



PLANTATION LAKES

GOLF & COUNTRY CLUB

BUDGET SUMMARY
APRIL 2022 – MARCH 2023

EXECUTIVE SUMMARY

OVERALL, PLANTATION LAKES HAD A GOOD FISCAL YEAR IN 2021. WHILE WE ACKNOWLEDGE THE RESTAURANT DID SEE SOME STRUGGLES WHILE IT FACED CONTINUED COVID-19 CHALLENGES, CHANGES ARE TAKING PLACE SO THAT THE LANDING BAR & GRILLE CAN CONTINUE TO GROW AND ENHANCE ITS RELATIONSHIP AND OFFERINGS WITH ALL OF OUR RESIDENTS AND GUESTS. AS WE CONTINUE TO BUILD THE NEW MANAGEMENT TEAM AND OVERALL OPERATION, WE ARE EXCITED FOR THE OPPORTUNITY OF WHAT LIES AHEAD IN CONTINUING TO GROW AND EVOLVE WHILE WE WORK TO ATTRACT AND RETAIN NEW AND CURRENT GUESTS ALIKE. THEREFORE, WE ARE PROJECTING AN OVERALL 4% INCREASE IN INCOME FROM THE DEPARTMENT OVER THE PRIOR YEAR. THIS WILL BE THROUGH THE ENHANCED RELATIONSHIPS WE CREATE WITH OUR RESIDENTS AND GUESTS, MORE EVENTS FOR RESIDENTS AND EXPANDING OUR PRIVATE EVENT REVENUE AS WE CONTINUE TO GAIN EXPOSURE ON THE DELMARVA PENINSULA.

THE GOLF OPERATION SAW A VERY STRONG YEAR IN 2021, EXCEEDING GOLF-BENEFITTED MEMBERSHIP PROJECTIONS BY MORE THAN 50 MEMBERS. IT WAS OUR FIRST FULL YEAR OF OFFERING AN ANNUAL PASS TO THE PUBLIC, OF WHICH WE HAD 55 ANNUAL PASS HOLDERS IN 2021, AND WAS OFFERED AT A RELATIVELY LOW RATE IN ORDER TO ATTRACT MORE INTEREST. BASED UPON OVERALL FEEDBACK AND PERCEIVED VALUE, THIS YEAR THE ANNUAL PASS HAS INCREASED FROM \$2600 TO \$3200 FOR AN INDIVIDUAL, AND FROM \$3200 TO \$4000 FOR A FAMILY PASS (IN COMPARISON, A GOLF-BENEFITTED MEMBER PAYS \$2146 PER YEAR FOR 2 ADULTS AND CHILDREN UNDER 21).

PUBLIC PLAY HAS CONTINUED TO SURPASS PROJECTIONS, AS PLANTATION LAKES IS ABLE TO OFFER ONE OF THE BEST-CONDITIONED GOLF COURSES AND MORE ENJOYABLE EXPERIENCES AT A VERY AFFORDABLE AND COMPETITIVE RATE. BASED ON THE DEMAND AND WHAT PLANTATION LAKES OFFERS, PEAK PUBLIC RATES ARE SCHEDULED TO INCREASE FROM \$99 TO \$125 PER PLAYER. THIS STILL REMAINS LOWER THAN A VAST MAJORITY OF OUR COMPETITORS. WE ALSO SAW A LARGER INFLUX OF VACATION PACKAGES AS WE BEGAN WORKING WITH PAM'S OCEAN CITY GOLF GETAWAYS, THE EASTERN SHORES LEADING VACATION PACKAGE GROUP. WE LOOK FORWARD TO CONTINUING OUR PROFESSIONAL RELATIONSHIP AND ATTRACTING MORE VACATION TRAFFIC AS MANY OF THESE GROUPS ARE ROUTINE VISITORS OF THE EASTERN SHORE AND ARE POTENTIAL FUTURE HOMEOWNERS.

