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 8

9 UNITED STATES BANKRUPTCY COURT
 10 EASTERN DISTRICT OF CALIFORNIA
 11 SACRAMENTO DIVISION
 12

13 In re:
 14 CITY OF STOCKTON, CALIFORNIA,
 15 Debtor.

Case No. 2012-32118
 D.C. No. OHS-15
 Chapter 9

**DECLARATION OF VAL
 TOPPENBERG IN SUPPORT OF
 CITY'S SUPPLEMENTAL
 MEMORANDUM OF LAW IN
 SUPPORT OF CONFIRMATION OF
 FIRST AMENDED PLAN FOR THE
 ADJUSTMENT OF DEBTS OF CITY
 OF STOCKTON, CALIFORNIA
 (NOVEMBER 15, 2013)¹**

Date: May 12, 2014
 Time: 9:30 a.m.
 Dept: Courtroom 35
 Judge: Hon. Christopher M. Klein

26 ¹ Paragraph 13 of the Order Modifying Order Governing The Disclosure And Use Of Discovery Information And
 27 Scheduling Dates Related To The Trial In The Adversary Proceeding And Any Evidentiary Hearing Regarding
 Confirmation Of Proposed Plan Of Adjustment (Dkt. No. 1242, modifying Dkt. No. 1224) contemplates that the
 28 Parties will submit direct testimony declarations for their respective witnesses by April 21, 2014. Accordingly, the
 declarations submitted in support of this Supplemental Memorandum do not contain all of the information and do not
 attach all of the evidence that will be included in the direct testimony declarations that will be filed on April 21.

1 I, Val Toppenberg, hereby declare:

2 1. I am the Economic Development Advisor for the City of Stockton (“the City” or
3 “Stockton”). I make this declaration in support of the City’s Supplemental Memorandum Of Law
4 In Support Of Confirmation Of First Amended Plan For The Adjustment Of Debts Of City Of
5 Stockton, California (November 15, 2013). Since becoming the City’s Economic Development
6 Advisor in March 2013, I have participated in the preparation and review of technical and real
7 estate-related documents for the City. I have 36 years of public agency experience in planning,
8 redevelopment, and economic development, including 25 years as the Director of Redevelopment
9 and Economic Development for the cities of Merced, California, and West Sacramento,
10 California. I also have several years of experience advising clients on land use issues and
11 development projects.

12 *Oak Park, Van Buskirk Golf Course, And Swenson Golf Course Operate At A Loss And A Lease*
13 *On These Properties Has Virtually No Value*

14 2. The three leased properties relating to the 2009 Golf Course/Park Bonds² are Oak
15 Park, Van Buskirk Golf Course, and Swenson Golf Course. Each of these properties, individually
16 and in the aggregate, have operated at a loss before debt service for the last five years, and for the
17 last eight years in the aggregate (Swenson showed some positive cash flow in the 2005/2006,
18 2006/2007 and 2007/2008 fiscal years, but not enough to even offset the operating losses at Van
19 Buskirk, not to mention the additional operating losses at Oak Park). Attached hereto as Exhibit A
20 is a true and correct copy of the Summary Income Statements for Swenson and Van Buskirk golf
21 courses for the fiscal year ending June 30, 2013. Attached hereto as Exhibit B is a true and
22 correct copy of a chart showing the golf program revenues and expenditures for fiscal years 2008-
23 09, 2009-10, and 2010-11. Attached hereto as Exhibit C is a true and correct copy of the
24 revenues and expenditures for fiscal years 2005-06 through 2009-10.

25 3. Oak Park generates some revenue from the baseball fields, tennis courts and the
26 ice rink, but this revenue is far short of the expenditures for maintenance and operations. All

27 _____
28 ² Capitalized terms used but not defined herein have the meaning ascribed to them in the First Amended Plan for the Adjustment of Debts of City of Stockton, California (November 15, 2013) [Dkt. No. 1204].

1 three properties have been able to cover their operational deficits only through the infusion of
2 subsidies from the City. The golf fund, comprised of costs and revenues related to the two golf
3 courses, lost \$335,341 in the fiscal year ending June 30, 2013, \$275,441 in FY 11-12, and
4 \$365,879 in FY 10-11. *See* Exs. A, B. In fact, the golf courses have lost money every fiscal year
5 going back to 2005-06. Based on the City's projections, the financial performance of the golf
6 courses will not improve in the foreseeable future. This continued poor performance is due to
7 many factors, including the recent economic downturn and limited disposable income available to
8 residents in Stockton and San Joaquin County.

9 4. The City has evaluated the leasehold value of the Golf Course/Park Properties in
10 order to consider its options with regard to these properties. The City initially retained two
11 appraisers, Kenneth Hopper of Real Property Analysts and Kevin Ziegenmeyer of Seevers Jordan
12 Ziegenmeyer, to appraise the leasehold interest of properties. While no appraisal was ever
13 completed, these appraisers, during their conversations with me and other representatives of the
14 City, informed the City that the golf course and park leases – subject as they are to both the terms
15 of the leases and to various use restrictions, and in light of the fact that the leases of the park and
16 golf courses have lost significant amounts of money solely on an operational basis (before debt
17 service) every year for many years (and are projected to continue to lose money) – would likely
18 result in a formal appraisal report showing that the leases have no value. As a result, the City and
19 these appraisers mutually agreed that there was no point to continuing with a full appraisal.

