Minutes – Executive Policy Committee – February 16, 2022

Report – Standing Policy Committee on Innovation and Economic Development – January 24, 2022

Item No. 3 The City of Winnipeg – Golf Services – Special Operating Agency – 2022 Business Plan

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Innovation and Economic Development and submitted the following to Council:

1. That the 2022 Business Plan for The City of Winnipeg – Golf Services – Special Operating Agency, including the 2022-2025 budget, included as Appendix A and A-1 respectively, be approved.

2. That the 2020 audited financial statements, included as Appendix A-5, be received as information.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Innovation and Economic Development – January 24, 2022

DECISION MAKING HISTORY:

Moved by Councillor Browaty,

That the recommendation of the Standing Policy Committee on Innovation and Economic Development be concurred in and forwarded to Council.

Yea:	Bowman, Allard, Browaty, Gillingham, Gilroy, Mayes, Rollins	7
Nay:		0

Carried

STANDING COMMITTEE RECOMMENDATION:

On January 24, 2022, the Standing Policy Committee on Innovation and Economic Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

STANDING COMMITTEE RECOMMENDATION:

On November 29, 2021, the Standing Policy Committee on Innovation and Economic Development laid the matter over to its meeting on January 24, 2022.

ADMINISTRATIVE REPORT

Title: The City of Winnipeg – Golf Services – Special Operating Agency – 2022 Business Plan

Critical Path: Standing Policy Committee on Innovation and Economic Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Fey	J. Kiernan	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

A business plan for the City of Winnipeg Golf Services (Special Operating Agency) is submitted to Council each year. Highlights of the 2022 Business Plan, attached as Appendix A, are provided below:

The 2022 season will be the twenty-first year of operation for the SOA, which includes the operation and contract management of 12 golf course properties in Winnipeg. The SOA is also responsible for managing contracts and leases for City lands used by the Thermea Spa and the Cross-Country Ski Association of Manitoba.

Following provincial public health orders, golf courses in Manitoba were allowed to open on April 1, 2021. Limits on clubhouse capacity, the removal of touchpoint items on the golf course, closure of outdoor patios and the cancellation of league and tournament play were some of the more notable restrictions put in place to begin the season. In May, the province restricted golf groups to those only from the same household. This restriction was in place for almost a month and reduced golfer attendance by roughly 50% during this period.

For the fourth consecutive year, golfer participation increased at the City-operated golf courses (Kildonan, Windsor, Crescent Drive and Harbour View). In total, 114,823 rounds were played during the 2021 season, which is an increase of 10% over the 2020 season.

On July 28, 2021, Kildonan Park Golf Course celebrated its 100-year anniversary. A commemorative boulder and plaque were unveiled at the first tee and special rates were offered to the public from July 28 to August 6, 2021.

RECOMMENDATIONS

1. That the 2022 Business Plan for The City of Winnipeg – Golf Services – Special Operating Agency, including the 2022-2025 budget, included as Appendix A and A-1 respectively, be approved.

2. That the 2020 audited financial statements, included as Appendix A-5, be received as information.

3. That the Proper Officers of The City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

A Business Plan is presented to Council, annually, in accordance with The City of Winnipeg – Golf Services – Special Operating Agency's Operating Charter.

IMPLICATIONS OF THE RECOMMENDATIONS

In 2022, all green fees excluding the Junior category will increase by $1.00 per round.

The department's line of credit, due to The City of Winnipeg – General Revenue Fund balance, is projected to decrease from $3.343 million in 2020 to $1.499 million in 2021. A two-year holiday on the tax-supported transfer to the Agency is projected for 2022 and 2023, due to an increase in green fees by $1, above inflation. It is anticipated that the line of credit, due to The City of Winnipeg - General Revenue Fund, will be paid in full by 2023, one year earlier than scheduled.

HISTORY/DISCUSSION

The City of Winnipeg has operated municipal golf courses since 1921. The City of Winnipeg – Golf Services – Special Operating Agency was established in 2002 to administer the City's golf course assets. The Special Operating Agency concept permits the Golf Services to operate in a business-like and transparent manner through managerial flexibilities including special delegations, exemptions and authorities.

The 2022 season will be the twenty-first year of operation for the Agency, which includes the operation and contract management of 12 golf course properties in Winnipeg.

