



CITY OF RAPID CITY

PARKS AND RECREATION DEPARTMENT

300 SIXTH STREET

RAPID CITY, SOUTH DAKOTA 57701

PARKS AND
RECREATION
DEPARTMENT

Parks and Recreation Memo

Date: November 8, 2006

To: Mayor Jim Shaw and Rapid City Council

Jerry W. Cole,
Director
(605) 394-5225

From: Jerry W. Cole, Director

Subject: 2007 Golf Course Rates

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Summary:

In the past few years the Rapid City Golf Courses have changed tremendously. We have seen the courses change from being run by contract employees to city employees, back to contract, and then back again.

We have seen the new club house at Meadowbrook completed in 2003, a new cart barn built in 2004, and a new putting green is planned for 2007.

We have seen the LaCroix Links course go from being City run in 2003, to a contracted course with the YMCA in 2004. Under the contract with the YMCA, the deficit at LaCroix has gone from over \$100,000 annually, to less than \$60,000 a year. In 2007 the deficit at LaCroix should go even lower, to less than \$20,000 a year.

In 2006 we have seen our golf revenues go down by 6% while our expenditures remain at the same level as last year. *Golf expenditures remain under 2003 levels, even with the rising costs of materials, labor, and utilities.*

In the past two years we have opted not to raise fees, and in fact have lowered some, in an attempt to promote more golf. This did not work the way we hoped it would.

Staff feels that in order to maintain our "#1 Rating in Rapid City" we must raise fees to off set rising costs.

Recommendation:

This is the first full year without any major changes in organizational structure at the golf courses. We believe that we have found a good mix of Contractor/City Staff in running the organization. Therefore, staff is proposing the following structure and pricing changes for 2007. *(See attached proposals.)*

Proposed changes:

- ▶ Condense several pricing categories into one; not having so many choices. For example, we will have one price for daily fees rather than one price for M-F, and a different price for weekends and holidays.
- ▶ Condense six different cart storage rates into one rate for all carts.
- ▶ Add a twilight rate for times when golfing starts are down.
- ▶ Increase prices to be in line with current expenses and other courses.
- ▶ Add a pricing structure to passes to ward off "sticker shock" when fees are raised.
- ▶ Delete the All-City pass and include play at Executive in the Meadowbrook Pass

Future:

For 2007 our goals are to:

- ▶ Increase the number of rounds played at both courses.
- ▶ Continue to maintain expenditures.
- ▶ Purchase materials and supplies in volume which lowers the cost.
- ▶ Continue to improve golf-course management techniques.
- ▶ Continue to improve course conditions.
- ▶ Reinvest revenues in capital improvements.
- ▶ Increase productivity by applying industry best practices and efficiency.
- ▶ Create a yearly marketing plan.
- ▶ Partner with business in the City to bring more golfers to our courses.

While Rapid City's golf courses can make the improvements listed above, we face many competing demands. Other courses within an hour's drive of Rapid City are also trying to create their niche in the golfing community. Some of the courses are new and others have new additions. We must focus our efforts on generating revenue, and have an incentive to reinvest in the quality of the golf course to attract more players, host more tournaments, sell more merchandise, and in general, increase golf revenues.

Staff feels strongly that we are heading in the right direction with our municipal golf courses. We believe that our customers agree, since they have chosen us the #1 Golf Course in the Black Hills three years running.

