

ENTERPRISE FUND – FY06 USER FEES PROPOSAL

Staff is forwarding recommended Enterprise Fund user fees schedules (Attachment 2) and surveys of similar public and private facilities in the area (Attachment 3) for the Planning Board's review and consideration. We believe the proposed FY06 fees are consistent with the four elements of the Department's user fee policy (Attachment 4). Following is the staff justification behind the recommended fee adjustments.

Golf Courses

Background

The Department of Park and Planning currently operates Northwest Golf Course (27 holes), Needwood Golf Course (18 holes with a 9-hole Executive Course), Little Bennett Golf Course (18 holes), Sligo Golf Course (9 holes), and White Oak Golf Course (9 holes).

FY04 was a significantly better weather year than FY03. Preliminarily, FY04 financial figures reflect that the three large golf courses had an operating profit, whereas in FY03 they did not. However, competition continues to be fierce. Most courses offer aggressive discounts during slow times and other promotional incentives to entice players to their courses.

In January, the new point-of-sale (POS) system went live for use at all Commission golf courses in both Montgomery and Prince George's counties. Golfers are now able to book tee times through an automated telephone system and over the Internet. We have begun to develop a database of information about our patrons that will allow us to market directly to our customers through e-mail and to tailor special promotions based on our customers' desires.

Later this summer, the Commission and the Montgomery County Revenue Authority will be working with a consultant, Bob Kendall, to look at how each agency operates its golf courses, specifically with respect to financial results attained by each agency. Any changes in the fee structure recommended by the consultant will be brought to the Planning Board's attention later this fall.

No fee increases were recommended for the golf courses last year. The courses have implemented some discounted greens fees during slow periods, and have expanded our frequent player promotions. While inflation is low and our fee structure is competitive with other public courses in the area, staff believes that some fee increases are warranted this year.

FY06 Golf Course Fee Recommendations

Needwood, Northwest, and Sligo Golf Courses – Staff recommends a modest increase of \$0.50 for all 9-hole greens fees and \$1.50 for all 18-hole greens fees. No fee increases are recommended for the junior fees to encourage and promote junior golf.

Little Bennett Golf Course – With many new high-end golf daily fee golf courses within a few mile radius, Little Bennett still struggles to build/rebuild its customer base. The build-out of Clarksburg should help fill the open time slots at Little Bennett. Until that time, staff recommends no fee increases to try to maximize play at this course.

White Oak Golf Course – Despite continued New Hampshire Avenue construction issues and uncertainty as to whether or not the Commission will continue to operate this course beyond 2004, staff recommends a \$0.50 increase in all greens fees, except the junior fees.

All Golf Courses – Staff recommends increasing the 18-hole per person golf cart rental fee from \$13 to \$14. This is in-line with the fee charged by much of the competition. Staff also recommends increasing the summer program fee \$0.50 per hour to cover staff time and material associated with providing this program.

Ice Rinks

Background

The Department of Park and Planning operates two ice rinks, one each at Cabin John and Wheaton Regional Parks. After extensive structural repairs, the in-line rink in Wheaton reopened in 2002 and, currently, operates as an ice rink for rental groups from November to March and as an in-line/roller skating rink for rental the remainder of the year.

An early look at the end of year actuals for FY04 shows Cabin John Ice Rink covering its operating costs and a significant portion of its debt service. Wheaton Ice Rink has not fared as well although early indications are that it covered its operating costs in FY04. Utility costs have increased significantly in the past few years and are projected to increase again this coming year. The Department's energy consultant has assessed both Cabin John and Wheaton Ice Rinks, and the rinks have followed several of his recommendations to curtail utility costs.

Staff will continue to evaluate means to contain expenditures and has the following recommendations to increase revenue.

FY06 Ice Rink Fee Recommendations

Wheaton and Cabin John Ice Rinks – The general admission fees at area rinks have stayed the same and, in some cases, have decreased in the past few years. In order to remain competitive, staff recommends holding steady on the general admission fees, while increasing the specialty sessions where skaters have a more exclusive use of the facility. Staff recommends increases for the 2-hour dance sessions from \$8.50 to \$9.50, and a \$0.50 increase for each of the moves/free style sessions. These sessions are for advanced skating techniques and allow only up to 30 skaters on the ice. At Wheaton Ice Rink, staff recommends increasing the fees for pick-up hockey and pick-up speed skating sessions from \$10 to \$11 each.

Wheaton and Cabin John Ice Rinks and Wheaton In-Line Rink – Each year, the demand for hockey increases and with it, the leased ice fee at our competitor's rinks. Staff recommends increasing our leased ice fee by \$5 per hour. This increase will keep our fee below our closest competitor making our rinks attractively priced for our customers.

Cabin John Ice Rink – Staff recommends increasing the leased ice rental fee for the small rink by \$10 per hour. This small rink is used mostly for party rentals and our lesson program, and it has been almost three years since the fee was last increased.

