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Staff Report

ITEM 4-2

To: Lemoore City Council
From: Joe Simonson, Parks and Recreation Director
Date: May 30, 2014
Subject: Lemoore Municipal Golf Course – Operating Options to Remove the Operating Cost Liabilities from the General Fund

Discussion:

The Council has determined that the City's general fund cannot support the business operation of the Lemoore Municipal Golf Course. On February 4, 2014, the City Council instructed staff to disseminate a request for proposal (RFP) to lease the Golf Course. That RFP outlined the needs of the City to cover all costs associated with the golf operation which included paying back a 3.5 million dollar debt over 14 year period, have a capital improvement fund balance to cover any expected and unexpected expenses, as well as meeting normal business and maintenance operations.

As of close of the RFP period ending May 30, 2014, there was only one company that submitted a proposal to lease the Golf Course. The proposal does not meet the minimum requirements outlined by City Council in the RFP.

On December 3 and December 17, 2013, the City Council held public hearings to discuss the sale of the Golf Course property after receiving a proposal by the Tachi Yokut Tribe to purchase the Golf Course from the City for an amount of \$5 million. The Tribe agreed to put in writing that the Golf Course would remain a public Golf Course into perpetuity, allow local schools use of the course as currently available, and work with Lemoore Youth Golf and other similar programs to continue to promote future golf activity into infinity. Through numerous meetings and discussions the Lemoore elected officials have proposed other alternatives and have not brought the Tachi Yokut's proposal to purchase the Golf Course to a vote.

The Lemoore Golf Course is considered an asset to the community as long as the courses condition is maintained to a level of "medium" to "high" quality.

During the December 23, 2014 public meeting, City Council determined that changes to the current management contract with Rich Rhoads Golf, Inc. are needed. Mr. Rhoads has been given a written notice, to cancel the contract at the end of six months (June 30, 2014), instead of the contract date of June 30, 2015. To date, the Golf Course has transferred \$120,000 of the \$193,000 needed to meet this year's debt obligation which is due on June 30, 2014.

There are approaching time limits for each of the previously discussed options that City Council will need to direct staff to take action as shown below:

1. To accept or reject the lease proposal.
2. Direct staff how to proceed to maintain the asset of the Lemoore Golf Course.
3. Direct staff to bring back options to remove the risk to the general fund incurred by the Lemoore Golf Course.
4. Direct staff to procure a benefits assessment ballot.

Budget Impact:

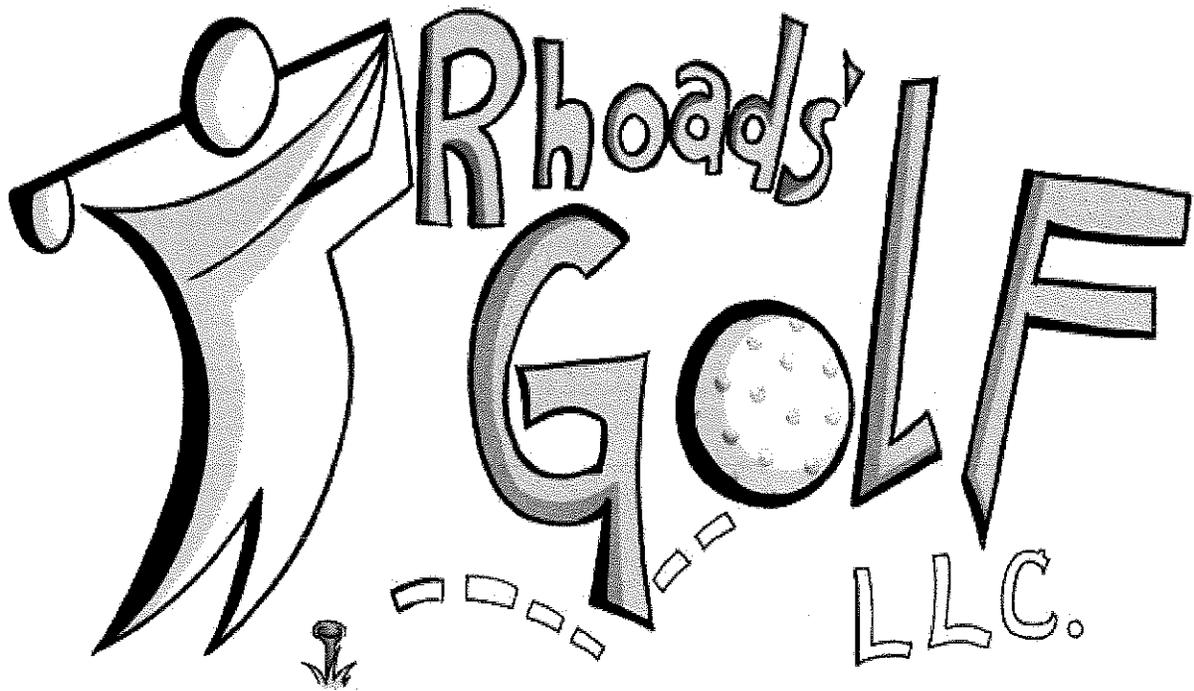
None.

Recommendation:

1. Reject the proposal to lease the Golf Course as stated and instruct staff to negotiate with the party to hopefully resolve the issue of removing the City from future liabilities. At the June 17th City Council meeting bring any changes to the proposal, if it meets the City's minimum requirements.
2. Direct staff to negotiate with any and all qualified golf management companies willing to work on a month to month contract to manage part or all of the Lemoore Municipal Golf Course operation.
3. Direct staff to author a ballot measure in which the population of Lemoore can decide to sell the Golf Course or pay for it using a special tax. This ballot measure will need to be approved by City Council a minimum of 88 days prior to the November 4, 2014 general election. This item would require a 2/3 vote by the voters in order to pass.
4. Direct staff to procure a benefits assessments ballot. Ballots would be sent out to all property owners within the City of Lemoore. This item would require a 50% agreement of items submitted to pass.

\$from LRA Fiscal Yr	Date	WT#	Amount	GC Deficit	GF Payoff	General Fund NR Balance	
						** 1,625,914.36	Beg Bal 7-1-05
						\$ (586,064.38)	Beginning Balance Adjustment 2012
2005/2006	3/30/2006	1006	\$ 300,000.00	\$ (184,974.55)	\$ 115,025.45	\$ (115,025.45)	\$ 1,510,888.91
2006/2007	2/2/2007	1246	\$ 200,000.00	\$ (63,516.39)	\$ 136,483.61	\$ (136,483.61)	\$ 1,374,405.30
2007/2008	2/15/2008	1458	\$ 200,000.00	\$ (17,559.17)	\$ 182,440.83	\$ (182,440.83)	\$ 1,191,964.47
2008/2009	3/13/2009	1711	\$ 200,000.00	\$ (3,024.79)	\$ 196,975.21	\$ (196,975.21)	\$ 994,989.26
2009/2010	7/16/2010	2056	\$ 200,000.00	\$	\$ 200,000.00	\$ (200,000.00)	\$ 794,989.26
2010/2011	3/11/2011	2226	\$ 200,000.00	\$ (147,420.28)	\$ 52,579.72	\$ (52,579.72)	\$ 742,409.54
2011/2012	1/12/2012	2373	\$ 200,000.00	\$	\$ 200,000.00	\$ (200,000.00)	\$ 542,409.54
2012/2013							
TOTALS			\$ 1,500,000.00	\$ (416,495.18)	\$ 1,083,504.82	\$ (43,654.84)	

** Notes Receivable as of July 1, 2005 / Recorded Fund 001 Acct 1300
(Advances from other funds / Recorded in Fund 101 Acct 2080)



RFP Lease Proposal for Lemoore Golf Course

2014



Proposer's Cover Sheet

Proposer: Rhoads Golf LLC
Address: 693 Avalon Drive, Lemoore, Ca. 93245

Primary Contact: Richard Rhoads
Title: Owner/PGA Professional
Email: richrhoads@gmail.com
Phone: (559) 469-6700

Person Authorized to sign contract: Richard Rhoads
Primary Owners: Sole owner; Richard Rhoads

Amount and Description of Deposit Proposed:

As opposed to a security deposit, a personal line of credit of \$100,000 will be available for any unforeseen or capital issues that may arise before capital accounts develop.

