



FAIRFAX COUNTY PARK AUTHORITY

M E M O R A N D U M



TO: Chairman and Members
Park Authority Board

VIA: Timothy K. White, Acting Director

FROM: Charles Bittenbring, Director
Park Services Division

DATE: October 5, 2007

Agenda

Park Services Committee
Wednesday, October 10, 2007 – 6:30 p.m.
Board Room – Herrity Building
Chairman: Edward S. Batten, Jr.

1. Senior Fee Update and Authorization to Implement Next Phase of Adjustment - Information*

*Enclosures



If accommodations and/or alternative formats are needed, please call (703) 324-8563. TTY (703) 803-3354

INFORMATION

Senior Fee Update and Authorization to Implement Next Phase of Adjustment

This item was originally reviewed by the Park Services Committee on September 12, 2007. At that time, staff was asked to provide additional information regarding whether there was declining participation by seniors in the age categories that are no longer considered seniors, as well as census population data for those ages. The additional information is provided in Attachment 2: Senior Participation Rate.

On March 9, 2005, the Board approved the following plan to modify the senior discount:

1. Phase in a reduced senior discount level over a five-year period by reducing the discount from 50% to 45% in 2005, 40% in 2007, and 35% in 2009.
2. Increase the age of eligibility for the senior discount from 60 to 65 over a five-year period.
3. Have staff evaluate and report to the Board related usage impacts prior to proceeding with each successive stage of implementation.

To date, the following phases have been implemented:

1. Discount reduced from 50% to 45% effective May 1, 2005.
2. Eligibility age increased from 60 to 61 effective January 1, 2006.
3. Eligibility age increased from 61 to 62 effective January 1, 2007.
4. Discount reduced from 45% to 40% effective April 1, 2007.

Summary of Findings

The overall impact of the program to date has had a positive effect on revenue generated from seniors, though the rate of revenue increase leveled off in 2007. Class registrations and revenue were virtually unchanged from 2006 to 2007. The largest category, RECenter pass sales, saw a decline in pass-months sold from 2006 to 2007, while revenue was a fraction higher. Senior general admissions declined with a minor negative revenue impact. Seniors represent only about 3% of RECenter general admissions, as they tend to purchase discounted passes rather than pay a daily admission fee. In golf, fewer pass rounds were purchased, while revenue from those rounds increased slightly between 2006 and 2007. Overall, golf pass revenue from seniors represents about 6% of total golf revenue annually.

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Study Methodology and Results

For each of the four categories, an analysis was done of sale and revenue records for four comparable sale periods. Sales and revenue were evaluated between January 1 – August 31 each year. The result of this analysis may be found in Attachment 1. The first period (labeled 2004) was prior to any changes in the discount or age. The second period (2005) includes the effective date of the 45% discount rate (May 1, 2005). The third period (2006) includes the effective date of increasing the age from 60 to 61, which was implemented January 1, 2006. The fourth period (2007) includes the age increase from 61 to 62 on January 1, 2007 and the change in discount from 45% to 40%, effective April 1, 2007.

Next Steps

As per the approved plan, the next phase is:

1. Increase the eligibility age from 62 to 63 effective January 1, 2008.

Unless directed otherwise, staff will implement the next phase as scheduled, and provide the next update to the Board in September 2008. At that meeting, staff will present updated sales and revenue data and present recommendations regarding increasing the senior age from 63 to 64 (scheduled for January 1, 2009) and reducing the discount from 40% to 35% (scheduled for April 1, 2009).

ENCLOSED DOCUMENTS:

Attachment 1: Sales and Revenue of Senior-priced Items

Attachment 2: Senior Participation Rate

STAFF:

Timothy K. White, Acting Director

Cindy Messinger, Acting Deputy Director/COO

Charles Bittenbring, Director, Park Services Division

Steve Lewis, Manager, Business Office, Park Services Division

Sales and Revenue of Senior-priced Items

	2004 (1/1/04-8/31/04)		2005 (1/1/05-8/31/05)		2006 (1/1/06-8/31/06)		2007 (1/1/07-8/31/07)	
	Sales	Revenue	Sales	Revenue	Sales	Revenue	Sales	Revenue
RECenter Seniors								
Pass Months Sold	33,476	\$826,736	35,054	\$914,835	36,111	\$1,007,105	33,370	\$1,008,233
Class Registrations	6,467	\$499,852	6,317	\$499,525	7,162	\$541,172	7,048	\$541,591
General Admissions	6,574	\$27,513	6,669	\$29,486	5,708	\$26,945	5,110	\$26,087
Golf Seniors								
Pass Rounds Sold	40,360	\$412,402	39,480	\$431,046	38,150	\$472,875	35,930	\$480,876
Revenue Total		\$1,766,503		\$1,874,892		\$2,048,097		\$2,056,786

