

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: November 20, 2017
	Agenda Item No. 50 Roll Call No. <u>17-1989</u> Communication No. <u>17-804</u> Submitted by: Benjamin R. Page, Park and Recreation Director

AGENDA HEADING:

Amendment to Municipal Code Chapter 74 Article VI. FEES, regarding various changes to golf fees.

SYNOPSIS:

Staff recommends approval of changes to the schedule of fees in Article VI. FEES Sec.74-181. Golf Courses of the Municipal Code Chapter 74.

FISCAL IMPACT:

Amount: \$20,000 estimated additional yearly revenue based on proposed increases per badge category, per average use of each badge.

Funding Source: Fiscal Year (FY) 2017-2018 Operating Budget, Golf Contracted Operations, E201 PK001201, page 173.

ADDITIONAL INFORMATION:

- Under the golf management contract that has been in effect since January 15, 2010, the contractor, C-Corporation (Jeff Chiodo, President), is responsible for proposing fee changes for consideration by the City. Golf fees were last adjusted prior to the 2016 season. At the September 21, 2017 meeting of the Citizen Golf Advisory Committee, the committee voted to recommend fee increases and changes being proposed by C-Corporation to take effect as part of the 2018 golf season starting January 1, 2018. Upon approval by the citizen golf committee the Park and Recreation Board was presented this information. The board also passed the action on October 24, 2017.
- Staff has reviewed sections of Chapter 74 of the Municipal Code pertaining to current golf fees specific to badges and believe the proposed changes represent an appropriate range with comparable market rates. The proposed changes as are follows. This breakdown also shows the number of passes sold in 2017 and total rounds played using badges as of September 14, 2017. This allows us to also show the average cost per round in relation to each badge offered. These changes will also eliminate the \$2 per round fee previously in place for junior and senior badges.

Season Pass	Current	Proposed	Change	Passes Sold - 2017	Rounds Played - 2017 (YTD 9/14)			Average Rounds Played Per Pass	AVG Cost Per Round of New Fees	AVG Cost Per Single Round
					All Courses	Waveland	Blank			
Par Pass	\$1,995	\$2,200	\$205	40	1196	1227	642	77	\$28.71	\$42.33
Restricted	\$800	\$900	\$100	46	892	1266	336	54	\$16.60	\$20.33
Restricted Senior*	\$450	\$550	\$100	185	2559	3340	1990	43	\$12.90	\$18.67
Couples Senior*	\$700	\$800	\$100	6	59	118	77	42	\$18.90	\$18.67
Couples	\$1,050	\$1,150	\$100	8	149	378	280	101	\$11.40	\$20.33
Junior*	\$160	\$250	\$90	42	88	130	157	9	\$28.00	\$20.33
Unrestricted	\$1,200	\$1,300	\$100	4	237	54	53	86	\$15.12	\$27.67
Unrestricted Senior*	\$800	\$900	\$100	14	364	273	47	49	\$18.42	\$27.67
				345	5,544	6,786	3,582	15,912		

- The goal of establishing these new rates for badges is to:
 1. Maintain the best value in relation to comparable courses in the Great Des Moines area.
 2. Offer greater flexibility for golf within C-Corporation operated courses when one (1) or multiple courses are reserved for tournament or event play.

- These proposed rate increases will realign the City of Des Moines golf course badge fees with current market rates. Implementation of these proposed badge fee changes will continue to position the City of Des Moines golf courses with some of the most versatile badge offerings at some of the most competitive prices relative to comparable golf courses in Central Iowa.

- Additionally, in 2018 C-Corporation will be taking over the management of golf at Jester Park, which is under the ownership of Polk County Conservation. Subject to City Council approval, any season badge purchased at the three (3) City courses or at Jester Park would then allow access to all four (4) courses. A three-party agreement has been drafted and agreed to in principal to allow this relationship to exist between the City, C-Corporation and Polk County Conservation. Revenue for the sale of badges would be split based on the number of rounds played at each course using each type of badge. A similar model was used when Blank Golf Course, under the management of C-Corporation, and Waveland/Grandview Golf Courses, under management of the City, shared badge access.

- City staff estimates that these could increase revenues by approximately \$20,000 at the three (3) Des Moines owned courses. With the revenue at Jester Park yet to be fully identified, the sharing of revenue from badge sales will be based solely on use. This agreement will be reevaluated after 1-year to provide a recommendation to extend or modify the agreement in line with a potential 4-year extension starting in January 2019 between the City and C-Corporation to remain the operator of the City golf courses.

PREVIOUS COUNCIL ACTION(S):

Date: January 12, 2015

Roll Call Number: [15-0057](#) and [15-0058](#)

Action: [Amending](#) Chapter 74 of the Municipal Code regarding golf course fees. ([Council Communication No. 15-013](#)) Moved by Hensley that this ordinance be considered and given first vote for passage. Motion Carried 7-0.

(A) Final consideration of ordinance above, requires six votes. Moved by Hensley that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [#15,337](#). Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Park and Recreation Board

Date: October 24, 2017

Resolution Number: 17-074

Action: Motion by Boesen to approval golf fees as proposed. Second by Facto. Motion carried.

Board: Park and Recreation Board

Date: September 26, 2017

Resolution Number: 17-064

Action: Motion by Woodard to receive and file proposed golf fees. Second by Pugh. Motion carried.

Board: Park and Recreation Board

Date: October 27, 2015

Resolution Number: 15-070

Action: Motion by Feltner to approve golf fees as proposed. Second by Boggus. Motion carried

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of a three-party agreement between the City of Des Moines, C-Corporation and Polk County Conservation to allow any season badge purchased at the three (3) City courses or at Polk County Conservation's Jester Park Golf Course to be allowed access to all four (4) courses, with revenue split based on the number of rounds play at each course using each type of badge.

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