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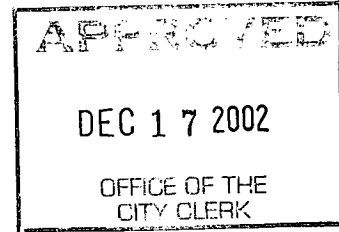
# Capital City Golf

*"The Exceptional Public Golf Experience"*

CITY OF SACRAMENTO  
8325 RIVER ROAD  
SACRAMENTO, CA 95832  
TEL 916.433.6307  
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www.capitalcitygolf.com

ANN WEAVER  
GOLF MANAGER  
aweaver@cityofsacramento.org

November 25, 2002



City Council  
Sacramento, California

Honorable Members in Session

**SUBJECT:** CAPITAL CITY GOLF FINANCIAL PERFORMANCE UPDATE  
AND WORKOUT STRATEGIES

**LOCATION AND COUNCIL DISTRICT:** All

**RECOMMENDATION:**

It is recommended that City Council direct staff, by resolution, to continue closely monitoring the Golf Fund's financial performance and report back to City Council at Mid-Year with a recommendation for future operation of the City golf courses, as described by the June 4, 2002 Council-approved resolution (Attachment A – Financial Workout Strategies for Capital City Golf).

**CONTACT PERSON:** Ann Weaver, Golf Manager (916) 433-6315  
Barbara E. Bonebrake, Director (916) 264-7733  
Convention, Culture and Leisure Department

**FOR COUNCIL MEETING OF:** December 17, 2002

**SUMMARY:**

On June 4, 2002, the City Council adopted a financial workout strategy for Capital City Golf (See Attachment A) that proposed no changes to the current budget as long as a 5% revenue growth from the prior fiscal year was achieved. The Golf Fund is currently 5.64% above prior year revenues for all courses combined and for the cumulative months of July, August, September and October of 2002 (Attachment B). Rounds of golf played are up 8.93% to prior

CAPITAL CITY GOLF AFFILIATES:

ALISTER MACKENZIE GOLF COURSE AT HAGGIN OAKS • ARCADE CREEK GOLF COURSE AT HAGGIN OAKS • BARTLEY CAVANAUGH GOLF COURSE  
BING MALONEY 18-HOLE GOLF COURSE • BING MALONEY EXECUTIVE 9 GOLF COURSE • WILLIAM LAND 9-HOLE GOLF COURSE  
TEE TIME RESERVATIONS 916. 264.TIME(8463)

year for the same time period. In order to increase the average daily green fee (revenue per round of golf played) Capital City Golf implemented a small fee increase in early November 2002 in an effort to maintain the minimum 5% revenue growth goal over prior fiscal year. This report recommends no change to the current budget through the end of the second quarter of fiscal year 2003 as long as the cumulative revenue growth stays at or above 5% over prior fiscal year, and directs staff to continue to meet with the Council Golf Ad-Hoc Committee, returning to City Council at Mid-Year with a financial performance update.

**COMMITTEE/COMMISSION ACTION:** None.

**BACKGROUND INFORMATION:**

On June 4, 2002, the City Council approved Workout Strategy for the Golf Fund, formed a Golf Ad-hoc Committee, and requested staff to report back with a Golf Fund financial performance update in December 2002.

Since the June 4, 2002 City Council meeting, staff has held a meeting with the Council's Golf Ad-hoc committee to report on the financial performance of the Golf Fund and the Capital City Golf Business Plan.

**FINANCIAL CONSIDERATIONS:**

The most recent figures from the City Accounting Division, show that the Golf Fund balance for fiscal year 2002 improved by \$218,000 compared to the fund balance estimates presented to City Council on June 4, 2002. This improvement is due to combination of increased revenues and savings in division operating expenses.

For All Courses (See Charts A and B)

Net green fee revenues to the City for the time period July through October 2002 are up \$85,216 (or 5.64%) in fiscal year 2003 compared to prior fiscal year. Rounds of golf have increased by 10,741 rounds played (or 8.83%) in fiscal year 2003 compared to prior fiscal year for the same time period.

