

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

	Actual 2003-04	Budget 2004-05	Amended Budget 2004-05	Estimated 2004-05	Budget 2005-06
Available Fund Balance	\$ 456,426	\$ 297,576	\$ 469,597	\$ 469,597	\$ 418,175
<u>Revenues</u>					
Green fees	1,027,510	1,010,000	1,010,000	1,160,000	1,160,000
Cart rental	1,040,242	1,091,000	1,091,000	1,125,000	1,125,000
Annual green fees	270,992	285,000	285,000	251,250	255,000
Restaurant lease	11,198	9,000	9,000	9,000	9,000
Pro shop	140,494	139,000	139,000	139,000	149,000
Range Fees	30,865	30,750	30,750	31,750	32,750
Utilities	17,008	20,000	20,000	17,500	17,500
Equipment rental	16,071	23,250	23,250	17,500	17,500
Other fees	7,014	7,500	7,500	6,500	6,500
Investment Income	23,532	21,151	21,151	6,250	12,500
Cell tower lease	-	-	-	-	30,295
Miscellaneous revenue	16,764	14,000	14,000	14,000	15,601
Total Revenue	2,601,690	2,650,651	2,650,651	2,777,750	2,830,646
Estimated Funds Available	3,058,116	2,948,227	3,120,248	3,247,347	3,248,821
<u>Expenditures</u>					
Personnel	539,212	593,812	593,812	593,812	637,900
Operating	1,754,201	1,854,532	1,853,813	1,853,766	1,847,951
Merchandise for resale	113,472	99,000	99,000	99,000	114,000
Capital	181,634	102,000	282,547	282,594	150,000
Total Expenditures	2,588,519	2,649,344	2,829,172	2,829,172	2,749,851
Projected Ending Balance	\$ 469,597	\$ 298,883	\$ 291,076	\$ 418,175	\$ 498,970

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Mission Statement

To provide 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 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 324 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 2004/05, 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 04/05 included the replacement of forty-seven (47) golf carts at a cost \$68,320; constructing till drainage lines on hole #3 of the Executive Course, #5, #8 and #13 of the British Course, and #11 of the American Course; renovation to hole #3 bridge American Course and #9 bridge British Course; replacement of seven seats at the restaurant outside dining area; replacement of the roof and interior wall of the restroom on #16 American Course and the interior wall and plumbing pipes in the restroom on #8 American Course, and a new steel entry door to the cart barn.

The most visible improvements completed during FY 04/05 focused on such aesthetic features as new bunker sand in all British Course bunkers; new tee station on #18 British; new distance signs and tee mats on the practice range; replacement of three wind screens and surface repairs to the Gillespie tennis courts; installation of a new City water meter for the maintenance compound; decorative rocks and rail fencing on the Executive Course; diagnosis and removal of several diseased trees from a wooded area east of #6 green American Course and construction of limestone planters with ornamental shrubs and flowers around course signage areas on Fruitville Road and 17th Street, as well as new Bobby Jones directional signs on Beneva Road and Circus Boulevard.

It is anticipated that several projects will be completed during the slower off-season months of May through September. These projects include new septic systems and building relocations for the restrooms on #8 and #14 of the British Course and #16 of the American Course; split rail fencing and ornamental plants to aid in traffic management on both the American and British Courses; surveying the golf complex boundary along the west side of the British Course to resolve a property dispute with a neighboring condominium complex; construction of a concrete apron along the front of the cart storage building and the construction of a concrete equipment wash station with filtration system at the maintenance compound.

Administratively, several significant policy changes were mandated by City management and supported by the City Commission during the summer of 2004. Golf complex management was directed to survey similar courses in southwest Florida and compare annual fee structures and mandatory cart requirements. After analysis of the results, complex management was directed to increase the required riding cart hours from noon to 1:00 p.m. during the high play season of December through April. In addition, complex management was directed to increase the annual fees 15% for all rate categories for 04/05 and contact all annual fee holders via mail announcing that the Annual Fee Holder rates would be increased substantially for 05/06. A city single annual fee will increase by 48%, a non-city single 34%, a city family 23% and a non-city family 16%. It should be noted that many municipal and daily fee courses similar in offerings to the Bobby Jones Golf Complex were surveyed from St. Petersburg south to Ft. Myers. The Sarasota municipal annual rates for F/Y 03/04 were the lowest of all facilities surveyed. The most affordable rate, the city resident single, required an annual fee of \$705.00 plus tax. The next lowest single golfer rate was \$1,200.00 plus tax. The substantial increase scheduled to be implemented 10/01/05 was calculated to simply close the gap between the lowest and second lowest rates in the region. A final policy change mandated by the City Administration was to discontinue the practice of allowing new golfer participation in the Annual Fee Holder program. In prior years, the maximum number of Annual Fee Holders was capped at 350 players. Any vacancies in the program that existed by November 1st of each year would be filled by golfers enrolled on a waiting list. This practice was discontinued for FY 04/05. The new policy allows any golfer to maintain Annual Fee Holder status indefinitely, but if a golfer's decision is not to renew annually, the open slot will not be filled by a new golfer nor will the golfer who chose not to renew be allowed to reenter the Annual Fee Holder program. After the first year of this new policy, the total number of Annual Fee Holders has declined to 281, but it appears that the result of the loss of 70 Annual Fee Holder players coupled with the additional required hour of mandatory carts usage is a net gain of about \$50,000.

