

# The Superintendent's Budget: Predictions 1972

By Charles G. Baskin

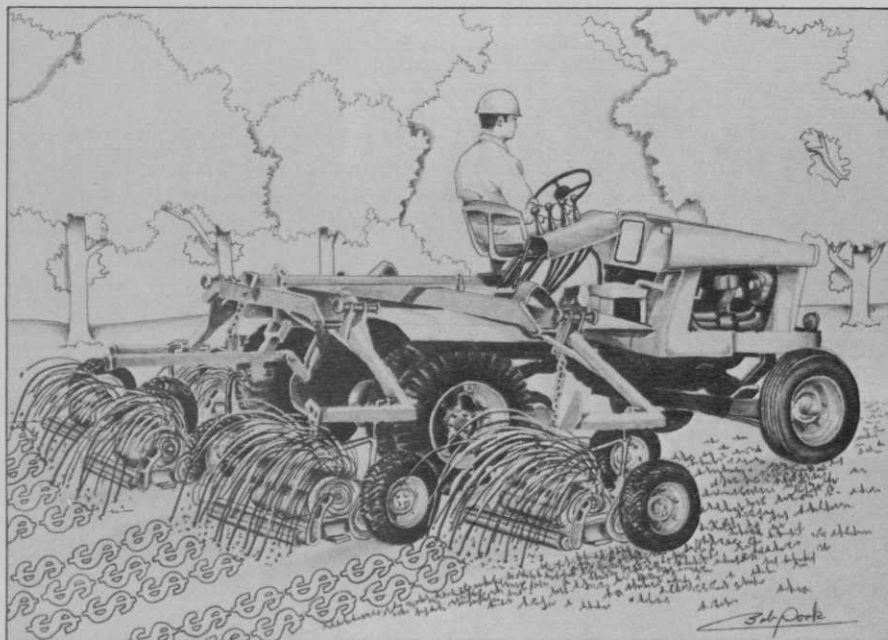
**What increases should superintendents expect regarding costs of labor, supplies, chemicals, repairs and new equipment? Author Charles Baskin estimates cost increases and offers some suggestions on budget preparation**

President Richard Nixon's wage-price freeze is designed to stem the rising tide of inflation. Superintendents should not be lulled into planning next year's budget based on 1971 figures, hoping that costs of labor, chemicals, equipment repairs and supplies will not increase. All indications point toward 3 to 11 per cent increases in costs of labor, chemicals, supplies, repairs and equipment. Based on a \$100,000 budget, these percentages can mean increases of from \$3,000 to \$11,000.

## Labor

The cost of labor, which traditionally takes up between 60 and 65 per cent of the superintendent's budget, continues to climb in spite of the high rate of unemployment. Labor settlements now are in the 8 to 11 per cent range. Golf course management must, for the club's own good, be competitive with the surrounding labor picture in the wages and benefits they offer employees. Most maintenance crews are made up of year-round employees and seasonal help. Priority should always be given to the needs of the year-round employees because they are the backbone of the crew. By being able to retain these key personnel, training time can be reduced and the quality of workmanship increased.

Before finalizing labor budget figures, a check should be made with the state and Federal departments of labor to determine if new laws and regulations will affect the club's wage policies. If the maintenance crew is unionized, or could be unionized, then the club should consider



pay increases and work regulations which might arise out of next year's contract. Consideration in the budget should also be given if different or improved management practices (improved hiring practices, training, supervision or more efficient uses of men and materials) will be used, because this could effectively lower labor costs for the coming year.

One example of lower labor costs because of better management is in the chemicals area. Systemic fungicides and new, sophisticated spraying techniques have greatly reduced the number of man hours required to maintain turf, yet the quality of turf continues to improve. The amount of time spent in moving crews from one work area to another can be decreased by the use of transport vehicles. An improved communications system, utilizing walkie-talkies, also cuts down on wasted effort and time. Multi-purpose mowing equipment enables more acreage to be maintained per man hour. The triplex putting green mowers are examples of how the productivity of a worker can be increased through mechanization.

New and improved machines are now available for applying fertilizers

and chemicals, topdressing, cutting sod, seeding, raking sand traps, leaf and debris removal. Probably the most important area in which labor cost has been reduced is in golf course irrigation. Automatic irrigation has decreased considerably the number of man hours needed to irrigate the golf course, and more importantly, has increased the quality of irrigation and turf.

## Equipment

A sampling of manufacturers indicates they expect anywhere from a 3 to 7 per cent price increase in the cost of new equipment. Rising steel prices could force the increase even higher. Most manufacturers will not be putting on an across-the-board increase but will, instead, be evaluating each of their products and pricing them on an individual basis.

Two very important items that must be included in the cost of new equipment are freight, if the delivered price is not quoted, and sales taxes. Each of these items add many dollars to the cost of equipment from year to year.

