



Item: Resolution 10041 Golf Fees

Initiated By: Park & Recreation Department & Golf Advisory Board

Prepared By: Marty Basta, Park and Recreation Director
Greg Doyon - City Manager
Melissa Kinzler – Fiscal Services Director

Presented By: Marty Basta – Parks and Recreation Director

Action Requested: Set Public Hearing on Resolution 10041

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission set a public hearing on Resolution 10041 Golf Fees for December 3, 2013.”

2. Mayor calls for a second, discussion, public comment, and calls the vote.

Staff Recommendation: Staff recommends that the City Commission set a public hearing on Resolution 10041 Golf Fees for December 3, 2013. Resolution 10041 would repeal Resolution 9906 and set fees for the 2014 golf season.

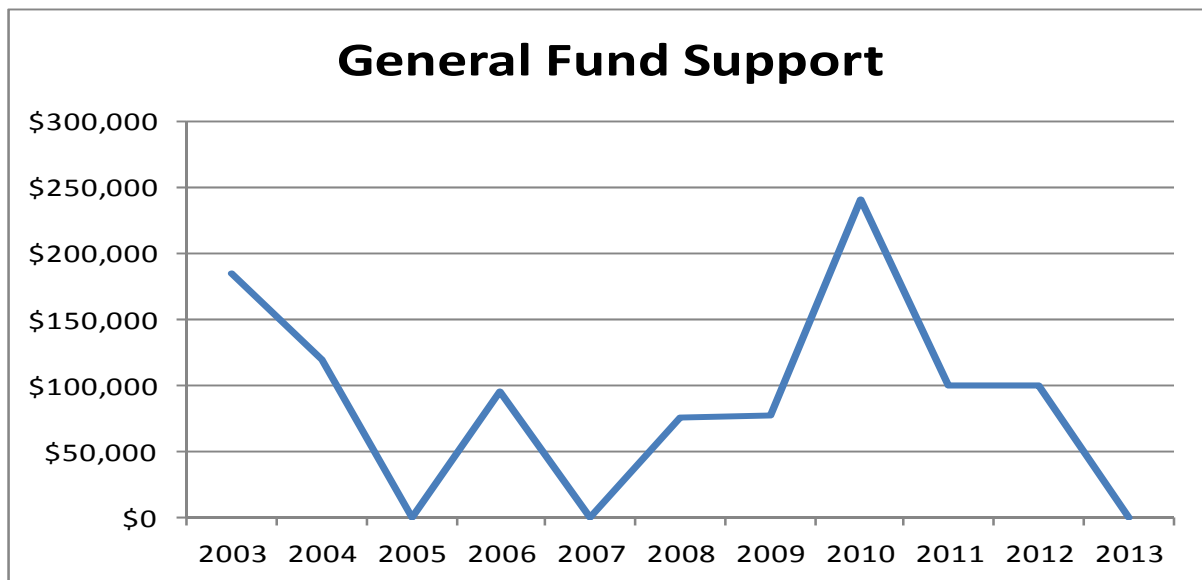
Background: The Golf Courses Fund has been identified by the City Manager as an “At Risk Fund” during the past two budget cycles. Despite some revenue improvements (attributable to marketing efforts and promotions as well as an increase in the customer base which was impacted by the closure of a local golf course in 2008), the Golf Courses has only met its bonds covenants in FY2010 and FY2012. Generally speaking, without Pooled Cash support, the golf courses could not meet operations, capital outlay needs, and/or debt service.

Raising fees will help revenues somewhat, but is not adequate to cover all of its needs and expenses. The City Commission, perhaps during upcoming fee reviews and FY15 budget development will need to work with staff to determine what subsidy level is appropriate for this recreational activity in the years ahead.

Due to reductions in General Fund support of the past several years (none in FY14) equipment purchases have been reduced or deferred for several years. FY 2014 all proposed purchases were deferred including golf carts. Deferring golf cart purchases, reduces the trade value used toward

new golf carts (total of 14 golf carts purchased annually). A total of 26 pieces of equipment has been deferred, some for as many as eight years. This does not include the 14 golf carts that were scheduled to be replaced in FY 2014.

