

**Overview of Golf Saint Paul Performance Plan**  
**Through End of Season (Nov. 30) - 2011**

## Introduction:

This report analyzes Golf Saint Paul courses which include Como Park, Phalen, Highland National, and the Highland Nine Golf Course. The overview compares golf rounds from 2010 to 2011 as well as marketing efforts and spending plans that have been implemented as a result of the golf performance plan.

## Golf Saint Paul

**2010:** Season began March 18

- Season ended November 12th

**2011:** Season began April 8 (3 weeks later than 2010 season)

- Season ended November 19<sup>th</sup>
- Rates were increased at all courses for the 2011 season

### *Through November 30, 2011*

- 11,050 decrease in rounds
- \$143,502 loss in rounds-revenue
- Golf Saint Paul is down 9 % in rounds compared to last year.
- Golf Saint Paul saw a 6 % decrease in rounds-revenue compared to last year.

As of November 30, 2011					Revenue from Rounds			
Course	2010 Rounds	2011 Rounds	Difference	%	2010 Revenue	2011 Revenue	Difference	%
Como	28,937	24,988	(3,949)	-14%	\$538,506	\$524,957	(\$13,549)	-3%
Highland	36,343	33,641	(2,702)	-7%	\$829,934	\$738,855	(\$91,079)	-11%
Highland 9	21,429	18,794	(2,635)	-12%	\$344,196	\$291,136	(\$53,060)	-15%
Phalen	30,017	28,253	(1,764)	-6%	\$537,463	\$551,649	\$14,186	3%
<b>Total</b>	<b>116,726</b>	<b>105,676</b>	<b>(11,050)</b>	<b>-9%</b>	<b>\$2,250,099</b>	<b>\$2,106,597</b>	<b>(\$143,502)</b>	<b>-6%</b>

## Rounds and Rounds Revenue by Month:

### March

Course	2010 Rounds	2011 Rounds	2010 Revenue	2011 Revenue
Como	349	0	\$7,455	\$0
Highland	749	0	\$15,828	\$0
Highland 9	452	0	\$6,227	\$0
Phalen	1,159	0	\$21,700	\$0
<b>Total</b>	<b>2,709</b>	<b>0</b>	<b>\$51,210</b>	<b>\$0</b>

<b>2010 Rounds Through March</b>	2,709
<b>2011 Rounds Through March</b>	0
<b>Difference in Rounds</b>	(2,709)
<b>2010 Revenue Through March</b>	\$51,210
<b>2011 Revenue Through March</b>	\$0
<b>Difference in Rounds Revenue</b>	(\$51,210)

### April

Course	2010 Rounds	2011 Rounds	2010 Revenue	2011 Revenue
Como	3,322	1,057	\$66,289	\$19,199
Highland	4,238	1,895	\$87,492	\$34,299
Highland 9	2,341	782	\$35,288	\$11,885
Phalen	2,972	1,533	\$59,377	\$26,368
<b>Total</b>	<b>12,873</b>	<b>5,267</b>	<b>\$248,446</b>	<b>\$91,751</b>

<b>2010 Rounds Through April</b>	15,582
<b>2011 Rounds Through April</b>	5,267
<b>Difference in Rounds</b>	(10,315)
<b>2010 Revenue Through April</b>	\$299,656
<b>2011 Revenue Through April</b>	\$91,751
<b>Difference in Rounds Revenue</b>	(\$207,905)

### May

Course	2010 Rounds	2011 Rounds	2010 Revenue	2011 Revenue
Como	4,552	4,018	\$83,919	\$79,677
Highland	5,273	5,252	\$117,825	\$103,435
Highland 9	2,984	2,613	\$50,232	\$39,523
Phalen	4,309	4,464	\$74,804	\$85,134
<b>Total</b>	<b>17,118</b>	<b>16,347</b>	<b>\$326,780</b>	<b>\$307,769</b>

<b>2010 Rounds Through May</b>	32,700
<b>2011 Rounds Through May</b>	21,614
<b>Difference in Rounds</b>	(11,086)
<b>2010 Revenue Through May</b>	\$626,436
<b>2011 Revenue Through May</b>	\$399,520
<b>Difference in Rounds Revenue</b>	(\$226,916)

