



**CITY OF HAMILTON**  
**HEALTHY AND SAFE COMMUNITIES DEPARTMENT**  
**Recreation Division**  
**and**  
**PUBLIC WORKS DEPARTMENT**  
**Energy, Fleet and Facilities Management Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	March 20, 2019
<b>SUBJECT/REPORT NO:</b>	Transition of Golf Operations and Services to the Recreation Division (HSC19007/PW19021) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Steve Sevor (905) 546-2424 Ext. 4645 Rob Gatto (905) 546-2424 Ext. 5448
<b>SUBMITTED BY:</b>  <b>SIGNATURE:</b>	Chris Herstek Director, Recreation Division Healthy and Safe Communities Department
<b>SUBMITTED BY:</b>  <b>SIGNATURE:</b>	Rom D'Angelo, C.E.T.; CFM Director, Energy, Fleet and Facilities Management Public Works Department

**RECOMMENDATION(S)**

- (a) That the City Manager be authorized to transfer the resources (28.18 FTE) of the Golf Operations and Golf Services units of the Energy, Fleet and Facilities Management Division of the Public Works Department to the Recreation Division of the Healthy and Safe Communities Department, effective April 1, 2019; and,
- (b) That the Net Levy Base funding in the amount of \$86,540 be transferred from the Golf Operations and Golf Services units of the Energy, Fleet and Facilities Management Division of the Public Works Department to the Recreation Division of the Healthy and Safe Communities Department, effective April 1, 2019.

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## **EXECUTIVE SUMMARY**

In consultation with senior leadership, the General Managers of the Public Works and the Healthy and Safe Communities Department have identified operational opportunities within program areas that would better align service delivery. The General Managers suggest that Golf Operations and Services, currently housed in the EFFM Division, would be more appropriately delivered in the Recreation Division of Healthy and Safe Communities.

The recommended change is reflective of efforts to review organizational structure within each division and analyse workforce efficiency as they pertain to our ability to deliver quality, efficient services.

### **Alternatives for Consideration – Page 4**

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** The Net Levy Base funding for 2019 in the amount of \$86,540 will be transferred from the EFFM Division to the Recreation Division.

The redistribution of services from Public Works to Recreation would not result in a measurable change or significant impact on budget. The 2018 operational expenditures of the golf facilities were reported at \$3,002,080 for which approximately \$1,414,640 represented expenditures related to Chedoke Golf Course and \$1,587,440 was attributed to King's Forest Golf Course.

The golf course operation is intended to be self-sustaining and is mandated to cover all direct operating expenses and capital development through revenues generated. As of Year-end December 31, 2018, the Golf Improvement Reserve account #104060 was recorded at a zero balance.

Unfortunately, in recent years the revenues have not been keeping on track with the cost of running and operating the golf courses. There are a number of attributing factors, from weather related situations to a declining golf market that has an oversupply of golf courses, and the fact that Millennials are not picking up the game at the rate that Boomers are aging out of it. Today's players have a variety of choices that is far more affordable with last minute green fee 'sell-offs' which translates to less commitment to annual memberships. As it relates to course fees, staff in Public Works recently completed a market research study on green fees; all three courses are competitively priced when compared to their relative competition. In the 2019 operating budget submission, staff have maintained competitive pricing for 2019 and have not proposed any changes to those fees that would result in the ability to generate increased revenue.

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Operational budgets that were submitted will remain relatively unchanged; however, department identification (Dept. ID) numbers will be assumed by the Recreation Division and will be represented in the total Recreation levy.

**Staffing:** Golf Operations' and Golf Services' full complements will be realigned to the Healthy and Safe Communities Department. A total of 28.18 FTE will be transferred from Public Works Energy, Fleet and Facilities Management (EFFM) Division over to Healthy & Safe Communities Recreation Division. Except for management positions, there are no material changes to staffing. Present staff in Golf Operations and Services will report to an existing manager within the Recreation Division while the manager in Public Works will have a redistributed portfolio within the Public Works Department.

