



Memorandum

To: Board of Selectmen

From: Michael Walters Young, Deputy Town Administrator
Dick Cugini, Recreation Director
Pete Meagher, Manager, Sassamon Trace Golf Course

Date: Thursday February 5, 2009

Re: Sassamon Trace Golf Course Update

As per the Board's request, recreation, golf and administrative staff have worked diligently over the course of the last month to examine the potential open and close scenarios surrounding the Sassamon Trace Golf Course. This memorandum and its attachments summarize the efforts made over that time to come to a recommendation for the Board to consider.



Central to the discussion of the open/close scenario is how much the golf course does and will continue to rely upon the general tax levy for its continued operations. The current subsidy, \$355,000, is at its lowest point since the creation of the course, but any future ability to reduce that amount has been hindered by the economic downturn and unpredictable weather conditions. The reason this question has been placed in front of the Board of Selectmen was principally because of poor revenue collections during the first half of FY 2009 and the potential for a revenue deficit in the Golf Course Enterprise Fund at year-end should actions not be taken to reduce expenses and/or increase revenues.

To that end, staff and the Sassamon Trace advisory committee has worked to provide immediate opportunities for savings and increase potential revenues. Over the course of the last several months, the following actions have been taken:

- 1) Revised Personal Board Pay-Plan for Golf Course Personnel: As demonstrated on page 7, the personnel board voted a revision to the hourly rates of all personnel. This is estimated to save \$9,500 for the remainder of 2009 and over \$11,000 annually in the years to come.
- 2) Reduction of hours for benefited staff: All staff but the Golf Course Manager has been reduced to part-time, non-benefited positions. This will result in \$15,620 in savings in FY 2009 and over \$31,000 in savings annually going forward. (Please see pages 6&7)
- 3) Savings in expenses: From reduced merchandise purchases, to energy conservation efforts, Golf Course staff has worked to propose \$10,600 in savings for FY 2009 and at least \$34,000 in savings in expenses going forward. (Please see page 6)

- 4) Proposed fee changes: Two fee changes are being proposed by the Golf Committee to stimulate revenue. (Please see page 8)
- 5) Increased marketing: Not included in any financial analysis, staff and supporters of the course have also worked to develop a broader marketing plan for the course to advertise the course to a broader golfing audience.

These efforts have narrowed a once potential 2009 deficit to just over \$22,000 and the need to increase future year's tax levy subsidies to a lower amount than anticipated several months ago. Furthermore, since discussion concerning the deficit began, the Department of Revenue has certified Retained Earnings for FY 2009 at \$97,364. Staff would recommend turning to retained earnings to cover any shortfall in the current fiscal year.

Recommendation:

A summary of the subsidy required under both the open and close scenario is shown below. Detailed information is provided on pages 3 and 4 respectively.

Subsidy Required from Tax Levy							
Subsidy Required	FY08 Actual	FY09 Budget	FY09 Projected	FY10 Projected	FY11 Projected	FY12 Projected	FY13 Projected
Open	\$ (278,361)	\$ (355,000)	\$ (377,362)	\$ (388,984)	\$ (390,864)	\$ (345,995)	\$ (355,334)
Closed	\$ (278,361)	\$ (355,000)	\$ (512,536)	\$ (396,748)	\$ (397,393)	\$ (384,941)	\$ (368,387)

As indicated above and on the detailed pages, with the changes implemented and cost savings opportunities proposed at the golf course it is more cost effective to maintain the operation of the course than close at this point in time. The financially prudent action is to keep the course open for the next calendar year and revisit this decision in winter 2010. Such an action will allow the staff to explore other alternatives, including but not limited to contracting out portions of operations or bringing all operations in-house, increasing revenue generating opportunities at the course, alternative revenue generating land uses for the course and the renegotiation of any leases currently held by the Town.

Please let staff know if you have any questions.



