

*An Operational Analyses of  
The Captains Golf Course  
Brewster, Massachusetts*



**Presented By  
The Golf CONSULTING GROUP, LLC**

**Presented To  
Town of Brewster**

**Date  
January 13, 2012**

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Members of Brewster Golf Committee  
c/o The Captains Golf Course  
1000 Freeman Way  
Brewster, Massachusetts

Re: Comprehensive Operational Analysis of The Captains Golf Course  
Brewster, Massachusetts

Town of Brewster:

Per your request, we have completed a comprehensive operational analysis of The Captains Golf Course (CGC, subject). The scope of our work consisted of a physical inspection of Captains, an inspection of the local golf market, and interviews with on-site management, members of the Golf Commission, and a survey of area residents.

Our scope also included a golf pricing and volume survey of competitive mid- to upper-tier daily fee golf clubs located on Cape Cod, and beyond, as well as upper-tier competitive clubs in areas off-Cape.

After researching the existing supply of golf courses, GCG interviewed planning departments, developers, and golf course managers throughout the area, to gather information regarding proposed golf courses that may affect the rounds, and green fee matrix for the golf course.

In addition to the market analysis, we reviewed and analyzed the historical and budgeted operating statements for the club and compared them to the income and expenses of comparable daily fee facilities in the region. Other aspects of this operational analysis included an evaluation of the agronomic program at the property, the current marketing campaign, merchandising, and food and beverage lease/opportunities.

The following report provides an evaluation of Cape Cod's mid- and high-end daily fee golf market and an operational analysis of The Captains Golf Course. The report will outline our recommendations regarding changes in policies and procedures.

The opportunity to assist you in this operational analysis is greatly appreciated. If you have any questions, please call us at (614) 486-8992.

Respectfully submitted,

**THE GOLF CONSULTING GROUP, LLC**

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## EXECUTIVE SUMMARY

### PROPERTY OVERVIEW

<b><i>Name:</i></b>	The Captains Golf Course
<b><i>Property Location:</i></b>	1000 Freeman Way, Brewster, MA
<b><i>Site Area:</i></b>	Approximately 312 acres; 151 acres are maintained
<b><i>Type of Operation:</i></b>	Daily-fee / Semi-private municipal course
<b><i>Golf Course Specifications:</i></b>	

#### ***Port***

Number of Holes:	18
Yardage:	6,724
Par:	72
Course Rating / Slope:	73.5 / 130 – Blue Tees

#### ***Starboard***

Number of Holes:	18
Yardage:	6,776
Par:	72
Course Rating / Slope:	72.6 / 130 – Blue Tees

<b><i>Other Improvements:</i></b>	<p>In addition to the golf course described above, the facility includes the following improvements:</p> <ul style="list-style-type: none"><li>• A pro-shop / administrative building, and a food and beverage building.</li><li>• A single loaded driving range with a maximum distance of about 300-yards.</li><li>• A practice putting green, and a practice bunker and chipping green.</li><li>• A maintenance facility that includes a maintenance building, satellite maintenance storage building, cart storage facility, chemical storage building, and a surrounding service yard area.</li><li>• On-course comfort stations</li></ul>
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# INTRODUCTION

## Scope of the Assignment

As part of this assignment, the consultants made a number of independent investigations and analyses. The investigations undertaken and the major data sources used include the following:

***Market Analysis*** – We conducted interviews with general managers and golf personnel at competitive golf courses and country clubs to uncover trends within the Cape Cod region, and southeastern Massachusetts golf markets.

***Operation Analysis*** – Meetings were held at The Captains Golf Course with key personnel, consisting of Mr. Mark O’Brien – General Manager and Mr. Steve Mann, Golf Course Superintendent, and members of the Brewster Golf Commission, and members of the Friends of Captains Golf Course committee. Detailed interviews were held that enabled GCG to gather significant insight into the operational structure at The Captains Golf Course. Finally, an inspection of the facilities was performed that included tours of the golf course, clubhouse and pro shop, and maintenance facilities.

***Revenue and Expenses*** – We reviewed and evaluated the financial statements from Fiscal Year End 2007 through FY 2011, and the budget for FY 2012. We were also provided data for 2001 to 2006 fiscal years, and a preliminary budget for FY 2013. In addition, we interviewed the on-site management staff. We also compared the actual and budgeted income and expenses with other comparable municipal (“muni”) course on the Cape, and comparable daily fee golf courses located in the New England region.

## **Assumptions and/or Limiting Conditions**

The following consulting report and the discussion and analyses contained herein is based on estimates, assumptions and other information developed from research of the local markets, knowledge of the golf industry, and interviews with representatives of The Captains Golf Course. These data sources are known to be reliable; however, no responsibility, whether legal or otherwise, is assumed for their accuracy.

This report may contain prospective financial information, estimates or opinions that represent The Golf Consulting Group's view of expectations at a particular point in time. Such information, estimates or opinions are not offered as predications or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular fee structure will be offered or accepted.

Other than The Captains Golf Course, the Town of Brewster and its affiliates, neither the whole nor any part of this consulting report, nor any reference thereto may be included in any document, statement, or circular without GCG's prior written approval of the form and context in which it is to appear. Also the financial analysis provided herein is not to be used or construed as an appraisal, and GCG makes no guarantees to the ability to generate such revenues and net income.

## **Report Format Overview**

The primary function of this analysis is to evaluate the existing improvements (golf course, clubhouse, and ancillary improvements) and current operation of The Captains Golf Course, compare with local market and nationwide golf industry standards, and make recommendations regarding potential improvements. To begin, we will describe, in a concise format, the history, location, and physical characteristics of The Captains Golf Course, followed by an analysis of local and regional demographics. With an understanding of the subject's physical, locational, and population demographic characteristics in hand, we will identify and analyze the primary golf market influencing operations at The Captains Golf Course. Additionally, the golf market analysis will include a delineation and discussion of the mid-tier and high-end daily fee golf markets in the Cape Cod region. Lastly, the report will analyze the current operation, and make recommendations regarding future operations.

## **SITE ANALYSIS**

<b>Location:</b>	The subject site lies approximately 70 miles southeast of downtown Boston, and about 72 miles east of downtown Providence; the property is situated within the community of Brewster, on Cape Cod, approximately 27 miles east of the Bridge.
<b>Access:</b>	<p>Overall, local and regional access to the club is considered quite good, depending on the time of day, and time of year. Obviously, in peak summer seasons, traffic in the region becomes quite congested. In the shoulder seasons though, traffic lessens, and it is relatively easy and straightforward to reach the Captains property. And this is not something that can be said for all of the subject's competition.</p> <p>US 6, or the Mid-Cape Highway is the main artery leading east west through the Cape, and the SR 137 interchange is just over a mile from the subject site. Once off US 6, SR 137, and other arteries in the immediate area, including Freemans Way which leads to the subject, are all two-lane roads.</p>
<b>Site Size:</b>	The site consists of a total of 312 acres. Of these 151 are maintained acres, approximately 60 acres are fairways, a relatively large amount.
<b>Topography:</b>	Generally moderately level, to slightly rolling topography
<b>Site Features:</b>	The site benefits from a lack of adjacent development, which enhances the overall golf experience. Additionally, hundreds of mature trees line the fairways and course perimeter, which further isolates the golfer from outside distractions, and adds to the physical beauty of the golf course.

**Site Strengths:**

The subject property's location on the Cape, only 1.2 miles from the Atlantic Ocean, coupled with excellent local and regional access from the existing transportation corridors, are considered strong attributes which enhance the subject's competitive position. The parkland style setting with hundreds of mature trees of numerous varieties and lack of adjacent development are also considered strengths.

**Site Weaknesses:**

At 312 total acres, the site is considered more than adequate, and possibly large in terms of the impact on maintenance costs. Further, the site's location as the furthest east 18-hole public course in the region is a detriment when considering the number of high-quality courses found to the west, closer to the main customer base for the subject.



## **GOLF COURSE ANALYSIS**

### **Golf Course & Practice Facilities**

<b>Golf Course Architect:</b>	Brian Silva; original 18 opened in 1985, with 18 additional holes added in 1999.
<b>Type of Operation:</b>	Daily Fee / Semi-Private; municipal
<b>Par / Slope / Rating:</b>	<b>Port</b> - 72 / 130 / 73.5 – Blue Tees <b>Starboard</b> – 72 / 130 / 72.6 – Blue Tees
<b>Yardage:</b>	6,724 – Port Blue 6,776 – Starboard Blue
<b>Course Layout:</b>	Core design with returning nines
<b>Turf:</b>	Greens – Bentgrass & Poa Annua Tees – Bentgrass & Poa Annua Fairways – Bluegrass & Poa Annua Rough – Bluegrass & Poa Annua
<b>Practice Facilities:</b>	Driving Range Putting Green Practice Bunker & Chipping Green
<b>Irrigation System:</b>	Double row Toro LTC irrigation system with central and satellite controllers, and pumping network capable of distributing up to 1,000 gallons per minute. The irrigation system was upgraded in 1999.
<b>Irrigation Water Source:</b>	Onsite Wells & surface water runoff.
<b>Golf Course Strengths:</b>	With a core design and lack of adjacent development, the golfer is isolated from distractions that would detract from the overall golf experience. Additionally, a core design is the most easily maintained, which often translates to lower overall maintenance costs.  From the golfers' perspective, the course is fair and playable, without forced carries over hazards, and is easily walkable. The strategic design incorporates hazards (primarily sand bunkers and water hazards)

which are clearly visible from the tee or fairway, and are not considered unfair or too difficult.

The irrigation system was completely replaced in 1999, and the new system provides state of the art irrigation. This should allow the maintenance superintendent to provide optimal course conditions.

**Golf Course Weaknesses:**

The course is not improved with wall-to-wall cart paths, but offers asphalt or gravel paths adjacent to tees and greens only. The lack of wall-to-wall paths results in increased wear and tear of the turf, and also precludes the rental of golf carts during the wetter spring months, or during periods of inclement weather.

The course turfgrass is a combination of bentgrass and poa annua on tees and greens, and bluegrass and poa fairways.

## IMPROVEMENTS ANALYSIS

**Overview:** There a variety of building improvements at The Captains. These include a pro-shop / administration building; the food and beverage building, snack shop, maintenance buildings, and on-course comfort stations. In general the buildings appeared to be in fairly good condition at the time of our inspection

**Pro-Shop Building:** ~3,000 Square Feet; in addition to the pro-shop retail space, Mr. O'Brien has his office in this space, along with additional office / storage space.

**F&B Building:** This building houses the Galley Grille, a 90-person grill / bar area serving the golfers. This space leads to the outside patio. The building also houses restrooms, a meeting / board room, storage space, and the Ellsworth Pavilion. The Pavilion is the banquet space and can accommodate up to 150 seats. It is an open space, which appears to be quite functional. The F&B building features a full kitchen – we did not inspect the kitchen, and assume its functionality is adequate for the Grille, and all functions at the property.

**Snack Shack:** At the turn of the Port Course

**Maintenance Building Size:** 4,000 Square Feet (Plus adjacent maintenance yard area)

**Maintenance Building Uses:**

- Equipment Storage
- Equipment Maintenance
- Materials & Fuel Storage Areas
- Offices & Employee Areas
- Tools Storage
- Maintenance Crew Bunkhouse (Under Construction)

**Chemical Storage:** Chemicals and Hazardous Materials Storage

**Golf Cart Storage:**

Fenced area adjacent to putting green and pro-shop building. The space is adequate for cart storage, but is a less than desirable locale, and is the first thing one sees when parking in the front parking lot.

**Improvements Strengths:**

The maintenance facility and yard is of sufficient size to accommodate the club's maintenance equipment fleet, and offers all of the uses necessary (e.g. equipment floor lift, reel grinders, tool storage, etc.)

Chemical storage appears adequate, with appropriate storage and containment unit for the various chemicals and equipment considered necessary for proper golf course maintenance.

**Improvements Weaknesses:**

The location of cart storage, within a fenced yard, at the pro-shop area, is less than desirable in our opinion. The cart storage canopy provides some shelter from the elements, but doesn't totally protect the golf carts. Thus, the carts must be cleaned more frequently, wiped down after rainfall, etc., which increases the labor costs associated with maintaining the fleet. The pro shop and F&B buildings are somewhat older improvements, which while in decent condition currently, will require increased maintenance and capital improvement expenses in the years to come.

The F&B operation is in the adjacent building, so that at the turn between nines or at the end of a round, the golfer is not near the pro shop, which limits the clubs opportunity to sell golf merchandise.

## GOLF COURSE PHOTOGRAPHS



Overall, the golf course was in very good condition at the time of our inspection

## IMPROVEMENTS PHOTOGRAPHS



**VIEW OF CLUBHOUSE**



**VIEW OF CLUBHOUSE**



**MAINTENANCE BUILDING**



**VIEW OF CLUBHOUSE**



**COMFORT STATION**



**GOLF CART STORAGE**

In general, our inspection of the improvements at Captains indicated little, to no deferred maintenance and buildings that are in relatively good condition.

# DEMOGRAPHIC OVERVIEW

## General

The Captains Golf Course is located within Brewster with fairly decent accessibility from the Mid-Cape Highway, Highway 6.

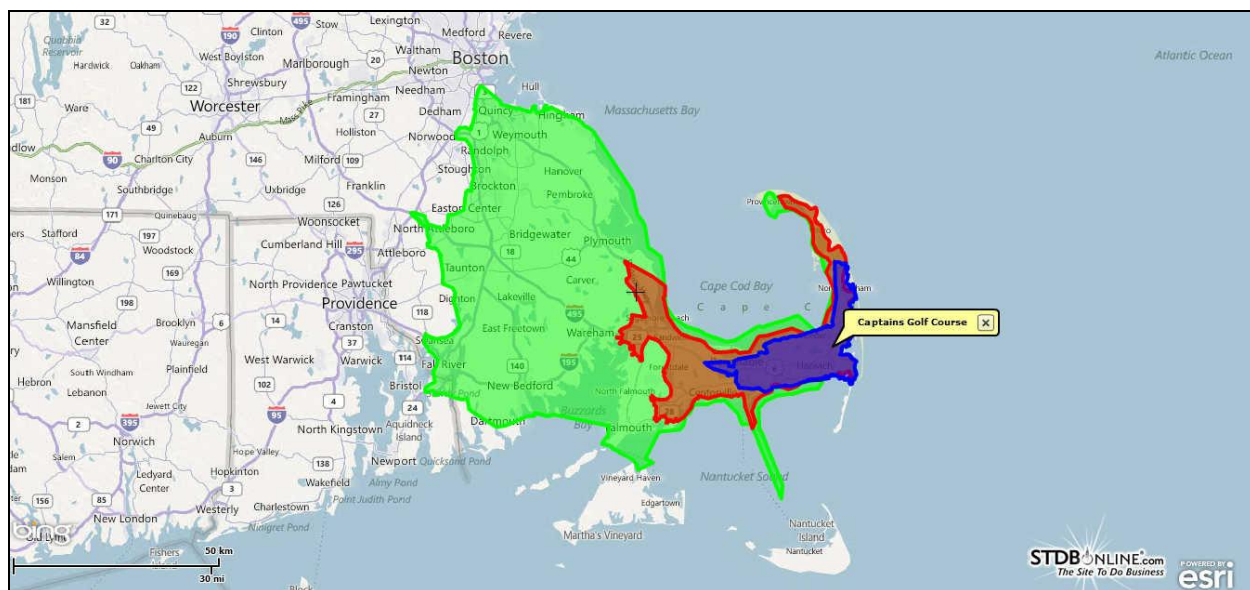


Our demographic overview is completed in order to provide perspective to the golf market analyses to follow.

## Population

The following table summarizes the historical and projected population statistics from 1980 through 2010 within a 20-, 40, and 75-minute drivetime from the property. We believe most of the play at the subject is coming from within the 40-minute drivetime region, as this covers most of the Cape, as shown in the following map. The 40-minute drivetime is depicted by the red coloring on the map.





Population and Projections					
	2000	2010	Annual Rate of Change	2015	Annual Rate of Change
<b>20 Minute Drivetime</b>	90,989	88,858	-0.24%	87,361	-0.34%
<b>40 Minute Drivetime</b>	186,449	186,693	0.01%	184,934	-0.19%
<b>75 Minute Drivetime</b>	1,310,638	1,352,134	0.31%	1,359,384	0.11%
<i>Source: ESRI</i>					

It is interesting to note that population on the Cape has stalled or fallen since 2000, and the trend through 2015 is not positive. As such, increased play from population gains will not be possible at Captains. In fact, the population of the southeastern Massachusetts region is expected to be flat through the next five years; again, indicative the gains in utilization at area courses will only come from competitive advantages, not increased numbers of customers / players.



## Income & Wealth

Another significant factor that affects golf demand and, in particular, the propensity to play, is the income levels of the population. The following table indicates that the income level within the same drivetime regions discussed above.

INCOME CHARACTERISTICS			
<i>2010 Estimates</i>	Minute Drivetime		
	20	40	75
<b>Average Household Income</b>	\$72,358	\$78,187	\$78,910
<b>Median Household Income</b>	\$57,900	\$63,128	\$64,468
<b>Per Capita Income</b>	\$33,310	\$33,327	\$31,030
<b>Median Age</b>	52.8	48.1	40.8
Source: ESRI			

The closest area to Captains has the lowest income levels and the oldest population – this is a bit misleading though, as an older population could indicate higher retiree levels, with income levels that do not match wealth considerations. The following table summarizes housing characteristics for the three regions. From a broader perspective, the income and wealth characteristics of the 20-minute drivetime region are superior to the region as a whole. Thus, the affluence of the local market area is a bit more apparent.

HOUSING CHARACTERISTICS			
<i>2010 Estimates</i>	Minute Drivetime		
	20	40	75
<b>Median Property Value 2010</b>	\$334,893	\$310,328	\$274,677
<b>Median Property Value 2000</b>	\$181,615	\$173,203	\$165,636
<b>Total % Change Property Value</b>	84%	79%	66%
<b>Median Monthly Rent</b>	\$630	\$647	\$528
<b>Total Housing Units 2010</b>	75,629	128,975	621,682
<b>Total Housing Units 2000</b>	70,594	119,879	582,936
<b>Total % Change Housing Units</b>	7%	8%	7%
Source: ESRI			

The following chart provides a breakdown of the income distribution by household within the three applicable drivetime regions.

<b>2010 ESTIMATED HOUSEHOLDS BY INCOME</b>			
	<b>Minute Drivetime</b>		
	<b>20</b>	<b>40</b>	<b>75</b>
Income Less than \$15,000	8.30%	7.20%	9.40%
Income \$15,000 - \$24,999	9.10%	7.70%	8.20%
Income \$25,000 - \$34,999	9.70%	8.40%	7.30%
Income \$35,000 - \$49,999	14.40%	13.00%	12.50%
Income \$50,000 - \$74,999	22.60%	23.20%	19.80%
Income \$75,000 - \$99,999	14.40%	16.10%	16.30%
Income \$100,000 - \$149,999	15.20%	17.20%	17.70%
Income \$150,000 - \$199,999	2.90%	3.40%	5.00%
Income \$200,000 and over	3.30%	4.00%	3.80%
<b>Median Household Income</b>	<b>\$ 57,900</b>	<b>\$ 63,128</b>	<b>\$ 64,468</b>
<b>Total Population (2010 Est.)</b>	<b>88,858</b>	<b>186,693</b>	<b>1,352,134</b>
<b>Total Household (2010 Est.)</b>	<b>40,407</b>	<b>78,841</b>	<b>525,068</b>
Source: ESRI			

The above chart indicates that the demographics of each region are fairly similar with distributions varying slightly between each, but slightly higher percentages of income above \$75,000 are found in the areas further away from Captains.

## **Summary**

The following summarizes our conclusions regarding the demographic characteristics surrounding The Captains Golf Course.

- ❑ The Cape and surrounding area is experiencing declining permanent population, and this trend is expected to continue for the foreseeable future.
- ❑ The Cape is nearly or essentially built out, with little available vacant land for new development.
- ❑ Income characteristics surrounding The Captains Golf Course are favorable, but overall trail the larger regions analyzed, in terms of household income levels. Conversely, overall wealth for the closer area could be slightly superior given the higher property values nearby.
- ❑ Overall, the demographics of the surrounding region indicate relatively high levels of disposable income, but a population base that is not likely to improve in the near-term. Thus, improvement to course utilization is likely to come from competitive advantages of the course / operations as compared to the other courses nearby.

## MARKET OVERVIEW

GCG researched general market conditions for public / semi-private golf on the Cape and surrounding golf market. Our analysis focused mainly on the current mid- to upper-tier market niche targeted by the subject property, including the other municipally-owned courses on the Cape. The following discusses the general nature of the golf market presently, and likely in the near future, as it affects the subject.

In most markets, the daily-fee market has evolved into four distinct market segments – premium, high-end, mid-tier, and affordable/municipal facilities. With the influx of new courses through the 1990's and 2000's, and deteriorating economic conditions over the past several years, these segments have become less defined in most regions, and that is the case on the Cape, and all of Massachusetts in our opinion.

