City of FRESNO

REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.	1B
COUNCIL MEETING	09/30/2008
APPROVED BY	
DEPARTMENT DIRECTOR	
CITY MANAGER	

September 30, 2008

FROM: RUSSELL C. WIDMAR, AAE
Director of Aviation

SUBJECT: APPROVE THE 471st AMENDMENT TO THE MASTER FEE SCHEDULE (MFS) RESOLUTION NO. 80-420 INCREASING GREEN FEES AT AIRWAYS MUNICIPAL GOLF COURSE

KEY RESULT AREA
One Fresno

RECOMMENDATION
Staff recommends that the City Council approve the 471st Amendment to the MFS Resolution No. 80-420 increasing only certain, specified green fees at Airways Municipal Golf Course in accordance with the existing contractual agreement. A similar adjustment was last approved by Council in 2007.

EXECUTIVE SUMMARY
Staff is recommending that the green fees at Airways Municipal Golf Course (Airways) be increased per the attached resolution. The increases are consistent with the terms of the existing contract with ClubCorp, Inc. formerly CCA Silband/GolfCorp Inc. (Course Operator) for the management of the golf course. The Course Operator is entitled to certain green fee adjustments each year under the negotiated terms of Amendment #3 executed August 2003. Senior and Junior monthly card rates remain lower than Riverside and Madera Golf Courses.

KEY OBJECTIVE BALANCE
The proposed fee amendment balances the Key Objectives of Employee Satisfaction, Customer Satisfaction and Financial Management. The fee adjustments will continue to allow the Course Operator to keep pace with appropriate levels of course maintenance and increased operating expenses, while providing a lower priced golf experience for Fresno residents and visitors at a City owned course.

BACKGROUND
In accordance with the terms of Amendment #3, "Green fees may be adjusted each September 1st, consistent with the then effective Master Fee Schedule Resolution adopted by City Council, in even $0.25 increments, in proportion to the change in the U.S. Bureau of Labor Statistics Consumer Price Index (CPI) (Urban Wage Earners and Clerical Workers for the Los Angeles – Anaheim – Riverside area), for the months of February of the prior year and February of the then current year." The CPI increased 7.60 points from February 2007 to February 2008, creating an adjustment factor of 3.678% (note that the CPI numbers were not available until June 2008). This percentage increase has been applied to the existing schedule of green fees and rounded to the next highest $0.25 increment. Due to certain terms in the Amendment not all green fees are adjusted every year and there are carry-forward provisions that deal with this matter in subsequent years. Each rate also includes the Art, Park, Entertainment and Sports Fee of $0.75 per round that was established in the City's Master Fee Schedule in July 2006. This Fee remains with the Airports Department to fund additional and agreed upon improvements to the Airways Golf Course only and is not commingled with other Airport operating revenues and expenses.

It is our policy to maintain comparative rate differences between Riverside GC and Madera Municipal GC. This is done especially to offer lower cost fee alternatives (monthly rate cards) to Senior and Junior golfers who may prefer camaraderie to a challenging golf experience, or are learning the game, respectively. The Airways Senior and Junior monthly cards reflect an increase of 3% each and $10.50 per month lower than Madera. Based on ten rounds per month, Senior cards offer a savings of $22.75 per month when compared with Riverside GC and $5.50 less than Madera GC. Again, based on ten rounds per month, Junior cards reflect a savings of $8.25 when compared with Riverside (Junior cards are not offered at Madera).

Green Fees proposed for Airways:

Description/Green Fee	Proposed 2008
Weekdays	$17.50
Weekdays After 2 pm (PST)	$13.75
Weekdays After 3 pm (PDT)	13.75
Weekends/Holidays	$19.75
Weekends/ Holidays After 2 pm (PST)	13.75
Weekends/ Holidays After 3 pm (PDT)	13.75
Tournaments	22.25
Tournament Senior	*10.75
Tournament Junior	*10.75
Tournament Junior Golf Team	*3.75
Senior Monthly Card (Unlimited)	41.50
Senior Surcharge/Round	*3.50
Junior Monthly Card (Unlimited)	41.50
Junior Surcharge/Round	*3.50
Frequent Players Monthly Card (Unlimited)	69.00
Weekday Surcharge/Round	*5.00
Weekends/Holidays Surcharge/Round	*6.75

*No change to current rate.

