



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 9/11/2012

Report Type: Consent

Title: Supplemental Agreement: Lease and Operation of Haggin Oaks, Bing Maloney, and Bartley Cavanaugh Golf Courses

Report ID: 2012-00682

Location: Districts 2, 5, 7

Recommendation: Pass 1) a Motion authorizing the City Manager or his designee to enter into an Assignment of Equipment agreement with Morton Golf LLC consistent with City Agreement 2011-1245; and 2) a Resolution authorizing the City Manager or his designee to execute Amendment Number 1 to City Agreement 2011-1245 for the transfer of \$65,107 from M17400200 (Golf Irrigation System Replacement) and deposit into Special Fund 5 (Irrigation Fund).

Contact: Mike Kerton, Administrative Officer, (916)808-6316, Convention, Culture and Leisure Department

Presenter: None,

Department: Convention Culture & Leisure

Division: Golf Administration

Dept ID: 17001211

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Assignment of Equipment - Morton Golf
- 4-First Amendment to Lease and Operating Agreement

City Attorney Review

Approved as to Form
Kourtney Burdick
8/27/2012 10:20:52 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
8/15/2012 11:58:40 AM

Approvals/Acknowledgements

Department Director or Designee: Rebecca Bitter - 8/21/2012 10:29:04 AM



Description/Analysis

Issue: The City and Morton Golf LLC (“Morton”) are parties to City Agreement 2011-1245, wherein Morton agreed to operate Haggin Oaks, Bing Maloney, and Bartley Cavanaugh golf courses on the City’s behalf for the benefit of the Sacramento region. Under that agreement, the City agreed to transfer title of certain equipment to Morton. The Assignment of Equipment agreement before the Council will effectuate that transfer. In addition, staff is recommending transferring \$65,107 to Morton Golf to be used for irrigation upgrades as Morton is now managing the courses. The money is currently in a City account earmarked for irrigation upgrades.

Policy Considerations: The recommended action is consistent with the City’s efforts to promote public/private partnerships in providing services to the community.

Economic Impacts: None.

Environmental Considerations: This amendment involves continuing administrative activities and does not constitute a “project” according to CEQA Guidelines, California Code of Regulations, title 14, section 15378(b)(2), and therefore is not subject to review under the California Environmental Quality Act.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: As for the Assignment of Equipment, under the City’s lease and operating agreement with Morton, the City agreed to transfer title of certain listed equipment to Morton. Five pieces of equipment were inadvertently left off of the equipment list. The Assignment of Equipment agreement before the Council will effectuate the transfer of equipment (including the five pieces that were left off of the list and which are highlighted in the agreement). Morton Golf has agreed to use the equipment during the Lease for the sole purpose of operating the golf courses. The City has the first right of refusal on equipment transferred to Morton upon the end of its useful life or upon termination or expiration of the Lease.

Regarding the First Amendment to the Lease, prior to January 1, 2012, the City collected an irrigation surcharge on each round of golf played at the three golf courses. The funds from this surcharge were to be used for golf course irrigation projects pursuant to City Council Resolutions 99-320 and 2001-054. These resolutions were repealed as of January 1, 2012.

The current Lease requires Morton Golf to set aside funds, designated as Special Fund 5, to be used to replace irrigation systems at the Bing Maloney and Arcade Creek golf courses. Morton is to pay \$.25 from each green fee into this fund beginning in Year 3 of the Lease. To provide initial funding for these projects, \$134,847 in FY 2010/11 funds from the Golf Irrigation System Replacement project (M17400200) were transferred to Morton and deposited into Special Fund 5. The Golf Irrigation System Replacement project has a current balance of \$65,107 from FY 2011/12. Since Morton is operating the three golf courses pursuant to the

Lease, staff recommends transferring the balance of \$65,107 to Morton to use for irrigation projects.

