



MINUTES FINANCE COMMISSION

Wednesday, October 23, 2024 - 5:00 p.m.
City of Huntington Beach
Council Chambers
Huntington Beach, CA 92648

For the audio recording of the October 23, 2024, Finance Commission Meeting, please visit the City's website at: <https://huntingtonbeach.legistar.com/Calendar.aspx>

Chair Billy Hamilton called the meeting to order at 5:02 p.m. and Assistant City Manager Travis Hopkins led the Pledge of Allegiance.

MEMBERS
PRESENT: Billy Hamilton, Chair
Kelly Gates, Vice-Chair
David Cicerone, Commissioner
Jamie Craver, Commissioner
Frank Lo Grasso, Commissioner
Janet Michels, Commissioner
Robert Sternberg, Commissioner

MEMBERS
ABSENT: None
STAFF PRESENT Travis Hopkins, Assistant City Manager
Thuy Vi, Management Aide, Finance
Shari Saraye, Buyer

PUBLIC COMMENTS

Dave Chennault spoke on the Meadowlark Golf Course lease and operational issues. He pointed out long-standing drainage problems, incomplete payments by the operator, and discrepancies in revenue reports. He provided documents and recommended that the City review the golf course finances and form a task force to address these issues as the current lease nears its expiration.

CONSENT ITEMS

Approval of Meeting Minutes

Motion: Moved by Commissioner Frank Lo Grasso and seconded by Chair Hamilton to approve the Finance Commission Meeting Minutes dated September 25, 2024, as presented

The motion carried by the following votes: 7-0

Ayes: Cicerone; Craver; Gates; Hamilton; Lo Grasso; Michels; Sternberg
Noes: None

DISCUSSION ITEMS AND POTENTIAL RECOMMENDATIONS

D1. Olympics 2028 Surfing Competition Update

Hopkins stated that the City is working with Visit HB to have discussions with the LA 2028 Olympics Committee to host Olympic events, with surfing as the primary focus. LA 2028 committee members visited Huntington Beach during the Airshow and toured the pier and event layout. They also toured the City's Emergency Operations Center (EOC) while other agencies assisted the City with security and were shown the City's ability to manage large-scale events.

Hopkins noted that the City of Santa Monica conducted a study regarding the financial impact of hosting the Olympics and found that hosting certain events could be costly. The City may consider a similar study. The City of Long Beach is negotiating with LA 2028 to cover the additional costs of hosting Olympic events related to increased security, fire, and public works resources. Long Beach is evaluating the financial impact of these events over the coming years and intends to share the data with LA 2028 to secure funding for the extra costs incurred during the Olympics.

D2. FY 2023/24 Year-End Update

Hopkins stated that the City's auditors are currently working with the Accounting Team to review the City's FY 2023-24 financials. They are working on required entries related to the GASB 68 and GASB 75, the Supplemental Retirement and Other Post-Employment Benefits (OPEB) plans. A more detailed update will be provided at the next Commission meeting on November 20, 2024.

D3. Meadowlark Golf Course Update

Hopkins stated that the City Manager's Office will be forming a seven-member task force to review the future of the Meadowlark Golf Course lease, which expires in three years. The task force will include two Finance Commission members, two members from the Community and Library Services Commission, and three community members with one those members being a Meadowlark Golf Club member. The Finance Commission will select its two members. The task force will assess the operational, financial, and environmental aspects of the golf course to provide recommendations for the new contract.

COMMISSIONER COMMENTS

Commissioner Kelly Gates thanked Dave Chennault for the information on Meadowlark Golf Course. She encouraged everyone to vote in the upcoming election.

Commissioner Robert Sternberg thanked Chennault for speaking and for the handout. He reminded everyone that the next meeting is on November 20, 2024.

Commissioner Janet Michels thanked Chennault for speaking and for the handout. She congratulated Hopkins on his new role. She stated that would like to discuss the CalPERS new rates at the next meeting as they impact the City's fiscal health.

ADJOURNMENT

Motion: Moved by Commissioner Craver and seconded by Chair Hamilton to adjourn the meeting at 6:05 p.m.

