



OFFICE OF THE CITY AUDITOR
Long Beach, California

R-22

LAURA L. DOUD, CPA
City Auditor

August 19, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the attached audit of the Lease and Related Amendments between the City of Long Beach and the American Golf Corporation.

DISCUSSION:

In 2006, the former Office of the City Auditor published an audit of the Lease (#17748) and Related Amendments between the City of Long Beach and the American Golf Corporation. Our Office has conducted a follow-up audit on high-risk areas from the prior audit report, which we have attached to this letter.

The scope of the audit was limited to the following areas of the Lease: reporting of gross receipts, golf professional fee revenue, capital improvement requirements, and complimentary play. The audit makes recommendations for greater internal controls and enhanced oversight in these areas.

We welcome any questions regarding our report. Finally, we thank the management and staff of American Golf Corporation and the Department of Parks, Recreation and Marine for their cooperation during this audit.

TIMING CONSIDERATIONS:

This item is not time sensitive.

FISCAL IMPACT:

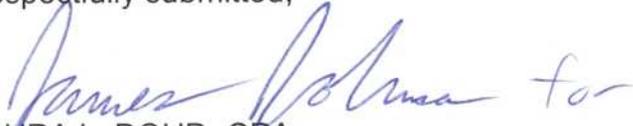
The attached audit report details ways the City can protect its financial interests by implementing stronger controls and enhanced oversight in relation to the City's Lease with American Golf Corporation.

HONORABLE MAYOR AND CITY COUNCIL
August 19, 2008
Page 2

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


LAURA L. DOUD, CPA
CITY AUDITOR

Attachment

American Golf Follow Up Audit Report

August 2008



OFFICE OF THE CITY AUDITOR

LAURA L. DOUD, CPA
CITY AUDITOR

City of Long Beach, California

Office of the City Auditor

Audit Report
American Golf Follow-Up
August 2008



Audit Staff

City Auditor: Laura L. Doud
Assistant City Auditor: James Johnson
Deputy City Auditor: Janet Day
Audit Manager: Terra Van Andel

Table of Contents

Executive Summary	1
Background	2
Audit Objectives, Scope, and Methodology	2
Issue #1 - Inadequate Monitoring and Collecting of Golf Professional Fee Revenue and Scope Limitation	4
Issue #2 - Issue #2 – Insufficient Complimentary Play Documentation and Scope Limitation	4
Issue #3 - City Approval For Additional Capital Improvements	5
Issue #4 - CIP Language	6
Issue #5 - Reporting Period of Audited Financial Statements	6
Follow Up Of Outstanding Prior Audit Recommendations	APPENDIX A
Management’s Response	APPENDIX B

Executive Summary

Based on the results of the audit procedures performed, we determined that American Golf Corporation (AGC) is operating in non-compliance with the Lease Agreement and related Amendments in the following areas:

- Retention of records and remittance of Golf Professional (Golf Pro) fee revenue;
- Recording and tracking Complimentary Golf Play (Comp Play);
- Approval of additional capital improvements; and
- Reporting of annual audited financial statements.

In addition to the issues of non-compliance noted above, we were not provided with access to records or records were inadequate for Comp Play and Golf Pro Fee Revenue. The lack of access to data resulted in significant constraints on our audit approach resulting in scope impairments with respect to these two areas.

All parties involved need to take swift action to promote compliance with the Lease and related amendments to ensure proper management of public funds. While further analysis is included in the body of the report, a brief overview of our recommendations is listed below.

- Establish a system of quality control to ensure AGC's compliance with the Lease and related Amendments in the following areas:
 - Record retention, reporting, and payment of Golf Professional Fee Revenue;
 - 4th Amendment Capital Improvement Requirements; and
 - Reporting of annual audited Financial Statements.
- Establish a system of quality control to ensure AGC's compliance with the Long Beach Municipal Golf Commission Golf Operations Manual (Golf Manual) with respect to recording, tracking and approving Comp Play.
- Revise the language of the Lease and Amendments for the following:
 - Establish policies and procedures with respect to Comp Play;
 - Expand the reporting period of the annual audited Accounting Statements from 60 to 120 days after the end of the lease year; and
 - Include various conditions surrounding capital improvements expenditures, such as repairs due to storm damage, application of insurance proceeds, etc.

Detailed results of our testwork, with respect to the limited scope, and our recommendations are outlined in the body of the report.

