



CITY OF SACRAMENTO

DEPARTMENT OF COMMUNITY SERVICES

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SOLOM WISHAM, JR.
DIRECTOR

CITY MANAGER'S OFFICE
RECEIVED
APR 17 1980

April 17, 1980

- 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: EXPANSION OF SENIOR GOLF PRIVILEGES

FILED
By the City Council
Office of the City Clerk
*referred to
Bud/Fin Comm
to review with Budget*
APR 22 1980

SUMMARY

This report identifies the financial impact of a proposed expansion of senior golf privileges for persons 65 through 69 years of age and recommends continuation of the existing Senior Golf Policy.

BACKGROUND INFORMATION

On March 25, 1980 the City Council approved a minor across the board increase for all golf services effective April 1, 1980. Concurrently, the Council requested a report which discusses the financial impact of lowering the existing senior golf qualifying age from 70 to 65.

FINANCIAL DATA

Reducing the age requirement for senior golf rates from 70 to 65 years of age will result in an estimated decrease of approximately \$85,000 in annual revenue to the Golf Division.

The probable financial impact is estimated utilizing the following elements:

I. PLAY POTENTIAL

A. Number of Persons Eligible (65 through 69)	11,959*
B. Percentage of Eligibles That Participate	9%**
C. Number of Persons That Will Participate	1,076
D. Average Number of Individual Golf Rounds Played	75***
E. Estimated Number of Rounds Annually	80,723

Computation: A x B x C x D = E

II. REVENUE LOSS POTENTIAL

A.	9-hole rounds***	- 48,423 @ .75	= \$36,317
B.	18-hole rounds***	- 32,300 @ 1.50	= <u>\$48,450</u>
	TOTAL		\$84,767

Source of Estimate Factors:

- * 1975 City Census
- ** 1979 National Golf Foundation Survey
- *** 1979 Golf Division Statistics on Existing Senior Golf

DISCUSSION OF ALTERNATIVES

The following are alternatives identified by the staff for City Council consideration:

I. ALTERNATIVE 1

This alternative assumes that the existing policy of reduced rates for senior golf for persons age 70 and over will continue. The impact to the City would be negligible since the rate structure enacted on April 1, 1980 will be unchanged. The golfing public accepted the increase without major protest and play continues at a normal pace with no noticeable decreases.

II. ALTERNATIVE 2

This alternative assumes that the senior golf privilege is extended to persons age 65 and older. The estimated revenue loss of \$85,000 is offset by a General Fund subsidy. The Golf Division budget is balanced and play remains constant.

III. ALTERNATIVE 3

This alternative assumes that the senior golf privilege is extended to persons 65 and older. The estimated revenue loss of \$85,000 is offset in the following manner:

A.	Increase in all Junior and Senior rates = \$43,250 (\$.25 on 9's, \$.50 on 18's)	
B.	General Fund subsidy	= <u>\$41,500</u>
		\$85,000

The Golf Division budget is balanced and play remains constant. The existing qualified junior and senior golfers would be requested to help subsidize reduced rates for those seniors age 65 through 69. Opposition by this group is anticipated.

IV. ALTERNATIVE 4

This alternative assumes that the senior golf privilege is extended to persons age 65 and older. The estimated revenue loss of \$85,000 is compounded by a projected additional loss in revenue caused by an attempt to offset the loss with a fee increase to standard golfers as follows:

A. Increase in standard fees only (\$.25 on 9's, \$.50 on 18's)	+ \$ 99,700
B. Estimated decrease in standard play (10% based on Division experience)	- \$103,000
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	- \$ 3,300

This method of increase would further compound the estimated revenue loss of \$85,000 by an additional \$3,300. It would be very unpopular with the standard golfing public.

V. ALTERNATIVE 5

This alternative assumes that the senior golf privilege is extended to persons age 65 and older. The estimated revenue loss of \$85,000 is compounded by a projected additional loss in revenue caused by an attempt to offset the loss with a total across the board increase in fees as follows:

A. Fee increase for all golfers (\$.25 on 9's, \$.50 on 18's)	+ \$143,000
B. Estimated decrease in standard play (10% based on Division experience)	- \$103,000
	<hr/>
	\$ 43,000

This method of fee increase would reduce the estimated revenue loss of \$85,000 to \$42,000. It would be very unpopular with all golfers currently enjoying a lower rate. The only group to benefit is the 65 through 69 age group.

RECOMMENDATION

It is recommended that the City Council approve Alternative 1 which is a continuation of the existing policy on senior golf rates. This policy position is fiscally responsible and meets with the approval of the great majority of the golfing public.

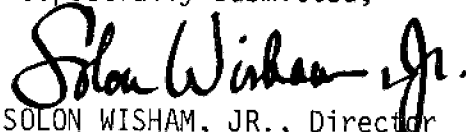
Alternative 2 requires a General Fund subsidy estimated at \$85,000 and is not acceptable to the staff. It is assumed that the golfing public would approve this alternative.

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Alternative 3 requires a General Fund subsidy estimated at \$41,500 and is not acceptable to the staff. An additional rate increase to golfers currently qualified as junior and senior golfers to benefit persons 65-69 years old would not be well received by juniors and seniors.


Alternatives 4 and 5 result in a Golf Division deficit and are not acceptable to staff. Both would be very unpopular with the standard golfer and would result in a substantial decrease in play. Alternative 5 would be very unpopular with all golfers except those that would qualify for the new reduced rates.

Respectfully submitted,



SOLON WISHAM, JR., Director
Department of Community Services

Recommendation Approved:



WALTER J. SLIPP, City Manager

April 22, 1980
All Districts.

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