2007 PROPOSAL FOR EXECUTIVE GOLF COURSE FEES

<u>DAILY GREEN FEES</u>	<u>2006 Rate</u>	<u>2007 Proposal</u>	<u>% Increase</u>	<u>2007 Projection</u>	<u>Increase Over</u>	<u>Reason for</u>
(Includes development fee)				<u>Revenue</u>	<u>2006</u>	<u>Increase</u>
9-Hole 7 Day	N/A	\$ 11.00	10%	\$ 74,998.00	\$ 8,418.90	Operational costs increase
9-Hole Twilight 7 Day after 6:00	N/A	\$ 7.00	0%	\$ 13,566.00	\$ 1,172.42	Operational costs increase
9-Hole Junior (18 & U)	N/A	\$ 6.00	20%	\$ 5,850.00	\$ 1,084.81	Operational costs increase
9-Hole WD	\$ 10.00	N/A				
9-Hole WD Twilight after 6:00	\$ 6.00	N/A				
9-Hole WE	\$ 11.00	N/A				
9-Hole WE Twilight after 6:00	\$ 8.00	N/A				
9-Hole Child (14 & U)	\$ 5.00	N/A				
<u>DEVELOPMENT FEES</u>						
Development Fee 9 Hole	\$ 0.50	\$ 0.50		\$ 3,774.50	\$ -	
<u>CART RENTAL</u>						
9 - Hole Cart	\$ 11.00	\$ 12.00	9%	\$ 6,468.00	\$ 847.57	Fuel cost increase
<u>SEASON PASSES/PUNCH CARDS</u>						
(Does not include development fee)						
Adult Single	\$ 290.00	\$ 333.50	15%	\$ 1,334.00	\$ 173.99	Same as the Meadowbrook pass increase
Adult Couple	\$ 375.00	\$ 431.25	15%	\$ 862.50	\$ 112.49	Same as the Meadowbrook pass increase
Senior Single (62 & O)	\$ 260.00	\$ 299.00	15%	\$ 8,372.00	\$ 1,092.02	Same as the Meadowbrook pass increase
Senior Couple (62 & O)	\$ 350.00	\$ 402.50	15%	\$ 4,830.00	\$ 630.03	Same as the Meadowbrook pass increase
Junior (18 & U)	\$ 75.00	\$ 86.25	15%	\$ 1,983.75	\$ 609.85	Same as the Meadowbrook pass increase
25 - 9 Hole Punch Card	\$ 155.00	\$ 210.00	35%	\$ 17,430.00	\$ 4,564.98	\$2.10 savings on each 9-Hole green fee
10 - 9 Hole Punch Card	\$ 75.00	\$ 100.00	33%	\$ 16,000.00	\$ 4,000.59	.50 savings on each 9-Hole green fee
Child	\$ 60.00	N/A				
TOTAL				\$ 155,468.75	\$ 22,707.65	

