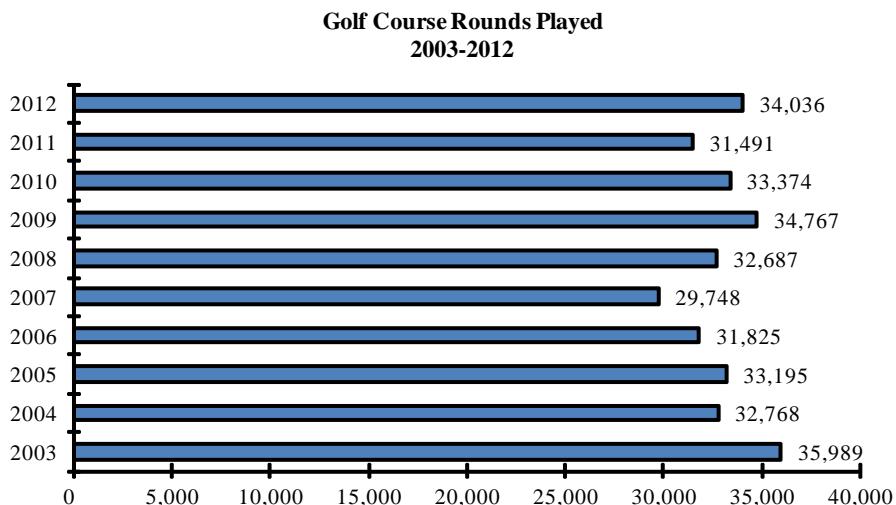


GOLF COURSE FUND

GENERAL INFORMATION:

The Golf Course Enterprise Fund was established July 1, 1977. This fund functions as a self-supporting operation without General Fund tax support. The only exceptions in prior years were the principal and interest payments on the \$250,000 bond issue for the purchase of the golf course property. This issue was retired in 1987. Play at the 18-hole Municipal Golf Course, located north of the City limits, decreased in the years from 1998 through 2007. This decreased play follows a national trend and competition from other area courses may also have had an impact. Play, however, increased in 2008 by 9.9% to 32,687 rounds and further increased by 6.4% to 34,767 in 2009. For 2010 play decreased by 4.0% to 33,374 and decreased another 5.6% to 31,491 rounds in 2011. Rainy weather and extreme heat were contributing factors in the decrease in rounds in 2010 and 2011. Play increased to 34,036 (8.1%) in 2012 which was in part due to favorable weather conditions with few rain days. The following is a summary of the rounds during the past ten years:



The fees at the Municipal Golf Course have increased several times in recent years as reflected below. The fees shown include the state and local option sales tax, currently 7%. The rates were increased for the 2005, 2006, 2007, and 2008 golf seasons. No increases were budgeted for 2009, 2010 or 2011. Rates were increased for the 2012 golf season. No rate increase is budgeted for the upcoming 2013 season.

<u>WEEK DAYS</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008-2011</u>	<u>2012-2013</u>
Adults					
9 holes	\$ 12.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 14.00
18 holes	\$ 5.00	\$ 16.00	\$ 16.00	\$ 17.00	\$ 18.00
Senior Citizens					
9 holes	\$ 11.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 13.00
18 holes	\$ 13.00	\$ 14.00	\$ 14.00	\$ 15.00	\$ 16.00
Junior					
9 holes	\$ 10.00	\$ 10.00	\$ 11.00	\$ 11.00	\$ 5.00
18 holes	\$ 10.00	\$ 11.00	\$ 11.00	\$ 11.00	\$ 5.00

<u>WEEK DAYS</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008-2011</u>	<u>2012-2013</u>
Adults 1-3 p.m.					
9 holes	N/A	N/A	N/A	N/A	\$ 9.00
18 holes	N/A	N/A	N/A	N/A	\$ 11.00
Senior Citizens 1-3 p.m.					
9 holes	N/A	N/A	N/A	N/A	\$ 8.00
18 holes	N/A	N/A	N/A	N/A	\$ 10.00