The motion carried by the following votes: 7-0

Ayes: Cicerone; Craver; Gates; Hamilton; Lo Grasso; Michels; Sternberg

Noes: None

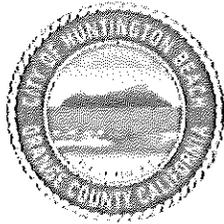
Submitted by:

Travis Hopkins, Assistant City Manager

By: Thuy Vi, Finance Management Aide

Requested Items

- Payment of Davis Farr Bill by Arcis to city – why has it not been paid?
- Additional billing of Davis Farr “misses” and late fees for 2024
- Investigation of Rent Abatement and why it was extended by staff for a year beyond what council authorized
- Request additional outside reports since Audit not performed by Davis Farr
- Support of resident led task force for new Meadowlark management after current lease ends on 2/5/28



CITY OF
HUNTINGTON BEACH

Sunny Han | Chief Financial Officer

July 15, 2024

VIA EMAIL AND REGULAR MAIL

Arcis Golf
Attn: Jennifer Sawyer, VP Accounting, Controller
8343 Douglas Ave., Ste. 200
Dallas, TX 75225

SUBJECT: Lease Concession Agreed-Upon Procedures Report

Dear Ms. Sawyer:

The Agreed-Upon Procedures Report of the Arcis Golf, dba Meadowlark Golf Course (Meadowlark) with regards to the lease between the City of Huntington Beach (City) and Meadowlark was completed as of June 28, 2024 by the independent audit firm Davis Farr, LLP. The Agreed-Upon Procedures (AUP) performed were in accordance with Section 11 of the lease agreement dated July 6, 1992, for the period January 1, 2019 through December 31, 2023.

The review of your records determined there was a discrepancy in revenues reported to the City. The Total Operating Lease revenue reported is \$23,648,017; however, the actual revenues earned during the period totaled \$23,688,224. This difference generated an outstanding lease balance due of \$12,998. Additionally, various fixed and variable rent payments due during the January 1, 2019 through December 31, 2023 review period were not submitted timely and incurred late penalties totaling \$400,970. The overall total due to the City is \$413,968.

Copies of the draft report and related total outstanding amount due to the City were provided for your review and comment on May 28, 2024 and June 19, 2024. Attached is a copy of the final report and an invoice of the amount due.

We expect payment in full by August 14, 2024, otherwise, penalties will continue to accrue in accordance to the lease terms.

If you have any questions, please feel free to contact me at sunny.han@surfcity-hb.org

Sincerely,

Sunny Han
Chief Financial Officer

Enclosure:
Arcis Golf - Agreed Upon Procedure Report

City of Huntington Beach
 Accounts Receivable
 PO BOX 711
 Huntington Beach, CA 92648-0711
 www.huntingtonbeachca.gov/payments

Date 07/15/2024
 Account 41084
 Page Page 1 of 1

INVOICE

BILLING ADDRESS:

ARCIS GOLF
 ATTN: JENNIFER SAWYER
 8343 DOUGLAS AVE. STE. 200
 DALLAS TX 75225-5887

CUSTOMER ADDRESS:

MEADOWLARK GOLF COURSE - ARCIS
 16087 GRAHAM ST
 HUNTINGTON BEACH CA 92649-3754

Invoice Date	Number	Type	Item	Due Date	Remark	Amount
07/15/24	41084	Miscellaneous	605	08/15/24	LAND LEASE - ADJ. RESIST	\$12,988.00
			607	08/15/24	LAND LEASE - ADJ. LAND IMPROV	\$0.00

Payment Status: Please design all checks and payments for delivery or payment to ensure timely receipt by program account. Account Manager: City of Huntington Beach. Please contact your account manager for more information.

ACCOUNTS RECEIVABLE

DUE BY 08/15/2024

For billing questions call:

- False Alarm Fees 714-960-8805
- Fire Inspection/Permits 714-636-5411
- Har/Mal Incidents 714-374-1561
- Storm Water Permits 714-536-5431
- All Other Receivables 714-374-1554

ACCOUNT# 41084

Please pay total amount due ▶▶▶ \$ 413,988.00

ARCIS GOLF
 ATTN: JENNIFER SAWYER
 8343 DOUGLAS AVE. STE. 200
 DALLAS TX 75225-5887

Payments can be made online. Go to www.huntingtonbeachca.gov/payments for payment options.

