



Overview of the Golf Enterprise Fund, and course performance

Introduction

The financial condition of Wichita’s golf system has been in a slow but continual decline for over a decade. A number of strategies have been used during this time in an attempt to maintain financial sustainability. However, the system is now at the point of imminent financial failure, unless corrective action is taken. A staff committee was formed to conduct a comprehensive review of the system and develop future service delivery options. The committee included representatives from Finance, Metropolitan Area Planning, Park & Recreation, and the City Manager’s Office. This review focused mainly on levels of service provided and system structure, rather than specific operating strategies and operating costs. The resulting document includes an outline of the approach the committee took to the project, a review of the golfing demographics and demand trends, and a review of the City’s golf courses. The report concludes with an analysis of each course using an empirical scoring model, and recommendations on course restructuring in an effort to enhance the sustainability of the golf system.

Background

Public golf provided by the City of Wichita has existed for 99 years, starting with the Sim Golf Course in 1919. Golf has been operated as an enterprise fund, meaning it has been totally self-supported by user fees paid by golfers. In the late 1980s and early 1990s, significant investment was made to rejuvenate City courses. The 1990s were indeed very good years financially for the system. In 2001, the system’s debt load increased with the opening of the fifth course—Auburn Hills. Unfortunately, system rounds actually peaked in 1997, during the planning and construction of Auburn Hills.

For at least the past decade, the number of rounds played has steadily fallen, leading to a decrease in course utilization. This is consistent with national trends. Since many costs are fixed, the system adopted several strategies to maintain operating margins. Fee increases were implemented in an attempt to maintain revenue growth in the face of declining rounds. Capital investment, both for course improvements and equipment, was deferred. Finally, debt service payments to the City’s Debt Service Fund were reduced. All of these strategies helped keep the Golf Fund solvent, but they came at a cost. Continued fee increases may have contributed to a decrease in rounds played. Deferring capital investment may have increased operating costs, and also contributed to the decline in rounds played by making City courses less attractive to golfers. Finally, deferring debt service payments has limited the City’s ability to provide additional short-term financial assistance.

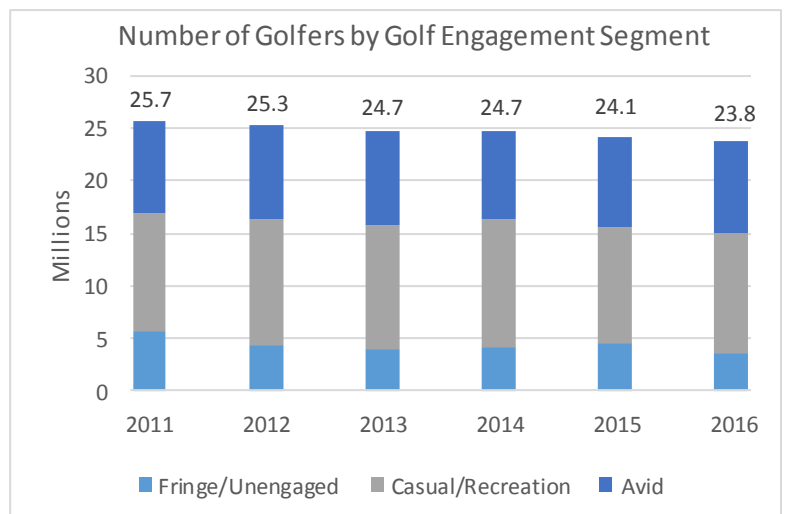
Study Approach

When tasked with studying the golf system, the committee took a data-driven and collaborative approach. Both quantitative and qualitative criteria were established, through which the existing golf courses were analyzed. The courses have been scored using a matrix that accounts for financial health, demand, the level of required capital investment, land restrictions, and redevelopment opportunities. A decision support tool was created by the Finance Department to help predict financial outcomes based on different scenarios.

The Golf Industry

The total number of participants playing traditional green-grass golf has seen a gradual decline in recent years. The players who are considered avid or casual—meaning they are committed to the game and play frequently—have remained steady. However, the number of fringe golfers—those who play once or twice a year, or even skip a year or two before playing again—continues to shrink. Therefore, the decline in total on-course participants over the past five years is almost entirely attributed to the loss of so-called fringe players.

Over the last 11 years, golf course closures have outweighed openings. This is attributed to a period of





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natural correction—a according to reports from the National Golf Foundation, between 1986 and 2006, the golf industry grew by 44 percent, which is a rate that this now considered unsustainable. Therefore, the vast majority of funds currently spent on golf infrastructure go towards improvements to existing courses.

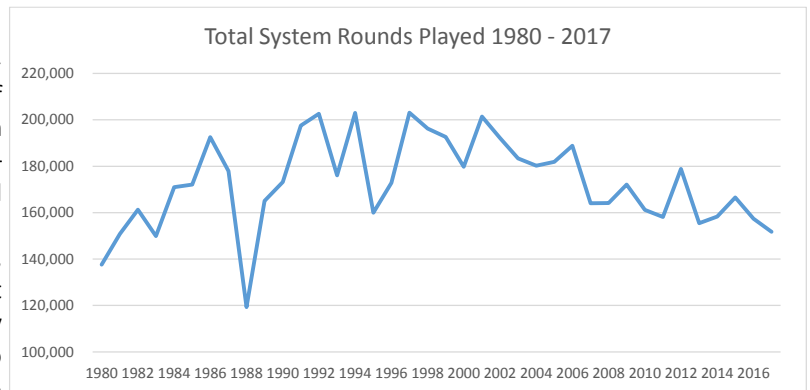
The junior golf population remains relatively stable at 2.9 million and continues to show a transformation in diversity compared to years past. Thirty-three percent of golfers in the 6-17 age range are female, up from 17% in 1995. This significant gain is likely the result of the increased visibility of the LPGA Tour and developmental programs such as LPGA*USGA Girls Golf. By comparison, 24% of all golfers are women. Also, among junior golfers, 27% are non-Caucasian, a percentage that is up from 6% in 1995 and driven by development organizations such as the First Tee and its National School Program, which is in more than 9,000 elementary schools across the U.S.

Private Golf Providers in the Wichita Area

There are a variety of public and private courses that compete for rounds played in the Wichita area. Some of these courses have a more direct and greater impact on play at Wichita Public Golf Courses than others. Some are private, but offer public access. The significant public golf course competitors are included in the Appendix in Exhibit A.

Public Golf Provided by the City of Wichita

The vision of the Golf Division is to provide high-quality, low-cost golf opportunities to the public. Being an enterprise fund, it is also meant to be self-sustaining. In the past (up until the mid 1990s), golf system costs were relatively low, mostly due to high golf course utilization. Because of a significant increase in the number of courses available, demand has lessened. Golf prices have since increased in an attempt to maintain operating margins. Therefore, the Golf vision may not be as relevant in 2018 as it was in the past. Due to industry trends, overcapacity and aging infrastructure, the Golf system struggles to fulfill the vision of providing high-quality and low-cost golf opportunities.



Golf rounds in Wichita grew during the 1980s. During this period, the golf system in Wichita was revitalized, and capital improvement funds were used to upgrade courses (rounds were down in 1988 since Sim and LW Clapp were both renovated). During the 1990s, rounds were relatively stable (rounds were lower in 1995 due to the closure of MacDonald Golf Course for renovations). Golf rounds in Wichita actually peaked in 1997, with a total of 203,074 rounds. In recent years, system rounds in Wichita have followed the national trend of decline. The opening of Auburn Hills in 2001 initially reset the number of rounds higher, but soon thereafter, the steady decline resumed. The system’s courses are seeing these trends at different rates. Since 1997, rounds at Tex Consolver have declined 30%, and rounds at Sim have declined 36%. However, MacDonald has seen a decline of 45%, and rounds at LW Clapp have fallen more than 55% since 1997.

An even better indicator of system activity is course utilization. This measures how much of the product produced by the Golf system (playable rounds of golf) is actually utilized each year. As shown in the graph on page 3, utilization has declined from 92.3% in 1997 to 57.3% in 2017. Since many golf costs are fixed, declining utilization has meant that the cost per round has continued to rise, which can be seen in Exhibit B. With the opening of Auburn Hills in 2001, the system’s operating cost per round was \$13.11. In 2017, it was \$31.49 per round. The system has remained afloat by attempting to offset the rising operating cost per round with expenditure reductions (deferred equipment replacement, debt repayment and capital investment) and by increasing prices, to increase the revenue per round (see Exhibit C).