Financial Considerations: Staff proposes to withdraw \$65,107 of Golf Funds (Fund 2603) from M17400200 for transfer to Special Fund 5 for the replacement of irrigation systems at the locations specified in the Lease. This amount reflects the irrigation surcharge revenue collected in FY2011/12 from July 1 through December 31, 2011, less operational expenses for irrigation parts and labor for an irrigation technician. Now that Morton Golf is operating the three golf courses pursuant to the Lease, staff is recommending the \$65,107 balance be transferred to Morton to use for irrigation upgrades, for a total transfer to Morton for irrigation upgrades of \$199,954.

Emerging Small Business Development (ESBD): Not applicable.



RESOLUTION NO.

Adopted by the Sacramento City Council

TRANSFER \$65,107 FROM GOLF IRRIGATION SYSTEM REPLACEMENT (M17400200) TO MORTON GOLF LLC TO BE USED IN ACCORDANCE WITH CITY AGREEMENT 2011-1245

BACKGROUND

- A. The City and Morton Golf LLC (“Morton”) are parties to City Agreement 2011-1245 (“Agreement”), wherein Morton has agreed to operate Haggin Oaks, Bing Maloney, and Bartley Cavanaugh golf courses on the City’s behalf for the benefit of the Sacramento region.
- B. Prior to the effective date of the Agreement—January 1, 2012—the City collected an irrigation surcharge on each round of golf played at the three golf courses. The funds from this surcharge were earmarked for golf course irrigation projects pursuant to City Council Resolutions 99-320 and 2001-054, which were repealed as of January 1, 2012, and placed in the M17400200.
- C. The FY 2011/12 balance from the surcharge in M17400200, less operational expenses, is \$65,107. Now that Morton is operating the three golf courses, staff recommends transferring that balance of \$65,107 to Morton into Special Fund 5, designated in the Agreement, to use for irrigation upgrades in accordance with the Agreement.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The city manager or his designee is authorized to execute Amendment Number 1 to City Agreement 2011-1245 with Morton Golf.
- Section 2. The withdrawal and transfer of \$65,107 from M17400200 (Golf Irrigation System Replacement) to Morton Golf to be used in accordance with City Agreement 2011-1245 is approved.



Requires Council Approval: No YES Meeting: 8/28/12

Real Estate Other Party Signature Needed Recording Requested

General Information

Form with fields: Type: Select Contract Type, PO Type: Select PO Type, Attachment: Original No., \$ Not to Exceed: \$, Other Party: Morton Golf LLC, Project Name: Assignment of Equipment, Deed: None/Included/Separate, Project Number, Bid Transaction #, E/SBE-DBE-M/WBE.

Department Information

Department: CCL Division: Golf
Project Mgr: Mike Kerton Supervisor: Rebecca Bitter
Contract Services: Date: Division Mgr:
Phone Number: 808-6316 Org Number: 17001211
Comment:

Review and Signature Routing

Table with columns: Department, Signature or Initial, Date. Rows for Project Mgr, Accounting, Contract Services, Supervisor, Division Manager.

Table for City Attorney with columns: Signature or Initial, Date. Row for City Attorney.

Send Interoffice Mail Notify for Pick Up

Table for Authorization with columns: Signature or Initial, Date. Rows for Bonebrake, Barbara and City Mgr.

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, is not part of the contract. (01-01-09)

For City Clerk Processing box containing fields for Finalized, Imaged, and Received, with a large empty box for stamping.

Department: Convention, Culture & Leisure
Division: Golf

ASSIGNMENT OF EQUIPMENT TO MORTON GOLF, LLC

This agreement ("Agreement") is between the City of Sacramento, a California municipal corporation (the "City"), and Morton Golf, a California limited liability company ("Morton") and is effective on the date it is signed by both parties, as indicated by the dates in the signature blocks below.