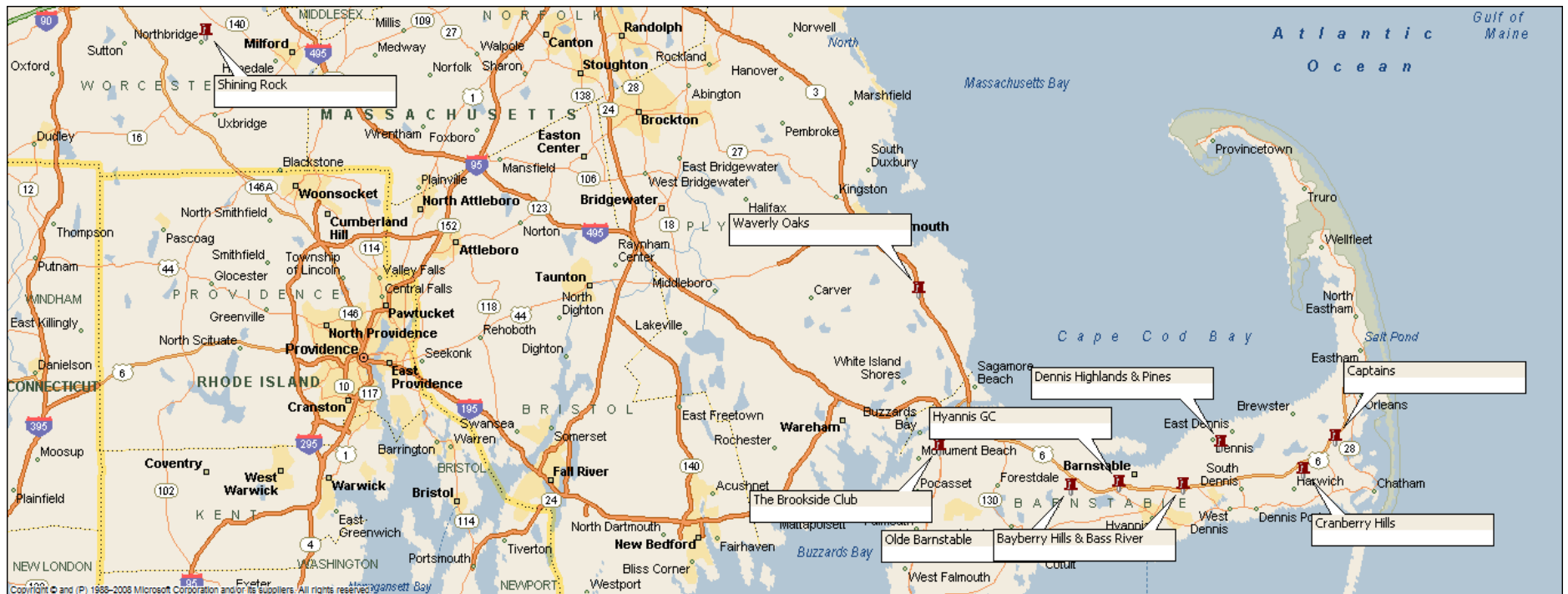
As such, courses that at one time were not competitive with each other, because of exclusivity, pricing, difficulty, or all of these, are now competing with each other for rounds, memberships, or both. Clubs that were at one time all-private have begun to open to the public, and public courses have expanded their offerings of annual memberships, and member-perks to attract more customers to their facility. And as mentioned previously, the population of the Cape, and most of southeastern Massachusetts, is not expected to grow in the near future – thus, these competitive forces will continue to affect all courses and clubs on the Cape. Based on our research, we have summarized the subject's market influences in the following table.

GOLF MARKET IDENTIFICATION		
Market Identification	Boundaries	Comments
<b>Primary</b>	The Cape itself, and the areas south and southwest of Boston, leading toward Providence – generally within a 40-minute drive of the subject.	This area contains the mid- to upper-tier daily-fee and semi-private courses that compete directly with The Captains Golf Course for local resident daily fee and seasonal pass golf demand. We recognize though that drivetime can vary greatly depending on time of year, and time of day.
<b>Macro (Extended)</b>	The primary market area plus the adjacent suburban areas lying within 75-minutes of the club.	The macro market includes alternate daily fee clubs targeting the transient daily fee golfer.
Source: The Golf Consulting Group, LLC		

The Captains Golf Course consists of a very good-quality golf course and practice facility, with modest clubhouse amenities. The physical characteristics of the subject property are consistent

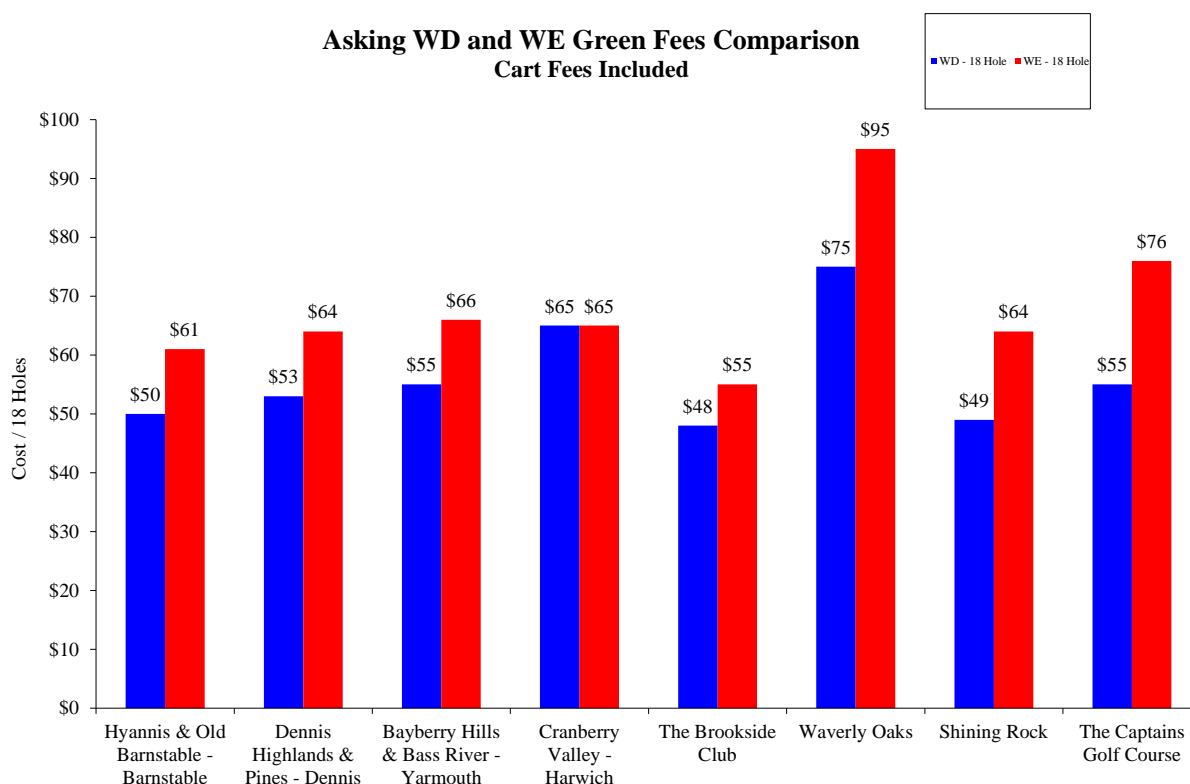
with the expectations of the discerning daily fee player from the region, and also provides a strong amenity and golfing opportunity for the residents of Brewster. However, the property is located the furthest east of any of its main competitors, as shown on the following map. For this reason, in order to continue to draw play from the larger region, the course must be maintained at a very high level.

## COMPETITIVE SUPPLY LOCATION MAP



## Green Fees

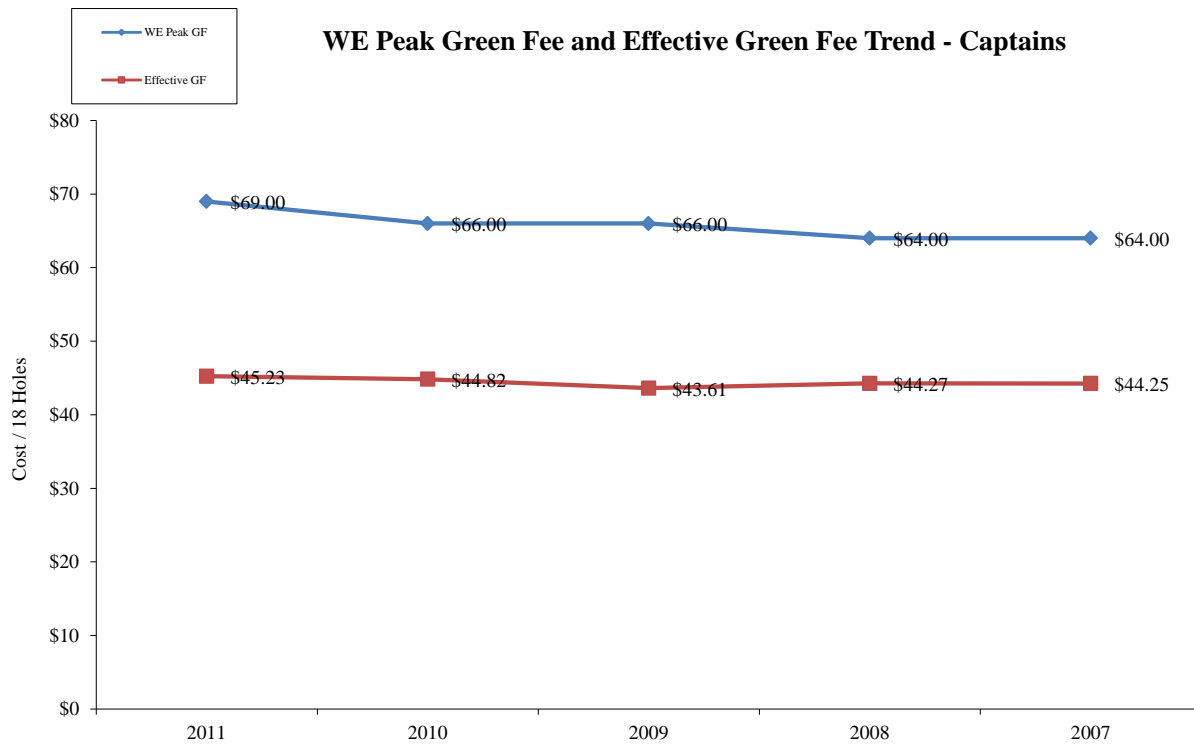
The following chart illustrates the comparison of 2011 weekday and weekend green fees at the primary competition. For comparison, we've also included a couple properties off-Cape, both of which are considered high-quality public courses. Waverly Oaks and Shining Rock are two courses which Boston-area residents will consider when making a trek to play a high-quality public course. Waverly's asking rates are the highest in the competitive set, but we note that their effective green fee per round (rates actually achieved) was approximately \$66 in 2011, reflecting the discounting that takes place at all courses (compared to an effective rate of \$45.23 in FY 2011 for Captains).



When compared with the non-resident rates at the competitive facilities, the subject falls at the upper end of the fee range. Overall, GCG believes that The Captains Golf Course's green fees are supported by the market given its quality, condition and appeal, and cognizant of its lack of a resident rate plan.

Green Fee Trend: Growth in green fees is an excellent indicator of the overall health of a golf market. If green fees are steadily increasing and rounds are stable or increasing, this typically indicates that a market is in balance or possibly under-supplied, whereas the reverse tends to indicate the contrary. As with most areas of the country, and the region, effective green fees have been fairly flat over the past five years on the Cape, with only minimal increases noted in the asking / rack rates. This is clearly shown in the following table of the subject's rates over the

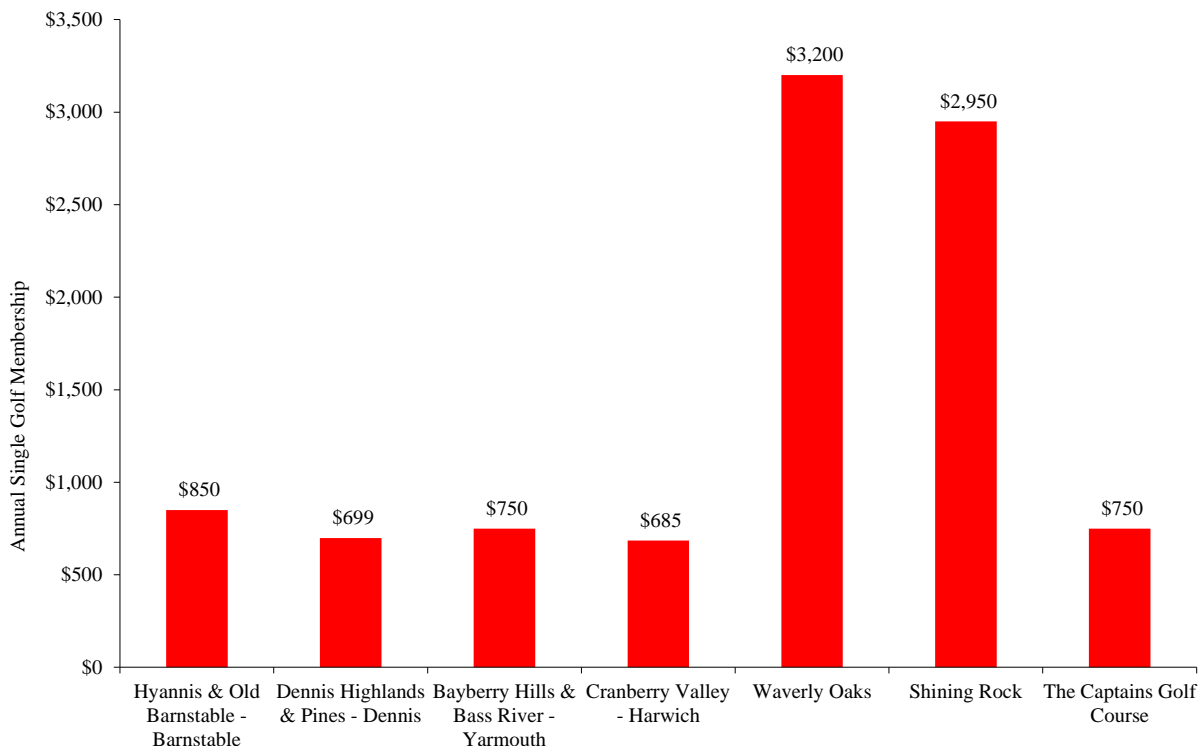
past five years – both in terms of peak Weekend Green Fees for public players, and the effective rate achieved over the entire year for public players.



Membership Pricing: The following table summarizes membership fees for residents at the surrounding muni courses, as well as the comparative high-end courses off-Cape.



### 2012 Annual Membership Fees - Single



The subject offers resident and non-resident rates, as does the other muni courses, as shown below (2012 rates). As compared to the other muni courses on the Cape, the Captains' rates for annual memberships are within the range, and are even near the higher end of the range.

ANNUAL FEE PLAYER PASSES	Captains - 2012	Dennis	Yarmouth	Harwich	Barnstable
Brewster Resident	\$ 750.00	\$ 699.00	\$ 750.00	\$ 685.00	\$ 850.00
Dependent of Brewster Resident (ages 19 to 25)	\$ 750.00		\$ 425.00	\$ 125.00	
Non-Resident Brewster Taxpayer	\$ 750.00				
Junior of Brewster Resident (18 years or under)	\$ 175.00	\$ 140.00	\$ 125.00	\$ 100.00	\$ 250.00
Charter Non-Resident (Renewals only)	\$ 1,300.00				
Non-Residents - Individual	\$ 1,500.00	\$1,075.00	\$1,050.00	\$ 985.00	\$1,150.00
Junior of Non-Resident (18 years or under & dependent of non-res. member)	\$ 250.00	\$ 195.00	\$ 150.00	\$ 300.00	

However, it is important to recall that these are non-resident rates at the competitive facilities, and they are generally priced at a premium over the resident rates, thereby enhancing the apparent value of the resident season pass program. GCG believes that although the subject cannot technically offer a discounted rate to residents of Brewster, the season pass program at Brewster is still compared with the resident programs at competitive facilities, and thus faces intense public scrutiny and resistance to fee increases.

Regardless, and as will be demonstrated in the subsequent operations analysis, the season pass holder at Brewster accounts for approximately 48% of the total rounds played at the facility, but accounts for only 25% of total golf fee revenue from both daily fee and season pass categories. Thus, GCG believes the season pass fee should be increased in light of this disparity. Alternately, another means of accomplishing the same goal would be to limit the season pass holder's access

to the course. For example, currently, the season pass holder plays on average 36 rounds per year. The season pass could be structured so that the pass has a set cap on the number of rounds played, or by restricting the season pass holder's access to the course during specified timeframes. Enacting these measures, although certain to be unpopular with the existing pass holders, will increase the average revenue achieved per season pass holder round, as well as free up additional tee times for the more lucrative daily fee player.

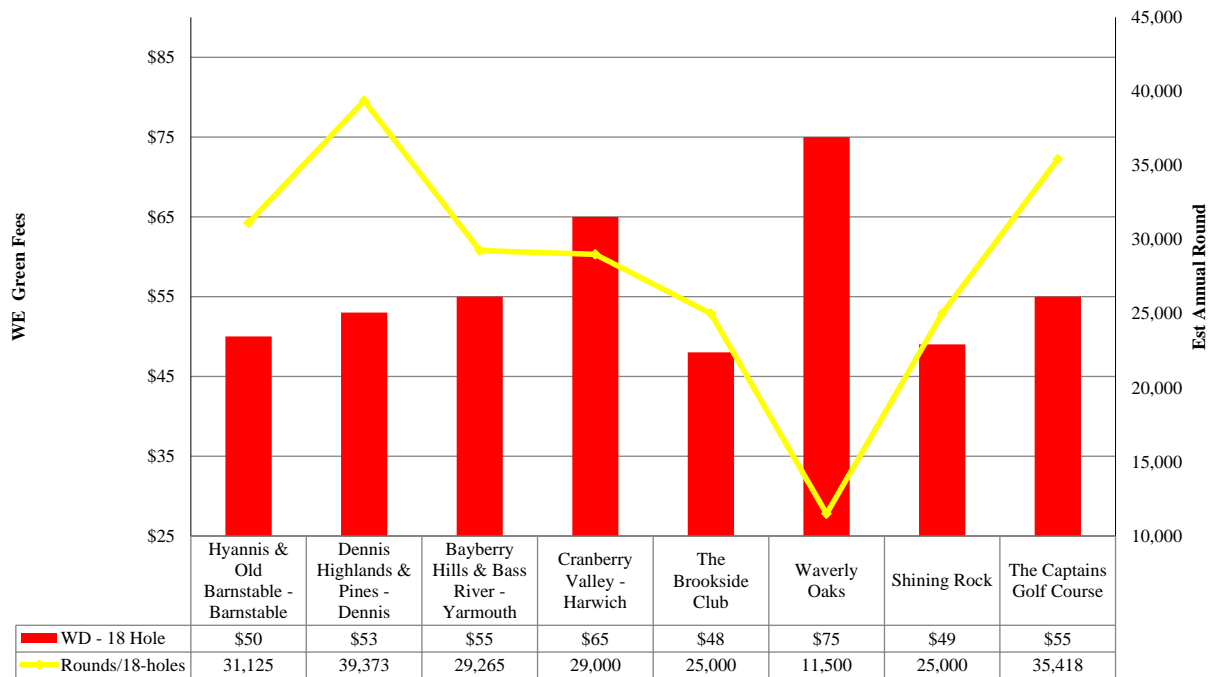
Lastly, GCG recognizes that the reason a golfer purchases a season pass is so that he or she can play at a discount. If the number of rounds the golfer wishes to play is less expensive if purchased individually, then that is the option the player will select. Alternately, if purchasing a season pass is cheaper than buying individually, then that option will be selected. Thus, the average rate achieved (per round) from season pass holders will not typically be as high as that achieved by daily fee rounds, unless the season pass package includes other privileges which add value to the package (i.e. preferential tee time reservations, guaranteed tee times, etc.). In summation, GCG believes that the existing gap between the daily fee vs. season pass holder revenue per round be narrowed through the institution of the aforementioned strategies, in some form or fashion.

Prior to analyzing the historical play levels at the subject property and competitive facilities, we will now address the potential for new competitive supply in the market.

### **Annual Golf Rounds**

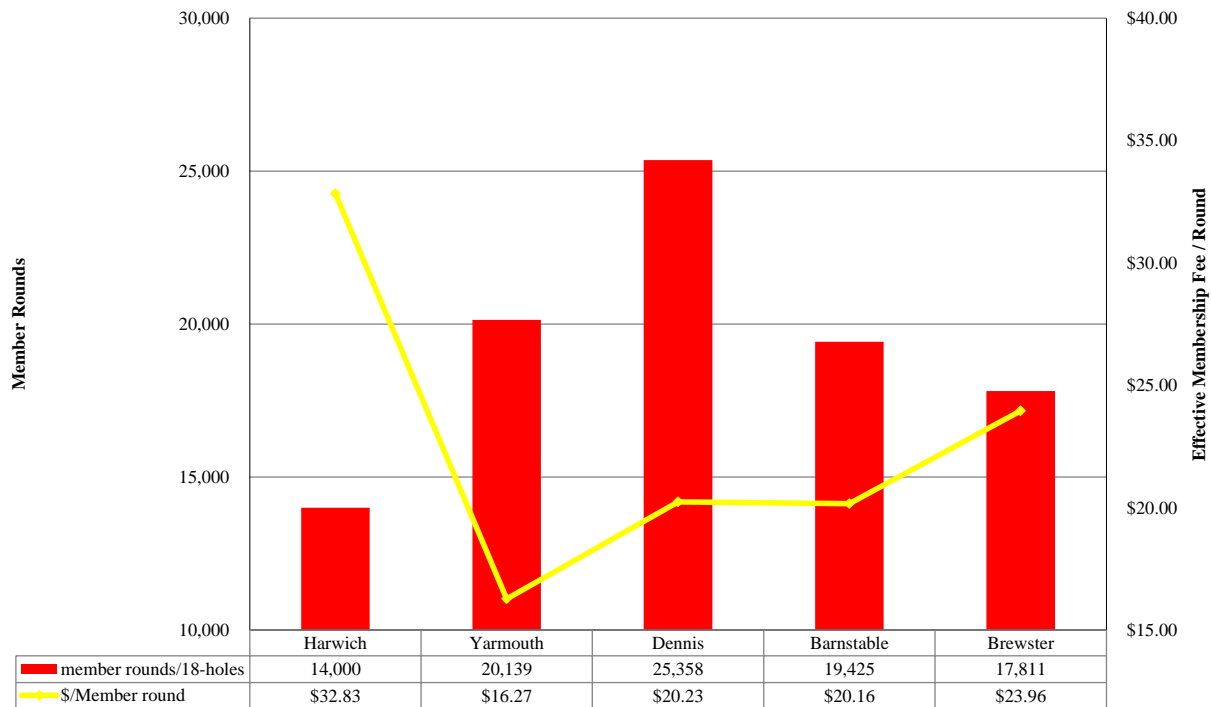
Now that we have examined the supply and demand characteristics of the local market, we will analyze historical play levels at the subject property and competitive facilities. However, when estimating the optimal round count for any golf course, it is important to select the applicable average green fee in order to maximize revenue. Logically, the highest round counts are typically associated with those courses with the lowest prices. However, location is also a very important factor. Because of these factors, there is usually an inverse relationship between green fees and rounds. This relationship is shown in the following chart. Please note that the chart does not account for differences in location, quality, etc., and rounds are reflected based on an 18-hole equivalency basis (i.e. 60,000 rounds played on a 27-hole course equate to 40,000 18-hole rounds).

