

MINUTES
CITY OF KEY COLONY BEACH CITY COMMISSION
SPECIAL MEETING – GOLF COURSE LEASE AND OPERATION
Thursday, September 17, 2009 9:30 a.m. City Hall Auditorium

The Key Colony Beach City Commission was called to order at 9:30 a.m. by Mayor Sutton followed by the Pledge of Allegiance. *Present were:* Mayor Ron Sutton, Vice-Mayor Geraldine Zahn, Commissioner Jeff Vorick, and Commissioner Tucker DeGraw. *Excused:* Commissioner Mary Schmidt. *Also Present:* Attorney Thomas D. Wright, Building Official Edward Borysiewicz and City Clerk Vickie Bollinger. Public: 12

Mayor Sutton stated the special meeting was called to discuss the termination of the lease with KCB Island Par 3, Inc. for the operation of the golf course. He stated that Ms. Spano and her attorney had asked for a short negotiation session. With the consent of the commission, he recessed the meeting for 15 minutes.

The meeting was reconvened at 9:48 a.m.

Mayor Sutton stated that the commissioners had received a copy of the termination documents and upon further negotiation, one change has been made. The amount for tree trimming was reduced to \$2,841.25; all the other information was the same.

Attorney Wright stated that in addition to the documents presented, the parties have agreed to exchange a general release stating that this is a full, final, and complete settlement of this termination of lease.

In response to a question, Attorney Wright stated that the tree trimming estimate was offered to the city and was used to assist in the negotiation and settlement. The contractor had not been hired to do the work.

Motion – Moved by Vice-Mayor Zahn, seconded by Commissioner DeGraw, to accept the settlement with KCB Island Par 3, Inc. for termination of the golf course lease and to authorize the Mayor to sign for the city. Roll Call Vote: Unanimous approval.

It was agreed that the parties would meet at city hall at 11:30 a.m. to sign the papers and then go to the bank to finalize the settlement.

With tears and affection, Ms. Spano said that this city was the gem of the Florida Keys.

Vice-Mayor Zahn thanked Ms. Spano for her years of service to the city and wished her the best. All commissioners, staff, and citizens joined in to thank her and offer her good wishes.

Ms. Spano and her attorney left the meeting.

Mayor Sutton stated that the city needed to discuss the future operations of the golf course. He said that the general consensus of the commission is that the city does not want to run the course, but would prefer to find another party to lease its management. The commissioners and attorney discussed/commented:

- The city has no clear idea of what income or expenses are and maybe some information sharing could be made a part of the new lease.
- The city could advertise a request for proposals
- The new lease needs to be fair to the city, but also be economically attractive to the new lessee.

- It is difficult to get an accurate number of revenues and expenses for a cash business.
- It has been estimated that revenues from the annual memberships are equal to the lease payments.
- Applicants should research the costs and revenues, but there is always a risk.
- The lease needs to be completely rewritten.
- Applicants need to submit qualifications and then the city can negotiate a new lease.
- The city can share some information about revenues and expenses.

Commissioners agreed that an ad could be placed in the newspaper on Saturday and request proposals be submitted within 10 days. Another special meeting may be held to review and discuss the proposals. Attorney Wright suggested that the city request a letter of intent, resume of the people or business, and an outline of their business plan.

Motion – Moved by Vice-Mayor Zahn, seconded by Commissioner DeGraw, to advertise a request for proposals to manage the city's golf course. The deadline for submissions should be 10 days from the date of the ad and the proposals should include a letter of intent, resume, and business plan outline. Roll Call Vote: Unanimous approval.

Citizen Comments

Charles Lankford suggested the city check the business credentials of applicants and clearly define the responsibilities of both parties.

Buddy Blauth agreed with Mr. Lankford's comments and encouraged the commission to take the time to do this right so it does not have to be redone in a year or two. He encouraged the commission to work with the Recreation Committee to identify strengths and weaknesses and find out the true cost and value of the course. He said that clear and concise guidelines are needed and there were options of structuring the lease to make it workable.

Commissioners agreed that the many improvements can be made, but that it will be important to review this every year.

Hans Kolster asked about the annual memberships that are to be renewed on October 1.

Commissioners agreed to accept membership payments at city hall. In response to a question, commissioners agreed to discuss spending to maintain the course until a new lease is finalized at the next commission meeting.

The workshop adjourned at 10:20 a.m.

Vickie L. Bollinger, City Clerk

Note: A mechanical recording has been made of the meeting of which these minutes are a part, and a copy is on file in the office of the City Clerk, as a public record.