

Board Brief

July/August 2021

Designed for Club Board of Directors



**CLUB
MANAGEMENT
ASSOCIATION
OF AMERICA**

By the Numbers: Golf Maintenance Insights

The 2020 CMAA Finance and Operations Report, released in November 2020, presents key financial and operating data from across the club management industry. Based on confidential surveys completed by 357 clubs in 2020, the report includes a compilation and analysis of club finance and operations data.

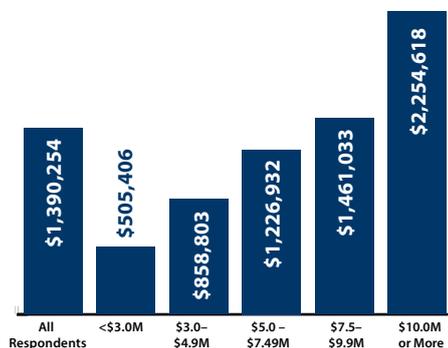
This year's Finance and Operations Report (based on 2019 data) has been designed to provide easy-to-understand guidelines for identifying business performance improvement opportunities. We've compared this data to that of the past two years to demonstrate trends in the area of finance and operations and to give a basic understanding of the Report. The section of the

report we are examining in this issue focuses primarily on Golf Course Maintenance at the club. More detailed data regarding Golf Course Maintenance and other points is available in the full report.

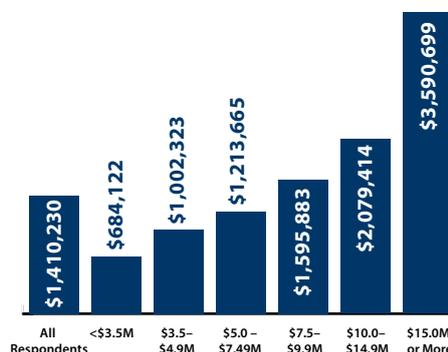
Golf course maintenance is one of the major expense categories for most clubs, consistently accounting for more than 18 percent of total operating revenue for golf and country clubs per year. Between 2017 and 2019, salaries and wages have accounted for about half (51%) of the total course maintenance expense for most clubs.

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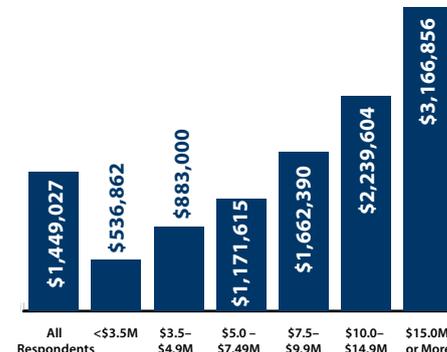
Median Course Maintenance Expenses 2018



