



REPORT TO THE CITY COUNCIL

September 30, 2008

AGENDA ITEM NO.

COUNCIL MEETING 09/30/08

APPROVED BY


DEPARTMENT DIRECTOR

CITY MANAGER

FROM: RANDALL L. COOPER, Director
Parks, Recreation & Community Services Department

BY: PAUL MELIKIAN, Administrative Manager 
Parks, Recreation & Community Services Department

SUBJECT: APPROVE THE 475TH AMENDMENT TO MASTER FEE SCHEDULE RESOLUTION NO. 80-420 INCREASING GREEN FEES AT RIVERSIDE MUNICIPAL GOLF COURSE

KEY RESULT AREA Resource Management

RECOMMENDATIONS

Staff recommends that the City Council approve the 475TH Amendment to Master Fee Resolution No. 80-420 increasing green fees at Riverside Municipal Golf Course in accordance with the existing lease agreement. A similar annual adjustment to these green fees has been approved by Council every year since 1999.

EXECUTIVE SUMMARY

Staff is recommending that the green fees at Riverside Municipal Golf Course be increased per the attached resolution. The proposed increases in range from \$0.25 to \$1.50, with the rate categories utilized by the most price sensitive golfers affected the least. Please reference the table under the Fiscal Impact section for a detail of all rate fee adjustments. The rate adjustments are in accordance with the terms of the existing contract with CourseCo (course operator) for the management of the golf course.

The course operator is entitled to green fee adjustments each and every year of their 10-year contract, which came into effect August 17, 1999. Per the agreement, "green fees shall be increased in \$0.25 increments, in proportion to the change in the U.S. Bureau of Labor Statistics Consumer Price Index (CPI) for the months of March of the prior year and March of the then current year." The CPI increased 7.564 points from March 2007 to March 2008, creating an adjustment factor of 3.62%. This percentage has then been added to existing green fees, rounded to the next highest \$0.25 increment. The non-resident rate of an additional \$2.00 per round (established December 2007) will be unaffected and remain constant as green fees are increased from year to year.

BACKGROUND

On November 6, 2007, Council approved a reimbursement resolution (and eventual Park Bond funding) in the amount of \$2,500,000 to begin work on the full replacement of Riverside's irrigation system, construction an irrigation lake, and adding concrete cart paths. The course is scheduled to re-open (with all 18 holes) on October 9, 2008 with a re-dedication ceremony. The new irrigation system has already vastly improved course conditions and will improve overall customer satisfaction with the facility. The course conditions will continue to

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improve as the turf continues to 'grow in' this fall and next spring. In addition, finishing the cart paths on the front nine holes and around the lake will help to keep turf in good condition.

CourseCo has been a true partner in this project, acting as project manager and enduring a 24% reduction in golf rounds compared to this time last year due to construction interruptions. In accordance with the current lease agreement, the Department is discussing with CourseCo the details of extending another long-term lease to operate Riverside. The Department plans to return to Council in the next 90 days to present a revised lease agreement that will meet the needs of both organizations.

While the recent investment in Riverside is significant, it was just the first step in bringing the course up to the championship level that it is capable of attaining. The irrigation replacement and partial cart path construction is the catalyst to bring our valued golfers back to Riverside. As the rounds increase, revenue will be generated to fund a myriad of important projects:

- Finish cart paths
- Continued green and bunker replacements
- Driving range improvements
- Maintenance Shop renovation
- Clubhouse/Restaurant Upgrades

Market Analysis

Staff and CourseCo do not believe that the green fee increases will adversely affect Riverside's current market position as supported by the comparative market analysis below:

Riverside Municipal Golf Course
Comparative Market Analysis - Rates as of 9/9/2008