Background

AGC has long been recognized as one of the leading golf course operators in the country. It currently operates over 170 golf courses throughout the United States. Investment firms Goldman Sachs and Starwood Capital own the company, which is headquartered in Santa Monica, California.

The City of Long Beach owns five golf courses. Eighteen hole courses include El Dorado, Recreation 18, Skylinks and Heartwell (Par 3). In addition, the City has one 9-hole course known as Recreation 9.

AGC operates all five courses under the Lease Agreement (#17448) with the City, and the Parks, Recreation and Marine Department is responsible for management of the Lease. The Lease was executed in 1984 but has been amended several times to clarify or change certain terms, incorporate reconstruction of the Skylinks course and extend the term to August 15, 2009. In addition to the courses, AGC also operates other golf course related facilities, including concessions and pro shops, with the exception of the El Dorado restaurant, which is operated by an unaffiliated lessee.

The operating rules and regulations pertaining to the use of the City's golf courses are found in the Golf Manual. It supersedes all other golf course manuals for the Department of Parks, Recreation and Marine. The Golf Manual was developed from recommendations of the Long Beach Municipal Golf Commission, a 13-member Mayor-appointed advisory body, established by Municipal Code Ordinance. The Golf Manual includes guidelines for complimentary play at any of the five City golf courses, including eligibility, restrictions on play and management approval.

Audit Objective Scope and Methodology

The objective of our audit was to determine compliance with the Lease and the Related Amendments and to follow-up on high-risk audit areas from the prior audit report dated June 20, 2006. The scope of the audit was limited to the following areas: reporting of gross receipts, Golf Pro fee revenue, capital improvement requirements, and Comp Play.

To conduct this follow-up audit of the American Golf Lease Agreement we used the following methodology and tasks:

- Followed up on the status of recommendations identified in the June 20, 2006 audit report. (See Appendix A.)
- Obtained and reviewed AGC's Statement of Gross Receipts and Percentage Rent, certified by a CPA, for the year ending December 31, 2005.

- Reconciled AGC's monthly gross receipts reporting to the annual audited Gross Receipts Statement.
- Requested a detailed reconciliation of all golf professional activities for the period 2000-2005 and reviewed the golf professional volunteered hours for the period 2000-2005.
- Obtained & reviewed the schedule of 3rd Amendment and 4th Amendment Capital Improvements.
- Reviewed and tested the 3rd Amendment and 4th Amendment Capital Improvement schedules on a sample basis to ascertain that Capital Improvements have been made in accordance with terms set forth in Amendment 3, Section 5.1.1 and Amendment 4, Section 16.4.
- Performed a reasonableness test for the year ended December 31, 1999, with regards to the Capital Improvement requirement to set aside 10% of gross annual green fees as set forth in Section 5.1 of the Lease Agreement.
- Obtained and reviewed the Comp Play Logs for all five golf courses.
- Reviewed the Long Beach Municipal Golf Commission Golf Operations Manual and the Long Beach Municipal Golf Commission Handbook.

We were not provided with sufficient access to records for Comp Play and Golf Pro Fee Revenue. The lack of access to data resulted in significant constraints on our audit resulting in scope impairments with respect to these two areas.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Observations and Recommendations

Issue #1 – Inadequate Monitoring and Collecting of Golf Professional Fee Revenue and Scope Limitation:

Per Section 3.2.6(C) of the 3rd Amendment, "Tenant (American Golf Corp) shall pay as percentage rent 6% of fees charged by Tenant or paid to Tenant by golf professionals for group golf lessons given on the Premises, provided that Tenant and golf professionals shall be exempt from said percentage rent if these golf professionals volunteer a minimum of 25 hours per year to the Long Beach Junior Golf Program."

Based on written communication between AGC and the City, the volunteered hours are monitored by the Director of the Long Beach Junior Golf Academy. Effective October 2005, the golf professionals were to begin paying the 6% fee monthly and when the particular professional achieved the required volunteer hours, then a reimbursement check would be processed.

We requested a detailed reconciliation of all golf professional activities for the review period of 2000-2005 including the number of volunteer hours per golf professional and payments (made by them to AGC). Based on a review of volunteered hours, we found that there were golf pros during the six-year period who did not volunteer the minimum of 25 hours who should have remitted the 6% of fees as percentage rent. AGC was unable to provide a reconciliation of golf pro activity and evidence of golf pro payments received. Considering the impact that the missing information has on the ability to audit the golf pro volunteer fee revenue, the scope of this audit area is considered limited in nature.