Recitals

- A. On October 27, 2011, the City and Morton Golf entered into City Agreement 2011-1245: Agreement for the Lease and Operation of Haggin Oaks, Bing Maloney, and Bartley Cavanaugh Golf Courses ("Lease"), wherein Morton agreed to operate the three golf courses ("Golf Courses") on the City's behalf for the benefit of the Sacramento region.
- B. Under Section 1(b) of the Lease, the City agreed to transfer title of the equipment listed in Exhibit A of this Agreement to Morton. Five pieces of equipment, noted with asterisks in Exhibit A, were inadvertently left off of the equipment list included in the Lease, but were also intended for transfer to Morton. The items listed in Exhibit A are collectively referred to as "Equipment." The purpose of this Agreement is to effectuate the transfer of Equipment contemplated by the Lease.

Based on these facts, the City and Morton Golf agree as follows:

1. **Transfer of Equipment.** The City hereby grants, transfers, and conveys the Equipment to Morton, subject to the terms and conditions of the Lease. Morton has inspected the Equipment and accepts it in its existing condition, without any express or implied warranties of any kind from the City. Morton agrees to use the Equipment during the Lease for the sole purpose of operating the Golf Courses and only to operate the Golf Courses.
2. **City's Right to Inventory and Inspect.** The City may inventory and inspect the Equipment on an annual basis.
3. **Reversion to the City.** Upon termination or expiration of the Lease or upon the end of the useful life of the Equipment, or a portion thereof, whichever shall occur first, Morton, at the City's option, shall either transfer title of the Equipment to the City or dispose of the Equipment, both at no cost to the City.
4. **Maintenance and Insurance.** So long as the Lease is in effect, Morton shall maintain and repair the Equipment in good repair, ordinary wear and tear excepted, and in accordance with the manufacturers' specifications. Additionally, Morton shall maintain

all licenses and permits as required by law for the Equipment and insure the Equipment on a replacement-cost basis.

5. The parties have read and understand this agreement and by their execution below intend to be bound as stated.

Morton Golf LLC

By: _____
Ken Morton, Sr.
Chief Executive Officer
Date: _____, 2012

By: Terry Daubert
Terry Daubert
President
Date: AUG 16, 2012

City of Sacramento

By: _____
Barbara Bonebrake
Director, Convention, Culture & Leisure
Date: _____, 2012

APPROVED AS TO LEGAL FORM
Sacramento City Attorney

By: Kourtney Burdick
Kourtney Burdick
Deputy City Attorney

ATTEST
Sacramento City Clerk

By: _____

EXHIBIT A – Equipment

Bing Maloney

EQUIPMENT NAME	MODEL	SERIAL/UNIT NUMBER
Ecko Back Pack Blower	PB 413HB	
Buffalo Blower		7364
Cushman Core Harvester	Cushman	
Stihl Chain Saw	009	
Stihl Chain Saw	026	
Stihl Chain Saw	034	
Cushman Cart		98002074 / 8430
Cushman Cart 2200	2200	2150366
Ezgo Cart (White)		
Golf Marshal Cart	EZGO/Electric	
Jac Bunker Mower/Tri King	Tri King 1624D	
Jac Electric Greens Mower	E-Plex	8811701655
Jac Fairway Mower 3800	3800	6794802698
Jac Greensmower 1	GK5	62247-4022
Jac Greensmower 2	GK5	62247-4034
Jac Tee/Greensmower	GK4	62287-02534
Jac Leaf Sweeper	720E	81725
Jac Utility Cart	EZ GO 1100	2639941
Jac Utility Mower Turf Cat	528D Turf Cat	66148
Jac Verticutter	GK4	62221-9350
Lely Spreader	Lely	
Stihl Pole Saw	HT101	4182-011-0613
Toro 4500 Fairway Mower	4500D	03702-60118
Toro Greens Aerator	30285	9110
Toro Hydroject	HYD.	60305
Smith Co Trap Rake	42000-F	5512
Toro Rough Mower 580D	580D	30581-80285
Toro 455D Rough Mower	455D	30455-90322
Toro Spray Rig	Multi-Pro	41105-60139
Turf Co Top Dresser	Mete-R-Matic 85423	698997
Toro Tee Mower 1	3000D	04375-40199
Toro Workman Cart	3100/07210	200000148
Ecko Weed Eater	SRM231	06036999
Ecko Weed Eater	SRM231	06037047
Honda Water Pump	WX10A4	WZBR1079003
Jac Fairway Mower 3800*	3800	678672076
Toro 4500 Fairway Mower*	4500D	03702-40568