### June

Course	2010 Rounds	2011 Rounds	2010 Revenue	2011 Revenue
Como	5,133	4,839	\$89,095	\$102,925
Highland	5,886	6,083	\$135,177	\$140,381
Highland 9	3,660	3,753	\$64,160	\$61,141
Phalen	5,010	4,914	\$83,532	\$99,966
<b>Total</b>	<b>19,689</b>	<b>19,589</b>	<b>\$371,964</b>	<b>\$404,413</b>

<b>2010 Through June</b>	52,389
<b>2011 Through June</b>	41,203
<b>Difference in Rounds</b>	(11,186)
<b>2010 Revenue Through June</b>	\$998,400
<b>2011 Revenue Through June</b>	\$803,933
<b>Difference in Rounds Revenue</b>	(\$194,467)

**July**

Course	2010 Rounds	2011 Rounds	2010 Revenue	2011 Revenue
Como	5,350	4,406	\$101,737	\$95,894
Highland	6,025	6,193	\$142,563	\$147,561
Highland 9	4,122	3,712	\$69,745	\$58,829
Phalen	5,569	5,012	\$104,026	\$105,607
<b>Total</b>	<b>21,066</b>	<b>19,323</b>	<b>\$418,071</b>	<b>\$407,891</b>

2010 Rounds Through July	73,455
2011 Rounds Through July	60,526
<b>Difference in Rounds</b>	<b>(12,929)</b>
2010 Revenue Through July	\$1,416,47
2011 Revenue Through July	\$1,211,82
<b>Difference in Rounds Revenue</b>	<b>(\$204,647)</b>

**August**

Course	2010 Rounds	2011 Rounds	2010 Revenue	2011 Revenue
Como	4,798	4,875	\$87,218	\$110,533
Highland	5,455	6,035	\$141,085	\$138,963
Highland 9	3,766	3,898	\$63,821	\$62,189
Phalen	4,713	5,330	\$85,664	\$109,718
<b>Total</b>	<b>18,732</b>	<b>20,138</b>	<b>\$377,788</b>	<b>\$421,403</b>

2010 Rounds Through August	92,187
2011 Rounds Through August	80,664
<b>Difference in Rounds</b>	<b>(11,523)</b>
2010 Revenue Through August	\$1,794,21
2011 Revenue Through August	\$1,633,22
<b>Difference in Rounds Revenue</b>	<b>(\$161,03)</b>

**September**

Course	2010 Rounds	2011 Rounds	2010 Revenue	2011 Revenue
Como	2,955	3,044	\$60,096	\$66,877
Highland	4,361	4,224	\$109,929	\$101,877
Highland 9	2,195	2,393	\$33,647	\$37,190
Phalen	2,926	3,478	\$53,328	\$68,155
<b>Total</b>	<b>12,437</b>	<b>13,139</b>	<b>\$257,000</b>	<b>\$274,099</b>

2010 Rounds Through Sept	104,624
2011 Rounds Through Sept	93,803
<b>Difference in Rounds</b>	<b>(10,821)</b>
2010 Revenue Through Sept	2,051,259
2011 Revenue Through Sept	1,907,326
<b>Difference in Rounds Revenue</b>	<b>(143,933)</b>

**October**

Course	2010 Rounds	2011 Rounds	2010 Revenue	2011 Revenue
Como	2,178	2,284	\$37,320	\$41,224
Highland	3,323	3,047	\$62,678	\$57,354
Highland 9	1,688	1,575	\$18,612	\$19,690
Phalen	2,513	2,431	\$41,033	\$39,653
<b>Total</b>	<b>9,702</b>	<b>9,337</b>	<b>\$159,642</b>	<b>\$157,921</b>

2010 Rounds Through Oct	114,326
2011 Rounds Through Oct	103,140
<b>Difference in Rounds</b>	<b>(11,186)</b>
2010 Revenue Through Oct	\$2,210,901
2011 Revenue Through Oct	\$2,065,247
<b>Difference in Revenue</b>	<b>(\$145,654)</b>