20 5. Based on my personal experience with the City, my review of the historical
21 operating information for the Golf Course/Park Properties, my review of documents discussing
22 the issue of attempting to operate the Swenson and Van Buskirk golf courses at a profit, including
23 the costs of deferred maintenance and capital improvements required, in view of the deferred
24 maintenance and capital improvements required at Oak Park, the yearly subsidies that must be
25 paid by the City to cover operational deficits run by the golf courses, my conversations with the
26 City's appraisers, and past, current, and projected economic conditions in the City, I believe that
27 the prospect of ever operating the three properties at a profit are extremely remote and as a result,
28

1 a lease of Oak Park, Swenson Golf Course, and Van Buskirk Golf Course would have virtually no
2 value to a third party.

3 *The City's Settlements With Assured, Marina Towers, And DBW*

4 6. As the City's Economic Development Advisor, I was extensively involved in the
5 mediation sessions conducted by Judge Elizabeth Perris both with Assured Guaranty related to
6 the property at 400 E. Main Street and with Marina Towers LLC. I was also extensively involved
7 in the settlement discussions between the City and DBW. Each of these settlements benefits the
8 City, as explained below.

9 *Assured*

10 7. The City's settlement with Assured regarding the Office Building Claims is
11 premised on the City's lease of space in 400 E. Main. When the City purchased the building, it
12 intended for 400 E. Main to be the new City Hall, and invested several million dollars in upgrades
13 to make it home to the City's information technology division. To value the lease, the City used
14 publicly available information, including the lease for the sixth floor of 400 E. Main by San
15 Joaquin County and offers for space received from other property owners, in order to determine
16 the current market lease rate for space in 400 E. Main. Although I made inquiries of local brokers
17 regarding lease rates in Stockton, there are few buildings of similar quality and with space
18 available. The City's team considered several other buildings as we evaluated options for City
19 Hall and the lease rates for these buildings, including the Waterfront Towers building, the
20 building at 500 E. Main Street, and the building at 343 E. Main Street. The City received
21 proposals from owners for these and other nearby buildings, but none of the buildings had the
22 space or quality that was available in 400 E. Main. Along with overall quality and space
23 requirements, two other issues important to the City's new lease of 400 E. Main are the
24 availability of parking and "exclusive" space terms. As part of the lease, 130 parking spaces will
25 be available to the City in the building's underground parking lot. Parking was not available as
26 part of the lease for either of the other two closest buildings. Further, the 65,000 square feet
27 includes only space that is to be used exclusively by the City.
28

1 8. Based on the terms of the new lease and on the past, current, and projected market
2 for leased properties in Stockton, and based on my professional experience in real estate matters,
3 the City's lease of 400 E. Main is a below-market lease that will result in substantial savings and
4 other benefits for the City. The difference between the City's rate and the market rate as
5 represented by the San Joaquin County lease of the 6th floor is \$0.57 per square foot. This rate for
6 the 65,000 square feet results in a savings of approximately \$445,000 per year or at least \$3.5
7 million over the first eight year hard term.

8 Marina Towers

9 9. Pursuant to the Marina Tower Settlement, the City transferred five surplus
10 properties, valued collectively at \$973,500, to Marina Towers LLC, settling the eminent domain
11 action known as *City of Stockton v. Marina Towers LLC et al.*, San Joaquin Superior Court, case
12 no. CV022054, and related litigation. By this eminent domain action, the City took two parcels
13 of real property from Marina Towers LLC to develop the Stockton Event Center, a project that
14 now includes a public ballpark and arena, public parking, and related services. The east parcel
15 was unimproved, and the west parcel was improved with a five-story office building that had
16 been vacant since 1989. After extended litigation and a long procedural battle, the parties
17 resolved the litigation by agreeing to the entry of a Stipulated Judgment in Condemnation, which
18 the San Joaquin Superior Court entered on June 29, 2010. The City subsequently filed its
19 Chapter 9 Case. The parties then commenced the mediation refereed by Judge Perris, which
20 resulted in the settlement.

21 10. In return for the five surplus properties, Marina Towers LLC agreed to withdraw
22 its proof of claim for \$1,875,000. The settlement with Marina Towers LLC puts the five surplus
23 properties back on the tax roll and in the hands of a capable developer.

24 DBW

25 11. As evidenced by that certain Stockton Waterfront Marina \$13,300,000 Loan
26 Contract dated as of June 21, 2004 (as amended, the "Marina Construction Loan Agreement"),
27 DBW loaned the City \$13,300,000 (the "Marina Construction Loan"), bearing interest at 4.5%
28 per year with interest and principal payments due annually on August 1 of each year for 30 years

1 commencing on the August 1 after the final disbursement of loan proceeds, secured by a
2 Collateral Assignment of Rents and Leases for the Project Area respectively. The loan was for
3 the construction of the Marina Project, which has generated no net operating revenues since its
4 official opening on October 30, 2009. The City General Fund subsidy for the Marina Project
5 totals \$1,905,299 from fiscal year 2010-11 through the adopted budget for fiscal year 2013-14.
6 The Marina Construction Loan Agreement provides that DBW, upon default, may take over the
7 operations of the Marina Project and charge the costs of operations to the City. DBW has
8 asserted a Claim under the Marina Construction Loan Agreement (the “DBW Construction Loan
9 Claim”), secured by a pledge of gross revenues under the terms of a Collateral Assignment of
10 Rents and Leases for the Project Area.

