

Escondido Taxpayers Subsidize JC Resorts' Poor Performance for City Golf Course

Key Points

- Following years of low profits, JC Resorts has operated Escondido's Reidy Creek golf course at a loss for each of the past seven years, with yearly losses increasing from approximately \$8,000 in the 2012-2013 fiscal year to an estimated \$162,000 in the 2017-2018 fiscal year.
- JC Resorts' operating losses at the course have been subsidized by the city's General Fund, which has pumped over \$5.5 million of taxpayer money into operational costs, maintenance expenses, and debt service over the past 12 years.
- In exchange for this poor performance, Escondido taxpayers have paid JC Resorts a base fee that increased by 3-4% every year and a yearly bonus fee that is not tied to performance incentives.
- JC Resorts could receive an additional \$1.8 million in taxpayer subsidies for operational costs and debt service on the course before its management contract expires in 2022.

Background

The City of Escondido owns two golf courses, The Vineyard at Escondido Golf Club and the Reidy Creek Golf Course.¹ The Vineyard Golf Course, which is managed by American Golf Corporation, has been profitable in recent years.² The Reidy Creek Golf Course, which has been managed by JC Resorts, has not been profitable in recent years. JC Resorts' golf course management contract was originally signed in 2002 and renewed in 2012.³ The current contract expires on June 30, 2022.⁴

As JC Resorts has operated the course at a loss, the city has been transferring money from its General Fund to the golf course operations fund.⁵ With not enough revenue to cover debt service, the city also transfers money from the General Fund for payments of interest and principal for debt related to the construction of the golf course.⁶ As long as the golf course does not generate enough revenue to cover debt payments, the city will continue to transfer funds from the General Fund to service this debt until the bonds will be paid off in 2030.⁷

JC Resorts' Poor Performance as Golf Course Manager

For the past seven years, JC Resorts has failed to meet the budget set by the city's annual operating budget, resulting in the city having to transfer money each of those years from its General Fund to cover operating losses (See Figure 1). The city has released financial documents which have stated for multiple years that JC Resorts is continually working on marketing techniques and ideas to improve revenues, but revenues have been consistently lower than predicted revenues by an average of \$78,215 since fiscal year 2007-2008.⁸

Because JC Resorts has failed to generate sufficient revenues for the golf course, since fiscal year 2006-2007 the city has transferred over \$5 million, from the fund that contains taxpayer money, to the golf course. As the JC Resorts management contract expires in 2022, if current trends continue, the city could end up paying approximately an additional \$325,000 of the golf course's operational losses and nearly \$1.5 million in debt service payments (see Figure 2).

Meanwhile, the management contract with JC Resorts has allowed for an increase of from 3 to 4% in their base fee every year and an incentive fee of 0.75% of gross revenues, without revenue threshold or debt service payment requirements to receive that additional compensation.⁹ Comparable golf course management contracts stipulate that contractors can earn additional increases in fees only if gross revenues exceed a certain amount or if debt service payments are made, creating incentives for managers to increase revenues for the city or at least meet budgeted revenues (See Figure 3).¹⁰ However, JC Resorts has a pattern of signing golf course management contracts with bonus fees that are not tied to performance incentives.¹¹ Further, while it is common for other cities to sign 3-year or 5-year contracts with golf course managers, JC Resorts has signed 10-year contracts with cities, which can make it difficult for cities to switch to other golf course managers who could improve performance and minimize the need for taxpayer subsidies.¹²

City General Fund Transfers to Reidy Creek Golf Course and JC Resorts Compensation