**Relation between Green Fees and Rounds**  
**Rounds / 18-holes**



The chart supports the inverse relationship between green fees and golf rounds to a certain degree. A similar relationship can be found at the area municipal courses in terms of membership fees and the rounds that members play, as shown below.

**Relation between Membership Fees and Membership Rounds**



In general, the following summarizes our impression of The Captains, vis-à-vis the competition.

- Superior golf course quality and appeal. This can be a subjective difference, but on balance, the golf courses themselves are of superior quality (e.g. bentgrass greens throughout), than the other public-access, and especially muni courses on the Cape.
- Adequate clubhouse and ancillary amenities (i.e. locker facilities, etc.), but nothing that necessarily sets it apart from the competition (this is more pertinent for non-golf function business).
- Adequate practice facilities. A full length driving range, along with a decently-sized and well-maintained practice tee.

In order to continue to compete at its current levels, the subject must continue to offer a superior level of course quality and at least comparable ancillary amenities, to go with its' location and access. The market is relatively soft, and many, if not most, tourists are coming from west of the subject, so there need to be a strong draw, and value-perception (quality vs. price) to come play Captains. We will now turn our attention to an analysis of the subject's historical operations, with a comparison of historical operating results with market data.

## **AGRONOMIC ANALYSIS**

### **Overview**

The next part of the engagement involves an analysis of the maintenance department and the agronomic programs. This analysis included an overview of the Superintendent's (Steve Mann) standard practices, effectiveness and appropriateness of the annual maintenance budget, water usage, and the like. In addition, a few questions were raised by the golf committee and from the phone surveys we completed, that warranted additional analysis and explanation. These questions centered on the amount of equipment on hand and the number of employees on the maintenance staff.

### **Overall Agronomic Program**

The overall agronomic program that Mr. Mann and his staff have implemented appears very sound. The Superintendent uses the building blocks of agronomy: water management, nutrition, sunlight and air flow and adds the cultural practices that help to ensure long-term turf health. During our visit in November the golf course was in very good condition, which is to be expected after the good fall growing conditions of 2011. Our interviews of the members of the golf committee and others indicate that the golf course has been well-maintained all year -- a testament to the agronomic program in place. With a solid foundation of turf health and agronomic practices, there may be a struggle with turf conditions at times during the year but overall the turf will be healthy and be able to recover in short periods of time once the environmental conditions become more favorable.

That said, the past two years have been very difficult for growing turf due to extreme weather conditions regionally, and nationally. In each of the last couple of years, large amounts of rain in the spring gave way to above-normal precipitation and temperatures in each summer. In 2010, there were extreme temperatures late into the fall in many areas, making turf recovery difficult. But in 2011, the fall provided good growing conditions, making turf recovery possible in most areas of the country. When weather extremes occur, the only way for the turf to survive is to have a sound agronomic plan in place and accompany it with good cultural practice such as aerifying, topdressing and verticutting when necessary.

Soil testing to ensure that proper nutrition is available to the plants is necessary on an annual basis. Making adjustments to the fertilization program based on these soil tests is highly recommended. Foliar testing of turf leaf tissue can also be done to ensure that the plants are taking up the nutrients in proper amounts. It is our understanding that appropriate soil testing is being completed, but testing of the turf leaf tissue is not.

Aerification is currently being done in the spring and fall on greens and tees and in the fall on fairways. For cool season grasses such as the ones at The Captains this is adequate provided they are performed at the proper time of the year. Often, golf course superintendents are asked to delay the fall-aerification until late in the season because the turf is excellent and the weather is perfect for playing golf. But delaying too long can have very dire consequences on the turf that will not show up until the following spring or possibly even the following summer. When

completed at the proper time, which is right after Labor Day in Brewster, the holes will typically heal within three to seven days. If aerification is pushed past September, an additional three to five days of healing time for every week delay can be added (these recovery times are weather dependent).

In addition to hollow tine aerification to the greens in the spring and fall, many superintendents will use solid tines throughout the summer to create air and water channels into the soil profile. These channels help with the exchange of gases that can build up and be detrimental to the health of the turf. This solid tining process is typically done every two to four weeks throughout the summer stress months. Hydrojet machines do the same thing by using water in place of the solid tines. It is our understanding that appropriate use of solid tines is being completed, and periodic hydrojet use is completed as well, which is reasonable.



A good root zone profile is very important for healthy turf.





Greens aeration should be done at least twice per year in Brewster, and it appears that the Superintendent is following a solid aeration plan.



Light, frequent applications of topdressing are important to keep organic matter in balance. Topdressing is the process wherein sand is added to a playing surface in order to smooth the surface. A bigger advantage of a good topdressing program is the reduction of organic material in the rootzone. Organic material is dry and water repellant by nature and makes it very difficult for water to penetrate through to the roots and the soil profile. Topdressing material is typically added during aeration in adequate amounts to fill all of the holes and is added in light frequent amounts throughout the year to help break down organic material. This light frequent topdressing is typically done every ten to fourteen days. Topdressing this often does bring with it the cost of the sand but also staff time in sharpening the reels and replacing bedknives and the cost of the bedknives and eventually the reels of the mowers. It is our understanding that topdressing is completed during aeration, or about once per month at Captains, which appears reasonable.



A worn bedknife that needs to be replaced.



A new bedknife installed on the same mower.

Verticutting is a process that is completed when organic matter builds up beyond what a topdressing program can remove or reduce. Many of the new varieties of bentgrass produce much more organic matter and if a very aggressive topdressing program is not possible, verticutting or dethatching may be needed to keep the organic matter under control. With the good topdressing program that takes place at The Captains, verticutting is needed sparingly. As mentioned, the overall agronomic program is sound and should be continued in its current state.



Great turf density on one of The Captains Golf Course fairways is due to a good agronomic program.

## **Fertilization and Chemical Use**

Proper fertilization and chemical use is necessary to grow high-quality turfgrass. Our analysis of Mr. Mann's operation indicates he has a very good program in providing the turf what it needs to be healthy while adhering to the strict rules of applications in Massachusetts and on Cape Cod; no easy task given the changing weather patterns and golfer demand. All of the wells are monitored and tests are done on the wells periodically and according to Mr. Mann, there has never been a case of contamination to the groundwater from fertilization or chemical use on the golf course.

The products that golf course superintendents use are applied by trained, professional staff and they are applied within the guidelines of the labels that have been approved by the EPA and Department of Agriculture. Most of the products used by golf course superintendents, fertilizers and pesticides, do not move in the soil profile when applied properly. As such, the result is that the turf becomes healthy and holds fertilizers in place, such that monitor readings bear-out these good practices. The healthy, maintained turf becomes, or is, one of the most effective filter systems available.

It is important to remember that turf is a living organism and in order for it to perform its functions, proper nutrition is needed for the plant just as humans need proper nutrition for our bodies to be healthy. Proper nutrition is not applied at a single point in time, it is applied in small amounts throughout the growing season. This ensures good healthy turfgrass without excess nutrients being applied or wasted.



During certain times of the year pests attempt to weaken the turf by using it for their own nutritional needs. Weakened turfgrass comes in the form of disease or increased insect population, and weeds will typically compete for the nutritional and water needs of the turfgrass plants. An example of the current agronomic program addressing such issues is in application of specific pesticides or fungicides for specific turf issues.

One area in the budget that has seen a significant increase for 2012 is the fungicide line item. This is due to the treatment for a turfgrass disease called Summer Patch (reference materials are included in the addendum to help the readers better understand this disease). The best recommended treatment for Summer Patch is through the use of fungicides such as *Banner* and *Heritage*. These two products are combined in one product called *Headway*. The product is typically applied for Summer Patch at a rate of 3 ounces per 1,000 square feet, which equates to 1 gallon of product applied for every acre. There are 60 acres of fairways at The Captains between the two 18-hole courses. *Headway* is agency-priced (many chemical manufacturers will set the price at which all distributors must sell their products) at \$411 per gallon, which equates to a cost of \$24,660 for only one application. Two applications are typically needed per year for Summer Patch, and thus this makes up the increased fungicide expense in the budget. *Headway* is also considered a broad-spectrum fungicide so it also provides control of other diseases that might be present during the time that it is applied.

In the Brewster area there are two insects that most concern golf course superintendents and that can cause extensive damage to turfgrass – these are Annual Bluegrass Weevil and the European Crane Fly (information contained in the addendum) *Aloft* insecticide is a good choice for both of these pests however the timing of the applications will be different and must be made based upon the proper time in the insects' life cycles. The weevil application will be in the spring and the crane fly application will be in the fall although researchers are testing fall applications for the weevil to see if they will be effective. The test results are not in at this time. The cost of *Aloft* is approximately \$142 per acre, which equates to a single-application cost of \$8,520 for 60 acres. It is important to note that all pesticide products should be rotated in their categories to reduce the possibility of resistance so that continued successful control by the products can be obtained.



Damage caused on a Captains Golf Course Green by European Crane Fly larvae.

## Water



Irrigation efficiency and proper water use are extremely important.

Water is an important resource throughout the world, as it is necessary to provide life to plants and animals alike. When it comes to golf course use it is extremely important to find the perfect balance between what the plant needs and what the soil needs to be able to transfer to the plant to help it survive through each day. Mr. Mann has the irrigation system and knowledge to accomplish this balancing act in a very professional way. Turf managers want to provide a firm dry surface for the game of golf to be played upon. Those conditions are also the best for growing healthy turf. Over-irrigated turf produces a soft, slow surface that is not golfer friendly and produces an optimum environment for disease, insects and weeds to survive (i.e., poor turf health).

In over-irrigated turf, grasses tend to produce very shallow roots and cannot transpire (breathe) properly which leads to a weakened plant that thins and is set up for invasion by pests. Water use at The Captains appears to have historically been appropriate, considering the amount of play the course receives, and the weather conditions that affect the region.

It is reasonable to assume that irrigation water is required from mid-April to mid-October (24 weeks). The normal or reasonable application rate is one inch per week, which would equate to 24 inches over the period, assuming coverage of 155 acres (this is more than is irrigated but is being used for reference). At this coverage, the amount of water required would be approximately 101 million gallons of water. The largest percentage of this water comes from rainfall however there are times when rainfall is lacking and supplemental irrigation must be used (from the on-site water sources). Water use records were obtained dating back to 2006 and compared to historical weather records it would appear from this information that irrigation water at The Captains is being used wisely.

The records are as follows:

Year	Water Usage	Rainfall
2006	33.44 MG	43.70 Inches
2007	41.86 MG	33.06 Inches
2008	40.95 MG	39.54 Inches
2009	33.33 MG	46.26 Inches
2010	57.63 MG	46.83 Inches

As shown above, as the rainfall amount increased the water usage rate fell, with the exception of 2010. Further analysis of 2010 indicates that while it was the year with the highest amount of rainfall, the months of April through September the golf course received 16.92 inches; many of those rains were on back to back days and were very significant.

On the heavy rain days and when the heavy rain takes place “back to back”, such as was the case in 2010, much of the water runs off or pushes through the root zone and is unavailable to the plant itself. The superintendent may not need to water the days following such rains, but soon thereafter additional water is again needed.

Month	Rainfall Amount	Oddity	Remainder
April	1.39”		
May	3.16”	2.55” 2 consecutive days	.61”
June	1.73”		
July	1.75”		
August	4.24”	3.65” 3 consecutive days	.59”
September	4.65”	3.52” 2 consecutive days	1.13”

## Budget

Our next step involves analysis of the maintenance budget at The Captains, and comparing it to other municipal golf operations on the Cape. While this type of benchmarking is important, and a normal operational-audit step, it is often very difficult to compare line items, or total, because of how some expenses are categorized. While an “apples-to-apples” analysis is often not possible, comparing courses’ budgets on a percentage basis, or other metrics does provide a framework by which The Captains’ budget can be discussed.

Additionally though, while pure “numbers” provide this framework, there are many variables which affect overall costs. For instance, we can analyze maintenance budgets on a \$/hole basis, but this metric alone must be viewed carefully, as some golf courses may maintain very narrow corridors while others may maintain very wide corridors. Another metric to consider is the maintenance cost/acre-maintained which usually provides a closer comparison since it takes in clubhouse grounds and any entrance areas that may be maintained as part of the budget.

However cost/acre and cost/hole don't take into consideration the level to which the golf course is maintained. For instance, courses maintained with "higher" levels will feature lower mowing heights on greens or preventative spray programs, both of which can elevate maintenance costs very quickly. Additional cost-factors to bear in mind is the level of "hand maintenance" such as walk-mowing greens, hand-mowing bunker faces that one golf course may be required to complete because of relatively small greens or steep bunker faces.

Our analysis of the maintenance expenses at the five municipal golf courses in the area (including The Captains) shows that two of the municipalities break out their fringe benefits while the remaining do not, further complicating a "apples-to-apples" comparison. The best method of comparison then is to analyze the overall budgets and look for trends. The expenses stack up as follows:

<b>Golf Course</b>	<b>Harwich</b>	<b>Yarmouth</b>	<b>Dennis</b>	<b>Barnstable</b>	<b>Brewster</b>
# Holes	18	45	36	36	36
# Acres	140	200	166*	163*	151
Expenses	\$1,726,032	\$2,572,741	\$2,014,325	\$2,258,202	\$2,651,971
Cost/Hole	\$95,890	\$57,172	\$55,953	\$62,728	\$73,666
Cost/Acre	\$12,329	\$12,864	\$12,134	\$13,854	\$17,563

As the above table indicates, The Captains Golf Course is the second most expensive to maintain when comparing cost per hole but the most expensive by a wide margin when comparing cost per acre. When looking at profitability for the golf operation, this becomes a concern and an area that will need to be addressed so that future financial needs can be met by the facility.

<b>Golf Course</b>	<b>Harwich</b>	<b>Yarmouth</b>	<b>Dennis</b>	<b>Barnstable</b>	<b>Brewster</b>
# Holes	18	45	36	36	36
# Acres	140	200	166*	163*	151
Wages/Fr 2010	\$948,623	\$1,499,789	\$1,268,299	\$1,384,173	\$1,490,759
% of Budget	55%	58%	63%	61%	56%

*\*For Dennis and Barnstable golf courses, we did not receive any feedback after numerous attempts to contact them. For this purpose we used estimated numbers based on course yardage and assuming a 60 yard wide corridor, 30 yards for fairway and 15 yards on each side of the fairway for rough so that logical comparisons can be made.*

While these numbers do include all wages and fringes for the entire golf operations, we can see that The Captains is on the lower end from a percentage of total budgets by comparison. The labor part of a typical maintenance budget (average for all types of courses) tends to be between 45% and 55% and that includes fringe benefits.

One trend that is driving up costs at The Captains is the process by which the golf course must be prepared each morning prior to play. Since golfers tee off of each nine holes at the same time the maintenance crew is forced to prepare four separate nine-hole golf courses daily. If the back nine on two of the golf courses could be staggered by an hour and a half this would allow the maintenance department to start on only two nines and flow into the back nine once the front nine maintenance was complete and still be able to stay ahead of the golfers. The maintenance

department is very productive when they are out ahead of play, but once play catches them or they are forced to work within the play, productivity drops off very quickly. Most golfers at higher end facilities would prefer not to see the maintenance staff performing their duties and so they need to be performed ahead of play. The potential trade-off of this practice is the number of rounds that are played each day, but it is our opinion, there should be a balance of rounds going off of the back-nines and maintenance staff efficiencies that equate to the best results financially for The Captains.

The maintenance equipment breaks down as follows:

Equipment Item	# On Hand	Year Purchased
Greens Mowers	9	4-1995, 4-1999, 1-2000
Rough Mowers	6	1-1997, 2-2001, 1-2005, 2-2006
Fairway Mowers	4	2007
Tractors	3	1-1984, 1-2001, 1-2010
Sprayers	4	1-1991, 3-2008
Utility Vehicles	7	1999
Greens Aerifiers	4	1-1986, 1-1989, 2-2003
Fairway Aerifiers	2	1-2000, 1-2002
Reel and Bedknife Grinder	1	1995
Hydrojet Aerifier	1	1994
Topdresser	1	1999
Fairway Verticut Unit	1	2005
Leaf Sweepers	2	2004
Tee/Approach Mowers	7	2011

For a 36-hole operation, the amount of equipment on hand is considered adequate and proper. Under an ideal situation on a typical day when all mowing operations are being performed ahead of play, 9 greens mowers would be used, 4 fairway mowers, 6 rough mowers, 7 tee/approach mowers, 7 utility carts would be used (some may be used by the greens mowers), 4 cup cutters would go out and at least 4 bunker rakers per side. This would mean that at least 41 (again this number is under an ideal situation and is for comparison purposes only) staff members would be needed in addition to the superintendent, 2 assistants and a mechanic. This staff size would be adjusted as the season progresses to peak season and reduced as fall approaches.

A typical full time year round staff would consist of the golf course superintendent, 2 assistants and a mechanic. One or two other staff members could be used if winter projects are typically done in house every year. The current maintenance staff at The Captains Golf Course is made up of 9 full time year around employees, 4 - 40 hour 40 week employees, 2 - 40 hour 32 week employees (these two categories are union employees with union benefits), 4- 40 hour 25 week employees, 4 - 40 hour 20 week employees and 3 - 40 hour 15 week employees. At the peak of the season The Captains Golf Course has 26 employees.

This number seems to be the appropriate amount for the golf course and the ramping up of employees along with the ramping down in the spring and fall is good budget management. In tough economic times a good practice would be to reduce the number of full time year round employees but increase the 40 hour 40 week employees so the number at the peak of the season is the same but the financial impact during the off season is abated.



## Deferred Maintenance – Items to be Addressed on the Golf Course



Damaged cart path by the first tee of The Captains Golf Course followed by damaged path out on the course.



Sink holes and cart path maintenance seem to be issues that need attention immediately. The sink hole repair is costing about \$13,000 per sink hole with much of the work being done in house. If the original contractor is still in business, the town should contact him and ask if he is willing to share in the cost of repair or provide the labor to do the repairs as this would have fallen under his original contract. This would also ease the burden on the maintenance department and the maintenance budget.

If outside contractors are used to correct these problems they should be done in the most efficient manner possible and that is usually doing as many sink hole repairs as possible while the contractor is on site. This keeps the cost down for the contractor as well as for the golf course. Cart path repair needs to be done immediately as well as not only is there an appearance issue but there could potentially be a liability issue. Extensive repairs should be done using an outside

contractor but for minor repairs throughout the year it may be possible to do them in house with the assistance of the town public works department.



A sign by the first tee to help speed up play at The Captains Golf Course.



## OPERATIONAL ANALYSIS

### Overview

The following section provides an evaluation of the major operating departments at The Captains Golf Course. We were provided with historical data for fiscal-years 2001 – 2011 and the budget for FY-2012. Our analysis focuses on the last four years, as this is the most pertinent time period in our opinion, given economic conditions, and competitive forces affecting the property.

In order to compare the subject's operating performance, we also analyzed provided data from several municipalities on Cape Cod, data from the Society of Golf Appraisers' ("SGA") database, and proprietary data from other courses in seasonal locations. This comparable data was shown as a benchmarking endeavor with the subject's line items, and provides the basis for discussion. The tables on the following pages summarize the SGA data as well as the subject's historical data, and other comparable properties' historical information.

The following indicates net income from operations ranging from ~\$715k to \$1.3MM over the past five years (and including the FY 2012 budget). This figure would roughly equate to the commonly-referred to term - EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization), a metric and figure considered for for-profit, privately owned golf courses and other operating businesses.

Such a net income level has ranged from 21% to 33% of gross revenue during this time period. As shown in the SGA and other operating data from benchmarked courses, this range is considered quite reasonable, and would indicate (in general), a well-run golf operation. Certainly, there are many areas which can be analyzed, and many suggestions which will be offered herein, but on the surface, the golf operations at Captains appear to be fairly solid.

Several initial observations and items that will not fit into a specific line-item discussion to follow, and a few will be discussed in greater detail later:

- From a financial-return perspective, we question whether having "back-nine-with-member" is financially sound, as this requires prepping four, 9-hole courses at one time, in essence. The amount of revenue generated by these allocations has ranged from ~\$28k to \$35k over the past four fiscal years – we believe it may likely cost more than this over the course of the year in maintenance costs.
- While we do not have specific information regarding the cost being applied, credit card fees seem a bit high. We would recommend entering into discussions / negotiations with the bank handling credit card transactions to inquire whether a lower rate would be possible. We know of other golf courses with high transactional volume who were able to lower credit-card fees from 3% - 4%, to around 1% (of the amount charged).
- The number of staff both in the pro-shop and as part of the maintenance team has been questioned by many survey respondents, and others. According to management, there were 9 Full-time Equivalent (FTE's) maintenance staff in 2011 and 17 Seasonal maintenance staff in 2010 – the same number as in 2009 and 2010. In terms of golf operations (pro shop, starters, rangers, etc.), there have been 3 FTE's the last three years, and 38 – 40 seasonal staff.

