

Township of Lower Makefield
Golf Advisory Committee
Meeting Minutes, August 27, 2018

Golf Committee:

Richard Eisner, Chairman – present
Helen Bosley, Vice Chairman – absent
Jim Richardson, Recording Secretary – present
Adam Reiss – present
Mark Ellison – present
Grace Godshalk – absent
Rodger Owen – present
Colin Marsh – present
Pat Frain – present
John Lewis, LMT Board Liaison – present

Others:

Mike Attara, President, Spirit Golf Management
Ed Gibson, General Manager
Mark Peterson, Head Superintendent
Greg Stanch, Food & Beverage Manager

Attachments – LMT Board Copy Only

Highlands Golf Management, LLC Monthly Report
Makefield Highlands Golf Course Profit & Loss YTD Comparison, January through July, 2018
Makefield Highlands Golf Course – Three year performance snapshot, as of July 31, 2018

Meeting Notes:

Rich Eisner called the meeting to order at 7:00 p.m.

Mike Attara and Ed Gibson together reviewed the financial situation and performance of the golf course from multiple perspectives. On balance, those numbers are down across the board, due, primarily, to rainy days that caused the course to be closed either entire, or half days.

Mike Attara reported that he is dealing with a number of resident issues, and that he has met with those residents in person, and has successfully resolved those issues.

Ed Gibson reported that even considering the spate of inclement weather, several profitable special events have been conducted, including a Makefield Highlands Golf Association event and an excellent "9 and Dine," in addition to several private outings and a continuation of the increasingly popular Friday evening "Party on the Patio."

Mark Peterson reported that the weather has had a substantially negative effect on the golf course itself, though on balance, the course remains in greater than satisfactory condition. His primary issue is finding and hiring adequate help, and now that many of his workers are returning to school, the problem continues. Colin Marsh is investigating trade school internships as a possible solution, though transportation issues remain yet unsolved. More to come on that.

Finally, there was a lengthy review and discussion of our logo, which most feel needs to be updated. We examined a series of graphic interpretations, along with logoed shirts from other clubs. The committee expects to come to a decision this fall, well in time for the 2019 season.

Last month's minutes were reviewed; Mark Ellison moved to approve, Pat Frain seconded; all were in favor.

Adam Reiss moved the meeting be adjourned, Jim Richardson seconded, all were in favor.

Next meeting will be held on October 8, 2018 at the Township Building.

Respectfully submitted, Jim Richardson, Recording Secretary

Highlands Golf Management LLC

Makefield Highlands GC

Golf Committee Meeting

August 27, 2018

Financial Update

- Review the MHGC benchmark report 2016-18
- Review July Financials

Customer Service Feedback - Residents

- Mike & Ed update committee.

Golf Course Update

- Course was **closed 2 days during the month** but we did have some days that rained in the morning and we had no play until afternoon (2-Saturday mornings). We ended up with 5,679 rounds played during the month against a budget of 6,100.
- ***Rounds In July 18' = 5,679 vs 17' = 6,133* Difference of 454 rds.**
- ***Rounds to date thr July 18' = 20,809 vs 17' = 24,169* (All weather related) Difference of – 3,360 rds.**

Operations/Activities

- Golf course was open for 29 days of play during June with 5,679 rounds played. Golf Revenues were \$280,269 against a budget \$330,100 (84.9%). During the month, the range revenues were \$20,725 (92.11%) against a budget of \$22,500 and merchandise sales down for the first time at \$11,748 against a budget of \$24,500 (48%)
- MHGA event scheduled for Saturday, August 18th we had 46 players and great day overall!
- August 26th 9 & Dine – 56 players and we did the 'Back Nine' for the first time ever and great feedback!
- Club Championship – Saturday & Sunday September 22-23. Being pushed back 1 weekend due to aerification scheduled September 3 – 4.
- Outings – 9/21 Friends of Ryan Gallagher, 9/28 Rob's Auto
- MHGC logo's – update.

