companies, but by making first contact they are blocking Broker B's ability to compete in the market place. This tactic is self serving on the part of Broker A and prevents the club from testing how competitive the marketplace truly is. Hence, the need for the broker of record letter (BRL). A BRL must be issued in writing by the facility. It gives the designated broker the right to submit an RFP to a specific insurance company on behalf of the club. Once a BRL is issued all other brokers are blocked from getting guotes from that particular insurance company

Another interesting point has to do with safety in the work place. Workers' compensation insurance coverage is based on: the number of employees, the total employee payroll, and the insurance modifier for your facility. The insurance modifier takes into account the claims history on your workers' comp policy for the previous three years. When a facility has a workers' comp claim it impacts the insurance modifier for a three-year period, a good incentive for managers to help control costs by providing a safe work environment.

Property taxes can vary greatly based on location. Many clubs have seen huge increases in property taxes in recent years. At NCC the DuPage County Assessor's Office ranks in the top five on the vendor A/P list. Protesting a tax bill requires the advice and guidance of a gualified tax attorney, but there are a few things that you can do on your own. Verify that the acreage on file for the property is correct. If the property has more than one parcel then you should have multiple tax bills. Verify that the acreage for each parcel is correct. The bill for each parcel should be segmented into "open space" and "developed land." The tax rate for developed land is significantly higher

than the rate for open land. Verify the measurement of open space and developed land within each parcel and make sure that it matches what is shown on the tax bill. A current ALTA survey (commissioned during a course renovation project) revealed that the actual course acreage at NCC was less than what was indicated on the tax bill. We were also able to request a reduction in developed land value based on documentation of a reduction in facility revenue over the last two-year period. These adjustments did not require the services of a tax attorney and each generated a reduction in taxes that will continue to be realized on an annual basis.

For courses with ESAs that are regulated by an official governing body, it's possible to argue for a reduction in land value if the ESAs have deed restrictions attached to them that limit their potential for future development. This varies by jurisdiction and requires input from a qualified tax attorney.

Utilities

Naperville Country Club spends about \$160K/year on utilities (gas, water, sewer, electric, phone, cable, internet, and waste removal). In 2009, NCC took advantage of an opportunity to execute new gas and electric contracts. We opted to go with flat rate contracts that guaranteed fixed costs per Therm or KWH used. Prior to that, the club had demand-type contracts where energy usage was projected on a monthly basis. Costs were based on whether the club met or exceeded its projected monthly usage. With the demand contract, the monthly quantities were rolled forward year after year without any monitoring or evaluation. As a result, the club routinely exceeded the monthly contract amount and ended up paying a higher premium. So far, the fixed contacts have saved the club \$20K/year, and we were able to lock in pricing for a three-year period. We may return to demand-based contracts once we have good records that will allow us to accurately forecast monthly usage.

> We also installed new thermostats in the clubhouse (a project done in house). Programmable thermostats allow us more control over setback temperatures at night and during closed periods. The new thermostats also have a lock function, which minimizes employee (and member) tampering. Other savings were realized by combining phone/internet/TV service at the maintenance facility which allowed us to take advantage of a bundled small business program offered through Comcast.

The buildings at the club are on a well, so we don't have to purchase water, but we do purchase salt for the water softener system. By going out

to bid for water softener salt and using the grounds crew to move the salt into the basement we were able to realize a per bag savings and avoid an up charge for delivery to the basement. This saved the facility \$3K/year. This is another example of tearing down departmental silos and profiting from cross utilization of employees.

By monitoring waste removal we were able to adjust the service interval on the trash compactor to more closely mirror usage, resulting in a saving of \$3.5K/year. We were able to achieve a similar result by adjusting the schedule for cleaning of the kitchen grease trap. While our insurance carrier requires an annual certificate of cleaning for the kitchen exhaust hood, we now service the collection baffles ourselves, on a monthly basis, a service that used to be contracted out.



Using a bid process for yearly purchases of water softener salt and using the grounds crew to move it to the clubhouse basement has saved Naperville CC over \$3,000 per year.

