



Town of Natick

FY 2013 Appropriated Budget

Section XI: Sassamon Trace Golf Course Enterprise Fund

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Town of Natick

FY 2013 Appropriated Budget

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Town of Natick

Home of Champions

Department: Sassamon Trace

Enterprise Fund

Appropriation Summary

Sassamon Trace Golf Course Enterprise Fund

Operations						
	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013	
					\$	%
Salaries						
Personnel Services	129,639	129,238	144,707	194,655	49,948	34.5%
Total Salaries	129,639	129,238	144,707	194,655	49,948	34.5%
Operating Expenses						
Club House Expense	340,289	360,639	356,010	253,752	-102,258	-28.7%
Supplies - Club House	25,788	28,135	21,700	21,500	-200	-0.9%
Other Facility Expense	600	1,335	7,000	2,000	-5,000	-71.4%
Golf Cart Expense	21,295	22,626	22,821	5,000	-17,821	-78.1%
Course Maintenance Expense	38,444	34,379	46,600	76,500	29,900	64.2%
Total Operating Expenses	426,417	447,113	454,131	358,752	-95,379	-21.0%
Total Operations	556,056	576,351	598,838	553,407	-45,431	-7.59%

Reserves						
	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013	
					\$	%
Reserve Fund						
Reserve for Appropriation	0	0	0	0	0	#DIV/0!
Total Reserve Fund	0	0	0	0	0	#DIV/0!
Total Reserve Fund	0	0	0	0	0	#DIV/0!

Employee Benefits						
	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013	
					\$	%
Employee Benefits						
Other Personal Services	13,369	10,532	13,262	34,918	21,656	163.3%
Other Charges & Expenditures	11,291	11,799	12,331	9,691	-2,640	-21.4%
Total Employee Benefits	24,660	22,331	25,593	44,609	19,016	74.3%
Total Employee Benefits	24,660	22,331	25,593	44,609	19,016	74.3%

Debt Service						
	2010 Actual	2011 Actual	2012 Appropriated	2013 Appropriated	2012 vs. 2013	
					\$	%
Debt Service						
Principal	195,931	191,482	195,931	195,930	-1	0.0%
Interest	116,856	103,775	99,402	92,415	-6,987	-7.0%
Total Debt Service	312,787	295,257	295,333	288,345	-6,988	-2.4%
Total Debt Service	312,787	295,257	295,333	288,345	-6,988	-2.4%

Golf Course Operations	893,503	893,940	919,764	886,361	-33,403	-3.6%
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Town of Natick

Home of Champions

Department: Sassamon Trace

Enterprise Fund

Mission:

To provide an affordable, quality golf experience for the residents of Natick and surrounding communities by providing well maintained facilities, instructional programs, tournaments and leagues.



Goals:

- To position Sassamon Trace as the best golf value in the MetroWest area
- To grow business by creating attractive memberships and organized league play
- To continue our participation in growth of the game initiatives developed by the Professional Golfers Association and the National Golf Course Owners Association
- To continue to identify other potential non-golf revenue streams

Budget Overview:

I. Main Purpose of the Department

The main purpose of the golf operation is to provide leisure golf opportunities, instruction, merchandise, organized league and tournament play all at reasonable fees on a well maintained golf course.

II. Recent Developments

Despite heavy snow accumulation in January, the golf course opened for play on March 17, two weeks ahead of schedule. The spring golf season was impacted by cool wet weather with 29 days of precipitation in April and May. The 2011 summer golf season was flat to 2010. In late summer and early fall we received a large amount of rain due in part to Hurricane Irene and Tropical Storm Lee. Snow came early with 3 inches on Halloween. Unseasonably warm weather in November brought golfers out in record numbers but unfortunately it was too little too late to undo the damage caused by wet weather earlier in the season. The 2011 golf season finished with 1,800 (7%) fewer rounds played than in 2010.