**November**

Course	2010 Rounds	2011 Rounds	2010 Revenue	2011 Revenue
Como	300	465	\$5,389	\$8,630
Highland	1,033	912	\$17,358	\$14,986
Highland 9	221	68	\$2,467	\$690
Phalen	846	1,092	\$14,001	\$17,049
<b>Total</b>	<b>2,400</b>	<b>2,537</b>	<b>\$39,215</b>	<b>\$41,355</b>

<b>2010 Rounds Through Nov</b>	116,726
<b>2011 Rounds Through Nov</b>	105,676
<b>Difference in Rounds</b>	(11,050)
<b>2010 Revenue Through Nov</b>	\$2,250,099
<b>2011 Revenue Through Nov</b>	\$2,106,597
<b>Difference in Revenue</b>	(\$143,502)

**Revenue per Round:** (Through November 30, 2011 – Rounds Revenue divided by Total Rounds)

<b>Como:</b>	2010 -	\$18.61
	2011 -	\$21.00
<b>Highland:</b>	2010 -	\$22.84
	2011 -	\$21.96
<b>Highland 9:</b>	2010 -	\$16.06
	2011 -	\$15.49
<b>Phalen:</b>	2010 -	\$17.90
	2011 -	\$19.53

**Note:**

Management will research and review each course's number of tournaments, leagues, complimentary rounds, etc. to determine effects on revenue per round.

**Range Revenue through November 30, 2011:**

*Highland Range:* 2010: \$226,115  
2011: \$204,148

*Phalen Range:* 2010: \$32,609  
2011: \$29,571

**Expenses by Month:** Differences noted in red are expenses that have increased from 2010 to 2011.

**March**

Course	2010	2011	Difference
Como	\$82,986	\$92,940	\$9,954
Highland	\$130,822	\$112,222	(\$18,599)
Highland 9	\$50,757	\$53,301	\$2,545
Phalen	\$90,266	\$85,090	(\$5,176)
Admin	\$25,534	\$23,744	(\$1,789)
<b>Total</b>	<b>\$380,364</b>	<b>\$367,299</b>	<b>(\$13,065)</b>

**May**

Course	2010	2011	Difference
Como	\$91,315	\$71,551	(\$19,765)
Highland	\$82,636	\$81,268	(\$1,368)
Highland 9	\$25,156	\$32,058	\$6,902
Phalen	\$84,861	\$85,184	\$323
Admin	\$17,737	\$13,635	(\$4,102)
<b>Total</b>	<b>\$301,705</b>	<b>\$283,695</b>	<b>(\$18,010)</b>

**July**

Course	2010	2011	Difference
Como	\$135,625	\$96,617	(\$39,008)
Highland	\$158,071	\$137,442	(\$20,630)
Highland 9	\$46,312	\$48,392	\$2,080
Phalen	\$124,608	\$110,058	(\$14,549)
Admin	\$19,008	\$19,597	\$590
<b>Total</b>	<b>\$483,624</b>	<b>\$412,106</b>	<b>(\$71,517)</b>

**September**

Course	2010	2011	Difference
Como	\$91,839	\$77,161	(\$14,678)
Highland	\$105,742	\$111,960	\$6,219
Highland 9	\$29,988	\$34,815	\$4,826
Phalen	\$80,974	\$79,216	(\$1,757)
Admin	\$17,826	\$18,985	\$1,159
<b>Total</b>	<b>\$326,369</b>	<b>\$322,137</b>	<b>(\$4,231)</b>

**November**

Course	2010	2011	Difference
Como	\$49,046	\$63,181	\$14,133
Highland	\$67,044	\$77,304	\$10,260
Highland 9	\$23,452	\$28,207	\$4,755
Phalen	\$63,888	\$65,311	\$1,423
Admin	\$8,592	\$7,763	(\$829)
<b>Total</b>	<b>\$212,022</b>	<b>\$241,766</b>	<b>\$29,744</b>

**April**

Course	2010	2011	Difference
Como	\$51,470	\$41,108	(\$10,361)
Highland	\$59,205	\$100,174	\$40,969
Highland 9	\$18,656	\$35,887	\$17,231
Phalen	\$86,088	\$67,300	(\$18,788)
Admin	\$7,898	\$9,736	\$1,838
<b>Total</b>	<b>\$223,318</b>	<b>\$254,206</b>	<b>\$30,888</b>

