



Agenda

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MARTY SANCHEZ LINKS DE SANTA FE ADVISORY COMMITTEE MEETING

THURSDAY May 12, 2011

MARTY SANCHEZ LINKS DE SANTA FE – ADMINISTRATION BUILDING

3:00 P.M. – 5:00 P.M.

1. **Call to Order**
2. **Roll Call**
3. **Approval of Agenda**
4. **Approval of previous minutes**

March 10, 2011
June 11, 2009
July 9, 2009
5. **Comments from Chairman – Maurice Bonal**
6. **Staff Reports**
 - **Administration – (Revenue and golf rounds summary, Admin. updates)**
 - **Superintendent – (Golf course conditions update)**
 - **Marketing – (Advertising updates)**
 - **Back 9 Grill – (Restaurant updates)**
 - **Pro-Shop – (2011 Tournament calendar updates)**
7. **Matters from the Committee**
8. **Adjournment**

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MEETING OF THE
MARTY SANCHEZ LINKS DE SANTA FE ADVISORY COMMITTEE
May 12, 2011**

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**MINUTES OF THE MEETING OF THE
MARTY SANCHEZ LINKS DE SANTA FE ADVISORY COMMITTEE
Administration Building
Marty Sanchez Links de Santa Fe
May 12, 2011**

1. CALL TO ORDER

A regular meeting of the Marty Sanchez Links de Santa Fe Advisory Committee, was called to order on Thursday, May 11, 2011, at approximately 3:00 p.m., by, Acting Chair Fred Lopez, at the Administration Building, Marty Sanchez Links de Santa Fe.

2. ROLL CALL

MEMBERS PRESENT:

Fred Lopez, Acting Chair
Councilor Carmichael Dominguez
John Gabaldon
Karleen Boggio-Montgomery
Lee Sanchez
Tila Shaya
Ned Siegel
[Vacancy]

MEMBERS EXCUSED:

Maurice Bonal, Chair
Al Jahner
Signe Lindell
Jake "Coach" Martinez

STAFF/OTHERS PRESENT:

Martin Lujan, Director
Jennifer Richardson, Administration
John Allen, Golf Course Superintendent
Ross Nettles, Golf Pro
Melessia Helberg, Stenographer

There was not a quorum of the membership in attendance at the time the meeting was called to order, and Acting Chair Fred Lopez, opened the meeting for the receiving of reports. With the arrival of Councilor Carmichael Dominguez, there was a quorum of the membership for conducting official business.

3. APPROVAL OF AGENDA

MOTION: Tila Shaya moved, seconded by John Gabaldon, to approve the agenda as published.

VOTE: The motion was approved unanimously on a voice vote.

4. APPROVAL OF MINUTES – March 10, 2011, June 11, 2009 and July 9, 2009.

The minutes were corrected as follows:

Paragraph 10, line 1, correct as follows: “.. understood Mr. Lopez Lujan to say...”

MOTION: Lee Sanchez moved, seconded by John Gabaldon, to approve the minutes of the meeting of March 10, 2011, as amended.

VOTE: The motion was approved unanimously on a voice vote.

MOTION: John Gabaldon moved, seconded by Tila Shaya, to approve the minutes of the meetings of June 11, and July 9, 2009, as presented.

VOTE: The motion was approved unanimously on a voice vote.

5. COMMENTS FROM THE CHAIRMAN (MAURICE BONAL)

The Chair was not in attendance.

6. STAFF REPORTS

A. ADMINISTRATION (REVENUE AND GOLF ROUNDS SUMMARY, ADMINISTRATIVE UPDATES.

A copy of “Marty Sanchez Links de Santa Fe Golf Summary,” dated May 12, 2011, is incorporated herewith to these minutes as Exhibit “1.”

A copy of the FY 11/12 Mid-Year Budget Review (Base), is incorporated herewith to these minutes as Exhibit “2.”

Mr. Lujan reviewed the information in Exhibit "1." Please see Exhibit "1" for specifics of this presentation.

Mr. Siegel arrived at the meeting during this presentation

Mr. Lujan said the greens fee increase has helped with the revenue, and there has been minimal to no push-back on the greens fees increase. He said if the golf play continues at the same level, and the weather holds, we should meet the \$739,757, which has never been met, noting his goal is to meet that "magical number."