Make checks payable to the
City of Huntington Beach



**CITY OF HUNTINGTON BEACH
 ACCOUNTS RECEIVABLE
 PO BOX 711
 HUNTINGTON BEACH, CA 92648-0711**



00413968006179160910895

Balance due as of September 30, 2024

Customer Number	41084	Customer Description	MEADOWLARK GOLF COURSE - ARCIS	Receipt Date	8/21/2024	Receipt Amount	119,449.00	Unapplied Amount	119,449.00	Category Code	LSE	Parent Number	84733	Parent Description	ARCIS GOLF	G/L Date	8/21/2024	Batch Date	8/21/2024	Batch Number	677089	Receipt Number	4272666	Payment ID	282166	Doc No JE	123295	Unapplied G/L Offset	UC
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→ \$413,968 per Davis Farr – \$119,449 = \$294,519 Still Due
over 60 days past due – was due 8/15/24

Additional Due – at least \$53,477.92

- Davis Farr “misses”
 - March 1 – 3, 2020 rent unpaid – \$23,929.56
 - March 1-3, 2020 \$4,431.40 - 54 months late at 10% a month
 - October 2023 Late Payment penalty for January and February 2024 - \$13,256.60
 - January – February 2024 - \$66,283 variable rent at 10% per month for 2 months
 - Davis Farr used the dates Arcis said they mailed the payment versus the date the payments were received by the city per the lease. This could result in many tens of thousands more due in late fees
- Late fees for 2024 Rent Payments
 - Arcis is still paying late. Payments recorded as received by city late in January, February, June, and August this year
 - \$16,291.76 in late fees this year from January – August 2024
- \$53,477.92 - Additional Total late fees and missing rent dues as of October, 2024
BEYOND Davis Farr report

Late Fees Section of Lease

8.3 Late Payment Charge. If any payment of rent or any other sum due is not received on or postmarked as of the due date, a late charge of ten percent (10%) of the payment due will

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When rent payment is considered late

be added to the payment obligation and the total sum shall be immediately due and payable to LESSOR. An additional charge of ten percent (10%) of said payment, excluding late charges, shall accrue for each additional month that said payment remains unpaid; provided, however, that in the event that LESSEE contests the obligation to pay a sum allegedly due and it is ultimately determined that the sum is not owed, LESSEE shall not be required to pay late charges pursuant to this subsection.

Rent and Payments 2024 – January - August

	2024	January	February	March	April	May	June	July	August	September	October	November	December
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Reported To City by Arcis

	January	February	March	April	May	June	July	August
Rent	\$94,612.75	\$68,304.83	\$96,946.93	\$110,417.23	\$127,112.85	\$135,727.76	\$136,901.72	\$131,878.17
Base	\$44,314.00	\$44,314.00	\$44,314.00	\$44,314.00	\$44,314.00	\$44,314.00	\$44,314.00	\$44,314.00
Variable	\$50,298.75	\$23,990.83	\$52,632.93	\$65,103.23	\$82,798.85	\$91,413.76	\$92,581.72	\$87,564.17

	January	February	March	April	May	June	July	August
Amount Paid - Journal Entry	\$ 44,314.00	\$ 44,314.00	\$ 44,314.00	\$ 44,314.00	\$ 44,314.00	\$ 44,314.00	\$ 44,314.00	\$ 44,314.00
Due Date	1/31/2024	2/28/2024	3/31/2024	4/30/2024	5/31/2024	6/30/2024	7/31/2024	8/31/2024
Months Late						1	1	1
Late Fee Due						\$ 4,431.40	\$ 4,431.40	\$ 4,431.40
Date Paid In City Journal	1/17/2024	2/14/2024	3/12/2024	4/9/2024	5/14/2023	7/8/2024	7/17/2024	9/4/2024
Cash Journal ID	25	29	32	33	35	38	39	44