11 12. Under the settlement with DBW, the General Fund will not be required to pay debt
12 service on the DBW Construction Loan Claim, or to reimburse operating expenses to DBW
13 should DBW take over operations of the Marina Project. DBW will retain its pledge of rents and
14 leases generated from the Marina Project. However, the pledge of gross revenues will be
15 converted to a pledge of revenues net of all reasonable and direct operating expense of the Marina
16 Project, calculated on a fiscal year basis ending June 30 of each year. Should DBW decide to
17 take over operations of the Marina Project, DBW will be responsible for payment of all operating
18 expenses of the Marina Project, and the City will have the right to ensure that the Marina Project
19 is operated in a responsible and safe manner, including providing adequate security, and the City
20 shall have the right to compel DBW to alter its manner of operations if such operations pose a
21 threat to the public welfare or if such operations abet a public nuisance. The General Fund shall
22 have no liability, directly or indirectly, for the Claims of DBW, and the City may decide at any
23 time to cease subsidizing the operating deficits of the operation of the Marina Project. DBW has
24 stated to the City an interest in exercising its remedy of taking possession of the Marina Project.
25 The real property that is the subject of the Marina Project shall be that real property described in
26 Exhibit A to the Plan, and should DBW exercise its remedy of taking possession of the Marina
27 Project, DBW shall succeed to possession and control only over the real property set forth in
28 Exhibit A to the Plan.

1 13. This settlement greatly decreases the City's exposure. In the original loan
2 document, DBW had the right to repayment from gross revenues and there was a possibility the
3 City might be required to supplement operation and maintenance costs from the City's general
4 fund in order to keep the Marina Project in operation. Under the City's settlement with DBW, the
5 loan payments will be made from revenues net of operation and maintenance costs. Moreover, in
6 the event that maintenance and operations costs do not allow a full loan payment, the City will
7 not be required to supplement operations with general fund subsidies.

8 *Franklin Mischaracterizes The Return On Certain Settlements*

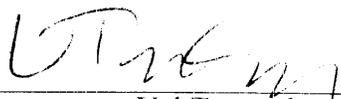
9 14. On pp. 46-47 of its brief, Franklin sets forth a chart purporting to characterize the
10 distribution to various creditors. Many of these characterizations are incorrect or misleading. I
11 can attest specifically that Franklin's characterizations of the settlements with Assured and NPF
12 are based on flawed assumptions regarding the value of the property underlying each settlement.
13 Franklin's chart assumes certain values for the leased properties underlying the Assured and
14 NPF settlements. The property related to the Assured settlement is 400 E. Main, discussed
15 above. The properties related to the NPF settlements include the Stewart/Eberhardt Building,
16 an essential services building (as defined by Cal. Health & Safety Code § 16007) that is home to
17 several essential City operations, and the Stockton Arena, home to the Stockton Thunder and a
18 variety of performing arts and other events. The City has not appraised any of these properties.
19 This is in part because secured deals, like those with Assured and NPF, don't require appraisals.
20 More importantly, it is because the City exercised its business judgment in determining that these
21 assets were essential or could not be replaced. Finally, many of the properties related to the
22 Assured and NPF settlements are buildings designed for a specific purpose for which accurate
23 typical market appraisals are impossible. How would one appraise the value to the City, for
24 example, of a police communication building and fire stations, or of the Arena? These buildings
25 are designed for specific purposes and would require extensive retrofitting to be used for any
26 other purpose.

27 15. The appraisal submitted by Franklin displays a clear lack of understanding of how
28 cities value their assets. Because there are no comparable sales and no income to assess, the

1 appraiser reverts to the cost approach. The value to the City is the inherent value of providing
2 services to its citizens, while the general market value is what an informed buyer would pay for
3 the property. Further, to assume a possessory value based on a lease is similar to a fee simple
4 ownership is an inherently flawed assumption. Although the appraiser goes on to describe the
5 challenges and associated risks, he continues to presume a perpetual possessory interest. The
6 lease allows possession by the creditor only until they are repaid, then the property must be
7 returned to the city in its current condition. Finally, the appraiser assumes that the city's interests
8 would solely be based in supporting value maximizing changes in use displays a lack of
9 appreciation for the political process of obtaining land use approvals.

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Executed this 31st day of March 2014, at Sacramento, California. I declare under penalty
of perjury under the laws of the State of California and the United States of America that the
foregoing is true and correct.



