

**CITY OF SARASOTA, FLORIDA
BOBBY JONES GOLF COURSE**

	Actual 2002-03	Budget 2003-04	Amended Budget 2003-04	Estimated 2003-04	Budget 2004-05
Available Fund Balance	\$ 491,506	\$ 333,796	\$ 456,426	\$ 456,426	\$ 297,576
<u>Revenues</u>					
Green fees	916,843	1,027,000	1,027,000	1,010,000	1,010,000
Cart rental	910,424	1,006,665	1,081,665	1,081,000	1,091,000
Annual green fees	276,486	280,000	280,000	272,000	285,000
Restaurant lease	8,000	9,000	9,000	9,000	9,000
Pro shop	128,593	130,000	130,000	125,000	125,000
Range Fees	26,222	33,000	33,000	30,750	30,750
Utilities	13,198	17,500	17,500	20,000	20,000
Equipment rental	15,780	20,000	20,000	20,000	23,250
Other fees	7,230	8,500	8,500	7,500	7,500
Investment Income	20,528	19,000	19,000	20,800	21,151
Miscellaneous revenue	14,819	22,426	22,426	24,217	28,000
Total Revenue	2,338,123	2,573,091	2,648,091	2,620,267	2,650,651
Estimated Funds Available	2,829,629	2,906,887	3,104,517	3,076,693	2,948,227
<u>Expenditures</u>					
Personnel	513,403	553,545	553,545	535,382	593,812
Operating	1,672,559	1,738,642	1,839,853	1,799,593	1,854,532
Merchandise for resale	104,388	92,500	92,500	92,500	99,000
Capital	83,678	200,000	342,642	351,642	102,000
Total Expenditures	2,374,028	2,584,687	2,828,540	2,779,117	2,649,344
Projected Ending Balance	455,601	\$ 322,200	\$ 275,977	\$ 297,576	\$ 298,883
Fund Balance Adjustment	825				
	\$ 456,426				

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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 upgrades were implemented during Fiscal Year 2003/04, not only for the overall appearance of the facility, but also to improve the playability of the courses and sustain the financial health of the operation.

The Capital Improvement Program (CIP) partially completed during FY 03/04 included the replacement of forty (40) golf carts at a cost \$57,680; the rebuilding of a wooden cart bridge on #14 American Course; the re-working of several drainage areas between the British and American Courses; particularly on holes #7 and #8 of the British and holes #6, #7, #8 and #9 of the American Course; the replacement of the pro shop computer server and conversion to web-based credit card software; new banquet tables and 125 dining room chairs; and the complete replacement of the vertical turbine pump station and wet well on #6 hole of the British Course at a cost of \$102,335. An unexpected increase of \$25,450 was due to the discovery of a severely deteriorated lining of the wet well and the need to replace a 12" intake flume with a more efficient 18" intake flume.

The most visible improvements completed during FY 03/04 focused on such aesthetic features as the conversion to a lease agreement for the ParView Millennium GPS System for the rental cart fleet, the removal of large groves of Brazilian pepper trees along the perimeter of holes #2, #6, and #11 of the American Course and holes #16 and #17 of the British Course; ornamental plantings on the Executive Course; twenty four (24) new deluxe golf pull carts; new benches on #5 and #12 blue tee boxes on the British Course and new irrigation zones to the course signage areas on Fruitville Road and 17th Street.

It is anticipated that several projects will be completed during the slower off-season months of May through September. These projects include adding boulders and wetland plants for beautification between the American and British Courses at holes #7, #8, and #9 of each course; planting of trees and ornamental plants; removal of several large dead trees and stumps; replacement of a 12" concrete water line between lakes #6 and #8 of the British Course and repairs to on-course septic systems and rest rooms. The installation of split rail fencing at #1 tee and #18 green of the British Course and #9 of the American Course that will provide support for climbing jasmine was postponed in 02/03, but will be completed this fiscal year, greatly improving pedestrian traffic control around the heavily used clubhouse turn areas.