ALL RATES INCLUDE SALES TAX

*Couple means married couple as defined under South Dakota law

2007 PROPOSAL FOR MEADOWBROOK GOLF COURSE FEES

	<u>2006 Rate</u>	<u>2007 Proposal</u>	<u>% Increase</u>	<u>Reason For Increase</u>	<u>2007 Projection Revenue</u>	<u>Increase Over 2006</u>
DAILY GREEN FEES						
(Includes development fee)						
9-Hole 7 Day	N/A	\$ 22.50	30%	Rate to be in line with area courses	\$ 90,787.50	\$ 20,269.72
9-Hole Jr/Sr 7 Day(18 & U / 62 & O)	N/A	\$ 20.25	33%	10% Discount	\$ 10,266.75	\$ 2,498.28
18-Hole 7 Day	N/A	\$ 36.50	29%	Rate to be in line with area courses Lower than Hart Ranch, Red Rock & Elks Go to a 7 day rate based on the fact that our WE% play is not higher than our WD% play	\$ 162,863.00	\$ 40,167.53
18-Hole Jr/Sr 7 Day (18 & U / 62 & O)	N/A	\$ 32.85	28%	10% Discount	\$ 12,515.85	\$ 2,703.22
18-Hole Twilight (3.00 pm No Wednesday's)	N/A	\$ 21.50		To increase play for low play time	\$ 46,418.50	\$ 46,418.50
9-Hole Twilight (6.00 00 PM)	N/A	\$ 15.25		To increase play for low play time	\$ 3,050.00	\$ 3,050.00
9-Hole Weekday	\$ 16.50	N/A				
9-Hole Weekend/Holiday	\$ 18.00	N/A				
9-Hole Jr/Sr. Weekday	\$ 15.25	N/A				
18-Hole Weekday	\$ 26.75	N/A				
18-Hole Weekend/Holiday	\$ 30.00	N/A				
18-Hole Jr/Sr Weekday	\$ 25.75	N/A				
DEVELOPMENT FEES						
Development Fee 18 Hole	\$ 2.00	\$ 2.00			\$ 27,326.00	\$ -
Development Fee 9 Hole	\$ 1.00	\$ 1.00			\$ 10,402.00	\$ -
RANGE						
Small Bag	\$ 4.00	\$ 4.00		No increase, in line with area courses	\$ 7,768.00	\$ -
Large Bag	\$ 6.00	\$ 6.00		No increase, in line with area courses	\$ 21,120.00	\$ -
25 Punch Card Large Bags	\$ 125.00	\$ 125.00		No increase, in line with area courses	\$ 5,250.00	\$ -
CART RENTAL/CART STORAGE						
TRAIL FEES/LOCKERS						
18-Hole 1/2 Cart	\$ 13.00	\$ 13.00		No increase, in line with area courses	\$ 82,758.00	\$ 90.67
9-Hole 1/2 Cart	\$ 7.00	\$ 8.00	15%	Rate to be in line with area courses	\$ 27,664.00	\$ 2,430.28
9-Hole Single Rider Cart Rental	\$ 10.00	N/A				
18-Hole Single Rider Cart Rental	\$ 18.00	N/A				
Yearly Cart Rental Season Pass Family (1 Cart Allowed Out At a Time)	\$ 667.80	\$ 742.00	11%	Rate to be in line with area courses Fuel cost increase	\$ 11,130.00	
Cart Storage	N/A	\$ 371.00	4%	Most cart barn users paid a reduced rate based on the fact that they purchases a pass with the storage	\$ 41,181.00	\$ 4,293.00
Gas Cart Storage	\$ 371.00	N/A				
Gas Cart Storage (w/pass)	\$ 323.30	N/A				
Gas Cart Storage (w/Punch Card)	\$ 344.50	N/A				
Electnc Cart Storage	\$ 392.20	N/A				
Electnc Cart Storage (w/Pass)	\$ 344.50	N/A				
Electnc Cart Storage (wPunch Card)	\$ 365.70	N/A				
Trail Fee Annual	\$ 206.70	\$ 206.70		No increase, in line with area courses	\$ 2,893.80	\$ -
Trail Fee Daily	\$ 12.00	\$ 12.00		No increase, in line with area courses	\$ 384.00	\$ -
Locker Rental	\$ 42.40	\$ 42.40		No increase	\$ 169.60	\$ -
TOTAL					\$ 563,948.00	\$ 121,921.20