For the Alister MacKenzie Golf Course (See charts C and D)

Net green fee revenues to the City for the time period July through October 2002 are up \$107,871 (or 26.22%) in fiscal year 2003 compared to prior fiscal year. Rounds of golf have increased by 2,199 rounds played (of 10.75%) in fiscal year 2003 compared to prior fiscal year for the same time period.

The Golf Fund financial performance is showing a revenue growth of 5.64% over prior year for the July through October 2002 time period. The months of July and

August 2002 showed positive revenue growth, while revenues declined in September and October 2002. Capital City Golf implemented a green fee increase in early November 2002 designed to reverse the negative trend in revenues.

The Golf Fund is performing well with regards to increased rounds of golf played, achieving a 8.93% increase in rounds of golf during July through October 2002 over prior year for the same time period.

**ENVIRONMENTAL CONSIDERATIONS:**

The Planning and Building Department, Environmental Planning Services has determined that the current request, to approve the financial workout plan by directing staff to meet with Local 39 and explore in-lieu relief for the Golf Fund if the 5% revenue goal is not met, is considered a continuing administrative or maintenance activity such as general policy and procedure making and is thereby not a project as defined in CEQA Guidelines Section Number 15378(b)(2). Therefore CEQA does not apply to this report.

**POLICY CONSIDERATIONS:**

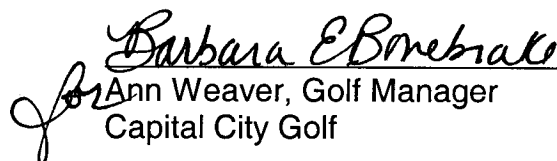
The recommended action is consistent with the City's efforts to promote public/private partnerships in providing services to the community.

Capital City Golf and the Golf Fund operation incorporate the City's Strategic Plan by 1) strengthening community and regional partnerships to enhance the quality of life through relationships with various organizations serving youth, seniors and disabled communities (i.e. Golf Sacramento, Special Olympics, Disabled Sports USA); 2) preserving open space; 3) retaining a highly qualified and diverse workforce and implementing organizational improvements; 4) enhancing educational opportunities for the entire community through instructional programs that focus on core values and goal setting as well as golf skills; and 5) promoting and supporting economic vitality through re-investment in the City's valuable golf course infrastructure.


**ESBD CONSIDERATIONS:**

This report does not involve the purchase of goods and services.

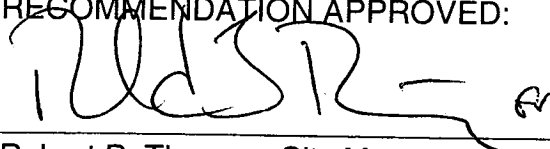
Respectfully submitted,

  
Ann Weaver, Golf Manager  
Capital City Golf

APPROVED:

  
Barbara E. Bonebrake, Director  
Convention, Culture and Leisure Dept.

RECOMMENDATION APPROVED:

  
Robert P. Thomas, City Manager

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# RESOLUTION NO.

ATTACHMENT A

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF JUN - 4 2002

## FINANCIAL WORKOUT STRATEGIES FOR CAPITAL CITY GOLF

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. Approve the following Golf Fund Workout Strategies:

CHECKPOINT	PROPOSED OPTIONS TO BUSINESS PLAN STRATEGIES 3% REVENUE GROWTH	PROPOSED OPTIONS TO BUSINESS PLAN STRATEGIES 5% REVENUE GROWTH
<i>Proposed Budget</i>	<i>Use 3% growth assumption Freeze 2.0 FTE Internal loan of up to \$700,000</i>	
<i>Budget Hearings (June 2002)</i>	<i>Freeze additional 2.00 FTE Explore consolidation of administration</i>	<i>No change to Proposed Budget</i>
<i>Dec 2002 (Report Back)</i>	<i>Meet with Local 39 relative to status of Golf operations Explore proposals to outsource management and maintenance delivery systems options (including volunteer staffing and outsourcing) Explore in-lieu relief</i>	<i>No change to Proposed Budget</i>
<i>Mid Year 2003</i>	<i>Implement alternative maintenance system delivery, including volunteer staffing and outsourcing maintenance Provide in-lieu relief</i>	<i>No change to Proposed Budget</i>

2. Direct Capital City Golf to report back to City Council in Fall 2002 with a performance update after the first golf season under the new operating strategy.