Val Toppenberg

Exhibit A

**Stockton CA Golf Courses
Combined Summary Income Statement**
For the Twelve Months Ending June 30, 2013

	Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY	Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	Rolling 12 Months
REVENUES												
Green Fees & Cart Fees	141,083	191,372	73%	145,066	95%	1,361,757	1,592,570	86%	1,431,573	88%	1,592,570	1,361,757
Merchandise	5,698	4,813	119%	5,968	95%	60,952	42,932	142%	47,196	142%	45,932	60,952
Other Pro Shop	1,867	3,035	61%	2,911	95%	12,552	23,163	53%	23,163	45%	23,163	12,552
Range	8,085	9,678	84%	8,943	91%	75,002	79,321	95%	79,321	95%	75,002	75,002
Food and Beverage	-19,428	31,495	62%	22,538	98%	193,075	264,595	75%	182,644	103%	264,595	198,075
Other GSA Income	0	0	0%	0	0%	484	0	0%	0	0%	0	484
TOTAL REVENUE	176,171	230,396	76%	185,455	95%	1,708,822	1,992,572	86%	1,769,493	97%	1,992,572	1,708,822
COST OF SALES												
Merchandise	2,960	3,610	83%	4,310	65%	37,213	32,199	116%	33,478	97%	32,199	37,213
Food & Beverage	5,154	14,707	59%	8,328	56%	65,098	123,435	7%	81,569	107%	123,435	88,093
TOTAL COGS	11,143	18,316	61%	12,638	68%	125,311	155,635	81%	120,047	104%	155,635	125,311
COGS - Merchandise %	51.9%	75.0%	69.3%	72.0%	72.2%	61.1%	75.0%	61.4%	61.5%	74.9%	75.0%	73.6%
COGS - Food %	42.1%	46.7%	80.2%	36.9%	114.0%	44.5%	46.7%	55.3%	44.6%	99.7%	46.7%	53.5%
PAVROLL												
Course and Grounds	45,477	46,105	101%	48,489	98%	545,896	548,627	99%	565,845	100%	548,627	545,896
Carts, Range, Starters, Etc.	9,912	9,724	102%	7,180	130%	61,220	60,516	95%	61,220	107%	60,516	61,220
Pro Shop	13,753	13,789	121%	16,772	100%	69,363	68,643	107%	70,283	95%	69,363	69,363
Food and Beverage	13,889	12,003	116%	11,168	134%	106,590	133,649	35%	106,590	183%	133,649	106,590
General and Administrative	3,004	9,108	59%	9,044	100%	-11,492	-109,587	103%	56,702	152%	109,587	125,973
Marketing	2,964	3,185	93%	2,733	100%	33,342	38,223	87%	51,814	102%	38,223	11,492
TOTAL PAVROLL	90,000	93,939	105%	95,386	104%	1,073,155	1,079,024	99%	1,091,393	107%	1,079,024	1,073,155
OPERATING EXPENSES												
Course and Grounds	54,675	40,671	134%	53,943	101%	500,350	538,432	93%	522,770	94%	538,432	500,350
Carts, Range, Starters, Etc.	5,190	5,672	91%	7,878	85%	73,040	70,266	104%	73,895	99%	70,266	73,040
Pro Shop	1,094	50	207	0	0%	1,494	2,700	55%	9,496	16%	2,700	1,494
Food and Beverage	0	949	0%	486	0%	13,444	20,590	64%	19,316	71%	20,590	13,444
Rentals / Guest Services	0	0	0%	0	0%	0	0	0%	0	0%	0	0
General and Administrative	16,039	12,509	128%	13,574	115%	157,705	160,147	98%	162,094	92%	160,147	157,705
Marketing	175	-1,628	11%	1,275	33%	8,435	20,243	42%	8,405	100%	20,243	8,435
TOTAL OPERATING EXPENSES	77,379	61,477	126%	76,806	101%	754,764	812,786	93%	835,040	97%	812,786	754,764
TOTAL EXPENSES	187,522	173,733	108%	184,831	101%	1,853,229	2,047,444	95%	1,957,480	100%	2,047,444	1,953,229
EBITDA	(11,352)	56,664	-20%	635	-1787%	(244,707)	(54,872)	446%	(187,987)	130%	(54,872)	(244,707)
MANAGEMENT FEES	(9,622)	(7,210)	133%	(12,551)	77%	(87,931)	(86,520)	102%	(87,293)	101%	(86,520)	(87,931)
OTHER INCOME (EXPENSE)	(16)	0	0%	(16)	100%	(194)	0	0%	(162)	126%	0	(194)
Depreciation & Amortization	0	0	0%	0	0%	(2,510)	0	0%	0	0%	0	(2,510)
Other Expenses / Capital Reserve / Impairment	1	0	0%	0	0%	1	0	0%	0	0%	0	1
TOTAL OTHER INCOME (EXPENSE)	(15)	0	0%	(16)	83%	(2,02)	0	0%	(162)	1671%	0	(2,02)
NET INCOME	(20,959)	49,454	-42%	(11,932)	176%	(335,341)	(141,392)	237%	(275,441)	122%	(141,392)	(335,341)
Other Metrics												
Paid Rounds	6,316	6,099	134%	5,973	105%	61,194	66,023	93%	68,189	88%	66,023	61,194
Member Rounds	1,339	1,235	109%	1,645	81%	14,683	13,372	110%	14,156	103%	13,372	14,683
Other Rounds	170	386	44%	295	59%	2,931	4,179	70%	3,371	91%	4,179	2,931
Total Rounds	7,525	7,721	97%	7,917	95%	78,806	83,573	94%	86,716	97%	83,573	78,806
Revenue/Paid Rounds	28	38	74%	31	80%	28	30	93%	26	100%	30	28
Revenue/Total Rounds	23	30	75%	24	80%	22	24	91%	20	106%	24	20
Green Fees / Cart Fees per Paid Rounds	22	30	73%	24	80%	22	24	91%	21	103%	24	20
Green Fees / Cart Fees per Total Rounds	18	23	77%	13	67%	19	19	91%	-7	100%	-9	209
F&B Revenue/Total Rounds	2	4	50%	3	75%	3	3	100%	2	150%	3	30
Merchandise Revenue/Total Rounds	1	1	117%	1	98%	1	1	151%	2	142%	1	9