2007 PROPOSAL FOR MEADOWBROOK GOLF COURSE FEES

SEASON PASSES/PUNCH CARDS (Does Not Include Development Fee)	2006 Rate	Dec 2006 Purchase for 2007 Proposal	Jan 2007 Purchase for 2007 Proposal	Feb 2007 Purchase for 2007 Proposal	Mar-Dec 2007 Proposal	% Increase Overall	2007 Projection Revenue	Increase Over 2006	Reason For Increase
Adult Single	\$ 520 00	\$ 520 00	\$ 546 01	\$ 572 02	\$ 598 00	15%	\$ 101,180 81	\$ 7,141 42	Rate to be in line with area courses
Adult Couple*	\$ 830 00	\$ 830 00	\$ 871 51	\$ 913 00	\$ 954 50	15%	\$ 27,660 08	\$ 1,992 34	Rate to be in line with area courses
Senior Single (62 & over)	\$ 465 00	\$ 465 00	\$ 488 26	\$ 511 51	\$ 534 75	15%	\$ 48,988 24	\$ 3,418 18	Rate to be in line with area courses
Senior Couple* (62 & over)	\$ 725 00	\$ 725 00	\$ 761 26	\$ 797 51	\$ 833 75	15%	\$ 14,028 84	\$ 978 84	Rate to be in line with area courses
City Employee	\$ 350 00	\$ 350 00	\$ 367 52	\$ 385 02	\$ 402 50	15%	\$ 8,277 72	\$ 577 78	Rate to be in line with area courses
Junior (18 & under)	\$ 155 00	\$ 155 00	\$ 162 76	\$ 170 51	\$ 178 25	15%	\$ 25,161 13	\$ 8,925 72	Rate to be in line with area courses
College (valid college ID must be presented)	\$ 200 00	\$ 200 00	\$ 210 01	\$ 220 02	\$ 230 00	15%	\$ 10,320 48	\$ 720 26	Rate to be in line with area courses
25 - 9 Hole Punch Card	\$ 345 00	N/A	N/A	N/A	\$ 425 00	23%	\$ 11,475 00	\$ 2,160 00	\$4 50 savings on each 9-Hole green fee
10 - 9 Hole Punch Card	\$ 140 00	N/A	N/A	N/A	\$ 200 00	43%	\$ 11,800 00	\$ 3,540 07	\$1 50 savings on each 9-Hole green fee
Child (14 & U)	\$ 95 00	N/A	N/A	N/A	N/A				
School Team	\$ 65 00	N/A	N/A	N/A	N/A				
All City Pass - Adult	\$ 75 00	N/A	N/A	N/A	N/A				
All City Pass - Junior	\$ 50 00	N/A	N/A	N/A	N/A				
All City Pass - Child	\$ 40 00	N/A	N/A	N/A	N/A				
TOTAL							\$ 258,892.28	\$ 29,454.61	

ALL RATES INCLUDE SALES TAX

ALL PASSES WILL ALLOW PLAY AT EXECUTIVE ALSO

The reason is to increase play at Exec and this will open up t-times at Meadowbrook to capture full green fee players.

*Couple means married couple as defined under South Dakota law

Season pass projection is based on the average price of the pass

NEW POLICY. Groups of 16 or more can reserve prebooked t-times for the season at a fee of \$40 per four-some

GRAND TOTAL \$ 822,840.28 \$ 151,375.81

RESOLUTION ESTABLISHING 2007 GOLF COURSE FEES

BE IT RESOLVED by the City of Rapid City that the following fees are established for use at the Rapid City Municipal Golf Courses, to be effective from **January 1, 2007, through December 31, 2007.**

- (1) Meadowbrook Golf Course Daily Green Fees (Includes development fee.)
(All 2007 Rates Include Sales Tax)

	2004	2005 Resident	2005 Non-Resident	2006	2007
9-Hole Weekday	\$15.25	\$16.50	\$19.00	\$16.50	--
9-Hole Weekend/H	\$18.00	\$18.00	\$21.50	\$18.00	--
9 Hole	--	--	--	--	\$22.50
9-Hole Jr/Sr. WD	\$11.25	\$15.25	\$17.75	\$15.25	--
9 Hole Jr/Sr	--	--	--	--	\$20.25
9 Hole Twilight	--	--	--	--	\$15.25
18-Hole WD	\$26.75	\$26.75	\$30.00	\$26.75	--
18-Hole WE/H	\$29.75	\$30.00	\$32.50	\$30.00	--
18 Hole	--	--	--	--	\$36.50
18-Hole Jr/Sr WD	\$21.50	\$25.75	\$28.50	\$25.75	--
18 Hole Jr/Sr	--	--	--	--	\$32.85
18 Hole Twilight	--	--	--	--	\$21.50

- (2) Meadowbrook Golf Course Season Passes / Punch Cards / Range Passes (Season Passes do not include development fee.)

