

NGCOA Canada News

NGCOA Canada Chapter News

BRITISH COLUMBIA

New Members

With the addition of 16 new courses so far in 2001, the British Columbia Chapter now has over 100 members. Our 2001 Chapter goal is to increase membership by 30%. Who's up to the challenge? You could be in line for one of three golf packages for two persons.

BC Membership Drive Competition

Chapter President Don Seable is making the challenge worthwhile for members who sponsor a new member in the 2001 calendar year.

A sponsor ballot will be registered with each new member at the NGCOA Canada national office. Sponsor ballots may be accumulated. Members with three or more ballots will draw for the grand prize - a one-week golfing vacation for two including accommodation, golf and power cart. Members with less than three ballots will draw for two weekend golf packages for two including accommodation, unlimited golf and power cart. Ballots will be drawn and the winners announced at the NGCOA Conference in Scottsdale, Arizona. Don Seable will host the winners at his Fairmont Hot Springs renowned Riverside Golf Resort.

Golfmax Invitational Golf Tournament

Gallagher's Canyon Golf & Country Club in Kelowna will host the 4th Annual Golfmax Invitational tournament on Monday, August 27. Members are encouraged to participate and support this important chapter fundraiser. Tournament details will be posted soon, so mark this date in your social calendar.

June Update on BC Junior Helen Jung

Since returning from the Tiger Woods junior golf clinic in Long Beach, California Helen Jung has continued to improve and has lowered her handicap to an impressive six. Helen has been invited to attend our 2001 Golfmax Invitational Golf Tournament on August 27 at Gallagher's Canyon Golf & Country Club.

BC Executive Directors June Meeting

Arrangements have been made for the Presidents and Executive Directors of the BCGA, BCPGA and the BC Chapter of the NGCOA Canada to attend a 'Stakeholders Meeting' on October 30th in Vancouver.

WCB Update

The steering committee met at the Vancouver Golf Club on Monday June 18th to

review the responses and comments from participating courses prior to final recommendations. Contact our BC office for further details.

For further BC Chapter details, contact John Nick at the BC Chapter office (604) 541-3030 phone or e-mail johnrnick@cs.com.

ALBERTA

Member Meeting

A successful meeting of NGCOA members was held May 22, at The Ranch Golf & Country Club. Over 30 members attended the meeting with special guests Jeff Calderwood and Nathalie Lavallée from Ottawa giving presentations on national programs and the upcoming National Conference and Trade Show. Discussion on energy procurement and future chapter development provided a backdrop to our lunch and golf game.

Special thanks for the hospitality provided by Norm Kachur and Monte Koenig, Director of Golf at The Ranch. Special mention also goes to the staff at The Ranch for setting up a great meeting room coupled with lunch and a fantastic afternoon of golf.

Energy Procurement

Andre Templeman, Energy Consultant, was retained by the Alberta Chapter to look into the procurement of an electrical buying program to assist in the reduction of energy costs for member golf courses. Over the past several months Andre has been reviewing contracts and consumption levels of golf courses to determine our needs and requirements. The review of current contracts was scheduled to be completed by June 28.

Current market conditions in Alberta show a steady decline in prices and this decline will continue through the remainder of 2001 and into 2002. The fall in energy costs has been close to 30 per cent. Andre feels that the market pricing is at or very close to a low and this trend will remain for the next several months. Andre is recommending to our membership that he continue negotiating with EPCOR and that a contract for up to three years be in place prior to the end of July.

The energy procurement issue came out of a business meeting held during the Golfmax demo day in Calgary. We are still asking for NGCOA members to get behind this campaign by signing up with Nathalie Lavallée, Communications Director in our Ottawa office (tel: 613-226-3616) and assisting in deferring the costs of putting the program together.

Chapter Re-alignment

The Northern Alberta Board voted to look into the formation of a single Chapter for Alberta. Discussions are ongoing with the Directors and several member courses to work towards the formation of one Board with member representation

from all regions of the province. This will make it possible to address many issues with support from over 100 member golf courses. During the next several months we will rework the by-laws, institute an equal representation on our Board and provide an outline for growth of our membership.

The Board also endorsed the National re-alignment program for local chapters. This program will provide the opportunity to focus on the regional concerns and work with the National office on key issues. The Board feels that the committee has done a thorough job looking into contentious issues and produced a resolution that will make the NGCOA a stronger National Association.

