

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

	Actual 2006-07	Budget 2007-08	Amended Budget 2007-08	Estimated 2007-08	Budget 2008-09
Available Fund Balance	\$ 1,301,085	\$1,092,684	\$ 1,942,806	\$ 1,942,806	\$ 1,704,194
<u>Revenues</u>					
Green fees	1,522,465	1,545,000	1,545,000	1,490,000	1,545,000
Cart rental	1,260,240	1,230,000	1,230,000	1,125,000	1,260,000
Annual green fees	222,555	190,000	190,000	205,000	190,000
Restaurant lease	9,000	9,000	9,000	10,194	12,000
Pro shop	176,427	175,000	175,000	175,000	175,000
Range Fees	38,510	36,500	36,500	36,500	36,500
Utilities	27,607	29,500	29,500	22,834	25,310
Equipment rental	17,742	17,000	17,000	17,000	17,000
Other fees	5,225	5,250	5,250	5,650	5,650
Investment Income	118,108	97,932	97,932	92,000	64,050
Cell tower lease	33,858	33,800	33,800	38,258	-
Miscellaneous revenue	6,748	6,350	6,350	5,896	4,860
Total Revenue	3,438,485	3,375,332	3,375,332	3,223,332	3,335,370
Estimated Funds Available	4,739,570	4,468,016	5,318,138	5,166,138	5,039,564
<u>Expenditures</u>					
Personnel	657,098	743,087	743,087	723,490	768,065
Operating	1,921,199	2,048,745	2,077,791	2,022,388	2,057,706
Merchandise for resale	134,863	135,000	135,828	135,000	135,000
Capital	83,604	425,000	1,025,252	581,066	200,000
Return on investment	-	-	-	-	165,000
Total Expenditures	2,796,764	3,351,832	3,981,958	3,461,944	3,325,771
Projected Ending Balance	<u>\$ 1,942,806</u>	<u>\$1,116,184</u>	<u>\$ 1,336,180</u>	<u>\$ 1,704,194</u>	<u>\$ 1,713,793</u>
<u>Recap of Fund Balance</u>					
Reserved for Capital Improvements					1,077,051
Unreserved Fund Balance					636,742
Total					<u>\$ 1,713,793</u>

BOBBY JONES GOLF CLUB

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

Although the development of new golf courses has waned in recent years, the popularity of the sport and demand for playing opportunities in the greater Sarasota area continues to be strong. The historically significant 45-hole Bobby Jones Golf Club has become a flagship amenity for the City of Sarasota and evolved from a basic 18-hole layout on the outskirts of the City to a 324 acre environmental oasis accommodating hundred of species of animals, birds, reptiles and fish along with well over 140,000 golfers annually.

Several major improvements and upgrades were implemented during Fiscal Year 2008, 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 in FY 2008 included the replacement of forty-eight (48) golf carts; renovation to on-course restrooms on American #5 and #12, British #6, and #14 and the Executive Course starter building; replacement of tee station benches on the practice range and Executive Course; repairs and painting of forty-five (45) granite tee station monuments, trash receptacles and ball washers; completed drainage improvements on Executive #9, British #5, #6, #9 and #12; renovation to course bridges on American #3, #15 and #17; built retention wall for maintenance equipment wash down area; replaced three floor drains and discharge lines as well as new exhaust fan and duct over cooking station in clubhouse; and replaced soil and sod at British #1 tee, #2 green and #18 green.

The most significant improvements completed during FY 2008 centered around the rebuilding and expansion of the tee stations of the Gillespie Executive Course. All tee boxes on holes #2, #3, #5, #6, #7, #8 and #9 were rebuilt with in-house equipment and labor at a cost savings to the City of \$50,000. Another notable improvement area was the food and beverage concession that was awarded in October 2007. During the first half of FY 2008, the management of the new concession worked closely with club management to complete a variety of upgrades including new main entry signage, new outdoor customer seating, new service area security fencing, new ceiling light fixtures and complete remodeling of the bar area. The entire kitchen and dining room was also repaired and repainted. The facility upgrades along with a revised menu and staffing improvements continue to have a very positive impact on customer relations, both golfers and walk-in patrons.

Administratively, the 4% across the board rate increases that were implemented during FY 2008 generated no negative feedback from patrons and provided revenue growth of \$6,751 over FY 2007, despite a slight decrease in player activity of 4.1%. The continuation of the policy adopted in FY 2004 to cap the number of Annual Fee Holder participants continues to produce the desired effect of providing more open tee times for general public play and ultimately more green fee and riding cart revenue. The total number of annual fee holders lost to attrition during FY 2008 was 22 to a current total of 164. This policy of capping annual fee holder participation has increased revenue production and has received the support of the Bobby Jones Golf Club Advisory Board to continue the current cap policy (Board voted on February 20, 2008 to decline support for amending the current policy).

Based upon the current and projected economic conditions in our community, it is the recommendation of club management that no rate increases will be implemented in FY 2009. Competition for golfers continues to be fierce as semi-private and private golf clubs review their rate structures and open play policy toward the general public. Bobby Jones' long standing position as the leader in golf rounds in the region makes it the primary target of competitors' efforts to increase their bottom line. These conditions and an uncertain economic future requires Bobby Jones club management to respectively reserve the right to review the overall rate structure during FY 2009 and react accordingly to ensure the continued financial health of the organization.

Financially, Bobby Jones Golf Club continues to recover from the depressed activity in the aftermath of 9/11/01. For the first six months of FY 2008, daily green fees were up \$24,943 with a corresponding decrease in annual fees of \$17,531. Cart fee revenue and pro shop sales were in line with the first six months of last year, up \$661 and \$628 respectively. Total revenue for the first six months of the fiscal year were \$46,807 above budget projections and \$16,901 above revenues for the same period of FY 2007. Actual expenses for the first half of FY 2008 totaled \$1,622,746 compared to a budgeted amount of \$1,663,006, a favorable variance of \$40,260 which included a \$87,500 increase to the capital improvement fund.