Monthly Lease Payments and Inclusions:

Rhoads Golf would make a lease payment of \$200,000 per year plus an additional amount to capital funds based on gross revenues. Payment is due quarterly.

Asset / Capital Improvement Proposed:

Capital improvement accounts will be created and will be as follows:

- One percent of gross revenue to a Pump and Irrigation Fund.
- One- half percent of gross revenue to Golf Course Improvements for the first four years that increases to 1 percent in year five.

Maintenance equipment replacement will start immediately with lease/purchasing. Used equipment with very few hours will be taken into consideration for purchase.

Considerations and a more in depth description of the lease proposal can be found on page 23 of this RFP.



Executive Summary

For more than 30 years Richard Rhoads has demonstrated the skills, knowledge and experience in managing golf facilities. Our main focus is managing a quality golf course with the emphasis on bottom line profits for our clients. This business plan leads the way. It renews the vision and strategic initiatives for Lemoore Golf Course by maintaining and improving the golf course, providing superior customer service, and developing new marketing plans to ensure a great golf experience for each player. It also provides a plan for improving our sales, gross margin and profitability. We are unique because the principle owner will be the PGA Golf Professional onsite which will ensure larger profits, guarantee lease payments and provide more opportunity for capital improvements. Most importantly, Rhoads has a proven track record at the Lemoore Golf Course. Richard Rhoads has been the operator of Lemoore Golf Course for the past 23 years and has a great understanding of the area, the people and what can be accomplished in a partnership with the City of Lemoore. In 2009 Rhoads established his own company, Rhoads Golf LLC. He individually took over the management contract which started in 2010. Rhoads was able to garnish over \$80,000 more profit than prior management in his first year. Rhoads is Lemoore based which will allow a direct and open line of communication with the city. We will be at the facility to answer questions and resolve issues.

Mission

We are dedicated to provide the best possible product for the City of Lemoore by providing a high quality golfing experience to all players. We will ensure customer satisfaction through a well maintained facility, which will be staffed with knowledgeable and experienced personnel. Rhoads Golf is dedicated to the City of Lemoore and will work diligently to insure the city's investment.

Company Philosophy

Rhoads Golf is an agile company focusing our resources to meet client goals. We recognize that each golf course is unique. We are determined to provide a quality customer experience with emphasis on the best possible outcome for the client. We constantly research efficiency methods to meet those goals. We will slowly improve the golf course conditions without huge capital expenditures to our clients. An onsite, skilled team will forge a strong business relationship that will serve the Lemoore community for many years to come.

Operational Strategy

Our strategy is to provide an enjoyable golfing experience to our customers while generating increasing revenues to cover operational, maintenance, capital expenses while satisfying our clients' needs. Our vision is broad in scope with well defined strategic initiatives. We will implement new marketing ideas to increase customer frequency which will generate increased



profits and in turn insure the lease payments. Rhoads Golf plans to initiate a Pump and Irrigation Fund and Golf Course Improvements fund. Contributions will be made on a quarterly basis based off a percent of gross revenues. Future improvements should include cart paths, maintain sand traps and improve the playability of the golf course. A line of credit will be established for any unforeseeable issues.

Operational Plan

Rhoads Golf LLC is a company that is solely owned by Richard Rhoads. He is a class A member of the Professional Golfers Association, he has a Masters in Business Administration and has been working in the golf industry since 1980. He has over 200 education hours in the PGA Professional Development Program. He will be the head golf professional onsite at the Lemoore Golf Course. This is what makes this organizational structure unique and beneficial to the city. It allows Rhoads Golf to save money by not paying excess expenses on other management positions. There will also be two golf professionals working at Lemoore Golf Course that will have direct access to Rhoads at any time. Staff will be instructed to have any unusual issues forwarded to him. Rhoads Golf is headquartered in Lemoore which will allow us to develop business relationships locally to keep tax dollars in Lemoore.

Golf Shop

The golf shop staff will include the Golf Professional, two hourly Assistant Professionals and a part time Shop Assistant. To continue to focus on increasing revenue, these professionals will be involved in the marketing plan and will provide golf instruction for players at all levels.

Golf Professional duties include:

- Daily operations of golf shop
- Marketing and promotion of play
- Teaching programs and clinics
- Supervising food prep, golf shop and range employees
- Inventory control
- Merchandising
- Planning and organizing all tournament play
- Completing daily operating reports
- Cash control
- General administrative duties
- Janitorial duties

Outside Staff responsibilities include:

- Golf carts will be cleaned daily and detailed monthly
- Scorecards and pencils will be put on carts daily



- Battery water levels checked every three weeks
- Balls will be picked up and cleaned daily
- Baskets will be picked up throughout the day
- Driving tee will be cleaned and straightened daily
- New range balls will be added when necessary
- Pro shop and work areas will be kept clean and free of trash

Pro Shop Plan

Richard Rhoads will be responsible for implementing the day to day transactions for the Lemoore Golf Course. This includes:

- Hiring, training and supervising all personnel
- Creating and monitoring annual budget and capital plans
- Writing job descriptions for all departments
- Accounts payables and billing
- Implementing golf course marketing plan
- Safety standards and meetings
- Procuring leases and purchases of golf carts and maintenance equipment
- Setting up all vendor accounts
- Managing all inventory levels for merchandise and food and beverage
- Special projects; supervised golf course contractor during the refurbishment of driving range, lakes, and cart path and greens additions.

Instruction

To continue the focus on increasing revenue, golf professionals will provide golf instruction for players at all levels. Get Golf Ready Clinics, golf academies and playing lessons will be vital in getting the customers on the course. The staff will be trained through the PGA and will attend teaching seminars to enhance their skills. The staff will promote more play for local business leagues, navy leagues, seniors, juniors, ladies, twilight golf, night golf, scrambles and outside tournaments.

Technology

It is our objective to stay up with the latest technology that will improve service of Lemoore Golf Course. Rhoads has recognized the impact of the internet and how it can affect tee time reservations as well as merchandising and marketing. Rhoads will use Course Trends for the Website and Tee Time Reservation System and Active Network's Jencess System for Inventory Management and Point of Sale.

Course Trends system allows Online Reservations and the collection of data to E-blast, text message and E-merchandise over the internet. The tee time reservation plan is to take times one week in advance. Times can be booked at the Golf Shop, over the telephone or online. Rhoads will use the E-blasting and E-merchandising for its marketing and sales. Employees will



continue to collect email addresses and grow the data base for use in all of the Course Trend capabilities. The system is capable of segmenting email addresses into categories such as gender, zip codes, cities, beginner, intermediates and expert players. Course Trends provides the use of new templates and a library full of marketing ideas. They also provide marketing ideas and service for the Lemoore Golf Course Website. The website will continue to provide customers specials and updated information about Lemoore Golf Course. Rhoads Golf will continue to possess the domain for Lemoore Golf Course and will continue to market under the Lemooregolf.com and Lemooregolfcourse.com website.

Point Of Sale

Rhoads Golf will use the Jencess System through Active Network for point of sale and inventory control. This Point of Sale system will be used for the entire operation. The system has the capabilities of:

- Pro Shop and Food and Beverage Inventory Management
- Cost of Goods Sold Reports
- Daily operating receipts
- Daily credit card totals
- Managerial audits (tracking register rings)
- Tracking Shop Credit and Gift Certificate ledgers
- Customer Profiles that tracks spending
- Employee Time clock
- Pricing labels and price scanning
- Tracking Loyalty points with rewards programs

Merchandising

Merchandising will be a definite advantage with Rhoads Golf. Rhoads has over 27 years experience in direct merchandising and has been trained by Professional Golf Association's Merchandiser of the Year, Ken Morton. Morton is known for his merchandising expertise and has won numerous PGA awards for his accomplishments. Rhoads has brought those concepts and ideas to Lemoore Golf Course. A great selection of merchandise will be provided and merchandise will be displayed in an attractive manner. Golf professionals will stay up with the latest technology and be trained to custom fit golf clubs. Golf professionals will gain product knowledge and be trained to develop customer relationships that will last and bring customers back to the facility.