Golf Enterprise Fund Financial Performance

Both revenues and expenditures for the golf system have trended upwards since 1999 (note that 2017 figures are preliminary and not audited). However, the operating margin of the system has narrowed considerably. In fact, in both 2016 and 2017 the system had an operating deficit on a budgetary basis. This is significant because the system has debt service costs, capital improvement needs and equipment replacement needs (which are not reflected in the graphics). All of these are typically funded by any available operating margin. However, as these margins shrunk, particularly since 2005, the capacity to fund those three items diminished significantly. Even more ominous, in the past two years, the system has not covered operating costs (Exhibit E).

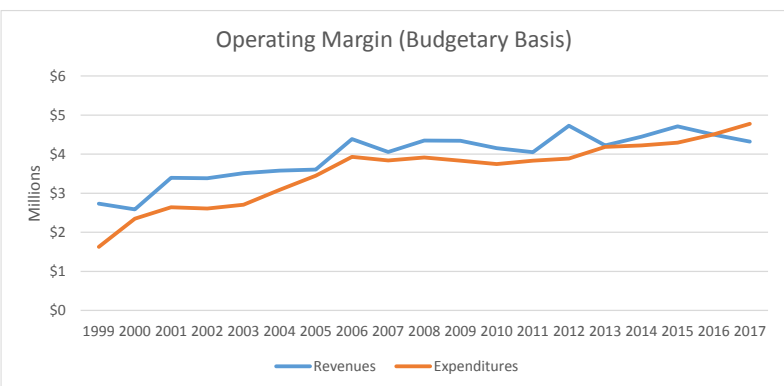
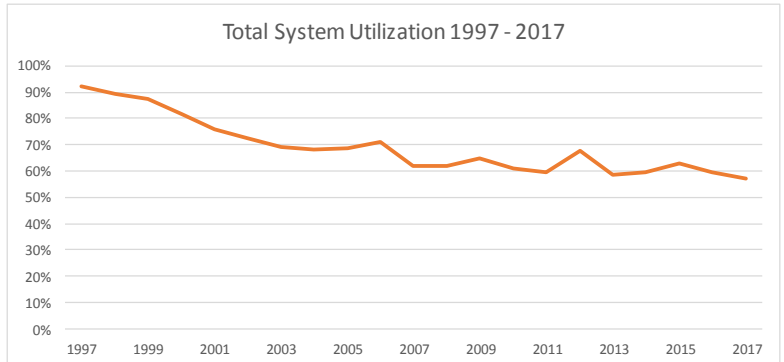
The impact of the constrained operating margins can be seen in three metrics. The system debt, which increased significantly in 2001 with the construction of Auburn Hills Golf Course, still stands at \$5.7 million. In the last ten years, the system has managed to reduce the debt level by only \$1.4 million. In 2001, the system had fixed assets valued at \$14.5 million. In 2016, these assets had a depreciated book value of only \$4.5 million. At least from a book value standpoint, assets have depreciated in value much faster than funds have been invested in new assets, which is not a healthy sign.

Not surprising, the estimated deferred maintenance for the system is \$26.4 million. The need for future improvements is greatest at the L.W. Clapp and MacDonald Courses, which have 10-year, combined capital costs of \$16,050,289. The bulk of this funding would be spent on clubhouse replacement, irrigation system upgrades, and bridge repairs. As shown in Exhibit D, all five golf courses require irrigation system upgrades and cart path maintenance in the next 10 years.

As the operating margins have eroded, the cash balance has also declined. A fund with a seasonal and potentially volatile revenue stream (such as the Golf Fund) should have a large cash balance (approximately 25% of operating expenditures). However, the Golf Fund ended 2017 (unaudited) with a cash balance of \$278,536. This is down from \$1,044,514 in 2012 (See Exhibit F for the net operating margin (on a budgetary basis), and the adjustments (including capital outlay, debt service and accrual adjustments) to reach the annual cash balance. A low cash balance has caused cash flow issues each year in the first quarter, and it virtually eliminated the fund's flexibility to address capital outlay, debt service or additional capital improvements needs. With negative net assets (\$1.2 million), a relatively low cash balance (\$278,536), debt of over \$5.7 million, and an operating margin deficit the past two years, the financial condition of the golf course is perilous.

Course-by-Course Analysis

The following is a course-by-course review and analysis of the golf system. The background of each course is summarized, operating margin and rounds played is presented, and restrictions on the use of the course land is considered, and finally any potential redevelopment opportunities are explored.



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Auburn Hills

Opened on May 24, 2001, Auburn Hills is the newest course in the system, and is situated in the heart of a residential development. It is considered Wichita's premier municipal golf course, and has significantly increased both development and the tax base in west Wichita. Currently, it is the only course in Kansas to be designed by Perry Dye, whose vision combines scenic wetlands areas, rolling hills, tight corridors, and panoramic uplands. This championship-quality, 18-hole, links-style course plays 7,169 yards from the back tees. The facility features a driving range with 45 stations, a short-game practice area with a green and bunker, practice greens, and a continuous cart path system. It utilizes both storm water and well water for maintenance. The course includes a Grill Room with a range of menu options, and a meeting room for tournaments, business meetings, and wedding receptions.

Auburn Hills is positioned in a flood plain, and is closed due to flooding an average of nine times per year. The course can be difficult for those who are less skilled in the sport, as well as patrons who prefer to walk the course, rather than use a cart. From 2005 to 2017, the Auburn Hills Golf Course averaged 66 percent capacity utilization. The course's capital investment and equipment requirements total \$4,057,806.

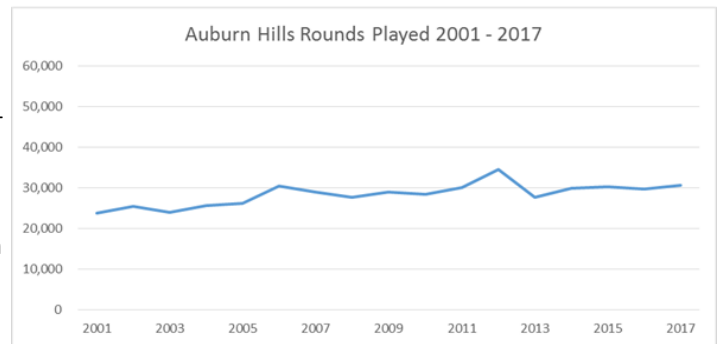
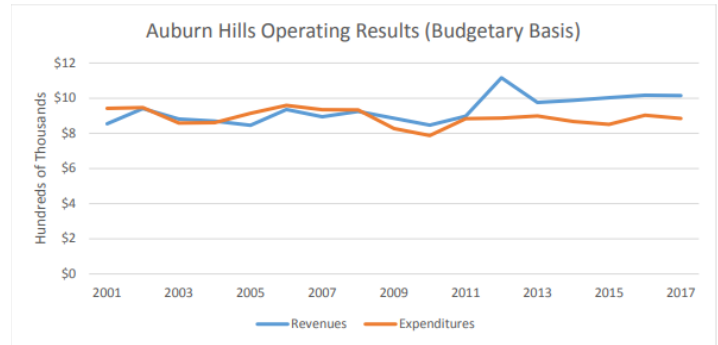
Auburn Hills produces a relatively small, but consistently positive net operating margin. The course play is also relatively constant, which is contrary to national decline, as well as declines seen at other City courses. Total rounds of play have remained steady since 2005, with an overall positive, upward trend. On average, 29,602 rounds of golf are played here each year (see Exhibit G). The course hosts twenty-six tournaments, seven leagues, and numerous high schools, which altogether generate more than 6,600 rounds of golf per year.

Land Restrictions - The land for the Auburn Hills Golf Course was developed between 1997 and 1998, with a fifth parcel granted to the City of Wichita in 2006 for the purpose of dealing with an encroachment. The five deeds that were identified are without deed restrictions. In addition, when the course was developed, the City-owned land intended for the golf course was specifically excluded from the neighboring associations and covenants. All of the land that makes up this course is owned by the City of Wichita. Six of the front nine holes are affected by the Calfskin Creek drainage system.

Redevelopment Opportunities - While Auburn Hills could be platted for low-density residential development, the layout of the course, limited connections to streets, and significant floodplain and drainage retention ponds would result in an inefficient neighborhood design that likely would be difficult to develop profitably. Significant neighborhood opposition to the loss of the golf course as an open space amenity likely would result.

L.W. Clapp

Located in the southeast area of Wichita, L.W. Clapp Memorial Golf Course was acquired by the City in 1954. It is the smallest in the system, occupying just 95 acres. However, a tight layout, coupled with a creek wandering through the course, creates a unique and challenging experience. The 18-hole, par-70, park-style course measures 6,087 yards. The shorter size, along with small greens, means even skilled players will find the course demanding. The facilities include a practice putting green, a short game practice area with a green, and a snack bar with a limited menu. The course also includes a continuous cart path system.