One project that has challenged management's creativity, as well as available funding, has been the course signage improvements for Fruitville Road, 17th Street, and Beneva Road. New composite signs, angled for improved traffic visibility, will be installed in decorative, irrigated planters. The major challenge will be to provide an economical and dependable power source for night lighting, an improvement recommended by the City Commission during a Fall 2003 workshop. The isolated locations on Fruitville Road and 17th Street prevented the use of electricity from remote irrigation control boxes which are in excess of 1,200 feet from each sign. Additionally, access to a power source from FPL along either of the highways would require the installation of expensive step-down transformers and service metering equipment, adding several thousand dollars to the base cost of lights and timers at each sign location. A third option, solar panels with battery back-up, has been researched and found to be slightly less expensive than the FPL option, but with the added problems of potential theft of solar equipment and vandalism, very real possibilities considering their locations. The final option investigated by management was the use of sign paint containing a reflective ingredient that would allow the signs to become illuminated by the headlights of passing vehicles. Further research is continuing and a final lighting plan for course signage is expected to be completed before the end of FY 03/04.

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 29 city residents is currently waiting for future vacancies, as well as 59 people on the non-City waiting list. Our strategy is to fill all vacancies by November 30th to maximize AFH revenues.

Financially, Bobby Jones Golf Complex has finally started to show signs of recovery after three years of depressed activity.

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For the first quarter of FY 03/04, volume of play was up 10.3% in rounds played and 21.04% in cart usage compared to the first quarter of FY 02/03. This represents an increase of 2,877 rounds and 3,770 cart rentals over the previous year. Total play on the Executive Course was down 5.8% or 302 rounds compared to the first quarter of 02/03. In dollar terms, there was a positive cash flow of \$123,443 in the first quarter of the 03/04 fiscal year. This exceeds the positive cash flow for 02/03 by \$29,786. The bulk of this increase was in cart rentals, +\$39,078, and green fees, +\$17,444. Pro Shop revenues were also up for the first quarter with an increase of \$2,066 above budget projections and \$2,377 above the same period of 02/03. Total revenues the first three months of the fiscal year were only \$104 above projections, but \$52,561 above revenues generated for the same period of FY 02/03.

Total expenses for the first quarter of FY 03/04 compares favorably to both the budget and the previous year's expenses. Actual expenses totaled \$627,361 compared to the budgeted total of \$665,010, a favorable variance of \$37,649. The favorable variance for FY 02/03 of \$22,775 was improved upon for the first quarter of FY 03/04 with a savings of \$37,649. The second quarter of FY 03/04 continued to show improvement over the past three years. Total rounds played on all three courses for the first six months of this fiscal year increased by 4,034 rounds over FY 02/03, an improvement of 5%. The Executive Course rounds also improved considerably with an increase of 218 players for the six-month period. It appears that this increase during the second quarter is directly related to the overflow impact from the American and British Courses that were usually booked to capacity during prime time hours. At the halfway point in FY 03/04, there was a positive cash flow of \$458,488. This is an increase of \$56,358 over the same period of FY 02/03, an improvement of 14%. The months of February and March are traditionally the strongest revenue producing months and this trend continued in FY 03/04. These months were also aided by outstanding weather conditions with only one rain out day in February and none in March, an extraordinary occurrence. With average daily revenues of \$15,000 to \$16,000, it only takes one bad weather system to stall over the area for a few days and significantly impact the monthly revenue production. The months of February produced a positive cash flow of \$139,628. This compared to \$123,032 for February 2003. March continued with a positive cash flow of \$168,141, an increase of \$10,267 or +7% over March 2003. Merchandise sales followed the strong cart and green fee revenue production by showing a 7% or \$4,523 increase over the same six-month period of FY 02/03. Total revenues for the first six months of FY 03/04 were slightly below budget projections, with actuals of \$1,772,864 compared to the budgeted amount of \$1,823,446, a difference of \$50,582. The total expenses for the first six months of FY 03/04 continued to reflect the conservative trend in spending with actual expenditures of \$1,314,416, a reduction of \$25,279 when compared to the budget projection of \$1,339,694. These expenses also show a favorable variance when compared to the first six months of FY 02/03 by \$82,156. As stated in previous budget narratives, greens fee activity has a direct bearing on all other major revenue categories. Revenues generated from cart rentals, merchandise purchases, range balls, rental clubs, etc. closely parallel greens fee activity. Consequently, when greens fee sales are up or down, the other revenue categories reflect the same trends.

