



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: February 17, 2010 REPORT NO: 10-017

ATTENTION: Natural Resources and Culture Committee
Agenda of February 24, 2010

SUBJECT: Municipal Golf Course Low-Income Fee Waiver Program

SUMMARY:

Issue – Should the Natural Resources and Culture Committee (NR&C) support the current Golf Operations Five-Year Business Plan (Business Plan) and not modify the Council adopted fees by eliminating the Senior Golf Fee and establishing a new Low-Income Golf Fee.

Department's Recommendation – Continue the use of the Council-adopted Business Plan, do not modify the current fee schedule by eliminating the Senior Golf Fee and do not establish a new Low-Income Golf Fee.

Other Recommendations – On July 16, 2009, the City of San Diego Park and Recreation Board voted to support staff's recommendation to continue the use of the Business Plan, do not modify the current fee schedule by eliminating the Senior Golf Fee, and do not establish a new Low-Income Golf Fee.

Fiscal Impact – None with this action.

BACKGROUND

The Five-Year Golf Business Plan was approved by City Council in June 2006. Included was the City Council's adopted amendment that City staff provide an option for a low-income fee waiver program. The motion made during the City Council meeting included investigating the option of a low-income fee waiver for resident seniors and the option of a low-income fee waiver for all residents.

During the February 2009 update to the NR&C Committee, Golf Division staff reported on the potential impact of a new low-income fee program.

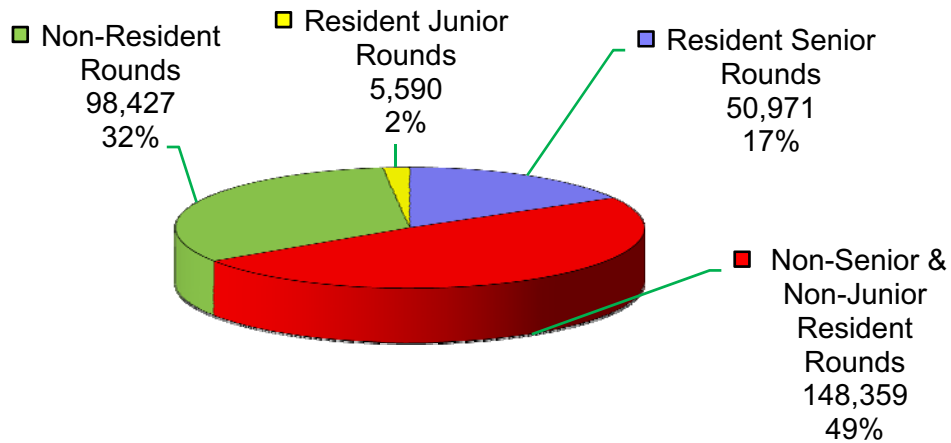
In July 2009, staff presented the Low-Income Fee Waiver Report to the Park and Recreation Board. The Park and Recreation Board voted not to establish a new Low-Income Fee Waiver Program.

DISCUSSION

The current Business Plan includes a 30% discounted resident Senior Golf Fee; and a 50% or more discounted Resident Junior Golf Fees, depending on monthly junior rounds played, at all three municipal golf courses (Balboa Park, Mission Bay and Torrey Pines).

In Fiscal Year 2009, the number of senior resident golf rounds played, both 18 holes and 9 holes, at these three municipal golf courses represented 50,971 or 17% of total golf rounds played. The Senior Golf Fee is discounted approximately 30% off the resident weekday golf fee. The Senior Golf Fees total discount in FY 2009 totaled \$350,000.

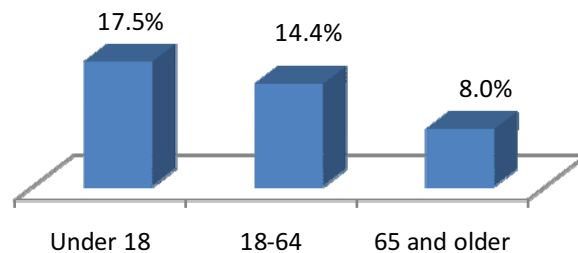
FY 2009 Golf Rounds Played at City of San Diego Operated Golf Courses



The Senior Golf Fee is limited to: play Monday-Friday at Balboa Park Golf Course and Mission Bay Golf Courses; and Monday-Thursday at Torrey Pines Golf Course. Additionally, the Senior Golf Fee is not available for use on holidays.