HEATHER PARGO  
MAYOR

ATTEST:

VALERIE BURROWES

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: 2002-348

DATE ADOPTED: JUN - 4 2002

# Rounds and Revenue Summary

<b>July - October 2002 Net Green Fee Revenues</b>															
Course	July			August			September			October			July - October Totals		
	FY03	FY02	% variance	FY03	FY02	% variance	FY 03	FY02	% variance	FY03	FY02	% variance	FY 03	FY02	% variance
Alistar MacKenzie	139,096	83,720	66.14%	146,581	97,912	49.71%	125,726	120,981	3.92%	107,570	108,549	-0.90%	518,973	411,162	26.22%
Arcade Creek	94,528	109,690	-13.82%	96,381	96,487	-0.11%	80,983	90,596	-10.61%	73,208	82,430	-11.19%	345,100	379,203	-8.99%
Bartley Cavanaugh	81,057	87,182	-7.03%	81,806	74,650	9.59%	72,566	69,812	3.94%	67,592	67,426	0.25%	303,021	299,070	1.32%
Bing Maloney 18	103,013	98,461	4.62%	95,036	87,169	9.02%	87,043	87,876	-0.95%	70,453	67,370	4.58%	355,545	340,876	4.30%
Bing Maloney E-9	20,755	23,579	-11.98%	22,159	21,096	5.04%	16,448	19,252	-14.56%	13,597	16,144	-15.78%	72,959	80,071	-8.88%
<b>Total - All Courses</b>	<b>438,449</b>	<b>402,632</b>	<b>8.90%</b>	<b>441,963</b>	<b>377,314</b>	<b>17.13%</b>	<b>382,766</b>	<b>388,517</b>	<b>-1.48%</b>	<b>332,420</b>	<b>341,919</b>	<b>-2.78%</b>	<b>1,595,598</b>	<b>1,510,382</b>	<b>5.64%</b>
<b>Please Note:</b>															
July and August 2001 revenues are gross revenues (prior to current contract)															

<b>July - October 2002 Gross Rounds</b>															
Course	July			August			September			October			July - October Totals		
	FY03	FY02	% variance	FY03	FY02	% variance	FY 03	FY02	% variance	FY03	FY02	% variance	FY 03	FY02	% variance
Alistar MacKenzie	6,111	6,181	-1.13%	6,610	6,215	6.36%	5,243	4,020	30.42%	4,697	4,046	16.09%	22,661	20,462	10.75%
Arcade Creek	12,124	12,211	-0.71%	12,060	11,222	7.47%	10,256	9,690	5.84%	9,767	9,103	7.29%	44,207	42,226	4.69%
Bartley Cavanaugh	6,377	5,834	9.31%	6,298	5,105	23.37%	5,191	4,705	10.33%	4,793	4,516	6.13%	22,659	20,160	12.40%
Bing Maloney 18	8,235	7,012	17.44%	7,777	6,011	29.38%	6,389	5,470	16.80%	5,183	4,783	8.36%	27,584	23,276	18.51%
Bing Maloney E-9	3,886	4,121	-5.70%	4,104	3,911	4.93%	3,115	3,246	-4.04%	2,749	2,822	-2.59%	13,854	14,100	-1.74%
<b>Total - All Courses</b>	<b>36,733</b>	<b>35,359</b>	<b>3.89%</b>	<b>36,849</b>	<b>32,464</b>	<b>13.51%</b>	<b>30,194</b>	<b>27,131</b>	<b>11.29%</b>	<b>27,189</b>	<b>25,270</b>	<b>7.59%</b>	<b>130,965</b>	<b>120,224</b>	<b>8.93%</b>

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Net Green Fee Revenue FY01 to FY02 to FY03