Golf Services SOA was established to operate in a businesslike manner; that is, it was to generate sufficient revenue to offset its expenses and provide a return to the City.

There are four different types of arrangements under which the golf courses are managed by the SOA:

1. City-operated and maintained: Kildonan Park, Windsor Park and Crescent Drive
2. Leased properties: Rossmere, St. Boniface, Transcona, Wildewood, Assiniboine, Canoe Club and Tuxedo
3. Managed Contract: John Blumberg
4. City maintained / Contractor operated: Harbour View Golf Course and Recreation Complex

The Agency is also responsible for managing contracts and leases for City lands used by Thermea Spa and the Cross Country Ski Association of Manitoba.

On May 29, 2013, the future of the City's role in delivering Golf Services was debated and voted on at Council. Council directed Golf Services to continue with operations and management of the four City-owned and operated Kildonan Park, Windsor Park, Crescent Drive and Harbour View Golf Courses.

Further, on December 11, 2013, Council approved that, effective January 1, 2014, the following cost items identified as “Allocated to the City” be discontinued:

- Property tax equivalents
- Departmental support costs
- Office accommodation costs
- Provision for business taxes
- Transfer to General Revenue Fund for 311
- Transfer to Business Technology Services (BTS) internal service provider

The allocated costs noted above combined with the state of the local golf market at the time led to the SOA borrowing funds from the City to meet its annual cash flow requirements. It was planned that the Agency would repay this line of credit balance with cash flow generated from its operations. However, the state of the local golf market and the continued charge of allocated costs did not enable Golf Services to generate the required cash flow.

To address the line of credit balance, beginning in 2015, the Golf Services budget included $750,000 in annual mill rate support from the City of Winnipeg – General Revenue Fund. This annual mill rate support was intended to enable the SOA’s line of credit, due to The City of Winnipeg – General Revenue Fund, balance to be repaid by the end of 2024. Golf Services’ line of credit is projected to decrease from $1.499 million in 2021 to $0.470 million in 2022 (originally $7.5 million at the start of 2014).

Unionized City employees continue to operate both the pro shop and maintenance operations at Kildonan Park, Windsor Park, and Crescent Drive Golf Courses.

At Harbour View, the pro shop and related amenities (mini-putt, driving range, etc.) continue to be operated through a management contract, with golf course maintenance being performed by unionized City employees.

The following recommendations were passed by Council in the 2020 Operating Budget:

F. That Council direct the Public Service to report in 180 days to the Standing Policy Committee on Property and Development, Heritage and Downtown Development with recommendations to sell or enter into a joint venture in respect of John Blumberg Golf Course or the land on which the John Blumberg Golf Course is situated and that a portion of the sale/development proceeds be deposited into the Transformative Fund. A report with recommendations will be brought forward to SPC-PD for consideration in December, 2021.

G. That Council direct the Public Service to report back in 2020 with a plan to re-purpose up to 30% of all City-owned golf lands. The repurposing options of these golf lands may include, but are not limited to, public green space, active transportation, reforestation, community gardens, residential development (with affordable housing) and recreational opportunities. A consultant has been hired and has conducted site reviews as of October, 2021.

FINANCIAL IMPACT

Financial Impact Statement **Date:** November 12, 2021

Project Name:

The City of Winnipeg - Golf Services - Special Operating Agency - 2022 Business Plan

COMMENTS:

2022 to 2025 projected financial statements and notes are presented in Appendix A-1.

Mike McGinn Nov. 12, 2021

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Planning, Property and Development Department

OURWINNIPEG POLICY ALIGNMENT

Section 01 – A City That Works
Section 01 – 5 Recreation – Direction 6 – Plan for Sustainable and Connected Recreation and Leisure Infrastructure

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report is in alignment with the Strategic Opportunity #1, Corporate Leadership of the Winnipeg Climate Action Plan. It specifically addresses the following actions and directions:

> **Direction 1.1 Cultivate a Corporate Culture that Values Climate Action** [page 28]
> *Action* – Integrate sustainability and climate action into procurement standards which demonstrate increasing impact from year to year.
> Primary Responsibility – Office of Sustainability
>
> **Direction 1.3 Implement Low Carbon and Energy Efficient City Facilities and Buildings** [page 29]
> *Action* - Evaluate opportunities to invest in renewable energy technologies at City buildings.
> Primary Responsibility – Planning, Property and Development Department