- With 3 FTEs in the Golf Department, an argument can be made that the facility is somewhat understaffed, especially when it comes to Sales – outings, memberships, etc.
  - We would suggest consideration of a dedicated Sales person to be retained, possibly on a compensation package that considers success (i.e., % of sales) primarily. While the position could technically be part-time, having a dedicated Sales position may alleviate some of Mr. O'Brien's duties, and possibly open up other opportunities.
- As for the maintenance side, most staffing levels are determined by the amount of work typically completed on the property during the slower season. For instance, if the maintenance staff tends to do projects such as bunker work, drainage work clearing of wooded areas, snow removal, in-house increased staff levels are required, and if the revenues of the property will cover it.

## The Captains Golf Course

	Projected	Actual	Actual	Actual	Actual
	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008
<b>REVENUES:</b>					
Season Passes	\$ 863,100	\$ 812,589	\$ 853,500	\$ 808,975	\$ 937,505
Green Fees	\$ 1,762,000	\$ 1,592,733	\$ 1,709,204	\$ 1,758,866	\$ 1,890,951
Cart Fees	\$ 625,000	\$ 565,290	\$ 599,002	\$ 599,029	\$ 605,018
Driving Range	\$ 110,000	\$ 102,195	\$ 110,922	\$ 120,088	\$ 128,193
Pro Shop Gross Revenues	\$ 300,000	\$ 291,839	\$ 315,933	\$ 359,389	\$ 457,179
Restaurant Rent	\$ 50,000	\$ 48,000	\$ 45,870	\$ 46,669	\$ 45,000
Interest Income	\$ 5,000	\$ 10,000	\$ 10,000	\$ 22,500	\$ 22,500
Miscellaneous	\$ -	\$ (7,694)	\$ -	\$ (8,460)	\$ 6,037
<b>Total Revenues</b>	<b>\$ 3,715,100</b>	<b>\$ 3,414,952</b>	<b>\$ 3,644,431</b>	<b>\$ 3,707,056</b>	<b>\$ 4,092,383</b>
<b>COGS:</b>					
Pro Shop	\$ 200,000	\$ 218,428	\$ 227,838	\$ 219,341	\$ 419,544
Pro Shop COGS %	67%	75%	72%	61%	92%
<b>EXPENSES:</b>					
<b>Payroll Expense</b>					
Full Time Maintenance Wages	\$ 473,817	\$ 456,458	\$ 442,776	\$ 428,407	\$ 418,039
Part Time Maintenance Wages	\$ 251,835	\$ 213,209	\$ 223,393	\$ 238,513	\$ 208,183
Maintenance Overtime	\$ 52,480	\$ 51,154	\$ 54,586	\$ 53,941	\$ 47,728
Full Time Golf Operations Wages	\$ 194,615	\$ 196,723	\$ 200,223	\$ 198,240	\$ 187,308
Part Time Golf Operations Wages	\$ 188,635	\$ 187,785	\$ 184,318	\$ 197,054	\$ 206,881
Longevity	\$ 16,455	\$ 16,605	\$ 18,002	\$ 16,121	\$ 15,993
<b>Total Payroll Costs</b>	<b>\$ 1,177,837</b>	<b>\$ 1,121,934</b>	<b>\$ 1,123,299</b>	<b>\$ 1,132,275</b>	<b>\$ 1,084,132</b>
<b>Operating Expense</b>					
Course & Equipment Maintenance	\$ 547,145	\$ 481,108	\$ 457,416	\$ 464,339	\$ 475,964
Golf Operations	\$ 30,450	\$ 34,818	\$ 29,935	\$ 32,120	\$ 37,531
Utilities	\$ 95,600	\$ 88,946	\$ 88,886	\$ 106,355	\$ 97,823
Cart Lease	\$ 110,000	\$ 110,248	\$ 103,346	\$ 99,569	\$ 99,566
Advertising	\$ 30,000	\$ 31,978	\$ 35,818	\$ 29,841	\$ 33,228
Clubhouse Maintenance	\$ 26,500	\$ 28,290	\$ 27,112	\$ 29,217	\$ 23,508
Credit Card Fees	\$ 41,925	\$ 39,742	\$ 41,576	\$ 42,973	\$ 43,480
<b>Total Operating Expense</b>	<b>\$ 881,620</b>	<b>\$ 815,131</b>	<b>\$ 784,088</b>	<b>\$ 804,413</b>	<b>\$ 811,100</b>
<b>Fringe Benefits</b>					
Health Insurance	\$ 209,000	\$ 190,061	\$ 170,411	\$ 168,642	\$ 131,577
Life Insurance	\$ 740	\$ 740	\$ 740	\$ 740	\$ 633
FICA	\$ 13,500	\$ 13,362	\$ 13,362	\$ 13,050	\$ 12,534
County Retirement	\$ 100,000	\$ 94,486	\$ 86,765	\$ 81,555	\$ 75,362
Workmans Compensation	\$ 11,000	\$ 9,438	\$ 9,438	\$ 10,182	\$ 10,182
Unemployment	\$ 90,000	\$ 85,187	\$ 86,745	\$ 75,706	\$ 61,870
<b>Total Fringe Benefits</b>	<b>\$ 424,240</b>	<b>\$ 393,274</b>	<b>\$ 367,461</b>	<b>\$ 349,875</b>	<b>\$ 292,158</b>
Town Hall Indirect Cost	\$ 110,000	\$ 99,127	\$ 99,521	\$ 105,361	\$ 99,174
Liability and Property Insurance	\$ 55,000	\$ 52,888	\$ 49,765	\$ 53,742	\$ 53,742
<b>Total Expenses</b>	<b>\$ 2,848,697</b>	<b>\$ 2,700,781</b>	<b>\$ 2,651,971</b>	<b>\$ 2,665,007</b>	<b>\$ 2,759,760</b>
<b>Profit Before Debt Service</b>	<b>\$ 866,403</b>	<b>\$ 714,171</b>	<b>\$ 992,460</b>	<b>\$ 1,042,049</b>	<b>\$ 1,332,623</b>
<b>% of Gross</b>	<b>23%</b>	<b>21%</b>	<b>27%</b>	<b>28%</b>	<b>33%</b>

## 2011 Society of Golf Appraisers (SGA) National Golf Course Income and Expense Report

Daily Fee Expense Comparisons 34 Courses Reporting													
	LOWER QUARTILE				MEDIAN				UPPER QUARTILE				
	# Courses Reporting	\$ Amount	% of Total	\$ Per Round	\$ Per Hole	\$ Amount	% of Total	\$ Per Round	\$ Per Hole	\$ Amount	% of Total	\$ Per Round	\$ Per Hole
<b>INCOME:</b>													
Annual Membership Fees	16	\$ 70,354	6.2%	\$ 3.52	\$ 3,909	\$ 111,329	14.4%	\$ 6.38	\$ 6,185	\$ 162,006	21.3%	\$ 7.96	\$ 9,000
Public Greens Fees	34	\$ 359,858	38.7%	\$ 12.10	\$ 19,992	\$ 712,869	50.0%	\$ 23.47	\$ 39,604	\$ 1,126,179	64.8%	\$ 39.10	\$ 62,566
Cart Fees	28	\$ 65,968	8.0%	\$ 3.83	\$ 3,665	\$ 111,917	15.7%	\$ 5.07	\$ 6,218	\$ 249,908	20.2%	\$ 7.89	\$ 13,884
Range Fees	25	\$ 12,213	0.5%	\$ 0.52	\$ 679	\$ 22,243	2.2%	\$ 0.76	\$ 1,236	\$ 46,881	3.2%	\$ 1.24	\$ 2,605
Food & Beverage Sales	33	\$ 135,110	14.5%	\$ 4.95	\$ 7,506	\$ 251,989	16.4%	\$ 9.00	\$ 13,999	\$ 368,358	22.8%	\$ 13.21	\$ 20,464
Pro Shop Sales	32	\$ 41,473	4.2%	\$ 1.62	\$ 2,304	\$ 81,461	6.6%	\$ 2.68	\$ 4,526	\$ 126,815	8.0%	\$ 3.69	\$ 7,045
Tennis Sales	1	\$ 80,533	6.6%	\$ 2.78	\$ 4,474	\$ 80,533	6.6%	\$ 2.78	\$ 4,474	\$ 80,533	6.6%	\$ 2.78	\$ 4,474
Other	31	\$ 2,985	0.4%	\$ 0.15	\$ 166	\$ 7,481	0.6%	\$ 0.28	\$ 416	\$ 31,047	1.4%	\$ 0.91	\$ 1,725
Total Income	34	\$ 906,810	100.0%	\$ 31.76	\$ 50,378	\$ 1,253,233	100.0%	\$ 47.35	\$ 69,624	\$ 1,867,015	100.0%	\$ 58.40	\$ 103,723
<b>DEPARTMENTAL COSTS &amp; EXPENSES:</b>													
Golf Course	33	\$ 253,719	40.6%	\$ 9.75	\$ 14,096	\$ 352,785	50.9%	\$ 12.69	\$ 19,599	\$ 459,799	62.2%	\$ 16.75	\$ 25,544
Golf Carts	28	\$ 30,001	12.9%	\$ 1.01	\$ 1,667	\$ 56,260	34.6%	\$ 2.08	\$ 3,126	\$ 70,185	75.3%	\$ 2.87	\$ 3,899
Range	12	\$ 2,371	6.6%	\$ 0.08	\$ 132	\$ 5,783	14.9%	\$ 0.18	\$ 321	\$ 64,899	73.2%	\$ 1.59	\$ 3,605
Food & Beverage	33	\$ 68,406	62.9%	\$ 3.25	\$ 3,800	\$ 168,973	73.0%	\$ 5.58	\$ 9,387	\$ 257,892	84.3%	\$ 11.43	\$ 14,327
Pro Shop	34	\$ 89,695	153.1%	\$ 4.19	\$ 5,442	\$ 162,099	213.8%	\$ 5.53	\$ 9,204	\$ 285,099	365.4%	\$ 10.06	\$ 16,030
Tennis	0	—	—	—	—	—	—	—	—	—	—	—	—
Other	11	\$ 2,613	13.8%	\$ 0.07	\$ 145	\$ 12,902	52.4%	\$ 0.80	\$ 717	\$ 26,352	127.8%	\$ 0.99	\$ 1,464
Total Depart. Costs & Exps:	34	\$ 522,872	55.8%	\$ 19.65	\$ 29,048	\$ 865,196	63.0%	\$ 28.13	\$ 48,066	\$ 1,018,000	75.4%	\$ 47.31	\$ 56,556
<b>UNDISTRIBUTED EXPENSES:</b>													
Administrative & General	32	\$ 53,751	5.0%	\$ 2.11	\$ 2,986	\$ 95,867	8.6%	\$ 3.28	\$ 5,326	\$ 220,938	14.5%	\$ 7.09	\$ 12,274
Management Fees	4	\$ 25,750	2.5%	\$ 1.39	\$ 1,431	\$ 39,772	2.9%	\$ 1.62	\$ 2,210	\$ 73,162	3.4%	\$ 2.21	\$ 4,065
Marketing & Entertainment	27	\$ 3,435	0.4%	\$ 0.15	\$ 191	\$ 7,973	1.2%	\$ 0.35	\$ 443	\$ 22,880	1.6%	\$ 0.84	\$ 1,271
Professional Fees	21	\$ 4,240	0.4%	\$ 0.18	\$ 236	\$ 10,693	0.9%	\$ 0.39	\$ 594	\$ 15,781	1.3%	\$ 0.62	\$ 877
Utilities	30	\$ 22,371	2.6%	\$ 0.86	\$ 1,243	\$ 42,858	3.3%	\$ 1.61	\$ 2,381	\$ 76,915	4.3%	\$ 2.84	\$ 4,273
Repairs & Maintenance	29	\$ 9,256	1.3%	\$ 0.39	\$ 514	\$ 17,808	1.6%	\$ 0.71	\$ 989	\$ 36,692	2.3%	\$ 1.57	\$ 2,038
Total Undistributed Expenses:	33	\$ 115,820	11.6%	\$ 4.14	\$ 6,434	\$ 171,971	16.2%	\$ 8.56	\$ 9,554	\$ 382,101	21.3%	\$ 12.57	\$ 21,228
<b>INCOME BEFORE FIXED CHARGES:</b>													
	34	\$ 131,620	8.4%	\$ 3.67	\$ 7,312	\$ 210,074	21.1%	\$ 9.02	\$ 11,671	\$ 340,991	27.3%	\$ 11.44	\$ 18,944
<b>FIXED CHARGES:</b>													
Property Taxes	30	\$ 16,553	2.2%	\$ 0.87	\$ 920	\$ 37,595	3.7%	\$ 1.36	\$ 2,089	\$ 74,860	4.4%	\$ 2.43	\$ 4,159
Property Insurance	28	\$ 11,622	1.1%	\$ 0.47	\$ 646	\$ 19,359	1.4%	\$ 0.69	\$ 1,076	\$ 28,233	2.1%	\$ 1.03	\$ 1,568
Reserves for Replacement	0	—	—	—	—	—	—	—	—	—	—	—	—
Total Fixed Charges:	31	\$ 34,824	4.6%	\$ 1.68	\$ 1,935	\$ 66,663	5.2%	\$ 2.42	\$ 3,704	\$ 93,174	6.1%	\$ 3.00	\$ 5,176
<b>INCOME AFTER RESERVES BUT BEFORE OTHER CHARGES</b>													
	34	\$ 4,423	-0.3%	\$ (0.08)	\$ 246	\$ 171,634	15.7%	\$ 6.69	\$ 9,535	\$ 254,798	23.0%	\$ 10.35	\$ 14,155

## 2011 Society of Golf Appraisers (SGA) National Golf Course Income and Expense Report

Semi-Private Expense Comparisons 25 Courses Reporting													
	LOWER QUARTILE				MEDIAN				UPPER QUARTILE				
# Courses Reporting	\$ Amount	% of Total	\$ Per Round	\$ Per Hole	\$ Amount	% of Total	\$ Per Round	\$ Per Hole	\$ Amount	% of Total	\$ Per Round	\$ Per Hole	
INCOME:													
Initiation Fees	11	\$ 2,957	0.2%	\$ 0.92	\$ 164	\$ 18,500	0.4%	\$ 2.10	\$ 1,028	\$ 32,495	1.6%	\$ 2.91	\$ 1,805
Membership Dues	25	\$ 114,216	12.0%	\$ 32.46	\$ 6,345	\$ 297,898	17.7%	\$ 36.68	\$ 16,550	\$ 489,057	29.6%	\$ 43.55	\$ 27,170
Public Greens Fees	25	\$ 415,415	21.5%	\$ 18.55	\$ 23,079	\$ 567,200	33.1%	\$ 21.92	\$ 31,511	\$ 731,472	43.1%	\$ 29.03	\$ 40,637
Cart Fees	19	\$ 116,460	6.9%	\$ 4.62	\$ 6,470	\$ 222,336	10.1%	\$ 6.88	\$ 12,352	\$ 296,673	19.0%	\$ 11.18	\$ 16,482
Range Fees	22	\$ 16,116	0.8%	\$ 0.66	\$ 895	\$ 26,584	1.4%	\$ 0.84	\$ 1,477	\$ 32,747	1.7%	\$ 1.05	\$ 1,819
Food & Beverage Sales	25	\$ 138,674	13.0%	\$ 5.61	\$ 7,704	\$ 427,215	23.2%	\$ 11.96	\$ 23,734	\$ 627,642	32.7%	\$ 24.36	\$ 34,869
Pro Shop Sales	24	\$ 45,246	3.5%	\$ 2.08	\$ 2,514	\$ 84,565	4.8%	\$ 3.35	\$ 4,698	\$ 122,541	5.7%	\$ 3.79	\$ 6,808
Tennis Sales	4	\$ 16,133	0.8%	\$ 0.33	\$ 896	\$ 24,108	1.1%	\$ 0.56	\$ 1,339	\$ 39,693	2.2%	\$ 1.81	\$ 2,205
Other	20	\$ 7,146	0.7%	\$ 0.30	\$ 397	\$ 32,148	2.1%	\$ 0.95	\$ 1,786	\$ 65,794	3.3%	\$ 2.02	\$ 3,655
Total Income	25	\$ 1,307,650	100.0%	\$ 43.42	\$ 72,647	\$ 1,688,618	100.0%	\$ 61.00	\$ 93,812	\$ 2,020,864	100.0%	\$ 67.91	\$ 112,270
DEPARTMENTAL COSTS & EXPENSES:													
		\$ Amount	% of Total	\$ Per Round	\$ Per Hole	\$ Amount	% of Total	\$ Per Round	\$ Per Hole	\$ Amount	% of Total	\$ Per Round	\$ Per Hole
Golf Course	25	\$ 390,739	41.1%	\$ 13.71	\$ 21,708	\$ 461,575	45.3%	\$ 16.18	\$ 25,643	\$ 563,266	57.7%	\$ 19.81	\$ 31,293
Golf Carts	25	\$ 52,268	18.8%	\$ 1.58	\$ 2,904	\$ 56,503	25.6%	\$ 2.23	\$ 3,139	\$ 71,585	48.4%	\$ 2.71	\$ 3,977
Range	9	\$ 904	2.5%	\$ 0.03	\$ 50	\$ 2,286	26.0%	\$ 0.08	\$ 127	\$ 23,033	69.7%	\$ 0.84	\$ 1,280
Food & Beverage	22	\$ 250,180	75.9%	\$ 6.15	\$ 13,899	\$ 440,915	85.7%	\$ 16.58	\$ 24,495	\$ 554,899	105.7%	\$ 22.69	\$ 30,828
Pro Shop	25	\$ 151,183	174.6%	\$ 5.48	\$ 8,399	\$ 211,373	206.8%	\$ 6.24	\$ 11,743	\$ 290,944	346.5%	\$ 9.35	\$ 16,164
Tennis	4	\$ 34,400	238.6%	\$ 0.99	\$ 1,911	\$ 79,272	420.7%	\$ 1.73	\$ 4,404	\$ 124,311	574.0%	\$ 2.89	\$ 6,906
Other	8	\$ 6,552	21.4%	\$ 0.23	\$ 364	\$ 21,393	31.6%	\$ 0.89	\$ 1,188	\$ 84,498	65.0%	\$ 2.33	\$ 4,694
Total Depart. Costs & Exps:	25	\$ 945,152	59.5%	\$ 27.55	\$ 52,508	\$ 1,173,007	64.8%	\$ 40.13	\$ 65,167	\$ 1,590,231	72.6%	\$ 51.16	\$ 88,346
UNDISTRIBUTED EXPENSES:													
		\$ Amount	% of Total	\$ Per Round	\$ Per Hole	\$ Amount	% of Total	\$ Per Round	\$ Per Hole	\$ Amount	% of Total	\$ Per Round	\$ Per Hole
Administrative & General	25	\$ 90,638	5.8%	\$ 3.86	\$ 5,035	\$ 161,468	9.9%	\$ 4.88	\$ 8,970	\$ 209,303	12.2%	\$ 6.82	\$ 11,628
Management Fees	4	\$ 24,890	1.5%	\$ 0.97	\$ 1,383	\$ 75,653	2.3%	\$ 2.82	\$ 4,203	\$ 144,364	3.6%	\$ 4.71	\$ 8,020
Marketing & Entertainment	21	\$ 12,411	1.0%	\$ 0.50	\$ 690	\$ 24,137	1.6%	\$ 1.08	\$ 1,341	\$ 48,675	3.3%	\$ 1.72	\$ 2,704
Professional Fees	17	\$ 5,900	0.4%	\$ 0.26	\$ 328	\$ 11,137	0.5%	\$ 0.34	\$ 619	\$ 12,804	0.8%	\$ 0.47	\$ 711
Utilities	21	\$ 30,881	2.3%	\$ 1.19	\$ 1,716	\$ 52,300	3.7%	\$ 1.56	\$ 2,906	\$ 103,448	5.4%	\$ 3.67	\$ 5,747
Repairs & Maintenance	23	\$ 21,415	1.5%	\$ 0.70	\$ 1,190	\$ 38,191	2.0%	\$ 1.28	\$ 2,122	\$ 70,749	3.3%	\$ 2.06	\$ 3,930
Total Undistributed Expenses:	25	\$ 214,497	14.2%	\$ 7.52	\$ 11,917	\$ 300,497	17.4%	\$ 9.41	\$ 16,694	\$ 447,504	24.0%	\$ 15.77	\$ 24,861
INCOME BEFORE FIXED CHARGES:													
	25	\$ 128,976	10.7%	\$ 5.14	\$ 7,165	\$ 235,900	14.6%	\$ 8.50	\$ 13,106	\$ 371,870	20.4%	\$ 10.33	\$ 20,659
FIXED CHARGES:													
		\$ Amount	% of Total	\$ Per Round	\$ Per Hole	\$ Amount	% of Total	\$ Per Round	\$ Per Hole	\$ Amount	% of Total	\$ Per Round	\$ Per Hole
Property Taxes	24	\$ 40,280	3.1%	\$ 1.33	\$ 2,238	\$ 59,774	3.6%	\$ 2.29	\$ 3,321	\$ 89,284	4.8%	\$ 3.28	\$ 4,960
Property Insurance	25	\$ 18,224	1.0%	\$ 0.70	\$ 1,012	\$ 25,000	1.6%	\$ 0.83	\$ 1,389	\$ 46,452	2.5%	\$ 1.07	\$ 2,581
Reserve for Replacement	0	—	—	—	—	—	—	—	—	—	—	—	—
Total Fixed Charges	25	\$ 54,695	3.9%	\$ 2.09	\$ 3,039	\$ 78,205	4.7%	\$ 3.09	\$ 4,345	\$ 141,047	6.8%	\$ 4.72	\$ 7,836
INCOME AFTER RESERVES BUT BEFORE OTHER CHARGES													
	25	\$ 50,771	6.1%	\$ 2.30	\$ 2,821	\$ 148,058	10.2%	\$ 6.20	\$ 8,225	\$ 247,278	16.2%	\$ 7.82	\$ 13,738