**Stockton CA Golf Courses
Swenson Park Summary Income Statement**
For the Twelve Months Ending June 30, 2013

	Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	Rolling 12 Months
REVENUES											
Green Fees & Cart Fees	923,060	1,063,165	87%	953,865	89%	1,063,165	86%	1,183,345	98%	1,354,343	1,170,185
Merchandise	43,280	30,825	71%	33,344	76%	30,825	71%	23,119	62%	23,119	25,325
Other Pro Shop	19,600	19,600	100%	19,600	100%	19,600	100%	57,143	107%	86,217	57,534
Range	55,180	55,180	100%	55,180	100%	55,180	100%	84,739	96%	109,335	83,059
Food and Beverage	137,775	185,374	136%	137,775	100%	185,374	136%	185,374	100%	185,374	137,775
Other G&A Income	277	0	0%	0	0%	0	0%	0	0%	0	277
TOTAL REVENUE	1,170,185	1,354,343	86%	1,183,345	86%	1,354,343	86%	1,183,345	86%	1,354,343	1,170,185
2013 OFF SALES											
Merchandise	25,525	23,119	91%	27,616	92%	23,119	91%	27,616	92%	23,119	25,325
Food & Beverage	57,143	86,217	151%	57,143	100%	86,217	151%	84,739	107%	109,335	57,534
TOTAL COGS	83,059	109,335	76%	84,739	76%	109,335	76%	84,739	76%	109,335	83,059
COGS - Merchandise %	80.2%	75.0%	78.6%	82.6%	78.6%	75.0%	78.6%	82.6%	78.6%	75.0%	70.1%
COGS - Food %	102.2%	46.5%	80.6%	45.6%	80.6%	46.5%	80.6%	45.6%	80.6%	46.5%	49.9%
PAYROLL											
Course and Grounds	366,080	362,700	100%	336,853	100%	362,700	100%	336,853	100%	362,700	368,090
Carts, Range, Starters, Etc.	54,720	54,331	100%	47,856	100%	54,331	100%	47,856	100%	54,331	54,720
Pro Shop	115,096	110,307	96%	128,397	100%	110,307	96%	128,397	100%	110,307	115,096
Food and Beverage	105,859	97,485	92%	75,149	100%	97,485	92%	75,149	100%	97,485	105,859
General and Administrative	111,270	109,267	98%	93,577	100%	109,267	98%	93,577	100%	109,267	111,270
Marketing	22,205	25,462	115%	21,205	100%	25,462	115%	21,205	100%	25,462	22,205
TOTAL PAYROLL	785,240	750,171	106%	706,340	106%	750,171	106%	706,340	106%	750,171	765,240
OPERATING EXPENSES											
Course and Grounds	272,072	311,343	114%	267,694	87%	311,343	114%	267,694	87%	311,343	272,072
Carts, Range, Starters, Etc.	43,556	40,415	93%	40,977	100%	40,415	93%	40,977	100%	40,415	43,556
Pro Shop	1,044	2,000	192%	6,781	64%	2,000	192%	6,781	64%	2,000	1,044
Food and Beverage	4,357	4,483	103%	4,047	93%	4,483	103%	4,047	93%	4,483	4,357
Rooms / Guest Services	0	0	0%	363	0%	0	0%	363	0%	0	0
General and Administrative	90,429	92,070	103%	109,659	120%	92,070	103%	109,659	120%	92,070	90,429
Marketing	4,751	9,464	201%	4,214	89%	9,464	201%	4,214	89%	9,464	4,751
TOTAL OPERATING EXPENSES	416,150	459,763	110%	455,835	110%	459,763	110%	455,835	110%	459,763	416,150
TOTAL EXPENSES	1,294,449	1,319,285	102%	1,247,035	104%	1,319,285	102%	1,247,035	104%	1,319,285	1,294,449
EBITDA	(43,968)	35,048	-80%	(63,690)	-145%	35,048	-80%	(63,690)	-145%	35,048	(125,264)
MANAGEMENT FEES											
OTHER INCOME (EXPENSE)											
Depreciation & Amortization	(194)	0	0%	(162)	83%	0	0%	(162)	83%	0	(194)
Other Expenses / Capital Reserve	(1,255)	0	0%	0	0%	0	0%	0	0%	0	(1,255)
Taxes	0	0	0%	0	0%	0	0%	0	0%	0	0
TOTAL OTHER INCOME (EXPENSE)	(1,449)	0	0%	(162)	11%	0	0%	(162)	11%	0	(1,449)
NET INCOME	(7,701)	(6,212)	-81%	(97,493)	-126%	(6,212)	-81%	(97,493)	-126%	(8,212)	(169,673)
Revenue/Total Rounds	4,455	4,153	93%	4,247	95%	4,153	93%	4,247	95%	4,153	4,261
Member Rounds	868	842	97%	1,104	127%	842	97%	877	101%	900	935
Total Rounds	5,437	5,263	97%	5,574	103%	5,263	97%	5,574	103%	5,263	5,492
Revenue/Paid Rounds	27	38	140%	30	111%	38	140%	25	93%	30	333
Revenue/Total Rounds	22	30	136%	23	105%	30	136%	20	91%	24	261

