



Date: July 15, 1998

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: GOLF COURSE PROFESSIONALS - NEW CONTRACTS

RECOMMENDATION

THAT Muncie Booth be awarded a five year contract at Langara Golf Course effective January 1, 1999.

THAT no legal rights shall arise hereby and none shall arise thereafter until the execution of the contemplated document.

THAT the Board approve the 1999 compensation formula for the three Professionals at Fraserview, Langara and McCleery Golf Courses.

POLICY

Since 1976 the Board has retained class 'A' golf professionals on contract at its three golf courses.

BACKGROUND

On March 23, 1998, after receiving a staff report (Appendix A), the Board passed the following resolutions:

1. THAT Earl Francis' contract at McCleery Golf Course and Driving Range be extended from June 30, 1998 to December 31, 1998 on the same terms and conditions as the existing contract.
2. THAT Muncie Booth be awarded a five year contract at McCleery Golf Course and Driving Range effective January 1, 1999 subject to the compensation formula being to the Board's satisfaction.
3. THAT Earl Francis be awarded a five and a half year contract at Fraserview Golf Course and Driving Range effective July 1, 1998 subject to the compensation formula being to the Board's satisfaction.

4. THAT Earl Francis and Muncie Booth submit proposals for the Provision of Golf Services at Langara Golf Course for five years effective January 1, 1999 based on criteria approved by the General Manager.

DISCUSSION

Langara Golf Professional

A formal Request For Proposals (RFP) was sent to both Earl Francis and Muncie Booth for the position of Golf Professional at Langara Golf Course. Both applicants met all the conditions in the RFP and the deciding factor in the recommendation to the Board is strictly financial. The professionals were asked to submit a gross retainer bid that would enable them to carry out the duties outlined in the RFP. The two bids were as follows:

Muncie Booth	\$48,000 per annum
Earl Francis	\$64,200 per annum

Mr. Booth has been the Professional at Langara since 1992 and has performed at a very satisfactory level during that time. Staff have met with Mr. Francis and explained their reason for recommending Muncie Booth for the position at Langara.

Compensation for Professional Services for 1999

The retainer (compensation) is based on an amount for supervising and staffing the reservation and starting of golfers and giving out information to the general public either by telephone or in person at the course. Deducted from the retainer is a fair market rent for the use of the pro shop and a golf cart rental fee of \$12,000 or 15% of gross revenue, whichever is greater. The City's Real Estate Division last carried out a rent review in 1996 and the amounts have been increased for 1999.

The professionals also benefit from the sale of merchandise and clothing from the pro shop, club and hand cart rentals, repairs and lessons.

The retainers that are recommended for all three courses for 1999 are attached as Appendix "B". During the five year term staff will review the retainers on an annual basis and adjustments will be made that reflect either inflationary increases or changes in future market conditions.

The benefit of having one professional manage two golf course pro shops will save the Board

approximately \$100,000 over the term of the five year contract.

Driving Range Compensation

The professionals with driving ranges at their courses receive a percentage of gross revenue for managing the facility. Before Fraserview closed for renovations the professional, Earl Francis, received 50% of the gross revenue. He was responsible for all equipment, balls, mats and staff to operate the range. The Board's only responsibilities were to maintain the structure and range area.

When the new McCleery Driving Range opened in 1997 the Board provided the ball dispenser and washer, baskets and mats. Mr Francis operated the range and utilized his ball picker and vehicle from Fraserview (which was closed for renovations). Since the Board undertook more of the operating costs Mr Francis received 38% of the gross revenue.

Effective January 1, 1999 Mr Booth will be operating the McCleery range and will be responsible for the same operating costs as Mr Francis at Fraserview. After reviewing projected revenues at both facilities it is recommended that the compensation for each professional be 50% of gross revenue for 1999. Similar to the pro shop operations, staff will review the driving range compensation on an annual basis and make adjustments if necessary to ensure the Board and the professionals are getting a fair return in the partnership.

SUMMARY

The recommendation of Muncie Booth as Head Professional at Langara is based on the best price offered to the Board for carrying out the specified duties on the course.

The retainers outlined in this report reflect market conditions in the industry and are believed to be both fair and reasonable.

The driving range compensation acknowledges the financial participation of the professionals and provides an equitable return for both parties.

Prepared by:

Administrative & Revenue Services Division
Board of Parks & Recreation
Vancouver, BC
PJ

APPENDIX "B"

GOLF COURSE PROFESSIONAL RETAINERS

	<u>Existing</u>	<u>1999</u>
LANGARA		
Gross Retainer	\$69,775	\$48,000
Less:		
Pro Shop Rent	\$18,292 (1335 sq ft @ \$13.50)	\$18,690 (1335 sq ft @ \$14.00)
Power Cart Rental Fee*	<u>\$12,000</u>	<u>\$12,000</u>
Net Retainer	\$39,483	\$17,310
 McCLEERY		
Gross Retainer	\$69,775	\$71,500
Less:		
Pro Shop Rent	\$16,915 (1253 sq ft @ \$13.50)	\$17,542 (1253 sq ft @ \$14.00)
Power Cart Rental Fee*	<u>\$12,000</u>	<u>\$12,000</u>
Net Retainer	\$40,860	\$41,958
 FRASERVIEW		
Gross Retainer	\$69,775	\$71,500
Less:		
Pro Shop Rent	\$17,320 (1283 sq ft @ \$13.50)	\$17,962
Power Cart Rental Fee*	<u>\$12,000</u>	<u>\$12,000</u>
Net Retainer	\$40,455	\$41,538

* Rental fee is \$12,000 or 15% of gross revenues, whichever is greater.