The leasing of equipment may be desirable for many clubs, depending

upon their financial structure. The major advantage of a leasing program is the elimination of an immediate capital outlay. Most manufacturers offer a leasing or lease-buy program. An evaluation should be made of each piece of equipment presently owned, including performance, reliability, yearly maintenance costs, repairs that are needed, present worth and expected life. Next, an evaluation should be made of what is available to replace that piece of equipment. Only after comparing the presently-owned equipment with the replacement equipment should the decision be made about replacing equipment.

A continual analysis should be made of what lines are available in new equipment. There are many new advances in equipment that can result in better performance at a lower cost. Many of these products can effectively reduce the man hours needed to perform a given task, which can also result in less golfer irritation and interference.

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### Chemicals

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The field of golf course chemicals is in flux. Local, state and Federal regulations have forced the removal of some important chemicals from the market. Chemical companies have stopped producing some products that had become a trademark in the

golf course superintendent's profession. However, many new chemicals have recently been developed which have shown excellent results.

Spokesman for several of the leading turf chemical companies have stated that they do not anticipate any price increases, except possibly in the line of herbicides. Fungicides, usually forming a high percentage of the chemical budget, should hold their own with little, if any, rise in cost. The new systemics will remain high in cost per pound, but competitive in the total chemical picture because of their long-range effectiveness. Before a superintendent calculates his estimated cost for chemicals, a chemical program must be established. Although the chemical program will probably be altered as the season progresses and individual problems arise, establishment of a general chemical program should prevent unexpected costs in chemicals.

In establishing a chemical program the previous history of the golf course and the products used should be assessed. Each chemical that has been used or is contemplated being used should be evaluated carefully. Some of the many factors to consider are: Active ingredient, acid equivalent, toxicity, LD50, compatibility, additives, ecological effects, safety, rate of application, method and ease of application, performance, reliability, re-

liability of the manufacturer, cost per unit weight, cost per application per unit area and cost per unit area per unit of time.

It should be remembered that the cost of applying the chemical should be considered when making out the budget. A longer lasting chemical, such as the new systemics, may cost more per chemical treatment, but because less applications are needed, the over-all economic picture is more favorable. When a switch in products is being contemplated, the product should be tested by the superintendent on a limited basis first, preferably in an area not heavily used or noticed by the golfers.

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### Supplies

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Supplies that are needed to keep the golf course in operation will continue to increase in cost. It is anticipated that the price increase for the coming year will be in the neighborhood of 5 per cent. The need for supply items can be greatly affected by the amount of vandalism on the golf course. Many clubs must spend several thousands of dollars per year replacing stolen or damaged items, such as ball washers, flags, flagpoles, tee markers and benches.

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### Repairs

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The cost of repairing equipment will rise again this year. Parts will generally show a 5 to 8 per cent increase. The labor involved in service departments is expected to increase 8 to 11 per cent. Some equipment distributors have pledged to hold the line with regard to possible price increases within their service departments, but it is hard to believe how they can and still make a profit as their costs continue to soar.

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### Preparation of the budget

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The preparation of the annual golf course budget is one of the most important responsibilities of the golf course superintendent. At most clubs the superintendent is responsible for originating a budget which he then presents to the greens committee for review and possible changes. The greens chairman then presents the budget to the board of directors for final approval. In some

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#### Breaking down the budget

By the time the preliminary work has been accomplished, the superintendent has completed the vast majority of work required in the preparation of the budget. After the needs for the next year have been determined, an inventory check will determine what materials will have to be purchased during the budget year. The budget should be formed in such a way that the average member of the greens committee or board of directors can understand the budget and where the expenditures are located. The budget should take the same form from year to year to facilitate comparisons of items within the budget. Accompanying the budget should be an item by item explanation of the costs, especially any changes from the previous budget.

Accompanying next year's budget should be last year's budget and a summation of last year's expenses. This is very helpful, because it shows what was allocated and spent to accomplish last year's maintenance practices.

The budget must contain at least the following broad categories: 1) salaries and wages; 2) materials; 3) repairs; 4) services, and 5) new equipment. Usually the budget is expanded to show a greater breakdown of costs. The following list shows 26 different categories that might be found in a typical superintendent's budget.

Salaries, wages	Chemicals (fungicides, insecticides, herbicides, fertilizer)	Water
Payroll taxes	Top soil and soil amendments	Telephone
Association dues	Grass seed	Uniforms
Conference and meeting expenses	Landscaping	Laundry
Insurance	Golf course repairs	Employee meals
Housing	Equipment repairs	Printing
Light, power	Depreciation	Supplies
Heating fuel	Tree maintenance	New equipment
Gas and oil		Miscellaneous

instances, a finance committee will review the budget before presentation to the board of directors. Whenever budgetary discussions are held, the superintendent should always be present to answer any questions.