Stockton CA Golf Courses
Van Buskirk Summary Income Statement
 For the Twelve Months Ending June 30, 2013

Actual	MTD Budget	% of Budget	MTD Prior Year	% of PY	Actual	YTD Budget	% of Budget	YTD Prior Year	% of PY	Annual Budget	Rolling 12 Months
45,704	53,564	78%	45,166	101%	433,637	519,405	84%	477,738	90%	519,405	436,697
1,574	1,822	86%	1,595	100%	17,677	12,106	146%	13,853	128%	12,106	17,671
906	772	117%	591	174%	1,643	4,128	40%	3,717	46%	4,128	1,643
2,028	3,006	67%	2,167	92%	18,832	23,377	80%	23,308	99%	23,377	19,822
5,311	8,527	62%	8,369	78%	60,237	79,271	76%	57,552	106%	79,271	60,297
0	0	0%	0	0%	207	0	0%	0	0%	0	207
56,520	73,694	77%	57,728	96%	536,337	638,228	84%	576,148	93%	638,228	538,337
504	1,366	43%	1,111	53%	11,638	9,081	129%	10,862	108%	9,081	11,663
2,638	4,466	59%	2,441	92%	30,584	37,215	82%	24,426	122%	37,215	30,584
3,230	5,853	55%	3,552	91%	42,232	46,300	91%	35,288	120%	46,300	42,252
37.8%	75.0%	50.4%	73.4%	51.5%	66.1%	75.0%	88.2%	78.4%	84.4%	75.0%	80.14%
41.8%	47.1%	88.7%	29.4%	142.2%	50.7%	47.0%	107.5%	42.4%	119.5%	47.0%	64.54%
14,716	16,712	88%	15,766	94%	159,746	196,227	81%	169,192	86%	196,227	153,746
2,009	3,314	61%	3,314	87%	31,924	36,585	87%	33,964	91%	36,585	31,924
6,925	4,187	165%	3,989	174%	54,967	47,736	115%	50,866	106%	47,736	54,967
889	3,599	25%	889	23%	20,316	35,564	56%	30,380	35%	35,564	21,019
0	0	0%	0	0%	222	0	0%	125	177%	0	222
988	1,962	50%	911	133%	11,136	12,741	87%	10,304	105%	12,741	11,136
25,527	29,454	87%	27,884	92%	277,914	328,853	85%	285,052	94%	328,853	277,914
27,788	18,120	153%	29,611	34%	228,338	227,066	101%	245,376	98%	227,066	228,338
2,258	2,421	93%	2,586	97%	29,484	29,851	99%	32,317	99%	29,851	29,484
103	0	0%	0	0%	450	700	64%	715	63%	700	450
246	624	39%	40	613%	9,084	16,487	55%	14,369	61%	16,487	9,084
5,755	5,004	115%	5,655	103%	67,274	68,077	99%	82,236	82%	68,077	67,274
88	838	10%	263	33%	3,684	10,766	34%	4,191	89%	10,766	3,684
36,238	27,008	134%	38,055	95%	338,514	352,865	96%	380,104	89%	352,865	338,514
64,986	52,315	104%	69,491	94%	658,780	728,148	90%	710,445	93%	728,148	658,780
(8,475)	11,378	-74%	(11,763)	72%	(120,443)	(89,820)	134%	(134,397)	90%	(89,820)	(123,443)
(4,811)	(3,605)	133%	(6,275)	77%	(43,965)	(43,260)	102%	(43,946)	101%	(43,260)	(43,966)
0	0	0%	0	0%	(1,255)	0	0%	0	0%	0	(1,255)
(1)	0	0%	0	0%	1	0	0%	0	0%	0	1
(1)	0	0%	0	0%	(1,254)	0	0%	0	0%	0	(1,254)
(13,287)	7,774	-171%	(18,039)	74%	(165,662)	(133,180)	124%	(177,943)	93%	(133,180)	(165,662)
1,981	1,941	97%	1,729	100%	18,263	21,287	86%	20,492	93%	21,287	18,263
471	383	123%	542	87%	5,208	4,311	123%	5,892	88%	4,311	5,208
36	123	29%	72	50%	765	1,347	56%	1,347	65%	1,347	765
2,368	2,457	97%	2,943	102%	26,946	26,946	100%	27,044	100%	26,946	26,946
30	38	79%	33	90%	29	28	98%	28	105%	28	30
24	30	79%	25	96%	22	24	93%	21	104%	24	26

