

2019 Budget Executive Summary

To: Budget Review Committee
From: Randy Thomas, General Manager
Date: Tuesday, April 16, 2019
Course: Wild Wings Golf Course



Facility Introduction

Brand Positioning

This document provides a high-level summary of both current year performance and the proposed 2019-20 budget. Additional detail can be found in the Marketing Plan and Budget reports.

Golf – “Wild Wings Golf Course Voted #3 Public Golf Course in Yolo County”

Wild Wings Golf Course is a 9-hole public facility featuring a championship length course with a distinct style and personality. The course offers 3- par 3's, 3- par 4's and 3- par 5's and plays 3,157 yards from the back tees. The course offers 4 sets of tees, including a short set of tees that plays only 1,945 yards, designed for Junior golfers, women and super seniors. The course offers superior playing conditions and has been voted “the Best Greens in the Valley”

Year to Date

	<i>I/(D) = Increase / (Decrease)</i>				<i>I/(D) = Increase / (Decrease)</i>			
	YTD 2019 Actual	YTD 2019 Budget	2019 Act v 2019 Budget	% Var	YTD 2018 Actual	2019 Act v 2018 Act	% Var	
Green Fee	103,479	132,512	(29,033)	-22%	112,467	(8,988)	-8%	
Carts	61,927	89,206	(27,279)	-31%	64,867	(2,940)	-5%	
Golf Shop	19,112	21,322	(2,210)	-10%	17,194	1,918	11%	
Range	20,083		20,083		-	20,083		
Membership	-		-			-		
Golf Total	204,600	243,040	(38,440)	-16%	194,528	10,072	5%	
F&B	-	29,411	(29,411)	-100%	21,403	(21,403)	-100%	
Hotel	-		-			-		
Tennis	-		-			-		
Other	-		-			-		
Total	204,600	272,451	(67,851)	-25%	215,931	(11,331)	-5%	
ROUNDS	10,133	12,999	(2,866)	-22%	10,746	(613)	-6%	
COGS	17,129	26,506	(9,377)	-35%	18,363	(1,234)	-7%	
Payroll	195,959	227,444	(31,485)	-14%	223,514	(27,555)	-12%	
OPEX	135,935	150,826	(14,891)	-10%	151,276	(15,341)	-10%	
EBITDA	(144,423)	(132,325)	(12,098)	9%	(177,222)	32,799	-19%	



Remaining Year Projections

	<i>I/(D) = Increase / (Decrease)</i>				<i>I/(D) = Increase / (Decrease)</i>		
	YTG 2019 Projection	YTG 2019 Budget	2019 Proj v 2019 Budget	% Var	YTG 2018 Actual	2019 Proj v 2018 Act	% Var
Green Fee	86,019	97,127	(11,108)	-11%	83,462	2,557	3%
Carts	55,149	65,731	(10,582)	-16%	60,421	(5,272)	-9%
Golf Shop	12,598	18,044	(5,446)	-30%	33,722	(21,124)	-63%
Range	-	-	-		-	-	
Membership	-	-	-		-	-	
Golf Total	153,766	180,901	(27,135)	-15%	177,605	(23,839)	-13%
F&B	19,121	21,167	(2,046)	-10%	18,625	496	3%
Hotel	-	-	-		-	-	
Tennis	-	-	-		-	-	
Other	-	-	-		(13,291)	13,291	-100%
Total	172,887	202,068	(29,181)	-14%	182,939	(10,052)	-5%
ROUNDS	8,089	9,397	(1,308)	-14%	8,988	(899)	-10%
COGS	15,334	19,245	(3,911)	-20%	20,662	(5,328)	-26%
Payroll	142,886	148,233	(5,347)	-4%	141,434	1,452	1%
OPEX	81,133	90,965	(9,832)	-11%	72,752	8,381	12%
EBITDA	(66,466)	(56,375)	(10,091)	18%	(51,909)	(14,557)	28%

Year-to-Date through January 2019

Year-End Projection

	<i>I/(D) = Increase / (Decrease)</i>				<i>I/(D) = Increase / (Decrease)</i>		
	2019 Projection	2019 Budget	2019 Proj v 2019 Budget	% Var	2018 Actual	2019 Proj v 2018 Act	% Var
Green Fee	189,498	214,293	(24,795)	-12%	194,616	(5,118)	-3%
Carts	117,076	145,885	(28,808)	-20%	137,078	(20,001)	-15%
Golf Shop	31,710	40,008	(8,298)	-21%	54,839	(23,129)	-42%
Range	-	-	-		-	-	
Membership	-	-	-		-	-	
Golf Total	338,284	400,185	(61,901)	-15%	386,533	(48,249)	-12%
F&B	39,204	47,708	(8,504)	-18%	43,982	(4,778)	-11%
Hotel	-	-	-		-	-	
Tennis	-	-	-		-	-	
Other	-	-	-		-	-	
Total	377,488	447,893	(70,405)	-16%	430,515	(53,027)	-12%
ROUNDS	18,331	20,989	(2,658)	-13%	20,903	(2,572)	-12%
COGS	32,463	42,701	(10,238)	-24%	42,983	(10,520)	-24%
Payroll	338,845	347,315	(8,469)	-2%	343,412	(4,566)	-1%
OPEX	217,068	220,359	(3,291)	-1%	200,621	16,448	8%
EBITDA	(210,889)	(162,482)	(48,407)	30%	(156,501)	(54,388)	35%

Projections for 2019

Key Drivers of Current Year projected performance:

Green Fees, Carts, and Golf Shop

- Rounds have decreased due to weather issues and fires, throughout California.
- Average daily rates have increased during the year by \$1.13
- Annual Pass Sales have remained consistent with 20+ passes sold during the year. We continue to market the pass to those golfers that play frequently, and to new residents of Wild Wings.
- Revenue is expected to fall under budget by \$75K, due to inclement weather, smoke from area forest fires, leading to 51 days of lost or diminished revenue in carts and green fees.
- Current Operating Expenses are within \$400 of budget.
- Payroll is projected to come in \$2K under budget, due to weather and shortened hours of operation.
- Course conditions: Golf course conditions continue to get great reviews, both in the True Review surveys and the general responses from daily patrons who visit the Pro Shop after their round(s). We are still considered to have the “best greens in the valley” and our maintenance crew works hard to maintain that distinction.
- Capital Project Status: The Nest exterior was painted in the Fall, and new golf course maintenance equipment is on order to finish the capital expense budget for this year.
- Market Changes: Another golf course in the Woodland area has closed, and we have inherited 30+ players per week playing here, and a Women’s Twilight Golf League was initiated on Tuesdays, having 50+ sign-ups, of which 30 played in the inaugural first night of play. With the addition of these two groups making Wild Wings their home, revenue should increase.

Food & Beverage

- Food and beverage sales should see an increase as the weather improves, and with the two new groups playing (mentioned above), we should be narrowing the budget gap.
- With an emphasis on tournament banquets and room rental, we should also see an additional improvement in F&B revenue.

- **Payroll**

Based on current trending, payroll should come in within \$2K of budget.

OPEX

- Based on current trending, Operating expenses should result in a savings of \$10K to budget. This is due to a postponement of greens aerification until the fall, as well as prudent management by the Greens Superintendent.



Proposed Budget

	<i>I/(D) = Increase / (Decrease)</i>				<i>I/(D) = Increase / (Decrease)</i>		
	2020 Budget	2019 Projection	2020 Budget v 2019 Proj	% Var	2018 Actual	2019 Proj v 2018 Act	% Var
Green Fee	214,656	189,498	25,158	13%	194,616	(5,118)	-3%
Carts	131,271	117,076	14,195	12%	137,078	(20,001)	-15%
Golf Shop	32,626	31,710	916	3%	54,839	(23,129)	-42%
Range	-	-	-		-	-	
Membership	-	-	-		-	-	
Golf Total	378,553	338,284	40,269	12%	386,533	(48,249)	-12%
F&B	42,111	39,204	2,907	7%	43,982	(4,778)	-11%
Hotel	-	-	-		-	-	
Tennis	-	-	-		-	-	
Other	-	-	-		-	-	
Total	420,664	377,488	43,176	11%	430,515	(53,027)	-12%
ROUNDS	19,942	18,331	1,611	9%	20,903	(2,572)	-12%
COGS	37,242	32,463	4,779	15%	42,983	(10,520)	-24%
Payroll	345,613	338,845	6,768	2%	343,412	(4,566)	-1%
OPEX	227,944	217,068	10,876	5%	200,621	16,448	8%
EBITDA	(190,135)	(210,889)	20,754	-10%	(156,501)	(54,388)	35%

Proposed Fiscal Year 2019-2020 Budget

Key Revenue Drivers for 2019-2020

Green Fees

An increase in Green fees activated in August 2018, will continue throughout the next fiscal calendar, resulting in an additional \$25K to green fees. This amount will be realized by the addition of 2 large groups who have made Wild Wings their home. A senior men's group (30+), that plays Tuesday morning each week, throughout the year, and a Women's Twilight group (40+), that will play Tuesday evenings from April through October. Additional outing groups have been scheduled for the coming year and will certainly enhance revenues.

Carts

With the additional play supported by the Senior Men and Women's Twilight, as well as the Men's Twilight on Thursdays, we should see a reasonable increase in cart revenue. Projecting a \$14K increase in cart revenue for fiscal 2019-2020. We will also add 5 carts to the fleet, if approved, bringing the total number of carts to 35.

Golf Shop

We will continue to drive merchandise revenues through the use of the KemperSports preferred vendor programs. We will also be improving our margins on golf balls, gloves and apparel by focusing on "Close Outs" with our vendors. This historically helped us move product and keep customers coming in the door to see what is new. We will continue to emphasize merchandise add-ons to tournament bookings, offering tee prizes, and gift certificates as part of our tournament packages.

Food and Beverage

We continue to serve snacks, grilled hot dogs, pre-packaged sandwiches, chips, beer and soda, to our golfing clientele, and we continue to look for food vendors that will cater our special events and tournament banquets. Comprehensive detail on revenue-driving strategies can be found in the Marketing Plan document.

COGS

Better merchandise buys in the golf shop focusing on closeouts and other vendor promotions that will help drive margins while still providing value to the customers.

Food and Beverage COGS will be maintained on track by timely buying and waste reduction.

Payroll

Payroll is projected to be 2% over 2019 actuals for several reasons listed below:

- Minimum wage in California is going up from \$12/hr. to \$13/hr. on January 1, 2020, which impacts 90% of employees.
- Standard cost of living increases are budgeted for the General Manager, and Golf Course Superintendent

OPEX

- The 2020 operating expenses are planned to be approximately 2% above projections than in 2019 because of the material costs and equipment repairs, due in 2020
- The new golf cart lease will cost a bit more than the current fleet, but it but will be offset some by the savings in utility bills due to a more efficient use of energy.
- Course & Grounds has been operating on a solid budget for years from the OpEx side. Depending on weather and needs throughout the year we have places we may be able to save during the 2020 budget.

Additional Reference Materials

- Budget Summary and Detail Sheets
- Marketing Plan