

The meeting was called to order by Ald. McKinnon at 6:30 p.m. with the following Roll Call:

Members Present: Ald. Nitschke, Ald. Voss, Ald. McKinnon, Brian Wendorff, Chuck Brockhaus, Dewy Crist

Members Absent: None

Others Present: Brian Paynter, Bob Smith, Susan Smith

Item #2 – Select Chairperson

Motion by Nitschke, second by Wendorf to select Ald. McKinnon as the chairperson. Motion carried unanimously.

Item #3 – Select Secretary.

Motion by Brockhaus, second by Wendorf to select Ald. McKinnon as the secretary. Motion carried unanimously.

Item #4 – Discuss/Recommend Changes to Golf Course Management Contract.

A. Management of Course, Pro Shop, Banquet Facility.

Golf Club started with their feelings. Wendorf asked why Golf Course was for sale. McKinnon replied it was for sale since 2005. An offer came in and it was considered. Crist stated that there has been a conflict since the beginning of the course. Crist also stated that there was a problem that the course couldn't make the payments for 2 years.

These items were discussed:

1. All employees to be of Mayville Golf Club Inc.
 - This includes wages, health and life insurance etc.

Wendorf/Crist feel that the Golf Club can handle this. They have in the past. Wendorf said they have already discussed this with Bob Parduhn. Bob understands that his benefits will/may change. He is okay with it. Brockhaus asked if the insurance can be paid for by the Golf Club but kept on the city's plan. McKinnon is looking into this. Brockhaus said the U.S.G. offers insurance and Parduhn is checking on it.

This section was agreed upon.

2. All monies must be deposited in the Mayville Golf Club fund.
 - Mayville Golf Club Inc. will be responsible for hiring an accountant.

Voss suggested we go with the old 2001 contract to save money on the lawyer fees. It was agreed to look at 2001 and 2005 contracts and combine them into one. Nitchke stated that it was unfair to have Shelly doing the books and then hearing complaints about how they are done. She volunteered to do it and she does the best she can.

Brockhaus said the old contract had problems with past management. Once Parduhn took over as manager, the course turned around and started making more money. With our own accountant, they feel they can get all the information they need.

This section was agreed upon.

3. The City must receive a guaranteed yearly payment equivalent to the amount owed on the outstanding bonds.
 - Under no circumstances will the City be relied on for this payment.

Crist said the golf course has been making it the last few years. The problem is we don't have any borrowing power since the City owns the course and assets. The golf club couldn't borrow against it in case of a bad season etc. Brockhaus agrees with Crist. McKinnon stated that at this point if the payment isn't made, the city picks up the difference. If the Golf Club takes it over again, what's the difference? Brockhaus said the course has a good manager/pro, and good directors. The course can and will continue to make money. Wendorf said the potential monies were lost during the controversy last year. People worried about booking their events and having the course change hands and not having the obligations completed. He feels we need to get this settled and agreed upon.

4. 50% of funds in excess of the required yearly payment to the City are placed in a "rainy day" account until an equivalent of 1-year reserve is obtained.
 - The remaining 50% of funds will be deposited in an account that is reserved for Capital Improvements.
 - Any donated funds shall be kept in a segregated account within the city trust fund to be used at the discretion of Mayville Golf Club Inc.
 - Names, dates and amounts of donations must be accurately recorded for purpose of verification.

Brockhaus suggested we use the \$30,000 kitchen improvement monies for back-up. Deposit this in an account for a rainy day fund. Brockhaus was concerned about the 50% figure. There is off season expenses that need to be paid. Crist feels that there won't be a lot of profit the first 5 years and until the course is paid for. Wendorf suggested to take the \$30,000 and add \$6,000 of the profits to it so it will be a half a year's payment in case of an emergency. Brockhaus stated that they would need a line of credit to purchase items. It was agreed upon to keep any donations in a verified fund with documentation.

5. The City and Mayville Golf Club Inc. will jointly agree upon an annual operating budget.
 - Any monetary needs in excess of the budget must be presented and approved by the Finance Committee of the City.
 - A monthly financial report will be provided to the council, mayor, clerk & comptroller/treasurer.

Brockhaus feels this is OK as long as it's not a line by line budget. It already states in the contract if items over \$10,000 are needed, it needs to be brought to the financial committee. Wendorf wants to keep costs and membership fees competitive. Building maintenance would need to be done by the City since they own it. Nitchke asked about other opportunities for the bar to be open in the winter months. Fish fries etc. Wendorf explained that they don't want to compete with local business for fish fries. There are costs for heat and wages too. Brockhaus says it is a good idea to look at other ways to utilize the facility better.

6. An annual audit must be performed.
 - The cost of the audit will be the responsibility of Mayville Golf Club Inc.
 - The audit will be presented to the Finance Committee.

Crist said the City always paid for the audit. All of the other depts. are audited yearly anyways. The Golf Club couldn't afford the audit.

7. This agreement will be renewed annually.

Wendorf said 1 year isn't long enough. Past contract was 5 years. Voss stated he didn't have a problem with 5 years. Wendorf would like the contract to reflect the option of Golf Club Inc. having the right to meet any future offers. If the course were ever too go up for sale again, GCI can have the option of meeting the offer and purchase it themselves. This section was agreed upon.

Item #5 – Set Time and Place of Next Meeting.

December 19th. 6:30pm at City Hall

Item #6 –Adjournment.

Motion by Voss, second by Nitchke to adjourn at 8:40p.m. Motion carried unanimously.

Mitch McKinnon, Secretary