Indoor Tennis

Background

The two indoor tennis facilities operated by the Department of Park and Planning are located in Cabin John and Wheaton Regional Parks. Both tennis centers provide six courts, one of which is generally available for spot-time play by the hour. The majority of the time on the remaining courts is allocated by lottery for seasonal reservations only.

FY06 Indoor Tennis Fee Recommendations

Cabin John Indoor Tennis – Staff recommends increasing the summer 6am and 10pm fee to \$12 per court hour to match the fee charged the remainder of the day. This fee was lower at the 6am and 10pm time slots to encourage users to play during these off peak hours. The 6am timeslot is only used during bad weather and the lower fee has not encouraged others to play during this time. Staff finds it difficult to explain to patrons why the fee for the 10pm time slot is lower than the 9pm time slot. To alleviate this, staff recommends the same fee for all time slots during the summer months.

Staff recommends increasing the group lesson fees by \$2 per hour to \$16 and \$18 for beginner and advanced lessons respectively, and the summer program fee from \$7.50 to \$10 per hour. The group lessons and summer programs at Cabin John are very popular and fill up quickly.

Both Courts – In March 2003, staff recommended, and the Planning Board approved, selected fee increases at Cabin John and Wheaton for FY04 and FY05 to reduce the number of different fees charged each day and to establish a consistent schedule of fees at both facilities. Staff does not recommend any further seasonal fee increases this year.

Conference Centers

Background

The Department currently operates three rental facilities, which are accounted for in the Enterprise Fund: Rockwood Manor, Seneca Lodge, and Woodlawn Manor.

FY06 Conference Center Fee Recommendations

Rockwood –Day Use - Conferences and Meetings (per day - 8 consecutive hours) – Many government and private agencies use Rockwood as a meeting site. A number of our meeting clientele come from out-of-county. Since staff has not met any past price resistance for the use of Rockwood for conference/meeting rooms, we recommend increasing the fees \$50 for the use of the Hoover Room and Brooke Hall, as well as the combinations of the Hoover, Caughey & Salomon Rooms, and Brooke Hall & Great Falls Room. Staff recommends increasing the fees \$25 for the use of the Great Falls Room, Knox Room, French House, and the combination of the Caughey & Salomon Rooms.

Social Packages - Rockwood continues to be a value priced location for social events. Although the rooms are not as large as some other facilities, it is a wonderful setting for special events. Staff recommends the following fee increases in the social packages, which are still favorably priced in comparison to the competition.

Day Use - Social Package #1 – Hoover, Caughey, Salomon, & Rappidan Rooms (per day - 7 consecutive hours) – Staff recommends increasing this fee \$200 for Monday through Thursday use, \$250 for Friday, Sunday, and holiday use, and \$300 for Saturday use, bringing the fees to \$1,700, \$2,100, and \$2,500 respectively.

Day Use - Social Package #2 – Hoover, Caughey, Salomon, Rappidan, Brooke Hall & Great Falls Rooms (per day - 7 consecutive hours) - Staff recommends increasing this fee \$200 for Monday through Thursday use, \$350 for Friday, Sunday, and holiday use, and \$400 for Saturday use, bringing the fees to \$2,000, \$2,500, and \$3,000 respectively.

Day Use - Social Package #3 (per day - 7 consecutive hours) - Staff recommends increasing this fee by \$300, bringing the fee to \$1,500. Due to the currently low fee, we tend to oversell this package and there is no room for dancing. This fee may encourage patrons to use the upstairs package instead for a slightly higher fee.

Extra Hours for Social Packages – Staff recommends increasing the per hour fee for extra hours from \$300 to \$400.

Total Facility/Retreat Package – Staff has had a number of requests to rent the entire facility for a 1 or 2 day retreat. To accommodate these requests, Staff recommends implementing a new fee package to include all the meeting rooms, as well as all the guest rooms and dormitories, for \$4,000 for 1 day and 2 nights and \$5,000 for 2 days and 3 nights.

Seneca Lodge and Woodlawn Manor - Staff recommends increasing all of Seneca's 7-hour social packages by \$250. At Woodlawn, staff recommends increasing all the static exposition and social function packages by \$100 on Sundays through Thursdays and holidays, and by \$150 on Saturdays. Seneca and Woodlawn are under priced and considered a good value in comparison with the competition.

Park Facilities

Background

Park Facility operations in the Enterprise Fund include the boating operations at Lake Needwood and Black Hill, Little Bennett Campground, regional park picnic pavilions, miniature trains at Wheaton and Cabin John, the Wheaton Carousel, the splash playground and miniature golf operations at South Germantown, the enterprise programs at the public gardens, and the concessionaire-operated stables.

FY06 Park Facilities Fee Recommendations

Boating Operations - The boating operations at Little Seneca Lake in Black Hill Regional Park and Lake Needwood in Rock Creek Regional Park are popular summer activities. We have replaced all or part of the docks at these two facilities, and last year completed a 3-year effort to replace many of the boats.

