June 11, 2019

ASSOCIATION & GOLF CLUB AGREE TO SHARE COSTS & OVERSIGHT OF CLUB RESTAURANT

The Rancho Santa Fe Association Board of Directors today approved an agreement with the RSF Golf Club under which the Association will share the cost of running the restaurant and provide joint oversight of the food and beverage operations.

“The Clubhouse restaurant is a community asset for all Covenant members,” said Ken Markstein, RSF Association president. “Because the amenity is shared by all members of the Association, the Board determined that it would be forward-thinking and fair to share the cost and supervision of the restaurant. It is in our best interests to work together to build a successful restaurant that will become the central gathering place for all Association members and an enhancement to our entire community.”

Under the agreement, the Association will establish an annual cost-share, beginning with $300,000 for the 2019-2020 fiscal year. The amount of the cost share is based on costs expected to be incurred by the food and beverage operations and will be revised each year based on the annual budget for the restaurant operations.

While the day-to-day operations will continue to be managed by the Golf Club General Manager, the strategic oversight of the food and beverage operations will be delegated to a joint committee consisting of two Association Directors and another member appointed by the Association Board, and two Golf Club Governors and another member appointed by the Golf Club Board, the Golf Club General Manager and the Association Manager.

Under the agreement, capital improvement costs would be shared by the Association and Golf Club with approval from both Boards. A conceptual design team has been hired to study and propose a new dining concept, including branding, name, menu theme, interior design, outdoor space and more. The design team is gathering input via focus groups and surveys from Association members about their desires for the restaurant.

“Much work has to be done before any restaurant redesign. Our top priority in the short term is to focus on improving food and service at the restaurant so we can build satisfaction and loyalty among all members,” said Golf Club Board of Governors President Bill Weber. “General Manager Brad Shupe is building an excellent restaurant team, including a new executive chef and food and beverage manager, to deliver a quality dining experience. We are excited about the direction the restaurant is headed, and we look forward to a collaborative and successful future.”

RANCHO SANTA FE ASSOCIATION
COST SHARING AGREEMENT
Q & A

How did this agreement come about?

The idea of cost sharing of the restaurant has been raised at Audit / Finance Committee meetings over the last few years. While the restaurant is available to all Association members, only Golf Club members have been responsible for the costs of running the operation. A joint committee was formed in December 2018 to explore a cost-sharing agreement between the Association and Golf Club and to lead an effort to explore redesign of the restaurant. The agreement approved by the Association Board and Golf Board was the result of many joint committee meetings over the last six months. The committee included co-chairs Golf Club President Bill Weber and Association Board Vice President Allen Finkelson, Golf Club Governor Dan Comstock, Association Director Steve Dunn, Golf Club Governor Bill Johnson, Association Director Rick Sapp, Golf Club General Manager Brad Shupe and Association Manager Christy Whalen.

Who will determine what the future of the restaurant will be?

The joint committee will oversee the work of developing and proposing a new restaurant concept. If a major redesign and relaunch of the restaurant is proposed, member input will be sought and approval by both the Golf Club and Association Boards will be required. Ultimately, however, the success and future of the restaurant is in the hands of the community. Even with the best food, service and ambience, the restaurant will succeed only if it appeals to and is frequented by Association members.

Who currently uses the restaurant?

All Association members have restaurant privileges, and usage is divided about evenly between residents who are Golf Club members and those who are not Golf Club members.

Will the Association help pay for future clubhouse renovations?

The agreement states that any capital costs would be shared by the Association and Golf Club with the approval of both Boards. However, the scope of future renovations, if any, has yet to be determined. The design team, under the direction of the joint committee, is at the beginning stages of exploring possible concepts. Proposals and cost estimates, once developed, will require approval of both Boards, which would seek Association member input prior to making a decision on funding.

When will the restaurant be renovated?

The design team is currently gathering input from Association members. In a few months, the team will propose concepts for branding, menu theme, and design, including building usage and layout, décor, lighting and landscaping. Budget ranges will be developed based on the proposed concepts and then the proposed project will be considered by the Association and Golf Club Boards with input from the community.

How much would a renovation of the restaurant and clubhouse cost?

No concepts have been prepared or presented, so a cost estimate has not yet been developed. When estimated costs are available, they will be shared with members.

Specifically, what will the joint committee oversee?

The committee is tasked with overseeing policy and strategy regarding clubhouse and restaurant branding, name, design, menu theme, days and hours of operation, pricing parameters, service standards, major capital expenditures, and executive staff changes. However, ultimate decision making lies with the Boards.

Does this agreement mean the Boards will be micromanaging the restaurant operations?

The day-to-day management of the operation of the restaurant and snack bar will continue to be the responsibility of the Golf Club General Manager, who will oversee staff without the interference from the joint committee or either Board.

What if future leaders determine this agreement isn't working?

Either Board may terminate this agreement at any time without cause with a 90-day notice.