	January	February	March	April	May	June	July	August
Amount Paid - Journal Entry	\$ 50,298.75	\$ 26,325.01	\$ 52,632.93	\$ 65,103.23	\$ 82,798.85	\$ 91,413.76	\$ 92,581.72	\$ 87,564.17
Due Date	2/28/2024	3/31/2024	4/30/2024	5/31/2024	6/30/2024	7/31/2024	8/31/2024	9/30/2024
Months Late	1	1				1		
Late Fee Due	\$ 5,029.88	\$ 2,399.08				\$ 861.49		
Date Paid In City Journal	3/5/2024	4/23/2024	3/5/24 and 4/23/24	5/28/2024	6/18/2024	8/8/2024	8/21/2024	9/24/2024
Cash Journal ID	30	34	31 and 34 partial	36	37	40,41,45	43	47

Request Investigation of Rent Abatement

- Rent abatement was granted by City Council from March 4, 2020 to July 31, 2020.
- Staff granted full rent abatement from March 4, 2020 to April 30, 2021
- Staff then granted additional partial rent abatement (granted abatement of base rent of \$44,314 per month) from May 1, 2021 to July 31, 2021
- Golf course was only closed a few days in April 2020
- Abatement was not needed and cost the city \$960,741.00 per the report finding in Davis Farr Report

Request Additional Reports by outside firm for the following

- Davis Farr did not audit Arcis
- Request additional report to determine the following:
 - Impact of Arcis Club on revenue reported and rent paid to city
 - Lease violations
- Validity of Revenue reported to the city by Arcis including:
 - Cart Fee Reported
 - Range Fees reported
 - Arcis Club Fees collected
 - Credits taken by Arcis to offset revenue reported
 - Banquet Hall Rentals

Cart Rental Revenue Reported By Arcis to the City

	2015	2016	2017	2018	2019	2020	2021	2022
Green Fee	\$ 1,492,263.99	\$ 1,380,027.47	\$ 1,401,545.93	\$ 1,544,976.50	\$ 1,574,542.82	\$ 1,675,785.03	\$ 2,764,682.32	\$ 3,243,519.89
Cart Rental	\$ 607,258.57	\$ 537,356.78	\$ 460,966.29	\$ 501,137.32	\$ 468,714.35	\$ 187,478.00	\$ 320,049.81	\$ 289,261.78
Cart as Pct of Green and Cart Total	29%	28%	25%	24%	23%	22%	10%	8%
Rounds	76,707	75,193	72,065	76,025	72,978	66,944	88,182	90,809

- Cart rental revenue has fallen from \$607,258 in 2015 to \$289,261 in 2022 while the number of rounds of golf reported by Arcis has increased from 76,707 to 90,809
- The majority of golfers on the course use golf carts based upon personal observation from my home
- The lease calls for 25% of cart rentals are paid as rent so the rent paid to the city as a portion of cart rentals dropped from \$151,814.50 in 2015 to \$72,315.25 in 2022.
- Factoring the rate of inflation, the value of \$1 in 2015 is \$1.33 today. This means the net present value of cart rental in 2015 is \$807,653.
- This means that cart rentals reported by Arcis have fallen by 64% during this period while the number of rounds of golf played has risen by 18% (rounds have increased by 14,102 between 2015 and 2022).
- If cart rentals had remained consistent with 2015, the revenue from cart rentals should be \$940,620 with a rent payment of \$235,155 – meaning a loss of \$162,840 in lost rent due to decreased reported cart revenue

Support Formation of Outside Task Force for New Agreement Regarding Meadowlark

- Current lease ends 2/5/28
- Have heard that staff is trying to form their own task force to do an “end run” around independent task force
- Social Golf is ready to step in and help city as soon as we ask...

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1992

REQUEST FOR CITY COUNCIL ACTION

Date July 6, 1992

Submitted to: Honorable Mayor and City Council
Submitted by: Michael T. Uberuaga, City Administrator *[Signature]*
Prepared by: Ron Hagan, Director, Community Services *[Signature]*
Subject: PROPOSED NEW AGREEMENT WITH AMERICAN GOLF CORPORATION
FOR OPERATION OF MEADOWLARK GOLF COURSE

Consistent with Council Policy? Yes New Policy or Exception

APPROVED BY CITY COUNCIL
7-6 1992
[Signature]
CITY CLERK

Statement of Issue, Recommendation, Analysis, Funding Source, Alternative

STATEMENT OF ISSUE

A new agreement with American Golf Corporation has been prepared for Council approval to replace the existing agreement for the city-owned Meadowlark Golf Course.

