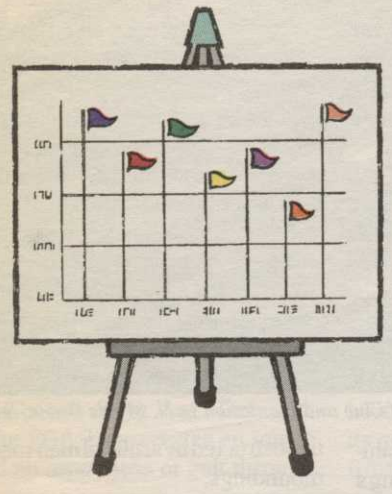
Briefs



CLARK JOINS U.S. GOLF

Dr. Elizabeth Clark is joining U.S. Golf Properties as director of golf instruction. A LPGA member, she was previously head teaching professional and director of instruction at Graysburg Hills Golf Course in Chuckey, Tenn.

Headquartered in Washington, D.C., U.S. Golf Properties owns and manages golf courses. It is directed by Charles Staples.

As director of golf instruction for U.S. Golf Properties, Clark will have overall responsibility for golf instruction at the company's facilities. She will recruit instructors and ensure all facilities have consistent and standardized teaching programs.

Clark has been an educator for 23 years and a specialist in teacher education since 1970. Prior to becoming a golf professional in 1974, she coached the University of Utah women's golf team and played the women's amateur circuit in Colorado.

MARRIOTT TO MANAGE TOFTREES

Marriott Golf has been named to manage Toftrees Resort Golf Club in State College, Pa. Toftrees has consistently been ranked in the top 10 golf courses in Pennsylvania by "Golf Digest" magazine and the number one resort course in the state.

Marriott will manage the 18-hole Edmond Ault-designed championship golf facility, golf shop, and course maintenance program.

Bill Lee, most recently a manager at Marriott's Seaview Golf Resort near Atlantic City, N.J., will be director of golf. Lee is a Class "A" PGA member and has prior experience at La Paloma Resort in Tuscon, Ariz., and Valhalla Country Club in Louisville, Ky.

Marriott will retain Toftrees golf professional Raymon Lancianese and superintendent Lew Morgan. Morgan has headed maintenance at Toftrees for 15 years and is a graduate of the Pennsylvania State University turfgrass management program.

MUNDLE TO HEAD MIDDLEFIELD

University of Oregon graduate Al Mundle is returning to that state as director of one of Oregon's newest golf courses, Middlefield Village in Cottage Grove.

Mundle will be reunited with Gene Mason, chief architect and consultant for the 18-hole facility located in the southern Willamette Valley. Mundle was assistant professional to Mason at Columbia-Edgewater Country Club in Portland in the early 1960s.

Mundle's duties include facility planning, administration, operations, promotions, instructional services, marketing and maintenance. Middlefield Village will emphasize learning and scheduled activities.

Managers can cope with the recession

By Peter Blais

The country is feeling better about itself since the Persian Gulf War, but many U.S. businesses continue to struggle through the recession.

Private country clubs are no different.

One of the best ways to keep your club afloat in troubled economic waters is to closely monitor financial statements, according to Betsy MacDonald, senior principal with the accounting firm Pannell Kerr Forster.

Speaking at the recent Club Managers Association of America Annual Conference in Dallas, MacDonald said: "Managers often don't feel comfortable scrutinizing financial statements. But they need to look at every line to see if there is a way to increase revenues or cut expenses."

INCREASING REVENUES

This is no easy task during a recession. But there are ways to do it, according to MacDonald.

Increase function business. Some managers are concerned that outside tournaments or parties can increase the club's tax liability. Often the extra revenue more than makes up for the added taxes. And occasionally it is considered member-generated business, in which case there may be no tax obligation.

"A manager should solicit function business from his members. A country club in Houston had many of the city's top businessmen as members. But they were holding their companies' functions elsewhere. The manager was able to get many to move that business to the club," MacDonald said.

Membership dues. Clubs often postpone

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Mixed bag of financial news for private clubs

By Peter Blais

Private country club memberships rose but so did costs in 1990, according to a report on 325 private clubs conducted by an international accounting firm.

Memberships grew by a half percent through the fiscal year ending Sept. 30, 1990, reported *Clubs in Town and Country*, an annual assessment of the private club industry assembled by Pannell Kerr Forster. Regular memberships jumped 0.4 percent and other classes of membership 0.7 percent.

"A half percent is just about right, just about average," said Patrick J. O'Meara, national director of club services. "Generally the club industry is in pretty good shape, although some clubs are starting to feel the pinch and waiting lists to join may be down."

The East was the only geographic region reporting a decline. The South and Far West were up 0.9 percent and the Midwest ahead 0.2 percent.

Meanwhile costs jumped 5.6 percent, more than twice the 2.3-percent increase in revenues.

