



Town of Natick

FY 2010 Budget

Section XI: Sassamon Trace Golf Course Enterprise Fund

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Town of Natick

FY 2010 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						
	2007	2008	2009	2010	2009 vs. 2010	
	Actual	Actual	Appropriated	Appropriated	\$	%
Salaries						
Personnel Services	129,993	145,353	152,417	136,548	-15,869	-10.4%
Total Salaries	129,993	145,353	152,417	136,548	-15,869	-10.4%
Operating Expenses						
Club House Expense	337,110	325,005	344,086	347,481	3,395	1.0%
Supplies - Club House	28,495	27,242	28,573	23,505	-5,068	-17.7%
Other Facility Expense	5,181	7,891	7,500	7,500	0	0.0%
Golf Cart Expense	9,279	9,440	9,326	21,323	11,997	128.6%
Course Maintenance Expense	60,221	108,430	75,475	54,175	-21,300	-28.2%
Total Operating Expenses	440,286	478,007	464,960	453,984	-10,976	-2.4%
Total Operations	570,279	623,360	617,377	590,532	-26,845	-4.35%

Reserves						
	2007	2008	2009	2010	2009 vs. 2010	
	Actual	Actual	Appropriated	Appropriated	\$	%
Reserve Fund						
Reserve for Appropriation	1,000	0	0	0	0	#DIV/0!
Total Reserve Fund	1,000	0	0	0	0	#DIV/0!
Total Reserve Fund	1,000	0	0	0	0	#DIV/0!

Employee Benefits						
	2007	2008	2009	2010	2009 vs. 2010	
	Actual	Actual	Appropriated	Appropriated	\$	%
Employee Benefits						
Other Personal Services	19,237	20,026	37,073	11,820	-25,253	-68.1%
Other Charges & Expenditures	5,893	12,203	12,000	11,291	-709	-5.9%
Total Employee Benefits	25,130	32,229	49,073	23,111	-25,962	-68.1%
Total Employee Benefits	25,130	32,229	49,073	23,111	-25,962	-52.9%

Debt Service						
	2007	2008	2009	2010	2009 vs. 2010	
	Actual	Actual	Appropriated	Appropriated	\$	%
Debt Service						
Principal	195,930	195,930	195,931	195,931	0	0.0%
Interest	141,912	133,606	125,368	116,856	-8,512	-6.8%
Total Debt Service	337,842	329,536	321,299	312,787	0	0.0%
Total Debt Service	337,842	329,536	321,299	312,787	-8,512	-2.6%

Golf Course	934,252	985,125	987,749	926,430	-61,319	-6.21%
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Town of Natick

Home of Champions

Department: Sassamon Trace

Enterprise Fund

Mission:

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



Goals:

To maintain current revenue levels during the recent economic downturn

To closely monitor variable expenses to boost profit percentage

To restructure the current pay plan downward to be in line with other local municipalities

To identify other potential revenue streams

To work with the Supporters of Sassamon Trace to raise advertising revenue for course improvements.

To work with Sterling Golf Management to reduce water and chemical use in our efforts to become a Certified Audubon Cooperative Sanctuary

To continue our participation in growth of the game initiatives developed by the PGA, NGOA and

Budget Overview:

I. Main Purpose of the Department

The goals of the Department are to: Provide golf opportunities, instruction and merchandise for Natick residents, non-residents and local businesses in the MetroWest area.

II. Recent Developments

The recent economic downturn has already begun to effect revenue causing management to downgrade revenue projections for FY09 by 13% and to budget FY2010 at \$530,000.

The recent 33% increase in irrigation water rates will increase expenses on average by \$16,600 per year. In tandem with the golf course superintendent, golf course management monitors water consumption weekly to maximize efficient use of this resource.

III. Current Challenges

To maintain current levels of play and attract new golfers in the face of an economic recession.

The aging golf car fleet requires higher levels of maintenance and associated expenses. Cars are breaking down more frequently compromising user safety.



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

New fleet of golf cars- will add over \$5,000 to budget

Restructuring and downgrading the existing employee pay play to be more in line with other municipalities.

Elimination of two funded positions and the subsequent saving in benefits

V. On the Horizon

The Town needs to explore the following areas:

Irrigation Solution- To wean the golf course off the public water supply and transition to well water for irrigation.

Golf course turf maintenance contract- the current contract with Sterling Golf Management will terminate in December of 2009. Management will bid the course maintenance in the spring of 2009. At the same time, management will conduct a cost analysis to determine the cost effectiveness of maintaining the golf course with town employees.