The sustained increase in greens fee and cart rental fees during the first half of FY 03/04 gives hope to the notion that the dramatic downturn in golfing activity brought on by the tragic events of 9/11/01 may be coming to an end. Prior to the terrorist attacks of September, 2001, tourism was flourishing in Florida and air travel brought many people from, not only other states, but from many other countries to vacation and recreate here. This fact is supported by the number of rounds played at Bobby Jones Golf Complex. In FY 00/01 142,840 total rounds were played, but that number dropped to 134,129 in FY 01/02 and continued to decline to 129,834 in FY 02/03. This trend has caused the closing of several area golf courses and prompted many private and semi-private clubs to relax their open play policies to supplement their declining membership programs. This strategy puts them in direct competition with Bobby Jones Golf Complex for the local daily fee player as well as our valued visitors from afar. Despite these developments, the recent volume of play has improved as stated above. In order to ensure the continued financial health of the Complex, management has made several adjustments in the golf operation. These include increasing the price of the Bobby Jones play card from \$10.00 to \$15.00 prior to May 1, 2004; extending the play card use dates; dropping the afternoon special green fee and cart rate to 1:00 P.M. from 2:00 P.M.; allowing block bookings before 11:00 A.M. and increasing the riding cart fee \$1.00/18 hole round and .50/9 hole round to cover the cost of the GPS lease agreement.

Bobby Jones management is recommending a 5% increase in all Annual Fee Holder categories for FY 04/05. No additional increases are planned for other income categories such as riding cart fees because of the GPS increase implemented in January 2004 and daily green fee prices that are compatible to some area competitors that have lowered their rates during the two year down cycle. Changes in these rates may occur if conditions warrant in future months.

The Complex Maintenance Agreement with the current contractor will reach the end of its last 5-year term on September 30, 2004. This will complete a 15 year cooperative effort that started October 1, 1989. The City of Sarasota policy requires that an RFP be developed specifying the requirements for contractual maintenance of the 45 holes of the Bobby Jones Golf Complex. This RFP is currently being prepared and will be made available for the public bid process. The successful bidder will be expected to commence services on October 1, 2004.

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Another agreement in effect at the Complex was entered into in September, 2003. The City of Sarasota entered a five year agreement with a contractor to manage the food and beverage operations in the Bobby Jones clubhouse. During the initial six months of the agreement, the contractor has provided high quality offerings and reasonable prices and appears to be improving their operation with each passing month. Their challenge will be to run a successful operation during the slower summer months of May through September.

The proposed CIP plan for FY 04/05 has been considerably scaled down from that of previous years. This is due primarily to the ongoing preparation for the construction of a new clubhouse in the near future. This process began with the approval by the City Commission in 2003 to spend \$25,000 for a consultant to conduct an analysis of the current clubhouse. The consultant performed the analysis and recommended demolition of the existing clubhouse, cart storage building and locker rental building and constructing a two-story new clubhouse with cart storage on the first level of the building. Advertisements requesting architectural services were published in April 2004. According to the aforementioned analysis, architectural design fees for the new clubhouse are estimated at \$200,000. A request was made to the City Commission on May 3, 2004 to loan Bobby Jones Golf Complex \$100,000 from the General Fund to pay part of these architectural design fees with the remaining \$100,000 drawn from Bobby Jones CIP funds. This process, despite being in the early stages, has impacted several aspects of the golf operation significantly. The estimated cost of a new clubhouse will be in the 3.5 million to 4 million dollar range. A municipal bond with a 20-year pay back schedule will require approximately \$275,000 mortgage payment per year. It is anticipated by management that Bobby Jones Golf Complex will be expected to carry the majority of the burden for this loan pay back. With this project in mind, management has culled CIP items that were planned for clubhouse renovations such as new roof, new HVAC equipment, new electrical equipment, etc. Several other on-course projects were also scaled back to make funding available for the expected mortgage payments. Management is hopeful that a workable plan for financing a new clubhouse will be established and implemented during FY 04/05.