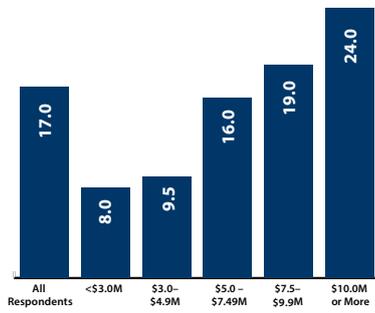
Median Course Maintenance Expenses 2019



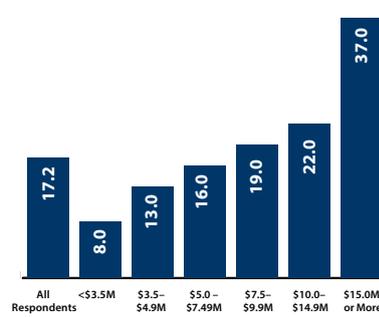
Median Course Maintenance Expenses 2020



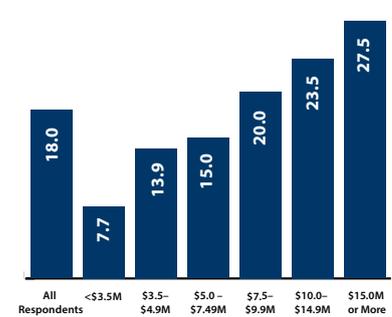
Course Maintenance FTEs 2018



Course Maintenance FTEs 2019



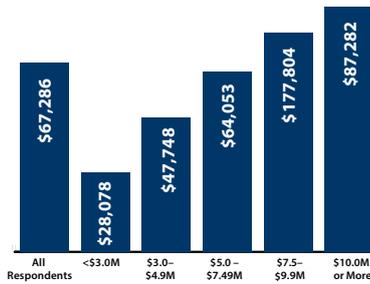
Course Maintenance FTEs 2020



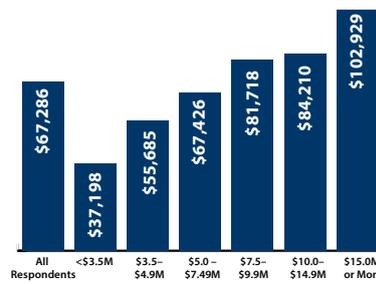
According to the 2020 report, the course maintenance staff size was 18 full-time equivalents (FTEs) for the typical club – up from 17 FTEs in the previous two years. Clubs with less than \$3 million in operating revenue reported 8 FTEs, which

is consistent with data from 2017 and 2018. The largest clubs (\$15 million or more) reported 28 FTEs, down slightly from 2018 (which reported 37 FTEs).

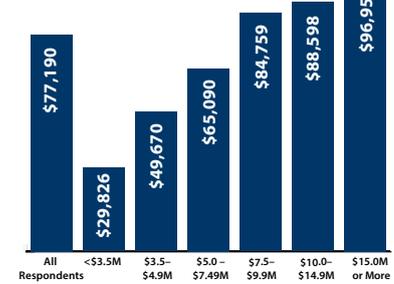
Course Maintenance Expenses Per Golf Hole 2018



Course Maintenance Expenses Per Golf Hole 2019



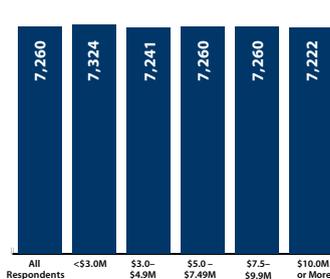
Course Maintenance Expenses Per Golf Hole 2020



Course maintenance expenses per golf hole maintained have generally increased across the last three years when looking at all survey respondents. In the 2020 report, the typical club reported that maintenance expenses per golf hole were more than \$77,000. At the low end, clubs with less than \$3.5 million in operating revenue had course

maintenance expense per hole of \$29,826. At the high end, clubs \$15 million or more in operating revenue had course maintenance expense per hole of \$96,950. The above figures break out course maintenance expenses per golf hole maintained by club size, but please note that the 2018 report uses slightly different metrics to define club size.

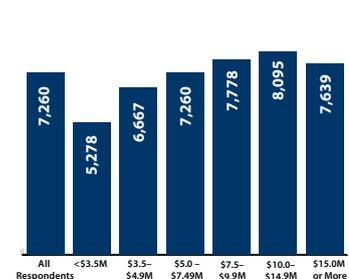
Square Feet of Greens Maintained 2018



Square Feet of Greens Maintained 2019



Square Feet of Greens Maintained 2020



Finally, we look at golf course and grounds acreage. Over the past three years, expenses for course maintenance per square feet of greens has grown consistently. In the 2020 report, the clubs with \$15 million or more in

operating revenue had the highest number of golf course and grounds acreage maintained at 175 acres. They also reported the highest course maintenance expenses per acreage maintained at \$13,561.

Source: Access the 2020 Finance and Operations Report Executive Summary at cmaa.org/surveys.aspx. Club survey participants may access the Full Report and their Individual Club Report on the Research Portal at cmaa-research.org. Club Resource Center subscribers receive a copy of the print report and have access to an online data analytics platform, which allows clubs to compare their data versus five peer groups and create customized aggregations of the survey results. Learn more about the subscription at clubresourcecenter.org.



Best Practices: Conduct an Inclusion Audit

As clubs and their governing boards seek to create inclusive spaces and programming, what questions should they consider?

Published by the PGA of America in cooperation with the golf allied associations in March of 2020, the *Inclusion Guidelines for Golf Facilities* is a quick assessment tool, created to help make facilities more welcoming for all. As noted by author Linnet E. Carty, "What's working well? What needs to evolve or change as you move your operations and programming to a more inclusive place? How can your facility be the example of best practices in each category? These are the days of the 'consumer experience'. Let's make playing the game of golf the best experience ever!"

