

AGENDA ITEM NO. 11  
COUNCIL MEETING 2/09/12  
APPROVED BY \_\_\_\_\_

February 9, 2012

DEPARTMENT DIRECTOR \_\_\_\_\_

CITY MANAGER 

**FROM:** BRUCE A. RUDD, Interim Director  
Parks, After School, Recreation & Community Services Department

**BY:** PAUL A. MELIKIAN, Administrative & Finance Manager   
Parks, After School, Recreation & Community Services Department

**SUBJECT:** APPROVE THE 509<sup>TH</sup> AMENDMENT TO MASTER FEE SCHEDULE RESOLUTION NO. 80-420 REVISING GREEN FEES AT RIVERSIDE MUNICIPAL GOLF COURSE

**RECOMMENDATION**

Staff recommends that the City Council approve the 509<sup>TH</sup> Amendment to Master Fee Resolution revising green fees effective March 1, 2012 at Riverside Municipal Golf Course in accordance with the existing lease agreement. The annual adjustment to the green fees has been approved by Council annually since 1999.

**EXECUTIVE SUMMARY**

Staff recommends that the green fees at Riverside Municipal Golf Course be increased per the attached resolution, in accordance with the terms of the existing contract dated September 2009 with CourseCo (course operator) for the management of the golf course. The proposed increases range from \$0.25 to \$2.00 for weekday, weekend, twilight, and senior rates, and \$2.75 for monthly cards. Please reference the table under the Fiscal Impact section for a detail of the rate fee adjustments. The cumulative adjustment to green fees is 3.42%, whereas the Consumer Price Index (CPI) has risen 3.51% over the 12 month period.

In addition to revising the green fees, the operator has requested that the \$2.00 Non-Resident surcharge be eliminated. The primary reason is that it has not been well received by customers. While Non-Resident fees are commonplace in some areas of the State, they are not used much locally. This change in surcharge structure will have a positive impact on our ability to retain customers from outside Fresno and reduce oversight costs, while continuing to fund the Capital Improvement Account. The Non-Resident Surcharge generated \$11,200 last year for course capital improvements. The loss of Non-Resident surcharge revenue will be offset by the Art, Park, Entertainment & Sports (APES) Surcharge, which has been levied on every round of golf since 2006. The offset is possible due to the operator currently charges \$0.75 per round instead of the \$1.00 per round that is already in the City Master Fee Schedule. The operator plans to implement the \$0.25 increase to the APES surcharge for all rounds of golf at the same time the Non-Resident surcharge goes away, resulting in a net gain of \$2,800 annually for course capital improvements.

**BACKGROUND**

Effective each and every year of the 10 year lease, green fees may, at the discretion of Lessee, be adjusted in an amount not to exceed the 12 month percentage change in the U.S. Bureau of Labor Statistics Consumer Price Index (CPI) (Urban Wage Earners and Clerical Workers for the Los Angeles-Anaheim-Riverside area), for the most current month that data is available (the "CPI Increase"). The CPI Increase shall be calculated by adding the total sum of CPI increases from all green fee categories. The CPI Increase may be applied by Lessee in part or in its entirety to individual rate categories at the discretion of Lessee so long as the sum of the combined green fee increases does not exceed the total CPI Increase. The CPI increased 7.67 points from September 2010 to September 2011, creating an adjustment factor of 3.51%. The operator is requesting a 3.42% cumulative adjustment to fees at this time.

On November 6, 2007, Council approved a reimbursement resolution (and eventual Park Bond funding) in the amount of \$2,500,000 for the full replacement of Riverside's irrigation system, construction an irrigation lake, and adding concrete cart paths. The course re-opened with new amenities (with all 18 holes) on October 9, 2008, with a re-dedication ceremony. The new irrigation system has vastly improved course conditions and improved overall customer satisfaction with the facility. The course remains one of the best golf values in the Central Valley.