Merchandising Plan

- Physical inventory will be taken once a month
- Lemoore will use an open to buy system which will help from being overstocked in a certain category
- Demo Days will give customers the opportunity to demonstrate all new golf equipment provided by the many vendors.



- All Golf Professionals will be trained to custom fit golf clubs and be familiar with all the technology involved in fitting and golf lessons
- Cost of merchandise will be kept at a minimum level of \$50,000 during the slower season and up to \$75,000 during the busy season. Total merchandise will also be monitored to correlate with slower economic times. It is our goal to turn the inventory 3 ½ times and to provide a 25 to 30 percent margin on sales.

Marshal Procedures

One of the most significant changes will be to the marshaling plan. Lemoore needs to expand the amount of marshals and put a positive spin on increasing the etiquette and pace of play. Marshals are expected to be polite while enforcing the rules. If players cannot make adjustments then the staff will take appropriate steps to keep the pace of play moving and not disrupt the timing of other players. The marshals will randomly give out rewards such as free buckets of balls for customers using good etiquette such as keeping their cart on the paths or staying outside the ropes. The amount of vouchers will be monitored by the pro shop and we feel that once the word gets out players will show much better etiquette on the course. The marshal's guideline for the pace of play will be:

- 10 minutes for a par 3
- 12 minutes for a par 4
- 14 minutes for a par 5

This will establish maximum time of 1 hour and 48 minutes for nine holes. All marshals will carry a watch to time players. Marshals will be trained to be courteous but will adhere to the golf course rules regarding etiquette on the golf course. Golf Professionals are also expected to marshal during times when marshals are not on duty. Marshals are expected to:

- Keep the pace of play moving using the time guideline
- Monitor players on back nine that may not have checked in
- Keep customers from playing with six players
- Keep carts on the cart paths
- Keep the carts outside the roped areas
- Fix ball marks on the greens and repair divots in the fairways
- Keep the ropes in position and repair if necessary
- Keep an eye out for possible damage to the course or golf carts

Counter Procedures

Golf Shop employees are expected to follow all daily procedures including:

- All employees are expected to be courteous and have a good attitude
- All customers will be handed a receipt
- Employees are expected to collect marketing data and promote play
- Shop employees are expected to handle the intercom system clearly and respectfully



- Telephone will have one rollover line and the staff is expected to answer the phone within three rings.
- Golf shop employees are expected to keep up with the janitorial duties during the day.

Golf Carts Procedures

- Customers will be required to sign for carts
- Golf carts will be clean when pulled out for the day
- Scorecards and pencils will be put on carts daily
- Golf carts will be cleaned before they are parked at night
- Battery water levels checked every three weeks
- Water will be purified through a water deionizer before put into batteries
- Carts will be rotated to equal the cart usage
- Carts will be detailed monthly

Driving Range Procedures

BBG diving services will be used for the driving range. The service will include retrieving golf balls from the water hazards. The course will allow BBG to clean, refurbish and stripe the golf balls. Lemoore Golf Course will get credit on the amount of range balls retrieved. Resale and range balls will then be purchased at a discounted amount.

Driving Range procedures include:

- Balls will be picked up and cleaned daily
- Baskets will be picked up throughout the day
- Driving tee will be cleaned and straightened daily
- New range balls will be added when necessary

Staff and Safety meetings

Maintenance and Clubhouse will hold monthly safety meetings. The goal is to provide a safe working environment by:

- Following all OSHA guidelines
- Protecting workers from injury
- Recognizing hazards at the work site
- Promoting safety
- Preventing loss of life
- Improving moral

Going Green



Rhoads Golf will implement policies on recycling. Papers, cans and cardboard will be recycled. Maintenance will be responsible in recycling used oils, old tires and proper disposal of chemicals. Motion activated switches will be used in bathroom and storage areas. Thermostats will be monitored year around.

Green waste will be chipped into mulch and be used in the flower beds and at the end of cart paths. We will completely support the city in their efforts to conserve energy and resources.

Advisory Committee

Rhoads golf will continue its advisory committee that meets to discuss the direction of the golf course. The committee will discuss the operations, condition of the course, possible marketing or any area that may improve the services at Lemoore Golf Course. The committee will meet 2 to 3 times per year. The committee will be well represented by golfers with common interests.

Food and Beverage

The cafe will include a full time cook and approximately five part time helpers. Richard Rhoads will also oversee the food and beverage manager. The Food and Beverage responsibilities include overseeing and training all employees. Part time kitchen staff will be trained to cook all menu items. Golf shop employees will cover busy times to reduce kitchen payroll. Part time workers will also be available to run the beverage cart.

Food and beverage responsibilities include:

- Daily opening and closing procedures
- Following all recipes and maintain flavor and consistency
- Cleanliness of all equipment, tools and physical surfaces
- Keeping inside and outside eating areas clean
- Following all laws and regulations pertaining to the café
- Taking inventory and controlling food waste
- Help promote tournament and regular play

Restaurant Plan

During Rhoads tenure there have been no citations from Kings County Environmental Health Services. Keeping the kitchen clean and providing the best food experience is a necessity for all employees. Rhoads will continue to hire and train short order cooks. Employees will be cross-trained to work in both pro shop and kitchen. Rhoads has experience with the menu and will cook during busy times.



Rhoads will maintain the food certificates and liquor license required by law. Rhoads has run tournaments with over 150 players and has catered food to over 200 customers including guests and helpers.

In order to manage the restaurant properly, Rhoads Golf will:

- Continually train employees on food preparation
- Supply a copy of food preparation procedures for all menu items
- Monitor consistency and quality of food
- Regularly check prices and food costs of vendors
- Conduct health and safety meetings
- Monitor food waste and spoilage
- Reinforce all ABC laws and regulations

The Point of Sale system will provide a full service food and beverage module including:

- Split checks and have multiple forms of payment
- Security with employee access and privileges
- Secure logins
- Tracking employee hours and performances
- Reconciling receipts with daily cash drawer
- Refund, discount and void transaction reports
- Up to the minute reports on daily transactions

Food and beverage inventory levels will be at \$3000 during the slow season and \$6000 during the busy season.

Maintenance Operations

Rhoads has supervised five green superintendents. Customers have acknowledged improvements that have been made with minimal costs. Rhoads has worked closely with the existing greens superintendent to prepare the golf course. Genaro Martinez will be an employee of Rhoads Golf as the greens superintendent. He has 22 years golf course experience and has been the superintendent for 14 years. He is a Class A member of the Golf Course Superintendents Association of America and holds a qualified applicator certificate with the Department of Pesticide Regulation Licensing Program.

The maintenance plan will stay consistent with our philosophy of continuing to improve the golf course with minimal costs. Our plan is to support the maintenance budget and to allow for constant improvement.