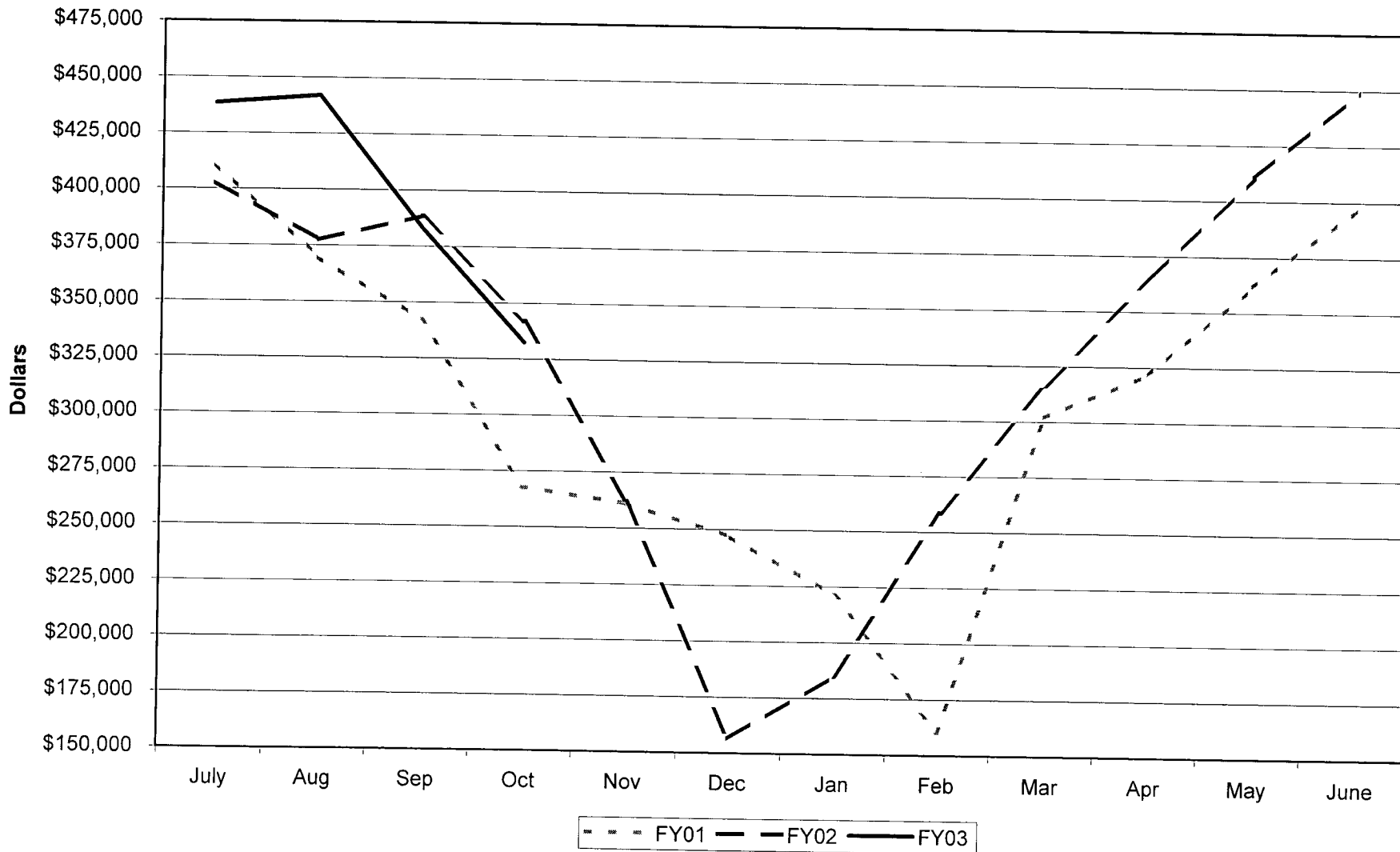
