



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO. 1 F
COUNCIL MEETING 6/09/11
APPROVED BY

June 9, 2011

DEPARTMENT DIRECTOR

CITY MANAGER

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

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

SUBJECT: APPROVE THE 501ST AMENDMENT TO MASTER FEE SCHEDULE RESOLUTION NO. 80-420 INCREASING GREEN FEES AT RIVERSIDE MUNICIPAL GOLF COURSE

RECOMMENDATION

Staff recommends that the City Council approve the 501st Amendment to Master Fee Resolution increasing green fees 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 \$0.75 for weekday, weekend, twilight, and senior rates. Please reference the table under the Fiscal Impact section for a detail of the rate fee adjustments. The cumulative adjustment to green fees is just 1.046%, whereas the Consumer Price Index (CPI) has risen 3.925% over the last 12 months.

BACKGROUND

Effective each and every year of the ten-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 8.576 points from April 2010 to April 2011, creating an adjustment factor of 3.925%. The operator is only requesting a 1.046% 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, constructing 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:

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Riverside Annual Adjustment to Green Fees
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CPI April 2010	218.475
CPI April 2011	227.051
Amount of Change	8.576
Max. Adjustment Factor	3.925%

Category	Current*	Proposed*	Difference
Weekdays	20.00	20.25	\$ 0.25
after 2pm (PST)	15.00	15.25	0.25
after 3pm (PDST)	15.00	15.25	0.75
Weekends/Holidays	27.25	28.00	0.25
after 2pm (PST)	16.00	16.25	0.25
after 3pm (PDST)	16.00	16.25	0.25
Tournaments	32.25	32.25	No change
Seniors (62 and over)	12.50	13.25	0.75
Juniors (18 and under)	10.75	10.75	No change
Junior Golf Team	3.75	3.75	No change
Senior Monthly Card	43.25	43.25	No change
Senior Surcharge Per Round	5.25	5.25	No change
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>	<i>\$ 263.00</i>	<i>\$ 265.75</i>	<i>\$ 2.75</i>
Cumulative adjustment		1.046%	

* Green fees shown above do not reflect the \$0.75 Arts, Parks, Entertainment Surcharge or the \$2.00 non-resident fee (if applicable) that is charged per round of golf.

Adjusting the green fees regularly in smaller increments at Riverside Golf Course 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: MFS Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO
ADOPTING THE 501st 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 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 _____, 2011.

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor Approval: _____ 2011
Mayor Approval/No Return: _____ 2011
Mayor Veto: _____ 2011
Council Override Veto: _____ 2011

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**

**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

Fee Description	Current	New	MFS Page #	Justification Page #
Weekdays	20.75	21.00	3	2
after 2pm (PST)	15.75	16.00		
after 3pm (PDST)	15.75	16.00		
Weekends/Holidays (as defined in FMC 2-1513)	28.00	28.75	3	2
after 2pm (PST)	16.75	17.00		
after 3pm (PDST)	16.75	17.00		
Seniors (62 and over)	13.25	14.00	3	2

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

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

Riverside Municipal Golf Course - Green Fees

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

Category	Current*	Proposed*	Difference
Weekdays	20.75	21.00	0.25
after 2pm (PST)	15.75	16.00	0.25
after 3pm (PDST)	15.75	16.00	0.25
Weekends/Holidays	28.00	28.75	0.75
after 2pm (PST)	16.75	17.00	0.25
after 3pm (PDST)	16.75	17.00	0.25
Tournaments	33.00	33.00	No change
Seniors (62 and over)	13.25	14.00	0.75
Juniors (18 and under)	11.50	11.50	No change
Junior Golf Team	4.50	4.50	No change
Senior Monthly Card	43.25	43.25	No change
Senior Surcharge Per Round	6.00	6.00	No change
Junior Monthly Card	42.25	42.25	No change
Junior Surcharge Per Round	4.50	4.50	No change
<i>Total Value All Categories</i>	<i>272.00</i>	<i>274.75</i>	<i>2.75</i>
Cumulative adjustment		1.05%	

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

PARKS, RECREATION, & COMMUNITY SERVICES DEPARTMENT

RIVERSIDE MUNICIPAL GOLF COURSE - GREEN FEES

<u>Fee Description & Unit/Time</u>	<u>Current</u>	<u>Proposed</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	1.00		489
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**	20.75	21.00	501
after 2 p.m. (PST)	15.75	16.00	
after 3 p.m. (PDST)	15.75	16.00	
Weekends/Holidays (as identified in FMC 2-1513)**	28.00	28.75	501
after 2 p.m. (PST)	16.75	17.00	
after 3 p.m. (PDST)	16.75	17.00	
Tournaments**	33.00		
Seniors (62 and over)**	13.25	14.00	501
Juniors (18 and under)*	11.50		
Junior Golf Team*	4.50		
Monthly Cards (restricted to the individual named)**			
Seniors (Unlimited)*	43.25		
Surcharge / per round	+6.00		
Juniors (Unlimited)*	42.25		
Surcharge / per round	+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.

*** 501st amendment shall become effective upon final passage. Council Meeting will be held 06/09/11

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