Staffing

	2006	2007	2008	2009	2010
Golf Course Manager	1	1	1	1	1
Assistant Golf Course Manager	0.6	0.6	0.6	0.6	0
Clubhouse Supervisor	0	0	0	0.6	0
Club Attendants	1.5	1.5	1.5	1.2	2.3
Rangers/starters/cartattendants	1.2	1.2	1.3	1.3	1.0
Total FTE	4.3	4.3	4.4	4.7	4.3

Total FT/PT

2FT/15 PT

2FT/15 PT

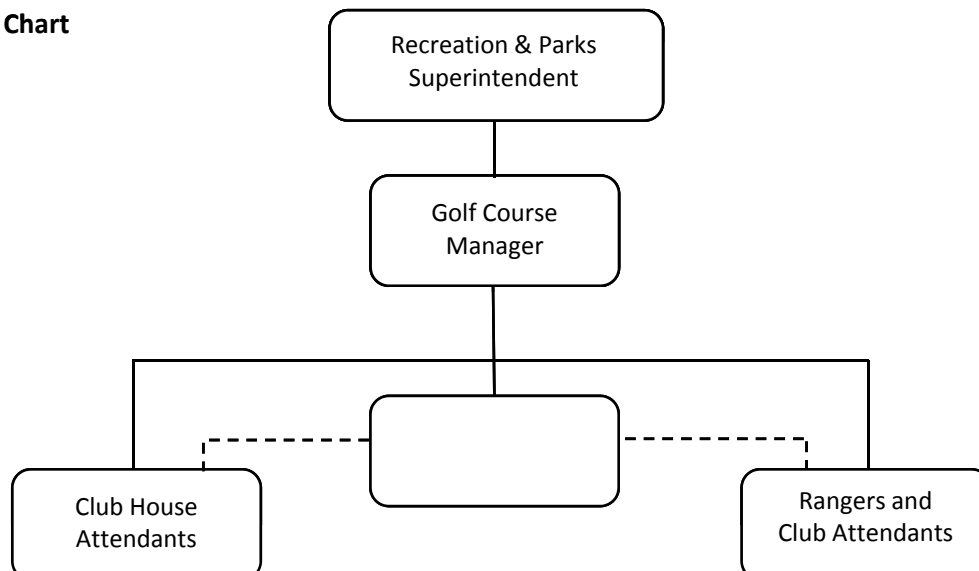
2FT/ 15PT

3FT/13PT

1FT/17PT

Notes

Organizational Chart





Town of Natick

Home of Champions

Department: Sassamon Trace

Enterprise Fund

Operations

	2007	2008	2009	2010	2009 vs. 2010	
	Actual	Actual	Appropriated	Appropriated	\$	%
Salaries Management	56,045	59,965	61,764	61,764	0	0.0%
Salaries Operational Staff	14,870	17,633	32,999	0	-32,999	-100.0%
Salaries Part-time Operational	44,349	45,183	28,371	54,684	26,313	92.7%
Salaries Golf Support	14,729	22,572	29,283	20,100	-9,183	-31.4%
Personnel Services	129,993	145,353	152,417	136,548	-15,869	-10.4%
Utilities - Electric	13,464	10,531	21,800	19,990	-1,810	-8.3%
Building Lease/Repairs	44,156	34,984	30,589	30,680	91	0.3%
Lease Payment Land	52,674	54,342	55,697	56,961	1,264	2.3%
Management Contract Grounds	206,900	211,600	218,100	224,800	6,700	3.1%
Communication Telephone	2,590	2,523	3,156	3,180	24	0.8%
Dues/Subscriptions	1,776	896	1,000	1,000	0	0.0%
Advertising/Promotion	5,822	2,232	4,100	3,400	-700	-17.1%
Bank & Credit Card Fees	8,003	6,929	7,744	6,470	-1,274	-16.5%
Software Maintenance	1,725	968	1,900	1,000	-900	-47.4%
Club House Expense	337,110	325,005	344,086	347,481	3,395	1.0%
Supplies - Club House	2,991	2,214	2,000	2,000	0	0.0%
Merchandise Pro Shop	25,404	24,032	25,573	20,505	-5,068	-19.8%
Custodial Supplies	100	997	1,000	1,000	0	0.0%
Supplies - Club House	28,495	27,242	28,573	23,505	-5,068	-17.7%
Insurance	0	5,000	5,000	5,000	0	0.0%
Facility Upgrades	5,181	2,891	2,500	2,500	0	0.0%
Other Facility Expense	5,181	7,891	7,500	7,500	0	0.0%
Golf Cart Repairs	4,788	5,839	5,250	17,000	11,750	223.8%
Golf Use Sales Tax (ALL)	4,490	3,601	4,076	4,323	247	6.1%
Golf Cart Expense	9,279	9,440	9,326	21,323	11,997	128.6%
Utilities - Water	35,476	86,222	53,200	34,700	-18,500	-34.8%
Environmental Monitoring	13,597	12,209	10,000	8,000	-2,000	-20.0%
Irrigation Electricity	6,742	5,346	8,275	7,275	-1,000	-12.1%
Phragmites Control	3,500	2,500	2,500	2,700	200	8.0%
Course Supplies	906	2,152	1,500	1,500	0	0.0%
Course Maintenance Expense	60,221	108,430	75,475	54,175	-21,300	-28.2%
Total Operating Expenses	570,279	623,360	617,377	590,532	-26,845	-4.3%