Fiscal Year	General Fund Transfers to Reidy Creek Operating Fund	General Fund Transfers to Reidy Creek Debt Service	Total General Fund Transfers	JC Resorts Compensation
2006-2007	\$116,795 ¹³	\$430,980 ¹⁴	\$547,775	\$60,916 ¹⁵
2007-2008	\$86,956 ¹⁶	\$433,020 ¹⁷	\$519,976	\$63,060 ¹⁸
2008-2009	\$77,000 ¹⁹	\$349,940 ²⁰	\$426,940	\$65,145 ²¹
2009-2010	\$50,000 ²²	\$356,500 ²³	\$406,500	\$66,731 ²⁴
2010-2011	\$0 ²⁵	\$363,190 ²⁶	\$363,190	\$68,577 ²⁷
2011-2012	\$53,863 ²⁸	\$369,265 ²⁹	\$423,128	\$70,032 ³⁰
2012-2013	\$7,937 ³¹	\$380,475 ³²	\$388,412	\$70,737 ³³
2013-2014	\$59,878 ³⁴	\$362,872 ³⁵	\$422,751	\$70,610 ³⁶
2014-2015	\$131,000 ³⁷	\$361,177 ³⁸	\$492,177	\$73,520 ³⁹
2015-2016	\$122,000 ⁴⁰	\$363,450 ⁴¹	\$484,450	\$75,623 ⁴²
2016-2017	\$145,000 ⁴³	\$365,550 ⁴⁴	\$510,550	\$78,583 ⁴⁵
2017-2018	\$162,150 ⁴⁶	\$368,850 ⁴⁷	\$531,000	\$80,855 ⁴⁸
Total	\$1,012,580	\$4,505,269	\$5,517,849	\$844,839

Figure 1. In recent fiscal years, JC Resorts failed to generate enough revenue to cover the golf course's operational losses and has relied upon the City to transfer funds from its General Fund to keep the golf course afloat.

Projected General Fund Transfers to the Golf Course and JC Resorts Compensation

Fiscal Year	General Fund Transfers to Reidy Creek Operating Fund	General Fund Transfers to Reidy Creek Debt Service	Total General Fund Transfers	JC Resorts Compensation
2018-2019	\$24,590 ⁴⁹	\$366,795 ⁵⁰	\$391,385	\$82,950 ⁵¹
2019-2020	\$100,000 ⁵²	\$369,595 ⁵³	\$469,595	\$85,125 ⁵⁴
2020-2021	\$100,000 ⁵⁵	\$367,170 ⁵⁶	\$467,170	\$87,559 ⁵⁷
2021-2022	\$100,000 ⁵⁸	\$369,570 ⁵⁹	\$469,570	\$90,066 ⁶⁰
Total	\$324,590	\$1,473,130	\$1,797,720	\$345,700

Figure 2. The City of Escondido projects that over the next four fiscal years, JC Resorts will fail to generate enough revenue to cover the golf course's operational losses and the city will continue to transfer funds from its General Fund to keep the golf course afloat.

Southern California Municipal Golf Course Management Agreements⁶¹

Course	Term	Incentive Fee
Reidy Creek Golf Course	10 years	0.75% of gross revenues ⁶²
The Crossings @ Carlsbad	5 years	5% of gross revenues over \$4.5M (not to exceed \$150K)
Oceanside Golf Course	10 years	3% if gross sales over \$2M
Indian Wells Resort	3 years	3.5% of gross revenues over \$9M
Black Gold Golf Course	5 years	4% of gross revenues over 5.5M
Desert Willow Golf Course	3 years	5% of gross revenue above budget (not to exceed \$175K annually)

Figure 3. JC Resorts is paid an incentive fee that does not require a certain amount of revenue to be generated in order to be paid the fee, unlike other golf course management fees which incentivize public contractors to maximize revenues for cities.

Key Questions for Concerned Parties

Given the inability of JC Resorts to generate sufficient revenue, the lack of an incentive fee tied to a revenue threshold, and the lack of requirements that the golf course make debt service payments in order for JC Resorts to receive pay increases, all concerned parties can take steps to ensure the city's asset is being managed in the best interest of the public by seeking answers to the following questions:

- Could the lack of an incentive fee that requires JC Resorts to reach a revenue threshold or meet debt service payments be contributing to revenues consistently remaining too low for the golf course to support itself?
- How are the maintenance and upkeep of the course as well as implementation of the best marketing and promotional efforts being monitored and enforced so that management practices result in the highest revenues possible for the city?

- What are the specific marketing techniques and ideas that JC Resorts has implemented to improve revenues? When and how often have these strategies been employed? What are the quantifiable financial impacts of these actions on the golf course's revenue?
- Are golf performance evaluation forms/golf course audit rating sheets completed by the city regularly and are the results given to JC Resorts and the public to ensure that golf course operations are adhering to best practices in management operations?
- What are the specific business model changes that city staff have explored with JC Resorts to offset the losses associated with the golf course, and what evidence is there to indicate that they will be successful?
- Will JC Resorts be brought to Council in the near future to publicly discuss their underperformance with taxpayers?

