



Town of Natick

FY 2011 Recommended Budget

Article 2: Section I: Sassamon Trace Golf Course Enterprise Fund

Sassamon Trace
Operations
Debt Service
Fringe Benefits
Budgetary Reserves



Town of Natick

FY 2011 Recommended Budget

Finance Committee Recommendation

Motions for Section I: Sassamon Trace Enterprise Fund

Motion for Sassamon Trace Enterprise Fund - Section I under Article 2:

Move that the Town vote to appropriate the Total Budget Amount shown below for the purpose of operating the departments shown under the associated categories, said funds are to be expended under the direction of each Department Head or Director:

Sassamon Trace Operations

Salaries	\$	144,294
Expenses	\$	457,998

Total Sassamon Trace	\$	602,292
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Sassamon Trace Reserve Fund

Expenses	\$	-
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Total GC Reserve Fund	\$	-
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Sassamon Trace Fringe Benefits

Other Personal Services	\$	13,276
Other - Chgs. & Expenditures	\$	11,799

Total GC Fringe Benefits	\$	25,075
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Sassamon Trace Debt Service

Principal	\$	195,931
Interest	\$	108,224

Total GC Debt Service	\$	304,155
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Motion Total	\$	931,522
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And that the above Total Budget Amount be raised from the following sources:

Tax Levy of Fiscal Year 2011	\$	334,500
Golf User Fees	\$	540,600
Golf Retained Earnings	\$	56,422

\$	931,522
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Town of Natick

Home of Champions

Department: Sassamon Trace

Enterprise Fund

Appropriation Summary

Sassamon Trace Golf Course Enterprise Fund

Operations							
	2008	2009	2010	2011	2010 vs. 2011		
	Actual	Actual	Appropriated	TA Proposed	\$	%	
Salaries							
Personnel Services	145,353	138,231	136,548	144,294	7,746	5.7%	
Total Salaries	145,353	138,231	136,548	144,294	7,746	5.7%	
Operating Expenses							
Club House Expense	325,005	330,384	347,481	358,098	10,617	3.1%	
Supplies - Club House	27,242	22,686	23,505	20,655	-2,850	-12.1%	
Other Facility Expense	7,891	1,977	7,500	7,000	-500	-6.7%	
Golf Cart Expense	9,440	7,257	21,323	22,795	1,472	6.9%	
Course Maintenance Expense	108,430	69,746	54,175	49,450	-4,725	-8.7%	
Total Operating Expenses	478,007	432,049	453,984	457,998	4,014	0.9%	
Total Operations	623,360	570,281	590,532	602,292	11,760	1.99%	

Reserves							
	2008	2009	2010	2011	2010 vs. 2011		
	Actual	Actual	Appropriated	TA Proposed	\$	%	
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							
	2008	2009	2010	2011	2010 vs. 2011		
	Actual	Actual	Appropriated	TA Proposed	\$	%	
Employee Benefits							
Other Personal Services	20,026	18,100	11,820	13,276	1,456	12.3%	
Other Charges & Expenditures	12,203	12,000	11,291	11,799	508	4.5%	
Total Employee Benefits	32,229	30,100	23,111	25,075	1,964	8.5%	
Total Employee Benefits	32,229	30,100	23,111	25,075	1,964	8.5%	

Debt Service							
	2008	2009	2010	2011	2010 vs. 2011		
	Actual	Actual	Appropriated	TA Proposed	\$	%	
Debt Service							
Principal	195,930	195,930	195,931	195,931	0	0.0%	
Interest	133,606	125,358	116,856	108,224	-8,632	-7.4%	
Total Debt Service	329,536	321,288	312,787	304,155	-8,632	-2.8%	
Total Debt Service	329,536	321,288	312,787	304,155	-8,632	-2.8%	

Golf Course	985,125	921,669	926,430	931,522	5,092	0.55%
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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 this current economic downturn
- To closely monitor variable expenses to boost profit percentage
- To recommend the current pay plan to be kept in line with other municipal golf courses.
- To continue to identify other potential revenue streams
- To work with the Supporters of Sassamon Trace to raise advertising revenue for course improvements.
- To continue working with Sterling Golf Management to reduce water and chemical use in our efforts to achieve certification as a Certified Audubon Cooperative Sanctuary
- To continue our participation in growth of the game initiatives developed by the PGA & NGOA

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 DevelopmentsThe recent economic downturn along with poor weather conditions in FY 09 has effected revenues to be \$43,517 less than budgeted. At the same time, expenses were reduced by \$61,319. This resulted in a net Fy 09 financial improvement of \$17,802 to the good. Rounds played for that period were 27,530, which were the second largest in the courses's eight year history. The town has signed a new maintenance agreement with Sterling Golf Management starting with calendar year 2010. Two mutually agreed option years are available for the 2011and 2012 golf season.