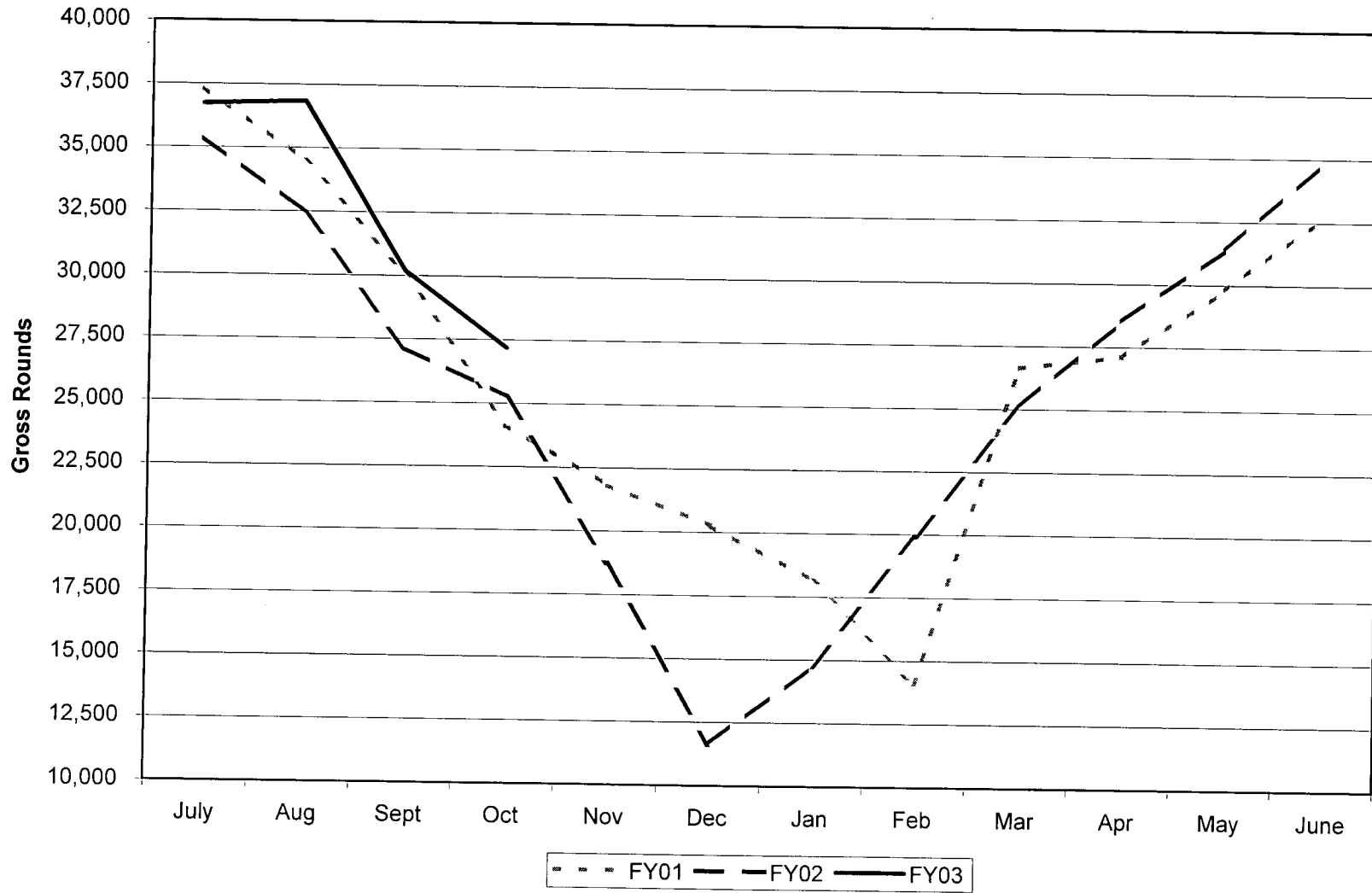


