



Lincoln City Golf Strategic Plan for Sustainability

Discussion Draft: January 6, 2014

Executive Summary

The Challenge

The Lincoln City Golf program has experienced a decline in play over the past decade consistent with national trends. Reduced play and revenue has placed a financial strain on the program resulting in accumulation of debt to the General Fund and deferred repair and replacement of infrastructure.

The four challenges intended to be addressed through this strategic planning effort are:

- 1) Seeking operating efficiencies to reduce operating expenses, where possible.
- 2) Encouraging increased golf play thereby increasing revenue.
- 3) Establishing an ongoing strategy for funding needed capital repair and repair projects.
- 4) Increasing revenue per round to address increasing operating costs due to inflation.

Annual Plan

The Annual Plan is a new tool that will be used to strategically guide operation and administration of the Lincoln City Golf program. It is envisioned that the annual plan will:

- 1) Establish benchmarks and performance indicators for course playing conditions and customer satisfaction with services and facilities;
- 2) Establish the marketing and promotions plan for the program;
- 3) Determine the seasonal pricing approach; and
- 4) Identify repair and replacement projects for the upcoming year.

Paying Back the General Fund

The debt of the Golf Fund to the General Fund accrued during the mid-2000's will be retired through sale of land owned by the Golf Fund, and revenue from cell tower leases.

Business Operations

Professional services contracts will be used to accomplish most of the business operations activities of the Lincoln City Golf program. The current Golf Manager position will be eliminated from the next budget cycle.

Player Development Program

Expanding the number of golfers will become one of the primary focuses of the Lincoln City Golf program. The Ager Golf Course will be rebranded as the Ager Golf Learning Center. A PGA golf professional will be contracted to develop and implement player development programming using the PGA "Get Golf Ready" model.

Golf Course Maintenance

A new position, Golf Maintenance Coordinator, will oversee consistent standards for playing conditions and general maintenance practices at the of the City golf courses. Oversight and administration of golf course maintenance will be transferred to the Parks Operations division

under supervision of the Assistant Director of Parks Operations. With the exception of the Holmes Golf Course / Ager Golf Course maintenance team, Assistant Golf Course Superintendent positions will be eliminated and replaced with Laborers during upcoming budget cycles as a cost savings measure.

Capital Improvement Funding – Repair and Replacement of Facility Infrastructure

A recent study indicates that about \$600,000 is need annually for repair and replacement of existing facilities and improvements to keep them in good working condition and accessible to golf patrons. Funding for repair and replacement will be generated from staffing restructuring in golf course maintenance, phased fee increases, and growth in play from player development programs.

Fees

Differential Fee Structure

A recent study of the Lincoln City Golf Program by the National Golf program recommended a differential fee structure for the four 18-hole golf courses offering additional price point options for golfers. A three-tiered structure is proposed. A reduced fee schedule at Mahoney Golf Course would offer a “value” option for golfers, and an increased fee schedule at Highlands Golf Course would recognize the added cost of maintenance of this large and premier facility.

Keeping Pace with Inflation

Projected expenses and revenues should be evaluated for each fiscal year, and fees should be adjusted annually to maintain the financial viability of the Lincoln City Golf program.

Operating Reserve Fund

An operating reserve fund should be established to address unforeseen expenses including added costs for water and electricity in during drought weather conditions.

Implementation

This strategic plan for sustainability of the Lincoln City Golf program is anticipated in be implemented primarily during the current fiscal year and following biennial budget period, FY 2014-16. Progress made toward achieving the goals of the sustainability plan should be evaluated in 2016 to determine where strategic adjustments need to be made.