflects \$11.6 million in assets (capital assets and cash) and only \$3.5 million in liabilities.

The capital investment plan is in development so future needs (pool, Whitby, etc.) are not yet defined.

RGC currently has the following outstanding obligations to the City of Rye.

1. RGC has required bond financing from the City of Rye for major capital investments and has funded all bond principal and interest payments from operations. The initial \$1.6 million bond issued in 1965, fully repaid by RGC, was used to purchase the property from the Rye Wood Country Club, and was supplemented Westchester County and Federal grants as well as a small general fund contribution. A subsequent \$2 million bond, issued in 1989, also fully repaid by RGC, funded new Swimming Pools, a multi-purpose building, and a locker refurbishment. Two bonds totaling \$3.863 million (\$2.12 million Series A Tax Free and \$1.743 million Series B Taxable) issued in 1997, which are currently being repaid from RGC operations, funded the Whitby Castle renovation, a Pro Shop building and expanded parking. As of 12/31/2012 there was **\$2,210,000** principal remaining on the two outstanding notes (\$1.465 million and \$765 thousand respectively), both of which are scheduled to be fully repaid by September 2018. RGC is currently scheduled to pay **\$330,000** combined principal plus **\$97,085** interest in 2013. The taxable bond is being refinanced in 2013 to reduce remaining interest expenses by \$86,000.
2. RGC funds ongoing retiree medical and pension obligations, totaling **\$260,350** in 2012.
3. RGC currently contributes about **\$375,000** per year to the City of Rye General Fund to cover city allocated expenses for administration (\$296,176), insurance (\$26,762), and financial audit (\$9,609) as well as to cover taxes on city property (\$12,444) and non-resident road surcharges (\$29,925). Some of these cost recoveries help to effectively reduce the City tax assessment. The basis for the 'Interfund' allocations was defined in the 2001 Maximus Consulting Study. The pro/con assessment of these allocations and appropriate dollar levels versus hiring external services is not analyzed in this report.

In total, RGC has approximately \$1.1 million in annual commitments through 2018.

The club experienced significant financial fraud, which was exposed in 2012 and had apparently been occurring since 2006. At this time, to our knowledge, it is believed the fraud was perpetrated by one individual, the former RGC General Manager. The extent of the loss has not yet been finalized. The ability to collect on the City of Rye insurance policy has not yet been determined, and may be connected to the Westchester District Attorney decision whether to pursue criminal charges.

The fraud was undetected by the RGC Commission and the City of Rye, the implication being that internal controls and governance need to be evaluated and improved.

Mayor Doug French and the City Council formed the RGC Strategic Committee in December 2012. The Mayor provided the following mandate:

"To recommend the right strategic model for the Club's future to include the needs of members and Rye residents as a public asset. In your recommendations to the Council, include parameters that would be needed in an RFP to go to market if warranted. In addition, include recommendations in operating policies that would be incorporated in the new model. Let me know if there are additional aspects of your committee's work the committee would like to add. Please reach out to club members and commission members for their feedback as needed or as per their survey."

3. RGC Mission Statement

In the 2007 City of Rye Annual Financial Report, it states that the purpose of the club is to provide safe, high quality, leisure time activities by operating and maintaining an environmentally sensitive publicly-owned membership golf club and swimming pool complex on a self-sustaining basis.

It is notable that the mission does not currently mention “affordability”, although some stakeholders would like to provide more public access by reducing fees (ie. residents, non-residents, seniors, for demonstrated financial need, etc.) and/or to eliminate the \$300 minimum food requirement. RGC is currently offered as a non-equity fee based service, positioned in between public facilities and private clubs. We have not yet found a public fee model which delivers about \$400,000 per year to the Municipal General Fund, full debt repayment and retirement obligations, presumably because the rates charged are not sufficient to generate a significant surplus. In addition to financial challenges, a model with more affordable public access could impact local traffic, parking, and operating expenses as the course will get more rounds of play.

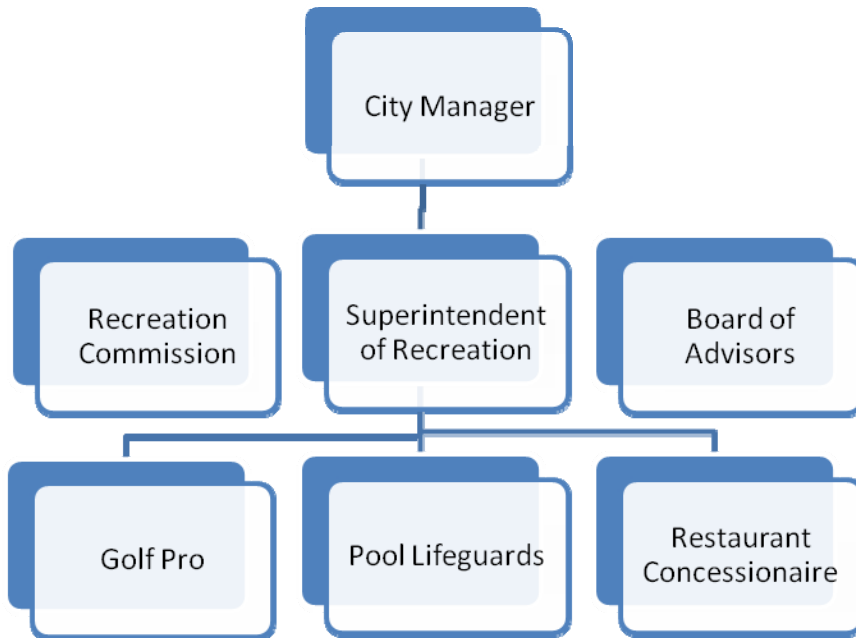
If a privatization model was to be investigated, significant research would be required to assess private club competition (ie. no current tennis, paddle, or driving range capabilities at RGC) and to review the public use requirement mandated by the Federal and County Grants provided to the City of Rye to purchase the club.

In summary, our assumption is that the Mission is generally being achieved and no major changes are needed. Accordingly, modification of operating policies and/or governance to achieve a different mission statement is not analyzed in this report.

4. Historical Governance

Governance: 1965-1977 (12 years)

Adopted 6/21/65-1/5/66, largely as recommended by the Citizens Advisory Committee



Board of Advisors:

- Nine People (maximum)
 - Councilman (1)
 - Rec Commission (2 max)
- Appointed by Mayor
- 1 year term
- Sub Committees as needed (golf, swim, house).

Staffing Plan

Club Manager (eventually) to report to Superintendent of Recreation.

City managed day-to-day operations through the Recreation Commission.

Board of Advisors comprised of 9 members appointed by Mayor to 1-year term.

See Appendix for City Council resolutions 6/21/1995 and 1/5/1966 establishing BOA.

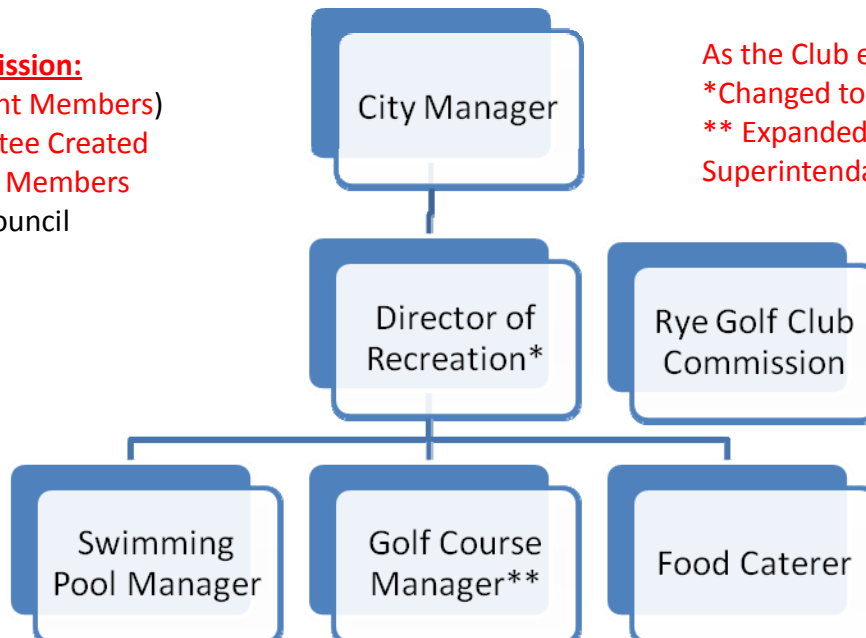
Governance: 1977-2005 (28 years)

Adopted 5/18/77

Rye Golf Club Commission:

- Nine People (Resident Members)
- Nominating Committee Created
- Election by Resident Members
- Appointed by City Council
- Two Year Terms

As the Club experienced growth:
 *Changed to Club Manager
 ** Expanded to Golf Pro and Golf Superintendant



Eliminated external Board of Advisors and created the Rye Golf Club Commission.

Commission nominated & elected by Members, comprised entirely of Members.

Term extended to 2-years (presumably for more experience and continuity).