The maintenance staff will be structured as follows:



Greens Superintendent is responsible for entire property outside of clubhouse. Duties and responsibilities include:

- Inspects and evaluates the condition of the course
- Ensures the maintenance plan is carried out
- Directs amount and types of soil nutrients and fertilizers to be applied
- Ensures proper functioning of pumps and irrigation systems
- Responsible for pest management
- Inspects turf for fungus and insect damage and applies fungicide or pesticide
- Supervises the application of chemicals and calibrates sprayers
- Conducts training and safety programs
- Assures O.S.H.A. standards are met
- Prepares work schedules and monitors daily duties
- Plays the course to get the customers perspective
- Reviews daily expenditures versus the maintenance budget
- Interacts with the golf professional to maximize the number of rounds played and to schedule maintenance practices around customer play

Assistant superintendent responsibilities include:

- Ensuring all turf grass maintenance programs are carried out
- Supervise the safe use of all mechanical equipment
- Ensures safety guidelines are followed
- Helps maintain the golf course and ensures quality conditions
- Interacts with Superintendent and Golf Professional to make sure all duties are performed
- Fills in to perform all functions of golf course maintenance activities as needed

Mechanic responsibilities include:

- Preventative maintenance for all equipment
- Repairing all mowing equipment
- Repairing all golf carts
- Performing greens keeper duties when necessary

Irrigation Technician responsibilities include:

- Irrigation leaks
- Broken sprinkler head
- Leveling heads
- Adding irrigation and wire
- Replacing and setting clocks
- Monitoring wet and dry areas
- Watering hot spots
- Monitoring pumps and lakes
- Checking greens for irregularities



- Performing greens keeper duties when necessary

Greens keepers are responsible for the daily maintenance of the course. Rhoads Golf will hire six full time greens keepers and will have an extra part time worker during the busy season.

Their responsibilities include:

- Mow greens, tees, aprons, fairways and roughs
- Maintain sand traps and cart paths
- Change cups and move tee markers
- Fertilize when necessary
- Service restrooms, clean patio and parking lot
- Maintain all landscaped areas
- Clean machinery and help with preventative maintenance
- Help with irrigation or special projects

Maintenance Plan

To prepare the golf course as a major asset to the city and maintain it so that excellent playing conditions exist for the enjoyment of all players. Our goals are to continue to slowly improve the playability of the golf course without unnecessary expenditures or large capital output from the city. Rhoads Golf will employ a Class A member of the Golf Course Superintendents Association of America. The Greens Superintendent will hold a Qualified Applicator Certificate through the Department of Pesticide Regulation Licensing Certification Program.

There have been many compliments on the course this past year. Players have recognized the constant improvements completed by the maintenance crew. Rhoads Golf will make sure that the maintenance will equal the standards of any top quality public course.

Rhoads will also continue to use Mike Klein, an expert in turf grass and agronomy. At no charge he will continue to evaluate and test the water and soils. He has helped create maintenance schedules that continue to improve soil conditions. The following are some of the projects implemented:

- Deep drill aerification for deeper root growth on greens
- Applying proper fertilizers to maximize healthy greens
- Spaying out annual crab grass
- Spaying out Bermuda encroachment in greens
- Prevention of Poa annua grass in putting greens
- Spaying out pineapple weed in greens

Rhoads experience with capital projects includes:

- Supervising the refurbishment of 2 greens
- Overseeing construction of two new greens

- Enlargement of 5 putting greens
- Overseeing construction of 2 lakes
- Reconstruction of driving range tee and practice traps
- Cart path additions around tees and greens

Greens:

Green surfaces are the utmost importance when measuring a great golf course. The objective for Lemoore is to maintain a smooth, firm, uniform green with a consistent pace.

- Greens will be mowed daily with the following measurements on height. Summer height .140 of an inch. Lower in the fall, winter and spring at a height .125 of an inch
- Greens will be checked daily for any appearance of disease or damage
- Cups will be changed daily
- Superintendent will continue to take soil samples of all greens and stay on the existing program set forth by the results of the tests. This program has been successful in the past years by eliminating crabgrass, taking out the Bermuda encroachment, eliminating weeds and giving Lemoore some of the healthiest and best greens in the valley
- Green will be aerated and top dressed twice a year. They will be aerated in the spring with ¼ inch tines. The fall aeration will be with ½ x 10 inch deep drill tines. During this two day process each nine will be closed one day
- Greens will be spiked and top dressed when necessary
- Greens will be verticut when they show signs of thatch
- Greens will be irrigated as little as possible to promote deep rooting and minimal disease problems

Tees:

The teeing surface is to be smooth, firm, level and without weeds.

- Tee boxes will be mowed 3 times per week during the warm season and once per week during the dormant season
- Tee blocks are to be painted and will be moved daily
- Trash containers are to be emptied daily
- Tees will be aerated in the spring and fall to prevent unlevel tee boxes
- Leveling tee boxes will be a priority during our winter projects
- Tee signs will be presentable and repaired when damaged
- Ball washers will be clean and filled with water solution daily
- Tee boxes will be over seeded during the dormant winter months

Fairways:

The fairway turf is to be predominately Bermuda grass mowed to a level that can create firm, consistent good lies year around.

- Fairways will be mowed at a height of ¾ inch
- Fairways will be aerated twice a year



- Fairway will be fertilized during the spring and summer
- Turf will be irrigated to maximize the health of the grass
- Irrigation will be monitored regularly during the growing season
- Irrigation heads will be leveled for proper coverage

Rough:

The main objective is to keep the rough mowed at a consistent height that will serve the purpose of a penalty but will not affect the pace of play.

- Roughts will be mowed two times per week
- Roughts will be mowed at a height of 2 ½ inches
- Outer boundaries and out of bounds barriers will be kept neat and trimmed
- Out of bounds and water hazards will be marked and stakes will be painted
- Broadleaf weeds will be controlled and sprayed in spring and fall

Sand Bunkers:

The main objective of the sand bunkers is to have a consistent amount of sand in each bunker.

- Drains will continue to be cleaned and cleared for proper drainage. This will prevent the water from building up and compacting the sand
- Sand will be added as needed to keep consistency
- Sand will be raked daily except for bad weather during the winter season
- Sand bunker edges will be kept neatly trimmed
- Sand bunkers will have an adequate supply of rakes at each location

Trees

- Broken or dead limbs will be removed as necessary
- All trees will be trimmed to allow traffic from carts to clearly pass underneath
- New trees will be monitored for nutrition and tree wells will be maintained
- Tree maintenance will occur mostly in the winter
- Brush pile on the course will be chipped and cleaned up. Future waste will be cleared before it is able to become a problem.

Equipment and Safety

- Equipment will be maintained to operate safely
- All employees will be trained to operate equipment
- Maintenance will comply with all OSHA regulations
- Safety meetings will be held monthly

Cart Paths

- Wet areas and heavy use areas will be roped off to direct carts away from tees and greens
- Cart paths will be edged frequently
- Marshals will be trained to have players use carts paths wherever possible
- Marshals will be trained to prevent any cart damage



Irrigation and Lakes

- Every effort will be made to not over water and cause wet areas on the course
- Irrigation heads will be leveled to promote proper water patterns
- All leaks will be repaired as soon as possible
- Irrigation system will be used during non playing hours
- Pumps will have an annual service inspection
- Lakes will be edged and monitored for algae
- Fountains will be in good working order
- Satellite Irrigations systems should be explored (Great Water Saving tool)

Clubhouse and Surrounding Areas

- Clubhouse entrance and parking lot will be cleaned and maintained
- Trash will be removed from clubhouse grounds
- Flower beds will be maintained and weeded
- Cart paths will be edged and scatter bars will be used to prevent unusual wear
- Soft cart path surfaces will be kept level and free of potholes
- Restrooms will be cleaned and checked daily

Miscellaneous

- Staff will be trained to use proper golf maintenance etiquette with respect to players
- Aluminum, plastics, oils and cardboards will be recycled
- Motion activated switches will be used in bathroom and storage areas
- Thermostats will be monitored during summer and winter
- Maintenance staff will be trained to recognize problems or issues on the course
- Maintenance supervisor will report to the pro shop on a daily basis

Customer Service plan

Lemoore golf Course is committed to serving our customers by providing a high quality golfing experience with a knowledgeable and friendly staff. All employees are expected to understand the Lemoore Golf Course mission statement and be able to treat customers in a courteous and respectful manner. Employees will be given further training through a required customer service class given by FTM Leadership Services Inc.

