

TOWN OF PALM BEACH

Recreation Department

MINUTES OF THE GOLF COMMISSION MEETING HELD

APRIL 25, 1997

- I. CALL TO ORDER AND ROLL CALL A meeting of the Golf Commission was called to order by the Chairwoman, Ann Herman, at 10:00 a.m. at the Recreation Center. The Commission members in attendance were, Mrs. Herman, Mr. Rossbach, Mr. Shulman, Ms. Weiss and Mr. Schorr. Alternate member in attendance was Mr. Maddock. Absent from the meeting were Mr. Shore due to a family illness, Mr. Raffo and Mrs. Thurm. Staff members in attendance were Mr. Bitzer, Mrs. Walkowich and Mr. Dytrych.
- II. APPROVAL OF AGENDA - Mr. Rossbach made the motion to approve the agenda, seconded by Mr. Shulman, motion carried.
- III. APPROVAL OF MARCH 28, 1997, MINUTES - Mrs. Herman asked if there were any changes to the March 28, 1997 minutes, there was one. Mr. Schorr stated that in item 3 the nature of the change that was made should be listed. Mr. Shulman made the motion to approve the minutes with the change, seconded by Mr. Maddock, motion carried.
- IV. OLD BUSINESS

A. *Golf Course Financial Report - Mr. Bitzer*

Prior to the meeting Mr. Bitzer distributed a copy of the Monthly Expenditure Report for March and a Golf Course Financial Report which is attached. Mr. Bitzer stated that staff was in the process of putting together the FY-98 proposed budget and that if the Commission members had any suggestions or recommendations for the budget that they should feel free to contact him. He advised the Commission that the department's proposed budget was due in Finance on May 1st and that Finance and Taxation Committee meetings would be held on May 29th and 30th. Mr. Bitzer said that he would present the proposed golf course budget to the Commission at the May 23, 1997 Golf Commission meeting.

Mr. Bitzer said the financial picture seems to be getting better each month and hopefully that will continue to the end of the year. He said that, though we are not by any means out of the woods, the financial strategies recommended by the golf pro-manager and commission and approved by the Town Council seem to be working and we seem to be steadily increasing revenues. This combined with several cuts in expenditures seem to be having a positive effect. He said that resident play had increased and that we were encouraging groups to play at the course through league play as well as introducing new children's programs over the summer. Mr. Dytrych said that this week 80-90 golf professionals would be attending a seminar at the Par-3. It was his hope that this would draw in new business, as these pros would encourage their members at private clubs to come and play the Par 3 when their courses were down for maintenance.

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Mr. Bitzer said that even with the increased revenues it is anticipated that there may be a loss of approximately \$76,000 this year (as opposed to last year's loss of \$175,000). The reason for this was two fold; First, we had a significant decrease in non-resident play after closing for renovations in FY-94. Though the financial picture is improving, the course has not fully recovered. Secondly, there are some increases in expenses that we have minimal control over (ie. Water surcharge and \$102,000 annual water bill, \$77,000 in depreciation, \$25,000 transfer for services rendered by the Finance Department). Water alone is 17% of the budget, however, it is estimated that irrigation re-tubing would save the course approximately \$8,000 a year and pay for itself in five years. The Commission agreed that the re-tubing project was necessary since in the long run it would save the golf course money.

Mr. Bitzer said that it should be noted that when the Town purchased the golf course in 1973, the infrastructure was in extremely poor condition and that the Town had made approximately 3/4 of a million dollars in improvements since 1985. These improvements have included a new maintenance building, tees and greens renovations, a new irrigation pump station and seawall repairs at no cost to the taxpayer. Mr. Bitzer said that the financial picture seems to be going in the right direction and that the staff will continue its efforts to increase revenues and decrease expenses.

