Committee Changes a Burden

Permanent committees of capable men with the time and inclination to care for club affairs may be the milenium in private golf clubs but the trend is unmistakably that way.

Here is an article on how successful permanent committee management serves one club, although the club's organization plan differs from the average.

From his own viewpoint the author picks some interesting items of comparison between two types of golf enterprises.

IN a recent issue of GOLFDOM the writer ventured to state that, in his opinion, the time is not far distant when golf clubs will abandon the idea of reelecting or selecting new business officers such as, president, greens-chairman, house chairman, and secretary every year. This line of thought suggests a few words on management of golf properties by a small group of men, who, while they are not making a great deal of money out of their golf property, are giving the members more conveniences for less money than many private clubs.

The writer will attempt to explain just what can be found at one of the better private clubs in the Chicago district wherein the members of the golf club do not have a monetary interest or realty interest in the property and at the same time the members operate their golf club as a strictly high grade private club. Each member in this club is absolutely guaranteed against assessments of any and every nature and the yearly cost of membership, golf, locker room, clubhouse facilities is set at $150 which, in the big districts, is a very small price considering land values, high rate of course maintenance and construction labor and, the type of clubhouse, locker room and golf course furnished.

A group of eight men purchased approximately 135 acres of land located within ten minutes' drive from suburbs totaling more than 100,000 population and within 25 or 30 minutes from the Chicago loop. On this property they actually spent $135,000 for golf course improvements. In addition, they built a clubhouse and locker room costing $125,000 including furnishings, so, you can judge for yourself whether or not the membership has an inferior or superior type of club and course, knowing that the total investment will run somewhere about $500,000, all of which was expended by this group of eight men whom we shall designate hereafter as the Holding Company.

Owners and Members Harmonize

They produced a finished championship type course, one of the finest locker rooms in the Chicago district, and an adequate and very homey clubhouse with some 28 private rooms on the second floor to be rented to members whose families wish to spend the summer out of Chicago. The first offering was a time lease on the property so that the lease ran to the invidual member rather than to the golf club as a group, which lease was sold on a first payment of $30 per year or $150 for the first payment on a five year lease and yearly greens rentals in the sum of $140 per year for the fulfillment or continuation of the lease. The golf club then charged $10 per year annual dues which money was handled by the golf club treasurer. This money, $3,600 is spent throughout the season for prizes, entertainment, etc. There are 360 members in the club all of whom obtain every freedom and privilege found in the most exclusive private club, but instead of having the golf club finance the operation, the entire ownership and management of the business end of the properties are taken care of by the Holding Company which works in conjunction with the directorate of the golf club to please the membership. The Holding Company as a separate entity, does not enter into the club affairs except as a business or financial proposition as between an individual member and the Holding Company and the member does not know the Holding Company, except as a financial owner who finances the property, buildings, conveniences and food at an agreed price and finances his caddy fees and shop account for him and renders monthly bills in the same manner as these accounts are handled by private clubs.

In so far as the business management is concerned the writer calls attention to the fact that two men manage the entire property for the Holding Company and are giving the club membership everything they could expect at any club for considerably less money than they would be compelled to pay at any other private club operated along customary lines where the club owns the property, and new officers are elected each year to manage it.

Under this system of a Holding Company managing the financial affairs we find the Holding Company is able to pay the interest on their investment and small dividends to the stock holders, due principally to economies effected through efficient management by experienced men.

Calls for Showdown

From this you will gather that the members receive the highest type of service in a most attractive clubhouse and play on one of the best conditioned golf courses in this district and at a very moderate price, while the Holding Company is so satisfied with its investment that it proposes this method of operation for many years to come or until real estate taxes prohibit the use of that property for golf purposes.

An analysis will show the fallacy of member ownership or member equity of a $1,500 or $2,000. The interest on that fee amounts to $90 or $120 per year and dues of $150 to $200 per year plus assessments every two or three years occasioned through mismanagement or poor management caused by yearly changes in personnel of business management of the club. On the other hand the same analysis should show a desirability of maintaining in office those men who have proven their ability to operate the club on an efficient, economical and satisfactory basis. If a holding company can operate a clubhouse and serve 360 members and their guests in a manner satisfactory to all as to food, prices and service and show a loss of less than $5,000 yearly without the juggling of figures on the part of the house manager and can maintain a 6,700 yard championship type course to the entire satisfaction of the membership at a cost averaging $16,000 yearly and then hundreds of members from other private clubs lauding the facilities and conditions found at this less expensive club, is it not reasonable to believe the time has come for the directorates of the so-called wealthy clubs and all other private clubs to analyze their expenditures to the end that a group of business men be placed in office to manage the financial affairs of that club?

Let us go back again to a comparison of the Holding Company club vs. the usual private club. In the Holding Company club there are no transfer fees, there are no penalties for overlooking dates of tax payments, no discounts forgotten, no purchasing of excess quantities of supplies, no buying of cheap materials that that to be junked, no buying of the wrong kinds of materials from shrewd salesman. There are no membership or dues taxes, no squandering of money on whims of inexperienced committee chairmen. The Holding Company purchases at hotel prices and golf maintenance equipment is purchased direct by the Holding Company from the manufacturer, hence, they receive the greatest value for their money expended and extraordinary service where they do not receive extra discounts. In other words the Holding Company is a business institution operated on a business basis and the personnel of the Holding Company does not change, hence, there are no leaks of any consequence.

Now how does this effect a member in the customary private club? First, the member who advances $1,500 or $2,000 is paying $90 to $120 each and every year because his entrance fee is worth six per cent to him; then in seven out of ten clubs his yearly dues amount to more than $150. Then as we said before his special assessments over a period of years will average about $50 per year and in the end what does he get, more than a member of this no equity club. One might say he will receive a greater price in later years when his club property is sold, but how many men have found this to be the case? Invariably they find that when the club does sell, a new club house and course costs every cent and usually more than they received for the old club, and, should a member sell his membership the transfer fees and government tax is taken from the money he is to receive so that his holding or club equity has gained him nothing. Most of this condition is attributable to the fact that during his period of membership the dues and assessments have been unnecessarily high because of poor management on the part of the new committees selected from a group of men who do not know or who are not experienced in the work or business they are supposed to supervise during their term of office.

The figures in this article are positively the truth as found in the Chicago district. The same thing is true in the New York Metropolitan district. The conditions will apply also to clubs scattered throughout the country although the figures may be materially reduced, but, if they are reduced in respect to private clubs under hit and miss management they will also show the same relative possibility of economy through efficient business management by a selected permanent group of business men placed there to handle business affairs.

Monthly Awards Help in Getting Caddie Control

AROUND the Chicago District a caddie shortage is becoming acute. One of the comparatively new clubs, Illinois Golf, has given considerable thought to attracting caddies to the course and as a result of its consideration has slated monthly awards as follows:

For caddie with best attendance: $5.00 1st prize; $3.00 2nd prize; $2.00 3rd prize.

Same awards are given for highest to-