



City of San Diego

**City of San Diego  
Park and Recreation Department  
Golf Division**

**Proposed Golf Division  
Business Plan**

**Natural Resources and Culture Committee  
July 25, 2012**



# Background

- Enterprise Fund since 1991
- Previous Business Plan in 2006
- Current golf market place
  - National economic downturn
  - Decline in the number of golfers since 2000
  - Increase in availability of local golf courses
  - Very competitive marketplace



# Financial Position

	<b>FY 2012 Budget</b>	<b>FY 2012 Projection <sup>(1)</sup></b>
<b>Revenue</b>	<b>\$ 15.9M</b>	<b>\$ 17.5M</b>
<b>Expenses</b>	<b>\$ 14.8M</b>	<b>\$ 14.5M</b>
<b>Difference</b>	<b>\$ 1.1M</b>	<b>\$ 3.M</b>

(1) Based on fiscal year-end closing actuals as of July 19, 2012; unaudited.



# Customer Satisfaction

- 9,468 golfers surveyed
- 88% - 95% of all golfers satisfied
- 94% - combined weighted average for the Division

<b>Golf Course Satisfaction</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>	<b>Very Poor</b>	<b>Not Sure</b>	<b>Satisfaction (Excellent, Good or Fair)</b>
<b>Balboa Park</b>	<b>16%</b>	<b>58%</b>	<b>21%</b>	<b>4%</b>	<b>3%</b>	<b>0%</b>	<b>95%</b>
<b>Mission Bay</b>	<b>11%</b>	<b>48%</b>	<b>29%</b>	<b>10%</b>	<b>3%</b>	<b>1%</b>	<b>88%</b>
<b>Torrey Pines</b>	<b>49%</b>	<b>39%</b>	<b>7%</b>	<b>4%</b>	<b>1%</b>	<b>0%</b>	<b>95%</b>



# Business Plan Public Input Process

- Community Meetings
  - Conducted over eight month period
  - Nine informational meetings
    - ✓ Six meetings to review key elements of proposed Business Plan
    - ✓ One workshop for open discussion
    - ✓ Two meetings to refine elements previously discussed
  - Two meetings to review and refine final draft
- Website
  - Agendas, minutes and related documents posted on City Web site



# Ad Hoc Advisory Committee

- Committee Composition
  - Ten members and a Chairperson
  - Broad section of community stakeholders
  - Long-term City / Golf Division relationships
    - ✓ Men's & Women's Clubs
    - ✓ Junior Golf
    - ✓ At-large members
    - ✓ Lessees
    - ✓ Hotels



# Key Business Plan Issues

- Rate Overview
- Flexibility
- Plan Duration
- Resident Access
- Program Support
- Marketing Plan
- Capital Improvements



# Key Business Plan Areas

- Rate Overview
  - No rate increases being proposed for any course, including the Resident ID Cards during FY 2013
  - No rate increases will be evaluated until FY 2014



# Key Business Plan Areas

## ● Flexibility

- Gives Park and Recreation Director authority to increase or decrease rates under defined circumstances
  - ✓ The most critical component as recommended by the Ad Hoc Advisory Committee
  - ✓ Specials and Promotions
    - Up to 50 % reduction
    - Any time throughout the year
    - Report annually on the outcome
  - ✓ Increases
    - No increases until after July 2013 (FY 2014)
    - 5% maximum annually
    - Public input as part of the annual review by Park and Recreation Board



# Key Business Plan Areas

- Plan Duration
  - A “rolling plan” versus a prescribed duration
  - Specific recommendation by the Ad Hoc Advisory Committee so as to maximize responsiveness to market conditions and operational necessities
  - Annual updates to the Park and Recreation Board
  - Ability to allow for a new or updated plan as needed



# Conclusion

- Business Plan approval provides
  - Continued Resident priority access to golf courses
  - Tools to successfully operate in a highly competitive market
    - ✓ Opportunistically adjust to market demands
    - ✓ Operate in a timely and flexible capacity
  - Flexible strategies for development of financial resources necessary to sustain golf operations
  - Resources to complete critical deferred maintenance projects and essential capital improvements



# Next Step(s)

- September (date TBD)
  - Present Business Plan to City Council



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# Questions?

