



Power Played

Superintendents seek to save money in other areas of their maintenance budgets to offset increased fuel costs

BY LARRY AYLWARD, EDITOR IN CHIEF

What do gas prices and a superintendent's blood pressure have in common? They're both rising like the mercury in a thermometer on a scorching summer day.

With surging gas prices sucking up the greenbacks from many a golf course maintenance budget, superintendents are starting to sweat like down-on-their-luck poker players when they consider how their financial books might appear at the end of their operations' fiscal years.

Will their budgets be in the red?

Could they be a tad in the black?

Will some superintendents be feeling the blues?

With plenty of mowers' and utility vehicles' gas tanks to fill, three of four superinten-

dents have definite concerns about the rising cost of gasoline, according to a recent *Golfdom* online survey of 150 superintendents. Fifty-two percent said they're worried that price increases will have a major negative impact on their courses' maintenance budgets. Another 28 percent said they're worried to a lesser degree.

Sixteen percent said they're beginning to feel concern, although they aren't too worried. The remaining 4 percent said they weren't worried at all.

As of June 21 the nationwide average for a gallon of unleaded regular gas was \$2.16, according to the U.S. Energy Information Administration. That's up nearly 22 cents from a year ago and more than 65 cents from the beginning of 2004. On June 21 the nationwide average for a gallon of diesel fuel was \$2.31, up more than 61 cents from a year ago.

In the early spring it appeared the price of

gas would soar to \$2.50 a gallon. But the price dropped several cents in coming weeks, thanks to an increase in production and a drop in demand, which created larger stockpiles.

But depending on whose report you believe, prices could soar even higher in the near future. Some say the \$3 gallon is reality and just around the bend.

Ron Ciancutti, purchasing manager for the Cleveland (Ohio) MetroParks, which operates seven municipal golf courses, points out that the root of increased gas prices has more to do with capacity. It's not about how much crude oil companies can pump in a given time to increase gasoline supplies, he says. Rather, it's about how quickly that crude oil can be refined into gas to meet increased demand.

That said, it's common knowledge that oil supplies are diminishing because of increased demand, which can be attributed to mankind. People's Fords and Toyotas are using more petroleum than ever, especially those folks' vehicles in China, India and, of course, the gas-guzzling United States. The Chinese, at 1.3-billion strong, are buying cars as fast as Elvis did in his heyday and building super-highways on which to drive them.

Gas prices have commanded superintendents' attention. Many have reacted to higher prices with creative plans to save money in other areas of their maintenance budgets. And they realize they'll have to continue to do so as prices continue to rise.

"How often in our lifetime has the price of gas gone down?" asks Tim O'Neill, certified superintendent of the Country Club of Darien (Conn.), knowing full well the answer to the question.

Sudden impact

Charlie Fultz, superintendent of Shenvalee Golf Resort in New Market, Va., sits at his desk and cranks up his adding machine to figure precisely how much high gas prices have impacted his course's maintenance budget.

Fultz says he budgeted \$25,000 in 2005 for gas used in equipment and utility vehicles. He figured 25 grand would buy him about 14,000 gallons of fuel at about \$1.79 a gallon.

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GREG OTTO

GOLDEN HORSESHOE GOLF CLUB

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Now he figures it will only buy him about 11,800 gallons because he's been paying anywhere from \$2 to \$2.25 a gallon lately. "That's almost a 25 percent increase," he notes.

For months Fultz has also expressed concern that escalating gas prices will affect Shenvalee and the entire resort business.

"We pull people from Pennsylvania, Maryland and the District of Columbia," Fultz said last fall. "You have to wonder if fewer people will want to drive here if gas is more than \$2 a gallon."

In May, Fultz declared the resort's hotel was not as full as he expected. He wondered if his autumn prophecy had come true.

Still, rounds were up at Shenvalee in the spring (thanks to local golfers and wonderful spring weather), but Fultz remains concerned about play in the late-summer and early-fall months, the resort's bread-and-butter season.

Greg Otto, superintendent of the 18-hole Gold Course at the Golden Horse-

shoe Golf Club in Williamsburg, Va., uses plenty of unleaded gas and diesel fuel — the course has 500-gallon tanks for each — in his maintenance operation. So does the entire 500-acre club, which features an additional 27 holes of golf as well as lawn bowling and croquet fields.

It's not just increased gas prices that have evoked the mathematical portion of Otto's brain. He's concerned about increased costs of equipment and other materials as well.

"Everything is going up," he says. "And we're having to tighten up and watch our budget a lot closer. But we're finding different ways to reduce costs and still stay within our budget."

Not all superintendents are that worried about increased gas prices, however. Mike Sosik, the owner and superintendent of Harrisville Golf Course, a nine-hole track in Fiskdale, Mass., says an increase in the golf car rental business has helped offset high gas prices. Sosik raised rentals 50 cents this sea-

son to keep up with increased fuel prices, but the higher cost hasn't stopped people from renting them. "It seems like nobody wants to walk a golf course anymore," Sosik says. "Our revenues are up almost 50 percent over last year in golf car revenue."

Thanks to increased gas prices, superintendents have also noticed increased surcharges on deliveries. O'Neill, president of the Golf Course Superintendents Association of America (GCSAA), says the amount of the charges "has really caught my attention."

"Recently I purchased a load of topdressing . . . and the trucking charge was more than the material," O'Neill says. "I'm definitely concerned about that."

Sosik says he ordered a few loads of bunker sand and screamed "Holy Cow" when he got the bill. "They're getting you for \$35 to \$50 just on a surcharge," he adds.