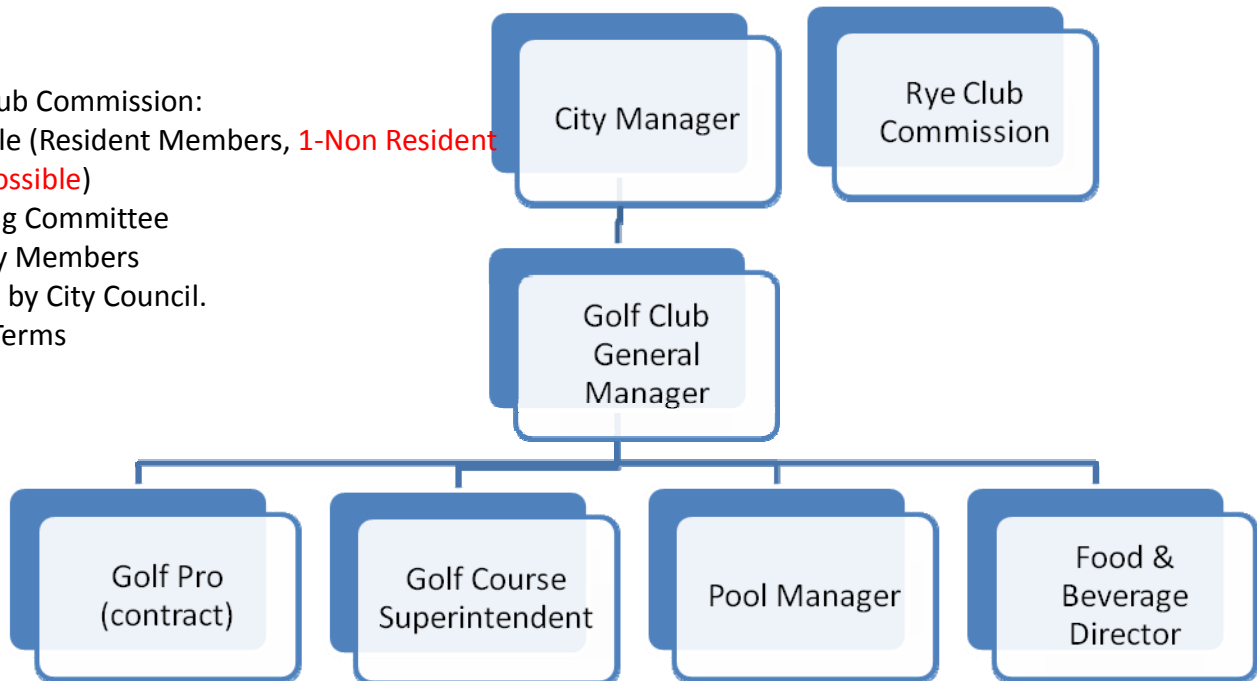
Responsibilities expanded to “approve annual budget estimates, prepared by staff personnel, including membership categories and proposed fee schedules, prior to submission to City Manager.”

Governance: 2006-present (7 years)

See Appendix for City Council Resolution 5/18/1977 establishing RGC Commission.

Rye Golf Club Commission:

- Nine People (Resident Members, 1-Non Resident Member possible)
- Nominating Committee
- Election by Members
- Appointed by City Council.
- Two Year Terms



-Restaurant management taken over by City after food concessionaire opted out of contract.

-Added potential to have one non-resident serve on RGC Commission.

-Expanded clarification of RGC Commission role.

See Appendix for City Council Resolution 11/28/2012 expanding RGC Commission role.

5. Alternatives for Consideration – INITIAL ASSESSMENT

ORGANIZATIONAL STRUCTURE

1. Enterprise Fund - RGC is currently structured as an Enterprise Fund, similar to the Boat Basin, separate from the General Fund. It is our understanding that the RGC operation meets governmental criteria for an Enterprise Fund basis of accounting and reporting because the cost of providing services, including capital costs (such as depreciation or debt service), are fully recovered with fees and charges, rather than with taxes or similar revenues. At times, surplus monies are retained for use by RGC either to fund operating losses when needed, since the business is cyclical and sensitive to the economy and local competition, or to fund capital improvements.
2. General Fund - Presumably, if the City was to eliminate the 'self-sufficient' criteria, similar to the Rye Recreation model, where 60% of the operating cost is funded by the General Fund, the Enterprise Fund structure could be modified. There is risk that RGC surplus funds would be utilized for other City initiatives or budget balancing needs so, when needed, a bank balance might not be sufficient for RGC needs.
3. Land Development Corporation – Transferring the land to an LDC, to be managed by the City of Rye “off balance sheet” was deemed out of scope due to classification as a property sale.
4. Other Alternatives – We are not aware of other structural alternatives and need General Counsel and City Manager assistance to identify other options as appropriate.

GOVERNANCE

RGC is a city owned asset where the City of Rye has ultimate responsibility for debt repayment, retirement obligations, and operational funding (ie. if the reserve is ever eliminated or if bond offerings are not passed). The fiduciary responsibility element is important when considering alternate governance models.

1. City Managed with Independent Commission Oversight –

The current model gives City of Rye full decision making responsibility, with an independent Commission acting as an advise/consent body to create club policies and approve budgets, subject to final approval by the City Manager. The Commission can appeal to the City Council as needed. The Commission is comprised of nine people elected by membership and appointed to two year terms of service, without term limits. There are no qualification requirements to serve on the Commission. The Commission operates sub committees as needed, which currently includes: Finance, Marketing, Tournaments, and Greens.

2. Alternative Oversight Models

-RGC Commission with possible modification to include term limits, qualifications to serve, City representative(s) as voting member(s), and/or expanded responsibility.

-Board of Directors representative of broader interest groups (City of Rye, Taxpayers, Members, etc.) with term limits, qualifications to serve and possibly some level of fiduciary responsibility.

-Recreation Department/Commission oversight, particularly if restaurant is outsourced.

MANAGEMENT

1. City of Rye Management

The current organization includes a General Manager (Interim-contract position) responsible for overall Club Management and for supervising Department Managers for Golf Maintenance (Superintendent-employee), Golf Operations (Golf Pro-contract position), Food & Beverage (Director-contract position), and Pool Operations (employee).

If the restaurant was to be outsourced, it would need to be explored whether the GM position is required and whether an alternate management reporting structure would be appropriate. Options could include eliminating the GM position in favor of a Club Manager position, and changing the reporting relationship to the Recreation Department rather than to the City Manager.

2. Outsourced Management –

There are several outsourcing alternatives including, but not limited to:

- a) Hiring an outside management company to run all or part of the operation.
- b) Leasing the property to an operating company (ie. 501(c)(7) or otherwise)
- c) Creating a Local Development Corporation (LDC) to own and manage the property.

After evaluating numerous alternatives, the options have been summarized into the following three major categories.

1-- Maintain RGC as City of Rye managed facility (golf, pool, restaurant/catering).

- Obtain 1-2 more years of experience to determine food/beverage viability under new management
- Immediately enhance internal controls and better define roles/responsibilities.

2-- Outsource restaurant to concessionaire (City of Rye exits restaurant business by 2014/2015)

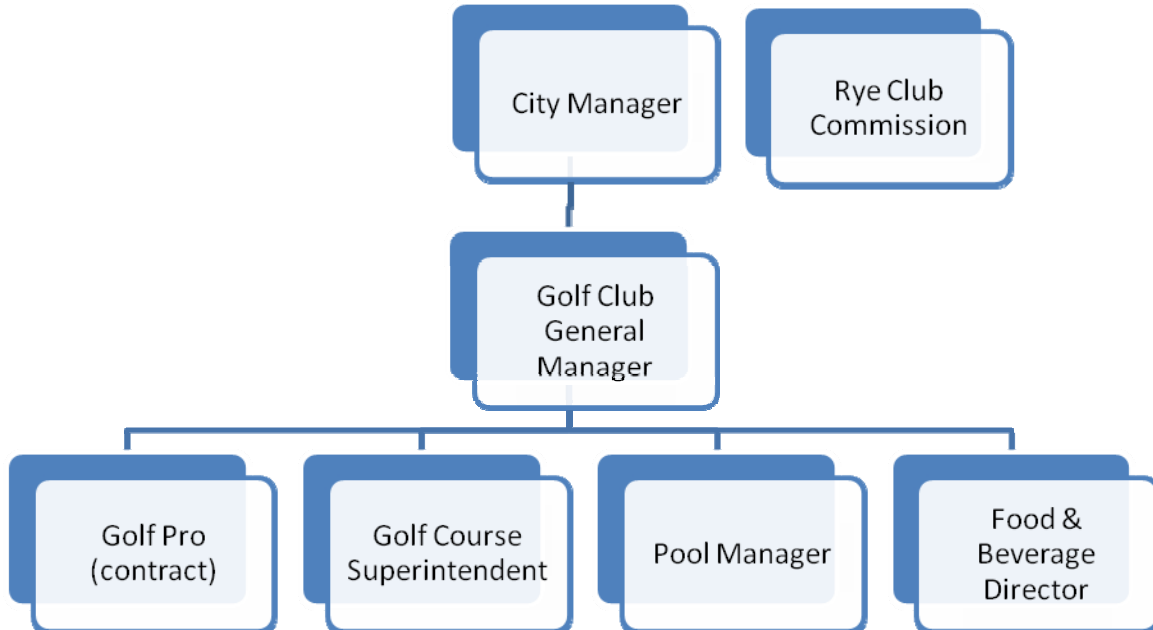
- RFP Restaurant/Catering operation and become landlord with food/beverage tenant
- Modify governance and management as appropriate.

