



June 14, 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 May 2016 for Palm Harbor GC.

FINANCIAL SUMMARY FOR MONTH ENDING MAY 2016									
Revenue	Current				Year to Date				
	Actual	Budget	Variance		Actual	Budget	Pr. Year	Variance	
Course & Grounds	\$ 34,642	\$ 35,502	\$ (860)		\$ 296,786	\$ 333,399	\$ 299,423	\$ (36,613)	
Cart Fees	\$ 38,670	\$ 46,676	\$ (8,006)		\$ 328,512	\$ 370,725	\$ 335,312	\$ (42,213)	
Range	\$ 5,454	\$ 4,992	\$ 462		\$ 42,688	\$ 42,875	\$ 40,457	\$ (187)	
Pro- Shop Revenues	\$ 9,798	\$ 5,086	\$ 4,712		\$ 75,774	\$ 51,087	\$ 48,430	\$ 24,687	
Food & Beverage	\$ 18,371	\$ 16,123	\$ 2,248		\$ 153,532	\$ 145,802	\$ 139,028	\$ 7,730	
Loyalty Program	\$ 1,980	\$ 243	\$ 1,737		\$ 40,865	\$ 27,018	\$ 26,146	\$ 13,847	
Misc	\$ -	\$ (777)	\$ 777		\$ -	\$ (2)	\$ -	\$ 2	
<b>Total Revenue</b>	<b>\$ 108,915</b>	<b>\$ 107,845</b>	<b>\$ 1,070</b>		<b>\$ 938,157</b>	<b>\$ 970,904</b>	<b>\$ 888,796</b>	<b>\$ (32,747)</b>	
<b>Cost of Sales</b>	\$ 13,343	\$ 7,886	\$ 5,457		\$ 92,022	\$ 71,602	\$ 66,090	\$ 20,420	
Merchandise	\$ 6,239	\$ 2,082	\$ 4,157	87%	\$ 37,320	\$ 19,113	\$ 18,946	\$ 18,207	74%
Food and Beverage	\$ 7,104	\$ 5,804	\$ 1,300	39%	\$ 54,702	\$ 52,489	\$ 47,144	\$ 2,213	35%
<b>Gross Margin</b>	<b>\$ 95,572</b>	<b>\$ 99,959</b>	<b>\$ (4,387)</b>		<b>\$ 846,135</b>	<b>\$ 899,302</b>	<b>\$ 822,706</b>	<b>\$ (53,167)</b>	
<b>Total Payroll</b>	\$ 66,626	\$ 67,020	\$ (394)		\$ 550,531	\$ 525,758	\$ 474,597	\$ 24,773	
<b>Operating Expenses</b>	\$ 46,471	\$ 49,313	\$ (2,842)		\$ 391,485	\$ 405,724	\$ 404,313	\$ (14,239)	
<b>EBITDA</b>	<b>\$ (17,525)</b>	<b>\$ (16,374)</b>	<b>\$ (1,151)</b>		<b>\$ (95,881)</b>	<b>\$ (32,180)</b>	<b>\$ (56,204)</b>	<b>\$ (63,701)</b>	
<b>Other Expenses</b>	\$ 7,000	\$ 7,000	\$ -		\$ 59,108	\$ 56,000	\$ 63,028	\$ 3,108	
Management Fee	\$ 7,000	\$ 7,000	\$ -		\$ 59,108	\$ 56,000	\$ 63,028	\$ 3,108	
Disb. to Owner	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	
<b>Net Operating Inco</b>	<b>\$ (24,525)</b>	<b>\$ (23,374)</b>	<b>\$ (1,151)</b>		<b>\$ (154,989)</b>	<b>\$ (88,180)</b>	<b>\$ (119,232)</b>	<b>\$ (66,809)</b>	

**Rounds**

Daily Fee rounds	2,819	3,039	(220)		21,643	23,485	22,870	(1,842)
Other Rounds	208	225	(17)		2,331	1,652	1,493	679
<b>Total Rounds</b>	<b>3,027</b>	<b>3,264</b>	<b>(237)</b>		<b>23,974</b>	<b>25,137</b>	<b>24,363</b>	<b>(1,163)</b>
<b>Avg. GF&amp;CF</b>	<b>\$ 24.22</b>	<b>\$ 25.18</b>	<b>\$ (0.96)</b>		<b>\$ 26.08</b>	<b>\$ 28.01</b>	<b>\$ 26.05</b>	<b>\$ (1.93)</b>
<b>Avg. Merch/Round</b>	<b>\$3.24</b>	<b>\$1.56</b>	<b>\$ 1.68</b>		<b>\$3.16</b>	<b>\$2.03</b>	<b>\$1.99</b>	<b>\$ 1.13</b>
<b>Avg. F&amp;B/round</b>	<b>\$6.07</b>	<b>\$4.94</b>	<b>\$ 1.13</b>		<b>\$6.40</b>	<b>\$5.80</b>	<b>\$5.71</b>	<b>\$ 0.60</b>

## Executive Overview

May 2016 beat top line budget revenues by \$1,000+. Strong Food & Beverage Sales, as well as continued growth in Loyalty Card sales helped drive revenues \$8k over prior year. Rounds continue to be flat, or slightly below budget. TrueReview/NPS scores register much higher than prior year, along with 80% more respondents.

Operational Expenses were below for month, as well as MTD Prior Year. Annual Rebates are coded and set to hit in June (~\$8k), although memos were received in May.