F & B

- Food and Beverage revenues were \$65,220 versus a budget of \$89,900 (72.5%)
- Breakdown was \$60,131 Grille revenue versus a budget of \$79,000 (76.1%) and \$5,089 banquets against a budget of \$10,500 (48.46%).
- **September scheduled banquets = 9/6 Newtown Exchange, 9/8 Wedding, 9/15 75th BDay, 9/22 Wedding, 10/6 Wedding**
- Menu edits – with weekly specials added
- Continuing to offer Party on Patio Friday's, 5:00 – 8:00pm. Drink and App specials!
- Very well attended each week. Continuing to make adjustments to enhance level of service.
- OAA Open House Brunch Sunday, August 12th, 10am – 1pm. Well attended nice event!

Highlands Golf Management LLC

Course & Grounds

- **Course Conditions-** As we all know this has been far from our typical summer, above average rainfalls and periods of high heat have not helped playing conditions. We have seen over 12 inches of rain in the past 30 days. , that is nearly triple the 30 year average of 4 inches for this period of time. The greens and tees are saturated, and steps have been taken to help with air and water flow through the soil profile. Sprays are being applied and conditions are being monitored. The good thing is that fall is around the corner. We have worked hard the past few weeks to also spray crabgrass throughout the course. The white color in the roughs is the weeds dying off. Due to rainfall amounts this season much of the herbicides that were sprayed as a preventative broke down, we are not alone in this battle. Also to note the bunkers that were done last fall are holding up great.

Aerification – Greens- September 4th and 5th

Tees- September 11th and 12th

Fairways- Start September 17th till DONE

- **Sprays-** We will continue to monitor conditions and spray based on our scouting and scheduled sprays
 - **Bunkers-** The staff has been working hard to keep conditions better with the arrival of our new bunker rakes things are looking much better. **This fall we will be renovating 43,000 sq ft of bunkers (on the list depending on total sq footage -2 greenside, 9 fairways, 1 left greenside, 5 pot bunker, 6 greenside, and 10 greenside)**
 - **Range-** Tee is looking good, now that weather conditions are improving we hope to have it open more.
- Audubon International-** Certified
- **Maintenance Equipment Lease-** Equipment has been delivered as of last Friday. We are waiting on the GPS unit for the sprayer that will be installed at a later date. It is working wonderfully!
 - **Maintenance Staff:** hiring part time help as college staff is back at school.

Sales & Marketing

- Mike and Dave had a great meeting with Parks & Recreational. Mike – update.
- Yardley Harvest Day – Scheduled to participate for 2018
- Social Media Post to support events.

Capital and Project

- Deck glass railing installed
- Indoor shades and blackout panels have been installed.
- Audiolab with sound for indoors and outdoors installing on 8/29.

Makefield Highlands Golf Course

	2016	2017	2018 (as of 7/31)	2017(as of 7/31)	2016(as of 7/31)
Total Rounds Played	42,222	42,714	20,809	24,169	25,005
Comp/Employee Rounds	894	553	346	251	621
Outing Rounds	1553	1,660	432	624	703
Days Open	292	310	146	172	168
Greens Fees (\$)	\$1,301,056.00	\$1,275,379.00	\$ 669,383	743,822	764,339
Cart Fees (\$)	\$504,896.00	\$497,852.00	\$ 236,775	288,783	294,431
Range (\$)	\$170,137.00	\$171,593.00	\$ 85,502	108,765	110,301
Merchandise (\$)	\$195,818.00	\$158,491.00	\$ 83,452	87,264	110,515
Total Golf Revenue (\$)	\$ 2,171,907	\$ 2,103,315	\$ 1,075,112	1,228,634	1,279,586
Food & Beverage Revenue (exclusive of Banquet & Weddings)	\$731,539.97	\$532,366.00	\$ 168,274	170,858	321,824
F&B Banquet & Wedding Revenue		\$186,661.00	\$ 55,632	62,706	
Total Food & Beverage Revenue (\$)	\$ 731,540	\$ 719,027	\$ 223,906	233,564	321,824
Greens Fees/Per Round	\$ 30.81	\$ 29.86	\$ 32.17	\$ 30.78	\$ 30.57
Greens & Cart Fees/Per Round	\$ 42.77	\$ 41.51	\$ 43.55	\$ 42.72	\$ 42.34
Food & Beverage (ex B&W)/Per Round	\$ 17.33	\$ 12.46	\$ 8.09	\$ 7.07	
Total Food & Beverage/Per Round	\$ 17.33	\$ 16.83	\$ 10.76	\$ 9.66	\$ 12.87

Notes - 2016 financials did not separate banquet sales.