III. Current Challenges

The current challenge we face at Sassamon Trace and in the golf industry is attracting new golfers to the game and even more important is retaining existing players. In 2011 we offered a new membership targeting juniors and college students. We were also fortunate to receive a \$3,000 grant from the PGA to introduce golf in the curriculum at the Bennett-Hemenway School. The national organizations such as the PGA and the USGA do a good job promoting the game, it is really a grassroots movement from the local level that fuels the engine. Sassamon Trace is many times a golfer's first experience on a golf course and we must make sure that we capture that individual by providing an experience they will remember so they will become frequent visitors.



Town of Natick

Home of Champions

Department: Sassamon Trace

Enterprise Fund

Budget Overview:

IV. Significant Proposed Changes for the Upcoming Fiscal Year and Budget Impact

1. Sterling Golf Management is the current vendor for the maintenance of the golf course. Their calendar year contract will end in December of 2012 and their maintenance fee for the period July through December 2012 is accounted for in the FY13 budget. We are proposing to Town Meeting that the Town take over maintenance of the course starting January 1, 2013. This will require an investment of personnel and material, but analysis shows it is cheaper in the long-run to bring it in-house.
2. The current lease of 27 Yamaha Golf Cars will expire in June of 2012. The FY13 budget provides for the purchase of new carts. This will be through borrowing and the actual purchase will occur under Article 15, Capital Equipment.
3. Currently, the golf course manager is the only full time benefited employee in the golf operation. All other employees are part time working 19 hours per week or less. In 2011 there were 22 part time employees. The FY13 budget provides for 1 additional part-time benefited employee that would eliminate four part time positions while at the same time provide a managerial presence. In addition, the person in this position will also possess the skill set required to manage a golf operation and provide services such as instruction and league administration.

V. On the Horizon

1. 2011 was the first full year utilizing the new water supply that we share with the Dowse Apple Orchard. This unique arrangement provides free ground water to Sassamon Trace by the Dowse Family. In 2011, we drew 5,073 hcf's from this supply which represents about 50% of the annual need of the golf course. This resulted in a savings of over \$41,000 that would have been paid to the Town of Natick if the same amount of water was drawn on the town's supply. Moving forward, it has been determined that this new water supply will not be able to fulfill the annual requirement of the course. Preliminary work done in 2007 on a potential new water supply provided promising results, a test well that produced a flow of 80 gpm. This site is located near an environmentally sensitive area and tests would need to be conducted to determine if the use of this well would have a negative environmental impact. This testing will be expensive and may prove that the site selected is not an option. However, the potential savings in the long term is well worth the expense.
2. Golf course management, under the guidance of the town's environmental compliance officer, is working towards reducing or eliminating the annual water testing requirement on the Sherborn side of the golf course. Currently, the Sherborn Conservation Commission under the Order of Conditions requires that samples of ground water, surface water and sediments be tested annually for contamination by the products used to maintain the golf course. The cost of the annual testing is approximately \$8,000. Historically, these tests have come back with no negative impact on the water supply. It is our contention that there is no need to test annually. In fact, the Natick Conservation Commission has relieved the course of annual testing on the Natick side of the course. No testing will be needed in Natick unless there is a change in the chemical management of the course. We are seeking a similar arrangement with the Sherborn Conservation Commission on the Sherborn side of the golf course. We are currently working with a consulting group that can analyze our historical data and examine our cultivation practices. The end goal will be to deliver independent test results to the Sherborn Conservation Commission so that they vote to revise the annual testing requirement to a frequency that both parties can agree to.