Financially, Bobby Jones Golf Complex continues to show ebb and flow signs of recovery after three years of depressed

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activity. For the first quarter of FY 04/05, volume of play was down 2.6% in rounds played and 5.4% in cart usage compared to the first quarter of FY 03/04. This represents a decrease of 849 rounds and 1,168 cart rentals over the previous year. Total play on the Executive Course was up 13.6% or 665 rounds compared to the first quarter of 03/04. In dollar terms, there was a positive cash flow of \$162,741 in the first quarter of the 04/05 fiscal year. This exceeds the positive cash flow for 03/04 by \$39,299. The bulk of this increase was in green fees +\$21,687, and cart rentals +\$3,652. Pro Shop sales were also up for the first quarter with an increase of \$3,785 above sales for the same period for fiscal 03/04. Total revenues the first three months of the fiscal year were \$9,956 below budget projections, but \$31,987 above revenues generated for the same period of FY 03/04.

Total expenses for the first quarter of FY 04/05 compares favorably to both the budget and the previous year's expenses. Actual expenses totaled \$621,050 compared to the budgeted total of \$660,509, a favorable variance of \$39,459. The favorable variance for FY 03/04 of \$37,649 was improved upon for the first quarter of FY 04/05. Total rounds played on all three courses for the first six months of this fiscal year decreased by 1,980 rounds over FY 03/04, a reduction of 2.4%. The Executive Course rounds improved considerably with an increase of 1,025 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 04/05, there was a positive cash flow of \$590,952. This is an increase of \$132,504 over the same period of FY 03/04, an improvement of 28.9%. The month of February produced a positive cash flow of \$192,105. This compared to \$139,628 for February 2004. March continued with a positive cash flow of \$149,935, a decrease of \$15,484 or -9.4% over March 2004. Merchandise sales followed the strong cart and green fee revenue production by showing a 7.4% or \$5,397 increase over the same six-month period of FY 03/04. Although the months of February and March are traditionally the strongest revenue producing months, this year March proved to be rather wet and cold, resulting in an 11.25% reduction in rounds played; 16,301 in March 2005 compared to 18,369 in March 2004. With average daily revenues of \$16,000 to \$17,000, it only takes one bad weather system to stall over the area for a few days and significantly impact the monthly revenue production. Total revenues for the first six months of FY 04/05 were above budget projections, with actuals of \$1,905,617 compared to the budgeted amount of \$1,812,745, a difference of \$92,872. The total expenses for the first six months of FY 04/05 continued to reflect the conservative trend in spending with actual expenditures of \$1,314,664, a reduction of \$47,129 when compared to the budget projection of \$1,361,793. 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 04/05 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 volume of play during the past year and a half 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 Bobby Jones management not recommending any additional rate increases FY for 05/06 for other income categories such as riding cart fees because of the GPS increase implemented in January 2004 nor daily green fee prices that are currently compatible to some area competitors that have lowered their rates during the recent two-year down cycle. Changes in these rates may occur if conditions warrant in future months.

The Complex Maintenance Agreement for BJGC reached the end of its last 5-year term on September 30, 2004. This completed a 15-year cooperative effort that started October 1, 1989. The City of Sarasota requires that an RFP be developed specifying the requirements for contractual maintenance of the 45 holes of the Bobby Jones Golf Complex. This process has been completed and a selection committee recommended that the City continue its arrangement with the current contractor. A new five-year agreement was signed on February 14, 2005. The immediate benefits of this new agreement is not only the obvious experience with the Bobby Jones facility, but the contractor agreed to a contract price of \$1,248,843, which is considerably lower than the FY 04/05 budgeted contract price of \$1,328,315; a difference of \$79,472. In addition, the contractor agreed to replace all of the existing equipment at the maintenance facility. As of this date, all equipment with the exception of four utility carts has been replaced. All items should be phased out by May 1, 2005.

During the budget hearings for FY 04/05, the City Commission expressed considerable interest in Bobby Jones pursuing

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certification by Audubon International as an Audubon Cooperative Sanctuary. During the first quarter of this fiscal cycle, with the assistance of the maintenance contractor, Bobby Jones was accepted into the certification program and is currently finalizing the first phase of the process providing Audubon International with a Site Assessment and Environmental Plan. The entire certification process usually takes about three years to complete.