The staff at Lemoore will engage customers by:

- Using a warm and sincere greeting using the guests name if possible
- Listening carefully to customer inquiries



- Fulfilling the guests needs
- Being courteous
- Using a warm thank you

Customer service guidelines need to be followed:

- Maintain a positive work environment
- Dress professionally wearing golf attire
- Keep the facility neat and clean
- Promote teamwork
- Exercise courtesy and follow through on all telephone conversations
- Promote the game of golf on and off the property
- Continue to gain knowledge in the industry
- Be responsible to resolve or follow up on complaints
- Promote facility functions
- Proper use of cell phones is expected, personal calls and texting are unacceptable
- Employees will pay for food and beverages as they order
- Maintain and protect the assets of the facility

Regular staff meetings will be held to discuss customer service and safety in the workplace and performance reviews of all employees will be given on an annual basis. We will provide a suggestion box to provide customers a chance to express any concerns with the golf course or the staff service.

Rhoads Golf is dedicated to staying up with the latest technology in the golf industry. Rhoads will regularly attend the PGA golf show that encompasses all of the latest product and marketing tools available. He will also attend PGA workshops to stay current with latest customer service and teambuilding training.

Marketing and Sales

For over 30 years, Richard Rhoads has helped develop and implement marketing plans as part of golf professional responsibilities. His philosophy is to continue what has proven effective, and keep innovating. Marketing dollars will be increased to focus on advertising, creating new players and starting new programs. Increase in marketing will allow the golf course to provide more effort to online marketing. It is critical that Lemoore continue to build on its website database and continue its efforts with text messaging services. Social media advertising will also be expanded.

We know we are selling a luxury product in the face of layoffs, and furloughs during an unstable economy. For economic survival, although we will continue to focus on all areas, we feel the most important aspect of increasing play is to concentrate on creating more golfers. Working with the local community, Lemoore Naval Air Station, Tachi Palace Hotel, Department of

Corrections, Pleasant Valley Hospital, Harris Ranch and potential customers within Kings County will be a priority.

We will concentrate on making the game less time consuming, focus more on fitness and make the game more family oriented. Customers are changing, and they want to focus on health and spend more time with their families. We will continue Get Golf Ready clinics, family golf academies, nine-hole groups, couples golf and short courses for beginners and juniors. We will teach families how to enjoy different formats with different levels of players. We will find quieter times for families and we will make the game more affordable during these times.

Rhoads will focus on marketing to existing golfers, golfers in Kings County, golfers within 50 miles and non-golfers or future golfers. We will continue to focus on the Website and the E-blast marketing program to be main source of marketing towards existing golfers. This marketing software has the capability to segment into genders, age, geographical location, beginners, advanced players and even those who play very little and those who play frequently.

Our market segmentation scheme allows for the following demographics:

- Men
- Ladies
- Juniors
- Seniors
- Beginning golfers

We will also segment by geographic areas:

- Lemoore
- Lemoore Naval Air Station
- Kings County
- Tulare and Fresno County

The staff at Lemoore will create programs to cater to every individual.

- Weekend putting and chipping clinics
- Recreation for Navy families
- Stay and Play packages with the local hotels and casino
- Business leagues
- The New Daily Golf Packages that include instruction, range balls, lunch and a round of golf.
- "Staycations"- families staying local for a three day summer golf vacation at Lemoore
- Play Golf America- Take your Daughter to the course, Family Month, Free Lesson Month

We will continue some of the successful programs such as:

- PGA Get Golf Ready and Patriot Day
- Lemoore city amateur tournament
- Kings county amateur tournament



- Junior linksters, junior summer camp and league
- Challenge Cup tour, fun events that require no handicap
- Demo days and fitness seminars
- Ladies and gents tournaments and couples golf
- Sirs, senior league
- Ladies Night, Ladies League and Free Ladies Beginners Golf Clinic
- PGA trade in trade up program
- PGA free lesson month
- Bounce back coupon promotions
- Rewards loyalty program
- Harris Ranch promotions
- Lunch with a bucket of balls

Junior Golf will continue to be a strong program. Rhoads has extensive experience in promoting junior golf. Rhoads received the Northern California Chapter Junior Leader Golf Award in 2011. Rhoads was involved with the initial fundraising for the Kings County Junior Golf Foundation. Rhoads is currently the president of the Kings County Junior Golf Foundation which provides golf scholarships for local student athletes.

It is our belief that junior golf is the best way to develop new players. Rhoads has established many junior programs at Lemoore and will continue to build and promote these programs. The current Saturday junior program has been built up from just a few juniors each week to over 100 different children participating during the year. The summer programs have gone from a few groups of juniors to taking over the whole front nine each week. Rhoads will continue to grow all junior programs.

- Lemoore Junior Travel League
- Summer Junior Camps
- Lemoore Summer Junior Golf League
- Lemoore Junior Open Premier golf tournament in the JGANC
- Lemoore Winter Golf Classic during winter break
- Spring 9-hole Junior Fun Tournament
- Junior Linksters Program year around on Saturday. Program has grown from one hour to three hours of classes on Saturday's.

The Lemoore Naval Base will continue to be an important target market. We have recently met with the deputy commander who has an interest in growing golf for the navy personnel. We are currently working with MWR to restructure the promotions on base and we have come to an agreement from both sides that more can be accomplished. Lemoore will continue to network with the gym on base. They have helped promote golf with the squadrons by advertising in the base paper and sending e-blasts to the military personnel. We will continue the successful programs such as:

- Captains Cup Golf



- Military Appreciation Days
- Battle of the Squadrons
- Navy Leagues and squadron tournaments
- Navy wives and Family clinics
- Welcome Home Receptions are regularly conducted and Lemoore will now promote the golf course through contests and giveaways.
- Clinics given on the base driving range
- NCGA and Lemoore Men's Club free membership

The Tachi Palace Hotel and Casino

Richard Rhoads has met with many different marketing executives from the Tachi Palace and will continue to build a rapport with the marketing department in an effort to benefit both businesses. Rhoads will continue to offer new and different ideas to improve promotions with the casino and the golf course. Several options should be considered:

- Stay and Play packages could be used to draw more customers to the area. Traveling customers from the golf course are always looking for more entertainment and many times we get customers from the casino that has a spouse that likes to play golf while the other gambles.
- Tachi Palace Annual Tournament. We have scheduled dates for the Annual Tachi palace golf tournament but they have always cancelled with Lemoore and chose other courses to travel further to other courses. Larger banquet facilities could be an issue.
- Lemoore Golf Course would like to hold an annual Pro-Am or Pro-Pro event that is sponsored by the palace. We would draw golf professionals and amateurs from other golf courses to play in the two day event which includes a night's stay and dinner and at the casino.
- Preprinted passes including green fee, cart, range balls could be offered. The hotel can issue these passes to gaming customers and the golf course will be reimbursed for those that are collected. The casino might want to prepay for the golf package and receive larger discounts based on the quantities purchased.

West Hills Community College and Grade Schools

Currently West Hills conducts their physical education golf class on the driving range and we collect a weekly fee for access to the facility. We will continue all programs that have been started with the West Hills Charter and other grade schools. Many of these junior golfers that are not yet in high school are joining the Lemoore Golf Course junior travel team.

Leprino Foods

There are two cheese factories in town and we will continue to provide tournament services to both facilities. We have also hosted a league match play and will continue to promote with both facilities.



Harris Ranch

There are over 1100 employees including all branches of Harris Ranch. We will run promotions with their employees and also through the hotel with their customers. Currently we offer a discount to a customer who travels from Harris Ranch to play the golf course. The front desk must call for the tee time and verify that a guest will be getting the discount

Pleasant Valley Hospital and Corrections

The hospital has over 1500 employees and the correction facility employs approximately 1200. We will continue to promote the golf course by providing a booth at the Pleasant Valley Health Fair. This will allow us to introduce the course and have golf contests to many future golfers.

