

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

| | Actual 2007-08 | Budget 2008-09 | Amended Budget 2008-09 | Estimated 2008-09 | Budget 2009-10 |
|-----------------------------------|---------------------|---------------------|------------------------------|----------------------|---------------------|
| Available Fund Balance | \$ 1,942,806 | \$ 1,092,684 | \$ 1,979,926 | \$ 1,979,926 | \$ 1,944,600 |
| <u>Revenues</u> | | | | | |
| Green fees | 1,512,201 | 1,545,000 | 1,545,000 | 1,475,000 | 1,550,000 |
| Cart rental | 1,133,008 | 1,260,000 | 1,260,000 | 1,287,997 | 1,350,000 |
| Annual green fees | 205,120 | 190,000 | 190,000 | 174,000 | 150,000 |
| Restaurant lease | 10,194 | 12,000 | 12,000 | 12,600 | 13,230 |
| Pro shop | 161,281 | 175,000 | 175,000 | 122,500 | 137,500 |
| Range Fees | 32,611 | 36,500 | 36,500 | 36,500 | 36,500 |
| Tournament Fees | - | - | - | 8,661 | 8,100 |
| Utilities | 26,602 | 25,310 | 25,310 | 25,310 | 26,000 |
| Equipment rental | 18,635 | 17,000 | 17,000 | 18,500 | 18,500 |
| Other fees | 5,534 | 5,650 | 5,650 | 12,150 | 11,650 |
| Investment Income | 81,664 | 64,050 | 64,050 | 65,000 | 70,000 |
| Cell tower lease | 38,258 | - | - | - | - |
| Miscellaneous revenue | 15,065 | 4,860 | 4,860 | 16,339 | 36,454 |
| Total Revenue | 3,240,173 | 3,335,370 | 3,335,370 | 3,254,557 | 3,407,934 |
| Estimated Funds Available | 5,182,979 | 4,428,054 | 5,315,296 | 5,234,483 | 5,352,534 |
| <u>Expenditures</u> | | | | | |
| Personnel | 791,104 | 768,065 | 768,065 | 789,046 | 845,719 |
| Operating | 1,962,571 | 2,057,706 | 2,087,519 | 1,994,259 | 2,020,575 |
| Merchandise for resale | 114,774 | 135,000 | 135,000 | 97,500 | 107,500 |
| Capital | 329,754 | 200,000 | 443,173 | 244,078 | 165,000 |
| Return on investment | - | 165,000 | 165,000 | 165,000 | 178,000 |
| Total Expenditures | 3,198,203 | 3,325,771 | 3,598,757 | 3,289,883 | 3,316,794 |
| | 1,984,776 | <u>\$ 1,102,283</u> | <u>\$ 1,716,539</u> | <u>\$ 1,944,600</u> | <u>\$ 2,035,740</u> |
| Fund Balance Adjustment | (4,850) | | | | |
| Projected Ending Balance | \$ 1,979,926 | | | | |
| <u>Recap of Fund Balance</u> | | | | | |
| Reserved for Clubhouse | | | | | 1,600,000 |
| Reserved for Capital Improvements | | | | | 365,000 |
| Unreserved Fund Balance | | | | | 70,740 |
| Total | | | | | <u>\$ 2,035,740</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

Bobby Jones Golf Club (BJGC) is Sarasota's own piece of paradise in paradise. The 45-hole, 324 acre of green space is the only golf course located entirely within the City limits of Sarasota. Patrons are able to practice on driving and putting ranges, golf on a choice of two regulation 18-hole courses or a 9-hole executive length course, purchase clothing, golf necessities and souvenirs in the quaint Pro Shop and enjoy refreshing beverages and delicious meals at Mulligan's Grille, an onsite restaurant; all at budget conscious prices.

Over 140,000 golfers escape annually to Sarasota's paradise and come along with numerous species of animals, birds, reptiles, fish, trees and plants while playing the ever-popular and always humbling game of golf. Loyal and satisfied golfers once again voted BJGC 1st Place for the Herald Tribune Readers' Choice Award for Best Public/Semi Private Golf Course. This is the 14th 1st Place award since 1994.