Recommendations

- Amend the Lease to eliminate the volunteer hour exclusion and require Golf Pros to pay six percent of fees charged; include provisions allowing more stringent financial penalties to Tenant for record-keeping issues and other matters of noncompliance.
- Require AGC to track Golf Pro fees collected to ensure the City receives the proper amount of Golf Pro fee revenue.

Issue #2 – Insufficient Complimentary Play Documentation and Scope Limitation:

The Golf Manual defines the guidelines, including eligibility, restrictions on play, management approval, etc., which should be followed when administering Comp Play at any of the five City golf courses. During the course of the audit, we made several requests for the Comp Play logs from each course for a specific period of time to enable

us to determine if the guidelines set forth in the Manual were being followed. Less than half of the requested Comp Play Logs were provided by AGC. Of the Comp Play Logs provided, we found missing information vital to determining eligibility for Comp Play and inconsistent Comp Play Log formats at all five courses.

Recommendations

- Establish a system of quality control to ensure AGC's compliance with the Golf Manual with respect to recording, tracking and approving Comp Play:
 - Provide Comp Play reports to the City regularly; and
 - Consider including value of Comp Play on the reports.
- Strengthen controls over Comp Play:
 - Implement logs with a consistent standard format for each course; and
 - Include information on the log such as full name; affiliation; reason for Comp Play, number of players, items comped, etc.;
 - Ensure that logs are completed in full and approved by a course manager prior to the player teeing off.
- Incorporate language into the Lease with respect to Comp Play, including provisions allowing more stringent financial penalties to Tenant for record-keeping issues and other matters of noncompliance.
- Prior to revision of the Lease, review the volume and nature of complimentary play to ensure that newly added sections of the Lease relating to complimentary play are in the best interests of the City.

Issue #3 – City Approval For Additional Capital Improvements:

Per Section 5.1.1 of the 3rd Amendment, "From August 1999 to August 2002, AGC shall at its sole cost make improvements to the Premises and Additional Premises by constructing \$1 million in capital improvements, in accordance with the recommendations of and subject to the prior written approval of the City Manager or his designee." It appears authorization for projects is occasionally verbal, rather than in writing as required by the Lease. Though American Golf and the City agreed on a project for the 3rd Amendment capital improvements requirement, there was no evidence of written approval.

Recommendations

- Obtain written approval from the City Manager or his designee for specific improvements (when required by the Lease).
- Implement controls to more closely monitor the improvements carried out by AGC (when required by the Lease).

Issue #4 – CIP Language:

The language with respect to the capital improvement expenditure requirements is vague in addressing situations such as repairs due to damage, application of insurance proceeds and so forth.

Recommendation

- Amend the lease language with respect to the capital improvement expenditure requirements to address repairs due to damage, application of insurance proceeds and other situations that could possibly arise. This will provide a clearer understanding between the two parties on how to treat these unusual circumstances.

Issue #5 – Reporting Period of Audited Financial Statements:

Per Section 3.4 of the Lease Agreement, “within 60 days after the end of the lease year, AGC shall prepare and deliver or cause to be prepared and delivered to the City an annual financial statement for each of the City’s golf courses certified to be correct by AGC and prepared and audited by a CPA in accordance with GAAP containing a (i) statement of gross receipts for each of the City’s golf courses and the business activities conducted in, on and from said golf courses and (ii) a computation of percentage rent.” The Independent Auditor’s Report attached to the audited statements for the year ending December 31, 2005 was dated June 29, 2006, six months after the end of the lease year (120 days late). Per AGC, it is difficult for them to provide audited statements by an independent CPA within 60 days of the end of the lease year, due to accounting and reporting constraints.

Recommendation

- Amend the Lease as follows:
 - Expand the reporting period from 60 to 120 days after the end of the lease year.
 - Incorporate language to hold AGC accountable when they do not comply with the reporting terms as set forth in the Lease.

APPENDIX A

Follow Up of Outstanding Prior Audit Recommendations

Appendix A
Long Beach Office of the City Auditor
American Golf Audit Report June 20, 2006
Follow Up of Outstanding Prior Audit Recommendations

Appendix A lists outstanding issues from the prior audit report dated June 20, 2006. Issues from the June 2006 report that are addressed in the body of this current report or that have been addressed by the Department are excluded from Appendix A.