Town of Natick

Sassamon Trace Golf Course

Open Scenario



	FY08 Actual	FY09 Budget	FY09 Projected	FY10 Projected	FY11 Projected	FY12 Projected	FY13 Projected
Revenue							
Golf Course Revenue	\$ 598,819	\$ 573,517	\$ 514,415	\$ 530,000	\$ 545,900	\$ 562,277	\$ 579,145
Retained Earnings*	\$ 107,000	\$ 59,232	\$ 59,232	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 705,819	\$ 632,749	\$ 573,647	\$ 530,000	\$ 545,900	\$ 562,277	\$ 579,145
Expenses							
Personnel Services							
Staffing ^{1 2}	\$ 145,353	\$ 152,417	\$ 142,167	\$ 138,401	\$ 142,553	\$ 146,824	\$ 151,229
Expenses							
Maint. Contract	\$ 211,600	\$ 218,100	\$ 218,100	\$ 224,800	\$ 231,800	\$ 238,800	\$ 246,000
Water/Sewer ⁴	\$ 86,222	\$ 53,200	\$ 53,200	\$ 34,700	\$ 35,761	\$ 36,500	\$ 38,000
Building leases	\$ 34,948	\$ 30,589	\$ 30,589	\$ 30,680	\$ 30,830	\$ 6,825	\$ 4,800
Electricity/heat ⁵	\$ 15,877	\$ 30,075	\$ 24,175	\$ 27,265	\$ 28,650	\$ 30,080	\$ 31,580
Merchandise/food ⁵	\$ 24,032	\$ 28,573	\$ 23,173	\$ 20,505	\$ 21,530	\$ 22,607	\$ 23,737
Environmental ⁵	\$ 12,209	\$ 10,000	\$ 8,700	\$ 8,000	\$ 15,000	\$ 9,000	\$ 9,000
Land Lease	\$ 54,342	\$ 55,697	\$ 55,697	\$ 56,961	\$ 59,239	\$ 61,609	\$ 64,073
Golf cart repairs	\$ 5,839	\$ 5,250	\$ 5,250	\$ 11,928	\$ 11,928	\$ 11,928	\$ 19,800
Other misc. costs	\$ 31,993	\$ 33,476	\$ 35,206	\$ 33,373	\$ 34,420	\$ 26,561	\$ 36,308
Fringe benefits ^{3 5}	\$ 32,229	\$ 49,073	\$ 33,453	\$ 19,584	\$ 20,899	\$ 22,206	\$ 23,638
Debt and Interest	\$ 329,536	\$ 321,299	\$ 321,299	\$ 312,787	\$ 304,154	\$ 295,332	\$ 286,314
Total Expense	\$ 984,180	\$ 987,749	\$ 951,009	\$ 918,984	\$ 936,764	\$ 908,272	\$ 934,479
Subsidy Required	\$ (278,361)	\$ (355,000)	\$ (377,362)	\$ (388,984)	\$ (390,864)	\$ (345,995)	\$ (355,334)
Appropriated Subsidy	\$ 355,000	\$ 355,000	\$ 355,000				
Year-End Balance	\$ 76,639	\$ -	\$ (22,362)				

Notes:

This scenario has taken into account savings listed on page 6 under the column "FY 09 Projected".

1, 2, 3, etc... corresponds to savings on page 4 entitled "Golf Course Operational Proposed Savings adjusted from 12/15/08 expense sheet"

*FY 2009 Certified Retained Earnings for the Golf Course Enterprise Fund is \$97,364.



Town of Natick

Sassamon Trace Golf Course

Close Scenario



	FY08 Actual	FY09 Budget	FY09 Projected	FY10 Projected	FY11 Projected	FY12 Projected	FY13 Projected
Revenue							
Golf Course Revenue	\$ 598,819	\$ 573,517	\$ 257,545	\$ -	\$ -	\$ -	\$ -
Retained Earnings	\$ 107,000	\$ 59,232	\$ 59,232	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 705,819	\$ 632,749	\$ 316,777	\$ -	\$ -	\$ -	\$ -
Expenses							
Personnel Services							
Staffing	\$ 145,353	\$ 152,417	\$ 90,000	\$ -	\$ -	\$ -	\$ -
Expenses							
Maint. Contract*	\$ 211,600	\$ 218,100	\$ 218,100	\$ -	\$ -	\$ -	\$ -
Water/Sewer	\$ 86,222	\$ 53,200	\$ 43,593	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Building leases**	\$ 34,948	\$ 30,589	\$ 30,589	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Electricity/heat	\$ 15,877	\$ 30,075	\$ 9,500	\$ -	\$ -	\$ -	\$ -
Merchandise/food	\$ 24,032	\$ 28,573	\$ 10,357	\$ -	\$ -	\$ -	\$ -
Environmental	\$ 12,209	\$ 10,000	\$ 8,700	\$ 8,000	\$ 15,000	\$ 9,000	\$ 9,000
Land Lease	\$ 54,342	\$ 55,697	\$ 55,697	\$ 56,961	\$ 59,239	\$ 61,609	\$ 64,073
Golf cart repairs	\$ 5,839	\$ 5,250	\$ 2,478	\$ -	\$ -	\$ -	\$ -
Other misc. costs	\$ 31,993	\$ 33,476	\$ 15,000	\$ -	\$ -	\$ -	\$ -
Fringe benefits	\$ 32,229	\$ 49,073	\$ 24,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Debt and Interest	\$ 329,536	\$ 321,299	\$ 321,299	\$ 312,787	\$ 304,154	\$ 295,332	\$ 286,314
Total Expense	\$ 984,180	\$ 987,749	\$ 829,313	\$ 396,748	\$ 397,393	\$ 384,941	\$ 368,387
Subsidy Required	\$ (278,361)	\$ (355,000)	\$ (512,536)	\$ (396,748)	\$ (397,393)	\$ (384,941)	\$ (368,387)
Appropriated Subsidy	\$ 355,000	\$ 355,000	\$ 355,000				
Year-End Balance	\$ 76,639	\$ -	\$ (157,536)				

