

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

	Actual 2004-05	Budget 2005-06	Amended Budget 2005-06	Estimated 2005-06	Budget 2006-07
Available Fund Balance	\$ 469,597	\$ 418,175	\$ 740,198	\$ 740,198	\$ 571,185
<u>Revenues</u>					
Green fees	1,169,617	1,160,000	1,160,000	1,275,000	1,285,000
Cart rental	1,117,633	1,125,000	1,125,000	1,145,000	1,150,000
Annual green fees	251,626	255,000	255,000	260,000	225,000
Restaurant lease	9,000	9,000	9,000	9,000	9,000
Pro shop	153,555	149,000	149,000	154,000	170,000
Range Fees	31,947	32,750	32,750	32,000	32,000
Utilities	25,930	17,500	17,500	26,000	27,500
Equipment rental	16,646	17,500	17,500	16,000	16,000
Other fees	6,250	6,500	6,500	5,800	5,250
Investment Income	21,389	12,500	12,500	27,500	27,500
Cell tower lease	-	30,295	30,295	29,712	29,712
Miscellaneous revenue	12,452	15,601	15,601	10,700	12,252
Total Revenue	2,816,045	2,830,646	2,830,646	2,990,712	2,989,214
Estimated Funds Available	3,285,642	3,248,821	3,570,844	3,730,910	3,560,399
<u>Expenditures</u>					
Personnel	564,157	637,900	637,900	637,900	678,699
Operating	1,789,016	1,847,951	1,851,585	1,848,647	1,948,755
Merchandise for resale	119,981	114,000	114,000	114,000	130,000
Capital	72,290	150,000	556,185	559,178	210,000
Total Expenditures	2,545,444	2,749,851	3,159,670	3,159,725	2,967,454
Projected Ending Balance	\$ 740,198	\$ 498,970	\$ 411,174	\$ 571,185	\$ 592,945

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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 2005/06, 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 05/06 included the replacement of thirty-eight (38) golf carts at a cost \$56,582; replacement of the practice range ball picker at a cost of \$3,400; the construction of a permanent, totally self-contained equipment wash down system adjacent to the maintenance complex; the replacement of ten rusted tee benches with stainless steel components; installed additional barrier fencing at range tee stations by #10 tee of the British Course; installed emergency lighting in three bathrooms, the pro shop and dining room; installed emergency exit lighted signs in the kitchen area; replaced exterior bathroom doors to on-course restrooms on #5 and #16 American Course; repaired cart paths on #8 and #18 American and #8 and #9 British; installed a new public address system on the exterior of the clubhouse and the starter building for tournament announcements; added door sweeps to all exterior clubhouse doors; made several roof and ceiling repairs to the kitchen and pantry area; added a water filtration system to the outdoor restroom #6 British; made roof repairs to the manager's residence and replaced the carpeting in the rear entry of the pro shop with floor tiles.

The most visible improvements completed during FY 05/06 focused on such aesthetic features as new bunker sand in all American Course bunkers; new bridge rebuild on #9 and substantial repairs to bridges on #3 and #4 American Course; the construction of a new concrete wash down apron at the front of the cart storage building and the pressure cleaning and re-painting of all granite signage within the Complex, as well as the refurbishing of trash and ball-washing receptacles.

It is anticipated that several projects will be completed during the slower off-season months of May through September. These projects include the installation of split rail fencing and ornamental plants to aid in traffic management on both the American and British Courses; the relocation and construction of a six-foot chain link fence along the west side of the British Course to resolve a property dispute with a neighboring condominium complex; the clearing out of a drainage swale along #11 and #12 of the British Course and adding several crossover conduits between #11 and #13 British.