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A drainage creek runs through the property, which can interfere with play. Due to close proximity to area streets, cars are frequently damaged by errant golf balls. The clubhouse is too small to accommodate tournament functions. The facility lacks a driving range, and fully relies on the use of city water, which increases utility costs. From 2005 to 2017, the course operated at 45 percent capacity. On an operating basis, the course has lost \$608,624 since 2013.

Since 2012, expenditures at L.W. Clapp Golf Course have continued to outpace revenue by ever-growing margins. As of 2017, the golf course operated at a deficit of \$235,714. L.W. Clapp Golf Course's capital investment and equipment requirements total \$7,965,786. This course has experienced a downward trend in total rounds of play per year since 2005, with a total decline of more than 10,000 rounds. The average number of rounds per year from 2005 to 2017 was 25,008. The course hosts six tournaments, seven leagues, and one high school, which altogether generate approximately 4,500 rounds of golf per year.

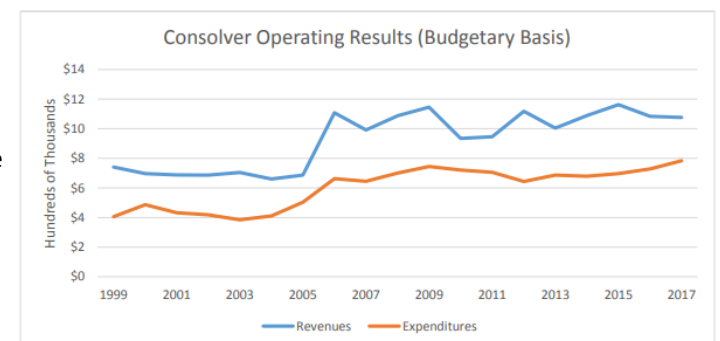
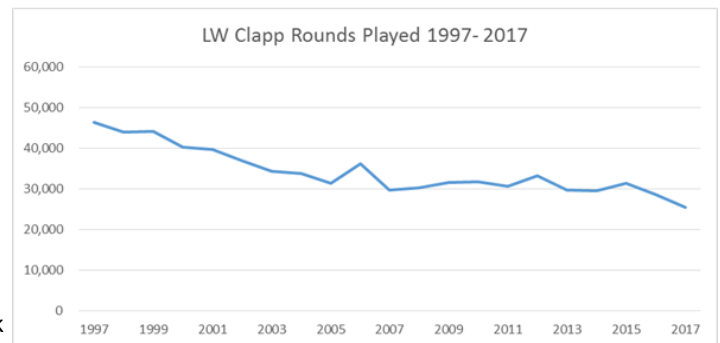
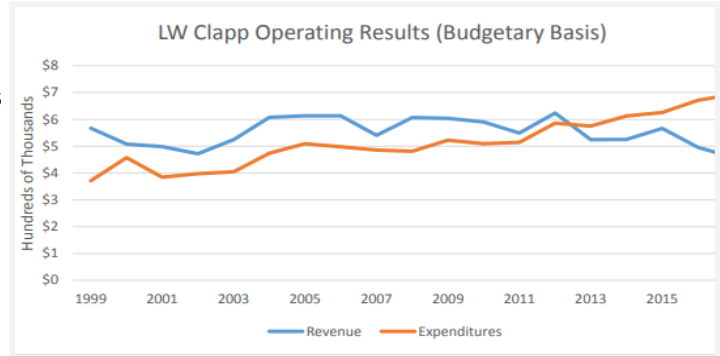
Land Restrictions - Originally acquired as the Meadowlark Golf Course, the land was acquired by the Board of Park Commission through the use of eminent domain, which was finalized in April 1955. Additional conveyances occurred in October 1955, which formalized the eminent domain action. Acquisition by eminent domain completely eradicates any and all previous title encumbrances. There are no additional restrictions of record on this site. Approximately half of this site is encompassed by the Gypsum Creek floodway.

Redevelopment Opportunities - The golf course has frontage along three arterials streets (Harry, Oliver, and Mt. Vernon). The neighborhood surrounding L.W. Clapp is developed with a variety of residential and commercial uses. Therefore, L.W. Clapp has significant potential for mixed-used development that features the existing floodplain as a community open space amenity.

Tex Consolver

Established in west Wichita in 1970, Tex Consolver Golf Course is located amidst the beautiful surroundings of Pawnee Prairie Park. This 7,361 yard, par-72 facility is the longest of the City's five courses, and was designed by Bob Dunning. The course is considered one of the most challenging in the region, and features six holes with water coming into play, a prairie-type design with open fairways, and large, undulating green complexes to help combat the Kansas winds. It is one of the top rounds-producing courses in the system, and provides the greatest revenue. The facility includes a driving range with 35 stations, a short-game practice area with a green, two practice putting greens, a snack bar with a limited menu, and a continuous cart path system. From 2005 to 2017, Tex Consolver operated at 73 percent capacity, and the course's capital investment and equipment requirements total \$3,060,911.

Since 1999, Tex Consolver has consistently shown itself to be profitable. Banner years are 2012 and 2015, when the course had a net profit of approximately \$474,136 and \$465,811, respectively. Tex Consolver has experienced a slight downward trend in total rounds of play per year since 2005, with an average annual growth rate of -1%. The average number of rounds per year from 2005 to 2017 was 40,357, which the



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second highest of the City's courses. The course hosts eighteen tournaments, seven leagues, and three high schools, which altogether generate approximately 9,400 rounds of golf per year.

Land Restrictions - Both the Board of Park Commission and the Wichita Airport Authority (WAA) own the land Tex Consolver golf course occupies. All of the parcels that make up Pawnee Prairie Park and Tex Consolver were acquired by the Park Board in the 1960s and 1970s. Those sites, which were transferred into the WAA name, were filed in August 1976. A review of the Park Board's acquisition documents shows no use restrictions of record on the conveyance instruments. Approximately a quarter of the golf course is affected by the Cowskin Creek floodway.

Redevelopment Opportunities - Given its location adjoining Eisenhower National Airport, only industrial development would be appropriate for Tex Consolver. However, hundreds of acres of additional industrial zoning has been approved in the area over the past 10 or 15 years. Since very little of the industrial land has developed, the market for industrial development on the golf course property may be limited.

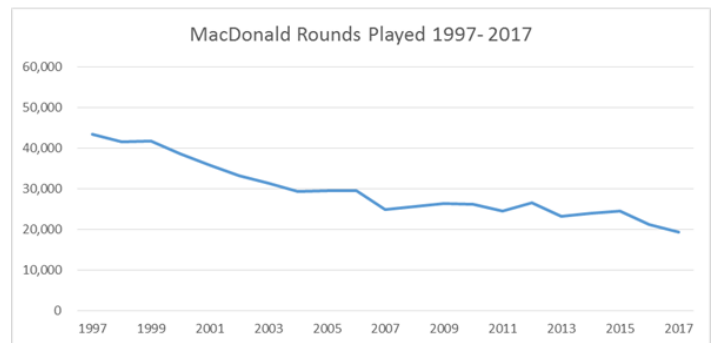
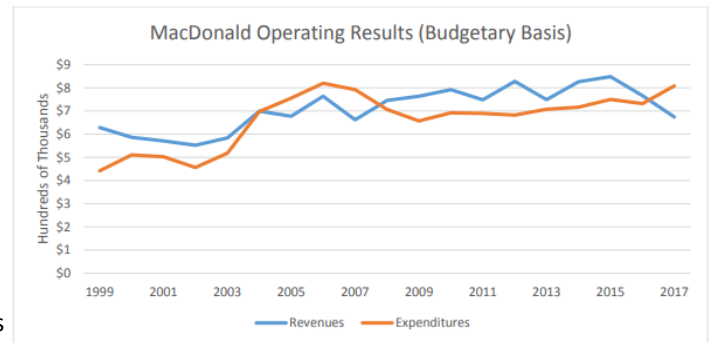
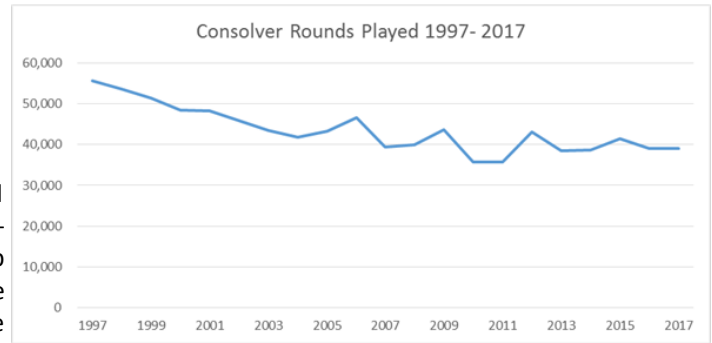
MacDonald

Opened for public play in 1951, the 18-hole, par-72 MacDonald Golf Course is the oldest in the system. It was once the original Wichita Country Club, and is now generally considered to be the best all-around municipal course. It measures 6,387 yards and features fairways lined with mature cottonwood trees. Featuring beautiful, natural topography and historic character, MacDonald is always a favorite among golf purists. It is frequently voted as one of the best public courses in the area. It features a fast-playing, park-style course.

