



2020 Operating and Capital Budget Golf Services



November 18, 2019

Agenda

1. Strategic Objectives and Priorities
2. Performance Measurement
3. Operating Budget (including options to achieve target)
 - Operating Budget (Departmental or Service Based Basis)
 - Year over Year Variance Explanations
 - Implications of the Recommended Target to Balance the Operating Budget
 - Salaries and benefits, FTEs, and vacancy management and options to achieve target
4. Capital Budget (including options to achieve target)
 - Capital Budget
 - Implications of the Recommended Target for the Capital Budget
 - Capital Forecast to Submission Reconciliation
5. Operating and Capital Budget Referrals (not applicable)
6. Budget Summary
7. Questions

Strategic Objectives and Priorities

Strategic Objectives

- Make sound business decisions to achieve bottom-line accountability.
- Implement new golf course maintenance techniques with the expectation that the municipal golf courses be maintained to the standard of private and semi-private golf courses.
- Deliver exceptional customer service to through innovation and technology, staff training and industry best practices.
- Golf Services endeavors to be recognized as the leader in public golf while remaining affordable and accessible to the citizens of Winnipeg.

Key Priorities

- Ensure financial sustainability.
- Improve the on course playing conditions.
- Provide high quality customer service.
- Improve the overall image of the municipal golf courses.

Performance Measurement

Kildonan Park	2016	2017	2018	2019
Days Open	189	186	179	175
Total Rounds Played	26,184	24,034	24,887	27,312
Windsor Park	2016	2017	2018	2019
Days Open	181	166	171	168
Total Rounds Played	21,305	20,638	21,482	23,915
Crescent Drive	2016	2017	2018	2019
Days Open	174	158	159	162
Total Rounds Played	15,029	13,872	14,158	13,596
Harbour View	2016	2017	2018	2019
Days Open	189	187	174	175
Total Rounds Played	11,251	10,262	9,609	9,790

For the second consecutive year, overall golfer participation increased at the City operated golf courses. 74,613 total rounds were played during the 2019 season, which is an increase of 6% over the 2018 golf season.

Recommended Target to Balance the Budget

1. Departmental Operating Budget – 0 % annual budget growth rates based on 2019 expenditures

2. Cash to capital funding levels (\$ millions):

Department	2020	2021	2022	2023	2024	2025
Golf Services	1.000	-	-	-	-	-

3. Key assumptions for multi-year budget:

These proposed recommended targets present a balanced tax-supported operating budget from 2020 to 2023:

- a. Property Tax Increases: 2.33% annually (road renewal and southwest rapid transit (stage 2))
- b. Fees and Charges: Inflationary increases annually
- c. Natural Assessment Base Growth: 1.2% annually
- d. Efficiencies/Vacancy Management: \$17 Million annually
- e. Additional Transfers/Savings: \$32.5 million in 2020 growing to \$40 million by 2023
- f. Provincial Operating Grants: Flat at \$149.7 million annually (2016 level)
- g. Utility dividend rate: 11% of Water and Sewer Sales
- h. Remaining Tax Supported Debt Room: \$150 million in total

Operating Budget (Departmental or Service Based Basis)

2020 Draft Operating Budget and 2021 to 2023 Projections in millions of \$	2018 Actual	2019 Budget	2020 Draft Budget *	Year over Year Increase / (Decrease)	%	Exp. No.	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
GOVERNMENT GRANTS	0.023	0.025	0.024	(0.001)			0.024	0.024	0.024
SERVICE AND OTHER	3.004	2.988	4.160	1.172			3.261	3.349	3.438
TOTAL REVENUE	3.027	3.013	4.184	1.171	39%	1	3.285	3.373	3.462
SALARIES & BENEFITS	1.246	1.517	1.512	(0.005)			1.539	1.580	1.616
SERVICES	0.650	0.716	0.641	(0.075)			0.630	0.645	0.660
MATS PARTS & SUPPLIES	0.213	0.272	0.211	(0.061)			0.215	0.224	0.224
ASSETS & PURCHASES	-	-	-	-			-	-	-
GRANTS, TRANSFERS & OTHER	0.024	0.028	0.025	(0.003)			0.025	0.025	0.026
RECOVERIES	-	-	-	-			-	-	-
TOTAL OPERATIONAL EXPENDITURES	2.133	2.533	2.389	(0.144)	-6%		2.409	2.474	2.526
DEBT & FINANCE CHARGES	0.346	0.310	0.337	0.027			0.331	0.320	0.305
TRANSFER TO CAPITAL	-	-	1.000	1.000			-	-	-
TRANSFERS TO REGIONAL STREET RESERVE	-	-	-	-			-	-	-
TOTAL EXPENDITURES	2.479	2.843	3.726	0.883	31%	2	2.740	2.794	2.831
Surplus	0.548	0.170	0.458	0.288			0.545	0.579	0.631
Options to Achieve Operating Budget Target:									
a.									
b.									
c.									
d.									
Total Options to Achieve the Target			-	-	-	-	-	-	-
EPC Recommended Target to Balance			-	-	-	-	-	-	-
Variance (Shortfall from the Target)			-	-	-	-	-	-	-

* 2020 Draft Budget and 2021 to 2023 Draft Projections meet the operating target.

