Olde Scotland Links

HISTORY

·**Town Meeting -1978**:

235 citizens unanimously voted to purchase parcels of land and buildings located on and off Spruce, Vernon and Pine Streets known as the Chaffee Farm, originally proposed as a 256 lot subdivision, for the purposes of playground and recreation, conservation and water supply. The land was purchased for $937,000.

·**Town Meeting- 1978**:

Citizens accepted a gift from the Chaffee family of 25.7 acres on Pine and Spruce streets and a 4 acre parcel on Forest Street for the purposes of playground and recreation, conservation and water supply.

·**Town Meeting-February 7, 1994:**

296 citizens unanimously voted that the town appropriate up to $5,000,000.00 for the purpose of planning, developing, constructing and equipping a new municipal golf course located on town-owned land. Up to 10% of the appropriation may be set aside for future operational needs.

·**Town Meeting – October, 1997:**

A 9 member golf commission was established with staggered terms, members were named and the town established an enterprise fund.

·**Town Meeting - May 2011**:

137 citizens voted $2,950,000 for the purpose of planning , developing, constructing and equipping a new municipal clubhouse utilizing level debt service, not to exceed 30 years and to defer payments and interest up to one year from commencement of operation.

The 1994 Debt will be retired after the FY2018 payment, freeing up approximately $410,000.

Olde Scotland Links

REVENUE

FY 16	$861,289 thru Jan. 31, 2015				
FY 15	$1,354,658	snowfall 114.5"	FY 08	$1,670,000	
FY 14	$1,363,440		FY 07	$1,665,604	snowfall 17.1"
FY 13	$1,327,791		FY 06	$1,628,362	
FY 12	$1,356,587	snowfall 9.3"	FY 05	$1,552,606	snowfall 86.6", Oct rainfall record
FY 11	$1,309,385	snowfall 81"*	FY 04	$1,570,809	
FY 10	$1,435,577		FY 03	$1,579,277	snowfall 67.5", April rainfall record
FY 09	$1,388,675	snowfall 65.9"	FY 02	$1,771,635	snowfall 15.1"

Revenue from operations based on data from DOR Gateway

Economy- Golf revenues are tied to the economy and disposable income. The U.S. suffered through historic recessions: March '01-Nov. '01 business avg. -6.3%, Dec. '07-June '09 business avg. -10%

Weather: Revenues are directly effected by weather. Average snowfall in Boston area is 43.7" per year. Higher than average rainfall during high revenue months also has a direct impact on operations.

*2011 record heat hottest summer on record in August, Snowstorms, blizzards, heat waves, hurricanes, torrential rains.

Olde Scotland Links

EXPENSES

YEAR	Total Expenses	YEAR	Total Expenses
FY 16	$1,386,979 (Budget)		
FY 15	$1,447,630	FY 08	$1,680,764
FY 14	$1,413,176	FY 07	$1,627,309
FY 13	$1,363,918	FY 06	$1,710,979
FY 12	$1,427,643	FY05	$1,624,464
FY 11	$1,337,575	FY 04	$1,541,060
FY 10	$1,368,362	FY 03	$1,590,181
FY 09	$1,547,945	FY 02	$1,582,910

Expenses based on data from DOR Gateway

See chart for details regarding wages, debt, expenses, capital outlays, indirect costs, fund balances and transfers from other sources (ie: general government).

Olde Scotland Links

ROUNDS

YEAR	9 Hole	18 Hole	Total
FY 10	7,999	26,319	34,218
FY 11	7,189	24,012	31,201
FY 12	8,515	26,866	35,381
FY 13	8,336	24,001	32,337
FY 14	8,067	24,700	32,767
FY15	7,947	24,364	32,311

According to NGF, golf rounds have seen a national downward trend since 2000/01. National average 2013: 31,720 in 2013, 2012: 33,366 (2012 was boosted by unseasonably great weather nationwide)

Olde Scotland Links

COURSE CAPITAL IMPROVEMENTS NEEDS NOT FILLED

FY 2015 Capital Improvements

$ 6,250	Irrigation Head upgrade
$ 1,000	Pipe & wire repair assoc/irrigation
$ 1,900	Repair tie-ins to bridges and cart paths
$ 10,000	Rebuild Par 3 Tee #3
$ 19,150	

FY 2016 Capital Improvements

$ 6,250	Irrigation Head upgrade
$ 1,000	Pipe & wire repair assoc/irrigation
$ 50,000	Pave golf course facility parking lot
$ 35,000	Cart path improvements
$ 10,000	Rebuild Par 3 Tee #8
$ 102,250	

*This page demonstrates the capital needs only. This does not represent the final capital plan.