CHART A

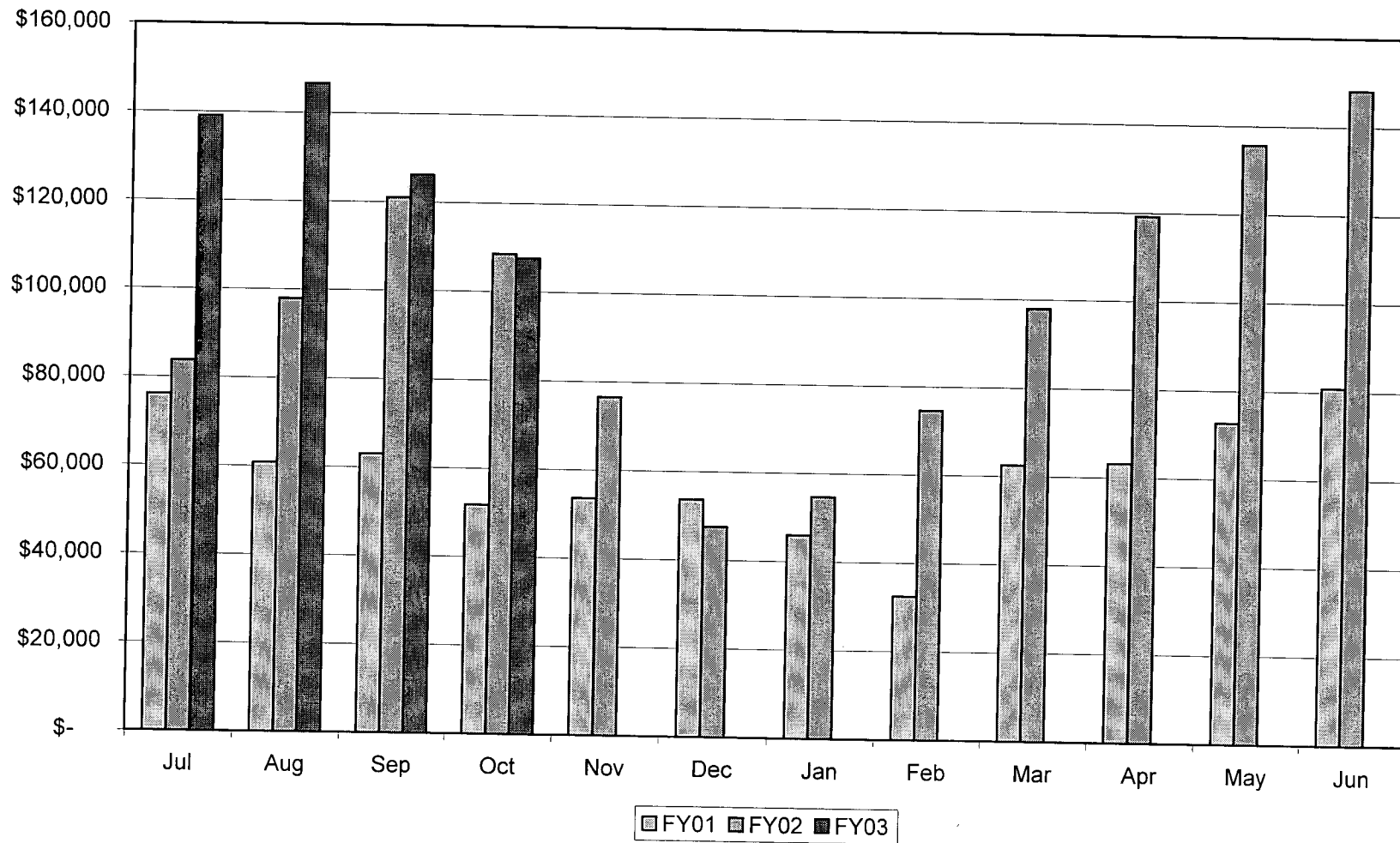
Golf Gross Rounds FY 01 to FY 02 to FY03



