



D. 1. b.

Palmer City Council Meeting

Meeting Date: 01/09/2024
Submitted For: Brad Hanson, Community Development Director
Department: Community Development
Agenda Category: Consent Agenda
Legislation Number: AM 24-004 **Approved**

Subject

Authorizing the City Manager to Execute a Management Services Agreement Amendment No. 3 with Eagle Golf Course Management Inc., for the Operation of the Palmer Municipal Golf Course in the Amount of \$425,000 to Reflect 2024 Payments

Summary Statement/Background

On January 12, 2021, Palmer City Council approved a five-year operation and management service contract with an option to extend for five years for operation and maintenance of the Palmer Golf Course with Eagle Golf Course Management, Inc. Eagle Golf Course Management, Inc. has successfully completed the scope of work for the operation and management of the Palmer Golf Course since August 2007. This contract is in year four and will expire on December 31, 2025, unless Council authorizes a contract extension of five additional years.

The past four years have been the best years financially in the history of the course at the Palmer Municipal Golf Course. This is a result of superior course maintenance, continued growth of the golf industry in Alaska and the contract rewrite in 2019. The rewrite incentivized both Eagle Golf Course Management, Inc. and the City in areas of operation and management that each entity could control and benefit from their respective revenues and operational expenses for operations. This service contract eliminated the State of Alaska PERS liability to the City of Palmer for personnel working at the golf course.

The operation of the golf course as an enterprise fund requires that revenues generated at the golf course be used for the operation and maintenance of the facility and that it be self-sustaining. The City of Palmer derives revenue from green fees, cart rentals, trail fees and driving range. Palmer City Council authorized the purchase of 40 golf cars for the budget year 2024. This capital investment will replace golf carts that have reached the end of their useful life and will result in increased revenues for the city.

This contract is for a fixed price of \$425,000.00 annually. The contract amount was increased in 2023 by \$8000 from the original amount of \$417,000 to \$425,000 to reflect the rise in fuel and other operating expenses. There is not an increase in the budget year 2024.

Administration's Recommendation:

To approve Action Memorandum No. 24-004 to the 2021 Amended Management Services Agreement and Sign Amendment No. 3 to the Management Services Contract for the operation of the Palmer Golf Course.

	Fiscal Impact
Total Amount of funds listed in this legislation:	\$425,000
Legislation creates expenditure in the amount of:	\$425,000
Budgeted Y/N?:	Y
Line Item(s):	15-01-10-6030

Attachments

Amendment #3
Amended Golf Course Contract