



# CITY OF RAPID CITY

PARKS AND RECREATION DEPARTMENT  
300 SIXTH STREET  
RAPID CITY, SOUTH DAKOTA 57701

## PARKS AND RECREATION DEPARTMENT

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Parks and Recreation Memo

Date: November 8, 2005

To: Mayor Jim Shaw and Rapid City Council

From: Jerry W. Cole, Director

Subject: 2006 Golf Course Rates

### **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. After next year, the deficit at LaCroix should go even lower, to less than \$20,000 a year.

Even after all these changes, and money from the general fund being used to subsidize the courses, there is good news to report.

- ▶ Meadowbrook will show a profit in 3 out of the last four years.
- ▶ Expenses at Meadowbrook have gone down over 20% in the last two years due to the efforts of our staff.
- ▶ General Fund requests have dropped more than 50% over the last three years; from over \$200,000 in 2003 to less than \$100,000 in 2005.

Have we met all of our goals at the golf courses? No. But that doesn't keep the staff from striving to reach new goals each year. Listed are several of the goals we did not reach this year:

- ▶ Executive course will have overspent almost \$30,000 due to irrigation failing.
- ▶ The new cart barn only brought in 50% of the anticipated rent.
- ▶ We fell approximately 20% short of our budgeted revenue goals at both courses.

**Recommendation:**

We are just starting to understand the changes that have been made in the last three years and how they affect us. For 2006 we are only proposing minor changes to the rate structure for both courses.

At Meadowbrook we are proposing three changes.

- ✚ The first would be to change from a child and junior pass that is allowed to play at both courses for the same price, to a pass at either Meadowbrook or Executive. If the child or junior buys a pass at Meadowbrook they could also purchase an All City pass which would allow them to play at both courses.
- ✚ Secondly, we propose to discontinue the non-resident fee and have one fee for all the daily rates. This will not only help our counter people, it will help in relations with our customers. The percentage of non-resident players that we had in 2005 was minimal and probably not worth the time we spent trying to enforce it.
- ✚ Third, we would like to include the tax in all transactions to get away from having our customers digging for pennies to play a round of golf. We feel we might lose a small amount of income, but we would gain in customer satisfaction and ease of transactions.

At Executive we are proposing several changes in hopes of making customer interactions a bit friendlier.

- ✚ First we would reduce the cart fee at Executive from \$14.00 per 9-hole round to \$10.00 per 9-hole round. This would put the cart fee back to the 2004 level. Also, since Executive is a shorter course than Meadowbrook the carts actually use less gas per round. With the decrease in cart price we would do away with the pass holder and handicap discount for a cart at Executive. Therefore pass holders as well as handicap individuals would also be charged \$10.00 for a cart per 9-hole round. The reasoning behind this proposal is that a cart that is used for nine holes costs the same no matter who is driving. If we are going to recoup the cost of having a cart at Executive, we need to charge the same amount to everyone.

- ✚ The last change we would like to make is to put into effect a policy that states only persons age 18 and older can rent a cart at either course. Our experience has shown that when younger persons are allowed to rent a cart, they tend to be reckless which causes injury to the course, or damage to the cart. In either case, the City ends up paying for the damage in the long run.

**Future:**

For 2006 our goals are to:

- ▶ Increase the number of rounds played at both courses
- ▶ Continue to cut overhead costs
- ▶ Purchase materials and supplies in volume which lowers the cost
- ▶ Improve our golf-course management techniques
- ▶ Continue to improve course conditions
- ▶ Reinvest revenues in capital improvements
- ▶ Increase productivity by applying industry best practices and efficiency

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 to them. We have to be focused 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.

In the United States, according to the National Golf Foundation, the municipal golf course's average gross revenue (including food and beverage and pro shop sales) is \$892,000. If we include the food and beverage sales as well as the pro shop sales at Meadowbrook, we have exceeded this average by several thousand dollars. I feel strongly that we are turning our municipal courses around and are currently heading in the right direction. Are we still going to need help from the general fund in the future? Yes! Are we getting better? I believe so, but let's have the customers be the judge on that, since they have chosen us the #1 Golf Course in the Black Hill two years running.

**RESOLUTION ESTABLISHING 2006 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, 2006, through December 31, 2006.**

- (1) Meadowbrook Golf Course Daily Green Fees (Includes development fee and sales tax.)