Mr. Lujan reviewed the information in Exhibit "2." Please see Exhibit "2" for specifics of this presentation. He noted the additional column has been added at the request of the Board to show year to date actuals. He said revenues are slightly up at this time, but we will have a better sense of financial situation by next month.

The Committee commented and asked questions as follows:

- Mr. Gabaldon asked if any of the bond funds being used to work on the MRC be transferred here, for our use.

Mr. Lujan said there is an ongoing parks bond, and they will be looking for continuing projects which weren't funded, or which weren't completed with the bond proceeds from the last year. He said the MRC is included as a park. He said the funds could pay for some capital items which we need, such as paving the cart paths and such, noting he has that list and the Board should discuss it at the next meeting and looking at prioritizing projects. He said that bond won't be issued until March 2012.

- Responding to Mr. Gabaldon, Mr. Lujan said they have been able to address some of the issues at the MRC with proceeds from the Parks bond, such as the irrigation issues, stuccoing the facility, redesigning the parking lot, addressing drainage, and such. He we have seen some of these funds here at Marty Sanchez, but nowhere near the level of the funds being used for MRC capital improvements.
- Mr. Sanchez asked about the restaurant lease.

Mr. Lujan said that is part of the facility rental lease, and they are current with the lease payments.

- Mr. Gabaldon asked if we receive a percentage of their sales.
- Acting Chair Lopez said those terms and conditions are spelled out in the contract. He said if revenues go to \$275,000, they pay an additional 2%, and over \$300,000 they pay an additional 1% – of the gross revenues.

- Mr. Sanchez said he is glad to hear the restaurant is doing well.
- Acting Chair Lopez noted a material discrepancy between last month's report and this month's report of about \$70,000. He said year to date actuals through April are \$545,278 and the mid-year budget review number shows \$419,097 through March. He said if he backs-out April, \$56,204 that is \$489,000, which is a difference of \$70,000.

Jennifer Richardson said these are the exact numbers she pulled off the City Enterprise I system. She said the Summary Report includes the GRTs, but the mid-year report separates everything out.

- Acting Chair Lopez said the GRTs on the Summary Report is only \$24,000, and reiterated that the difference between the two is material – \$70,000 is a material number.

Ms. Richardson said the report also includes the internal deposits, and Acting Chair Lopez said then the number should be even greater.

Mr. Lujan said he will dig a little deeper and see if there is a discrepancy.

- Acting Chair Lopez said there has to be an error, noting the difference is too great..

Mr. Lujan explained that the deposits are made downtown, noting the report could be as much as two weeks off.

- Acting Chair Lopez said this printout is what is relied upon by City Finance and the auditors, and it should be very close to the to the official printout. He said we could be getting shortchanged downtown.

Mr. Siegel asked that staff tell us the methodology they use to do these reports, so we know the steps you take.

- Acting Chair Lopez said he will sit with Mr. Lujan and work to determine the discrepancy.
- Acting Chair Lopez said if you remove the debt service from the \$2.3 million operating, the real operating budget would be \$1.85 million, noting year to date \$940,095 has been spent, and that doesn't include debt service. He said if he is correct, we are going to be way over budget.

Mr. Lujan said he will follow-up on these numbers as well.

- Mr. Siegel said it is important to look at the numbers and how we got there.

B. SUPERINTENDENT (GOLF COURSE CONDITIONS UPDATE)

John Allen reported on the work at the golf course as follows:

- For the grass to grow and the seed to germinate, we need nighttime lows of 40-45. It has been below that amount most of the spring, combined with constant winds. Even with the challenges, the course is in fairly good conditions. Aerating the affected areas and watering, doing everything possible to get grass to turn green. The greens will come back when conditions become favorable. The playability of greens should be good. Started rolling this week. Fairways are not doing too badly. Fertilized once and will be fertilizing one more time, which should help.
- Aerating tee-boxes, all tee boxes are elevated. Tee boxes 14-15 are more challenging than 10 and 1. Once in a while we get an extra long winter like this once, frost conditions on Monday.

Mr. Lujan said April was one of the windiest months, and April usually a growing month. They have done everything possible to get the course in good shape. He said our goal is to provide the best course in the community. Our neighboring courses are suffering the same as we are, and he understands most of them are in worst condition. We want to make sure the course is in great shape when we host the USGA event.