Chapter Tournament

The Alberta Chapter's Golfmax Tournament will be hosted by Willow Park Golf & Country Club in Calgary on August 30, 2001. We are encouraging all golf course owners to attend. The Edmonton area golf courses are planning to charter a bus to provide transportation to and from the Calgary tournament. This will offer an excellent networking outing for you and your staff. Plan to attend.

For further Northern Alberta Chapter information contact Glen Bosecke by phone (780) 408-8687.

ALL ONTARIO

WSIB - Workers Safety Insurance Board

The WSIB has informed us that they now consider pro shops a mandatory area for inclusion in the WSIB program. Any pro shop that sells 'things', falls under the Retail Stores category and any employee in this area must be registered with the WSIB. The only exceptions include private clubs that accept no outside tournaments or have no public access and Head Professionals. You may recall that last summer they informed us about mandatory registration of food service employees.

Regardless of how long you have been in business, the WSIB is offering to enroll your facility (and presumably add retail sales staff if you are already registered) without prior year assessments or fines & penalties (which can be considerable). If you do not register by year's end (and remit for this year), you will be subject to consequences under the Act.

The WSIB specialist for the golf industry is Nancy Dell'Osso. For further information she can be reached at 1-800-387-0080.

Property Tax

The Property Tax committee under the guidance of Bill MacWilliam, St. Andrew's East Golf Club has made several submissions to various governments committees.

Beaubien Commission to review OPAC (Ontario Property Assessment Commission).

This Commission, appointed by the Ontario Ministry of Finance has made sweeping recommendations to reform the governance of OPAC, the stand-alone, autonomous body responsible for Current Value Assessments. Specifically for golf courses, the tax committee has recommended that OPAC meet with the industry to review their new method of valuing golf course properties and in the meantime return to the original assessments for the 2001 tax year until this is resolved. As of May 31, the review period for tax policy changes had expired for 2001 and no legislation had been proposed to enact any of the recommendations. Submissions were also made to York, Durham, Peel and Halton regional councils and to a senior Toronto City Councillor to request assistance by asking the Province for tools to mitigate the impact of increased Property Taxes. In four out of five cases, we were sympathetically received but no proposals were forwarded to the Province. An additional submission was made to The Standing Committee on Finance and Economic Affairs of the Ministry of Finance on the 2001 Provincial Budget. The Minister has acknowledged receipt of this submission and passed it along to staff and this Committee for review.

The three Ontario Chapters have approved expenditure to develop the database necessary to analyze Current Value Assessments of golf courses throughout the Province. In the meantime we are speculating that some pressure has been passed along to OPAC from the Ministry of Finance. OPAC appears to be increasing their level of cooperation by providing more information and agreeing to the set-up of a pre-hearing on Current Value Assessments with the Assessment Review Board (ARB) before individual appeals will be heard later this year.

SOUTHWESTERN ONTARIO

Municipal Ownership of Golf-Related Business in Ontario

Our lobby group has advanced our position on municipal ownership of golf-related businesses on two fronts. We are seeking legislative re-evaluation at the provincial level, and at the municipal level with respect to re-zoning for the proposed Doon expansion in Kitchener/Cambridge.

Staff of the Ministry of Municipal Affairs invited our delegation from NGCOA (Canada) Ontario

Chapters to meet for the second time on June 18 to hear recommendations for legislative changes that will see private enterprise given first opportunity of involvement in the development of any new golf facility that is identified by public agency. Further to this, it was recommended that any existing municipally-owned golf facility be required to conform to all constraints of private enterprise to ensure fair competition.

On the municipal level, Planning Councillors of the City of Cambridge have deferred a decision on Kitchener's re-zoning request pending assessment from the Ministry of Natural Resources on the Bald Eagle habitat as it is relative to the lands in question and trail routing along the Grand River.

These initiatives have been possible through the hard work of some very committed members and a group of professionals who have objectively represented NGCOA and club owners/operators across Ontario. We continue to solicit local members for their financial support to cover the funding of this project which has been advanced by the Chapter. We would ask you to contact the Chapter office at 905-316-7666 if you can assist with your contribution.

