

Public Works Committee  
June 5, 2017  
Item 7.1



Hamilton  
Public Works

**Public Works  
Energy, Fleet, Facilities Management  
Division**

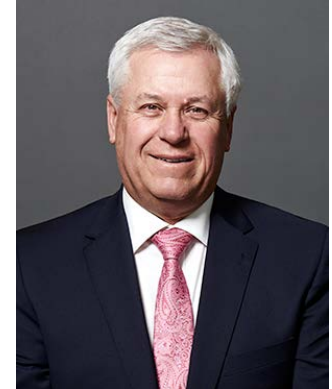
**Municipal Golf Update  
June 5, 2017**

***Providing services that bring our City to life !***

# INTRODUCTION – STEPHEN JOHNSTON

## Stephen Johnston

- Founding Partner of GGA and one of the leading authorities on operational analysis and financial solutions for clubs and golf businesses
- As an audit partner at KPMG in 1992, Steve created the KPMG Golf Industry Practice and assumed responsibility as National Director. In 2006 Steve purchased the KPMG Golf Industry Practice and created Global Golf Advisors Inc.
- Steve has been recognized as one of the Top Powerbrokers in Canadian Golf by The National Post over the past 15 years.



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- People
- Processes
- Finance



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# INTRODUCTION – GLOBAL GOLF ADVISORS

## Global Golf Advisors

- Offices in Toronto (HQ), Phoenix, Dublin (IR) and Sydney (AUS)
- Serving 2,700+ clients worldwide
- Highly specialized consulting firm focused on Golf, Private Club, Real Estate and Resort Businesses.



3 GLOBAL OFFICES



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# Background on the Macro Golf Industry

## Trends

- Stagnant Pricing Levels
- Flexible Membership Categories
- Yield Management Pricing
- Millennials
- Importance/Emergence of practice facilities
  - ✓ Time famine, Occasional golfers, Millennial preference

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# Recap of 2015 Market Analysis

## Key Observations/Recommendations

- Price adjustments in 2015 would allow the City courses to appeal to a wider range of price points, all at a high value-for-money
  - ✓ King's Forest: Mid-High end of the Market
  - ✓ Beddoe: Middle of the Market
  - ✓ Martin: Mid-Low end of the Market
- Significant Capacity to increase rounds at all three courses
- Flex Membership Opportunity
- Increase dynamic pricing to improve yield management

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# Comparison to Competitive Market

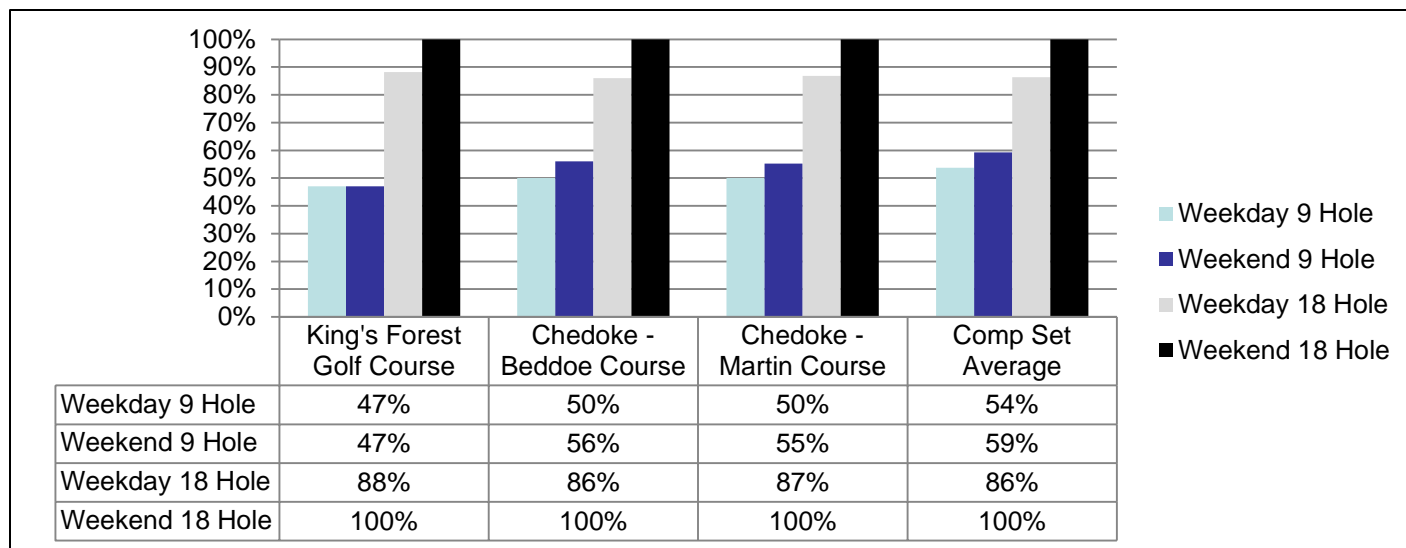
## 2016 Market Update

- Growth of peak green fee pricing from 2015 to 2016 in the competitive market was stagnant (0.6% decline)
- Non-peak green fee pricing remained consistent (as a percentage of peak pricing). Price discounting structure at City Courses aligns with market:

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# Comparison to Competitive Market

## 2016 Market Update (Cont'd)

- Season Pass / Membership prices in the local market were mostly stagnant; Average annual price increase was 1%.
- City Courses discounting structure for Spouses and Restricted Play categories remains attractive and in alignment with market norms.
- Still few comparable 'Flex' membership offerings from local market competitors - great opportunity for City courses.

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# Performance of City Courses

## 2015 vs 2016

Course	2015 Rounds	2016 Rounds	Change
King's Forest	22,961	24,314	1,353
Martin	14,677	12,232	(2,445)
Beddoe	14,822	18,096	3,274
<b>All Courses</b>	<b>52,460</b>	<b>54,642</b>	<b>2,182</b>

### Golf-Related Revenue

- Green Fee / Flex Revenue up ~\$120,900 
- Membership Revenue down ~\$43,500 
- Cart Revenue down ~\$13,400 
- **Overall Golf-Related Revenue up ~\$64,000** 

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# Future Outlook for City Courses

## Where do we fit?

- Location is second-to-none
- Variety of courses is able to meet the needs of golfers of all skill levels and demographics.
- Flexible membership offerings and excellent value-for-money at all three courses
- With the City's 5-year extension to the Golf Business Plan, there is the opportunity for the City to investigate a practice facility at Chedoke.

*The focus for the future needs to be on increasing rounds played at both facilities. Success will hinge on the ability of the City to embark on a robust communications and marketing plan focused on informing patronage of its new 'Flex' program and dynamic pricing to improve yield management.*

Course	2016 Rounds	Target	Opportunity
King's Forest	24,314	27,000	<b>2,686</b>
Chedoke (both)	30,328	45,000	<b>14,672</b>

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# Questions?

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