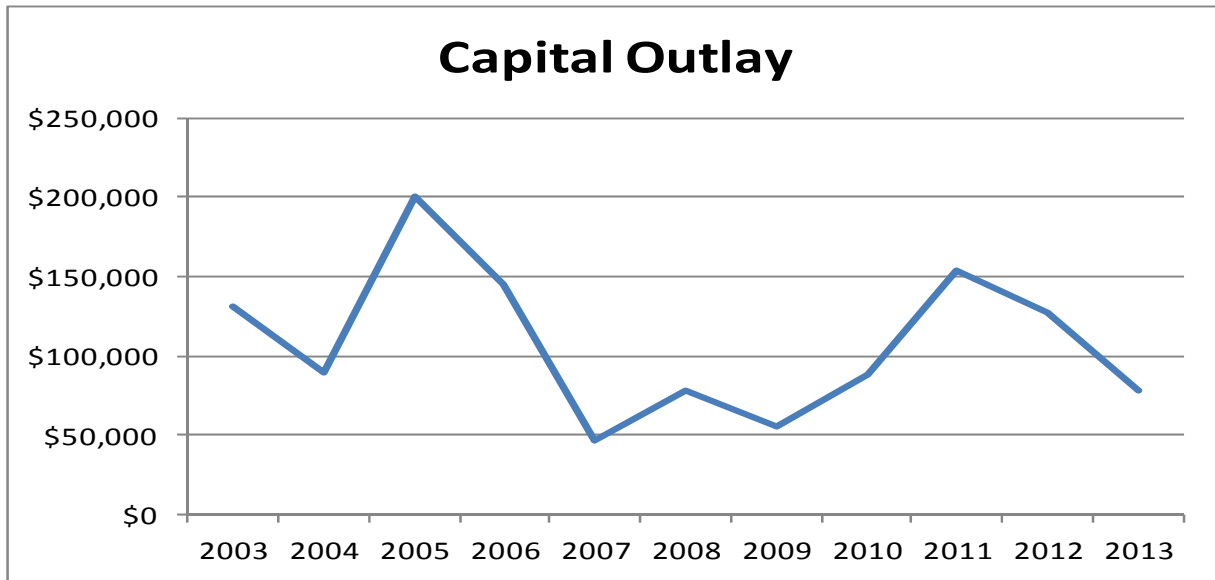
The Golf Courses Fund has a significant cash deficit covered by the General Fund (Pooled Cash reconciled to the General Fund at the end of the year). The subsidy was necessary to meet the Revenue Bond payments. The Golf Courses Fund currently owes the General Fund \$1,371,326 (which the General Fund does not have at this point). Repayment for example at \$50,000 a year, would take 28 years to resolve this deficit.



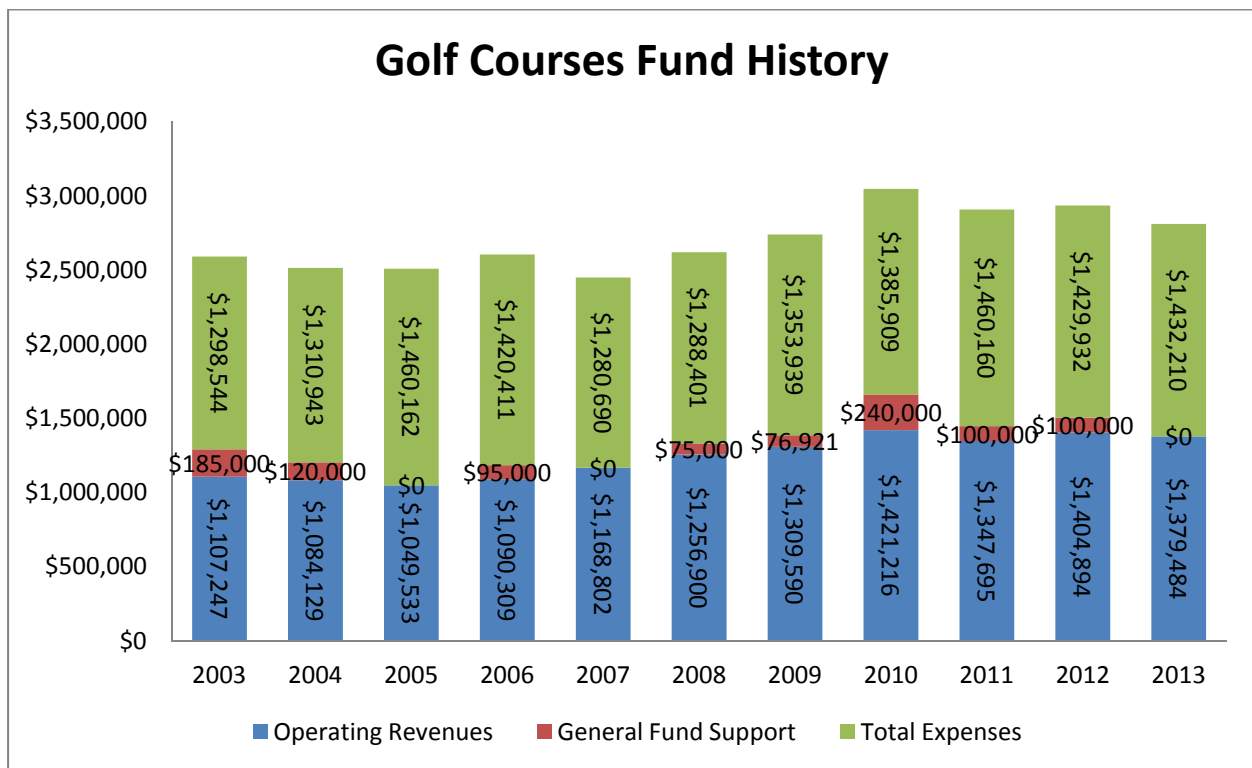
Parks and Recreation staff suggested that in FY 2017, the Golf Courses Fund should have adequate funds to begin paying off the General Fund debt in annual payments. However, depending on weather, golfing rounds, equipment maintenance needs, the Golf Courses Fund may be incapable of repaying the General Fund. Because of this ongoing “loan” or “subsidy” the Commission may be required to reclassify that debt (and maybe ultimately write it off) in the CAFR for the City’s annual audit.