3-- Outsource entire facility so City of Rye exits golf, pool, and restaurant business.

- RFP entire golf/pool/food operation for professional Club Management
- Enter into Management Agreement (IMA) with 501(c)(7) company to operate RGC
- Create Local Development Corporation to own and operate RGC

1a – Current Structure w City Restaurant

Improve internal controls and clarify the role of the Golf Commission.



City Managed Restaurant

The Teplica Wirth & Trapp, Ltd consulting study commissioned in 1996, which was used to justify the Whitby Castle expansion of 1998, indicated that operating revenues could approach \$4-6 million in 5-years comprised of catering (\$3-5 million) and restaurant (\$1 million). The profit estimate ranged from slightly above breakeven to \$1.1 million per year. The restaurant environment in Rye, Mamaroneck, and Port Chester was less developed at that time.

Restaurant Associates achieved a run rate delivering \$2.6 million revenue (\$2.2 million catering, \$400k restaurant) in 2005. RGC received \$200,000-\$325,000 rent per year from 2001-2005 based on a percentage of gross receipts model. RA claimed to have lost up to \$800,000 per year as a restaurant and catering facility, and preferred to operate solely as a catering facility.

	Initial Term	Renewal
Restaurant & Meeting Rooms	6%	7.5%
Snack Bar	7%	8.5%
Banquet Facilities		
First \$2 Million	15%	16.5%

Second \$2 Million 17.5% 19%

Since 2006, when the restaurant has been managed by RGC, the revenues were approximately \$1.6-\$2.0 million including \$1 million in catering, \$0.8 million in restaurant, and \$0.2 million in snack bar sales. Using historical financial statements by department as a directional barometer, it appears that the Restaurant lost money in each year of operation since being managed by the City of Rye.

In 2013, the Whitby Castle operation is budgeted to achieve \$1.9 million revenue with an operating loss of \$0.2 million, however, those numbers are largely based on 2012 actuals, with inflated labor costs, and cannot be used for decision making purposes. It is notable that departmental allocations by cost center (golf, pool, restaurant, administration) are not 100% precise, for example, no gas utility is reflected in the Whitby numbers at this time.

This year is a pivotal juncture for the RGC managed food operation, after hiring a Food/Beverage specialist, and a new chef, there are plans to market the facility and grow revenues. One option is to wait through the 2013 season, and possibly the 2014 season, to see the results achieved by the new management team before deciding whether to run the Whitby Castle by RGC or whether to outsource the restaurant/catering business. More likely than not, it will take several years to grow the business.

Another option is to complete a Request For Proposal (RFP) in 2013 and outsource the food and beverage operation, or a portion of the operation (ie. ex snack bar and potentially a modest grill room for members only). We have learned that there are several challenges in running a restaurant as a municipality. The RFP process is sometimes restrictive in comparison to opportunistic spot buys. The employee labor and benefit programs are mandated by municipal law, less relevant if using a 10-month model with agency, contract, or seasonal labor.

Summary - City Managed Restaurant

PRO'S

- The City of Rye has control over the entire Club, including the restaurant, and the membership is solicited for advice on club policy and financial matters.
- The Whitby location is unique and there is a chance the food operation can be profitable with solid management.

CON'S

- The City of Rye is responsible for managing the food/beverage business, which is not a core competency and can distract from other priorities.
- The RGC surplus has been dramatically reduced since the City started managing the food/beverage operations.
- The City of Rye bears financial risk if the restaurant is not successful and further depletes reserves.
- The City is exposed to health care costs for employees working over 30 hours per week even under seasonal or agency staffing models, and to municipal benefit programs for full time employees.

Internal Controls

The RGC Commission represents membership interests in setting Club policies and is a steward of fiscal responsibility to the City of Rye taxpayers. Over time, the financial responsibility was compromised as the General Manager was empowered to make decisions without full knowledge of the RGC Commission and the City Manager.

2013 Operational Changes

The City of Rye hired an interim General Manager who reports directly to City Manager. Membership is on pace or slightly ahead of 2012 levels and the thought is that eliminating the inflated labor costs will bring the club back to breakeven or better. A new chef was hired for the Whitby operation and the tip policy has been modified. That said, the City Council's 2012 Investigation Report and prior City of Rye Audit Reports clearly indicate that enhanced checks/balances are needed. The following internal control recommendations should be considered:

A. ORGANIZATIONAL ROLES / RESPONSIBILITIES

- i. The RGC Commission advisory role for financial matters should be expanded beyond budgeting, to include an advisory role for expenditures throughout the year. Specifically, the RGC Commission should be consulted on all spending decisions exceeding \$2,500. The City Manager should maintain final decision-making authority.
- ii. The responsibilities of the RGC Standing Committees should be clearly defined. For example, what role is the Finance Committee to perform with regards to spending decisions throughout the year?
- iii. The RGC Office Manager should report directly to the City Comptroller rather than to the RGC General Manager. This reorganization is intended to ensure that the financial policies of the City are followed.

B. TRANSPARENCY

In order to perform the mandated role to recommend budgets, the RGC Commission needs access to financial information throughout the year. The City of Rye Finance Committee, and perhaps the Audit Committee as well, should also be provided with a monthly reporting package.

Internal management reporting which covers financial and operational performance should be implemented.

-Weekly Posting email from Department Managers to RGC Commission Chair and Committee Chairpersons.

Golf Superintendent	Greens Committee
Golf Pro	Tournament Committee
Pool Manager	Pool Committee
Food/Beverage Director	Finance Committee (consider creating Food/Bev Committee)
Accounting	Finance Committee
Membership	Marketing Committee

-Weekly Financial Reporting from Comptroller to RGC Finance Committee to include Check Register and Purchase Order Commitments by Vendor. **Implemented.**

-Monthly Financial Reporting from Comptroller (or RGC Accounting) to RGC Finance Committee including (a) Actual Spending Versus Budget and Prior Year by cost center (Golf Operations, Golf Maintenance, Pool, Restaurant, Catering, Snack Bar, and Administration), and; (b) Trial Balance by general ledger account. **Being Implemented.**

C. PURCHASING

Purchase Orders (PO's) - Past practice was for the General Manager to sign all Purchase Orders. The City Manager would sign most Purchase Orders as well. Currently the City Manager signs all Purchase Orders. The City Comptroller also has limited PO Signature Authority. Currently Department Managers can authorize spending up to \$1,500 without issuing a Purchase Order.

(a) PO's are currently required for all transactions in excess of \$2,500. A new process, implementing simplified Supply Requisitions should be required for all procured goods and services which do not require a City of Rye Purchase Order. That way there is written record of all commitments made on behalf of the City of Rye.

(b) Department Managers should be responsible to sign all Requisition and PO requests for their areas of expertise.

(c) RGC Commission should be consulted prior to writing PO's over \$2,500 and given a reasonable time to respond.

(d) Signature Authorization Levels should be implemented (ie. Department Managers given formal approval to sign for say, up to \$2,500, provided expenditure is budgeted).

(e) Utilize RFP process based on dollar spend including professional services. The dollar threshold should be recommended by the RGC Commission, with the final decision made by the City Manager.

It is notable that an RFP was completed in 2013 for Whitby Staffing rather than using rate cards. The RFP assumptions (who participated), scope (I-9 verification, background & reference checks, pass-through with allowable markup, etc.), and results (what rates were received), should be provided to the RGC Commission.

D. ACCOUNTS PAYABLE PROCEDURES – SEPARATION OF DUTIES

The prior General Manager utilized significant autonomy without adequate checks/balances to identify misuse of funds. The General Manager selected vendors, prepared PO's, signed PO's, and approved invoices. Rate sheets were used for contract staffing versus an RFP. The Staffing Agency proof of performance backup did not include payroll registers documenting payments to personnel.

Options to segregate purchasing, receiving and invoice approval responsibilities include:

Receiving – Receipts and/or proof of performance should be signed and provided to Accounting by authorized personnel. Qualified personnel to receive goods/services and attest to quantity and condition should be defined. Ideally, the receiver should be someone other than the person ordering the goods/services and the receipt should be dual signed if the person issuing the order is also a receiver.

Invoices – Invoices should be mailed directly to RGC Office Manager for processing rather than to Department Managers. The RGC Office Manager would complete a three way match (PO, Receipt, Invoice validated by three different individuals) and submit for payment if no price/quantity discrepancies. Any (price, quantity, or quality) discrepancies are resolved with Vendors or Department Managers as needed. Invoice backup must include proof of payment for all cost plus arrangements.