Many changes took place at BJGC over the last year. The General Manager of 19 years retired in July, 2008. The Sports and Recreation Manager transferred from Ed Smith Stadium to take over the reins. At the same time, the Sports Facilities Director requested the City Auditor and Clerk to conduct a three-month comprehensive audit of BJGC operations. Following the internal comprehensive audit, National Golf Foundation (NGF) was contracted to conduct an Operational Review and Recommendation. Their report was presented to the City Commissioner in February, 2009.

Respecting the current economic climate, no fee increases were implemented for the 2008-09 fiscal year. Competition from area golf courses continues to be fierce for the few discretionary golfer dollars available. Couple the economy with unusually cold/rainy weather in January and February of 2009, play through May, 2009 was down 770 rounds (-0.74%) and revenue was down \$185,124 (-0.065%) compared to the same period last fiscal year. Reduced play/revenues is not unique to BJGC; according to National Golf Foundation (NGF) and Golf Datatech, rounds are down 4.2% in the South Atlantic Region and -1.6% in Florida.

In FY 2008-09, two significant revenue losses are attributed to the implementation of a Return on Investment of \$165,000 and reallocation of cellular tower rental of \$38,258 to the General Fund. On a positive note, cart rental revenue is up \$45,935 as of May 31, 2009 compared to the same period in FY 2007-08. The increase is largely due to the discontinuation of the Global Positioning System in December, 2008. The GPS contract rental fee is now reflected as collected revenue without an offsetting expense.

As a result of the previous mentioned NGF study and comprehensive internal audit, many operational procedures have been adjusted, replaced or added. The desired result of increased financial control and improved customer service was achieved. Unfortunately, there was also a negative impact on the budget to implement some recommendations. Unbudgeted expenses included additional part-time personnel to achieve reasonable segregation of duties and better customer service, air quality inspection and duct cleaning, construction of a secure cash counting room with connection to alarm system, purchase of a multi-compartment cashier safe, on-site Jonas Point of Sale training for staff, additional four camera security system for the ProShop, and purchase of Cash Card module for Point of Sale system to eliminate hand written gift certificates. Although these operational changes and additions impacted revenue, they were necessary and will have a long-term return.

On a positive note, expenses were down \$141,171 (-0.065%) from October, 2008 - May, 2009 compared to the same period last year. Without great volunteers this would not be the case. During FY 2008-09, volunteers, on average, logged 700 hours per month and Community Service workers put in 400 hours a month. Together that is 1,100 hours/month (13,200/year) of non-paid labor. From May through September, 2008, the British Course was closed for a \$230,000 renovation. All 18 greens were resurfaced, seven bunkers added and a new championship tee box created on the #4 hole. Other minor repairs and aesthetic improvements were made to fairways and roughs. Overall feedback from golfers was very positive and the British Course remains the most popular course. BJGC partnerships with restaurant and course maintenance vendors continue to be beneficial, both financially and operationally. The positive working relationship is reflected in the service to the customer and quality of the product. The restaurant vendor completed one year in November, 2008 and the business continues to expand. The course maintenance contractor is in the third year of the second renewal of a 15-year contract.

The proposed Capital Improvement Plan (CIP) for FY 2010 follows the strategy of recent years by rigorously scrutinizing suggested improvements on the basis of critical need and cost. On the near horizon are mostly routine renovations and

BOBBY JONES GOLF CLUB

irrigation system repairs.

The BJGC Clubhouse Rebuild project continues to progress albeit slower than anticipated. Currently there is a balance of approximately \$1 million in the clubhouse rebuild fund. The City is optimistically cautious that the bond value will improve so groundbreaking could take place as early as a year from next season. Presently, whatever can be done in-house is being done. The Engineering staff has been very active in support of the project. All estimated costs of the new clubhouse are being scrutinized carefully. Amenities, design and features are being based on need, function, customer service and future return. Staff and volunteer contributors will painfully analyze all aspects of the project on a continuous basis to assure BJGC and the City of Sarasota gets the best value for the dollar without unnecessary risk to the financial stability of the club.

In an effort to attract golfers, keep BJGC's tee-sheet filled and add variety, special rates, discounts and promotions. A "Reindeer Games" took place on Christmas day; Golf with cart at a reduced rate plus a breakfast buffet in the restaurant for \$5. During winter months a "Twilight Special" was implemented with reduced late afternoon rates. Currently being offered is "Some Like It Hot" with ½ price mid-day golf with cart. Opening and closing time is being adjusted to account for Daylight Saving Time and Florida's heat. By taking the BJGC customer survey between September, 2008 and July, 2009, participants receive a \$3 off coupon good for golf or range balls.

