

## RedGate Golf Course Mid-Season Review

January – June 2014

### Total Golf Revenues January – June

	2012	2013	2014
<b>Revenue- Lease Classification</b>			
Greens Fees - <b>Golf Revenue</b>	\$373,610.69	\$306,797.40	\$307,132.00
Cart Fees - <b>Golf Revenue</b>	\$51,147.52	\$42,337.51	\$44,607.00
Driving Range - <b>Golf Revenue</b>	\$25,360.40	\$23,651.63	\$29,508.00
Golf Cards/Passes - <b>Golf Revenue</b>	\$18,525.00	\$32,016.50	\$22,479.00
Dues Income - <b>Golf Revenue</b>	\$54,890.00	\$92,431.49	\$97,706.00
Pro Shop Sales - <b>Other Revenue</b>	\$38,155.35	\$44,111.04	\$45,877.00
Food - <b>Other Revenue</b>	\$45,728.15	\$35,066.55	\$38,656.00
Alcohol - <b>Other Revenue</b>	\$24,888.41	\$23,450.01	\$27,078.00
Other Golf Revenues - <b>Other Revenue</b>	\$4,811.22	\$1,145.12	\$1,139.00
Golf School Revenue - <b>Other Revenue</b>	\$6,693.00	\$260.00	\$16,164.00
Miscellaneous - <b>Other Revenue</b>	\$1,795.40	\$5,507.63	\$4,841.00
<b>Total Revenue</b>	<b>\$645,605.14</b>	<b>\$606,774.88</b>	<b>\$635,188.00</b>

### Round Counts Jan – June

	2012	2013	2014
Public	12,615	10,793	9,831
Outing	671	359	846
Member	4,725	5,485	4,259
<b>TOTAL</b>	<b>18,011</b>	<b>16,637</b>	<b>14,936</b>

### Revenue

**Total Rounds** – Similar to 2013, the 1<sup>st</sup> quarter of 2014 was unfavorable for the golf industry. Throughout the DC/Baltimore Region rounds were down 43% YTD vs 2013 through March according to Golf Datatech's March rounds report. RedGate and the region have rebounded after this poor start to the year. Golf Datatech now shows a 12% decline in rounds played through June 2014 compared to prior year in the DC/Baltimore region. RedGate is performing ahead of the regional average with rounds down just 10% compared for prior year (January – June).

**GF/CF** – With less golf being played we would expect to see greens and cart fee revenue down as well. However, RedGate has been able to increase the average per round spent by \$.55. This increase has been spurred by a new national partnership between Golf Now and Billy Casper. This new arrangement gives RedGate better visibility on GolfNow's website. This explains why greens fee and cart fee revenues have been protected from the decrease in rounds played during 2014. Golf Outing revenues has also increased over prior year; 2013 sales through June were \$48,114 and 984 rounds. In 2014 these numbers have increased to \$69,452 and 1312 rounds. With the help of Tim Chesnutt, RedGate has created a Tuesday league for the benefit of Rockville City's employees, friends and family. The league has been well received by all participants.

**Golf Shop** – Golf shop revenue has continued to grow over the past 3 seasons. Continued efforts on creating the correct product mix along with custom club fitting by Marty Johnson and onsite club repair have all helped to build loyalty from guests and increase sales.

**F&B** – The F&B operation has continued to grow and this can be attributed to a number of factors: expanded beverage cart service, outdoor turn grill and more consistent menu quality. The beverage cart is on the course Thursdays – Sundays. RedGate is also offering grilled burgers, bratwurst and hotdogs fresh off the grill Friday – Sunday. RedGate has returned several hourly grill employees from the prior year who know the menu and have a great relationship with the guests.

**Membership** – Membership revenues continue to be strong and are performing above prior year's sales by \$5K. RedGate is also expecting to add more members during the second half of 2014 as Montgomery Village Golf Course, one of RedGate's direct competitors will be closing its doors in November 2014.

**Advantage Card** – Sales of the Advantage Cards are down slightly from 2013 due in large part to the program itself being adjusted. In 2012 and 2013 the Advantage Card cost \$79 (\$75 for Rockville residents) and included a free round of golf valued at \$67 and \$5 off each additional round. The 2014 Advantage card is \$35 (\$30 for Residents) and features \$15 discount of peak rates. The card no longer includes a free round of golf with purchase. The new lower price point was created to attract more senior golfers. Although revenue from card sales is down, total revenue from golfers using the cards are up dramatically. As part of the 2014 Advantage Card program RedGate has also partnered with three other local Billy Casper Managed courses (PB Dye, Eisenhower and Compass Pointe).