E. FINANCIAL ACCOUNTABILITY

Provide Departmental Managers with annual budgets to manage rather than having GM handling in isolation.

Implemented for Golf Course Maintenance and Operations. Restaurant and Pool are TBD.

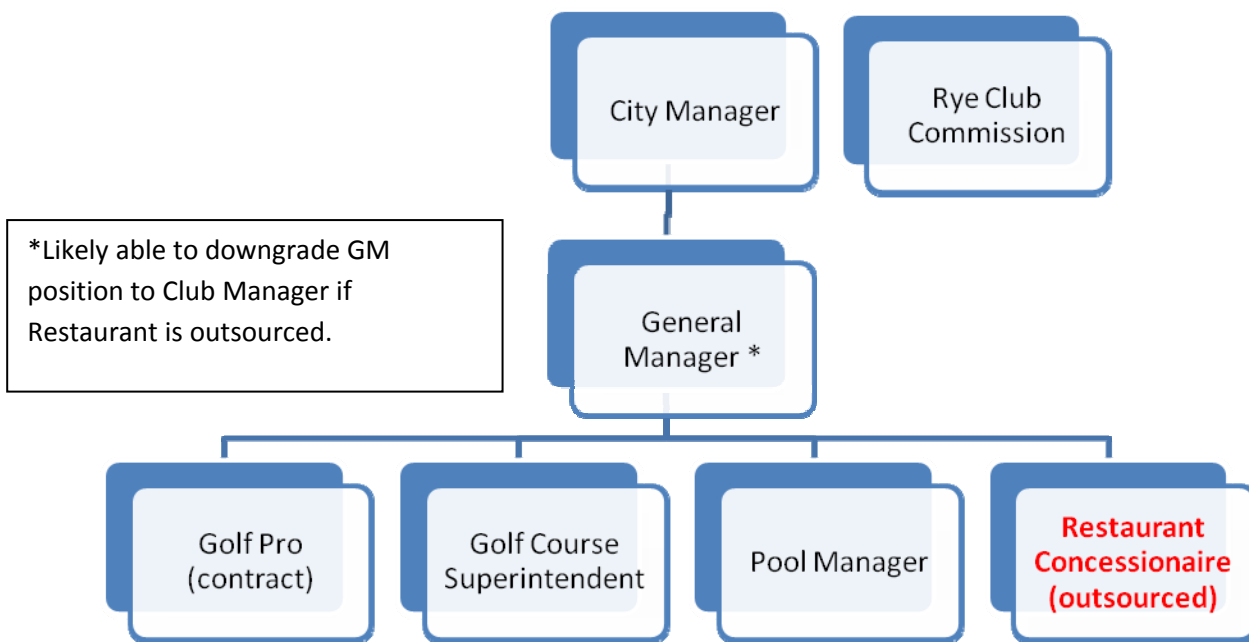
The accounting firm Condon O’Meara McGinty & Donnelly has been identified as having a strong specialty in Club Management, and is uniquely qualified to assess the RGC policies and procedures. Their references include Westchester Country Club, Apawamis, Winged Foot, Manursing, American Yacht and more. A proposal should be solicited from them to review RGC procedures in comparison to best practices.

F. SUMMARY of INTERNAL CONTROLS

Expanding RGC Commission Roles/Responsibilities and implementing improved Management Reporting should be fully resolved AS SOON AS POSSIBLE, by May 15 if possible, to improve necessary transparency and checks/balances. The RGC Commission can act as a consultative resource which will ease the burden on the City Manager who has more RGC direct reports (Food & Beverage Director, Golf Pro, Golf Superintendent) than ever.

1b – Current Structure w Whitby RFP

Complete RFP to outsource the food/beverage concession. Improve internal controls for golf/pool operations and clarify the role of the Golf Commission.



When last outsourced, the Restaurant generated \$200,000-\$325,000 in “rent” on a percentage of revenue basis. Since the 2013 budget indicates a \$200,000 loss, a deal commensurate with the RARye contract would generate a \$400,000-\$500,000 improvement from current operations.

The Restaurant RFP scope would need to be developed over the coming weeks to determine: Will a public restaurant be mandatory or could it be catering only? If catering only, would RGC be able to operate a modest ‘Grill Room’ restaurant in the Whitby Castle or would RGC need to build space in the ‘Member Lounge’ area connected to the Pool Snack Bar? Would the snack bar be included in the RFP? Would the financial options include a fixed rent or a percentage of sales? What would be the other criteria (ie. responsibility for Building R&M and capital improvements)? Where would the RFP be published and who would be invited to respond?

The timeline for the RFP process, if appropriate, is roughly estimated to be:

RFP Preparation	May/June
City Council Approval	June
RFP Responses	September 1
Evaluation	September
Vendor Selection & Contract Negotiation	October
Startup	January - March 2014

A RGC member survey, completed by the RGC Commission in December 2012, addressed several relevant topics:

7. How important is maintaining Whitby Castle as a restaurant/clubhouse to your membership?

Not At All Important	34.4% (173)
Somewhat Important	25.2% (127)
Important	25.0% (126)
Very Important	15.3% (77)

9. Does it matter to your membership to have Whitby Castle managed directly by the Rye Golf Club as opposed to a third party?

Yes	17.4%
No	82.6%

10. How important is it to you to have Whitby Castle maintained as a public restaurant?

Not At All Important 42.3% (215)

Somewhat Important 21.1% (107)

Important 23.8% (121)

Very Important 12.8% (65)

11. How willing would you be to give up some access to Whitby Castle due to an increase in events by a 3rd party?

Not At All Willing 10.9% (55)

Willing 52.4% (265)

Very Willing 36.8% (186)

12. If the club created a more traditional Grill Room (Bar with bar menu), would you use it more than Whitby?

Yes 72.6% (366)

No 27.4% (138)

The RGC Commission has requested that the membership be polled further about an RFP alternative prior to issuance. The May/June time period is targeted to obtain updated member feedback.

Summary - Whitby RFP

PRO'S

-City of Rye would exit the food/beverage business and devote less resources to that operation.

-Demonstrated financial improvement as landlord versus food/beverage operator.

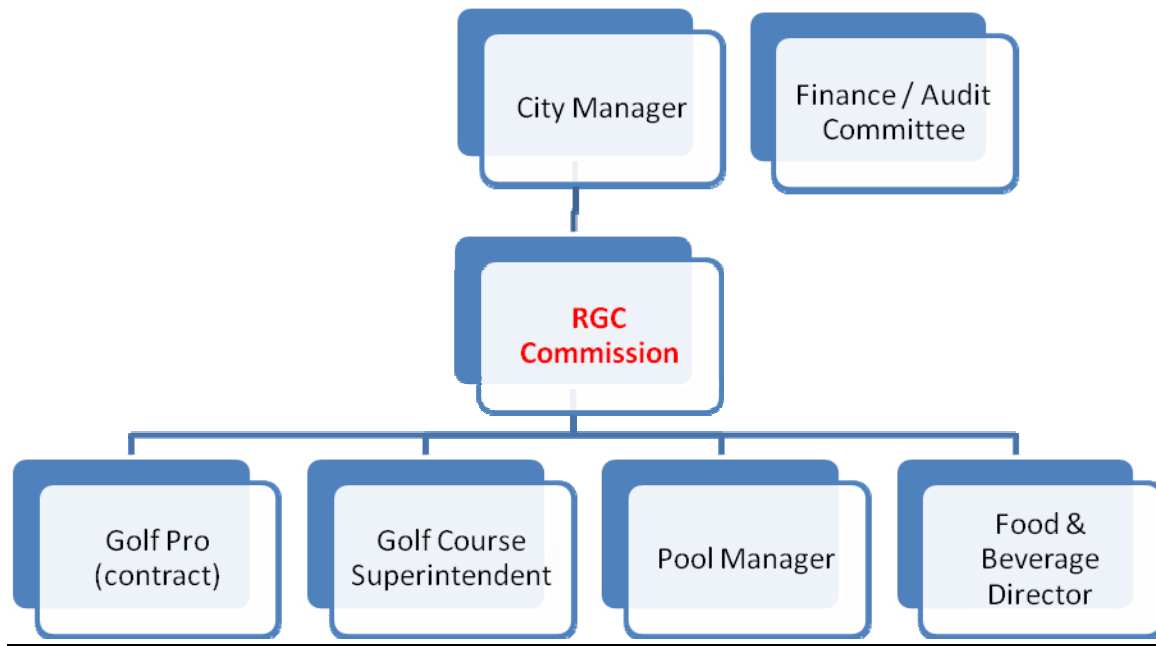
CON'S

-City of Rye would not realize entire upside if food/beverage was managed profitably.

-Membership may be restricted in restaurant offerings (hours, menu, cost, etc.).

2a – Modify Governance w RGC Commission

Expand role of RGC Commission under advise/consent or decision making model.



Alternate Municipal Governance Examples

CITY OF NORWALK - OAK HILLS SUMMARY

The City of Norwalk created the Oak Hills Park Authority for the purpose of acquiring, constructing, operating, maintaining, and managing the Oak Hills Park, including the golf course, tennis courts and related recreational facilities.

