

## Updated Golf Course Operations Sustainability Work Plan – 2018 May

The City of Calgary has provided golf services to Calgarians for over 100 years and currently operates eight golf courses at six locations in addition to three driving ranges. Golf facilities accommodate over 300,000 visits annually excluding winter recreational access.

Purpose: An objectives document with key focus areas to approach continuous innovative and creative golf business development in alignment with Council directed Guiding Principles to ensure golf remains relevant and cost appropriate in a highly competitive sector. This will be done through efficient and effective operations, facility and sport diversification opportunities, and capital initiatives critical to the long-term sustainability of municipal golf courses.

Relevant Previous Council Direction:  
CPS2012-0702, CPS2013-0410, CPS2014-0398

<b>Operating Items:</b> Initiatives to enhance the efficiency of course maintenance and clubhouses, increase revenue and support customer service objectives		
<b>Objective and Description</b>	<b>Action Plan 2015 – 2018 Outcomes</b>	<b>One Calgary 2019 – 2022 Initiatives &amp; Outcomes</b>
<b>Revenue Optimization</b>  <i>Seek opportunities to increase revenues to improve bottom line business performance. e.g. fees, rentals, food &amp; beverage services, driving range.</i>  <i>Pursue alternative revenue generating opportunities e.g. sponsorship, partnerships, etc.</i>	<ul style="list-style-type: none"> <li>• Introduction of revised demand based fee structure introduced. Pricing strategies optimize high demand times while driving discounts to less popular periods.               <ul style="list-style-type: none"> <li>○ \$445K average revenue annual increase</li> <li>○ Implementation of special offers and deals to drive bookings to slower periods</li> </ul> </li> <li>• Food and beverage - new front counter concession coolers, annual changes in product mix, expanded on-course beverage carts.               <ul style="list-style-type: none"> <li>○ Up to \$80K revenue increase</li> <li>○ Current infrastructure limits GCO to operating concessions based on a 'cash and carry' format which yields profits and efficiencies.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of enhanced technology to fill underutilized tee times through greater use of flexible pricing strategies</li> <li>• Increase revenue per round through higher range, rental and concession sales</li> <li>• Implementation of Recreation sponsorship strategy specific to generate revenue and cost savings associated with golf course assets.</li> <li>• Annual fee adjustments subject to market conditions.</li> <li>• Affordable access to recreational golf opportunities is maintained.</li> </ul>

<p><b>Service Model Analysis</b></p> <p><i>Investigate a range of alternate models for service delivery inclusive of analysis of risks, benefits and Triple Bottom Line (TBL) impacts</i></p>	<ul style="list-style-type: none"> <li>• 2015 - Report to Council Q4 2015 Golf Course Operations Sustainability Work Plan Update (CPS 2015-0947). Administration directed to continue providing municipal golf services with a City-operated service model, inclusive of contracting out select services where efficiencies can be realized.</li> <li>• 2016 - EOI to assess market interest and ability for contracting options of grounds maintenance activities.</li> <li>• 2017 – three-year pilot contract awarded to complete rough mowing and trimming at two golf course locations. <ul style="list-style-type: none"> <li>○ \$20,000 savings in 2017</li> <li>○ Learnings from first year to be applied in 2018.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Continue assessment of viable contracting opportunities.</li> <li>• Potential for additional contracting opportunities subject to funding availability and completion of capital improvements. <ul style="list-style-type: none"> <li>○ Upgrades to clubhouses at Shaganappi and Confederation would allow additional revenue generating capabilities (e.g. room rentals and events and inclusive of contracting opportunities for banquet and restaurant services).</li> </ul> </li> <li>• Expanded services to customers and improved bottom line business performance.</li> </ul>
<p><b>New and Enhanced Technology and Business Tools</b></p> <p><i>Enhanced technology to optimize demand based fee structure, improve efficiencies and customer service delivery while also enhancing internal business reporting tools.</i></p>	<ul style="list-style-type: none"> <li>• Leveraged golf specific app to enhance customer experience. (39,000 app downloads) <ul style="list-style-type: none"> <li>○ Notifications to customers on golf course news and special offers.</li> <li>○ Access to tee time bookings</li> </ul> </li> <li>• Development of business reporting tools to assess daily utilization, playable days and impacts of inclement weather on revenues.</li> </ul>	<p>Implementation of new technology solution anticipated for Q1 2020.</p> <ul style="list-style-type: none"> <li>○ Enhanced customer communications and access to golf tee times and services.</li> <li>○ Efficiencies in customer service delivery</li> <li>○ Improved on-demand business and reporting tools</li> <li>○ More advanced capabilities to market tee times to optimize revenue and attendance.</li> </ul>
<p><b>Optimization - Customer Satisfaction</b></p> <p><i>Maintain above average customer satisfaction ratings</i></p>	<ul style="list-style-type: none"> <li>• <b>98% Customer satisfaction rating (2017)</b></li> <li>• Implementation of Quality assurance program,</li> <li>• Utilization of secret shoppers during the season to assess golf products and services for quality as well as potential improvements.</li> <li>• Pace of play initiative introduced to improve customer golf experience.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual customer surveys and alternative feedback mechanisms implemented to evaluate and improve golf products and services.</li> <li>• Retain high customer satisfaction levels</li> </ul>

