

By the Numbers

With the help of financially savvy superintendents, *Golfdom* offers tips to help keep your maintenance budgets in line



BY LARRY AYLWARD, EDITOR

Ten million bucks. That's how much money Allan Pulaski is responsible for as director of golf course and grounds maintenance at the Landings Club, a six-golf course operation in Savannah, Ga. Pulaski would be lying if he said managing that much dough didn't make him nervous.

"It's why I don't have any hair," the 30-something Pulaski says, only half-jokingly.

Pulaski's annual budget at the Landings Club is about \$5 million. Throw in \$3 million to \$5 million more for annual renovation projects and the financial plan is pushing \$10 million. That's a lot of scratch, even by Warren Buffett's standards.

Many superintendents join the golf course maintenance business because they love agronomics and want to work outside where the world is lush and green. But many learn quickly that they also have to know something about that *other* kind of green. While they don't have to have corporate-level accountant experience, they must have some sense about dollars and cents. They must know the fiscal matters of their business because they have to put together that unnerving "B" word — a "budget."

With the help of several veteran superintendents who are well-trained in the art of budgeting, *Golfdom* offers tips to help you keep your maintenance budgets in line, from how to work with financial decision makers to making cuts when necessary.

What they want

Different golf courses have different goals when it comes to budgeting. Some clubs are more concerned about the bottom line, and some clubs are more concerned about having fantastic greens. "Sometimes you don't see the business restraints at a private club that you would see at

a more business-oriented club," says Rick Slattery, superintendent of Locust Hill CC in Rochester, N.Y., who has worked at both types of clubs.

Slattery says members at Locust Hill, a private club, are more liberal with money if it's available to spend. But before coming to Locust Hill, Slattery worked at a semiprivate course where he says the owner was interested in making money before spending it.

"He basically told me, 'Rick, if you make the course better and more people come here to play because of it, then I'm going to make more money. So I'll take my share off the top, and the club gets everything else.'"

Slattery improved the course's condition, and more people came to play it. Hence, there was more money in the coffer to spend on maintenance. "Instead of spending money up-front, the owner wanted it in his pocket first," Slattery says.

While golf courses approach budget-making differently, there are also many common denominators that most endure in the process. Slattery says a big problem with many courses' budgets is that they're not rising at the same level of golfers' expectations for outstanding turf.

"That's the most difficult part of forming a budget — assessing those expectations," Slattery says. "So superintendents have to be creative and hard-working to massage their budgets to get more for the same amount."

To better assess golfers' expectations, superintendents must get inside golfers' heads to find out what they're thinking. Then they must communicate with them.

Superintendents also need to communicate effectively with the people they are negotiating with on budgets, whether it's the green committee, the financial committee, the general manager or the

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owner. Slattery advises superintendents to learn business lingo so they can hold informed conversations and understand the logic behind bottom lines and profit margins.

Slattery notes that members, owners, general managers, and members of green committees and financial committees are business-savvy people.

"You have to be able to speak in business terms," Slattery says. "You have to be able to talk their language, just like we try to communicate our language in terms like 'top-dressing' and 'verticutting'."

You also might have to persuade members that the extra money you need for equipment repair will be worth the investment. Sometimes it takes a little politicking, especially at the private level where "everybody is an owner," says Sam Sprague, superintendent of Rainier Golf & CC in Seattle.

Joe Boe, superintendent of Coral Oaks GC, probably deals with more bureaucracy than superintendents at private clubs because his course is owned by the city of Cape Coral, Fla. Boe works with the city's financial advisory committee to plan his course's budget.

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Credibility Rules in the Numbers Game

One of the most important aspects of a creating a viable budget has nothing to do with keeping numbers. It has everything to do with being forthright.

Many superintendents warn their peers against padding or manipulating their budgets so they can have extra money to spend or look good at the end of the year when their maintenance programs come in under budget.

"It's all about credibility," says Rick Slattery, superintendent of Locust Hill CC in Rochester, N.Y. "The days of trying to obtain all the money you can for the course whether you need it or not are over."

Joe Boe, superintendent of Coral Oaks GC in Coral Oaks, Fla., says padding a budget will only get a superintendent in trouble. He knows some superintendents who splurge and buy items they don't need with the extra money they've placed in their budgets.

"I know some superintendents who say, 'I have to spend this money, or I'm not going to get it next year,'" Boe says. "So the last two months of the year they spend like crazy and buy whatever they want."

Boe says such spending is a waste of the golf course owner's money. It also doesn't say much about a superintendent's credibility in managing someone else's money.