SUBMITTED BY

Department: Planning, Property and Development
Division: Golf Services, SOA
Prepared by: B. Fey
Date: November 15, 2021

Attachments:

Appendix A – Golf Services Special Operating Agency Business Plan 2022
Appendix A-1 – 2022 to 2025 Projected Financial Statements and Notes
Appendix A-2 – Green Fees and Other Services
Appendix A-3 – Golf Course Properties
Appendix A-4 – Property Taxes for Leased Golf Courses
Appendix A-5 – 2020 Auditors' Report & Financial Statements

APPENDIX A

THE CITY OF WINNIPEG

GOLF SERVICES

SPECIAL OPERATING AGENCY

BUSINESS PLAN

2022

Overview

The City of Winnipeg has operated municipal golf courses since 1921. The City of Winnipeg – Golf Services – Special Operating Agency was established in 2002 to administer the City's golf course assets. The Special Operating Agency concept permits Golf Services to operate in a business-like and transparent manner, through managerial flexibilities including special delegations, exemptions and authorities.

The 2022 season will be the twenty first year of operation for the Agency, which includes the operation and contract management of 12 golf course properties in Winnipeg. There are four different types of arrangements under which the golf courses are managed by the SOA:

1. City operated and maintained: Kildonan Park, Windsor Park and Crescent Drive
2. Leased properties: Rossmere, St. Boniface, Transcona, Wildewood, Assiniboine, Canoe Club and Tuxedo.
3. Managed Contract: John Blumberg
4. City maintained / Contractor operated: Harbour View Golf Course and Recreation Complex.

The Agency is also responsible for managing contracts and leases for City lands used by Thermea Spa and the Cross-Country Ski Association of Manitoba.

Strategic Direction

The SOA's strategic direction is set out by its Operating Charter and Business Plan and places emphasis on managing for results, bottom-line accountability, customer satisfaction and full disclosure.

Golf Services participates in the competitive Winnipeg golf market. The market is served with golf courses ranging from private and semi-private championship courses to shorter practice courses that are oriented to beginners, seniors and families.

Key Priorities

- Ensure financial sustainability.
- Improve the on-course playing conditions.
- Enhancing the golf experience.
- Improve the overall image of the municipal golf courses.

Strategic Objectives

- 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 golfers and the citizens of Winnipeg by enhancing staff training, innovation and technology and implementing industry best practices.
- Golf Services endeavors to be recognized as the leader in public golf while remaining affordable and accessible.

The overall golf experience at the municipal golf courses continues to trend in a positive direction. Recent capital upgrades include newly constructed tee boxes, turf drainage improvements, clubhouse renovations and the acquisition of specialized golf maintenance equipment. These upgrades combined with new maintenance practices have resulted in the golf courses being in superb condition over the last four years. Customer service enhancements have allowed the Agency to offer the latest in modern technology. A new web-based tee time reservation system, an interactive mobile app, the PAR loyalty program and the addition of electric golf carts have all been well received by customers.

Key Goals and Strategies

Goal: Improve Golf Course Condition

Strategies:

Golf Services developed a master plan to improve the overall image of the Municipal golf courses. These strategic improvement projects have not only improved the appearance of the facilities but have also improved playing conditions and have extended the life expectancy of the assets. In order to complete the work but not disrupt daily golfers, plans were made to complete a few key areas each season starting with the most crucial.

- Implementation of new golf course cutting and maintenance techniques. The expectation from Golf Services' management team is that the municipal golf courses be cut and maintained to the standard of private and semi-private golf courses. Speed of greens, length of fairways and tees and the condition of bunkers are now all measured and monitored on a daily basis.

- Renovate and construct new tee boxes. Several older tee boxes have been renovated, new forward and back tees have been and will continue to be constructed.

- Renovate and construct new bunkers. In order to improve the strategic playing interest and layout of the holes, new bunkers have been constructed. Some existing bunkers have been restored to original design.

- Improve golf course drainage. Significant work has been completed to improve the turf drainage at the municipal golf courses. The improved conditions have provided for an increase in revenue as now in periods of rain and wet conditions, the Agency is still able to rent golf carts to customers. Prior to the drainage work, golf carts could not be rented during these periods for fear of damaging the turf.

