Viewpoint

Muny profits should go to muny courses

Your editorial viewpoint expressed in the September issue of **GOLF BUSINESS** is appropriate and a question which should be addressed on a national scale. Obviously, allowing the municipal courses to operate at a loss is destructive to the private enterprise system which the Federal Government should be promoting.

However, our situation in Virginia appears to me to be quite the reverse in that the majority of our municipal golf courses are in good financial condition and are showing a net profit.

My concern arises when this profit is utilized to light the tennis courts, fix the baseball diamonds, etc., when it needs to be poured back into upgrading the municipal golf courses.

My question then, which is somewhat related to yours, is: Should municipal golf course profits be utilized to support other non-profit sports? Should not these profits be used for the construction of more municipal golf courses, upgrading existing courses or raising municipal golf course superintendent and employee salaries, etc.?

I enjoy your magazine very much. Keep up the good work.

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Big government threatens golf

What else can you call it when municipal, county, state, and federal subsidization of golf courses threatens the existence of privately owned public golf facilities? In any city that situation could certainly exist. The operational losses of Huntsville's two municipal golf courses have averaged $60,000 per year for the last 10 years. (Last year's losses were $120,000.) These figures do not include: fringe benefits and payroll taxes, free city services (such as soil, equipment and water), free labor under government programs, and land acquisition and development costs, nor the debt service on these costs.

All these costs must be borne by the privately-owned public golf courses. Where the municipal competitor can incur such large losses constructively (the cost of doing business is immaterial to the municipal operation), the privately-owned public courses must:

- raise its fees substantially above the city rates
- reduce its services below those offered by the city
- operate at a level of efficiency far above that of the city
- go private or go out of business (possibly creating the need for an additional losing municipal golf courses)

Obviously, the situation is very unfair. In the spirit of Proposition 13 something should be done. The only valid reason for the existence of a governmentally-subsidized golf course (or any other type of government service) is that such a service is not available in the private sector. The only circumstances in which such a recreational facility should be allowed to operate at a loss is when a very large segment of the public benefits from the service.

In Huntsville, the municipal golf courses comprise some 40 percent of the public fee capacity and cater to a very small (estimated 2-5% of the public. Their existence is not justified in the first place and certainly the consistently large losses are not justified.

The reader might say that this whole discussion is sour grapes and he is precisely right. Not only do I have to compete to support my investment in a game in which the competitor can lose until I am defeated but I have to pay taxes to support him — and so do you!!

In Huntsville, the three privately-owned public courses are in very real danger of being driven out of business. Driven out by a municipal operation which has raised its green fees by 20% over the last 16 years while labor, chemicals, equipment and the general cost of living have incrased by 250-300% in that time.

I am fighting the situation in Huntsville, Alabama. Anyone who has advice, knowledge of similar circumstance and their solution, or just encouragement, should write to Ron Morris c/o **GOLF BUSINESS.** Ron will forward it to me.

Municipal courses are a fact. They exist. The real question is can privately-owned public golf courses co-exist? I sincerely feel that the answer is: only under fair competitive ground rules.

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