Town of Natick

Home of Champions

Department: Sassamon Trace

Enterprise Fund

Reserve Fund

	2007 Actual	2008 Actual	2009 Appropriated	2010 Appropriated	2009 vs. 2010	
					\$	%
Reserve for Appropriation	1,000	0	-	0	0	#DIV/0!
Other Charges	1,000	0	-	0	0	#DIV/0!
Total Reserve Fund	1,000	0	-	0	0	#DIV/0!

Employee Benefits

	2007 Actual	2008 Actual	2009 Appropriated	2010 Appropriated	2009 vs. 2010	
					\$	%
FICA Medicare	1,883	2,107	2,448	1,980	-468	-19.1%
Group Insurance Health	17,354	15,971	29,625	7,440	-22,185	-74.9%
Unemployment	0	1,948	5,000	2,400	-2,600	-52.0%
Other Personal Services	19,237	20,026	37,073	11,820	(25,253)	-68.1%
Retirement	5,893	12,203	12,000	11,291	-709	-5.9%
Other Charges & Expenditures	5,893	12,203	12,000	11,291	-709	-5.9%
Total Employee Benefits	25,130	32,229	49,073	23,111	-25,962	-52.9%

Debt Service

	2007 Actual	2008 Actual	2009 Appropriated	2010 Appropriated	2009 vs. 2010	
					\$	%
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	36,528	0	0.0%
2007 Golf Course (Landfill Portion)	9,402	9,402	9,403	9,403	0	0.0%
Principal	195,930	195,930	195,931	195,931	0	0.0%
2002 Golf Course	111,465	105,465	99,315	92,940	-6,375	-6.4%
2002 Golf Course (Landfill Portion)	24,006	22,380	20,719	19,020	-1,699	-8.2%
2007 Golf Course (Landfill Portion)	6,441	5,761	5,334	4,896	-438	-8.2%
Interest	141,912	133,606	125,368	116,856	-8,512	-6.8%
Total Debt Service	337,842	329,536	321,299	312,787	-8,512	-2.6%

Total All Sassamon Trace	934,252	985,125	987,749	926,430	-61,319	-6.2%
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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 Part-Time Operational Staff - This line item represents seasonal part-time Club House Attendants that wait on and deal with customers within the trailer area.

Salaries Golf Support - This line item represents the seasonal part-time Rangers/Starters that deal with and monitor golfers on the course. This account also represents seasonal part-time Golf Cart Attendants that maintain and clean golf carts, keep the trailer area clean and assist the rangers on the Course when needed.

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 Costs - This line item represents the costs to the Town of Natick for being able to process credit cards from Sassamon Trace customers.

Telephone - Account covers the phone system, credit card and fax line to the trailer. The Manager's cell phone is also part of this account.

Dues, Subscriptions & Travel - Covers the PGA Membership dues for Golf Pro 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
- Handicapped System/Golfer (Called GHIN)
- Cost of Rental Clubs and Pull Carts

Pro-Shop Sales Tax/Golf Cart Tax - This represents the Massachusetts 5% sales tax on all eligible food, beverage, merchandise and golf cart sales.

Software Maintenance - This account provides the funds for the maintenance of our computer software system.

Supplies - This represents the cost for 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.

Custodian 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.

Repairs & Building Leases - This section represents the lease of a new 60' x 24' trailer. This account also includes the rental of a port-a-potty and alarm system to the golf trailer. 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.