It's vital that superintendents show their employers that they can handle their money with care, Slattery says.

"It's easy to spend someone else's money — and not properly," he adds. "It's vital that you treat employers' money exactly like you would treat your own."

Don't try to hide costs in your budget, such as having the club pay for your family to go with you to the GCSAA conference. It's unethical, and it could get you in a fix.

Eventually, Boe and Slattery believe a superintendent who's throwing money around will be busted by a by-the-numbers green committee member or someone else paying close attention to the budget.

"Don't try to hoodwink anybody," Slattery says. "These people aren't dumb."

If something in the budget runs amok, superintendents should communicate the

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RICK SLATTERY
LOCUST HILL CC

problems immediately to their financial superiors, not six months later, Slattery advises. Then they'll view you as a more responsible money manager.

Last year, Slattery spent more on fungicides than he budgeted because of severe disease pressure created from the fallout of a wet spring and a sultry summer. But Slattery communicated to the board of directors and financial committee members — in person and by e-mail — what was going on and that he would try to make up the excess money spent by cutting in other areas of his budget, which he was able to do in the end.

Keeping his peers apprised of what was going on financially made them realize even more that Slattery was being careful with money, which further added to his credibility as a responsible superintendent.

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Many of the board members are accountants and bank workers who have knowledge of numbers but know little about golf course maintenance, Boe says. That can be a

HOW MUCH DOES YOUR COURSE GET?

Maintenance Budget Categories

\$1 million or more	14%
\$600,000 – \$999,999	20%
\$400,000 – \$599,999	22%
\$100,000 – \$399,999	34%
Less than \$100,000	8%

Information is based on a Golfdom/Readex survey of 286 superintendents conducted in March-April 2003.

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problem, especially when board members take pride in watching over city money and are careful about spending it.

But Boe takes it upon himself to educate the board members about his job. He invites them to Coral Oaks to show them what he does and what it takes to do what he does.

It's part of the selling process, which most all superintendents have to do at one time or another to convince the financial decision makers that they *really* do need something.

But the selling process is not always easy because golf course maintenance is often something that isn't easily seen. "We have to sell on results," Slattery says, adding that results are often difficult to show quickly.

It's not like spending money on the clubhouse where the by-products — new carpeting, new chairs — are immediately visible and

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What to Cut and What Not to Cut When Cuts Must be Made

Immediately following the terrorist attacks on Sept. 11, 2001, rounds fell off dramatically at golf courses nationwide. Joe Boe, superintendent of Coral Oaks GC in Cape Coral, Fla., says his course resembled a ghost town.

With no money coming in, Boe was forced to cut his maintenance budget, as were other business segments of the operation. "We couldn't spend our whole budget because we weren't earning enough money to cover it," Boe says.

When such a situation arises, what's a superintendent to cut from his budget? Several superintendents say budget cuts in midstream of a fiscal year often begin with labor.

Labor is the easiest area to cut because it's the largest area of a golf course's budget, often 60 percent or more. When the remaining line items combine to comprise 40 percent or less, it's difficult to trim 10 percent to 15 percent from one of them.

Boe began his cuts with labor. Before Sept. 11, Boe was down a person on his crew and was looking for someone to hire. He scrapped that plan and watched as



If forced to cut his budget, Florida superintendent Joe Boe would not cut anything related directly to the turf's health.

the clubhouse and pro shop also made staff cuts.

The budget cuts Boe didn't consider were anything related directly to the turf's health. Other superintendents agree they would avoid cutting fertilizer and fungicide budgets unless it was a last resort.

In fact, Sam Sprague, superintendent of Rainier Golf & CC in Seattle, says he'll go over budget on fertilizer, chemicals and

equipment — the things he needs most to maintain the turf — to keep the turf alive and healthy.

"I'd rather have to explain [to my bosses] why I was over budget on those items than explain to them why the greens are dying," Sprague says.

There's another option to saving money — albeit a throwback alternative. It's called bartering. Dale Morrison, superintendent of Trappers Turn GC in Wisconsin Dells, Wis., didn't budget for black top for his parking lot, but he didn't need to. Morrison also didn't budget for a recent tree-removal project on his course because he didn't need money to pay for it. Morrison received the black top and the tree removal for free ... sort of.

He bartered for them. To the man whose company gave him the free black top, Morrison supplied free golf. To the man who cut down the trees, Morrison let him take the wood. It's like the way fur traders did business 300 years ago.

To read more about bartering, see Morrison's story, "My Budget Goes Further, Thanks to Bartering," on page 36.

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tangible. In the short term, a golf course “looks” the same, even after money has been spent to improve it.

