

IVGID Golf Committee Report to the Trustees

Committee Members

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Harry Swenson

April 24, 2024

Outline

- Committee History
- Committee developed independent pricing model and results
- Committee Recommendations

Committee History

- Appointed September 19, 2023
- First meeting October 24, 2023
 - Reviewed Golf Director's high-level revenue and usage synopsis of 2023 season
 - Similar Revenue and play as previous year even with 20% increase in tee-times
 - Appeared courses have low utilization, by Director Howards estimate (65.5%/2023 , 79.3%/2022 Champ course)
 - Ethics training and committee consensus on expectations
- December 8, 2023
 - Reviewed previous year budget and guidance from 2022 Manager's Golf Committee and staff recommendations for previous year
 - Assigned 2 committee members to draft Food and Beverage recommendations

Committee History (cont.)

- January 11, 2024
 - Discussed appropriate service level expectation
 - Service Levels associated with course maintenance are appropriate “Courses are in great shape”
 - Service levels appear consistent with normal Municipal golf courses
 - Reviewed attendance/income data for 2023/2022 (similar usage slightly higher income)
 - Discussed and received committee consensus on Food and Beverage recommendations and provided to Acting GM Bandelin.
 - Reviewed preliminary data on course utilization
 - Tee time utilization may be on the order of low 70% for Champ. Course
- January 25, 2023
 - Discussed goals and gained consensus on Golf Committee goals without clear financial cost data
 - Reviewed Director of Golf’s job description and determined that it really didn’t adequately cover the Food and Beverage job requirement, assigned a committee member to help review applicants

Committee History (cont.)

- March 14, 2024
 - Reviewed and discussed different options for revenue forecasting
 - Three different usage models: 2023, goal and ½ between
 - Create an economically viable All-You-Can-Play pass (54 rounds/year ave. AYCP traditional usage)
 - Non-limited AYCP rational: last years data showed no extra non-resident play for 2023 AYCP limited periods
 - Provide a couples pass at 150% to 160% of AYCP good at both courses
 - Limit to 10 and 20 play pass
 - Consider “guest” play with resident at 135%- 150% of resident daily rate
 - Due to cost comparison with other local Golf venues, maintain current non-resident cost
 - Consider maintaining some “some prime weekend tee-times for non-resident play”
- March 28, 2024
 - No forecasting data to review
 - Discussed current Committee recommendations to Trustees
- April 5, 2024
 - Reviewed pass-based revenue options provided by Mr. Sands, Director of Golf
 - No forecasting data thus the Committee was unwilling to agree or disagree with pass pricing proposal

Committee History (cont.)

- February 22, 2024
 - Reviewed and discussed detailed data on course usage and player mix (gross utilization 65% Champ course from D. Howard post season report)
 - Started to discuss season utilization goals between 80-85%/Champ and 65-75%/Mountain
 - Reviewed initial cost and income course data
 - Committee had difficulty understanding the data
 - requested clarifications for next meeting
- March 7, 2023
 - Received detailed cost and income data attempting at a season level
 - Committee still had difficulty understanding data
 - Three major areas of question
 - Food and Beverage/Château. (loosing on the order of \$300,000/season)
 - Fleet Services (seems high relative to the committee members experience in private/semi-private clubs)
 - Central Services Allocation (not sure how it is calculated, but seems high relative to #/employees)
 - Reviewed and discussed proposed rates for upcoming season
 - Rate increases based on simplistic inflation model
 - Committee requested income forecasting based on a simpler player pass recommendation and different course usage to base rates
 - Model current usage, goal usage and ½ way between

Golf Committee Independent Cost Forecast

- One of our committee created an independent golf course pricing forecast model using data provided by Staff during our committee meetings
- The model evaluated three options for both the Champ and Mountain courses including price elasticity and based on:
 - Staff recommended pass rates provided to the committee on 4/3/24 “option A”
 - Create an economically viable non-limited All-You-Can-Play pass, rational: last years data showed no extra non-resident play for 2023-24 AYCP limited periods
 - Provide a couples pass at 155% of AYCP good at both courses (4/3/24 “option A”)
 - Limit to 10 and 20 player pass and due to cost comparison with other local Golf venues, maintain current non-resident cost
- Options: 1) Last year’s utilization, 2) increased utilization of 2%, 3) last year’s utilization with higher elasticity due to the increased AYCP price

