



## Agenda Report

19-1444

Agenda Date: 1/29/2019

### REPORT TO SPORTS AND OPEN SPACE AUTHORITY

#### **SUBJECT**

Action on the Fiscal Operation of the Santa Clara Golf and Tennis Club Report for the 1<sup>st</sup> quarter ended September 30, 2018

#### **BACKGROUND**

On June 27, 2017, the City Council approved an extension to the Management Agreement of the Santa Clara Golf and Tennis Club with the American Golf Corporation. Per the management agreement, the American Golf Corporation is required to submit for Sports and Open Space Authority (SOSA) various fiscal and operational reports.

#### **DISCUSSION**

This Report to Council transmits the reports on the fiscal operation of the Santa Clara Golf and Tennis Club for the quarter ended September 30, 2018. These reports provide current information on the fiscal operation of the City's Golf and Tennis Club and include the Income Statement (Attachment 1), the Variance Report (Attachment 2), the Administrative and Management Fee Calculation (Attachment 3), and the Net Income Comparison Graph (Attachment 4). The Income Statement includes a summary of Golf Course attendance categorized as "Number of Rounds" that is presented at the bottom of the Statement. The Variance Report provides a brief explanation of variances between actual and budgeted Golf Course revenues and expenditures. The Net Income Comparison Graph provides a graphic comparison of the current quarter and fiscal year actual, budget, and prior year actual Net Income for the Golf and Tennis Club.

As discussed in the attached Variance Report, financial results for the quarter ended September 30, 2018 were below budget by \$165,299 due primarily to a one-time prior year salaries/wages expense adjustment and staffing vacancies in the maintenance department during the current reporting period.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

#### **FISCAL IMPACT**

Year-end positive net operating results are revenue to the General Fund, while net operating losses are recorded as a transfer to SOSA Enterprise Fund. The quarter ended September 30, 2018 financial reports of the Santa Clara Golf and Tennis Club identifies a net income of \$26,953, compared to a net loss of \$35,776 for the same quarter ended September 30, 2017.

The Santa Clara Golf and Tennis Club operations will close once construction of the City Place

project begins. However, there will be ongoing maintenance costs funded by the General Fund until the property is turned over to the developer. These costs will be identified through the annual budget process.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

### **RECOMMENDATION**

Note and file the Status Report for the Fiscal Operation of the Santa Clara Golf and Tennis Club for the first quarter ended September 30, 2018.

Reviewed by: Angela Kraetsch, Director of Finance, Sports and Open Space Authority

Approved by: Deanna J. Santana, Contract Administrator for Sports and Open Space Authority

### **ATTACHMENTS**

1. Santa Clara Golf and Tennis Club Income Statement
2. Variance Report
3. Administrative & Management Fee Calculation
4. Net Income Comparison Graph