WE WILL CONTINUE TO TARGET VACATION GROUPS THROUGH LOCAL ADVERTISING AND LOOK TO ENHANCE AND RE-CREATE OUR TELEVISION COMMERCIAL FOR 2022. SOME MORE TARGETED ADVERTISING TOWARDS WEDDINGS AND PRIVATE EVENTS WILL TAKE PLACE WITH SOME CONSIDERATION OF ADDED EXPOSURE IN THE REGION THROUGH GOLF WEEK. ADDITIONAL ADDED EXPOSURE WILL BE GAINED THROUGH SOME OUTSIDE EVENTS THIS YEAR. MOST NOTABLY, WE WILL BE HOSTING THIS YEAR'S PHILADELPHIA PGA SECTION'S REHOBOTH BEACH PRO-AM WHICH WILL ATTRACT MANY PROFESSIONALS AND MEMBERS FROM PHILADELPHIA AREA CLUBS TO EXPERIENCE PLANTATION LAKES FOR THE FIRST TIME. WE WILL HAVE SOME NATIONAL EXPOSURE BY HOSTING THE FINAL ROUND OF THE AMATEUR TOUR'S NATIONAL AMATEUR CHAMPIONSHIP SPONSORED BY UNDER ARMOUR, WHICH TYPICALLY ATTRACTS OVER 200 PARTICIPANTS FROM AROUND THE COUNTRY. LASTLY, WE ARE HONOURED FOR THE OPPORTUNITY TO HOST THE 2022 DELAWARE STATE OPEN IN AUGUST.

WE HAVE SOME COMMUNITY IMPROVEMENTS PLANNED FOR THE SPRING/SUMMER, CONVERTING MULTIPLE AREAS ALONG PLANTATION LAKES BOULEVARD TO MULCH, IN AREAS THAT CONTINUE TO STRUGGLE WITHOUT IRRIGATION. ADDITIONAL ENHANCEMENTS WILL ALSO TAKE PLACE AT COMMUNITY CENTER EAST BY STARTING A MULTI-YEAR LANDSCAPE UPGRADE IN SECTIONS AROUND COMMUNITY CENTER EAST BY ADDING ELEMENTS OVER TIME. PHASE 1 OF THE PROGRAM WILL BE BEAUTIFICATION TO THE LANDSCAPING AT THE COMMUNITY CENTER ENTRANCE AS WELL AS THE SECTION FACING THE TRAFFIC CIRCLE. THESE IMPROVEMENTS WILL ENHANCE THE OVERALL APPEARANCE ON THE DRIVE THROUGH THE COMMUNITY TO THE CLUBHOUSE. WE ALSO PLAN TO ENHANCE THE TENNIS AND PICKLE BALL COURTS BY INSTALLING A WINDSCREEN AROUND THE COMPLEX.

FURTHER DETAILS OF INCOME AND EXPENSES ARE SUMMARIZED BELOW.

GOLF MASTER DEPARTMENTAL INCOME:

- **ASSESSMENTS**
 - 46% PROJECTED INCREASE OVER PRIOR FISCAL YEAR DUE MAINLY TO THE BELOW FACTORS:
 - PRIOR FISCAL YEAR SAW BETTER HOME SALES THAN PROJECTIONS BOOSTING THE YEAR-TO-YEAR COMPARISON
 - BOTH CAPITAL CONTRIBUTION AND RESALE CAPCON REMAIN IN GOLF BUDGET
 - \$2 INCREASE TO THE 9 AND 18 HOLE CART FEES
 - **ADMINISTRATIVE**
 - 23% PROJECTED INCREASE OVER PRIOR FISCAL YEAR DUE MAINLY TO THE BELOW FACTORS:
 - INCREASE DUE TO ADJUSTED RESALE CAPCON REVENUE, MORE IN LINE WITH ACTUALS
 - **GOLF COURSE**
 - 39% INCREASE IN PROJECTED DUE MAINLY TO THE BELOW FACTORS:
 - INCREASES IN PUBLIC FEES
 - INCREASE IN ANNUAL PASS PRICE FOR INTERIM MEMBERS
 - PROJECTED INCREASE IN OVERALL ROUNDS PLAYED
 - CART FEES INCREASED \$2
 - **GOLF SHOP MERCHANDISE**
 - 115% INCREASE PROJECTED BASED ON ACTUALS OF PRIOR YEAR
 - **DEVELOPER DEFICIT FUNDING**
 - NONE PROJECTED
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GOLF MASTER DEPARTMENTAL EXPENSES:

NOTE: ALL PERCENTAGES ARE BASED/COMPARED TO PRIOR FISCAL YEARS APPROVED BUDGET NUMBERS (NOT ACTUALS)

OVERALL, EXPENSES ARE PROJECTED FOR A 14% INCREASE THAT CORRELATES TO THE 18% PROJECTED INCREASE IN REVENUE AND OVERALL INCREASE IN COSTS ASSOCIATED WITH INFLATION. NOTABLE EXPENSE ITEMS FOR EACH DEPARTMENT ARE LISTED BELOW.

GOLF – DEPT. 20

GOLF SHOP & ADMINISTRATIVE EXPENSES PROJECT A 34% INCREASE. THIS IS DUE TO THE RECLASSIFICATION OF EXPENSES FROM THE ADMIN PORTION OF THE GOLF BUDGET TO CONSOLIDATE WITH THE GOLF SHOP DEPARTMENT. THE ADMIN PORTION WAS CONSIDERED DEPARTMENT 20 IN THE PRIOR FISCAL YEAR, SO EXPENSES WERE SIMPLY CONSOLIDATED ON THE BUDGET. THE BELOW FACTORS ALSO PLAYED A ROLL IN THE INCREASE.

- THE FOLLOWING EXPENSES WERE CONSOLIDATED: CONTINUING EDUCATION, INSURANCE, LICENSE/PERMITS, REPAIRS/MAINTENANCE.
- ADVERTISING PROJECTS A 47% INCREASE. WE ARE LOOKING TO EXPAND OUR ADVERTISING REACH THROUGHOUT THE REGION THROUGH GOLF WEEK. THE ADDED EXPOSURE SHOULD ALSO GIVE US MORE CLOUT IN BEST-IN-STATE RANKINGS. WE ARE ALSO TARGETING ADDITIONAL VACATION TRAFFIC AND RE-CREATING THE TELEVISION COMMERCIAL.
- BANK CHARGES WERE UNDERESTIMATED IN 2021 AND THUS A 35% INCREASE IS PROJECTED AND BASED MORE IN LINE WITH ACTUALS.
- CART MAINTENANCE PROJECTS AN INCREASE FROM \$1800 TO \$4200 BASED ON ACTUALS
- PAYROLL WILL SEE A 45% INCREASE. THIS IS DUE TO THE APPROVED ADDITION OF AN ADDITIONAL ASSISTANT PROFESSIONAL DURING THE PRIOR FISCAL YEAR, IN CONJUNCTION WITH APPROVED WAGE INCREASES THAT TOOK PLACE IN THE FALL.
- GENERAL OPERATING SUPPLIES PROJECTS A LARGE INCREASE DUE TO THE ADDITION OF A LARGE ROLLING SCOREBOARD FOR GOLF TOURNAMENTS AND A FLIGHTSCOPE UNIT FOR OUTDOOR CLUB FITTINGS AS WE HAVE SEEN INCREASED HARDGOODS SALES AND DEMAND FOR CUSTOM FITTINGS WITH RESIDENTS AND LOCAL CLIENTELLE.

