

**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-541
DECEMBER 16, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
PROPOSED 1997 GOLF COURSE FEES AND CHARGES	◆ RESOLUTION ORDINANCE RECEIVE/FILE	DONALD M. TRIPP PARK AND RECREATION DIRECTOR

SYNOPSIS —

The Park and Recreation Board presents its recommendations for the City's Golf Course Fees and Charges Policy for the 1997 season (see attachments).

FISCAL IMPACT —

The recommendations as presented are projected to add approximately \$18,000 to the annual revenues of the Golf Course Enterprise Fund.

RECOMMENDATION —

Approve the fees and charges as proposed.

BACKGROUND —

After significant study by staff, the Citizens Golf Committee, and the Park and Recreation Board, the proposed fee schedule clearly responds to market conditions. The proposal presents daily fees which are maintained close to 1996 and competitors; increases the per player/round revenue on the weekends when there is high demand; and reduces the cost of season badge weekday play when the courses are most available. The proposal attempts to provide a valuable discount to regular players while increasing overall revenue to the golf enterprise fund.

In 1983, the City moved the golf course operations from the General Fund to a "pay as you go" Enterprise Fund. This decision has been repeated by most municipalities in recognition of golf as a business enterprise in competition with private business which should not be tax supported.

Although, in 1983, the golf operations were not poised to operate on a break-even basis, due to the following circumstances:

- pricing established below actual operating costs and market conditions
- no history of profitability
- old infrastructure
- poor maintenance equipment
- marginally effective maintenance procedures
- failure to capture all revenue centers due to private operations of pro-shop and food/beverage
- new debt incurred due to expansion of Blank Golf Course
- additional expenses (indirect cost allocations) which would now be incurred by the golf courses

Consequently, it was not until some of the issues were addressed in the early 1990s that the golf courses began to make debt payments and show signs of profitability. By this time, operating debt had topped \$750,000. As of October 31, 1996, the operation debt is \$476,527. With minimal revenue activity but some fixed months overhead cost, this debt is expected to exceed \$600,000 by the opening of the 1997 golf season.

Since 1992, the Park and Recreation Board has been working with a Citizens Golf Committee to develop key strategies to maintain fiscally solvent municipal golf in Des Moines. This has resulted in a turnaround toward profitability. The agreed-upon strategies which have been initiated are:

- pricing changes which better reflect market demand
- trimming operating expenses where possible without affecting service
- City takeovers of cart and food/beverage revenue center at Waveland and Grandview
- improved course conditions and customer service

The Citizens Golf Committee and the Park and Recreation Board conducted an extensive review of the proposed 1997 fees. Although the following recommendations were not unanimous among the Golf Committee, they were supported by the majority and adopted unanimously with two abstentions by the Park and Recreation Board by Resolution No. 11793, on November 26, 1996.

The following summarizes the recommended changes (also see attachment):

- 1) Greens fees (daily play) to remain the same as 1996 with some slight modifications.
- 2) Discontinue selling the unrestricted badge (allowing play at all times for one fee) and begin selling a discount card.
- 3) Continue selling the weekday only season badge and reduce the fee to encourage more weekday play.
- 4) Extend definitions of weekends to include from Friday noon through close of business on Sunday.
- 5) Cart rental rates to remain same as 1996, except as noted to make Grandview and Waveland uniform.
- 6) Establish new husband/wife and senior husband/wife badges to attract this burgeoning market.
- 7) No changes to junior or senior rates.

The most significant change is the elimination of the \$595 unrestricted season badge. It is proposed to be replaced with a \$150 discount card which will permit play at rates which are discounts of up to \$4.50/round. The average number of rounds played by the 152 unrestricted badge holders was 72. The new proposed program will now cost this person approximately \$928, but this person is still receiving a \$188 discount (17 percent) on their golf. This increase is a strategy to increase the revenue per round received on weekends. Previously, all unrestricted badge rounds played on weekends net an average of \$10.50 per player, compared to a sellable green fee of \$17.

A comparison of 1996 golf fees and badge policies at other Des Moines area courses is attached. It is fully expected that their fees will be increased in 1997.

