THE CITY OF SAN DIEGO

May 26, 2009

TO: Golf Club Presidents, Golf Club members, Concerned City of San Diego Resident Golfers

Subject: Park and Recreation Department's Golf Division – Report on a Low Income Fee Waiver Program

As you are aware this item was to be heard by the Park and Recreation Board (Board) last Thursday, May 21, 2009. Due to concerns expressed by a few golfers, the Department Staff pulled the item as to ensure all who would be interested in hearing the report were notified and given the opportunity to speak on the item at the public hearing. At the meeting, the Park and Recreation Director told those in audience the item would be heard at the next Board meeting scheduled for June 18, 2009.

However, after reviewing and looking at her calendar she has realized that both of us will be out of town that day and there would be no Department management team member versed in the issue at the meeting. As such, the item will **NOT** be heard in June, but will be heard at the Board's July meeting which is Thursday, July 16, 2009. It will be the first action item. The meetings are held in the City Administration Building's 12th floor; City Council Committee Room. The meeting will start at 2:00 PM.

I will resend you a reminder of this meeting and the agenda when it is posted.

Attached is the report which will be presented at the July meeting. It is also available on the web site for each course and the Park Board page. A copy is also available at Balboa Park, Mission Bay, and Torrey Pines Golf Courses, administration offices. Feel free to call me if you have any questions.

Thank you.

Jon D. Maddern
Deputy Director/Golf

attachment

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DIVERSITY

REPORT

THE CITY OF SAN DIEGO
TO THE PARK AND RECREATION BOARD

DATE ISSUED: May 15, 2009 REPORT NO. 101

ATTENTION: Park and Recreation Board, Agenda of May 21, 2009

SUBJECT: Municipal Golf Course Low-Income Fee Waiver Program

SUMMARY

Issue – Should the Park and Recreation Board 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 current Business Plan and not modify the fee schedule by eliminating the Senior Golf Fee and establishing a new Low-Income Golf Fee.

Other Recommendations – None.

Fiscal Impact – None with this action. If the alternative is adopted there would be no fiscal impact, a new Low-Income Golf Fee resulting in a revenue loss of $298,000 because it would be offset by a commensurate revenue increase resulting from the elimination of the Senior Golf Fee.

BACKGROUND

The Mayor's Five-Year Golf Division Business Plan (Business Plan) was approved by City Council in June 2006. Included in the resolution was direction to City staff to provide an option for a low-income fee waiver program. The motion made during the City Council meeting included investigating the options of a low-income waiver for resident seniors and a low-income waiver for all residents.

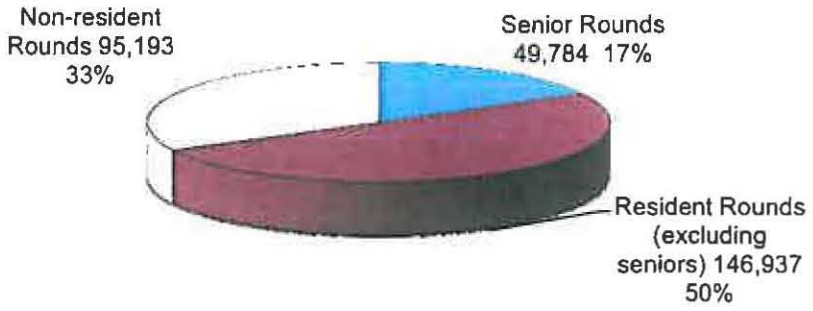
Staff has provided the City Council's Natural Resources and Culture (NR&C) Committee updates on the adopted Business Plan in September 2007 and February 2009. During the February 2009 update to the NR&C Committee, Golf Division staff reported a low-income fee waiver program would be brought to NR&C Committee and subsequently to the full City Council by the summer 2009.

DISCUSSION

The Business Plan includes a discounted resident senior and resident youth fees at all municipal golf courses (Balboa Park, Mission Bay and Torrey Pines).

In 2008, the number of resident seniors golf rounds played, both 18 holes and 9 holes, at these three municipal golf courses represented 49,784 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 discounted from the non-discounted fees in FY 2008 totaled $298,000.

