

TIMBER | PUBLIC COMMENTS

We Publicly Subsidize Golf in Troy (11-13-2023)

Municipally-owned enterprises often fill gaps in the local marketplace, encourage recreation or tourism, or prevent private interests from securing natural monopolies. Although they often make nice or important things affordable for more residents, their defining feature is an expectation that they will pay for themselves. Examples of municipally-owned enterprises in the United States include water utilities, public power, garbage collection, ski resorts, farmers markets, airports, grocery stores, and golf courses. Because it is so important that these business-like entities cover their own expenses, **cities cordon their businesses off into separate budgets called enterprise funds**, which makes it much easier to understand how the business is doing and what resources are being diverted from the general fund to keep it afloat. Because it is clearly a business-like entity, it is a little strange that the Frear Park Golf Course is not in its own enterprise fund. This oversight is particularly relevant to the 2024 budget hearings because the golf course is actually on track to cost taxpayers a lot of money.

In this year's budget proposal, **Troy will spend at least \$2,338,920 on the Frear Park Golf Course in 2024**. We can arrive at that conservative total by combining personnel services (\$561,631), materials and supplies (\$240,250), contractual services (\$169,800), employee benefits (\$224,239), and capital improvements (\$1.143 million). Because the golf course does not live in its own enterprise fund, this does not account for whatever other city resources are being put toward it. We do not need to account for those other expenses to understand that \$1.15m in anticipated revenue (\$740,000 from golf fees, \$393,000 from golf carts, and \$15,000 from merchandise) is not going to cover the gap. **All in all, golf subsidies will cost Troy taxpayers \$1.19 million in 2024. This becomes even direr in 2025**, when red-blooded **Trojan taxpayers can expect to spend about \$2 million** so that Frear Park welfare kings can climb in and out of sand traps and zip around in their little golf carts.

We are framing the problem in a silly way to make a point: if we have to take the long view of the golf course to determine whether the plans this year actually make any sense, that has to cut both ways. **Even if the golf course starts to "break even" in 2026, we will still have spent about \$4 million getting there. If we wanted these capital improvements to pay for themselves by about 2028, the golf course would need to find about \$800 thousand in additional revenue starting with this budget.** If the City wanted to wait longer to break even, it would have to break even much harder. Regardless of how or when it happens, it should be clear that the food service at Park Pub is, at most, a small piece of the puzzle. This would all be very transparent if the golf course were in its own Enterprise Fund.

Throughout the year, city councilmembers have expressed grave concerns about what would happen if the city accidentally gave Brita filters to people who didn't need them, or how the administration plans to prevent the public from abusing free recycling bins and garbage cans. Given its fear of wasteful spending, we expect that the Council is alarmed to learn that **the golf course loses so much money that the State Comptroller would reject the notion that it is even conceptually intended to break even**, and that they will work to address the matter before November 30th.



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