

Golf Sustainability Framework Update

Under the Golf Sustainability Framework, a combination of revenue and cost saving initiatives are designed to meet and exceed financial performance targets towards the goal of realizing a break-even position and no reliance on tax support by the end of 2022. Council directed (CPS2018-1256) this report back by Q2 2021 with an update on the progress towards the break-even options of the Sustainability Work Plan.

Golf Sustainability Initiatives Update

Initiatives	2022 Target	2020 Achievements	Progress Update as of February 2021
Richmond Green Closure	\$150,000	\$150,000	• <u>Completed</u>
Debt Fulfillment	\$142,000	\$142,000	• <u>Completed</u>
Annual Fee Adjustments	\$100,000+	\$150,000	<ul style="list-style-type: none"> • 2021 fee adjustments: Projected \$200,000 incremental revenue • On-going: Golf fee structure under review for 2022 to optimize revenue generating opportunities
McCall Lake Re-Opening	\$285,000	\$203,000	<ul style="list-style-type: none"> • Renovations completed late Q2 2019. Performance expectations exceeded in 2020 • On-going: Marketing & pricing initiatives will support improved performance to realize & exceed target
Optimization of operational practices efficiencies & savings	\$194,000	\$130,000	<ul style="list-style-type: none"> • A variety of initiatives being undertaken to ensure quality products & services while realizing efficiencies (e.g. supervisory structure change with Richmond Green closure) • On-going: Additional efficiencies & cost savings to be realized in 2021 & 2022 (e.g. shift adjustments for maintenance staff, new approaches to tasks and inclement weather processes)
Golf Technology Solution	\$185,000	\$65,000	<ul style="list-style-type: none"> • Launched new technology in May 2020 to streamline services & improve access to tee times • On-going: Expanded use of software in 2021 & 2022 (e.g. special offers, new golf packages & email campaigns to increase utilization and revenue)
Contracting of Select Peripheral Services	\$20,000	-	<ul style="list-style-type: none"> • Pilot contract for rough mowing cancelled by vendor in Q1 2019. Contract did not realize anticipated profits in addition to resourcing & equipment challenges. • Contracting of select peripheral services is paused pending Council Direction on a scope of work for an external operator RFP

TOTAL **\$1,000,000+** **\$840,000** • **84% of target achieved since 2018. Revenue \$418,000; Expense savings \$422,000**

Annual Tax Support Trend Analysis

2020 Results

- **100% cost recovered.** No tax support was required in 2020.
- Golf exceeded a break-even position with a **surplus to budget of \$841,000.** For 2020, golf’s budgeted tax support of \$420,000 was returned to the corporation through the budget savings account with the remaining surplus balance of \$421,000 being transferred to the Golf Reserve.

Tax Support

- Annual tax support is the total expenditures on golf funded through tax dollars. **In 2015-2017, when all City golf courses were open and operating regularly, annual tax support averaged \$700,000.** In addition, **7% of expenditures have been funded by tax support.** The remaining 93% of expenditures have been funded via direct golf revenues. See Figure 1 for the golf recovery vs. tax support summary.
- In 2018-2019, regular operations were not achievable due to a combination of the McCall Lake golf course closure for renovation and the number of poor weather days. This resulted in a higher tax support requirement.
- In 2020, Golf had a favourable financial outcome, although operations experienced delayed openings, a condensed season and reduced service levels with the onset of COVID-19.

Figure 1

