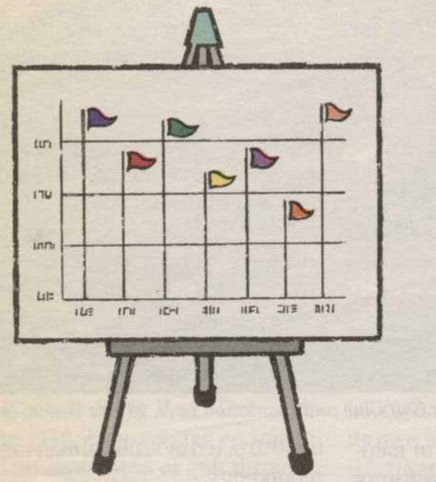
Briefs



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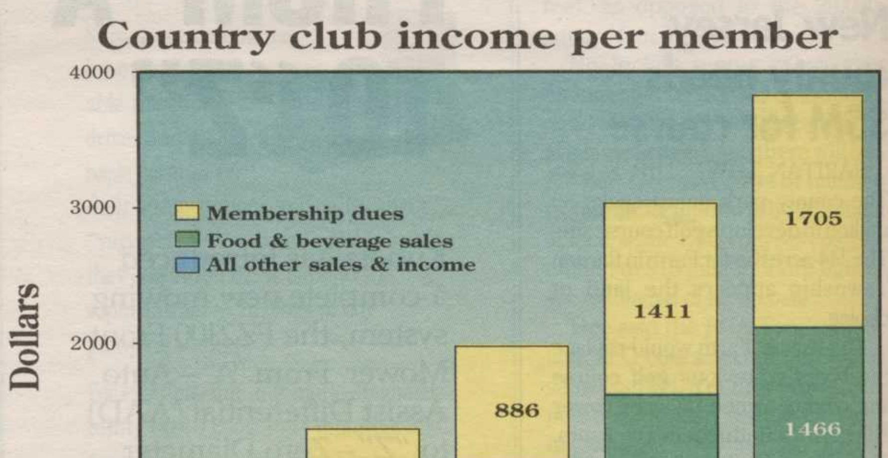
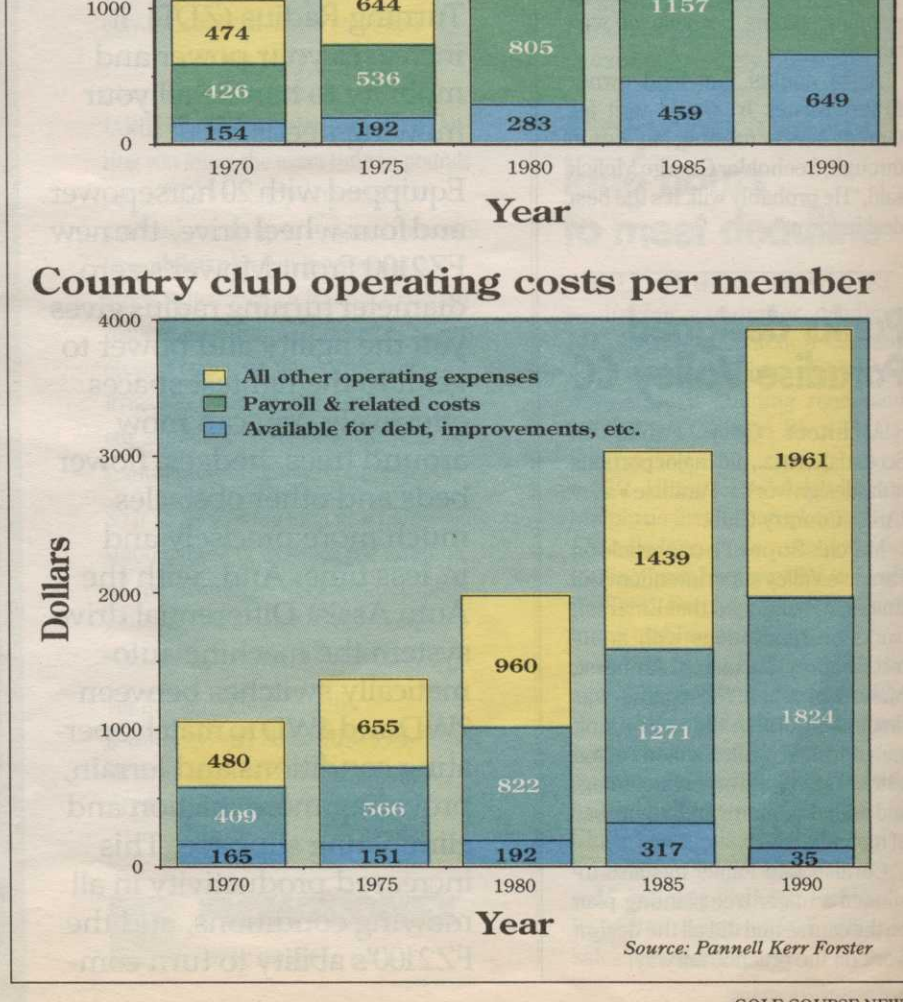
The two graphs below show where the money came from and where it went at 250 private country clubs reviewed during the 1990 fiscal year by the international accounting firm Pannell Kerr Forster.





