

SAN DIEGO GOLF COURSE OPERATIONS UNDER THE FIVE YEAR BUSINESS PLAN

SUMMARY

In June 2001 the San Diego City Council (Council) adopted the first Five Year Business Plan governing the operation of City-maintained golf facilities. The plan outlined key issues facing the daily operation of the three City golf complexes. The plan also outlined capital needs and established a green fee structure for the five years covered by the plan. The plan was initially approved in 2001 by the Council, and approved again in 2006. The 2008/2009 San Diego County Grand Jury (Grand Jury) found the business plan to be comprehensive but recommended that all budgets and expenses be made available to the public. Great difficulty was encountered by the Grand Jury in attempting to obtain said information. Additionally, the reactivation of the Golf Advisory Council was recommended.

PURPOSE AND BACKGROUND

In response to citizen complaints the Grand Jury undertook a study of increasing green fees at the City's three major golf courses, Balboa Park, Mission Bay, and Torrey Pines. Golfers, especially senior citizen golfers, allege that green fees have been increased at astronomical rates with the result that local golfers, through these increased fees, are being compelled to bear an unfair financial burden in the operation of the golf courses.

According to the San Diego Golf Operations Five Year Business Plan dated June 26, 2006: *"The City of San Diego Golf Operations Division is one of five operating divisions within the Park and Recreation Department. Currently, the City operates three municipal golf complexes: Balboa Park, Mission Bay and Torrey Pines. All three facilities offer different golfing opportunities for players of all ages and abilities. One of the goals of this Division is to provide challenging yet accessible and enjoyable golfing experiences to residents of San Diego as well as visitors to the area at competitive prices.*

"The golf system is unique in that it operates like a business in what is known in the municipal sector as an Enterprise Fund. This requires the golf courses to generate sufficient revenues to cover operational and maintenance expenses, capital improvement costs and any debt service incurred by the program to avoid using general fund monies.

"It is extremely important to maintain and manage the Enterprise Fund in a fiscally responsible manner so that the users of the facilities (golfers) are not only supporting the daily operational and maintenance costs, but also the long-term capital improvement projects to keep the courses competitive with the local golf market and up to today's industry standards. Periodically throughout the fiscal year the state of the fund is reviewed by Financial Management and the Auditor's Comptroller. Expenditures and revenues are analyzed against year-end projections. These projections are important to ensure that an appropriate fund balance is retained for future expenses and unforeseen emergencies. Expenses including capital projects, staffing requirements, and all other maintenance and operational costs are managed to maintain a healthy fund."

PROCEDURES

The Grand Jury investigated this complaint by speaking with City officials, members of the San Diego Municipal Golfers Alliance, which claims to represent hundreds of local golfers, and golfers not aligned with any group. Additionally, public documents such as the Golf Operations Business Plan, minutes of Council meetings and reports from the Office of the Independent Budget Analyst were examined.

DISCUSSION

The Grand Jury undertook this investigation after a complaint was filed by a senior citizen golfer who believed he was being discriminated against by the City's Parks and Recreation Department through prohibitive green fees and identification card fees. During the course of the investigation additional golfers came forward to testify that they had been similarly affected and some concerns were expressed that all aspects of the City's golf program were being mismanaged. The Grand Jury heard testimony from golfers that could not always be backed up with cogent supporting evidence and relied on the 2006 Five Year Business Plan for information outlining how the golf courses are operated and how decisions are made.

The Grand Jury received testimony from City employees that the Five Year Golf Business Plan was at one time available on the Internet, but was removed for unknown reasons. Additionally, testimony was heard from City employees that decisions made regarding the City operated golf courses all have their genesis in the Five Year Golf Business Plan and are supported by extensive research.

The Grand Jury could find no law, rule, or policy that has been violated by the City. Additionally, evidence of mismanagement beyond allegation and innuendo was not forthcoming. Significant differences of opinion between the City and many members of the golfing community came to light in the form of testimony from people on both sides of the conflict. Throughout the investigation the Grand Jury encountered extensive resentment of City government generally, and some specific government officials, by people who use the golf courses. While the exact words were not always the same, golfers generally expressed a feeling that their concerns were not taken seriously. They indicated to the Grand Jury that they felt whenever they attempted to resolve their issues by contacting members of the City government or key City employees they were subjected to what appeared to them to be an orchestrated attempt to minimize their concerns. They acknowledge that both public and private meetings occurred, before, during and after the adoption of the Five Year Business Plan but feel that these meetings were simply *pro forma* in nature and were part of a strategy that could be pointed to at a later time as the City's genuine attempt at rapprochement.