Many financial decision makers want proof that their investments will pay for themselves and reap paybacks in five years or less. Sometimes that’s hard for a superintendent to prove, especially if he or she is asking for an extra

\$100,000 to buy a few new fairway mowers.

Of course, the financial picture is different from course to course, Slattery points out. Some private clubs don’t focus as much on the bottom line and are more concerned about the quality of the course. “They’re more apt to spend money without a short payback if they know they’ll get a better golf course,” Slattery says.

WHERE THE MONEY GOES

Spending for Products

Category	Mean Spending	Estimated Spending/ Past 12 months
Irrigation water	\$30,800	\$511.3 million
Fertilizer/plant nutrition	\$22,900	\$380.1 million
Fungicides	\$21,000	\$348.6 million
Turf seed	\$9,210	\$152.9 million
Herbicides	\$8,650	\$143.6 million
Irrigation supplies	\$7,520	\$124.8 million
Insecticides	\$7,480	\$124.1 million

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Keeping track

A budget is not easy to produce, but it doesn’t have to be as painful as a bad day on Wall Street.

Slattery’s fiscal year runs from Nov. 1 through Nov. 1. But he doesn’t begin gathering information for his budget on Oct. 15. Throughout the year, Slattery keeps monthly expense reports, tracks the current budget and documents other important information that could affect the upcoming budget.

“You don’t want to be scrambling to put numbers together when the time comes to do the budget,” Slattery says. “We start the budget process in September.”

Budgets are based on priorities. For instance, the line item that lists pesticides is more important than the item that lists tree programs. The superintendent, of course, must

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WHAT'S YOUR LINE?

A sample of a line-item report. Superintendents, of course, fill in the blanks.

	January	February	March	April	May	June	July	August	September	October	November	December
Payroll												
Payroll taxes												
Employee benefits												
Equipment repair												
Irrigation repair												
Shop supplies												
Electric												
Heat												
Pesticides												
Fertilizer												
Topdressing												
Tree Program												
Outside contracts												
Education												

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manage *all* of the line items. Yes, sometimes he robs Peter to pay Paul.

"If one line item begins to get out of control for one reason or another, you have other areas to fall back on," Slattery says. "For instance, let's say you used a lot of fungicides this year. So you decide you're not going to prune the six trees on No. 2 as you planned because it's more important for you to keep your turf alive. So you delay the pruning until next year."

Pulaski creates a budget sheet for differ-

ent segments of the six courses. He figures how much will be spent on greens as far as fertilizers, fungicides, herbicides and insecticides. Then he figures the same expenses for fairways, tees and other areas. From those numbers he has an idea of how much money should be budgeted overall for the six courses.

There are pitfalls to avoid. Sprague advises superintendents to try to avoid coming too much over or under on any given line item. "Those are the red flags," he says, noting that the course's board of directors won't hes-

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My Budget Goes Further, Thanks to Bartering

By Dale Morrison

Think you're locked into a final budget for this year? Not if you practice what I like to call "horse trading." Yes, bartering is an almost forgotten art whose time has come again. It's in the nature of the age-old system of bartering that ensures the satisfaction of all parties involved in a transaction.

Many factors affect the amount of money in a superintendent's budget, such as rounds, weather, and the age and condition of maintenance equipment. There are other elements, such as lightning strikes and turf-damaging gophers, which are out of our control but also have an impact on our budgets.

In any case, there just never seems to be enough money.

However, I've discovered a way to enhance my budget. I can get what I need without spending any money. I just figure out who has what I need and if I have something they need. They may need equipment, supplies or a service, and I make them a "bartering offer." I barter for irrigation, equipment parts, materials and services from outside contractors.

For instance, at Trappers Turn GC in Wisconsin Dells, Wis., where I'm superintendent of a 27-hole upscale public course, I had a problem on hole No. 1 on the Canyon course. There are two land-cross bridges over a small stream that were in bad condition. My staff was forced to clean up the crossings after it rained.



Dale Morrison has traded free golf for use of equipment he doesn't own.

After heavy rains, the crew usually had to add gravel to fill in the washed-out holes. Of course, the best way to fix this problem would be to replace the crossings with bridges that would put an end to these repetitive maintenance cleanups. But fabricated steel bridges were totally out of the budget. Actually, there was nothing in the budget for bridges.

But bartering made new bridges possible. I had something a local golfer wanted — a place to golf. And he had something I needed — a portable saw mill. We came up with an agreement and on a handshake the deal was done. The golfer milled the timber that my staff harvested from our woods on the golf course. In return, he received free golf and use of the driving range. The support beams and the decking materials for the bridges are made from oak. I know that we could

never have afforded the cost of oak lumber for the bridges. I saved Trappers Turn at least \$1,500 by bartering and actually built better bridges because of the natural resource of oak available.