Savannah Golf Links To Host Annual Golfmax Golf Tournament

On October 2, 2001 the NGCOA Canada and the Southwestern Ontario Chapter will hold its Golfmax annual tournament at the beautiful Savannah Golf Links Club in Cambridge, Ontario. The owners of the course and our hosts for the day, Geza Kocsis and John Medeiros have just completed a new clubhouse facility (pictured here) which is state of the art and has a dining room and adjoining deck that offers long distance views over the course. As for the day's events, thanks to a hard working committee and the support of the national office, our members will enjoy many sponsored activities, gaming, a silent auction, cocktail hour, prizes and competitions which, together, promises to make this day our best ever. There will be an early bird sign-up contest and discount rates on nearby overnight accommodations will be available. We hope to see participation from all across the Chapter and so we ask you to mark your calendar now for October 2.

For further Southwestern Ontario chapter details, contact Susan Danio by phone (905) 315-7666 or email susand@golfmax.ca

CENTRAL ONTARIO

Chapter Integration

Plans for integrating the Central Ontario Chapter activities with the National office are being finalized. As mentioned at our spring meeting, this process will be seamless for members. Our Chapter will still address the issues of importance to our region and will be guided by our Board within the National Policy for the common good and united advancement.

Golf Access

Renewal forms for the 2002 edition of Golf Access have been recently mailed out. Any member who wishes to be added to our book, should contact Vince Kishimoto. 2001 has been a banner year for the book with 49 facilities now exclusive to Golf Access. This, along with other member facilities that publish their best offers in our book, makes it the number one value voucher discount book in Central Ontario. The 2002 book, with even more participants, will be

slimmed down by moving the coupons to your pages in the front. We no longer need additional coupons to sell the book. A maximum of six great offers will suffice.

Junior Golf

In addition to having a special section in Golf Access for Junior Coupons and the ongoing efforts to have golf included in the public school curriculum, your Board of Directors for this chapter have approved a fund of \$5,000 to be made available to organizations supporting Junior Golf. If you know of an organization that could benefit from our financial support, please have them get in touch with Sam Young, Shelburne Golf Club, Chairman of the Junior Golf Committee at (519) 925-5581. We will be entertaining submissions and awarding grants to worthy causes.

Ontario Allied Golf Association

The Golf Association of Ontario (GAO) formerly (OGA) hosted our second meeting with stakeholders of the golf industry in Ontario. In addition, superintendents, golf professionals, club managers and all three NGCOA Ontario Chapters were invited to discuss common issues affecting golf and its growth.

Golf Tournament

The Golfmax Golf Tournament will take place on October 10. More details to follow regarding location.

Pace of Play Follow-up

The clubs that participated in the Pace of Play workshop are now in the process of implementing procedures to improve the pace at their course. A full report will follow. If you have any interest in attending another workshop, please let us know.

Kedron Dells awarded prestigious 4 flags under the GreenLinks program.

Congratulations to Bob Brown and all the staff of Kedron Dells Golf Club for being the first club in Ontario this year to earn this honour. During the second year of this three- year program, they have achieved improvements in most of the 150 eco-efficiency practices in all areas of their operation. The efficient use of energy, water and materials in the pro shop, locker room, maintenance and food service operations to complement on course practices has been achieved at the second highest rated level. Of the 28 clubs taking part, no one has yet reached the 5 flag level. This improvement in environmental management demonstrates Kedron Dells' commitment to be a leader in the stewardship of their facility.

For further Central Ontario Chapter information contact Vince Kishimoto by phone (905) 826-6790 or e-mail vincek@ngcoa.ca

EASTERN ONTARIO/OUTAOUAIS

Membership

Our membership has now reached 130 members and is growing at a steady pace.

Golfer's Discount Book

To date, the 2001 sales of the Golfer's Discount Book are \$86,000 with 3,356 units sold. This surpasses the 2001 budget of \$85,000 and 2000 final sales of \$79,700. Books will go on sale for half price as of Aug 1. Preparation for the 2002 Book will start in September for printing in time for Christmas sales.

Online Coupon Service

The Golfmax.ca online coupon service is now fully functional with 20 Eastern Ontario/Outaouais chapter members participating. This service is intended to complement the Golfer's Discount Book as additional promotion.

It should be noted that the online coupon service is available to all NGCOA members regardless of location. For more information, please contact Dennis Conly, Golfmax.ca Managing Director at 613-723-7255 ext. 25 or by e-mail golfmax@golfmax.ca

Ottawa Golf Outaouais Brochure

The ad sales for the 2001 edition of the Ottawa Golf Outaouais Brochure are \$34,176. This surpasses the 2001 budget of \$34,000 and the 2000 ad sales of \$24,525. Approximately 70,000 copies of the brochure have been distributed. Steve Meabry, Account Executive is responsible for the marketing efforts of the brochure.