Total rounds played on all three courses for the first six months of FY 2008 decreased by 3,420 over FY 2007, a reduction of 4.1%. Total rounds played on the Executive Course were down 56 or .01% rounds compared to the first half of 2007. Total cart rounds were down 2,960, a reduction of 5.2%. The months of February and March are traditionally the strongest revenue producing months in the fiscal cycle. As in 2007, inclement weather impacted play with a loss this year of almost

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four full days and two half days of play during February and March. This resulted in 34,216 rounds played in February and March 2008 compared to 34,225 in February and March 2007. With average daily revenues of \$20,000, it only takes one bad weather system to stall over the area for a few days to significantly impact monthly revenue production. As stated in previous budget narratives, greens fee activity has a direct bearing on all other major revenue categories. Revenue 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 proposed CIP plan for FY 2009 follows the strategy of recent years by rigorously scrutinizing suggested improvements on the basis of critical need and cost. With the Sarasota County voters approval in FY 2008 for continuing the 1¢ surtax, the City of Sarasota approved a \$1.5 million allocation to the Bobby Jones clubhouse rebuild fund. These funds are scheduled to be disbursed in \$500,000 increments over a three-year period starting in FY 2012. The Bobby Jones Golf clubhouse rebuild fund currently has a balance of \$944,186 and is expected to provide a total of \$1.5 million by ground breaking time. The estimated cost of the new clubhouse should be in the \$5 million range. It is expected that if a 25-year municipal bond package is secured, annual debt service of approximately \$275,000 will be supported by future golf club revenues.

In light of the new clubhouse rebuild schedule, only the highest priority projects within the existing clubhouse have been considered. Approved for the coming year is the replacement of computer equipment at a cost of \$20,000. All other planned improvements are confined to the golf courses with the replacement of approximately forty golf carts heading a short list that includes drainage improvements, tee bench replacements, American Course bridge replacement and the on-going tree and shrub replacement program.

Bobby Jones Golf Club continues to be the most popular golfing venue in the region. Once again the club has received the 1st Place Readers' Choice Award from the Herald Tribune for Best Public/Semi Private Golf Course. This is the thirteenth 1st Place award since 1994. Despite the long string of past successes, the future provides no guarantees. The uncertain economic climate coupled with the cost cutting mandates from state and local governments will provide many challenges for the Bobby Jones golf operation during the next fiscal year. The most important job for management and staff will be to overcome these challenges in a positive and creative manner and continue to strive for excellence in our service to the golfing public and the City of Sarasota.

CITYWIDE PRIORITIES

PRIORITY - Sustainability/Green Initiatives

Strategy

To make repairs and improvements to the Golf Club that are environmentally sustainable and positively impacts both the quality of the operation and overall revenues.

Task

Complete all scheduled capital improvements in each year of the long term Capital Improvement Plan.
 Modify and update the Capital Improvement Plan (CIP) annually to maximize fund usage and ensure environmental sustainability.

PERFORMANCE MEASURES

Description	Unit	FY 2006	FY 2007	FY 2008	FY 2009
Effectiveness Measure					
Completion of CIP projects	Percent	90%	100%	75%	100%

PRIORITY - Budget

Strategy

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

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Task

To maintain a 1 to 7 ratio of annual fee play to daily fee play throughout FY 2009.

To maintain a 1 to 3.5 ratio of walkers to cart users for FY 2009.

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.

To utilize a minimum of 6,000 community service worker hours annually for ongoing maintenance and repairs not included in the complex maintenance agreement.

PERFORMANCE MEASURES

Description	Unit	FY 2006	FY 2007	FY 2008	FY 2009
Output Measure					
Annual fee holders	Number	212	180	164	148
Annual fee holder rounds-British/America	Number	18,535	15,499	13,500	12,500
Daily fee rounds-British/American	Number	74,297	75,780	70,000	76,000
Greens fee - Summer play cards	Number	23,287	27,249	20,500	28,000
Annual fee holder rounds - Executive	Number	4,542	4,301	5,250	4,500
Daily fee rounds - Executive	Number	20,828	20,237	25,000	22,500
Community service hours completed	Number	6,000	6,000	6,000	6,000
Effectiveness Measure					
Ratio of annual fee play to daily play	Ratio	1 to 5.3	1 to 6.6	1 to 7	1 to 7.5
Ratio of walking players to cart users	Ratio	1 to 3.3	1 to 3.5	1 to 3.6	1 to 3.7

Cost Center Expenditures By Category

	FY 2007 Actual	FY 2008 Budget	FY 2009 Continuation	FY 2009 Issues	FY 2009 Totals
Personnel	657,100	743,087	768,065	0	768,065
Operating Expenditures	1,942,691	2,013,721	2,035,733	0	2,035,733
Capital Expenditures	83,604	425,000	200,000	0	200,000
Transfer Expenditures	113,373	170,024	321,973	0	321,973
Totals	2,796,768	3,351,832	3,325,771	0	3,325,771

Personnel Summary

Actual Positions	10.00	8.75	0.00	8.75
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Revenue Summary

	FY 2007 Actual	FY 2008 Budget	FY 2009 Continuation	FY 2009 Issues	FY 2009 Totals
CHARGES FOR SERVICES	3,286,160	3,243,250	3,270,960	0	3,270,960
INTEREST	118,108	97,932	64,050	0	64,050
RENTS & ROYALTIES	33,858	33,800	0	0	0
OTHER MISCELLANEOUS REVENUES	360	350	360	0	360
	3,438,486	3,375,332	3,335,370	0	3,335,370