Notes:

*Maintenance contract runs through December 2009, though if no appropriation is made effective July1, 2009 the contract would be ended.

**Lease payments in FY 2010-2012 is the expense return for clubhouse trailer

Backup material:

Page 6: Golf Course Operational Proposed Savings adjusted from 12/15/08 expense sheet

Page 7: Revised Personnel Staffing Sheet

Page 8: Proposed Fee Changes for 2009 @ Sassamon trace

Page 9: Marketing Plan



Golf Course Operational Proposed Savings adjusted from 12/15/08 expense sheet

Category	FY 09 Savings First Half	FY 09 Savings Second Half	FY 10 Savings	FY 11 Savings	FY 12 Savings	FY 13 Savings
1 Savings in wages (golf operation)	\$750	N/A	N/A	N/A	N/A	N/A
2 Pay plan rates reduced for golf operation	N/A	\$9,500	\$11,820	\$11,410	\$11,965	\$12,322
3 Benefit costs- change 2 golf shop personnel status to non-benefited	N/A	\$10,460	\$31,636	\$37,726	\$42,289	\$47,557
4 Irrigation water expenses-supplimental water (private source)	N/A	N/A	\$34,000	\$35,000	\$36,000	\$37,000
5 Cost Savings						
Environmental	\$1,300	N/A	N/A	N/A	N/A	N/A
Energy	\$5,900	N/A	N/A	N/A	N/A	N/A
Merchandise	\$2,400	N/A	N/A	N/A	N/A	N/A
Promotion	\$1,000	N/A	N/A	N/A	N/A	N/A
Benefits	\$5,160	N/A	N/A	N/A	N/A	N/A
TOTALS BY FISCAL YEAR (FY)	\$16,510	\$19,960	\$77,456	\$84,136	\$90,254	\$96,879

Town of Natick

Personnel Staffing Sheets

Department Sassamon Trace Golf Course

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Emp. #	Last Name	First Name	Date of Hire	FTE	Job title	Union	Begin Step	Begin Step Amt.	End Step	End Step Amt.	Pro-Rata Step	COLA	End Step [(I+L)*M]	Other Comp.	Total FY 2010 [N+O]
Department			Sassamon Trace Golf Course	Munis Dept. #			60						(@ 52 weeks)	(@ 52.2 weeks)	
Salaries Management						MUNIS Code			5111						
42337	Meagher	Peter	3/5/2004	1.0	Manager	Per. Bd.	D9-4	61,527	D9-4	61,527		3%	63,373		63,616
Sub-total Salaries Management														63,616	
Operational Staff - PT 5123 (Club House Attendants)						Hours		Rate		5123					
	Sur	Stephen					669.00	13.00		8,697					8,697
	Rae	Bill					669.00	13.00		8,697					8,697
	Carlson	Cheryl	H4-4				504.00	11.00		5,544					5,544
	Paoletti	Paul	H4-2				504.00	11.00		5,544					5,544
	Fruneaux	Marco	H4-3				448.00	11.00		4,928					4,928
	Fiorentino	Greg	H4-1				670.00	11.00		7,370					7,370
	Fleming	Brian	H4-0				232.00	11.00		2,552					2,552
	Thompson	Neil	H4-1				312.00	11.00		3,432					3,432
	TBA						448.00	10.00		4,480					4,480
	TBA						344.00	10.00		3,440					3,440
Total Operational Staff PT							4,800			54,684					54,684
Support Staff PT - 5125 (Rangers-Starter & Cart Attendants)						Hours		Rate							
Open	Keniry	Robert	H2-6				528.00	10.00		5,280					5,280
Open	Sheinfeld	Robert	H2-6				486.00	10.00		4,860					4,860
Open	Tomasetti	James	H2-6				180.00	10.00		1,800					1,800
Open	Tomasetti	Michael	H2-6				288.00	10.00		2,880					2,880
Open	Filledes	Tassos	H2-6				168.00	10.00		1,680					1,680
Open	Tomasetti	Anthony	H2-4				200.00	9.00		1,800					1,800
Open	Davidson	Eric	H2-4				200.00	9.00		1,800					1,800
Total Support Staff PT							2,050			20,100					20,100
Total Department							6,850								138,400