WEEKENDS AND HOLIDAYS

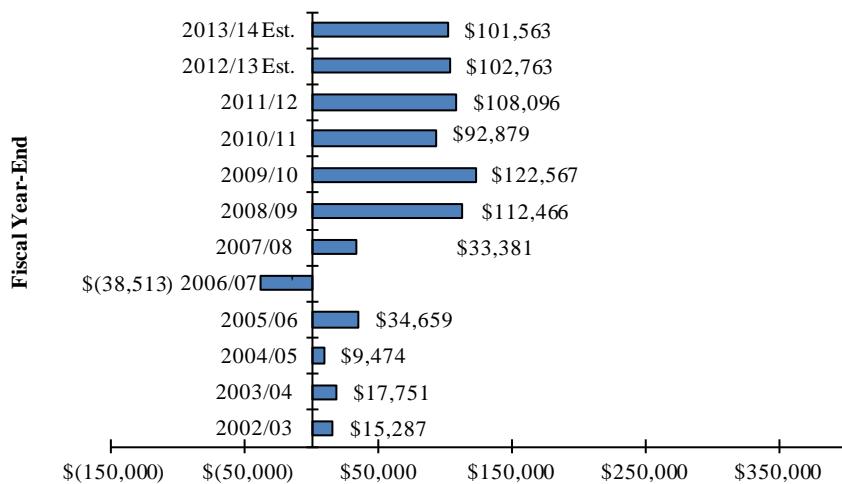
18 Holes					
Adult	\$ 15.00	\$ 16.00	\$ 18.00	\$ 19.00	\$ 20.00
Senior Citizens	N/A	N/A	\$ 16.00	\$ 17.00	\$ 18.00
Juniors	N/A	N/A	\$ 13.00	\$ 14.00	\$ 5.00

SEASON PASSES

Adults	\$ 455.00	\$ 485.00	\$ 485.00	\$ 525.00	\$ 550.00
Juniors	\$ 150.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 90.00
Senior Citizens	\$ 380.00	\$ 405.00	\$ 405.00	\$ 440.00	\$ 465.00
College Student Pass	N/A	N/A	N/A	\$ 335.00	\$ 300.00
Family Pass	N/A	N/A	N/A	\$ 875.00	\$ 915.00

The Golf Course fund balance has varied in recent years due to the amount of capital expenditures each year and also due to fluctuations in play over the past ten years. The deficit balance at the end of 2006/2007 and small balance at the end of 2007/2008 were due to the maintenance building fire. The fund balance history is shown below.

Golf Course Fund Balance History



Prior to 2007 the City had a contractual agreement with a golf professional to provide various services during the golf season. Effective as of the start of the 2007 season, the golf professional and all of the clubhouse staff are now employees of the city.

CURRENT TRENDS AND ISSUES:

Golf Clubhouse

A separate Golf Clubhouse activity within the Golf Fund was established at the time the City changed from a contracted golf professional to a City employee golf professional. This budget includes wages and benefits for staff, food and beverage items for resale, golf merchandise for resale, lease of golf carts, and various other items needed for the clubhouse. Revised estimate expenditures are \$6,300 higher than the original budget primarily due to an increase in merchandise purchased for resale.

The budgeted expenditures for 2013/2014 are \$25,400 (6.8%) higher than the 2012/2013 budget. This increase is primarily due to increases in personal services, items for resale, and capital outlay. The capital outlay allocation of \$6,700 is for a new range ball dispenser.

Since this budget includes numerous items for resale, actual expenditures will be impacted by the volume of food and beverage items as well as golf merchandise sold.

Golf Course Operations

The golf course maintenance building fire on May 31, 2007 destroyed most of the mowers, other equipment, chemicals and fertilizers, tools and various other items, as well as the building itself. Insurance reimbursements were received toward the cost of replacing these items; however, the insurance coverage for the equipment was based on the current value of the equipment, not replacement value. The insurance reimbursement also would fund the replacement of the same size and type of building that was destroyed. The City, however, hired an architect to design a new maintenance building to meet the current needs of the Golf Course. Construction of this building was completed in the spring of 2009 at a cost of \$253,800. Insurance reimbursements for the former facility were only \$76,385. A capital project fund was established to account for costs of reconstructing this building and the estimated project cost (net of insurance) was originally projected to be financed over an 8-year period with a loan from other City funds. A down payment of \$23,600 was made in 2008/2009 with future annual payments (including interest) scheduled to be made over the next seven years. These types of loans have been used in previous years for major golf course projects. Based on actual revenues since that time, the loan repayment schedule was accelerated and the final payment on the internal loan was made in 2011/2012.

The revised estimate for 2012/2013 for the Golf Operations activity budget is \$25,100 higher than the original budget due to increased contractual services and increased transfers. The contractual services increase is due to the addition of \$15,200 for digging two wells deeper due to the drought conditions in the summer of 2012. The transfers budgeted in 2012/2013 included \$50,000 for the down payment on the fairway irrigation system project. Due to strong golf revenues in 2012 the down payment on the irrigation system was increased to \$60,000. The total project cost is estimated at \$342,800 and the project is currently under construction. An internal loan is again being used to finance this project.

