



COUNCIL BUDGET STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

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TO: City Council Members

FROM: Allison Rowland, Senior Policy Analyst

DATE: May 22, 2025

Item Schedule:

Briefing: May 22, 2025

Budget Hearings: May 20, June 3

Potential Action: June 10

RE: UPDATED FY2026 BUDGET – GOLF ENTERPRISE FUND

MAYOR’S RECOMMENDED BUDGET PAGES:

Key Changes, 52-53; Department Overview, 223-230; Staffing 308

PLEASE NOTE THAT THE SECOND PARAGRAPH BELOW WAS CORRECTED

ISSUE AT-A-GLANCE

SLC Golf operates six golf courses, providing greens maintenance; golf clinics, camps, lessons, events; and retail pro shops, cafés, and cart rentals. The Golf Enterprise has 34.15 full-time employees assigned to operations and plans to hire 47.64 seasonal/hourly employees for the 2025 season. Typically, Golf Fund revenue is generated by user fees, including green fees, cart rental fees, range ball fees, merchandise purchases, lessons, concessions and rental fees. The overall revenue per golf start (which factors in “playable days”) has seen a steady increase since 2020, when workplaces and schools that were closed at the beginning of the Covid 19 pandemic, leading to a rise in the popularity of many outdoor activities, including golf. The Golf Division has managed to sustain this growth over the subsequent years, according to the latest available data.

The Golf Enterprise fund collects the revenue generated by the activities of SLC Golf, a division of the Department of Public Lands, and pays most of the expenses associated with it. In Fiscal Year 2026 (FY26), its spending level would surpass its revenue budget by tapping into savings accumulated in the Golf Capital Investment Projects fund (CIP). Doing so would help bring the recommended expenditure budget for the Golf Fund to \$26.6 million (a 30% increase), while the revenue budget would reach only \$14.2 million, a \$537,818 (4%) increase for FY26 (see section C, below, for the projects planned for FY26).

In recent years, the Golf Fund has relied on subsidies from the general fund for operational costs and debt service, which is unique among enterprise funds. The practice has allowed Golf to dedicate its \$2 per round “CIP fee” to true capital investments rather than to offsetting operational costs. The FY26 recommended budget would, for the first time, reduce the total subsidy to the Golf Fund compared to the previous year, to



\$1.8 million from \$2.1 million FY25. (See section B below for additional information, including indirect benefits of Golf green space, justifying the investment from the general fund).