See Appendix B for Management Responses related to the prior audit issues noted below.

Issue 1:

Minimum rent should be “stepped-up” by \$757,633 at July 1, 2005

Recommendation:

Minimum rent has not been “stepped up” as allowed by the Lease. The Lease allows the City to escalate minimum rent annually on July 1st to an amount equal to 90% of the prior 12 months’ total rent payments. While it appears that no revenue has been lost because revenue has generally improved, exercising this provision will protect the City from significant and unforeseen declines in future revenue. Annual minimum rent could be stepped up by \$757,633 at July 1, 2005.

Department Response:

Accounting staff will proceed with notifying American Golf Corporation (AGC) to “step-up” their minimum rent by \$757,633 ASAP.

Issue 2:

Revenue should be reported when cash is received by the Tenant.

Recommendation: There are significant differences between actual cash receipts by Tenant and receipts reported to the City for purposes of computing percentage rent. Some exclusions (i.e. taxes collected on the sale of merchandise and revenue collected for the Long Beach Golf Festival) are in accordance with the lease provisions and, therefore, proper. However, differences also arise because Tenant reports some revenue as it is “earned” rather than when the cash is received. For example, deposits are reported when the event occurs, rather than when cash is collected. This is not in compliance with the lease terms, and we were unable to establish that all “deferred” revenue is eventually reported. In the future, gross receipts should be reported by Tenant when received rather than when “earned.”

Department Response:

The Lease Agreement will be amended to include the recommendation that revenue should be reported when Tenant receives cash.

Issue 3:

Tenant and City records related to the Capital Improvement Program are inadequate

Recommendation:

The Lease requires that 10% of all green fees collected be expended for capital improvements. Amendment #3 to the Lease dated 1999 and Amendment #4 to the Lease dated 2003 added additional Tenant out-of-pocket obligations for capital improvements of \$1 million and \$1.1 million, respectively. Generally, capital improvements are to be approved by the City Manager or his designee.

During our review, we found several issues related to the operation of the CIP program.

CIP Records: Neither Tenant nor City was able to provide us with a comprehensive ledger of annual CIP projects for the 10% fund or the additional obligations under the amendments. There are no account reconciliations, as we would have expected for the significance of these funds. In addition, it appears that authorization for projects is occasionally verbal, rather than in writing as required by the Lease. Tenant should develop and submit to the City a detailed accounting of the use of all CIP funds during the review period and should maintain these records on an ongoing basis.

CIP Bank Account: Tenant maintains a bank account for monthly deposits of CIP 10% funds. We noted a number of issues related to this account that are unresolved as of the date of this report. Specifically, Tenant has been unable to provide detail documentation supporting disbursements out of the account totaling more than \$350,000. In addition, there is an unexplained credit in the amount of \$200,433. Finally, Tenant's deposit of 10% of green fees in the month of December 2001 was short by \$6,776. We recommend that Tenant immediately deposit the under funded amounts and investigate the unsupported bank account transactions. In addition, and due to concerns over these transactions, we recommend that additional testwork be performed for one year prior to our review period.

Department Response:

Tenant was unable to provide a copy of a ledger of expenditures to the Auditor's Office for the period of 2000 – 2005. Tenant to date has not been able to provide the requested copies of invoices or bank statements for the \$1 million of CIP course improvements as required by the 3rd Amendment. Tenant provided copies of invoices for the CIP projects completed to date, per the 4th Amendment. Copies of the bank statements will be forwarded to the City Auditor's Office soon according to a January 25, 2007 email from Jay Carballo to Terra Van Andel. Tenant needs to finish research and resolution of \$6,776 that appears to be short in the deposit of 10% of green fees into the Golf CIP Fund for the month of December 2001.

Issue 4:

Pro Shop inventory levels are below that required by the Lease.

Recommendation:

According to Section 6.3 of the Lease, Tenant is to maintain pro shop inventories at \$75,000 wholesale value with the exception of Recreation 9-hole that “shall be determined by the City Manager or his designee.” At December 31, 2005, pro shop inventories were, at cost, significantly below required amounts. The City is aware of this and is expecting to modify the requirements in the next lease amendment or restatement. However, percentage rent on retail sales simply adds a mark-up to inventory, creating noncompetitive pricing and reducing Tenant’s motivation to keep the pro shops heavily stocked. We recommend that City and Tenant consider a fixed rate rent arrangement (or percentage rent with a ceiling) on these shops and incorporate this provision into the next lease amendment.