RECOMMENDATION

Approve the new agreement with American Golf Corporation for the improvement, operation and maintenance of Meadowlark Golf Course, and authorize the Mayor to execute same.

ANALYSIS

In 1974, the City of Huntington Beach entered into a 14-year lease agreement with American Golf Corporation (formerly Golf of Southern California), which expires January 1, 2008, for the operation of the Meadowlark Municipal Golf Course. For the past year, city staff have been negotiating with American Golf Corporation to develop a new agreement that would replace the existing agreement and provide for major capital improvements to the golf course and give the city greater control over the operational standards of the course.

Meadowlark Golf Course is currently designed to accommodate approximately 60,000 rounds of golf per year. For the past three years, it has been averaging over 120,000 rounds annually. Consequently, the tee-boxes, which are small, are constantly torn up from overplay and need to be enlarged. Only 11 mats exist on the public driving range and the city receives constant complaints about how difficult it is to get on the driving range. The clubhouse, restaurant and banquet facilities were built in the 1940s and have been pre-sealed over the years. They have deteriorated to the point where they are not only an eyesore, but also have numerous structural problems, including dryrot, leaking roofs, and wall deterioration. There is also a need to build a new maintenance facility and secured cart storage area to maintain

equipment and golf carts in good condition. The most needed improvement is to completely replace the irrigation system which would include fixing and expanding the lakes currently on the course, fixing low spots, connecting to reclaimed water system, and putting the entire system on a computerized watering program that would provide for maximum drainage and improved playability of the course.

Staff has had numerous public meetings with golfers, the Meadowlark Men's Club, the Meadowlark Women's Club, Chamber of Commerce, Conference and Visitors Bureau, hotel/motel operators and the Community Services Commission. All concurred with the need for these improvements at Meadowlark. American Golf Corporation is willing to spend a minimum of \$3.2 million to accomplish the above improvements. In exchange for this capital investment, which the city will own, American Golf is requesting to add an additional eight years to its existing agreement and to receive a ten-year option to extend the new agreement if the city determines that American Golf has performed all of the terms and conditions outlined in the agreement both monetarily and operationally. To determine this performance, the new agreement contains a maintenance standard exhibit and a monthly evaluation form. American Golf must maintain a "B or better" rating throughout the initial term of the new lease in order to qualify for the option.

If Council approves the new agreement, the current agreement will terminate in three months (approximately October 1, 1992) and the new agreement would require American Golf to have the above described improvements completed within two years of this date. The first year would see all of the course improvement items completed, such as, tee-boxes, irrigation, lakes, fencing, new turf, cart paths, etc. During the second year, American Golf would build a brand new clubhouse/pro shop restaurant/banquet facility, a driving range, a new parking lot, and entryway into the golf course.

The financial arrangements with American Golf would provide them with a rent break in the initial years of the contract with substantially higher percentage rent payments beginning in later years. A projected city revenue for 20 years under the new agreement is contained in Attachment 1. A city revenue difference for seventeen years (the time remaining on the existing lease) is presented in Attachment 2. As shown, the city will lose approximately \$285,000 in the Meadowlark Golf Course Fund in the first two years of the new agreement due to lower percentage rent and a reduced number of rounds during the construction period. In year three, the city will begin receiving greater revenue than it currently does under the existing agreement. The \$285,000 will be recouped by year eight or nine. During the following years, the city will receive a substantial increase in revenue over the existing agreement so that in the same time period, i.e., seventeen years, the city will receive \$1.8 million more than it

would have under the existing agreement, plus it will own the \$1.2 million worth of improvements that American Golf will have made to the course. In addition, the city will have control over the operational standards of the golf course. A summary of terms and conditions is contained in Attachment 3. An issues and comments analysis is contained in Attachment 4. The new agreement contains the specific terms and conditions and the forms to be used to determine performance. The new agreement also allows American Golf Corporation to be self-insured for its insurance deductible up to a maximum of \$250,000. Meadowlark will be added to American Golf's master insurance policy which covers the 200 golf courses it operates nationwide.