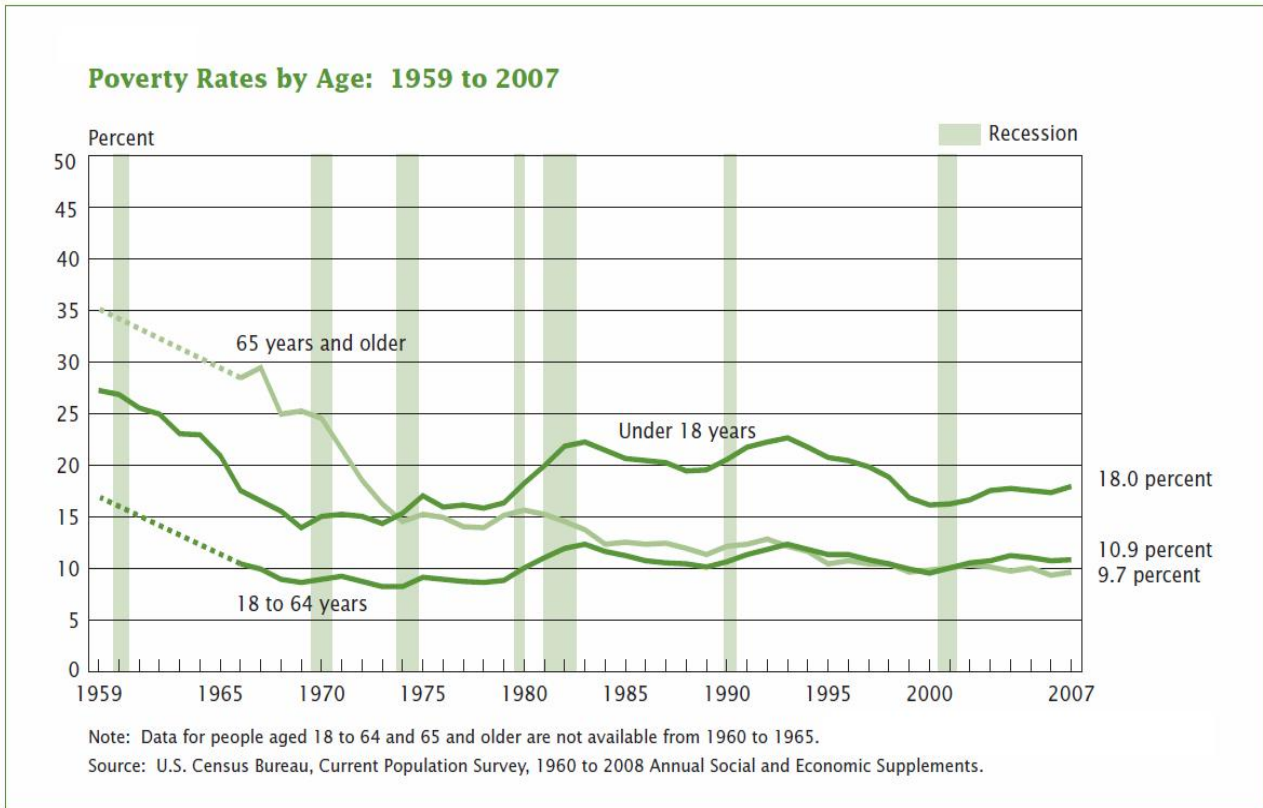
According to the latest available U.S. Census data, City of San Diego senior residents age 65 and older living with incomes below the poverty threshold level was 10,687 or 8.0% of all seniors in calendar year 2008. Poverty level in 2008 for City of San Diego youths below the age of 18 was 49,802 or 17.5% of all youths, and the poverty level for the remaining city residents ages 18-64 was 122,225 or 14.4% of the citizens in that age bracket.

City of San Diego Citizens Living in Households with Incomes Under the Poverty Level in 2008



The U.S. poverty rates trends from 1959 to 2007 for the population living in households with incomes below the poverty threshold level are shown in the following chart.

U.S. Population Living in Households with Income Below the Poverty Threshold Level



The poverty level for senior households age 65 and older was highest in the 1960s among the three demographic age groups shown in the chart above. From 1966 to 2007, the poverty level has been reduced by approximately two-thirds for seniors. Households with youths under the age of 18 have the highest level of poverty as of 2007, as represented on the above referenced chart.

The current golf fee schedule provides a discounted fee rate for City of San Diego youths under the age of 18. The Resident Junior One-Month Ticket of \$10.50 allows daily twilight golf play starting after 3 p.m., Monday-Friday at Balboa Park Golf Course; starting after 3 p.m. Monday-Thursday at Torrey Pines Golf Course; and can be used during all operating hours at Mission Bay Golf Course, Monday-Friday. The Resident Junior One-Month Ticket cannot be used on holidays. There is no limit to the number of golf rounds that can be played on each month's ticket.

The table below shows the results of a staff survey conducted in November 2009 of local comparable San Diego golf courses and found none have a low-income golf fee waiver/discount program. All surveyed courses have a discounted senior golf fee with the exception of Coronado Municipal Golf Course, which does not have a discounted senior golf fee.

