



June 15, 2016

Mr. Jim Landon  
 City Manager  
 City of Palm Coast  
 305 Palm Coast Pkwy, NE.  
 Palm Coast, FL 32137

Mr. Landon,

The following is the Operational and Financial Summary Report for PCTC for May 2016

FINANCIAL SUMMARY FOR MONTH ENDING MAY 2016							
	Current			Year to Date			
	Actual	Budget	Variance	Actual	Budget	Pr. Year	Variance to Budget
<b>Revenue</b>							
<b>Tournament Fees</b>	\$ -	\$ 7,800	\$ (7,800)	\$ 20,994	\$ 18,112	\$ 16,925	\$ 2,882
<b>Court Fees</b>	\$ 1,351	\$ 1,083	\$ 268	\$ 9,894	\$ 10,400	\$ 10,373	\$ (506)
<b>Annual Pass Fees</b>	\$ 5,725	\$ 6,566	\$ (841)	\$ 48,964	\$ 51,537	\$ 51,412	\$ (2,573)
<b>Shop Revenue</b>	\$ 749	\$ 1,659	\$ (910)	\$ 8,179	\$ 12,515	\$ 9,643	\$ (4,336)
<b>Clinics/Camps</b>	\$ 6,094	\$ 4,882	\$ 1,212	\$ 41,467	\$ 34,834	\$ 31,687	\$ 6,633
<b>Food and Beverage</b>	\$ 77	\$ 93	\$ (16)	\$ 673	\$ 706	\$ 605	\$ (33)
<b>Misc</b>	\$ -	\$ 30	\$ (30)	\$ (100)	\$ 30	\$ -	\$ (130)
<b>Total Revenue</b>	<b>\$ 13,996</b>	<b>\$ 22,113</b>	<b>\$ (8,117)</b>	<b>\$ 130,071</b>	<b>\$ 128,134</b>	<b>\$ 120,645</b>	<b>\$ 1,937</b>
<b>Cost of Sales</b>	\$ 270	\$ 852	\$ (582)	\$ 3,610	\$ 4,158	\$ 2,514	\$ (548)
Merchandise	\$ 239	\$ 806	\$ (567)	\$ 3,320	\$ 3,805	\$ 2,153	\$ (485)
Food and Beverage	\$ 32	\$ 46	\$ (14)	\$ 291	\$ 353	\$ 361	\$ (62)
<b>Gross Margin</b>	<b>\$ 13,726</b>	<b>\$ 21,261</b>	<b>\$ (7,535)</b>	<b>\$ 126,461</b>	<b>\$ 123,976</b>	<b>\$ 118,131</b>	<b>\$ 2,485</b>
<b>Total Payroll</b>	\$ 14,226	\$ 12,125	\$ 2,101	\$ 107,597	\$ 96,922	\$ 90,118	\$ 10,675
<b>Total Operating Expenses</b>	\$ 8,383	\$ 7,052	\$ 1,331	\$ 79,687	\$ 73,751	\$ 69,510	\$ 5,936
<b>EBITDA</b>	\$ (8,883)	\$ 2,084	\$ (10,967)	\$ (60,823)	\$ (46,697)	\$ (41,497)	\$ (14,126)
<b>Other Expenses</b>			\$ -				\$ -
Management Fee	\$ 1,876	\$ 1,821	\$ 55	\$ 15,007	\$ 14,568	\$ 14,570	\$ 439
<b>Net Operating Income</b>	<b>\$ (10,759)</b>	<b>\$ 263</b>	<b>\$ (11,022)</b>	<b>\$ (75,830)</b>	<b>\$ (61,265)</b>	<b>\$ (56,067)</b>	<b>\$ (14,565)</b>

## Executive Overview

May 2016 NOI for Palm Coast Tennis Center missed budget, however, Tourism Development Grant was realized in April 2016, as opposed to May of 2015. Payroll overage due to additional staffing as it relates to facility staff maintaining courts in the afternoons, rather than Public Works. Operating Expenses came in slightly over budget as well, with various purchases related to court maintenance (new winds screens). These expenses had not previously been incurred by the Tennis Center itself.

Camps, Clinics and Instruction continue to show growth, maintaining 31% over prior year. Annual Passes continue to experience attrition, with additional court fees making up some portions of variance to budget/prior year. Events held during May included Blood Drive, and the annual Friends of Tennis Scholarship tournament

### MAY 2016 GM REPORT:

#### **REVENUES:**

	<b>MAY</b>	<b>APRIL</b>
• FOOD & BEVERAGE:	\$77.20	\$70.22
• MERCHANDISE:	\$361.78	\$628.78
• PASS HOLDERS:	\$105.00	\$859.56
• STRINGING:	\$252.30	\$370.04
• BALL MACHINE:	\$134.52	\$172.82
• CLINICS:	\$1838.85	\$1860.00
• COURT FEES:	\$1351.29	\$2185.56
• GIFT CERTIFICATES:	\$125.00	\$25.00
• PRIVATE LESSONS:	\$3760.00	\$2130.00

#### **ONGOING EVENTS:**

**Morning Blast** – Monday and Wednesday 9:30am-10:30am Weekly

A fun and energetic start to your day that combines cardio tennis with instructional drills and interactive play. Focus on footwork and movement. Build your skills while you get your heart rate up.