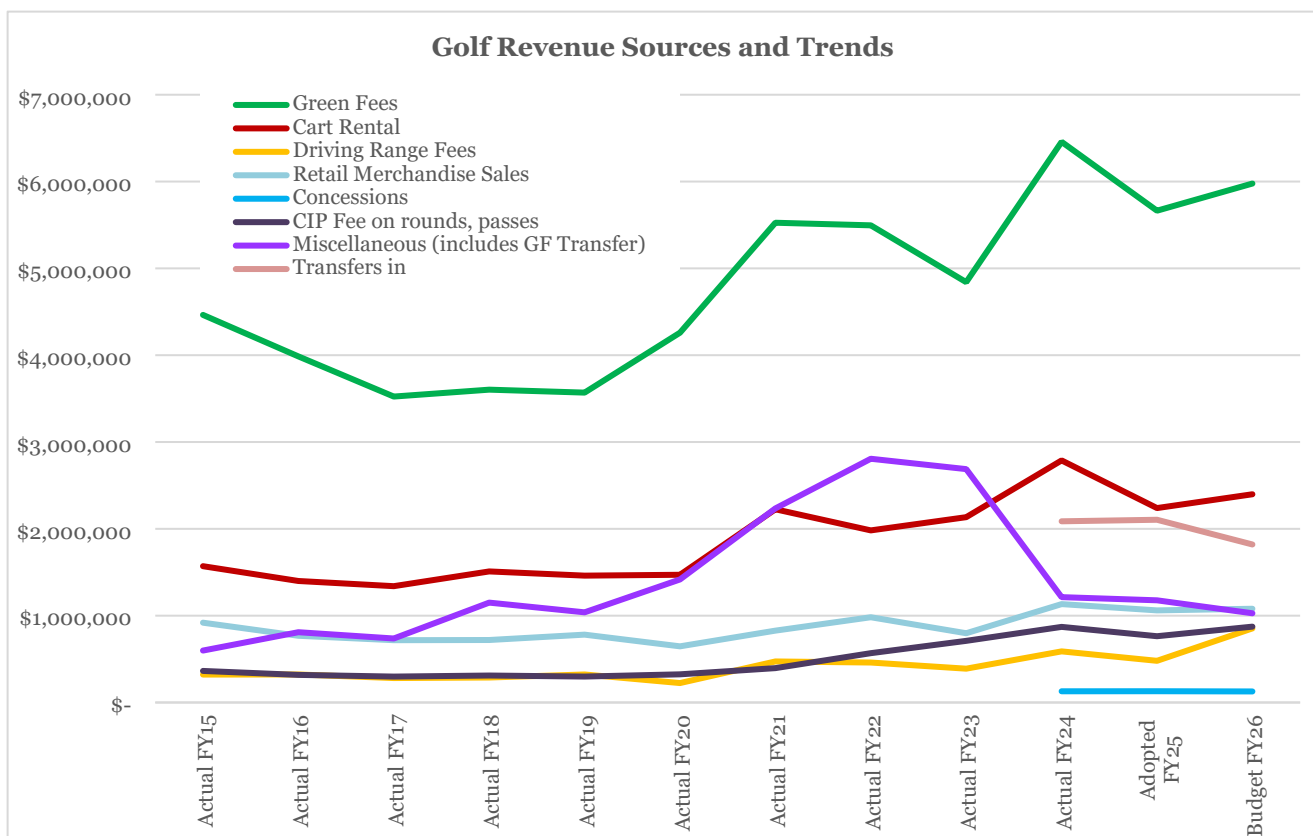
Key elements of the budget proposal include:

- Funding \$14.1 million in CIP improvements and continuing the \$2-per-9 hole-round CIP fee to help the Golf Fund catch up on years of deferred maintenance.
- Completing the Rose Park irrigation infrastructure project and the new driving range facility at Glendale, both of which are expected to generate additional revenue.
- Reducing the total General Fund subsidy to the Golf Fund compared to FY26, from \$2.1 million in FY25 to \$1.8 million. This amount reimburses several City charges for overhead expenses, freeing up Golf resources for investment in deferred capital projects, and recognizes the indirect value of golf green space even for non-golfers (see Section B, below).
- The total number of FTEs would not change, but the Division proposes to shift one Golf Professional I (Grade 23) FTE to Golf Professional II (Grade 28).