Ottawa Golf & Travel Show

The 2001 Ottawa Golf & Travel Show was the largest yet with exhibit sales at \$94,200 - up \$11,000 from 2000. Admission sales were \$4,500 slightly down from last year. Both golfers and exhibitors were extremely pleased with the event. Negotiations are in progress for the 2002 Show, which will be held from Mar 15 - 17.

Government Golf Course Policy

The three Ontario NGCOA chapters are working with the provincial government in an effort to establish new guidelines to ensure fair competition and reduced competition from municipal golf courses. The intent is to create an NGCOA Canada Position Statement to extend to all provinces and to cover all government bodies.

Million Dollar Shootout

The "Million Dollar Shootout" which is part of the National Golf Fund is one of the events being held in order to raise funds for charity and golf programs. The Ottawa-wide qualifying event will be held Aug. 11-12 qualifying at about 20 area

golf courses. The "Million Dollar" final will be held Aug. 18 at Eagle Creek during the Eagle Creek Classic, Canadian tour event.

Take-A-Client-To-The-Course-Week

"Take-a-Client-to-the-Course-Week" which is part of the NGCOA's Get Linked - Play Golf marketing strategy took place from June 11-16 at twelve chapter member golf courses. This program is designed to emphasize the value of business people networking on the golf course. The Ottawa Citizen sponsored \$2 per NGCOA \$1 investment in advertising.

Take-Kid-To-The-Course-Week

"Take-a-Kid-to-the-Course-Week" also part of the Get Linked - Play Golf Marketing initiative took place July 2-8 at 21 chapter member golf courses. The emphasis for the "Kids" week is the value of family golf experiences. Again, the Ottawa Citizen sponsored \$2 per NGCOA \$1 investment. Spalding sponsored with free junior clubs and accessories for the grand prize draw.

The chapter sponsored an additional \$10,000 advertising shared between the Client-Week and Kids-Week.

Golf Tournament

The annual NGCOA Canada / Golfmax Invitational golf tournament is scheduled for Sept 18 at the Meadows Golf & Country Club. All members are encouraged to bring a foursome. The tournament accomplishes very effective NGCOA public relations, networking and fundraising for the chapter.

For further Eastern Ontario/ Outaouais Chapter details, contact Bill Brown by phone (819) 459-2980 or e-mail mcgolf@istar.ca

QUEBEC

Membership Drive

Our chapter now has 36 courses and is quickly growing. Following a very successful trip to Abitibi - Témiscamingue, I anticipate another 5 new members from that region. It is truly an "outdoors paradise" with plenty of beautiful golf courses. I would be happy to provide additional information to anyone who is planning a trip to this region.

Anniversary

We wish to congratulate Mr. Michel Landry, general manager of the Joliette Golf Course and his team on the celebration of the course's 50th anniversary.

Telus Open

The 2001 Telus Open will be held from August 6-12, 2001 at NGCOA member Club de Golf Les Quatre Domaines.

Golf Tournament

An NGCOA Golfmax golf tournament for members and non-members is in the

process of being planned for September. Further information on this tournament will be sent directly to the golf courses.

Quebec Liquor Law

The NGCOA Canada and NGCOA Quebec have been lobbying the Quebec Government for legislative changes to allow licensed F&B carts for liquor sales to golfers. The prior NGCOA Canada successes accomplishing similar changes for Ontario and BC golf courses have provided strong support for the Quebec efforts. According to Neil Champagne, Director of Golf at Tremblant, meetings with Quebec officials have been productive and a new liquor permit system is going to be introduced. At this time, 78 Quebec golf courses currently have permits that will allow for a quick transition to the new system. Other courses will need to acquire new permits involving their compliance with relatively strict guidelines.

For further chapter details, Michel Langlois can be reached at (450) 437-6627 or by emailing michel@golfmax.ca

NGCOA ATLANTIC CANADA

Membership

The Atlantic Canada Chapter membership currently stands at 45 members with indications of a steady increase from each of the four Atlantic Provinces. Information packages have and continue to be provided to all non-member facilities which amount to close to 120 potential new member courses. I would like to welcome our three newest members: Seaview Golf & Country Club, North Sydney, NS; Carman Creek Golf Club, Fredericton, NB and Belfast Highland Greens, Belfast, PEI.