**FISCAL IMPACT**

Staff and CourseCo believe that the modest green fee increases will not adversely affect Riverside's current market position. The existing and proposed increased fee schedule is listed in the table below:

CPI September 2010	218.427
CPI September 2011	226.096
Amount of Change	7.67
Max. Adjustment Factor	3.51%

Category	Current Fee*	Proposed Increase	New Fee*
Weekdays	\$ 20.25	\$ 0.25	\$ 20.50
Twilight	15.25	0.75	16.00
Weekends/Holidays	28.00	No change	28.00
Weekend Twilight	16.25	1.75	18.00
Tournaments	32.25	.50	32.75
Seniors (62 and over)	13.25	0.75	14.00
Juniors (18 and under)	10.75	0.25	11.00
Junior Golf Team	3.75	0.25	4.00
Senior Monthly Card	43.25	2.75	46.00
Senior Surcharge Per Round	5.25	0.75	6.00
Junior Monthly Card	42.25	No change	42.25
Junior Surcharge Per Round	3.75	No change	3.75
<i>Total Value All Categories</i>	<i>\$234.25</i>	<i>\$8.00</i>	<i>242.25</i>
<b>Cumulative adjustment</b>		<b>3.42%</b>	
Non-Resident Surcharge	\$2.00		Eliminated

\* Green fees shown above do not reflect the Arts, Parks, Entertainment & Sports Surcharge per round of golf.

Adjusting the green fees in regular increments at Riverside will ensure that the current course operator is able to generate adequate revenue to cover operational expenses, provide for ongoing capital improvement needs, and avoid large increases that become necessary when fees have not kept up with expenses.

Attachment: Resolution 80-420  
 Exhibit A: Request to Amend the Master Fee Schedule

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO  
ADOPTING THE 509th 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 agreement. The revised pages of the Master Fee Schedule are attached and made a part of this Resolution.

THAT fees shall become effective March 1, 2012.

CLERK'S CERTIFICATION

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

I, YVONNE SPENCE, 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 \_\_\_\_\_, 2012.

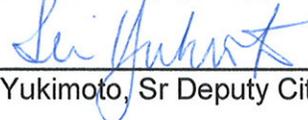
AYES:  
NOES:  
ABSENT:  
ABSTAIN:

Mayor Approval: \_\_\_\_\_ 2012  
Mayor Approval/No Return: \_\_\_\_\_, 2012  
Mayor Veto: \_\_\_\_\_, 2012  
Council Override Veto: \_\_\_\_\_, 2012

YVONNE SPENCE, CMC  
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**

**PARKS, AFTER SCHOOL, RECREATION AND  
COMMUNITY SERVICES DEPARTMENT**

The PARCS Department is proposing to revise the Riverside Golf Course Green Fees.

**RIVERSIDE MUNICIPAL GOLF COURSE - GREEN FEES\***

<b>Fee Description</b>	<b>Current</b>	<b>New</b>	<b>Justification Page #</b>	<b>MFS Page #</b>
<b>Art, Park, Entertainment &amp; Sports Surcharge / per round</b>	\$ 1.00	\$ 1.00	2	3
<b>Non-Resident Surcharge / per round</b>	2.00	Delete		
<b>Weekdays</b>	20.25	20.50		
after 2pm (PST) / after 3pm (PDST)	15.25	16.00		
<b>Weekends/Holidays (as defined in FMC 3-166)</b>	28.00	28.00		
after 2pm (PST) / after 3pm (PDST)	16.25	18.00		
<b>Tournaments</b>	32.25	32.75		
<b>Seniors (62 and over)</b>	13.25	14.00		
<b>Juniors (18 and under)</b>	10.75	11.00		
<b>Junior Golf Team</b>	3.75	4.00		
<b>Monthly Cards (restricted to the individual named)</b>				
Seniors (Unlimited)	43.25	46.00		
Surcharge/per round	5.25	6.00		
Juniors (Unlimited)	42.25	42.25		
Surcharge/per round	3.75	3.75		
*NOTE: Fees do not reflect the Arts Parks, Entertainment & Sports Surcharge per round of golf.				