Year over Year Variance Explanations

(in millions)

Year over year (increase) / decrease	2020 Draft Budget	2021 Draft Projection	2022 Draft Projection	2023 Draft Projection
1) <i>Revenue change due to the following:</i>				
- Increase / (decrease) in tsf from General Revenue Fund	\$ 1.000	\$ (1.000)	\$ -	\$ -
- Increase in green fees	0.127	0.076	0.077	0.078
- Miscellaneous adjustments.	0.044	0.025	0.011	0.011
Net Revenue Change	\$ 1.171	\$ (0.899)	\$ 0.088	\$ 0.089
2) <i>Expenditure change due to the following:</i>				
- Increase / (decrease) in tsf to General Capital Fund	\$ 1.000	\$ (1.000)	\$ -	\$ -
- (Decrease) / increase in services	(0.075)	(0.010)	0.014	0.015
- Miscellaneous adjustments.	(0.042)	0.024	0.040	0.022
Net Expenditure Change	\$ 0.883	\$ (0.986)	\$ 0.054	\$ 0.037

Implications of the Recommended Target to Balance Operating Budget

None

Salary Budget and Full Time Equivalents (FTEs) / Vacancy Management / Options to Achieve the Target

2020 Draft Operating Budget

	2019 Adopted Budget	2020 Draft Budget*	Increase / (Decrease)	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
Full Time Equivalents <i>(number of FTEs)</i>	23.65	23.68	0.03	23.68	23.69	23.70
Salaries & Benefits <i>(in millions of \$)</i>	\$ 1.517	\$ 1.512	\$ (0.005)	\$ 1.539	\$ 1.580	\$ 1.616
Vacancy Management included in Salaries & Benefits <i>(in millions of \$)</i>	\$ (0.020)	\$ (0.020)	\$ -	\$ (0.020)	\$ (0.020)	\$ (0.020)

* 2020 Draft Budget and 2021 to 2023 Draft Projections meet the operating budget target.

Capital Budget

Golf Services - GENERAL CAPITAL FUND

Capital Investment Plan - Authorization

(\$000's)

List of Capital Projects:	2019 Adopted	2020 Draft Budget*	Authorization					6-Year Total	
			Draft Forecast*						
			2021	2022	2023	2024	2025		
1 Golf Course Amenities	-	1,000	-	-	-	-	-	1,000	
2								-	
3								-	
4								-	
5								-	
TOTAL CAPITAL PROJECTS	-	1,000	-	-	-	-	-	1,000	
Options to Achieve the Target			2020	2021	2022	2023	2024	2025	6-Yr Total
a.									-
b.									-
c.									-
d.									-
Total Options to Achieve the Target *			-	-	-	-	-	-	-
EPC Recommended Target to Balance									-
Variance (Shortfall from Target)			-	-	-	-	-	-	-

* 2020 Draft Budget and Five Year Draft Forecast meet the capital target.

Implications of the Recommended Target for the Capital Budget

None

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	ADOPTED BUDGET	ADOPTED IN PRINCIPLE FORECAST	CHANGES	DRAFT BUDGET
	2019	2020	2020	2020
<u>Golf Services</u>				
Golf Course Amenities		1,000		1,000
TOTAL Golf Services		1,000		1,000

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	ADOPTED IN PRINCIPLE		DRAFT FORECAST	ADOPTED IN PRINCIPLE		DRAFT FORECAST
	FORECAST	CHANGES	FORECAST	FORECAST	CHANGES	FORECAST
	2021	2021	2021	2022	2022	2022
Golf Services						
TOTAL Golf Services						

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY <i>(in Thousands of \$)</i>	FORECAST	DEPT. CHANGES	DRAFT BUDGET	FORECAST	DEPT. CHANGES	DRAFT BUDGET	DRAFT BUDGET	6 YEAR TOTAL
	2023	2023	2023	2024	2024	2024	2025	2020-2025
Golf Services								
Golf Course Amenities								1,000
TOTAL Golf Services								1,000

Operating Budget Summary

Recommended target – 4 year budget – **0% annual budget growth rate**

(in millions of \$)

	2019 Approved Budget	2020 Projection (from 2019)	2020 Draft Budget	2021 Draft Projection	2022 Draft Projection	2023 Draft Projection
Expenditure Budget*	2.84	3.93	3.73	2.74	2.79	2.83
EPC Recommended Expenditure Target			3.84	2.84	2.84	2.84
Variance (Excess over Target)			(0.11)	(0.10)	(0.05)	(0.01)

* Note: Draft budget and projections meet the EPC recommended targets to balance.

Capital Budget Summary

Recommended target for capital – specify cash to capital funding levels

(in millions of \$)

	2019 Approved Capital Budget	2020 Draft Budget	Draft Forecast				
			2021	2022	2023	2024	2025
Cash to Capital Budget*	-	1.00	-	-	-	-	-
EPC Recommended Capital Target		1.00	-	-	-	-	-
Variance (Shortfall from Target)		-	-	-	-	-	-

* Note: Draft budget and forecast meet the EPC recommended targets to balance.

Questions?