The facility includes a short-game practice area with a green, two practice putting greens, a snack bar with a limited menu, and a continuous cart path system. Future plans for this course include a new driving range and short game practice area. It will also be home to First Tee of Greater Wichita, which is part of a national organization with a mission of providing youth with educational programs through the sport of golf. The organization is building its facilities on the grounds of MacDonald Golf Course, and is expected to open sometime in 2019.

The course does have a drainage creek and numerous ponds, which can interfere with play. The clubhouse, which was built in 1954, needs to be replaced. From 2005 to 2017, the course operated at 56 percent capacity. While producing a positive net margin from 1999 to 2004, MacDonald Golf Course has since experienced rising expenditures, with revenue struggling to keep up. As of 2017, MacDonald was operating at a deficit of approximately of \$134,418. The course's capital investment and equipment requirements total \$8,084,503.

The course has experienced a downward trend in total rounds of play per year since 2005. It's most popular year was 2006, when 36,263 rounds were played. It's least popular year was in 2017, when 25,459 were played. The average number of rounds per year from 2005 to 2017 was 30,736. The course hosts twelve tournaments, nine leagues, and two high schools, which altogether generate approximately 6,100 rounds of golf per year.



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Land Restrictions - The September 1949 acquisition of the property known as MacDonald Golf Course was deeded to the Board of the Park Commission from the Wichita Country Club. That deed references a written agreement between the two parties that's dated September 27, 1948. It's presumed that there's a holding period for the Wichita Country Club to continue to maintain possession through a certain date, but this information needs to be confirmed. There are no other land restrictions of record.

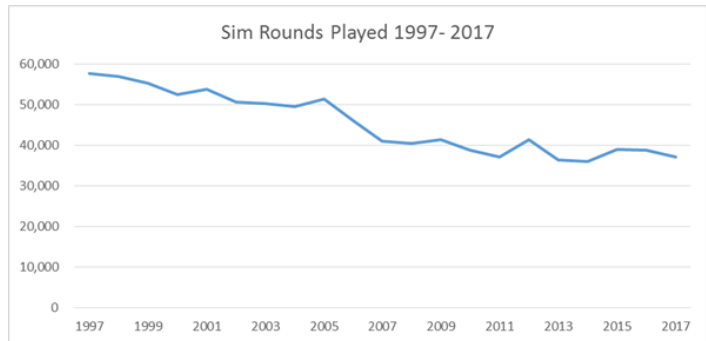
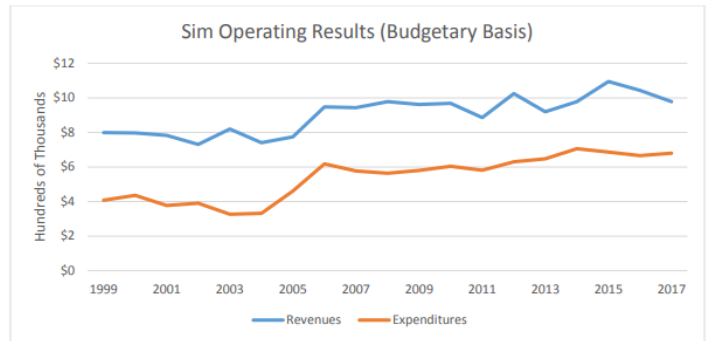
Redevelopment Opportunities - MacDonald is located in the middle of a low-density residential neighborhood. The golf course property has significant potential for low-density residential development featuring the floodplain as an open space amenity like the Sleepy Hollow neighborhood that adjoins the golf course to the southwest. Additionally, the golf course has frontage along 13th Street North, where there is the potential for commercial and/or higher-density residential development.

Arthur B. Sim

Established in 1919, the scenic Arthur B. Sim Golf Course is located in the center of Wichita, in the heart of the Museum District. At 6,330 yards, the par-71 course offers a fun layout through tree-lined fairways, leading to well-bunkered greens. Sim, the City of Wichita's original golf course, is still one of the most popular in the area. This winding course is nestled in the bend of the Arkansas River and offers natural beauty in the backdrop of downtown. Sim is one of the top rounds-producing courses in the system, and is also the second best in terms of revenue.

The facilities include one practice putting green, a snack bar with limited menu options, and a continuous cart path system. The course gets 100 percent of its water from wells.

The clubhouse is small and does not accommodate tournament functions well. The parking lot is undersized on busy days, and lacks a driving range and an additional practice green. Sim's capital investment and equipment requirements total nearly \$3,278,896. Since 1999, Sim Golf Course has consistently been profitable. However, expenditures are beginning to catch up with revenue. While 2003 saw a profit of \$493,200, the course made only \$297,649 in 2017.



Sim has experienced a downward trend in total rounds of play per year since 2005. Its most popular year was 2005, when 51,358 rounds were played. In 2017, the course experienced one of its least popular years, with 37,080 rounds played. The average number of rounds per year from 2005 to 2017 was 40,382, which is the highest of the City's courses. The course hosts twenty-four tournaments, nine leagues, and two high schools, which altogether generate approximately 6,600 rounds of golf per year.

Land Restrictions - The 1918 deed from the Sim family to the City of Wichita is full of restrictions, with the most relevant one being restriction number six: that the site must be used for recreation and park purposes only. Should the City ever breach the restrictions of the deed, the land and improvements thereon shall revert to the Sim family, heirs and assigns. The Sims have five years to act on the taking back of the land from the date of the breach.

Redevelopment Opportunities - Deed restrictions permit the property to be used for recreation and park purposes only.

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System Evaluation and Results

Staff have developed a model to forecast the financial impact to the Golf Fund of closing courses. The model is built on several key assumptions. One assumption is the number of rounds that could be absorbed within the system from a closed course. A second assumption is the system costs that are fixed and those that are variable. Overhead costs were allocated to courses based on a straight-line assumption. Finally, no assumptions were made regarding changes in the current course cost structure.

Estimating Rounds Retained - Three different scenarios were created: the best case, a probable case, and a worst case. Generally, the best case assumed retention of around 80% of the rounds at a closed course, while the probable case assumed retention of approximately 60%. The worst case assume no rounds would be retained. In addition, the allocation of any retained rounds is important, since each course generates revenue differently per round. So, assumptions were made regarding where rounds from a closed course would be recovered.

Generally, it was assumed that Consolver and Auburn Hills would retain significant portions of each other's rounds if one were closed, due to close proximity and the similar play conditions (challenging courses). It was also generally assumed that Sim, MacDonald and LW Clapp payers would tend to mostly stay on east-side courses if one of those three were closed. In addition, in general it was assumed rounds at the more challenging courses (Auburn Hills, Consolver and MacDonald) would be less likely to be retained at the less challenging courses (Sim and LW Clapp), and vice versa.

Another consideration in assuming retained rounds was the capacity of the other courses to absorb retained rounds and still remain under capacity. For example, Consolver and Sim are currently operating the closest to capacity (with an estimated 16,000 and 18,000 rounds of capacity remaining, respectively). When estimating how many rounds were retained and where, adjustments were made to ensure that no course would be over capacity.

Estimating System Costs - For a baseline, operating costs for each course were developed for 2019 based on a review of current staffing. System-wide variable costs were identified specifically as cost of goods sold (which varies based on course rounds) and several administrative costs (credit card fees, administrative fees, IT charges and office supplies).

Allocation of Overhead - The operating expenditures and revenues for each course were used to model the impact of closing a course. However, to show the complete impact on the golf system, it is necessary to allocate the administrative overhead costs to a course to show the true impact of a course closure. These overhead costs were allocated proportionately based on the percentage of revenue generated by a course.