Altec 12" Disc Chipper*		5WDS415107S200977
	FLEET EQUIPMENT	
2005 Ford Compact Truck	Ranger	10292
1995 John Deere Tractor	1070	7823
2008 John Deere Tractor w/ho	110	10973
1991 Trash Trailer		7025
Fuel Tank 450 Gallon	Unleaded	
Fuel Tank 450 Gallon	Diesel	

Haggin Oaks

EQUIPMENT NAME	MODEL	SERIAL/UNIT NUMBER
Stihl Chainsaw #4	OO9	
Stihl #3 Chainsaw	MS260C	O21656
Jac GKIV Gas	62287	O2537
Jac 3800 Fairway Mower	67948	O2695
Jac 3800 Fairway Mower	67948	O2697
Power Trlm 150 Edger	150	CO4801
Greensking IV Plus Diesel	62289	O4887
HR511111 / 4WD	69116	O7645
Blower Pull	KB	11148
E-Z Go Workhorse(green)	800 Workhorse	1432178
#2 3800 Fairway Mower	67867	1994
3100 Workman	O7210	2000000195
3100 Workman	7210	2000000220
Greensking VI	62277	2043
#1 3800 Fairway Mower	67867	2066
T528D Turfcut II	66148	2099
455 Deck Mower	30455	210000106
Commander 2200	CC2200	2150362
T528D Turfcut II	66148	2189
1100 Workman (red one)	O7252	230000535
Greensking IV Tee Mower	62229	2365
Hydro Seeder	T-90-T11-Kubota 3cyl	SS-2559
Ez-Go Vehicle (Sams)		2640507
Ez-Go Vehicle (Golf Marshal)	76197GO1	0000026598655
Ez-Go Vehicle (Golf Marshal)	76197GO1	0000026598656
Toro Greens Aerator	O9110	30344
Cushman A/T 4 Wheel	898567	32000884
Greensking IV Tee Mower	62300	3670
8427 Cushman	898630A	38001796
Greensking V Arc	62247	3860 / JTBC89
GM3000D Triplex Collar (Toro)	O4375	40194
GM3000D Triplex (Toro)	O4375	40198
Dakota Turf Tender	440	FT4800094
Smithco Trap Rake	42-000-C	4578

Metermatic Top Dresser	85417	592517 City# 40646
2300 Trim Mower	O3426	52017
Kubota Tractor	M5700	50646
Ex Mark 21"	MS16KASPC	510465
Smithco Trap Rake	13-550	5208
Toro Greens Sprayer	41105	60140
Fairway Spreader	232020001	6665
Jac Electric Greens Mower #1	E-Plex	8811701657
Jac Electric Greens Mower #2	E-Plex	8811701658
Verti-drain	7316	A66526
Kubota Tractor	L3400HST-F	76485
Top Dresser F-12D (Turfco)	85423	798537
Sand Pro Trap Rake (Toro)	O8811	80165
580 Toro Fairway Rough Mower	30581-11 Blade	80268
#8431 Cushman	898630A	98001794
#8432 Cushman	898630A	98001797
#8429 Cushman	898630A	98001798
Electric Maint Veh	Hauler 800	2639937
Electric Maint Veh	Hauler 800	2639938
Electric Maint Veh	Hauler 800	2639939
Smithco Greens Sprayer	10-160	J238-160
Core Harvester – Lower	2701530	LM16851
Core Harvester	890009A	R98101164
Ditch Witch Trencher*	4010	410149
	FLEET EQUIPMENT	
2005 Ford Compact Truck	Ranger	10291
2001 Dodge Compact Truck	Dakota	9163
2000 Dodge Full Size Truck	1500 EC 4x4	9055
1991 Ford Tractor	445C	6902
1991 Ford Tractor	445C	6904
1994 Zleman Trailer	1125	7724
Fuel Tank 900 Gallons	Unleaded	
Fuel Tank 900 Gallons	Diesel	

