



CITY COUNCIL AGENDA

MEETING DATE: OCTOBER 2, 2007

TO: CITY COUNCIL/CITY MANAGER

204-01

R=12/8888

FROM: PARKS AND RECREATION DEPARTMENT

SUBJECT: FULLERTON GOLF COURSE RATE CHANGES

Approved for Agenda:

A handwritten signature in black ink, appearing to be "Chris", is written over a horizontal line.

City Manager's Office

SUMMARY

American Golf is requesting minimal changes in the green fees for the Fullerton Golf Course to offset the increase in the costs to operate the golf course (see Attachment A). The Parks and Recreation Commission recommended the fee changes at its September 10, 2007 meeting (see Attachment B).

RECOMMENDATION

That the City Council approve the rate increases at the Fullerton Golf Course as proposed by American Golf and recommended by the Parks and Recreation Commission.

PROPOSED COSTS

None. The rate changes will result in an estimated increase of \$4,000 to \$5,000 in revenue to the City.

DISCUSSION

American Golf is proposing rate changes for some of the green fees at the Fullerton Golf Course, effective November 1, 2007. They have managed and operated the Golf Course for the City of Fullerton since 1979. The City receives 20% of the gross receipts from the golf course to fund the maintenance, improvements, and activities within the Brea Dam recreation area.

Over the years, various rates have periodically increased to meet operating and capital improvement costs. American Golf has made great strides in improving the quality of service and play at the golf course. In the last three years, American Golf has invested approximately \$2 million in the golf course. The last rate increase was in May 2006. In

order to meet current operating costs and remain competitive, American Golf suggests changes in the following rates:


<u>Green Fees</u>	<u>Current</u>	<u>Proposed</u>
Early Bird Weekday (9 holes)	\$13.00	\$14.00
Early Bird Weekend (9 holes)	\$18.00	\$19.00
Regular Weekday	\$21.00	\$22.00
Regular Weekend	\$31.00	\$33.00
Senior Weekday	\$16.00	\$17.00
Sr. Twilight Weekday	\$11.00	\$12.00
Twilight Weekday	\$16.00	\$17.00
Twilight Weekend	\$21.00	\$22.00
Super Twilight Weekday	\$11.00	\$12.00
Super Twilight Weekend	\$13.00	\$14.00
Weekday SCGC Sr. Member	\$17.00	\$17.50
Weekend Midday SCGC Sr. Member	\$26.00	\$25.00

<u>Cart Fees</u>	<u>Current</u>	<u>Proposed</u>
Early Bird ½ Cart	\$ 7.00	\$ 7.00
Regular ½ Cart	\$13.00	\$13.00
Senior ½ Cart (weekday only)	\$12.00	\$12.00
Twilight ½ Cart	\$10.00	\$10.00
Super Twilight ½ Cart	\$ 7.00	\$ 7.00

American Golf has prepared a competitive market analysis that compares rates at the Fullerton Municipal Golf Course to other public golf courses in the area (see Attachment C). The analysis also shows that the proposed fee changes are in-line with the other local public golf courses.



Alice Loya, Administrative Manager



Joe Felz, Director

- Attachments: A: Letter from American Golf
B: Draft Minutes of the September 10, 2007 Parks and Recreation Commission Meeting
C: Competitive Market Analysis



American Golf

August 26, 2007

Alice Loya
Community Services Department
City of Fullerton
303 West Commonwealth
Fullerton, CA 92832

Dear Alice,

American Golf has invested over \$2 million dollars into Fullerton Golf Course in the last three years in course and equipment upgrades. This has resulted in rounds growth in 2006 of 25% over 2005 and through July of 2007 we have increased our rounds by 9.3% over 2006.

Our costs continue to go up as water costs went up by 52% in 2006 compared to 2005 and through July 2007 water is up 82.9% over 2006 and power costs are up 28.3% over 2006. Our maintenance expenses are up 22.4% over 2006 through July, our carts and range expenses are up 50.3% over 2006 through July and other golf expenses are up 67% over 2006.