Department Response:

Yes, a recommended lower level or Pro Shop inventory levels at all courses will be incorporated into the revision of the current lease agreement.

Issue 5:

Management of the American Golf contract could be improved.

Recommendation:

Comprehensive management of the American Golf Lease could be improved. The provisions of the Lease require expertise in a wide array of disciplines including course operations and maintenance, advertising and marketing, construction (CIP) and finance. Given the significance of the revenue from this Lease to the City’s General Fund, management of the Department of Parks, Recreation and Marine should ensure that all of these areas are adequately monitored. In addition, and due to the findings noted herein, when amended or restated, this Lease should contain provisions allowing more stringent financial penalties to Tenant for matters of noncompliance.

Department Response:

The restatement of the Lease is currently in the final drafting process. The recommendation to incorporate provisions allowing more stringent financial penalties to Tenant for matters of noncompliance will be addressed in this process. Noncompliance issues include but are not limited to compiling and providing complete and accurate financial documentation of all transactions of which the City will have complete access for audit purposes.

APPENDIX B

Management Response



Date: May 22, 2008
To: Laura Doud, City Auditor
From: Phil T. Hester, Director of Parks, Recreation and Marine
Subject: American Golf Follow Up Audit

Per your memorandum of April 25, 2008, we are offering you a response to the various recommendations concerning the American Golf Corporation (AGC) Lease #17448. As noted in your memorandum, the scope of the audit was limited to reporting of gross receipts, golf professional fee revenue, capital improvement requirements, and complementary play. We also will provide you a response to a number of items that were included in a previous audit, referred to as Appendix A.

Issue #1 – Inadequate Monitoring and Collecting of Golf Professional Fee Revenue and Scope Limitation:

Per Section 3.2.6 (c) of the third amendment, "Tenant (American Golf Corp.) shall pay a percentage rent 6% of fees charged by Tenant or paid to Tenant by golf professionals for group golf lessons given on the Premises, provided that Tenant and golf professionals shall be exempt from said percentage rent if these golf professionals volunteer a minimum of 25 hours per year to the Long Beach Junior Golf Program." This section was changed from previous agreements, mainly as a result of the continued success and expansion of the Long Beach Junior Golf program. The success of this program is totally contingent on adult volunteers, and especially the 25 hours of volunteer instruction required in the lease. Currently, over 1,500 youth participate in all of the junior golf programs that are served by these "volunteer" golf professionals.

While staff agrees that adding a currently unspecified financial penalty may serve as an incentive for the Tenant to properly maintain accurate record keeping procedures, we would not recommend the removal of the 25 hour volunteer requirement and only require these golf professionals to pay the 6% only.

Also, AGC is required to track the fees collected for group lessons taught by golf professionals. The computerized point of service (POS) cash registers at each golf course record this revenue. This helps ensure that the City receives the proper amount of golf professional fee revenue each month from these group lessons. AGC's Director of Junior Golf Programs is responsible for tracking and recording all golf professional volunteer hours and has been instructed to provide a copy of this report to our department on a quarterly basis (Attachment #1).

Issue #2 – Insufficient Complimentary Play Documentation and Scope Limitation:

Department staff reviewed the recommendations concerning complimentary play, in light of the daily operations at each golf course. In order to ensure AGC's compliance with the Golf Manual, with respect to the recording, tracking, and approved complimentary play, AGC has agreed to provide the City copies of the complimentary play log sheets on a monthly basis.

Regarding strengthening controls over complimentary play, the new Regional Director for AGC has already developed a consistent standard for the log sheets at each course. These complimentary play log sheets will include all essential information, including category of qualification, number of players, and complimentary services. AGC has been notified that the complimentary play logs are to be completed in full, approved by a course manager prior to the player(s) teeing off, and copies provided to the Department monthly (Attachment #2).

Additional language will be incorporated into the lease, with respect to complimentary play, including possible provisions allowing more stringent financial penalties to Tenant for record keeping issues, and other matters of noncompliance.

Issue #3 – City Approval For Additional Capital Improvements:

Staff reviewed the recommendations concerning capital improvements and agree that it is necessary to ensure that written approval from the City Manager, or his designee, be obtained for specific improvements, when required by the Lease. Currently, staff is notified prior to projects being commenced by AGC, but will ensure that the form that was previously developed for this purpose, is approved by the City Manager or his designee, and kept on file by the Department (Attachment #3).