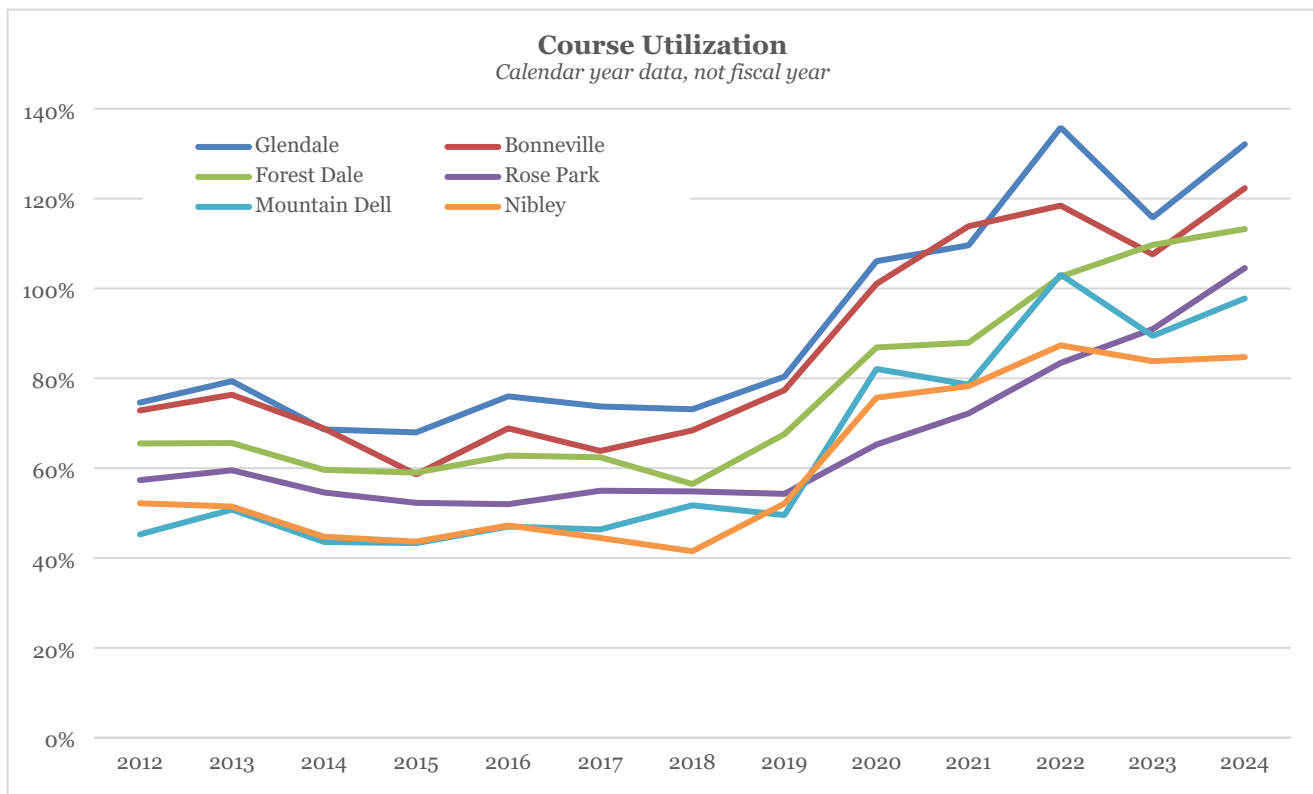
KEY BUDGET ISSUES & POLICY QUESTIONS

A. **Golf Fund Revenue Trends.** Golf revenue has improved in recent years, after reaching a low in FY17. It is projected to recover from a slight dip in FY25 to climb nearly 4% in FY26. Continued increases in earned revenue in recent years are significant to the extent they indicate the potential of the Golf Fund to improve its financial position. However, as has been the case since FY17, the Golf Fund remains unable to fully cover annual operating expenses at the City's six golf courses.

- For FY26, general greens fees would provide 42% of annual revenue, cart rentals would provide almost 17%, and retail merchandise would contribute nearly 8%. The total would represent an improvement over FY25, from \$11.5 million to \$12.7 million but is not expected to reach FY24's peak of \$13.2 million.
- Much faster growth, 78%, is predicted for driving range fees, would reach 6% of total revenue, with the completion of a new CIP project at Glendale (see section D).
- With revenue growing since FY20, the Administration proposes continuing the general fund transfers for FY26 but reducing the total by \$812,885 (see section B below).