<p><b>Optimization – Marketing initiatives</b></p> <p><i>Use of marketing and business strategies to retain and increase attendance levels.</i></p>	<ul style="list-style-type: none"> <li>• Creation of special offers and deals to drive traffic to lower demand times.</li> <li>• Special Events to grow the business and increase golf participation (e.g. Ladies Nights, Family Nights, Grandparents Day).</li> <li>• Targeted marketing campaigns to specific customer segments (e.g. families, seniors, millennials, etc.)</li> <li>• Monthly e-newsletters to keep customers informed on news</li> <li>• Leveraged sponsorship to support events and generate revenue (approx. \$15,000 annually).</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage existing and new tools to communicate with golfers</li> <li>• Advance ‘targeted’ marketing strategies through enhanced technology.</li> <li>• Continued evaluation of tee time utilization to create offers and deals to increase tee time bookings.</li> <li>• Increased attendance and revenues</li> </ul>
<p><b>Optimization - Cost Savings &amp; Efficiencies</b></p> <p><i>Seek opportunities to ensure effective use of resources, materials and assets.</i></p>	<ul style="list-style-type: none"> <li>• Approximately \$500K total savings realized in 2015-2017. Examples of initiatives: <ul style="list-style-type: none"> <li>○ Regular review of hours of operation to align with demand</li> <li>○ Centralized purchasing to realize economies of scale.</li> <li>○ Regular review of vendors and costs undertaken to identify potential efficiencies.</li> <li>○ Annual business process reviews to identify staff efficiencies.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Regular review of processes, staffing levels, training, vendor contracts and service agreements.</li> <li>• Seek efficiencies through initiatives undertaken within Recreation Business Unit.</li> <li>• Improved bottom line business performance</li> </ul>
<p><b>Optimization– Inclusive, Accessible, Affordable</b></p> <p><i>Provision of golf opportunities to target groups municipal courses are uniquely positioned to serve (e.g. Seniors, youth, families, schools and economically challenged citizens)</i></p>	<ul style="list-style-type: none"> <li>• Over 63,000 rounds played by Seniors, families and youth</li> <li>• Work with local schools with golf as part of their curriculum (3,000 annual school visits to driving ranges and par 3 courses).</li> <li>• Actively working with a variety of community groups and partners.</li> <li>• Subsidized low cost and/or free learn to golf opportunities are available to low income families and youth as well as low resourced schools in Calgary.</li> </ul>	<ul style="list-style-type: none"> <li>• Seek opportunities to reach new schools, community groups and partners.</li> <li>• Regular assessment of pricing and participation rates to assure affordable, inclusive and accessible golf is available to Calgarians.</li> </ul>