Promoting youth golf at BJGC is a high priority for the remainder of 2009 and into FY 2009-10. This often overlooked age is the future of golf. Numerous meetings have been held with representatives from First Tee Sarasota-Manatee. The City is moving toward making BJGC the home of this worthwhile and successful youth golf organization. Local school and college golf teams still use the facility for their home course. Fees are waived for match play and practice. Florida Junior Golf Association holds tournaments at Bobby Jones and annually the BJGC Junior tournament is held in October.

The future brings uncertainty and optimism. Predictions are that the economy will get slightly worse before recovering. This will directly affect revenue at BJGC as potential customers continue to cut spending on wants in order to meet their needs. Yet, through creative thinking and expanding partnerships, the staff has optimism that BJGC will not only survive, but flourish. BJGC staff, volunteers and vendors will continue offering the best golfing and entertainment value in the area while maintaining self-sufficiency and avoiding a City General Fund subsidy.

CITYWIDE PRIORITIES

PRIORITY - Sustainability/Environmental Energy Management

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 2007 | FY 2008 | FY 2009 | FY 2010 |
|------------------------------|-------------|----------------|----------------|----------------|----------------|
| Effectiveness Measure | | | | | |
| Completion of CIP projects | Percent | 100% | 60% | 75% | 100% |

PRIORITY - Budget/Finance

Strategy

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

BOBBY JONES GOLF CLUB

Task

To maintain a 1 to 6.5 ratio of annual fee play to daily fee play throughout FY 2010.

To maintain a 1 to 3.5 ratio of walkers to cart users for FY 2010.

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 2007 | FY 2008 | FY 2009 | FY 2010 |
|--|--------|----------|----------|----------|----------|
| Output Measure | | | | | |
| Annual fee holders | Number | 180 | 163 | 143 | 130 |
| Annual fee holder rounds-British/America | Number | 15,499 | 13,735 | 12,800 | 11,500 |
| Daily fee rounds-British/American | Number | 75,780 | 70,856 | 72,250 | 74,000 |
| Greens fee - Summer play cards | Number | 27,249 | 18,857 | 19,000 | 20,000 |
| Annual fee holder rounds - Executive | Number | 4,301 | 3,684 | 3,500 | 3,500 |
| Daily fee rounds - Executive | Number | 20,237 | 21,872 | 22,000 | 23,000 |
| 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 6.6 | 1 to 6.5 | 1 to 6.5 | 1 to 6.5 |
| Ratio of walking players to cart users | Ratio | 1 to 3.5 | 1 to 3.2 | 1 to 3.5 | 1 to 3.5 |

Cost Center Expenditures By Category

| | FY 2008 Actual | FY 2009 Budget | FY 2010 Continuation | FY 2010 Issues | FY 2010 Totals |
|------------------------|-------------------|-------------------|-------------------------|-------------------|-------------------|
| Personnel | 791,105 | 768,065 | 845,719 | 0 | 845,719 |
| Operating Expenditures | 1,907,319 | 2,035,733 | 1,967,061 | 0 | 1,967,061 |
| Capital Expenditures | 329,754 | 200,000 | 165,000 | 0 | 165,000 |
| Transfer Expenditures | 170,024 | 321,973 | 339,014 | 0 | 339,014 |
| Totals | 3,198,202 | 3,325,771 | 3,316,794 | 0 | 3,316,794 |

Personnel Summary

| | | | | |
|------------------|------|------|------|------|
| Actual Positions | 8.75 | 8.50 | 0.00 | 8.50 |
|------------------|------|------|------|------|

Revenue Summary

| | FY 2008 Actual | FY 2009 Budget | FY 2010 Continuation | FY 2010 Issues | FY 2010 Totals |
|------------------------------|-------------------|-------------------|-------------------------|-------------------|-------------------|
| CHARGES FOR SERVICES | 3,109,428 | 3,270,960 | 3,337,880 | 0 | 3,337,880 |
| INTEREST | 81,664 | 64,050 | 70,000 | 0 | 70,000 |
| RENTS & ROYALTIES | 38,258 | 0 | 0 | 0 | 0 |
| OTHER MISCELLANEOUS REVENUES | 10,823 | 360 | 54 | 0 | 54 |
| | 3,240,173 | 3,335,370 | 3,407,934 | 0 | 3,407,934 |