	2004	2005	2006	2007
<u>Adult Single</u>	\$520.00	\$520.00	\$520.00*	NA
Dec purchase for 2007	--	--	--	\$520.00
Jan purchase for 2007	--	--	--	\$546.01
Feb purchase for 2007	--	--	--	\$572.02
Mar-December	--	--	--	\$598.00
<u>Adult Couple **</u>	\$830.00	\$830.00	\$830.00*	NA
Dec purchase for 2007	--	--	--	\$830.00
Jan purchase for 2007	--	--	--	\$871.51
Feb purchase for 2007	--	--	--	\$913.00
Mar-December	--	--	--	\$954.50
<u>Senior Single</u>	\$465.00	\$465.00	\$465.00*	NA
Dec purchase for 2007	--	--	--	\$465.00
Jan purchase for 2007	--	--	--	\$488.26
Feb purchase for 2007	--	--	--	\$511.51
Mar-December	--	--	--	\$534.75
<u>Senior Couple**</u>	\$725.00	\$725.00	\$725.00*	NA
Dec purchase for 2007	--	--	--	\$725.00
Jan purchase for 2007	- --	--	--	\$761.26
Feb purchase for 2007	- --	--	--	\$797.51
Mar-December	- --	--	--	\$833.75

<u>City Employee</u>	\$390.00	\$350.00	\$350.00*	NA
Dec purchase for 2007	- --	--	--	\$350.00
Jan purchase for 2007	- --	--	--	\$367.52
Feb purchase for 2007	- --	--	--	\$385.02
Mar-December	- --	--	--	\$402.50
<u>Child (14 & under)</u>	\$ 95.00	\$ 95.00	\$ 95.00*	NA
<u>Junior (18 & under)</u>	\$155.00	\$155.00	\$155.00*	NA
Dec purchase for 2007	- --	--	--	\$155.00
Jan purchase for 2007	- --	--	--	\$162.76
Feb purchase for 2007	- --	--	--	\$170.51
Mar-December	- --	--	--	\$178.25
<u>College</u>	N/A	\$200.00	\$200.00*	NA
Dec purchase for 2007	- --	--	--	\$200.00
Jan purchase for 2007	- --	--	--	\$210.01
Feb purchase for 2007	- --	--	--	\$220.02
Mar-December	- --	--	--	\$230.00
School Team	\$ 65.00	\$ 65.00	\$ 65.00*	NA
Range Ball (Sm)	\$ 4.00*	\$ 4.00*	\$ 4.00*	\$ 4.00
Range Ball (Lg)	\$ 6.00*	\$ 6.00*	\$ 6.00*	\$ 6.00
Range Ball (25 P)	\$125.00*	\$125.00*	\$125.00*	\$125.00
10-9 Hole PC	\$140.00	\$140.00*	\$140.00*	\$200.00
25-9 Hole PC	\$345.00*	\$345.00*	\$345.00*	\$425.00
All City Pass – Adult	\$ 60.00	\$ 60.00	\$ 75.00*	NA
All City Pass - Junior	N/A	N/A	\$ 50.00*	NA
All City Pass – Child	N/A	N/A	\$ 40.00*	NA

* Includes sales tax

** Couple means married couple as defined under South Dakota law.

(3) Meadowbrook Golf Course Cart Storage / Cart Rental / Trail Fees / Lockers

	2004	2005	2006	2007
Cart Storage	--	--	--	\$371.00
Gas Cart Storage	\$350.00**	\$350.00**	\$350.00**	NA
Gas Cart Storage (w/Pass)	\$305.00**	\$305.00**	\$305.00**	NA
Gas Cart Storage (w/PC)	\$325.00**	\$325.00**	\$325.00**	NA
Electric Cart Storage	\$370.00**	\$370.00**	\$370.00**	NA
Electric Cart Storage (w/P)	\$325.00**	\$325.00**	\$325.00**	NA
Electric Cart Storage (w/PC)	\$345.00**	\$345.00**	\$345.00**	NA
Trail Fee Annual	\$195.00**	\$195.00**	\$195.00**	\$206.70
Trail Fee Daily	\$ 12.00*	\$ 12.00*	\$ 12.00*	\$ 12.00
Cart Rental (9-Hole)	\$ 14.00*	\$ 14.00*	\$ 14.00*	\$ 16.00
Cart Rental (18-Hole)	\$ 25.00*	\$ 25.00*	\$ 25.00*	\$ 26.00
Single Rider (9-Hole)	\$ 10.00*	\$ 10.00*	\$ 10.00*	NA
Single Rider (18-Hole)	\$ 18.00*	\$ 18.00*	\$ 18.00*	NA
18-Hole ½ Cart	--	--	--	\$ 13.00
9-Hole ½ Cart	--	--	--	\$ 8.00

