

B.A.G. (Bring A Guest) Program –Why do we have this anyway?

That's a very fair question by the way!

Remember the days of the waiting list? Prospective new members were signing up in droves just to get on the waiting list. Some couldn't wait and joined other local clubs. Initiation fees seemed to increase every year, yet it did not stop the steady stream of newcomers!

As a result of this onslaught of new members our financial statements were stellar since substantial revenue was generated by the initiation fees and corresponding membership dues. Our method of New Member recruitment was to call the next 20 members on the waiting list and tell them they were in. To put it into perspective in 2001 we had 132 people on our waiting list. In 2005 Kingsville Golf and Country Club had 833 Adult members. Oh how times have changed! As of May 28, 2013, adult membership stands at 585 or 248 less members and you can only imagine what that does to our revenues.

We all want a better facility, but we also don't want our dues to increase. The question is: **Where is the money coming from?**

Q. Well let's cut costs-that's the answer!

A. To a certain degree that's true and we have done a great job of cost cutting since 2008. Fortunately, it has not really affected our product quality or service levels yet. However, we can only cut costs to a certain point and after that our quality and service levels will be affected. We are also going to lose our competitive edge and both of those are things would be detrimental to Kingsville Golf. The answer to our financial challenge is new revenue generation. As a result, the B.A.G. (Bring a Guest) Program was implemented in 2009.

Q. How much revenue does the BAG Program generate?

A. As a matter of interest the average revenue generated by the BAG Program is \$60,000 annually and to date the total is \$300,000. That income goes directly to our bottom line and it's difficult to imagine operating our facility without that annual revenue.

Q. What's the difference if we spend \$100.00 in the Dining Room or \$100.00 in Guest Fees?

A. The short answer is *'a significant amount'!* Looking at this from an accounting perspective, for each dollar spent in Food & Beverage we earn approximately 14% profit, (due to increased efficiencies and cost cutting in the department prior to 2011. It used to be 9%) Conversely, for every \$100.00 spent in green fees we net \$100.00 to the bottom line since most of the costs are fixed.

Q. Why not just charge me an extra \$100/\$165 (couples) and include it with my dues?

A. That has been suggested before; however, members would not receive anything for that additional charge. Conversely with the B.A.G. Program members receive guest fees which we believe represents good value while simultaneously generating bottom line revenue.

Q. Do guest passes carry forward to the next year?

A. No. It follows the same procedure as the house account as it ends at season end.

Q. Can I buy more guest passes?

A. No. Only one bag program is allowed per year. However, designated member/guest days are scheduled throughout the year and for those members who want to bring additional guests. We encourage members to do so on these days as there will be some member perks. Member/Guest Days will be identified in upcoming emails.

Q. How many members used the BAG program last year?

A. The utilization rate for 2012 was 78%.

Q. Do I have to play with my guest?

A. While it is preferred that members accompany their guests, we do understand that on occasion this may not be possible.

Q. I am a limited member and my guests can only play on weekends. What do I do?

A. Limited members in this situation may use one of their guest passes for themselves.

We trust this answers your questions and concerns.