**Makefield Highlands Golf Course
Profit & Loss YTD Comparison
January through July 2018**

08/27/18

Accrual Basis

	Jan - Jul 18	Jan - Jul 17
Ordinary Income/Expense		
Income		
Revenues		
Carts		
367-120 · Cart Revenues	236,775.40	288,783.22
Total Carts	236,775.40	288,783.22
Course & Grounds		
367-100 · Greens Fees	669,383.94	743,822.93
Total Course & Grounds	669,383.94	743,822.93
Food & Beverage		
367-140 · Food Sales	95,157.86	101,464.07
367-141 · Beverage Sales	21,417.26	32,232.68
367-142 · Beer Sales	78,406.60	79,732.99
367-143 · Liquor Sales	27,840.00	30,689.47
367-144 · Wine Sales	6,579.50	8,238.83
367-147 · Other F & B Income	25,141.39	31,529.93
367-150 · F&B - Banquet Food	81,376.15	80,393.68
367-151 · F&B - Banquet Beverages	469.22	2,242.00
367-152 · F&B - Banquet Beer	4,503.44	2,256.19
367-153 · F&B - Banquet Liquor	3,602.38	9,832.14
367-154 · F&B - Banquet Wine	1,667.42	2,678.37
368-140 · Food Sales - Banquet	0.00	0.00
368-141 · Beverage Sales - Banquet	0.00	0.00
368-142 · Beer Sales - Banquet	0.00	0.00
368-143 · Liquor Sales - Banquet	0.00	0.00
368-144 · Wine Sales - Banquet	0.00	0.00
Total Food & Beverage	346,161.22	381,290.35
General & Admin		
367-195 · Other G&A Income	4,821.58	11,004.94
Total General & Admin	4,821.58	11,004.94
Golf Shop		
Golf Shop - Store		
367-130 · Clothing	27,999.38	25,546.31
367-131 · Accessories	1,457.02	0.00
367-132 · Balls & Gloves	3,535.92	0.00
367-133 · Clubs	261.30	0.00
367-134 · Merchandise	50,198.79	61,717.95
Total Golf Shop - Store	83,452.41	87,264.26
367-139 · Golf Shop Revenue		
367-135 · Lessons Jr. Camps, Clinics	19,019.01	35,351.82
367-136 · Club Rental	407.97	0.00
367-138 · Handicap Fees	15,620.00	16,840.00
367-139 · Golf Shop Revenue - Other	7,656.38	7,151.35
Total 367-139 · Golf Shop Revenue	42,703.36	59,343.17
Total Golf Shop	126,155.77	146,607.43
Range		
367-110 · Range Fees	85,502.90	108,765.00
Total Range	85,502.90	108,765.00
Total Revenues	1,468,800.81	1,680,273.87
Total Income	1,468,800.81	1,680,273.87
Cost of Goods Sold		
Cost of Sales		
F&B Cogs		

Makefield Highlands Golf Course
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Accrual Basis