<p><b>NEW - Site Optimization - Multi-Sport Opportunities and Community Space (New)</b></p> <p><i>Through merger of Golf and Sport Development, implement Initiatives that maximize the use of amenities functionally, financially and culturally through identification of opportunities, partnerships and multi-sport opportunities.</i></p>	<ul style="list-style-type: none"> <li>Updated partner agreements in place to expand cross country ski opportunities available at Confederation (30,000 winter visits in 2017/2018), Shaganappi, Maple and Lakeview</li> <li>Initial planning for a pilot technology project which electronically captures passive use of all winter use activities at Confederation including skiing, tobogganing, walking, biking, Lions Festival of Lights, etc. (Q4 2018).</li> </ul>	<p><b>NEW –</b></p> <ul style="list-style-type: none"> <li>Seek complimentary, non-golf activities to maximize the use of facilities year round</li> <li>Seek opportunities to use golf amenities as community hubs</li> <li>Benefits and access to golf facilities is available to more Calgarians.</li> </ul>
<p><b>Land and environmental stewardship</b></p> <p><i>Explore and implement best practices and innovative approaches to maintenance activities and green space management.</i></p>	<p>Regular ISO and HSE audits completed to assure compliance and a safe work environment for staff and customers.</p> <p>Conversion of Lakeview Golf Course irrigation to non-potable water source. Project includes North Glenmore Athletic Park. Annual cost savings: \$70,000-\$100,000</p> <p>Work with other Business Units to protect and sustain city infrastructure.</p> <ul style="list-style-type: none"> <li>Water Resources – pump house for water infrastructure at Richmond Green</li> </ul>	<ul style="list-style-type: none"> <li>Assure compliance with legislative requirements</li> <li>Continuous improvement, evaluation and where feasible pilot implementation of new maintenance approaches to improve assets and overall course conditions.</li> <li>Collaboration with other business units to accommodate, protect and sustain City infrastructure and assets. <ul style="list-style-type: none"> <li>Water Resources projects</li> <li>Transportation - Road Rights of Way</li> </ul> </li> <li>Other utilities including third party (ATCO, ENMAX)</li> <li>Golf courses support good use of public lands and corporate infrastructure and provide broad benefits to citizens.</li> </ul>
<p><b>Capital Items:</b> To seek internal and external opportunities for capital infrastructure development to improve quality, function and potential revenue of existing infrastructure.</p>		
<p><b>Objective and Description</b></p>	<p><b>Action Plan 2015 – 2018 Outcomes</b></p>	<p><b>One Calgary 2019 – 2022 Outcomes</b></p>
<p><b>Alternative Funding Methodologies</b></p>	<ul style="list-style-type: none"> <li>\$6.7M secured through Sport Facility Renewal Grant for McCall Lake Upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>Continue work with finance and capital development to support capital improvements,</li> </ul>

<p><i>Investigate potential funding sources, including potential grant opportunities, to secure funding for needed capital infrastructure projects.</i></p>	<ul style="list-style-type: none"> <li>• \$1 Million donation from private citizen specific to future capital at Shaganappi (e.g. new clubhouse)</li> <li>• No additional capital grant opportunities identified during current business cycle.</li> </ul>	<p>enabling municipal courses to retain and build market share.</p> <ul style="list-style-type: none"> <li>• Continue to seek alternative funding and grant opportunities.</li> <li>• Investigation of capital opportunities to support year-round use.</li> </ul>
<p><b>Capital Plan</b></p> <p><i>Work with Capital Development and Facility Management to ensure golf course capital requirements are known and prioritized holistically and demonstrate strong ROI based on available funding.</i></p>	<ul style="list-style-type: none"> <li>• Master Plans completed or updated for three of six locations.</li> <li>• Building Condition assessments completed for all structures.</li> <li>• Completion of irrigation system assessment and master plan project.</li> <li>• Annual prioritization of capital needs subject to funding availability.</li> <li>• Completion of paving and pathway project at Lakeview golf course (2016)</li> <li>• Planning underway to address drainage issues at Confederation (i.e. parking lot and #9 fairway).</li> </ul>	<p>Subject to Council approval of capital budget packages. Four business cases to be brought forward through One Calgary 2019-2022.</p> <ol style="list-style-type: none"> <li>1. Shaganappi Point and Confederation Park Clubhouses</li> <li>2. Shaganappi Point maintenance facility</li> <li>3. Annual lifecycle maintenance</li> <li>4. Upgrades include 18 holes per business cycle</li> </ol>