Goal: Enhancing the Golf Experience

Strategies:

- Point of Sale Systems have been upgraded. The new POS systems have improved the Agency's ability to collect and store data, review detailed financial reports, track golf attendance trends and has also improved the point of sale experience for the customer.

- The SOA has introduced gift cards which customers can purchase in person or online directly from our website. The online service is available year-round and an advertising push during the holiday season has proven to be a successful venture.

- The new POS systems have allowed for the creation of the PAR Loyalty Program (Points and Rewards), which encourages golfers to patronize our courses by awarding points for every green fee purchased. To date, the PAR Loyalty Program has approximately 10,000 members. The POS system has also allowed Golf Services to accumulate an email database that is used to communicate with golfers advising them of green fee specials, merchandise sales and general information on programs.

- Develop and launch an interactive mobile golf app. The Golf Services app is free to download for golfers with an iPhone or Android device. Some of the benefits of using the app include:

    - GPS yardages
    - Tracking personal scoring statistics
    - Live leaderboard top scores for the day/week/month
    - Book your tee-time right from the app
    - Social media sharing
    - In 2022, players using the app will receive "push notifications" advising them of specials or discounted unused tee times.

- In 2021, the women's washroom at Kildonan Park Golf Course received a full renovation in order to modernize the layout and conform to present day accessibility requirements. The men's washroom was renovated in 2020. During this process, the clubhouse building also received much needed structural support upgrades. In the spring of 2021, the roof on the clubhouse received new shingles. Additionally, new furniture was purchased to enhance the customer experience on the outdoor patio.

- At Windsor Park, new clubhouse windows have been installed which has provided for enhanced views of the golf course and improved the heating and cooling efficiency of the facility.

- New hole signs were installed at each tee box at Kildonan, Windsor and Crescent Drive.

- As part of Kildonan Park Golf Course's 100-year anniversary, a program called "Leave a Legacy" was created. Members of the public and local businesses now have the opportunity to donate towards a tree planting or a new bench installation on the course. The program was well received in 2021 and will continue in 2022 and beyond at all municipal golf courses.

- In 2021, Golf Services launched a revamped website. The new site allows for ease of access to all the key information citizens need about municipal golf courses.

Goal: Environmental Sustainability

Strategies:

- The Agency has acquired a new turf sprayer. This unit has allowed Golf Services to react to the onset of turf diseases and to be better able to control noxious weeds and clover, which has improved playing conditions. The new sprayer has also allowed the Agency to be more environmentally responsible by properly regulating and reducing the amount of chemicals being applied.

- In 2022, maintenance staff will continue to be trained in the proper application of fungicides and herbicides.

- Annual inspection of trees on golf course properties by City Forestry Department. Trees infected with DED are identified and removed from the course. Golf courses attempt to plant replacement trees if/when possible.

- Recycling Bins are now situated on every tee box throughout the municipal golf courses. This has been expanded from originally having bins on just a few holes and around the clubhouses.

- Electric golf carts currently make up 40% of the total golf cart fleet at Kildonan Park Golf Course. The SOA has issued an RFP for a new lease of 120 electric powered golf carts which would move the municipal golf courses to 100% electric beginning in 2022.

- During the 2020 golf season, the Agency acquired an electric powered greens mower which was used exclusively at Kildonan Park Golf Course. The maintenance team is exploring the potential of transitioning to hybrid/electric cutting equipment. This is a relatively new concept in the golf industry so further research is required.

Goal: Increase winter activity at the Municipal Golf Courses

Strategies:

- In recent years, the clubhouse at Kildonan Park Golf Course was renovated for the purpose of staying open into the winter season so it could function as a cross country ski chalet. Kildonan now has a partnership with the Seven Oaks School Division, who uses the facility as part of its Cross Country Learn to Ski program. This program will continue in 2022.

- The Cross Country Ski Association of Manitoba continues to operate the Windsor Park Nordic Centre out of the Windsor Park Golf Course. This location is the premier destination in the City for cross country ski. Ski trails are also groomed at Kildonan Park, Crescent Drive and Harbour View golf courses during the winter season and are available for public use.

- Golf Services is exploring the practicality of purchasing and installing virtual golf simulators into the clubhouses. This concept would increase winter revenues and provide a setting for golfers to remain active and engaged with the SOA during the winter months. Capital investment would be required to upgrade the clubhouses for this purpose.

