

May 20, 1998

SUBJECT: FOOD SERVICES AT GOLF COURSE CLUBHOUSES - CONSULTANT'S REPORT

**RECOMMENDATION:**

***THAT the recommendations in the Golf Course Clubhouse Food Services Report undertaken by Pannell Kerr Forster Consulting Inc. be acted upon as follows:***

- 1. THAT the Board approve the recommendations to change the management structure(4), to modernize point of sales and accounting methods(5), and to improve the marketing of the clubhouses(6).***
- 2. THAT the Board approve the recommendation of limited tournament play at all three courses with the guidelines to be approved by the General Manager(3).***
- 3. THAT the Board not approve at this time the recommendations to seek applications for Class 'A' liquor licences(1), to collect green fees through the pro shops (2) and to significantly reduce the hours of operation (7) for reasons outlined in this report.***

BACKGROUND

On September 19, 1996 staff recommended that the Board award a three year contract to Beaver Foods Ltd for the operation of the three Golf Course Clubhouses, including the collection of green fees, for the period of December 1, 1996 to November 30, 1999.

CUPE local 15 presented a brief at this meeting which detailed their opposition to the Board contracting out food services at the golf course clubhouses. The delegation advised the Board that this move would cause the loss of jobs and the quality of service would be affected.

Board members discussed the report and the item was referred to the Income Operations Committee. At the committee meeting of October 7, 1996 the Board accepted a union proposal to retain a consultant on a cost-share basis to review the clubhouse foodservice operations.

DISCUSSION

A team consisting of Park Board management and CUPE 15 officials was formed to compile terms of reference and ask for proposals in

order to carry out this project. Seven proposals were received and following interviews with a shortlist of three companies in April 1997 it was decided to award the contract to Pannell Kerr Forster Consulting Inc. CUPE 15 contributed \$12,000 towards the fixed price of \$28,3000 + G.S.T.

Following the award of the contract on June 2<sup>nd</sup> Pannell met with management, CUPE 15 employees and golfers at both Langara and McCleery Golf Courses. (Fraserview was closed in 1997) A draft report was submitted in September and a final report in late December, 1997.

An executive summary from the report is attached as Appendix 'A' with comments from staff as follows:

#### **4. Applications for an 'A' liquor license.**

At present there is a 'B' dining room license for each clubhouse. This license requires patrons to purchase a meal with their drinks. The Liquor Control and Licensing Branch have attempted to define a meal as selections from a menu that consist of more than one food group, such as a protein, a vegetable and a carbohydrate. They give an example that a small order of nachos split between four large people is a token food item purchased for the sole purpose of obtaining liquor service. In the same surroundings, a large order of nachos "supreme" split between two average-sized people could be substantial enough to be considered a meal.

An 'A' license permits patrons to consume alcoholic beverages without having to purchase food.

In the early stages of the planning process for the golf course renovations the Board on July 22, 1992 approved a staff report recommending the application of a class 'A' liquor license for the new Langara Clubhouse that was to open in 1994.

The application was considered on December 3, 1992 by the Vancouver Liquor Licensing Commission to see if the application would proceed to the stage of a neighborhood referendum. In excess of 60 people attended this meeting and 10 delegations spoke, all of whom were opposed to the application. One of the speakers had a petition signed by 113 people who were opposed on the basis of problems that would impact the neighborhood, such as more traffic, more noise and alcohol available to college students.

The Liquor Commission voted 3-1 to oppose the application. Because there was one vote in favor, the item could have proceeded to Council and then a neighborhood referendum which would have cost

approximately \$15,000. A sixty per cent referendum vote would be required to bring the application back to Council for their vote. In view of the above, staff concluded that the application had little chance of success and it was withdrawn at that time.

There are many issues apart from neighborhood approval that need addressing with a class 'A' license application.

- ▶ Separation of areas to accommodate people under 19 years of age. This would need significant changes to the layout of McCleery Clubhouse and moderate changes at the other two clubhouses.
- ▶ The acceptance by regular golfers that drinking alcoholic beverages could have a higher profile in the clubhouses.
- ▶ Increased security and stock control for bottles of hard liquor.
- ▶ Increased storage space and serving/display area.
- ▶ The increased possibility of alcohol-related problems and adherence to the Serving It Right policy.
- ▶ The opinion of staff that the potential increase in sales due to a class 'A' license is not as great as it is believed to be by the consultant.

When taking into account all of the above, it is not recommended to pursue this recommendation.

## **2. Green Fees collected through the Pro Shop**

At present green fees are collected by the cashiers in the clubhouses. The consultant believes that this decreases the ability of our staff to provide service to food and beverage customers. Staff disagree with this recommendation for the following reasons:

- A maximum of four golfers tee off every seven minutes. There are comparatively few occasions that clubhouse staff inconvenience food and beverage patrons by taking money for these green fees. This year staff will be investigating the use of credit card service kiosks, as are now found in many cinemas, which could enable golfers to purchase green fees without waiting for service.
- The layouts of the new clubhouses are such that the pro shops have now been integrated into the same buildings as the coffee

shops, thus minimizing the distance that golfers have to travel from the point of buying their green fee to confirming their starting time in the pro shop.

