



**BRECKENRIDGE GOLF CLUB
GOLF OPERATIONS DIVISION
2018 ANNUAL REPORT**

**PRESENTED TO
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SUMMARY OF THE 2018 SEASON

With an early start and great weather conditions, golf course revenues generated during 2018 were the most on record; \$2,886,354. This surpassed our budgeted number of \$2,628,335 by \$258,019. The Golf Enterprise Fund fully supports itself. We have completed a number of capital projects over the past few years; all sand bunkers have now been refurbished, new irrigation was installed on the Bear and Beaver nines and the clubhouse was renovated this season. The capital expenditure for the clubhouse renovation was \$814,933. There was also capital expenditure related to the bunker project on the Elk 9 holes during 2018. We anticipate capital to substantially decrease the next few years. The fund balance is estimated to be at \$700,000 for the year end 2018.

The golf course was realistically playable on 141 days, with 36,082 total rounds of golf played and an 18-hole equivalent of 28,643 rounds. In practicality this is very near capacity. Last year 33,036 total rounds or 26,583, 18-hole equivalents were played over 136 days. Absolute maximum projected capacity levels are about 33,000, 18-hole equivalent rounds if every tee time was filled on every open day, which is unrealistic.

This was the 7th year that guest golfers had the ability to book any tee time online, for any date during the summer as far out as they would like. This option required credit card guarantee of their green fee at a slightly discounted rate (\$10 high season, \$6 low season). This option was only offered on a full rack rate. We sold 6,094 this year compared to 5,162 rounds last year. The total dollar amount of all Internet Prepay and specials was \$536,838. Last year we brought in \$457,106 from internet bookings. This booking method has been increasing each year showing the power of the internet and how the customer books / shops.

This was a busy year for groups. A combination of corporate, wedding, travel partners, and charity groups were the most we have had in a number of years. The golf course staff works with group outing coordinators helping the coordinator with the booking/event process. Each group must have at least 12 players to book using our group outing guidelines. Groups do receive a discount and we provide extra services. We hosted 82 groups this season.

This season we offered ten different golf / lesson programs. The programs are diverse and designed to reach a wide variety of golfers, from the new golfer to the most avid. These programs all enrich the golfers experience and help to grow the game of golf. Most all of our programs have been successful the past couple of years.

Each year we try to bring on new ideas and delete any obsolete practices. This year we added complementary Junior Clinics offering three total during the season. Junior golf has been in a decline and this is a way to reach out to new golfers with no expense to them. Also in 2018, we did away with our Golf Package Program where qualified lodging entities could previously book tee times for their customer. The lodge would be billed and this created a level of accounting that was no longer financially viable. We also consolidated our punch card offerings creating a two tier system. This system was easier for the customer to understand and in some customer cases they paid less and much easier for staff to process. With the tight employment market we are looking for ways to streamline processes making it easier for new staff to implement our products and programs.

The new clubhouse renovation has given us a new look and feel for many years to come. This type of renovation keeps us moving forward and shows guests we care about the overall experience at our facility. The openness of the clubhouse, the new furniture / décor both inside and outside were given high marks by our customers. With our great course design, conditioning, clubhouse and customer service we will continue to be a golf destination for golfers near and far. With that said, we will never become complacent and will always look for ways to produce an even better product.

REVENUE TOTALS

- With an early start and great weather conditions, golf course revenues generated during 2018 were the most on record; \$2,886,354. This surpassed our budgeted number of \$2,628,335 by \$258,019. The long term pro-forma shows the golf course will be able to totally fund itself while upgrading the course and facilities.
- Green fees ranged from a low season fee of \$67 to a high season fee of \$117 for 18-holes. Green fees for 9-holes were \$35 during low season and \$59 during high season. Cart fees were \$18/person for 18-holes and \$10/person for 9-holes.
- Resident Cards were sold for \$440 for 10 rounds. Summit / Park Cards were sold for \$265. In 2018 we combined the Five Play Card and the Summit/Park Card into one offering.
- The following chart shows revenue totals from Greens Fees, Cart Fees, Punch Cards and Driving Range with numbers from 2017 for comparison:

<u>Category</u>	<u>2018 Revenues</u>	<u>2017 Revenues</u>
Locals Discount Cards /Rounds.	\$537,522	\$525,177
Gift Certificates Sold	\$17,146	\$20,960
Daily Green Fees	\$1,295,457	\$1,165,918
Golf Cart Fees	\$435,124	\$388,131
Driving Range Fees	\$106,686	\$94,154
Sub Totals	\$2,391,935	\$2,194,340

- Total budgeted revenues in these categories for 2018 were \$2,182,827.
 - Additional revenues from other sources include golf services \$18,395, lessons \$23,567 and golf shop sales \$404,933 for a total of \$446,895.
 - Other income sources include; clubhouse lease payments, interest income and refunds of expenditures. These items are approximately \$47,524. Total of all revenues for the golf fund are projected at \$2,886,354. Budgeted grand total was \$2,628,335.



