



THE RANCH

(Belvedere Tiburon Joint Recreation Committee)

Draft **Regular Meeting Minutes**

Monday, November 20, 2017 7:00 p.m.

Dairy Knoll, 600 Ned's Way, Tiburon

Call to Order. Chair McCaskill called the meeting to order at 7:00 p.m., with the following Board members:

Bob McCaskill – Belvedere Councilmember Chair	Present
Peyton Stein – Belvedere, Vice-Chair	Present
Afsaneh Zolfaghari – Belvedere Representative	Present
Erin Burns – Tiburon Representative	Present
Jim Fraser – Tiburon Councilmember	Present
Jane Jacobs - Tiburon Representative	Present
Jerry Riessen – Tiburon Representative	Present
Melissa Feder - Belvedere Representative	Absent
Howard Block – RUSD Representative	Absent

Staff in attendance: Cathleen Andreucci, Executive Director
Benjamin Stock, Town Attorney
Diane Crane Iacopi, Minute-taker

I. Public Comment

Chair McCaskill explained that there would be an opportunity to comment at the beginning, during the “Public Comment” period which is limited to three minutes per person and to topics not on the regular agenda. He said there would also be public comment limited to three minutes per person following the presentations later in the agenda.

Chair McCaskill asked for public comment. There was none.

II. Minutes

- A. Approval of Minutes for the Regular Meeting held on September 18, 2017
 - B. Approval of Minutes for the Special Meeting held on October 23, 2017
- Moved/Seconded (Fraser/Riessen) Approved 7:0 (2 members absent)***

III. Finance Reports

- A. **Review of October Month End FY 2017/18 Cash Report**

Director Andreucci reported that adult programs were slightly behind in spring/summer but were recovering; all other programs were on budget, and winter registrations had begun which showed a positive to revenues reported.

In response to Board questions on special events, Director said Tiburon Taps revenue was down from last year, possibly due to an increase in the number of other beer festivals. Director said Boo Bash was well attended by approximately 1000 youngsters on Main Street and 200+ in Belvedere park for Movie night.

In response to a question about rentals at Dairy Knoll, Director said they had improved greatly compared to five years ago. She said that the small HOAs were coming back and an increase in birthday party rentals were all to the positive side of the ledger. She said she believed the increase was based on word of mouth, rather than advertising, and people becoming more familiar with the facility over time. Asked whether parking was an issue for renters, Director said it was, but during weekends, she said parking at Reed School is available. During weekdays, she said facility parking is limited to 26 cars, including Ranch staff.

The Board accepted the report.

IV. Action Items – The Ranch Tennis Program

- A. Presentations by Applicants Responding to the RFP (maximum 20 minutes each)**
- B. Report from Ad Hoc Committee reviewing applications**
- C. Discussion of Proposals by the Board**
- D. Public Comment**
- E. Further discussion and action by the Board**

Chair McCaskill introduced the item by stating that there had been ongoing discussion in the community over the past year about rules, usage and other issues pertaining to The Ranch's tennis program. He said the Board had appointed an ad hoc Tennis Subcommittee, chaired by Boardmember Riessen to study the issues and provide an overview, as well as its conclusions, to the larger Board. He said this report had been given at the September 18 regular meeting.

Boardmember Riessen said that the four main issues and areas of concerns had been highlighted in the September 18 minutes, included with this packet. He summarized them, as well as the conclusions of the ad hoc committee:

- 1) Best allocation of usage - leave current system in effect until an online reservation system could be implemented;
- 2) Best way to manage open court time – again, an online system would facilitate this process and other comments were included on pages 4 and 5 of the minutes;
- 3) How to notify user of court availability – until online system is implemented, the reservations are posted on the Ranch website and at the courts;
- 4) How to deal with group and individual lessons – he said Board voted to develop a bid process and had drafted an RFP for applicants to respond.