Key Competitors

Lemoore's closest competition is Valley Oaks, Tulare Golf Course, Lakeview, Phoenix Sunrise and Ridge Creek in Dinuba. Phoenix Sunrise in Lemoore is a 9 hole course that is not considered to be maintained as well as our other closest competitors. Valley Oaks would be our closest and main competitor because it is only 20 minutes away and can easily draw players from Kings County. Their strengths are that they have 27 holes which provide more options for the players. They also have a larger clubhouse which will allow them to provide more service to larger groups. The golf course layouts are similar but Valley Oaks has more cart paths, which allows certain areas to be maintained better especially in the winter. Valley Oaks biggest strength is that they are located in a city that has a population of 127,000 people.

Tulare Golf Course is privately owned but is opened to the public. Tulare has a population of 49,000. Tulare's owner has paid for the course and has no outstanding debt on the land. Since Tulare has no outstanding debt, their net income can be used to upgrade the facility.

Ridge Creek in Dinuba has affected play from the surrounding courses. This course is an upscale golf course with rates that are higher than other public golf courses. They have larger discount plans for residents of Dinuba and provide yearly loyalty plans that promote continued play from outlying areas.

Golf Course Information

Course conditions

The golf course is in very good condition for the amount of maintenance spent on the course. Recently the sand traps have been refurbished and players are very happy with the golf course. The major obstacles that management faces are keeping the putting greens in great condition. The biggest problem is the Bermuda grass encroachment into the putting greens. Maintenance has been spraying the greens for this issue and will continue to kill off all encroachment. If this program is discontinued then the greens would slowly become unplayable to the point of having



to be replaced. The fairway weed prevention program will need to continue. It has worked very well on the back nine and will need to be continued for the entire course.

Maintenance Equipment:

The maintenance equipment is getting old and we have continued to keep it running with preventative maintenance. Most of the equipment will need to be replaced soon. The tractor is the newest piece and is expected to run for several years. New equipment that will have to be leased:

- Articulator rough mower
- Fairway mower
- Sand Pro
- Greens Mower

Equipment that will be needed within two years

- Tractor
- Articulator rough mower
- Fairway mower

Irrigation: well, pumps, motors

Pump Depth: approx 500 feet and Water Level approx 250 feet. Pump is set at 400 feet.

The city has discussed their concern about problems with wells and pumps in past meetings. In conversation with our pump company, lowering the pump is a possibility if we have more dry years. Rhoads Golf is taking this risk into consideration when proposing this lease.

FIVE AND TEN YEAR CAPITAL PLANS

Year one

Replace maintenance equipment that is no longer efficient or is costing more in parts and labor. Rhoads Golf proposes to start by lease/purchasing this equipment until funds are built up for new purchases.

Year two

Sand Traps: Many of the sand traps will need to be stripped down to the surface, create new drainage and replace the sand. An alternate solution is to continue adding new sand to the traps; however, without new drainage the sand will compact quickly making for less enjoyable golf. Computers and updated software will be to be purchased.

Years three through five



Cart Paths: Many cart paths continue to deteriorate and have areas of standing water that will not drain. When capital funds become available it will be a priority to repair and replace as needed. We would start with the worst paths around the tees and greens and then continue to extend the paths along the bumpiest fairways.

Special events area: In the future, considerations should be given to enhancing the patio area for outside events. Possibly extend the patio out with a new covering and stain or tile the concrete. New furniture should replace the old banquet tables.

Year six through ten

Trees: The golf course front nine has many old and overgrown trees. The staff will trim and remove all limbs and brush. We would have an arborist visit the site and recommend methods of pruning and controlling any future issues with the older trees. Continue to upgrade golf course and clubhouse.

Financial Information

Financial and Human Resources

Rhoads Golf LLC is solely owned by Richard Rhoads. Rhoads has been managing the Lemoore Golf Course for the past 23 years in which the last four years has been under Rhoads Golf LLC.

Rhoads Golf LLC FEIN # is 27-2566309 and the date of organization is December 8, 2009. There are currently no judgments against or pending litigation with Rhoads Golf LLC. Richard Rhoads has never been convicted of a crime.

Ten Year Projection Revenue

Maintenance and expenses will only increase due to expectations of inflation and continuing to update mowing equipment. We are projecting the Lemoore Golf Course budget based the following information. In the past ten years rounds have remained flat and many years have decreased. Therefore we have used a conservative 1- 2% increase in gross income
The ten year projected gross incomes after cost of goods sold:

2014/15	\$1,154,000
2015/16	\$1,165,540
2016/17	\$1,183,000
2017/18	\$1,194,830
2018/19	\$1,212,800
2019/20	\$1,237,000
2020/21	\$1,261,700
2021/22	\$1,286,300
2022/23	\$1,305,500
2023/24	\$1,330,000



The complete budgets for these projections for 2014/15 and the past three years financial statements are included in appendix 1.

Lease Considerations

After researching into different areas of the golf course, Rhoads Golf has come up with the following observations and considerations for leasing the Lemoore Golf Course.

Rhoads Golf would like to be considered for leasing. Taking into consideration the debt on the golf course, Rhoads Golf would assume that the city may look into a refinancing and extending their current loans in order to make the lease more viable. Even if the rounds and income were too drastically increase it would still not be financially sound decision to prepay a required security deposit of approximately \$700,000 and be able to make payments listed on the RFP's financial sheet enclosed.

An appropriate lease amount would have to bring the yearly lease payment down to \$200,000 to enable the lessee to make the appropriate purchases and still contribute to a capital improvement fund for the golf course. This would also allow for the risk of all other issues that may arise with an older golf course. The lease proposal would take into consideration that Rhoads Golf will have to replace most of the maintenance equipment as needed that would eventually become the property of the city of Lemoore.



Lease Proposal

Rhoads Golf proposes to enter into a 10 year lease agreement with the possibility of two five (5) year extensions. Rhoads Golf agrees to initially work with the current inventory of equipment and understands that the upkeep and replacement is the sole responsibility of the lessee and that those items will become property of the City upon completion of the contract.

As opposed to a security deposit, a personal line of credit of \$100,000 will be available for any unforeseen or capital issues that may arise before capital accounts develop.

Rhoads Golf would make a lease payment of \$200,000 per year plus an additional amount to capital funds based on gross revenues. Payment is due quarterly.

- One percent of gross revenue to a Pump and Irrigation Fund.
- One-half percent of gross revenue to Golf Course Improvements for the first four years that increases to one percent in year five.

It is recommended that the Pump and Irrigation fund be listed as a city fund. This money will be deposited into the current golf course capital account and its existing funds.

Maintenance equipment replacement will start with lease/purchasing. Used equipment with very few hours will be purchased.

Rhoads Golf would assume the complete daily operations and maintenance of the facility.

Course would remain a public facility with daily and monthly rates offered. Community tournaments and events will continue to be offered. Junior and Senior programs will continue to develop and be promoted.

Rhoads Golf will take inventory of Pro shop merchandise and Food and Beverage. Rhoads Golf will purchase this inventory.

Rhoads Golf would assume golf cart payments and be responsible for future leases on golf carts.

Rhoads Golf would assume the current lease on the 2009 John Deere tractor.

Clubhouse and Kitchen equipment would remain the city of Lemoore's and any equipment that would need replacement is the responsibility of Rhoads Golf.

Rhoads Golf would continue to own and maintain the ABC license



Rhoads Golf will be responsible for irrigation and pump repairs.

City of Lemoore owns and is responsible for any major repairs to the structure of the buildings

Water shares for the golf course will continue to be used by Rhoads Golf

Rhoads Golf is an Equal Opportunity Employer and will adhere to all federal and state laws and regulations. Rhoads Golf will not discriminate and we will comply with the cities drug free workplace requirements.