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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Ah, but there's good (and bad) financial news tonight

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expenses up 288.3 percent.

As for operations, total sales and income (excluding dues) rose 3.8 percent in 1990, resulting from increases in minor-related departments, 6.6 percent; sports activities, 4.8 percent; food, 3.9 percent; beverages, 2.1 percent; and other income, 1.8 percent.

"The harsher DWI (driving while intoxicated) laws have really hurt the beverage business," O'Meara said. "It used to be clubs ran on dues and booze. Now beverage sales are way down."

Total operational expenses rose 6.4 percent, led by an 11.3-percent jump in minor-related departments. Expenses for sports activities rose 8.1 percent and food and beverages 4.9 percent.

Total unapportioned expenses increased 5.7 percent, including a 6.4-percent hike in administrative and general expenses, a 5.9-percent jump in utilities and a 5-percent rise for both repairs and maintenance as well as entertainment.

While the net cost of operations increased 10.1 percent, membership dues rose only 7.6 percent, according to the report. This, combined with the 4.5-percent jump in real estate taxes and insurance, resulted in a 35.8-percent decline in the balance of dues available for debt service and capital improvements.

The average $35 in dues payments available for debt service and capital improvements in 1990 is down from $275 just two years ago. But the lack of funds to pay down the mortgage or invest in new irrigation systems isn't a major concern, according to O'Meara.

"Special assessments are often used to pay for those things today," he said. "Big swings like that are minor considerations."

Dues are the major source of income at country clubs, providing 44.6 cents of every revenue dollar. Food provides 28.6 cents, sports activities 11.9 cents, beverages 9.8 cents and all other 5.1 cents.

Payroll is far and away the biggest expense, gobbling up 47.7 of every dollar spent. Operating supplies and expenses account for 30.4 cents, food and beverages for 14.4 cents, real estate taxes and insurance for 6.6 cents and debt service and capital improvements for 0.9 cents.

"Payroll continues to be the big kicker and the one managers continually try to get under control," O'Meara said.

That's definitely the case on the golf course where 61.5 percent of the average maintenance cost per hole ($27,226) consists of payroll ($14,031) and payroll taxes and employee benefits ($2,718).

Golf course maintenance expenses rose 7.8 percent in 1990, led by an 11-percent increase in payroll taxes and employee benefits. Payroll expenses rose 8.5 percent, slightly more than the 8.1-percent rise for course supplies and contracts expenses.

Increases in golf shop, caddy and committee expenses tied that of net golf expenses, 12.3 percent. Income from golf fees, golf cars, etc. rose only 5.1 percent.

Regionally, net golf expenses rose more in the Far West (13.6 percent) than in the other three regions — East and South (11.9 percent), Midwest (11.6 percent).

The Far West remains far and away the most expensive area to maintain a golf course at $34,328 per hole. The South checks in at $27,443, East at $25,143 and Midwest at $22,567.

Per-hole maintenance expenses have increased about 500 percent in the past 20 years, from just over $5,000 in 1970 to more than $27,000 today.

Headhunters

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Taking part in the discussion were Horace Duncan, vice president of Club Professional Outplacement, Inc.; Robert Southwell, vice president of John Sibbald & Assoc.; and Harvey Weiner, president of Search America.

WHY USE A SPECIALIST?

To get more money is the most obvious reason for using an employment specialist.

According to Southwell: "You usually end up making more money when you use a headhunter. The boards in these clubs are offering low salaries through ignorance rather than intent. They really want to be told what to offer."

The headhunter acts like an agent would for a pro football player, presenting the client's strengths and seeking the highest salary possible, Duncan said.

The objectivity of a third person also allows the applicant to get answers to questions it might be embarrassing to seek himself.

"For example, 'How much vacation do I get?' Do you want to ask that question before you start the interview process? You have a right to know that. But the headhunter might be the best person to find out," Weiner said.

The headhunter can also be the

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