FY 2017 Capital Improvements

$ 6,250	Irrigation Head upgrade
$ 1,000	Pipe & wire repair assoc/irrigation
$ 10,000	Drainage on #7 and #12 fairways
$ 35,000	Cart path improvements
$ 10,000	Rebuild Par 3 Tee #13
$ 62,250	

FY 2018 Capital Improvements

$ 250,000	Complete Bunker renovation-reshape, new sand+sod, drainage, irrigation if needed.
$ 6,250	Irrigation Head upgrade
$ 1,000	Pipe & wire repair assoc/irrigation
$ 35,000	Cart path improvements
$ 10,000	Rebuild Par 3 Tee #16
$ 302,250	

FY 2019 Capital Improvements

$ 250,000	Bunker renovation-reshape, new sand+sod, drainage, irrigation if needed.
$ 140,000	Rebuild remaining tees
$ 390,000	

Olde Scotland Links

INDIRECT COST/PAYMENTS IN LIEU OF TAXES HISTORY

- In FY2016 the golf course will transfer $93,817 to the general fund to pay for "indirect costs." Indirect costs are designed to pay for services provided by the Accountant, Treasurer/Collector, IT Director, Town Manager, Fire and Police, etc.
- At the close of FY 2002, the golf course had a fund balance/retained earnings of $738,694.
- The golf course has paid $994,810 in indirect costs and/or Payment in Lieu of Taxes (PILOT) payments between 2003- 2016.
- The golf course has required $577,000 in transfers from general government between FY 11 - FY15.

Olde Scotland Links

DEBT SERVICE

Yearly Payment Golf Course land principal:	$350,000
Yearly Payment Golf Course land interest:	$56,075
Total	$406,075

**Golf course bond debt will be retired in July, 2017.*

Yearly Payment Clubhouse principal:	$60,000
Yealrly Payment Clubhouse Interest:	$43,725
Total	$103,725

**Debt to be retired in 2025.*

Olde Scotland Links

PEER COMPARISONS

- Braintree's 18 hole municipal course budget was $1,479,006. They do not have any debt. They shoulder their direct costs and they pay indirect costs that range from 41,032 low to 71,275.00 high in 2014.
- Acushnet's 18 hole municipal course budget for FY15 is $1,393,000. They carry $500,000 in construction debt. They do not pay indirect or direct employee benefit costs.
- Barnstable's Hyannis course budget is $1,431,000. They have $380,000 in debt payments. They pay $35,000 in indirect costs and only a portion of direct costs. The ran a $29,000 deficit. 29,000 rounds in FY14.
- Yarmouth's two course revenue dropped by $620,000 from FY11 to FY13.

Olde Scotland Links

5 YR CAPITAL PLAN

Fy-15 Golf Course Eqmt. Capital Request

$ 11,450	Greens Roller
$ 13,315	Trap Machine
$ 33,293	Greens Spray Rig
$ 10,000	Used Tow behind Rough Mower
$ 34,734	Out Front Rotary Mower
$ 5,500	Aeration core harvester
$108,292	

Fy-16 Golf Course Eqmt. Capital Request

$ 20,418	Heavy Duty Utility Vehicle
$ 6,811	Buffalo Turbine Blower
$ 6,811	Buffalo Turbine Blower
$ 29,250	Tri-plex Greens Mower
$ 29,250	Tri-plex Greens Mower
$ 29,250	Tri-plex Greens Mower
$ 180,000	Golf Carts
$ 13,714	Trap Machine
$ 315,604	

Fy-17 Golf Course Eqmt. Capital Request

$ 15,000	Fertilizer Spreader
$ 21,538	Tow Behind Rough Mower
$ 21,538	Tow Behind Rough Mower
$ 8,642	Fairway aerator
$ 31,084	Tri-plex Greens Mower
$ 47,834	Fairway Mowers
$ 47,834	Fairway Mowers
$ 36,749	Fairway Spray Rig
$ 13,336	Core Harvester Pro Sweep
$243,555	

Fy-18 Golf Course Eqmt. Capital Request

$ 29,250	Tri-plex Greens Mower
$ 33,905	Rough Mower(sidewinder equal)
$ 8,018	Utility Cart
$ 8,018	Utility Cart
$ 8,018	Utility Cart
$ 8,018	Utility Cart
$ 20,418	Heavy Duty Utility Cart
$115,645	

Fy-19 Golf Course Eqmt .Capital Request

$ 11,450	Greens Roller
$ 13,714	Trap Machine
$ 33,293	Greens Spray Rig
$ 34,734	Out Front Rotary Mower
$ 5,500	Aeration core harvester
$ 98,691	

*This page demonstrates the capital needs only. This does not represent the final capital plan.

Why a Structural Deficit

- Currently the course must expend more than it can raise in a given fiscal year.
- After FY2018, the structural deficit disappears when the course finishes paying $406,075 per year.
- Current revenue projects a total FY16 revenue of $1,468,000.
- Current expenses (including critical repairs and purchases) projects a total FY16 expense of $1,487,000.
- Projected deficit: $19,000.

Olde Scotland Links

Critical Need for FY16

- Retro fit of 43 carts with new batteries. Carts are 2006/2010/2011. Should extend life for three years. Total Cost: $35,000
- Equipment Replacements:
  - Force Blower – Greens Pro – Sand Pro – Multi Pro – Groundsmaster Sidewinder – Spreader – Pro Flex Mower.
  - Total Cost: $128,095 with 4 year lease = $33,000 per year.
- Most equipment is ORIGINAL to the course.

Options

- Assuming an operating deficit over the next three years, there are three options for supporting the OSLGC until FY18:
  - Continue to subsidize any deficits at FY-end similar to the past 4 years.
  - Request legislative authorization to extend the debt for two or three more years and "refinance" the debt.
  - Beginning in FY16, document a plan to allow the OSLGC to borrow from General Funds at FY-end to cover any operating deficits with a repayment plan spanning FY19 through FY20.