At this juncture, Chair McCaskill explained that it is not the normal process of the Board to be involved in the review and approval of subcontractors for Ranch programs. He said there were more than 70 subcontractors engaged by the Ranch each year. However, he said in this instance, the Board had decided to review the applications and determine which one to choose. He said this would be the sole action of the Board this evening, and the decision would be based on the criteria of which application best served all the interests of the Board for this program. He said only two bids had been submitted and asked the applicants who would like to present first.

A. Presentations by Applicants

Chair McCaskill allowed the applicants to choose who would go first.

William Higgins, Higgins Tennis, current contractor, gave an overview of his interest in tennis and his philosophy of teaching. He recounted his experience as a student, teacher, and player. He said he had played professionally in the US and Europe, and had been teaching full-time since 1996 or 1997 in Texas, then in Alameda at the Harbor Bay Club where he learned new teaching styles and how to work with clients and run a business. He said it was at the Barns Club in San Diego where he learned about the issue of exclusivity. He said he had 13 pro's working for him there but they were not "connected"; rather, he said they all had to compete for clients which was a distraction for both pro's and the program, in his estimation. He said the beauty of the existing program is that it provides a "connected team", that works on shared goals, over time. At the same time, Higgins said they offer a huge variety of programming all within one framework. He said about 10 years ago, he had presented the idea of a tennis "pathway" to the Director which now had been so successful that the program was at capacity, with returning and satisfied customers. He described the growth in revenues which had started around \$30,000 per year and within two years had grown to \$150,000. He said the revenues to the Ranch were now around \$200,000, and this represented group lessons only.

Mr. Higgins introduced his team of pro's and also talked about other innovations to the program, such as indoor curriculum, which meant there were no lost days due to weather. He said overall the program was embraced by the community and he continued to work on innovative techniques and introduce new equipment (such as colored USTA-approved balls) for kids.

In concluding his presentation, Mr. Higgins said he had developed a very efficient system of communication and feedback with Ranch staff over 10 years which saved his staff time and allowed the program participants to be well taken care of. He said he felt that the court allocation survey had helped to dispel the notion that there was a lack of court availability by users other than Higgins Tennis program users. And he said his goal was to put the community first, and well as remain adaptable and versatile. He thanked the Board for its consideration.

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The second presenter, Elly Hakami, introduced her husband Polo and colleague John Sutter. She said she would describe what they envisioned for a tennis program for the community. Ms. Hakami said she was a 40+ year resident of Tiburon and had grown up playing tennis on the Del Mar Courts. She said at one time she was ranked No. 1 in the US, had played in the WTA, and won 32 singles and 70 doubles tournaments. Likewise, she said her husband had a world ranking of 315 at one time and was currently ranked No. 1 on the senior tour in doubles tennis. She said he had served as general manager for Mill Valley Tennis Club and had been a pro at Tiburon Peninsula Club and was now at Harbor Point. She said Mr. Sutter was tennis director in Moraga for two years and had been in charge of the tennis program in Danville for 20 years. She said he had his own business there, but wanted to join she and her husband to prepare a response to the RFP and launch a program here. Ms. Hakami noted they only had two weeks' notice to come up with a response. Nevertheless, she said her vision was to teach and give back to her community; to make affordable, world class tennis lessons available, to foster a love of the game and its many benefits – mental, social, and physical. She said as a group their skills would be quickly recognized and she stressed again the 2 "A's" – accessibility and affordability. She said she objected to the use of court access keys and fees of the current program.

Mr. Sutter followed with his ideas for community outreach through events such as a fundraiser to benefit the Reed Schools in the spring, a once a month free clinic for juniors, ladies, and men, and a Monday, Wednesday, Friday program to improve tennis skills that would be affordable. He said more details were contained on page 19& 20 of the application. Mr. Sutter said they would keep the kids' tennis schedule the same, for now, and look to see if improvements could be made in future. He noted that Bel Air had been left out of the RFP but that they would keep that part of the program.

