

## ACTION FORM BRYAN CITY COUNCIL

<b>DATE OF COUNCIL MEETING:</b> April 14, 2015		<b>DATE SUBMITTED:</b> April 1, 2015	
<b>DEPARTMENT OF ORIGIN:</b> Golf Course		<b>SUBMITTED BY:</b> Jeff Blaugrund	
<b>MEETING TYPE:</b>	<b>CLASSIFICATION:</b>	<b>ORDINANCE:</b>	<b>STRATEGIC INITIATIVE:</b>
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input checked="" type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input checked="" type="checkbox"/> STATUTORY		<input type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input type="checkbox"/> REGULAR		<input type="checkbox"/> INFRASTRUCTURE
			<input checked="" type="checkbox"/> QUALITY OF LIFE
<b>AGENDA ITEM DESCRIPTION:</b> Consideration of a proposed maximum golf fees resolution, including increased golf cart fees and combining Resolutions Nos. 3424 and 3443, for the Travis B. Bryan Municipal Golf Course.			
<b>SUMMARY STATEMENT:</b> On this same City of Bryan City Council agenda, the City Council has an opportunity to consider the lease/purchase of new golf carts and utility carts. While the cost of such carts may be partly offset by reduced repair costs, some repair “savings” will be re-allocated back to the budgeted line items from which they were “borrowed” to cover the increased costs of golf cart repairs. Staff would like the option of increasing golf cart fees to assist with costs associated with new golf carts. Currently, Resolution No. 3424 sets the maximum golf cart fee rate at \$10.00 per person. The average market golf cart fee rate for this area is \$15.00.			
Within the local market area, the cost of cart fees at public courses are:			
<b>Course</b>	<b>M-F 18 holes</b>	<b>Sat-Sun 18 holes</b>	
Travis Bryan Municipal GC	\$10.00 (\$20.00 with greens fee)	\$10.00 (\$29 in am and \$20 in pm with greens fee)	
TAMU	\$15.00 (M-Th)	\$49.00 (F-Sat-Sun includes required cart) (\$39.00 with greens fee)	
Briarcrest(1) (combined rate only)	\$39.00	\$49.00	
(Note: (1) Briarcrest is the Phillips Event Center at Briarcrest.)			
Furthermore, the Travis B. Bryan Golf Course’s greens fees are competitive within the local market as shown below with the comparison of greens fees at public courses:			
<b>Course</b>	<b>M-F 18 holes</b>	<b>Sat-Sun 18 holes</b>	
Travis Bryan Municipal GC	\$10.00	\$19.00 (am), \$10.00 (pm)	
TAMU	\$24.00 (M-Th)	\$49.00 (F-Sat-Sun includes required cart)	
Briarcrest(1) (no walking rates)	\$39.00 (cart included)	\$49.00 (cart included)	
(Note: (1) Briarcrest is the Phillips Event Center at Briarcrest.)			
For reference purposes, existing Resolutions Nos. 3424 and 3443 are provided as attachments to this Council Action Form. With this Council Action Form and proposed resolution, staff is requesting the City Council approve a new golf fees resolution, which will do the following:			

- Combines and simplifies Resolutions No. 3424 and 3443 into a single resolution.
  - Resolution No. 3424: This resolution was approved by the City Council on May 22, 2012. The resolution established the current golf fees, including golf cart fees, for the Travis B. Bryan Municipal Golf Course. The fees established by this resolution are considered the maximum fees and Resolution No. 3443 allows the fees to be adjusted by management in an effort to remain competitive within the market.
  - Resolution No. 3443: This resolution was approved by the City Council on August 28, 2012, and was a supplemental resolution to No. 3424. The resolution did not change rates but did provide golf course management opportunities to be more competitive within the golfing market. In summary, this resolution allows staff to establish or adjust golf fees “due to weather, special events, tournament play, membership/recruitment campaigns, and market rates and fees.”
  
- Increases the maximum golf cart fees to \$15.00 per person.
  - The current rate is \$10.00 per person. Should an increase be imposed, Golf Course management does not anticipate a golf cart rate any higher than \$12.01 per person, which equates to \$13.00 per person with tax. That is, while the resolution allows for a rate as high as \$15.00 per person, that maximum rate is to provide management with future flexibility while remaining competitive within the market. As indicated by an above rate chart, the Travis B. Bryan Municipal Golf Course will continue to have the lowest golf cart fee per persons as other courses charge at least \$15.00 per person.
  