Bartley Cavanaugh

EQUIPMENT NAME	MODEL	SERIAL/UNIT NUMBER
Electric Greensmower	Jacobsen E-Plex 2005	8611701656
AR-522 5-Gang Rotary	AR-522 Jacobsen	6808201774
Electric Transport Vehicle	Jac. 1000E Hauler	2639933
Electric Transport Vehicle	Jac. 1000E Hauler	2639935
Cush 4-Wheel / Dump Bed/ At	84057 Trk	2522798
Triplex Greens Mower - Jac.	Greens King-V, Diesel	62247-4002
Triplex Greens Mower - Jac.	Greens King-V, Gas (used)	62246-3155
Triplex Greens Mower - Brush	GM3000-D	04375-40197 30132
Triplex Greensmower - Tees	GM3000-D	04375-40198
Fwy Mower 5-Gang, 4- Wheel	LF3800	67867-1990
Fwy Mower 5-Gang, 4- Wheel	LF3800 (used) 1850 hrs.	67867-1672
72" Front Cut Rotary	Turfcut	66149-1765
Articulator PTO Rotary	Lastec 721X	13840699
Jacobsen 4-Wheel	110 Hauler	84024-9487
Cushman 3-Wheel Dump Bed	Dump Bed w/Core Harvester	38002081
Toro 4-Wheel	Workman 3100	7210-200000125
National Triplex (used)	84" Belt Drive	6848
Smithco	Super Rake	5221
Multi Pro Spray Rlg (used)	Multipro 1100	70389
National Triplex	8400	8432
Smithco Super Rake	Super Star #42-000-F	5511
Gas Can		
Diesel Can		
Foley Reel Grinder	600	59160001672
Foly Bedknife Grinder	600	59F61001223
Ryobi Blower	200	
Echo	SMR2615	6014882
Echo	260-S	566311001262
Echo	260-S	6014861
Echo 20" Chainsaw	CS440	8022959
Sprayer (SDI)	TM100	32335
Aer-Way Spiker	5777	684-1

Diesel Pump	16AZ-F3L	1059805
Welder (Lincoln)	AC-DC225-125	9221609
Toro Spreader		
Red Max Reciprocator	60300360	1) 6Z3L17
Red Max Reciprocator	60300360	2) 6Z23N17
Landa Pressure Washer	VHWZ-110252	PO996-8908
Greensmower Walker	62280	1750
Greens Aerator	9110	40136
Greensalre 24 Aerator		
Mataway Seeder (Ryan)	OMC	7717
Sod cutter (Ryan)	544945A	54494505419
Drill Seeder 548 (Jac)	M548	82548
Toro 686 Aerator (Spiker)	686	200000107
Turfco Spreader*	1530	K0016
	FLEET EQUIPMENT	
2007 Ford Compact Truck	Ranger	10727
2008 Compact Truck	Ranger Ex-Cab	10938
1994 John Deere Tractor	1070	7712
1994 John Deere Tractor	1070	7714
1995 Ford Tractor	445D	7828
1995 Jacobsen Trailer		7925
2008 Jacobsen Tilt Trailer		11061
	CLUBHOUSE KITCHEN EQUIPMENT	
30" X 60" Stainless Steel Equipment Stand w/Galvanized Base		43234
Stainless Steel 72" Pot Rack		43214
36" Countertop Gas Griddle 90,000 BTU		43223
Four Burner Countertop Range 80,000 BTU		43226
Stainless Steel Clean Dish Table w/Undershelf		43230
Single Convection Oven w/Stand 115 BTU		43232
Storage Shelving w/Zinc Finish		43201-43207
400 LB Ice Machine w/260 LB Bin/Filter		43237