The 2013/2014 budget is \$32,800 (7.3%) higher than the 2012/2013 budget due to increased capital outlay (\$16,300), increased transfers (\$11,500) and increased personal services costs (\$5,000). Budgeted capital purchases include replacement of the golf clubhouse carpet (\$12,000), replacement of a utility vehicle (\$9,000), and purchase of a wide area blower (\$6,700). The budgeted transfers include \$60,000 for the second payment on the fairway irrigation system which is \$10,000 higher than the amount in the original 2012/2013 budget.

Summary Information

Based on budget assumptions, it is estimated that the fund balance in the Golf Course fund, net of inventory, at the end of the 2012/2013 year will be \$102,763 and at the end of 2013/2014 will be \$101,563. A number of factors, however, can impact revenues at the course, especially the weather. As with previous internal loans for golf course improvements, payments on the internal loan for the fairway irrigation system project will be accelerated if sufficient funds are available.

As noted above, no golf fee increase is budgeted for the 2013 season. This will be the 7th year of the City-operated clubhouse. During the upcoming year, staff is looking to maintain a quality golf course as well as increase food sales, lessons, and winter use of the clubhouse facility.

GOAL STATEMENT:

To provide and maintain a setting for the enjoyment and challenge by the public of the game of golf for both playability and aesthetics, including a regulation 18-hole course, driving range, clubhouse and related facilities.

PERFORMANCE MEASURES:

	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Estimated 2013
Golf Course Operations:					
Top Dressed Greens	7	7	8	7	7
Stimped Greens	20	20	12	12	12
Aerified Greens	2	1	2	2	2
Acres Maintained	170	170	170	170	170
Acres Mowed Per Week	263	263	263	263	263
New Trees Planted	4	3	4	6	4
Bluebirds Fledged	22	25	6 (84 eggs)	28	25
Rolled Greens	25	29	27	26	26
Verti-cut Greens	6	6	7	6	6
Clubhouse Operations:					
Rounds Played	34,767	33,374	31,491	34,036	34,500
Events	52	48	50	49	50
Leagues	7	7	8	9	9
Season Passes Sold	292	312	277	298	310
Driving Range Tokens Sold	7,931	7,397	7,700	8,972	8,500
Gift Cards Sold (\$)	\$16,121	\$22,708	\$18,578	\$20,046	\$20,000
Lesson Hours	160	165	168	175	180
Total Beer Sales (Units)	29,195	37,455	36,400	40,548	43,000
Total Food and Beverage (Units)	40,489	43,422	49,795	38,790	43,000
Simulator Usage (\$)	NA	\$3,285	\$6,990	\$3,358	\$5,000
Merchandise Sales (\$)	\$36,244	\$44,731	\$59,414	\$63,906	\$68,000

RECENT ACCOMPLISHMENTS:

Golf Course Operations

The 2012 golfing season started very early due to the mild winter weather. Greens, tees, and fairways were mowed the first full week in March with the course opening on March 10, 2012.

The growing season was going really well until it started to get dry and hot. Poa started to show some major stress and some turf was lost due to shallow rooting. The wells both ran dry and had to be drilled deeper.

There continued to be issues with turf on number three tee box last summer. Staff has identified a problem with the soils and is trying to fix this problem, but it is expected to take some time.

Number nine forward tee box was stripped of sod, tilled up, re-leveled, and sodded this fall. The tee box was infested with poa annua and very uneven. With leveling the area, it almost doubled the usable area. This project was done in house and the tee box is expected to be open in early spring.

During the late summer/fall growing season, all of the damaged turf was re-seeded, re-sodded or has recovered on its own. The course was in exceptional shape all during the fall with numerous positive comments by the golfers.

Construction has begun on the fairway irrigation system. The contractor has done an outstanding job with very little course disruption last fall. This project is over halfway completed with the remaining work to be done in the spring.

Golf Course Clubhouse

The golf course opened for play on March 10th and the season started with great weather which helped for the course to have its busiest March in recent history. This increase in play continued through June when the heat of the summer slowed down play a little. The new pricing plan of a mid afternoon reduced rate and no other specials allowed the course to keep play at a solid level as well as not devalue the golf course and the quality of the facility. Revenue numbers were very good for the calendar year and on a good pace for the beginning of the 2013/2014 budget year. The season ended on December 9th with a total of 34,036 rounds for the calendar year. This is about 1,000 rounds greater than the 10 year average.

