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CITY OF SACRAMENTO

DEPARTMENT OF FINANCE

BUDGET DIVISION

February 20, 1986

FA:86088:BM:KMF

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Senior Golf Discount

SUMMARY

The attached was prepared by Parks and Community Services in response to a Council request for the report back.

RECOMMENDATION

The attached report is for information only.

Respectfully submitted.

Betty Masuoka

BETTY MASUOKA
Budget Officer

APPROVED FOR COMMITTEE INFORMATION:

Solon Wisham, Jr.

SOLON WISHAM, JR.
Assistant City Manager

Attachment

All Districts
February 25, 1986



CITY OF SACRAMENTO

DEPARTMENT OF PARKS AND COMMUNITY SERVICES

ROBERT P. THOMAS
Director

G. ERLING LINGGI
Assistant Director

February 19, 1986

CROCKER ART MUSEUM DIVISION
GOLF DIVISION
METROPOLITAN ARTS DIVISION
MUSEUM AND HISTORY DIVISION
RECREATION DIVISION
PARKS DIVISION
ZOO DIVISION

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Mid-Year Report on Expanded Senior Golf Fee Discount

SUMMARY

This report provides the City Council with information on the impact of the expanded senior golf fee discount that became effective on July 1, 1985. The Department of Parks and Community Services was instructed to report back to the City Council on the effects of the program as part of the annual mid-year review. This report is for information only.

BACKGROUND INFORMATION

During the review of the 1985-86 fee and charge report for the Golf Division in June 1985, local senior golfers requested that the City Council expand the senior golfer fee discount. At that time, the discount in green fees for senior golfers was offered only to those persons 70 years of age or older, who resided in, or owned property within the City. The seniors requested, and the City Council adopted an expansion of the policy by lowering the qualifying age to 65 and extending the discount to County of Sacramento residents. The new senior discount policy became effective July 1, 1985. The Department was instructed to report back to the City Council at the mid-year review to assess the financial impact of this change on the Golf Fund.

FINANCIAL DATA

All data for fiscal year 1985-86 represents the first six months of activity. All comparisons refer to the same period during 1984-85.

Due to near ideal golf playing weather during the first half of this fiscal year (relatively cool late summer and low rainfall in early winter), golf play has increased 17.7% over the same period during 1984-85. Green fees have increased \$134,097 during the same period.

All categories of play (junior, senior, daily, weekend, etc.) have increased, with the exception of rounds using play cards, which has decreased approximately 30 percent. Play cards are essentially discount coupons which anyone can purchase from the City. The card costs an initial \$30 and is limited to 20 nine-hole rounds or 10 18-hole rounds or a combination of both until the card is expired. The card is valid for 120 days from the date of purchase. At the time of play, the user pays \$1 for 9-hole play or \$2 for 18-holes. Assuming full use of the card, the user pays a total of \$50 for up to 10 18-hole rounds (equivalent to \$5 per round).

The decrease in sales of play cards is attributed to the expansion of the senior fee discount. Since the implementation of the new discount, 2,103 additional seniors have registered for the discount. City residents account for 853 (40%), while County residents represent 1,252 (60%) of the increase.

The net increase in green fees from senior play has been \$22,709. This was arrived at by taking the gross increase in senior play and discounting for the otherwise expected overall increase in play (non-senior play was up 15%) and further discounted for the loss of play card purchases.

Green fees for non-senior play increased \$111,388 during the same period.

The cost of maintenance and operations for the City golf courses for 1985-86 will be approximately \$5.60 per round of play. Green fee revenues total an average of \$4.25 per round. Green fee revenues from senior players average \$2.73 per round, juniors \$2.58 per round, and all other \$5 per round. Adding concession revenues (pro shop, coffee shop), the total revenue to the Golf Fund will average \$5.07 per round of play.

RECOMMENDATION

Based on the brief period of evaluation for the expanded senior fee discount, it is recommended that no change be made in this policy at this time.

It is difficult to accurately assess the long-term implications of this policy with only six months of comparative data, especially when we have experienced such unusually good weather during the same period. Therefore, it is further recommended that the policy be re-evaluated during the 1986-87 mid-year review.

This report is for City Council information only, no action is required.

Respectfully submitted,



Robert P. Thomas, Director
Parks and Community Services

For City Council Information:

Walter J. Slipe, City Manager