Other Items

It didn't take long to realize that the potential for gains in efficiency and the resulting reduction in expenses existed just about anywhere we were willing to look. Working our way

(continued on page 13)

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down the vendor A/P list we came to our linen supplier. Linen contracts were new to me, and it was difficult to get applesto-apples comparisons. To resolve this I took a step backward and wrote a comprehensive RFP that outlined exactly what we wanted in the way of service and how the proposals were to be presented. Vendors that weren't willing to present proposals in the requested format were excluded from the bid process. All the contracts that were submitted contained an automatic renewal clause, whereby the contract automatically renews with a built in price increase unless written notification is sent to the vendor by the date specified in the contract. The auto renewal date is easy to forget because it occurs months in advance of the contract termination date. One of my first projects was to compile a list of all the contracts the club had in place with outside vendors. The list documented the date the contracts were signed, the termination date, and the auto renewal date. Certified letters were sent out to all contract vendors notifying them that NCC had decided to invoke its non-renewal clause and that we would not renew without the opportunity to negotiate price. In some cases the letters were sent out months in advance of the auto renewal date just so we wouldn't forget and miss the deadline. Currently, most of the contracts have come up for renewal, and the club has been in a position to negotiate and secure competitive pricing through a bid process. A few contracts remain that were executed for five-year terms, something to keep in mind when executing long term contracts. All new contracts have been signed for a shorter 1-3 year term.

In the linen RFP it was specified that an auto renewal clause would not be accepted, that the RFP would be incorporated as an addendum to any final contract agreement with the terms and conditions of the RFP taking precedence over language in the vendor contract. Again any vendors that were not comfortable with that provision were eliminated from the bid process. In the end we renewed linen service with our existing vendor. However, after negotiating we were able to reduce linen expenses by \$20K/year and now have a contract in place that is more favorable for the club.

If you run into a vendor that isn't willing to remove an auto renewal clause, one option would be to send notification of non-renewal the day after executing the contract. This guarantees that you don't miss out on the opportunity to negotiate pricing at renewal time. Linen and uniform suppliers count on managers losing track of renewal dates and contracts rolling forward without evaluation. Breaking a linen or uniform contract can be difficult. If proper documentation is not supplied, a facility may end up being billed for rental charges through the end of the contract period.

Other opportunities for saving include buying forward on fuel contracts. We have done this for three years, and it has resulted in a savings each year. Maintaining good fuel records allows us to get the most out of these programs. Paper supplies are another big category. Bidding out purchases on a facility basis can produce substantial savings. As an example, in the past we used the same premium logo hand towel in the bathrooms at the clubhouse and on the golf course. We still use this towel in the clubhouse, but for the course bathroom we switched over to a premium c-fold towel that does not have a logo. While this saved several thousand dollars a year, it does begin to flirt with member expectations and the club's identity.

No one mentioned the towel switch, but my advice on opportunities like this would be to go slow and be prepared to back track if you encounter resistance. In the past we have routinely taken advantage of plant protectant early order programs. Some vendors offer additional cash discounts for early payment plans. Depending upon the cash flow cycle of your facility it might make sense to take advantage of these programs. At NCC the club is flush with cash during the winter months because of pre-payment of dues/fees/F&B minimums. During peak season cash flow is tighter because of high member usage and because of due dates for installment payments on the property tax bill. This might seem counterintuitive, but during July and August member usage is at its peak, and so are expenses related to payroll, golf, and F&B operations. Unlike daily fee facilities, at private clubs payment for the services provided during peak season lags 30-60 days behind, as members wait for their monthly statement to be issued and then make payments on their accounts. Decisions on prepayment programs should include input from the club controller.

Conclusion

So after two years of shooting elephants, what have we accomplished? Expenses have been reduced by \$800K/year, a reduction of approximately 20%. The bulk of the reductions came from the clubhouse operation. While the grounds department did absorb a 10% budget reduction in 2009, it was actually restored over the following two-year period. The efficiencies we found improved the club's cash flow, eliminating the need to borrow on the club's line of credit in order to cover peak-season operating expenses. This resulted in additional savings because we no longer pay interest fees associated with the line of credit. The F&B department operated at a profit for the first time in recent history, posting a profit of \$85K vs. a loss of \$90K a year ago. A one-year swing of \$175K. At a facility level we performed \$120K better than budget and were able to avoid a year-end operating assessment for the first time in 15 years.