Overall Labor expenses dip below budget for first time in Fiscal Quarter, deeper adjustments plan to continue throughout remainder of fiscal year. Golf Shop COGS above % budget due to discounted sales of supplies to Matanzas High School.

## Departmental Summaries

### Course & Grounds

- Continued Weekly foliar spray applications on greens utilizing and rotating liquid fertilizers, fungicides, and wetting agent, and begun mixing in plant growth regulator to help limit vertical growth, which will enhance green speed.
- Applying greens grade fertilizers (14-2-14) to greens bi-weekly and supplementing liquid fertilizers as needed on a weekly basis
- Spiking of greens was performed weekly to combat compaction, along with solid-tine aerification. Will perform core aerification to greens in the first week of June.
- Average high temperature for May was 85. Average low temperature was 65. Rainfall amounts 5.34 inches, resulting in 2 partial-day cartpath only situations.
- Applied NemShield for nematode control. It appears to have been affective, without pulling assays to see number results.
- Performed wall-to-wall mole cricket control application.
- Started late spring pre-emergent weed control application. Will finish early June. Will continue post-emergent applications to control breakthrough weed populations.
- Pump Station preventive maintenance performed on our main pump station here and at the pump station at Florida Park which supplies water to our irrigation pond. The work was performed by Citrus 7 Pump Station Services. We had to have them come back to work on the pump at Florida Park. They were able to lower a pressure setting in the panel to solve the problem of the pump continuing to run with valve shut. Continue to consult with Stephen Flanagan to help come up with a long term solution to the recharge system and the troublesome valve. He has been very helpful.

### Personnel

- Monica Keppler takes over F&B Operations
- Christian Bell (Golf) moves to 1099 – focus on camps/clinics
- David Morland IV move to hourly position-Golf Ops

### Golf

- Survey results continue to show bunkers receiving highest level of dissatisfaction. Some detracting statement on fairway conditions
- 309 Rounds booked via GolfNow with \$6,117.85 in sales. \*Number includes "trade" rounds
- \$1,980 in Players Pass sold for year to date total = \$40,865 vs 27,018 in 2015



## Marketing

Monthly Marketing call with Jody Graham (ROE) and Craig Falanga (Regional Marketing Director) took place on the first Thursday of the month. Tournaments and Outing growth was reviewed, along with upcoming marketing efforts centered on season. *Below are the contents of the Monthly Marketing/Revenue Report*

### GROUP & OUTINGS

- Jackson Friday League \$1,372
- Gearst Group – 2x \$1,100
- Keefe - \$900 – 30 Players
- Eagles Golf Group
- Matanzas High School Golf Fundraiser
- Yacht Club Lunch x2 (ongoing)
- Yacht Club Dinner (ongoing)

### Leads/Upcoming

- Teens on the Greens – July
- Holland4Mayor Fundraiser – 130 players June 26 – Contract Sent
- Young Professionals Network Sept 15 Contract Signed
- Knights of Columbus 70 players Contract signed – Moving to October
- Eagles Golf Group – 2 dates added in 2x in May 2016 – Season ending Tournament
- Jost Golf Group (45-50 players) Contract Signed June 16
- NEFSGA – Signed Contract Nov 16
- Matanzas High – Football – LEAD

### Camps/Clinics/Internal

- Golf in Schools program ran Module II & III
- Players Pass Special \$25/\$35 for Guest. Ran 2x during May
- Charity Golf Saturday –Precious Hearts Foundation – After 10:00 a.m. portion of proceeds go to local charity.

### WHOLESALEERS/GOLFNOW

- First Coast of Florida – *Adjusted wholesale rates submitted for season*
- GolfNow – Discontinued PMP program – *Trade Rounds lessening*
- TeeTimesUSA - *Adjusted wholesale rates submitted for season*
- Hotels – Hilton / Hampton /Best Western/ Legacy Resorts – Need to pull # for Legacy Rounds

### Projects in the works (but not limited to)

- Senior Games – September
- “Re-Launch” of Junior Programs, i.e. Focus on special tees make sure scorecards available.
- GLF Golf in Schools.
- Met with city planners on hosting Wellness Day, in cooperation with Cora Health Services
- Palm Coast Rowing Club – Using canal access on property.

### Website

- Hover ads run for upcoming events Microsite

### VIP REWARDS PROGRAM

- **534 Passes Sold = \$40,865**
- **Monthly Drawings**



**Summary**

**Mays's biggest wins were:**

- Loyalty Card Sales
- F&B events
- NPS and Course Rating holding at higher levels



Course	NPS	Overall Rating	Service Rating	Course Rating	Food Rating	Recommend Rating	# of Surveys
May 2016	68.6	8.7	9.5	7.7	8.9	9.0	86
May 2015	27.7	8.0	9.0	7.0	8.3	7.9	47

**Key Performance Highlights:**

- Overall Revenues beat Prior Year/Budget
- F&B Sales hold strong over Prior Year/Budget
- F&B Labor 24% below Prior Year
- Loyalty Cards Sales = \$1980 vs \$238 in 2015
- Driving Range Sales beat Budget/Prior Year
- NPS 68.6 2016 vs 27.7 May 2015

**Key Performance Issues:**

- Golf Shop Merchandise COGS remain high
- Overall Golf Ops slightly over budget

**Key Actions to Drive Performance:**

- Monitor hourly labor costs going into shoulder season
- Continued growth of Junior Programs
- Continued Turf Care Standards, aiming to improve playability
- Marketing/eBlasts/Radio/Print

Respectfully Submitted,

Regional Operations Executive  
KemperSports