The Grand Jury takes no position regarding the alleged above-mentioned motives but notes that people become suspicious, restive, and intractable whenever they perceive any attempt by government to deny them something they view as integral to the quality of their lives. The Grand Jury notes that generally political leaders and government employees should be magnanimous with their time and should go the extra mile when attempting to communicate the necessity for directing the engines of government towards goals that might initially be viewed as unnecessary, unfair, or restrictive.

The Grand Jury believes that complaints from golfers could be avoided if the City was more open in communications with them. The Grand Jury further notes that generally people who walk away from an argument feeling that they had a full and complete opportunity to air their grievances leave with a degree of satisfaction that is not felt by a person who believes his complaints fell on deaf ears. To that end the Grand Jury urges the City to redouble its efforts to clearly and fully communicate the rationale for decisions of a controversial nature regarding golf course management.

The Grand Jury notes that it received testimony from golfers who served on San Diego's Golf Advisory Council and from City employees that the council has been disbanded. Former members of the Golf Advisory Council testified that it was dissolved after it failed to support the Five Year Golf Business Plan in 2006. Certainly there might be a valid rationale for disbanding the Golf Advisory Council, but the Grand Jury believes it remains an important vehicle for confirming to the public that golf course operational decisions are neither punitive nor arbitrary. It is further noted that page 17 of the Five Year Golf Business Plan adopted in 2006 indicates "*the City obtains public input by interacting regularly with golfers and by working closely with the Golf Advisory Council.*" The Grand Jury questions how the City can work closely with the Golf Advisory Council when it appears to be no longer in existence.

The Grand Jury additionally notes that it had great difficulty in obtaining requested documents such as budgets, minutes of meetings, and general business information from the City. The employees dealt with were all friendly and positive in their demeanor, but often the requested material either did not arrive, or was not the material requested. In the case of the Five Year Golf Business Plan, it took over four months to obtain the 2006 version. This, of course, gives rise to the question, if the Grand Jury encountered a less than forthcoming posture on the part of the City, what chance does the average citizen have?

FACTS AND FINDINGS

Fact: The City has a Five Year Golf Business Plan that was approved in 2001 and renewed in 2006.

Fact: There was a Golf Advisory Council established prior to 2001 by the City for Torrey Pines, Mission Bay, and Balboa Park.

Fact: The Five Year Golf Business Plan approved by the City Council in 2006 was published in brochure form by the City.

Fact: It took the Grand Jury four months to get a current copy of the Five Year Golf Business Plan.

Fact: It took the Grand Jury six months to get a current budget for the City's Golf Operations.

Fact: The general public does not have readily available access to the budget, statements of revenue and expenses.

Finding #01: Both the 2001 and 2006 Five Year Golf Business Plans exist in certain forms but are not readily available to the general public.

Finding #02: The Golf Advisory Council has not been convened by the City since 2006.

RECOMMENDATIONS

The 2008/2009 San Diego County Grand Jury recommends that the Mayor of the City of San Diego:

- 09-37:** Make budgets, Statements of Revenues and Expenses, and all golf related contracts available online to the public, in the spirit of full disclosure. Additionally make said information easy to locate with direct Internet links.
- 09-38:** The Golf Advisory Council should be reactivated as a liaison between the golfing community and the city of San Diego for the purpose of enhancing dialogue.
- 09-39:** Make the Five Year Golf Operations Business Plan available at the clubhouses on the Torrey Pines, Balboa Park and Mission Bay golf courses, as well as on the Internet.

REQUIREMENTS AND INSTRUCTIONS

The California Penal Code §933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code §933.05(a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

- (a) As to each grand jury finding, the responding person or entity shall indicate one of the following:
- (1) The respondent agrees with the finding
 - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- (b) As to each grand jury recommendation, the responding person or entity shall report one of the following actions:
- (1) The recommendation has been implemented, with a summary regarding the implemented action.

- (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
- (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
- (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with the Penal Code §933.05 are required from the:

<u>Responding Agency</u>	<u>Recommendations</u>	<u>Date</u>
Mayor, City of San Diego	09-37 through 09-39	8/19/09