Another significant issue with implications for the future is the Gillespie Executive Course, a 35 acre 9 hole course with 3 tennis courts and a rest rooms/starter building. A special Commission workshop on September 30, 2003 was held to determine the future use of this property in light of diminished revenue projections and inability to be self-sustaining. Management will continue to make improvements in course conditions and promote play until directed to do otherwise by administration.

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 eighth time in nine years. In addition, Bobby Jones Golf Complex was selected runner-up in Best of the Best Award for Best Golf Course from Sarasota Magazine. This year all golf courses in the greater Sarasota/Manatee area are grouped into one category "Best Place to Play Golf." This has created a very competitive format for this award. Four local courses were recognized with University Park Country Club 1st place, Bobby Jones Golf Complex 2nd place, Legacy Golf Course at Lakewood Ranch 3rd place, and TPC Prestancia 4th place. The City's golf complex, the only municipal and totally public facility honored, is in some elite company for this prestigious award.

Strategic Concern - Operational Focus

Strategy

To generate sufficient revenue to cover all expenses, including the requirements of the Capital Improvement Plan (CIP).

Task

To sustain the maximum level of 350 Annual Fee Holders for FY 04/05.

To maintain a 1 to 2.5 ratio of annual fee play to daily fee play throughout FY 04/05.

To maintain a 1 to 2.5 ratio of walkers to cart users for FY 04/05.

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 locker facility.

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Description	Unit	FY2002	FY2003	FY2004	FY2005
Output Measure					
Annual fee holders	Number	350	350	350	350
Annual fee holder rounds-British/America	Number	30,493	27,917	26,900	26,500
Daily fee rounds-British/American	Number	70,366	55,845	61,700	65,500
Greens fee - Summer play cards	Number	18,752	23,590	23,600	25,000
Annual fee holder rounds - Executive	Number	6,451	6,405	5,400	5,500
Daily fee rounds - Executive	Number	16,778	16,077	17,100	17,400
Effectiveness Measure					
Customer survey responses	Percent	n/a	45	n/a	50
Ratio of annual fee play to daily play	Ratio	1:2.6	1:2.8	1:3.2	1:3.2
Ratio of walking players to cart users	Ratio	1:2.9	1:2.8	1:3.2	1:3.2
Efficiency Measure					
Daily resident single rate	Dollars	\$24.21	\$25.47	\$25.47	\$25.47
Annual resident single rate	Dollars	\$672.18	\$705.79	\$705.79	\$741.08

Strategic Concern - Operational Focus

Strategy

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

Task

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 5,000 community service worker hours annually for ongoing maintenance and repairs not included in the complex maintenance agreement.

Description	Unit	FY2002	FY2003	FY2004	FY2005
Output Measure					
Community service hours	Number	4,000	4,500	5,000	5,000
Effectiveness Measure					
Completion of CIP projects	Percent	74	80	45	100

Cost Center Expenditures By Category

	FY 2003 Actual	FY 2004 Budget	FY 2005 Continuation	FY 2005 Issues	FY 2005 Totals
Personal Expenditures	513,404	553,545	593,812	0	593,812
Non Personal Expenditures	1,683,997	1,736,711	1,846,809	0	1,846,809
Capital Expenditures	83,678	200,000	102,000	0	102,000
Transfer Expenditures	92,952	94,431	106,723	0	106,723
Totals	\$2,374,031	\$2,584,687	\$2,649,344	\$0	\$2,649,344

Personnel Summary

Actual Positions	10.00	10.00	0.00	10.00
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Revenue Summary	FY 2003 Actual	FY 2004 Budget	FY 2005 Continuation	FY 2005 Issues	FY 2005 Totals
CHARGES FOR SERVICES	2,315,158	2,551,165	2,626,000	0	2,626,000
INTEREST	20,529	19,000	21,151	0	21,151
OTHER MISCELLANEOUS REVENUES	2,436	2,926	3,500	0	3,500
	<u>\$2,338,123</u>	<u>\$2,573,091</u>	<u>\$2,650,651</u>	<u>\$0</u>	<u>\$2,650,651</u>