Mr. Sutter went on to say that on Saturdays, they would always leave a court open at Del Mar with part-time teaching from their group. And he said he recommended and endorsed an online reservation system so as not to tie up every court. Mr. Sutter said he had four college student players who could join them to provide lessons, if the contract was awarded to their group.

Mr. Cowan reviewed the financial charts of the application. He said that they proposed giving 30% of their first \$150,000 of revenue to The Ranch and 25% of revenue over \$150,000. He said this would result in higher than current revenues for The Ranch. Cowan also said their group favored non-exclusivity in private lesson providers and would allow others to teach as long as they were USTA certified and paid a \$20/hour fee split as follows - \$12 to their group and \$8 to The Ranch.

Ms. Hakami underscored the idea of non-exclusivity. She noted the Board had spent a year studying this and other issues. She said she, too, wanted to make the wishes of residents and keyholders a priority and said this means 1) not limiting lessons provided by just one pro, and 2) to limit private lessons on weekends in order to have the Del Mar Courts be more accessible during that time frame. She, said she, too, endorsed the online reservation system (3). Ms. Hakami said there also needed to be 4) more transparency in where the fees went; 5) an expansion of key sales, and 6) lower costs to residents as well as an "up cost" to non-residents. She said these were the issues she wanted to address on behalf of the community. Ms. Hakami again noted her lifelong residency and how much it would mean to her to teach in the community where she had grown up learning to play tennis. She thanked the Board for its consideration and said they would respect its decision.

B. Report from Ad Hoc Committee reviewing applications

At the conclusion of the presentations, Chair McCaskill noted that an ad hoc committee had been formed at the last meeting (October 23) to review the RFPs. He said this group was comprised of Boardmember Fraser, Riessen, Stein and himself. He said because the RFP closing date was November 15, the committee had only five days to review the applications and prepare to make its recommendations to the Board at this meeting. He asked Minute Clerk Iacopi to distribute a written report that he said had been prepared just hours ago. He noted that the ad hoc committee had no authority to make the final selection; that would be the decision of the Board.

Chair McCaskill read the findings in the report into the record (attached to these minutes).

C. Discussion of Proposals by the Board

Chair McCaskill opened the discussion to the Board to direct questions to the applicants.

Boardmember Fraser asked Mr. Higgins if there were two or here things he might change about the current program, what would they be. Mr. Higgins said better communication about court usage, to make it clearer, would be an improvement. He also said one of the Tennis subcommittee's recommendation about transparency would be an improvement.

Boardmember Stein asked Ms. Hakami how she would scale the program. Ms. Hakami said it was important to find a balance, taking resident's concerns into consideration, to provide enough court time for recreational use. She said it was a good question and she would continue to give it more thought. Mr. Sutter said he would keep the number of kids on the court to a minimum, such as 4 to 6 to one teacher. He said it was important to provide more quality that way; that having more participants than that was not good. He said that his focus was to provide more value to the experience. He suggested that the Higgins program might be spreading the instruction too thin. He said that people here are sophisticated and know what their dollars buy. He said providing more quality would increase revenues; that they would build their program on quality and expertise in coaching.

Boardmember Riessen asked what he thought the appropriate balance was for a beginner's program. Mr. Sutter said constant movement, rotation and a limit of 6 kids on the court, per pro. He said he had taught for a long time and thought it was the correct ratio. Riessen asked whether Mr. Sutter planned to relocate to this area from Danville, and Mr. Sutter said yes.

Boardmember Jacobs asked how the Hakami group would train its pro's or teachers to work with different age groups and how it would resolve problems. Mr. Sutter said he would be involved with all the programming and would personally work with his team. Jacobs asked how this would work on many different courts. Mr. Sutter said they would work it out internally to decide which pro's could handle each group the best.