Course	Weekday 18	Weekend 18	Junior Daily	Senior Daily	Restrictions	9 Hole Rates	Cart Fees	Range Balls
Airways	\$18 00	\$20 00	\$10 00	\$10 00	No restrictions on Sr/Jr fees	NA	\$7 00 for 9 \$12.00 for 18	\$3.00 for sm. \$6.00 for med. \$9.00 for lrg
Fig Garden	\$40 00	\$40 00	\$20 00	NA	Junior fees after 12pm	\$25 00	\$9 50 for 9 \$16 00 for 18	\$3.00 for sm. \$6.00 for med. \$9.00 for lrg.
Madera Muni	\$20 00	\$25 00	\$10 00	\$15 00	Sr/Jr fees after 12pm on weekends	NA	\$7 00 for 9 \$11 00 for 18	\$3.00 for sm \$7 00 for lrg
Pheasant Run	\$32 00	\$49 00	\$19 00 - WD \$25 00 - WE	\$22 00 - WD \$37 00 - WE	Single cart riders pay \$6 more for cart fee	NA	\$13.00 per person	\$3.00 for sm \$6.00 for med \$9.00 for lrg
Riverbend	\$50.00	\$75.00	\$20.00	NA	No senior fees	\$25 00 - WD \$40.00 - WE	Carts included in green fee price	\$4.00 for sm \$6.00 for med. \$8.00 for lrg.
Valley Oaks	\$24 50	\$31 00	\$16 50 - WD \$18 50 - WE	\$16 50 - WD \$18 50 - WE	Sr/Jr fees after 11am on weekends	\$16 50 - WD \$18 50 WE	\$8 00 for 9 \$12 00 for 18	\$4.00 for sm \$7 00 for med \$10.00 for lrg.
Ridge Creek (Dinuba)	\$51 00	\$61 00	\$20.00 - WD \$22 00 - WE	\$41.00 - WD \$43 00 - WE	Sr 62 and over	NA	\$10.00 for 9 \$14 00 for 18	\$4 00 for sm \$8.00 for med \$12.00 for lrg
Riverside Current Fees	\$20 00	\$27 25	\$11 00	\$12 75	Sr/Jr fees after 12pm on weekends	\$15 25 - WD \$16 25 - WE	\$7 00 for 9 \$12 00 for 18	\$4 00 for sm. \$6 00 for med \$8.00 for lrg
Riverside Proposed Fees	\$20.75	\$28.00	\$11.50	\$13.25	Sr/Jr fees after 12pm on weekends	\$15.75 - WD \$16.75 - WE	\$8.00 for 9 \$12.00 for 18	\$4.00 for sm. \$6.00 for med. \$8.00 for lrg.

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KEY OBJECTIVE BALANCE

The proposed fee amendments truly balance the Key Objectives. Customer Satisfaction and Financial Management are enhanced as the adjusted fees will allow the operator to keep pace with the current level of course maintenance expenses, while ensuring adequate resources for the continual improvement of the course and facilities for increased customer satisfaction. And with the improved course conditions, lake, and cart paths, golfers will now be getting a 'bigger bang for the buck' than ever.

FISCAL IMPACT

The existing and proposed green fee schedule is shown below.

Rate Category	Current Rates	Fresno Resident Proposed Rates	Non-Residency Rates
Weekdays	20.00	20.75	22.75
after 2pm (PST)	15.25	15.75	17.75
after 3pm (PST)	15.25	15.75	17.75
Weekends/Holidays	27.25	28.00	30.00
after 2pm (PST)	16.25	16.75	18.75
after 3pm (PST)	16.25	16.75	18.75
Tournaments	31.75	33.00	-
Seniors (62 and over)	12.75	13.25	15.25
Juniors (18 and under)	11.00	11.50	13.50
Junior Golf Team	4.25	4.50	-
Senior Monthly Card	41.75	43.25	
Senior Surcharge Per Round	+5.75	6.00	Available to Residents Only
Junior Monthly Card	40.75	42.25	
Junior Surcharge Per Round	+4.25	4.50	

Adjusting the green fees at Riverside Golf Course will ensure that the current course operator is able to bring in revenues to cover increased operational expenses and provide an additional revenue stream for ongoing capital improvements.

Attachments: Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO
ADOPTING THE 475th AMENDMENT TO THE MASTER FEE SCHEDULE
RESOLUTION NO. 80-420 INCREASING GREEN FEES AT RIVERSIDE
MUNICIPAL GOLF COURSE IN THE PARKS SECTION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRESNO:

THAT the Master Fee Schedule Resolution No. 80-420 be and is hereby amended to increase the Green Fees at Riverside Municipal Golf Course in accordance with existing lease agreements. The revised pages of the Master Fee Schedule are attached and made a part of this Resolution.

THAT fees shall become effective upon final passage.

CLERK'S CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF FRESNO)ss.
CITY OF FRESNO)

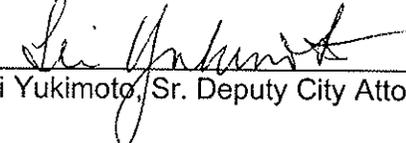
I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the ___ day of _____, 2008.