FISCAL IMPACT

The Airports Department is operated as a self-supporting enterprise. Contractual adjustment to the green fees at Airways Municipal Golf Course do not impact the General Fund.

Attachments: Resolution
Green Fee Calculations 2008

RESOLUTION NO._____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO ADOPTING THE 471st AMENDMENT TO THE MASTER FEE SCHEDULE RESOLUTION NO. 80-420 INCREASING GREEN FEES AT AIRWAY MUNICIPAL GOLF COURSE IN THE AIRPORTS SECTION

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

THAT the Master Fee Schedule Resolution No. 80-420 be and is hereby amended to increase the Green Fees at Airways Municipal Golf Course in accordance with existing lease/management agreements. The revised pages of the Master Fee Schedule are attached and made a part of this Resolution.

THAT fees shall become effective upon final passage.

CLERK'S CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF FRESNO)ss.
CITY OF FRESNO)

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the ___ day of _____, 2008.

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor Approval: _____ 2008
Mayor Approval/No Return: _____, 2008
Mayor Veto: _____, 2008
Council Override Veto: _____, 2008

REBECCA E. KLISCH
City Clerk

_____

APPROVED AS TO FORM
CITY ATTORNEY'S OFFICE

BY: Tei Yukimoto 9-18-08
Tei Yukimoto, Sr. Deputy City Attorney

ANNUAL GREEN FEE ADJUSTMENT COMPUTATION
ADJUSTMENT FOR YEAR BEGINNING SEPTEMBER 1, 2008

Line No.

1 CPI February 2007 206.632

2 CPI February 2008 214.231

3 AMOUNT OF CHANGE: (subtract line 1 from 2) 7.60

Note: (IF AMOUNT ON LINE 3 IS LESS THAN 0.00, STOP HERE. NO ADJUSTMENT OF FEES IS REQUIRED, AND FURTHER CALCULATION IS UNNECESSARY.)

4 Adjustment Factor: (divide line 3 by line 1) 8 / 206.632 = 0.03678

	Weekdays	Weekend/ Holiday	Twilight	Junior	Senior	Tournament	Junior Golf Team	Junior Card	Senior Card	Surcharge	Frequent Players (FP)	FP Surcharge Weekdays	FP Surcharge Weekends/ Holidays
5 GREEN FEE ADJUSTMENT AMOUNT (multiply existing green fee by amt. on line 4, unless amount set by contract)	0.62518	0.70793	0.49647	0.39534	0.39534	0.79987	0.13791	1.48021	1.48021	0.12871	2.45477	0.18388	0.24823
6 ART, PARK, ENTERTAINMENT & SPORTS (City of Fresno Master Fee Schedule 7/2006)	$0.75	$0.75	$0.75	$0.75	$0.75	$0.75	$0.75	$0.75	$0.75	$0.75	$0.75	$0.75	$0.75
7 CARRY OVER PRIOR YR. ADJUSTMENT: (see line 12, prior yr.'s adjustment	($0.06)	$0.00	($0.16)	($0.22)	($0.22)	($0.12)	($0.18)	($0.04)	($0.04)	($0.16)	($0.03)	($0.03)	($0.12)
8 CURRENT GREEN FEE	$17.00	$19.25	$13.50	$10.75	$10.75	$21.75	$3.75	$40.25	$40.25	$3.50	$66.75	$5.00	$6.75
9 FEE ADJUSTMENT AMOUNT (round amt. on line 5)	$0.63	$0.71	$0.50	$0.40	$0.40	$0.80	$0.14	$1.48	$1.48	$0.13	$2.45	$0.18	$0.25
10 CALCULATED GREEN FEE: (add lines 6,7,8,9)	$17.57	$19.96	$13.84	$10.93	$10.93	$22.43	$3.71	$41.69	$41.69	$3.47	$68.17	$5.15	$6.88
11 ADJUSTED GREEN FEE*	$17.60	$19.75	$13.75	$10.75	$10.75	$22.25	$3.75	$41.50	$41.50	$3.60	$69.00	$5.00	$6.75
12 CARRY OVER - FOLLOWING YEAR (subtract line 11 from line 10)	($0.07)	($0.21)	($0.09)	($0.18)	($0.18)	($0.18)	$0.04	($0.19)	($0.19)	$0.03	($0.17)	($0.15)	($0.13)