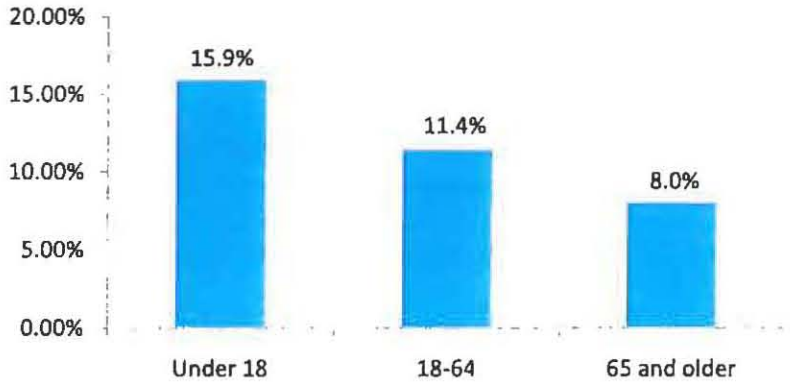
FY 2008 Golf Rounds Played



The Senior Golf Fee is limited to: Monday- Friday at Balboa Park Golf Course and Mission Bay Golf Course; and Monday through Thursday at Torrey Pines Golf Course.

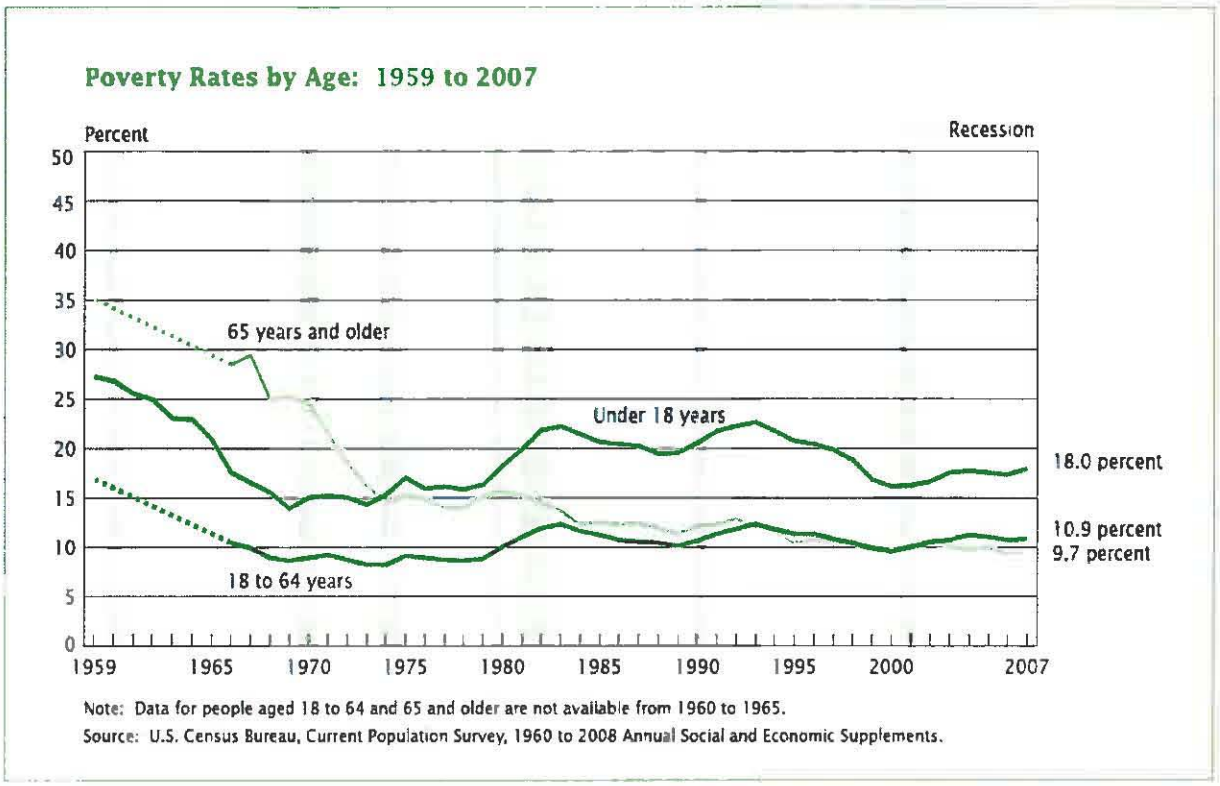
According to the latest available U.S. Census data, City of San Diego senior residents age 65 and older living in households with incomes below the poverty threshold level was 10,235 or 8.0% of all seniors in 2007. Poverty level in 2007 for City of San Diego youths below the age of 18 was 45,410 or 15.9% of all youths, and the poverty level for the remaining city residents ages 18-64 was 92,525 or 11.4% of the remaining citizens.