	Jan - Jul 18	Jan - Jul 17
466-180 · Cogs - Food	71,511.82	78,544.54
466-181 · Cogs - Beverage	5,836.93	10,759.42
466-182 · Cogs - Beer	24,734.59	27,482.05
466-183 · Cogs - Liquor	9,728.55	11,318.06
466-184 · Cogs - Wine	4,514.76	4,259.49
Total F&B Cogs	116,326.65	132,363.56
Golf Shop Cogs		
465-180 · Cogs - Merchandise	62,003.77	64,506.80
Total Golf Shop Cogs	62,003.77	64,506.80
Total Cost of Sales	178,330.42	196,870.36
Total COGS	178,330.42	196,870.36
Gross Profit	1,290,470.39	1,483,403.91
Expense		
Expenses		
Carts Expenses		
464-200 · Carts Expenses/Supplies	878.74	4,660.95
464-260 · Carts - Small Tools / Minor Equ	467.50	0.00
464-374 · Repairs and Maintenance	34.14	151.60
464-380 · Cart Lease	48,006.52	47,091.00
Total Carts Expenses	49,386.90	51,903.55
Course & Grounds Expenses		
462-200 · C&G - Supplies	11,776.14	5,055.74
462-222 · Chemicals	36,056.39	41,380.74
462-223 · Fertilizer	22,320.20	21,116.69
462-224 · Seeds/Trees	531.50	294.50
462-232 · Gas/Oil	3,707.92	2,375.04
462-260 · Small Tools/Minor Equipment	1,147.08	1,393.89
462-300 · C&G - Outside Services	934.50	1,967.63
462-317 · C&G Education & Training	690.00	530.00
462-322 · Aquatic Weed Management	2,000.00	2,050.00
462-323 · Irrigation	6,611.86	3,645.57
462-324 · Port-O-Lets	515.00	495.02
462-326 · Sand/Topdress	3,207.53	3,182.69
462-329 · C&G Travel	693.84	956.49
462-362 · Utilities- Pumps/Course	7,829.20	4,243.22
462-363 · Water Ppurchase & Monitoring	456.00	4,692.96
462-364 · Utilities- Maint Bldg	3,646.00	3,171.86
462-371 · C&G - Equipment Rental	800.00	1,770.64
462-373 · C&G Building Maintenance	974.48	206.19
462-374 · C&G Repairs & Maintenance	12,735.22	12,900.65
462-376 · Landscape/Sod Expense	1,232.12	1,353.23
462-420 · Dues & Subscriptions	1,370.00	1,005.00
468-191 · Laundry/Uniforms	706.00	1,573.54
468-376 · Equipment Maintenance	0.00	3,136.36
Total Course & Grounds Expenses	119,940.98	118,497.65
Food & Beverage Expenses		
466-191 · Uniforms	998.28	1,226.74
466-192 · Laundry/Linens	3,706.10	3,628.81
466-200 · Bar Supplies	0.00	318.36
466-201 · China/Glass/Silverware	655.95	800.69
466-202 · F&B Cleaning Supplies	400.55	1,500.41
466-204 · Kitchen Supplies	3,420.36	3,417.45
466-205 · Paper Supplies	5,428.41	2,903.29
466-206 · F&B Miscellaneous Expense	99.16	432.20
466-209 · Flowers/Decorations	559.37	166.70
466-215 · Licenses & Permits	740.00	1,280.00
466-225 · Meals and Entertainment	0.00	147.15
466-300 · F&B - Outside Services	4,174.57	2,145.37

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Accrual Basis

Makefield Highlands Golf Course
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	Jan - Jul 18	Jan - Jul 17
466-317 · Education & Training	50.00	1,102.00
466-371 · Equipment Rental	2,505.00	6,096.74
466-374 · Repairs & Maintenance-F&B	7,496.39	6,264.36
466-381 · Other F&B Expenses	736.30	1,054.95
466-400 · Over/Short	-328.04	-121.23
Total Food & Beverage Expenses	30,642.40	32,363.99
General & Admin Expenses		
466-341 · Printing/Reproduction	570.68	1,605.65
468-192 · Staff Uniforms	55.25	674.00
468-202 · Cleaning Supplies	0.00	887.54
468-207 · Bathroom Supplies	109.10	2,291.20
468-210 · Office Supplies	3,048.50	4,272.58
468-215 · Taxes, Licenses & Permits	289.00	270.00
468-225 · Meals & Entertainment	0.00	79.56
468-300 · Outside Services	9,621.94	6,144.70
468-317 · Education & Training	0.00	895.00
468-321 · Utilities - Telephone	7,058.94	5,250.04
468-325 · Postage	847.85	983.11
468-329 · Travel	4,554.04	1,982.92
468-338 · Credit Card Processing	20,296.75	21,878.22
468-339 · Bank Charges	982.73	431.90
468-343 · Data Processing Exp	8,232.35	6,776.23
468-360 · Utilities - Clubhouse	25,957.98	25,184.61
468-361 · Utilities - Water & Sewer	4,706.02	4,693.66
468-362 · Cable / Internet	1,501.96	1,678.86
468-369 · Garbage Removal	0.00	0.00
468-372 · Alarm System	1,396.16	910.96
468-375 · Clubhouse Maintenance	10,050.33	12,544.52
468-399 · Goodwill	0.00	63.59
468-420 · Dues & Subscriptions	3,846.50	2,219.50
468-480 · G&A - Miscellaneous	2,164.94	1,309.79
Total General & Admin Expenses	105,291.02	103,028.14
Golf Shop Expenses		
462-191 · GS - Laundry / Uniforms	1,399.73	5,969.64
462-335 · Tournament Expense	535.00	715.00
465-200 · Supplies	713.74	1,604.72
465-203 · Scorecards	0.00	3,060.00
465-206 · Miscellaneous Supplies	200.00	275.58
465-211 · Handicap Expense	8,544.00	10,514.00
465-317 · GS - Education & Training	36.79	45.00
465-420 · Dues, Subscriptions, Permits	3,838.46	1,937.38
465-481 · Pro Shop Expenses	1,996.15	3,036.21
Total Golf Shop Expenses	17,263.87	27,157.53
Marketing Expenses		
467-340 · Advertising	5,985.32	14,093.87
467-345 · Marketing Collateral	6,871.64	6,930.43
467-346 · Online Advertising	0.00	2,888.93
Total Marketing Expenses	12,856.96	23,913.23
Range Expenses		
463-200 · Practice Range Supplies	4,852.40	4,997.03
463-201 · Range Balls	18,815.19	12,375.00
Total Range Expenses	23,667.59	17,372.03
Total Expenses	359,049.72	374,236.99
Payroll		
Carts Payroll		
464-101 · Cart Hourly	42,528.71	56,460.49
464-161 · Cart Fica	4,711.90	6,929.97