Boardmember Jacobs asked the same question of Mr. Higgins. He replied that his program had a set curriculum and structure; he said kids responded well to structure; he said things ran smoothly now and he empowered his pro's through teaching protocols for certain behaviors and fostering collaboration amongst the pro's to make the program better. He said he provided on-line video training for the pro's, and he was continually bringing new material to their attention.

Boardmember Stein said she could easily see how upper echelon players would be inspired by Ms. Hakami and her group. She asked how the Higgins program would address this. Mr. Higgins said his pro's all have the ability to train at this level. And that high-end players need other high-end players in order to grow. Additionally, he said they push the exceptional players to other programs for further growth.

Mr. Sutter also commented on this question. He said it all starts at the beginning with the 3, 4, 5 and 6-year olds. He said it has to be a fun environment and they have to want to keep coming back. Ms. Hakami said that they were not just interested in teaching high-end players. She said there was nothing more satisfying than seeing players come to love the game; she said it was very rewarding to her to teach.

Boardmember Burns asked how they would regulate other pro's if there was non-exclusivity clause in the contract. Mr. Sutter said it was the residents who had objected to exclusivity. He said a system could be worked out where a teacher could call the Ranch, or them, to see if a court was available and they would get back to them. He said they could pay the Ranch directly. He suggested that this kind of arrangement would be for one or two courts; a small part of the program. Mr. Cowan replied that exclusivity this was not regulated now; and that they would regulate it by letting others know that courts were not available for teaching unless they signed up first with The Ranch.

Chair McCaskill asked what kind of entity the Hakami group was; whether it was a partnership, etc. Mr. Cowan said they could set up an LLC (three partners). McCaskill also noted the RFP requirement to provide evidence of insurance by the November 15 deadline or the application would be rejected; he said the group provided an example but not actual insurance. Mr. Cowan said the example provided was the insurance he had at Harbor Point; he said they could provide actual insurance, if selected, as a condition of the contract. Ms. Hakami said all pro's had insurance through the US Tennis association; and Mr. Sutter affirmed it was \$10 million in coverage.

Boardmember Zolfaghari asked Mr. Higgins how flexible he was in offering an option for other pro's who wanted to teach. Mr. Higgins said "not at all". He reiterated that The Ranch's regulations required exclusivity; he said it was hard to retain pro's and that this was an important component of a workable program which allowed the pro's to make a living.

Mr. Sutter stated that he thought Tiburon residents should have the right to use any instructor they wanted, as these were not private courts. Chair McCaskill said the courts were owned by the Town of Tiburon and City of Belvedere, and were managed by The Ranch. He said their usage was guided by the Board, so they were not necessarily "public" courts per se.

Boardmember Jacobs asked Mr. Sutter whether a member at the Harbor Point Club could bring their own professional instructor to the tennis courts there. The answer was no. Mr. Cowan said that what they were suggesting was that a user could bring a pro, but the pro would have to pay a fee. Ms. Hakami said that many recreation departments allowed non-exclusivity, and gave the example of Strawberry Recreation. Mr. Cowan said this might even encourage more key sales.

D. Public Comment

The following people spoke:

1. John Potter, Belvedere, said he had been active in youth athletics as a coach. He said the idea that was being glossed over in the discussion, and not given enough consideration, was the fact that we have such a precious resource in the community in the form of some of the best players in the world. He said Polo and Elly had outstanding credentials and that our residents should have the opportunity to learn from the very best. He said he was also a fan of the Higgins Tennis program and suggested that a deal be struck wherein the community could have the best of both worlds – to retain the Higgins program but perhaps tweak the RFP to all Hakami's group maybe 20 hours per week to work on the courts not utilized by Higgins Tennis.
2. Mary Jo Landry, Mill Valley, stated she had played with Ms. Hakami and touted her expertise; said she also thought Higgins Tennis was amazing; agreed that the Board faced a choice of abundance and said she would favor a solution similar to Mr. Potter's.
3. Liddie Chao, said she loved the Higgin's programs and added that her child had made the varsity team at Redwood High School; said she utilized the clinics, cardio tennis, etc., as well as private lessons through Higgins; said the program employed young, vibrant coaches and she voiced her support of continuing the program.
4. Olga Bulycheva, one of Higgin's Tennis pro's, detailed her experience and said she loved teaching the pre-k level their first steps and watching them advance to tennis teams, and tournaments; said the Higgin's program had good, international teachers and a lot of diversity.
5. Bernard Sutter, another Higgin's pro, said he was proud of their accomplishments and the fun, friendly environment they created; said they were committed to growing the program in the community through The Ranch.

