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Golf Course Operations – Sustainability Work Plan Update

CPS2015-0947



ISC: UNRESTRICTED

2015 December 02



On 2014 July 21, Administration was directed to implement the *Golf Course Operations (GCO) Sustainability Work Plan*¹ and include options for third-party operations as part of the golf service model analysis².

Work Plan Objectives:

- Improve operational sustainability;
- Seek strategies to support GCO's capital programs; and
- Analyze alternative service models, including third-party options, for providing golf services to Calgarians.

1. McCall Lake Redevelopment Feasibility Study and Update, CPS2014-0398

2. Cllr. Magliocca & Cllr. Keating's Notice of Motion: Conversion of City-Owned Golf Courses to Private Contract, NM2014-33



The GCO Sustainability Work Plan is on-track and producing results.

2015 highlights:

- 249 thousand rounds of golf played,
- Total revenues up \$811 thousand,
 - \$334 thousand from fee structure changes,
 - \$80 thousand from concession sales, and
- 97% overall satisfaction rate.

Golf is the #1 outdoor recreation activity for Calgarians over 65.

-2015 Facility Development & Enhancement Study



Objective:

Determine the optimal service model to provide accessible and affordable golf to Calgarians.

Analysis Approach:

- Departmentally led,
- Internal investigations,
- Municipal comparisons, and
- Golf-industry consultant analysis.

“Shaganappi epitomizes growing the game ... and developing a culture and an environment where so many members of the Calgary golfing community call it ‘home’.”

*-- Alberta Golf Association, Shaganappi Point Golf Course -
100 year celebration*



Current State Operational Challenges and Constraints:

- Green fee rates are within market price;
- Labour costs are higher than local benchmarks;
- Staffing levels are at the low-end of industry benchmarks; and
- Staffing reductions will have an impact on course quality and service.

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Golf Service Model Decision Matrix

City Operated	Ability to Fulfill GCO Guiding Principles & NoM Considerations	High	Legal Compliance with Labour Agreements	High	Third Party Interest, Considering Labour Agreements	Current Practice: N/A	Financial Benefit to The City of Calgary	High	TOTAL
Management Contract – Grounds Maintenance		High		High		Medium		Medium	12
Management Contract - Clubhouse		High		High		Medium		Medium	10
2014 Benchmark		High		High		Current Practice: N/A		Low	10
Management Contract – All Operations		High		High		Low		Low	8
Wholly Owned Subsidiary		High		High		Low		Low	8
Lease Golf Courses		High		High		Low		Low	8
Lease Clubhouse Operations		High		High		Low		Low	8
<div>Probability Score</div> <div>High = 3</div> <div>Medium = 2</div> <div>Low = 1</div>									

Probability Score

High = 3

Medium = 2

Low = 1



Golf Course Operations' Next Steps:

- Continue providing municipal golf services with a City-operated service model,
- Advance Sustainability Work Plan;
- Expression of Interest (EOI) to pilot contracting out grounds maintenance services at one facility;
- EOI for banquet and event management services (Pending capital improvements);
- Sponsorship & naming rights opportunities; and
- Other business opportunities.



Benefits to Calgarians:

- Quality and affordable golf continuing at all City of Calgary courses;
- An improvement in GCO's operating position and enhanced sustainability; and
- Re-investment into golf course capital.

2014 Citizen Feedback:

- Preserve green spaces and current municipal golf facilities;
- Enhance the long-term sustainability of municipal golf courses; and
- Continue to provide recreational services for all ages and families.

- Key themes from 2014 McCall Lake Redevelopment engagement.



Administration Recommendations:

1. Direct Administration to continue providing municipal golf services with a City-operated service model, inclusive of contracting out select services where efficiencies can be realized.
2. Direct that Attachment 2 remain confidential pursuant to Sections 23(1)(b), 24(1)(c), 24(1)(g), 25(1)(a), 25(1)(b), and 25(1)(c) of the *Freedom of Information and Protection of Privacy Act* and that Council consider Attachment 2 in camera if requested by Council.