	<b>2003</b>	<b>2004</b>	<b>2005 Resident</b>	<b>2005 Non-Resident</b>	<b>2006</b>
9-Hole Weekday	\$15.25	\$15.25	\$16.50	\$19.00	\$16.50
9-Hole Weekend/H	\$18.00	\$18.00	\$18.00	\$21.50	\$18.00
9-Hole Jr/Sr. WD	\$11.25	\$11.25	\$15.25	\$17.75	\$15.25
18-Hole WD	\$26.75	\$26.75	\$26.75	\$30.00	\$26.75
18-Hole WE/H	\$29.75	\$29.75	\$30.00	\$32.50	\$30.00
18-Hole Jr/Sr WD	\$21.50	\$21.50	\$25.75	\$28.50	\$25.75

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

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Adult Single	\$495.00	\$520.00	\$520.00	\$520.00*
**Adult Couple	\$790.00	\$830.00	\$830.00	\$830.00*
Senior Single	\$445.00	\$465.00	\$465.00	\$465.00*
**Senior Couple	\$690.00	\$725.00	\$725.00	\$725.00*
City Employee	\$245.00	\$390.00	\$350.00	\$350.00*
***Child (14 & under)	\$ 90.00	\$ 95.00	\$ 95.00	\$ 95.00*
Junior (15-18)	\$150.00	\$155.00	\$155.00	\$155.00*
College	N/A	N/A	\$200.00	\$200.00*
School Team	\$ 60.00	\$ 65.00	\$ 65.00	\$ 65.00*
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	N/A	\$140.00	\$140.00*	\$140.00*
25-9 Hole PC	\$330.00*	\$345.00*	\$345.00*	\$345.00*
All City Pass – Adult	\$ 60.00	\$ 60.00	\$ 60.00	\$ 75.00*
All City Pass - Junior	N/A	N/A	N/A	\$ 50.00*
All City Pass – Child	N/A	N/A	N/A	\$ 40.00*

\* Includes sales tax

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

\*\*\* In order for children ages 14 and under to play at Meadowbrook Golf Course they must be accompanied by a paying adult, be part of a high school team, or receive authorization from the Head Professional.

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

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Gas Cart Storage	\$290.00**	\$350.00**	\$350.00**	\$350.00**
Gas Cart Storage (w/Pass)	N/A	\$305.00**	\$305.00**	\$305.00**
Gas Cart Storage (w/PC)	N/A	\$325.00**	\$325.00**	\$325.00**
Electric Cart Storage	\$310.00**	\$370.00**	\$370.00**	\$370.00**
Electric Cart Storage (w/P)	N/A	\$325.00**	\$325.00**	\$325.00**
Electric Cart Storage (w/PC)	N/A	\$345.00**	\$345.00**	\$345.00**
Trail Fee Annual	\$185.00**	\$195.00**	\$195.00**	\$195.00**
Trail Fee Daily	\$ 12.00*	\$ 12.00*	\$ 12.00*	\$ 12.00*
Cart Rental (9-Hole)	\$ 14.00*	\$ 14.00*	\$ 14.00*	\$ 14.00*
Cart Rental (18-Hole)	\$ 25.00*	\$ 25.00*	\$ 25.00*	\$ 25.00*
Single Rider (9-Hole)	N/A	\$ 10.00*	\$ 10.00*	\$ 10.00*
Single Rider (18-Hole)	N/A	\$ 18.00*	\$ 18.00*	\$ 18.00*
Yearly Cart Rental	\$600.00**	\$630.00**	\$630.00**	\$630.00**
Lockers	\$ 40.00**	\$ 40.00**	\$ 40.00**	\$ 40.00**

\* Includes sales tax

\*\* Does not include sales tax

(4) Executive Daily Green Fees (Includes development fees and sales tax.)

	<b>2003</b>	<b>2004</b>	<b>2005 *</b>	<b>2006 *</b>
9-Hole WD	\$ 9.50	\$ 9.00	\$ 9.00 Before 5:00 p.m. \$ 5.00 After 5:00 p.m.	\$10.00 Before 6:00 p.m. \$ 6.00 After 6:00 p.m.
9-Hole WE	\$ 9.50	\$ 10.00	\$10.00 Before 5:00 p.m. \$ 6.00 After 5:00 p.m.	\$11.00 Before 6:00 p.m. \$ 8.00 After 6:00 p.m.
Child (14 under)	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00

\* Fees applicable Memorial Day through Labor Day

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

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
10-9 Hole PC	\$ 90.00*	\$ 75.00*	\$ 75.00*	\$ 75.00*
25-9 Hole PC	\$155.00*	\$155.00*	\$155.00*	\$155.00*
Adult Single	\$440.00**	\$290.00**	\$290.00**	\$290.00*
Adult Couple	\$565.00**	\$375.00**	\$375.00**	\$375.00*
Senior Single	\$390.00**	\$260.00**	\$260.00**	\$260.00*
Senior Couple	\$520.00**	\$350.00**	\$350.00**	\$350.00*
Junior	N/A	N/A	N/A	\$ 75.00*
Child	N/A	N/A	N/A	\$ 60.00*
Cart Rental (Per 9)	\$ 7.00*	\$ 10.00**	\$ 14.00**	\$ 10.00*

\* 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, 2006, through December 31, 2006:**

Development Fees: (Do Not include sales tax)

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

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 15-18 years old or area students living at home to age 23.
3. College Student Passes shall be for persons up to 23 years of age with valid college identification.
4. "All City" passes are available for Meadowbrook Season Pass Holders. An additional fee allows the pass holder to play at both municipal golf courses and applies to all season pass holders. (See "All City Pass" rates.)

**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, 2005.

THE CITY COUNCIL

ATTEST

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Finance Officer  
(SEAL)