While this is all positive, it means nothing if member services have been affected in a negative way. Close monitoring of member services through surveys and committee feedback, combined with careful consideration on where to implement reductions is an ongoing challenge. Perhaps more important is the realization that tightening up operations and reducing expenses won't resolve all the problems. Most private clubs are struggling with reduced membership, which results in a diminished revenue stream and an inability to fund depreciation of capital assets, like tractors and HVAC units, or initiate capital campaigns for new amenities. Increases in efficiency combined with reductions in operating costs have helped. Club operations now generate a profit that can be transferred over to help offset capital needs. So far it's not enough to cover the entire gap created by the reduction in the sale of full equity golf memberships. The next challenge is membership growth/retention combined with revenue growth/capture (a topic for a different article). -OC



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BOARD REPORT January 2011

As we move into the New Year and begin to make plans for the upcoming season, it's a normal part of the planning process to look back on the previous year and assess what worked, what didn't work, and what will be the future challenges in managing the golf course turf.

In retrospect, we now know that the weather in 2010 was one of the most difficult years to grow cool season turf in quite some time. Not only was it extremely difficult in the greater Chicago area, but also in many other areas throughout the country.

Granted, not all areas on all golf courses had problems last year. I believe a lot of it had to do with two main components: Location and Preparation.

Location: Location had a lot to do with turf loss in 2010. The accumulated soil moisture from the heavy rains in the spring predisposed the turf to be shallow rooted and in peril if the weather became very hot and humid, which it did. In addition, the thunderstorm and tornado events were so isolated and severe that what may have rained heavily in one area, may not have rained at all in another. The difference of 3-4" of rain on a 90 degree summer night became the "deal breaker". Turf loss was the result. Microclimate locations that compromised air movement and sun exposure were also predisposed to fail.

Preparation: The challenge for the 2011 season is to assess what changes we need to make so that we can learn from some of the problems we had last year and move forward. We know this: Courses that did their due diligence in maintaining thatch accumulations, had long term programs designed to promote bentgrass and promote overall turfgrass rooting, survived better.

Our primary goal is to ensure that the turf quality is as good as it can be for our patrons. They are the ones who support the course and deserve nothing less. A good agronomic program or "Action Plan" will be critical. Your support of these programs and practices is vital to our overall success.

Included in your January Board Report is the **2011 Action Plan**. This is the "blueprint" of our agronomic program to help keep you informed of our practices that will help prevent/and or reduce potential problems as observed in 2010. The Action Plan is specific to our course nuances and designed to provide broad range solutions that can adapt to the endless variable and unpredictable weather and golf conditions.

Along with the Action Plan and throughout the course of the coming year, we want to keep you informed with timely information and knowledge so that you know what we are trying to accomplish agronomically on any given day.

The golf course is our number one asset. When it comes to sustaining viable turf growth, preparation is our greatest weapon in promoting high quality conditions. A Golf Maintenance budget is an expensive undertaking and we want to reassure you, we are spending money wisely.







February 2011

DATES TO REMEMBER

February 23 - Midwest's Assistant Winter Workshop, Midwest Golf House

February 25 – Deadline for nominations for TurfNet's Technician of the Year Award presented by Toro. This is the LAST time you will read about this until next year unless one of you wins it.

March 1 - Midwest March Meeting, Arrowhead Golf Club, Dr. Mike Fidanza & Dr. Derek Settle

March 5 – CDGA's Club Leadership Conference/Officers and Directors Workshop at Medinah Country Club, **Curtis Tyrrell, CGCS** host.

March 9 – CAGCS Chicagoland Forum at Naperville Country Club, **Tim** Mr. Incredible **Anderson, CGCS, MG** host. Dr. Frank Rossi guest speaker.

March 9-10 – Reinders 20th Turf & Irrigation Conference at the Waukesha Expo Center in suburban Milwaukee, WI.