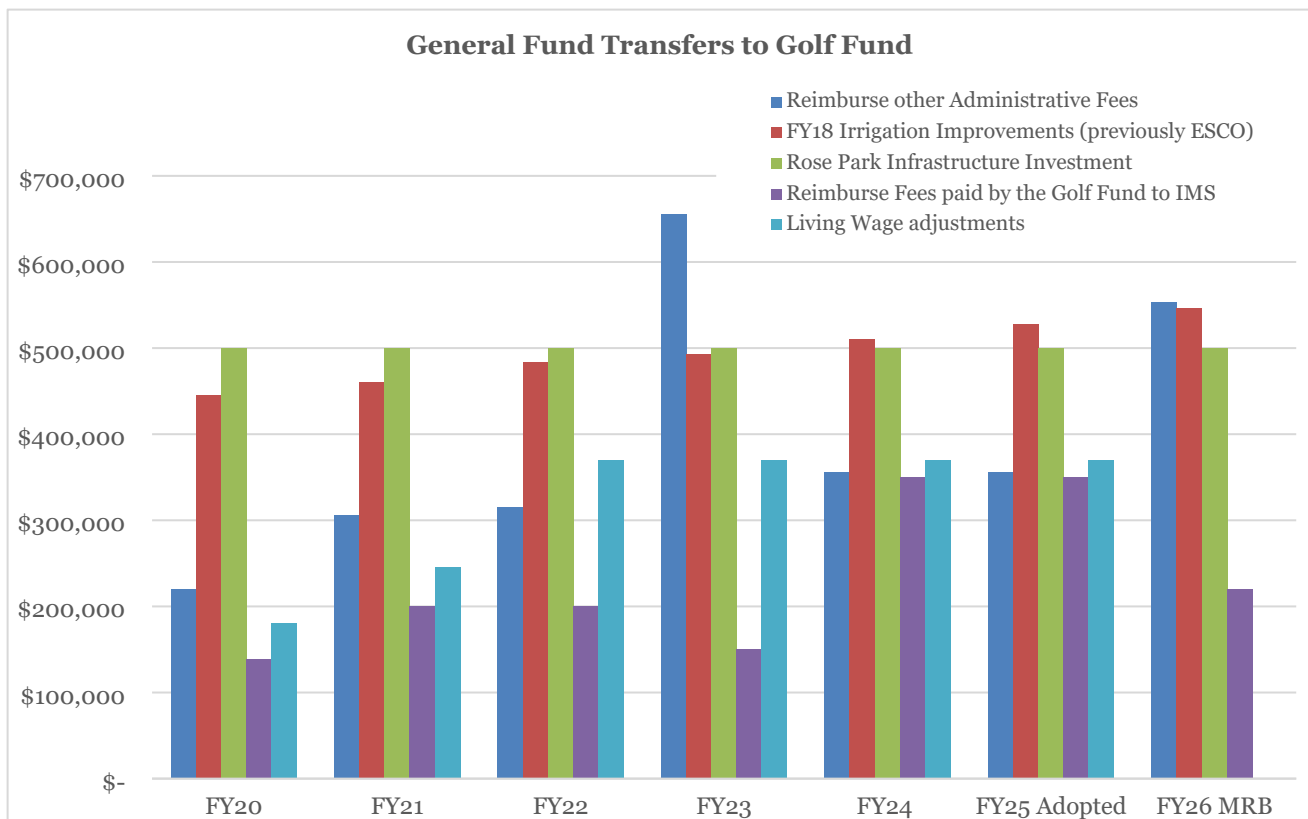
B. Course Trends. The Golf Division uses several metrics to consider how the six courses it operates perform relative to one another, and together, as golf system. The annual “utilization” rate uses the number of “starts” at each course (regardless of whether the rounds played are 9 or 18 holes) and the “playable” tee-times (to account for weather-related factors) to measure the extent to which each course is being used. Data is available across the past 12 years, which provides a convenient measure of how changes in the Golf Division’s operations, and investments in the courses themselves, have improved the attractiveness of the of SLC Golf over time, and where investments might result in the biggest revenue increases (see below). Of course, unexpected events—like the beginning of the Covid 19 pandemic and rise in the popularity of outdoor activities between the 2019 and 2020 golf seasons—are also reflected in the data.



C. **General Fund Transfers/Subsidy.** For FY26, the Administration proposes to continue the practice begun in FY17 of using General Fund revenue to cover various expenses in the Golf Fund. The Administration indicates that these transfers are necessary to enable the Golf fund to use its “CIP Fee” dollars for capital expenditures instead of to help balance operational expenses, which ultimately increasing its bottom line over the longer run. (See section E in the Addition & Background Information part of this document, below, for more on this concept, including research indicating other municipal courses use similar practices.)

