

Oakmont Golf Club
Management Report to the Board of Directors
June 23, 2010
Empire Golf, Inc.

- **Review of Profit from Operations for May 2010**

- May was a poor month financially for the OGC, with an operating profit of \$16,583 which was \$49,015 under budget, and \$57,766 less than May 2009. Play on our two golf courses was down 1,163 rounds from May of last year, and under budget by 1,388 rounds. The saga continued with cold, wet weather as we had 8 rain days for the month, compared to 6 rain days in May 2009.
- We had an overall profit from Golf Operations of \$42,019, which missed budget by \$34,712 and was behind last May by \$39,325. Daily Fee revenue was \$84,017 which missed budget by \$17,704 and behind May 2009 by \$17,817.
- Food and Beverage had a down month, with a profit of \$15,671 in May, compared to a budgeted \$28,955. Gross sales were \$15,727 under budget, and \$16,766 less than May 2009. The variance was in costs of goods sold which was higher than budget, and banquet sales which was mostly attributed to fewer tournament bookings for the month.
- Golf Course Maintenance Expense was \$20,010 under budget for May; the wet weather has delayed some routine maintenance typically completed in May. We delayed hiring of seasonal personnel, as well as savings in utility expense as we are not irrigating.
- Expense control was excellent for the month, coming in \$18,946 under budgeted expenses for all operations, and is now \$99,122 under budget for the year to date.

- **Departmental Update**

- **Course Maintenance**

Report from Steve Good, Head Golf Course Superintendent

- After five months of rain, miserable weather and little or no spring weather, summer arrived and the grass was growing faster than it could be mowed and areas on the golf courses that are normally being fine-tuned were put on the back burner. After multiple height adjustments, sweeping up and collecting grass clippings, all fairways, roughs, green and tee banks have returned to their normal height of cut. Areas of the golf courses that have been on hold now are being taken care of on a routine maintenance schedule. Our part-time seasonal employees have joined our regular staff, and will be a

welcome addition, assisting with regular golf course maintenance and having extra staff for special projects that are scheduled.

- WATER USAGE

- It is hard to believe after all the rain, but the irrigation season has started, and we have been using our wells and taking waste water from the Oakmont treatment plant. Since June 1st, our pump stations have delivered 10.5 million gallons of water to the golf courses. Wells 2.6 million..... Treatment Plant 2.3 million..... Run-off 5.6 million.

- IRRIGATION

- Our irrigation controller up-grade is up and running and has exceeded all expectations. Small adjustments are still being entered and set to help make the irrigation system more efficient. Scott has spent countless hours writing irrigation programs, researching and entering sprinkler and flow data to make it all come together and be compatible with the central computer system. The project was a different challenge for the maintenance staff, everything went together as it was written up, everything worked as advertised and the antiquated irrigation control system has been up-graded. Our irrigation techs and maintenance staff did a great job putting it all together.

- BUNKERS

- West course bunkers have been edged, sand re-distributed and new sand added as needed. East course is scheduled for next week.

- EQUIPMENT UPDATE

- Our new "used" Toro rough and greens mowers are in service and doing duty, with the rough mower taking care of the East and the greens mower assigned to the West. Golf course maintenance equipment and mowers are equipped with hour meters to record when certain maintenance needs to be performed, like odometers on automobiles. Food for thought.....The USGA offers these statistics.....The average operating condition and engine RPM's for turf equipment is the equivalent of traveling 60 miles per hour in a car. Our greens mowers operate 4 hours a day, 7 days a week,.... that's 1,680 miles a week! Now here's one for the record books -

Our West tee mower (new in 1993) just recorded 10,000 hours, (10,057.1 to be exact), that's 663,420 miles in 17 years! Our turf equipment (mowers and utility vehicles) have an average of 5,000 per unit at this time. We are fortunate that one of the best equipment technicians west of the East coast works on our turf equipment and uses all his resources to keep everything on the golf courses each day. However, he will not be able to perform his magic forever, and the cost of maintaining this older, high hour equipment continues to be a large budget item and dependable equipment is a must in keeping the golf courses in good condition. We know new equipment is expensive and it's easy to say or think it's "just a mower", but do you know anyone that has put 663,420 miles on their car, and are still driving it???... Just some food for thought.