The Regional Chapter Advisory Board held its first meeting on June 4 at the Fox Meadow Golf Club in Charlottetown, PEI with the following members present: Harry Simmonds, (Prince Edward Island), George Conrad (Nova Scotia), Alastair Barr (New Brunswick) and David McCafferty (NGCOA Regional Director). Absent was Trevor Morris (Newfoundland). Harry was announced as President of the Chapter Advisory Board and National Board representative for the Atlantic Chapter and Alastair as Secretary-Treasurer. Each of the members gave a brief report on golf in their respective provinces with a final consensus to immediately address the following issues:

1. In cooperation with the National Office, investigate new national and regional programs with Atlantic Canada suppliers.
2. With assistance from the National Office, develop a major media campaign to promote awareness and encourage clubs to join the association.
3. Examine fundraising events to assist in the development of the Chapter.

Reports on the "Million Dollar Shootout" being held on August 11 at the Royal Oaks Golf Club in Moncton, NB; "Golfmax.ca" and the "Golf Business Canada Conference" being held in Toronto were provided. The next meeting to be held in conjunction with the Annual General Meeting and Golf Tournament, is tentatively scheduled for the Granite Springs Golf Club in Halifax, NS, on September 6.

The Atlantic Canada Chapter would like to wish the following NGCOA members all of the best as they officially open for business and encourage visitors in the area to take in these new facilities:

1. **The Lynx at Kingswood Park in Fredericton, NB** is an 18-hole Signature Golf Course designed by Graham Cooke/Darrell Huxham International and was scheduled to open on July 1. Already being rated as a five star facility, this course offers five large bentgrass tees on each hole, bentgrass fairways and large undulating greens. The signature hole has a rock wall running the last 150 yards of the fairway and around the back of the green with a 30-foot waterfall running down the rock wall. Future development calls for a 9-hole executive course, multi functional clubhouse, full practice facility and golf academy.
2. **The Glasgow Hills Resort and Golf Club located in New Glasgow, Prince Edward Island** was to open July 20. This 18-hole championship course is a design of Les Furber who owns the distinction of having designed 9 of the top 100 golf courses in Canada and first impressions suggest that this could be number 10. Information on this facility can be obtained via their web site at www.glasgowhills.com .

For further Atlantic Canada Chapter details, contact David McCafferty by phone (506) 451-6201 or e-mail davidm@ngcoa.ca

NGCOA USA NEWS

IRS Depreciation Issue

The NGCOA USA with the assistance of KPMG, LLP, is making significant progress towards resolving the issue of allowing depreciation of tees, greens and sand bunkers with the Internal Revenue Service.

Three positive developments have occurred since the first of the year: The IRS issued internal guidance to local and regional IRS personnel that is intended to temporarily suspend current audit activity as it relates to the depreciation of greens, tees and sand bunkers in certain cases.

Through the efforts of KPMG, LLP, this issue has been entered into the IRS Chief Counsel's 2001 Work Plan, which means that an attorney has been

assigned to the depreciation issue. Inclusion on the work plan means it is likely that the issue will be resolved by the end of this year, but it requires that the issue be resolved no later than the end of 2002.

The depreciation issue is one of seven issues selected for the IRS Industry Issue Resolution pilot program. The IIR process is aimed at establishing a consistent IRS position on industry issues. "Taken together, these three developments indicate that we are well on our way to seeing a resolution to the depreciation issue," said Mike Hughes, NGCOA Executive Director. "With the expertise provided by KPMG and the support of many NGCOA members, we have made great progress towards achieving our goal of changing the tax code to allow for the depreciation of tees, greens and sand bunkers. This will have a strong, positive impact on all golf courses' operating results."

Every for-profit golf course owner in the US will benefit by substantiating depreciation deductions already taken, or will be allowed to realize depreciation deductions not yet claimed. KPMG, LLP estimates, on average, greens, tees and sand bunkers typically constitute approximately 30 percent or more than \$1 million of the cost of a golf course built with modern construction techniques. Therefore, the potential tax benefit (solely related to depreciation deductions) is equal to \$400,000 per modern course - assuming a combined federal and state income tax rate of 40 percent.

Annual Ngcoa US Conference And Trade Show

MARK YOUR CALENDARS! The next NGCOA US Conference & Trade Show will be held in Phoenix, Arizona from January 19-23, 2002 at the Hyatt Regency Phoenix.

Canadian attendees will be offered a \$50 US discounted conference registration fee to help ease the exchange rate.