With Golf revenue growing since FY20, the Administration proposes continuing most of the General Fund transfers in FY26, but would reduce the total by \$812,885, to \$1,819,943 (see page 56 of the MRB). This reduction would reflect:

- A sharp 55% increase in the ongoing Administrative Fee category, which tallies a proportionate share of costs for certain services provided to all units of City government, like legal and financial administrative support, and also includes utilities, like water and electricity at courses, whose prices have increased in recent years.
- The regular annual increase to Debt Payments for Irrigation Improvements in FY18 (also know as the ESCO) at several courses, which will increase every year until 2032.
- The final year of the annual \$500,000 Rose Park Infrastructure payment.
- A much lower Reimbursement to City IMS Fees, by -\$37%. This is another Administrative fee category shared proportionately by all units of City government.
- A dramatic drop, -\$370,000, in the annual General Fund transfer used to bring part-time and seasonal staff's wages to the City's Living Wage standard. Golf proposes to pay this amount from its own revenues.



- **Policy Question:** *The Council may wish to request additional information on some specific elements of the General Fund transfers to Golf, such as: Why Administrative Fees are proposed to jump so much for FY26? How did Golf manage to reduce the fees paid to IMS for FY26?*
- **Policy Question:** *The Council could also consider requesting a broader overview of all Administrative Fees charged internally to City units.*

B. Indirect and Non-Financial Benefits of Golf's Green Space. The Golf Fund owns over 1,000 acres of property across six courses—a substantial amount of publicly-owned green space. Acreage in the City helps mitigate the urban heat island effect in addition to the aesthetic value of green space. Over a third of this area (381 acres) sits outside the urban area, at Mountain Dell in Parley's Canyon, which serves the additional function of City watershed protection.

GOLF PROPERTIES			
Course	Maintained acres	Other acres	Total acres
Bonneville	125	55	180
Forest Dale	55	6	61
Glendale	160	16	176
Mountain Dell	260	121	381
Nibley	46	6	52
Rose Park	140	16	156
Total	786	220	1,006

<i>Former Golf properties</i>			
Jordan River Par 3 (maintained by Public Lands as disc golf)	22	-	22
Wingpointe (Airport property, not maintained)			194

The Administration suggests that there are Citywide benefits to maintaining golf courses as partially-funded, green open space, though they acknowledge that the non-golf benefits are experienced by most taxpayers in a passive manner. In response to a question from FY 21, the Division noted the following, which is still relevant from a policy perspective:

“Much of the non-golf use is passive in nature, and the access and preservation of the open public spaces provide many opportunities and benefits to the public such as:

- *Trees and Open Space. Contributes benefits to air quality, urban heat islands, urban wildlife interfaces and*
- *Other activities include wintertime access, walking, snowshoe, dogs, and trails.*
- *Public access to clubhouse and cafes*
- *Public meeting space at Forest Dale*
- *Jordan River Trail Glendale and Rose Park*
- *Disc Golf and Footgolf at Rose Park”*

C. Golf CIP. The proposed budget includes a continuation of the \$2 per 9-hole round CIP fee. This fee, along with the General Fund transfers, will allow the Golf Division to continue to invest in deferred capital projects. The Golf CIP fund was established in FY12 as the repository for a Council-initiated surcharge of \$1 per round with the purpose of catching up on deferred maintenance and critical capital projects at all City courses. The Council’s intent at that time was that these funds *not* be used to cover operational deficits, as it had been in the years before the ongoing General Fund subsidy was begun. In FY22, the CIP fee was raised to \$2 per 9-hole round to help reflect the toll of increased inflation across the economy.

The list below shows FY26 planned capital projects at each course, along with their estimated costs, which would total more than \$13.6 million. Another \$501,328 in CIP funds is proposed to purchase additional maintenance equipment for all courses. The Division acknowledges that the revenue generated from these fees is not sufficient to catch up on all of its planned projects, and it is investigating longer-term solutions. The full list of planned projects can be found in Attachment C1. Golf CIP Projects Backlog. Meanwhile, CIP spending has steadily expanded since FY23, with amounts rising steadily, from \$4.9 million to \$7.1 million in FY24, and to \$8.3 million in FY25.

