

JOHNSTOWN CITY COUNCIL MINUTES
SPECIAL MEETING
Wednesday, October 8, 2014

City Council met in a stated session for the general transaction of business. Mayor Frank Janakovic called the meeting to order at 11:30 a.m. Acting City Manager, Carlos Gunby, offered the invocation, and the Pledge of Allegiance was recited.

The following members of Council were present for roll call:

Mr. Gentile, Mayor Janakovic, Mr. Johncola, Mr. Mickel, Mrs. Mock, Mr. Vitovich, Mr. Vizza (7).

Absent: None (0).

Assistant City Solicitor, Elizabeth Benjamin was also present.

NEW BUSINESS

Council held a special meeting to review the Berkley Hills Golf Course proposals followed by Council's vote to accept or reject the best apparent proposed offer.

Mr. Gunby noted that Council is in receipt of one offer that met the requirements of the RFP. The bid was from the vendor of the Royal Berkshire partnership made up of Derek Hayes, Joseph Hayes, Bobby Gardill, Jr., and Dennis Brady. The proposed list of all greens fees and membership prices were as follows: A nine-hole green fee, \$10; a nine-hole cart fee, \$10; 18-hole green fee, \$20; 18-hole green fee and cart special of \$32; annual golf membership, \$525; annual golf and cart membership, \$1,200; annual junior membership, \$225; annual weekend membership, \$200; husband and wife membership, \$850; and corporate memberships of four players from the same business of \$1,600. He added that these fees are comparable or a little better than the fees of the past. The proposal is for \$30,000 per year in rent for five years.

Mayor Janakovic questioned Ms. Benjamin whether the City would be able to have the golf course tax deferred by changing the wording of the agreement. Ms. Benjamin was not familiar with the origination of the agreement. She said if Council would accept the proposal, the solicitor and city manager could develop the written agreement based on that proposal and could certainly include that inquiry and see if the City could get out of the tax liability.

Mr. Gunby reported that there are additional surcharges that are a part of the RFP. The surcharges are primarily for the upkeep and current and future repair of

the golf course itself. In addition to the lease payment, there is a five percent surcharge on all green fees and permits, which will be held in escrow and paid to the City of Johnstown no later than November 30th of each year. That five percent surcharge goes toward the capital maintenance of the golf course on an annual basis based on the capital needs as approved by Council and presented by the lessee.

Mr. Vitovich had the opportunity to sit down with the group of gentlemen. He stated the group would bring brand new golf carts in and refurbish the equipment, as well as cut all of the dead trees down. They would like to aerate the greens and tees, which has not been done in the past two years. The golf course would be sprayed. The group would also like to put down new sprinkler heads around the greens and improve the water system. He said the group "wants to hit the ground running." In his opinion he felt that the group will be great for Johnstown and make the golf course respectable again.

Ron Kuhs of Westmont urged Council to accept the Royal Berkshire proposal. Mr. Kuhs has been playing golf at Berkley Hills for 59 years. "I know two of these three men personally. They are top-notch golfers who grew up on that golf course," Kuhs said. He does not believe five years is a bad deal at all with the group.

Mrs. Mock added that if they are willing to take a loss in their own personal business then that puts more value into the five-year proposal.

Mr. Gunby suggested that the next city manager build a working relationship with the group to make sure everyone is on the same page.

Ms. Benjamin proposed a motion to accept and approve the proposal of Royal Berkshire for lease and operations of the Berkley Hills Golf Course for a five-year term in the rent of \$30,000 per year effective immediately, and also to authorize the Acting City Manager to take any and all necessary actions to develop and finalize, pending solicitor review, a written agreement to be entered by the parties based on the terms reflected and reviewed in the proposal.

Mr. Gentile made the motion to accept and approve the proposal as stated by Ms. Benjamin. The motion was seconded by Mr. Vitovich and ruled upon as followed:

Yeas: Mr. Gentile, Mayor Janakovic, Mr. Johncola, Mr. Mickel, Mrs. Mock, Mr. Vitovich, Mr. Vizza (7).

Nays: None (0).

Mayor Janakovic stated it would be a good idea to have the Royal Berkshire group come forward and meet with Council. A group of golfers in the audience gave Council a round of applause following the vote.

Ms. Benjamin informed Council that the current agreement actually extends through December 31st, so Council would need to take action to terminate the agreement due to material default in order to make the switch to the new group.

MOTION TO TERMINATE, EFFECTIVE IMMEDIATELY, THE CURRENT GOLF COURSE LEASE AND OPERATION AGREEMENT WITHIN ITS CURRENT OPERATOR DUE TO DEFAULT AND TO AUTHORIZE THE CITY MANAGER TO TAKE ANY AND ALL NECESSARY ACTIONS TO EFFECTUATE THE TERMINATION OF THAT AGREEMENT AND TO PERMIT THE ROYAL BERKSHIRE TO COMMENCE OPERATIONS AS SOON AS POSSIBLE.

Mr. Vitovich made a motion to approve. The motion was seconded by Mr. Gentile and ruled upon by the following:

Yeas: Mayor Janakovic, Mr. Johncola, Mr. Mickel, Mrs. Mock, Mr. Vitovich, Mr. Vizza, Mr. Gentile (7).

Nays: None (0).

There being no further business, the meeting was adjourned at 11:56 a.m.