

# Golf Budget Update CPS2018-1256

SPC on Community and Protective Services 2018 November 07

2018 November 07

Golf Budget Update



# **Purpose of Report**

In 2018 June, Council asked Administration to:

"Report back to Council through the One Calgary budget process with options that reflect the overall Golf Course Operations to break even in terms of revenue and operating expenses."

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## **Municipal Golf Courses – Overview**

- Part of the comprehensive spectrum of recreational opportunities The City provides
- Eight Courses, three driving ranges, six locations and 750 acres of green space
- 300,000 visits in 2017, plus 60,000 winter visits
- Golf is the #1 activity for Calgarians 65 and older

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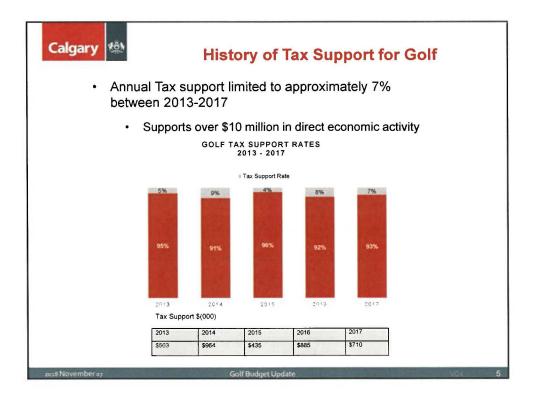
# **Financial History of Golf**

- From 1995 2012 Golf Course Operations had a self-supporting mandate
  - \$3.6M contributed back to The Corporation and \$14M in capital projects completed
  - · Market and Demographic shifts recognized
- 2012 Council directs mandate change from 'selfsufficient' to 'tax-supported'
- 2014 Golf Course Operations delivers Golf Sustainability Work Plan to Council
- 2015 Golf Sustainability Work Plan Implementation begins



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#### **Work Plan**

#### Work Plan Success since 2015:

- Demand-based fee structure changes \$445,000 increase in annual incremental revenue realized
- Food and Beverage Service Offerings approximately \$80,000 annual increased revenue realized
- \$500,000 realized through operational efficiencies

### Investigated, but not feasible:

- Divestiture of courses
- · Contracting out of golf courses to third party operators
- Significant Fee increases

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## **Options for Net Zero Operations by 2022**

Golf Course Operations will target \$1 million in revenue generation and cost savings and efficiencies through six options:

- 1. 2019 Reopening of McCall Lake golf course
- 2. 2019 Fee adjustments
- 3. Golf IT solution
- 4. Finalizing Debt Commitments
- 5. Increased standardization of operations
- 6. Contracting out of Select Services



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# **Future Opportunities for Increasing Revenue**

Option 7 - New business opportunities to generate revenue rely on **Capital Investment:** 

- · Clubhouse upgrades:
  - opportunities for year-round revenue
  - diversification of service offerings
  - extend food and beverage services

Options 8 - Partnership with Industry Leaders

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#### **Administration Recommendation:**

That the SPC on Community and Protective Services recommend that Council:

Direct Administration to report back to Council through the SPC on Community and Protective Services by Q2 2021, with an update on progress toward the options outlined in this report.

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