Staff is recommending a \$0.50 per half hour increase from \$5 to \$5.50 in the pedal boat rental fees at Lake Needwood. Black Hill does not have pedal boats. Staff is also recommending a \$2 per day increase from \$21 to \$23 in the canoe and rowboat rental fees at both lakes to be commensurate with the daily kayak fee. Currently, the per hour kayak fee is the same as the per hour fee for canoes and rowboats, and patrons ask why the daily kayak fee is higher than the canoe or rowboat fee.

For patrons with their own boats, Black Hill and Needwood have annual and daily watercraft launching permits. The annual permits are very popular at Black Hill, which also leases mooring sites on an annual basis so boat owners may leave their craft at the lake for the summer. This past spring, Rock Creek Regional Park staff installed 10 mooring sites at Lake Needwood as a pilot program and offered them to the public at an introductory rate of \$40. After a slow start, all 10 of these sites have been rented. Staff is planning to add another 10 mooring sites next spring. Staff recommends increasing the mooring site rental fee by \$5 at Black Hill from \$65 to \$70, and by \$10 at Needwood from \$40 to \$50 since the sites have been well received.

Little Bennett Campground – As the only campground in Montgomery County, Little Bennett Campground is known as a good, inexpensive place to camp. The complaints we receive most are that our sites are too short and long RVs do not fit, only every 3rd campsite has a water spigot, and we do not have a swimming facility. While we don't have some of the amenities offered at other campgrounds, our campground is nearly full every weekend in season. For the sites with electricity (RV campers), about 70% of the campers are from out of state. In addition, electricity prices increased significantly this past year and are projected to increase again this year. For the sites without electricity (tent camping), about 70% are used by county residents.

Staff recommends increasing the resident fees \$1 per night for sites without electricity and \$2 per night for sites with electricity, and the non-resident fees \$2 per night for sites without electricity and \$3 per night for sites with electricity. No other fee increases are recommended for the campground.

Picnic Pavilions – Large picnic pavilions at Black Hill seat up to 100 people for \$150, and the permit is good all day. Electricity is available at one of the shelters for an additional fee of \$26. On weekends during the season, these shelters are 80-90% occupied. The fee for a similar size pavilion offered at Cosca Regional Park in Prince George's County is \$200 for bi-county residents and \$300 for non-residents. Closer to Black Hill, Bohrer Park in Gaithersburg charges \$195/\$265 for Gaithersburg residents/non-residents for 5 hours and Seneca Creek State Park charges \$150 for large shelters with electricity plus \$2 per person entry fee into the park for Maryland residents and \$3 for non-residents.

Wanting to remain competitive yet reasonably affordable, staff recommends increasing the fee for the large pavilion at Black Hill to \$170. No fee increases are recommended for the small pavilions, as the current fees are competitive with similar facilities.

Miniature Train and Carousel - No fee increases are recommended for these rides. Staff feels they are family-oriented and priced in line with comparable operations.

Miniature Golf and Splash Playground – The miniature golf and splash playground are in their third year of operation. The splash playground, designed for the toddler and pre-teen age group, is extremely popular. It has become a trendy place to hold birthday parties and other group events. Staff recommends no fee increases for the splash playground.

The miniature golf portion of the operation consists of two 18-hole courses. The courses were designed to be challenging and have often proved to be too difficult for pre-teen patrons. This facility has not found a niche and is struggling to attract patrons. In addition to developing ideas such as tournaments and leagues to better market these golf courses, staff is looking into modifications to change one of the courses into a more child friendly course. To encourage

younger players, staff is recommending a new junior fee for children 10 and under of \$4 per round, while keeping the regular fee at \$5 per round.

Gardens - Brookside and McCrillis – Staff recommends increasing the admission fee to the Butterfly Show by \$0.50 for both children and adults to cover the annual show operation and maintenance costs, which have increased due to strict federal and state regulations in regards to tropical butterflies.

Staff also recommends increasing the weekday fee for the Holiday Light Show to the \$15 fee currently charged on the weekends. This weekday fee has remained constant since 1998 and costs have increased for staffing the operations of the show, building maintenance, and security due to the significant increase in attendance. Staff recommends keeping the weekend fee at \$15.

This past spring, the County Council mandated that Commission Nature Centers charge \$5 per child for classes offered to schools and other groups. In an attempt to be consistent with the Nature Center fees and to recover costs for staff time and materials, staff recommends increasing the Children's Classes – Small Group Fee (20 or fewer) to \$100 and the Large Group Fee (21 or more) to \$150.

Stables - The Department has three concessionaire-operated stables: Meadowbrook Stables, Potomac Horse Center, and Wheaton Stables. The lease agreement with the stables requires Commission approval for any fee increases. The concessionaires at Meadowbrook Stables and Potomac Horse Center have requested several fee increases in their lesson programs and boarding fees.