# Public & Semi-Private Golf Course Benchmarks

## Statement of Historical Operating Results

Course ID	Comp A		Comp B		Comp C		Comp D		Comp E		Comp F		Comp G	
Location	Northwest Indiana		Southwest Ohio		Southeastern Michigan		Southeast Wisconsin		Northern Minnesota		Central Ohio		Southwestern Michigan	
Number of Holes	36		18		18		36		45		18		18	
Clubhouse Square Footage	17,517		40,000		9,908		42,876		35,000		10,000		30,420	
Site Acreage	554		159		212		279		491		235		294	
Total Rounds <sup>(1)</sup>	31,617		32,266		37,383		48,731		33,513		25,739		16,217	
Average Number Members	332		67		---		62		222		--		---	
F&B - Number of Seats	282		80		200		750		665		275		781	
Effective Average Dues	\$2,586		\$1,491		---		\$1,246		\$1,006		--		---	
Wt. Avg. Green Fee Rate	\$23.61		\$9.57		\$29.16		\$19.50		\$29.47		\$44.86		\$48.53	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>Revenues</b>														
Annual Dues	858,508	30.5%	99,866	7.7%	0	0.0%	77,279	2.2%	223,309	8.2%	0	0.0%	350,134	13.1%
Green Fees	746,423	26.5%	308,835	23.8%	1,090,163	46.1%	950,474	27.1%	987,723	36.3%	1,154,772	54.7%	787,004	29.5%
Cart Rentals	66,971	2.4%	494,040	38.1%	280,892	11.9%	397,378	11.3%	177,373	6.5%	0	0.0%	0	0.0%
Range	7,668	0.3%	0	0.0%	26,114	1.1%	45,058	1.3%	2,490	0.1%	0	0.0%	29,746	1.1%
Golf Shop Merchandise	0	0.0%	44,349	3.4%	74,294	3.1%	124,450	3.6%	264,917	9.7%	76,636	3.6%	243,110	9.1%
Food and Beverage	1,085,871	38.6%	167,850	13.0%	881,287	37.3%	1,872,389	53.4%	944,937	34.7%	782,828	37.1%	1,226,862	45.9%
Other Income	49,325	1.8%	180,122	13.9%	9,989	0.4%	37,460	1.1%	88,724	3.3%	97,657	4.6%	35,118	1.3%
<b>Total Revenues</b>	<b>2,814,766</b>	<b>100.0%</b>	<b>1,295,062</b>	<b>100.0%</b>	<b>2,362,739</b>	<b>100.0%</b>	<b>3,504,488</b>	<b>100.0%</b>	<b>2,720,227</b>	<b>100.0%</b>	<b>2,111,893</b>	<b>100.0%</b>	<b>2,671,974</b>	<b>100.0%</b>
Food & Beverage COGS	361,780	33.3%	40,408	24.1%	222,221	25.2%	531,048	28.4%	274,980	29.1%	265,891	34.0%	380,855	31.0%
Golf Shop COGS	0	--	23,200	52.3%	66,697	89.8%	87,851	70.6%	194,724	73.5%	79,236	103.4%	205,563	84.6%
Total COGS	361,780		63,608		288,918		618,899		469,704		345,127		586,418	
<b>Gross Profit</b>	<b>2,452,986</b>	<b>87.1%</b>	<b>1,231,454</b>	<b>95.1%</b>	<b>2,073,821</b>	<b>87.8%</b>	<b>2,885,589</b>	<b>82.3%</b>	<b>2,250,523</b>	<b>82.7%</b>	<b>1,766,766</b>	<b>83.7%</b>	<b>2,085,556</b>	<b>78.1%</b>
<b>Departmental Expenses <sup>(2)</sup></b>														
Golf Course Maintenance	464,082	16.5%	290,019	22.4%	475,112	20.1%	545,019	15.6%	771,444	28.4%	335,754	15.9%	570,267	21.3%
Irrigation Water	0	0.0%	0	0.0%	0	0.0%	0	0.0%	8,574	0.3%	0	0.0%	0	0.0%
Golf Carts	21,880	2.9%	1,486	0.5%	3,238	0.4%	3,409	0.4%	8,222	0.8%	11,123	1.0%	1,471	0.2%
Golf & Golf Shop Operations	201,402	12.5%	93,018	20.5%	142,242	12.2%	213,023	18.5%	303,002	20.5%	198,235	16.1%	342,880	24.8%
Food and Beverage	464,841	42.8%	31,737	18.9%	230,733	26.2%	632,008	33.8%	328,326	34.7%	354,712	45.3%	831,270	67.8%
Total Departmental Expenses	1,152,205	40.9%	416,260	32.1%	851,325	36.0%	1,393,459	39.8%	1,419,568	52.2%	899,824	42.6%	1,745,888	65.3%
<b>Departmental Income</b>	<b>1,300,781</b>	<b>46.2%</b>	<b>815,194</b>	<b>62.9%</b>	<b>1,222,496</b>	<b>51.7%</b>	<b>1,492,130</b>	<b>42.6%</b>	<b>830,955</b>	<b>30.5%</b>	<b>866,942</b>	<b>41.1%</b>	<b>339,668</b>	<b>12.7%</b>
<b>Undistributed Expenses</b>														
Administrative and General	249,951	8.9%	237,768	18.4%	249,974	10.6%	455,539	13.0%	199,493	7.3%	356,285	16.9%	271,435	10.2%
Marketing	37,446	1.3%	34,201	2.6%	86,357	3.7%	39,695	1.1%	108,972	4.0%	49,155	2.3%	162,616	6.1%
Management Fee	0	0.0%	0	0.0%	70,851	3.0%	105,080	3.0%	0	0.0%	0	0.0%	0	0.0%
Utilities	90,443	3.2%	102,293	7.9%	77,823	3.3%	131,678	3.8%	100,301	3.7%	74,247	3.5%	152,655	5.7%
Repairs & Maintenance	8,887	0.3%	21,312	1.6%	8,159	0.3%	15,678	0.4%	8,761	0.3%	17,075	0.8%	39,278	1.5%
Total Undistributed Expenses	386,727	13.7%	395,574	30.5%	493,164	20.9%	747,670	21.3%	417,527	15.3%	496,762	23.5%	625,984	23.4%
<b>Income Before Fixed Charges</b>	<b>914,054</b>	<b>32.5%</b>	<b>419,620</b>	<b>32.4%</b>	<b>729,332</b>	<b>30.9%</b>	<b>744,460</b>	<b>21.2%</b>	<b>413,428</b>	<b>15.2%</b>	<b>370,180</b>	<b>17.5%</b>	<b>(286,316)</b>	<b>-10.7%</b>
<b>Fixed Charges <sup>(3)</sup></b>														
Real Estate & Personal Prop. Taxes	139,251	4.9%	37,306	2.9%	148,735	6.3%	163,933	4.7%	76,306	2.8%	187,656	8.9%	144,326	5.4%
Golf Cart Lease	77,806	2.8%	66,372	5.1%	57,644	2.4%	90,672	2.6%	0	0.0%	57,600	2.7%	137,895	5.2%
Maintenance Equipment Lease	0	0.0%	0	0.0%	31,360	1.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Land Lease	0	0.0%	0	0.0%	0	0.0%	0	0.0%	28,927	1.1%	0	0.0%	0	0.0%
Insurance	38,026	1.4%	33,022	2.5%	16,656	0.7%	36,114	1.0%	77,183	2.8%	52,934	2.5%	40,658	1.5%
<b>Total Fixed Charges</b>	<b>255,083</b>		<b>136,700</b>		<b>254,395</b>		<b>290,719</b>		<b>182,416</b>		<b>298,190</b>		<b>322,879</b>	
<b>Net Operating Income <sup>(4)</sup></b>	<b>658,971</b>	<b>23.4%</b>	<b>282,920</b>	<b>21.8%</b>	<b>474,937</b>	<b>20.1%</b>	<b>453,741</b>	<b>12.9%</b>	<b>231,012</b>	<b>8.5%</b>	<b>71,990</b>	<b>3.4%</b>	<b>(609,195)</b>	<b>-22.8%</b>
Capital Expenditures	0		0		0		0		0		0		0	
Reserve For Replacements	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Net Cash Flow <sup>(5)</sup></b>	<b>\$658,971</b>	<b>23.4%</b>	<b>\$282,920</b>	<b>21.8%</b>	<b>\$474,937</b>	<b>20.1%</b>	<b>\$453,741</b>	<b>12.9%</b>	<b>\$231,012</b>	<b>8.5%</b>	<b>\$71,990</b>	<b>3.4%</b>	<b>(\$609,195)</b>	<b>-22.8%</b>

The following section will summarize the results of our research and present our findings and recommendations. On the whole, the golf club appears well managed. Rather than provide a comprehensive analysis of every line item within the financial statements, we will focus only on those main areas of revenue or expenses.

## **GOLF DEPARTMENT**

### **Green Fee Structure**

The green fees at Captains offer a very wide range of costs depending on time of day, day of the week, or date. This is becoming more common in the golf industry, it's our opinion that Captains may take the pricing stratification to somewhat of an extreme, as shown on the following page. As shown within the table, the asking, or "rack" rates for the subject haven't really changed all that much over the last five playing seasons. The one area that has been increased is the "in-season" daily fee rate, which has increased from \$64 to \$69 since the 2008 season. In addition, a \$76 rate was added in 2011 before 9:00 in July. Since 36% of the rounds played in July were before 9:00 AM, such a rate change addition seems very appropriate.

<b>Saturday, January 1st thru Friday, April 1st</b>	2011	2010	2009	2008	2007
Everyday - 18 hole green fee	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00
After 1:00 p.m. everyday - twilight green fee	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Back 9 everyday - (must be with member/available for the 1st hour and a half)	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Junior green fee (under 18 years old) - after 1:00 p.m.	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
<b>Saturday, April 2nd thru Thursday, April 28th</b>					
Friday thru Sunday - 18 hole green fee	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00
Monday thru Thursday - 18 hole green fee	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00
After 1:00 p.m. everyday - 18 hole green fee	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00
After 3:00 p.m. everyday - twilight green fee	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Back 9 everyday - (must be with member/available for the 1st hour and a half)	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Junior green fee (under 18 years old) - after 4:00 p.m.	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
<b>Friday, April 29th thru Monday, May 30th</b>					
Friday thru Sunday - 18 hole green fee (and Memorial Day)	\$ 69.00	\$ 66.00	\$ 66.00	\$ 64.00	\$ 64.00
Friday thru Sunday 1:00 pm to 3:00 pm	\$ 49.00	\$ 50.00	\$ 45.00	\$ 45.00	\$ 45.00
Friday thru Sunday After 3:00 pm	\$ 35.00	\$ 35.00	\$ 30.00	\$ 30.00	\$ 30.00
Friday thru Sunday Back 9 (must be with member/available for the 1st hour and a half)	\$ 35.00	\$ 35.00	\$ 30.00	\$ 30.00	\$ 30.00
Monday thru Thursday - 18 hole green fee (except Memorial Day)	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Monday thru Thursday after 1:00 p.m.	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00
Monday thru Thursday after 3:00 p.m.	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Monday thru Wednesday Back 9 (must be with member/available for the 1st hour and a half)	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Junior green fee (under 18 years old) - after 4:00 p.m.	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
<b>Tuesday, May 31st thru Thursday, June 30th</b>					
Friday thru Sunday - 18 hole green fee	\$ 69.00	\$ 66.00	\$ 66.00	\$ 64.00	\$ 64.00
Friday thru Sunday 1:00 pm to 3:00 p.m.	\$ 49.00	\$ 50.00	\$ 45.00	\$ 45.00	\$ 45.00
Friday thru Sunday After 3:00 pm	\$ 35.00	\$ 35.00	\$ 30.00	\$ 30.00	\$ 30.00
Friday thru Sunday Back 9 (must be with member/available for the 1st hour and a half)	\$ 35.00	\$ 35.00	\$ 30.00	\$ 30.00	\$ 30.00
Monday thru Thursday - 18 hole green fee	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00
Monday thru Thursday 1:00 pm to 3:00 pm	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00
Monday thru Thursday after 3:00 p.m.	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Monday thru Wednesday Back 9 (must be with member/available for the 1st hour and a half)	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Junior green fee (under 18 years old) - after 4:00 p.m.	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
<b>Friday, July 1st thru Monday, September 5th</b>					
18 hole green fee - everyday before 9:00 a.m.	\$ 76.00	Not Listed	Not Listed	Not Listed	Not Listed
18 hole green fee - everyday 9:00 a.m. - 2:00 p.m.	\$ 69.00	\$ 66.00	\$ 66.00	\$ 64.00	\$ 64.00
18 hole green fee - everyday 2:00 p.m. - 4:00 p.m.	\$ 49.00	\$ 50.00	\$ 45.00	\$ 45.00	\$ 45.00
After 4:00 p.m. everyday - twilight green fee	\$ 35.00	\$ 35.00	\$ 30.00	\$ 30.00	\$ 30.00
Back 9 everyday except Thursday - (must be with mbr/avail for the 1st hr and a half)	\$ 35.00	\$ 35.00	\$ 30.00	\$ 30.00	\$ 30.00
Junior green fee (under 18 years old) - after 5:00 p.m.	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
<b>Tuesday, September 6th thru Monday, October 10th</b>					
Friday thru Sunday - 18 hole green fee (and Columbus Day)	\$ 69.00	\$ 66.00	\$ 66.00	\$ 64.00	\$ 64.00
Friday thru Sunday 1:00 pm to 3:00 p.m.	\$ 49.00	\$ 50.00	\$ 45.00	\$ 45.00	\$ 45.00
Friday thru Sunday After 3:00 pm	\$ 35.00	\$ 35.00	\$ 30.00	\$ 30.00	\$ 30.00
Friday thru Sunday Back 9 (must be with member/available for the 1st hour and a half)	\$ 35.00	\$ 35.00	\$ 30.00	\$ 30.00	\$ 30.00
Monday thru Thursday - 18 hole green fee (except Columbus Day)	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Monday thru Thursday 1:00 pm to 3:00 pm	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00
Monday thru Thursday after 3:00 p.m.	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Monday thru Wednesday Back 9 (must be with member/available for the 1st hour and a half)	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Junior green fee (under 18 years old) - after 4:00 p.m.	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
<b>Tuesday, October 11th thru Sunday, October 30th</b>					
Friday thru Sunday - 18 hole green fee	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00	\$ 55.00
Monday thru Thursday - 18 hole green fee	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00
After 1:00 p.m. everyday - 18 hole green fee	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Back 9 everyday - (must be with member/available for the 1st hour and a half)	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00
Junior green fee (under 18 years old) - after 2:00 p.m.	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
<b>Monday, October 31st thru Saturday, December 31st</b>					
Everyday - 18 hole green fee	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00
After 1:00 p.m. everyday - twilight green fee	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Back 9 everyday - (must be with member/available for the 1st hour and a half)	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Junior green fee (under 18 years old) - after 1:00 p.m.	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00

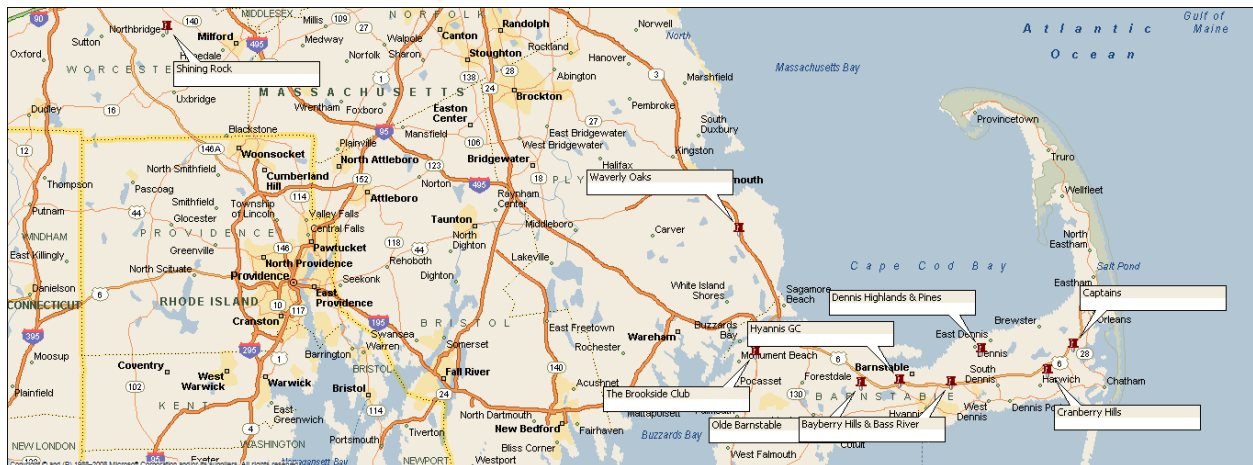
The following chart summarizes Captains' green fees (peak, 18-hole Daily-fee rate), compared to several of the other public access courses on the Cape.



Property Name	# Holes	Peak Weekday Green Fees	Peak Weekend Green Fees	Off Peak WE Green Fee	Annual Pass Fees Residents	18-hole Cart Fees	Annual Rounds/18- holes
<b>Subject Rates</b>	<b>36</b>	<b>\$55.00</b>	<b>\$76.00</b>	<b>\$69.00</b>	<b>\$725</b>	<b>\$ 20.00</b>	<b>35,418</b>
Hyannis & Old Barnstable - Barnstable	36	\$50.00	\$61.00	\$45.00	\$850	\$ 17.00	31,125
Dennis Highlands & Pines - Dennis	36	\$53.00	\$64.00	\$53.00	\$699	\$ 17.50	39,373
Bayberry Hills & Bass River - Yarmouth	45	\$55.00	\$66.00	\$52.00	\$750	\$ 19.00	29,265
Cranberry Valley - Harwich	18	\$65.00	\$65.00	\$54.00	\$655	\$ 18.00	29,000
The Brookside Club	18	\$48.00	\$55.00	\$54.00	NAV	incl	25,000
Waverly Oaks	18	\$75.00	\$95.00	\$75.00	\$3,200	incl	23,000
Shining Rock	18	\$49.00	\$64.00	\$64.00	\$3,200	incl	25,000

*These courses' rounds are estimates*

We've included the main daily-fee / public-access courses on the Cape, as well as a couple higher-end public courses across the Bridge for comparison. As the map clearly shows, The Captains' is the furthest east of these properties, and thus anyone coming from the greater Boston area will have to pass many quality golf options to get to the Captains. For this reason, it is imperative that Captains offers a perceived value, and one of the better golfing experiences available.



Additional analyses is available from the financial data of other municipal courses on the Cape, compared to the subject's historical experiences. The following summarizes the revenue achieved per round at four of these municipalities' facilities, as compared to Captains, with additional support from the SGA data.

Green / Cart / Range Fees Per Round					Subject Data								
					Daily-Fee Rounds				35,369	35,214	38,134	40,330	42,714
					Member Rounds				35,381	35,622	33,632	36,908	38,757
					Total Rounds				70,750	70,836	71,766	77,238	81,471
	Harwich	Yarmouth	Dennis	Barnstable	FY 2012 Budget		FY 2011	FY 2010	FY 2009	FY 2008			
\$/ Round - AFP	\$ 34.55	\$ 16.27	\$ 20.23	\$ 22.38	\$ 24.39	\$ 22.81	\$ 25.38	\$ 21.92	\$ 24.19				
Green Fees - Daily Fee	\$ 46.02	\$ 44.30	\$ 41.25	\$ 33.56	\$ 49.82	\$ 45.23	\$ 44.82	\$ 43.61	\$ 44.27				
Cart Fees	\$ 5.40	\$ 7.97	\$ 5.19	\$ 7.53	\$ 8.83	\$ 7.98	\$ 8.35	\$ 7.76	\$ 7.43				
Range	\$ 1.73	\$ 0.91	\$ 1.40	\$ 1.93	\$ 1.55	\$ 1.44	\$ 1.55	\$ 1.55	\$ 1.57				
					SGA Data								
Rev/Round	Lower	Upper	Average										
Green Fees - Daily Fee	\$ 16.11	\$ 29.26	\$ 19.25										
Cart Fees	\$ 4.41	\$ 8.67	\$ 6.98										
Range	\$ 0.41	\$ 0.97	\$ 0.79										

The above information provides additional insight into the actual experience at other Cape muni courses. For instance, the range of effective green fee per public round at these courses was \$33.56 to \$46.02 in FY 2010. By comparison, Captains' effective green fee per public round was \$44.82 in FY 2010. We note that we've estimated rounds at Harwich, and acknowledge that their effective rate / round could be higher or lower. So, what the above shows is that Captains has been able to maintain the highest "Rack" green fee rate, as well as the highest effective green fee rate among the Cape muni courses.

Based upon the available market data, GCG believes that the current green fee structure is reasonable and market supported. The subject is priced at the upper end of the range, but given the perceived differences in quality / conditioning we believe the range of rates being charged are reasonable. We further believe that the recent addition of the \$76 rate at peak times (pre 9:00 AM) is appropriate and should help to grow effective green fees per public round.

## Membership Revenue

Captains offers Annual Fee Player memberships to residents and non-residents, at various prices, as discussed previously. And as discussed, the current pricing is generally supported by the competitive market. Further analyses is warranted in our opinion though, based on the utilization of the course by members vs. Daily-fee players. Additionally, several survey respondents questioned whether selling annual memberships to the course was appropriate, or reasonable. This is a germane and pertinent question given the amount of member-play annually (~50%), and the price members pay for their golf (~50 – 55% of daily-fee players).

As noted, the revenue derived from season pass sales represents a lower percentage of total revenue than the percentage of season pass play to total golf rounds – i.e., the cost to play a round of golf is much less for members as compared to daily-fee players. The following table illustrates the point.

