

ITEM	11
MANAGER'S REPORT #	48
COUNCIL MEETING	95/10/16

TO : CITY MANAGER

DATE: 1995 OCTOBER 05

FROM : DIRECTOR RECREATION AND CULTURAL SERVICES

RE : 1996 BURNABY GOLF FEES BYLAW

PURPOSE : To request Council to bring forward the 1996 Burnaby Golf Fees Bylaw.

RECOMMENDATION:

1. THAT the 1996 Burnaby Golf Fees Bylaw as detailed on Attachment #1 of this report be brought forward.

REPORT

At its meeting of 1995 October 04, the Parks and Recreation Commission received the attached staff report on the above subject and adopted the recommendation contained therein.



DENNIS GAUNT
DIRECTOR RECREATION AND
CULTURAL SERVICES

tc
Attachment
A/3855

SUBJECT: 1996 BURNABY GOLF FEES BYLAW

RECOMMENDATION:

1. THAT Council be requested to bring forward the 1996 Burnaby Golf Fees Bylaw as detailed on Attachment #1 of this report.

REPORT

BACKGROUND

A Golf Fees Bylaw is required under the conditions of the Municipal Act to cover all fees and charges related to the public use of golf facilities. The 1996 Burnaby Golf Fees Bylaw will apply for the period January 01 to December 31.

1996 fees for golf services (i.e. green fees, driving range token prices) were not presented earlier in the year along with the Recreation Facility Fees, as it was felt the golf market was too volatile. Reviewing market trends in the pricing of golf services as late in the year as possible was thought to provide a more accurate indicator of general pricing in the golf industry. This would provide the opportunity for the City to ensure that its pricing remained appropriately competitive.

The determination of the 1996 fees reflects the following factors:

1. Current fees
2. Public response to services and associated fees
3. Current and projected market demands and price ranges. These are based on comparable public and private golf services in the Lower Mainland
4. Budget restrictions and revenue targets
5. General market trends in recreation and related leisure services areas and promotional considerations
6. Fees in most cases are adjusted to odd amounts to allow for rounding to the nearest .05 cents when G.S.T. is added. In several cases when the Point of Sale unit calculates the G.S.T., it is impossible to round to an even number.

NOTES (Referenced in Attachment #1)

1. Burnaby Mountain Golf Course - Adult 50 Round Pass

- Restricted to Monday - Friday

At the 1995 rates, adults were able to play for \$19.40 per round, compared to a regular green fee of \$28.00, representing a 31% reduction. It is recommended that the savings/reduction to purchase this pass should be set at the 20% level. This can be achieved over a two year period by increasing the cost of this pass by 8.3% in 1996, and approximately 7.1% in 1997, depending upon the rate of inflation. Since January 1995, only 40 of these passes have been purchased.

2. Burnaby Mountain Golf Course - Senior Annual Pass

Restricted to Monday - Friday and a maximum of 3 times per week

It is proposed that this pass be increased in price over a period of two years, to bring it up to a level where the average price per round is equal to 50% of the regular adult green fee. If a golfer plays twice a week, 35 weeks of the year, at 1995 rates they are playing for \$8.00 per round, or a 71.4% reduction on the adult rate. The proposed increase to \$795.00 (42%) would bring the cost per round to approximately \$11.36 or a 60.1% reduction on the proposed 1996 adult rate. A similar increase in 1997 will bring the value of a round to 50% of the regular adult green fee. During the previous 12 months, 105 of these passes have been sold.

3. Burnaby Mountain Golf Course - Senior 50 - 20 Punchcard

- Restricted to Monday - Friday

- Extra 20 rounds may only be played during winter months (November - February) or when 9 or more temporary greens are in play

It is also proposed that this pass be increased in price over a period of two years, to bring it up to a level where the price per round is equal to 50% of the regular adult green fee. At 1995 rates, a player receives a 68.3% reduction on the adult rate. The proposed increase to \$830.00 (33.9%) would bring the cost per round to \$11.86 or a 59.1% reduction on the proposed 1996 adult rate. A similar increase would follow in 1997. During 1994, 45 of these punchcards were sold.

4. Riverway & Burnaby Mountain Golf Courses - Twilight & Winter Rates for Sr./Jr.

Much criticism has been received in the past year as a result of the City not having these rates. Rate reductions are provided to adults during the winter, when playing conditions are poor or when it is late in the day. Similar reductions were not provided to the other categories of Senior or Junior.