- Keeps the maximum greens fees unchanged. Staff does not recommend changes at this time as golf course management is comfortable with the existing options. The resolution does simplify rates so that management has more latitude to stay competitive within the market. For example, the current resolution (Resolution No. 3424) addresses multiple rates including: Texas A&M/Blinn students, seniors, juniors, winter rates, twilight rates, etc. These rates are dynamic and can change with market conditions. The proposed resolution uses the current “Standard” rate as the maximum rate and will allow golf course management to establish all other rates based on historical rates, market conditions, etc. At this time, the only rate golf course management proposes changing is the golf cart fee rate as stated above (i.e., from \$10 per player to \$12.01 per player). Approximately ninety percent (90%) of golfers at the Travis B. Bryan Municipal Golf Course use a golf cart.

One current rate that may be phased out is the membership rate as provided on Resolution No. 3424 as an “Annual Pass” monthly fee. A membership includes monthly rates, in various packages, for individuals, family couple, senior individual, and senior couple. Those rates are as follows:

**Golf Course Membership Monthly Rates**

<b>Category</b>	<b>M-F Walk</b>	<b>M-F Cart</b>	<b>7-days Walk</b>	<b>7-days Cart</b>
Individual	\$ 70.00	\$110.00	\$104.00	\$144.00
Family couple	\$107.00	\$152.00	\$154.00	\$199.00
Senior individual	\$ 67.00	\$107.00	\$ 94.00	\$134.00
Senior couple	\$102.00	\$147.00	\$140.00	\$185.00

All membership rates are for unlimited play. Presently, the Travis B. Bryan Municipal Golf Course has thirty-seven (37) senior memberships with six (6) of those being walking memberships. If the “senior individual” 7-days cart rate is used by a member an average of twelve (12) times a month (i.e., about three (3) times a week), the average per round cost is \$11.17/round. The current special at the course is \$20 with a cart; that is, the membership rate is almost one-half the special rate based on the aforementioned scenario. Membership rates appear to be losing their popularity among golfers, and membership rates are not financially sound economic practices for golf courses, unless a rate is based on a fee closer to the average cost per round. Golf course management does not anticipate

offering new memberships, unless rates are altered. However, current memberships will be honored, at least for the short term.

The proposed resolution recommends the following rates (again, as maximum rates):

<b>Greens Fees</b>	<b>Mon. through Fri.</b>	<b>Sat., Sun., Holidays</b>
9 holes	\$11.00	\$15.00
18 holes	\$19.00	\$25.00
<b>Golf Cart Fee</b>		
Per person per round	\$15.00	\$15.00

The historical golf cart fees revenues (not total golf course revenues) are:

- FY14: \$208,454
- FY13: \$252,902
- FY12: \$143,629
- FY11: \$141,050
- FY10: \$181,761

The historical difference between golf course total revenues and total expenses are:

- FY14: (\$281,175)
- FY13: (\$98,191)
- FY12: (\$295,068)
- FY11: (\$125,704)
- FY10: (\$25,905)

The historical number of rounds played are:

- FY14: 35,005
- FY13: 44,844 (TAMU Golf Course closed for reconstruction)
- FY12: 28,720
- FY11: 31,256
- FY10: 34,937

City staff recommends approving the proposed resolution, which combines two existing resolutions and provides golf course management with greater golf rates flexibility to better address market conditions while possibly enhancing golf cart fee revenue.

**STAFF ANALYSIS AND RECOMMENDATION:** Assuming the City Council approves the lease/purchase of new golf carts (as recommended on another agenda item on this same agenda), staff recommends the City Council approve the proposed resolution. The proposed resolution provides golf course management with flexibility to increase the golf cart fees/rates. If the golf cart fee is increased, the intent is for increased revenues to assist with costs associated with new golf carts. The proposed golf cart rate, \$15.00 per person, is a maximum rate. Staff does not foresee an increase in the golf cart fee for a total rate amount greater than \$12.01 per person (or \$13.00 per person with tax).

If an average of 20,000 golfers rent golf carts on an annual basis, the golf cart fee increase from \$10.00 per person to \$12.01 per person could raise an additional \$40,200 on an annual basis. Depending on many factors, including rounds played and golf cart usage, the actual impact could vary. Staff will strive to find a balance between a golf cart rate that provides additional revenue but does not deter golfers from using golf carts, thereby having a negative impact on golf cart revenue – and possibly overall revenue, including greens fees.