The golf course closed for the winter on December 10th and the simulator season began. Interest has been good in the simulator leagues and they will continue until the golf course opens in the spring.

OBJECTIVES TO BE COMPLETED IN 2013/2014:

Golf Course Operations

- * To renovate number 9 and number 15 greens.
- * To repair some existing cart paths (number 10 and number 2) and add continuous cart paths to number 3 and number 17.
- * To continue to pursue bunker repairs and/or renovations as needed.

- * To replace the worn and dated carpet in the club house and replace the rubber flooring in the entry ways on the north and south side of the building.
- * To continue to work on the number 3 tee box to improve the soil conditions and playability.
- * To replace the trees that had been removed along the parking lot.
- * To continue to work within the approved budget.
- * To continue to seek information on the “Lean” initiative and implement new ideas. (**Management Agenda High Priority**)
- * To continue to listen to golfers suggestions, input, and ideas that may help improve the golf course.
- * To replace trees that die that may impact the playability of the course.

Golf Course Clubhouse

- * To increase merchandise sales by providing quality products and well trained staff.
- * To increase food and beverage sales by providing a good selection of products at a competitive price and in an inviting setting.
- * To increase participation in activities and programs by offering expanded programs that will encourage different participant groups.
- * To actively participate in local business groups that will help encourage participation at the golf course.
- * To increase customer service training with seasonal staff in an effort to provide consistent quality customer care.
- * To continually look for ways to make the golf operation more “Lean”, including implementing new processes and procedures. (**Management Agenda High Priority**)

Golf Course Operations

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 104,469	\$ 58,899	\$ 15,059	\$ 60,863	\$ 55,763
Revenues	777,025	874,662	856,400	850,300	881,000
Encumbrance Variance	<u>0</u>	<u>1,328</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available	<u>\$ 881,494</u>	<u>\$ 934,889</u>	<u>\$ 871,459</u>	<u>\$ 911,163</u>	<u>\$ 936,763</u>
Expenditures:					
Golf Course Operations	\$ 433,535	\$ 483,751	\$ 449,100	\$ 474,200 (2)	\$ 481,900 (3)
Golf Clubhouse Operations	<u>389,060</u>	<u>390,275</u>	<u>374,900</u>	<u>381,200</u>	<u>400,300</u>
Total Expenditures (1)	<u>\$ 822,595</u>	<u>\$ 874,026</u>	<u>\$ 824,000</u>	<u>\$ 855,400</u>	<u>\$ 882,200</u>
Ending Balance, June 30	<u><u>\$ 58,899</u></u>	<u><u>\$ 60,863</u></u>	<u><u>\$ 47,459</u></u>	<u><u>\$ 55,763</u></u>	<u><u>\$ 54,563</u></u>
Allowance for Inventory	<u>33,981</u>	<u>47,233</u>	<u>34,000</u>	<u>47,000</u>	<u>47,000</u>
Net Balance, June 30	<u><u>\$ 92,879</u></u>	<u><u>\$ 108,096</u></u>	<u><u>\$ 81,459</u></u>	<u><u>\$ 102,763</u></u>	<u><u>\$ 101,563</u></u>
Increase (Decrease) in Fund Balance	\$ (45,570)	\$ 1,964	\$ 32,400	\$ (5,100)	\$ (1,200)

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The 2012/2013 revised estimate expenditures include a downpayment of \$60,000 on the internal loan for the Irrigation System project.
3. The 2013/2014 budgeted expenditures include a transfer of \$60,000 for the second payment on the internal loan for the Irrigation project.