The resource provides assessment questions for consideration in four different areas:

- Marketing and Communications,
- Physical Environment,
- Policies and Practices, and
- Welcoming Staff.

It is designed to be completed by your club's professional staff team, using a diversity lens, and prompt discussion on areas of needed improvement.

Access the full resource and a half-hour video detailing the process at <https://www.pga.com/story/pga-of-america-introduces-inclusion-guidelines-for-golf-facilities>.

Legal, Legislative, & Regulatory Update

Department of Labor Officially Withdraws Independent Contractor Rule

In early March, the Department of Labor (DOL) announced its intentions to withdraw the final independent contractor rule which would have been used to redefine a worker's status as an employee or independent contractor under the Fair Labor Standards Act (FLSA). Effective May 6, the rule has been officially withdrawn.

The final rule would have adopted an economic reality test focusing on two core factors for consideration to determine the degree of economic dependence in the relationship. These core factors focused on the nature and degree of the worker's control over the work; and the worker's opportunity for profit or loss based on initiative and/or investment.

In its announcement, the DOL cited the following reasons for withdrawal:

- The rule was in conflict with the FLSA's text and purpose, as well as relevant judicial precedent.
- The rule's prioritization of two core factors for determining employee status under the FLSA would have undermined the longstanding balancing approach of the economic realities test and court decisions requiring a review of the totality of the circumstances related to the employment relationship.
- The rule would have narrowed the facts and considerations comprising the analysis of whether a worker is an employee or an independent contractor, resulting in workers losing FLSA protections.

The rule was originally slated to become effective on March 8, but delayed on January 20, when the Biden Administration froze all non-emergency rulemaking.

For employee classification, clubs should reference the existing regulations which are in effect and available at <https://www.dol.gov/agencies/whd/flsa/misclassification>.



CCMA News & Announcements

The Value of the Certified Club Manager (CCM) Designation to the Club Industry

Developed by educators and professionals in the club industry and launched in 1965, the Certified Club Manager (CCM) designation is acknowledged worldwide as the symbol of excellence in club management. The CCM is awarded only to those club managers who complete a combination of industry-specific education and pass a rigorous examination. The CCM recognizes skills and special knowledge in areas such as club governance, leadership, and financial management. Once the designation is earned, the CCM must maintain their level of knowledge with ongoing education.

Another benefactor of the CCM program is the club as an employer. Certification can be valuable for an employer's reputation. Employees who have earned the designation through industry specific training, work experience, and assessment have demonstrated a level of competence that can positively affect the perception among the club membership.

Other benefits to hiring a CCM include:

- Validating the competency of the club manager. Having a CCM on staff may ensure that your employee possesses current, relevant skills that afford them deeper insight into the industry, and a higher level of overall competence. With knowledge of recent trends, the latest regulations, and new and developing options, your CCM will become the "go to" person in directing the club.
 - Promoting staff retention. By providing employees with opportunities to grow their talents and master new skills through the CCM program, you are demonstrating a commitment to their professional development that can translate into greater club loyalty.
- Assisting with managing risk. The CCM exam tests applicable laws and regulations related to the industry. Employees with knowledge of these laws and regulations can assist with steering your club through potential problems, make recommendations that may prevent complications, and provide the club governance with advice.

The CCM is a globally recognized designation for club management professionals and the standard by which individuals demonstrate their professionalism in club management. Approximately 1,500 CMAA members hold this prestigious designation. Earning the CCM is a valuable achievement and a professional advantage for club management professionals at any stage of their career. Learn more at <https://cmaa.org/certification.aspx>.

The Board Brief is a publication of the Club Management Association of America. Founded in 1927, the Club Management Association of America (CMAA) is the largest professional association for managers of membership clubs with 6,800 members throughout the US and internationally. Our members contribute to the success of more than 2,500 country, golf, athletic, city, faculty, military, town, and yacht clubs. The objectives of the Association are to promote relationships between club management professionals and other similar professions; to encourage the education and advancement of members; and to provide the resources needed for efficient and successful club operations. Under the covenants of professionalism, education, leadership, and community, CMAA continues to extend its reach as the leader in the club management practice. CMAA is headquartered in Alexandria, VA, with 42 professional chapters and more than 40 student chapters and colonies. Learn more at cmaa.org.