

Bennett Valley Golf Course Fees

CITY COUNCIL

MAY 7, 2024

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DEPUTY DIRECTOR - PARKS

Bennett Valley Golf Course Enterprise



Rate Increase Overview

Only three minor rate increases between 2011 – 2022.

Council approved recent rate increase in 2023 (average increase of 10% implemented, which was well below market rate).

With the previous inconsistent rate increases throughout the years, larger increases are now necessary.

Proposing a consistent 3-year rate increase:

- Year 1 (FY 24/25) increase closer to the market rates while maintaining the best value golf course
- Years 2 (FY 25/26) & 3 (FY 26/27) moderate increases
- BVGC will remain best value while targeting a sustainable enterprise fund

Proposing Resident and Non-Resident rate structure:

- Resident and Non-Resident Study from July 2022 - December 2023: Findings 68% is Santa Rosa Resident Play
- Non-Resident pricing approximately 10-15% higher than residents of Santa Rosa

Rate Increase Overview

Increase in fees are necessary:

- Increases in operating costs (minimum wages, utilities, and cost of goods)
- Need the golf course to be profitable to fund debt services, deferred maintenance, and operating costs
- Improve the financial performance of the golf course to prevent use of General Fund
- More improvements are needed at the golf course (equipment, course drainage, tee leveling, etc.) due to significant deferred maintenance
- Plan to achieve a consistent rate model

Proposed Rate Increases & Comparable Rates

CMA	Bennett Valley GC	Bennett Valley GC	Windsor Golf Club	Foxtail- North	Valley of The Moon	Rooster Run Golf Course	Competitors	
	<i>Current</i>	<i>2024</i>	<i>2024</i>	<i>2024 - Carts Mandatory +\$19</i>	<i>2024</i>	<i>2024</i>		
Weekday Rates	BVGC	BVGC Proposed	Windsor	Foxtail	VOTM	Rooster	Average	% Under Competition
Regular Resident	\$37	\$41	\$49	\$40	\$42	\$49	\$45	10%
Regular - Non Res	\$37	\$47	\$54	\$54	\$42	\$54	\$51	9%
Senior (60+)	\$30	\$33	\$44	\$44	\$31	\$45	\$41	23%
Senior Non Resident	\$30	\$38	\$44	\$40	\$31	\$45	\$40	5%
Twilight	\$28	\$31	\$38	\$40	\$31	\$35	\$36	16%
Senior Twilight	\$23	\$26	\$35	\$35	\$24	\$35	\$32	26%
Super Twilight	\$17	\$19	\$28	\$29	\$22	\$28	\$27	42%
Senior Super Twilight	\$17	\$19	\$28	\$28	\$22	\$28	\$27	40%
Junior	\$14	\$14	\$15	\$20	\$15	\$15	\$16	16%

Capital and Equipment Needs Summary

Projects completed or in progress and equipment purchased since June 2022:

	<u>Completed Y/N</u>	<u>Budget</u>	<u>Spend</u>	<u>Balance</u>
○ POS System – EZLinks POS	Yes – 7/2022	\$20,000	\$22,135	-\$2,135
○ Erange Software System – Driving Range	Yes – 9/2022	\$12,000	\$7,832	\$4,168
○ Walkin Refrigerator Floor	Yes – 9/2022	\$15,000	\$13,844	\$1,156
○ Kitchen & Building Repairs (needed to open restaurant)	Yes – 10/2022	\$20,000	\$32,836	-\$12,836
○ 175 Folding Chairs	Yes – 11/2022	\$20,000	\$15,706	\$4,294
○ Glass & Dishware (ongoing)	No	\$16,500	\$3,990	\$12,510
○ Tree Removal – Removed 11 dead trees and 25 stumps (<u>ongoing</u>)	No	\$90,000	\$32,000	\$58,000
○ Event Chairs for banquets	Yes – 03/2023	\$15,500	\$21,446	-\$5,946
○ 2012 Beverage Cart Purchased	Yes – 6/2023	\$20,000	\$11,752	\$8,248
○ HVAC in Clubhouse – Fix air conditioner	Yes – 7/23	\$0	\$16,736	-\$16,736
○ Lely Spreader (seed spraying machine)	Yes – 8/2023	\$0	\$9,144	-\$9,144
○ Irrigation Conceptual Design – Water Supply	Yes – 8/2023	\$50,000	\$36,500	\$13,500
○ New Carpet – Restaurant, Banquet Center, Golf Shop	Yes – 9/23	\$90,000	\$61,775	\$28,225
○ Tee Leveling – Holes #2, 3, 6, 7, 11, 13, 15, and 16	Yes – 10/23	\$115,000	\$96,747	\$18,253
○ Pergola for Banquet area	Yes – 12/23	\$70,000	\$70,066	-\$66
○ New Sound System for Banquet Center	No – 5/15/2024	\$8,000	\$0	\$8,000