- When green fees are sold from the coffee shop there is the opportunity for golfers to purchase a drink or snack to take on the course. This is beneficial for the golfer and increases food service sales for the Board.
- At present a portion of the clubhouse staffs' wages is transferred to the golf course to compensate for the work involved in the collection of green fees. Since these staff members would still be required to work in the clubhouses if the green fees were transferred to the pro shops, there would be an increased cost to the Board.
- The policy of selling the green fees in the clubhouses and having them verified in the pro shops is an excellent way of controlling the handling of monies. In the past the City's internal audit department has approved this process as being the best way of carrying out these transactions.

### 3. **Tournament Play**

On May 6, 1996 the Board approved tournament play to the general public at Fraserview Golf Course. The following resolutions were passed:

1. ***THAT the Board authorize small, not for profit, tournaments or group play at Fraserview Golf Course for 1996.***
2. ***THAT play occur at non-peak times to a maximum of two hours tee off time on one day a week, at the discretion of the General Manger.***
3. ***THAT a premium equal to the fee charged to the Golf clubs for advance booking also be charged for tournament play, and added to the adult green fee. (In 1996 the premium was \$3.00 per round) .***
4. ***THAT an additional minimal amount be charged per player for the provision of food and beverages. For 1996 the amount would be \$7.50 redeemable for items from the existing menu or used towards a catered event.***

- 5. THAT at the end season staff report back to the Board on the impact of the tournaments and a recommendation as to whether this new initiative should continue in the future.**

Fraserview Golf Course closed for redevelopment on December 1, 1996 and it was decided not to consider tournaments again until the reopening of the course in July, 1998.

The trial period in 1996 did not produce a significant increase in rounds and only 12 small tournaments were booked. The number of players ranged between 30-50 and green fee revenues were approximately \$16,000. The reasons for this limited play were as follows:

- ▶ Insufficient lead time - the approval for tournaments was received just as the busy golfing season started and most tournament organizers book early in the season to ensure a playing date.
- ▶ Authorized conditions for play were very restrictive and limited the selling opportunities for tournaments.
- ▶ Due to the short trial period no investment in media marketing was undertaken.

The consultant's report recommends that tournaments be allowed at the three courses with a limited policy only after the reopening of Fraserview.

Staff agree with this recommendation and that the Board approve the concept of limited tournaments at the three courses. It is believed, however, that there be some flexibility in the operational guidelines and that the General Manager be authorized to approve changes to the tournament policy subject to changes in market conditions.

Initially it is recommended that tournaments be permitted between the hours of 12.00 noon and 4.00 P.M. on weekdays for up to 15 tee times (60 players) and that a maximum two days per week be permitted per course. The conditions would be reviewed on an annual basis.

#### **4. Management of Clubhouse Operations**

As outlined in the consultant's report the two main issues are the benefits of contracting out the food services function and changing

the Board's management structure.

The contracting out issue is one that could be explored in more detail if the Board decides to look seriously at that option.

The consultant's recommendation that the management of the three clubhouses come under one manager was already implemented in the Spring of 1997 and has resulted in a more efficient operation. The manager has been given a greater involvement in the decision-making process but all major changes to operating procedures are still approved by the Manager of Income Operations.

In the 1998 NNR budget we are providing the clubhouse manager with a computer and modem which amongst other things will greatly improve communications with other Board staff.

## **5. Point of Sales Systems and Accounting Methods**

Since the consultant's report improvements have been made to provide our on-site management with current and pertinent information. Our Supervisor of Food Services sends weekly reports to the clubhouses of labor costs and labor:food sales ratios. In addition, the manager has the ability to calculate food, beverage and liquor costs.

It is hoped that the City's new SAP financial system will address hardware improvements and the need for new cash register/point of sale systems.

## **6. Marketing**

Again, following the receipt of this report marketing improvements have been made at the clubhouses. Specials, tent cards, promotions and new display techniques have all been introduced or expanded. There is a limited budget at present for advertising but the addition of golf tournaments will have a positive effect on promoting food services at the courses.

Off season catering and special events have also been encouraged and advertisements have been placed in the Lower Mainland Banquet Event Guide. Catering is easier to carry out when there is little conflict with the golfers. During the summer months it is often difficult to dedicate space for private functions due to the fact golfers occupy the clubhouse often until 10.00P.M.

The clubhouses have recently been added to the Board's golf web site and combined with many other golf course advertisements.

## **7. Reducing Hours of Operation**

As already stated, it is staff's belief that the collection of green fees should still be carried out by the clubhouse staff. An added benefit of maintaining this function will enable food services to continue to be offered during daylight hours.

It is strongly believed that the availability of food and beverages is essential as a basic level of service that enhances the golfer's total experience at our courses. Having built new clubhouses at a considerable cost it would be a backward step to close them down during marginal times of the year.

We do believe, however, that to reach profitability we must monitor the traffic patterns on a constant basis and reduce staffing levels accordingly in times of adverse weather or playing conditions.

### **JUSTIFICATION**

The consultant's report on the clubhouses is a valuable document and certain recommendations regarding management changes have already been implemented.

Discussions should take place with CUPE 15 on how to implement the recommendations concerning staffing efficiencies, better marketing and employee input on decision-making.

Tournaments should be approved in principle with the General Manager being able to make changes on an annual basis in order to respond to the fluctuating demand for public play on our courses.

The recommendations concerning Class 'A' liquor licences, selling green fees from the pro shops and reducing current hours of operation should not be implemented at this time for the reasons identified in this report.

Prepared by:  
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