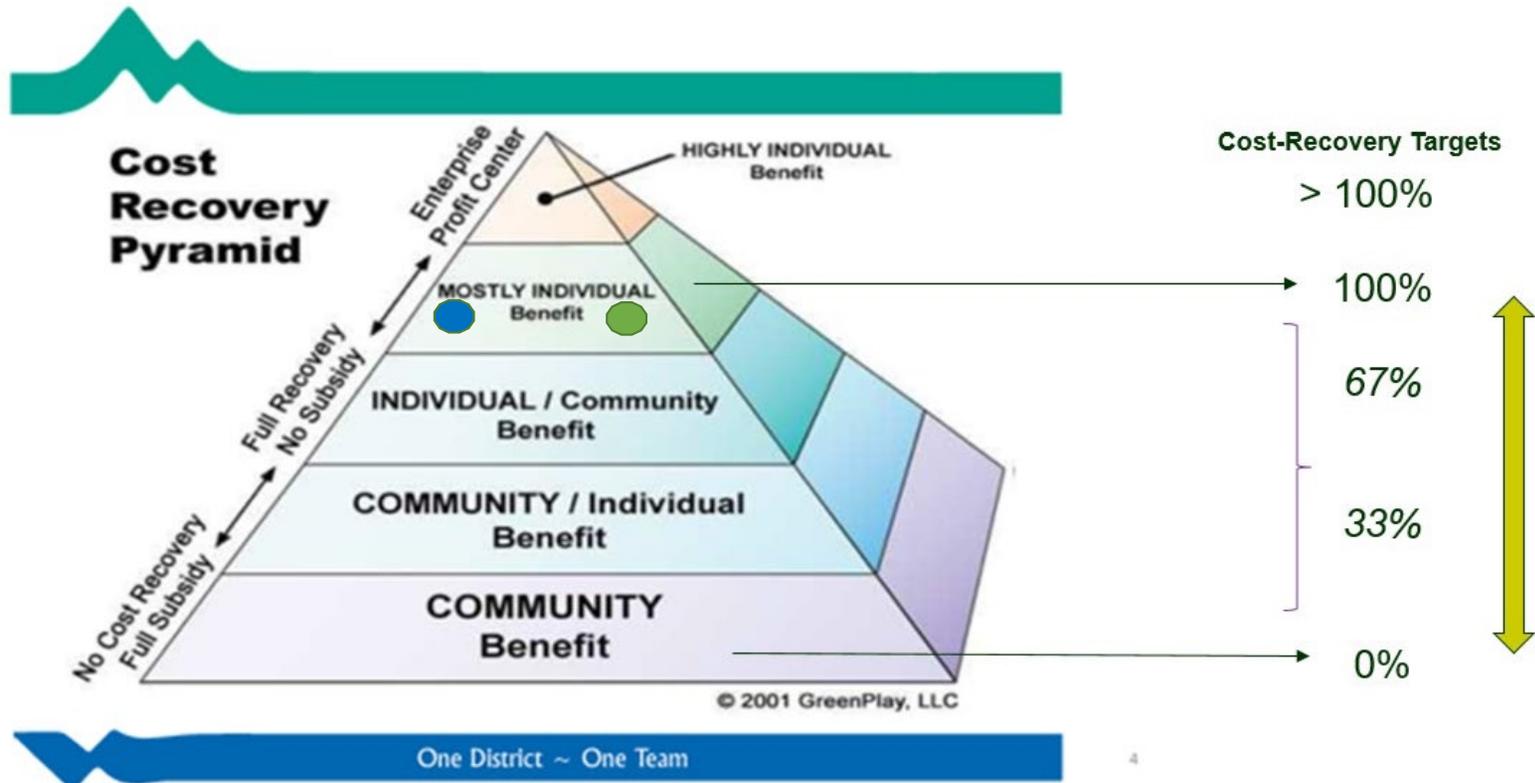
Forecast Model Results with Cost Recovery based on 2023-2024 Budget

	Last year's utilization	increased utilization of 5%,	Higher than expected elasticity due to AYCP increases	Staff pricing from BOD supplemental material from 4/21/24 ²
Champion Course Forecast	\$2,514,856.00	\$2,552,841.00	\$2,484,426.00	\$2,554,300.00
Mountain Course Forecast	\$770,029.00	\$836,440.00	\$762,364.00	\$787,606.00
2023 Champion Course Cost w/o Food & Bev due to their significant losses or Cap improvement ¹	\$3,202,384.00			
2023 Mountain Course Cost w/o Cap improvement ¹	\$1,037,025			
Cost Recovery Champ	79%	80%	77%	80%
Cost Recovery Mtn	74%	80%	73%	75%

Note 1: Cost from March 7th Golf Advisory Committee Staff cryptic "Golf YTD 03.01.2024" supplement 2023 golf play revenue \$2,408,359 Champ, \$734,859 Mountain

Note 2: Not all pass options could be modeled in the available time, consider an estimate

Cost Recovery per Course



- Champion Course with 5% increase utilization
- Mountain Course with 5% increase utilization

Golf Committee Recommendations

- Goal Championship course utilization rate of 80%, goal Mountain Course utilization rate of above 65%
- Course management should use a combination of dynamic pricing and internal IVCB and external marketing to help achieve goals
- Staff should look at competitive pricing for resident's (course owners) relative to other private/semi-private local venues.
- Staff should generate a revenue forecasting model to determine economically viable pricing to achieve Golf Advisory Committee endorsement
- Consider closing the golf operations books at the end of the season and forecasting the next year's expected rates as early as January. This is consistent with other major courses.
- Reduce complexity of number of pass options (ex: eliminate 40 and 30 pass)
- The Committee believes that the overall cost of the courses is high and the complexity of the finances make it very difficult to understand why. The General Manager of Golf should provide extra oversight of at least the following cost areas
 - Food and Beverage/Château
 - Fleet Management
 - Cost Center Allocation