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

**PARKS, AFTER SCHOOL, RECREATION AND  
COMMUNITY SERVICES DEPARTMENT**

**Riverside Municipal Golf Course - Green Fees**

Effective each and every year of the 10 year lease, green fees may, at the discretion of Lessee, be adjusted in an amount not to exceed the 12 month percentage change in the U.S. Bureau of Labor Statistics Consumer Price Index (CPI) (Urban Wage Earners and Clerical Workers for the Los Angeles-Anaheim-Riverside area), for the most current month that data is available (the "CPI Increase"). The CPI Increase shall be calculated by adding the total sum of CPI increases from all green fee categories. The CPI Increase may be applied by Lessee in part or in its entirety to individual rate categories at the discretion of Lessee so long as the sum of the combined green fee increases does not exceed the total CPI Increase. The CPI increased 7.67 points from September 2010 to September 2011, creating an adjustment factor of 3.51%. The operator is requesting a 3.42% cumulative adjustment to fees at this time.

	Current	Proposed
Art, Park, Entertainment & Sports Surcharge / per round	\$ 1.00	\$ 1.00
Non-Resident Surcharge / per round	2.00	-

Category	Current*	Proposed*	Difference
Weekdays	\$ 20.25	\$ 20.50	
after 2pm (PST) / after 3pm (PDST)	15.25	16.00	\$ 0.75
Weekends/Holidays	28.00	28.00	No Change
after 2pm (PST) / after 3pm (PDST)	16.25	18.00	1.75
Tournaments	32.25	32.75	0.50
Seniors (62 and over)	13.25	14.00	0.75
Juniors (18 and under)	10.75	11.00	0.25
Junior Golf Team	3.75	4.00	0.25
Senior Monthly Card	43.25	46.00	2.75
Senior Surcharge Per Round	5.25	6.00	0.75
Junior Monthly Card	42.25	42.25	No Change
Junior Surcharge Per Round	3.75	3.75	No Change
<i>Total Value All Categories</i>	234.25	242.25	8.00
<b>Cumulative adjustment</b>		<b>3.42%</b>	

\* NOTE: Fees do not reflect the Arts, Parks, Entertainment & Sports Surcharge per round of golf.

CPI September 2010	218.427
CPI September 2011	226.096
Amount of Change	7.67
Max. Adjustment Factor	3.51%

# CITY OF FRESNO MASTER FEE SCHEDULE

## PARKS, RECREATION, & COMMUNITY SERVICES DEPARTMENT

### RIVERSIDE MUNICIPAL GOLF COURSE - GREEN FEES

Fee Description & Unit/Time	Current	Proposed	Amnd
<b>Art, Park, Entertainment &amp; Sports*</b> (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	1.00		489
<del>Non-Resident Surcharge</del> (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).**	<del>2.00</del>		<del>459</del> 4/1/2008
<b>Weekdays**</b> after 2 p.m. (PST) / after 3pm (PDST) <del>—after 3 p.m. (PDST)</del>	20.75 15.75 15.75	20.50 16.00 16.00	509 3/1/12
<b>Weekends/Holidays</b> (as identified in FMC 2-1513)** after 2 p.m. (PST) / after 3pm (PDST) <del>—after 3 p.m. (PDST)</del>	28.00 16.75 16.75	18.00 18.00 18.00	509 3/1/12
<b>Tournaments**</b>	33.00	32.75	509 3/1/12
<b>Seniors (62 and over)**</b>	13.25	14.00	509 3/1/12
<b>Juniors (18 and under)*</b>	11.50	11.00	509 3/1/12
<b>Junior Golf Team*</b>	4.50	4.00	509 3/1/12
<b>Monthly Cards</b> (restricted to the individual named)**			509
Seniors (Unlimited)*	43.25	46.00	3/1/12
Surcharge / per round	+6.00		
Juniors (Unlimited)*	42.25		
Surcharge / per round	+4.50	+3.75	

\* 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.

\*\* 475th amendment shall become effective upon final passage. Council Meeting will be held 09/30/08

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