Through bartering, I've met many needs that were unattainable because of budget constraints. I've traded free golf passes for the use of equipment that the golf course does not own, such as use of a hydro-mulcher, aerifier and air compressor. I've received reduced costs of materials — even some free materials. This includes an array of necessities from dirt to blacktop. This year alone I've saved the course more than \$9,200.

For me, bartering has proved to be the answer to making improvements on the golf course that otherwise would be out of the question.

Along with the bartering technique, I use yet another age-old process of saving budget dollars. Shop till they drop — their prices, that is. When purchasing anything from equipment to irrigation parts to chemicals to fertilizers, make sure to ask your salesperson if his company is running any "specials." Ask if he will match the prices of his company's competitors. Ninety percent of the companies will match or offer a lower price to get your business.

One last way to save on your purchase is to pay in a shorter time frame than the customary 30 days. Most companies offer a discount as incentive for you to pay early.

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ALLAN PULASKI
LANDINGS CLUB

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itate to ask him to explain why he is so far over or under on an item.

It's not as simple as it sounds to avoid such inconsistencies, especially with certain items such as chemicals, Sprague says. In Seattle, disease pressure varies from year to year which makes predicting a budget for chemicals difficult. The same goes for fuel.

"You can't always predict where the price of fuel goes," Sprague says. "This year I'm way over budget on fuel because I didn't foresee such a high rise in costs."

Many superintendents rely on the courses' previous histories of spending as a guide for their budgets. Sprague says a course's recent budget history tells a story and helps a superintendent be more on target with his current budget. "I look back at least three years when I do the budget," he says.

Pulaski says he studies budgets from the previous five years.

"We don't base anything off them, but we have them as a reference," he says. "What I mean by that is there are some line items you always budget \$8,000 for and if you look at history you might only spend \$2,000 a year. Well, then you don't need \$8,000 there, and history tells you that. You can't just rubber stamp the same budget year after year."

Keeping a history also lends credibility to the budgeting process. Then a superintendent can explain why he spent so much on fungicides in one year ("because the area had

30 inches of rain and disease pressure was high") compared to two years before ("because the area only had 3 inches of rain and disease pressure was low").

While history is integral to forming a budget, putting a contingency plan in a budget is important to take care of unexpected happenings.

Two years ago, Pulaski began placing a contingency line in his budget. *Webster's* defines "contingency" as "an event that may occur but is not probable." In golf course maintenance, that event could be a hurricane or a tornado and the subsequent damage from such storms. The bottom line is a contingency line in a budget will cover damage caused from a dire event, which means a superintendent can breathe easy.

"If I could give one piece of advice to any assistant or superintendent coming up in this business, it's to put a contingency line in your budget," Pulaski says.

Contingency does not equate to fat. And because the money is presented as "contingency" in a budget, it's an easy sell to the green committee chairman, a general manager or whoever signs off on a budget. Those decision makers realize that if a superintendent places a \$50,000 contingency in the budget and no severe setbacks occur, the \$50,000 is not spent. So they know the superintendent is not padding the budget.

"If you have a \$500,000 budget, there's no reason why you can't have a 10-percent contingency built in," Pulaski says. ■

When OT Is Not OK for the Budget

Rounds are down, revenue is slow and many superintendents can't afford to pay their crew members a lot of overtime. What to do?

"We try to stay out of overtime as much as possible," says Sam Sprague, superintendent of Rainier Golf & CC in Seattle. "It makes scheduling more complicated, but it keeps the budget more even keeled."

Courses that do pay overtime pay close attention to how much they're spending.

Allan Pulaski, director of golf course and grounds maintenance for the Landings Club, a six-golf course operation in Savannah, Ga., tracks overtime by keeping a man-hour chart, which lists all the job tasks for a week and how long it takes to perform them. He also compares his cost per acre to competitive courses' cost per acre to keep overtime expenses in check.

Rick Slattery, superintendent of Locust Hill CC in Rochester, N.Y., knows he might need his crew to work overtime

during the golfing season. To compensate for overtime paid during that period, Slattery might release his seasonal workers in mid-September rather than late September.

A superintendent might consider staggering the work schedule to control overtime. Slattery suggests working half the crew for eight hours Monday through Thursday and a half-day on Friday and Saturday or Sunday. The workers still get 40 hours, and the course still has workers on the weekend. — L.A., Editor