Action During Period	None	Discount from 50% to 45%	Age from 60 to 61	Age from 61 to 62	Discount from 45% to 40%
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Senior Participation Rate

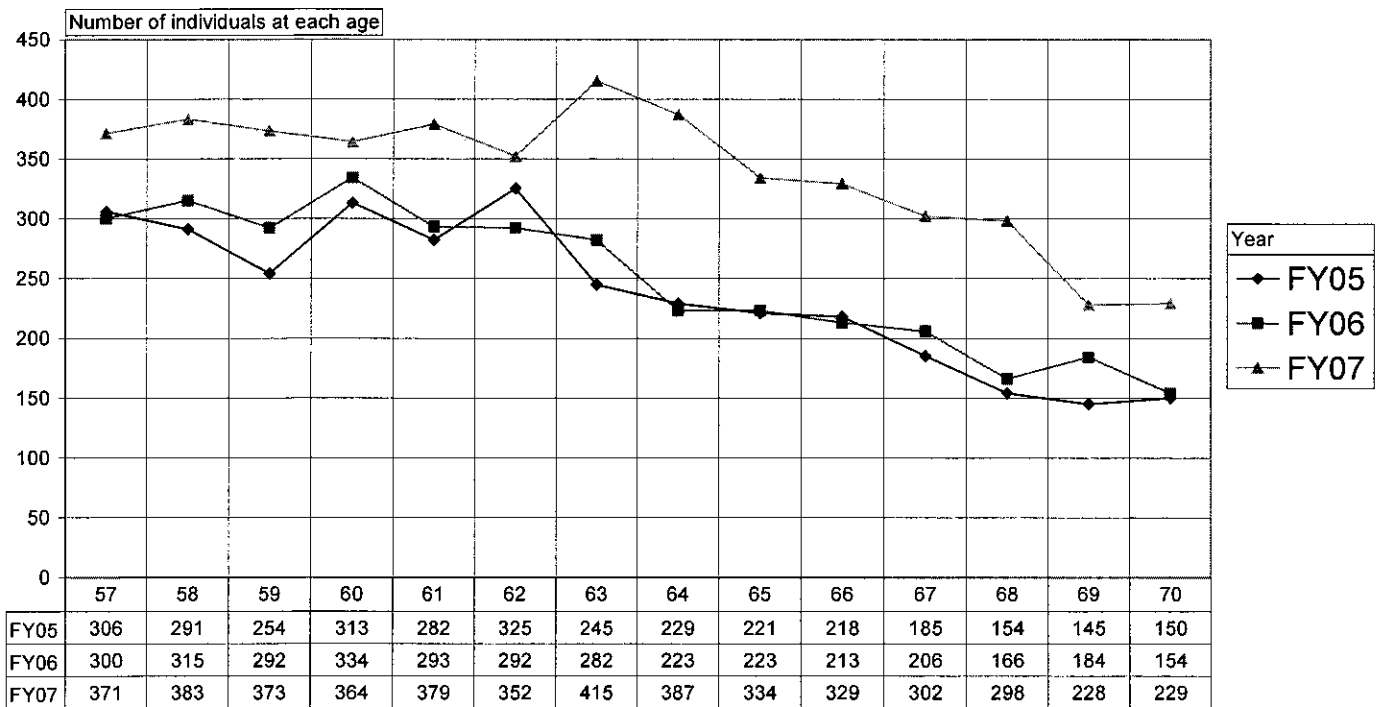
In order to measure the participation rate of seniors, data was extracted from ParkNet for the last three complete fiscal years (FY05-FY07) for every RECenter pass sale, class registration, and golf pass sale. No age data is captured on RECenter general admissions; therefore, it could not be reported.