The powers are exercised by an Authority consisting of nine electors of the City of Norwalk, who are appointed by the Mayor and confirmed by the Common Council for a term of three years. [No member shall serve for more than two consecutive terms](#), and, after serving on the authority for two consecutive terms, no member shall be reappointed to the Authority for at least two years. [The Common Council has the power to remove a member of the Authority for inefficiency, neglect of duty or malfeasance in office, after an investigation, notice and public hearing.](#)

The Authority submits an annual budget to the City for approval. No Authority member, nor any immediate family member may accept employment at the Oak Hills Park, during the time the person is serving on the Authority and for a 2-year period afterwards.

The Authority cannot mandate cart rentals, close the course for tournament play more than 50 days per year, discriminate based on playing ability, provide free or discounted rounds of golf.

The Authority is authorized to enter into a lease agreement with the City of Norwalk. The Common Council may charge the Authority such annual rent for the use of the Park. Any and all contracts entered into by the Authority shall be subordinate to the lease with the City.

Before any fee schedule is enacted or modified, the Authority shall hold a public hearing in the City of Norwalk.

{Note that Oak Hills is facing significant financial issues as they took on significant restaurant debt without adequate income streams. The City of Norwalk recently provided \$100,000 to fund operations.}

CITY OF STAMFORD - STERLING FARMS SUMMARY

The City of Stamford created the Stamford Golf Authority in accordance with the provisions of State of Connecticut Public Act 460 of the 1965 General Assembly by adoption of an ordinance on April 26, 1967. The Authority is considered a related organization to the City of Stamford.

The Golf Authority operates the Sterling Farms Recreation Complex. The Authority is a separate governmental unit that, under the criteria of the Governmental Accounting Standards Board, need not be combined with any other component unit to form the reporting entity.

The Golf Authority is comprised of a nine member board appointed by the Mayor.

We are trying to obtain the full Charter detailing the Stamford Golf Authority roles and responsibilities.

Sterling Farms is a public use facility which generated \$2.9 million in revenue and a \$284k net operating loss in 2010. The 18-hole fee for residents is \$26.00. (see appendix for financial summary).

CITY OF STAMFORD - E. GAYNOR BRENNAN SUMMARY

The City of Stamford created the City of Stamford Golf Commission to operate the E. Gaynor Brennan Golf Course. The Commission consists of a five member panel, who serve overlapping terms of three years. Members are appointed by the Mayor and approved by the Board of Representatives in accordance with the Stamford Charter.

We are trying to obtain Charters from additional Municipal Golf Courses including:

TOWN OF EASTCHESTER - LAKE ISLE

TOWN OF RAMAPO – SPOOK ROCK

NEW YORK STATE - BETHPAGE

WESTCHESTER COUNTY – Maple Moor, Saxon Woods, Sprain Lake, Dunwoodie, Mohansic

VILLAGE OF SANDS POINT – SANDS POINT

Summary - RGC Commission Expansion – Advisory or Fiduciary (tbd)

PRO'S

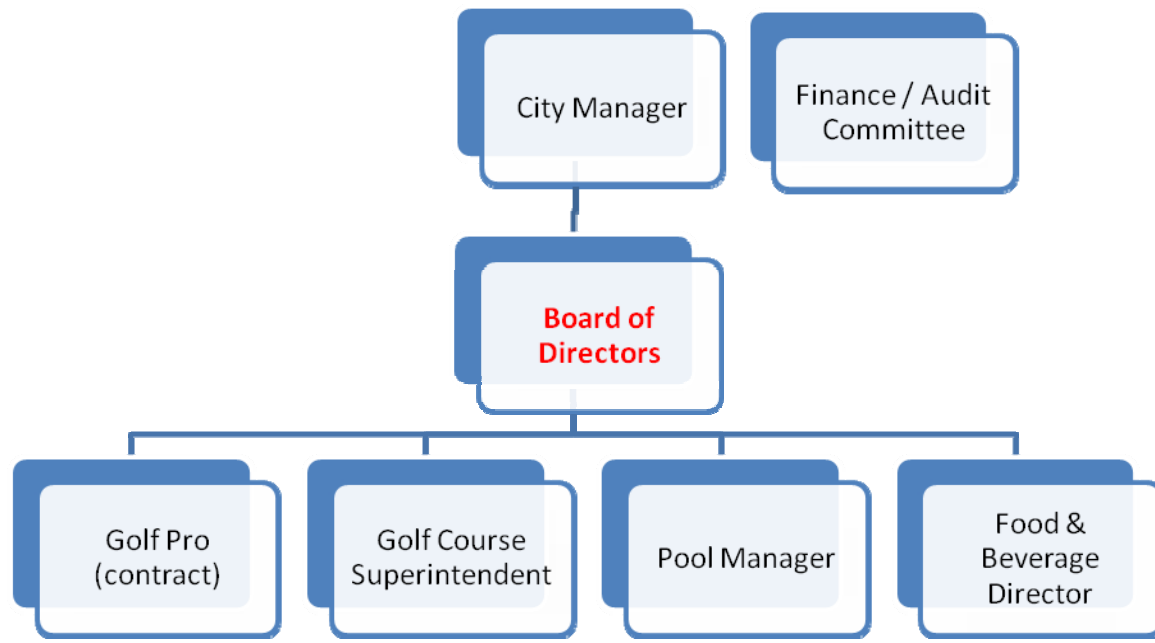
- Relieves the City Manager from some RGC responsibility to focus on other priorities.
- Commission would like a greater voice since membership monies have sustained the Club since inception.
- Commission Charter could be modified: scope, qualifications, term limits, removal from office (if needed).

CON'S

- City would maintain ultimate financial liability, possibly without maintaining full decision making control.
- May be difficult to find qualified volunteers to serve on Commission, given greater responsibility.

2b – Modify Governance w Board of Directors

Create BOD to oversee club operations with finance/audit committee review.



The Board of Directors could be appointed by the Mayor and confirmed by the City Council. The qualifications for service could be predetermined using a process similar to other City of Rye Boards. The Board (5, 7, 9, etc.) could include representation from a wider array of Stakeholders (Membership, City Council, Taxpayers, and Professional Experts (Finance, Legal, HR, Club Management, etc.)). The term could be 2-3 years to enhance continuity. Members could be removed if appropriate.

The responsibilities of the Board of Directors could either be an 'Advise and Consent' model or could be granted more authority for decision making to include (a) Set Prepare annual operating budget for approval by City Council; (b) hire and fire personnel; (c) recommend contracts for City Manager to execute; (d) And so forth.

Summary - Board of Directors

PRO's

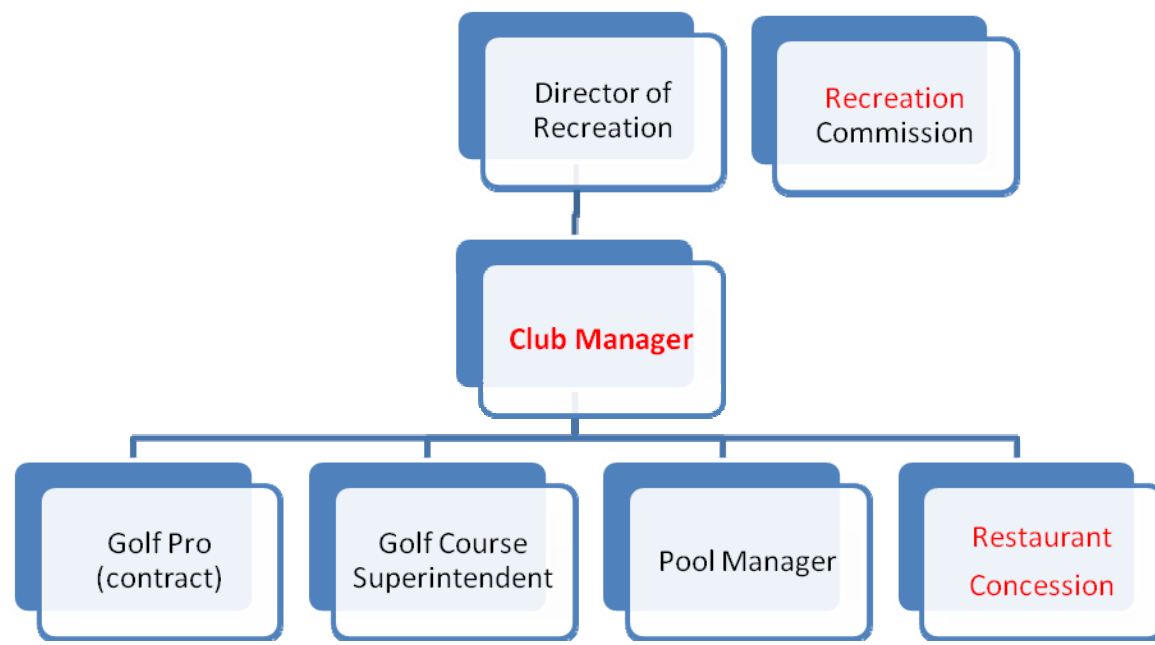
- Relieves the City Manager and support staff from some RGC responsibility to focus on other priorities.
- Broader representation (City Council, Taxpayers, Members, functional experts, etc.) on governing organization.
- BOD Charter to define things like scope, qualifications to serve, term limits, removal from office (if needed).