Environmental Monitor - This account represents the environmental monitoring and testing requirements that the Town of Natick must perform as per order of conditions through the Natick Conservation Commission.

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



Town of Natick

Home of Champions

Department: Sassamon Trace

Line-Item Detail

Narrative:

Operations (con't)

Golf Carts - This line item represents the first of a three year lease agreement for 27 golf carts. Retained earnings in the amount of \$5,000/yr. will be needed to be assessed against this three year lease agreement. A small remaining amount of money is also in this account for minor repairs to the golf cart fleet.

Facility Upgrades - This account represents renovations to the Course that are not the responsibility of Sterling Golf Management. The work for this year would include the completion of paving the parking lot with asphalt as needed.

Reserve Fund

Employee Benefits - Pays for the health care and retirement assessment costs of the Golf Course Manager. Money is also appropriated for unemployment costs along with funds for Medicare assessments for non-benefited employees. Retirement assessment is decreasing due to reductions in staff.

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

Sassamon Trace Golf Course Revenue/Expenditure Summary

	FY08	FY09		FY10	FY 2010 vs. FY 2009	
	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Budget</u>	<u>%</u>
					\$	%
Revenue						
Golf Course Revenue	\$ 598,819	\$ 573,517	\$ 514,415	\$ 530,000	\$ (43,517)	-7.59%
Retained Earnings*	\$ 107,000	\$ 59,232	\$ 81,594	\$ 41,430	\$ (17,802)	-30.05%
Total Revenue	\$ 705,819	\$ 632,749	\$ 596,009	\$ 571,430	\$ (61,319)	-9.69%
Expenses						
Personnel Services						
Staffing	\$ 145,353	\$ 152,417	\$ 142,167	\$ 136,548	\$ (15,869)	-10.41%
Expenses						
Maint. Contract	\$ 211,600	\$ 218,100	\$ 218,100	\$ 224,800	\$ 6,700	3.07%
Water/Sewer	\$ 86,222	\$ 53,200	\$ 53,200	\$ 34,700	\$ (18,500)	-34.77%
Building leases	\$ 34,948	\$ 30,589	\$ 30,589	\$ 30,680	\$ 91	0.30%
Electricity/heat	\$ 15,877	\$ 30,075	\$ 24,175	\$ 27,265	\$ (2,810)	-9.34%
Merchandise/food	\$ 24,032	\$ 28,573	\$ 23,173	\$ 20,505	\$ (8,068)	-28.24%
Environmental	\$ 12,209	\$ 10,000	\$ 8,700	\$ 8,000	\$ (2,000)	-20.00%
Land Lease	\$ 54,342	\$ 55,697	\$ 55,697	\$ 56,961	\$ 1,264	2.27%
Golf cart repairs	\$ 5,839	\$ 5,250	\$ 5,250	\$ 17,000	\$ 11,750	223.81%
Other misc. costs	\$ 31,993	\$ 33,476	\$ 35,206	\$ 34,073	\$ 597	1.78%
Fringe benefits	\$ 32,229	\$ 49,073	\$ 33,453	\$ 23,111	\$ (25,962)	-52.90%
Debt and Interest	\$ 329,536	\$ 321,299	\$ 321,299	\$ 312,787	\$ (8,512)	-2.65%
Total Expense	\$ 984,180	\$ 987,749	\$ 951,009	\$ 926,430	\$ (61,319)	-6.21%
Subsidy Required	\$ (278,361)	\$ (355,000)	\$ (355,000)	\$ (355,000)		
Appropriated Subsidy	\$ 355,000	\$ 355,000	\$ 355,000			
Year-End Balance	\$ 76,639	\$ -	\$ -			

Notes:

*FY 2009 Certified Retained Earnings for the Golf Course Enterprise Fund is \$97,364. BOS has endorsed plan to use retained earnings to cover any deficit in FY 2009 and to maintain and/or lower the subsidy for FY 2010 from the tax levy. **Minimum** amount to be used for FY 2010 is \$41,430. \$12,000 of fund balance **MUST** be held aside for future application to pay golf cart lease.

Golf Course Certified Retained Earnings History & Spenddown proposal

FY 2006	\$ 51,191
FY 2007	\$ 90,917
FY 2008	\$ 103,010
FY 2009	\$ 97,364

FY 2009 Certified Retained Earnings Spenddown Proposal

Beginning	\$ 97,364
Less FY 2009 Close	\$ (22,362)
Less FY 2010 Oper. Subsidy	\$ (41,430)
Remaining Proposed Balance	\$ 33,572