



RPT 20-411

TITLE: Golf Course Management Agreement

DATE: September 22, 2020

TO: Executive Committee

PUBLIC: X

INCAMERA:

RECOMMENDATION:

That the Golf Course Management Agreement with Darcy's Golf Shop Ltd. be approved for a three year term commencing January 1, 2021 and ending December 31, 2023.

That the Mayor and City Clerk be authorized to execute the Agreement on behalf of the City of Prince Albert.

TOPIC & PURPOSE:

The purpose of the report is to recommend the renewal of the Golf Course Management Agreement with Darcy's Golf Shop Ltd.

BACKGROUND:

Mr. Darcy Myers has served as the Head Professional at Cooke Municipal Golf Course since November 24, 2009. The current Agreement with Darcy's Golf Shop Ltd. is set to expire on December 31, 2020. The previous term consisted of an original 3 year term with an opportunity to extend the agreement by two more consecutive three year terms as approved by Council.

A proposal was received by Darcy's Golf Shop Ltd. to renew the Golf Course Management Agreement at Cooke Municipal Golf Course. Upon review of the proposal the Department is prepared to submit the recommendation to renew the Agreement based on the information outlined in the report for consideration at the September 28, 2020 Executive Committee meeting.

PROPOSED APPROACH AND RATIONALE:

A copy of the proposal is attached for reference purposes. The Head Professional reports directly to the Director of Community Services. Following the initial submission of the proposal by Darcy's Golf Shop the Director of Community Services and Mr. Myers met on separate occasions to negotiate a recommended renewal term.

Below are the highlights of the proposed Golf Course Management Agreement:

- 3 year term commencing January 1, 2020 and ending December 31, 2023.
- DGS Ltd. is responsible for a variety of services including but not limited to the Pro Shop & Driving Range Operation. This includes the staffing, equipment rentals, merchandise sales and overall marketing of the golf course locally and beyond.
- DGS Ltd. offers a variety of Golf Lessons for every skill level including the popular Junior Golf Program.
- The Head Professional serves as the Golf Course representative on the various Event Committees and works directly with our various Leagues.
- Management of the Sponsorship Procurement and Agreements.
- Participated in the development of the Golf Course Management Plan in conjunction with the Director of Community Services, Financial Services, Golf Course Superintendent & Golf Course Advisory Committee.
- Participates in the Annual Budget preparation for the Golf Course.
- Meets regularly with the Director of Community Services and Golf Course Superintendent regarding operational and maintenance requirements and communication to the users.
- A full list of the services provided under the Agreement are provided within the proposal.

As stated in the proposal it is recognized that Cooke Municipal Golf Course has endured numerous challenges over the time frame in which Darcy's Golf Shop has worked with the City under the Golf Course Management Agreement. These challenges include Plow Winds, Turf Damage, City Water Crisis, Vandalism, Renovation Disruption, Power Outages, Tent Caterpillar Infestation, Drought, Flooding, Shortened Seasons and now COVID-19. Through each of these examples Mr. Myers and the staff have proven to be solution driven in conjunction with the Director of Community Services and Golf Course Superintendent. As a result of this team approach the Golf Course has remained financially stable and a popular destination. Mr. Myers' commitment to Prince Albert serves as a valuable asset to the Department, Cooke Municipal Golf Course and the City of Prince Albert.

CONSULTATIONS:

An important factor for the facilities operated under the Community Services Department is the attention to Customer Service. Over the term of the previous agreement the Department has received many points of positive feedback from the users of the golf course regarding the quality service of the staff.

The City Solicitor was also consulted in the development of the Golf Course Management Agreement.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

Upon approval of the recommendations at the September 28th Executive Committee meeting final approval will be requested at the October 13th City Council meeting.

FINANCIAL IMPLICATIONS:

The Financial Implications of the new Golf Course Management Agreement are as follows:

- Annual Management Fee in the amount of \$65,000 with a negotiated 1% annual increase.
- Annual Wage Subsidy in the amount of \$40,000 with a negotiated 1% annual increase. This budgeted amount is fully directed toward Marshalling Services at the Golf Course.
- 8.5% Commission on all Season Passes, Green Fees & Punch Card Revenues. This represents a 0.5% increase from the previous term for a total projected amount of \$60,520 in 2021.
- 10% Commission on all Power Cart & Trail Fee revenues. This represents 0% increase for a total projected amount of \$18,400 in 2021.
- 10% Commission on all Sponsorship revenues. This represents a 0% increase for a total projected amount of \$7,500 in 2021.
- DGS Ltd. will retain all profit/loss of Pro Shop, Merchandise and Driving Range operations.

The 2019 Season represents the last full season where the Golf Course experienced minimal disruption. For comparison purposes, the total payment to DGS Ltd, was \$184,121.94. Upon approval of the proposal as outlined in this report the annual amount for the 2021 season is projected to be \$191,420. This will allow for the level of service to be maintained over the next three year term. The Agreement is structured in a way where DGS Ltd. shares in the financial success and challenges with the City of Prince Albert and provides incentives for the company to drive further revenue potential.

OTHER CONSIDERATIONS/IMPLICATIONS:

There are no further options for consideration or any policy or privacy implications.

STRATEGIC PLAN:

Proceeding with the terms and conditions of a Golf Course Management Agreement aligns with the goals of Fiscal Management & Accountability and an Active & Caring Community as outlined in the City's Strategic Plan.

OFFICIAL COMMUNITY PLAN:

The operation of Cooke Municipal Golf Course aligns with Section 9.2 – Parks & Recreation Facilities as outlined in the Official Community Plan.

PUBLIC NOTICE:

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

PRESENTATION: Verbal – Jody Boulet, Director of Community Services

ATTACHMENTS:

1. Golf Course Management Agreement
2. Proposal Submitted by Darcy's Golf Shop Ltd.

Written by: Jody Boulet, Director of Community Services

Approved by: City Manager