III. Current Challenges(1) To maintain current levels of play and attract new golfers in the face of an economic recession. (2) To improve the course conditions through joint maintenance and course improvement project through the Sterling Golf Management and the Town of Natick.(3) To reduce course expenses through acquiring new water resource agreement.



Town of Natick

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Department: Sassamon Trace

Enterprise Fund

Budget Overview:

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

In June 2009, the town appointed auditing firm of Sullivan, Rogers and Co., LLC conducted an audit of Sassamon Trace Golf Operations. Several recommendations were made and the following steps have been taken to address the concerns of the auditors. The related expenses have been included in this budget.

1. Utilize existing Recreation Department staff to fill the position of Assistant Golf Course Manager during peak times to ensure better security & accountability.
2. Upgrade point of sale hardware to include an additional cash drawer.
3. Install security cameras (recommendation of Town Administration).

V. On the Horizon

The Town needs to explore the following areas:

Irrigation Solution- To acquire through negotiations with current land leaseholder a new water resource for the upcoming golf season, which will help the golf course off the public water supply.



Town of Natick

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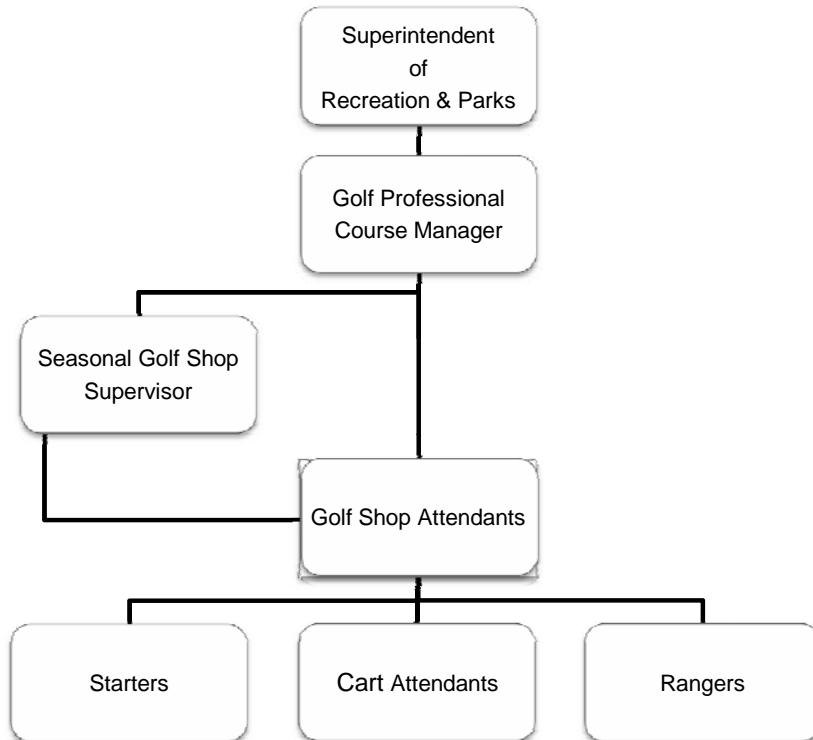
Department: Sassamon Trace Enterprise Fund

Staffing	2007	2008	2009	2010	2011
Golf Course Manager	1	1	1	1	1
Assistant Golf Course Manager	0.6	0.6	0.6	0	0.07
Seasonal golf shop supervisor	0	0	0.6	0	0.48
golf shop attendants	1.5	1.5	1.2	2.3	1.8
Rangers/starters/cart attendants	1.2	1.3	1.3	1.0	1.0
Total FTE	4.3	4.4	4.7	4.3	4.3

Total FT/PT	2FT/15 PT	2FT/ 15PT	3FT/13PT	1FT/17PT	1FT/17PT
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Notes

Organization Chart



Performance Indicators	2007	2008	2009	2010	2011
Number of Rounds Played	27,195	28,752	27,314	28,656.00	28,000
Number of Season Pass Holders	163	184	186	179	188
Number of Senior Pass Holders	65	72	73	73	74
Number of Junior Pass Holders	41	44	50	44	50
Green Fees revenue	\$ 369,316	\$ 386,080	\$ 333,839	\$ 337,679	\$ 344,000
Cart fee revenues	\$ 57,183	\$ 61,088	\$ 57,441	\$ 60,679	\$ 61,000
Season Ticket Revenues	\$ 71,347	\$ 85,233	\$ 83,772	\$ 81,072	\$ 84,000
Golf instruction revenues	\$ 8,486	\$ 11,105	\$ 9,229	\$ 9,500	\$ 9,500