	Budget 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
Public Rounds	35,369	35,214	38,134	40,330	42,714	42,269
Member Rounds	35,381	35,622	33,632	36,908	38,757	39,610
Total Rounds	70,750	70,836	71,766	77,238	81,471	81,879
Annual Members	1,009	990	1,056	1,095	1,160	1,203
Rounds/Member	35.1	36.0	31.8	33.7	33.4	32.9
Green Fees	\$ 1,762,000	\$ 1,592,733	\$ 1,709,204	\$ 1,758,866	\$ 1,890,951	\$ 1,870,399
Effective Green Fee/Public Round	\$ 49.82	\$ 45.23	\$ 44.82	\$ 43.61	\$ 44.27	\$ 44.25
Peak GF Rack Rate Average		\$ 56.33	\$ 53.68	\$ 53.68	\$ 52.78	\$ 52.78
Effective GF vs. Rate Rate Peak		80%	83%	81%	84%	84%
Effective Membership Rev / Round	\$ 24.39	\$ 22.81	\$ 25.38	\$ 21.92	\$ 24.19	\$ 24.05
% of DF Effective Rate	49%	50%	57%	50%	55%	54%
Cart Fees	\$ 625,000	\$ 565,290	\$ 599,002	\$ 599,029	\$ 605,018	\$ 629,792
Eff. Cart Fee/Total Round	\$ 8.83	\$ 7.98	\$ 8.35	\$ 7.76	\$ 7.43	\$ 7.69
Membership Revenue	\$ 863,100	\$ 812,589	\$ 853,500	\$ 808,975	\$ 937,505	\$ 952,500
Effective Revenue / Member	\$ 855	\$ 821	\$ 808	\$ 739	\$ 808	\$ 792

Typically, it would be fairly unreasonable to expect that the percentage of revenue from season pass play would be equal to the percentage of play by pass holders, because pass holders buy season tickets specifically to play more golf at a lower overall cost. That is the case at Captains, where Green Fee revenue is typically double that of pass holder, or membership revenue. However, as the above chart clearly shows, members are playing approximately half of all rounds at Captains, at least each of the last two fiscal years. Through FY 2010, the amount of public play was greater than member play at Captains, but with faltering economic conditions, and stagnant golf demand overall, the metrics for member vs. non-member play have basically become equal.

What is interesting to note, by comparison, is that member-play as a percentage of total-play is much higher at Captains than it is at the other muni courses on the Cape, as shown below. Members at Captains play roughly 50% of all rounds, while at the other muni courses, members play 36% to 41% of rounds. The effect, given the pricing at Captains for annual memberships, is a watering-down of the effective revenue / round overall.

FY 2010 Utilization						
	Harwich	Yarmouth	Dennis	Barnstable	Brewster	
Non-Member	14,000	33,815	28,030	25,900	35,214	
Non-Member %	41%	40%	36%	40%	50%	
Member	20,000	50,347	50,716	38,850	35,622	
Member %	59%	60%	64%	60%	50%	
Totals	34,000	84,162	78,746	64,750	70,836	
# Holes	18	45	36	36	36	
Rounds / 18-holes	34,000	33,665	39,373	32,375	35,418	
Membership / Member Round	\$ 32.83	\$ 16.27	\$ 20.23	\$ 20.16	\$ 23.96	

The market data supports GCG's contention that the discount afforded to season pass holders at Brewster could be slightly deep given the utilization of members. That said, the affordability of annual passes at Captains potentially offsets the lack of discounted green fees for Brewster residents on a daily-fee basis.

❖ Considerations for Membership

- ❖ Management might be able to increase the effective revenue from season pass holders in 2 ways, by either increasing the cost of the pass, or decreasing the amount of play granted with the season pass, or a combination of the two.
- ❖ Consideration should be given to:
  - ❖ a tiered membership plan for residents and non-residents
  - ❖ offering a discounted greens fee for residents – not a membership per-se, but a bridge from normal daily-fee play and annual fees
  - ❖ Consider capping rounds that members can play
  - ❖ Re-allocating member tee time blocks
  - ❖ Charging members a surcharge to play at prime time i.e. additional \$20 to play at 8:00AM Saturday morning.

❖ Recommendations for Membership

- ❖ We would not suggest capping member-rounds. As shown previously, the memberships currently being offered are within the range of other municipalities. There could be room to increase rates some, but limiting play has a more negative impact in our opinion.

**Cart Rental Revenue**

Cart fees at The Captains is currently \$20 per rider per 18 holes for non-members, and \$15 for annual fee player. The rate for non-members is at the upper end of the competitive range, while the rate for pass holders appears reasonable. That said, the amount of members actually using carts is relatively limited, per data provided by management based on historical trends – management estimates that 32% of 18-hole member play will utilize a cart, as compared to 85% of daily-fee play. This is partly due to time-of-day, and cart-requirements in peak-times, but also belies the playing / utilization tendencies of the members at Captains.

<b>Riding Cart Revenue Projections for FY 2012</b>						
	Total Rounds	Cart Rounds	% of Total	Cart Revenue	Cart \$/Round	
AFP						
18-hole	27,090	8,673	32.0%	\$ 122,459	\$	14.12
9-hole	10,000	5,183	51.8%	\$ 39,024	\$	7.53
Daily Fee						
18-hole	26,952	22,909	85.0%	\$ 431,459	\$	18.83
9-hole	7,055	2,117	30.0%	\$ 23,895	\$	11.29
	71,097	38,882	54.7%	\$ 616,837	\$	15.86

- ❖ Recommendation – With Captains’ cart fees at the upper end of the market, we do not recommend increasing them in the near future, for the non-member rounds. There could be some small increase applied to the member-rate, but the impact would likely be minimal, given the relatively low percentage of member-cart-use presently (32% for 18 holes). As such, we recommend leaving cart fees as-is. As will be discussed to follow, there could be an opportunity to increase revenue from carts in the form of advertising on them, through placards (placed on the under-side of the roof).

### **Driving Range**

The existing driving range at Captains is located across the street from the course, and generates anywhere from \$110k to \$115k in total, or \$1.44 to \$1.57 per round played. By comparison, the range revenue at the other Cape muni courses ranged from \$0.91 to \$2.09 per round played. It is our opinion that revenue from the range could grow somewhat, but realistically, revenue / round played is supported by comparable data.

- ❖ Recommendation – Maintain the range as is, but consider adding a range membership, in addition to the options currently offered for \$/bucket and the “debit” cards. We believe adding the range membership, if priced appropriately, will increase range use, and provide an additional stream of income.

### **Merchandise Revenue**

The pro shop appears to be adequately sized for the type of operation at Captains, and is similar to other daily-fee pro shops found in the region – logo’ed shirts / hats / golf balls, other outer gear, golf bags, and the like. Pro shop revenue has ranged from \$4.13 to \$5.61 per round played over the past five fiscal years. Compared to the other muni courses, merchandise sales at Captains is actually doing pretty well.

Rev/Round	Other Cape Muni's				Subject Data				
	Harwich	Yarmouth	Dennis	Barnstable	FY 2012 Budget	FY 2011	FY 2010	FY 2009	FY 2008
Pro Shop	\$ 4.31	\$ 2.12	\$ 1.69	\$ 3.36	\$ 4.24	\$ 4.12	\$ 4.40	\$ 4.65	\$ 5.61
Total Pro Shop	\$ 146,678	\$ 178,197	\$ 133,398	\$ 217,789	\$ 300,000	\$ 291,839	\$ 315,933	\$ 359,389	\$ 457,179

Rev/Round	SGA Data		
	Lower	Upper	Average
Pro Shop	\$ 1.17	\$ 3.63	\$ 2.24
Total Pro Shop	\$ 111,806	\$ 198,597	\$ 166,532

- ❖ Recommendation – Continue to stock the pro shop with service-related items such as golf balls and gloves, and keep the more expensive soft and hard goods (shirts, clubs, etc.) stocked to a minimum.

## Food & Beverage Revenue

Currently, the club leases the Food & Beverage operation to a 3<sup>rd</sup> party for an amount of 10% of F&B sales, or a minimum amount, as discussed to follow.

## Merchandise Cost of Sales

Well run pro shops at golf courses / clubs tend to indicate merchandise COGS ranging from 65% to 79% of merchandise sales. This is consistent with GCG's experience in golf clubs nationwide. The subject's historical COGS for merchandise has ranged widely, from 61% to nearly 92% over the past five fiscal years.

COGS	FY 2012 Budget	FY 2011	FY 2010	FY 2009	FY 2008
Merchandise	66.67%	74.85%	72.12%	61.03%	91.75%

It's our understanding the previous employees ran the shop until 2009, which accounts for high merchandise cost, but actually reflects normal sales and significantly higher purchases in 2008. The costs incurred since then – 62% to 75% are much more normalized, and indicate a shop that is being well managed.

- ❖ Recommendation – Continue the purchase programs currently in place, limiting excess on-site inventory as much as possible. Also, management attention to maintaining accurate records of inventory, and key stoning inventory (i.e. discounting every 30/60/90 days) to move the goods stocked will continue to keep costs manageable, and a margin in the 25% – 35%.

## Golf Course Maintenance Expense

Maintenance expenses were discussed previously, but some points are worthy of mention herein, relative to operational analyses.

- New equipment purchases are on the horizon, and these will either drive up capital expenditures, as planned, or equipment leasing costs. The course recently entered into its first real maintenance equipment lease, which will increase annual operating costs, but will decrease one-time, large expenditures.
  - We recommend that equipment sharing continue to be considered, as has been done sparingly recently. This will help to decrease annual maintenance costs.
- The overall labor cost of \$600,000- \$650,000, which equates to \$16,600 to \$18,056 per hole, on the surface appears very high, from a benchmarking perspective of seasonal high-end public courses. The SGA data indicates a range that is much lower than this for total golf course maintenance, as do the comparable (non-Cape) properties analyzed. However, there are many reasons why the subject's maintenance expenses, especially maintenance labor, is this high, including
  - Union labor
  - Prepping four, 9-hole courses on a daily-basis during the peak season.
  - In-house staff is used for many capital projects, which is reasonable
  - By comparison with other Cape-area muni courses, maintenance labor is not considered high
- The equipment repair and maintenance budget in the next couple of years increases to \$70,000 - \$75,000. This range appears a bit high, especially considering that equipment is due to be purchased at the course in the next 2 – 3 years, and the funds for these purchases appear to be included in the capital expenditure budgets. With newer equipment, it would be reasonable for the repairs & maintenance line item (for equipment) to decline.
- Additional applications of chemicals (fungicide) are driving up the chemical portion of the budget; consideration should be given to curtailing applications in the spring if possible, or applying reactively rather than preventively.

❖ Recommendation: GCG recommends examining every aspect of the maintenance department, with an eye focused on reducing the amount of materials and labor utilized, through increased efficiency in maintenance practices, and through the completion of only those maintenance procedures considered necessary to maintain market share

### **Marketing and Promotion Expense**

The marketing program at Captains will be discussed in a later section, but some benchmarking here is appropriate. As shown below, Captain's marketing expenses have ranged from 0.7% to 0.9% of total revenue (adjusted below for gross F&B revenue). The SGA data would indicate a range from 0.6% on the low end to 2% on the high end. The comparable properties shown previously indicate a range of 1% to 6% of gross revenue.

Marketing Expense	SGA Data			Subject Data & GCG Projection				
	Lower	Upper	Average	FY 2012 Budget	FY 2011	FY 2010	FY 2009	FY 2008
	\$ 3,394	\$ 22,855	\$ 10,997	\$ 30,000	\$ 31,978	\$ 35,818	\$ 29,841	\$ 33,228
Assumed Total Revenue (including gross Pro Shop and F&B)				\$ 4,065,100	\$ 3,766,952	\$ 3,991,223	\$ 4,077,549	\$ 4,514,079
% of Total Revenue	0.60%	2.00%	1.10%	0.74%	0.85%	0.90%	0.73%	0.74%

- ❖ Recommendation – The marketing budget, from a benchmarking perspective, could be increased in our opinion. Obviously, just spending more money on something does not automatically mean it will improve results, but in this case, we believe the subject has to continually reinforce its image in the marketplace. As the last quality public course on the Cape (moving eastward), golfers have to pass a large number of decent-quality courses to get to Captains. GCG recommends a modest but focused marketing campaign targeting local residents, hotels, and the off-Cape corporate market for daily fee demand. In addition, we recommend a coordinated effort with the new F&B operator in order to attract outings, or increase the revenue/ outing.

### **Town Hall Indirect Cost (similar to 3<sup>rd</sup> Party Management Fees)**

As shown in the subject's historical operating statements, there is a payment, or allocation of funds to the Town for indirect costs incurred by Town employees, as it relates to the golf course. We understand this payment relates to the Town accountant, Manager, other staff, and specific hard costs incurred.

The Town of Brewster provides payroll processing, administrative services such as bookkeeping, security, as well as periodic assistance with some capital expenditure, etc. In return, the amount paid by the golf course to the Town has ranged from \$80,699 to a budget of \$110,000 in FY 2012. The total paid to the Town for these Indirect Costs since 2001 is approximately \$1.112MM. This amount is in addition to the monies transferred to the Town at the end of each fiscal year.

	FY 2012 Budget	FY 2011	FY 2010	FY 2009	FY 2008
Town indirect costs % of total revenue	2.71%	2.63%	2.49%	2.58%	2.20%

In our opinion these payments are akin to a management fee which would be paid to a third-party management company for running the golf course. While the amount is somewhat low on a percentage of revenue standpoint (2.2% - 2.71%), the dollar amount paid begins to approach what well-run third-party management companies could command for running The Captains. In many for-profit, and often, publicly-owned courses, the management function of a course is performed by ownership and the management fee is part of their compensation. In some cases, an outside management company is contracted to run the day-to-day operations of a golf course.

We have surveyed several of the country's largest golf management firms, including EAGL, Continental Golf, Kemper Sports, Arnold Palmer Golf Management, Club Corp. of America, and



American Golf Corp. The range of fees from the companies is wide, and depends on the amount of services offered. As a percentage of gross income, these fees ranged between 2%-8%.

We are not suggesting that the fees would be a wash (indirect costs = management fees), nor would the services performed be the same, but many of them would be the same, or similar. And further, these monies offset some fixed costs the Town incurs annually, such as a portion of payroll for some Town employees.

Based on the analyses completed, it is our opinion that a management company could offer some economies of scale in certain purchasing areas, cart / equipment leases, and the like. However, it is questionable whether a management company would be able to dramatically improve revenue at the course beyond what current management should be capable of attaining.

### **Insurance Expense**

The club spends approximately \$55,000 annually on casualty and property insurance, workman's compensation, etc. Based on our review of the primary comparable data, as well on our experience throughout the country, an annual insurance expense of \$55,000 is considered reasonable for a 36-hole facility receiving the amount of play that Captains receives. We would suggest though that an annual review / negotiation be undertaken with the current insurance company, or another company that deal primarily with golf courses, to obtain the best possible coverage / cost possible.

### **Capital Expenditures**

Historically, the club's annual capital expenditures for maintenance equipment purchases, clubhouse and course capital projects, has ranged from 4% to 8% of gross revenue. This range is reasonable in light of the market comparable performance and the operations of Captains, along with the age and use of the equipment and improvements.

That said, the course faces many hurdles in the future, relative to the sink-holes on-site, and the need to purchase new equipment in the very near future.

- ❖ Recommendation – The club has diligently funded the capital expenditures deemed necessary. GCG recommends that going forward, the club's acquisition of golf course maintenance equipment and the golf cart fleet be reviewed for necessity, as well as compared with alternative acquisition methods (i.e. leasing vs. buying).

## FOOD AND BEVERAGE LEASE

As touched upon in the previous section, the subject's food and beverage operations are leased to a third party – Back Nine Café. A prior vendor ended their relationship with the Town and the course at the end of 2011, and this new vendor begins in 2012 with a three-year term.

We understand the new vendor has other golf / F&B experience, and would expect them to provide adequate service to the operations of the course. The main rent terms for the lease are shown below, but basically call for a 10% percentage rent with stated-minimum amounts each of the three lease years.

### EXHIBIT "C"

#### RENT FORMULA FORM PER CENT OF GROSS SALES & GUARANTEED MINIMUM RENT

The Lessee agrees to pay the Town of Brewster annual rent in the following amounts based upon gross sales, subject to the minimum annual rent listed.

	<u>Percent of Gross Sales</u>	<u>Guaranteed Minimum Rent</u>
1 <sup>st</sup> year:	10%	\$ 48,000.00
2 <sup>nd</sup> year:	10%	\$ 49,000.00
3 <sup>rd</sup> year:	10%	\$ 50,000.00
SUB-TOTAL		\$147,000.00
First Option Year:	10%	\$ 50,000.00
Second Option Year:	10%	\$ 50,000.00
TOTAL:		\$247,000.00

Rent Schedule:			
Date Due	<u>2012</u>	<u>2013</u>	<u>2014 – 2016</u>
January 1 <sup>st</sup>	\$ 0.00	\$ 0.00	\$ 0.00
February 1 <sup>st</sup>	\$ 0.00	\$ 0.00	\$ 0.00
March 1 <sup>st</sup>	\$ 0.00	\$ 0.00	\$ 0.00
April 1 <sup>st</sup>	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
May 1 <sup>st</sup>	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
June 1 <sup>st</sup>	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
July 1 <sup>st</sup>	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
August 1 <sup>st</sup>	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
September 1 <sup>st</sup>	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
October 1 <sup>st</sup>	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
November 1 <sup>st</sup>	\$ 2,500.00	\$ 3,000.00	\$ 3,500.00
December 1 <sup>st</sup>	\$ 2,000.00	\$ 2,500.00	\$ 3,000.00
TOTAL	\$48,000.00	\$49,000.00	\$50,000.00

The Town provided F&B sales info for 2008, 2009, and 2010, which indicated gross F&B sales ranging from approximately \$393,000 to \$467,000, with an average of approximately \$426,000. Based on this data, it is reasonable to presume that the Town will receive the minimum rental amounts stated above, unless increased sales levels takes place.

In addition to the rental-terms, the current lease calls for the lessee to maintain minimum hours of operation through the year. Based on our review of the lease, it appears reasonable and market-reflective. That said, it is reasonable to assume that the snack bar / bar areas could remain open past 7 pm “in-season” given the amount of daylight in July-August. Nearly 17% of July's rounds begin after 3:00, which would indicate an 18-hole completion after 7:00 pm; thus the lessee (and the Town) are losing potential revenue if F&B is closed at 7:00 pm. We note that the lessee has the option to provide a beverage cart, and highly suggest that they do so during July-August, at a minimum.

We do believe there is upside to the F&B operations, given the amount of space available, and based on comments from area residents and others. The Captains' facilities are large enough, and the kitchen appears capable of servicing increased functions and non-golf events. Revenue from these events would be in the form of facility rental fees, and increased F&B sales.

## **SURVEY RESULTS**

As discussed, we completed a phone survey of 16 individuals in the community. The names and contact information was provided by the Golf Commission; the results of the survey are contained in the addendum. From these conversations, and discussions with others in the community and the market:

- Overall customer service at the course is currently lacking and could be improved – seems to be an impression that as “government employees”, the staff is not motivated and is not as proactive / friendly as many of the competitors’ staff is.
- Maintenance levels have generally been very good with the last year being very solid.
  - Sink holes are a concern from a player’s perspective and “ownership” perspective
- Golfers in the community favor and appreciate the golf course as an asset, but the non-golfer’s perception is unfavorable when it comes to the golf course.
  - The above seems to be a communication problem within the community. The fact is, the golf course does not “take money” from anything else in the community, be it the schools, parks, or other assets / services. Any money spent at the golf course, or on-behalf of the golf course is generated by the operations of the golf course and the food & beverage operation.
  - Based on the data provided, it is apparent that the golf course and its operations have provided annual income to the Town, aggregating more than \$2.4MM since 2001. This money would not have been available to the Town without the golf course.
- The food & beverage operation and banquet facilities could be better utilized and marketed more effectively – i.e., there is “money being left on the table” in the form of missed revenue from non-golf functions, and the like.

## MARKETING DISCUSSION

### Overview

Another item discussed with the Golf Commission, brought up by several of the survey results, and part of our overall analyses is the marketing plan currently in place at the golf course – its effectiveness, and the potential to amend. Management provided an overview of the marketing / promotion plan and steps taken in 2011, and these are included in the Addenda.

<b>ADVERTISING SPENDING</b>				
	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012 (thru Nov 15)</b>	
Magazines (includes on-line)	\$ 16,854.00	\$ 14,158.00	\$ 1,145.00	
Newspapers	\$ 6,425.05	\$ 6,188.14	\$ 3,512.68	
Chambers of Commerce (includes guide books)	\$ 1,580.00	\$ 2,672.00	\$ 1,814.00	
On-Line marketing	\$ 819.00	\$ 700.00	\$ 45.00	
Yellow Pages	\$ 2,157.00	\$ 2,298.00	\$ 277.58	
Web site maintenance	\$ 925.00	\$ 2,025.00	\$ 1,600.00	
Email campaigns	\$ 1,622.52	\$ 1,192.06	\$ 200.00	
Brochures	\$ 2,669.20	\$ 1,339.51	\$ -	
Photos	\$ 600.00	\$ -	\$ -	
Real Estate Rental "Beach Bucket Program"	\$ 1,968.00	\$ 1,920.00	\$ 1,890.00	
<b>TOTALS</b>	<b>\$ 35,619.77</b>	<b>\$ 32,492.71</b>	<b>\$ 10,484.26</b>	
<b>% of Non-F&amp;B Revenue</b>	<b>1.04%</b>	<b>1.02%</b>	<b>0.30%</b>	
<b>% of Total Revenue</b>	<b>0.94%</b>	<b>0.90%</b>	<b>0.27%</b>	

Generally, it appears that the course's marketing efforts are somewhat similar to others in the region – using online links through CapeCodGolf.com, memberships at local Chambers of Commerce, the course's own website ([www.captainsgolfcourse.com](http://www.captainsgolfcourse.com)), maintaining a Facebook page (176 "likes" as of 1-6-12).

### Rate Discounts / Specials

The following summarizes another method of marketing / advertising, and that's offering specials or additional discounts to the daily-fee rates being charged.