Meadowlark Golf Course is the third most played golf facility in Orange County. While there is a demand for both improvements to Meadowlark and for additional golf courses in the Buntington Beach area, staff feels that the city's primary concern should be in the long term development and operation of its existing course. The new agreement with American Golf will provide for a premium municipal course that will be expertly maintained.

FUNDING SOURCE

The Meadowlark Golf Course Fund

ALTERNATIVE ACTION

Deny the new agreement with American Golf and continue under its existing agreement.

ATTACHMENTS

Attachments

1. Projected City Revenue for 20 Years
2. City Revenue Difference for 17 Years
3. Summary of Terms and Conditions
4. Issues and Comments Analysis

Agreement with Exhibits A - D

RL:cs

MEADOWLARK GOLF COURSE

Projected City Revenue for 20 Years

YEAR	PROJECTED REVENUE UNDER NEW AGREEMENT
1	175,000
2	230,000
3	386,000
4	402,000
5	418,000
6	433,000
7	456,000
8	474,000
9	495,000
10	516,000
11	932,000
12	965,000
13	1,000,000
14	1,012,000
15	1,046,000
16	1,061,000
17	1,102,000
18	1,087,000
19	1,543,000
20	1,567,000
TOTAL	15,300,000

Year	Income under Current Agreement: (3% Annual Inflation)	Projected Income Under New Agreement	Difference in City Income
1	340,000	175,000	-165,000
2	350,000	230,000	-120,000
3	360,500	386,000	25,500
4	370,000	402,000	32,000
5	381,000	418,000	37,000
6	392,500	433,000	40,500
7	403,500	456,000	52,500
8	415,000	474,000	59,000
9	427,500	495,000	67,500
10	440,000	516,000	76,000
11	453,000	932,000	479,000
12	466,500	965,000	498,500
13	470,500	1,000,000	529,500
14	484,500	1,012,000	527,500
15	498,000	1,046,000	548,000
16	513,000	1,061,000	548,000
17	518,000	1,102,000	584,000
TOTAL	7,283,500	11,103,000	3,819,500

ATTACHMENT 3

MEADOWLARK GOLF COURSE
\$3.2 MILLION DOLLAR MASTER PLAN AGREEMENT
SUMMARY OF TERMS AND CONDITIONS

IMPROVEMENTS	NEW IRRIGATION	\$ 950,000
	LAKE LINING	\$ 45,000
	FENCING	\$ 20,000
	TEE WORK	\$ 100,000
	CARTPATHS	\$ 139,250
	DRIVING RANGE	\$ 450,000
	MAINT. BUILD.	\$ 200,000
	CLUBHOUSE	\$1,206,500
	COFFEE SHOP	
	BANQUET ROOM	
	PRO SHOP	
	CART STORAGE	
	85 NEW CARTS	
LEASE TERM	25 YEARS	
	10 YEAR PERFORMANCE BASED OPTION	
	CANCELS CURRENT 14 YEAR LEASE,	
	WITH 17 YEARS REMAINING	
% RENT TO THE CITY	4% GROSS SALES PRO SHOP	
	10% GROSS SALES FOOD & LIQUOR	
	25% BANQUET ROOM RENTALS	
	YR. 1-2, 5% GOLF OPERATIONS	
	YR. 3-10, 9% GOLF OPERATIONS	
	YR. 11-18, 18% GOLF OPERATIONS	
	YR. 19-25, 25% GOLF OPERATIONS	
	OPTION YR. 25% GOLF OPERATIONS	
INSPECTIONS	MONTHLY BY THE CITY	
	MUST MAINTAIN A 'B' OR BETTER	
	RATING DETERMINED BY THE CITY	