CON's

- Membership would not have 100% of voice.
- May be difficult to find qualified volunteers to serve.

2c – Modify Governance to Recreation Dept

Move managerial responsibility to Recreation Department.



The operation of the RGC would be simplified if the restaurant operation is outsourced. The golf and pool activities could possibly be reassigned under the Recreation Department with oversight from the Recreation Commission. An additional headcount at the Recreation Department could be needed.

Summary – Recreation Department

PRO'S

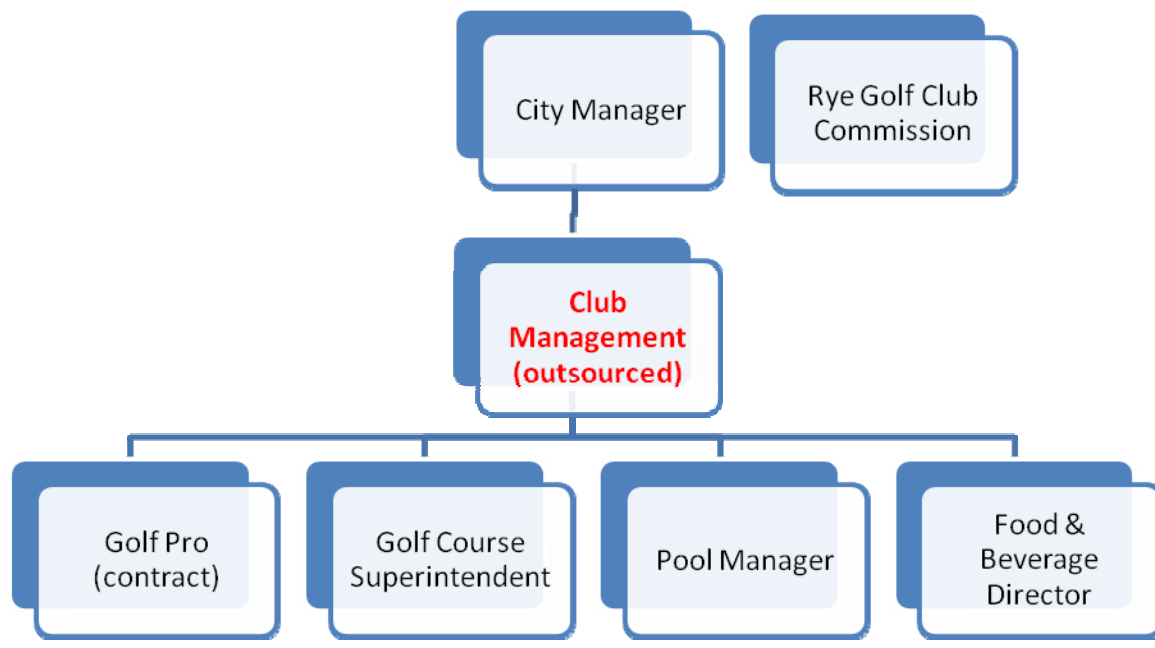
- Moves direct reporting relationship responsibility from City Manager to allow focus on alternate priorities.
- Possible efficient consolidation of services (procurement, accounting, maintenance, etc.)

CON'S

- Additional workload for Recreation Commission, with staffing level and skill set assessment tbd.
- Removes oversight from officials elected by members, unless composition of Recreation Commission is modified.

3a – Outsource Club Management

Lease facility to professional club management company.



City of Rye would lease the property to a professional management company, like Troon, Billy Casper Golf, KemperSports, American Golf, etc.. The lease would presumably need to cover the Interfund commitment, debt repayment, and retiree obligations. Theoretically, if the management company defaulted on a lease payment, the agreement would terminate and the Club would revert back to the City of Rye. The decision making authority (ie. membership rates) would need to be explored further, some loss of membership/City control is likely.

Summary – Outsource Club Management

PRO'S

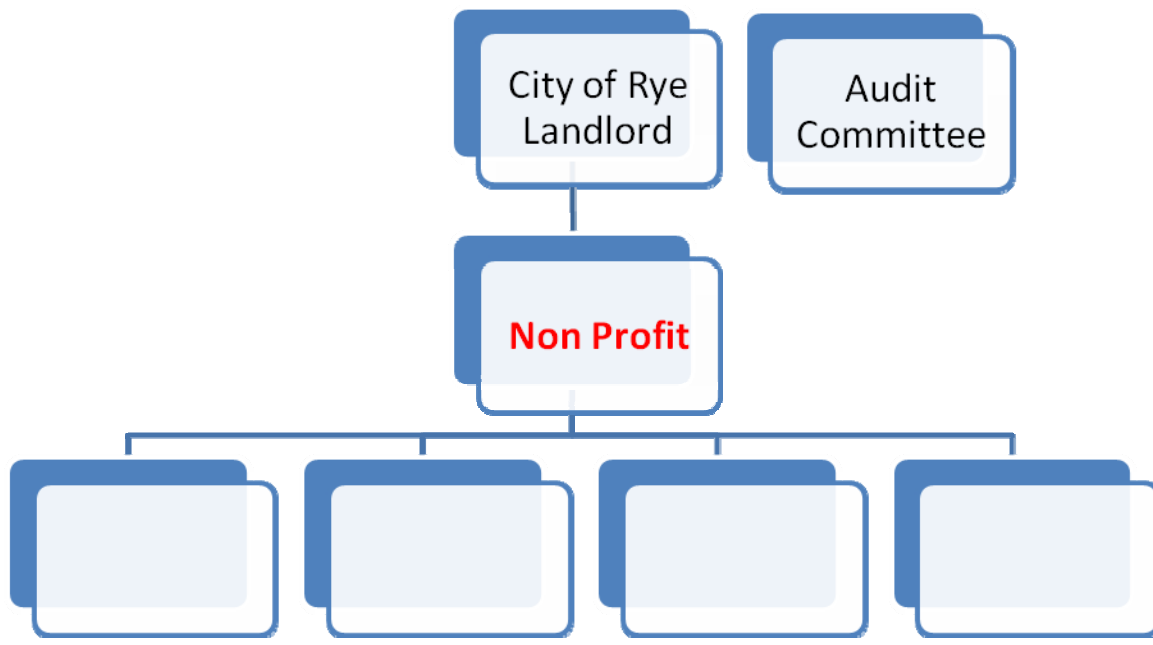
- Relieves the City Manager and support staff from some RGC responsibility to focus on other priorities.
- Removes City of Rye from golf/pool/restaurant business and limits financial risk related to operating losses.

CON'S

- Some loss of decision making control related to City owned asset and taxpayer amenity.
- Not necessarily low cost alternative due to profit requirements, may lead to membership rate increases over time.
- Implications for existing City employees (termination, bumping, etc.).

3b – Outsource to Non Profit

Lease property to manage RGC via Non-Profit or Pass-Through Corporation



The City of Rye could lease the property to a separate entity, preferably a non-profit organization, possibly owned and managed by the Members and represented by the RGC Commission. The lease would presumably cover the Interfund commitment debt repayment, and retiree obligations. If the non-profit defaulted on the lease payment, the contract would terminate and the Club would revert back to the City of Rye. The City of Rye would not be responsible for any commitments made by the separate entity. The non-profit may be exempt from municipal requirements. If City of Rye bonds were used to improve infrastructure, the lease payment would be adjusted accordingly.

This model is utilized for the Rye Nature Center and Rye Arts Center. A similar model is utilized by the Village of Sands Point.

Summary - Management by Non-Profit or Pass Through Corporation

PRO'S

- Relieves the City Manager and support staff from some RGC responsibility to focus on other priorities.
- Removes City of Rye from golf/pool/restaurant business and limits financial risk related to operating losses.

CON'S

- Some loss of decision making control related to City owned asset and taxpayer amenity.
- Not necessarily low cost option, may lead to membership rate increases over time.
- Viability of Corporation must be maintained and borrowing capacity to be determined versus City of Rye.

Alternatives Excluded From Scope

1. Privatization with equity membership was presumed to be excluded, as it would reduce public access by increasing the cost of entry.
2. The sale of the restaurant or the entire operation was excluded.
3. Transfer of the property to a Land Development Corporation (LDC).
4. Alternate use was excluded.

6. CONCLUSION – INITIAL REPORT

The most significant issues at RGC relate to inadequate internal controls and possibly the financial viability of the food/beverage operation under a Municipal Managed model. Effective immediately, significant changes in responsibilities and operating policies should be considered:

1. Governance – Improve checks/balances by including the RGC Commission in an advisory role for all Club decisions with an impact in excess of \$2,500 per year. Final decisions remain with the City Manager.
2. Transparency – Comptroller to provide monthly financial reporting to RGC Commission. Department Managers to provide weekly operational updates to the RGC Commission as follows:

-Golf Superintendent	Greens Committee
-Golf Pro	Tournament Committee
-Pool Manager	Pool Committee
-Membership	Marketing Committee
-Food/Beverage Director	Finance Committee (creation of Food Committee tbd)
-Office Manager	Finance Committee

3. Internal Controls – Require written documentation for all purchase commitments, even if below requirement for City of Rye PO.. Enforce Segregation of Duties and Signature Authorization Limits.

