

# Golf Program Update

Board of Park Commissioners

October 14, 2020

# 2020 Season Review

- ▶ The 2020 Golf season was one filled with many unknowns and obstacles
  - ▶ Opening Date of April 24<sup>th</sup> due to Safer at Home orders. Conditions would have allowed opening one month earlier.
  - ▶ Developed and implemented detailed COVID19 plan
  - ▶ Season began with clubhouses closed and all purchases made online or by phone.
  - ▶ Around late-May clubhouses opened to 25% capacity.
  - ▶ Food and Beverage service remained minimal all year.
- ▶ Many opportunities arose from the pandemic
  - ▶ Increased online payment in advance
  - ▶ Streamlining food and beverage operations.
  - ▶ This has provided a positive outlook to the future with new golfers picking up the sport daily.

# 2020 Season Review

- ▶ Operated at reduced staffing the entire season
  - ▶ Bare minimum staffing levels until April 24<sup>th</sup>
  - ▶ Utilized 11 employees redeployed from other City agencies
  - ▶ 25 positions went unfilled due to City hiring freeze
- ▶ Outing and Event business was greatly impacted
  - ▶ 25 events were cancelled directly due to COVID
  - ▶ 10 events played with modifications, eight of which were hosted at Yahara Hills.
  - ▶ Event revenue saw a loss of around \$20,000
- ▶ Continued partnerships with The First Tee of South Central Wisconsin and Change Golf Instruction.
- ▶ College golf rounds saw another increase in usage. As of September 30<sup>th</sup> 7,785 college, compared to 7,877 played for the entire 2019 season.

# 2020 Season Review

- ▶ Financial outlook for the season is bright and could turn out to be one of the highest revenue years on record.
  - ▶ Financial data below as of September 30<sup>th</sup> from each year.

<b>Golf Program Totals</b>	<b>2020</b>	<b>2019</b>	<b>H/L%</b>
<b>Green Fee Revenue</b>	\$ 1,976,940.00	\$ 1,460,473.00	36%
<b>Product Revenue</b>	\$ 1,260,744.00	\$ 1,265,312.00	0.40%
<b>Total Sales Revenue</b>	\$ 3,237,684.00	\$ 2,725,785.00	19%
<b>Rounds</b>	115,678	92,441	25%

- ▶ Previously, 2016 was a record year with total revenues of \$3,217,295.

# Golf Subcommittee 10/8/2020

## Response to Task Force Report

Each Subcommittee member provided feedback on the report.

- ▶ Overall supportive of Task Force report and recommendations
- ▶ Desire to preserve as many holes as possible
- ▶ Concern regarding likelihood of a public/private partnership to be successful
  - ▶ Agreement that private and non-profit partners should be considered
- ▶ Recognition that if investment is not made in courses, hole closure decision could be forced
- ▶ Subcommittee did not agree on preference to preserve 9 hole or 18 hole
- ▶ Disappointment that Subcommittee's previous work was not recognized by policy makers
  
- ▶ Full [Recording of Meeting](#) is available on City's Legislative Information Website.

# Golf Subcommittee 10/8/2020

## Response to Task Force Report

- ▶ Task Force members provided feedback to Subcommittee
  - ▶ Jim Kopp, Golf Subcommittee member representative on Task Force
  - ▶ Ray Shane, former Golf Supervisor, Task Force Member available to answer questions
  - ▶ Both were dissenting votes on Final Report
    - ▶ All other options should be exhausted before closing holes or courses
    - ▶ More focus should have been placed on closing 9 hole courses or issuing RFP for both
    - ▶ Concern around transparency of First Tee negotiations
    - ▶ Lack of clear understanding of financial situation, including lack of willingness to consider factors that impact the profitability of enterprise (ie. prevailing wage, sweat shop, alcohol sales and Inter-D charges) and understanding long-term & short-term funding needs

# Golf Subcommittee 10/8/2020

## Future of Subcommittee

Members discussed potential future of the body for the following scenarios:

- ▶ If Enterprise remains in place
  - ▶ Program should be treated as a business, and allowed financial freedom to be profitable.
  - ▶ Subcommittee can play a vital role in decision-making as it relates to running the business and creating awareness around fundraising efforts for capital projects
- ▶ If Enterprise is eliminated and Golf becomes part of Parks' services
  - ▶ Role of the subcommittee would change and BPC would need to look at what's best for the system
  - ▶ Concern regarding who would represent golfers to policy-makers, including in determining how revenue from Golf would be spent

# Next Steps: Request for Proposals (RFP)

- ▶ Final Task Force Report has not yet been accepted by Finance Committee, anticipated October 26
- ▶ Common Council will need to take action, anticipated Early November
- ▶ Staff will work on outline of RFP that will be reviewed by BPC prior to issuance
- ▶ Anticipated timeline:
  - ▶ Issue RFP - Fall/Winter
  - ▶ Review Responses and Select Successful Proposal - Late Winter
  - ▶ Negotiate Terms of Lease/Agreement - Early Spring
  - ▶ Approval process for Agreement - Spring/Summer



# RFP Parameters

- ▶ Goals:
  - ▶ Successful partner will
    - ▶ Promote the City of Madison's values of inclusivity, accessibility, affordability and environmental sustainability
    - ▶ Meet the City's mission for municipal golf
    - ▶ Reduce or eliminate the City's obligation for capital and operating expenses for Golf
- ▶ Term of Agreement:
  - ▶ Could require significant time commitment of land to meet goals
- ▶ General Outline, in addition to standard RFP process will include:
  - ▶ Description of amenities and assets to be included
  - ▶ Definition of expected level of service and standards of operations
  - ▶ Proposal of programs to serve target populations, including annual reporting requirements
  - ▶ Detailed Proposal for Operating and Capital Expenses