ROUNDS OF GOLF

- The golf course was realistically playable on 141 days, with 36,082 total rounds of golf played and an 18-hole equivalent of 28,643 rounds. In practicality this is very near capacity. Last year 33,036 total rounds or 26,583, 18-hole equivalents were played over 136 days. Absolute maximum projected capacity levels are about 33,000, 18-hole equivalent rounds if every tee time was filled on every open day. The following chart shows the number of rounds played;

CATEGORY	2018 QUANTITY	2018 -18 HOLE EQUIVALENT	2017 QUANTITY	2017 - 18 HOLE EQUIVALENT	CHANGE FROM 2017
HIGH SEASON 18 HOLES	7163	7163	6525	6525	638
LOW SEASON 18 HOLES	3302	3302	2930	2930	372
HIGH SEASON 9 HOLES	1757	878	1595	798	81
LOW SEASON 9 HOLES	2038	1019	1331	666	353
HIGH SEASON TWILIGHT	865	865	958	958	-93
LOW SEASON TWILIGHT	555	555	435	435	120
HAPPY HOUR	2621	1311	2264	1132	179
BRING A FRIEND -low	527	424	549	450	-26
BRING A FRIEND - high	1065	906	1002	849	57
RESIDENT CARD 18	4996	4996	4616	4616	380
RESIDENT CARD 9	3894	1947	3407	1704	243
RESIDENT 5-PLAY- 18	0	0	1398	1398	-1398
RESIDENT 5-PLAY -9	0	0	2196	1098	-1098
SUMMIT CARD	5252	3660	1392	1008	2652
JUNIOR CARD 18	44	44	81	81	-37
JUNIOR CARD 9	55	28	107	53	-25
DONATION / MARKETING	503	503	586	586	-23
RAIN CHECK 18/ Employee 18	639	639	866	866	-227
RAIN CHECK 9/ Employee 9	806	403	863	431	-28
TOTAL ALL ROUNDS	36,082	28,643	33,101	26,583	2,981
TOTAL GUEST ROUNDS – 18 equi.		16,685		15,225	1,460
TOTAL LOCAL ROUNDS/OTHER – 18 equi.		11,958		11,358	600
TOTAL OF 18 HOLE EQUIVALENTS		28,643		26,583	2,060

The Five Play Card and the Summit / Park Card were combined into one offering this year.

- The average number of golfers per day was 256. In 18-hole equivalents this was 189 per day.
- Revenues from the 18-hole, 9-hole, Happy Hour, and Twilight categories produced \$1,295,457. The average charge per paid non-local golfers in 18-hole equivalents (16,685 rounds), was \$77.65/round.
- Revenues from locals pass card sales and rounds produced \$537,522.
- The average revenue for all rounds in 18-hole equivalents was \$64. (This is before cart rentals. With cart rentals the total is \$79.19.
- The average expense per 18-hole round has not been calculated this year due to the funding that occurred for the clubhouse renovation and the Elk bunker project.

(2017 comparisons – 136 days open – average per day 243 – paid round revenues were \$1,165,918 - average charge per paid guest golfer was \$76.60 - Average revenue for all rounds was \$63.70 in 18-hole equivalents, with cart \$78.30.