Issue #4 – CIP Language:

Staff reviewed the recommendation and agree to amend the Lease language with respect to the capital improvement expenditure requirements to address needed repairs due to damage, application of insurance proceeds, and other situations that could possibly arise. This additional language will better clarify the understanding of both the City and AGC on the proper treatment, if and when these unusual circumstances arise. A sample of this language is attached, and will be finalized and incorporated into the lease (Attachment #4).

Issue #5 – Reporting Period of Audited Financial Statements:

Staff reviewed and supports the recommendation to extend the reporting period for AGC to submit the Lease required Audited Financial Statements from 60 to 120 days after the end of the lease year. Furthermore, staff will incorporate specific language in the Lease to hold AGC more accountable if, and when, they do not comply with the reporting terms, as set forth in the Lease.

Outstanding Issues From Audit of June 20, 2006 (Appendix A)

Issue #1 – Minimum Rent Should Be “Stepped Up” By \$757,633 At July 1, 2005:

Staff are making the calculations for the current “step-up” in minimum rent and the notice will be delivered to AGC by June 6, 2008.

As noted in the report, “while it appears that no revenue has been lost because revenue has generally improved, exercising this provision will protect the City from significant and unforeseen declines in future revenues.”

Issue #2 – Revenue Should Be Reported When The Tenant Receives Cash:

This item has to do with the recording of tournaments and special banquet event deposits. Staff has met with AGC staff regarding the proposed change in revenue reporting procedures. AGC is currently investigating possible changes in their record keeping methods that could make it possible to comply with this request, without causing major unnecessary accounting complications. If this accounting process can be established, the Lease agreement will be amended to include the recommendation that revenue will be reported when Tenant receives cash.

Issue #3 – Tenant And City Records Related To The Capital Improvement Program Are Inadequate:

CIP Records: Department staff met with AGC staff and Regional Director and AGC agreed to maintain detailed CIP records on an ongoing basis, as recommended in the previous audit. Prior to commencing on any CIP projects, AGC is currently submitting the specific scope of work and cost in writing for the review and written approval by the Director or his designee.

CIP Bank Account: Tenant, as of July 2003, no longer maintains a bank account for the deposits of CIP 10% funds. CIP funds (10% of green fees) are deposited in the Bank of New York, where the funds are under the control of an appointed Trustee. AGC must provide all documentation, i.e. invoices for completed CIP projects and the associated cancelled payment checks, before staff proceeds with written requests to the trustee, for the reimbursement to AGC from the CIP Fund for their verified improvement project expenditures.

As reported by audit staff, in a memo dated March 6, 2007, "the shortage of 10% of green fees in the amount of \$6,776 from December 2001 has been resolved."

Issue #4 – Pro Shop Inventory Levels Are Below That Required By The Lease:

After much research and discussion, a recommended lower level of pro shop inventory levels at all courses was previously agreed to between the City and AGC, and will be incorporated into the next lease revision.

Issue #5 – Management Of The American Golf Contract Should Be Improved:

Staff has already implemented a number of internal methods to more closely monitor reports for accuracy and timely submittal. All CIP projects are being approved in writing, and no requests for expenditure reimbursements are being processed until backup documentation has been received, reviewed, and approved. All recommended language additions, and/or changes, will be incorporated in the restatement of the Lease, which is currently in the final draft process. These additions in language to the Lease will include the various items listed in this report.

Thank you for the opportunity to respond to this important audit. We look forward to working with your office to address your recommendations. If you have any questions or need additional information, please do not hesitate to contact me.

PTH:rb
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Attachments

cc: Patrick H. West, City Manager
Thomas Shippey, Manager of Maintenance Operations
J.C. Squires, Manager of Business Operations
Terry Lortz, Superintendent of Golf Operations
Keith Brown, Chief Operations Officer – West, American Golf
Brian Bode, Regional Director, American Golf