For each year, the data was adjusted to retain only one record per individual within a category to obtain the number of unique individuals who participated. Though age data was captured for all participants, this report focuses on a segment (ages 57-70) to provide a more in-depth picture of what is happening with that part of the population.

Following is a graph for each category, showing the number of people participating at each age:

Type RECenter Pass

**Number of Individual Participants by selected Age and Activity
RECenter PASSES**

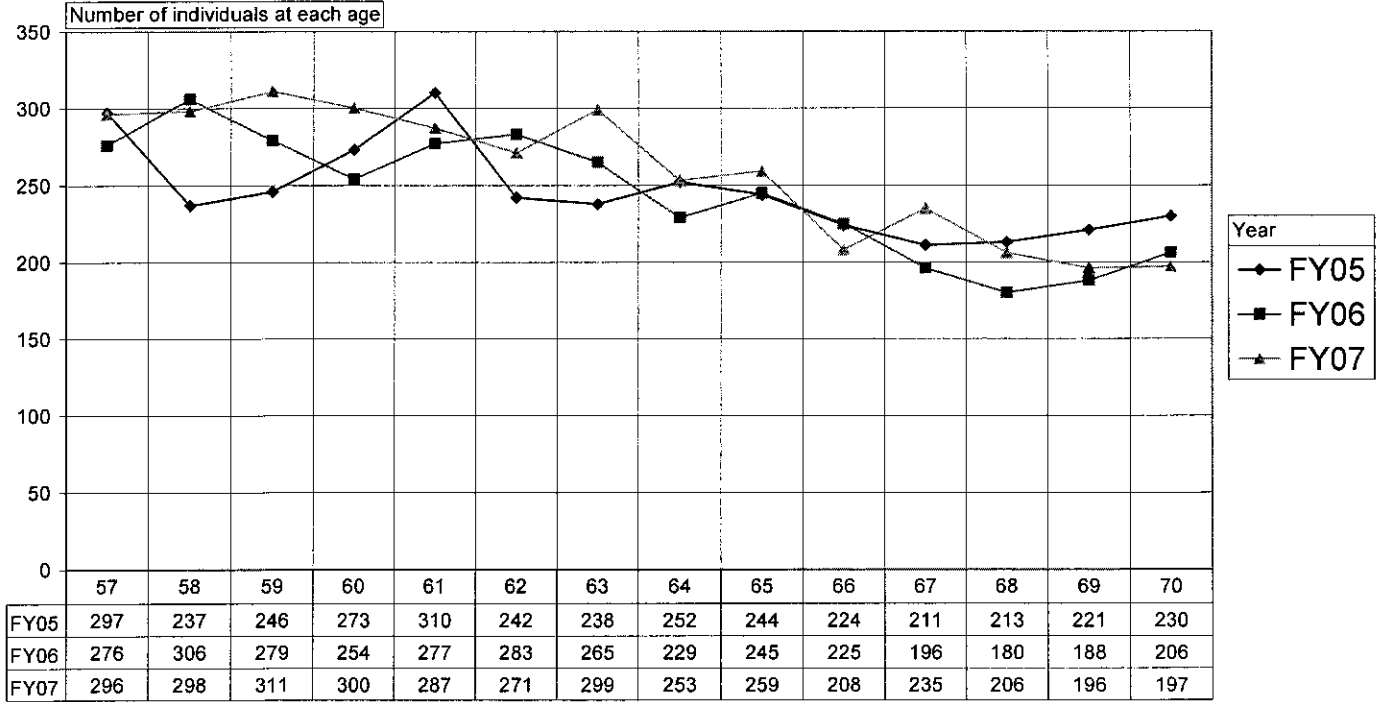


Age

General Conclusion: Participation was higher at all ages in FY07. Availability of senior discount does not significantly change participation rates from "pre-Senior" to "Senior" status.

