

Report to Community and Protective Services Committee

To: Chair and Members
Community and Protective Services Committee

From: Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

Subject: Capital Needs at City of London Golf Courses

Date: October 4, 2023

Recommendation

That on the recommendation of the Deputy City Manager, Neighbourhood and Community-Wide Services:

- a) the Recreation and Sport Division, Neighbourhood and Community-Wide Services **BE AUTHORIZED** to draw from the Golf Course Reserve Fund to complete required capital needs;
- b) the funding **BE APPROVED** as set out in the Source of Financing Report attached hereto as Appendix "A"; and,
- c) Civic Administration **BE AUTHORIZED** to undertake all actions necessary to complete required capital needs.

Executive Summary

This report seeks Council approval to draw from the Golf Course Reserve Fund in the amount of \$1,625,000 to complete required capital needs at City of London owned golf courses.

Linkage to the Corporate Strategic Plan

The Capital Needs at City of London Golf Courses report is aligned with the following strategic area of focus in the City of London Strategic Plan (2023-2027):

- Well Run City, under the outcome London is a leader in public service, with the expected result, the City of London has effective facilities and infrastructure management.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- [City of London Service Review: Recommended Closure of River Road Golf Course](#) (SPPC, February 16, 2021)
- [City of London Service Review: Review of Service Delivery for Municipal Golf](#) (SPPC, February 4, 2020)
- [City of London Service Review: Project Update](#) (SPPC, April 8, 2019)
- [RFP 18-04: City of London Service Review – Consulting Services](#) (SPPC, March 26, 2018)
- [London's Municipal Golf System 2011 Financial Performance Update and 2012 Business Plan Recommendation](#) (CNC, November 1, 2011)
- [Municipal Golf Task Force Recommendations](#) (CNC, June 14, 2011)
- [London Municipal Golf System Update and Shift in Strategic Direction](#) (CNC, February 1, 2011)

2.0 Discussion and Considerations

2.1 Background and Purpose

The City of London offers high quality Recreation and Sport programs and facilities that engage residents and visitors of all ages and abilities. Recreation and Sport programs and facilities play a significant role in community building through the facilitation of active and passive activities, opportunities for structured and spontaneous play, and strengthening of neighbourhood connections. These services provide places for people of all ages and abilities to be active and learn new skills, connect with one another, share their interests, exchange ideas, and experience diversity.

London's Municipal Golf System has a long history of providing public golf to the community, dating back to 1924. Over the past 99 years, green fees and other golf revenues have been used to cover operating expenses, and to fund required capital needs and capital improvements.

The City of London currently operates two golf properties, Thames Valley Golf Course, and Fanshawe Golf Course. Thames Valley Golf Course consists of one 18-hole course, "The Classic", and one 9-hole course, "The Hickory". Fanshawe Golf Course consists of two 18-hole golf courses, "The Traditional" and "The Quarry", and one fully accessible 9-hole course, "The Parkside Nine". This equates to a total of 72 holes across the system.

Thames Valley opened in 1924 with a 6-hole golf course and expanded to 18 holes over time and eventually to 27 holes in 1931. It should be noted that from 1940 - 1945, during the Second World War, Thames Valley ceased golf operations to become a military camp.

Fanshawe Traditional was constructed in 1957 and grew to three 9-hole courses. In 1998, nine new holes were added creating two 18-hole courses with the second becoming known as the Quarry. In addition, the Parkside Nine, an accessible course, one of very few in the province/country, and free to play, was built in 1998.

According to the [2019 Corporate Asset Management report](#) (Section 11, page 240), "Golf courses are generally maintained in 'Good' to 'Very Good' condition as required for playability. Golf buildings, including clubhouses and other on-course facilities like washrooms, concessions, and maintenance buildings, have less priority than the golf courses and are predominantly in 'Fair' to 'Very Poor' condition. The condition of some golf building assets indicates short term investments are required".

The Golf Course Reserve Fund is funded through net golf revenues and is the only source of financing available for required capital investment in courses and structures.

The purpose of this report is to seek Council approval to draw from the Golf Course Reserve Fund in the amount of \$1,625,000 to complete required capital needs. It being noted that the funding will be used to rehabilitate Thames Valley Golf Course Clubhouse over a two-year period, with much of the work being completed for season opening in 2024, Thames Valley's 100th year of operation.

2.2 Summary of Capital Needs to be Completed

The following represents the itemized list of capital needs (across two phases) to be completed in the Thames Valley Clubhouse along with associated estimated costs, which serves as the driver for the amount being requested from the Reserve Fund.

- Modifications and refresh to dining room and bar area - \$65,000
- Tables and Chairs - \$65,000
- Barrier free counter and shelving - \$30,000
- Electrical work - \$20,000
- Flooring replacement - \$65,000

- Lighting - \$60,000
- Accessible washroom - \$525,000
- Window replacements - \$660,000
- Basement modifications and refresh - \$55,000
- Thames maintenance garage roof - \$80,000

3.0 Financial Impact/Considerations

There are no property tax levy impacts associated with this report as the Golf Course Reserve Fund is funded through the net proceeds (i.e., revenues less expenditures) of the municipal golf system.

Conclusion

This report seeks Council approval for the draw from of \$1,625,000 from the Golf Course Reserve Fund to allow Civic Administration to perform required capital needs at Thames Valley over the next two years.

Prepared by: Mike Vandertuin, Manager, Sport Services and Development

Submitted by: Jon-Paul McGonigle, Director, Recreation and Sport

Recommended by: Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

Source of Finance Report

Appendix "A"

#23197

October 4, 2023
(Revise Budget)

Chair and Members
Community and Protective Services Committee

RE: Capital Needs at City of London Golf Courses
(Subledger FG230032)
Capital Project RC288123 - Golf Courses Lifecycle Upgrades

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the additional financing required can be accommodated with funding available in the Golf Courses Reserve Fund and that, subject to the approval of the recommendation of the Deputy City Manager, Neighbourhood and Community-Wide Services, the detailed source of financing for this project is:

Estimated Expenditures	Approved Budget	Additional Funding Requirement (Note 1)	Revised Budget
Construction	150,000	1,625,000	1,775,000
Total Expenditures	\$150,000	\$1,625,000	\$1,775,000
Sources of Financing			
Drawdown from Golf Courses Reserve Fund	150,000	1,625,000	1,775,000
Total Financing	\$150,000	\$1,625,000	\$1,775,000

Note 1: The additional funding requirement for this project can be accommodated by a drawdown from the Golf Courses Reserve Fund. The forecasted balance of the reserve fund will be \$1.4M with the inclusion of the additional requirement.



Kyle Murray
Director, Financial Planning & Business Support

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