March 23-25 – The 2011 IGCEMA (International Golf Course Equipment Managers Association) Virtual Trade Show. Find out all about it at www.virtualgolfshow.com.

April 1 – Everything in the world of golf gets better.

December 31st was a fairly significant day in the world of golf—USGA executive director David Fay, the bow-tied man who has been at his post through the administrations of 12 different USGA presidents while garnering the reputation as THE authority on the rules of golf has decided to call it a day. After 21 years at his post, Mr. Fay has stepped down and gone on to greener pastures. Kudos to him for a job well done, and the best of luck in his future endeavors.

Another guy we've come to know has changed addresses. Larry Aylward, the former editor of *Golfdom* magazine has resigned in order to take on the editorial director's responsibilities for *Superintendent* magazine. Look for big changes to Superintendent under Larry's leadership, and if you are not currently receiving it, you can go to www.superintendentmagazine.com and rectify that.

Best wishes to **Elliott Dowling**, formerly at Ivanhoe Club who is the new superintendent at Cress Creek Country Club.

Congratulations to **Mark Kosbab**, formerly of Cantigny Golf who is the new superintendent at Sportsman's Country Club.

Congratulations (belatedly) to Stephanie and **Kyle Jacobsen** (Twin Orchard CC) on the birth of their daughter Erin Reed on July 19th last summer. Erin had some impressive stats, weighing in at 8 pounds, 12 ounces, and measuring 20.5 inches.



(continued on page 18)



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How about this? In recognition of their commitment to environmental stewardship, Sunset Valley Golf Course in Highland Park, Illinois and its certified superintendent Brian Green have been named the overall winners of the 2010 Golf Course Superintendents Association of America/ Golf Digest Environmental Leaders in Golf Awards (ELGA). That is a HUGE deal, and Brian's efforts in stormwater capture and reuse, along with his work on stream bank restoration and native buffering of ponds on the property have earned him this most deserved honor. Brian and the other ELGA winners were recognized at this month's GCSAA Educational Conference during the "Celebrate GCSAA!" presentation on the 8th. Congratulations to Brian and everyone involved from Sunset Valley.



Brian Green

Also getting in on the fun was MAGCS member Vince Dodge, **CGCS** of the Wilderness at Fortune Bay, who in December received the Minnesota Golf Course Superintendents Association (MGCSA) 2010 Environmental Leader Award in recognition of his environmental efforts. In his usual manner, Vinny credited everyone but himself for the honor, including the entire staff of Wilderness Golf Course, the MGCSA, Kemper Sports, and the Bois Forte Band of Chippewa.



Vince Dodge

Is it just me, or did Aaron Rodgers start getting good around the same time Scott Verdun moved north of the cheese curtain? Has anyone seen Scott at work on football Sundays? I think not. I think we have another case of a MAGCS member highlighting as a celebrity. You be the judge...





Aaron Rodgers and Scott Verdun

And while on the subject of moonlighters, did my old assistant Virgil Range REALLY leave to take a superintendent job in Maryville, Missouri? Or did he go back to Hollywood to make more movies? Would he tell us either way? Hmm....



March 9th is the 2011 Chicagoland Forum presented by the Chicagoland Association of Golf Course Superintendents (CAGCS) at Naperville Country Club with **Tim Anderson** hosting. This year's rendition promises not to disappoint, with Dr. Frank Rossi speaking on sustainability among other timely topics and John Miller, CGCS, former LPGA Tour Agronomist and currently the new GCSAA Field Staff Representative with his observations on our industry. Maybe one day at the Forum and the next in Milwaukee? Look for registration emails coming soon.

Later in March another compelling event will come to all with internet service. With GCSAA as its presenting partner, the International Golf Course Equipment Managers Association (IGCEMA) will hold its second-ever Virtual Trade Show online from the 23rd to the 25th. This is a really great opportunity for your equipment technicians to learn a ton of information about the stuff they are charged with maintaining and repairing, and you don't have to pay to send them! To learn more or register, go to www.igcema.org.