Appendix 1

2014

2015

Total

SUMMARY INCOME:

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Green Fees	\$45,470	\$45,295	\$51,330	\$47,635	\$37,682	\$26,855	\$27,315	\$36,895	\$56,010	\$38,488	\$59,370	\$63,380	\$555,725
Monthly Tickets	\$13,100	\$12,500	\$12,725	\$11,675	\$9,425	\$9,230	\$8,600	\$7,900	\$13,780	\$13,930	\$14,380	\$14,830	\$142,075
Cart Fees	\$22,137	\$21,388	\$22,243	\$21,329	\$17,305	\$14,927	\$14,632	\$17,730	\$23,836	\$24,727	\$24,633	\$25,341	\$250,228
Other Golf Income	\$4,690	\$4,531	\$4,713	\$4,519	\$3,666	\$3,163	\$3,100	\$3,756	\$5,050	\$5,239	\$5,219	\$5,369	\$55,015
Sub-Total	\$85,397	\$83,714	\$91,011	\$85,158	\$68,078	\$54,175	\$53,647	\$66,281	\$98,676	\$102,384	\$103,602	\$108,920	\$1,001,043
Merchandise-Net	\$3,799	\$3,670	\$3,817	\$3,660	\$2,970	\$2,562	\$2,511	\$3,043	\$4,090	\$4,243	\$4,227	\$4,349	\$42,941
Food & Beverage-Net	\$9,793	\$9,462	\$9,840	\$9,435	\$7,655	\$6,603	\$6,473	\$7,843	\$10,544	\$10,939	\$10,897	\$11,210	\$110,694
Other Income													\$0
Gross Income	\$98,989	\$96,846	\$104,668	\$98,253	\$78,703	\$63,340	\$62,631	\$77,167	\$113,310	\$117,566	\$118,726	\$124,479	\$1,154,678

EXPENSES:

General & Admin.	\$5,847	\$5,247	\$5,447	\$4,647	\$5,097	\$4,797	\$4,147	\$4,797	\$4,397	\$6,047	\$6,647	\$5,557	\$62,674
Clubhouse	\$3,270	\$2,970	\$3,250	\$3,250	\$1,880	\$1,990	\$2,100	\$2,360	\$2,350	\$2,640	\$2,460	\$2,450	\$30,970
Golf Operations	\$8,458	\$9,228	\$7,728	\$7,218	\$5,942	\$4,829	\$4,829	\$5,310	\$8,984	\$7,524	\$8,686	\$7,786	\$86,522
Course Maintenance	\$39,258	\$44,108	\$44,858	\$37,578	\$30,048	\$26,918	\$25,868	\$29,468	\$39,758	\$43,658	\$41,558	\$38,108	\$441,186
Advertising & Promotion	\$1,500	\$1,800	\$1,300	\$800	\$1,500	\$1,500	\$1,500	\$1,500	\$1,300	\$800	\$1,100	\$1,500	\$16,100
Fixed Expenses	\$19,255	\$19,255	\$20,055	\$19,255	\$19,255	\$19,255	\$19,255	\$19,255	\$19,255	\$19,255	\$19,255	\$19,255	\$231,860
Food & Beverage	\$5,169	\$4,935	\$4,848	\$4,414	\$3,976	\$3,492	\$3,492	\$3,859	\$4,748	\$5,042	\$5,259	\$5,159	\$54,393
Asset Replacement	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$21,600
Lease Payment	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$200,004
TOTAL EXPENSES	\$101,224	\$106,010	\$105,953	\$95,629	\$86,165	\$81,248	\$79,658	\$85,016	\$99,259	\$103,433	\$103,432	\$98,282	\$1,145,309
(LOSS) INCOME	(\$2,235)	(\$9,164)	(\$1,285)	\$2,624	(\$7,462)	(\$17,908)	(\$17,027)	(\$7,849)	\$14,051	\$14,133	\$15,294	\$26,197	\$9,369

City of Lemoore/Rhoads Golf LLC
 dba Lemoore Municipal Golf Course
SUMMARY STATEMENT OF INCOME
 For the Twelve Months Ending June 30, 2013

This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year
REVENUES						
54,038.00	71,720.00	(17,682.00)	Green fees & mo. fees pg3	598,377.72	673,008.00	609,082.21
23,625.00	28,586.00	(4,961.00)	Cart fees pg3	272,354.50	297,027.00	303,875.50
5,832.86	6,353.00	(520.14)	Other Golf income pg	58,679.87	66,010.00	67,412.31
83,495.86	106,659.00	(23,163.14)	Subtotal Golf Operations	929,412.09	1,036,045.00	980,370.02
17,025.02	16,940.00	85.02	Merchandise pg4	181,711.64	176,016.00	193,480.62
21,014.82	22,022.00	(1,007.18)	Food & beverage pg5	212,886.17	228,821.00	222,272.97
2,124.22	0.00	2,124.22	Other Income (exp) pg9	7,443.07	0.00	(1,566.15)
123,659.92	145,621.00	(21,961.08)	Total Revenues	1,331,452.97	1,440,882.00	1,394,557.46
COST OF SALES						
12,272.44	12,366.00	(93.56)	COS-Merchandise pg4	136,148.68	128,492.00	143,098.55
8,727.54	9,249.00	(521.46)	COS-Food & beverage p	97,891.28	96,103.00	97,028.41
20,999.98	21,615.00	(615.02)	Total Cost of Sales	234,039.96	224,595.00	240,126.96
102,659.94	124,006.00	(21,346.06)	Gross Margin	1,097,413.01	1,216,287.00	1,154,430.50
EXPENSES						
4,690.30	5,159.00	(468.70)	Food & beverage pg5	53,039.86	54,076.00	58,076.38
4,350.16	5,296.50	(946.34)	General & administrative p	49,389.49	60,548.00	64,945.51
2,695.30	2,370.00	325.30	Clubhouse pg6	28,499.69	30,070.00	30,590.17
7,858.32	8,479.00	(620.68)	Golf Operation pg7	69,974.90	90,614.00	81,165.71
39,327.64	37,794.00	1,533.64	Course Maintenance pg8	415,562.99	433,238.00	450,753.42
1,160.71	2,100.00	(939.29)	Advertising & promotion	9,200.57	25,400.00	18,305.99
16,773.62	16,350.00	423.62	Fixed expenses pg9	189,533.96	198,200.00	181,919.34
9,516.50	9,500.00	16.50	Depreciation	109,607.62	114,000.00	116,803.60
86,372.55	87,048.50	(675.95)	Total Expenses	924,809.08	1,006,146.00	1,002,560.12
16,287.39	\$ 36,957.50	(20,670.11)	Net Income (loss)	172,603.93	210,141.00	151,870.38
This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year

Unaudited - See attached accountants' compilation report.

**City of Lemoore/Rhoads Golf LLC
dba Lemoore Municipal Golf Course
SUMMARY STATEMENT OF INCOME
For the Twelve Months Ending June 30, 2012**