Type Class

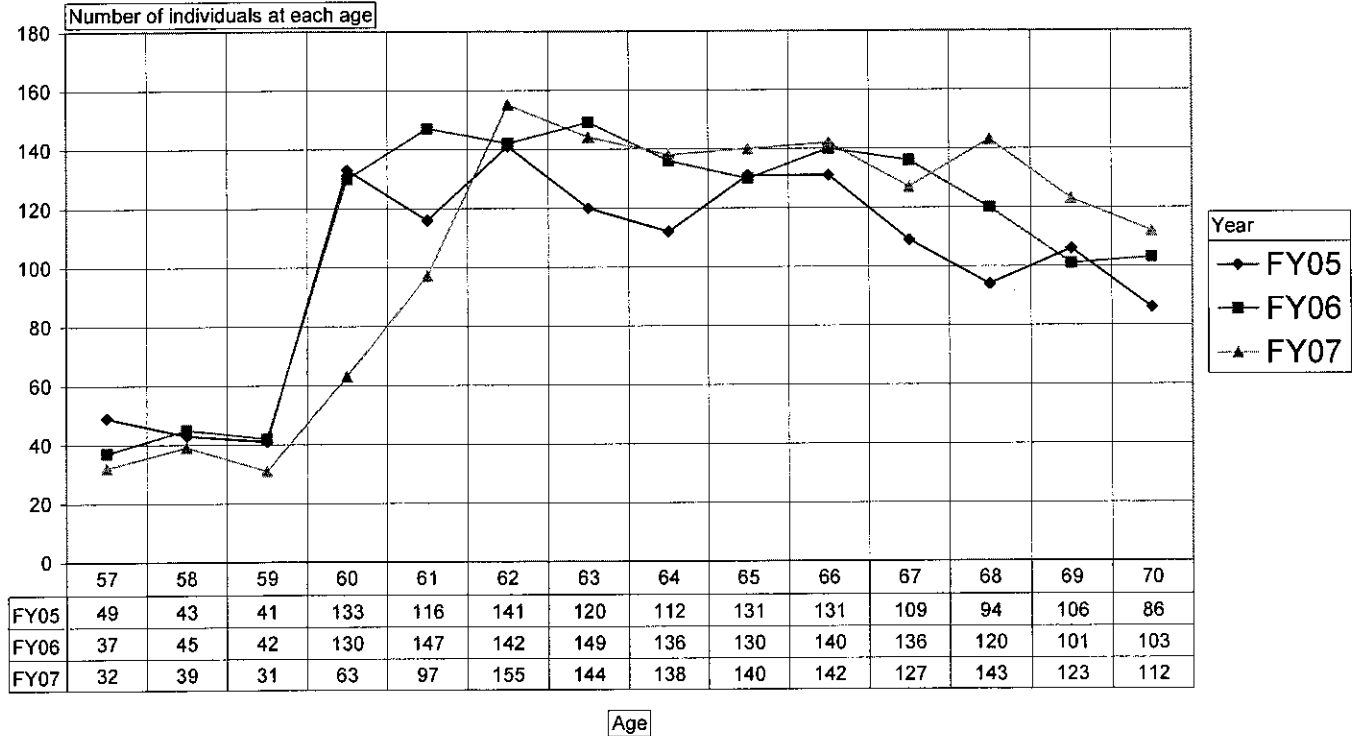
Number of Individual Participants by selected Age and Activity Class Registrants



Age

General Conclusion: Participation was higher at nearly all ages in FY07. Availability of senior discount does not significantly change participation rates from “pre-Senior” to “Senior” status.

**Number of Individual Participants by selected Age and Activity
Golf PASSES**



General Conclusion: Relatively few people purchase a golf multi-round pass until it is available at the Senior discount rate. Availability of senior discount significantly changes participation rates from “pre-Senior” to “Senior” status. Once Senior status achieved, participation was higher at nearly all ages in FY07.

What is not known is whether those “delayed” from getting the pass benefit are playing as many rounds as they might have, since we do not collect member/age data on daily greens fee purchases.

Information was also developed using U.S. Census data and ParkNet to provide data about what percentage of each age group in the County was participating in the class and pass categories.

Age	# FCPA Participants	# from Census	Penetration %
57	699	15,496	4.5
58	720	15,496	4.6
59	715	15,496	4.6
60	727	13,053	5.6
61	763	13,053	5.8
62	778	9,991	7.8
63	858	9,991	8.6
64	778	9,991	7.8
65	733	7,592	9.7
66	679	7,592	8.9
67	664	6,151	10.8
68	647	6,151	10.5
69	547	6,151	8.9
70	538	4,395	12.2

The key information from the chart above is shown below:

Percent of Population at each Age participating in FCPA Classes, RECenter Passes and Golf Passes - Based on 2006 Census data and FY07 ParkNet data