The Administration proposes the projects listed below for the FY26 CIP allocation. Of special note, the largest projects would be:

1. New irrigation systems at the Rose Park golf course (\$5.5 million) and Nibley Park golf course (\$3.0 million).
2. A driving range hitting facility at Glendale golf course (\$1.5 million). This amount would fund the first phase—the ground level only—of a covered and heated “hitting stalls” structure at the back of the existing driving range at Glendale so the driving range can be used during inclement weather, year-round. The covered bays will also contain two or more golf simulators. The estimated revenues from the range are \$225,000 for its first year of operation; at that rate, the project will begin to turn a profit between years six and seven.
3. Repair of existing cart paths and construction of some new ones (\$625,000).
4. Purchase of additional maintenance equipment for all courses (\$501,328).
5. New maintenance buildings at Bonneville and Rose Park (\$500,000 each).
6. On-course restrooms at 4 golf courses (\$150,000 each).

**Salt Lake City Golf
CIP Projects FY25-26**

Course	Description	FY26 Budget
Bonneville	Cart Path Improvements	125,000
Bonneville	Tee Box Leveling	10,000
Bonneville	Concrete/retaining wall on #1 and stairs on #10	70,000
Bonneville	Maintenance Building	500,000
Total		705,000
Forest Dale	Tee Box Leveling	5,000
Forest Dale	Cart Path Improvements	100,000
Forest Dale	On Course Restroom	150,000
Forest Dale	Roof Repairs	150,000
Total		405,000
Glendale	Tee Box Construction	10,000
Glendale	Cart Path Improvements	100,000
Glendale	Double Decker Range Heated Structure with Fencir	1,500,000
Glendale	Irrigation Pump	25,000
Glendale	On Course Restroom	150,000
Glendale	Parking Lot resurfacing	198,040
Total		1,983,040
Mountain Dell	Tee Box Leveling	20,000
Mountain Dell	Cart Path Improvements	150,000
Mountain Dell	Windows and Doors - Clubhouse	184,695
Mountain Dell	Range Fence and Extension	150,000
Mountain Dell	Tunnel Net	50,000
Total		554,695
Nibley	Tee Box Leveling	5,000
Nibley	Golf Course Irrigation Project	3,000,000
Nibley	On Course Restroom	150,000
Nibley	Parking Lot Resurface	200,000
Total		3,355,000
Rose Park	Tee Box Construction	10,000
Rose Park	Golf Course Irrigation Project	4,400,000
Rose Park	Settling Pond	1,100,000
Rose Park	Cart Path Improvements	150,000
Rose Park	Driving Range Improvements/Redesign	300,000
Rose Park	Maintenance Building	500,000
Rose Park	On Course Restroom Front 9	150,000
Total		6,610,000
Grand Total		13,612,735

- ***The Council may wish to discuss whether the proposed purchase of additional maintenance equipment for all courses (\$501,328), listed as number 4 above, should qualify for Golf CIP funding, since it could be considered to fall in the Material & Supplies category as a regular cost of doing business, rather than a capital investment.***

ADDITIONAL & BACKGROUND INFORMATION

- A. **Golf Advisory Board.** The terms of all current board members have expired and the board is current not meeting. The Administration indicates that they are evaluating consolidating efforts with the Parks,

Natural Lands, Urban Forestry and Trails (PNUT) board. ***The Council may wish to weigh in on this.*** If the board is no longer desired the Council would need to amend City code.

B. **Discount Programs.** The golf fund offers a variety of loyalty and youth/senior discount programs. More information can be found on SLC Golf's website: <https://www.slc-golf.com/product-category/memberships/>.