GOLF MAINTENANCE – DEPT. 30

GOLF MAINTENANCE EXPENSES PROJECT A 4% INCREASE AND IS DUE MAINLY TO THE BELOW FACTORS

- CONTRACT WORK FROM GMS PROJECTS A 4% INCREASE. THIS IS DUE TO INCREASED WAGES FOR EMPLOYEE RETENTION AND ATTRACTION GIVEN CHANGES IN THE LOCAL MARKET IN RECENT YEARS.
- ELECTRICITY FOR THE MAINTENANCE BUILDING INCREASES DUE TO THE COMPLETION OF THE NEW MAINTENANCE FACILITY EXPECTED SPRING 2022. COST ESTIMATED BASED ON ACTUALS OF COMMUNITY CENTER EAST.

CLUBHOUSE SHARED GOLF (30%) – DEPT. 40

CLUBHOUSE SHARED GOLF EXPENSES PROJECT A 14% INCREASE. FOR RELEVANT FACTORS, PLEASE REFER TO THE HOA BUDGET DEPARTMENT CLUBHOUSE SHARED HOA (70%).

HOMEOWNERS ASSOCIATION MASTER DEPARTMENTAL INCOME:

- **ASSESSMENTS**

- 23% PROJECTED INCREASE OVER PRIOR FISCAL YEAR DUE MAINLY TO THE BELOW FACTORS:
 - 12% INCREASE IN HOA FEES (\$117.60 TO \$131.70) DUE TO RISING INFLATION AND THE ANTICIPATED ADDITION OF OUR SECOND COMMUNITY CENTER AND POOL COMPLEX.
 - PRIOR FISCAL YEAR SAW BETTER HOME SALES THAN PROJECTIONS BOOSTING YEAR-TO-YEAR COMPARISON

- **ADMINISTRATIVE**

- 10% PROJECTED INCREASE OVER PRIOR FISCAL YEAR DUE MAINLY TO THE BELOW FACTORS:
 - ADDITIONAL RESIDENTS EQUATE TO ADDITIONAL ARCHITECTURAL APPLICATIONS, GATE, ACCESS AND POOL FEES

- **FOOD & BEVERAGE**

- 4% INCREASE IN PROJECTED FOOD & BEVERAGE SALES DUE MAINLY TO THE BELOW FACTORS:
 - ENHANCED MANAGEMENT TEAM & RELATIONSHIPS WITH OUR CUSTOMER BASE
 - UPDATED AND ENHANCED MENU OFFERINGS MORE IN LINE TO CUSTOMER BASE REQUESTS
 - MORE ROUTINE DAILY SPECIALS TO ENHANCE CUSTOMER OFFERINGS
 - EXPANDED/ENHANCED HAPPY HOUR

- **DEVELOPER DEFICIT FUNDING**

- TOTAL ANTICIPATED DEFICIT FUNDING IS \$402,909, WHICH IS \$83,098 (17%) LESS THAN LONG TERM CONSOLIDATED BUILDOUT BUDGET OF \$486,007.
 - NOTE: A PROJECTED ADDITIONAL \$50K IN SAVINGS WOULD OCCUR SHOULD SNOW REMOVAL NOT BE REQUIRED.

HOMEOWNERS ASSOCIATION MASTER DEPARTMENTAL EXPENSES:

NOTE: ALL PERCENTAGES ARE BASED/COMPARED TO PRIOR FISCAL YEARS APPROVED BUDGET NUMBERS (NOT ACTUALS)

OVERALL, EXPENSES ARE PROJECTED FOR A 16% INCREASE THAT CORRELATES TO THE 14% PROJECTED INCREASE IN REVENUE AND OVERALL INCREASE IN COSTS ASSOCIATED WITH INFLATION. NOTABLE EXPENSE ITEMS FOR EACH DEPARTMENT ARE LISTED BELOW.