Town of Natick

Home of Champions

Department: Sassamon Trace

Enterprise Fund

Operations

	2008	2009	2010	2011	2010 vs. 2011	
	Actual	Actual	Appropriated	TA Proposed	\$	%
Salaries Management	59,965	\$ 61,764	61,764	61,764	0	0.0%
Salaries Operational Staff	17,633	\$ 12,828	0	5,274	5,274	#DIV/0!
Salaries Part-time Operational	45,183	\$ 35,382	54,684	52,972	-1,712	-3.1%
Salaries Golf Support	22,572	\$ 28,258	20,100	24,284	4,184	20.8%
Personnel Services	145,353	138,231	136,548	144,294	7,746	5.7%
Utilities - Electric	10,531	\$ 10,863	19,990	18,650	-1,340	-6.7%
Building Lease/Repairs	34,984	\$ 30,586	30,680	30,640	-40	-0.1%
Lease Payment Land	54,342	\$ 55,716	56,961	60,544	3,583	6.3%
Management Contract Grounds	211,600	\$ 218,400	224,800	231,404	6,604	2.9%
Communication Telephone	2,523	\$ 2,794	3,180	2,940	-240	-7.5%
Dues/Subscriptions	896	\$ 150	1,000	1,000	0	0.0%
Advertising/Promotion	2,232	\$ 1,012	3,400	3,500	100	2.9%
Bank & Credit Card Fees	6,929	\$ 9,237	6,470	7,420	950	14.7%
Software Maintenance	968	\$ 1,625	1,000	2,000	1,000	100.0%
Club House Expense	325,005	330,384	347,481	358,098	10,617	3.1%
Supplies - Club House	2,214	\$ 2,145	2,000	2,300	300	15.0%
Merchandise Pro Shop	24,032	\$ 19,928	20,505	17,355	-3,150	-15.4%
Custodial Supplies	997	\$ 614	1,000	1,000	0	0.0%
Supplies - Club House	27,242	22,686	23,505	20,655	-2,850	-12.1%
Insurance	5,000	\$ -	5,000	5,000	0	0.0%
Facility Upgrades	2,891	\$ 1,977	2,500	2,000	-500	-20.0%
Other Facility Expense	7,891	1,977	7,500	7,000	-500	-6.7%
Golf Cart Repairs	5,839	\$ 3,339	17,000	17,830	830	4.9%
Golf Use Sales Tax (ALL)	3,601	\$ 3,918	4,323	4,965	642	14.8%
Golf Cart Expense	9,440	7,257	21,323	22,795	1,472	6.9%
Utilities - Water	86,222	\$ 54,280	34,700	29,500	-5,200	-15.0%
Environmental Monitoring	12,209	\$ 8,866	8,000	8,000	0	0.0%
Irrigation Electricity	5,346	\$ 4,093	7,275	7,450	175	2.4%
Phragmites Control	2,500	\$ 2,500	2,700	2,700	0	0.0%
Course Supplies	2,152	\$ 8	1,500	1,800	300	20.0%
Course Maintenance Expense	108,430	\$ 69,746	\$ 54,175	\$ 49,450	-4,725	-8.7%
Total Operating Expenses	623,360	\$ 570,281	\$ 590,532	\$ 602,292	11,760	2.0%



Town of Natick

Home of Champions

Department: Sassamon Trace

Enterprise Fund

Reserve Fund

	2008 Actual	2009 Actual	2010 Appropriated	2011 TA Proposed	2010 vs. 2011	
					\$	%
Reserve for Appropriation	0	\$ -	0		0	#DIV/0!
Other Charges	0	0	0	0	0	#DIV/0!
Total Reserve Fund	0	0	0	0	0	#DIV/0!