Results - Based on the assumptions noted above, the closure of each course was modeled with three scenarios (possible, probable and worst case). Under the best case scenarios, the system would retain between 145,600 and 149,000 rounds. Under the worst case, rounds would range from 114,000 to 133,000. Under the best case scenario, closing LW Clapp would provide

Total Projected System Rounds by Closing a Course		
Sim	Best	145,600
	Probable	138,200
	Worst	116,000
L.W. Clapp	Best	149,000
	Probable	145,000
	Worst	133,000
MacDonald	Best	147,800
	Probable	143,900
	Worst	127,000
Consolver	Best	147,800
	Probable	143,900
	Worst	114,000
Auburn Hills	Best	145,600
	Probable	140,600
	Worst	122,000

Total Projected Savings By Closing a Course		
Sim	Best	\$457,714
	Probable	\$264,782
	Worst	(\$199,068)
L.W. Clapp	Best	\$671,037
	Probable	\$564,038
	Worst	\$301,576
MacDonald	Best	\$686,607
	Probable	\$598,219
	Worst	\$218,157
Consolver	Best	\$595,466
	Probable	\$371,396
	Worst	(\$129,836)
Auburn Hills	Best	\$590,296
	Probable	\$467,812
	Worst	\$52,591

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the most benefit to the system, creating a net benefit of \$671,037 annually. The range of savings by closing one course under the best scenario is \$457,714 to \$671,037. Under the probable scenario, the range of net benefit is less, from \$264,782 to \$598,219. MacDonald would be the optimal course to close under this scenario, with LW Clapp a close second. Finally, in the worst case scenario, the range of net benefit to the system is from \$301,576 to negative \$199,068. LW Clapp also stands out as the most beneficial course to close under this scenario.

Course Summary

Based on the evaluation of each course, the committee compiled a summary of reasons why each course should be retained, or re-purposed. Those conclusion are outlined below.

Sim

Closing Sim - If this course were closed, there is a higher likelihood that rounds could be absorbed at the other City courses, particularly the under-utilized MacDonald and LW Clapp courses. If additional recreational space along the river were desired, or if room for Botanica expansion were needed, then closing this course should be considered.

Keeping Sim - This course produces consistent and attractive operating margins. It has a relatively low operating cost profile. It also has a loyal core user group in a consistent demographic band. Deed restrictions would prevent the course from being sold and also restrict the land use to only recreational purposes.

Consolver

Closing Consolver - There are two courses in west Wichita. If Consolver were closed, presumably a large number of rounds could be absorbed by Auburn Hills. The course does have fairly significant capital investment needs. Redevelopment options would be limited, but there might be opportunities for limited industrial use.

Keeping Consolver - This course is the system's second most consistent with attractive operating margins. Rounds at this course have declined the least of any course in the past 20 years. A portion of the course is owned by the Wichita Airport Authority, so redevelopment opportunities could be limited. The financial benefit of closing this course would be relatively minimal, based on the DST analysis.

Auburn Hills

Closing Auburn Hills - If Auburn Hills were closed, presumably a large number of rounds could be absorbed by Consolver. The course does produce a net margin in most years; however, that margin is relatively small and the course has had a negative net margin some years. The corridor design makes is relatively expensive to maintain. The financial benefit of closing this course, under some scenarios and assumptions, could be significant, based on the DST analysis.

Keeping Auburn Hills - This course is the system's crown jewel. It is one of the finest public courses in Kansas. It has fairly consistent operating costs with a positive net margin. Rounds at Auburn Hills are lower than other courses, but have been relatively consistent. The course is used for tournaments, and probably has the most visitor play of any system course. The capital investment needs are the lowest of any course (mainly because it is the newest of any course). Redevelopment of this course would be challenging, if not impossible. Selling the course to a private golf operator might be an option, but this would only create a competitor to the Wichita Golf Division and would not reduce area capacity.

MacDonald

Closing MacDonald - This course has a relatively low number of annual rounds, and play has been declining significantly. The course has very high capital investment needs, in part because the clubhouse is functionally obsolete. The financial benefit of closing this course would be significant, based on the DST analysis. With a significant amount of frontage on a major arterial street, there could be attractive redevelopment options. Presumably, a large number or rounds could be absorbed at two other nearby City courses (Sim and LW Clapp).



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Keeping MacDonald - This is one of the most historic courses in Wichita and is well over 100 years old. It has a great deal of natural beauty with rolling topography and mature trees. This is also the future site for First Tee of Greater Wichita, a youth golf and education program. This represents a large private investment. Closing the course in the midst of this partnership and private investment may not be appropriate.

LW Clapp

Closing LW Clapp - By virtually every measure, this is the worst performer of the system. It has the lowest number of rounds, the greatest decrease in number of rounds since 1997, and it produces the least revenue per round. It has very high capital investment needs, primarily due to a dysfunctional clubhouse, and also the need to replace many of the bridges and abutments along Gypsum Creek. There could potentially be many redevelopment opportunities, since it has frontage on three arterial streets. The financial benefit of closing this course would be significant, based on the DST analysis. Presumably, a large number of rounds could be absorbed at two other near-by City courses (Sim and MacDonald).

Keeping LW Clapp - This course provides diversity in the offering of the Golf Division (a short, compact course with multiple water hazards).

Scoring Matrix

To create a more empirical model for course recommendations, a matrix was developed with five criteria. Each course was rated from 1 (the best) to 5 (the worst) on the criteria. The exercise provided an empirical score for each course. The criteria included:

Financial Performance - This criteria reviewed the courses' ability to produce a positive operating margin. The consistency of operations was also considered, as was the recent trend in operating margins.

Operating Financial Impact of Closure - The financial impact of closing each course (and combinations of courses) was reviewed. This was done using a Decision Support Tool that modeled the system based on demand assumptions. Courses were rated based on the financial impact a closure of that course would have on the Golf Fund.

Demand - The demand characteristics of each course were reviewed. This included consideration of the level of tournament play, the degree to which the course served community visitors, and the relevance of the course to the golfing community.

Required Capital Investment - Golf staff provided estimates of the 10-year level of capital investment needed for each course. This included a review of clubhouses, irrigation systems, paths, bridges and equipment.

Inability to Redevelop Land - The committee reviewed any deed restrictions on courses to determine potential redevelopment opportunities. In addition, the characteristics and location of each course, and the potential market conditions near the course, were considered.

Based on these criteria, the courses were rated. Those rating are shown in the table below. LW Clapp golf course clearly scored the lowest, with MacDonald close behind. Sim, Consolver and Auburn Hills all scored on the higher end.

	Sim	L.W. Clapp	MacDonald	Consolver	Auburn Hills
<u>Criteria</u>					
Financial Performance	2	5	4	2	3
Operating Financial Impact of Closure	1	5	4	1	3
Demand	3	5	4	3	2
Required Capital Investment	3	5	4	3	2
Inability to Redevelop Land	1	5	3	3	1
Total:	10	25	19	12	11

Overview of the Golf Enterprise Fund, and course performance

Conclusion

A committee of City staff members from numerous different departments was formed in order to conduct a comprehensive review of Wichita's golf system, and develop future service delivery options. These efforts included an in-depth review of each course using an empirical scoring model, and recommendations on course restructuring. This data-driven analysis and subsequent scoring indicates that L.W. Clapp is not sustainable. The course has lost (on a budgetary operating results basis) \$608,624 since 2013. In 2017, this decline was even more evident, with the course operating at a deficit of \$235,714. Further complicating the course's financial health is the large amount of capital investment that is required over the next 10 years. For these reasons, the committee recommends closing LW Clapp Golf Course as soon as possible and considering possible re-uses of this property.

If LW Clapp is closed, the golf system, rather than having a projected operating deficit of \$597,072 in 2019, would instead be expected to have an operating deficit of only \$33,282. This is based on the probable scenario of 145,000 rounds producing revenue of \$4,036,448, with expenditures totaling \$4,069,730. While this would put the golf system in a much better position, it is important to recognize that closing one course will not end all of the financial issues of the golf system. The Fund would still not have funding for debt repayment or capital investment needs. For this reason, it is very important that the strategic recommendations included in this report be coupled with a review of operating expenditures and tactics. It is likely that additional operating costs reductions at the remaining four courses will be necessary. In fact, this should be pursued as soon as possible. Recommendations in that regard were beyond the scope of this report, however.

In terms of redevelopment of the site, there are no current land restrictions of record for LW Clapp. The course has significant potential for mixed-use development, no land restrictions of record (unlike the other courses) and features an existing floodplain that could be used as a community open space amenity. The immediate recommendation is to close the course and pursue reuse of the property (for a purpose other than a golf course). Public outreach and community engagement will be an essential part of this process. If a golf course is closed and redevelopment occurs, there should be significant input from various stakeholders when deciding how the land is eventually used. This should include outreach efforts that involve the neighborhoods surrounding the course, the Golf Advisory Committee, the Park Board, and golf system users.