Preliminary Schedule:

19 January - Family Business Workshop with Dr. Nancy Upton, Baylor University Institute for Family Business

20 January - Golf Outing - Talking Stick Golf Course

21-23 January - Educational Sessions and Trade Show

Schedule includes the popular Idea Fair and expanded Problem Busters.

An optional outing is available to tour Taliesin West, Frank Lloyd Wright's winter home, studio, and architectural laboratory from 1937 until his death in 1959. Don't miss this wonderful networking and educational opportunity.

Pace Of Play Manual

In response to requests for information on how to handle one of the most pervasive problems faced by golf course owners and operators, the NGCOA USA has published a manual on pace of play. Written by Bill Yates of Pace Manager Systems, Pace of Play focuses on the causes of slow play and on

various solutions that can be implemented by owners. There is also a product listing which includes companies that provide products and services designed to improve the pace of play on golf courses. The manual can be purchased on-line at www.ngcoa.org, the NGCOA USA's official website or by calling 800-933-4262 ext. 200.

Electricity Competition in Ontario

Don't let electricity costs be a handicap at your golf course

The stage has been set for competition in Ontario's electricity sector and by May of 2002, all users of electricity in Ontario will face a new, competitive landscape. Success will come to those who understand and prepare for the new market realities, proactively managing energy and the risks of electricity procurement in the open market.

The Way Things Were

The electricity industry in Ontario has been operated as a monopoly for almost a century. Effectively, power flowed from generator to consumer and through the electricity meter. Money flowed from consumer to generator. The companies owning the wires earned their share by providing the transmission and distribution infrastructure and billing services. All parties were tax exempt and not-for-profit companies.

The New Market Structure

In 1998 the Government of Ontario passed the Energy Competition Act. It sets the stage for the move from a monopoly to a competitive (de-regulated) electricity marketplace where the transmission and distribution systems will remain under regulatory control but generation and the sale (retailing) of electricity will become competitive activities. Customers must now choose how they buy power, similar to the way they buy long distance services. Shopping around for hydro will soon become normal practice.

For each dollar of an electricity bill, \$0.35 will go to the monopoly transportation and administrative costs of delivering energy, and the balance of \$0.65, about two thirds, will represent the energy portion of your electricity bill.

It is the energy portion that will be subject to market forces of supply and demand and spot market pricing. Implications for a typical golf course in Ontario Electricity rates have and will continue to go up. All the companies that are involved in the supply of electricity have been restructured into business corporations that now pay taxes and provide a return to their shareholders. Golf course owners are going to have to budget for higher bills. By 2002 these increases could add up to 30% above amounts paid in 1999! This could mean an increase of \$30,000 for a customer that spends \$100,000 on electricity annually.

Customers who do nothing will be charged for electricity based on a price set in an hourly spot market. This means uncertainty in monthly and annual bills. Natural gas prices last year went through the roof. Both residential and business customers without gas supply contracts saw their gas bills more than double from the year before. This obviously makes budgeting and planning difficult. This dramatic increase was one reason why some Energy Services Companies started offering customers fixed price contracts for natural gas.

There is an analogy in buying energy with mortgage rates, you can go with a variable interest rate or you can lock in for a fixed number of years. The main difference is that energy markets, particularly electricity, are much more volatile than interest rate fluctuations. There are a number of electricity retailers approaching customers offering fixed rate contracts for varying terms. The market will be open by May 2002 so you have time to prepare.

The NGCOA Canada's Role

Consistent with the NGCOA Canada's strategies through the Golfmax Group Purchasing Program, the Association is currently researching a preferred supplier agreement with a retailer for both electricity and natural gas that would include preferred pricing for NGCOA members.

Recommended 'Next Steps' if you choose to establish your own program

1. Educate yourself about the new marketplace.
2. Identify an energy management partner to help gather and analyze your energy information.
3. Develop a purchasing strategy with your partner based on your actual electricity usage.
4. Proactively manage energy consumption to identify opportunities for improved efficiencies.

In short, make a proactive and informed choice. For more information visit www.oeb.gov.on.ca or contact Peter Leyser, NGCOA Canada by phone at (613) 226-3616 or email peter@golfmax.ca.

The Alberta Example

Competition was introduced in Alberta's electricity industry last year with serious problems. The main reason for escalating prices was a shortage of electricity supply in the Province coupled strong economic growth and electricity demand.

Customers were inadequately informed of their options and many did not sign up to fixed price contracts prior to market opening. New supplies of power are now being built which should reduce the current high prices.