**June**

Course	2010	2011	Difference
Como	\$221,104	\$214,330	(\$6,774)
Highland	\$585,824	\$579,387	(\$6,437)
Highland 9	\$94,270	\$88,113	(\$6,158)
Phalen	\$212,504	\$220,387	\$7,883
Admin	\$46,147	\$57,972	\$11,824
<b>Total</b>	<b>\$1,159,850</b>	<b>\$1,160,189</b>	<b>\$338</b>

**August**

Course	2010	2011	Difference
Como	\$84,846	\$93,793	\$8,948
Highland	\$118,545	\$125,947	\$7,401
Highland 9	\$30,627	\$36,944	\$6,317
Phalen	\$84,994	\$97,327	\$12,333
Admin	\$14,357	\$19,563	\$5,206
<b>Total</b>	<b>\$333,369</b>	<b>\$373,574</b>	<b>\$40,205</b>

**October**

Course	2010	2011	Difference
Como	\$76,488	\$81,461	\$4,972
Highland	\$100,931	\$111,162	\$10,231
Highland 9	\$31,656	\$36,464	\$4,809
Phalen	\$84,578	\$91,909	\$7,331
Admin	\$38,471	\$15,585	(\$22,886)
<b>Total</b>	<b>\$332,124</b>	<b>\$336,581</b>	<b>\$4,457</b>

**Through November 30, 2011:**

**2010:** \$3,752,745

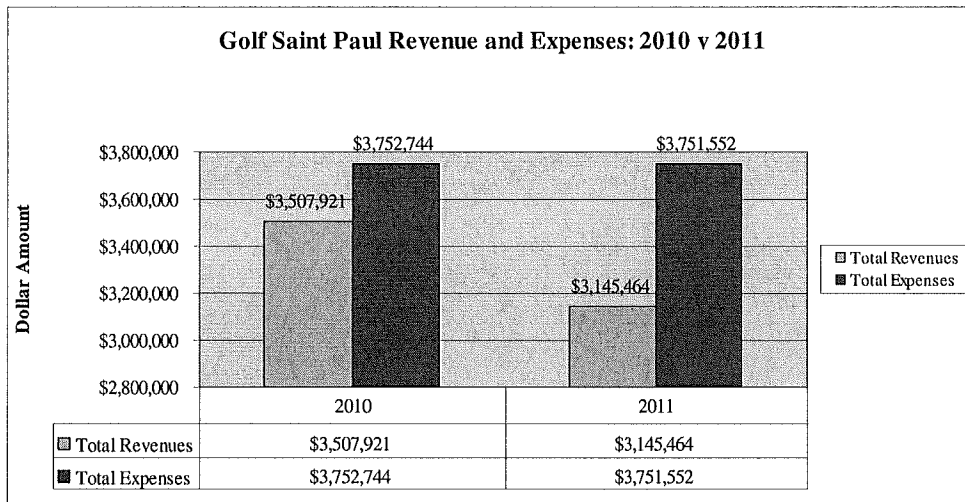
**2011:** \$3,751,552

Decreased \$1,193 expenses in 2011 compared to 2010

## Overview of Revenue and Expenses

2011 changed the way fringe benefits are calculated. In 2011, an indirect fringe rate will be used. In 2010, most fringes were budgeted based on expected direct costs.

- Because 2011 will be a transition year– partial operations in FMS and partial operations in Lawson – OFS and COMET staff have determined the following is the best method for the City to charge fringe benefits in 2011.
- The annual fringe benefit amounts budgeted in the Lawson fringe benefit accounts will be divided by 12 months and charged monthly.
- Fringe costs for January through March will be charged in March and monthly thereafter.
- In 2012, fringe benefit charges will be allocated in a manner consistent with the new budgeting process -- a combination of actual amounts (employee insurance, FICA, pensions) and an indirect rate (retiree health insurance, severance pay).