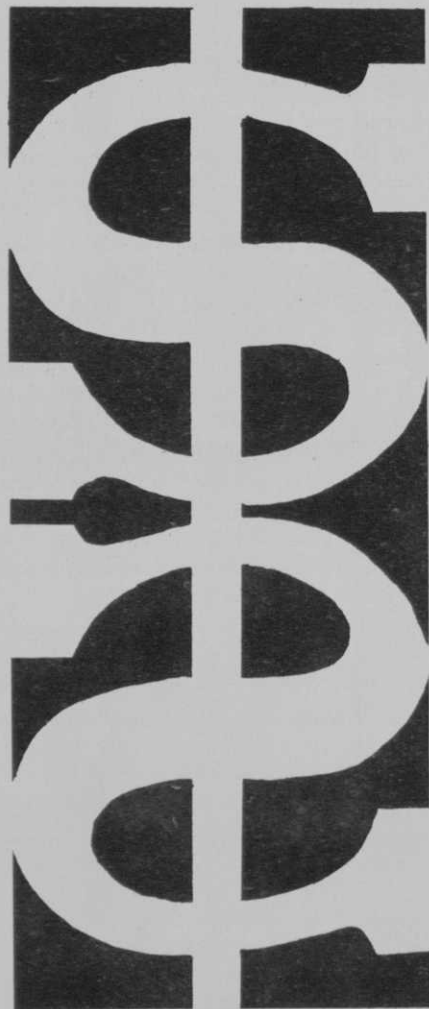
Basically, a budget is an estimated cost of operation for a certain period of time. Once a budget has been adopted, it is the superintendent's responsibility to manage his department within its limits. Under unusual circumstances a budget may be exceeded, but this should only be done with the approval of the board of directors. It must always be remembered that the golf course budget is only one part of the club's fiscal picture. Once adopted, changes should not be made without due consideration of the entire financial status of the club.

Before a budget can be properly planned, the club should spell out its objectives regarding the degree of excellence desired in the conditioning of the golf course. The budget is a direct reflection of the degree of conditioning which the club officials desire and feel that they can afford for the golf course operations. In essence, when the board of directors adopts a budget, they are setting a policy which will control the financial operation of the golf course and will have a direct bearing on the ultimate quality of the course.

Some superintendents build an excessive cushion into the proposed budget, feeling that the budget will be cut by various boards and committees and, in the end, the superintendent will get what he is actually looking for. This approach is not only very misleading, but is a reflection on the integrity of the superintendent. If a board or committee finds too much padding and unnecessary items in a budget, the superintendent may end up looking for another job.

A better method is to present a budget that truly reflects the anticipated operational expenses. A supplementary budget containing costs for proposed projects and improved services should be attached to the actual budget. This will give the various committees and boards an opportunity to consider the costs for improving their facilities and the alternatives that are

available to them. Because it is the superintendent's responsibility to draw up a sound budget which reflects the desires of the membership and club officials, there can be no substitute to proper budget planning. Many hours of preparatory work are needed before a superintendent



even starts work on the actual budget sheet.

The superintendent, before starting to prepare next year's budget, should evaluate the total golf course operation during the past year. The evaluation should contain his own appraisal of the operation as well as the viewpoints of the membership and club officials. The evaluation should cover the weak points in the golf course program last year and how they might have been avoided as well as the program's strong points and how they were attained.

It is imperative to keep a complete set of records containing the daily weather, rates, dates and reactions of all chemical applications, routine

maintenance procedures, special projects, inventory, expenditures and payroll. Maintenance records should be kept on all equipment, showing the use and maintenance work required to keep each piece of equipment in operation. Only through proper evaluation of the previous year's operation, can the superintendent determine if changes and improvements are needed.

In order to properly prepare a budget, the superintendent must first determine the standards which he wishes to attain. Sometimes the maintenance standards must be lowered because of the economic situation of the club. More likely, the club will want to improve its services to the members.

If course improvements are advisable, it is the responsibility of the superintendent to take the initiative and present improvement programs which can be accomplished. Each program should be outlined as to why it is needed, what it will accomplish and how much it will cost. There are many questions that should be asked in the preliminary work of preparing a budget. The answers to the following questions should serve as a guide in the final preparation of the budget.

- Will the standards attained last year be desirable next year?
- What is needed to correct last year's deficiencies?
- What improvements would the superintendent recommend?
- What improvements would the membership like?
- What improvements would the green committee and the board of directors like?
- What is the fiscal status of the club and the economic outlook of the community for the coming year?
- What costs are going to increase or decrease?
- What effect will new local, state and Federal regulations have upon your operation?
- How can you more effectively manage the golf course?

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