* Round calculated green fee, line 10, down to the nearest even $0.25 increment. Any discarded cents due to rounding shall be accrued to calculate the green fee adjustment the following year. To accomplish this, subtract the ADJUSTED GREEN FEE from the CALCULATED GREEN FEE and insert on line 12, "CARRY OVER-FOLLOWING YEAR". This amount shall be inserted on line 6 when accomplishing the ANNUAL GREEN FEE ADJUSTMENT COMPUTATION for the following year.

PREPARER'S NAME Melissa A. Garza

DATE PREPARED May 13, 2008

J:\FY07\Tenant Files\CCA Stand-Arneys\Green Fees\Fees - FY08- WITH M/S NEW CHARGE
UPDATED 5/14/2008, 8:44 AM

CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT SUMMARY

AIRPORTS ADMINISTRATION

For FY 2009, the Airports Department is proposing to revise the Airways Golf Course green fees. Airways green fees are typically updated every year. The proposed fee schedule is comprised of the following:

AIRPORTS (FYI) – Airways Golf Course – Green Fees

Fee Description	Current	Proposed	Detail pg. #	MFS pg. #
Weekdays				
after 2 p.m. (PST)	17.00	17.50	2	6
after 3 p.m. (PDST)	13.50	13.75		
	13.50	13.75		
Weekends/Holidays (as identified in FMC 2-1513)	19.25	19.75	3	6
after 2 p.m. (PST)	13.50	13.75		
after 3 p.m. (PDST)	13.50	13.75		
Tournaments				
Seniors (62 and over)	21.75	22.25	4	6
Juniors (18 and under)	10.75			
Juniors Golf Team	10.75			
	3.75			
Monthly Cards (restricted to the individual named)			5	6
Seniors (Unlimited)	40.25	41.50		
Surcharge / per round	+3.50			
Juniors (Unlimited)	40.25	41.50		
Surcharge / per round	+3.50			
Frequent Players (No restriction on time of play)	63.00	69.00		
Surcharge, weekdays / per round	+5.00			
Surcharge, weekends/holidays / per round	+6.75			

CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT DETAIL

AIRPORTS ADMINISTRATION

Airways Golf Course – Green Fees
Weekdays

This fee is for all tee times at Airways Golf Course on Weekdays before 2:00 p.m. Tee times are restricted to Weekdays and after 2:00 p.m. (standard time) or 3:00 p.m. (daylight savings time) on weekends and holidays, or based on course availability. Pursuant to the agreement with the City of Fresno – Airports Administration office the fees are increased once a year on using the February Consumer Price Index (CPI) for the previous year and current year.

	Total
Weekdays	
after 2 p.m. (PST)	$ 17.50
after 3 p.m. (PDST)	$ 13.75
	$ 13.75

***NOTE:** Please see Exhibit "B" for complete detail

CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT DETAIL

AIRPORTS ADMINISTRATION

Airways Golf Course – Green Fees
Weekends/Holidays

This fee is for all tee times at Airways Golf Course on Weekends and Holidays before 2:00 p.m. Holidays are as identified in Fresno Municipal Code Section 3-116. Tee times are restricted to Weekdays and after 2:00 p.m. (standard time) or 3:00 p.m. (daylight savings time) on weekends and holidays, or based on course availability. Pursuant to the agreement with the City of Fresno – Airports Administration office the fees are increased once a year on using the February Consumer Price Index (CPI) for the previous year and current year.