Endnotes

- 1 The San Diego Union Tribune. "Future of underperforming Escondido golf course in jeopardy." October 24, 2017. "The city of Escondido is considering shutting down one of the two golf courses it owns -- the Reidy Creek Golf Course off Broadway in the northern part of the city -- because it consistently loses money." Accessed at: <http://www.sandiegouniontribune.com/communities/north-county/sd-no-escondido-reidy-20171019-story.html>
- 2 The San Diego Union Tribune. "Future of underperforming Escondido golf course in jeopardy." October 24, 2017. "The other city-owned golf course, the popular full-length course known as The Vineyard at Escondido Golf Club off San Pasqual Road, has been profitable in recent years." Accessed at: <http://www.sandiegouniontribune.com/communities/north-county/sd-no-escondido-reidy-20171019-story.html>
- 3 Escondido City Council Meeting Agenda, June 27, 2012. Agenda Item No. 17. Management and Concession contract for Reidy Creek Golf Course. "JC Resorts has managed the Reidy Creek Golf Course from its opening in 2002 until June 30, 2012."
- 4 Escondido City Council Meeting Agenda, June 27, 2012. Agenda Item No. 17. Management and Concession contract for Reidy Creek Golf Course. Page 6. "'Term' shall mean the Management Commencement Date through June 30, 2022."
- 5 Per the City of Escondido, FY 2018-19 Operating Budget document, in the Fund/Department section: "The General Fund is the chief operating fund of the City and accounts for all financial resources except those required to be accounted for in another fund." P. 22. The FY 2018-2019 breakdown of General Fund Sources is: 38% Sales Tax, Property Tax 26%, 14% All Other Taxes, 11% Charges for Services, 11% All Other. Source: Annual Operating Budget Fiscal Year 2018/19. City of Escondido, California. Budget Overview. Page 10. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/purchasing/FinalOperatingBudget201819.pdf>
- 6 Escondido Times-Advocate. "City Reidy golf course continues to lose money." February 22, 2018. "The city pays \$350,000 a year in debt service." Accessed at: <https://www.times-advocate.com/articles/city-reidy-golf-course-continues-to-lose-money/>
- 7 Annual Operating Budget Fiscal Year 2018/19. City of Escondido, California. Long-term Debt Summary. Escondido Joint Powers Financing Authority 2013A Lease Revenue Refunding Bonds Fund Reidy Creek Golf Course (Series 2001 Refunded), Retirement Year: 2030. Page 63.
Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/purchasing/FinalOperatingBudget201819.pdf>
- 8 City of Escondido, Quarterly Financial Status Report, Fourth Quarter Ending June 30, 2015. "JC Resorts has changed management at the course and are continually working on marketing techniques and ideas to improve revenues on an ongoing basis." Page 2. Accessed at: https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/4th_Quarter_FY_2015_Financial_Status_Report.pdf
City of Escondido, Quarterly Financial Status Report, Fourth Quarter Ending June 30, 2016. "With the number of golfers nationwide decreasing annually JC Resorts is continually working on marketing techniques and ideas to improve revenues on an ongoing basis." Page 2. Accessed at: https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/4th_Quarter_FY_2016_Financial_Status_Report.pdf
Annual Operating Budget Fiscal Year 2016/17. City of Escondido, California. Budget Message From the City Manager. "JC Resorts, the management company for Reidy Creek, has been working with City staff on ways to increase revenue and reduce costs." Page xii. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/PreliminaryOperatingBudget1617.pdf?v=2>
- 9 Escondido City Council Meeting Agenda, June 27, 2012. Agenda Item No. 17. Management and Concession contract for Reidy Creek Golf Course. Golf Course Consulting and Management Agreement. Paragraph 6.1: "In addition to the Periodic Fixed Fee, a 'Percentage Fee' equal to zero and 75/100 percent (0.75%) of Gross Revenues..." and Page 1: "The proposed new contract keeps the management fee at the FY/12 rate for the first two years, followed by a 4% increase for the next three years and a 3% increase for the remaining five years."