<b>2011 Specials</b>	<b>Rnds.</b>	<b>\$</b>	<b>Rate/Round</b>
Reciprocal Green Fees (members of area muni courses can play here for \$30 gf in off-season)	185	\$ 5,550.00	\$ 30.00
Golfing Magazine Coupon (off-season \$30 fee includes cart)	164	\$ 4,920.00	\$ 30.00
New England Golf Guide \$5 Off coupon valid any day after 12 noon	13	\$ 650.00	\$ 50.00
NEPGA Golf Pass \$30 gf, plus required cart valid off season	97	\$ 2,910.00	\$ 30.00
Junior Special - \$25 gf for junior accompanied by adult after 12 noon	507	\$ 12,635.00	\$ 24.92
Facebook discount (\$10 off if you mention Facebook)	2	\$ 90.00	\$ 45.00
Stop & Shop receipt coupon \$10 off after 12 noon Sept - Nov	45	\$ 1,575.00	\$ 35.00
Western Mass coupon (distributed at sport store in West. MA \$10 off anytime)	45	\$ 2,250.00	\$ 50.00
Local Camp site \$10 discount valid any time	11	\$ 550.00	\$ 50.00
After 12 noon \$10 discount advertised thru web site and newspaper	605	\$ 24,200.00	\$ 40.00
Replay special (Free replay after 1 cart required)	496	\$ 9,920.00	\$ 20.00
9 hole special after 12 noon \$35	<u>1682</u>	<u>\$ 58,072.00</u>	\$ 34.53
<b>Sub-Total</b>	<b>3852</b>	<b>\$ 123,322.00</b>	\$ 32.02
<b>Hotel Special:</b>			
Monday - Thursday off season \$40 inc. cart (for hotels that offer and promote golf package, must bill thru hotel)	<b>510</b>	<b>\$ 20,400.00</b>	\$ 40.00
<b>Frequent Player Card: (\$100 for card, \$15 off 18 hl round/\$10 off twilight round see attached)</b>			
Cards sold	94 cards	\$ 9,400.00	
Twilight and B-9 rounds	708	\$ 14,160.00	\$ 20.00
18-hole rounds	<u>459</u>	<u>\$ 16,065.00</u>	\$ 35.00
<b>Sub-Total</b>	<b>1167</b>	<b>\$ 39,625.00</b>	\$ 33.95
<b>Grand Total</b>	<b>5529</b>	<b>\$ 183,347.00</b>	\$ 33.16

## Effectiveness and Opportunities

We agree with the last statement of the Marketing summary – word of mouth is the most important and effective marketing tool available. That said, we believe there should be a concerted effort and annual review of Captains’ marketing plan – this could be done with Mr. O’Brien in the later part of the fall, so that end-of-year contacts and contracts can be made by the end of the calendar year. There could be benefit to hiring a marketing consultant for a one-time overview and plan that could carry on for several years, but such arrangements can often be expensive.

It would appear that Mr. O’Brien and his staff have a solid, if not scatter-shot, approach to marketing The Captains. We question whether dollars spent on print (newspaper and otherwise) provide a reasonable return-on-investment. However, given that 50% of the Captains’ rounds come from daily-fee play, and most of those take place in the peak summer season, it is likely that tourists and seasonal visitors are finding out about the course through some print advertising. We would suggest though that more are likely using the internet to find the course, book tee times, or narrow their search and decision process when deciding what course(s) to play during their short stays.

Presently, it would appear most marketing is targeting daily-fee players, and not membership sales. As discussed previously, we would suggest consideration of a dedicated Sales person to concentrate on selling events, outings, and memberships. With that takes place, a more concerted effort toward retention and new-member-generation could take place.

Another marketing idea to consider would be to assist in the creation of a marketing campaign for a “Cape Cod Golf Trail”. While golfcapecod.com has a map entitled Cape Cod Golf Trail, there does not appear to be a focused effort on bringing players to the region and playing several different courses in a combined manner. Worked in conjunction with some area hotels, this type

of effort could generate additional golf rounds for the subject, and also goodwill among all courses in the area – possibly just a muni Cape Cod golf trail, or similar concept.

We discussed Cart advertising previously in the Operations Analysis section, and reiterate that such marketing should be explored. That said, it is not likely to generate significant revenue, but it could be coupled with the F&B Vendor’s marketing efforts, and/or help drive revenue to the F&B vendor.

Social discount websites such as *Groupon*, *LivingSocial*, *GoogleOffers*, and others have become somewhat ubiquitous and common shopping sites for many. Certainly, golf courses across the country have begun to investigate and try these services out. Most will offer golf at 50% - 60% off the advertised rack rate, and limit play to a weekday, or other slow time. These sites can generate interest in a facility, and generate contact that might not be initiated, but could also serve to further dilute the effective rate being achieved. We would suggest further utilization of social media that requires some effort / participation, like Facebook, and try offering specials there first.

For instance, something along lines of: “Like us on Facebook, and receive a free cart fee, or green fee” could be utilized. The impact could be many-fold – when an individual “likes” something on Facebook, their friends see that, and may look into the entity being “liked”. And the act of giving something, rather than offering a discount is perceptually different, and could have an improved long-term impact than the mere act of offering discounted golf through a *Groupon*-like site.

The last discussion within marketing has to do with perception in the community. While outside the realm of what we originally conceived as part of the assignment, it became apparent in our research that the community as a whole mis-perceives the value/contribution of the golf course, and/or views it as a drain on community resources. We do not believe this is the case, as stated previously, and restate that any monies coming to/from the Town for the golf course are generated by the golf course.

The statement we’ve heard that the golf course “takes money from schools” is simply wrong. If the golf course did not exist, the money put into the Town General Fund annually, and since construction of the golf course, would not have existed either. Certainly, when a lesser amount is sent to the Town general fund, there should be investigation and analyses. However, the combination of the monies paid to the Town for Indirect costs (\$90,000 - \$100,000 annually), and the net paid after debt service, tends to become significant, and benefits all citizens of Brewster (even those who do not play golf). A marketing campaign with long-term focus should consider these facts as well, in our opinion.

## SUMMARY

Based on our research and analysis we have determined that management must continue to be proactive in all operational and agronomic respects. Generally, the golf courses at Captains are considered two of the best public-access courses on the Cape, and an asset to the community for those living or working in Brewster.

The course has some issues to address in the immediate future – namely, sink hole repairs, equipment purchases / leases, a continually sagging economy, and flat demand for golf. But herein lay opportunities as well, as a dedicated / strategic marketing campaign could help offset demand-slip, and reinvigorate the staff. It seems to be a common theme that those working at the golf course are not as enthusiastic as they might be, or as staff may be perceived at other golf courses in the region. We did not notice this, but recognize that once this perception persists, correcting it should be a high priority.

The residents of Brewster who play golf are a relatively small percentage, but this is the case in most communities that have golf courses as amenities. Those that do play appear to play often, and take advantage of a membership plan / tee time allocation process that is very favorable to them. While this is certainly positive from a utilization standpoint (50% of all play comes from members), the current pricing tends to dilute revenue as the \$/round received from members is much lower than that received from the daily-fee players. We would suggest there is an opportunity to add a fulltime resident green fee structure that is a hybrid of the very affordable annual fee pass, and the rack rate of the daily-fee players.

We strongly believe that overall, the golf course is being maintained very well, and the golf operations are being handled well. Any changes / amendments to either should be completed with a long-term perspective, and not just the next couple of years in mind. Thus, spending capital dollars makes sense for many reasons. Completing a strategic marketing campaign that drives more memberships / outings will take time, but the long-term return would be worth it.

The improvements at Captains are functional, but beginning to show age and wear/tear. Continued attention to their condition will be required. We would suggest considering enclosing the cart storage facility, or moving it next to the Maintenance Yard, or at the end of the parking lot. This would open up additional space for golf- or F&B-related endeavors, possibly an outdoor tent/pavilion.

Overall though, the course is operating in a down economic environment, and a market that will experience declining population in the coming years. It is not reasonable to assume there are pent-up rounds or revenue to be found on a great scale. We believe the suggestions herein serve mainly to better position Captains to maintain utilization and possibly garner some periodic increases in rounds, or effective rate per round. To estimate significant or substantive increases or changes in revenue though, is potentially mis-leading, and likely not realistic in the current market. There will be years when rounds are up, and effective revenue / round increases, but also years in which competitive forces, weather, and other factors negatively impact the results. We believe the suggestions best allow Captains to maintain current utilization levels, with the potential to recognize improved efficiencies, while also bettering its long-term viability.



The following are considerations / comments to bear in mind and result from our analyses and discussions with area residents and market participants.

#### *OPERATIONALLY*

- Enthusiasm and pro-active staffing should be increased / improved-upon
- An effort needs to be made to hold town functions at the golf course to introduce it to the citizens of Brewster who do not play golf.
- Signage to and around the golf course entrance need improvement.
- The golf shop needs to work with the new food vendor and do cross promotions to increase business for food service and business for the golf course. Putting together an outing menu and allowing the golf shop to set up outings with food attached will help promote business.
- Membership fees are comparable to other municipal facilities in the area but are low compared to other parts of New England.
- There should be an annual assessment of the amount of tee times set aside for members as compared to daily-fee play.
- A 3- to 5-year marketing plan should be developed with an annual review completed.
- Survey showed that teaching at the facility is lacking. If teaching opportunities are increased / improved, this may help lead into player development for the facility.
- Having an attendant at the bag drop came up frequently on the survey, this may be an area to use volunteers as well as possibly manning the driving range.
- The current Ranger program is considered to be somewhat lacking; the rangers are perceived to not be aggressive enough relative to maintaining a steady pace of play.
- The community (especially non golfers) does not understand the relationship between the town and the golf course and the contributions the golf course makes to the town. An information and PR campaign by the town on behalf of the golf course could help in this area.

#### *GOLF COURSE*

- Overall budget is in line with other area municipalities but high for comparable 36 hole facilities regionally and nationally
- The work force of 26 employees at peak season is a very good number, the number of full time year round employees (9) may need to be adjusted down slightly until revenue increases
- A majority of the equipment was purchased in the 1990's and is in the process of being replaced, this trend needs to continue to keep the equipment up to date and also help in reducing the equipment repair line item in the budget.
- Summer patch is a very aggressive disease and needs to be controlled in a preventative manner, while this is expensive, damage that can be done to the turf and ultimately the course's reputation is much worse.
- Annual Bluegrass Weevil and European Crane Flies are also potential damagers of the golf course and treatments need to be made preventatively for these as well.
- Sink holes are a major concern with each repair costing approximately \$13,000. If the original contractor is still in business, it would be reasonable to request their involvement, request that they share in the cost or do the repairs themselves.

- In the surveys of the members and residents, a number commented on staff attitudes not being good (unhappy workers, just putting their time in, not motivated) and customer service being poor.
- Fertilizer and chemical purchasing programs that allow the golf course to save money are available and should be used when possible. In talking with the finance department, it can be done even if the payment terms cross into 2 fiscal years by doing a Capital Special Article.
- Cart path repair should be a high priority on the capital improvement list. The cart path condition is noticed by players and reflects on the golf course.
- In these tough budget times, out of the box thinking and a team attitude will be needed to meet golfer needs while meeting the financial requirements of the golf course and the town.
- Work with the golf commission to adjust tee times and maintenance schedules so that both can be maximized and so that revenues can also be maximized.
- The condition of the golf course is very good and is consistent year in and year out.
- Pace of play seems to be an issue on heavy play days, anything maintenance can do to help improve pace of play, shorter rough height, hole locations with a majority being easy, forward tee locations etc. can help improve pace of play.
- Tee renovations should continue as needed.
- Bunker maintenance was a concern of those surveyed. Daily bunker maintenance as well as maintaining and repairing the sod faces is necessary.
- Shade is an issue in some areas and selective tree removal will help grow healthy turf in these areas.
- Members love the golf course, it is a definite asset to the community as many have purchased homes in Brewster because of the golf course.

GCG appreciates the opportunity to assist you in this consulting assignment. If you have questions or GCG can be of further assistance, please call us at 614-486-8992.

Sincerely,

*THE GOLF CONSULTING GROUP, LLC*

## **ADDENDA**

**Addendum I**  
**Agronomic Supplemental Reports**

**Addendum II**  
**Anonymous Survey Results**

## Survey Questions – Captains Golf Course

**Date:** 12/22/11

**Time:** 2:40-2:55 PM

Are you a Brewster resident? Yes

How long? 32 Years

Do you play golf? Yes

Are you a member of The Captains now? Yes

Have you been a member in the past? : 12 years

IF not a member, why not?

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? Pro Shop yes, rangers not so well

What is your impression of the golf course? Love it

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes

Do you consider the course a community asset? Yes

IF play: Do you think the course is run well? Yes, last 2 years budget restraints have hurt

IF play: Do you think the course is maintained well? Yes

Does the condition of the golf course stay consistent from year to year? Yes

What improvements would you like to see to the golf course itself in the form of capital improvements?  
Shelters on the golf course

What about the food and beverage and banquet room – well operated and maintained? They have been in tune with the golfer, easy to work with

What do you think the overall impression of the golf course is within the community? Non golfers do not like it, they feel it costs the town money, education is needed

Anything else you believe we should know, and/or consider in our analyses? Signage needs updated, Port 11 to 12 walkway is very steep, could steps be put in?

**Date: 12/20/11**

**Time: 5:00-5:20 PM**

Are you a Brewster resident? Yes

How long? 25 Years

Do you play golf? Yes

Are you a member of The Captains now? Yes

Have you been a member in the past? : 25 years

IF not a member, why not?

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? Yes good with emails and updates

What is your impression of the golf course? Well-conditioned, 2010 was a bad year, good staff

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes, high school team uses facility, used for many community fund raisers

Do you consider the course a community asset? Yes

IF play: Do you think the course is run well? Yes

IF play: Do you think the course is maintained well? Yes

Does the condition of the golf course stay consistent from year to year? Yes, every 4-6 years weather issues play a part

What improvements would you like to see to the golf course itself in the form of capital improvements? Cart paths need improving, level tees, access points to tees get worn, more curbing needs to be installed on paths, patio area is bland and not inviting

What about the food and beverage and banquet room – well operated and maintained? Area of constant complaints, not just the past vendor

What do you think the overall impression of the golf course is within the community? Very positive, lost money last year raised a concern, area of pride for the community

Anything else you believe we should know, and/or consider in our analyses? Some unsightly areas, day to day maintenance of bunkers lacks, cart paths need help, robust off season maintenance staff.

**Date: 12/27/11**

**Time:4:15-4:35**

Are you a Brewster resident? Yes

How long? 18 years

Do you play golf? Yes

Are you a member of The Captains now? Yes

Have you been a member in the past? 18 years

IF not a member, why not?

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? No, this is among one of the areas of most needed improvement

What is your impression of the golf course? Golf Course itself is awesome, 2 eighteen hole courses at one location and both courses are different

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes, many people have bought their homes in Brewster because of the golf course.

Do you consider the course a community asset? Yes

IF play: Do you think the course is run well? No, we have a long way to go, it is not as current as it should be, some staff have no initiative, leadership is lacking

IF play: Do you think the course is maintained well? Yes

Does the condition of the golf course stay consistent from year to year? Yes, 2010 was bad, has become better over time.

What improvements would you like to see to the golf course itself in the form of capital improvements? Loading dock should not be in the front of the building, starter's shack needs improving

What about the food and beverage and banquet room – well operated and maintained? Old vendor did not serve the golfers, it has been horrible in the past

What do you think the overall impression of the golf course is within the community? Golfers and those in the know love it, no golfers think it is a drain on the budget

Anything else you believe we should know, and/or consider in our analyses? The associations that are in place (men's and women's) are fantastic and a great draw to the course, maintenance may be a little top heavy, superintendent and 2 assistants.



**Date: 12/21/11**

**Time: 3:25-3:44 PM**

Are you a Brewster resident? Yes

How long? 48 Years

Do you play golf? No

Are you a member of The Captains now? No

Have you been a member in the past? : No

IF not a member, why not? Do not play golf

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? 2nd hand information, communicate well with members, not sure about the public

What is your impression of the golf course? Government operation, no customer service, slow play

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes

Do you consider the course a community asset? Yes

IF play: Do you think the course is run well? Unemployment insurance high, raises every year, not good budget managers

IF play: Do you think the course is maintained well? Yes but not consistent

Does the condition of the golf course stay consistent from year to year? No, rough is too tall

What improvements would you like to see to the golf course itself in the form of capital improvements? Entrance is not inviting, bag drop, clubhouse may be undersized, cart barn is unattractive

What about the food and beverage and banquet room – well operated and maintained? Not open for breakfast, not in sync with the golfers

What do you think the overall impression of the golf course is within the community? Split golfers love it, non-golfers hate it, need education, increase stake holders

Anything else you believe we should know, and/or consider in our analyses? Original feasibility study is available, it stated no memberships until income was stable, employees get a 2% merit increase each year, COLA of 2.5 to 3% plus union contract increase either lateral or vertical, town of Plymouth built 3 courses in 2004

**Date: 12/20/11**

**Time: 4:05-4:25 PM**

Are you a Brewster resident? Yes

How long? 28 Years

Do you play golf? Yes

Are you a member of The Captains now? No

Have you been a member in the past? : Yes

IF not a member, why not? Busy with business, plan to rejoin in 2012

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? Getting better, more notifications going out, emails filling tee times, Mark O'Brian is not out going stays in his office most of the time he needs to be the face of the golf course

What is your impression of the golf course? Good, employees are just there they need to have a more positive approach, better customer service is needed

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes

Do you consider the course a community asset? Yes

IF play: Do you think the course is run well? Yes for the most part

IF play: Do you think the course is maintained well? Yes Equipment is upgraded every year

Does the condition of the golf course stay consistent from year to year? Yes, 2010 was a rough year

What improvements would you like to see to the golf course itself in the form of capital improvements? Beautification using shrubs by greeter area and in back of greens near clubhouse.

What about the food and beverage and banquet room – well operated and maintained? Many folks had an issue, did not personally, not many options on the menu, staff was inflexible

What do you think the overall impression of the golf course is within the community? Mostly favorable, there was some grumbling about this year's subsidy

Anything else you believe we should know, and/or consider in our analyses? Is it a good idea to offer annual fee memberships?

**Date: 12/23/11**

**Time: 11:05-11:21 AM**

Are you a Brewster resident? No

How long?

Do you play golf? Yes

Are you a member of The Captains now? Yes

Have you been a member in the past? 6 years

IF not a member, why not?

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? Fairly well

What is your impression of the golf course? Very good, it competes well with other courses in the area

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes, people buy homes in Brewster because of the golf course

Do you consider the course a community asset? Yes

IF play: Do you think the course is run well? Yes

IF play: Do you think the course is maintained well? Yes, I see a lot of maintenance staff

Does the condition of the golf course stay consistent from year to year? Yes

What improvements would you like to see to the golf course itself in the form of capital improvements? Booth at the Port side turn staffed, need an ice machine there as well

What about the food and beverage and banquet room – well operated and maintained? Food choices are limited, personnel are good, service is slow at Cranberry which is managed by the new vendor

What do you think the overall impression of the golf course is within the community? Golfers favorable, non-golfers don't understand the golf course and its operation

Anything else you believe we should know, and/or consider in our analyses? Alcohol issue was front page news, concern about what it will mean to pace of play and sportsmanship, rangers need to be a little more aggressive pace of play is an issue.

**Date: 12/23/11**

**Time: 3:55-4:15 PM**

Are you a Brewster resident? Yes

How long? 10 Years

Do you play golf? Yes

Are you a member of The Captains now? No

Have you been a member in the past? : Yes

IF not a member, why not? Not playing as much golf as in the past

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? Good in prior years, now very disjointed, sending the wrong messages and some are ill timed

What is your impression of the golf course? Excellent

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes

Do you consider the course a community asset? Yes, there are always environmental concerns, town would suffer if the course was lost

IF play: Do you think the course is run well? Well run years ago, not as good now, private clubs in the area are competition and management does not understand that, they are also not getting numbers to people in the town to help them understand the situation with the golf course.

IF play: Do you think the course is maintained well? Yes, sink holes are an issue, staff does not seem happy and motivated, budget is limited and limits what can be done

Does the condition of the golf course stay consistent from year to year? Yes, but has dropped off

What improvements would you like to see to the golf course itself in the form of capital improvements? Bag drop staffed

What about the food and beverage and banquet room – well operated and maintained? Not great, it is not used enough

What do you think the overall impression of the golf course is within the community? Overall impression is good, money is the driving force, many feel the golf course gets what it wants.

Anything else you believe we should know, and/or consider in our analyses? Competition is not just other municipals, better customer service is needed, golf course was in incredible condition and then money was taken out of the course and given to the town and the course slipped, encounters with staff have been good.

**Date: 12/27/11**

**Time: 3:30-4:10**

Are you a Brewster resident? Yes

How long? 27 years

Do you play golf? Yes

Are you a member of The Captains now? Yes

Have you been a member in the past? 20 years

IF not a member, why not?

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? Yes, but I am always there, others tell me it is lacking, public relations could be better, Mark O'Brian is doing too many things, he can't focus on running the golf course

What is your impression of the golf course? Condition was one of the best this year, we are on the high end of municipal and daily fee, good golf courses

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes, I moved to the town because of the golf course.

Do you consider the course a community asset? Yes

IF play: Do you think the course is run well? Yes but public relations needs to be better with the golfer and with the town.

IF play: Do you think the course is maintained well? Yes, but attention to detail is lacking

Does the condition of the golf course stay consistent from year to year? Yes, but there is always room for improvement.

What improvements would you like to see to the golf course itself in the form of capital improvements? Some of the tees need to be leveled, sink holes need repaired, improve bunkers, upgrade cart paths

What about the food and beverage and banquet room – well operated and maintained? Hours of operation have been poor in the past, food selection was not good

What do you think the overall impression of the golf course is within the community? Golfers and those in the know love it, no golfers think it is a drain on the budget

Anything else you believe we should know, and/or consider in our analyses? There are many senior people that play the course, the VFW across the street sells beer for \$1.50 so people do not support the golf course, furthest course east of the bridge course used to draw from Boston, golfers must go on and off the fronts of many greens to get to the next tee, slows play.

**Date: 12/20/11**

**Time: 4:25-4:40 PM**

Are you a Brewster resident? Yes

How long? 3.5 Years

Do you play golf? Yes

Are you a member of The Captains now? Yes

Have you been a member in the past? : 2 years

IF not a member, why not?