Performance Measurement and Statistics

Golf Services Operating Cost

Kildonan Golf Course	2017	2018	2019	2020
Total Cost (Operations)	$ 941,862.00	$ 780,641.00	$ 839,176.00	$ 847,302.00
Total Revenue (Operations)	$ 947,487.00	$ 994,485.00	$ 1,064,110.00	$ 1,429,738.00
Net Revenue (Operations)	$ 5,625.00	$ 213,844.00	$ 224,934.00	$ 582,435.00
Operating Cost per Round	$ 35.97	$ 31.37	$ 30.73	$ 25.03
Windsor Golf Course	**2017**	**2018**	**2019**	**2020**
Total Cost (Operations)	$ 802,284.00	$ 703,944.00	$ 701,902.00	$ 707,736.00
Total Revenue (Operations)	$ 723,005.00	$ 754,331.00	$ 844,411.00	$ 1,206,536.00
Net Revenue (Operations)	$ (79,279.00)	$ 50,387.00	$ 142,509.00	$ 498,799.00
Operating Cost per Round	$ 38.87	$ 32.77	$ 29.35	$ 29.35
Crescent Drive	**2017**	**2018**	**2019**	**2020**
Total Cost (Operations)	$ 302,752.00	$ 327,524.00	$ 302,874.00	$ 319,767.00
Total Revenue (Operations)	$ 235,939.00	$ 253,952.00	$ 254,407.00	$ 486,320.00
Net Revenue (Operations)	$ (66,813.00)	$ (73,572.00)	$ (48,467.00)	$ 166,553.00
Operating Cost per Round	$ 21.82	$ 23.13	$ 22.28	$ 12.98
Harbour View	**2017**	**2018**	**2019**	**2020**
Total Cost (Operations)	$ 190,813.00	$ 204,567.00	$ 175,664.00	$ 226,092.00
Total Revenue (Operations)	$ 68,135.00	$ 69,961.00	$ 71,308.00	$ 106,044.00
Net Revenue (Operations)	$ (122,678.00)	$ (134,606.00)	$ (104,356.00)	$ (120,048.00)
Operating Cost per Round	$ 16.96	$ 21.29	$ 17.94	$ 16.37

Service Level Statistics

Rounds Played

Kildonan Park	2018	2019	2020	2021
Days Open (Golf Season)	179	175	162	207
Total Rounds Played	24,887	27,312	33,856	38,888
Windsor Park	**2018**	**2019**	**2020**	**2021**
Days Open (Golf Season)	171	168	162	207
Total Rounds Played	21,482	23,915	31,946	35,216
Crescent Drive	**2018**	**2019**	**2020**	**2021**
Days Open (Golf Season)	159	162	158	200
Total Rounds Played	14,158	13,596	24,626	26,115
Harbour View	**2018**	**2019**	**2020**	**2021**
Days Open (Golf Season)	174	174	158	207
Total Rounds Played	9,609	9,790	13,815	14,604

For the fourth consecutive year, golfer participation increased at the City-operated golf courses (Kildonan, Windsor, Crescent Drive and Harbour View). In total, 114,823 rounds were played during the 2021 season, which is an increase of 10% over the 2020 season.

Winnipeg Area Golf Courses
Green Fee Comparison

Golf Course	Prime Time Fee (18)	With Golf Cart (18)
Rossmere	$68.00	$93.00
Bridges	$60.00	$82.00
St. Boniface	$58.00	$79.00
Larters	$52.50	$71.50
Kingswood	$44.00	$65.00
Transcona	$45.00	$65.00
Tuxedo	$41.00	$61.00
Kildonan/Windsor	**$41.00**	**$60.00**
John Blumberg	$40.00	$58.00
Shooters Golf Course	$29.00	$44.00

*Rates as of October, 2021

The Agency periodically surveys the fee structure of other public and semi-private courses within the Winnipeg market to view current trends. In order to remain affordable and accessible, the municipal courses offer very competitive green fee rates in the Winnipeg market.

In 2018, Golf Services introduced Golf Leagues as a new option for golfers in an effort to maximize rounds played on weekday evenings. To date, nearly 200 golfers have joined a new league. In 2019, a new women's league was created at Kildonan Park, and in 2020, similar leagues were introduced at Windsor Park and Crescent Drive.