Volunteer Hours - LB Golf Professionals

2007

Course #	Name	LBJGA Jan-March	Cubberley 4/23/07	LBUSD 5/22/07	LBJGA April-June	Little Linkster 7/9-7/20	LBUSD Summer	PAL Summer	Rec 9 Camps	LBJGA July-Sept	Sky Camps	Eido Camps	LBJGA Oct-Dec	Total
143	Linda Chen	12 Hrs		4 Hrs	9 Hrs	12 Hrs		4 Hrs		6 Hrs			4 Hrs	51 Hrs
143	Phil Kessler	30 Hrs		4 Hrs	18 Hrs	21 Hrs				24 Hrs			13 Hrs	110 Hrs
143	Linda Larsen	0 Hrs		4 Hrs	0 Hrs	30 Hrs								34 Hrs
143	Danny Lee	0 Hrs		0 Hrs	0 Hrs	0 Hrs		12 Hrs		16 Hrs			5 Hrs	33 Hrs
143	Dennis Wright	10 Hrs	3 Hrs	4 Hrs	6 Hrs	27 Hrs				10 Hrs			12 Hrs	74 Hrs
131	Tim Johnston	0 Hrs		0 Hrs	0 Hrs	9 Hrs	5 Hrs					14 Hrs		28 Hrs
134	John Kang	0 Hrs		2 Hrs	0 Hrs									2 Hrs
134	Spencer McDaniel	8 Hrs		2 Hrs	8 Hrs					4 Hrs	6 Hrs			26 Hrs
134	Dana Dahlquist	16 Hrs	2 Hrs	4 Hrs	8 Hrs		2 Hrs	2 Hrs			6 Hrs			40 Hrs
134	Jeff Manson													0 Hrs
132	Skeeter Wright	0 Hrs		4 Hrs	0 Hrs					25				29 Hrs
132	Isela Alvarado	0 Hrs		4 Hrs	0 Hrs					25				29 Hrs
132	Dr. Mac Powell			4 Hrs			2 Hrs	2 Hrs	25					33 Hrs
133	LeRoy Bates	0 Hrs		4 Hrs	0 Hrs					25				29 Hrs
133	Kevin Flanagan									25				25 Hrs

*** Please Fill Out the Blue Boxes Only ***

Contact Christina Hwang by email, click here

Attachment #3

AUTHORIZATION FOR EXPENDITURE FORM

I. This form is submitted for the purpose of opening a Capex Project. See the Guide to Presenting, Approving & Completing Capital & Repair Projects. For questions or additional information contact Christina Hwang (310) 664-4256 phone, (310) 664-4375 fax

Type of Request: Job Start Budget Reallocation Change Order

Course Name: Course Date:

Submitted By: Project Manager:

Job Name: Priority (1-13)

II. Describe the project and why it must be done:

III. COST ANALYSIS Please provide details on all project costs: architectural, designer & engineer fees, construction, FF&E, AGC labor allocation, entitlements, permits, project management fees & expenses, etc.

	ITEM	COST
1		
2		
3		
4		
5		
6		

IV. This Project is Funded by: (select one)

<input type="checkbox"/>	NEWCO Fund
<input type="checkbox"/>	Annual Fund
<input type="checkbox"/>	Emergency Reserve
<input type="checkbox"/>	Unallocated Reserve
<input checked="" type="checkbox"/>	Third Party Funded

Sub Total	<input type="text"/>
Tax \$	<input type="text"/>
TOTAL PROJECT COST	<input type="text"/>

V. Approver Notes

Regional Director	
Dir. Of Maintenance	
Operations Officer	
Chief Maintenance Officer	
City of Long Beach Director of Parks, Rec & Marine	
Corporate Use	

CIP vs. Maintenance Expenditure Clarification

In general, to qualify for funding as a Capital Improvement Project (CIP), projects typically have the following characteristics:

- 1 – Cost \$1,000 or More
- 2 – Have a useful life of 3 or more years
- 3 – Improve, renovate and/or extend the life of a facility or infrastructure
- 4 – Often take more than a single year to complete the planning, design, develop scope of work, specifications, competitive bidding & award of contract, secure permits and inspections and performance of work.
- 5 – Often have multiple sources of funding, i.e. partnerships, grants, etc.

Two examples of typical CIP work compared to ongoing maintenance are:

- 1 – **CIP** = Asphalt overlay of a parking lot

vs.

Maintenance = crack filling, slurry sealing and striping

- 2 - **CIP** = Major scraping, patching, repairing, sealing and painting of entire building after years of exposure to damaging weather elements.

vs.

Maintenance = Painting of smaller portions of buildings showing normal wear and scuff marks at entry and other high traffic/activity areas.