

A G E N D A R E P O R T

DATE January 3, 2005

ITEM Resolution 9545 Golf Fees

INITIATED BY Park & Recreation Department & Golf Advisory Board

ACTION REQUESTED Set Public Hearing on Resolution 9545

PREPARED & PRESENTED BY Patty Rearden, Interim Park & Recreation Director

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RECOMMENDATION:

Staff recommends the City Commission set a public hearing on Resolution 9545 Golf Fees for 7:00 p.m. on January 17, 2006.

MOTION:

“I move the City Commission set a public hearing on Resolution 9545 Golf Fees for 7:00 p.m. on January 17, 2006.”

SYNOPSIS:

The City Commission is asked to conduct a public hearing on Resolution 9545 to hear comments regarding the attached proposed fees. Resolution 9545 would repeal Resolution 9352 and set fees for the 2006 golf season.

City staff’s recommendations are based on the Operational Review and Recommendations Report prepared by the National Golf Foundation (NGF). In addition to the fees recommended by NGF, staff is proposing a season cart rental pass in the amount \$600. Richard Singer of NGF was consulted on the addition of the season cart rental pass and recommended that it be added to the list of fees. All season passes (greens fees, cart rental and trail fee) will be valid March 15 through October 31.

The Golf Advisory Board approved season passes, punch cards, daily greens fees, daily trail fees, and cart rental fees as recommended by NGF and City staff at their December 19 Board Meeting.. The Board did not approve the recommended season trail fee, cart storage fees, or tournament fees. The Board recommended the following changes:

- Season Trail Fee: \$290 in year 2006, \$340 in year 2007, and \$390 in year 2008.
- Gas Cart Storage: \$220 in year 2006, \$295 in year 2007, and \$375 in year 2008.
- Electric Cart Storage: \$300 in year 2006, \$375 in year 2007, \$450 in year 2008.

In addition, the Board made the following recommendations for golf tournament fees:

Board Recommendation:

\$150 Fee (non-refundable)
\$5.00 per player assessment
Season Passes Honored
Greens Fees:
 Anaconda Hills:
 \$16 weekdays, \$19 weekends
 Eagle Falls:
 \$18 weekdays, \$22 weekends

Staff Recommendation:

\$150 Deposit (refundable)
N/A
No Season Passes
Tournament Greens Fees: (all pay)
 Anaconda Hills:
 \$16 weekdays, \$19 weekends
 Eagle Falls:
 \$18 weekdays, \$22 weekends

NGF recommended eliminating the \$150 tournament fee and replacing it with a per person charge. The per person charge would be based on tournament size, course, day and time. The charge is in addition to green fees (Anaconda Hills: \$21 weekdays, \$25 weekends; Eagle Falls, \$24 weekdays, \$29 weekends). NGF recommended that all players pay full green fees (no season passes honored). In addition, 50% of the tournament fee (based on person charge) would be due when submitting tournament application. The minimum deposit would be \$50. 50% of the deposit fee would be non-refundable upon cancellation.

BACKGROUND:

The City issued a Request for Proposals for a Golf Course Management and Operations Study July 1, 2005. Three proposals were received and reviewed by the Selection Committee. It was the unanimous opinion of the committee that the proposal submitted by NGF was the best proposal that would meet the needs and provide the requested information for the City of Great Falls. The City Commission approved the contract with National Golf Foundation to perform a Management and Operations Study of the City golf course operation on September 6, 2005.

On Tuesday, December 6, 2005, Richard Singer of NGF made a presentation on the Operational Review and Recommendations Study at the City Commission Work Session. The proposed fees are a part of the recommendations found in NGF's report.

The City golf courses are currently operating at a deficit. In addition, there is not enough revenue being generated to meet bond covenants. Both of these factors are very serious and could jeopardize the future of the City-run courses. These funds have been monitored closely; expenses have been controlled and modest fee increases have been implemented. Last fall, the City took further steps to reduce expenses including: elimination of the golf superintendent position, recalculation of the personnel budget, reduction in temporary hours, operating cost reductions, and deferment of both principal and interest on internal debt for a yearly savings of \$160,774. It is imperative that further changes/improvements are implemented to improve the financial health of the golf courses. The study was solicited to provide the City Staff and City Commission the information needed to make these decisions.