City of San Diego Population Living in Households with Income Below the Poverty Threshold Level in 2007



The U.S. poverty rates trends 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 seniors 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. Youths under the age of 18 have the highest level of poverty as of 2007.

The current golf fee schedule provides a discounted fee rate for City of San Diego youths under the age of 18. The Junior Twilight One-Month Ticket of $10.50 allows unlimited twilight golf play (starting after 3 p.m., Monday-Friday) for a one-month period at any of the three municipal golf courses.

DEPARTMENT'S RECOMMENDATION

The Park and Recreation Department does not recommend implementing a low income fee waiver program. The current golf fee schedule provides a 30% discount to all seniors age 62 and older for weekday golf play. A Low-Income Golf Fee based on the poverty threshold level would result in all seniors with incomes above the poverty threshold level required to pay the 30% higher resident weekday golf fee - even if a senior's income was only slightly higher than the poverty threshold level.

Staff did a survey in February 2009 of local comparable San Diego golf courses and found none have a low-income golf fee waiver/discount program. All with the exception of Coronado Municipal Golf Course have a discounted senior golf fee. The following table shows that as of

February 2009 City of San Diego municipal golf courses' senior golf fees are discounted more than most other comparable local golf courses.

18 Hole Golf Course	Resident Rate	Senior Rate	Difference	Precentage Difference
Coronado Golf Course	$25	$25	$0	0.0%
Carlton Oaks Country Club & Golf Course, Santee (Mon-Thurs)(1)	$60	$55	$5	8.3%
The Crossings, Carlsbad (Mon-Thurs)	$55	$49	$6	10.9%
Tecolote Canyon Golf Course (Sat., Sun. & Holidays)	$27	$24	$3	11.1%
Tecolote Canyon Golf Course (Mon-Fri)	$21	$18	$3	14.3%
Mission Bay Golf Course (Mon-Fri)(2)	$22	$16	$6	27.3%
Balboa Park Golf Course (Mon-Fri)(2)	$29	$20	$9	31.0%
Torrey Pines Golf Course - North Course (Mon-Thurs)(2)	$36	$25	$11	30.6%
Torrey Pines Golf Course - South Course (Mon-Thurs)(2)	$43	$28	$15	34.9%
Chula Vista Municipal Golf Course (Mon-Fri)(3)	$20	$11	$9	45.0%
(1) County residents pay the resident rates				
(2) Annual Resident ID Card of $25 required				
(3) Annual Resident ID Card of $12 required				
Note Balboa Park and Mission Bay Golf Courses also have Senior discounted rates for 9-hole play				

Golf fee discounts for seniors are standard golf industry practice in the San Diego region and in the nation.

In addition, a Low-Income Golf Fee Waiver Program is not a standard golf industry practice, and there has not been a significant demand or determined need for this type of program.

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 with household incomes below the poverty threshold level.

The new Low-Income Golf Fee amount would be set at the same amount as the Senior Golf Fee that would be eliminated, and a purchased City Resident Identification Card would still be required. A Low-Income Golf Fee maximum total amount to discount annually would be established to ensure no loss revenue to the Golf Course Enterprise Fund. In FY 2008, the total discount provided to senior golfers due to the 30% discounted Senior Golf Fee was approximately $298,000. Staff is proposing to establish a maximum discount total of $298,000 for the Low-Income Golf Fees that would result in these fee changes having an estimated no net revenue impact to the Golf Course Enterprise Fund – the changes would be revenue neutral.

Once the Low-Income Golf Fee discount total of $298,000 was reached during the 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 30% higher resident Golf Fee Rate for weekday golf play.

Due to what is anticipated to a be popular program by a great number of golfers, 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 $298,000 being spent down in the first few months of the fiscal year.

The Department of Labor 2008 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	$14,933
2	$24,463
3	$33,588
4	$41,459
5	$48,926
6	$57,722
More than 6	Each additional family member add $8,296

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 any other 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 at golf courses. Staff does not recommend eliminating the discounted Senior Golf Fee and establishing a new discounted Low-Income Golf Fee.

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 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.

Respectfully Submitted,

Jon Maddern
Deputy Director, Golf Division