6. Randy Esmiller, Mill Valley, said she had been in the Higgins program since 2011; said she and her kids had done group and private lessons and that she liked the program because it was fun and a good, general program with broad range and appeal which was good for the community.
7. Adam Leong, head pro with Higgins Tennis, said he had lived in Tiburon and still lived nearby in Mill Valley; said he felt very much part of the community and knew the people here liked consistency. He disagreed with one of the presenter's comments that the program was spread too thin. Leong also said the pro's addressed issues every day and there was good communication between teachers and parents. He also said they had high-end players and teams that were undefeated in the region.
8. Sanyi Szabo, another Higgins pro, said he taught kids from ages 4 through 12 and the community members saw the faces of the same instructors every day which was important.
9. Nathan Adachi, Tiburon resident, agreed that the Higgins program had consistency and continuity, and had grown dramatically. However, he said that having someone from Tiburon, who was focused on the community, was something that was lacking now. He said outsourcing was okay but the Board should consider "mining" its local natural resources and focus on what's best for the community and the people who live here. He suggested leveraging this talent and although there may be challenges, the interests of the community would be better served by it.

There being no more speakers, Chair McCaskill closed the public comment portion of the meeting at 8:57 p.m.

E. Further Discussion and Action by the Board

Boardmember Riessen said that both proposals featured people who were very skilled. He said as a former instructor, his focus was on having an organized program. He said it was critical to keep incoming, young players focused and excited, but also to have a structure program. He said the Higgins program had worked well in this regard and had worked well for the community.

Boardmember Fraser thanked everyone who had come to the meeting and had shared their passion to do what's right for the community. He also said the ad hoc committee had done a great job in reviewing the RFP documents. He recapped how we had gotten to this juncture, noting that there were a number of issues that had been reviewed: court availability, for one, which he said we had found out there were in fact plenty of courts available; transparency, which he said was agreed could be improved; and lastly, the desire for multiple pro's.

Fraser said he had also learned that we currently have a successful program that is managed well and is supported by the community. He said he had attended a number of meetings of the Tennis Subcommittee to learn more about these issues. He also said he recognized that we have a community resource in Ms. Hakami, who wanted to help, and said there might be merit in exploring how to take advantage of such a community resource. He said he did not know how this might happen and tonight was not the time to work on such details, but he stated that if mature individuals put their minds to it, there might be a way to work it out. But Fraser also said that Mr. Higgins had done a phenomenal job and the program was not broker. He said The Ranch's Executive Director, Cathleen Andreucci, does a superlative job and pointed out that Belvedere-Tiburon Recreation is the only program in Marin County that is self-funded.

Boardmember Stein said she concurred with Boardmember Fraser's remarks about Ms. Hakami, and posing the question of how it might be possible to share a local treasure with the community.

A motion was made to retain the Higgins Tennis program for another three years with a three-year option for renewal by The Ranch, contingent upon further negotiations undertaken by the ad hoc committee regarding the hourly rate to be paid to The Ranch for use of the Ranch's courts for private lessons.

MOVED/SECONDED (Riessen/Jacobs) - Approved 7:0/2 members absent (Feder and Block).

V. Adjourn

Chair McCaskill thanked the applicants for their participation in the process. He adjourned the meeting at 9:15 p.m. to the next regular meeting scheduled for January 28, 2018.