A fee increase has a financial impact on golfers. Ideally, increases are incremental and minimal so as to not reduce the number of golfers or otherwise discourage individuals from using the golf course. In an informal visit with some golfers, an increase of \$2 - \$3 per person was an acceptable increase.

If the City Council does not approve the lease/purchase of new golf carts, approving the proposed resolution is not necessary at this time unless additional golf course revenue is desired. That is, approving the proposed resolution allows golf course management additional rate flexibility, specifically for golf cart fees.

**OPTIONS (In Suggested Order of Staff Preference):**

1. Assuming the City Council approves the lease/purchase of new golf carts, staff recommends the City Council approve the proposed resolution. However, if the City Council does not approve the lease purchase of new golf carts, approving the proposed resolution is not necessary at this time unless additional golf course revenue is desired.
2. Modify and then approve the proposed resolution, which may require consideration at a future City Council meeting.
3. Do not approve the proposed resolution, and provide staff direction.

**ATTACHMENTS:** (Attachments 2 and 3 are combined in a single pdf file)

1. Proposed resolution
2. Resolution 3424
3. Resolution 3443.

**FUNDING SOURCE:** Funding is not required for the proposed resolution. Instead, the intent of the proposed resolution is to provide an opportunity for increased golf course revenue.

**APPROVALS:** Hugh R. Walker, 04/01/2015

**APPROVED FOR SUBMITTAL: CITY MANAGER** Kean Register, 04-06-2015

**APPROVED FOR SUBMITTAL: CITY ATTORNEY**

**RESOLUTION NO \_\_\_\_\_**

**A RESOLUTION TO AUTHORIZE THE CITY MANAGER, OR HIS OR HER DESIGNEE, TO ESTABLISH OR ADJUST GOLF FEES; SETTING MAXIMUM FEES; ALLOWING FOR ADJUSTMENTS RELATED TO WEATHER CONDITIONS, SPECIAL EVENTS, TOURNAMENT PLAY, PROMOTIONAL CAMPAIGNS, ANNUAL PASS DISCOUNTS, SENIOR/STUDENT DISCOUNTS, AND COMPETITIVE MARKET CONDITIONS; REPEALING ALL RESOLUTIONS OR PARTS OF RESOLUTIONS IN CONFLICT HEREWITH; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Bryan operates the Travis B. Bryan Municipal Golf Course as a municipal golf course; and

**WHEREAS**, the City of Bryan staff is responsible for coordinating certain golf events and ensuring the number of rounds played are as high as possible at the Travis B. Bryan Municipal Golf Course; and

**WHEREAS**, it is necessary to set certain fees for the reasonable use of golf facilities and coordination of activities; and

**WHEREAS**, some events, such as weather conditions, special events, tournament play, and market conditions, cannot be predicted; and

**WHEREAS**, it is necessary to adjust and set fees to reflect certain conditions affecting the fees and coordination of activities for the use of golf facilities, including the Travis B. Bryan Municipal Golf Course.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRYAN:**

**SECTION 1.**

Golf fees at the Travis B. Bryan Municipal Golf Course shall be established and/or adjusted by the City Manager, or his or her designee. Fees may be adjusted for a number of reasons, including but not limited to weather conditions, special events, tournament play, promotional campaigns, annual pass discounts, senior/student discounts, or competitive market conditions. Fees may not be established or adjusted above the published fees as approved by the City Council, which are as follows:

<b>Greens Fees</b>	<b>Mon. through Fri.</b>	<b>Sat., Sun., Holidays</b>
9 holes	\$11.00	\$15.00
18 holes	\$19.00	\$25.00
<b>Golf Cart Fee</b>		
Per person per round	\$15.00	\$15.00

**SECTION 2.**

All resolutions or parts of resolutions in conflict with the provisions of this resolution, including but not limited to Resolutions 3424 and 3443, are hereby repealed to the extent of such conflict.

**SECTION 3.**

This resolution shall be effective immediately upon adoption.

**APPROVED AND ADOPTED** BY A VOTE OF THE CITY OF BRYAN CITY COUNCIL at a regular meeting held on the 14<sup>th</sup> day of April, 2015.

**ATTEST:**

**CITY OF BRYAN:**

\_\_\_\_\_  
Mary Lynne Stratta, City Secretary

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Jason P. Bienski, Mayor

**APPROVED AS TO FORM:**

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Janis K. Hampton, City Attorney