

CITY OF SARASOTA, FLORIDA
BOBBY JONES GOLF COURSE

	Actual 2000-01	Budget 2001-02	Amended Budget 2001-02	Estimated 2001-02	Budget 2002-03
Available Fund Balance	\$ 299,256	\$ 134,826	\$ 595,808	\$ 595,808	\$ 390,582
<u>Revenues</u>					
Green fees	988,972	1,063,000	1,063,000	938,000	1,020,000
Cart rental	949,354	936,600	936,600	959,600	996,000
Annual green fees	255,608	262,882	262,882	273,882	275,000
Restaurant lease	7,936	9,000	9,000	9,000	9,000
Pro shop	137,497	130,000	130,000	100,000	118,000
Range Fees	36,689	37,450	37,450	35,350	37,162
Utilities	28,003	23,000	23,000	15,097	17,500
Equipment rental	18,785	20,000	20,000	20,000	20,000
Other fees	9,765	10,500	10,500	8,100	8,500
Investment Income	77,188	20,000	20,000	25,000	23,000
Miscellaneous revenue	165,491	7,800	7,800	19,500	20,000
Total Revenue	2,675,288	2,520,232	2,520,232	2,403,529	2,544,162
Estimated Funds Available	2,974,544	2,655,058	3,116,040	2,999,337	2,934,744
<u>Expenditures</u>					
Personnel	505,082	510,554	510,554	510,554	527,819
Operating	1,595,371	1,671,475	1,688,771	1,668,277	1,738,602
Merchandise for resale	98,242	102,500	102,500	77,500	99,500
Capital	180,041	254,000	352,424	352,424	174,000
Total Expenditures	2,378,736	2,538,529	2,654,249	2,608,755	2,539,921
Projected Ending Balance	\$ 595,808	\$ 116,529	\$ 461,791	\$ 390,582	\$ 394,823

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Mission Statement

To provide an enjoyable golfing experience on well-maintained courses in a price range that is both affordable to all residents and visitors of the City of Sarasota and is a financially self sustaining enterprise account operation.

Description of Operations

Despite the ever-increasing development and construction of new golf courses in Sarasota County, the 45-hole Bobby Jones Golf Complex remains the only municipal and totally public golf facility in greater Sarasota. This 306 acre green space is located entirely within the Sarasota city limits and continues to fulfill its mission of providing an enjoyable golfing experience on well-maintained courses in a price range that is affordable to all residents and visitors of the City of Sarasota.

Several major improvements and repairs were implemented during Fiscal Year 2001/02, not only for the financial health of the facility, but also to improve the playability of the courses and the overall service to the public.

The Capital Improvement Program (CIP) completed during FY 01/02 included the replacement of forty-seven golf carts at a cost of \$58,911, replacement of a walk-in cooler in the clubhouse kitchen for \$11,325, replacement of a tap box cooler and can cooler in the restaurant for \$3,401, upgrade of electrical wiring in the restaurant for \$1,710, installation of a new irrigation control system on both the American and British Courses for \$108,000, and replacement of practice range barrier netting and cables for \$8,085.

The most visible improvements completed during FY 01/02 focused on aesthetic features such as 126 new roofs and program upgrades for the ParView GPS system, construction of a new conference room scoreboard system for tournaments, painting and decorating the restaurant and bar area, renovating on-course water stations and granite signage, and upgrading the main entrance lighting system.

It is anticipated that several other CIP projects will be completed during the slower off-season months of May through September. These projects include additional drainage upgrades, planting trees and aquatic plants to replace the 42 trees and numerous ornamentals that were lost during tropical storm Gabrielle, constructing additional tee box curbing and back-sodding for new ladies tees on the British Course, installing rail fencing at #1 tee and #18 green of the British Course and #9 green of the American Course, expanding the existing irrigation system to accommodate the practice range and the Fruitville Road/British Course perimeter, creating ornamental plant and shrub beds at each of the tee boxes on the American and British Courses, replacing two air conditioning air handlers in the clubhouse attic, and rebuilding the pump and electrical control devices at the #6 pump station on the British Course.

Administratively, the Annual Fee Holder (AFH) program is in excellent shape. All 350 AFH slots have been sold again this year and the City resident waiting list from last year has been totally eliminated. A new list of 34 city residents is currently waiting for future vacancies, as well as 85 people on the non-City waiting list. Our previous plan to fill all vacancies by November 1st to maximize AFH revenues has been an outstanding success with all fees paid by the new deadline. A 5% increase in fees together with the timely payment plan has realized an increase of \$14,132 over FY 00/01.