- 10 In the Encinitas Ranch Golf Course agreement with JC Resorts, JC Resorts can only receive an increase in their periodic fixed fee if the golf course meets its debt service requirements. Source: First Amendment To Golf Course Consulting And Management Agreement dated April 26, 2011 by and between the Encinitas Ranch Golf Authority and JC Resorts LLC. Page 2. Recitals B. Section 2: Adjustment to the Basic Fee. "For each term year where the Bond Coverage Test is met, the manager shall be granted a 4% increase in the Periodic Fixed Fee in the following Term Year. If the Golf Course does not meet the Bond Coverage Test in any Term Year, no increase shall be made."
- 11 Per the Encinitas Ranch Golf Course management agreement, JC Resorts receives a 1% bonus fee that is not tied to reaching a revenue threshold. Source: First Amendment To Golf Course Consulting And Management Agreement dated April 26, 2011 by and between the Encinitas Ranch Golf Authority and JC Resorts LLC. Page 2. Recitals B. Section 2: Adjustment to the Basic Fee: "In addition to the Periodic Fixed Fee, commencing as of the Tenth Term Year, Manager shall be entitled to a Percentage Fee equal to one percent (1%) of Gross Revenues, which Percentage Fee shall be paid monthly and calculated in the manner set forth in paragraph 6.4 of the Agreement. The Percentage Fee is subject to the Percentage Fee Cap referenced in paragraph 6.2 of the Agreement."
- 12 See the Encinitas Ranch Golf Course management agreement with JC Resorts. Source: First Amendment To Golf Course Consulting And Management Agreement dated April 26, 2011 by and between the Encinitas Ranch Golf Authority and JC Resorts LLC. Page 1. Recitals B. Section 1: Adjustment to the Term of the Agreement. "Extension term shall mean ten (10) years from the expiration of the existing Term."
- 13 It is assumed that all golf course expenditures not covered by the revenue of the golf course are paid through a General Fund Transfer. Figure derived by subtracting the amount of money the golf course fund spent on maintenance and operations from the revenue the golf course brought in during the 2006-07 fiscal year. Sources: Annual Operating Budget Fiscal Year 2008/09. City of Escondido, California. Revenue Schedule, 2006-07 Actual, Reidy Creek Golf Course Fund, Total Reidy Creek Golf Course Fund: \$658,617. Page 383.
Annual Operating Budget Fiscal Year 2008/09. City of Escondido, California. Department Summary, 2006-07 Actual, Budget, Total Budget: \$775,412. Page 208. Accessed at: <https://www.escondido.org/Data/Sites/1/media/pdfs/Finance/AOB2008-09.pdf>
- 14 Annual Operating Budget Fiscal Year 2008/09. City of Escondido, California. Department Summary, Reidy Creek Golf Course Debt Service, Budget Summary, Budget, Total Budget, 2006-07 Actual: \$430,980. P. 252. Accessed at: <https://www.escondido.org/Data/Sites/1/media/pdfs/Finance/AOB2008-09.pdf>
- 15 The original golf course management contract was signed in 2002 and expired on June 30, 2012. That contract paid JC Resorts a stipulated monthly management fee plus a variable fee, which is assumed to be 0.75% of gross revenues given the renewed contract uses this figure and that there was no mention of a change to this in the fiscal analysis presented to Council regarding renewing the contract. The base management fee increased annually by 4% each year. Thus, the estimate for JC Resort's compensation in the 2006-2007 fiscal year was derived using the actual Fiscal Year 2007-2008's fixed management fee, calculating the amount before the yearly 4% increase occurred and adding that to the variable fee of 0.75% of revenues for the 2006-2007 fiscal year, which was \$658,617. Sources: Escondido City Council Meeting Agenda, June 27, 2012. Agenda Item No. 17. Management and Concession contract for Reidy Creek Golf Course.
Annual Operating Budget Fiscal Year 2008/09. City of Escondido, California. Revenue Schedule, 2006-07 Actual, Reidy Creek Golf Course Fund, Total Reidy Creek Golf Course Fund: \$658,617. Page 383. Accessed at: <https://www.escondido.org/Data/Sites/1/media/pdfs/Finance/AOB2008-09.pdf>
- 16 Figure derived by subtracting the amount of money the golf course fund spent on maintenance and operations from the revenue the golf course brought in during the 2007-08 fiscal year. Sources: Annual Operating Budget Fiscal Year 2009/10. City of Escondido, California. Revenue Schedule, 2007-08 Actual, Reidy Creek Golf Course Fund, Total Reidy Creek Golf Course Fund: \$645,901. Page 393.
Annual Operating Budget Fiscal Year 2009/10. City of Escondido, California. Department Summary, Reidy Creek Golf Course, 2007-08 Actual, Budget, Total Budget: \$732,857. Page 216. Accessed at: <https://www.escondido.org/Data/Sites/1/media/pdfs/Finance/AOB2009-10.pdf>
- 17 Annual Operating Budget Fiscal Year 2009/10. City of Escondido, California. Department Summary, Reidy Creek Golf Course Debt Service, Budget Summary, Budget, Total Budget, 2007-08 Actual: \$433,020. P. 260. Accessed at: <https://www.escondido.org/Data/Sites/1/media/pdfs/Finance/AOB2009-10.pdf>
- 18 Annual Operating Budget Fiscal Year 2008/09. City of Escondido, California. Line Item Detail, 553-130 Reidy Creek Golf Course, 5131-553-130 Professional Services, Golf Course Management Fees, 2007-08 Revised Budget: \$63,060. Page 209. Accessed at: <https://www.escondido.org/Data/Sites/1/media/pdfs/Finance/AOB2008-09.pdf>
- 19 Annual Operating Budget Fiscal Year 2008/09. City of Escondido, California. Special Revenue Fund Sources and Uses, Reidy Creek Golf Course Fund, Sources of Funds, Transfer from General Fund: \$77,000. Page 378. Accessed at: <https://www.escondido.org/Data/Sites/1/media/pdfs/Finance/AOB2008-09.pdf>
- 20 Annual Operating Budget Fiscal Year 2010/11. City of Escondido, California. Department Summary, Reidy Creek Golf Course Debt Service, Budget Summary, Budget, Total Budget, 2008-09 Actual: \$433,020. Page 242. Accessed at: <https://www.escondido.org/Data/Sites/1/media/pdfs/Finance/AOB2010-11.pdf>