SEASON PUNCH CARD INFORMATION / LOCAL ROUNDS

- A total of 1282 local's punch cards were purchased this year. Total revenues in this category were \$537,522 compared to \$525,177 last year. The number of passes sold in each category is as follows:

YEAR	TOTAL CARDS ISSUED	RES CARD/ EMPLOYEE)	RES 5 PLAY/ EMPLOYEE	JUNIOR	JR ADD-ON	SUMMIT CARD ADULT
2018	1282	501	0	16	4	761
2017	1228	482	525	26	2	193
2016	1238	486	487	33	7	225
2015	1195	424	527	40	7	197
2014	1229	457	519	55	14	184
2013	1170	426	502	50	10	182

- Total 18-hole equivalent rounds played from punch cards, employee rounds, and punch card rain checks were 11,566 (42% of all rounds).**

- Resident Card** sales and rounds of golf produced \$293,480. Resident cards consisted of 10 rounds and were sold for \$440.
- Resident Card rounds played were 6,943 - 18-hole equivalents.
- The average fee per 18-hole round for Resident Cards was \$42.27. (no charge Employee Passes bring this number below the \$44 cost per round of the card)
- The average number of 18-hole rounds played with Resident Cards was 13.9 rounds.

- The **Summit / Park** card was sold for \$265 and allowed 5 rounds of golf to be played and then the purchaser paid \$53/ round. These cards produced \$233,624. Total 18-hole equiv. rounds played were 3,660.
- The average fee per round was \$63.84.
- The average number of rounds played per card was 4.8.

- Junior Cards** and Add-ons produced \$4,299.
- Junior rounds played were 72 and the average fee per round was \$59.71 / 18-holes.
- Junior average number of rounds played per card was 3.6
- The entire golf industry is seeing less junior golfers participate in the sport.

Other misc. fees (rain checks /employees) accounted for an additional \$6,119.

- All Card rounds accounted for 30% of green fees and card revenues. Employee rounds accounted for 780, 18-hole equivalents.

(2017 comparisons – 1228 Cards sold/ 11,358 total 18-hole equivalent rounds played / revenues were \$525,177 42% of all rounds / all passes produced 31% of green fees, pass sales revenues)

RESERVATION BOOKINGS, GROUP OUTINGS, GOLF PACKAGES

Tee Time Booking Methods:

The golf course accepts tee times by 4 different methods;

- 1) **This was the 7th year that guest golfers had the ability to book any tee time online, for any date during the summer. This option required credit card guarantee of their green fee at a slightly discounted rate (\$10 high season, \$6 low season). This option was only offered on a full high or low season rate. We sold 6,094 this year compared to 5,162 rounds last year. The total dollar amount of all Internet Prepay and specials was \$536,838. Last year we brought in \$457,106 from internet bookings. This booking method has been increasing each year showing the power of the internet.**
- 2) Four day advance call in, used primarily by punch card holders.
- 3) Advance group reservations (groups of 12 or more golfers) which can book in advance of four days with an advance deposit,
- 4) We also accept tee times in advance of four days with a non-refundable \$10 per person booking fee. We pre-booked 243 rounds this year compared to 229 rounds last year. This number and program is almost obsolete with our new method of online booking only requiring a credit card guarantee, where in the past the online booking required payment at the time of booking.

Group Outing Bookings:

The golf course staff works with group outing coordinators helping the coordinator with the booking/event process. Groups consist of corporate outings, wedding groups, reunions, and golfing friends. Each group must have at least 12 players to book using our group outing guidelines. Groups do receive a discount and we provide extra services.

This was a busy year for groups. A combination of corporate, wedding, travel partners, and charity groups were the most we have had in a number of years.

The following **advance group reservations** numbers were logged:

- There were 82 total groups.
- There were 1,836 total rounds played by these groups:
- They accounted for 6% of all rounds of golf.
- The average size of the group was 22 players.

(2017 Comparisons –41 total groups / 1,428 total rounds / 6% of all rounds /average group size were 35 players).

Golf Packages:

Golf packages have been in decline as our tee time reservation methods have been geared towards the individual golfer using the internet to book their times and receive the best pricing.

In 2018 we did away with the Golf Package option. Not only was it a time consuming process with accounting, but as mentioned above the number of rounds generated through the program did not warrant the staff time and expense.

CLUB PROGRAMS INFORMATION

Club Programs Overview -The Club Programs at the Breckenridge Golf Club are diverse and designed to reach a wide variety of golfers, from the new golfer to the most avid. These programs all enrich the golfers experience and help to grow the game of golf.

Men's and Women's Leagues - The Men's and Women's Leagues provides the golfer a competitive and fun environment. The League events are held each week from early June through early September. Whether you have a group of four, or you are an individual this is a great time to meet fellow golfers and get the competitive juices flowing. The schedule is comprised of different events from individual, two person, and four person team events. The goal each year is to create a competitive, equitable, and enjoyable club. Each year we add / delete events to keep the schedule fresh..