If you are an ISM or AA member of GCSAA, they just wanted you to know that you now have access to the Turfgrass Information File (TGIF). This invaluable tool is presented in partnership with the Turfgrass Information Center through the Michigan State University libraries, and

it just got all the more accessible (though I have no idea what an ISM member is).

GCSAA also wants you to know that they have partnered with several trusted companies to offer its members savings on a variety of personal and professional products. The companies most recently partnered with are Nike Golf (pay 5% over wholesale on accessories, apparel, bags, balls, clubs, and footwear), Jos. A. Bank Clothiers (save 20% on regularly-priced merchandise), and Zones (corporate discounts on technology products and solutions).

Our sincere condolences to **Tom Prichard** and his family on the passing of his father Edward D. Prichard on January 18th at the age of 77.

From the desk of **John Turner**, Bayer will be offering 6 new webinars featuring information on disease and pest control during the 2011 season. To see the schedule and/or register, go to www.bayerbeyondthebasics.com.

Gratuitous golf course dog photo section: Fun Fun Fun...

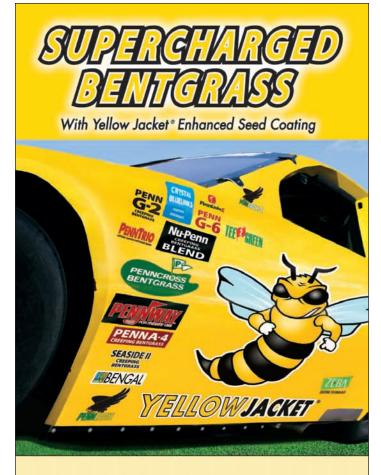
Weeee!

'Til somebody gets hurt...



C'mon, wake up! I was just playing!

(continued on next page)



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pretty much can't play Augusta National unless you REALLY know someone, at least soon you'll be able to do the next best thing. Officials at the storied club have recently announced that Augusta National is joining forces with EA Sports to be part of its 2012 installment of the Tiger Woods PGA Tour golf game franchise. Included in the game will be the chance to beat each of Woods' four scores when he won the green jacket, as well as advice from an Augusta caddie. Hell, it even has Jim Nance and David Feherty announcing the thing. Sounds cool if you're into that sort of thing maybe the beginning of a new "tradition unlike any other"?

So, if you can't get to the Masters in person, and SINCE you

Also in the news regarding Augusta National was the story that one of two replica Masters trophies which were produced about 10 years ago with the club's blessing and the intent to house them in two golf museums has been put up for sale. So, if you have a strong desire to have a phony Masters trophy, and you have an extra \$140,000 laying around, you're a winner.

Sorry Plochman's. Take a hike, Heinz. As for you, Grey Poupon? Nice try. The January, 2011 issue of GCM had an item about one of MAGCS' own in its "In the News" feature. Henry Michna, CGCS of Winnetka GC was featured for his search for used French's yellow mustard bottles, which the club has used to hold divot mix for crew members to take with them on the course. French's ONLY.

For Sale: 2001 Toro Multi-Pro 5500 Sprayer with Cab. 300 gallon tank, Pro Control, Electric Booms, Hose Reel, Triple TeeJet Turrets, Detailed Service Records, 1900 hours, \$6000. Call Chad Papke, Rockford CC 815-877-8683.

The MAGCS monthly meeting for January was held at Seven Bridges Golf Club on the 19th with **Don Ferreri** and **Dave Gelino** hosting. Seems like we were just there, doesn't it? The day featured presentations from **Bruce Williams**, **CGCS** and **Tommy Witt, CGCS** on "Negotiating for Success," as well as a look at "Digital Media and Your Golf Course" by Matt Yost and Andrew Rios. After all that good learnin' stuff was a great afternoon of Wee One auctions and silent auctions and loud auctions and whatnot, all of which helped the Wee One Foundation add more apples to its pie. Close to \$40,000 was raised during the event. The day was a blast, and we thank everyone and their mother for the great support and generosity they provided, especially John Deere Golf & J. W. Turf, Nels J. Johnson Tree Experts, Inc., and Syngenta.