NGCOA Alberta members have taken a proactive step and hired Andre Templeman, Energy Consultant, to research an NGCOA Alberta electricity and natural gas Group Purchasing Program. The courses have pooled finances and Mr. Templeman has completed a usage profile on the courses, including total volumes, placed a Request For Proposal to potential suppliers in the market and is currently evaluating those proposals for recommendation.

Appreciating Depreciation

Canada Customs and Revenue Agency (CCRA - formerly Revenue Canada), is in the process of rewriting how it interprets some of the tax laws relating to the construction and/or renovation of golf courses. Until now, golf course owners were not allowed to depreciate or write off land on which it built or renovated the golf course. It appears there will now be changes to those rules.

The golf industry can thank their colleagues in the ski business. In a 1999 tax case heard by the Federal Court of Appeal, a ski resort owner was successful in getting tax benefits by way of depreciation allowances. The ruling may impact positively for those who own or operate golf courses.

As a result of the case, CCRA released in June a "Technical News" bulletin outlining some changes in the way they interpret the tax rules. The change will treat the construction of course staples such as tees, greens and fairways as "surface construction". This is significant because these costs will now be written off over time similar to other capital assets.

This would operate much like, for example, a parking lot where the original cost of the land can not be written off but the cost to resurface it can be depreciated under Class 17 of the Capital Cost Allowance rules at eight per cent per year on a declining balance basis.

Consider the impact this could have on a \$100,000 renovation of greens and tees at your golf course. In the past these costs were added to the value of the land. Now you will be able to deduct a portion of these costs each year as depreciation. The amounts would vary each year. For example, in the first year, you could deduct from income \$4,000 (one half of the normal amount). In year two, you could deduct eight per cent of the remaining balance, or \$7,680 and so on. Eventually, you could deduct the entire cost of your construction or renovation. This could have a significant impact on cost projections for planned construction.

Generally, changes to the tax rules are done on a prospective basis, meaning they only become applicable after the date they are announced. In this case the change was announced June 14, 2001, but does not follow the usual procedures.

This is due to the fact that there is no change in the actual tax laws but rather a change in the way CCRA interprets them. Some might suggest that this means the previous interpretation was incorrect. As a result, there may be ways to amend prior years or to take advantage of previous construction by moving old costs into Class 17 and depreciating in the future. CCRA may provide additional information on this issue in the near future. Regardless, you should seek clarification from your tax advisor as to the proper tax treatment of these costs.

This issue has been a thorn in the side of many golf course owners for some time in both Canada and the United States. The NGCOA USA is currently in negotiations with the IRS for similar tax fairness clarifications for American golf courses.

Although some golf courses marry their summertime operations with ski resort operations throughout the long, harsh winter months, many would consider the two sports to be quite disparate entities. Interesting that the precedent set by a ski resort in Canada had significant influence on the outcome for our golf industry.

For those interested in further reading on this case, reference *Her Majesty The Queen v. Mont-Sutton Inc.* (99 DTC 5733, [2000] 1 CTC 311) heard by the Federal Court of Appeal.

Golfmax Invitational Tournaments Just Around the Corner

This year's Golfmax Invitational Golf Tournaments are approaching quickly and based on the success and growth of the previous events, the 2001 versions promise to be bigger and better. In addition to the five traditional Golfmax Invitational tournaments, new events with a slightly different format will be held in Edmonton, Winnipeg, Montreal and Halifax.

"The tremendous growth in membership of the NGCOA Canada and the establishment this year of four new Chapters has resulted in a very positive need to create these new events within those regions," stated Jeff Calderwood, Executive Director, NGCOA Canada.

As in previous years, a chapter meeting and lunch will precede several of the tournaments. Following golf will be cocktails, dinner, awards and an auction. Sponsorship of the events will once again be courtesy of our Golfmax Group Purchasing Program suppliers. Their presence represents a tremendous opportunity for you and your key staff to learn more about the programs and savings available to NGCOA members.

The golf tournaments also serve as an important funding mechanism in serving the overall mandate of the NGCOA. All proceeds from the tournaments go towards the continued development and growth of the NGCOA at both the chapter and national levels.

Although there will be some prizes available, golf ability is not the emphasis, rather enjoyment on a day of golf with your fellow peers and the networking opportunities, as another season comes to a close.

We hope you can join us for a great day of golf, business and fun.