Assumptions to the Projected Financial Statements

The financial projections are estimates of the financial position, operations and accumulated surplus, cash flows and change in net financial liabilities for the four years ending December 31, 2025. The 2021 forecast is based on management estimates, and 2022 to 2025 projections are based on 2021 adopted budget along with the budget changes identified below.

The 2022 to 2025 Projected Financial Statements and Notes are presented in Appendix A-1.

The 2020 Auditors' Report and Financial Statements are presented in Appendix A-5.

Revenues

Green Fees

All Green fees excluding Junior category (golfers age 17 and under) are projected to increase annually by $1.00, above inflation. Projected rounds in 2022 are based on 2020 actual rounds, decreasing by 3% in 2023, estimating $1 million annual increase in golf revenue.

Effective July 20, 2013, green fees include a $2.00 per round golf course improvement levy charge, intended to provide funds to the Agency for capital acquisitions.

Net Revenue from Leasing Operations

Net revenue from leased properties and managed contracts are based on current arrangements and are estimated for periods beyond contract expiry dates. Net leasing revenue is estimated to increase by $81,000 in 2022 which is offset by an increase in Municipal tax expense.

Transfer from the City of Winnipeg – General Revenue Fund

As outlined in The City of Winnipeg – Golf Services – Special Operating Agency 2015 Business Plan, adopted by Council on January 28, 2015, the due to The City of Winnipeg – General Revenue Fund balance is to be reduced to $nil, by way of an annual $750,000 transfer to Golf Services from the General Revenue Fund, over the ten-year period from 2015 to 2024.

Transfer from the City of Winnipeg – General Revenue Fund is estimated at $730,000, based on the $750,000 transfer, net of $20,000 vacancy management as determined by the Corporate Finance Department. A two-year holiday on the tax supported transfer to the Agency is projected for 2022 and 2023 due to the increase in green fees by $1, above inflation. It is anticipated that the line of credit, due to The City of Winnipeg General - Revenue Fund, will be paid in full in 2023, one year earlier than scheduled by 2024.

Equipment Rentals

Fees for cart rentals are projected to increase by $2, above inflation.

Other Revenue

Other revenue includes Provincial support grant, sports sales at Harbour View, and miscellaneous revenue.

Expenses

Salaries and Employee Benefits

Consistent with 2021, salaries and employee benefits expenses are based on collective agreements, providing for 23.69 net full-time equivalent (FTE) positions in 2022, including 1 FTE WAPSO exempt position, 1 FTE WAPSO position, 1 FTE CUPE position, and 20.69 FTE CUPE seasonal positions.

The Agency reduces its workforce in periods of inclement weather and also in the shoulder seasons (Spring/Fall) when golf rounds may decrease.

Services and Supplies

Services and supplies are based on estimates for operational requirements.

Amortization

Tangible capital assets are amortized on the basis of cost less residual value on a straight-line basis over their estimated useful lives as follows:

- Buildings; 25 years
- Equipment; 5 to 10 years
- Golf course improvements; 20 years

Interest

Interest expense is based on the due to The City of Winnipeg – General Revenue Fund balance, which operates as the SOA's line of credit.

Other Expenses

Other expenses include miscellaneous costs, provincial payroll tax, municipal tax and credit card commission. Municipal tax is estimated to increase by $81,000 in 2022 which is offset by an increase in net leasing revenue.

Liabilities

Due to The City of Winnipeg – General Revenue Fund

Due to The City of Winnipeg – General Revenue Fund, represents the Agency's operating line of credit. As outlined in Golf Services' 2015 Business Plan, adopted by Council on January 28, 2015, the due to The City of Winnipeg – General Revenue Fund balance is to be reduced to $nil over a ten-year period from 2015 to 2024, by way of a $750,000 annual transfer to the SOA from the General Revenue Fund.

Debt

Due to The City of Winnipeg – General Revenue Fund debt represents a non-interest bearing start-up loan.

Accrued Employee Benefits

Accrued employee benefits are estimated for retirement allowance, vacation, and compensated absences.

Non-Financial Assets

Tangible Capital Assets

Tangible capital assets include land, buildings, golf course improvements and equipment. Annual asset acquisitions are contained in the Projected Statement of Cash Flows in Appendix A-1, and are estimated based on operational requirements.