Exhibit B

(Produced in native format at CTY258028)

CITY OF STOCKTON - COMMUNITY SERVICES - GOLF
 PROGRAM REVENUE & EXPENDITURES
 For the fiscal years 2008-09, 2009-10, 2010-11

	2010-11			2009-10			2008-09		
	Budget	Actual	Fav/(Unfav) Variance	Budget	Actual	Fav/(Unfav) Variance	Budget	Actual	Fav/(Unfav) Variance
REVENUE									
SWENSON GOLF COURSE									
GREEN FEES	949,493	733,443	(216,051)	937,771	724,385	(213,386)	963,750	818,099	(145,651)
DRIVING RANGE	78,000	50,601	(27,399)	79,996	53,340	(26,656)	65,000	58,651	(6,349)
GOLF CARTS	324,000	222,494	(101,506)	324,000	214,597	(109,403)	262,000	208,136	(53,864)
GOLF LESSONS	49,500	29,997	(19,503)	47,800	42,663	(5,137)	47,094	49,550	2,456
PRO SHOP	63,750	59,532	(4,218)	85,000	58,513	(26,487)	105,000	60,343	(44,657)
SNACK BAR	7,200	9,586	2,386	6,000	7,324	1,324	4,500	5,912	1,412
SWENSON TOTAL	1,471,943	1,105,653	-366,291	1,480,567	1,100,822	-379,745	1,447,344	1,200,691	-246,653
VAN BUSKIRK GOLF COURSE									
GREEN FEES	422,750	354,887	(67,863)	445,000	386,461	(58,539)	477,188	377,257	(99,931)
DRIVING RANGE	29,773	22,239	(7,534)	31,341	27,815	(3,526)	26,736	26,737	1
GOLF CARTS	184,068	133,203	(50,865)	184,068	136,957	(47,111)	176,218	121,495	(54,723)
GOLF LESSONS	5,000	165	(4,835)	8,000	0	(8,000)	0	13	13
PRO SHOP	29,236	17,571	(11,665)	36,545	14,698	(21,847)	58,800	21,682	(37,118)
SNACK BAR	3,500	3,772	272	3,500	3,546	46	3,500	2,698	(802)
VAN BUSKIRK TOTAL	674,327	531,837	-142,490	708,454	569,477	-138,977	742,442	549,882	-192,560
TOTAL REVENUE	2,146,270	1,637,490	-508,781	2,189,021	1,670,299	-518,722	2,189,786	1,750,573	-439,213
EXPENDITURES									
SWENSON GOLF COURSE									
WAGES	321,774	325,887	(4,113)	320,981	325,148	(4,167)	336,554	336,990	(436)
COMPUTER SOFTWARE	8,940	-	8,940	-	9,290	(9,290)	500	-	500

MATERIALS AND SUPPLIES	14,511	9,397	5,114	21,400	6,289	15,111	25,509	26,413	(904)
MERCHANDISE FOR RESALE	51,480	22,977	28,503	43,562	32,056	11,506	49,966	39,422	10,544
NON-CAPITAL ASSETS	31,498	37,828	(6,330)	18,000	25,874	(7,874)	-	9,640	(9,640)
MILEAGE REIMBURSEMENT	600	245	355	600	57	543	500	595	(95)
MEETINGS & TRAVEL	500	183	317	1,000	65	935	85	65	20
MEMBERSHIPS	1,000	1,035	(35)	1,200	1,377	(177)	500	425	75
FEES	-	165	(165)	-	-	-	-	-	-
TRAINING	500	-	500	1,000	-	1,000	-	-	-
COMPUTERS & TECH SERVIC	8,643	8,643	-	8,020	8,020	-	7,871	7,871	-
DUPLICATION/COPY	1,000	89	911	1,100	208	892	1,500	1,139	361
GENERAL LIABILITY INSURAN	6,137	6,070	67	4,236	5,116	(880)	7,805	5,600	2,205
REPAIRS & MAINTENANCE	56,586	22,740	33,846	14,510	76,307	(61,797)	32,207	144,356	(112,149)
GROUPS CONTRACT	627,781	627,781	-	704,565	632,834	71,731	681,000	568,700	112,300
OTHER SERVICES	12,000	16,589	(4,589)	12,360	17,546	(5,186)	13,638	11,973	1,665
VEHICLES	9,000	8,825	175	6,000	8,800	(2,800)	6,811	9,025	(2,214)
POSTAGE, PRINTING	1,100	94	1,006	750	1,015	(265)	1,350	547	803
PROF & SPECIAL SERVICES	40,000	26,720	13,280	42,000	38,372	3,628	35,000	38,832	(3,832)
PUBLICITY & ADVERTISING	1,500	3,964	(2,464)	1,000	911	89	1,800	1,183	617
ELECTRICITY	67,000	68,089	(1,089)	60,000	62,902	(2,902)	66,526	66,525	1
GAS	3,000	2,282	718	3,000	2,062	938	1,500	2,512	(1,012)
SEWER	500	458	42	500	451	49	500	371	129
STORM WATER	3,000	3,910	(910)	4,000	1,466	2,534	4,000	2,928	1,072
WATER	1,500	1,387	113	1,500	1,251	249	2,000	1,163	837
TELEPHONE	4,223	4,109	114	4,000	2,849	1,151	1,000	2,200	(1,200)
TELEPHONE EQUIP RENT	1,238	1,238	-	1,373	1,373	-	1,208	1,208	-
SWENSON TOTAL	1,275,011	1,200,705	74,306	1,276,657	1,261,639	15,018	1,279,330	1,279,683	(353)