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Accrual Basis

Makefield Highlands Golf Course
Profit & Loss YTD Comparison
 January through July 2018

	Jan - Jul 18	Jan - Jul 17
Total Carts Payroll	47,240.61	63,390.46
Course & Grounds Payroll		
462-100 · C&G Salaried	71,357.88	50,423.30
462-101 · C&G Hourly	84,030.24	99,250.35
462-150 · C&G Benefits	10,833.79	7,144.63
462-161 · C&G Fica	18,102.73	18,824.90
462-354 · C&G W/C	2,407.20	5,615.91
Total Course & Grounds Payroll	186,731.84	181,259.09
Food & Beverage Payroll		
466-100 · F&B Salaried	57,668.86	70,731.38
466-101 · F&B Hourly	100,591.40	86,084.36
466-150 · F&B Benefits	2,006.35	2,268.87
466-161 · F&B Fica	17,761.26	19,772.22
466-354 · F&B W/C	1,872.28	3,195.61
Total Food & Beverage Payroll	179,900.15	182,052.44
General & Admin Payroll		
468-100 · G & A Salaried	84,338.15	83,377.01
468-150 · G & A Benefits	168.24	6,839.27
468-161 · G & A Fica	8,871.20	9,289.61
468-354 · G & A W/C	669.03	1,657.06
Total General & Admin Payroll	94,046.62	101,162.95
Golf Shop Payroll		
465-100 · Golf Shop Salaried	67,518.99	64,278.01
465-101 · Golf Shop Hourly	40,931.91	32,956.25
465-150 · Golf Shop Benefits	2,332.24	639.20
465-161 · Golf Shop Fica	13,010.83	11,968.32
465-354 · Golf Shop W/C	1,738.16	4,077.31
Total Golf Shop Payroll	125,532.13	113,919.09
Total Payroll	633,451.35	641,784.0
Total Expense	992,501.07	1,016,020.1
Net Ordinary Income	297,969.32	467,383.3
Other Income/Expense		
Other Income		
367-192 · Interest Income	510.51	644.1
391-000 · Sale of Fixed Assets	2,000.00	0.0
Total Other Income	2,510.51	644.1
Other Expense		
462-370 · Equipment Lease	5,900.93	41,306.5
465-400 · Cash Over/Short -PS	47.49	-289.7
468-312 · Management Fee	53,550.00	52,500.0
468-700 · Capital Projects	49,645.79	44,879.7
471-000 · Principal - Debt Service	585,000.00	565,000.0
472-002 · Interest Expense -Debt Service	62,601.36	72,941.0
472-003 · Interest Expense	0.00	20,390.6
472-005 · Interest Expense (2013 Bond)	86,656.50	60,900.0
492-001 · Transfer to LMT General Fund	14,581.00	14,581.0
Total Other Expense	857,983.07	872,209.2
Net Other Income	-855,472.56	-871,565.0
Net Income	-557,503.24	-404,181.61