After a lengthy discussion the following recommendations and suggestions were made:

- The Commission felt that the depreciation the golf course was charged was unfair. The example that was used was the maintenance building. The money to build the building was taken out of the fund balance and then every year the course is being charged depreciation. It was like the course was being charged twice for that building. It was felt that if depreciation wasn't included in the budget the course would be covering its costs.
- The Commission felt that the \$25,000 the Finance Department charges for its services was extremely high. It was felt that an outside CPA could be hired for a lot less money to do what the Finance Department does. They felt that the Town should waive the \$25,000 fee until the course could get back to running in the black. However, if the Finance Department was going to continue to charge us then we should have an itemized list of what services they provide and how much they charge for those services.
- The Commission felt that the golf course should not be charged for the bulk head/sea wall repairs and that it should be lumped in with the beach project. Mr. Schorr said that it was a Town matter, that it had nothing to do with the golf course. The Commission agreed that the course was too small of an enterprise to support such an expense which would only come back to haunt us in depreciation.

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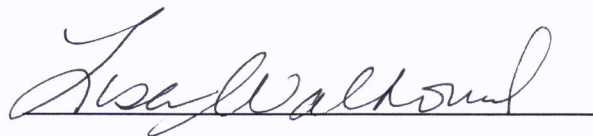
- In conclusion the Commission agreed that we should continue to cut costs wherever possible, ask the Town not to charge us \$25,000 for Finance services until such time that the golf course is back on its feet, increase revenues and fees where ever we can, try to bring in more groups through adult and youth programs and eliminate unnecessary expenses like the seawall and depreciation.

V. NEW BUSINESS - none

VI. ANY OTHER MATTERS

Mrs. Herman said that Mr. Raffo was contacting Cadillac to set up a meeting regarding their sponsorship for our next tournament. Mr. Dytrych said that he spoke with Joanne Carner for some advise, Ms. Carner told him that if we get a big sponsor we are also going to have big expenses, because if Cadillac sponsors the tournament they are going to want big name players which will cost a lot more than \$500, more like in the vicinity of \$5,000 per person. Mr. Dytrych said that Ms. Carner told him that we should be careful, because we have a really nice event, the only one in all the year's on the tour that's still in existence and if we get real big it won't be in your hands anymore, the sponsor will take over. Mr. Dytrych said that when MetLife gave us \$5,000 and First National in Palm Beach gave us \$15,000, because of those sponsorships, First National was compt. eight players and MetLife got four players which cost the tournament \$3,000. He said that if we get a major sponsor, you can just imagine how many players they are going to want to play for free, that's lost money. Mr. Dytrych said that after speaking with Dick Raffo, their only other concern is that Cadillac might not like the idea of donating money to the Town, that it may not be a worthy enough cause for them. Mr. Bitzer said that they might feel that way and they may not. He said that it's the Town Council's prerogative who they donate the money to, and if they don't like what we're doing then they don't have to participate. The Commission agreed.

VII. ADJOURNMENT - Mr. Maddock made the motion to adjourn the meeting, seconded by Mr. Schorr, motion carried.



GOLF COURSE FINANCIAL REPORT

6 Month Report	FY-92	FY-93	FY-94	FY-95	FY-96	FY-97
Memberships	\$29,632	\$28,585	\$25,326	\$17,377	\$24,679	\$27,444
Res. Play Ticket	\$27,433	\$25,624	\$32,149	\$27,213	\$33,083	\$33,889
N/R Play Tickets	\$48,115	\$44,660	\$49,270	\$42,517	\$34,838	\$25,237
Res. Greens Fee	\$25,635	\$21,693	\$23,257	\$26,396	\$38,291	\$51,138
N/R Greens Fee	\$198,337	\$185,299	\$191,159	\$164,242	\$148,743	\$184,494
Lessons	\$21,006	\$23,475	\$26,150	\$18,680	\$20,209	\$28,455
Riding Cart	\$48,836	\$43,957	\$49,310	\$47,521	\$45,942	\$61,504
Pull Cart	\$17,920	\$16,292	\$14,051	\$15,649	\$17,193	\$20,493
Driving Range	\$53,314	\$53,816	\$49,491	\$50,079	\$55,424	\$59,549
Interest Earnings	\$15,307	\$12,205	\$6,536	\$5,405	\$1,684	\$352
Other Misc. Rev.	\$454	\$317	\$428	\$80	\$269	\$271
Total Revenue	\$485,989	\$455,923	\$467,127	\$415,159	\$420,355	\$492,826