Concurrences: On October 28, 2013, staff reviewed fees with members of the Golf Advisory Board.

Fiscal Impact: Fees for the golf courses have not been increased since 2010. The 6% increase is projected to increase golf courses revenues by approximately \$85,000. Parks and Recreation staff is recommending that these funds be used for capital needs, maintenance equipment upgrades as well as Bond payments. The City Manager and Fiscal Services Director recommend using any increased revenue toward operational expense – not additional capital outlay. While requested capital outlay amounts have been reduced and/or deferred, the Golf Courses Fund has received funding for capital needs.



The golf courses are making two debt payments for past improvements to the courses which total \$240,000 for FY 2014. The first and largest, Golf Series 1998, which represents 77% of the total debt payment, will be paid off in FY 2016. The second, Golf Series 1999, will be paid off in FY 2020.



Alternatives: There are no good alternatives at this time without reducing the level of service presently enjoyed by the public at the golf courses. The City is bound to retire the revenue bonds and cannot contemplate selling, leasing (privatizing), or discontinuing the golf program at this point. The General Fund also cannot continue to bear significant subsidies while it attempts to

rebuild its own undesignated fund balance. In the past, funds have been used from the Park Trust to assist with golf courses capital improvements. A prior loan in the amount of \$248,289 was written off on November 15, 2004 because the Golf Fund could not repay the Park Trust.

Attachments/Exhibits: Resolution 10041 Golf Fees.

RESOLUTION 10041
A RESOLUTION TO ESTABLISH GOLF FEES FOR
EAGLE FALLS GOLF CLUB AND ANACONDA HILLS GOLF COURSE

NOW THEREFORE, BE IT RESOLVED BY THE GREAT FALLS CITY COMMISSION
THAT: All past fee structures for green fees, cart storage, yearly and daily trail fees and cart rental as established in Resolution 9906 are hereby amended.

AH: Anaconda Hills Golf Course		EF: Eagle Falls Golf Club			
	AH	EF	Joint		
SEASON PASS					
Adult Full Season Pass	510.00	565.00	650.00		
Adult Full Couple Season Pass	955.00	1,040.00	1,185.00		
Adult Restricted Season Pass	395.00	450.00	510.00		
Adult Restricted Couple Season Pass	730.00	815.00	900.00		
Junior Full Season Pass	210.00	230.00	255.00		
Junior Restricted Season Pass	170.00	180.00	190.00		
	AH	EF	Joint		Anytime
TRAIL FEE					
Daily Trail Fee					14.00
Season Trail Free			280.00		
CART STORAGE FEE					
Storage Cart Gas		250.00			
Storage Cart Electric		280.00			
	AH	EF	AH	EF	Anytime
	weekday	weekday	weekend	Weekend	
GREEN FEES					
18 Hole Green Fee	26.00	30.00	30.00	33.00	
9 Hole Green Fee	16.00	18.00	18.00	19.00	
Junior Green Fee (all day)	15.00	17.00	17.00	18.00	
GREEN FEE SPECIALS					
Weekday Swing Time 1:00-4:00	18.00	20.00			
Weekend Swing Time 2:00-on			21.00	24.00	
Swing Time Cart Rental (per person*)			*11.00	*11.00	
CART RENTAL					
Cart Rental 9 Hole (per person*)					*9.00
Cart Rental 18 Hole (per person*)					*14.00
Annual Cart Pass					675.00
TOURNAMENT					
Tournament Reservation Fee					5.00
Cyber Card					60.00

PASSED by the City Commission of the City of Great Falls, Montana, this 3rd day of December, 2013.

Lisa Kunz, City Clerk

Michael J. Winters, Mayor

Sara R. Sexe, City Attorney

State of Montana)
County of Cascade: ss
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Resolution 10041, was placed on its final passage and adoption, and was passed and adopted by the City Commission of said City at a Regular Meeting thereof held on the 3rd day of December, 2013, and approved by the Mayor of said City, on the 3rd day of December, 2013.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City, this 3rd day of December, 2013.

(Seal of City)

Lisa Kunz, City Clerk