

GOLF AND TENNIS OPERATIONS MANAGEMENT OPTIONS





OVERVIEW

- Background
- Management Options
- City Council Direction

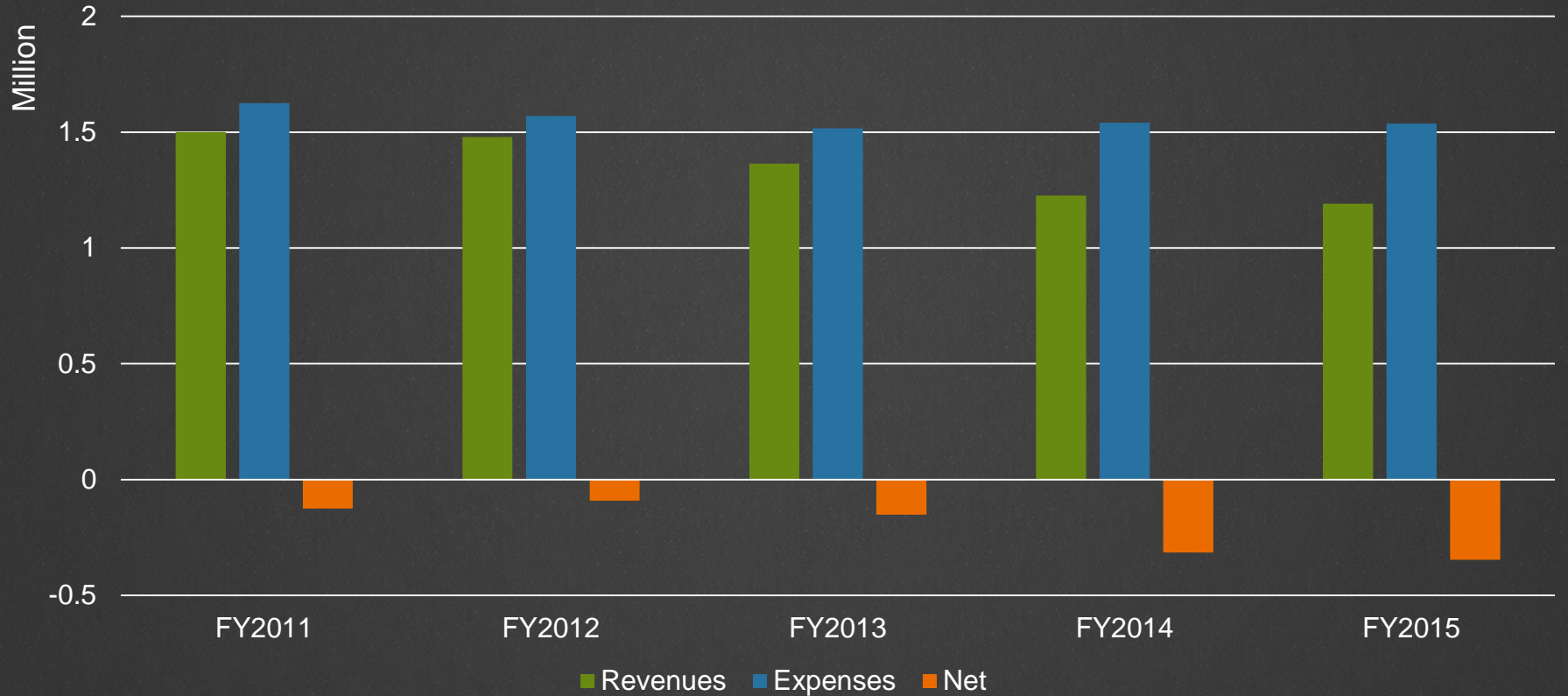
> Background



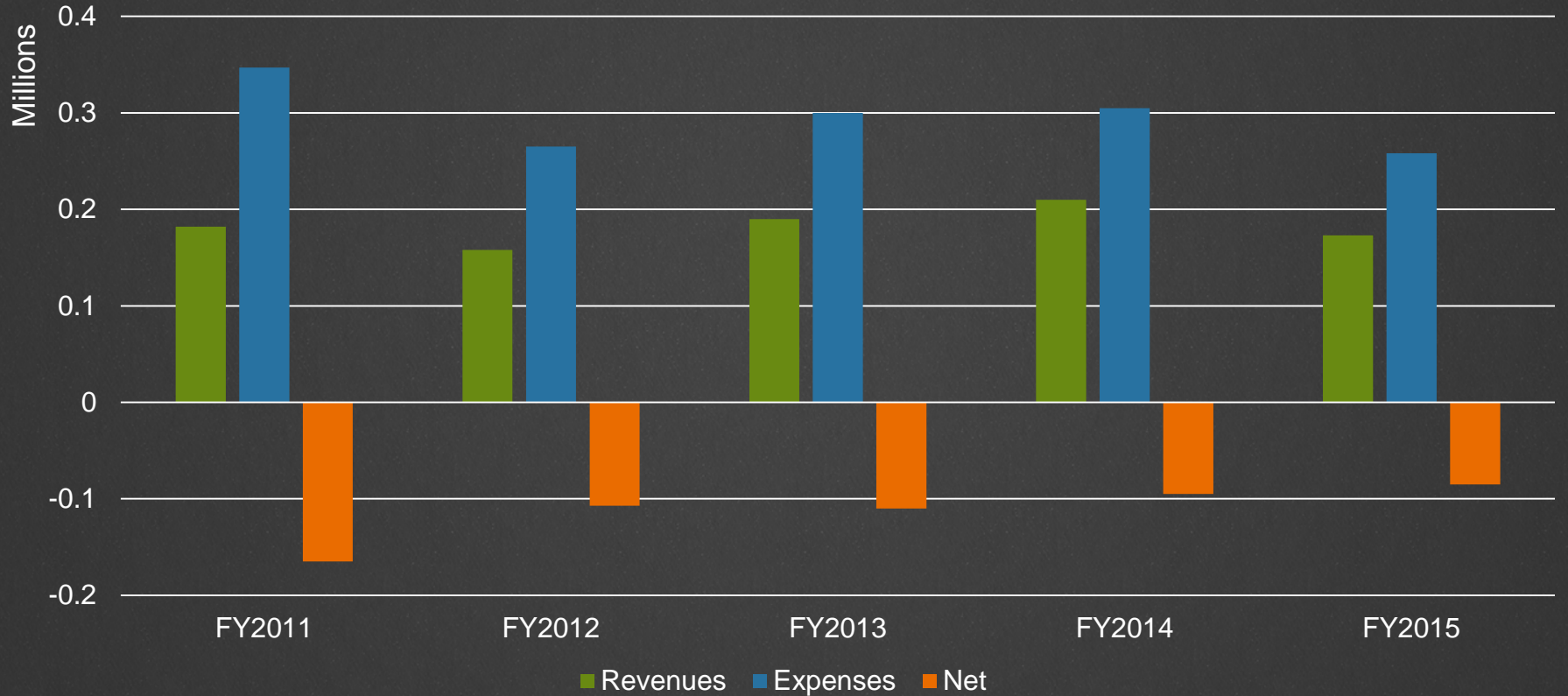
Background

- Since 2009, Palm Harbor and Tennis Center were managed as a business by Kemper
- When Kemper was chosen by City Council to continue management in 2014, several changes were made:
 - Folded into overall Park and Recreation Budget as a amenity
 - City staff increased oversight of Kemper (maintenance, finances, and operations)

Palm Harbor – As a Business



Tennis Center – As a Business



Golf and Tennis – As an Amenity

Facility	Visitors@	Revenue	Expense	Net	Recovery
FriedaZPool	21,086	\$37,950	\$133,260	\$95,310	28%
SportsComp	56,325	\$0	\$510,974	\$510,974	0%
ComCenter	42,900	\$162,900	\$499,660	\$336,760	33%
TennisCent	28,670	\$172,900	\$257,850	\$84,950	67%
PHGolfClub	58,555	\$1,190,480	\$1,536,670	\$346,190	77%
All Other	?	\$0	\$838,087	\$838,087	0%
Total		\$1,564,230	\$3,776,501	\$2,212,271	

Palm Harbor & Tennis Center Today

- Management Status
 - Kemper Contract Currently Month-to-Month
- City Needs to Start Procurement Process in Coming Months
- Today is first step...

Goals for Today

- Present Management Options
- Obtain City Council Direction for Next Steps

Golf Teams

- Management Team
- Golf Course Evaluation Team
- Tennis Center Evaluation Team
- Internal Maintenance Oversight Team
- Internal Financial Oversight Team

➤ Management
Options





**Keep Doing
the Same
Thing**

3rd Party
Management

Management Options



**Move in a
Different
Direction**

Lease
City Manage/Operate
Hybrid Management



Keep Doing the Same Thing

3rd Party Management

Pros

- Management company expertise
- Potential lower cost of goods and labor
- Nationwide marketing network
- Flexibility in management of operations

Cons

- Course has continued to financially struggle under 3rd Party Management
