

**EXECUTIVE SUMMARY**

**OF**

**SASSAMON TRACE**

**GOLF COURSE**

October 14, 2003

Board of Selectmen  
Town of Natick  
33 East Central St.  
Natick, MA 01760

Dear Board Members,

The Executive Summary herein has been prepared by the Golf Course Review Committee, an ad-hoc Committee established by the Natick Board of Selectmen to review the past and current operations of the Sassamon Trace Golf Course.

The Committee established by the Board of Selectmen included the following members:

Composition

- 1 Member Board of Selectmen - John Ciccariello, Vice Chairman
- 1 Member of Golf Advisory Board - Barbara Chinetti
- 1 Member of Finance Committee - Gail Kaprielian, Vice Chairman

As required by the charge set forth by the BOS, the Committee reviewed the past and present history of the Golf Course Project.

The review conducted by the Committee included the following tasks:

1. Review of Town of Natick Golf Course Facility Study prepared by Golf Resource Associates - March 1996.
2. Review of Golf Facility Study Sassamon Trace Golf Course Natick, MA prepared by John LaPoint - Golf Facilities Consultant - August 31, 2001 (Draft Copy).
3. Review of Natick Board of Selectmen Meetings from February 28, 1991 through April 7, 2003.
4. Review of Town Meeting Actions relative to the Golf Course Project and Landfill Closure.

5. Review of Chapter 164 of the Acts of 1998 by Mass. Senate and House of Representatives approved July 3, 1998.
6. Review of available architectural, engineering and consultant's service contracts.
7. Review of available construction contracts.
8. Review of Sterling Management contract and the RFP process for management services.
9. Review of the lease agreement with Dowse Orchards.
10. Review of a Citizen's Report Sassamon Trace Golf Course April 7, 2003.
11. Conducted interviews with Town of Natick staff.
  - 1) Robert Palmer - Finance Director
  - 2) Ruth Cashman - Comptroller
  - 3) Charles Sisitsky - Director, Dept. of Public Works
  - 4) John Craig - Dept. of Public Works
12. Conducted an interview with Paul Cohen former Deputy Administrator and Acting Town Administrator for the Town of Natick.
13. Met and discussed the Golf Course Project with the Golf Course Advisory Committee.
14. Coordinated Committee's efforts with Melanson, Heath & Company P.C. Audit Form retained by the Board of Selectman.

Due to the Golf Course Project being developed over the top of the Natick Landfill Closure Capping, the Committee has included in the report our findings on both the Landfill Closure and Jennings Pond Projects, as each impacted the Final Golf Course Project.

The Board of Selectman, in reviewing the report, should be aware that during the course of this review, the Golf Course Review Committee was unable to obtain numerous documents relative to construction contracts, consulting service agreements, construction change orders, purchase orders and similar type documents.

## I. PROJECT DESCRIPTION & HISTORY

The Sassamon Trace Golf Course is a nine (9) hole golf course located on the Town of Natick West St. Landfill Closure Cap and the adjacent Dowse Orchards located in the Town of Sherborn.

In order to develop the course, the Town of Natick entered into a fifty (50) year lease with an option to extend the lease an additional forty-nine years with Dowse Orchards. Five holes were developed on leased property.

The project was first presented by the then Town Administrator, Fred Conley, to the Natick Board of Selectmen on March 11, 1996.

**On September 9, 1996** Mr. Conley presented to the Board of Selectmen Article 13 Golf Course and Other Recreational Facilities. The project as presented was to be a Nine Hole Golf Course, Three Cross Country Trails on the Landfill and property leased from the Dowse family in Sherborn.

**On October 1, 1996** at the Town of Natick Spring Town Meeting, Town Meeting voted 93 Yes to 29 No to appropriate \$2,200,000.00 for planning and constructing a municipal golf course and other recreational facilities. The vote included that the Board of Selectmen are authorized to petition the General Court for an act to permit the construction of the project and the financing thereof, that included temporary borrowing, for a period of five years without any principal payments.

**On October 21, 1996** the Board of Selectmen voted to have Palmer & Dodge prepare a Home Rule Petition.

**On February 9, 1998** Mr. Conley provided an update which included:

1. The Dowse Lease had been settled.
2. Finance Director Robert Palmer provided updated financial status, which included the town losing money, but by year three, the course was projected to have generated \$74,000.00.  
Mr. Palmer noted that Golf Research Associates based their projections in terms of 1994 for running the course and 1994 green fees. That was updated slightly in preparing for approval of the course, but it was conservative. Even with conservative revenue estimates, it appears the golf course will generate sufficient money to pay for the course and \$450,000.00 worth of debt related to the construction of the gas collection system.