- 21 Annual Operating Budget Fiscal Year 2008/09. City of Escondido, California. Line Item Detail, 553-130 Reidy Creek Golf Course, 5131-553-130 Professional Services, Golf Course Management Fees, 2008-09 Budget: \$65,145. Page 209. Accessed at: <https://www.escondido.org/Data/Sites/1/media/pdfs/Finance/AOB2008-09.pdf>
- 22 While total revenues over expenditures were \$3,268 Annual Operating Budget Fiscal Year 2009/10. City of Escondido, California. Special Revenue Fund Sources and Uses, Reidy Creek Golf Course Fund, Sources of Funds, Transfer from General Fund: \$50,000. Page 215. Accessed at: <https://www.escondido.org/Data/Sites/1/media/pdfs/Finance/AOB2009-10.pdf>
- 23 Annual Operating Budget Fiscal Year 2011/12. City of Escondido, California. Department Summary, Reidy Creek Golf Course Debt Service, Budget Summary, Budget, Total Budget, 2009-10 Actual: \$356,500. P. 232. Accessed at: <https://www.escondido.org/Data/Sites/1/media/pdfs/Finance/AOB2011-12.pdf>
- 24 City of Escondido, Quarterly Financial Status Report, Fourth Quarter Ending June 30, 2011. Page 22. Reidy Creek Golf Course Fund. July - June 2010, Expenditures, Management Fee: \$66,731 Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/FinancialStatusReportFourthQuarter2011.pdf>
- 25 City of Escondido, Quarterly Financial Status Report, Fourth Quarter Ending June 30, 2012. Reidy Creek Golf Course Fund. July - June 2012, Total Revenues Over Expenditures: \$1,233. Page 15. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/FinancialStatusReportFourthQuarter2012.pdf>
- 26 Annual Operating Budget Fiscal Year 2012/13. City of Escondido, California. Department Summary, Reidy Creek Golf Course Debt Service, Budget Summary, Budget, Total Budget, 2010-11 Actual: \$363,190. Page 230. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/AOB2012-13.pdf>
- 27 City of Escondido, Quarterly Financial Status Report, Fourth Quarter Ending June 30, 2012. Reidy Creek Golf Course Fund. July - June 2011, Expenditures, Management Fee: \$68,577. Page 15. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/FinancialStatusReportFourthQuarter2012.pdf>
- 28 City of Escondido, Financial Status Report, Fiscal Year Ending June 30, 2013. Reidy Creek Golf Course Fund. Jul 2011 to Jun 2012 Actuals, Net Income (Loss): (\$53,863). Page 7. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/FinancialStatusReportFourthQuarter2013.pdf>
- 29 Annual Operating Budget Fiscal Year 2013/14. City of Escondido, California. Department Summary, Reidy Creek Golf Course Debt Service, Budget Summary, Budget, Total Budget, 2011-12 Actual: \$369,265. Page 200. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/AOB2013-14.pdf>
- 30 City of Escondido, Financial Status Report, Fiscal Year Ending June 30, 2013. Reidy Creek Golf Course Fund. Jul 2011 to Jun 2012 Actuals, Expenditures, Management Fee: \$70,032. Page 7. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/FinancialStatusReportFourthQuarter2013.pdf>
- 31 City of Escondido, Financial Status Report, Fiscal Year Ending June 30, 2013. Reidy Creek Golf Course Fund. Jul 2012 to Jun 2013 Actuals, Net Income (Loss): (\$7,937) Page 7. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/FinancialStatusReportFourthQuarter2013.pdf>
- 32 This figure was found in: Annual Operating Budget Fiscal Year 2013/14. City of Escondido, California. Department Summary, Reidy Creek Golf Course Debt Service, Budget Summary, Budget, Total Budget, 2012-13 Revised: \$380,475. Page 200. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/AOB2013-14.pdf>. (According to the 2014-2015 Annual Operating Budget, the 2012-2013 actual payment was \$5,732,84, in which the city made this payment to refinance their debt. I have not included that lump sum payment in this calculation as it would overstate the amount of contribution to debt service that the city has made. Source: Annual Operating Budget Fiscal Year 2014/15. City of Escondido, California. Department Summary, Reidy Creek Golf Course Debt Service, Budget Summary, Budget, Total Budget, Actual 2012-13: \$5,732,847. Page 200. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/AOB2014-15.pdf>. For information on the principal retirements made in the 2012-2013 Fiscal Year, See: City of Escondido, Comprehensive Annual Fiscal Report For the Year Ended June 30, 2013, Golf Course Debt Service Fund, Budgetary Comparison Schedule, Expenditures, Principal retirements, Actual: \$5,870,000. Page 130. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/CAFR2013.pdf>)
- 33 City of Escondido, Financial Status Report, Fiscal Year Ending June 30, 2013. Reidy Creek Golf Course Fund. Jul 2012 to Jun 2013 Actuals, Expenditures, Management Fee: \$70,737. Page 7. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/FinancialStatusReportFourthQuarter2013.pdf>
- 34 City of Escondido, Fourth Quarter Financial Report, June 30, 2014. Reidy Creek Golf Course Fund. "The Reidy Creek Golf Course Fund ended fiscal year 2013/14 with a loss of \$59,878." Page 2. Accessed at: https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/4th_Quarter_FY_2014_Financial_Status_Report.pdf
- 35 Annual Operating Budget Fiscal Year 2015/16. City of Escondido, California. Department Summary, Reidy Creek Golf Course Debt Service, Budget Summary, Budget, Total Budget, Actual 2013-14: \$362,872. Page 196. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/PreliminaryOperatingBudget1516.pdf>
- 36 Annual Operating Budget Fiscal Year 2014/15. City of Escondido, California. Line Item Detail, 553-130 Reidy Creek Golf Course, 5131-553-130 Professional Services, Golf Course Management Fees, 2013-14 Revised: \$70,610. Page 155. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/AOB2014-15.pdf>