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1996 BURNABY GOLF FEES BYLAW

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In comparison, City of Vancouver does provide these reductions:

(1995 rates) - Senior/Youth	\$15.00
- Twilight/Winter	\$ 9.00
- Sunset	\$ 5.25

These are all 50% of the regular adult rate.

Introducing these rates for Seniors and Juniors will enable us to be more competitive in the market for these age groups, and treat all age groups on an equitable basis.

5. Driving Ranges

In view of declining use, it is recommended there be no increase to the driving range rates. During 1995 the number of balls per token was increased, allowing the City to offer the lowest prices in the Lower Mainland. This is the only area in which we can remain competitive. Other ranges offer specials, including breakfast deals and heated stalls, which at present we are unable to compete with.

SUMMARY

The proposed 1996 fees for Burnaby's golf services appear to be competitive with other local facilities. Limiting increases to inflation only for the majority of rates should ensure that the City maintains its market share in the golf industry.

It is recommended that the 1996 fees proposed for Burnaby's golf services be approved.

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Attachment

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PROPOSED 1996 FACILITY USE FEE SCHEDULE

SERVICES	1995 FEE	1995 MARKET RANGE OF FEE	PROPOSED 1996 FEE	% INCREASE	EXPLANATION OF VARIANCE
(Rates in effect 1996 January 01 to 1996 December 31)					
<u>GOLF</u>					
a) <u>BURNABY MOUNTAIN GOLF COURSE</u>					
<u>Adult</u>			(With GST)		
- 18 hole daily (not restr.)	\$ 26.17	\$ 19.00 - \$ 40.00	\$ 27.10	3.6%	Inflationary adjustment
- 1st twilight fee/Special	\$ 20.56	\$ 15.00 - \$ 30.00	\$ 21.49	4.5%	Inflationary adjustment
- 2nd twilight fee/Back 9	\$ 14.96	\$ 10.25 - \$ 20.00	\$ 15.42	3.1%	Inflationary adjustment
- Winter/Non-Prime fee	\$ 20.56	\$ 17.75 - \$ 27.00	\$ 21.49	4.5%	Inflationary adjustment
- 11 round (not restr.)	\$261.69	No comparison	\$271.03	3.8%	Inflationary adjustment
- 50 round (restr.)	\$906.55	No comparison	\$981.31	8.3%	See Note 1 of report *
<u>Senior</u>					
- 18 hole daily (restr.)	\$ 13.08	\$ 14.00 - \$ 26.00	\$ 13.55	3.6%	Inflationary adjustment
- 1st twilight/Winter	-	\$9.00	\$ 10.75	-	New rate-50% of adult rate
- 2nd twilight/Back 9	-	\$5.25	\$ 7.71	-	New rate-50% of adult rate (See Note 4 of report) *
- 11 round (not restricted)	\$130.83	No comparison	\$135.51	3.6%	Inflationary adjustment
- Annual (restr. 3 days/wk.)	\$523.37	No comparison	\$742.99	42.0%	See Note 2 of report *
- 50 + 20 round (restr.)	\$579.44	No comparison	\$775.70	33.9%	See Note 3 of report *
<u>Junior</u>					
- 18 hole daily (restricted)	\$ 13.08	\$ 8.00 - \$ 26.00	\$ 13.55	3.6%	Inflationary adjustment
- 1st twilight/Winter	-	\$9.00	\$ 10.75	-	New rate-50% of adult rate
- 2nd twilight/Back 9	-	\$5.25	\$ 7.71	-	New rate-50% of adult rate (See Note 4 of report) *
- 11 round	\$130.83	No comparison	\$135.51	3.6%	Inflationary adjustment

NOTE: "At market value" means that the price is at the appropriate level in consideration of our public, quality of service and general market comparison.
 "Inflationary adjustment" means that the price increase is made to cover cost increases and still keeping within the market value.