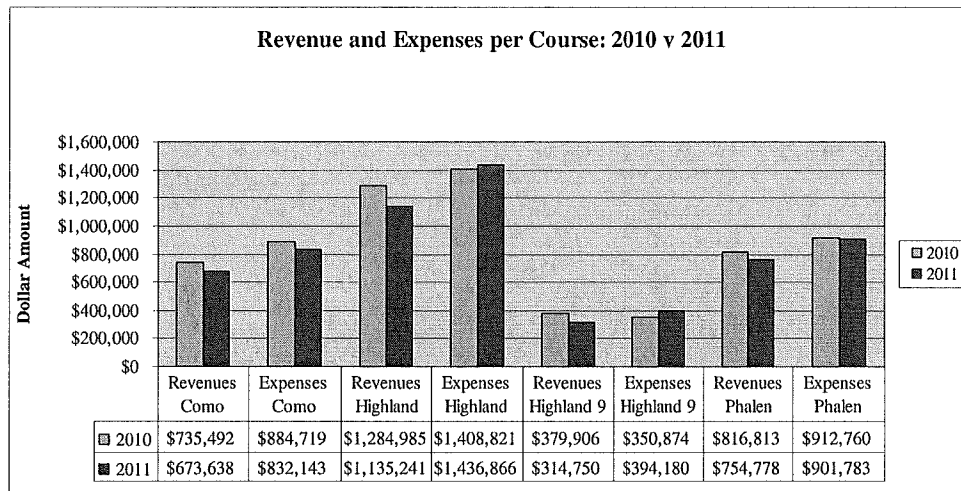
### Golf St. Paul Overall Compared to 2010 (As of November 30)

2011 Revenue is down \$362,457  
 2011 Expenses are down \$1,192

### Golf St. Paul Overall 2011 (As of November 30)

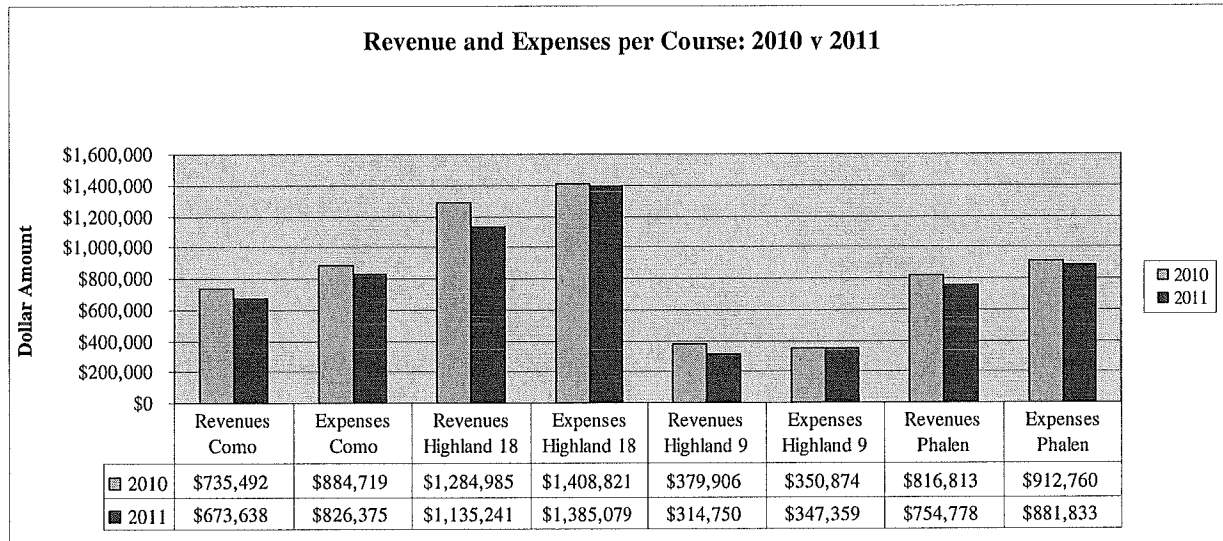
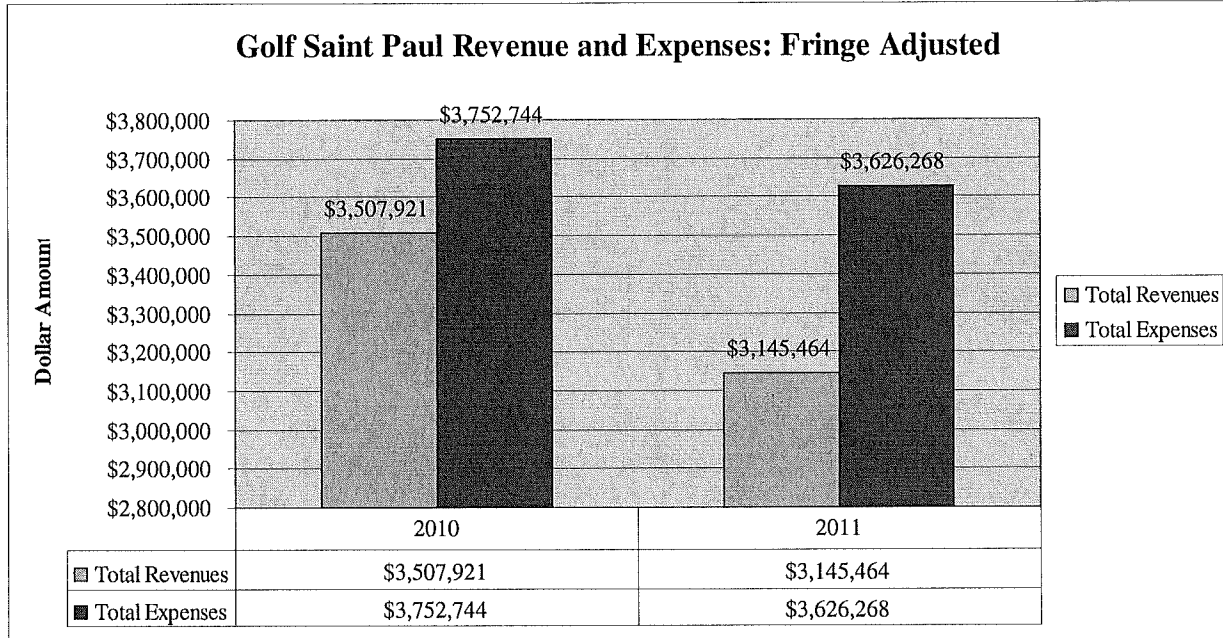
\$606,088 loss