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? No, they need to take advantage of social media

What is your impression of the golf course? Great operation, course conditioning is excellent, women's offerings are good, ball washers and benches by women's tees would be nice

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes

Do you consider the course a community asset? Yes, it is nice to have all 36 holes together

IF play: Do you think the course is run well? Yes, starters could be better need to give players more information

IF play: Do you think the course is maintained well? Yes

Does the condition of the golf course stay consistent from year to year? Yes

What improvements would you like to see to the golf course itself in the form of capital improvements? Parking lot lighting, rearrange the bar area, the bartender has the best view

What about the food and beverage and banquet room – well operated and maintained? Did an okay job, people were nice, did not cater to the golfers, basically served the purpose

What do you think the overall impression of the golf course is within the community? Certain groups feel money is being taken away from other areas, those who understand it love it, need to share more information with the community.

Anything else you believe we should know, and/or consider in our analyses? Is it a good idea to offer annual fee memberships?

**Date: 12/21/11**

**Time: 3:55-4:30 PM**

Are you a Brewster resident? Yes

How long? 4 Years

Do you play golf? Yes

Are you a member of The Captains now? Yes

Have you been a member in the past? : 4 years

IF not a member, why not?

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? No, Mark O'Brian is not an outgoing person, crew and staff are not outgoing

What is your impression of the golf course? Well Designed, good layout 2010 was a tough year

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes, bought my house because of the golf course

Do you consider the course a community asset? Yes

IF play: Do you think the course is run well? No, years of success have led to bad habits

IF play: Do you think the course is maintained well? Yes, but the maintenance staff is very inefficient, they have no time clock, start at 5 AM 6 AM is first tee time, leave early in the afternoon, need to get creative work 2 shifts

Does the condition of the golf course stay consistent from year to year? Yes but could be better for the number of people that are working especially bunkers

What improvements would you like to see to the golf course itself in the form of capital improvements? Continue improving tees, ladies tees are small, locker facility

What about the food and beverage and banquet room – well operated and maintained? No, they did not take care of the golfers, outings are difficult, VFW has cheap beer across the street, function room is underutilized, need food specials

What do you think the overall impression of the golf course is within the community? Split down the middle, golfers love it, non-golfers think it is a drain on the town

Anything else you believe we should know, and/or consider in our analyses? Members have an advantage with 2 good courses on site, Harwich and Dennis are better maintained, memberships may need to be raised temporarily, members/customers are older and tend to not spend a lot of money, expenses are too high.

**Date: 12/23/11**

**Time: 2:56-3:11 PM**

Are you a Brewster resident? No

How long?

Do you play golf? Yes

Are you a member of The Captains now? Yes

Have you been a member in the past? : 4 years

IF not a member, why not?

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? Yes, good website, monthly newsletter

What is your impression of the golf course? Excellent golf facility, tee times for members are not a problem

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes

Do you consider the course a community asset? Yes

IF play: Do you think the course is run well? Staff can only do what the town and budget allow

IF play: Do you think the course is maintained well? For the most part yes, this year was great, the weather was also great

Does the condition of the golf course stay consistent from year to year? Yes

What improvements would you like to see to the golf course itself in the form of capital improvements?  
Upgrade the food and beverage area

What about the food and beverage and banquet room – well operated and maintained? Improvements that have been proposed by the upcoming vendors will be good

What do you think the overall impression of the golf course is within the community? Playing residents appreciate it, non-playing residents do not appreciate it

Anything else you believe we should know, and/or consider in our analyses? Staff and players have commented on not having enough water.



**Date: 12/23/11**

**Time: 2:36-2:52**

Are you a Brewster resident? Yes

How long? 11 years

Do you play golf? Yes

Are you a member of The Captains now? Yes

Have you been a member in the past? 11 years

IF not a member, why not?

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? Most of the time they do

What is your impression of the golf course? Always been ahead of the curve, other towns have copied, they have tried numerous things, best pro shop in the area

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes, purchased my home because of the course

Do you consider the course a community asset? Yes

IF play: Do you think the course is run well? Most of the time, maintenance lacks sometimes, typical union employees, not detail oriented, town employee mentality

IF play: Do you think the course is maintained well? Yes, flowers look really good.

Does the condition of the golf course stay consistent from year to year? Yes, more recently it is better

What improvements would you like to see to the golf course itself in the form of capital improvements?

Bar area in the kitchen is not inviting, not a good layout, not very functional

What about the food and beverage and banquet room – well operated and maintained? They worked hard at it, most was good

What do you think the overall impression of the golf course is within the community? Very polarized, golfers are proud, non-golfers see it as a waste of money.

Anything else you believe we should know, and/or consider in our analyses?

**Date: 12/23/11**

**Time: 3:15-3:35 PM**

Are you a Brewster resident? Yes

How long? 7 Years

Do you play golf? Yes

Are you a member of The Captains now? Yes

Have you been a member in the past? : 7 Years

IF not a member, why not?

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? Yes, they keep the website current

What is your impression of the golf course? Very good

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes

Do you consider the course a community asset? Yes, it has a great reputation but they are now resting on their laurels, need marketing

IF play: Do you think the course is run well? No, long term employees are not motivated

IF play: Do you think the course is maintained well? Yes for the most part

Does the condition of the golf course stay consistent from year to year? Yes

What improvements would you like to see to the golf course itself in the form of capital improvements? Club storage and lockers would be nice, shelters, cover the decks at the clubhouse and make the area inviting so golfers will stay and have a beer or food

What about the food and beverage and banquet room – well operated and maintained? Food service lacks, need be. Carts, they leave a lot of money on the table by not providing an inviting atmosphere

What do you think the overall impression of the golf course is within the community? Town is split, golfers love it, non-golfers don't

Anything else you believe we should know, and/or consider in our analyses? Promote the entire facility, better marketing, the golf commission may be a pawn of the selectmen

**Date: 12/20/11**

**Time: 12:20-12:40 PM**

Are you a Brewster resident? Yes

How long? 5 years

Do you play golf? Yes

Are you a member of The Captains now? Yes

Have you been a member in the past? 5years

IF not a member, why not?

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? They are getting better, good use of email, newsletter every 2 months

What is your impression of the golf course? Condition of the course is really great, one of the best on the cape this year.

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes, however residents and outsiders don't see it from the road, there are no services around it so it is almost a destination, I bought my home in Brewster because of the golf course.

Do you consider the course a community asset? Yes

IF play: Do you think the course is run well? Prior to involvement with the commission - thought it was poorly run, I couldn't put a finger on why. After involvement on the commission - Different perspective, a few changes were made, it is well run, however, one concern is staff are all government employees with little to motivate them to do a better job, many times I hear the staff is not outgoing and friendly.

IF play: Do you think the course is maintained well? Yes

Does the condition of the golf course stay consistent from year to year? Yes , last year it was bad because we ran out of water. Leaf removal in the fall is fantastic, some complain the rough is too long.

What improvements would you like to see to the golf course itself in the form of capital improvements? Sink holes are a concern, fix them all at one time, have not spent money on the course for a while (tees, greens, fairways) 2008 rebuild of bunkers was disappointing, there needs to be golfer education on a number of issues including walking in and out of bunkers.

What about the food and beverage and banquet room – well operated and maintained? Old service was adequate, new vendor says they will be more aggressive

What do you think the overall impression of the golf course is within the community? When 300-400K dollars was being returned to the town it was great, now not so good, many view it as a source of revenue for the town and it makes the town more attractive.

Anything else you believe we should know, and/or consider in our analyses?

**Date: 12/20/11**

**Time: 1:30-1:45 PM**

Are you a Brewster resident? Yes

How long? 12 years

Do you play golf? No, I have in the past

Are you a member of The Captains now? No, my husband is

Have you been a member in the past? No

IF not a member, why not? Work and travel schedule made it difficult to take advantage of the membership, I have taken lessons.

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? No they don't, some are very poor communicators

What is your impression of the golf course? Poor customer service, Rangers do not do their job, slow play is a problem that is why everyone wants the early tee times.

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes, though some in the community see the course as competition for the school system.

Do you consider the course a community asset? Yes

IF play: Do you think the course is run well?

IF play: Do you think the course is maintained well?

Does the condition of the golf course stay consistent from year to year? 2010 it was bad, good other times. Budgeting issues arise with course maintenance, they will ask for such things as fertilizer and then come back a few months later and ask for it again after it was approved the first time. Better communications with the finance department would help.

What improvements would you like to see to the golf course itself in the form of capital improvements? Staffed bag drop and an area to drop off your clubs

What about the food and beverage and banquet room – well operated and maintained? No, it has not been well run, they have not taken care of the golfers

What do you think the overall impression of the golf course is within the community? Depends on the group, parents of young children view it as a waste, those who are informed and use it see it as an asset.

Anything else you believe we should know, and/or consider in our analyses? The Captains Golf Course is not the only game in town, just because it has always been that way doesn't mean it is right, make changes for the best, get the course back to being one of the best in the state. This is primarily a retirement community, the staff sometimes treats the elderly poorly.

**Date: 1/6/12**

**Time: 5:30-5:55 PM**

Are you a Brewster resident? Business Owner

How long? 15 Years

Do you play golf? Yes

Are you a member of The Captains now? No

Have you been a member in the past? Yes for 10 Years

IF not a member, why not? Belong to another private club, left because I could not get early morning tee times, play was always slow.

Do you feel the management staff at The Captains Golf Course communicates well with its members and daily fee players? Yes, Mark O'Brien does a fantastic job, staff is accommodating

What is your impression of the golf course? Excellent course

Do you view the course as a community amenity (help with bringing tourists to area, etc.)? Yes

Do you consider the course a community asset? Yes, I tell others to play there.

IF play: Do you think the course is run well? Used to be a lot nicer agronomically, typical government operation, could be a spectacular course may need to be run privately

IF play: Do you think the course is maintained well? Most of the time.

Does the condition of the golf course stay consistent from year to year? Yes

What improvements would you like to see to the golf course itself in the form of capital improvements? Improve the entrance, teaching and driving range could be a lot better

What about the food and beverage and banquet room – well operated and maintained? It was very bad.

What do you think the overall impression of the golf course is within the community? Divided between golfers and non-golfers.

Anything else you believe we should know, and/or consider in our analyses?

## **Addendum III**

### **Management Provided Marketing / Promotion Plan for 2011**

## Captains Golf Course Marketing & Promotion Program 2011

**Hotel Accounts** - Over the last 11 years we have established good working relationships with Cape Cod hotel/motel properties as far as booking golf for their guests. There are approximately fifteen hotels/motels to whom we extend billing privileges. To those that offer and promote a "Golf Package", we offer special rates during the slow periods. Working as partners, we have been able to attract some golfers during this off peak time, although it is still a tough sell. In 2011, the hotel billings totaled about \$150,000.

**Corporate Groups** - Our primary strategy to attract corporate groups has been to establish strong relationships with hotel properties that are in the business of corporate conferences. Having no lodging as part of our facility diminishes our ability to attract these groups independently. Chatham Bars Inn uses our golf course almost exclusively for their corporate groups. It should be noted, however, that the corporate group business has been on the decline over the last several years as businesses have been cutting back in this sputtering economy.

**PlayGolfOnCapeCod.com** - In 2007, this organization was formed consisting of Cape Cod golf courses whose goal is to promote Cape Cod as a golf destination. We are a member of this group and this group attends regional golf shows in cooperation with the Cape Cod Chamber of Commerce.

**Local Chambers of Commerce** - In addition to the Cape Cod Chamber of Commerce, we are also members of the Brewster, Orleans, Chatham, Eastham, and Wellfleet Chambers of Commerce. This affords us some valuable networking avenues, listings in their visitor guides, as well as providing us the opportunity to distribute our brochures through their visitor centers. We also pay a fee to the Plymouth, Wareham, and Yarmouth Visitor Centers so that we can distribute our brochures from these sites.

**On Line Reservation System** - In August of 2004, we launched our real time, on line reservation system. This system interfaces with our electronic tee sheet, allowing our customers to check tee time availability and book reservations from our web site.

**On Line Gift Certificates** - Our on line gift certificate system was launched at the same time as the on line pro shop. It has proven to be a very convenient way for our customers to shop and is particularly active at Christmas, Mother's Day, and Father's day. This system generated over \$12,000 in business in 2004. Currently, we are the only golf course on Cape Cod that offers this feature.

**Web Site** - Our web site was revamped this year and continues to be a valuable marketing tool as well as offering on-line reservations, on-line gift certificates, golf specials and up to date information. This year we started a Facebook page and feature the link on the web site. We feature our web address in all of our advertising and we are

actively soliciting businesses for mutual web links to increase our traffic. It is our goal that our web site not only be a source of information, but also a place to transact business. Our web master, Community Internet, has been instrumental in the constant enhancement of this site.

**Email Advertising** - Over the several years, we have worked hard to establish an email database of current and prospective customers. We currently have over 8,000 email addresses and are constantly trying to grow this list. We solicit new email addresses at our point-of-sale and we also capture email addresses from our web site and from golf shows where we are represented. This is a very inexpensive way to advertise and allows us to target our marketing efforts. It has proven to be an extremely valuable tool for special promotions as well as a source of information for our resident annual fee players.

**Charity Group Outings** - We accommodate a large number of Charity Group Outings. We used to limit these groups to off-season times, but over the last several years our “soft” period has extended into the summer. Therefore we do not limit as rigidly when these events can take place. This business has decreased over the last several years as the economy has struggled and competition for these groups has intensified.

**Beach Bucket Program** - Since 2005, we have participated in the CapAbilities “Beach Bucket Program”. This is a program where area merchants have their brochures included in a beach bucket that is distributed through local real estate agents to their weekly rental customers. Our brochures will be distributed to over 20,000 renters from Dennis to Provincetown. We are excited about the program and think it will be an effective way to promote our facility.

**Newspaper Advertising** - We advertise regularly in the Cape Cod Times and the Cape Codder during the golf season. We feel as though these are effective vehicles to reach the golfers in our market area. Very often we will advertise coupons in these newspapers, which allows us to track the effectiveness of the promotions.

**Other Print Advertising** - We advertise in such publications as Golf on Cape Cod, the town guides for Brewster, Orleans, Chatham, Eastham, and Wellfleet, Yellow Pages, The Little Black Book, and occasionally other publications where Cape Cod Golf is featured. This type of advertising is relatively expensive, but we feel as though they provide important exposure for the Captains Golf Course.

**Pro Shop Sales** - We run promotions on a daily basis to promote our pro shop sales. In season we have a “Sale of the Day” promotion featuring a different item every day. We also run seasonal promotions during various holidays such as Thanksgiving, Christmas, Mother’s Day, and Father’s Day. We utilize our email list to promote these sales as well as postings and signage around the clubhouse.

**Frequent Golfer Cards** - This program was instituted four years ago to try to increase our base of “regular” customers. The card sells for \$100 and gives the customer a \$15



discount for 18 holes or a \$10 discount for 9 holes during certain times of year and times of day. The card has been fairly popular and keeps people coming back to the Captains as opposed to spreading their business to other courses.

***Golf Discount Programs*** - We participate in several golf discount programs designed to enhance exposure to the Captains Golf Course as well steer business to our off peak times. These programs include; the New England PGA Golf Passport and the New England Golf Guide. Inclusion is at no cost to the Captains and offers the user various discounts based on certain restrictions.

***High Visibility Golf Tournaments*** - The Captains has proven to be an attractive site for various Championship caliber golf tournaments. These have included the New England Golf Tour, New England Intercollegiate Golf Association Championship, New England PGA events, Massachusetts State Amateur and Mid-Amateur qualifying tournaments, and Women's Golf Association of Massachusetts tournaments, to name a few. These events give the Captains Golf Course newspaper exposure as well as exposure to the participants. The participants in these types of events provide valuable word of mouth exposure for the Captains Golf Course all around New England.

***Word of Mouth*** - This is probably the most important promotion we can do at the Captains Golf Course. I would estimate that approximately 90% of our business is repeat business. Therefore it is vital that when the customer comes to the Captains Golf Course, he/she enjoys that experience thoroughly and wants to come back. Golfers talk to other golfers and are very candid in relaying their experiences. The customer service from the staff and the great condition of the courses keep customers coming back year after year. It is important in this market of increased competition that we continue to improve in these areas.

This marketing and promotion program is multi-faceted and very flexible. We are very fortunate at the Captains to have a professional staff and a Golf Commission with the energy and enthusiasm to formulate and implement this program, as it is very much a team effort.

**Addendum IV**  
**Weather Data for Subject Area**

# History for Chatham, MA

January 1, 2006 through December 31, 2006 — [View Current Conditions](#)

January	▼	1	▼	2006	▼	- TO -	December	▼	31	▼	2006	▼	Go
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[Daily](#) [Weekly](#) [Monthly](#) **Custom**

	Max	Avg	Min	Sum
Temperature				
Max Temperature	98 °F	59 °F	24 °F	
Mean Temperature	87 °F	53 °F	18 °F	
Min Temperature	78 °F	46 °F	12 °F	
Degree Days				
Heating Degree Days (base 65)	47	14	0	5029
Cooling Degree Days (base 65)	22	1	0	487
Growing Degree Days (base 50)	37	7	0	2617
Dew Point				
Dew Point	77 °F	44 °F	-8 °F	
Precipitation				
Precipitation	3.72 in	0.12 in	0.00 in	43.70 in
Snowdepth	-	-	-	-
Wind				
Wind	33 mph	8 mph	0 mph	
Gust Wind	47 mph	20 mph	16 mph	
Sea Level Pressure				
Sea Level Pressure	30.71 in	29.98 in	29.01 in	

# History for Chatham, MA

January 1, 2007 through December 31, 2007 — [View Current Conditions](#)

January	▼	1	▼	2007	▼	- TO -	December	▼	31	▼	2007	▼	Go
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[Daily](#) [Weekly](#) [Monthly](#) [Custom](#)

	Max	Avg	Min	Sum
Temperature				
Max Temperature	90 °F	58 °F	16 °F	
Mean Temperature	80 °F	51 °F	12 °F	
Min Temperature	75 °F	45 °F	8 °F	
Degree Days				
Heating Degree Days (base 65)	53	15	0	5502
Cooling Degree Days (base 65)	14	1	0	505
Growing Degree Days (base 50)	30	7	0	2673
Dew Point				
Dew Point	74 °F	42 °F	-14 °F	
Precipitation				
Precipitation	2.05 in	0.09 in	0.00 in	33.06 in
Snowdepth	-	-	-	-
Wind				
Wind	31 mph	7 mph	0 mph	
Gust Wind	53 mph	21 mph	16 mph	
Sea Level Pressure				
Sea Level Pressure	30.79 in	30.01 in	29.03 in	

# History for Chatham, MA

January 1, 2008 through December 31, 2008 — [View Current Conditions](#)

January	▼	1	▼	2008	▼	- TO -	December	▼	31	▼	2008	▼	Go
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[Daily](#) [Weekly](#) [Monthly](#) **Custom**

	Max	Avg	Min	Sum
Temperature				
Max Temperature	90 °F	58 °F	21 °F	
Mean Temperature	80 °F	51 °F	18 °F	
Min Temperature	75 °F	45 °F	10 °F	
Degree Days				
Heating Degree Days (base 65)	46	15	0	5423
Cooling Degree Days (base 65)	16	2	0	537
Growing Degree Days (base 50)	30	7	0	2532
Dew Point				
Dew Point	75 °F	43 °F	-5 °F	
Precipitation				
Precipitation	1.80 in	0.11 in	0.00 in	39.54 in
Snowdepth	-	-	-	-
Wind				
Wind	29 mph	7 mph	0 mph	
Gust Wind	72 mph	21 mph	16 mph	
Sea Level Pressure				
Sea Level Pressure	30.74 in	30.01 in	29.16 in	

# History for Chatham, MA

January 1, 2009 through December 31, 2009 — [View Current Conditions](#)

January	▼	1	▼	2009	▼	- TO -	December	▼	31	▼	2009	▼	Go
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[Daily](#) [Weekly](#) [Monthly](#) [Custom](#)

	Max	Avg	Min	Sum
Temperature				
Max Temperature	86 °F	56 °F	19 °F	
Mean Temperature	78 °F	50 °F	14 °F	
Min Temperature	73 °F	44 °F	3 °F	
Degree Days				
Heating Degree Days (base 65)	52	16	0	5979
Cooling Degree Days (base 65)	14	1	0	321
Growing Degree Days (base 50)	28	6	0	2198
Dew Point				
Dew Point	75 °F	43 °F	-8 °F	
Precipitation				
Precipitation	3.32 in	0.13 in	0.00 in	46.25 in
Snowdepth	-	-	-	-
Wind				
Wind	30 mph	7 mph	0 mph	
Gust Wind	48 mph	21 mph	16 mph	
Sea Level Pressure				
Sea Level Pressure	30.59 in	30.00 in	29.00 in	

# History for Chatham, MA

January 1, 2010 through December 31, 2010 — [View Current Conditions](#)

January	▼	1	▼	2010	▼	- TO -	December	▼	31	▼	2010	▼	Go
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[Daily](#) [Weekly](#) [Monthly](#) [Custom](#)

	Max	Avg	Min	Sum
Temperature				
Max Temperature	93 °F	59 °F	21 °F	
Mean Temperature	82 °F	52 °F	18 °F	
Min Temperature	75 °F	46 °F	10 °F	
Degree Days				
Heating Degree Days (base 65)	48	15	0	5385
Cooling Degree Days (base 65)	16	2	0	681
Growing Degree Days (base 50)	32	8	0	2881
Dew Point				
Dew Point	77 °F	44 °F	-8 °F	
Precipitation				
Precipitation	1.76 in	0.13 in	0.00 in	46.83 in
Snowdepth	-	-	-	-
Wind				
Wind	34 mph	7 mph	0 mph	
Gust Wind	54 mph	21 mph	16 mph	
Sea Level Pressure				
Sea Level Pressure	30.58 in	29.90 in	28.60 in	