



## INFORMATION - COMMUNIQUÉ

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For Immediate Release  
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### **Leasing City-run golf courses to reduce reliance on taxpayers**

*Golf courses losing nearly \$850,000 a year*

**Winnipeg, MB** – The Winnipeg Public Service is recommending that the Alternate Service Delivery (ASD) Committee approve a business plan for the independent operation of four City-owned and operated golf courses that are currently losing nearly \$850,000 annually. The courses include Crescent Drive, Harbour View, Kildonan Park and Windsor Park.

“In an effort to make the best use of taxpayers’ dollars we are offering both the union and the private sector the opportunity to come forward with proposals that will ensure City-owned/run golf courses are no longer being run at the expense of the taxpayer,” said Deputy Mayor and Chair of ASD, Councillor Russ Wyatt. “Currently the City is losing hundreds of thousands of dollars a year in these operations, money that could be better spent on wading pools, splash pads and playgrounds that benefit all Winnipeggers.”

In an Operational Review of Winnipeg Golf Services, the City Auditor noted that offering golf services is increasingly unaffordable, unsustainable and costly to the City. In 2011, losses of \$836,530 contributed to Winnipeg’s Golf Services accumulated deficit of \$7.1 million in this area. These figures do not include the needed capital improvements currently estimated at \$4.6 million.

Entering a ten-year lease (with two five-year renewal options) for the four City-owned golf courses is projected to improve annual net income and capital investment by \$710,000 annually, with the goal of eliminating the deficit.

Having external service providers operate municipal golf courses is not new to the City as eight are already under this type of management.

Leasing City-run golf courses is expected to increase net income and capital investment through revenues from rent, property taxes, business taxes and the reduction in operating costs, resulting in a financial impact greater than \$7.1 million on a 10-year lease.

Operations under an ASD model would allow for greater investment and capital improvements in courses resulting in golfers enjoying improved golf experiences, and value for money.

If its recommendations are approved, the public service would initiate a 45-day process which allows the Union to make a proposal aimed at reducing golf operations reliance on tax dollars.

Under the Modified Managed Competition process, in July 2012, the Canadian Union of Public Employees (CUPE) Local 500 had been offered the opportunity to meet with the public service to discuss changes and improvement to golf services so they don't continue to lose money. This process allows the Union the time to come forward with ideas and suggestions without triggering the 45-day process which is a requirement of the collective agreement. The Union decided not to pursue this opportunity.

Three permanent staff, as well as 48 seasonal staff would be impacted. Through a negotiated collective agreement with the CUPE, permanent, full-time employees are provided employment security. Therefore, no permanent City employees covered by the CUPE/City agreement will lose employment as a result of this initiative. In other words, permanent positions in golf services would be eliminated; however, the individuals who held those positions would be offered alternate positions and redeployed in the public service.

The three permanent staff would be redeployed within the public service, and every effort would be made to employ seasonal staff throughout other departments.

An administrative report on this topic will be considered by the Alternate Service Delivery Committee on February 25, 2013.

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