Mixed Teams - The Mixed Team program allows for ladies and men to compete together in a fun event. The events are held on Sunday afternoons. A combination of two and four person teams competed over 18 holes. The Mixed Team program has been very popular.

Nine and Wine - Nine and Wine continues to be one of the most popular programs, selling out on a regular basis. These events allow the golfer to sample wines on the first, fourth and seventh holes for a nominal tasting fee. Lots of fun with the Nine and Wine!

Family Night - Family Night offers a fun, friendly atmosphere of golf and family socializing. Holes 1-5 on the Beaver Nine are utilized. The idea is to bond as a family in the beautiful setting of the golf course. Five holes permits a busy family to schedule a golf outing lasting about 1 ½ hours. The fee for adults is \$20, for five-holes walking, \$25 with cart and kids (5-13) are free! Many of these events were sold out and we plan to add more tee times next year.

Adult Fun Five - Adult Fun Five allows the adult golfer to have a program similar to the "Family Night". The golf club provides a special rate of \$20 for 5 holes. This program gives the beginner golfer a place to play that is less time consuming than a full round and at a lower cost.

Ladies' Only – Ladies' Only, is a program for all Summit County women golfers. We encourage golfers to sign-up as a single or as a twosome and we will pair them with other golfers. Ladies' Only, is held on select dates. This program offers a fun, friendly atmosphere for golf and socializing. The golf course offered a special rate of \$30, for nine holes walking, \$40 with cart. This program attempts to remove the "intimidation factor" the beginning golfer can have.

Get Golf Ready - Get Golf Ready is our group lesson program for adult golf instruction. We piggyback on the national PGA program of \$99 for 5 lessons. The PGA has an active marketing campaign and our program has been strong for many years. Many of these golfers move into our other programs and become an active part of our golf community.

Junior Lessons - The junior lesson program is targeted towards youth ages 5-13. This is the program for juniors to start their love of golf. Over the years it has been fun to watch the junior golfers grow up and continue to make golf part of their lives. Three sessions, with three separate age groups, are held each summer. Each session consists of 4 lessons. This year 35 students participated.

Complimentary Lesson Clinics – In 2018, the professional staff offered a series of four free Adult clinics and three Junior Clinics with varying topics. These were very well received and each clinic was near capacity.



WEBSITE / SOCIAL / MARKETING / PROMOTIONAL - SUMMARY

We started the year with \$10,000 in marketing dollars. During the year we spent about \$4,000 in marketing/advertising. We also augmented with some trade to help keep our name in the market place. Some of the more prominent marketing / promotion campaigns of the season included:

- **Golf @Altitude**, television programming with Altitude sports. The ½ hour TV show airs numerous times and targets the core golfer. We also teamed up with **TV8** for local advertising.
- Our **Website** is receiving a good amount of traffic. About 46% of our rounds are booked on-line. This year we had 16,632 internet bookings compared to 13,910 internet bookings last year. Both locals and guests are using our site for booking tee times as well as learning about the facility and our programs. Our pre-paid specials page accounted for 6,094 rounds, up from last year's 5,162. These rounds accounted for **\$536,838** (last year was \$457,106).
- Our **Facebook** account now has 4,540 likes. We have a 4.7 star rating out of 5. Our Facebook page also contains Trip Advisor information and rating which is excellent. Out of 91 reviews, 66 are excellent and 15 Very Good. The negative we receive is usually related to pricing or pace of play.
- We participated in three discount books, **Avid Golfer Magazine Passport, Golf Views Discount Book and Colorado Golfer Discount Book**, offering a free cart fee with purchase of a full 18-hole green fee as well as a discounted rate during the off peak times. The participation costs nothing and provides printed copy and keeps our name in front of core Colorado golfers. The promotions brought in \$23,616 from 410 rounds compared to \$18,540 in 2017 from 315 rounds, most during off peak times.
- The **Summer BTO Augmentation** program continues to give us great value. We give \$7,500 worth of green fees coupons to the BTO, in return for general Breckenridge media advertising throughout BTO target markets. We receive back only a small percentage of the coupons giving the community great value.

All of the above advertising, coupon programs and web specials continue to help our bottom line.

