

RESPONSE TO COUNCIL QUESTIONS RE: 4/18/17 CITY COUNCIL AGENDA

Agenda Item #: 3

Title: Accept Report on Sunnyvale Golf and Tennis Operations and Approve Budget Modification No. 42 in the Amount of \$300,000 for a Total FY 2016/17 General Fund Subsidy of \$850,000

Council Question: To what extent has the heavier rain season impacted the enterprise fund this year? Has the rain reduced the golf course's water bill?

Staff Response: This winter's wet weather has had a significant impact on golf revenue. As the majority of business is experienced over the weekend, rainy weekends can have an especially significant impact. Over 50 percent of weekends between November and March were impacted by rain. Over a weekend, courses can lose up to \$10,000 when impacted by rain. This fiscal year, revenues are down over \$60,000 on weekends compared to last fiscal year, which staff believes is mostly due to weather. Generally, as they are the wet months, the golf courses do not utilize a lot of irrigation between November and February, and year to date, the courses have used approximately 2,400 Hundred Cubic Feet less, or 22 percent, than last year. The Fiscal Year 2016/17 Adopted Water Rates included adjustments to both the fixed and variable charges for water. The result was an overall increase in the per unit cost of water for the golf courses to more accurately reflect the cost of providing service. These adjustments offset savings achieved through lower water use.