The RGC Strategic Committee needs feedback from the City Council on the ideas presented in this [INITIAL REPORT](#).

A) Maintain the existing model or modify the governance

B) Outsource the restaurant or outsource the entire operation. If the decision is to pursue an RFP for 2014, we envision completing the preparation in May and gain City Council approval of the document(s) in June.

Please let us know if you need any further information.

APPENDIX

SCHEDULE A – Historical Charters for RGC Board/Commission

ESTABLISH BOARD OF ADVISORS – 6/21/1965

RESOLVED that this Council hereby confirms its intention to have the Rye Golf Course placed under the jurisdiction of the Recreation Commission pursuant to Article 16, Section 16.2 of the City Charter and to have the operation and maintenance thereof placed under the Department of Recreation pursuant to Article 16, Section 16.2 of the City Charter, subject to the following conditions:

- (1) Determinations of major policy with respect to the Rye Golf Course shall be reserved to the Council, including but not limited to the final approval of the annual budget, membership eligibility rules, membership fees, contracts with concessionaires and projects for substantial construction or alteration of facilities.
- (2) There is hereby created a Board of Advisors for the Rye Golf Course consisting of members of the Recreation Commission, ex officio, plus the nine persons who comprise the “Golf Course Committee” heretofore designated by this Council. The Board of Advisors shall elect its own Chairman.
- (3) The Board of Advisors shall have authority to appoint subcommittees and to delegate thereto advisory duties with respect to the various areas of operation.
- (4) Nothing herein contained shall derogate from the administrative and supervisory authority of the City Manager under said Article 16, Section 16.4 of the City Charter.

TERMS AND DUTIES OF THE BOARD OF ADVISORS – 1/5/1966

WHEREAS, the Council desires to control the operation of Rye Golf Course through the City Manager and to establish an advisory board in connection with such operation, NOW, THEREFORE, BE IT RESOLVED by the Council as follows:

Section 1. There shall be a Board of Advisors to consist of not more than nine members to be appointed by the Mayor for a term of one year, during which time they shall serve at the pleasure of the Mayor. One of the members thereof shall be a Councilman and not more than two members thereof shall be members of the Recreation Commission. The Mayor shall designate the Chairman of such Board.

Section 2. The Board shall act only in an advisory capacity to the Council with respect to the use of the Rye Golf Course. Except insofar as it may make recommendations to the Council, the Board shall not make any contract on behalf of the City nor cause any act to be done involving any expenditure by the City.

Section 3. The Board shall develop and recommend to the Council programs, facilities, and regulations with respect to the use of the Rye Golf Course.

Section 4. The use, operation and maintenance of the Rye Golf Course shall be under the direction and supervision of the City Manager.

Section 5. The Board shall have the power to organize and supervise social events, games and tournaments at the Rye Golf Course, including the club house and swimming pool, and to make such rules as may be reasonably necessary to conduct such activities, subject to review and modification thereof by the City Manager. It shall also have authority to appoint sub-committees for various activities of the Golf Course.

ESTABLISH RYE GOLF CLUB COMMISSION – 5/18/1977

RESOLVED, that a Rye Golf Club Commission be and the same hereby is established as follows:

Section 1. Commission; Appointment

(a) There shall be a Rye Golf Club Commission to consist of nine resident members of the Rye Golf Club to be appointed by the City Council from the resident members elected by the members of the Rye Golf Club. The members of the Commission shall elect a Chairman from its members.

(b) During the first two years, five of the members of the Commission shall be appointed for a term of two years and four shall be appointed for a term of one year, and the successors thereof shall be appointed for a term of two years from and after the expiration of the term of their predecessors. The term of the members shall commence on October 1, except that if a vacancy shall occur otherwise than by expiration of term, it shall be filled by appointment by the City Council for the unexpired term.

Section 2. Nominating Committee; Election

(a) The City Council shall appoint a nominating committee of five members of the Rye Golf Club.

(b) The nominating committee shall, for the first election, submit to the membership a ballot containing the names of twelve resident members of the Rye Golf Club for the election of nine members therefrom for submission to the City Council for appointment to the Commission. Thereafter, the nominating committee shall submit to the membership a ballot containing the names of two or more resident members than the number of vacancies to be filled for the election of the number of resident members to fill the vacancies. The names of the nominees receiving the highest number of votes for the vacancies to be filled, including anyone with a tie vote, shall be submitted to the City Council for appointment.

(c) Any person who is 18 years of age or over that age and a member of the Rye Golf Club at the time of the election shall be entitled to vote.

(d) The nominating committee shall prepare a ballot containing the required number of names selected by them as candidates to be elected for appointment by the City Council; and it shall conduct an election by the members by mail and/or by any other method designated by the committee for returning the ballot so that the results of the election are received by the committee no later than September 1.

(e) The nominating committee shall submit a list of the elected nominees to the City Council by September 10.

(f) The City Council shall appoint the members to the Commission no later than the third Wednesday in September.

Section 3. Responsibilities

(a) The Commission shall adopt rules and regulations relating to the recreational use of the golf course, swimming pool, club house, social and recreational activities and other future activities of the Rye Golf Club, which are not inconsistent or in conflict with any agreement of the City of Rye or any declared policy of the City Council, and subject to the approval of the City Manager.

(b) It shall appoint a Greens Committee, Golf Committee, Pool Committee, and a House Committee, each of which shall consist of four members of the Rye Golf Club and one thereof shall be designated Chairman of the Commission. It may appoint such other committees as it may deem necessary.

(c) It may make recommendations to the City Council and City Manager with respect to the future recreation programs and activities of the Rye Golf Club and one thereof shall be designated Chairman by the Commission. It may appoint such other committees as it may deem necessary.

(d) It shall approve annual budget estimates, prepared by staff personnel, including membership categories and proposed fee schedules, prior to submission of such estimates to the City Manager.

(e) The City Manager is responsible for implementation of the City Council's policy, the rules and regulations of the Commission and the supervision of employees assigned to the Rye Golf Club.

Voting Eligibility Procedures & Commission Responsibilities – 11/28/2012

RESOLUTION regarding Rye Golf Club Commission Responsibilities

1) The Commission

a) Role. The Commission shall serve in an advisory capacity on behalf of the members of the Golf Club and shall have the responsibilities set forth in Section 1(c) below, Neither the Commission, any Committee of the Commission nor any member of the Commission or member of and Committee thereof, shall have any direct authority or responsibility for execution, implementation or management of any activity, program, employment matter, or contract involving the Golf Club. The Golf Club Manager (who reports to the City Manager) shall be responsible for the execution, implementation and management of the authorized operation of the Golf Club.

b) Advisory Recommendations. The Commission shall make such recommendations as it deems proper in respect of the current and proposed activities, programs, policies, and other matters related to the Golf Club, the Commission shall also make recommendations concerning the duties and responsibilities of independent contractors (e.g. Golf Professional), including recommendations concerning employment of prospective individuals to fill those positions, and any other areas the Commission deems appropriate; such recommendations shall be made directly to the Golf Club Manager, The Commission shall also make recommendations concerning the duties and responsibilities of the Golf Club Manager, including recommendations concerning employment of prospective individuals to fill the position, and any other areas the Commission deems appropriate; such recommendations shall be made directly to the Rye City Manager.

c) Responsibilities. The Commission shall:

i) Adopt, interpret, apply, and enforce such rules and regulations relating to the use of the Golf Club as it deems appropriate, which rules and regulations shall not be inconsistent or conflict with any agreement of the City of Rye or any published policy of the Rye City Council;

ii) review, advise on and approve an annual budget for the Golf Club provided and prepared by the Golf Club staff and finance committee. Annual budgets shall include proposed annual membership categories and fees and proposed charges for other services provided by the Golf Club, prior to timely submission of such annual budget to the Rye City Manager;

iii) select a Commission Chairperson; and

iv) decide such matters as may be properly brought before the Commission for a decision.

d) Commission Chairperson. The responsibilities of the Commission Chairperson shall be:

i) to appoint a chairperson to each Standing Committee of the Commission;

ii) to organize limited duration Ad Hoc Committees of the Commission as may be necessary from time to time for the purpose of making recommendations to the Commission in respect of matters not properly within the scope of the usual and customary advisory role of a Standing Committee of the Commission;

iii) to appoint a chairperson to each Ad Hoc Committee of the Commission;

iv) to serve as an ex-officio member on each Committee of the Commission;

v) to appoint a Vice-Chairperson of the Commission who shall serve as Chairperson during the absence of the Chairperson; and

vi) to direct such matters as the Chairperson deems necessary and appropriate to a Committee of the Commission for the advice and recommendation of such Committee.