Accumulated Surplus

The Agency's accumulated surplus consists of the following:

- Invested in tangible capital assets
- Allocated equity
- Contributed surplus
- Operating

As outlined in the SOA's 2017 Business Plan, adopted by Council on July 19, 2017, the Golf Course Reserve Fund was closed on January 1, 2017, and the accumulated surplus of the Reserve was transferred to Golf Services. Allocated equity includes the Golf Course Reserve Fund's accumulated surplus balance as at January 1, 2017, representing cumulative $2.00 per

round golf course improvement levy from July 20, 2013 onward, net of the Agency's cumulative capital acquisitions from January 1, 2014 onward.

The $2.00 per round golf course improvement levy, included in the green fees rate, will continue to be charged by the SOA to fund capital acquisitions as intended, with the net cumulative balance reported as allocated equity.

Overview of City-Owned Golf Courses

Leased Golf Courses ($1.00 per year)

Assiniboine Golf Club (9 Holes)

Address: 2045 Ness Ave

Acres: 59.4 Hectares: 24

Property Taxes: $29,035

Rent to the City: $1.00

Lease Expiry Date: December 31, 2025 (requires five year notice for termination)

Rossmere Golf and Country Club (18 Holes)

Address: 925 Watt Street

Acres: 119.1 Hectares: 48.2

Property Taxes: $56,058

Rent to the City: $1.00

Lease Expiry Date: October 9, 2058

St. Boniface Golf Club (18 Holes)

Address: 100 Youville Street

Acres: 117.9 Hectares: 47.7

Property Taxes: $88,032

Rent to the City: $1.00

Lease Expiry Date: December 31, 2025

Transcona Golf Club (18 Holes)

Address: 2120 Dugald Road

Acres: 135 Hectares: 54.6

Property Taxes: $79,179

Annual Rent to the City: $1.00

Lease Expiry Date: December 31, 2023

Wildewood Club (9 Holes)

Address: 761 North Drive

Acres: 67.9 Hectares: 27.5

Property Taxes: $45,242

Annual Rent to the City: $1.00

Lease Expiry Date: December 31, 2023

Leased Courses (For-Profit)

Canoe Club (9 Holes)

Address: 56 Dunkirk Drive

Acres: 48.2 Hectares: 19.5

Property Taxes: $23,478

Annual Rent to the City: $31,500

Lease Expiry Date: November 30, 2022

Tuxedo Golf Course (18 Holes)

Address: 400 Shaftesbury Blvd

Acres: 118.4 Hectares: 47.9

Property Taxes: $74,837

Annual Rent to the City: $92,474

Lease Expiry Date: February 28, 2031

Management Agreements

Harbour View Golf Course & Recreation Complex (9 Holes)

Address: 1867 Springfield Road

Acres: 62.3 Hectares: 25.2

Municipal Tax Revenue and Frontage Levies: N/A

Annual Rent to the City: Commission of sales $106,044 in 2020

Agreement Expiry Date: March 31, 2022

John Blumberg Golf Course (18 Holes)

Address: 4540 Portage Ave Acres: 198.4 Hectares: 80.3

Municipal Tax Revenue and Frontage Levies: N/A

Annual Rent to the City: $1.50 per round: $30,000 in 2020 based on 20,000 rounds

Agreement Expiry Date: March 31, 2022

City Run Golf Courses

Crescent Drive Golf Course (9 Holes)

Address: 781 Crescent Drive

Acres: 29.3 Hectares: 11.8

Property Taxes: N/A

Financial Performance: Profit of $166,553 in 2020

Agreement Expiry Date: N/A (City Run)

Windsor Park Golf Course (18 Holes)

Address: 10 Des Meurons Rue

Acres: 129.6 Hectares: 52.4

Property Taxes: N/A

Financial Performance: Profit of $498,799 in 2020

Agreement Expiry Date: N/A (City Run)

Kildonan Park Golf Course (18 Holes)

Address: 2021 Main Street

Acres: 100.6 Hectares: 40.7

Property Taxes: N/A

Financial Performance: Profit of $582,435 in 2020

Agreement Expiry Date: N/A (City Run)