- 37 City of Escondido, Fourth Quarter Financial Report, June 30, 2015. Reidy Creek Golf Course Fund. "A transfer of \$131,000 is being requested to cover the year's losses." Page 2. Accessed at: https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/4th_Quarter_FY_2016_Financial_Status_Report.pdf
- 38 Annual Operating Budget Fiscal Year 2016/17. City of Escondido, California. Department Summary, Reidy Creek Golf Course Debt Service, Budget Summary, Budget, Total Budget, Actual 2014-15: \$361,177. Page 200. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/PreliminaryOperatingBudget1617.pdf?v=2>
- 39 Annual Operating Budget Fiscal Year 2015/16. City of Escondido, California. Line Item Detail, 553-130 Reidy Creek Golf Course, 5131-553-130 Professional Services, Golf Course Management Fees, 2014-15 Revised: \$73,520. Page 155. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/PreliminaryOperatingBudget1516.pdf>
- 40 City of Escondido, Fourth Quarter Financial Report, June 30, 2016. Reidy Creek Golf Course Fund. "A transfer of \$122,000 is being requested to cover the year's losses." Page 2. Accessed at: https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/4th_Quarter_FY_2016_Financial_Status_Report.pdf
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- 42 Annual Operating Budget Fiscal Year 2018/19. City of Escondido, California. Line Item Detail, 553-130 Reidy Creek Golf Course, 5131 Professional Services. 2015-16 Actual: \$75,623. Page 242. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/purchasing/FinalOperatingBudget201819.pdf>
- 43 City of Escondido, Attachment 1: Fourth Quarter Financial Report, June 30, 2017. Reidy Creek Golf Course Fund. "A transfer of \$145,000 is being requested to cover the year's losses and replace an irrigation filtration system at the golf course." Page 2. Accessed at: https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/4th_Quarter_Financial_Report_17.pdf
- 44 Annual Operating Budget Fiscal Year 2018/19. City of Escondido, California. Schedule of Interfund Transfers, Reidy Creek Debt Service. 2016-17 Actual: \$365,550. Page 51. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/purchasing/FinalOperatingBudget201819.pdf>
- 45 Annual Operating Budget Fiscal Year 2018/19. City of Escondido, California. Line Item Detail, 553-130 Reidy Creek Golf Course, 5131 Professional Services. 2016-17 Actual: \$78,583. Page 242. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/purchasing/FinalOperatingBudget201819.pdf>
- 46 The adopted budget for the 2017-2018 fiscal year transferred \$102,150 from the General Fund to the golf course to cover budget deficits. In the most recent report from the Finance department to the city council, an additional \$60,000 in losses were projected. The figure for the 2017-2018 General Fund transfer to the golf course's operation was derived by adding the amount that the Reidy Creek Golf Course Budget was balanced using a transfer from the General Fund and the most recent figure of additional projected losses. Sources: City of Escondido, Attachment 1: Third Quarter Financial Report, March 31, 2018. Reidy Creek Golf Course Fund. Page 2. "Bases on this trend the fund is projected to end the year with a loss of about \$60,000." Accessed at: https://www.escondido.org/Data/Sites/1/media/PDFs/Finance/3rd_Quarter_Financial_Report_18.pdf
- Annual Operating Budget Fiscal Year 2018/19. City of Escondido, California. General Fund Multi-Year Financial Plan, Adopted 2017-18 Use of Funds, Transfer to Reidy Creek Golf Course-Operations: \$102,150. Page 66. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/purchasing/FinalOperatingBudget201819.pdf>
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- 52 Annual Operating Budget Fiscal Year 2018/19. City of Escondido, California. General Fund Multi-Year Financial Plan, Projected 2019-20 Use of Funds, Transfer to Reidy Creek Golf Course-Operations: \$100,000. Page 66. Accessed at: <https://www.escondido.org/Data/Sites/1/media/PDFs/purchasing/FinalOperatingBudget201819.pdf>