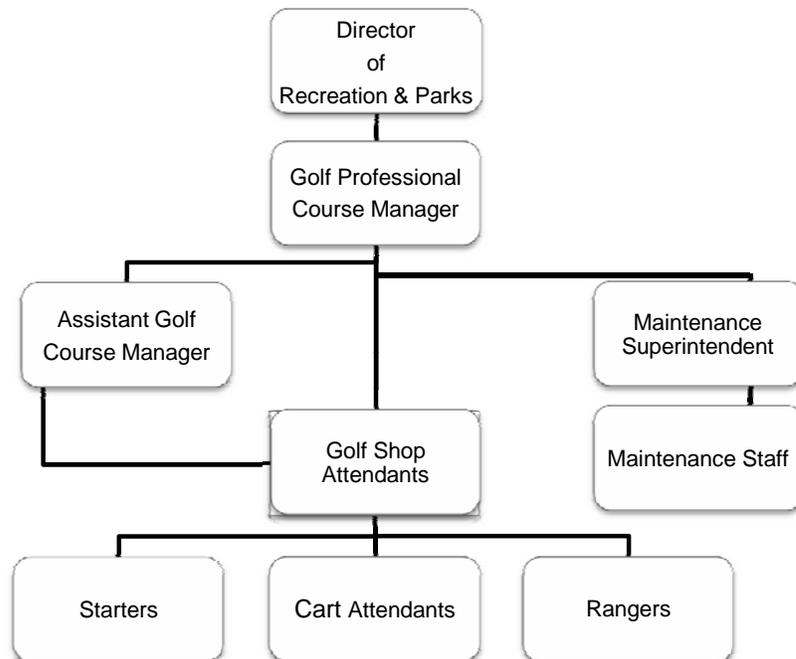


Town of Natick

Home of Champions

Department: Sassamon Trace		Enterprise Fund			
Staffing	2009	2010	2011	2012	2013
Golf Course Manager	1	1	1	1	1
Assistant Golf Course Manager	0.6	0	0	0	0.6
Maintenance Superintendent	0	0	0	0	1
Maintenance Foreman	0	0	0	0	1
Mechanic	0	0	0	0	0.28
Part-time/Seasonal Maintenance Staff	0	0	0	0	0.93
Seasonal Golf Shop Supervisor	0.6	0.06	0.06	0.06	0
Golf Shop Attendants	1.2	2.24	2.24	2.24	1.8
Rangers/starters/cart attendants	1.3	1.0	1.0	1.0	1.0
Total FTE	4.7	4.3	4.3	4.3	7.6
Total FT/PT	3FT/13PT	1FT/17PT	1FT/17PT	1FT/22PT	3FT/22PT

Organization Chart



Performance Indicators	2009	2010	2011	2012	2013
Workload Indicators					
Number of Rounds Played	27,314	30,548	28,441	26,961	28,000
Green Fee Revenue	\$ 333,839	\$ 364,693	\$ 356,257	\$ 312,600	\$ 332,893
Cart Fee Revenue	\$ 57,441	\$ 64,182	\$ 65,184	\$ 61,609	\$ 61,003
Season Ticket Revenue	\$ 83,772	\$ 78,568	\$ 78,193	\$ 87,080	\$ 82,786
Golf Instruction Revenue	\$ 9,229	\$ 8,422	\$ 9,417	\$ 8,665	\$ 9,275
	2009	2010	2011	2012	2013
Efficiency Indicators					
Revenue Per Round	\$19.40	\$18.39	\$17.99	\$19.24	\$18.93
	2009	2010	2011	2012	2013
Outcome Indicators					
Number of Season Pass Holders	186	163	162	191	185
Number of Senior Pass Holders	73	77	75	69	75
Number of Junior Pass Holders	50	25	25	42	40