This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year
REVENUES						
63,224.29	66,075.00	(2,850.71)	Green fees & mo. fees pg3	609,082.21	622,690.00	587,080.51
29,952.00	29,435.00	517.00	Cart fees pg3	303,875.50	300,937.00	300,882.00
7,734.00	6,938.00	796.00	Other Golf income pg	67,412.31	70,936.00	67,242.51
100,910.29	102,448.00	(1,537.71)	Subtotal Golf Operations	980,370.02	994,563.00	955,205.02
21,079.47	18,923.00	2,156.47	Merchandise pg4	193,480.62	193,464.00	194,655.08
23,416.66	21,866.00	1,550.66	Food & beverage pg5	222,272.97	223,553.00	212,806.46
(8,844.32)	0.00	(8,844.32)	Other Income (exp) pg9	(1,566.15)	0.00	9,682.36
136,562.10	143,237.00	(6,674.90)	Total Revenues	1,394,557.46	1,411,580.00	1,372,348.92
COST OF SALES						
16,840.56	13,814.00	3,026.56	COS-Merchandise pg4	143,098.55	141,229.00	144,551.72
9,005.84	9,184.00	(178.16)	COS-Food & beverage p	97,028.41	93,892.00	102,115.95
25,846.40	22,998.00	2,848.40	Total Cost of Sales	240,126.96	235,121.00	246,667.67
110,715.70	120,239.00	(9,523.30)	Gross Margin	1,154,430.50	1,176,459.00	1,125,681.25
EXPENSES						
7,008.74	4,920.00	2,088.74	Food & beverage pg5	58,076.38	49,710.00	46,233.43
7,159.94	4,377.37	2,782.57	General & administrative p	64,945.51	52,318.00	60,941.10
2,895.53	2,295.00	600.53	Clubhouse pg6	30,590.17	24,320.00	25,202.04
7,763.15	8,660.00	(896.85)	Golf Operation pg7	81,165.71	97,120.00	90,854.09
48,870.80	36,700.00	12,170.80	Course Maintenance pg8	450,753.42	424,200.00	415,104.96
709.59	2,595.00	(1,885.41)	Advertising & promotion	18,305.99	24,640.00	15,790.29
15,580.41	16,829.00	(1,248.59)	Fixed expenses pg9	181,919.34	198,671.00	189,896.44
10,281.40	10,500.00	(218.60)	Depreciation	116,803.60	126,000.00	122,453.04
100,269.56	86,876.37	13,393.19	Total Expenses	1,002,560.12	996,979.00	966,475.39
10,446.14	\$ 33,362.63	(22,916.49)	Net Income (loss)	151,870.38	179,480.00	159,205.86
This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year

Unaudited - See attached accountants' compilation report.

City of Lemoore/Rhoads Golf LLC
dba Lemoore Municipal Golf Course
SUMMARY STATEMENT OF INCOME
For the Twelve Months Ending June 30, 2011

This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year
REVENUES						
56,932.00	63,770.00	(6,838.00)	Green fees & mo. fees pg3	587,080.51	625,870.00	587,662.50
29,941.00	27,440.00	2,501.00	Cart fees pg3	300,882.00	290,535.00	308,789.80
6,194.84	6,664.00	(469.16)	Other Golf income pg	67,242.51	70,561.00	69,767.31
93,067.84	97,874.00	(4,806.16)	Subtotal Golf Operations	955,205.02	986,966.00	966,219.61
17,356.36	19,600.00	(2,243.64)	Merchandise pg4	194,655.08	207,525.00	182,531.15
22,805.65	21,560.00	1,245.65	Food & beverage pg5	212,806.46	228,280.00	226,377.64
2,162.92	0.00	2,162.92	Other Income (exp) pg9	9,682.36	0.00	9,372.04
135,392.77	139,034.00	(3,641.23)	Total Revenues	1,372,348.92	1,422,771.00	1,384,500.44
COST OF SALES						
13,628.54	14,308.00	(679.46)	COS-Merchandise pg4	144,551.72	151,493.00	144,562.28
10,552.52	9,055.00	1,497.52	COS-Food & beverage p	102,115.95	95,879.00	104,139.59
24,181.06	23,363.00	818.06	Total Cost of Sales	246,667.67	247,372.00	248,701.87
111,211.71	115,671.00	(4,459.29)	Gross Margin	1,125,681.25	1,175,399.00	1,135,798.57
EXPENSES						
4,934.13	5,210.00	(275.87)	Food & beverage pg5	46,233.43	54,450.00	52,638.33
6,414.97	4,359.00	2,055.97	General & administrative p	60,994.20	50,332.00	75,930.19
3,218.90	2,435.00	783.90	Clubhouse pg6	23,727.08	27,700.00	28,056.16
8,207.89	8,660.00	(452.11)	Golf Operation pg7	90,854.09	97,630.00	174,835.26
41,069.09	40,770.00	299.09	Course Maintenance pg8	410,147.79	417,340.00	448,018.88
1,101.31	2,695.00	(1,593.69)	Advertising & promotion	15,737.19	28,940.00	18,124.46
15,675.41	15,603.00	72.41	Fixed expenses pg9	189,633.10	187,236.00	126,210.49
9,557.04	10,500.00	(942.96)	Depreciation	122,453.04	126,000.00	129,403.06
90,178.74	90,232.00	(53.26)	Total Expenses	959,779.92	989,628.00	1,053,216.83
21,032.97	\$ 25,439.00	(4,406.03)	Net Income (loss)	165,901.33	185,771.00	82,581.74
This Month	Budget	Curr Mo Variance		YTD Actual	YTD Budget	YTD Prior Year

Unaudited - See attached accountants' compilation report.

Local Bidding Preference Option

The City of Lemoore, in Ordinance 2013-03, has enacted a local bidding preference. The details are as follows:

"Local City Vendor" means a vendor, contractor, or consultant who has a valid physical business address located within the boundaries of the City of Lemoore, at least six months prior to bid or proposal opening date, from which the vendor, contractor, or consultant operates or performs business on a day-to-day basis, and holds a valid business license issued by the City of Lemoore, and, if applicable, records sales tax in the City of Lemoore. Post office boxes are not verifiable and shall not be used for the purpose of establishing such physical address.

"Local 93245 Vendor" means a vendor, contractor, or consultant who has a valid physical business address located outside the City of Lemoore but within the 93245 zip code, at least six months prior to bid or proposal opening date, from which the vendor, contractor, or consultant operates or performs business on a day-to-day basis, and holds a valid business license issued by the City of Lemoore. Post office boxes are not verifiable and shall not be used for the purpose of establishing such physical address.

1. If the vendor that submits the lowest responsive bid or quote is not a Local City Vendor as defined herein, the lowest responsive bid or quote submitted by a Local City Vendor that is within five percent (5%) of the lowest bid or quote may be deemed to be the lowest bidder. If the low bid for the project is \$250,000 or under, the bid may be awarded to the local bidder outright. However, if the low bid is over \$250,000, said Local City Vendor may elect to reduce its bid or quote to match the bid or quote of the lowest bidder, in writing, within one business day (excluding weekends and holidays) of being notified of their status by the City.
2. If the vendor that submits the lowest responsive bid or quote is not a Local Vendor as defined herein, the lowest responsive bid or quote submitted by a Local 93245 Vendor that is within three percent (3%) of the lowest bid or quote may be deemed to be the lowest bidder. If the low bid for the project is under \$250,000, the bid may be awarded to the local bidder outright. However, if the low bid is \$250,000 or over, said Local 93245 Vendor may elect to reduce its bid or quote to match the bid or quote of the lowest bidder, in writing, within one business day (excluding weekends and holidays) of being notified of their status by the City. For the purposes of matching, the total local bid will be reduced to the amount of the low bid, and each line item of the local bid will be reduced by the percentage difference between the low bid and the local bid.
3. If the lowest Local Vendor within the indicated percent of the lowest bid or quote does not elect to reduce its bid or quote to match the bid or quote of the lowest bidder, then the next lowest Local Vendor shall be given the opportunity to match the bid or quote of the lowest bidder as set forth above, providing that this Local Vendor is also within five percent (5%) or three percent (3%), as applicable, of the lowest bid or quote that has been deemed responsive.

4. In all of the above scenarios, local bidders within City limits are given priority over local bidders outside of City limits but inside the 93245 zip code.
5. In order for a Local Vendor to be eligible to claim the preference, the Local Vendor must request the preference in the solicitation and provide a copy of its current business license issued by the City.
6. The vendor, contractor, or consultant will also, to the extent legally possible, solicit proposals for subcontractors and subcontractors for work associated with the proposed contract from local firms as opportunities occur and hire qualified local firms whenever feasible.

X I wish to be considered as a Local City Vendor and have attached a copy of my current City of Lemoore business license.

_____ I wish to be considered as a Local 93245 Vendor and have attached a copy of my current City of Lemoore business license.

Physical Address of Business:

Rhoads Golf LLC
693 Avalon Drive
Lemoore, Ca. 93245

Authorized Signature: _____