Appendix



Exhibit A—Public Golf Courses in the Wichita Area

GOLF COURSE	OWNERSHIP	MANAGEMENT
Cherry Oaks GC	City of Cheney	City of Cheney
Hesston Golf Park	City of Hesston	Blue Tee Management
Hidden Lakes GC	Private	Owner
Prairie Trails GC	City of El Dorado	City of El Dorado
Quail Ridge GC	City of Winfield	City of Winfield
Sand Creek Station GC	City of Newton	Kemper Sports
Clearwater Golf Course	Private	Owner
Pine Bay GC	Private	Owner
Sierra Hills GC	Private	Owner
Wellington GC	City of Wellington	City of Wellington
Fox Ridge Golf Course	Private	Owner
Cedar Pines of Andover	City of Andover	Lease to Individual
5 City Golf Courses	City of Wichita	City of Wichita
Wedgewood GC	City of Halstead	City of Halstead
Carey Park	City of Hutchinson	City of Hutchinson
Suppesville GC	Private	Owner
Brown's Greens	Private	Owner

Exhibit B—Rounds Played, Expenditures Per Round (2001-2017)

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Rounds Played	201,396	192,187	183,417	180,214	181,934	188,882	164,013	164,140	172,096
Exp. Per Round	\$13.11	\$13.57	\$14.77	\$17.13	\$18.97	\$20.83	\$23.39	\$23.86	\$22.26

	2010	2011	2012	2013	2014	2015	2016	2017
Total Rounds Played	161,179	158,124	178,886	155,460	158,346	166,536	157,400	151,716
Exp. Per Round	\$23.24	\$24.26	\$21.73	\$26.94	\$26.69	\$25.78	\$28.63	\$31.49



GOLF SUSTAINABILITY RECOMMENDATIONS

Overview of the Golf Enterprise Fund, and course performance

Exhibit C—Weekday and Weekend Green Fees (1974-2018)

	Sim		LW Clapp		MacDonald		Consolver		Auburn Hills	
	Weekday	Weekend	Weekday	Weekend	Weekday	Weekend	Weekday	Weekend	Weekday	Weekend
2018	25	27	25	27	25	27	25	27	27	32
2017	24	26	22	24	24	26	24	26	27	32
2016	23	25	22	24	23	25	23	25	25	30
2015	23	25	22	24	23	25	23	25	25	30
2014	23	25	22	24	23	25	23	25	25	30
2013	22	24	22	24	22	24	22	24	25	30
2012	22	24	22	24	22	24	22	24	25	30
2011	21	23	21	23	21	23	21	23	24	29
2010	21	23	21	23	21	23	21	23	24	29
2009	21	23	21	23	21	23	21	23	24	28
2008	20	22	20	22	20	22	20	22	23	28
2007	17	18	17	18	17	18	17	18	21	26
2006	17	18	17	18	17	18	17	18	21	26
2005	17	18	17	18	17	18	17	18	21	26
2004	17	18	17	18	17	18	17	18	21	26
2003	16	17	16	17	16	17	16	17	20	25
2002	15	16	15	16	15	16	15	16	20	25
2001	15	16	15	16	15	16	15	16	17	20
2000	15	16	15	16	15	16	15	16		
1999	15	16	15	16	15	16	15	16		
1998	15	16	15	16	15	16	15	16		
1997	14	14	14	14	14	14	14	14		
1996	13	13	13	13	13	13	13	13		
1995	12	12	12	12	12	12	12	12		
1994	12	12	12	12	12	12	12	12		
1993	12	12	12	12	12	12	12	12		
1992	11	11	11	11	11	11	11	11		
1991	11	11	11	11	11	11	11	11		
1990	10	10	10	10	10	10	10	10		
1989	10	10	10	10	10	10	10	10		
1988	10	10	10	10	10	10	10	10		
1987	7	8	7	8	7	8	7	8		
1986	6.25	7.25	5.75	6.25	6.25	7.25	7.25	7.25		
1985	6	6.5	5.75	6.25	6.25	7.25	6.25	7.25		
1984	5.75	6.25	5.5	6	6	7	6	7		
1983	5	5.5	4.75	5.25	5.25	6.25	5.25	6.25		
1982	5	5.5	4.75	5.25	5.25	6.25	5.25	6.25		
1981	5	5.5	4.75	5.25	5.25	6.25	5.25	6.25		
1980	4	4.5	3.75	4.25	4.25	5.25	4.25	5.25		
1979	4	4.5	3.75	4.25	4.25	5.25	4.25	5.25		
1978	3	3.5	2.75	3.25	3.25	4.25	3.25	4.25		
1977	3	3.5	2.75	3.25	3.25	4.25	3.25	4.25		
1976	3	3.5	2.75	3.25	3.25	4.25	3.25	4.25		
1975	3	3.5	2.75	3.25	3.25	4.25	3.25	4.25		
1974	3	3.5	2.75	3.25	3.25	4.25	3.25	4.25		



GOLF SUSTAINABILITY RECOMMENDATIONS

Overview of the Golf Enterprise Fund, and course performance

Exhibit D—Ten-Year Investment Detail

Auburn Hills		
	Maintenance Equipment	Est. Cost
2019	Toro Groundsmaster 4000-D Rough Mower	65,771
2020	2 - Toro Greensmaster 3150-Q	65,496
2021	Toro Multi Pro WM - Toro Workman HDX with Spray System Spray Rig	50,443
2022	Toro Reel Master 7000 (Fairway)	95,521
2023	Toro Groundsmaster 4000-D Rough Mower Toro Workman MDX Series	79,764 12,541
2024	4 -Toro Workman MDX Series	52,672
2025	2 - Toro Greensmaster 3150-Q	67,347
2026	Toro Sand Pro 5040 Trap Rake	28,807
2027	Toro Groundsmaster 3280 Trim Mower	35,194
2028	Toro Reel Master 7000 (Fairway)	121,359
	Total Equipment	674,914
	Cart Replacement	Est. Cost
2021	9 - Yamaha EFI Carts	37,800
2023	2 - Yamaha EFI Carts	8,400
2025	8 - Yamaha EFI Carts	33,600
2027	14 - Yamaha EFI Carts	61,600
2028	14 - Yamaha EFI Carts	61,600
	TotalCarts	203,000
	Infrastructure Improvements	Est. Cost
2027	Irrigation System Upgrade	2,929,100
2027	Pump Station	120,000
2019	Bridge Repair	100,000
	Cart Path Repairs and Replacement	30,792
	Total Infrastructure	3,179,892
	Grand Total	4,057,806

Tex Consolver		
	Maintenance Equipment	Est. Cost
2019	Toro Reel Master 7000 (Fairway)	82,514
2020	Toro Sand Pro 5040 Trap Rake Verticutters GR3150-Q	22,674 7,728
2021	Toro Groundsmaster 4000-D Rough Mower	72,348
2022	Toro Workman MDX Series	11,375
	Toro Greensmaster 3150-Q	36,024
2023	Toro Workman MDX Series	11,943
	Toro Greensmaster 3150-Q	37,826
	Toro ProCore SR Series -73" Verti Drain	33,262
2024	Toro Groundsmaster 3280 Trim Mower Toro Greensmaster 3150-Q	30,604 32,134
2025	Toro Multi Pro WM - Toro Workman HDX with Spray System Spray Rig	61,036
2026	Toro Greensmaster 3150-Q	35,357
2027	Toro Reel Master 7000 (Fairway)	115,580
2028	Toro Sand Pro 5040 Trap Rake	31,688
	Total Equipment	622,091
	Cart Replacement	Est. Cost
2021	9 - Yamaha EFI Carts	37,800
2023	2 - Yamaha EFI Carts	8,400
2025	8 - Yamaha EFI Carts	33,600
2027	14 - Yamaha EFI Carts	61,600
2028	14 - Yamaha EFI Carts	61,600
	TotalCarts	203,000
	Infrastructure Improvements	Est. Cost
2022	Irrigation System Upgrade	1,951,600
2022	Pump Station	120,000
	Cart Path Repairs and Replacement	164,220
	Total Infrastructure	2,235,820
	Grand Total	3,060,911