The 2.3-percent hike in total revenues (including dues) at private country clubs continued a 20-year trend during which revenues have risen 246.6 percent. The catch-all "All other sales and income" led the way over the past 20 years, rising 308.2 percent. Food and beverage sales have jumped 238.6 percent and membership dues 234.3 percent.

The 5.6-percent jump in costs moves the 20-year cost-increase figure to 330.9 percent, far exceeding the 246.6 percent revenue increase. Payroll and related costs are up 315.5 percent since 1970 and all other operating

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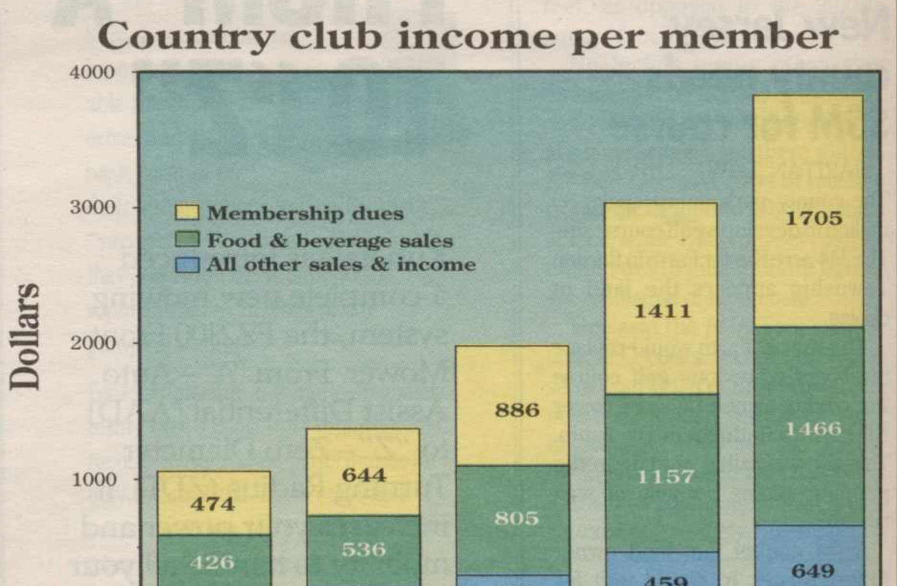
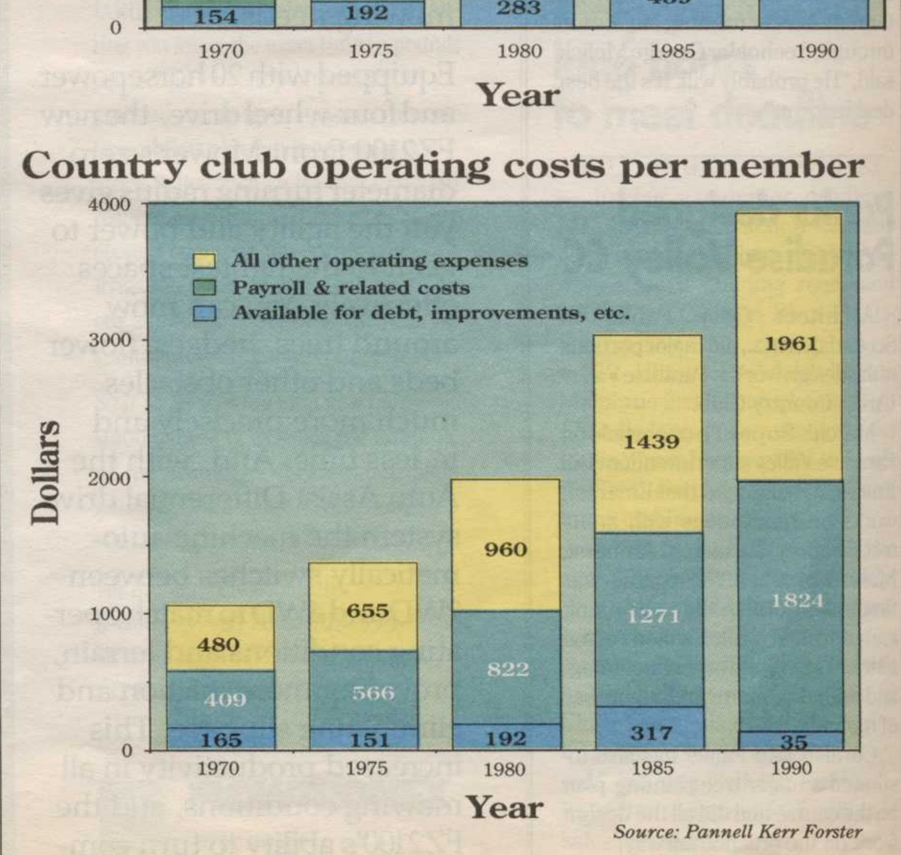
The two graphs below show where the money came from and where it went at 250 private country clubs reviewed during the 1990 fiscal year by the international accounting firm Pannell Kerr Forster.