D. **Comparative Research in 2019.** The Finance Department conducted a review of many municipally-owned golf course systems around the country, as well as a more in-depth review of the accounting laws governing enterprise funds in the State of Utah.

Key takeaways from the Administration following their review:

- Cities of Salt Lake City's population size do not typically have such extensive public golf systems. Most of the comparisons are with larger cities in the West.
- No other system studied charges administrative fees—although the same municipalities do charge fees to other enterprise funds.
- All but one municipal system operated with a structural and persistent deficit. All those deficits were supplemented with ongoing support of the municipal general fund.
- The State of Utah has legal and accounting barriers that the Finance Department has interpreted to prohibit simply “absorbing” the Golf Fund into the City general fund. They appear to mean that SLC Golf **must** remain a separate enterprise fund. To confirm this interpretation, the Attorney's Office has been asked to provide an opinion on the matter.
- Similarly, there are legal and accounting barriers to the general fund “assuming” the Golf Fund's ESCO (existing secondary water-system debt). However, the general fund is permitted to provide funds to the Golf Fund to pay these debts.
- The Administration does not indicate any interest in selling or developing Golf property for a different use.

E. **2014 Council Policy Principles.** Certain Golf Fund policy issues have come up with regularity over the years. The Council adopted *Guiding Policy Principles for Changes to the Golf Enterprise Fund* in 2014. The Council may wish to discuss whether it would be helpful to discard, or review and update these to determine relevance to the FY23 budget and policy goals of the Council at this point.

- The City has a longstanding general policy of not subsidizing enterprise funds with general tax dollars, and the Council's *Policy Principles* discourage general fund subsidies to the Golf Fund specifically, although in recent years there have been limited exceptions made to this rule. As part of these guiding policy statements, the Council also agreed that City-owned open space should be protected.
- The traditional rationale for charging recreation fees for some amenities is related to the need for “exclusive” use of recreation facilities, like baseball diamonds and soccer fields during league play, or park pavilions for parties. Golf has been considered more similar to these exclusive uses than to “non-exclusive” uses like walking on a trail or playing catch on a grassy area, but there may be reasons to re-examine this view given the passive and/or indirect benefits identified above.

F. General Background Information relating to Golf Fund Financial History. As an enterprise fund, the Golf Fund is charged with managing and maintaining the courses within the revenues that it can generate through its operations. The Council has been concerned about the financial sustainability of the

Golf Fund since at least 2007. As early as 2004, deficits began to appear in the Golf Fund, though these problems typically were described as temporary anomalies, rather than longer-term structural issues, and were covered with the Golf Fund's then-substantial fund balance, that was built up in the late 90s and early 2000s when Golf was significantly more profitable.

In 2014, after then-Mayor Ralph Becker indicated that he would close courses to address these budget issues, the Council adopted a series of policy statements to define their shared view of how the system should serve golfers, as well as the limits of what could be done to change the system. *Staff note: Recent budgets have not been consistent with some of these policy statements, and recent Councils have not affirmed that they agree with the policies adopted in 2014.* Later that year, the Council embarked on a process of information gathering and pursued an extensive process to gather ideas from the public. The Council also hired a municipal finance consultant to identify options that could help the Golf Fund maintain financial solvency over the long term. In late 2014 and early 2015, a Council-appointed citizen task force reviewed all the information assembled, including the consultant's report and all of the public's ideas for Council consideration, and provided their recommendations to the Council. The process culminated in the Council's own recommendations to the Administration in February, 2015 (Attachment C2).

Then-Mayor Biskupski's Administration was optimistic about potential for Golf's turnaround and proposed a more incremental approach to change along with more general fund financial support. The guiding policy ultimately articulated was that City golf courses should be subsidized because they are "public open spaces" that *nearly* pay for themselves—unlike traditional parks, which do not raise significant revenue to offset their own maintenance costs. Another initiative was to plan for more trail uses at Jordan Par 3 and around Rosepark which would require substantial capital investment (a formal plan has not been transmitted, and funds for these plans have not been identified). An RFI was published for a "TopGolf"-like experience at Nibley (2019), but did not attract any proposals.