**Golf School Revenue** – Instructional revenue has seen a strong increase over 2013. Four additional weeks of summer camp were added. The total number of participants increased from 80 campers in 2013 to 141 campers in 2014. Rockville residents make up roughly 30% of camp attendance.

### Maintenance

To help provide an assessment on the quality of the turf and identify areas of improvement RedGate receives 2 site visits every year one by BCG's Regional Agronomy Director, Dan Evers and the other by Steve McDonald, Owner and Founder of Turf Grass Disease Solutions. Several action items were identified from these site visits: spraying out weeds associated with the heavy geese traffic RedGate was once known for, minor cart path repairs, continued bunker repairs and additional tree work. Areas of emphasis continue to include water conservation through wetting agents and weather tracking to reduce irrigation usage.

RedGate began tracking rainfall totals in 2013 as part of the initiative to reduce water consumption at the course. Rainfall totals are tracked starting in the spring when the irrigation system is turned on through the fall when the irrigation system is winterized. In 2013, the amount of recorded rainfall at RedGate was 44.29". At the present time, we have recorded 36.55" of precipitation at the golf course from (April 5<sup>th</sup> – Sept 1<sup>st</sup>). With 2 more months remaining in the 2014 growing season, weather predictions indicate that we will exceed the total amount of rain from 2013. At current rates we are projecting a 10% increase in average precipitation for 2014 when compared to the previous 5 year averages in Montgomery County. The timing of this rainfall is also a key factor in determining whether RedGate will need to purchase water from the City of Rockville. Since RedGate's main irrigation pond is also a storm water management pond, significant rain events result in excess water going down the spillway instead of remaining in the pond for use to irrigate the course. Meaning RedGate not only needs above average rainfall totals, but it also needs these rain events to be spread out so that irrigation ponds can be refilled, but do not overflow. The last 2 seasons have been relative anomalies and RedGate's staff does not anticipate this string of good future to continue with regards to rainfall totals and specifically frequency.

Year	Gallons Used to Irrigate RedGate	Purchased from Rockville	Well Water	Water Bill from Rockville
2012	27 Million	21 Million	4.5 Million	\$ 158,000
2013	17 Million	1.9 Million	31,000	\$ 15,207
2014	5.3 Million*	0	318,000	\$ -

\*Water used through 7/1/14

### **BCGreen**

During the winter months of 2014 RedGate's Maintenance staff set out to achieve BCGreen Certification. The BCGreen Certification identifies RedGate's carbon footprint to help understand and limit RedGate's impact on the environment. Just a few of the ways that RedGate has tried to become more sustainable is by installing energy saving light switches, low flow faucets in all restrooms, installing electric hand dryers to cut down on hand towels and purchasing recycled paper. RedGate is proud to now be BCGreen.

### **Staff**

For the start of the 2014 season RedGate returned all key Management positions. Returning the same staff has helped to foster better relationships with members and guests. It has also helped to ensure that many of the same hourly staff were invited back for the 2014 season. Regulars enjoy interacting with familiar faces and friends when they visit the course.

In Early June of 2014, after the birth of his first child, Superintendent Jason Smith requested to be transferred to another BCG managed facility in Tennessee to be closer to his family. After a nationwide search to find the best candidate, BCG selected then-Assistant Superintendent, Myrick Johnson, to become the next Superintendent. Myrick was the best candidate for the position since he had already gained a season's worth of knowledge working under Jason since May of 2013. Myrick has a degree in Turf Grass Management from the University of Maryland and worked as the assistant at Lakewood Country Club in Rockville prior to coming to work for Billy Casper. Myrick is a Maryland native and has lived in Montgomery County for the past 5 years.

Sales and service are key areas that the staff at RedGate continue to focus on. Billy Casper Golf uses an independent company, Customer Services Experts (CSE), to perform 12 separate Mystery Shops per season to ensure that the highest levels of guest satisfaction are maintained. Through June, RedGate has been shopped 5 times with an average score of 95% well above the BCG average of 89%. Each survey is conducted anonymously

and graded on a 54 point scale, with points weighted towards each department (Check-in, starter, Marshal, Beverage Cart, Overall Guest Experience, etc.). Attaining this merit is a huge source of pride for the staff.

**Second Half of 2014 and Beyond**

Poor weather has again yielded a slow start to the season, but prospects and spirits are high for the second half of 2014. The outing deck is now complete and ready to host numerous fall events. In large part to the completion of the deck, RedGate has managed to secure several large golf outings for the fall, one of which had been going to PB Dye (also managed by BCG) but chose RedGate based on its convenience and ability to now host events over 100 players.