Mr. Lujan said they have notes about each of the 8 holes with regard to what needs to be done. He said we are as fully staffed as we will be, and we will do what is possible. However, he is confident we will get the product we have seen in the past.

- Mr. Gabaldon said he has been impressed that everyone is working so hard in all of the bad weather, and said everyone is going a great job.
- Mr. Allen said he and his crew are working to get the course in tip-top condition and keep it that way for the upcoming tournament and for the season. He wants to keep us in the top ranking of the best courses in New Mexico.

Mr. Lujan said a big piece is addressing some of the challenges, noting the playability is more important than ever. They are focusing on the bunkers, noting they have a different apparatus to attach to the machine to fluff-up the sand, and they will be bringing in more sand. He said they ordered 4,400 sq. ft. of sand for the various bunkers which have been chewed up. He reiterated that the course will be in wonderful shape once the weather conditions become more favorable.

Mr. Lujan said the members of this Board need to share the message about what we're doing with other golfers, noting they sent a note on eblast from the Superintendent to communicate what's happening here. He said the volunteers have done a fabulous job. He wants this course to be Santa Fe's golf course of choice.

- Acting Chair Lopez said Mr. Allen and crew have done a great job based on weather conditions – relentless wind and no rain.

Mr. Allen complimented his crew who he believes compare with the best in the State.

Councilor Carmichael Dominguez arrived at the meeting

C. MARKETING (ADVERTISING UPDATES)

A copy of "Marketing & Promotion Summary," dated May 11, 2011, prepared by Elevate Media, is incorporated herewith to these minutes as Exhibit "3."

Jennifer Richardson said Clarissa Lovato couldn't be here today, but she did send her report. Ms. Richardson presented information from Exhibit "3." Please see Exhibit "3" for specifics of this presentation.

Mr. Lujan said the information on hits and where those hits are from, will help us know also the time spent on the site/hit, as well as those who were checking the website on smart phones. He said he will continue to monitor this to help us in targeting our marketing as we move forward.

The Committee commented and asked questions as follows:

- Mr. Gabaldon asked how do we know what we are getting in return for the \$70,000, other than the advertising, in terms of the number of people who are coming to play golf.

Mr. Lujan said that is challenging, because you can't put a dollar-to-dollar value on marketing. However, they are seeing increased activity on the website, increased green fees and cart fees on Wednesday. He said we know that if something is working, we will see an increase in play, and can best be seen on the summary reports in terms of percentage of increase. He said he is confident we are seeing increased play as the result of this effort.

- Mr. Gabaldon said the difference really isn't that big between last year and this year, except for the increased revenue from the \$1 increase in green fees.

Mr. Lujan said there is an increased number of rounds, and increased activity on Wednesday afternoon, and increased player cards and volume discount cards this year over last year.

- Mr. Gabaldon asked if there is a way of measuring who gets to the front desk for the money spent on advertising.

Mr. Lujan said it is hard to know, but we know what we were doing on Wednesdays in the past, compared with what we are doing now on Wednesdays. He said we had a golf swap, which we promoted, which resulted in \$2,000 in golf sales. He said he doesn't know how to get to the actual number, but we do know when there is an increase on something we have been marketing that the message is getting out. He said we want to continue to get these messages to the community.

Mr. Nettles said when Tino Chavez was more active on the Committee and that question arose, his answer was, as a successful businessman, if we spent zero dollars on marketing and advertising what would that do for our sales. He said the answer can't be quantified and you really don't want to know. He said there really isn't any way to put anything in a spreadsheet to say this is what the results were. He said we do need to continue to get the message to the public, and we need an expert in that area, and to use the most cost effective method, and this is the reason we Ms. Lovato.

- Ms. Shaya said we really don't know, but if people are coming, it can't be hurting.

Mr. Lujan said once we get one golfer, there is a cost per golfer who will spend a certain amount of money while he is here.

Mr. Nettles said as Mr. Lopez said it costs about \$18 per golfer, and we get close to \$25 per round for the green fees and carts, \$2 for the range, and so forth, so the golfer is valuable. He said you have to promote golf one player at a time.

- Councilor Dominguez asked what each player costs.

Mr. Nettles said you divided the 40,000 rounds by expenses.