(Includes debt services & transfer.  
 Does not include depreciation.)



## Fringes Adjusted

Due to the new method of calculating fringe in 2011, which produces a significantly higher initial monthly charge, we have adjusted the 2011 cost to be more comparable to previous years by taking the respective 2010 amounts and further adjusting them proportionately to match the percentage decrease in salaries to date.



**Note:** There is a significant difference in 2011 expenses when the fringe is adjusted to last year's method.

### **Golf Saint Paul Overall -Fringes Adjusted**

(As of November 30, 2011)

2010 Expenses: \$3,752,744

2011 Expenses: \$3,626,268

Difference: \$126,476

\$480,804 Loss (2011 Revenue – 2011 Fringe Adjusted Expenses)

# Summary

## *Rounds & Revenue*

- Prior to the 2011 season, rates were increased by \$1.00 at Highland National and by \$3.00 at Como, Phalen, and the Highland Nine.
- Rounds are down 10% and revenue is down 7% in 2011 compared to 2010. This can be largely attributed to weather factors which caused the courses to open 3 weeks later, and experience lower than normal weekend bookings due to poor weather.

## *Revenue per Round*

- Revenue per round has increased at both Phalen and Como; however Highland National and Nine's revenue per round are slightly below last year's figures.

## *Advertising*

- Paid advertising efforts were scaled back by almost \$5,000 in 2011 due to poor early season weather conditions, but new lower cost options were researched and implemented beginning early July which included dynamic pricing and promotions through social media outlets.

## *Adjusted Fringe Rate Expenses*

- Fringe rate calculation changes have resulted in expenses showing increases from last year; however after adjusting the 2011 rate to be more comparable to 2010, each course has lowered their expenses compared to 2010:
  - Reduced overall by \$126,476
  - Percentage reductions:
    - Como: 7%
    - Highland 9: 1%
    - Phalen: 3%
    - Highland National: 2%

## *Change - Rounds*

- For November 2011, Como and Phalen increased their rounds, while both Highland courses decreased compared to Nov. 2010.