**Legal:** There are no legal implications associated with the transfer of Golf Operations and Services from EFFM Division to the Recreation Division.

## **HISTORICAL BACKGROUND**

The City of Hamilton owns and operates two golf facilities comprising of three 18-hole public golf courses: the Beddoe and Martin Course, located at the Chedoke Golf Club and the King's Forest Course located at King's Forest Golf Club.

Formerly known as the Chedoke Civic Golf Club, in 1924 the City of Hamilton purchased the land from the Hamilton Golf and Country Club who first opened play on the course in 1896. The courses Martin and Beddoe were named after the first and second respective club presidents. King's Forests Golf Course first opened for play in 1973 and continues to be ranked one of the top 100 premier golf facilities in Canada. The course has hosted several tournaments including the Canadian Open qualifier in 2012.

Golf Operations and Services were previously housed within the former Community and Emergency Services Department and were moved to the Public Works Department in 2013 as a result of a reorganization within the Public Works Department.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The recommendation to transition golf from EFFM to Recreation satisfies the following corporate policy directives:

- Budget Control Policy (Policy No: CBP -2);
- Budget Complement Control (Policy No: CBP – 1);
- Organization Restructuring (Policy No: HR-54-12) and;
- Salary Administration (Policy No: HR-23-09).

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## **RELEVANT CONSULTATION**

Human Resources staff were consulted specifically on staffing impacts and the potential impact to the collective agreement and noted that there would be no impact to the collective agreement.

Finance staff provided information on operating budgets and reserve totals and commented on the migration of department identification numbers. Staff noted that there would be very minimal administrative impact on managing the expenditures and budget line items as a result of the transition.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)**

Currently, the Operations and Maintenance Section in the EFFM Division is accountable for maintaining corporate assets (buildings) while the Recreation Division is accountable for programming. This model is employed in several facilities, including arenas, recreation centres, aquatic centres, community halls and park buildings. The current exception to the model is Golf Operations; both the operations/maintenance and golf programming at Chedoke and King's Forest Golf courses are currently delivered by the EFFM Division. The recommendation supports the move towards consistency of service delivery.

Under the proposed transfer of the golf courses to Recreation, EFFM will continue to maintain the capital infrastructure such as the buildings and structures on the sites.

The transfer would create opportunities for efficiencies within the Food Services section of the Recreation Division. More specifically, the synergies amongst the provision of Food Services in arenas during the winter time, align with the outdoor seasonal needs of golf. Management envision efficiencies in sharing staff along the two seasons, ordering supplies, marketing and overall administration. The transfer also provides continuous employment opportunities that will be well received by staff.

From a sport development perspective, there are opportunities to connect skill development and leadership roles that are logically linked with sport development. The grass cutting and greens-keeping related services will continue to be maintained by Golf Operations and not Parks Maintenance as this is a specialized skill set that relates strictly to golf operations.

## **ALTERNATIVES FOR CONSIDERATION**

The alternative would be to transfer the Golf Operations and Services to the Recreation Division once the 5-year extension of the Golf Course Business Plan expires in 2021 as outlined in Report PW15053 submitted to the Public Works Committee on June 15, 2015. If the Golf Operations and Services were to be transferred to the Recreation Division in 2021 that would enable Recreation staff the opportunity to investigate best practices in

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municipal golf course operation within Ontario and have an updated business plan before taking control of the operation.

Transferring Golf Operations and Services to the Recreation Division for the 2019 season would allow for the anticipated efficiencies in the delivery of Food Services to begin immediately and not be delayed by two years.

**Financial:** The Net Levy Base funding would be transferred from the EFFM Division to the Recreation Division.

**Staffing:** Golf Operations' and Golf Services' full complements will be realigned to the Healthy and Safe Communities Department.

**Legal:** Not applicable.

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

**Healthy and Safe Communities**

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

**APPENDICES AND SCHEDULES ATTACHED**

None