VAN BUSKIRK GOLF COURSE

WAGES	163,515	164,466	(951)	142,112	142,094	18	167,354	163,529	3,825
COMPUTER SOFTWARE	5,960	-	5,960	-	5,960	(5,960)	-	-	-
FUELS-GAS/OIL/PROPANE	4,000	4,453	(453)	3,500	6,131	(2,631)	4,000	3,357	643
MATERIALS AND SUPPLIES	10,000	6,814	3,186	13,111	3,933	9,178	15,111	13,735	1,376

MERCHANDISE FOR RESALE	33,892	12,733	21,159	26,805	20,510	6,295	38,701	34,778	3,923
NON-CAPITAL ASSETS	31,499	28,474	3,025	18,000	25,874	(7,874)	-	640	(640)
MILEAGE REIMBURSEMENT	200	-	200	200	-	200	200	-	200
MEETINGS & TRAVEL	500	-	500	-	-	-	1,000	-	1,000
MEMBERSHIPS	400	-	400	400	228	172	400	-	400
FEES	-	143	(143)	-	-	-	-	-	-
TRAINING	500	-	500	-	-	-	620	97	523
COMPUTER/TECH/OPER SUF	9,681	9,681	-	8,983	8,983	-	3,901	3,901	-
DUPLICATION/COPY COSTS	200	133	67	200	-	200	400	83	317
GENERAL LIABILITY INSURAN	3,372	3,425	(53)	3,566	2,397	1,169	6,531	2,816	3,715
REPAIRS & MAINTENANCE	44,289	28,521	15,768	39,206	80,505	(41,299)	19,972	108,427	(88,455)
GROUNDNS CONTRACT	488,007	471,759	16,248	528,424	474,681	53,743	510,600	427,112	83,488
OTHER SERVICES	7,000	10,908	(3,908)	6,558	12,262	(5,704)	7,218	6,288	930
VEHICLE RENTAL	800	-	800	1,200	-	1,200	3,200	810	2,390
POSTAGE, PRINTING	200	-	200	350	-	350	450	-	450
PUBLICITY & ADVERTISING	800	509	291	500	382	118	300	1,730	(1,430)
ELECTRICITY	58,000	49,053	8,947	48,000	54,393	(6,393)	57,535	57,135	400
SEWER	300	570	(270)	300	250	50	300	264	36
STORM WATER	2,000	2,715	(715)	2,000	1,026	974	2,000	2,032	(32)
WATER	700	739	(39)	500	671	(171)	500	627	(127)
TELEPHONE	5,987	6,329	(342)	1,000	4,809	(3,809)	1,600	3,605	(2,005)
TELEPHONE RENT	1,238	1,238	-	1,373	1,373	-	805	805	-
VAN BUSKIRK TOTAL	873,040	802,663	70,377	846,288	846,462	(174)	842,698	831,771	10,927
TOTAL EXPENSES	2,148,051	2,003,368	144,683	2,122,945	2,108,101	14,844	2,122,028	2,111,454	10,574
NET PROGRAM LOSS	(1,781)	(365,879)	(653,464)	66,076	(437,802)	(533,566)	67,758	(360,881)	(449,787)

Exhibit C

Exhibit A – Swenson and Van Buskirk Golf Course Five-Year Actuals and FY2010-11 Projection

	Actual 2005-06	Actual 2006-07	Actual 2007-08	Actual 2008-09	Actual 2009-10	Actual Total	Budget 2010-11	Projected
Revenues								
Swenson	1,333,051	1,306,953	1,385,732	1,219,386	1,128,002	6,373,124	1,492,403	1,132,188
Van Buskirk	655,662	678,224	678,330	623,143	571,746	3,207,105	674,327	532,239
Total Revenues	1,988,713	1,985,177	2,064,062	1,842,529	1,699,748	9,580,229	2,166,730	1,664,427
Expenditures								
Swenson	1,142,629	1,253,211	1,241,178	1,318,347	1,290,685	6,246,049	1,288,196	1,259,715
Van Buskirk	931,712	957,982	849,018	858,504	863,731	4,460,948	858,096	861,042
Total Expenditures	2,074,341	2,211,193	2,090,196	2,176,851	2,154,416	10,706,997	2,146,292	2,120,757
Net Gain/Loss from Operations								
Swenson	190,423	53,741	144,554	(98,961)	(162,682)	127,075	204,207	(127,527)
Van Buskirk	(276,050)	(279,758)	(170,688)	(235,361)	(291,985)	(1,253,843)	(183,769)	(328,803)
Total Surplus/Deficit	(85,627)	(226,017)	(26,134)	(334,322)	(454,668)	(1,126,768)	20,438	(456,330)

360K
140K

Why different?
So did this?
When know this?