ADMINISTRATIVE OFFICE HOA – DEPT. 10

GENERAL AND ADMINISTRATIVE EXPENSES PROJECT A 14% INCREASE DUE MAINLY TO THE BELOW FACTORS

- THERE ARE 5 GL ACCOUNTS BEING ADDED TO THIS DEPARTMENT (HIGHLIGHTED IN RED ON BUDGET), ALL MINIMAL EXPENSES (BANK CHARGES, COMMUNITY RELATIONS, DECORATIONS, TELEPHONE, TRAVEL-MEALS). THE MOST NOTABLE IS DECORATIONS WHICH COVERS REQUESTS FROM OUR COMMITTEES FOR ADDED DECORATIONS FOR NORTH SHORE AND THE NEW COMMUNITY CENTER
- LARGE INCREASE TO SNOW REMOVAL DUE TO RECENT STORMS AND THE ACTUAL COSTS OF REMOVAL AS THE HOA IS RESPONSIBLE FOR ALL NORTH SHORE ROADS, AND FACILITY PARKING LOTS.
- PAYROLL PROJECTS FOR A LARGE INCREASE. THIS IS DUE TO THE LIKELY ADDITION OF AN ADDITIONAL ADMIN ASSISTANT WITH THE HOMEOWNER'S ASSOCIATION OFFICE. THIS WILL BE FOR THE ADDED MANAGEMENT NEEDS OF THE HOA, IF MEMBER BILLING IS INTRODUCED, AND FOR THE ADDITIONAL OVERSIGHT OF 2ND COMMUNITY CENTER AND AMENITIES.

COMMUNITY CENTER & POOL – DEPT. 50

COMMUNITY CENTER & POOL EXPENSES PROJECT A 62% INCREASE FROM THE PRIOR FISCAL YEAR. THIS IS DUE IN PART MAINLY TO THE ADDITION OF THE 2ND COMMUNITY CENTER AND POOL COMPLEX AND THE BELOW FACTORS:

- 1 GL ACCOUNT, PEST CONTROL, WAS ADDED TO THIS DEPARTMENT AND IS A MINIMAL EXPENSE.
- FITNESS EQUIPMENT REPAIR & MAINTENANCE PROJECTS A LARGE INCREASE DUE IN PART TO REPLACING ALL CURRENT CARDIO EQUIPMENT IN COMMUNITY CENTER EAST (ADDING A 3-YEAR LEASE FOR NEW EQUIPMENT, IN MONTHLY INSTALLMENTS)
- JANITORIAL SERVICES PROJECTS A 191% INCREASE BASED ON 2021 ACTUALS AND OVERALL EXPECTATIONS AND STANDARDS TO UPHOLD. MORE ROUTINE CLEANINGS OF BUILDING AND POOL COMPLEX TO TAKE PLACE.
- POOL MANAGEMENT PROJECTS A 86% INCREASE DUE TO SIGNING ON WITH A NEW COMPANY, COASTLINE POOL SERVICES, AND MAINLY THE ADDITION OF THE 2ND POOL.

- RECREATION SUPPLIES/REPAIRS PROJECTS A LARGE INCREASE DUE TO ENHANCING THE TENNIS AND PICKLE BALL COURTS BY SURROUNDING THE FENCE WITH A WIND SCREEN.

CLUBHOUSE SHARED HOA (70%) – DEPT. 60

CLUBHOUSE SHARED HOA EXPENSES PROJECT A 40% INCREASE. THIS IS DUE IN PART TO SOME RELOCATED EXPENSES TO THIS DEPARTMENT AND THE BELOW FACTORS:

- PAYROLL WILL SEE A LARGE INCREASE. THIS IS DUE TO THE RELOCATION OF EVENT DIRECTORS SALARY FROM F&B TO CLUBHOUSE SHARED AS WELL AS THE ADDITION OF A MAINTENANCE/SETUP STAFF MEMBER.
- AC MAINTENANCE WILL SEE AN 88% INCREASE DUE TO ACTUALS FROM OUR PREVENTATIVE MAINTENANCE INSTITUTED THIS PAST YEAR.
- BUILDING MAINTENANCE & REPAIRS PROJECTS A LARGE INCREASE DUE TO ANTICIPATED ENHANCEMENTS WITH THE ADDITION OF A FEW TV'S ON THE UPPER LEVEL PATIO TO HELP US BETTER UTILIZE THE SPACE TO INCREASE REVENUE WHILE ENHANCING THE GUEST EXPERIENCE.
- COMPUTER SUPPORT WILL SEE A 51% INCREASE BASED UPON ACTUALS FROM PRIOR YEAR, WHICH WAS PREVIOUSLY UNDERESTIMATED.
- CLEANING SERVICE PROJECTS A 22% INCREASE BASED ON ACTUALS FROM PRIOR YEAR IN ORDER TO UPHOLD THE STANDARD OF CLUBHOUSE APPEARANCE AND OVERALL CLEANLINESS OF OUR FACILITIES.
- TRASH REMOVAL WAS ADDED TO THE CLUBHOUSE AND REMOVED FROM FOOD & BEVERAGE DUE TO TRASH BEING SHARED BY THE GOLF DEPARTMENT.
- FIRE PROTECTION & SPRINKLER INSPECTION WILL SEE AN INCREASE BASED UPON ACTUALS FROM PRIOR YEAR
- ADVERTISING WAS ADDED TO THE CLUBHOUSE FOR OUR JOINT ADVERTISING CAMPAIGNS SHARED BETWEEN GOLF AND HOA. SOME OF THIS WAS REMOVED FROM THE F&B DEPARTMENT DUE TO THE SHARED NATURE OF THE ADVERTISING
- LAKE MAINTENANCE ADDED FOR THE SWM AROUND CLUBHOUSE GROUNDS AS PART OF OUR CONTRACT WITH ENVIROTECH

COMMON GROUNDS – DEPT. 70

COMMON GROUND EXPENSES PROJECT A 15% INCREASE. THIS IS DUE IN PART MAINLY TO THE BELOW FACTORS:

- ELECTRICITY PROJECTS A 50% INCREASE BASED ON ACTUALS FROM PRIOR YEAR.
- REPAIRS/MAINTENANCE PROJECT A LARGE INCREASE DUE TO PLANNED COMMUNITY ENHANCEMENTS ALONG PLANTATION LAKES BOULEVARD AND COMMUNITY CENTER EAST TO IMPROVE AND ENHANCE THE DRIVE TO THE CLUBHOUSE AND GOLF COURSE FOR A BETTER APPEARANCE AND PORTRAYAL OF PLANTATION LAKES.
- LANDSCAPE CONTRACT HAS A 2% INCREASE AS PART OF OUR INITIAL 2-YEAR CONTRACT WITH BRIGHTVIEW

FOOD & BEVERAGE – DEPT. 80

RESTAURANT EXPENSES PROJECT A 3% INCREASE OVER THE PRIOR YEAR THAT CORRELATES TO THE 4% PROJECTED REVENUE INCREASE.

- BANK CHARGES WILL HAVE A LARGE INCREASE DUE TO MANAGEMENT UNDERESTIMATING BANK CHARGES IN THE PRIOR FISCAL YEAR AND ARE CORRECTED IN THIS BUDGET.
- GAS WILL HAVE A LARGE INCREASE BASED ON ACTUALS FROM PRIOR YEAR.
- LAUNDRY & LINEN PROJECTS A 73% INCREASE DUE TO UNDERESTIMATING THE AMOUNT OF LINEN USAGE IN PRIOR YEAR AND ARE NOW BASED IN LINE WITH ACTUALS.
- PAYROLL PROJECTS AN OVERALL 1% DECREASE BASED PRIMARILY IN PART TO RELOCATION OF EVENT DIRECTOR TO CLUBHOUSE SHARED, IN ADDITION TO WAGE INCREASES THAT TOOK PLACE.
- EQUIPMENT REPAIR/MAINTENANCE WILL SEE A 41% INCREASE DUE TO A PREVENTATIVE MAINTENANCE PROGRAM BEING INSTITUTED IN THE KITCHEN TO SAVE LONG TERM ON EQUIPMENT REPAIRS.