Town of Natick

Home of Champions

Department: Sassamon Trace

Enterprise Fund

Operations

	2010	2011	2012	2013	2012 vs. 2013	
	Actual	Actual	Appropriated	Appropriated	\$	%
Salaries Management	61,527	62,000	67,827	67,705	-122	-0.2%
Salaries Operational Staff	0	0	5,180	62,158	56,978	1100.0%
Salaries Part-time Operational	34,653	29,758	52,925	39,436	-13,489	-25.5%
Salaries Golf Support	33,459	37,481	18,775	25,356	6,581	35.1%
Personnel Services	129,639	129,238	144,707	194,655	49,948	34.5%
Utilities - Electric	11,413	22,021	17,750	18,300	550	3.1%
Building Lease/Repairs	31,174	31,120	19,720	5,485	-14,235	-72.2%
Lease Payment Land	58,016	59,987	62,646	63,959	1,313	2.1%
Management Contract Grounds	224,664	231,404	238,344	145,548	-92,796	-38.9%
Communication Telephone	2,547	2,577	3,000	3,360	360	12.0%
Dues/Subscriptions	782	0	1,000	1,000	0	0.0%
Advertising/Promotion	1,840	2,112	3,500	4,200	700	20.0%
Bank & Credit Card Fees	9,087	10,183	8,900	10,600	1,700	19.1%
Software Maintenance	765	1,234	1,150	1,300	150	13.0%
Club House Expense	340,289	360,639	356,010	253,752	-102,258	-28.7%
Supplies - Club House	1,872	2,971	1,950	2,000	50	2.6%
Merchandise Pro Shop	23,779	24,548	18,750	18,500	-250	-1.3%
Custodial Supplies	137	616	1,000	1,000	0	0.0%
Supplies - Club House	25,788	28,135	21,700	21,500	-200	-0.9%
Insurance	0	0	5,000	0	-5,000	-100.0%
Facility Upgrades	600	1,335	2,000	2,000	0	0.0%
Other Facility Expense	600	1,335	7,000	2,000	-5,000	-71.4%
Golf Cart Lease	17,080	17,423	17,830	0	-17,830	-100.0%
Golf Use Sales Tax (ALL)	4,215	5,203	4,991	5,000	9	0.2%
Golf Cart Expense	21,295	22,626	22,821	5,000	-17,821	-78.1%
Utilities - Water	21,305	22,314	25,500	13,000	-12,500	-49.0%
Environmental Monitoring	7,854	8,986	8,000	14,000	6,000	75.0%
Irrigation Electricity	6,335		8,600	7,600	-1,000	-11.6%
Phragmites Control	2,700	2,700	2,700	2,700	0	0.0%
Top Soil, Sand&Gravel, Fertilizer, etc.	0	0	0	6,500	6,500	100.0%
Course Supplies	249	378	1,800	4,300	2,500	138.9%
Fuel	0	0	0	1,000	1,000	100.0%
Irrigation R & M	0	0	0	3,000	3,000	100.0%
Tools	0	0	0	2,500	2,500	100.0%
Mechanic Tool Stipend	0	0	0	200	200	100.0%
Equipment R & M	0	0	0	1,500	1,500	100.0%
Equipment Lease	0	0	0	19,000	19,000	100.0%
Education/Professional Fees/Licenses	0	0	0	1,200	1,200	100.0%
Course Maintenance Expense	\$ 38,444	\$ 34,379	\$ 46,600	\$ 76,500	29,900	64.2%



Town of Natick

Home of Champions

Department: **Sassamon Trace** Enterprise Fund

Total Operating Expenses	\$ 556,056	\$ 576,351	\$ 598,838	\$ 553,407	-45,431	-7.6%
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Reserve Fund

	2010	2011	2012	2013	2012 vs. 2013	
	Actual	Actual	Appropriated	Appropriated	\$	%
Reserve for Appropriation	0	0	0	0	0	0.0%
Other Charges	0	0	0	0	0	0.0%
Total Reserve Fund	0	0	0	0	0	0.0%

Employee Benefits

	2010	2011	2012	2013	2012 vs. 2013	
	Actual	Actual	Appropriated	Appropriated	\$	%
FICA Medicare	1,851	1,871	2,030	2,156	126	6.2%
Group Insurance Health	7,207	7,262	7,032	24,007	16,975	241.4%
Unemployment	4,311	1,400	4,200	8,755	4,555	108.5%
Other Personal Services	13,369	10,532	13,262	34,918	21,656	163.3%
Retirement	11,291	11,799	12,331	9,691	-2,640	-21.4%
Other Charges & Expenditures	11,291	11,799	12,331	9,691	-2,640	-21.4%
Total Employee Benefits	24,660	22,331	25,593	44,609	19,016	74.3%

