

April 23, 2021

## **[REVISED] Recommendation for Golf Membership Level Consolidation**

### **Combining Two Things to Make One**

The Fountaingrove Club, Sonoma County's only member-owned private 18-hole facility, offers several different membership categories (Social, Athletic and Golf) to fit the needs of our clientele. Per the Restated Bylaws, the Club only has 50 social memberships and 368 golf memberships available to sell. The Club also offers athletic membership opportunities to further supplement it, but the Bylaws do not limit the number of these memberships available as this is addressed on a monthly basis.

While the social and athletic membership opportunities have three levels (Individual, Couple/Pair and Family), golf membership opportunities only have two - Individual and Family. The club also offers a Golf Young Executive membership opportunity for members under the age of 40 at the time of joining.

At The Fountaingrove Club, Golf Individual and Golf Family memberships require a 12-month minimum commitment plus a six-month advance written notice for resignation, thereby ensuring the Club receives a minimum 18 months of dues payments.

### **Calculation of Financial Benefits**

At the time of this writing, the club has 69 Golf Individual memberships. Monthly Membership Dues for Golf Individual memberships are \$642/month.

$$\begin{aligned} \$642/\text{month} \times 69 &= \$44,298/\text{month} \times 12 = \$531,576/\text{year} \\ \$642/\text{month} \times 69 &= \$44,298/\text{month} \times 18 \text{ (minimum commitment)} = \$797,364 \text{ total} \end{aligned}$$

Golf Family Dues are \$816/month. Imagine a world where those 69 members were paying Golf Family Membership Dues.

$$\begin{aligned} \$816/\text{month} \times 69 &= \$56,304/\text{month} \times 12 = \$675,648/\text{year} \\ \$816/\text{month} \times 69 &= \$56,304/\text{month} \times 18 \text{ (minimum commitment)} = \$1,013,472 \text{ total} \end{aligned}$$

For these 69 memberships, the delta would be \$12,006/month or \$144,072/year.

In my research, I found the following Troon facilities (listed in no particular order) that only offer one level of golf membership opportunity:

- Silverado Resort and Spa (Napa, CA)

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- Alpine Country Club (Highland, UT)
- The Club at Hammock Beach (Palm Coast, FL)
- Phoenix Country Club (Phoenix, AZ)
- Lake of Isles (North Stonington, CT)
- Belfair (Bluffton, SC)
- Westhaven Golf Club (Franklin, TN)
- Reunion Golf & Country Club (Madison, MS)
- Marin Country Club (Marin, CA)
- Entrada at Snow Canyon Country Club (St. George, UT)
- Blackstone Country Club (Peoria, AZ)
- Troon Country Club (Scottsdale, AZ)
- The Falls Club of the Palm Beaches (Lake Worth, FL)
- Capital Canyon Club (Prescott, AZ)
- The Peninsula Golf & Country Club (Millsboro, DE)
- Fargo Country Club (Fargo, ND)
- Contra Costa Country Club (Contra Costa, CA)
- Seven Canyons (Sedona, AZ)
- Wickenburg Ranch Golf & Social Club (Wickenburg, AZ)
- Champion Hills (Hendersonville, NC)
- West Bay Club (Esterro, FL)

Here are three facilities not affiliated with Troon that only offer one level of golf membership opportunity:

- Seville Country Club (Gilbert, AZ)
- Blackhawk Country Club (Danville, CA)
- TwinEagles (Naples, FL)

Golf Individual and Golf Family members pay the same Capital Dues monthly, so these funds were not taken into consideration for this recommendation.

## **Conclusion**

I am recommending the Club cease offering Golf Individual and Golf Family membership opportunities and begin offering simply Golf memberships. This would have an immediate impact to the bottom line and would set the Club up for future financial success.

Please note this recommendation would not impact the current 69 Golf Individual memberships as those memberships would be grandfathered into the current membership categories.