GOLF SUSTAINABILITY RECOMMENDATIONS

Overview of the Golf Enterprise Fund, and course performance

Exhibit D— Cont'd

L.W. Clapp		
	Maintenance Equipment	Est. Cost
2019	Toro Groundsmaster 4000-D Rough Mower	65,771
2020	Toro Workman MDX Series	10,386
	Verticutters GR3150-Q	7,728
	Toro Propass 200 Wireless Top Dresser	15,678
2021	Toro Reel Master 7000 (Fairway)	90,972
2022	Toro Workman MDX Series	11,375
2023	Toro Multi Pro WM - Toro Workman HDX with Spray System Spray Rig	55,487
	Toro Procore 648	27382.8
2024	Toro Reel Master 7000 (Fairway)	100,069
	Toro Sand Pro 5040 Trap Rake	26,188
2025	Toro Workman MDX Series	13,826
2026	Toro Groundsmaster 4000-D Rough Mower	87,740
2027	Toro Greensmaster 3150-Q	37,125
2028	Toro Reel Master 7000 (Fairway)	121,359
	Total Equipment	671,086
	Cart Replacement	Est. Cost
2021	9 - Yamaha EFI Carts	37,800
2023	2 - Yamaha EFI Carts	8,400
2025	8 - Yamaha EFI Carts	33,600
2027	14 - Yamaha EFI Carts	61,600
2028	14 - Yamaha EFI Carts	61,600
	TotalCarts	203,000
	Infrastructure Improvements	Est. Cost
2024	Irrigation System Upgrade	1,164,500
2024	Pump Station	120,000
2028	New Maintenance Building	800,000
2028	Clubhouse Replacement	4,000,000
	Cart Path Repairs and Replacement	7,200
	Bridge Repair	1,000,000
	Total Infrastructure	7,091,700
	Grand Total	7,965,786

MacDonald		
	Maintenance Equipment	Est. Cost
2019	Toro Groundsmaster 4000-D Rough Mower	65,771
2020	Toro Reel Master 7000 (Fairway)	86,640
	Toro ProCore SR 72	26,585
2021	Toro Greensmaster 3150-Q	34,309
2022	Toro Groundsmaster 4000-D Rough Mower	75,966
2023	Toro Workman MDX Series	11,943
	Toro Sand Pro 5040 Trap Rake	24,941
	Toro Groundsmaster 3280 Trim Mower	29,146
2024	Toro Greensmaster 3150-Q	30,604
2025	Toro Multi Pro WM - Toro Workman HDX with Spray System Spray Rig	61,036
2026	Toro Reel Master 7000 (Fairway)	110,076
2027	Toro Greensmaster 3150-Q	37,125
2028	Toro Workman MDX Series	15,900
	Toro Groundsmaster 4000-D Rough Mower	96,734
	Total Equipment	706,775
	Cart Replacement	Est. Cost
2021	9 - Yamaha EFI Carts	37,800
2023	3 - Yamaha EFI Carts	12,600
2025	8 - Yamaha EFI Carts	33,600
2027	14 - Yamaha EFI Carts	61,600
2028	14 - Yamaha EFI Carts	61,600
	TotalCarts	207,200
	Infrastructure Improvements	Est. Cost
2023	Irrigation System Upgrade	1,885,300
2023	Pump Station	120,000
2027	Clubhouse Replacement	5,000,000
	Bridge Repair	60,000
	Cart Path Repairs and Replacement	105,228
	Total Infrastructure	7,170,528
	Grand Total	8,084,503



GOLF SUSTAINABILITY RECOMMENDATIONS

Overview of the Golf Enterprise Fund, and course performance

Exhibit D— Cont'd

Sim		
	Maintenance Equipment	Est. Cost
2019	Toro Groundsmaster 4000-D Rough Mower	65,771
	Toro Turf Aerator 686/687 - 78"	30,000
2020	2 - Toro Greensmaster 3150-Q	65,496
	Toro Workman MDX Series	10,386
	Verticutters GR3150-Q	7,728
2021	Toro Greensmaster 3150-Q	34,309
2022	Toro Reel Master 7000 (Fairway)	95,520
2023	Toro Groundsmaster 3280 Trim Mower	29,146
	Toro Aerator 686	9,535
2024	Toro Workman MDX Series	13,168
	Toro Sand Pro 5040 Trap Rake	26,188
	Toro Multi Pro WM - Toro Workman HDX with	
2025	Spray System Spray Rig	61,036
2026	2 - Toro Toro Greensmaster 3150-Q	70,714
2027	Toro Groundsmaster 4000-D Rough Mower	92,127
2028	2 - Toro Greensmaster 3150-Q	77,962
	Total Equipment	689,086
	Cart Replacement	Est. Cost
2021	9 - Yamaha EFI Carts	37,800
2023	3 - Yamaha EFI Carts	12,600
2025	8 - Yamaha EFI Carts	33,600
2027	14 - Yamaha EFI Carts	61,600
2028	14 - Yamaha EFI Carts	61,600
	TotalCarts	207,200
	Infrastructure Improvements	Est. Cost
2021	Irrigation System Upgrade	1,450,100
2021	Pump Station	120,000
2026	New Maintenance Building	800,000
	Cart Path Repairs and Replacement	12,510
	Total Infrastructure	2,382,610
	Grand Total	3,278,896



GOLF SUSTAINABILITY RECOMMENDATIONS

Overview of the Golf Enterprise Fund, and course performance

Exhibit E—Revenues and Expenditures by Course (1999-2017)

	Sim									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Revenue	\$798,974	\$796,359	\$782,817	\$730,458	\$819,728	\$740,428	\$774,581	\$947,418	\$942,778	
Expenditures	<u>\$407,468</u>	<u>\$435,454</u>	<u>\$377,769</u>	<u>\$389,815</u>	<u>\$326,528</u>	<u>\$331,272</u>	<u>\$460,608</u>	<u>\$617,812</u>	<u>\$576,878</u>	
Net	\$391,506	\$360,906	\$405,048	\$340,643	\$493,200	\$409,156	\$313,973	\$329,606	\$365,901	
	MacDonald									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Revenue	\$628,153	\$585,925	\$571,144	\$552,170	\$583,625	\$698,956	\$676,937	\$763,210	\$661,545	
Expenditures	<u>\$441,778</u>	<u>\$510,550</u>	<u>\$502,852</u>	<u>\$455,881</u>	<u>\$517,921</u>	<u>\$697,979</u>	<u>\$755,335</u>	<u>\$819,521</u>	<u>\$792,181</u>	
Net	\$186,375	\$75,375	\$68,292	\$96,289	\$65,703	\$977	\$-78,398	\$-56,312	\$-130,636	
	LW Clapp									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Revenue	\$566,958	\$507,907	\$498,604	\$472,211	\$524,688	\$607,671	\$613,524	\$613,144	\$540,624	
Expenditures	<u>\$371,416</u>	<u>\$457,734</u>	<u>\$384,484</u>	<u>\$397,085</u>	<u>\$404,771</u>	<u>\$473,752</u>	<u>\$509,319</u>	<u>\$497,825</u>	<u>\$485,569</u>	
Net	\$95,542	\$50,173	\$114,120	\$75,126	\$119,916	\$133,919	\$104,204	\$115,320	\$55,055	
	Tex Consolver									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Revenue	\$741,289	\$696,510	\$687,958	\$686,380	\$703,859	\$660,462	\$686,868	\$1,108,073	\$991,209	
Expenditures	<u>\$406,018</u>	<u>\$487,218</u>	<u>\$432,987</u>	<u>\$418,266</u>	<u>\$384,544</u>	<u>\$411,347</u>	<u>4502,772</u>	<u>\$663,068</u>	<u>\$644,590</u>	
Net	\$335,271	\$209,292	\$254,971	\$268,114	\$319,314	\$249,115	\$184,097	\$445,006	\$346,619	
	Auburn Hills									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Revenue			\$853,861	\$941,475	\$881,391	\$869,116	\$845,760	\$935,976	\$894,357	
Expenditures		<u>\$454,961</u>	<u>\$941,664</u>	<u>\$946,436</u>	<u>\$859,081</u>	<u>\$861,054</u>	<u>\$913,857</u>	<u>\$959,144</u>	<u>\$933,966</u>	
Net		\$-454,961	\$-87,803	\$-4,961	\$22,310	\$8,062	\$-68,098	\$-23,168	\$-39,609	