Fultz says companies that didn't have surcharges before do now.

"In a month you're up over \$100 just in fuel surcharges," he says. "Spread that over 10 months of ordering and there's another \$1,000 dollars I have to accommodate that I wasn't planning to accommodate before."

Fultz doesn't blame companies for instituting the delivery charges. "When diesel fuel is \$2.27 a gallon and these guys drive big rigs that get 15 miles a gallon . . . you can't fault them."

Fultz says his budget takes an extra hit when the delivery truck rolls up to the maintenance facility with a load of fertilizer. He not only gets dinged with a surcharge, but an increase in fertilizer prices, too.

Like gas, fertilizer prices have soared because of increased worldwide demand for natural gas and petroleum products, which provide the basic building blocks of fertilizer.

Ciancutti, who buys fertilizer as needed for the Cleveland park district's seven courses, estimates the price has risen 3 percent to 5 percent from 2004. Some experts predict as much as a 20 percent increase in the price of fertilizer this year.

The U.S. Department of Energy (DOE) predicts natural gas demand will increase 2.2 percent in 2005 and 3.2 percent in 2006. At the same time, domestic natural gas production will only increase 0.5 percent mainly because existing U.S. gas wells are nearing depletion. So the

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Price Increase Is Not a Gas

Are you worried that the constant increase in gas prices will hurt your golf course's operation in some way?

Yes, prices will impact us big time for sure

52%

Yes, but not too much

28%

I'm getting concerned

24%

Not at all. Prices can rise to \$3 a gallon for all I care

4%

* Online poll based on 150 responses

Golfdom



“That almighty dollar doesn’t travel nearly as far as it did 18 months ago.”

CHARLIE FULTZ

SHENVALEE GOLF RESORT

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country must import more natural gas and the price keeps climbing.

What to do?

Superintendents realize they just can’t groan about increased fuel prices. They must do something to contest them.

O’Neill plans to use more plant growth regulators on fairways so they won’t need to be mowed on Sunday mornings. In turn that will save O’Neill gas, not to mention the cost of labor associated with the mowing.

Even Sosik, who says fuel prices haven’t hurt his budget, says increased gas prices have him re-evaluating his mowing schedule. “I question whether I need to mow fairways on a certain day,” he says. “I wonder if I should wait a couple of days to do it.”

Fultz has done a few things to save money in other areas of his budget. For instance, generic fungicides will be used more in his spraying program. Fultz has used them sparingly in the past on fairways and tees. This year he’s using them more on fairways and tees and now sparingly on greens. Fultz figures generics will save him about \$5,000.

Fultz also held off on hiring summer help for a few weeks to save some money. “Usually I have a couple seasonal guys in here by now,” he said in early May. “I’m trying to see how long I can hang on without bringing them in.”

Otto says his club has cut back spending in other areas, especially work done by outside contractors. “They’ve come in and done larger projects — from drainage on a fairway or a tee box to repaving a particular area,” Otto says. “We limited it last year, and we’ve really cut back on it this year.”

Ciancutti is considering his long-term options to offset even higher gas prices. He says one of the park district’s courses is building a new clubhouse and had planned a modest garage area for the gas-powered golf cars. Instead, planners are considering a larger, more comprehensive and expensive garage with the capacity to house and power electric golf cars. Ciancutti says the park district is discussing whether electric golf cars will make more economical sense in the long run than gas-powered vehicles.

To combat the increase in fertilizer prices, Fultz expects more superintendents will look into using slow-release fertilizers that could

last several months instead of four weeks.

Fultz has found a way to reduce fertilizer costs on his course’s fairways. He’s using manure made from human waste that he buys from a Boston company for about \$2 a pound. He says he spreads the fertilizer at one-quarter pound per 1,000 feet and is pleased with the product’s six-week feed.

In the previous few years O’Neill used a service provider to apply fertilizer at Darien. That way he didn’t have to worry about storing and handling fertilizer. But the process is expensive and O’Neill is changing his strategy to save money.

“This year I chose to go back to putting out fertilizer myself,” he says.

The long and short term of it

Superintendents believe that more fuel-efficient equipment will help them in their long-term plights to deal with increased fuel costs.

O’Neill says he’s hearing more talk from his peers about using electric mowers. Ironically, most superintendents desire electric mowers to reduce early-morning noise so people living in homes on golf courses won’t be disrupted. “But there will even be more interest in this alternate energy-type equipment because of the way gas prices are going,” O’Neill predicts.

Fultz still prefers to hear the hum of a gas engine on a mower but the escalating price of gas has piqued his interest in mower manufacturers’ electric technology, specifically a hybrid mower.

In the short term, nobody wants to have to sacrifice the quality of the golf course to help pay for more expensive gas and fertilizer.

Ciancutti says he won’t make cuts that will affect the quality and playability at the park district’s golf courses. For instance, cheaper sand won’t be used for topdressing to offset higher fertilizer costs. “We won’t sacrifice quality for cost but maintaining the balance through creative solutions is getting more challenging every day,” Ciancutti adds.

Fultz says only time will tell how much a \$2.10 gallon of gas will play in golfers’ decisions to cancel or shorten their trips to his resort. August, September and October are the big months at Shenvalee, and Fultz realizes that it might cost traveling players about \$100 more in gas to travel round-trip to Shenvalee.

“That almighty dollar doesn’t travel nearly as far as it did 18 months ago,” Fultz concludes. ■