**1997 PROPOSED FEE SCHEDULE
FOR THE CITY OF DES MOINES
GOLF COURSES**

ITEM	1996 PRICE	1997 PROPOSED PRICE
GREEN FEES		
9 Hole Weekday	\$ 11.00	\$ 11.00*
18 Hole Weekday	14.50	14.50*
9 Hole Weekend	12.00	12.00**
18 Hole Weekend	16.50	17.00**
Sr./Jr. 9 Hole	7.00	7.00
Sr./Jr. 18 Hole	9.00	9.00
Twilight Rate	18.50	19.00
Senior Badge H20	2.00	2.00***
Senior Pay H20	2.00	2.00***
Junior Badge H20	2.00	2.00
Trail Fee Reg.	5.00	5.00
Trail Fee Sr.	5.00	5.00***
3rd Nine Rate/4th nine rate	N/A	7.00/9.
Private Cart	50.00	50.00
Registration Fee		

*Weekdays would be Monday-Thursday

**Weekends would be Friday, Saturday, Sunday

***Grant from Prairie Meadows

Cart Fees		
9 Hole	\$ 13.00	\$ 13.00
18 Hole	W-B 20.00/ G 18.00	All 20.00
9 Hole Special	W-G 8.00/ B 10.00	All 10.00
18 Hole Special	W 15.00/ G 13.00/ B 15.50	All 15.00
1/2 9 Cart	6.50	6.50
1/2 18 Cart	10.00	10.00
Badges - All Badge Players Paid an Irrigation Fee in 1996		
Unrestricted	\$595.00	N/A
Restricted (M-F Noon) Includes Water ("Red" Card)	465.00	425.00
Senior (M-F Noon) + Water Extra	300.00	300.00
Junior (M-F Noon) + Water Extra	80.00	80.00
Husband/Wife (M-F Noon) Includes Water	N/A	750.00
Sr. Husband/Wife (M-F Noon) + Water Extra	N/A	500.00
Discount ("Green") Card	N/A	\$150.00
9-Hole Weekday (30% off)	N/A	7.75
18-Hole Weekday (31% off)	N/A	10.00
9-Hole Weekend (25% off)	N/A	9.00
18-Hole Weekend (27% off)	N/A	12.50