Respectfully submitted,
Diane Crane Iacopi

Attachment – Report of Ad Hoc Committee dated 11/20/17

Report of Ad Hoc Committee
11/20/17

As recommended at the Oct. 23 board meeting, an ad hoc committee composed of board members Fraser, McCaskill, Riessen and Stein has met to discuss the applications received in response to the RFP issued for the management of the Ranch's tennis program.

The two applications received and reviewed by the Committee were from:

- Higgins Tennis, Inc.
- Elly Hakami, Polo Cowan and John Sutter

Both applications were well-done and informative, although the committee did note certain omissions in responding to the required information.

The Committee focused on several key areas where the two proposals differed, which included:

1. Profit sharing with the Ranch, and the potential for an increase or decrease in revenues to the Ranch under each proposal.
2. The question of whether the program should be an exclusive arrangement, which would result in the Ranch only having to oversee a single provider of services instead of multiple providers. And options that might be available for those in the community who wished to use a different instructor under an exclusive contract arrangement.
3. The proposed schedule of lessons reflected in each applicant's proposal.

The issue of profitability to the Ranch from the two competing proposals was particularly tricky to analyze:

- The Higgins proposal called for 26% of group lesson fees on the first \$150k of revenues to go to the Ranch (and 20% of fees over \$150k per year).
- The Hakami/Cowan/Sutter proposal called for the first 30% of group lesson fees to go to the Ranch (and 25% of fees over \$150k per year).

If both applicants were to realize the same level of gross fees per year, the Hakami/Cowan/Sutter proposal would yield \$45,000 of fees on the first \$150k of revenue, while the Higgins proposal would yield \$39,000 of fees on the first \$150k of revenue (a difference of \$6,000).

And on fees over \$150k, the Hakami/Cowan/Sutter proposal would yield an additional 5% of fees over that of the Higgins proposal.

However, the Committee was concerned that there is a possibility (and perhaps a likelihood) that since Higgins has been managing the program for almost ten years, the total group lesson revenue was likely to be significantly larger under Higgins Tennis than those under the Hakami/Cowan/Sutter proposal- at least for the first several years. Thus, the Committee did not feel that the ultimate difference in likely revenues to the Ranch between the two proposals would be significant, and in fact that the Higgins contract was likely to yield more revenue to the Ranch than the Hakami/Cowan/Sutter proposal. The Committee also took note of the fact that Higgins Tennis has a long track record of working successfully with the Ranch, and has proven program management knowledge and skills.

The two proposals also called for a different rate for private lesson court use fees (Higgins proposed \$10/hr. and Hakami/Cowan/Sutter proposed \$12/hr.). The Committee felt that both rates were less than what should be paid to the Ranch.

The Committee also expressed concerns about the timing schedule of group lessons proposed by the Hakami/Cowan/Sutter proposal, which it felt would result in a lower participation of youth in the group lessons.

Higgins Tennis proposed to continue with an exclusive arrangement whereby other contractors offering tennis instruction on the Ranch's courts would not be allowed, whereas the Hakami/Cowan/Sutter proposal called for allowing other contractors to also offer tennis instruction on the Ranch's courts. The Committee expressed concern about any arrangement in which more than one group would be allowed to manage the group tennis lessons offered by the Ranch. The level of staff time to manage more than a single contractor was seen as a major disadvantage of not having an exclusive arrangement with the Ranch for tennis lessons.

In response to a question about how members of the community could use other tennis instructors other than an exclusive single provider, the

Committee considered the fact that the Strawberry courts are available for group and private instruction by other instructors.

Conclusion

The Committee commends both applicants for the time and energy put into the preparation of their respective proposals. The Committee's unanimous conclusion was to recommend to the full Board that the contract be awarded to Higgins Tennis, but contingent on further negotiations regarding the hourly rate to be paid to the Ranch for use of the Ranch's courts for private lessons.