ATTACHMENTS

Attachment C1. Golf CIP Projects Backlog.

Attachment C2. Council Recommendations to the Administration, February, 2015.

Attachment C1. Golf CIP Projects Backlog.

Attachment 1

Golf CIP Projects Backlog

Course	Description	Priority	Year	Estimated Cost
Bonneville	Cart Path Construction	High	2023	\$750,000
Forest Dale	Cart Path Construction	High	2023	\$130,000
Forest Dale	Clubhouse Exterior Painting	High	2022	\$20,000
Forest Dale	Irrigation Controllers	High	2022	\$40,000
Forest Dale	Resurface Parking Lot	High	2022	\$100,000
Glendale	Cart Path Construction	High	2023	\$250,000
Glendale	Resurface Parking Lot	High	2023	\$200,000
Mountain Dell	Cart Path Construction	High	2023	\$1,000,000
Mountain Dell	New Maintenance Building	High	2023	\$500,000
Mountain Dell	Resurface Parking Lot	High	2022	\$350,000
Nibley Park	Irrigation System	High	2025	\$1,750,000
Rose Park	New Irrigation System	High	2022	\$3,100,000
Rose Park	Clubhouse Landscaping	High	2021	\$20,000
Rose Park	Cart Path Construction	High	2022	\$200,000
Rose Park	Maintenance Building	High	2023	\$500,000
Bonneville	New Clubhouse	Low	2030	\$3,000,000
Bonneville	Range Netting Repair	Low	2028	\$50,000
Mountain Dell	New Clubhouse	Low	2030	\$5,000,000
Nibley Park	New Clubhouse	Low	2030	\$1,500,000
Rose Park	New Clubhouse	Low	2035	\$2,000,000
Glendale	Clubhouse Roof Replacement	Medium	2026	\$80,000
Mountain Dell	Irrigation System	Medium	2028	\$4,500,000
Nibley Park	Maintenance Building	Medium	2025	\$500,000
Nibley Park	Debris Management Area	Medium	2025	\$30,000
Nibley Park	Perimeter Fencing	Medium	2024	\$40,000
Rose Park	Resurface Parking Lot	Medium	2024	\$200,000
Bonneville	New Maintenance Building	Moderate	2026	\$1,000,000
Bonneville	Parking Lot Resurfacing	Moderate	2022	\$350,000
Bonneville	Clubhouse Cart Staging Area Resurfacing	Moderate	2022	\$15,000
Nibley Park	Cart Path Construction	High	2024	\$100,000
			Total	\$27,275,000

Attachment C2. Salt Lake City Council Recommendations to the Administration: Options to Address Long-Term Golf Fund Issues

Motion adopted by the Council on February 23, 2015

1. Transfer Wingpointe Golf Course operations to the Airport immediately and encourage the Airport to continue to operate it as a golf course, an attractive entry way and a potential revenue producer for the Airport's otherwise vacant property.
2. Close Glendale Golf Course and repurpose for other open space uses.
3. Consider legal options to repurpose Nibley Golf Course.
4. Initiate a bond proposal this fall to ask voters to fund comprehensive improvements to regional trails and open space, including transitioning closed golf courses and the former Jordan Par-3 course. Ideally, the bond would be comprehensive enough to provide resources to address a variety of uses, incorporating foothills and integrating trail systems to create a unique park connection system. The Council encourages the Administration to determine uses through a public engagement process throughout the summer.
5. Incorporate secondary water as part of bond for all golf courses and potentially all parks. If a bond is not successful, the general fund would cover the installation costs of secondary water.
6. Allow Glendale and Nibley, if applicable, to remain open for golf until new uses are shovel ready. General Fund would provide any needed subsidy in the interim.
7. Forward two Request for Proposal (RFP) recommendations that the Council look at either/or:
 - a. an RFP to manage the entire golf system;
 - b. an RFP to hire a game-changer to oversee the Golf Fund;
 - c. not issuing an RFP.