Recommendation From
Boynton Beach Financial Advisory Committee

Subject/Topic: Golf Course Department

Reviewed By: George Feldman

Recommendation (Specific Action Recommended): To support the Golf Course, (which is an enterprise fund solely supported by user fees and not part of the general fund), by endorsing management's current practices and policies.

Pros of Recommendation: The wisdom of allowing the golf course to operate status quo is in the recognition of the success of the operation. The golf course has been cutting expenses at every corner, delaying capital purchases, and maximizing revenue at every opportunity. The fact that the golf course has no debt, customer surveys give rave reviews and the Links currently holds the distinction of being rated by Golf Digest as Florida's # 1 municipal golf course is a reflection of its current and past management practices. The golf course is in the process of weathering an economic storm that all businesses, including golf courses are going through. The Links' position of stability should enable it to stand firm. The current trend in the golf industry finally has more courses closing than opening. This is the first time this has happened and as it continues it will contribute to the health of the courses that remain.

Cons of Recommendation: Allowing the golf course to continue to delay capital purchases such as maintenance equipment and extending the life of the golf car fleet two to three years is a voyage into uncharted waters. Management is confident that it's past preventative maintenance practices and dedicated in-house mechanics will pay a dividend over the next couple of years.

References (Staff, Documents, and Public):

Impact on 2011/12 Budget: Delaying capital expenses will reduce the expense side of our budget.

Impact on Out Year Budgets: Stretching the life expectancy on capital purchases does not necessarily mean that everything will come due at the same time. The hope is that as the economy picks up, weak courses perish and that revenue will increase.

Impact on Citizens: The service that our customers have come to expect in this highly competitive market will remain the same.

Impact on City Staff: The only impact on city staff at this point is to continue the practice of converting full-time positions to part-time to reduce personnel cost. This has been done as the situation presents itself but if the economy does not improve or nearby courses do not fail, this practice could become mandatory. This situation will be looked at on an annual basis.

Committee Vote Result: For: __7__ **Against**: __0__