**On July 6, 1998** Mr. Conley advised the Board of Selectmen the Home Rule Petition was signed by the Governor.

**On April 12, 1999** Mr. Conley updated the Board of Selectmen that at the Town Meeting on December 15, 1998, no additional funds were recommended for the golf course. Mr. Conley also noted that John LaPoint, a golf facility consultant who did the original study, has now completed an update of that study. The update shows a dramatic increase in the projected revenue from greens fees. Mr. Conley laid out a new financial plan for the golf course. He stressed that all numbers were conservative.

**On April 15, 1999** Town Meeting voted by 2/3 Majority to appropriate \$775,000.00 in additional funds.

**On February 28, 2000** Mr. Conley updated the Board of Selectmen concerning the Dowse Lease and Construction Bids received for the Golf Course.

The Board authorized Mr. Conley to enter in a lease agreement.

The Board voted to award the Construction Contract to Supreme Industries in the amount of \$2,383,509.20.

**On July 10, 2000** the Golf Course Oversight Committee appointments was presented to the Board of Selectmen by Paul Cohen, Deputy Town Administrator.

**On September 25, 2000** the Board of Selectmen voted to authorize Mr. Cohen to negotiate with Sterling Golf Management for a three year contract to manage the Golf Course.

**On January 22, 2001** Golf Course Oversight Committee Chairman Edward Salamoff updates the Board of Selectmen.

1. The course has started it's initial grow in season.
2. The course is to be named "Sassamon Trace".
3. The proposed green fees are highlighted.

Mr. Cohen, Acting Town Administrator, reported everything has gone smoothly on the construction, minimal change orders.

**On May 7, 2001** Mr. Cohen appears before the Board of Selectmen and advised Board the need for design services for the maintenance building and clubhouse.

The Board votes to establish a five person review committee.

**On June 11, 2001** Golf Course Oversight Committee Chairman Edward Salamoff and Mr. Cohen recommended the Town of Natick retain Weaver & Associates for Design Services.

The Board voted to approve the rankings and authorize the administration to negotiate a contract.

**September 1, 2001 the Sassamon Trace Golf Course opens.**

**On February 11, 2002** the Board of Selectmen reject all bids for the Maintenance Building. Project is over budget and insufficient funds.

**On March 18, 2002** Finance Director Robert Palmer updates the Board on funds available for the Maintenance Building. Approximately \$230,000.00 - \$240,000.00. Recommends Article 21.

**On April 8, 2002** Treasure/Collector Mr. Palmer reviews bid results of April 2, 2002 for general obligation bonds which included \$2,975,000.00 for the Golf Course. Mr. Palmer reviews Article 21, approximate cost of maintenance building \$350,000.00 raised by using existing money remaining in golf course bond and \$119,000.00 from artery funds for construction of the cap and \$100,000.00 yet to be borrowed.

Board voted to support Article 21.

**On July 22, 2002** the Golf Course Oversight Committee updates the Board of Selectmen as follows:

1. Overall course condition is good.
2. Maintenance Building has been downsized.
3. Spring Play is slow.
4. Advertising has been escalated.

Finance director Mr. Palmer advises Board - Golf Course Enterprise Fund's early projection show a possible revenue deficit of \$250,000.00.

**On September 23, 2002** the Golf Course Oversight Committee updates the Board of Selectmen as follows:

1. GCOC has embarked on advertising and promotional campaign, play has elevated.
2. Golf Pro Peter Meagher with Sterling Management advises Board he reviewed original golf course consultant's feasibility study. The projection for year one was almost 29,000 rounds and he (Mr. Meagher) was projecting 19,000. Marketing has helped, game of golf was not growing and new courses were opening all the time. He thought the saturation point would be about 30,000 rounds, but the original estimate was 35,000.

**On October 7, 2002** Mr. Ciccariello, a member of the Board of Selectmen, advised the Board he had been meeting with the GCOC, Mr. Lemnios Town Administrator and Finance Director Mr. Palmer to reduce the size of the maintenance building an cost down to \$100,000.00.

**On March 26, 2003** Mr. Jeffrey Phillips presented a Citizens Report: Sassamon Trace Golf Course.

Mr. Lemnios, Town Administrator, advised the Board when he met with the Finance Committee in early March, a commitment was made to do an audit.

Based upon the discussions which took place, the Board voted to form a subcommittee to review the golf course project and request an independent audit.

## II. GOLF COURSE REVIEW COMMITTEE FINDINGS

The following comments are intended to provide a brief summary of our observations. Detailed observations and comments are included withing the main report.

