

A Citizen's Report: Sassamon Trace Golf Course

Presented to the Board of Selectmen: April 7, 2003

Outline of Major Elements of Report:

1. Management Contract

A. Expenses

1. Insurances

2. Utilities (water & electricity)

In reviewing the breakdown of the different expense sections, Mr. Phillips noted that under utilities (water and electricity), the owner agreed to pay promptly all charges incurred for the term of the Agreement for utilities including, but not limited to the following:

- water for clubhouse and maintenance garage
- irrigation water
- electricity for clubhouse and maintenance building
- electricity for recharging of golf cars
- and garbage removal

3. Fuel (gasoline and diesel)

The manager was responsible for payment of telephone services and fuels (gasoline, diesel fuel) for manager's golf course maintenance equipment, unless otherwise specified.

4. Environmental Monitoring

4.4 of the contract stated that the manager shall be fully responsible for and comply with all provisions in the order of conditions issued by the Natick and Sherborn Conservation Commission. All provisions set forth in the orders for the protection of the environment must be adhered to by the manager including but not limited to the IPM plan and maintenance on stormwater control structures.

5. Golf Carts

The manager agrees to equip, operate, and maintain the golf cars consistent with public golf course practices, including the rental of electric golf carts, pull carts and rental clubs.

6. Miscellaneous

The manager agrees to provide, at its sole expense, all equipment, supplies, materials, merchandise, transportation, and labor necessary for the satisfactory operation of the said business, except for any particular item of which specific mention is made in the agreement.

B. Revenues

Mr. Phillips noted that the revenue section of the contract under definitions states: The term 'gross receipts', as used herein shall be construed to mean the total amount received by or accruing to the owner from greens fees and cart rentals only.

- 1.Green Fees
- 2.Cart Rentals
- 3.Pro Shop Sales

C. Audit Issues

Section 2.4 of the Audit Issues section of the management contract states that the manager agrees to complete and submit for each calendar year a reviewed financial statement of manager's operation. Said financial statement shall be submitted no later than March 20 of the year following the conclusion of each calendar year of operation. The financial statement shall include, but not be limited to a record of rounds of play, and an income and expense statement by detailed category, any financial records pertaining to this agreement or operations under or by this agreement, are subject to audit by the owner. The owner reserves the right to request audited financial statements from the manager's operation if it deems necessary.

Section 2.9 of the contract states that the manager agrees to permit authorized agents of owner, upon owner's request, to examine and audit the point-of-sale documents, books, and records without any delay upon manager's part.

- 1.Point of Sale Books
- 2.Town Oversight

2. Enterprise Funds and Accounting Methods

3. Sassamon Trace Advisory Board

Mr. Phillips read from the act that created the advisory board. "There shall be established a Natick golf course oversight committee consisting of five members to be appointed by the town administrator, two to serve for one year, two to serve for one year, two to serve for two years, and one to serve for three years, and thereafter until their successors are appointed by the town administrator. These appointments shall be confirmed as provided in section 4-2 of the Natick town charter by the board of selectmen. It shall be the responsibility of the oversight committee to monitor the operation and financing of the Natick golf course and any contracts with any agencies for the operation or enhancements of that facility. The committee shall

accomplish that task by advice and recommendations to both the town administrator and board of selectmen. Contracts for the construction, maintenance and operation of the golf facility shall be awarded by the town administrator with the approval of the board of selectmen."

4. Town Meeting Actions
 - A. Landfill Capping Appropriations
 - B. Golf Course Construction Appropriations
 - C. Sassamon Trace GC EF Appropriations

5. Audit Recommendations
 - A. Landfill Construction
 - B. Golf Course Construction
 - C. Sassamon Trace GC Operations

What counts as a golf course expense. Between the cost of the bonds and operation deficits no matter what was done with the language for the various amounts of funds put into the golf course operation, when all was said and done, the Town will have \$1.3 million or \$1.4 million less since the golf course opened. There was not much the Town can do about it, but there were some expenses that he had outlined that in his belief the management company was responsible for - particularly the environmental monitoring. It was Mr. Phillips' belief that there was about \$50,000-60,000 in environmental consulting contracts that should be paid by the management company.