

# INDIAN WELLS CITY COUNCIL

## May 18, 2023



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**To:** City Council  
**From:** Finance Department  
**Prepared by:** Kevin McCarthy, Finance Director  
**Subject:** **Indian Wells Golf Resort Implementation Goals and Deliverables for the Fiscal Year 2023-24 Budget Cycle**

### RECOMMENDED ACTION:

Council **APPROVES** the Indian Wells Golf Resort Implementation Goals and Deliverables for the Fiscal Year 2023-24 Budget Cycle.

### BACKGROUND:

On April 6, 2023, the City Council held a planning session to develop the Indian Wells Golf Resort (IWGR) Strategic Planning Goals. During the meeting, the City Council collaborating with Resident input set the Golf Resort Strategic Planning Goals, which will serve as a community roadmap shaping the future of the Golf Resort in the coming year.

Listening to Community needs, the City committed funds to enhance public communications and transparency with Residents. Part of the program was the creation of a new stand-alone budget for the Golf Resort. The separate budget provides detailed information regarding operations and capital planning.

The form of this new budget book is still in its evolutionary phase. Transparency and improved resident communication regarding the operations of the Golf Resort led the City Manager to this iteration of the budget book. Resident engagement is critical to the future development of the budget book. In addition to providing a detailed budget broken out by individual profit center, the new budget details the Golf Resort's business plan, the marketing plan, and offers unique insight into guest demographics and the competitive market set. This means all operating procedures and measurements are now in one place.

The IWGR Financial Goals include:

- IWGR is profitable before the amenity subsidy and after capital and maintenance expenses. The breakout of projected net income by the department is as follows:

Indian Wells Golf Resort Projected Net Income Goal (%) by Department				
	Minimum Goal	Maximum Goal	Budgeted Goal	Met Goal
Golf, including golf maintenance	25.0%	30.0%		Yes
Merchandise	27.0%	33.0%		Yes
Vue	8.0%	12.0%		Yes
Vue - Cost of Sales	30.0%	n/a		Yes
Vue - Labor	50.0%	n/a		Yes
Beverage Carts	38.0%	42.0%		Yes
Banquets	30.0%	35.0%		Yes
Food Truck	30.0%	35.0%		Yes
Shots in the Night	30.0%	35.0%		Not Yet
General & Administrative	Decrease 5% from last year actual		Stayed Flat to Last Year - No Increase	Not Yet
Building Maintenance	Decrease 5% from last year actual		Stayed Flat to Last Year - No Increase	Not Yet

- IWGR management to develop strategies to increase customers and check averages in all operations (e.g., Vue restaurant, banquets, golf, etc.).
- IWGR management to identify opportunities to improve efficiency and operations to be more cost-effective while maintaining quality.
- Consider golf resort operating profits and energy savings from the new solar project to fund future capital needs.
- Remove the payroll allocation.

To ensure the Council's strategic goals are included in the Golf Resort's annual budget, the City developed the attached Implementation Goals and Deliverables list. The Implementation Goals and Deliverables list identifies seven key areas that are to be included in the new Golf Resort Budget, including:

1. Profitability
2. The General Fund Amenity Subsidy
3. Allocated Payroll
4. Projected Net Income by Department
5. Operating strategies incorporated into the new budget.
6. Capital Budgeting

## 7. Development of the New Concepts, the Business Plan, and the Marketing Plan

These goals and deliverables are consistent with the Council's goals developed during the strategic planning session.

### **FINANCE COMMITTEE REVIEW:**

The Finance Committee met on April 27, 2023, to review the Implementation Goals and Deliverables and has approved for City Council consideration today. During the discussion, the Committee inquired if Troon supported the list. The goals and deliverables were vetted with Troon. Troon supports the list and recognizes that some goals are quickly attainable while others are aspirational and serve as motivators.

### **ATTACHMENTS:**

1. Indian Wells Golf Resort Implementation Goals