Golf Course

Summary of Revenues

	Actual	Actual	Budget	Revised	
	2010/2011	2011/2012	2012/2013	Estimate	Budget
Season Passes	\$ 107,009	\$ 122,005	\$ 131,000	\$ 125,000	\$ 130,000
Greens Fees	222,923	249,921	247,000	240,000	245,000
Trail Fees	175	200	150	200	200
Interest	315	161	100	100	100
Rental of Buildings	50	0	350	350	350
Lessons	5,760	5,490	10,000	6,000	6,000
Golf Cart Rental	178,098	209,093	193,000	200,000	205,000
Pull Cart Rental	966	582	1,000	800	800
Driving Range Fees	17,435	20,620	18,000	19,500	21,000
Tee Time Reservations	359	0	0	0	0
Simulator Fees	8,615	3,659	10,000	4,000	5,000
Catering Fee	206	174	600	400	400
Beer Sales	80,356	93,947	85,000	94,000	98,000
Food and Beverage Sales	66,403	73,741	68,000	68,000	70,000
Merchandise Sales	54,073	60,849	60,000	62,000	67,000
Miscellaneous Sales	1,355	2,448	2,000	2,000	2,000
Rebate - Soft Drink Supplier	1,800	1,800	1,800	0	2,000
Sales Tax	25,608	27,734	28,400	27,200	28,100
Sale of Equipment	2,772	0	0	0	0
Miscellaneous	2,750	2,238	0	750	50
 Total Revenues	 \$ 777,025	 \$ 874,662	 \$ 856,400	 \$ 850,300	 \$ 881,000

Function:
Business Type

Department:
Parks and Recreation

Activity:
Golf Course Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 179,617	\$ 188,884	\$ 195,400	\$ 194,700	\$ 200,400	2.56%
Commodities	96,685	104,902	101,900	101,000	101,000	-0.88%
Contractual Services	45,780	48,030	41,800	58,800	42,700	2.15%
Capital Outlay	22,289	50,773	11,400	11,100	27,700	142.98%
Transfers	83,000	86,639	98,600	108,600	110,100	11.66%
Total Expenditures	<u>\$ 427,371</u>	<u>\$ 479,228</u>	<u>\$ 449,100</u>	<u>\$ 474,200</u>	<u>\$ 481,900</u>	7.30%
Funding Sources						
Golf Funds	<u>\$ 427,371</u>	<u>\$ 479,228</u>	<u>\$ 449,100</u>	<u>\$ 474,200</u>	<u>\$ 481,900</u>	7.30%

	Personnel Schedule					
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Golf Course Supervisor	1.00	1.00	1.00	1.00	1.00	
Groundskeeper	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
Total Full Time	2.00	2.00	2.00	2.00	2.00	
Part Time:						
Seasonal Equipment Operator	<u>2.56</u>	<u>2.56</u>	<u>2.56</u>	<u>2.56</u>	<u>2.56</u>	
Total	4.56	4.56	4.56	4.56	4.56	\$ 146,600
Employee Benefits						53,800
Total Personal Services						<u>\$ 200,400</u>

Capital Outlay				
<i>Item</i>		<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Clubhouse Carpet			Yes	\$ 12,000
Utility Vehicle		1	Yes	9,000
Wide Area Blower		1	No	6,700
				<u>\$ 27,700</u>
Capital Project Funding Transfer				
Fairway Irrigation System (Payment #2)				<u>\$ 60,000</u>

Function:
Business Type

Department:
Parks and Recreation

Activity:

Golf Clubhouse Operations

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 150,904	\$ 155,403	\$ 153,900	\$ 154,700	\$ 161,300	4.81%
Commodities	128,976	141,249	122,800	131,800	135,800	10.59%
Contractual Services	89,230	88,278	97,200	93,700	96,500	-0.72%
Capital Outlay	19,950	5,345	1,000	1,000	6,700	570.00%
Transfers	—	—	—	—	—	—
Total Expenditures	<u>\$ 389,060</u>	<u>\$ 390,275</u>	<u>\$ 374,900</u>	<u>\$ 381,200</u>	<u>\$ 400,300</u>	6.78%
Funding Sources						
Golf Fees and Sales	<u>\$ 389,060</u>	<u>\$ 390,275</u>	<u>\$ 374,900</u>	<u>\$ 381,200</u>	<u>\$ 400,300</u>	6.78%

	Personnel Schedule					
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Golf Professional	1.00	1.00	1.00	1.00	1.00	
Part Time:						
Clubhouse Supervisor	1.61	1.49	1.35	1.35	1.35	
Cashier	1.33	1.14	1.18	1.18	1.18	
勞工/護林員	<u>0.49</u>	<u>0.64</u>	<u>0.74</u>	<u>0.74</u>	<u>0.74</u>	
Total Part Time	<u>3.43</u>	<u>3.27</u>	<u>3.27</u>	<u>3.27</u>	<u>3.27</u>	
Total	4.43	4.27	4.27	4.27	4.27	\$ 127,600
Employee Benefits						<u>33,700</u>
Total Personal Services						<u>\$ 161,300</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Range Ball Dispenser	1	Yes	<u>\$ 6,700</u>