## Revenue Strategies

The following strategies were planned and/or implemented based on the Performance Plan presented to the Saint Paul City Council on May 26<sup>th</sup>, 2010. Parks was tasked with developing a solution that would put Golf Operations on stable financial ground. The following displays the efforts and actions that were taken.

### Marketing Efforts

#### *Paid Advertising*

2010		2011	
<b>Comcast</b> · 30 sec commercial played throughout summer	\$10,000	<b>Comcast</b> · 30 sec commercial played throughout summer	\$10,000
<b>Pioneer Press</b> · Series of 8 print ads	\$2,500		
<b>MN Daily</b> · Series of 9 print ads · \$1500 value	\$931.50		
<b>Minnesota Twins Yearbook</b>	\$989		
<b>Yellow Book</b> · Trade for rounds · Received print and online advertising	\$1,500		
<b>Total</b>	<b>\$ 15,920.50</b>	<b>Total</b>	<b>\$10,000</b>

#### *Non-Paid Advertising and Efforts*

2010	2011
<b>Social Networking</b> <ul style="list-style-type: none"> <li>Outreach and notifications of specials and course happenings via Facebook and Twitter</li> </ul>	<b>Social Networking</b> <ul style="list-style-type: none"> <li>Outreach and notifications of specials and course happenings via Facebook and Twitter</li> </ul>
<b>Birthday Club</b> <ul style="list-style-type: none"> <li>Free round during birthday month</li> <li>Helped increase database by 965 golfers</li> </ul>	<b>Birthday Club</b> <ul style="list-style-type: none"> <li>Free round during birthday week</li> <li>Helped increase database by 614 golfers to date</li> </ul>
<b>Email Blasts</b> <ul style="list-style-type: none"> <li>Outreach, promotions, and notifications</li> </ul>	<b>Email Blasts</b> <ul style="list-style-type: none"> <li>Outreach, promotions, and notifications</li> </ul>
	<b>Promotional Vouchers/Certificates</b> <ul style="list-style-type: none"> <li>StarTribune Steal: 262 sold/ \$8619 in revenue</li> <li>CrowdCut: 650 sold/ \$9865 in revenue</li> <li>IdealGolfer: 21 sold/ \$705 in revenue</li> </ul>
	<b>Web Specials / Dynamic Pricing</b>
	<b>Onsite Efforts</b> <ul style="list-style-type: none"> <li>Signage</li> <li>Promotion of memberships</li> </ul>
<b>Hours:</b> 20 hours/week Paid intern (May—Sept)	<b>Hours:</b> 40 hours/week - Paid Intern (April—May) Promotion setup and planning 20 hours/week (June—October)

## **Management Efforts**

### ***Staffing:***

- Beginning March 30, 2011 - Implemented all “Retail Staff Re-organization and Reductions” stated on page 1 of the Performance Plan.
  - Items 1 – 6 were implemented with a projected savings of \$345,000

### ***Fees\*:***

- Rates were increased by \$1.00 at Highland National
- Rates were increased by \$2.00 - 3.00 at Como, Phalen and the Highland Nine
- Implemented a Discounted Punch Card and Dynamic Pricing Web Specials

### ***Course Conditions:***

- Management worked to support course Superintendants to improve course conditions (see Appendix 1)
- Negotiated replacement of range netting at Highland National
- Frequent course tours
- Maintenance (Page 2 of Performance Plan)
  - Adjustments to staff call-backs: significantly delayed call-backs at beginning of the season
  - Comp time only authorized in emergency situations
  - Work to achieve approximate projected savings of \$105, 000

### **Action Steps:**

- Phalen bunker restoration project
- Fall Rates were implemented in mid September\*\*
- Structure plan for complete comprehensive financial audit of each course beginning in 2012
- Update and complete monthly overview of the performance plan

\*For 2010 and 2011 rates, please see Appendix 2

\*\* For 2011 Fall Rates, please see Appendix 3