Local Golf Courses Senior Golf Fees				
18 Hole Golf Course	Resident Rate	Senior Rate	Difference	Percentage Difference
Coronado Golf Course ⁽¹⁾	\$30	\$30	\$0	0.0%
Carlton Oaks Country Club & Golf Course, Santee (Mon-Thurs) ⁽²⁾	\$49	\$49	\$0	0.0%
Tecolote Canyon Golf Course (Sat., Sun. & Holidays) ⁽¹⁾	\$27	\$24	\$3	11.1%
Tecolote Canyon Golf Course (Mon-Fri) ⁽¹⁾	\$21	\$18	\$3	14.3%
The Crossings, Carlsbad (Mon-Thurs)	\$60	\$49	\$11	18.3%
Balboa Park Golf Course (Mon-Fri) ⁽³⁾	\$30	\$21	\$9	30.0%
Mission Bay Golf Course (Mon-Fri) ⁽³⁾	\$23	\$16	\$7	30.4%
Torrey Pines Golf Course - North Course (Mon-Thurs) ⁽³⁾	\$38	\$27	\$11	28.9%
Torrey Pines Golf Course - South Course (Mon-Thurs) ⁽³⁾	\$58	\$41	\$17	29.3%
Chula Vista Municipal Golf Course (Mon-Fri) ⁽⁴⁾	\$20	\$11	\$9	45.0%
(1) Residents and non-residents pay the same rates				
(2) San Diego County residents pay the resident rates				
(3) Annual Resident ID Card of \$25 required				
(4) Annual Resident ID Card of \$12 required				

DEPARTMENT’S RECOMMENDATION

The Park and Recreation Department does not recommend implementing a low income fee waiver program. The current golf fee schedule provides an approximate 30% discount to all seniors age 62 and older for weekday golf play.

Golf fee discounts for seniors is a standard golf industry practice. A low-income fee waiver or discount is not standard golf industry practice.

Any new Low-Income Golf Fee for eligible non-seniors, and/or an additional low-income fee discount to the already discounted Senior Golf Fee for eligible seniors without any offsetting increases in other golf fees would result in net reduction in annual Golf Enterprise Fund revenues.

ALTERNATIVE

Eliminate the current Senior Golf Fee and implement a new discounted Low-Income Golf Fee for those City of San Diego residents ages 18 and older and with household incomes below the poverty threshold level.

The total annual discount amount to be provided with new Low-Income Golf Fee would be set at the same total annual discount amount the current Senior Golf Fee provides and the Senior Golf Fee would be eliminated. A purchase of a City Resident Identification Card would still be required. A Low-Income Golf Fee maximum total amount to discount annually and elimination of the Senior Golf Fee would ensure no net revenue loss to the Golf Course Enterprise Fund. In FY 2009, the total discount provided to senior golfers resulting from the 30% discounted Senior Golf Fee was approximately \$350,000.

Once the Low-Income Golf Fee discount total of \$350,000 was reached in any one fiscal year, low-income golf fee play would be discontinued for the remainder of the fiscal year and golfers eligible for the Low-Income Golf Fee Program would then have to pay the regular resident weekday golf fee rate.

The number of Low-Income Golf Fee golf rounds by an individual would be limited starting at one round per month in order to spread the low-income golf fee play throughout the fiscal year and avoid most or all the Low-Income Golf Fee discount amount total of \$350,000 being spent down in the first few months of the fiscal year.

The Department of Labor 2009 Lower Living Standard Income Level Guidelines, San Diego, would be used to determine resident eligibility of the Low-Income Golf Fee. Residents with household incomes below the following thresholds would be eligible:

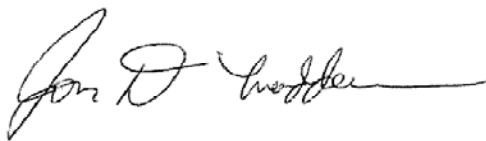
Size of Family	Annual Income
1	\$15,426
2	\$25,270
3	\$33,696
4	\$42,827
5	\$50,541
6	\$59,110
More than 6	Each additional family member add \$8,569

A resident golfer's low-income qualification would be verified annually by City staff reviewing a resident's provided copy of an Internal Revenue Service (IRS) tax return, Social Security Award-Benefit letter or a Social Security Proof of Income Letter.

CONCLUSION

Elimination of the discounted Senior Golf Fee and implementation of a new discounted Low-Income Golf Fee would adversely affect resident senior golfers with annual incomes that do not meet the low-income poverty thresholds or meet any other low-income threshold that might be established. Current municipal golf fees are discounted for resident seniors (age 62 or older) and resident juniors (age 17 or younger). The golf industry standard is to provide a senior discount rate and/or a junior discount rate.

The Five-Year Golf Division Business Plan for FY 2007 to FY 2011 ends June 30, 2011. Staff plans to bring forth a new Business Plan in early calendar year 2011. Development of the next Five-Year Business Plan will include a comprehensive review of all existing fees, new fee ideas and golf fees best practices.



Jon Maddern, Deputy Director
Golf Operations Division



Stacey LoMedico, Director
Park and Recreation Department