- City responsible for operational deficits
- City control over operations is limited
- Asset is at the mercy of the General Manager and Superintendent
- What is the value of the management services? Worth the cost?



Move in a Different Direction

Lease

Pros

- City is no longer in the business of golf and tennis
- No longer concerned with operation losses of golf and tennis
- Financial risk to the City limited
- Elimination of management fee
- Elimination of fleet costs

Cons

- Significant risk to the asset
- No City control over operations
- City responsible for maintenance of areas surrounding the golf course
- No guarantee for sustainable operations
- Recovery from transition could be costly



Move in a Different Direction

City Management and Operations

Pros

- City would retain complete control of operations
- Limited risk to the asset
- Elimination of management fee

Cons

- City would need to hire specialized staff
- Increased labor costs
- City would be in the Bar and Restaurant business
- Increased demand on current staff
- City responsible for operational deficits



Move in a Different Direction

Hybrid Model

Pros

- City management/control of operations
- City contracts individual functions to vendors with expertise
- Flexibility to make changes
- Elimination of management fee
- Opportunity to further evaluate operations to reduce costs

Cons

- City would need to hire some additional employees
- Increased demand on current support staff
- City responsible for operational deficits





Options and Next Steps

- **3rd Party Management**

- Prepare RFP

- **Lease**

- Prepare RFP and Scope
- Possibly Hire Consultant to Assist

- **City Management and Operations**

- Convert Evaluation Teams to Transition Team with Customer Input
- Prepare Budget and Operational Plan

- **Hybrid Model**

- Convert Evaluation Teams to Transition Team with Customer Input
- Prepare RFPs for Selected Services
- Prepare Budget and Operational Plan