Capital and Equipment Needs Summary

Touchstone Projects completed or in progress and equipment purchased since June 2022:

	<u>Completed Y/N</u>	<u>Budget</u>	<u>Spend</u>	<u>Balance</u>
○ Driving Range Utility Cart	Yes – 10/2023	\$17,000	\$16,459	\$541
○ Turbine Blower	Yes – 10/2022	\$10,000	\$11,619	-\$1,619
○ Fairway Aerator (Not yet ordered)	No – 4/2024	\$55,000	\$25,000	\$30,000
○ Furniture in Restaurant	Yes – 4/2024	\$22,000	\$23,817	-\$1,817
○ Greens Aerator	Yes – 10/2023	\$32,000	\$38,106	-\$6,106
○ 2 Club Car Utility Vehicles	Yes – 4/2024	\$38,000	\$31,843	\$6,157
○ Irrigation Pump Repairs (waiting for drier conditions)	No – 5/15/2024	\$40,000	\$40,000	\$0
Totals		\$394,000	\$341,975	\$52,025

Other projects completed or in progress and equipment purchased:

- In August 2023, Council approved \$2 million from the General Fund for new water supply and storage system for the existing irrigation system – in design – expected to be in construction Spring 2025 pending future weather conditions
- New Golf Cart Lease provided for \$9,623/month. The 72 new Club Car golf carts were received in November 2023.
- Two new greens mowers were received in March 2024.

Capital and Equipment Proposed Budget for FY 24/25

○ New POS System to better service our guests (Lightspeed)	\$30,000
○ Toro or John Deere Utility Carts – to replace aging carts	\$65,000
○ Fairway Aerator	\$27,000
○ New Office in Golf Shop	\$25,000
○ Par 3 Course Set Up – create a course that people can play in the winter	\$20,000
○ Turbine Blower – The 2 nd Blower on fleet	\$13,000
○ Patio Chairs and Tables	\$10,000
○ 30 Bar stool chairs	\$4,000
○ Driving Range Mats	\$11,000
○ Tree and Stump Removal	\$40,000
○ Bridge Repair – Replace walking/traction thread on bridge(s)	\$5,000
○ Cart Path Repairs – Replace slabs of concrete that have been uprooted	\$15,000
Total CapEx for 2024/2025	\$265,000

BVGC Performance

Annual Golf Rounds

- ❑ 2015/16: 58,976
- ❑ 2016/17: 46,535
- ❑ 2017/18: 49,376 (Tubbs Fire smoke)
- ❑ 2018/19: 42,100 (Paradise Fire smoke)
- ❑ 2019/20: 47,236
- ❑ 2020/21: 74,850 (Covid)
- ❑ 2021/22: 63,191
- ❑ 2022/23: 55,731 (long rainy season)
- ❑ 2023/24: 52,830 (projected)

BVGC Enterprise

- ❑ 68% of golfers are residents
- ❑ Resident/non-resident
- ❑ Golf program updates
 - ❑ New Director of Instruction
 - ❑ Increased tournaments
 - ❑ Increased events
 - ❑ Boys and Girls Club (local participants)
 - ❑ Junior Golfers program

Review of Proposed Updates

- ❑ Continual improvement of golf course, driving range, restaurant and events center recommended by National Golf Foundation
- ❑ Long Term Financial Policy Audit Subcommittee recommends Council approval of BVGC fee increases on March 21, 2024
- ❑ BVGC Advisory Committee supportive of proposed fee increases
- ❑ FY 24/25 BVGC budget anticipates and is dependent upon fee increase
- ❑ Fee increase necessary to support on-going operations, significant deferred capital and equipment needs, and debt service
- ❑ Plan to achieve a consistent rate model while maintaining the best value

Recommendation

It is recommended by the Recreation and Parks Department that the Council hold a Public Hearing to discuss increasing and adding golf fees and by resolution approve the revised Bennett Valley Golf Course (BVGC) fees to supersede and replace the BVGC fees and requirements set forth in Resolution No. RES-2023-007, effective on July 1, 2024.

Questions?