Debt Service

	2010	2011	2012	2013	2012 vs. 2013	
	Actual	Actual	Appropriated	Appropriated	\$	%
2002 Golf Course	150,000	150,000	150,000	150,000	0	0.0%
2002 Golf Course (Landfill Portion)	36,528	36,528	36,528	36,527	-1	0.0%
2007 Golf Course (Landfill Portion)	9,403	4,954	9,403	9,403	0	0.0%
Principal	195,931	191,482	195,931	195,930	-1	0.0%
2002 Golf Course	92,940	86,490	79,890	73,140	-6,750	-8.4%
2002 Golf Course (Landfill Portion)	19,020	17,285	15,518	13,714	-1,804	-11.6%
2007 Golf Course (Landfill Portion)	4,896	0	3,994	3,530	-464	-11.6%
2013 Golf Carts	0	0	0	2,031	2,031	100.0%
Interest	116,856	103,775	99,402	92,415	-6,987	-7.0%
Total Debt Service	312,787	295,257	295,333	288,345	-6,988	-2.4%

Total All Sassamon Trace	893,503	893,940	919,764	886,361	-33,403	-3.6%
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Town of Natick

Home of Champions

Department: Sassamon Trace

Line-Item Detail

Enterprise Fund

Narrative:

Operational Expenses

Personnel Services:

Salaries Management - This line item contains a full-time Manager for the Sassamon Trace Golf Course Operation.

Salaries Operational Staff - This line item is for the salary of the Assistant Golf Course Manager, Maintenance Superintendent and Maintenance Foreman.

Salaries Part-Time Operational Staff - This line item represents seasonal part-time Club House Attendants that service customers within the golf shop and the mechanic.

Salaries Golf Support - This line item represents the seasonal part-time Rangers/Starters that service and monitor golfers on the course. This account also represents seasonal part-time Golf Car Attendants that maintain and clean golf carts, keep the trailer area clean and assist the rangers on the Course when needed. Finally, it accounts for seasonal golf course maintenance staff.

Club House Expenses:

Advertisement/Promotion - This fund covers the costs for promotion of course through discount coupons and newspapers. All legal notices, printed materials and postage costs are covered under this account.

Bank & Credit Card fees - This line item represents the costs to the Town of Natick for being able to process credit cards from Sassamon Trace customers.

Communications and Telephone - Account covers the 4 line phone system, internet and cable service. The Manager's cell phone is also part of this account.

Dues, Subscriptions & Travel - Covers the PGA Membership dues for Golf Professional/Manager along with Massachusetts Golf Association Membership for Sassamon Trace. Also included is mileage funds for manager.

Merchandise Pro-Shop - This account represents the following costs at the Pro-Shop.

- Merchandise
- Food & Beverage
- Handicap System (Called GHIN)

Golf Use Sales Tax - This represents the Massachusetts 6.25% sales tax on all eligible food, beverage and merchandise sales. It also includes the tax for all rental equipment (golf cars, pull carts and clubs)

Software Maintenance - This account provides funds for computer software, hardware, security and license fees.

Clubhouse Supplies - This represents the cost for golf pencils, gift certificates, postage, general office supplies and equipment supplies.

Electricity - This account provides funds for the electrical operation of the clubhouse, golf carts and maintenance building.

Custodial Supplies - This account covers cleaning supplies, paper goods and custodian supplies.

Golf Course Expenses:

Course Supplies - This represents various items that are needed on the course for the convenience of the golfers.

Replacement netting for the golf practice net is also included in this section.

Irrigation/Electricity - This represents the electrical cost for the operation of the irrigation system.

Clubhouse Expenses - This account also includes the rental of a on course toilet and clubhouse security system. The fixed yearly maintenance cost for our irrigation computer system is also included in this section.

Irrigation/Water - This line item represents the cost for the Town of Natick water and sewer that the course must pay for.

Lease Payments/Land - This line item represents the current lease payment to Alex Dowse for the rental of land that holes #4 through #8 are located on. By agreement, we are responsible for the taxes of this property.

Maintenance Contract - This represents the payments to Sterling Golf Management for Turf Maintenance of the Golf Course through December 2012. Golf Committee recommends that the Town of Natick assumes turf maintenance starting in 2013.

Environmental Monitoring - This account represents the environmental monitoring and testing requirements that the Town of Natick must perform as per order of conditions through the Sherborn Conservation Commission. Also provided for in this account are consulting services for ground water, surface water and sediment analysis as required by the Sherborn Conservation Commission Order of Conditions.