Pass Holders \$12, Non-Pass Holders \$16

**Techniques & Tactics** – Monday and Wednesday 10:30am-11:30am Weekly

A combination of instruction and strategies designed to improve your doubles play. Drills and competitive interactive play will help refine your shot selection, execution and court positioning. This class is designed for players 3.0 and up

Pass Holders \$12, Non-Pass Holders \$16

**1.2.3 Tennis** – Monday 11:30am-12:30pm Weekly

1.2.3. Tennis is designed for players with little or no tennis experience. It is a fun and social introduction to tennis fundamentals including basic techniques and structured play. This program provides a gateway to developing your tennis skills and meeting your future tennis partners.

\$10 per class

**Monday Open Tennis** – Monday 6:00pm Weekly

Open to all men and women 3.5 and above.

Pass Holders FREE, Non-Pass Holders \$6

**Saturday Open Tennis** – Saturday 11:00am Weekly

Open to all men and women 3.5 and below.

Pass Holders FREE, Non-Pass Holders \$6

**Sunday Drop In Tennis** – Sunday 9:30am – Weekly

Open to men and women of all levels.

Pass Holders FREE, Non-Pass Holders \$5

## **Masters Tennis Drop-In**

Tuesday 8:00am-9:00am; Thursday 5:00pm-6:30pm; Friday 11:00am-12:30pm

All levels of play welcome; no experience needed. Pass Holders FREE, Non-Pass Holders \$5 12 plays for \$50. Learn more about Masters Tennis at <https://www.ustaflorida.com/adulttennis/masters-tennis/>

### **ADULT CLINICS:**

**Adult clinics** took place 7 of the 8 days scheduled for the month (1 rain out and clinics were not offered on Memorial Day)

18 - Morning Blast Participants (14 PH, 4 NPH) took a total of 39 clinics

8- Techniques & Tactics Participants (5 PH, 3 NPH) took a total of 12 clinics

0 - 1, 2, 3 Tennis

### **JUNIOR CLINICS:**

Junior programs are steadily growing and we have additional new classes planned for the fall. Our retention and continuity has been exceptional. All sessions are 10 weeks

JR Clinics took place 9 out of the 12 days scheduled for the month (3 nights rained out)

#### **Session # 3:**

Monday Classes: March 7, 21, 28; April 4, 11, 18, 25; May 2, 9, 16

Tuesday Classes: March 8, 22, 29; April 5, 12, 19, 26; May 3, 10, 17

Wednesday Classes: March 9, 23, 30; April 6, 13, 20, 27; May 4, 11, 18

Thursday Classes: March 10, 24, 31; April 7, 14, 21, 28; May 5, 12, 19

We are still getting phone calls weekly from NEW students looking to join the programs.

### **RACQUET ROOKIES (Ages 5-7)**

**7 participants totaling 12 clinics**

*Tuesday and Thursday 4:45pm-5:30pm*

This program is a gentle introduction to the game of tennis for students 5-7 years old. Skill building exercises and fun activities are used to begin developing the basic movements used on the tennis court.

*\$10 per class/ \$80 for 10 classes*

### **QUICK START 1 & 2 (Ages 6-10)**

**13 participants totaling 42 clinics**

*Monday AND/OR Wednesday 6:00pm-7:00pm*

For players 6-9 as an introduction to tennis using fun and effective skill building exercises and games. Emphasis on Agility, Balance and Coordination as well as teamwork and interactive play. Quick Start 1 and 2 players will be grouped based on age and ability.

*\$125 (1 class per week) / \$225 (2 classes per week)*

### **BIG SHOTS (Ages 8-12)**

**10 participants totaling 37 clinics**

*Tuesday AND/OR Thursday 5:30pm-6:30pm*

For players 8 -12 who have completed our quick start program or who have some prior tennis experience. Focus on skill building that will include stroke fundamentals, eye-hand coordination and interactive play. *\$125 (1 class per week) / \$225 (2 classes per week)*

### **JUNIOR DEVELOPMENT (Ages 10-14)**

**11 participants totaling 36 clinics**

*Monday AND/OR Wednesday 4:30pm-6:00pm*

For players 10 -14 who have completed our big shots program or have appropriate tennis experience. Focus on mechanics, footwork and preparation for competitive play.

*\$179 (1 class per week) / \$329 (2 classes per week)*

**COMPETITIVE PLAYER DEVELOPMENT (Ages 12-17)****3 participants totaling 8 clinics***Tuesday AND/OR Thursday 6:30pm-8:00pm*

For players with USTA or Jr. High and High School tennis experience. Focus on advanced technique, footwork, conditioning and strategies for competitive play.