- TYLER'S TIP

- Sometimes the maintenance staff will be working on a project that is in your intended line of play or near where your golf ball has come to rest. In most instances we are aware you are there and are watching. But if we do not see you, or you think we do not, please get our attention and we will move to a safe area. When we are mowing a fairway or other area, give us a minute to finish our pass before you hit and we will be out of your way and have no distractions. Thank you for replacing divots and repairing ball marks.

- **Golf Operations**

Report from Jim Carra, Director of Golf

- Product of the Month is as follows:
 - June -Umbrellas
 - July- Sunglasses & Accessories
- The "Open Comes to Oakmont" has been slightly altered. We have scaled down the rough on the 18th hole. We had many complaints and concerns about the difficulty playing from the deep rough, and thus took these corrective measures. People can see how good the Pro golfers are, because they experienced playing from the "deep stuff".
- Met with Ryan and Rod regarding rounds. How can we increase the number and how better to get our message to the consumer.
- Oakmont is hosting Wine Dine & Nine golf and wine event this month with B.R. Cohn.

- Met with Saturday Men's Club regarding their Invitational. New proposal in the works. We need more participation.
 - Ehrin Cadigan and I met with representatives from our Ladies Club and the WGANC regarding upcoming 2-day event at Oakmont.
 - Range closes at 6:00 pm (early) on Wednesday and Sunday for maintenance. Range opens on Monday and Thursday morning after maintenance is completed.
 - Monthly calendar and other information is posted outside the West Golf Shop.
 - June/July Golf Shop Hours: Open 7:00 am, Close 7:00 pm.
- **Sales and Marketing**
Report from Tina Williams, Director of Sales and Marketing
- **Weddings:**
 - 2010 - 19 Weddings Booked
 - 2011 - 4 Weddings Booked
 - May Wedding Revenue

▪ Food and Beverage	\$4,072.00
▪ Facility Fee	2,800.00
▪ Service Charge	<u>780.00</u>
▪ Total	\$7,652.00
 - **Memberships:**
 - We currently have 122 monthly memberships
 - New promotion beginning in July
 - Purchase a Membership for \$500 and receive:
 - Family Range Plan (Good for 1 year)
 - OR
 - 25 Single Rider Cart Credits
 - Member to Member promo
 - If a member refers a potential member that joins the club the referring member will receive a food and beverage credit of \$150 in the restaurant.
 - **Upcoming Events:**
 - June 21st - Twilighter
 - June 26th - Wine, Dine and Nine with BR Cohn

- **Food and Beverage**

Report from Ehrin Cadigan, Director of Food and Beverage

- Food and Beverage had a disappointing month in May. We had a bottom line profit of \$15,671 compared to a budget of \$28,955. Year to date our bottom line profit is \$29,860 compared to a budgeted \$21,596. For the month of May we fell short on our sales budget by \$15,727 and our total cost of goods was over budget as well by 4%.
- Past-O Perfect-O on Tuesday nights is bringing in an average of 30 people and \$559 per shift. Many people compliment the dinner and a lot of outsiders have been joining us. We have had an ad running in the Press Democrat for the past two weeks, and hopefully this will help.
- Sunday buffet is holding steady as we are averaging 57 covers and \$692 per shift.
- Thursday Night buffets are going smoothly and we are averaging 70 covers and \$1,154 per shift. Although we are not doing as well as we were last year, we are making the necessary adjustments. We have eliminated two staffing positions to compensate and we are trying menu ideas to hopefully bring excitement. We are 37% behind where we were last year at this time.
- Monday night burger night is still a hit as we are averaging 139 burgers per night and \$1,295 per shift. We are bringing in more money on Monday than on our Thursday night buffet.
- We have partnered with B.R. Cohn for a Wine Dine and Nine event on June 26th. Play nine holes on the east course and then come up for a food and wine pairing reception on the patio. So far we have around 100 people signed up for this event and it should be awesome for both Oakmont and the winery.
- I have reached out to about a dozen wineries trying to seek interest of holding an event with us similar to B.R. Cohn.
- We had two of our biggest tournaments - CIGA (grocers) and Cardinal Newman the first week of June. Both events went very smooth and the guests seemed very happy.

- **Administration**

- Dues billings will be going out July 1.

Report respectfully submitted by Rod Metzler, President, Empire Golf Inc.