Phragmite Control - This line item represents the second year of a two-year agreement of the Contract with Lycotte Environmental.



Town of Natick

Home of Champions

Department: Sassamon Trace

Line-Item Detail

Enterprise Fund

Narrative:

Operations (con't)

Facility Upgrades - This account represents renovations to the Course that are not the responsibility of Sterling Golf Management.

Reserve Fund- This is an unfunded account

Employee Benefits - Pays for the health care and retirement assessment costs of the Golf Course Manager and Facility Supervisor. Money is also appropriated for unemployment costs along with funds for Medicare assessments for non-benefited employees.

Debt Service - Pays for principal and interest on the golf course development.

Sassamon Trace Golf Course Revenue/Expenditure Summary - Forecast

	FY09	FY10	FY11	FY 12	FY 13	FY 14	FY 15
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
Revenue							
Golf Course Revenue	\$ 530,040	\$ 561,918	\$ 511,564	\$ 551,400	\$ 540,000	\$ 550,800	\$ 561,816
Retained Earnings*	\$ 59,232	\$ 41,430	\$ 56,422	\$ 48,364	\$ 36,361	\$ 44,659	\$ 46,988
Total Revenue	\$ 589,272	\$ 603,348	\$ 567,986	\$ 599,764	\$576,361	\$595,459	\$608,804
Expenses							
Personnel Services							
Staffing	\$ 138,231	\$ 129,639	\$ 129,238	\$ 144,707	194,655	267,869	277,244
Expenses							
Maint. Contract	\$ 218,400	\$ 224,664	\$ 231,404	\$ 238,344	145,548	0	0
Water/Sewer	\$ 54,280	\$ 21,305	\$ 22,314	\$ 25,500	13,000	13,000	13,000
Building leases	\$ 30,589	\$ 31,174	\$ 31,120	\$ 19,720	5,485	5,485	5,485
Electricity/heat	\$ 14,956	\$ 17,749	\$ 22,021	\$ 26,350	25,900	26,677	27,477
Merchandise/food	\$ 19,278	\$ 23,779	\$ 24,548	\$ 18,750	18,500	19,055	19,627
Environmental	\$ 8,866	\$ 7,854	\$ 8,986	\$ 8,000	16,700	17,201	17,717
Land Lease	\$ 55,716	\$ 58,016	\$ 59,987	\$ 62,966	63,959	67,157	70,515
Golf cart lease	\$ 3,339	\$ 17,080	\$ 17,830	\$ 17,830	0	0	0
Other misc. costs	\$ 26,619	\$ 24,796	\$ 28,902	\$ 36,671	69,660	136,750	140,852
Operations	\$ 570,274	\$ 556,056	\$ 576,351	\$ 598,838	553,407	553,193	571,917
Fringe benefits	\$ 30,100	\$ 24,660	\$ 22,331	\$ 25,593	44,609	49,070	53,977
Debt and Interest	\$ 321,288	\$ 312,787	\$ 295,257	\$ 295,333	288,345	303,196	292,910
Indirects	\$ -	\$ -	\$ -	\$ -	0	53,025	54,351
Total Expense	\$ 921,662	\$ 893,503	\$ 893,940	\$ 919,764	\$886,361	958,484	973,155
Appropriated Subsidy	\$ 355,000	\$ 355,006	\$ 334,500	\$ 320,000	\$310,000	\$363,025	\$364,351
Year-End Balance	\$ 22,610	\$ 64,851	\$ 8,546	\$ -	\$ -	\$ -	\$ -

Golf Course Certified Retained Earnings History & Spenddown proposal

FY2006	\$ 51,191
FY2007	\$ 90,917
FY2008	\$ 103,010
FY2009	\$ 97,364
FY2010	\$ 83,126
FY2011	\$ 111,897
FY2012	\$ 71,576

FY 2013 Certified Retained Earnings Spenddown Proposal

Beginning	\$ 71,576
Less FY 2013 Oper. Subsidy	\$ 36,361
Remaining Proposed Balance	\$ 35,215



Town of Natick

FY 2013 Appropriated Budget

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