Mr. Lujan said there are direct and indirect costs. He said the tourists who play also bring money into the community. He said we have gained a lot of knowledge through this process.

Acting Chair Lopez said the bottom line is word of mouth from players who have a good experience, and it is important to see that person has a good experience.

- Mr. Gabaldon asked if there is a better way to spend the \$70,000 way to get people to come out and play.
- Mr. Siegel asked if we can gather some of this information through credit cards, or zip codes or something like that.

Mr. Lujan said no, that information is not available to use. He said we have learned that we serve the local golfers more than any other course. He said we said there is a rule in marketing that if you tell one person they tell 9 if it's a good experience, but it can go as high as 20 people if it is a bad experience. He said we get support through the concierge program and they can keep track of that. He said the conversation starts here with this Advisory Board, and you are the strongest voice that we have, and he really appreciates all this Board does.

- Ms. Boggio-Montgomery asked about the concierge program, commenting that in the past, the Board would sponsor get-togethers here at the Club. She asked if this would be possible, saying she thinks it is a good idea.

Mr. Lujan said they work closely with the Chamber of Commerce, and will continue to look at all possibilities to increase golfing here. He said, although we are working on the 1-2% of golfers from out of town, the focus is on the local golfer which shows more instant results.

Mr. Nettles said you don't want to take 50% of the budget to get 2% of the golfers who come from Eldorado. He said the people that pay the bills are the locals who are the majority of golfers.

Mr. Lujan said Kim does all of the social media, and there is an active group that participates in that. He said we are hitting all of the advertising avenues to keep a good presence at the golf course which he believes is working well.

D. BACK 9 GRILL (RESTAURANT UPDATES)

Dario Gonzales said as the golf course goes so do they. He said they were fortunate to get good weather in March and April last year which was good for them. However, it has been more of a challenge this year with the weather. He said all of the distributors have increased their prices because of the increase in the cost of gasoline. He said they are working to keep their prices low, but prices are definitely higher than they were 2-3 years ago. He said they are doing their best to provide a service and move forward.

Mr. Gonzales said the City has asked for financials, and that will be a good opportunity to look at where they are moving forward, to be sure it is a good business decision and that they can continue to do. He invited everyone to come out and eat at the Back-9 Grill and to continue to advocate for the restaurant.

Mr. Lujan said Mr. Gonzales's accountant said the financial report for the restaurant will be ready at the end of June, noting the accountant sent a letter to the Club to this effect.

Acting Chair Lopez said the contract provides that in every calendar year, the restaurant will provide balance sheet and income statement for the prior year. He said this report will be for the calendar year ending December 31, 2010.

Mr. Gonzales said he will provide that report to the Club as soon as they receive it.

E. PRO SHOP (2011 TOURNAMENT CALENDAR UPDATES)

A copy of the *Marty Sanchez Links de Santa Fe Calendar of Events 2011* (as of 5/12/11), is incorporated as Exhibit "4."

Ross Nettles highlighted the information in Exhibit "4." Please see Exhibit "4" for the complete, updated calendar of events.

Mr. Lujan asked the Board to let him know of any contacts they have, so he can solicit contributions for Mayor's Cup Pro-Am event, noting we need a minimum of \$3,000. Mr. Lujan said he will accept donations of \$100 to \$3,000, and he will knock on all doors just to make this happen

Mr. Nettles said it is a fun event. He said 22 pros came last year, the majority were from Albuquerque, so we were able to get some word of mouth advertising.

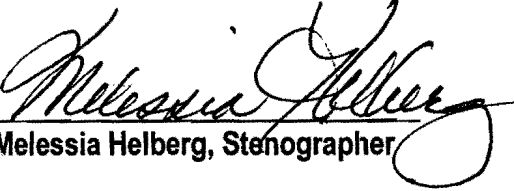
8. MATTERS FROM THE COMMITTEE

Ms. Boggio-Montgomery suggested that each Board member donate \$25, and we will be one of the sponsors for the tournament. The members of the Board suggested waiting until the next meeting until we have the full information, indicating they think this is a great idea as well.

9. ADJOURNMENT

There was no further business to come before the Committee, and the meeting was adjourned at approximately 4:30 p.m.

Maurice Bonal, Chair



Melessia Helberg, Stenographer