Administratively, one significant policy change was implemented during the busy 2006 winter season. Complex management instituted green fee increases for the month of March of \$4.66 (17%) for an 18-hole round played before 1:00 p.m.; \$2.80 (18%) for an 18-hole round played after 1:00 p.m. and \$1.73 (12%) for a nine-hole round. Green fees at the 9-hole Gillespie Course remained unchanged. Year-round junior green fee rates were increased \$.65 (11%) for an 18-hole round and \$0.38 (11%) for a nine-hole round. The rate increases generated no negative feedback nor was there a decrease in play volume. The policy change mandated by the City Administration in 03/04 regarding ending the practice of allowing new golfer participation in the Annual Fee Holder program was continued in FY 04/05. In prior years, the maximum number of Annual Fee Holders was capped at 350 players and golfers enrolled on a waiting list would fill any vacancies in the program that existed by November 1st of each year. The new policy allows any golfer to maintain Annual Fee Holder status indefinitely, but if a golfer's decision is not to renew annually, a new golfer will not fill the open slot nor will the golfer who chose not to renew be allowed to re-enter the Annual Fee Holder program. After the second year of this new policy, the total number of Annual Fee Holders declined by 138 to the current level of 212.

Financially, Bobby Jones Golf Complex shows significant signs of recovery after four years of somewhat depressed activity. For the first quarter of FY 05/06, volume of play was up 3.3% in rounds played and 6.5% in cart usage compared to the first quarter of FY 04/05. This represents an increase of 1,047 rounds and 1,347 cart rentals over the previous year. Total play on the Executive Course was down 1.4% or 75 rounds compared to the first quarter of 04/05. In dollar terms, there was a positive cash flow of \$202,456 in the first quarter of the 05/06 fiscal year. This exceeds the positive cash flow for 04/05 by \$57,714. The bulk of this increase was in green fees \$36,338 and cart rentals \$15,357. Pro Shop sales were also up for the first quarter with an increase of \$1,071 above sales for the same period for fiscal 04/05. Total revenues the first three months of the fiscal year were \$75,948 above budget projections and \$87,879 above revenues for the same period of FY 04/05.

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Total expenses for the first quarter of FY 05/06 compares very favorably to both the budget and the previous year's expenses. Actual expenses totaled \$651,218 compared to the budgeted total of \$670,760, a favorable variance of \$19,542 with an increase of \$12,500 to the capital improvement fund provision. Total rounds played on all three courses for the first six months of this fiscal year increased by 6,252 rounds over FY 04/05, an improvement of 7.9%. The Executive Course rounds improved with an increase of 397 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 05/06, there was a positive cash flow of \$848,418. This is an increase of \$257,465 over the same period of FY 04/05, an improvement of 44%. The month of February produced a positive cash flow of \$208,489. This compared to \$192,105 for February, 2005. March continued with a positive cash flow of \$271,307, an increase of \$121,372 or 81% over the wet and cold month of March, 2005. Merchandise sales followed the strong cart and green fee revenue production by showing a 5.2% or \$3,910 increase over the same six-month period of FY 04/05. The months of February and March are traditionally the strongest revenue producing months in the fiscal cycle. This year, with the assistance of exceptionally dry weather, there was a loss of only one day to rain. This resulted in an increase of 10.5% in rounds played; 35,669 in February and March compared to 32,334 in February and March 2005. With average daily revenues of \$19,000 to \$21,000, 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 05/06 were well above budget projections, with actuals of \$2,208,880 compared to the budgeted amount of \$1,928,929, a difference of \$279,951. The total expenses for the first six months of FY 05/06 continued to reflect the conservative trend in spending with actual expenditures of \$1,360,462, a reduction of \$49,091 when compared to the budget projection of \$1,409,552. 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 05/06 gives strong support to the notion that the dramatic downturn in golfing activity brought on by the tragic events of 9/11/01 have come 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 dramatically. In order to ensure the continued financial health of the Complex, management has made several strategic decisions for the golf operation. These include not recommending any additional rate increase for FY 06/07 for income categories such as riding cart fees and AFH fees. Changes in daily green fee rates may occur if conditions warrant in the future.

The Complex Maintenance Agreement for BJGC was renewed with the contractor for a new five-year term and was signed on February 14, 2005. The immediate benefits of this new agreement are not only the obvious experience with the Bobby Jones facility, but the contractor has agreed to expand their scope of responsibility with additional maintenance chores at the recently renovated pump station on the American Course, under the supervision of the City Public Works Department.