1. The process by which the Town of Natick decided to develop a Golf Course was flawed.

Although a large number of individuals raised concerns of need, environmental issues, financial feasibility, as well as alternative uses, there was never any serious consideration of such uses and these concerns were somewhat dismissed.

On March 11, 1996 the Town Administrator had already commissioned a national organization who were experts in golf feasibility. They had already conducted a study of the revenue and expenses.

The Town Administrator had already retained the design services of Cornish, Silva and Mungeam to do preliminary design studies, as well as Tata & Howard Engineering.

The project was driven by the timing of the Landfill Capping, as the Golf Course impacted the final grading plan and method of gas venting the Landfill.

2. The Town Administrator and the then Board of Selectmen failed to conduct Public Hearings or obtain maximum citizen input as discussed at the Board of Selectmen's meeting of May 11, 1996.

There is no record of any Public Hearings concerning the Golf Course from May 11, 1996 through September 9, 1996 at which time Article 13 Golf Course and Other Recreational Facilities is brought before the Board of Selectmen by the Town Administrator, and shortly thereafter to Town Meeting.

3. Although the Engineering Firm warned the Town of Natick that a Methane Gas Flaring Station would be required in lieu of a passive vent system for the landfill cap to be used for any type of recreational use, other information provided never materialized nor became part of the Project.

a. March 11, 1996 the Board of Selectmen are advised the plan called for the collection of methane gas which will be piped to a location near DPW and after a period of time, it could be used to provide energy for the DPW for about 10 years.

The issue was reiterated during the September 9, 1996 Selectmen's meeting.

b. On December 15, 1997 the then Town Administrator Mr. Conley advises the Board of Selectmen he originally thought that the methane would have to be stored for a year. Now it was thought that methane can be used immediately for either heating or providing electricity for DPW.

On February 9, 1998 the Engineering Firm again responds to a Board member's questions concerning methane gas collection. The response. It is a big landfill and a lot of gas will be generated. Potential has been estimated at 170 kilowatts. The Engineering Firm no longer feels it should go to DPW. They now discuss pursuing energy reuse with a possible situation where it was generating power and the Town would be selling power from the grid.

4. The Golf Resource Associates Golf Facility Study submitted March 1996 was based upon what is known as a Golf Market Evaluation ie: an evaluation of the probable public golf market potential within the golf facility's site-specific market area. In the case of the Natick facility, GRA defined the market area to be within five miles of the proposed development.

As stated by Mr. Conley at the March 11, 1996 meeting, he (Mr. Conley) wanted proof **more than once** that not only operating expenses, but development can be paid by revenue.

**No studies other than the GRA was done.**

The second Golf Study conducted by John LaPoint of Golf Facilities Consultant was not submitted to the Town of Natick until August 31, 2001 (Draft Copy).

***The Golf Course opened on September 1, 2001.***

The August 31, 2001 (Draft Copy) was never provided to present Board of Selectmen for review or discussion.

During the September 9, 1996 Board of Selectmen meeting, Finance Director Robert Palmer provided a financial analysis of the GRA study.

The Town Administrator Mr. Conley and Mr. Palmer continually noted the study was conservative, estimated expenses high, because they wanted nothing left out.

The GRA Study of March 1996 paints a different picture than the John LaPoint study of August 21, 2001 as follows:

| Year       | GRA STUDY |              | LAPOINT STUDY |              |
|------------|-----------|--------------|---------------|--------------|
|            | Rounds    | Revenue      | Rounds        | Revenue      |
| Year One   | 30,600    | \$498,329.00 | 29,750        | \$725,397.00 |
| Year Two   | 34,200    | \$573,670.00 | 31,500        | \$783,446.00 |
| Year Three | 35,100    | \$606,404.00 | 33,250        | \$846,505.00 |
| Year Four  | 36,000    | \$640,621.00 | 35,000        | \$908,890.00 |

- A. It should be noted the GRA Study included revenues generated from Golf Shop sales of approximately 11% percent.
  - B. John LaPoint commissioned to do the second study, also did the March 1996 study as he was a Senior Consultant with GRA.
5. The Town Administrator appears to have violated The Home Rule Petition. Chapter 164 of the Acts of 1998.

An Act Relative to the Financing and Operation of a Golf Course by the Town of Natick.

Under Section 4 it specifically states "Contracts for the construction, maintenance and operation of the golf facility shall be awarded by the Town Administrator with the approval of the Board of Selectmen".

Based upon our review over \$700,000.00 in Engineering and Professional Services were expended without Board vote of approval.

The same can be said for the Landfill Project, in excess of \$850,000.00, as well as large sums of money expended for the landfill construction, without any record of contracts or purchase orders, or Board approval.