Sassamon Trace Golf Course

Proposed User Fee Changes For 2009

Current Green Fees

	<u>Weekday</u>	<u>Weekend</u>
Natick Resident	\$20	\$22
Non-Resident	\$22	\$24
Junior	\$14	n/a
Senior	\$14	n/a

Current Season Ticket Pricing

<u>Natick Residents</u>		<u>Non Residents</u>	
Adult	\$600	Adult	\$650
Adult Spouse	\$475	Adult Spouse	\$475
Junior	\$375	Junior	\$425
Junior Family	\$275	Junior Family	\$300
Senior	\$500	Senior	\$550
Senior Spouse	\$400	Senior Spouse	\$425
Senior Limited	\$375	Senior Limited	\$425
Senior Limited Spouse	\$250	Senior Limited Spouse	\$300

Proposed: Eliminate the Non Resident green fee

Narrative: The town appointed Sassamon Trace Golf Course Oversight Committee meets with management each December to review financials and make policy and user fee recommendations for the ensuing season. The Committee met in December to discuss the fee structure for the 2009 golf season. The Committee took into consideration the current economy, golf industry trends and the Sassamon Trace Fee Schedule as it compares to the competitive market set. The Committee considered an across the board rate reduction to attract more play. It was decided that there should be no general rate reduction but instead eliminate the Non Resident fee. The thought being that the goodwill created would offset the potential revenue loss. Natick Residents would continue to receive a discount on Season Ticket purchases.

Proposed: Establish a user fee for the Natick High School Golf Team

Narrative: The Golf Committee recommends charging a user fee to the Natick High School Golf Team. The golf team currently plays approximately 450 rounds per season at no charge to the High School. The Committee's concern is that the golf team practices during a period of high demand and is displacing income generating rounds. The Golf Committee is recommending a \$5 per person user fee for each time the team practices on course to help offset the revenue loss. The Dover Sherborn High School Golf Team also uses Sassamon Trace as their home course but is charged the standard junior fee of \$14 per person each time they use the course.

Sassamon Trace Golf Course

2009 MARKETING PLAN

Advertising

- Send out Natick resident discount coupons with water bill statements
- Direct mail- Val Pak distribution for discount coupons
- Continue providing offers in the various discount golf books
 - New England Golf Guide, American Cancer Society golf Book, American Lung Association Golf Book
- Continue early season advertising in the Metro West Daily News
- Design a more interactive website to improve communications and data capture
- Selling advertising space on scorecard
- Weekly insert in the Natick Tab “This Week at the Trace”
- Distribution of Sassamon Trace Brochures in local businesses
- Co-Market with local businesses such as City Golf Natick, Ten Spa and Nicholas Restaurant
- Advertise on the local TV Channel
- Advertise to motorists on sign at entrance on Rt. 27
- Advertise on sign in Natick Center
- Email specials to customer data base
- Inclusion of Sassamon Trace materials in recreation brochures of local towns

Participation in national Play Golf America initiatives along with the PGA, NGCOA, GCSA, USGA

- May- PGA Free Lesson Month
- June- Women’s Golf Week June 2-6
- July- Take Your Daughter to the Course Week July 7-11
- July- Family Golf Month
- Kids on Course
- US Kids Clubs Tour stop
- Get Golf Ready Promotion

New programs and events for 2009

- Sunday family hour (kids play free with paid adult)
- Free golf clinics/ PGA Free Lesson Month
- Parents night out/ couples night (9 and Dine)
- Players Club- pay for 5 rounds get 6th round free
- Reorganization of league play for more efficient course utilization
- Monday morning Senior League
- Wee Links junior golf Instruction “Golf for the Wee Ones” 4 to 7 years old

“There’s always time for nine”