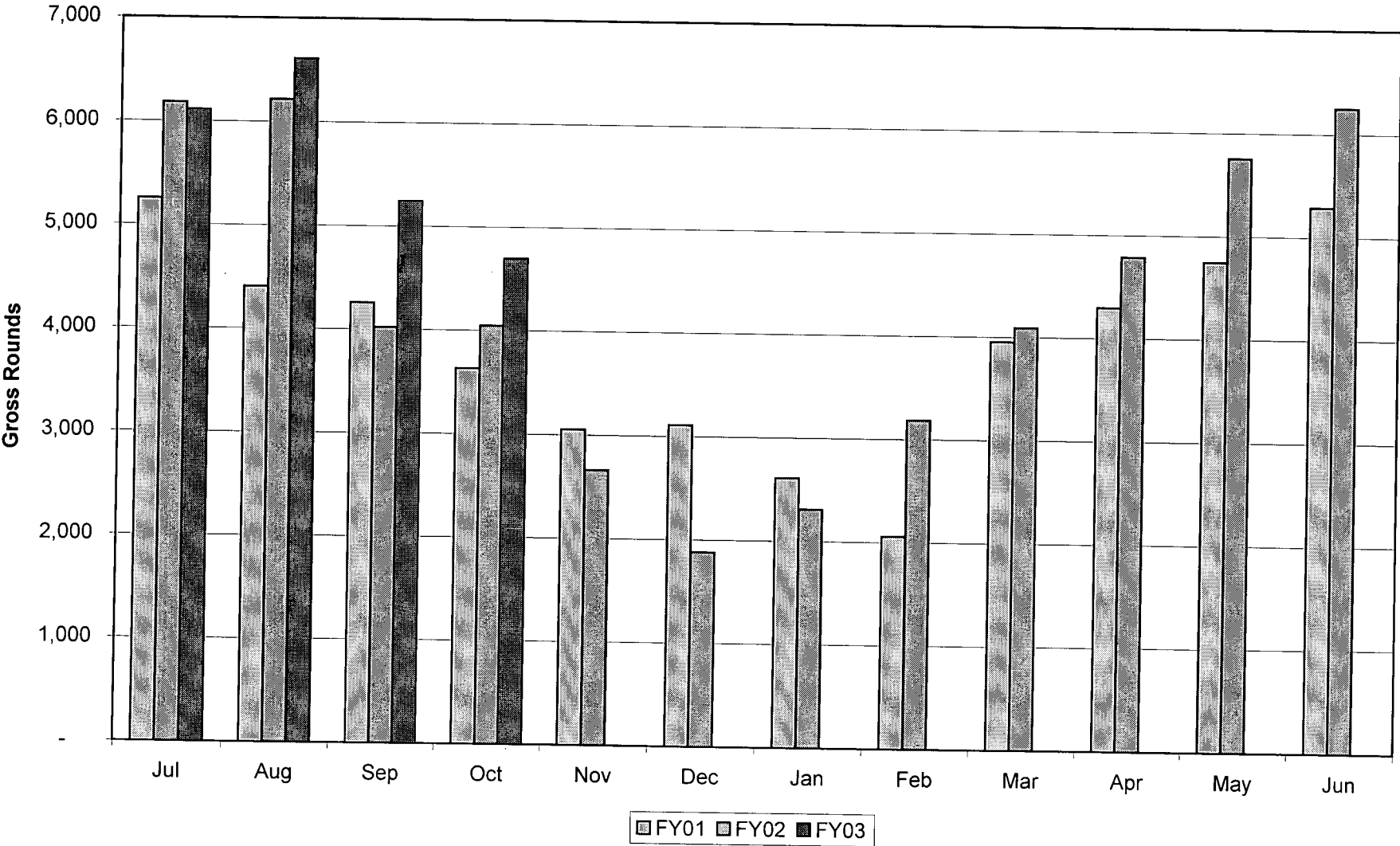
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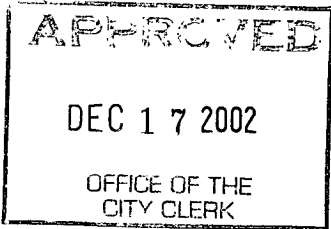


**Mackenzie Net Revenue Comparison FY01 to FY02 to FY03**



**MacKenzie Gross Rounds Comparison FY01 to FY02 to FY03**





**RESOLUTION NO. 2002-851**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**FINANCIAL WORKOUT STRATEGIES FOR CAPITAL CITY GOLF**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

- 1. Direct staff to continue monitoring the Golf Fund financial performance and report back to City Council at Mid-Year with a recommendation for future operation of the City golf courses, as described by the June 4, 2002 Council-approved resolution (Attachment A – Financial Workout Strategies for Capital City Golf).

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

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