6. Engineering Services in the amount of \$663,944.00 were retained without a Request for Proposal to provide engineering services for the design and construction of the golf course.

**Only one firm was requested to submit a proposal for each type of service.**

The same can be said of the landfill capping, which covered in excess of \$850,000.00.

7. Numerous Contracts and Proposals for Construction, Engineering and other services were only signed by the Town Administrator.

The Town Comptroller nor Town Counsel signed such for a review of available funds (Comptroller) or as to Form (Counsel).

8. There is clear evidence that funds for the Landfill Project were co-mingled with funds from the Golf Course Project.

The Town Administrator Mr. Fred Conley, Deputy Town Administrator Paul Cohen, Finance Director Robert Palmer and Comptroller Ruthann Cashman viewed the Landfill Capping Project and Golf Course Project as one project.

Town Meeting voted specifically to authorize funds independently.

9. The Golf Course Project Cost has exceeded funds approved by Town Meeting, which totaled \$3,194,120.00

The Cost expended and paid to date is \$3,626,201.00, based upon a review of invoices.

**Cost Overrun - \$432,081.00.**

10. The Town Administrator and staff failed to properly monitor and audit the finances of the Golf Course Project.

11. The Town Administrator and staff failed to properly develop a Single Record File of the Golf Course Project, as evidenced by numerous documents missing or unavailable to the Review Committee, as well as Melanson and Heath, the audit firm.

12. The Town Administrator and staff failed to properly advise the Board of Selectmen, the Finance Committee and Town Meeting of all the facts relative to the permitting, planning, construction and finances related to the Golf Course Project.
13. During the interviewing process of Town of Natick personnel and the former Deputy Administrator by the Golf Course Review Committee, there were numerous responses to questions which we considered conflicting statements.
14. The outstanding water bill of \$43,784.00 was a result of a "wait and see approach". According to Finance Director Robert Palmer, then Town Administrator Fred Conley advised Mr. Palmer to withhold payment until Golf Course Construction was completed to see if any remaining construction funds were available. Otherwise, the bill would be paid by the Golf Course Enterprise Fund.

The bill accumulated during the "Grow In Period" of the course and still remains unpaid.

The result is these funds are not available to the Water and Sewer Enterprise Fund.

### III. CONCLUSION

In summing up the opinion of the Golf Course Review Committee, the following is offered:

1. The Town Administrator failed to provide proper oversight and management of the Project.
2. During the Town Administrator's leave of absence, other key Town Staff Personnel involved in the Project failed to take charge.
3. There was an expectation that for the \$3,194,120.00, the Town of Natick, upon completion of the project, would have a Nine (9) Hole Golf Course, a Maintenance Building, a Clubhouse and other recreational amenities.

To date \$3,626,201.00 has been spent, there is No Maintenance Building, No Clubhouse and other recreational amenities were never included.

4. The Town of Natick By-Laws Article 41 Contracts, Town Property and Regulations of Town Boards and Officials was violated by the then Town Administrator Fred Conley and Town Comptroller Ruthann Cashman.

Specifically, Section 1 Procedures for Award of Contracts, Section 3 Contract Files and Section 9, Authorization for Expenditure of Funds.

Respectfully submitted,

John Ciccariello - Vice Chairman, Board of Selectmen  
Barbara Chinetti - Golf Course Oversight Committee  
Gail Kaprielian - Vice Chairman, Finance Committee

## ARTICLE 41

### CONTRACTS, TOWN PROPERTY, AND REGULATIONS OF TOWN BOARDS AND OFFICIALS

#### Section 1            Procedures for Award of Contracts

No contract for the purchase of services, equipment, supplies or materials, the actual or estimated cost of which amounts to one thousand dollars (\$1,000.00) or more, but less than ten thousand dollars (\$10,000.00), shall be awarded unless proposals for the contract have been invited from no less than three (3) vendors, contractors or other qualified persons. Administrative procedures for seeking such proposals shall be established by the Town Administrator except the administrative procedures for seeking proposals for the purchase of equipment and services other than School Department equipment, shall be under the jurisdiction of the Central Equipment Purchasing Committee. The Town of Natick shall reserve the right to reject any or all such proposals.

No contract for the purchase of services, equipment, supplies or materials, the actual or estimated cost of which amounts to ten thousand dollars (\$10,000.00) or more, shall be awarded unless proposals for the contract have been invited by advertisement in at least one newspaper, published or circulated in the Town of Natick, such publication to be at least seven (7) days before the time specified for the opening of said proposals. Such advertisement shall state the place where plans and specifications for proposed work or purchases may be obtained and the time and place at which proposals will be opened, and shall reserve to the Town of Natick the right to reject any or all such proposals.

