

Chester Golf Club 2019 Annual General Meeting

Long Range Planning Committee 2020 Member Fee Recommendation

Relevant Background

Between 2002 and 2016 the number of golfers in North America decreased from 30 Million to 20.9 Million

Total number of new golfers in Canada equal the total number leaving the game on an annual basis

Total number of rounds played in Canada decreased by 10% in 2018

Canadian golf industry growth projection is stagnant or zero growth for the next 5 Years

Golf Club membership in Nova Scotia is declining on an annual basis

Local Market competitive landscape for Green Fee revenue is increasing

Aspotogan Ridge

Osprey Ridge (New Owners in 2016)

Sherwood

Brunello (Focus on Events & Packages)

Chester Golf Club Membership tee time inventory demand increasing as new members playing more rounds per year than 5 years ago. This increase directly impacts the availability of tee times for Green Fee players. Green fees account for approximately 20-25% of our projected annual revenue. Number of new members for the past five years 170

2019 Spring weather resulted in decreased Green Fee revenue

At July 31, 2019 Chester Golf Club Green Fee, Food & Beverage and Pro Shop sales revenue to 2019 budget projections are estimated to be 10-15% under budget

Chester Golf Club recommended course annual improvement Program cost estimate for each of the next five years is \$118,000

Prime examples:

Bunker Renovation Program 2 per year

Irrigation system maintenance and necessary upgrades

New tee(s) construction and existing tee restoration

Chester Golf Club current Membership fees are slightly less than 50% of the cost for relevant comparable golf clubs in Nova Scotia.

Our budgeting process for 2020 includes anticipated increases in expenses. There are potentially greater increases beyond Club control that may occur.

Conclusion

In a zero-growth industry, an increasing competitive local marketplace, increased Member play which remains the Club priority an annual Membership fee increase of 2% is not financially sustainable or fiscally responsible

Long Range Planning Committee Recommendation is a 5% increase, net of applicable taxes and NSGA fee, in Senior, Intermediate, Junior and Novice Membership Fees in 2020

Senior Membership

5% = \$27.39

Intermediate Membership	5% = \$13.69
Junior Membership	5% = \$4.80
Novice Membership	5% = \$3.25

(No increase recommended for Social Membership)