Yearly Cart Rental	\$630.00**	\$630.00**	\$630.00**	\$742.00
Lockers	\$ 40.00**	\$ 40.00**	\$ 40.00**	\$ 42.40

* Includes sales tax

** Does not include sales tax

(4) Executive Daily Green Fees (Includes development fees.)

	<u>2004</u>	<u>2005 *</u>	<u>2006 *</u>	<u>2007</u>
9-Hole WD	\$ 9.00	\$ 9.00 Before 5:00 pm \$ 5.00 After 5:00 pm	\$10.00 Before 6:00 pm \$ 6.00 After 6:00 pm	NA NA
9-Hole WE	\$ 10.00	\$10.00 Before 5:00 pm \$ 6.00 After 5:00 p.m.	\$11.00 Before 6:00 pm \$ 8.00 After 6:00 pm	NA NA
9 Hole Mon-Sun	--	--	--	\$11.00
9 Hole Twilight**	--	--	--	\$ 7.00
9 Hole Junior	--	--	--	\$ 6.00
Child (14 under)	\$ 5.00	\$ 5.00	\$ 5.00	NA

* Fees applicable Memorial Day through Labor Day

** Twilight Rates effective daily at 6:00 PM.

(5) Executive Season Passes / Punch Cards / Cart Rentals

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
10-9 Hole PC	\$ 75.00*	\$ 75.00*	\$ 75.00*	\$100.00
25-9 Hole PC	\$155.00*	\$155.00*	\$155.00*	\$210.00
Adult Single	\$290.00**	\$290.00**	\$290.00*	\$333.50
Adult Couple	\$375.00**	\$375.00**	\$375.00*	\$431.25
Senior Single	\$260.00**	\$260.00**	\$260.00*	\$299.00
Senior Couple	\$350.00**	\$350.00**	\$350.00*	\$402.50
Junior (18 & under)	N/A	N/A	\$ 75.00*	\$ 86.25
Child	N/A	N/A	\$ 60.00*	NA
Cart Rental (Per 9)	\$ 10.00**	\$ 14.00**	\$ 10.00*	\$ 12.00

* Includes sales tax

** Does not include sales tax

*** Pass holder is a person who holds a yearly pass; punch cards are not included

BE IT FURTHER RESOLVED by the City of Rapid City that the following Development Fees are established for use at the Rapid City Municipal Golf Courses, effective from **January 1, 2007, through December 31, 2007:**

Development Fees: (Includes sales tax)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Meadowbrook (9 Hole):	\$0.93	\$0.93	\$1.00	\$1.00
Meadowbrook (18 Hole)	\$1.86	\$1.86	\$2.00	\$2.00
Executive (9 Hole)	\$0.47	\$0.47	\$0.50	\$0.50

The development fee is included in the daily green fees. The development fee is NOT included in the punch card or the season pass fee and will be charged to all season pass holders and punch card holders at tee time. This fee will be used for capital improvements.

BE IT FURTHER RESOLVED that as used in this Resolution:

1. Carts are available for individuals ages 18 and over.
2. Junior Passes shall be for persons ages 18 years and younger.
3. College Student Passes shall be for persons up to 23 years of age with valid college identification.
4. All passes will allow play at the Executive Golf Course.

BE IT FURTHER RESOLVED that the Parks and Recreation Director is hereby authorized to offer special rates for play on Meadowbrook and Executive Golf Courses as he shall determine to be appropriate for the purpose of encouraging play on said courses.

Footnotes:

(a) Punch cards will be good for current year only.

Dated this _____ day of November, 2006.

THE CITY COUNCIL

ATTEST

Mayor

Finance Officer
(SEAL)