Financially, Bobby Jones Golf Complex has experienced a third consecutive below average first half of the fiscal year. We strongly believe that the tragic events of September 11, 2001, coupled with the weak Canadian dollar and the erratic weather patterns that gave southwest Florida tropical storm Gabrielle, have dramatically impacted tourism and specifically golf play during the first half of FY 01/02. October volume of play was down 15% in rounds played and 12% in cart usage from the previous October figures. November improved somewhat in all revenue categories, exceeding budget projections by \$15,000. Greens fee revenue fell short \$3,301 from the Year-To-Date (YTD) budget but was \$1,063 above Fiscal Year (FY) 00/01. Total revenue was up slightly due to increased Annual Fee Holder (AFH) play. December overall revenue was up 1% from December 2000 or \$16,082 for the same period. Cart rental was up for the month, \$13,183 compared to the previous year. January slipped somewhat with all major revenue categories failing to meet budget projections by a total of \$33,263 or 12%. January total revenues were 9% or \$24,004 less than January 2001. February, historically first or second in monthly revenue productivity, did not help the financial picture. A significant decrease of 18% from the previous

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February in cart and greens fee revenue coupled with a new charge of unrealized investment earnings of \$12,091 resulted in an overall decrease of 22% or \$80,047. March revenues compared favorably to FY 00/01 exceeding the previous year's revenues by \$9,834.00. The ideal weather conditions during the entire month allowed overall revenue to come within 1% of the monthly projection. Actually, the monthly projection was short by only \$3,063. At the half way point in the 01/02 fiscal year, the continued failure to meet greens fee projections by \$111,963 as of 3/31/02 begs the question, Why? It should be noted that greens fee activity has a direct bearing on all other major revenue categories. Usually, a greens fee purchase generates a cart rental, merchandise purchases and miscellaneous spending on range balls, rental clubs, etc. Therefore, when greens fee activity is up or down, the other revenue categories are affected accordingly.

It appears that the dramatic increases in play at Bobby Jones over the past decade has leveled off. Many factors may have contributed to this trend. Several new courses have been constructed in the area, some existing private and semi-private courses have relaxed their open play policies to supplement their membership fees, the recent drought conditions have adversely effected turf health and overall course beautification, stock market and savings issues have given rise to cautious spending and limited travel and, just maybe, people are opting for other forms of leisure activity. Whatever the cause, the management of Bobby Jones must adjust projections and ensure that the financial health of the facility is maintained. These adjustments are reflected in the FY 02/03 budget, particularly for greens fee and cart fee activity and long term CIP projects. These items have been scaled back to more realistic proportions without negatively affecting facility or service quality.

The City Commission approved a 5% rate increase for all greens fee categories, cart fee categories, annual golf and tennis fees, daily tennis fees, cart trackage, and locker rental during the FY 01/02 budget process. Bobby Jones management is therefore not recommending any rate increases for the upcoming fiscal year. As in the past, off-season rates may vary depending on area competition and volume of play May through October. Previously existing rates for range balls, club rentals, summer play cards and 9-hole cart and greens fee league play are also not being considered for any increases at this time.

The maintenance agreement that was renewed for a 5-year period during FY 99/00 continues unchanged for FY 02/03. No increases in staff or equipment is recommended for the FY 02/03 budget. The concession agreement for the food and beverage operation at the Bobby Jones Golf Complex expired on April 30, 2001. After completing the RFP process and the unanimous recommendation of the Bobby Jones Advisory Committee, the non-binding volunteer organization that reviews golf course policy, and concurrence of staff, the food and beverage concession agreement was awarded. The new concessionaire opened for business on September 4, 2001. Unfortunately, the tragic events of September 11, 2001 occurred one week after the grand opening and has had a significant effect on the food and beverage operation. The concession operators are naturalized United States citizens from the eastern Mediterranean region and English is not their first language. These factors plus unfamiliarity with golf and American culture have set the tone for a difficult and unfriendly atmosphere in their operation. It is our hope that the passage of time and improvements in product and service will resolve these issues.