With this being said Fullerton Golf Course is asking that a minimal increase in green fees be approved. The new rates would be as follows:

Green Fee	Weekday	Weekend/Holiday
Early Bird (9 Hole) Green Fee	\$14	\$19
18 Hole Green Fee	\$22	\$33
Senior Green Fee (Requires Senior Card)	\$17	N/A
Twilight Green Fee	\$17	\$22
Super Twilight Green Fee	\$12	\$14

Cart Fee	Weekday	Weekend/Holiday
Early Bird (9 Hole) ½ Cart	\$7	\$7
18 Hole ½ Cart	\$13	\$13
Twilight ½ Cart	\$10	\$10
Super Twilight ½ Cart	\$7	\$7

When speaking with our guests the feedback about the course has been very positive and the increases that we have been achieving within our operating budget indicates that we are growing all avenues of our business.

I would ask that you review the above mentioned rates and consider their approval.

Sincerely,

Kevin Keller
General Manager

**CITY OF FULLERTON
PARKS AND RECREATION COMMISSION
MEETING MINUTES**

City Council Chamber
Monday, September 10, 2007
6:30 p.m.

5. FULLERTON GOLF COURSE FEE CHANGES

Administrative Manager Alice Loya provided a brief history of the Fullerton Municipal Golf Course, noting that it was built in the 1950's by the City, and that it was contracted out to American Golf in the late 1970's. She said that American Golf comes to the Parks and Recreation Commission and City Council to request any increases in fees.

She then turned the meeting over to Fullerton Golf Course Manager Kevin Keller. He thanked the commissioners, then provided a Power Point presentation of golf course storm damage and subsequent improvements of the last 18 months. He said these included a new fleet of 70 carts, maintenance equipment upgrades including a "fairway unit" mower for a vastly improved turf, and a clubhouse barbecue addition. American Golf also made storm damage repairs at Hole #10 due to broken cement, erosion, and sink holes which included a new channel and rocks, for a total project cost of \$60,000, and at Hole #15 because storms took out the side of a hill and damaged the greens, requiring new sod and new drainage at a cost of \$20,000. American Golf also redesigned Hole #16 by putting in a bunker, resodding, moving the channel, and improving drainage for better aesthetics and playability, for a total cost of \$45,000.

Mr. Keller referred to Attachment B of the agenda letter, which was the rate comparison between Fullerton and other local golf courses, saying the proposed fee increases were well within other courses' fees. He noted that the increases were one dollar during the week and two dollars on the weekend.

Vice Chair Dasney asked what the early bird hours were and was told sunup to two hours afterwards, allowing early bird golfers to complete the back nine holes before the regular day begins. When she asked, Mr. Keller said SCGC stands for Southern California Golfers' Club which allows member discounts and benefits. She asked when the changes would be effective, and he said November 1, 2007 if City Council approves their request.

Mr. Keller also pointed out that costs were "definitely up" over the past couple of years, stating that water was up 83% from a year ago, power 28%, maintenance 22%, and other expenses including carts up 50%. He said the investments provided for a better facility with "big strides" made in playability and the condition of the course.

Fullerton Golf Course

2007 Competitive Rate Analysis

	<u>Fullerton</u> <i>Current</i>	<u>Fullerton</u> <i>Proposed</i>	<u>La Mirada</u>	<u>Birch Hills</u>	<u>Dad Miller</u>	<u>Riverview</u>	<u>Willowick</u>	<u>Royal Vista</u>
18 Holes								
<i>Weekday</i>	\$21	\$22	\$22	\$22	\$24	\$20*	\$23	\$27
<i>Weekend</i>	\$31	\$33	\$29	\$32	\$32	\$30*	\$35	\$37
Twilight								
<i>Weekday</i>	\$16	\$17	\$15.75	\$17	\$15.5	\$15*	\$16	\$19
<i>Weekend</i>	\$21	\$22	\$20	\$24	\$20	\$18*	\$23	\$27
<i>Senior</i>	\$16	\$16	\$11	\$19	\$13	\$17*	\$23	\$16
<i>½ Cart</i>	\$13	\$13	\$12	\$14	\$12	*Includes Cart	\$10	\$12

Last Rate Increase Taken May, 2006

A one-dollar increase after their expenses suddenly skyrocketed?