

APPROVED
MAR 01 2006

REPORT OF GENERAL MANAGER

NO. 06-51


DATE March 1, 2006

**BOARD OF RECREATION
and PARK COMMISSIONERS**

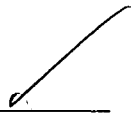
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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: AMENDMENT TO THE SCHEDULE OF RATES AND FEES - AUTOMATED
GOLF RESERVATION SYSTEM CARD FEES

*J. Combs  _____
B. Jensen _____
F. Mok _____
K. Regan _____
H. Fujita _____
S. Huntley _____
J. Kolb _____
M. Shull _____


General Manager

Approved  _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve amending the Schedule of Rates and Fees to add a three-year card option in addition to the annual golf reservation card option; and
2. Approve amending the Schedule of Rates and Fees, effective April 1, 2006, with the proposed fees for both options as follows:

One-year card	Resident	\$ 20
	Non-Resident	\$ 40
	Resident and Non-Resident Senior	\$ 20
Three-year Card	Resident	\$ 50
	Non-Resident	\$100
	Resident and Non-Resident Senior	\$ 50

SUMMARY:

The Automated Golf Reservation Program is funded through the sale of golf reservation cards. A golf reservation card is required to make advance reservations to play the City golf courses. The current rate structure (Effective April, 2003) for purchase of golf reservation cards is as follows and is based solely on a one-year basis (from the time of purchase):

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Resident	\$15
Non-Resident	\$35
Resident and Non-Resident Senior	\$15

Under the current one-year cycle there are 22,500 card holders--11,850 resident, 4,560 resident seniors, 3,240 non-residents, and 2,850 non-resident seniors, which generated \$402,300 from April, 2005, through December 31, 2005. Ten dollars from each Non-Resident fee (\$45,600) continues to be directed into a Junior Golf account which is used only for junior golf programming and support, approved by the Board on September 15, 1999. The remainder of the revenue funds the contract for the system itself, reservations office staff, and other costs of the Automated Reservation System.

The last time three-year cards were offered, reservation cards were at full cost at the beginning of the three-year cycle, and the fees prorated if a patron purchased a card before the end of the three year cycle. The majority of the cards sold were sold within the first year. The most recent three-year rate structure (January 2000 through December 2002) was as follows:

	<u>Residents</u>	<u>Non-Residents</u>	<u>Resident and Non-Resident Senior</u>
Three Years	\$35	\$90	\$35
Two Years	\$30	\$60	\$30
One Year	\$25	\$30	\$25

The major proposed change for 2006 is re-establishment of the three-year option for the purchase of the reservation card. The card would be valid for three years from the time of purchase and not prorated. Retaining the one-year option for purchase would continue to accommodate the transient cardholder who does not wish to invest in a three-year commitment. Golf staff has received many complaints from patrons requesting an opportunity to reduce their paperwork with the purchase of a three-year card. Changing from the three-year system to annual renewal was met with widespread dissatisfaction. Additionally, renewing reservation cards annually places a burden on the staff in the reservation office, the majority of who are part-time employees. Changing to a three-year renewal cycle will spread out the work load and enable a more timely response to patrons and better customer service. It is expected that there will be few patrons who choose to purchase a one-year card.

FISCAL IMPACT STATEMENT:

This change has no impact on the General Fund and will generate enough revenue to fund the reservation system, as well as contribute to Department junior golf programs.

Revenues:

Assuming no change from the current number of cardholders, annual revenues are anticipated as follows:

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	<u>Card Holders</u>	<u>Cost</u>	<u>Three-Year Revenue</u>
Resident	11,850	\$ 50	\$ 592,500
Non-resident	3,240	\$100	\$ 324,000
Senior	7,410	\$ 50	<u>\$ 370,500</u>
		Three-Year Total	\$1,287,100
Expenses			
Reservation System Lease (Annual Cost-\$79,760) x 3 years			\$ 239,280
Salary Cost x 3 years			\$ 450,000
Supplies x 3 years			<u>\$ 75,000</u>
Total Three Year Costs			\$ 764,280

Net revenues would be directed to the General Fund or the Golf Enterprise Fund to be used for system upgrades and to fund other system or operational improvements. Ten dollars from each Non-Resident fee will continue to be directed into the Junior Golf account.

GOLF ADVISORY COMMITTEE RECOMMENDATION:

At its August 22, 2005, meeting the Golf Advisory Committee passed a motion recommending that golf staff continue steps toward establishing an option plan for patrons to choose between a one-year or three-year golf reservation card.

Prepared by James N. Ward, Golf Manager