12 Month	FY-91	FY-92	FY-93	FY-94	FY-95	FY-96	FY-97 anticipated
Income	\$664,568	\$703,571	\$676,246	\$555,655	\$573,922	\$614,810	\$720,803
Expense	\$569,087	\$650,069	\$697,835	\$705,443	\$712,580	\$790,682	\$796,903
Net	\$95,481	\$53,502	(\$21,589)	(\$149,788)	(\$138,658)	(\$175,872)	(\$76,100)

MAJOR ITEMS THAT HAVE INCREASED EXPENSES AND DECREASED REVENUES

BUILDINGS

FY-91/92	Maint. Facility	\$293,745
FY94-95	ADA Restroom Renovation	<u>\$ 7,245</u>
		\$300,990

IMPROVEMENTS OTHER THAN BUILDING

FY85-87	Bulkhead Repairs	\$112,101
FY91-92	Pump Station Improve.	\$ 56,469
FY94-95	Greens Reconstruction	\$257,851
FY94	Pump Station Renovations	<u>\$ 18,422</u>
		\$444,843

EQUIPMENT

FY91	\$ 42,643
FY92	\$ 14,840
FY93	\$ 5,353
FY94	\$ 19,242
FY95	\$ 22,923
FY96	<u>\$ 18,254</u>
	\$123,255

OTHER

FY91-96	Water Increase From \$44,666 to \$101,647 (up approximately \$60,000 or 143%)
FY94	Course Closed for Renovations (4 months)
FY95	Transfer for services started being charged \$25,000
FY95	Course Closed for Renovations (1 month)
FY95	25% Water Surcharge plus larger greens & tees \$26,662.
FY91-96	Increase in Depreciation Expenses \$43,317 or 126%
FY96	Depreciation - \$77,199.

RETAINED EARNINGS

FY97	Available Cash as of 3/31/97 \$117,000
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TOWN OF PALM BEACH GOLF COMMISSION

ATTENDANCE RECORD 1997

NAME	1/24	2/28	3/28	4/25	5/23	10/24	11/21	12/19
1. ANN K. HERMAN	P	P	P	P				
2. JAY ROSSBACH JR.	P	P	P	P				
3.								
4. MAX SCHORR	P	P	E (Illness)	P				
5. ALLEN E. SHORE	P	E (Illness)	P	E (Illness)				
6. STUART SHULMAN	P	P	P	P				
7. ROBIN E. WEISS	E (Illness)	P	U	P				

ALTERNATES:

1. JAMES MADDOCK	P	P	P	P				
2. ARLENE THURM	P	P	P	U				
3. RICHARD RAFFO	P	E (Illness)	P	U				

LEGEND: P = Present
 E = Excused
 U = Unexcused
 A = Absent Pending Classification as "Excused" or "Unexcused"

TOWN OF PALM BEACH GOLF COMMISSION

CONFLICT OF INTEREST RECORD 1997

MEMBERS	1/24	2/28	3/28	4/25	5/23	10/24	11/21	12/19
1. ANN K. HERMAN								
2. JAY ROSSBACH								
3.								
4. MAX SCHORR								
5. ALLEN E. SHORE								
6. STUART SHULMAN								
7. ROBIN E. WEISS								
ALTERNATES								
1. JAMES MADDOCK								
2. ARLENE THURM								
3. RICHARD RAFFO								

LEGEND: X = Conflict