APPENDIX A-1

2022 TO 2025 PROJECTED FINANCIAL STATEMENTS AND NOTES

APPENDIX A-2

GREEN FEES AND OTHER SERVICES

Kildonan / Windsor	2018	2019	2020	2021	2022
Adult	$38.00	$39.00	$40.00	$41.00	$42.00
Senior	$29.00	$30.00	$31.00	$32.00	$33.00
Junior	$23.00	$23.00	$23.00	$23.00	$23.00
Twilight	$25.00	$26.00	$27.00	$28.00	$29.00
Crescent Drive / Harbour View	**2018**	**2019**	**2020**	**2021**	**2022**
Adult	$18.50	$19.00	$20.00	$21.00	$22.00
Senior	$15.50	$16.00	$17.00	$18.00	$19.00
Junior	$14.50	$15.00	$15.00	$15.00	$15.00
Sunrise	$15.50	$16.00	$17.00	$18.00	$19.00
Other Services	**2018**	**2019**	**2020**	**2021**	**2022**
Power Cart 18 hole	$34.00	$36.00	$38.00	$38.00	$42.00
Power Cart 9 hole	$17.00	$18.00	$20.00	$20.00	$25.00
Rental Clubs Premium Set (18)	$8.50	$20.00	$20.00	$20.00	$20.00
Rental Clubs 7 piece (9)	$6.50	$8.00	$8.00	$8.00	$8.00
Pull Cart (18)	$5.00	$5.00	$5.00	$5.00	$5.00

APPENDIX A-3

GOLF COURSE PROPERTIES

Golf Course	Agreement	Expiry Date
Canoe Club	Lease Agreement	November 30, 2022
Transcona	Lease Agreement	December 31, 2023
Wildewood	Lease Agreement	December 31, 2023
St Boniface	Lease Agreement	December 31, 2025
Assiniboine	Lease Agreement	December 31, 2025
Tuxedo	Lease Agreement	February 28, 2031
Rossmere	Lease Agreement	October 9, 2058
Golf Course	**Agreement**	**Expiry Date**
John Blumberg	Management Contract	March 31, 2022
Harbour View	Management Contract	March 31, 2022
Golf Course	**Agreement**	**Expiry Date**
Kildonan Park	City Operated	N/A
Windsor Park	City Operated	N/A
Crescent Drive	City Operated	N/A
Operation	**Agreement**	**Expiry Date**
Thermea Spa	Lease Agreement	August 31, 2036
Cross Country Ski	Lease Agreement	October 31, 2024

APPENDIX A-4

PROPERTY TAXES FOR LEASED GOLF COURSES

Golf Course	Address	Registered Owner	Roll #	2021 Taxes	Local Improvements	Frontage Levies	Total 2021 Taxes
Assiniboine Golf Course	2045 Ness Ave	City of Winnipeg: Lessee: Assiniboine Golf Club	07051911000	$21,750.27	$0.00	$6,655.97	$28,406.24
Tuxedo Golf Course	400 Shaftesbury Drive	City of Winnipeg: Lessee: Western Golf Management	10006769100	$53,888.00	$0.00	$19,874.04	$73,762.04
Wildewood Golf Course	761 North Drive	City of Winnipeg: Lessee: The Wildewood Club	03093008915	$20,808.96	$0.00	$21,247.87	$42,056.83
Transcona Golf Course	2120 Dugald Road	City of Winnipeg: Lessee: Transcona Golf Club	09009638100	$0.00	$0.00	$21,031.68	$21,031.68
Rossmere Golf Course	925 Watt Street	City of Winnipeg: Lessee: Rossmere Golf & Country Club	02021854500	$22,316.45	$0.00	$6,649.08	$28,965.53
		Rossmere Golf & Country Club	02030640000	$23,645.64	$0.00	$2,207.29	$25,852.93
Canoe Club Golf Course	56 Dunkirk Drive	City of Winnipeg: Lessee: Ben Smirnov Golf Management Ltd	08021088400	$20,596.12	$0.00	$2,246.50	$22,842.62
St. Boniface Golf Course	100 Youville Street	City of Winnipeg: Lessee: St. Bonifice Golf Club	06080714700	$44,822.53	$8,148.95	$10,981.85	$63,953.33

APPENDIX A-5

2020 AUDITORS' REPORT & FINANCIAL STATEMENTS