

COST ANALYSIS—SEVEN CLUBS

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There have been many discussions on golf course and club grounds maintenance costs. Most golf course superintendents know by talking to one another that unless one understands the bookkeeping system used at a specific club, there is little to gain by just "getting the total cost figure."

When this seminar was in the planning stage, one of the topics to be given consideration was the golf course and club grounds maintenance budgets. We were sure that by having a properly completed questionnaire, information could be presented that would explain the variations in maintenance costs at comparable clubs.

A detailed questionnaire was submitted to seven golf course superintendents at comparable courses. The resulting information produced the following replies to the often used question, "What is your budget for this year, 1968?" Seven clubs replied: \$86,000,

\$94,000, \$96,000, \$98,000, \$120,000, \$153,000, \$174,000 — a difference of \$88,000 existed between the highest and lowest amount.

Expenses were listed under the following items: superintendent salary, assistant superintendent salary, labor, gas and oil, sand, soil, seed, fertilizer, chemicals, flowers, education expense, equipment repair, equipment replacement, electricity, water, landscaping (trees), winter sports, other sports, new construction, and other expenses. The results were charted. It was immediately obvious from the following chart that two items, landscaping and new construction, were inconsistent. One club reported an expense of \$58,000 for trees, shrubs and new construction; other clubs reported no expense for this item, which could be interpreted to mean there actually was no expense involved or that a special fund had been created. If the total amounts stated previously were reduced by expenses reported for landscaping, new trees and new construction (which are not necessary consistent annual expenditures), the high is \$116,000 and the low \$80,000 — a difference of \$36,000 compared to the original difference of \$88,000.

Course Number	1	2	3	4	5	6	7	Average
Rounds of Golf	20,000	15,000	20,000	26,000	25,000	25,000	No Record	19,000
**	1,2		2	1,2	1,2	2		
Supt. Salary	13,200	18,700	14,500	12,000	11,000	14,500	13,000	13,877
Asst. Supt. Salary	8,400	↓	--	8,400	--	8,500	↓	8,433
Labor	54,400	57,800	46,500	40,000	50,000	39,200	52,000	51,000
Gas & Oil	2,700	1,600	2,300	1,600	2,200	1,600	1,600	1,940
Sand	3,000	1,000	1,200	2,000	800	800	↓	1,466
Soil	800	500	500	--	*4,500	--	1,500	560
Seed	900	2,000	↓	↓	600	400	600	900
Fertilizer	3,500	2,000	7,100	4,000	2,900	3,600	6,000	3,600
Chemicals	5,000	4,500	↑	3,800	2,000	3,000	2,800	3,517
Flowers	1,000	500	200	1,000	135	400	--	447
Educational Exp.	800	300	600	1,000	500	600	--	560
Equip. Repairs	7,000	2,500	3,000	4,000	1,500	4,000	2,500	3,500
Equip. Replacement	10,000	4,300	4,200	14,000	8,000	6,306	7,100	7,700
Electricity	3,400	900	--	--	--	--	--	--
Water	--	2,000	--	--	--	--	--	--
Landscaping, Trees	20,400	12,725	--	Inc. Flowers	4,600	--	5,000	--
Winter Sports	--	--	--	--	--	--	--	--
Other Sports	--	--	--	675	--	100	--	--
New Construction	38,000	28,000	17,700	--	3,000	--	12,000	--
*Other Expenses	2,000	13,550	--	3,800	2,000	2,800	15,640	--
	<u>174,500</u>	<u>152,875</u>	<u>97,800</u>	<u>96,275</u>	<u>93,735</u>	<u>85,806</u>	<u>119,740</u>	
Less land & new construction	88,500	70,725	80,100	96,275	86,135	85,806	102,740	
	<u>116,100</u>	<u>112,150</u>	<u>80,100</u>	<u>96,275</u>	<u>86,135</u>	<u>85,806</u>	<u>102,740</u>	

*Other Expenses Include:
Payroll taxes, work comp. & insurance
Medical insurance & pension program
Uniforms
Auto
Tree trimming and spraying
Telephone
Elm tree removal

**Superintendent receives in addition to salary:
1) Home and utilities
2) Bonus