PROPOSED 1996 FACILITY USE FEE SCHEDULE

SERVICES	1995 FEE	1995 MARKET RANGE OF FEE	PROPOSED 1996 FEE	% INCREASE	EXPLANATION OF VARIANCE
b) RIVERWAY GOLF COURSE					
<u>Adult</u>	(With GST)		(With GST)		
- 18 hole daily (not restr.)	\$ 33.64 (\$ 36.00)	\$ 25.00 - \$ 58.85	\$ 34.58 (\$ 37.00)	2.8%	Inflationary adjustment
- 1st twilight fee/Early Bird/Special	\$ 26.17 (\$ 28.00)	\$ 13.00 - \$ 40.00	\$ 27.10 (\$ 29.00)	3.6%	Inflationary adjustment
- 2nd twilight fee/Back 9	\$ 19.63 (\$ 21.00)	\$ 10.25 - \$ 30.00	\$ 20.09 (\$ 21.50)	2.4%	Inflationary adjustment
- Winter/Non-Prime fee	\$ 26.17 (\$ 28.00)	\$ 17.75 - \$ 30.00	\$ 27.10 (\$ 29.00)	3.6%	Inflationary adjustment
- 11 round (not restr.)	\$336.44 (\$360.00)	No comparison	\$345.79 (\$370.00)	2.8%	Inflationary adjustment
<u>Senior</u>					
- 18 hole daily (restr.)	\$ 16.82 (\$ 18.00)	\$ 12.00 - \$ 30.00	\$ 17.29 (\$ 18.50)	2.8%	Inflationary adjustment
- 1st twilight/Winter	-	\$9.00	\$ 13.55 (\$ 14.50)	-	New rate-50% of adult rate
- 2nd twilight/Back 9	-	\$5.25	\$ 10.05 (\$ 10.75)	-	New rate-50% of adult rate
- 11 round (restr.)	\$168.22 (\$180.00)	No comparison	\$172.90 (\$185.00)	2.8%	(See Note 4 of report) Inflationary adjustment
<u>Junior</u>					
- 18 hole daily (restricted)	\$ 16.82 (\$ 18.00)	\$ 12.00 - \$ 30.00	\$ 17.29 (\$ 18.50)	2.8%	Inflationary adjustment
- 1st twilight/Winter	-	\$9.00	\$ 13.55 (\$ 14.50)	-	New rate-50% of adult rate
- 2nd twilight/Back 9	-	\$5.25	\$ 10.05 (\$ 10.75)	-	New rate-50% of adult rate
- 11 round	\$168.22 (\$180.00)	No comparison	\$172.90 (\$185.00)	2.8%	(See Note 4 of report) Inflationary adjustment

NOTE: "At market value" means that the price is at the appropriate level in consideration of our public, quality of service and general market comparison.
 "Inflationary adjustment" means that the price increase is made to cover cost increases and still keeping within the market value.

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PROPOSED 1996 FACILITY USE FEE SCHEDULE

SERVICES	1995 FEE	1995 MARKET RANGE OF FEE	PROPOSED 1996 FEE	% INCREASE	EXPLANATION OF VARIANCE
c) <u>DRIVING RANGES</u>					
<u>Tokens</u>			(With GST)		
- Warm Up Special	-	No comparison	\$ 1.40	-	New rate
- 1 token	\$ 2.66	\$ 2.55 - \$ 4.50	\$ 2.66	-	(At market value (see
- 3 tokens	\$ 6.54	\$ 6.15 - \$ 7.00	\$ 6.54	-	(Note 5) *
- 10 tokens	\$ 19.63	\$ 21.00 - \$ 28.00	\$ 19.63	-	(
- 50 tokens	-	\$ 120.00 - \$ 175.00	\$ 88.78	-	New rate
d) <u>PITCH & PUTTS</u>					
<u>Adult</u>					
- 18 hole daily (not restr.)	\$ 6.78	\$ 7.00 - \$ 7.25	\$ 7.01	3.5%	Inflationary adjustment
- Twilight (not restr.)	\$ 4.21	No comparison	\$ 4.67	11.1%	Inflation + Market
- 11 round (not restr.)	\$ 67.76	No comparison	\$ 70.09	3.5%	Inflationary adjustment
<u>Junior/Senior</u>					
- 18 hole daily (restr.)	\$ 3.41	\$ 3.60 - \$ 4.25	\$ 3.50	2.7%	Inflationary adjustment
- 11 round (restr.)	\$ 34.11	No comparison	\$ 35.05	2.7%	Inflationary adjustment
e) <u>GOLF TOURNAMENTS</u>					
<u>Booking Fee (Per Player)</u>			\$ 5.00	-	New rate
<u>Tournament Rates</u>					
		No comparison	Regular adult green fee only	-	

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