NEW IN 2018 – PROGRAMMING CHANGES AND/OR DELETIONS

Adapting in the marketplace is necessary to succeed. Each year we try to bring on new ideas and delete any obsolete practices. This year we added complementary Junior Clinics offering three total during the season. Junior golf has been in a decline and this is a way to reach out to new golfers with no expense to them. Also in 2018, we did away with our Golf Package Program where qualified lodging entities could previously book tee times for their customer. The lodge would be billed and this created a level of accounting that was no longer financially viable. We also consolidated our punch card offerings creating a two tier system. This system was easier for the customer to understand and in some customer cases they paid less and much easier for staff to process.

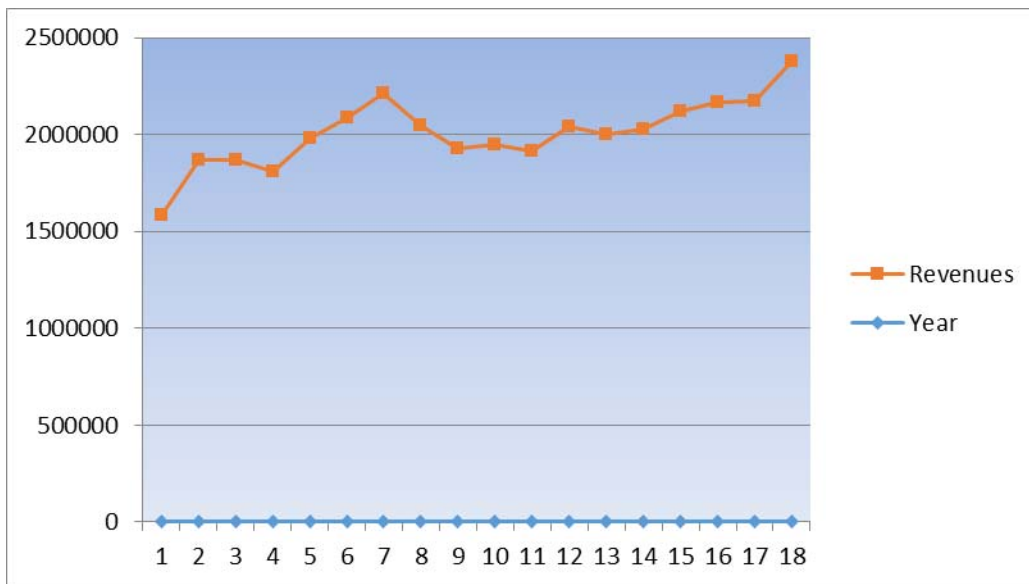
Currently our programs are engaging golfers at all levels, however we will continue to look for opportunities.



CHART OF REVENUES FROM 2006 -2018

Revenues shown below are from our core areas of Green Fees, Cart Fees, Pass Cards, and Driving Range

2006	\$2,087,496
2007	\$2,214,100
2008	\$2,043,049
2009	\$1,926,791
2010	\$1,947,377
2011	\$1,911,555
2012	\$2,038,902
2013	\$1,998,369
2014	\$2,026,686
2015	\$2,119,926
2016	\$2,163,266
2017	\$2,173,380
2018	\$2,374,789



Additional revenue sources related to the Golf Enterprise Fund are as follows:

• Gift Certificate Sales	\$17,146
• Golf Services	\$18,395
• Golf Instruction	\$23,567
• Golf Merchandise Sales	\$404,933
• Refunds of Expenditures	\$32,300
• Lease and Interest Income	\$12,000
• Renewable Energy Credit	\$ 3,224
• Grand Total	\$2,886,354

We budgeted \$2,628,335 in revenues for 2018.

CHART OF EXPENSES / FUND BALANCE - 2018

The Golf Enterprise Fund fully supports itself. The capital expenditure for the clubhouse renovation was \$814,933. There was also capital expenditure related to the bunker project on the Elk 9 holes. We have completed a number of capital projects over the past few years; all bunkers have now been refurbished, new irrigation was installed on the Bear and Beaver nines and the clubhouse was renovated this season. We anticipate capital to substantially decrease the next few years. The fund balance is estimated to be approximately \$700,000 for yearend 2018. (Actual numbers will be available early 2019).

Golf Expenses as estimated for year end 2018 are as follows;

• Administrative Maintenance	\$181,062
• Equipment Maintenance	\$128,886
• Course Maintenance	\$729,221
• Capital Projects	\$1,056,789
• Operations / Customer Service	<u>\$815,278</u>
Totals	\$2,911.236

Golf Revenues for year end 2018 are estimated at \$2,886,354 (as shown on page 8).