Employee Benefits

	2008 Actual	2009 Actual	2010 Appropriated	2011 TA Proposed	2010 vs. 2011	
					\$	%
FICA Medicare	2,107	\$ 2,004	1,980	2,092	112	5.7%
Group Insurance Health	15,971	\$ 12,723	7,440	8,184	744	10.0%
Unemployment	1,948	\$ 3,373	2,400	3,000	600	25.0%
Other Personal Services	20,026	18,100	11,820	13,276	1,456	12.3%
Retirement	12,203	\$ 12,000	11,291	11,799	508	4.5%
Other Charges & Expenditures	12,203	12,000	11,291	11,799	508	4.5%
Total Employee Benefits	32,229	30,100	23,111	25,075	1,964	8.5%

Debt Service

	2008 Actual	2009 Actual	2010 Appropriated	2011 TA Proposed	2010 vs. 2011	
					\$	%
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	105,465	\$ 99,315	92,940	86,490	-6,450	-6.9%
2002 Golf Course (Landfill Portion)	22,380	\$ 20,718	19,020	17,285	-1,735	-9.1%
2007 Golf Course (Landfill Portion)	5,761	\$ 5,325	4,896	4,449	-447	-9.1%
Interest	133,606	125,358	116,856	108,224	-8,632	-7.4%
Total Debt Service	329,536	321,288	312,787	304,155	-8,632	-2.8%

Total All Sassamon Trace	985,125	921,669	926,430	931,522	5,092	0.5%
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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 funds for computer software and hardware equipment.

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.

Insurance - This account represents the amount of recommended general liability insurance that is under the town's insurance for covering unforeseen occurrences at Sassamon Trace during the year.



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 - Forecast (Revised 4/2/10)

	FY09	FY10		FY11	FY 12	FY 13
	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
Revenue						
Golf Course Revenue	\$ 530,040	\$ 530,000	\$ 542,507	\$ 540,600	\$ 551,400	\$ 562,400
Retained Earnings*	\$ 59,232	\$ 41,430	\$ 41,430	\$ 56,421	\$ 38,359	\$ 31,688
Total Revenue	\$ 589,272	\$ 571,430	\$ 583,937	\$ 597,021	\$ 568,259	572,588
Expenses						
Personnel Services						
Staffing	\$ 138,231	\$ 136,548	\$ 136,548	\$ 144,294	\$ 142,131	144,964
Expenses						
Maint. Contract	\$ 218,400	\$ 224,800	\$ 224,661	\$ 231,404	\$ 238,350	245,500
Water/Sewer	\$ 54,280	\$ 34,700	\$ 17,700	\$ 29,500	\$ 30,000	30,500
Building leases	\$ 30,589	\$ 30,680	\$ 30,680	\$ 30,640	\$ 6,825	4,800
Electricity/heat	\$ 14,956	\$ 27,265	\$ 25,265	\$ 26,100	\$ 27,400	28,750
Merchandise/food	\$ 19,278	\$ 20,505	\$ 19,505	\$ 17,355	\$ 18,225	19,150
Environmental	\$ 8,866	\$ 8,000	\$ 8,000	\$ 8,000	\$ 15,000	10,000
Land Lease	\$ 55,716	\$ 56,961	\$ 58,292	\$ 60,544	\$ 62,966	65,485
Golf cart repairs	\$ 3,339	\$ 17,000	\$ 17,000	\$ 17,830	\$ 17,830	19,625
Other misc. costs	\$ 26,619	\$ 34,073	\$ 34,073	\$ 36,624	\$ 37,700	38,800
Operations	\$ 570,274	\$ 590,532	\$ 571,724	\$ 602,291	\$ 596,427	607,574
Fringe benefits	\$ 30,100	\$ 23,111	\$ 23,111	\$ 25,075	\$ 32,500	34,700
Debt and Interest	\$ 321,288	\$ 312,787	\$ 312,787	\$ 304,155	\$ 295,332	286,314
Total Expense	\$ 921,662	\$ 926,430	\$ 907,622	\$ 931,521	\$ 924,259	928,588
Appropriated Subsidy	\$ 355,000	\$ 355,000	\$ 355,000	\$ 334,500	334,500	334,500
Year-End Balance	\$ 22,610	\$ -	\$ 31,315			

Notes:
 *FY2010 Certified Retained Earnings for the Golf Course Enterprise Fund is \$83,126. \$12,000 of fund must be set aside for future applications to pay golf cart lease in FY 11 and 12.

Golf Course Certified Retained Earnings History & Spenddown proposal

FY2006	\$ 51,191
FY2007	\$ 90,917
FY2008	\$ 103,010
FY2009	\$ 97,364
FY2010	\$ 83,126

FY 2010 Certified Retained Earnings Spenddown Proposal

Beginning	\$ 83,126
Less Golf Cart Setaside	\$ (6,000)
Less FY 2011 Oper. Subsidy	\$ (56,421)
Remaining Proposed Balance	\$ 20,705



Town of Natick

FY 2011 Recommended Budget

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