The proposed CIP plan for FY 05/06 has once again been scaled down from that of years prior to 2001. 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 hire a consultant to conduct an analysis of the current clubhouse. The architectural firm 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. 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 that Bobby Jones Golf Complex will be expected to carry a portion 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 more funds available. Management is hopeful that a workable plan for financing a new clubhouse will be found and implemented in the near future.

Another significant development in the operation of the City's golf complex has been the re-appointment of the Bobby Jones Advisory Board with a nine-member body. The City Commission appointed eight adults and one student. The first meeting was held on February 10, 2005 and addressed many issues during the first few months of its existence, including the recent policy changes in Annual Fee Holder rate increases and mandatory cart rental, as well as complimentary golf gift certificates for area civic groups, private cart trackage and the GPS lease agreement. Lengthy discussions also took place regarding the extensive operational audit that was conducted by the City Auditor and Clerk's office and completed in mid-January 2005. Board members received copies of the audit and audit response from complex management. All issues and recommendations from the City Auditor were addressed and changes in procedures were made where necessary. No follow-up report from the City Auditor's office was deemed necessary.

Finally, 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 tenth time in eleven years. Also, for the second year in a row, Bobby Jones Golf Complex has received an award from Sarasota Magazine as one of the "Best Places to Play Golf." The management and staff of the Bobby Jones Golf Complex will continue to strive for excellence in its service to the golfing public and the City of Sarasota.

Strategic Concern - Operational Focus

Strategy

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

Task

To maintain a 1 to 4 ratio of annual fee play to daily fee play throughout FY 05/06.

To maintain a 1 to 3.2 ratio of walkers to cart users for FY 05/06.

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	FY 2003	FY 2004	FY 2005	FY 2006
Output Measure					
Annual fee holder rounds-British/America	Number	27,917	26,326	19,750	15,800
Daily fee rounds-British/American	Number	55,845	62,775	64,500	66,500
Greens fee - Summer play cards	Number	23,590	23,332	23,600	24,500
Annual fee holders	Number	350	350	281	225
Annual fee holder rounds - Executive	Number	6,405	5,255	4,900	4,500
Daily fee rounds - Executive	Number	16,077	18,172	20,000	21,500
Effectiveness Measure					
Ratio of annual fee play to daily play	Ratio	1 to 2.8	1 to 3.3	1 to 3.7	1 to 4.0
Ratio of walking players to cart users	Ratio	1 to 2.8	1 to 2.9	1 to 3.0	1 to 3.2
Efficiency Measure					
Daily resident single rate	Dollars	\$25.47	\$25.47	\$28.65	\$28.65
Annual resident single rate	Dollars	\$705.79	\$705.79	\$811.66	\$1,200.00

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	FY 2003	FY 2004	FY 2005	FY 2006
Output Measure					
Community service hours	Number	4,500	4,500	5,000	5,000
Effectiveness Measure					
Completion of CIP projects	Percent	80	80	80	100

Department Expenditures by Cost Center

	FY 2004 Actual	FY 2005 Budget	FY 2006 Continuation	FY 2006 Issues	FY 2006 Totals
113000 BOBBY JONES GOLF COURSE	2,599,498	2,649,344	2,749,851	0	2,749,851
115000 BOBBY JONES CAPITAL IMPROVEMENT	-10,978	0	0	0	0
Totals	\$2,588,520	\$2,649,344	\$2,749,851	\$0	\$2,749,851

Department Expenditures By Category

	FY 2004 Actual	FY 2005 Budget	FY 2006 Continuation	FY 2006 Issues	FY 2006 Totals
Personal Expenditures	539,213	593,812	637,900	0	637,900
Non Personal Expenditures	1,773,242	1,846,809	1,851,948	0	1,851,948
Capital Expenditures	181,634	102,000	150,000	0	150,000
Transfer Expenditures	94,431	106,723	110,003	0	110,003
Totals	\$2,588,520	\$2,649,344	\$2,749,851	\$0	\$2,749,851

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Personnel Summary

Actual Positions	10.00	10.00	0.00	10.00
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Revenue Summary

	FY 2004 Actual	FY 2005 Budget	FY 2006 Continuation	FY 2006 Issues	FY 2006 Totals
CHARGES FOR SERVICES	2,571,877	2,626,000	2,782,968	0	2,782,968
INTEREST	23,533	21,151	12,500	0	12,500
RENTS & ROYALTIES	0	0	30,295	0	30,295
OTHER MISCELLANEOUS REVENUES	6,281	3,500	4,883	0	4,883
	\$2,601,691	\$2,650,651	\$2,830,646	\$0	\$2,830,646