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor Approval: _____ 2008
Mayor Approval/No Return: _____, 2008
Mayor Veto: _____, 2008
Council Override Veto: _____, 2008

REBECCA E. KLISCH
City Clerk

APPROVED AS TO FORM
CITY ATTORNEY'S OFFICE

BY: 
Tei Yukimoto, Sr. Deputy City Attorney

**CITY OF FRESNO
 MASTER FEE SCHEDULE
 AMENDMENT SUMMARY
 AIRPORTS ADMINISTRATION**

For FY 2009, the PARCS Department is proposing to revise the Riverside Municipal Golf Course Green Fees. Riverside Municipal Golf Course green fees are typically updated every year. The proposed fee schedule is comprised of the following:

**PARKS, AFTER SCHOOL, RECREATION, AND COMMUNITY SERVICES DEPARTMENT
 Riverside Municipal Golf Course - Green Fees**

Fee Description	Current	Proposed	Detail pg. #	MFS pg. #
Weekdays	20.00	20.75	2	3
after 2 p.m. (PST)	45.25	15.75		
after 3 p.m. (PDST)	45.25	15.75		
Weekends/Holidays (as identified in FMC 2-1513)	27.25	28.00	2	3
after 2 p.m. (PST)	46.25	16.75		
after 3 p.m. (PDST)	46.25	16.75		
Tournaments	31.75	30.00	2	3
Seniors (62 and over)	42.75	15.25		
Juniors (18 and under)	41.00	13.50		
Juniors Golf Team	4.25	4.50		
Monthly Cards (restricted to the individual named)		Monthly Cards available to Resident Only	2	3
Seniors (Unlimited)	41.75			
Surcharge / per round	+5.75			
Juniors (Unlimited)	40.75			
Surcharge / per round	+4.25			

**CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT DETAIL**

PARKS, AFTER SCHOOL, RECREATION, COMMUNITY SERVICES

Riverside Municipal Golf Course – Green Fees

The Administration Division is proposing to revise the fees associated with the Riverside Municipal Golf Course, which bases all fees adjustments on the Consumer Price Index (CPI).

Rate Category	Current Rates	Fresno Resident Proposed Rates	Non-Residency Rates
Weekdays	\$ 20.00	\$ 20.75	\$ 22.75
after 2pm (PST)	15.25	15.75	17.75
after 3pm (PST)	15.25	15.75	17.75
Weekends/Holidays	27.25	28.00	30.00
after 2pm (PST)	16.25	16.75	18.75
after 3pm (PST)	16.25	16.75	18.75
Tournaments	31.75	33.00	-
Seniors (62 and over)	12.75	13.25	15.25
Juniors (18 and under)	11.00	11.50	13.50
Junior Golf Team	4.25	4.50	-
Senior Monthly Card	41.75	43.25	Available to Residents Only
Senior Surcharge Per Round	+5.75	6.00	
Junior Monthly Card	40.75	42.25	
Junior Surcharge Per Round	+4.25	4.50	

**CITY OF FRESNO
MASTER FEE SCHEDULE**

PARKS, RECREATION, & COMMUNITY SERVICES DEPARTMENT

RIVERSIDE MUNICIPAL GOLF COURSE - GREEN FEES

<u>Fee Description & Unit/Time</u>	<u>Current</u>		<u>Amnd</u>
Art, Park, Entertainment & Sports* (at all City owned facilities that comprise the Fresno Convention & Entertainment Center, the Riverside Municipal and Airways Golf Courses. The Arts, Park, Entertainment and Sports (APES) ticket surcharge fee is to be applied to all tickets sold for attendance to all event types and on each round of golf, irrespective of the ticket selling party, irrespective of ticket price. The City reserves the right to waive the surcharge upon City Manager approval). Per ticket (or attendee) and on each round of golf	0.75		462 10/1/07
* Surcharge is to sunset or is up for renewal at the end of FY 2010.			
Non-Resident Surcharge (applies to all patrons who do not have a valid drivers license or other identification card issued by the State of California indicating that the patron is a resident of Fresno, California. Surcharge applies to the following green fees: weekdays, weekend/holiday, and senior and junior rates).**	2.00		459 1/1/2008
*** Weekdays			
after 2 p.m. (PST)	20.00	20.75	475
after 3 p.m. (PDST)	15.25	15.75	
	15.25	15.75	
*** Weekends/Holidays (as identified in FMC 2-1513)			
after 2 p.m. (PST)	27.25	28.00	475
after 3 p.m. (PDST)	16.25	16.75	
	16.25	16.75	
*** Tournaments	31.75	33.00	475
*** Seniors (62 and over)	12.75	13.25	475
*** Juniors (18 and under)	11.00	11.50	475
*** Junior Golf Team	4.25	4.50	475
*** Monthly Cards (restricted to the individual named)			475
Seniors (Unlimited)*	41.75	43.25	
Surcharge / per round	+5.75	+6.00	
Juniors (Unlimited)*	40.75	42.25	
Surcharge / per round	+4.25	+4.50	

* Tee times will be restricted to weekdays and after 2 p.m. (standard time) or 3 p.m. (daylight savings time) on weekends and holidays, or based on course availability as determined by lessee.

** Non-Resident Surcharge is effective January 1, 2008.

Note: All above fees have been adjusted to include the \$0.75 Art, Park, Entertainment & Sports fee.

*** 475th amendment shall become effective upon final passage. Council Meeting will be held 9/30/08.