1996 GOLF COURSE FEE STRUCTURE COMPARISON - DES MOINES AREA COURSES

ITEM	GRAND VIEW	BLANK	MAVELAND	BEAVER RUN	JESTER PARK	OTTER CREEK	TOAD VALLEY	MILLOW CREEK	BRIARWOOD	TERRACE HILLS	AVERAGES	AVE WITH BRIAR
GREEN FEES												
9 HOLE WEEKDAY	\$11.00	\$11.00	\$11.00	M-THUR \$13.00	\$7.75 BF 1.00	\$10.50	11.00 M-T 12.00 F	\$11.75	\$13.65	\$11.00	\$11.14	\$11.39
18 HOLE WEEKDAY	\$14.50	\$14.50	\$14.50	M-THUR \$ 18.00	\$9.50 BF 1.00	\$14.00	14.50 M-T 16.50 F	\$17.50	\$18.90	\$15.50	\$15.33	\$15.69
9 HOLE WEEKEND	\$12.00	\$12.00	\$12.00	FRI- SUN \$ 14.00		\$12.50		\$13.50	\$17.85	\$12.50	\$12.83	\$13.34
18 HOLE WEEKEND	\$16.50	\$16.50	\$16.50	FRI- SUN \$ 20.00		\$16.00		\$19.50	\$23.10	\$17.50	\$17.50	\$18.11
SPECIALS	S-S 18.5/35 00/2	S-S 18.50/35 00/2	S-S 18.50/35 00/2	NO		15.00 BF 3 M/W	N/A	NONE	20.95/18-17.80/9	NONE		
JR/SR 9 HOLE	\$7.00	\$7.00	\$7.00	N/A	\$7.75 BF 1.00	\$0.00	\$0.00	\$7.50 N/A	N/A	8.00 JR/ \$7.00SR	\$7.20	
JR/SR 18 HOLE	\$9.00	\$9.00	\$9.00	N/A	\$9.50 BF 1.00	\$0.00	\$0.00	\$9.00 N/A	N/A	8.00 JR / 7.00 SR	\$8.75	
9 HOLE REPLAY				N/A	\$8.50	N/A	N/A	\$5.00 6.00 WD/7.00WE	N/A	N/A		
18 HOLE REPLAY				N/A	\$10.75	N/A	N/A	\$10.00 N/A	N/A	N/A		
CARTS												
9 HOLE CART	\$13.00	\$13.00	\$13.00	\$13.00	\$12.00	\$13.00	\$12.00	\$13.50	\$14.70	\$13.00	\$13.02	\$13.02
18 HOLE CART	\$18.00	\$20.00	\$20.00	\$20.00	\$19.00	\$18.00	\$19.00	\$20.00	\$21.00	\$20.00	\$19.50	\$19.50
9 HOLE SPECIAL	\$8.00	\$10.00	\$8.00	N/A	\$10.50 T/M RATE	\$0.00	\$0.00	N/A	N/A	N/A		
18 HOLE SPECIAL	\$15.00	\$15.50	\$15.00	N/A	N/A	\$0.00	\$0.00	N/A	N/A	N/A		
1/2 9 HOLE	\$8.50	\$8.50	\$8.50	N/A	N/A	\$0.00	\$0.00	\$6.75	\$7.35	\$6.50	\$8.68	\$8.68
1/2 18 HOLE	\$10.00	\$10.00	\$10.00	N/A	\$12.00	\$0.00	\$0.00	\$10.00	\$10.50	\$10.00	\$10.35	\$10.35
PRIVATE CARTS	YES	YES	YES	N/A	NO	YES	YES	NO	YES	YES		
TRAIL FEE	\$5.00	\$5.00	\$5.00	N/A	N/A	\$7.50 5.00/95-95.00	N/A	N/A	NO	\$6.00	\$5.75	\$5.75
REGISTRATION	\$50.00	\$50.00	\$50.00	N/A	N/A	\$200.00 YEAR	300 GAS/325 ELEC/N/A	\$450.00	\$250.00	\$90.00	\$112.14	\$112.14
SEA CART SINGLE				N/A	N/A	N/A	N/A	\$450.00		N/A		
SEA CART COUPLE				N/A	N/A	N/A	N/A	\$800.00		N/A		
BADGES							\$7 EARLY BIRD					
UNRESTRICTED	\$595.00	\$595.00	\$595.00	N/A	\$675.00	\$535.00	N/A	\$720.00	\$900.00	\$275.00	\$619.16	\$659.29
RESTRICTED	\$495.00	\$495.00	\$495.00	N/A	N/A	\$465.00	420/630/755/855	\$500.00	N/A	\$275.00	\$449.28	\$449.28
SR UNRESTRICTED	N/A	N/A	N/A	N/A	N/A	\$390.00	N/A	N/A	N/A			
SR RESTRICTED	\$300.00	\$300.00	\$300.00	N/A	N/A	\$240.00	\$270.00 N/A	N/A	\$650.00 M-T		\$302.00	\$360.00
JUNIOR	\$80.00	\$80.00	\$80.00	N/A	\$85.00	\$200.00	N/A	N/A	\$450.00		\$105.00	\$167.50
FAMILY	N/A	N/A	N/A	N/A	N/A	\$775.00	N/A	\$1,150.00	\$1,900.00	\$485.00		
SR COUPLE	N/A	N/A	N/A	N/A	N/A	\$585.00	\$405.00	N/A	N/A			
COUPLE UNREST	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$975.00	\$1,295.00			
COUPLE REST	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$755.00	N/A			
DISCOUNT BADGE	N/A	N/A	N/A	N/A	200.00 /50% OFF	N/A	N/A	ALL UP \$50.00 1/1	N/A			

All the above prices are 1996 with the exception of Willow Creeks badges, they are their 1997 early bird prices.