*\$179 (1 class per week) / \$329 (2 classes per week)*

**UPCOMING EVENTS:****Junior Summer Camp** – 9:00am-1:00pm Monday – FridayJune 13<sup>th</sup> – 17<sup>th</sup>July 11<sup>th</sup> – 15<sup>th</sup>August 1<sup>st</sup> – 5<sup>th</sup>**Junior Summer Performance Team**Begins June 13<sup>th</sup> / 2 summer sessions**Summer Court Fee Special** - \$5 before 11:00am / \$2.50 after 11:00am / \$2.00 after 4:00pm Tuesday and Thursday**TENNIS SHOP:****STRINGING:** 15 jobs for the month**BALL MACHINE:** 12 uses – 0 PH and 12 NPH**MERCHANDISE:** Merchandise sales were good for the month, included 1 demo racquet sold. New hats/visors and towels with PCTC logo have arrived. Tail orders were backed up but should start arriving soon.**PASS HOLDERS:**

2016 pass renewals began in December and will continue in to January. Everyone is signing a new Pass Holder Contract with includes address and email updates.

**MARKETING INITIATIVES:**

- Monthly newsletter and weekly updates emailed to everyone on each data base
- Specials and Non-Pass Holder Events sent to specialized groups on the data base
- Weekly FB posts
- PCTC website updated regularly with the latest information
- The Big Board which hangs outside on the shade structure / Covered bulletin board
- Flyers and brochures at the Tourism Development office
- Flyers and brochures at the Palm Harbor Golf Club
- Monthly press releases from the City of Palm Coast
- All events are posted on the cities website calendar
- All events/camps posted on the USTA Florida website
- Trying to bring different events to PCTC for exposure

**COURT FEE'S:**

This included 4 Frequent Player card purchases (Purchase 7 court times and receive one FREE). 6 players participated in the Monday Open Tennis (there was no Open play on Monday, May 30<sup>th</sup>), 17 Sunday Drop In players, and 13 Saturday Drop In players (there was no Drop In Saturday, May 14<sup>th</sup>). 68 court fees for the month of May as part of the Frequent Player cards, 44 of which were purchased in a previous months.

Summer rate of \$5 before 11:00am and \$2.50 after 11:00am from Memorial Day to Labor Day.

**LESSONS:****PURCHASED** in May:

6 – ½ hour PH 6 pack lesson packages (all at 10% summer discount special price)

1 – 1 hour PH 6 pack lesson packages (at 10% summer discount special price)

- 3 – ½ hour NPH 6 pack lesson packages (all at 10% summer discount special rate)
- 2 – 1 hour NPH 6 pack lesson packages (all at 10% summer discount special rate)
- 1 – ½ hour JR 6 pack lesson package
- 1 – 1 hour JR 6 pack lesson package
- 1 – ½ hour PH lesson
- 6 – ½ hour NPH lessons
- 1 shared 1hour lessons (\$30 per person / per lesson)
- 4 – 1 hour JR lessons
- 5 – ½ hour JR lessons
- 2 – 1 hour hitting sessions (\$50 each)
- 3 – 1 hour lessons with Roman (his existing clients)

14 Adult lessons were also given in May that were part of 6-pack lesson packages purchased in previous months. 17 lessons were given in May that were part of 6-pack lesson packages purchased in May. 9 JR lessons were given in May as part of 6-pack lesson packages purchased in previous months. Six pack lesson packages are “purchase 5 lessons and get 1 free”. These lesson packages are available for purchase year round. The lessons must be used within 4 months of the purchase. The 10% summer discount special rate had to be purchased by 5/31/16 and used by Labor Day.

#### **MAY EVENTS:**

**Blood Drive** 9:00am-2:00pm Tuesday, May 10<sup>th</sup>

**FoT Scholarship Event** – 9:00am-12:00pm Saturday, May 14<sup>th</sup>

**“6 pack” lesson special package** – 10% off when purchased before 5/31/16. All lessons must be used by Labor Day. 16 lesson packages were sold under the sale price. 3 NPH ½ hours; 2 NPH 1 hours; 8 PH ½ hours; 3 PH 1 hours

#### **SUMMARY**

May 2016 finished ahead to prior year in multiple categories: Merchandising, Court Fees, and Camps/Clinics/Instruction being the main revenue drivers. While Annual Pass revenue stays below prior year, additional events and other revenue streams have helped steady top line. Facility does not expect continuation of increased Operating/G&A expenses, as recent purchases have brought the center “up to speed”, so to speak.

The staff at Palm Coast Tennis Center is excited to continue successes in 2015-2016 fiscal year, while turning equal focus to programming expansion and cooperative efforts with City of Palm Coast’s Parks & Recreation department.

Respectfully Submitted,



Jody Graham  
Regional Operations Executive  
KemperSports