2001 Golfmax Invitational Golf Tournaments

Date	Chapter	Where	Contact
Aug 27th	British Columbia	Gallagher's Canyon Golf & Country Club, Kelowna	John Nick (604) 541-3030
Aug 30th	Alberta	Willow Park Golf & Country Club, Calgary	Peter Leyser (613) 226-3616
Sept 6th	Atlantic Canada	Granite Springs Golf Club, Halifax, NS	David McCafferty (506) 451-6201
Sept. 18th	Eastern Ontario/Outaouais	Meadows Golf & Country Club, Gloucester, ON	Peter Leyser (613) 226-3616
Sept 20th	Quebec	Club de Golf les Quatre Domaines, Mirabel	Michel Langlois (450) 437-6627
Oct. 2nd	Southwestern Ontario	Savannah Golf Links, Cambridge	Susan Danio (905) 315-7666
Oct. 10th	Central Ontario	Glen Eagles Golf Club, Bolton	Vince Kishimoto (905) 826-6790
NOTE: Edmonton & Winnipeg TBA			

Golf Supply House becomes newest Golfmax Supplier

The NGCOA Canada is pleased to announce the addition of Golf Supply House as a preferred supplier to the Golfmax Group Purchasing Program.

Golf Supply House is a Canadian wholesale distribution house located in Calgary, Alberta. Their product line includes pro shop accessories, range equipment and supplies, golf course accessories and tournament prizes.

"We are very pleased to be working with Golf Supply House, providing our members with a program through a company that has such a long standing tradition in the western Canadian golf marketplace," stated Peter Leyser, Marketing Director, NGCOA Canada. "The addition of a Western Canada- based supplier is one in a series of additions to ensure all regions across Canada are properly served through the NGCOA Canada's Golfmax program.

"We are excited about the opportunity to partner with the NGCOA Canada," stated Craig Moody, General Manager, Golf Supply House. "As a Golfmax supplier, Golf Supply House is confident that this new relationship will be rewarding to all parties involved."

For more information on the Golf Supply House program, please contact Craig Moody at (800) 661-1873.

Newfoundland youth to attend Tiger Woods Golf Clinic

The NGCOA Canada, Coca-Cola, and Ontrak Purchasing & Consulting Services and are pleased to announce another child has been chosen to attend an upcoming Tiger Woods Foundation Clinic.

Sixteen year-old Justin Butt, is from Bonavista, Newfoundland and practices in a makeshift driving range he shares with grazing goats. Paul Kelly, Golf Professional with Terra Nova Golf Resort who has followed Justin's game since he was twelve noted, "every Sunday, Justin plays at the nearest course two hours away. With no public transportation he catches a ride any way he can."

Despite a severe accident a few years ago that required him to miss a full season of golf, and left him with numerous screws in his elbow and arm, Justin has established a 4 handicap and earned a medal at the 2000 Provincial Summer Games, all with an entry level set of clubs.

Justin was chosen based on criteria supporting the mandate of the Tiger Woods Foundation and will attend the upcoming clinic in Columbus, Ohio at the end of July. Applications were received from NGCOA Canada member courses that recommended exceptional juniors playing at their course. The NGCOA Canada is very proud to be sending Justin to the event and of all the applicants who have shown exceptional interest in the game.

The Tiger Woods Foundation, Inc. was founded in December 1996. The Foundation embodies the principles of prompting parental involvement and the difference it can make in the lives of children, the message that communities value inner city youth, and provide opportunities to introduce families to the game of golf and the life lessons it teaches. Each year the Tiger Woods Foundation hosts four clinics across North America affirming their message.

Yamaha Golf Car Sales and NGCOA Member Rebates on Record Pace

Yamaha golf car sales for the first quarter of this year provided over \$22,000 in NGCOA rebates. "Based on these numbers for the first quarter, the Yamaha program is on course to shatter last years mark for total golf car sales and rebates to NGCOA members," said Peter Leyser, Marketing Director, NGCOA Canada. "In addition to the member rebates, Yamaha continues to demonstrate outstanding support of all the Association's initiatives this year."

Yamaha Golf Car Company is the producer of the Ultima Golf Car, the golf industry's benchmark electric and gas-powered golf cars. Yamaha's leadership in advanced engineering, production and marketing of high quality powersports products has helped its golf cars earn a reputation as the most durable and low-maintenance in the industry.

For more information regarding the Yamaha/NGCOA golf car program, please contact your local dealer.