The CIP plan for FY 02/03 totals \$215,000, reduced by \$39,000 from the projected \$254,000 stated in the 01/02 budget package. The FY 01/02 CIP fund was reduced by \$110,000 to offset the cart and greens fee revenue shortfall that was realized during the first six months of the fiscal year. This revised trend is continued to FY 06/07 with a scaled back CIP plan for the next five years. The major expenditures in the FY 02/03 program will be the replacement of 45 golf carts and two utility carts, renovation of on-course shelters, bridge renovations on the American Course, completion of tee curbing project, drainage improvements, irrigation expansion, tree and plant additions, analysis of the Gillespie Course property by the National Golf Foundation, and an architectural evaluation of the existing clubhouse facilities.

Despite a disappointing winter season regarding the failure to meet some budget projections, the Golf Complex has moved forward with many improvements and made several adjustments to its' financial plan. It is important to recognize that the budget shortfalls do not jeopardize management's ability to meet operational expenses or the annual cost allocation of \$90,321 to the General Fund. Both revenue projections and CIP funding has been scaled back for the remainder of FY 01/02 and for FY 02/03. It remains the goal of management to keep moving

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forward with facility improvements while operating within a positive financial plan. On a final note, the Bobby Jones Golf Complex has once again received the 1st place Readers Choice Award from the Herald Tribune for Best Public/Semi-Private Golf course for the sixth time in seven years.

Goal - Responsible City Government

To generate sufficient revenues to cover all expenses, including the requirements of the CIP.

Objectives

To sustain the maximum level of 350 Annual Fee Holders for FY 02/03.

To maintain a 1 to 2.5 ratio of annual fee play to daily fee play throughout FY 02/03.

To maintain a 1 to 2.5 ratio of walkers to cart users for FY 02/03.

To annually assess the rate structure for possible increases/decreases that will keep the facility competitive in the local market yet absorb necessary cost increases of the ongoing operation.

To increase the May through October volume of play by attracting additional play from leagues, tournaments and privilege cards.

To increase the gross sales of the pro shop, practice range, rental equipment and new locker facility.

Performance Measures

Description	Unit	FY2000	FY 2001	FY 2002	FY 2003
Output Measure					
Annual fee holders	Number	350	350	350	350
Annual fee holder rounds-British/America	Number	30,513	30,493	30,165	30,250
Daily fee rounds-British/American	Number	75,315	70,366	65,269	70,000
Greens fee - Summer play cards	Number	12,366	18,752	18,322	18,500
Annual rounds - Executive	Number	7,354	6,451	6,355	6,450
Daily fee rounds - Executive	Number	16,666	16,778	16,443	16,750
Effectiveness Measure					
Customer survey	Percent	n/a	n/a	n/a	80
Efficiency Measure					
Daily resident single rate	Dollars	\$24.21	\$24.21	\$25.47	\$25.47
Annual resident single rate	Dollars	\$672.18	\$672.18	\$705.79	\$705.79

Goal - Attractive, Safe & Environmentally-Friendly City

To make repairs and improvements to the Golf Complex that will positively impact both the quality of the operation and overall revenues.

Objectives

To complete all scheduled capital improvements in each year of the long term Capital Improvement Plan.

To modify and update the Capital Improvement Plan (CIP) annually to maximize fund usage and prioritize needs.

To utilize a maximum of 4,000 community service worker hours annually for ongoing maintenance and repairs not included in the complex maintenance agreement.

Performance Measures

Description	Unit	FY2000	FY 2001	FY 2002	FY 2003
Output Measure					
Community service hours	Number	4,000	4,000	4,000	4,000

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Effectiveness Measure

Completion of CIP projects	Percent	74	80	51	100
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Cost Center Expenditures By Category

	FY 2001 Actual	FY 2002 Budget	FY 2003 Continuation	FY 2003 Issues	FY 2003 Totals
Personal Expenditures	505,083	510,554	527,819	0	527,819
Non Personal Expenditures	1,606,766	1,683,654	1,745,975	0	1,745,975
Capital Expenditures	180,041	254,000	174,000	0	174,000
Transfer Expenditures	86,847	90,321	92,127	0	92,127
Totals	\$2,378,737	\$2,538,529	\$2,539,921	\$0	\$2,539,921

Personnel Summary

Actual Positions	10.00	10.00	0.00	10.00
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Revenue Summary

	Total
CHARGES FOR SERVICES	2,520,662
INTEREST	23,000
OTHER MISCELLANEOUS REVENUES	500
	\$2,544,162