

APPROVED

JUN 18 2008

REPORT OF GENERAL MANAGER

NO. 08-176

DATE June 18, 2008

BOARD OF RECREATION
and PARK COMMISSIONERS

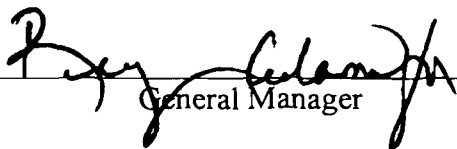
C.D. 4, 5, 6, 7, 11, 15

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GOLF FEES - RESTRICTION OF SENIOR CITIZEN LIFELINE RATE

V. Israel _____
H. Fujita _____
S. Huntley _____
R. Adams _____

J. Kolb _____
F. Mok _____
* K. Regan _____
M. Shull _____



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board approve permitting the use of the Senior Citizen Lifeline ("Lifeline") rate in the following three contexts: after 12:00 noon on non-holiday weekdays, for early morning back nine play, and during club events; effective July 1, 2008.

SUMMARY:

In 1988 a pilot program was created to offer a discount on golf green fees for low income Los Angeles city residents over 65 years of age. The rate was fifty percent (50%) of the regular weekday rate on non-holiday weekdays. The discount has become part of the Golf Rates and Fees Manual. The Golf Automated Reservation System office issues the Lifeline cards, based on the following requirements:

- Los Angeles City Resident
- Age 65 or older
- Receive Lifeline discount from Department of Water and Power or qualify for Supplemental Security Income (SSI, i.e. low income) payments.

The Lifeline card is free to those who qualify. However, the Lifeline card does not allow the card holder to make reservations. If card holders wish to make reservations, they must purchase the regular reservation card.

The Golf Division has received numerous complaints from patrons about the burgeoning number of rounds played at Lifeline rates occurring during prime early morning golf tee times. During the original six-month pilot program in 1988, 17 rounds of golf were played using the Lifeline.

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rate throughout the entire golf system. In 2007, more than 30,000 rounds of golf were played using the Lifeline rate. This represented a revenue loss of approximately \$70,000. The revenue loss is calculated by applying the rate difference between the Lifeline rate and the senior rate to the number of rounds played using the Lifeline rate, assuming that all golfers eligible for a Lifeline discount are also eligible to a senior discount.

It is recommended that the discount be continued, but be limited to: (1) after 12:00 noon on non-holiday weekdays when the courses are less busy; (2) early morning back nine play; and (3) club events. Early morning back nine play does not attract a significant number of play, because back nine play is only permitted for the first hour of business.

Lifeline patrons would have the option of paying the senior rate before noon or choose to wait until 12:00 noon to receive the Lifeline rate. The difference between the Lifeline rate and the senior rate is \$2.00 to \$4.00, depending on the facility.

It is estimated that limiting the usage of the Lifeline rate at all golf courses will generate additional revenues of \$70,000 per year of which \$53,200 will be deposited into the Department's General Fund as increased revenue and \$16,800 will be deposited into the Department's Golf Surcharge Account, Fund 302, Department 89, Account 321K.

FISCAL IMPACT STATEMENT:

It is anticipated that limiting the range of time for the use of the Lifeline rate will increase the amount deposited into the Department's General Fund by approximately \$53,000 for Fiscal Year 2008-2009.

This Board Report was prepared by James N. Ward, Golf Manager