In the past, the City Commission has expressed considerable interest in Bobby Jones pursuing certification by Audubon International as an Audubon Cooperative Sanctuary. During the first quarter of this FY 05/06, with the assistance of the maintenance contractor, Bobby Jones was accepted into the certification program and worked at finalizing the first phase of the process that provided Audubon International with a Site Assessment and Environmental Plan. This new program has not been a high priority with the newly formed Advisory Board but appears to be gaining support, as more urgent issues are resolved. The entire certification process usually takes about three years to complete. Hopefully, this long-term project will gain momentum and be completed in the near future.

The proposed CIP plan for FY 06/07 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 successful bidder 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 4 million to 6 million dollar range. A municipal bond with a 25-year pay back schedule will require approximately \$325,000 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

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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.

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 eleventh time in twelve 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 PLAN

Strategic Goal - Well-Maintained and Future-Oriented Infrastructure

Strategy - Ensure long-term funding and viability of City infrastructure.

Objective - Ensure the long-term optimal operation of the Bobby Jones Golf Complex by replacement of the club house.

Task	Current Funding	Fiscal Year Completed	Funds Required
Develop business plan to cover debt service. Status - Sunset ineffective programs. Restructure Annual Fee Holder rates to market rate. Formed Advisory Board Subcommittee to conduct a financial feasibility study.	No	2009	\$4,500,000

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 06/07.

To maintain a 1 to 3.1 ratio of walkers to cart users for FY 06/07.

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 and rental equipment.

Description	Unit	FY 2004	FY 2005	FY 2006	FY 2007
Output Measure					
Annual fee holders	Number	350	281	212	170
Annual fee holder rounds-British/America	Number	26,326	22,220	18,500	15,725
Daily fee rounds-British/American	Number	62,775	65,841	68,750	70,000
Greens fee - Summer play cards	Number	23,332	21,749	22,000	22,000
Annual fee holder rounds - Executive	Number	5,255	4,667	4,750	4,800
Daily fee rounds - Executive	Number	18,172	19,047	20,000	20,000
Effectiveness Measure					
Ratio of annual fee play to daily play	Ratio	1 to 3.3	1 to 3.9	1 to 4.1	1 to 4.3
Ratio of walking players to cart users	Ratio	1 to 2.9	1 to 3.0	1 to 3.1	1 to 3.2
Efficiency Measure					
Daily resident single rate	Dollars	\$25.47	\$26.78	\$26.78	\$26.78
Annual resident single rate	Dollars	\$705.79	\$811.65	\$1,200.00	\$1,200.00

Strategy

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

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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 2004	FY 2005	FY 2006	FY 2007
Output Measure					
Community service hours	Number	4,500	5,000	5,000	5,000
Effectiveness Measure					
Completion of CIP projects	Percent	80	84	75	100

Cost Center Expenditures By Category

	FY 2005 Actual	FY 2006 Budget	FY 2007 Continuation	FY 2007 Issues	FY 2007 Totals
Personal Expenditures	564,157	637,900	678,699	0	678,699
Non Personal Expenditures	1,802,274	1,851,948	1,940,382	25,000	1,965,382
Capital Expenditures	72,290	150,000	235,000	-25,000	210,000
Transfer Expenditures	106,723	110,003	113,373	0	113,373
Totals	\$2,545,444	\$2,749,851	\$2,967,454	\$0	\$2,967,454

Personnel Summary

Actual Positions	10.00	10.00	0.00	10.00
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Revenue Summary

	FY 2005 Actual	FY 2006 Budget	FY 2007 Continuation	FY 2007 Issues	FY 2007 Totals
CHARGES FOR SERVICES	2,793,348	2,782,968	2,930,250	0	2,930,250
INTEREST	21,389	12,500	27,500	0	27,500
RENTS & ROYALTIES	0	30,295	29,712	0	29,712
OTHER MISCELLANEOUS REVENUES	1,308	4,883	1,752	0	1,752
Totals	\$2,816,045	\$2,830,646	\$2,989,214	\$0	\$2,989,214

BOBBY JONES CAPITAL IMPROVEMENT PLAN

Clubhouse Project Development Program

Develop a plan for a new clubhouse focusing on economic feasibility and benefits to the community.

Cost of Issue

Personal	0
Operating	25,000
Capital	-25,000
Transfers	0
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Total	\$0
Net Cost of Issue	\$0