Source: Pannell Kerr Forster

American Golf Corp. plans to double size

SANTA MONICA, Calif. — American Golf Corp. officials anticipate doubling the company's growth in the next five years.

Chairman of the Board and owner David Price said AGC is aggressively instituting a strategic plan to increase the number of courses it operates to 250 locations. Privately held AGC now operates 135 courses in the United States, with annual revenues exceeding $220 million.

The company's Statement of Strategic Direction says: "Future growth will be achieved through market development, acquisitions and above-average rates of return in existing operations."

Price reorganized the firm in January and implemented the strategic plan, saying, "This reorganization will focus our resources on our commitment to outstanding customer service, product quality and financial results."

Price founded AGC when he bought a country club in 1968. Two years later he developed the concept of approaching municipal owners with losing operations and offering to remodel and

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Headhunters enhance club manager careers

By Peter Blais

With the professional stature and salaries of club managers on the rise, so are the numbers of employment specialists willing to help them find jobs.

Executive recruiters, headhunters, employment specialists, outplacement workers — call them what you will. When a club manager is looking for a new position or finds himself between jobs, these professionals are another resource.

Three executive search firms were represented on last month's panel discussion titled "Using Employment Specialists for Career and Club Enhancement at the Club Managers Association of America 64th Annual Conference in Dallas.

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Trimming the budgetary fat in lean economic times

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regular dues increases during bad economic times, then sock members with a big jump when things improve.

"Don't hold off on an increase for three years. Try to take a 3- to 5-percent increase every year so your members get used to it. Don't wait then bump it up 15 to 20 percent all at once. You run a bigger chance of losing members that way," she said.

Interest-bearing checking accounts. Make sure the club has a NOW or some other interest-bearing checking account. They usually offer 5- to 6-percent interest.

"Clubs frequently don't look into it and banks don't voluntarily offer it," MacDonald said.

Late payment penalties. If a club doesn't charge a fee for late payment of dues, it should. As a last resort, the club can post a list of delinquent accounts.

"But make sure the list is accurate and that permission to post the list is granted in the club's bylaws," MacDonald said.

Review pricing procedures. Charges should be reviewed in all areas — greens fees, restaurant prices, equipment rentals — to make sure they are competitive with area clubs and businesses.

"If you're too low, don't be afraid to jack them up," MacDonald said.

Service charges or surcharges. Many clubs charge an 18-percent service charge for waiters and waitresses. The money is credited back to payroll.

Other clubs have a minimum food and beverage charge of $25 or more a month. "It encourages members to eat at the club at least once a month," MacDonald said.

DECREASING EXPENSES

This is painful, but often necessary during a recession.

Staffing and scheduling. This is usually the club's biggest single expense. Labor and related costs average 47.7 percent of total country club revenues. Anything between 45 to 50 percent can probably be reduced.

Time and management studies help point out problems. Consolidating the jobs done by two people into one is a possible cure.

"Employees who have been at a club for something like 17 years are hesitant to change the way they do things. It can take a manager willing to take a good, hard look at how things are done to change those functions," MacDonald said.

Insurance. An over-funded defined benefit pension plan can be terminated and replaced with a defined contribution pension plan. Employees are likely to be unhappy because the new plan allows the club to change its annual contribution and use excess contributions previously earmarked solely for employee pensions.

"There is an awful lot of money in some of these accounts. They can be drastically over-funded. It is a potential source of revenue, but these are the types of things we talk about when you're discussing the survival of your club," said Kevin Reilly, a Pannell Kerr Forster attorney.

Refinancing. If the financial situation gets bleak enough, lenders may be willing to restructure debt to exclude interest payments for two or three years.

If a club is paying double-digit interest, it can likely refinance at a lower interest rate and save a considerable amount. Usually a 2-percent or more drop in the interest rate justifies refinancing.

Tax-exempt investments. Municipal bonds or any other tax-exempt investment vehicle can help reduce the amount of money a club sends to Uncle Sam.

Real estate taxes. If a club thinks its local tax appraisal is too high, there is a way to bring it down. It usually involves a legal or administrative proceeding. Methods vary from state to state so contact the local tax collector.

"Get an expert working on your behalf, a member of the Appraisal Institute or certified real estate appraiser. At one time, Houston dropped the appraised value of many properties by 50 percent," MacDonald said.

Keep inventories to a minimum. Keeping inventories down increases cash flow.

"Don't buy 36 of something if you can get by with 12," MacDonald recommended.

Avoid penalties for late filings of tax returns. Clubs may delay tax payments when they are in financial trouble.

"But the penalties can be very expensive. You're probably better off borrowing the money to pay the tax," she said.

SAFEGUARD ASSETS

There are two things a manager should do no matter how sour the economy.

First, maintain insurance coverages so the club can be replaced in case of fire, flood or whatever.

Second, maintain full Federal Deposit Insurance Corporation coverage by keeping no more than $100,000 in any bank account. If the club has more than $100,000 keep the money in separate accounts in separate banks or the funds might not be fully insured.