ATTACHMENT 4

ISSUES AND COMMENTS REGARDING THE PROPOSED
MASTERPLAN IMPROVEMENTS AND NEW LEASE AGREEMENT WITH AMERICAN GOLF

ISSUE	COMMENT
1. THE NEW AGREEMENT WILL DECREASE THE AMOUNT OF MONEY GOING INTO THE MEADOWLARK GOLF COURSE FUND FOR THE NEXT TWO (2) YEARS. HOW WILL THIS IMPACT THE CITY?	THERE WILL BE NO NEGATIVE IMPACT. THE CITY CURRENTLY HAS \$1.6 MILLION IN THE GOLF COURSE FUND BALANCE. ONLY \$150,000 PER YEAR IS NEEDED TO MEET THE DEBT SERVICE FOR THE 1975 BONDS USED TO PURCHASE MEADOWLARK. THE NEW AGREEMENT SETS A MINIMUM REVENUE OF \$175,000 PER YEAR. BY THE TIME THE CITY PAYS OFF THE BONDS, THE CITY WILL RECOVER THE LOST REVENUE OF THE FIRST TWO YEARS AND THE SAME, OR EVEN A LARGER AMOUNT, OF REVENUE WILL BE AVAILABLE FOR THE GENERAL FUND.
2. THE NEW AGREEMENT IS FOR 25 YEARS WITH A 10 YEAR OPTION. WHO DECIDES IF AMERICAN GOLF GETS THE 10 YEAR OPTION?	THE EXISTING AGREEMENT HAS 17 MORE YEARS, SO THE NEW AGREEMENT IS FOR 8 MORE YEARS + THE 10 YEAR OPTION. THE CITY IS GETTING \$2 MILLION IN IMPROVEMENTS THAT WILL BE PAID FOR BY AMERICAN GOLF AND OWIED BY THE CITY. THE 10 YEAR OPTION IS ONLY GRANTED IF THE CITY DETERMINES THAT AMERICAN GOLF HAS PERFORMED TO THE CITY'S SATISFACTION.
3. WHY DOES AMERICAN GOLF WANT TO DO THIS PROJECT?	MEADOWLARK WAS ONE OF THE FIRST MUNICIPAL COURSES CONTRACTED FOR BY AMERICAN GOLF. THE FACILITIES ARE OLD AND IN NEED OF MAJOR RENOVATION AND IMPROVEMENTS. AMERICAN GOLF FEELS, LIKE THE CITY, THAT IT'S TIME FOR A NEW MASTERPLAN THAT WILL MAKE MEADOWLARK A PREMIUM PUBLIC COURSE FOR THEM TO BE PARTNERS WITH THE CITY FOR YEARS TO COME.
4. ARE THESE GOOD ECONOMIC TIMES TO DO THIS PROJECT OR SHOULD WE WAIT UNTIL THE ECONOMY PICKS UP?	NOW IS A GREAT TIME TO GET MORE IMPROVEMENTS FOR THE MONEY. THE PROJECT REQUIRES NO FUNDS FROM THE CITY AND IT WILL GENERATE \$1.2 MILLION INTO THE LOCAL CONSTRUCTION ECONOMY.
5. HOW WILL MEADOWLARK BE DIFFERENT AFTER THE IMPROVEMENTS AND, IF MEADOWLARK HAS HIGH PLAY NOW, WHY CHANGE IT?	THE SIZE OF THE TEE BOXES WILL BE ENLARGED TO ACCOMMODATE THE BIG HOLE PLAY. NEW IRRIGATION AND DRAINAGE WILL GET RID OF LOW SPOTS AND STANDING WATER WHICH WILL ELIMINATE COURSE DAMAGE AND GIVE THE ABILITY TO MAINTAIN BOTH A FAIRWAY CUT AND A TROUGH CUT. THE DRIVING RANGE WILL DOUBLE IN SIZE, THUS MAKING ROOM FOR THE DEMAND AND OFFERING OF MORE LESSONS. THE NEW CLUBHOUSE, COFFEE SHOP, AND BANQUET ROOM WILL LOOK GREAT AND BETTER SERVE GOLFERS AND NON GOLFERS Alike. THE NEW CARTPATHS, CARTS, AND MAINTENANCE BUILDING WILL ENABLE THE COURSE TO BE MAINTAINED AT A PREMIUM LEVEL.