2) Committees of the Commission

a) Standing Committees. The Commission shall have Standing Committees to advise and make recommendations to the Commission on such matters that properly come before a Standing Committee or as may be directed to such Committee by the Commission or the Commission Chairperson. The Standing Committees of the Commission initially shall include Committees relating to Golf, Pool, House, and Finance.

b) Ad Hoc Committees. The Commission shall have such Ad Hoc Committees as may be constituted from time to time pursuant to Section 1(d)(ii) above.

c) Nominating Committee. The Nominating Committee shall not be considered a Standing Committee or Ad Hoc Committee and shall be subject solely to the rules set forth in the **Rye Golf Club Nominations, Elections and Voting Eligibility** Section 2 concerning Nominating Committee and Nominations.

d) Committee Members and Chairpersons

i) Each Standing Committee and Ad Hoc Committee of the Commission shall be constituted with no fewer than three members and no more than seven members; provided that a Committee may be constituted with two members and up to nine members in appropriate circumstances with the approval, by majority vote, of the Commission.

ii) A Committee member shall be a member of the Golf Club holding a valid current membership entitling such member to voting privileges.

iii) The Chairperson appointed to each Standing Committee shall be a Member of the Commission, other than the Chairperson of the Commission.

iv) The Chairperson of an Ad Hoc Committee may be a Member of the Commission.

v) The Chairperson of a Committee shall make efforts to seek out qualified members to serve as members of such Committee. The Committee Chairperson will then make recommendations to the Commission of any such qualified members it believes should serve on such Committee. Such nominees shall serve as Committee members upon approval by majority vote of the Commission. Such nominees will serve as Committee members upon approval by majority vote of the Commission. Such nominees will serve as Committee members at the convenience of the Commission and can be removed from such Committee service at any time and for any reason at the sole discretion of the Commission. A Committee member shall serve until the earlier of the end of the Golf Club year for which he or she serves as a member or the date a Commission terminates, or the date on which such member is removed by the Commission.

SCHEDULE B – Municipal Golf Course Financial Statements

STAMFORD GOLF AUTHORITY - STERLING FARMS - FINANCIAL STATEMENT SUMMARY

	2011	2010	2009
Greens		\$1,426,921	\$1,428,074
Driving Range		\$785,409	\$854,037
Cart Rental		\$434,302	\$401,409
Permits		\$85,723	\$88,006
Rent – restaurant and grill		\$91,164	\$72,634
Rent – pro shop		\$50,580	\$46,980
Rent – tennis shop		\$14,420	\$14,000
Other		\$17,027	\$16,200
Total Operating Revenues	\$2,984,000	\$2,905,626	\$2,921,340
Total Operating Expenses	\$2,945,606	\$	\$
Net Operating (Loss)/Income	(\$11,726)	\$159,860	(\$171,586)

CITY OF NORWALK - OAK HILLS GOLF AUTHORITY - FINANCIAL STATEMENT SUMMARY

WESTCHESTER COUNTY GOLF COURSES - FINANCIAL STATEMENT SUMMARY

VILLAGE OF SANDS POINT - FINANCIAL STATEMENT SUMMARY

SCHEDULE C – Fee Assessment

Rye Golf Club – Membership Rate History

RESIDENT

	2006	2007	2008	2009	2010	2011	2012	2013
Comprehensive Family	\$3,585	\$3,693	\$3,841	\$3,994	\$3,994	\$4,112	\$4,500	\$4,500
Individual Daily Golf	\$2,440	\$2,513	\$2,614	\$2,718	\$2,718	\$2,798	\$3,100	\$3,100
Individual Weekday Golf	\$1,642	\$1,690	\$1,758	\$1,646	\$1,646	\$1,694	\$1,900	\$1,900
Family Pool	\$1,150	\$1,185	\$1,232	\$1,281	\$1,281	\$1,319	\$1,450	\$1,450
Individual Pool	\$589	\$606	\$630	\$655	\$655	\$674	\$750	\$750
House	-	\$400	\$75	\$78	\$78	\$80	\$250	\$250

NON RESIDENT

	2006	2007	2008	2009	2010	2011	2012	2013
Comprehensive Family	\$7,169	\$7,313	\$7,605	\$7,908	\$7,908	\$8,141	\$8,000	\$8,000
Individual Daily Golf	\$4,879	\$4,978	\$5,177	\$5,384	\$5,384	\$5,542	\$5,600	\$5,600
Individual Weekday Golf	\$3,283	\$3,349	\$3,483	\$3,260	\$3,260	\$3,356	\$3,400	\$3,400
Family Pool	\$2,300	\$2,351	\$2,445	\$2,543	\$2,543	\$2,618	\$2,500	\$2,500
Individual Pool	\$1,177	\$1,910	\$1,986	\$2,065	\$2,065	\$2,126	\$2,200	\$2,200
House	-	\$400	\$250	\$260	\$260	\$267	\$250	\$250

MUNICIPAL GOLF COURSES

SEASONAL USE

Rye Golf Club, Rye NY - Enrollment Before March 1/After March 1

Resident Comprehensive Family \$4,500/\$5,175

Resident Golf Individual \$3,100/\$3,565; Resident Golf Weekday \$1900/\$2185

Resident Pool Family \$1,450; Pool-For-Two \$1,180, Individual \$750

Non-Resident Comprehensive Family \$8,000

Non-Resident Golf Individual \$5,600

Non-Resident Pool Family \$2,500; Non Resident Pool Individual \$1,200

Hudson Hills, Ossining NY

Resident Unlimited \$3,350; Non-Resident Unlimited \$3,950

Senior Resident Unlimited \$1,950; Senior Non Resident Unlimited \$2,350

Resident Unlimited Weekday \$2,250; Non-Resident Unlimited Weekday \$2,950

Lake Isle, Eastchester NY

Resident Comprehensive Family \$2,415; Individual \$1,880

Resident Golf Individual \$1,720; Resident Golf Weekday \$1,420

Resident Pool Family \$690; Individual \$480

Non-Resident Comprehensive Family \$4,830; Individual \$3,575

Non-Resident Golf Individual \$3,365; Non Resident Golf Weekday \$2,565

Non-Resident Pool Family \$1,600; Non Resident Pool Individual \$1,115

Village of Sands Point, NY

Resident **TBD**

Non Resident **TBD**

PRIVATE COUNTRY CLUBS (Sampling)

Anglebrook Golf Club	Apawamis Country Club	Bonnie Briar Country Club
Brae Burn Country Club	Blind Brook Club	Century Country Club
Country Club of Purchase	Country Club of New Canaan	Fenway Golf Club
Hampshire Country Club	Innis Arden Golf Club	Knollwood Country Club
Metropolis Country Club	Mount Kisco Country Club	Old Oaks Country Club
Pelham Country Club	Quaker Ridge Country Club	Ridgeway Country Club
Rockrimmon Country Club	Saint Andrews Golf Club	
Scarsdale Golf Club	Sleepy Hollow Country Club	Sunningdale Country Club
Tamarac Country Club	Westchester Country Club	Whippoorwill Country Club
Willow Ridge Country Club	Winged Foot Club	Wykagyl Country Club

DAILY FEE GOLF (Municipal)

Rates - Weekday/Weekend

Westchester County Courses	Resident \$31/\$35,; Non-Resident \$41/\$45
Hudson Hills, Ossining NY	Resident \$45/\$65; Non-Resident \$65/\$85
Spook Rock, Ramapo NY	Resident \$26, Non-Resident \$65
Bethpage, Long Island (NYS)	Resident \$38/\$43, Non-Resident \$86-\$130/\$96-\$150
Pelham Bay/Split Rock Golf Course (NYC)	NYC Resident \$39/\$48, Non-Resident +\$8 pm times
Van Cortlandt Park GC (NYC)	NYC Resident \$39/\$48, Non-Resident +\$8 pm times
Sterling Farms, Stamford CT	Resident \$20; Non-Resident \$45
E. Gaynor Brennan, Stamford CT	Resident \$23/\$27, Non-Resident \$42/\$48
Richter Park, Danbury CT	Resident \$36/\$42, Non-Resident \$72/\$82
Ridgefield Golf Course, Ridgefield CT	Daily Fee \$45/\$50

DAILY FEE GOLF COURSES – (Non Municipal)

Centennial Golf Club (Carmel, NY)	\$100/\$135
Pound Ridge Golf Club (Pound Ridge, NY)	\$165/\$195
The Links at Union Vale (LaGrangeville, NY)	\$49/\$65

SWIMMING POOLS (Municipal)

Westchester County – Saxon Woods, Playland Pool & Beach	\$5/\$15 per use
Rocky Ledge , White Plains	Bond \$1,000 then Single \$751.63, Spouse \$107.38, Junior \$80.53 Family Monthly - \$429.50, Individual \$322.13
Briarcliff Manor Pool	Family \$465, Sr. Citizen \$115, Child \$115
Village of Scarsdale Pool	Residents Only
Briarcliff Swim Club, Avon CT	Family \$550, Individual \$300