All proposals shall be opened in public. No contract, and no purchase, service or work for which a contract is proposed, shall be split or divided for the purpose of evading any provision of this section.

This section shall not apply to professional services, or to services performed by a person regularly employed by the Town as part of the duties of such employment.

#### Section 2            Emergencies

The Selectmen may exempt a purchase or contract from any or all of the provisions of the preceding section when, in their opinion, an emergency exists requiring immediate action on such purchase or contract to protect the health and safety of persons or property, or when no reasonably suitable substitute can be obtained for the article or service to be purchased or contracted for. Evidence indicating that such an emergency exists, or that no reasonable substitute for a purchase or service can be obtained shall be furnished to the Selectmen in writing by the officer, board, or committee making such purchase or contract, and shall be kept on file with other records of such transactions.

#### Section 3            Contract Files

Every Town board, official, employee or committee making or executing a contract on behalf of the Town shall furnish said contract or a copy thereof to the Town Comptroller within ten (10) days after its execution; and the Town Comptroller shall keep such contract or copy on file, open to public inspection during business hours. Such contracts or copies shall be kept in a book by themselves or in several books, arranged according to the subject of the contract, or in other convenient form, and an index to the subject matters of the contracts and to the names of the contractors shall be made semiannually, and shall be open to public inspection in some convenient form. All allowances under and additions to such contracts, or copies thereof, shall be

filed with the Town Comptroller, together with a sworn statement of the person or persons authorizing such allowances or additions that the same are correct and in accordance with the contract.

**Section 4 Compensation of Town Officers and Employees**

No Town officer and no salaried employee of the Town shall receive any compensation or commission for work done by him for the Town, except his official salary and fees allowed by law, without permission of the Selectmen expressed in a vote which shall appear on their records with the reasons therefor.

**Section 5 Disposal of Property**

Whenever any property of the Town, other than real estate, the replacement value of which exceeds fifty dollars (\$50.00), shall have become obsolete, disused, worn out or necessary to replace, the Town official or officials having jurisdiction thereof shall so certify in writing to the Board of Selectmen who may reserve action relative to its disposal for consideration of a Town Meeting or may by vote authorize the official or officials to abandon, to trade, or to sell such property at a private or public sale.

**Section 6 Sale of Tax Title Land**

The Selectmen and Town Treasurer may sell at public auction and in such manner, upon such terms and for such consideration as in their judgment is for the best interest of the Town, lands held from time to time by the Town under tax titles the right of redemption from which has been foreclosed. Notice of such sales shall be advertised at least once in a newspaper published in the Town no less than fourteen (14) days prior to the date of the sale, and such notice shall include the location of such lands by street address or comparable description. The Conservation Commission and the Historical Commission of the Town shall be notified of such sale at the time that the advertisement is prepared.

(For more precise requirements on such sales, see Mass. Gen. Laws, Chapter 60, Sections 37-84A.)

**Section 7 Designation of Town Vehicles**

All automobiles and other vehicles owned by the Town shall be so designated by a circular label not less than six (6) inches in diameter bearing the words "Town of Natick" and the name of the Department, with the exception of those vehicles exempted from this by-law by the Board of Selectmen.

**Section 8 Annual Audit**

There shall be an annual audit of the accounts of the Town under the direction of the Director of the Bureau of Accounts of the Commonwealth of Massachusetts.

**Section 9 Authorization for Expenditure of Funds**

The Town Comptroller shall not approve for payment any warrant for the expenditure of public funds unless there shall appear thereon the signatures of at least a majority of the Town board, commission, or committee authorized to make expenditures.

BOARD OF SELECTMEN

MARCH 1996

John Moran  
Edward Dlott  
Mel Willens

MARCH 1997

Mel Willens  
Edward Dlott  
Jay Ball  
Paul McKinley  
Edward Carr

MARCH 1998

Edward Dlott  
Paul McKinley  
Jay Ball  
Edward Carr  
Mel Willens

MARCH 1999

Paul McKinley  
Jay Ball  
Edward Carr  
Mel Willens  
Charles Hughs

MARCH 2000

Jay Ball  
Edward Carr  
Charles Hughes  
Mel Willens  
Paul McKinley

MARCH 2001

Charles Hughes  
Paul McKinley  
Jay Ball  
John Ciccariello  
Jeffrey Stern

MARCH 2002

Charles Hughes  
Paul McKinley  
Jay Ball  
John Ciccariello  
Jeffrey Stern

MARCH 2003

Charles Hughes  
Paul McKinley  
Jay Ball  
John Ciccariello  
Jeffrey Stern