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- 54 Figure derived by adding the periodic fixed fee per the golf course management contract and an estimate of the percentage fee given that the average of 0.75% of gross revenues since the most recent management contract began is around \$4,000. Source: Escondido City Council Meeting Agenda, June 27, 2012. Agenda Item No. 17. Management and Concession contract for Reidy Creek Golf Course. "A Periodic Fixed Fee to be Paid during the following time periods...Eighth Term Year. Commencing on July 1, 2019 and continuing through June 30, 2020, the sum of \$81,125..."
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- 60 Figure derived by adding the periodic fixed fee per the golf course management contract and an estimate of the percentage fee given that the average of 0.75% of gross revenues since the most recent management contract began is around \$4,000. Source: Escondido City Council Meeting Agenda, June 27, 2012. Agenda Item No. 17. Management and Concession contract for Reidy Creek Golf Course. "A Periodic Fixed Fee to be Paid during the following time periods...Tenth Term Year. Commencing on July 1, 2021 and continuing through June 30, 2022, the sum of \$86,066..."
- 61 Information on golf course management agreements other than Reidy Creek come from Encinitas City Council Meeting Agenda Report. April 16, 2014. Item #10D. Attachment 4. Page 26. Southern California Municipal Golf Course Management Agreements.
- 62 Escondido City Council Meeting Agenda, June 27, 2012. Agenda Item No. 17. Management and Concession contract for Reidy Creek Golf Course. Golf Course Consulting and Management Agreement. "In addition to the Periodic Fixed Fee, a 'Percentage Fee' equal to zero and 75/100 percent (0.75%) of Gross Revenues..."