Requires Council Approval: No YES Meeting: 8/28/12



Real Estate Other Party Signature Needed Recording Requested

General Information

Form with fields: Type: Select Contract Type, PO Type: Select PO Type, Attachment: Original No.: 1, \$ Not to Exceed: \$, Original Doc Number: 2011-1245, Other Party: Morton Golf LLC, Certified Copies of Document::, Project Name: First Amendment to City Agreement 2011-1245, Deed: None Included Separate, Project Number, Bid Transaction #, E/SBE-DBE-M/WBE:

Department Information

Department: CCL Division: Golf
Project Mgr: Mike Kerton Supervisor: Rebecca Bitter
Contract Services: Date: Division Mgr:
Phone Number: 808-6316 Org Number: 17001211
Comment:

Review and Signature Routing

Table with columns: Department, Signature or Initial, Date. Rows for Project Mgr (MK, 8/16/12), Accounting, Contract Services, Supervisor, Division Manager (KP, 8/16/12).

Table with columns: City Attorney, Signature or Initial, Date. Row for City Attorney (KOB, 8/16/12).

Send Interoffice Mail Notify for Pick Up

Table with columns: Authorization, Signature or Initial, Date. Row for Bonebrake, Barbara, Department Director. City Mgr: yes No

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, is not part of the contract. (01-01-09)

For City Clerk Processing
Finalized: Initial: Date:
Imaged: Initial: Date:
Received: (City Clerk Stamp Here)

Department: Convention, Culture & Leisure
Division: Golf

FIRST AMENDMENT TO CITY AGREEMENT 2011-1245: AGREEMENT FOR THE LEASE AND OPERATION OF HAGGIN OAKS, BING MALONEY, AND BARTLEY CAVANAUGH GOLF COURSES

This amendment to City Agreement 2011-1245: Agreement for the Lease and Operation of Haggin Oaks, Bing Maloney, and Bartley Cavanaugh Golf Courses ("Agreement"), between the City of Sacramento, a California municipal corporation, and Morton Golf LLC ("Morton"), a California limited liability company, is effective on the date both parties have signed it, as indicated in the signature blocks below.

Recitals

- A. The City and Morton are parties to the Agreement, effective January 1, 2012, wherein Morton agreed to operate Haggin Oaks, Bing Maloney, and Bartley Cavanaugh golf courses on the City's behalf for the benefit of the Sacramento region.
- B. Pursuant to Section 6(f) of the Agreement, the City deposited \$134,847 into an account designated by Morton, to be used by Morton to replace the irrigation systems at the Bing Maloney and Haggin Oaks driving ranges, as well as the Bing Maloney 18 and Arcade Creek golf courses.
- C. Prior to January 1, 2012, the City collected an irrigation surcharge on each round of golf played at the three courses. The funds from this surcharge were placed in a City account and earmarked for irrigation upgrades pursuant to City Council Resolutions 99-320 and 2001-054. These resolutions were repealed as of January 1, 2012, by Resolution 2011-596. The current balance in the irrigation fund is \$65,107.
- D. Now that Morton is operating the three golf courses pursuant to the Agreement, the City would like to transfer the irrigation-fund balance of \$65,107 to Morton to use for irrigation upgrades in accordance with the Agreement, for a total transfer to Morton for irrigation upgrades of \$199,954.

Based on these facts, the parties agree to amend Section 6(f)(iii) of the Agreement as follows:

(iii) Starting Balance. \$199,954, to be deposited by Landlord in an account designated by Tenant by October 15, 2012.

All other terms and conditions of the Agreement remain in full force and effect.

(Signature Page Follows)

Morton Golf LLC

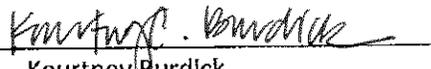
By: _____
Ken Morton, Sr.
Chief Executive Officer
Date: _____, 2012

By: 
Terry Daubert
President
Date: AUG 16, 2012

City of Sacramento

By: _____
Barbara Bonebrake
Director, Convention, Culture & Leisure
Date: _____, 2012

APPROVED AS TO LEGAL FORM
Sacramento City Attorney

By: 
Kourtney Burdick
Deputy City Attorney

ATTEST
Sacramento City Clerk

By: _____