

# City of Palm Coast, Florida

## Agenda Item

**Agenda Date:** April 22, 2025

|   |                       |                  |
|---|-----------------------|------------------|
| <b>Department</b>   | PARKS & RECREATION    | <b>Amount</b>    |
| <b>Division</b>   | PALM HARBOR GOLF CLUB | <b>Account #</b> |
| <b>Subject:</b> PRESENTATION - PALM HARBOR GOLF CLUB  |                       |                  |
| <b>Presenter:</b> James Hirst, Director of Parks & Recreation   |                       |                  |
| <b>Attachments:</b><br>1. Presentation  |                       |                  |
| <b>Background:</b><br><br><b><u>UPDATED BACKGROUND FROM THE JANUARY 28, 2025, WORKSHOP MEETING:</u></b><br>At the January 28, 2025, Workshop Meeting, City Council requested additional information about the Palm Harbor Golf Club, including diversifying revenue options, a maintenance analysis, and budget projections.<br><br><b><u>ORIGINAL BACKGROUND FROM THE JANUARY 28, 2025, WORKSHOP MEETING:</u></b><br>At the January 7, 2025, Business Meeting, City Council requested that City Staff provide a presentation on the Palm Harbor Golf Club, the City's historic golf course. The presentation will include an overview of the current state of the facility, including operational performance, community engagement, and opportunities to enhance its value to the community.<br><br>This discussion is a part of City Council's broader goal to explore strategies for improving community assets and overall quality of life in Palm Coast. It also reflects Parks & Recreation's commitment to fostering spaces that allow residents and visitors to explore, connect, and play |                       |                  |
| <b>Recommended Action:</b><br><b>FOR PRESENTATION ONLY</b>  |                       |                  |



# **Palm Harbor Golf Club**

## Facility Analysis

# Council Direction



- Diversify revenue options
- Comparison of current maintenance (troon) vs. In-house maintenance
- Budget projections



# Changes to Current Operations



## Implemented Changes:

- Increased group rate from \$43 to \$46
- 3% CPI increase in rates on Nov. 2024
- Added one extra morning tee time and three afternoon/evening tee times
- 3% Credit Card merchant processing fee has started April 1<sup>st</sup>

## Upcoming changes:

- 3% increase on summer rates: May 1, 2025
- \$1.00 increase range tokens: May 1, 2025
- 3% Peak Season rates increase: Nov 1, 2025
- Review the passholder membership
- \$5 increase Handicap Fee (GHIN) : Jan 1, 2026



# Golf Course Maintenance Analysis

## City Management

- Course maintenance maintained by City Staff
- 7 full-time staff
- Projected costs for FY 26: \$503,408 (Fully Burdened)

## Troon Management

- Course maintenance is contracted through Troon Management
- 9 full-time and 2 part-time staff
- Contract expires 2027
- Projected costs for FY 26: \$457,286.04 for the management and maintenance fees



# 5-Year Budget Review

|                | FY2019-20                                | FY2020-21                                     | FY2021-22                 | FY2022-23   | FY2023-24   |
|----------------|--|---|---------------------------|---|---|
| Revenue:       | \$1,059,938                              | \$1,411,497                                   | \$1,583,233               | \$1,573,576   | \$1,696,410   |
| Expenditures:  | \$1,341,746                              | \$1,419,072                                   | \$1,573,617               | \$2,008,704   | \$1,864,684   |
| Profit/Loss:   | (\$281,808)                              | (\$7,575)                                     | \$9,616                   | (\$435,128)   | (\$168,274)   |
| Cost Recovery: | 79%                                      | 99%   | 101%                      | 78%   | 91%   |
| Notes:         | COVID-extended closures and limited play | COVID restrictions lifted; golf rounds spiked | Golf rounds remained high | Fleet Replacement allocations high due to catching up (\$468,069) | Increased golf rates which offset fleet costs; Troon staff salaries increased |





# FY 2025 Budget Projection

|                          | October 1 <sup>st</sup> –<br>April 10 <sup>th</sup> | Estimated*<br>FY 24-25               | Estimated*<br>FY 25-26<br>(City Main.)  | Estimated*<br>FY 25-26<br>(Troon)       |
|--------------------------|---|--------------------------------------|---|---|
| Revenue Golf<br>Charges: | \$972,926.39  | \$1,815,025<br>(includes CC<br>fees) | \$1,859,619.31<br>(Includes CC<br>fees) | \$1,859,619.31<br>(Includes CC<br>fees) |
| Revenue Golf<br>Rent:    | \$10,943.12   | \$18,891.92                          | \$19,649.43                             | \$19,649.43                             |
| Total Revenue:           | \$983,869.51  | \$1,833,916.89                       | \$1,879,268.74                          | \$1,879,266.74                          |
| Expenditures:            | \$977,118.37  | \$1,836,223.13                       | \$1,832,084.00                          | \$1,785,962.04                          |
| Cost Recovery            | 101%  | 99.8%                                | 103%                                    | \$105%                                  |

\* Based on 23/24 number of rounds and sales