GOLF SUSTAINABILITY RECOMMENDATIONS

Overview of the Golf Enterprise Fund, and course performance

Exhibit E—Cont'd

	Sim									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue	\$978,042	\$961,545	\$968,180	\$885,828	\$1,024,635	\$919,415	\$977,667	\$1,094,304	\$1,042,714	\$977,734
Expenditures	<u>\$563,536</u>	<u>\$580,404</u>	<u>\$603,761</u>	<u>\$580,707</u>	<u>\$630,378</u>	<u>\$646,821</u>	<u>\$705,694</u>	<u>\$686,645</u>	<u>\$665,390</u>	<u>\$680,085</u>
Net	\$414,506	\$381,141	\$364,419	\$305,121	\$394,257	\$272,594	\$271,973	\$407,659	\$377,324	\$297,649
	MacDonald									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue	\$745,636	\$763,815	\$791,664	\$748,130	\$827,327	\$748,985	\$826,150	\$848,008	\$766,148	\$673,897
Expenditures	<u>\$706,560</u>	<u>\$656,938</u>	<u>\$691,628</u>	<u>\$689,552</u>	<u>\$682,096</u>	<u>\$707,109</u>	<u>\$716,003</u>	<u>\$749,334</u>	<u>\$731,877</u>	<u>\$808,315</u>
Net	\$39,076	\$106,877	\$100,036	\$58,578	\$145,231	\$41,876	\$110,147	\$98,674	\$34,271	\$-134,418
	LW Clapp									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue	\$606,702	\$604,322	\$590,637	\$548,993	\$623,808	\$524,718	\$525,621	\$566,369	\$495,652	\$457,924
Expenditures	<u>\$481,148</u>	<u>\$522,794</u>	<u>\$509,727</u>	<u>\$514,679</u>	<u>\$585,836</u>	<u>\$575,444</u>	<u>\$612,629</u>	<u>\$625,578</u>	<u>\$671,619</u>	<u>\$693,638</u>
Net	\$125,554	\$81,528	\$80,910	\$34,314	\$37,972	\$-50,726	\$-87,008	\$-59,209	\$-175,967	\$-235,714
	Tex Consolver									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue	\$1,087,491	\$1,146,323	\$934,037	\$945,689	\$1,117,885	\$1,003,919	\$1,088,252	\$1,162,678	\$1,084,326	\$1,075,971
Expenditures	<u>\$700,545</u>	<u>\$744,608</u>	<u>\$720,425</u>	<u>\$705,849</u>	<u>\$643,749</u>	<u>\$686,475</u>	<u>\$679,314</u>	<u>\$696,867</u>	<u>\$728,798</u>	<u>\$773,561</u>
Net	\$386,946	\$401,715	\$213,612	\$239,840	\$474,136	\$317,444	\$408,938	\$465,811	\$355,528	\$302,410
	Auburn Hills									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue	\$924,649	\$885,297	\$846,156	\$897,154	\$1,116,073	\$976,034	\$987,470	\$1,003,126	\$1,016,828	\$1,014,231
Expenditures	<u>\$933,357</u>	<u>\$826,793</u>	<u>\$787,500</u>	<u>\$883,239</u>	<u>\$886,669</u>	<u>\$899,253</u>	<u>\$867,418</u>	<u>\$851,378</u>	<u>\$903,341</u>	<u>\$884,952</u>
Net	\$-8,708	\$58,504	\$58,655	\$13,915	\$229,404	\$76,781	\$120,052	\$151,748	\$113,487	\$129,279



GOLF SUSTAINABILITY RECOMMENDATIONS

Overview of the Golf Enterprise Fund, and course performance

Exhibit F— Ending Cash, System Debt (1999-2017)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Operating Margin (Budgetary Basis)	\$1,108,694	\$240,785	\$754,627	\$775,211	\$804,714	\$488,593	\$154,032	\$455,060	\$221,303	\$434,566
Debt Service	-\$407,763	-\$408,545	-\$1,232,459	-\$1,082,212	-\$1,065,804	-\$465,253		-\$295,293	-\$286,551	-\$286,552
Capital Outlay	-\$7,690,213	-\$1,641,429	-\$565,891	-\$116,410	-\$114,185	-\$279,961			-\$141,184	
Financing Adjustments (Course construction)	\$6,732,361	\$2,757,439		\$1,260,652						
Accrual Adjustments	-\$94,224	\$157,050	\$58,984	-\$79,475	-\$9,602	-\$5,406	\$100,692	\$31,205	-\$72,663	-\$192,911
Net Margin (Cash Basis)	-\$351,145	\$1,105,300	-\$984,739	\$757,766	-\$384,877	-\$262,027	\$254,724	\$190,972	-\$279,095	-\$44,897
Beginning Cash	\$338,023	\$0	\$1,105,300	\$120,561	\$878,327	\$493,450	\$231,423	\$486,147	\$677,119	\$398,024
Change in Cash Balance Adjustment	-\$351,145 \$13,122	\$1,105,300	-\$984,739	\$757,766	-\$384,877	-\$262,027	\$254,724	\$190,972	-\$279,095	-\$44,897
Ending Cash	\$0	\$1,105,300	\$120,561	\$878,327	\$493,450	\$231,423	\$486,147	\$677,119	\$398,024	\$353,127
System Debt	\$2,021,416	\$8,963,432	\$8,330,450	\$7,682,468	\$7,014,486	\$6,910,448	\$7,234,935	\$7,225,898	\$7,193,600	\$7,139,261



GOLF SUSTAINABILITY RECOMMENDATIONS

Overview of the Golf Enterprise Fund, and course performance

Exhibit F— Cont'd

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating Margin (Budgetary Basis)	\$509,441	\$408,707	\$216,047	\$841,399	\$35,278	\$222,528	\$419,277	-\$6,640	-\$254,860
Debt Service	-\$286,552	-\$286,552	-\$158,255	-\$372,052	-\$410,051	-\$286,551	-\$382,253	-\$44,458	
Capital Outlay		-\$117,362	-\$128,296		-\$70,852		-\$20,755		-\$9,987
Financing Adjustments (Course construction)									
Accrual Adjustments	\$191,460	-\$162,704	\$34,942	\$1,164	-\$2,096	-\$90,899	-\$32,348	\$20,836	\$147,853
Net Margin (Cash Basis)	\$414,349	-\$157,911	-\$35,562	\$470,511	-\$447,721	-\$154,922	-\$16,079	-\$30,262	-\$116,994
Beginning Cash	\$353,127	\$767,476	\$609,565	\$574,003	\$1,044,514	\$596,793	\$441,871	\$425,792	\$395,530
Change in Cash Balance Adjustment	\$414,349	-\$157,911	-\$35,562	\$470,511	-\$447,721	-\$154,922	-\$16,079	-\$30,262	-\$116,994
Ending Cash	\$767,476	\$609,565	\$574,003	\$1,044,514	\$596,793	\$441,871	\$425,792	\$395,530	\$278,536

System Debt	\$7,061,669	\$6,959,360	\$6,831,064	\$6,589,240	\$6,279,179	\$6,060,378	\$5,712,878	\$5,668,420	\$5,668,420
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Exhibit G—Rounds by Course (1976-2017)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Sim	25,407	29,863	35,756	34,626	37,318	40,257	43,350	39,256	45,657	44,478	51,149
MacDonald	30,067	34,037	42,732	38,708	40,047	45,415	46,000	42,455	49,618	47,849	53,231
LW Clapp	16,707	19,769	26,885	23,995	26,419	26,829	30,296	29,339	31,667	34,026	38,339
Pawnee Prairie	26,975	26,411	34,291	31,346	33,867	38,308	41,669	38,863	44,083	45,753	49,809
Auburn Hills											
Total rounds played	99,155	110,080	139,664	128,675	137,651	150,809	161,315	149,913	171,025	172,106	192,528

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Sim	43,605	-	31,564	30,732	50,469	55,658	49,586	57,757	59,855	55,911	57,675
MacDonald	47,900	48,444	46,466	40,525	49,393	51,260	43,181	47,384	1,184	16,403	46,327
LW Clapp	36,104	22,542	38,505	50,356	45,169	42,261	38,609	44,045	44,973	45,405	43,349
Pawnee Prairie	50,354	48,329	48,577	51,607	52,497	53,421	44,726	53,797	54,007	55,098	55,723
Auburn Hills											
Total rounds played	177,963	119,315	165,112	173,220	197,528	202,600	176,102	202,983	160,019	172,817	203,074

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sim	56,975	55,273	52,456	53,861	50,675	50,254	49,508	51,358	46,071	41,072	40,446
MacDonald	43,956	44,115	40,225	39,636	36,953	34,299	33,734	31,420	36,263	29,753	30,203
LW Clapp	41,599	41,713	38,567	35,765	33,109	31,387	29,353	29,571	29,409	24,846	25,654
Pawnee Prairie	53,670	51,535	48,571	48,292	45,948	43,481	41,908	43,348	46,608	39,409	40,070
Auburn Hills											
Total rounds played	196,200	192,636	179,819	201,396	192,187	183,417	180,214	181,934	188,882	164,013	164,140

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Sim	41,421	38,878	37,141	41,493	36,478	36,072	38,945	38,817	37,080
MacDonald	31,576	31,837	30,683	33,244	29,626	29,622	31,358	28,522	25,459
LW Clapp	26,299	26,176	24,508	26,452	23,150	23,915	24,542	21,181	19,399
Pawnee Prairie	43,770	35,796	35,699	43,209	38,418	38,715	41,451	39,089	39,063
Auburn Hills	29,030	28,492	30,093	34,488	27,788	30,022	30,240	29,791	30,715
Total rounds played	172,096	161,179	158,124	178,886	155,460	158,346	166,536	157,400	151,716