	Total
Weekends/Holidays	
after 2 p.m. (PST)	$ 19.75
after 3 p.m. (PDST)	$ 13.75
	$ 13.75

***NOTE:** Please see Exhibit "B" for complete detail

CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT DETAIL

AIRPORTS ADMINISTRATION

Airways Golf Course – Green Fees
Tournaments

This fee is for all tee times at Airways Golf Course for Tournament play. Senior and Junior Tournaments can be played but, identification such as a driver's license or school photo ID is required. In the absence of a valid driver's license, another form of identification bearing a birth date may be submitted with prior approval from the Airways Golf Course. Pursuant to the agreement with the City of Fresno – Airports Administration office the fees are increased once a year on using the February Consumer Price Index (CPI) for the previous year and current year.

	Total
Tournaments	$ 22.25

***NOTE:** Please see Exhibit "B" for complete detail

CITY OF FRESNO
MASTER FEE SCHEDULE
AMENDMENT DETAIL

AIRPORTS ADMINISTRATION

Airways Golf Course – Green Fees
Monthly Cards
(Restricted to the Individual Named)

This fee is for all tee times at Airways Golf Course for Monthly Cards that are restricted to the individual named on the card. They are unlimited in play. They consist of Senior (unlimited, ID required), Junior (Unlimited, ID required), Frequent Players (no restriction on time of play) and Surcharges per round for each of the above and for Weekdays and Weekend/Holidays. Identification such as a driver's license or school photo ID is required. In the absence of a valid driver's license, another form of identification bearing a birth date may be submitted with prior approval from the Airways Golf Course. Pursuant to the agreement with the City of Fresno – Airports Administration office the fees are increased once a year on using the February Consumer Price Index (CPI) for the previous year and current year.

	Total
Monthly Cards (restricted to the individual named)	
Seniors (Unlimited *ID required)	$ 41.50
Juniors (Unlimited *ID required)	$ 41.50
Frequent Players (No restriction on time of play)	$ 69.00

***NOTE:** Please see Exhibit "B" for complete detail

AIRPORT FEES

AIRWAYS GOLF COURSE - GREEN FEES

Fee Description & Unit/Time	Current	Proposed	Amnd
Art, Park, Entertainment & Sports* (at all City owned facilities that comprise the Fresno Convention & Entertainment Center, the Riverside Municipal and Airways Golf Courses. The Arts, Park, Entertainment and Sports (APES) ticket surcharge fee is to be applied to all tickets sold for attendance to all event types and on each round of golf, irrespective of the ticket selling party, irrespective of ticket price. The City reserves the right to waive the surcharge upon City Manager approval).			462 10/07
Per ticket (or attendee) and on each round of golf	0.75		
* Surcharge is to sunset or is up for renewal at the end of FY 2010.			
**** Weekdays**	~~17.00~~	17.50	471
after 2 p.m. (PST)	~~13.50~~	13.75	
after 3 p.m. (PDST)	~~13.50~~	13.75	
**** Weekends/Holidays** (as identified in FMC 2-1513)	~~19.25~~	19.75	471
after 2 p.m. (PST)	~~13.50~~	13.75	
after 3 p.m. (PDST)	~~13.50~~	13.75	
**** Tournaments**	~~21.50~~	22.25	471
Seniors (62 and over—See * below for ID requirements)	10.75		
Juniors (18 and under—See * below for ID requirements)	10.75		
Junior Golf Team	3.75		
**** Monthly Cards** (restricted to the individual named)			471
Seniors (Unlimited)*	~~40.25~~	41.50	
Surcharge / per round	+3.50		
Juniors (Unlimited)*	~~40.25~~	41.50	
Surcharge / per round	+3.50		
Frequent Players (No restriction on time of play)	~~63.00~~	69.00	
Surcharge, weekdays / per round	+5.00		
Surcharge, weekends/holidays / per round	+6.75		

* Tee times will be restricted to weekdays and after 2 p.m. (standard time) or 3 p.m. (daylight savings time) on weekends and holidays, or based on course availability as determined by lessee. A valid driver's license or shool photo ID, as applicable, is required. Another form of indentification bearing a birth date may be submitted with prior approval from the Airways Golf Course General Manager.

** 471st amendment shall become effective upon final passage. Council Meeting will be held 9/30/08.