FIREWHEEL GOLF

2012-13 Proposed Budget

Presentation Outline

- History of Firewheel Golf Course
- Historical Operating Deficits
- Deficit Reduction Initiatives
- Projected Financial Results
- Firewheel Catalyst for Economic Development

Firewheel Golf Course - History

- **1983** Original 18-hole golf course opened. Contractual arrangement:
  - **Golf Pro – Provided pro staff, carts, and food and beverage (f/b) service. Received revenue from cart rental, f/b sales, driving range, and pro shop.**
  - **City – Provided maintenance of course. Received green fees.**
- **1985** Expanded to 36 holes.
- **1988** Began to incur modest losses.
- **2001** Expanded to 63 holes, including the addition of a second clubhouse on Brand Road. Significant increase in competing courses (211).
- **2001** Expansion and competition resulted in significant annual deficits.
- **2004** Council authorized removal of intra-city charges and moved debt service to tax rate. Did not eliminate entire deficit.
- **2009** Green Fees decline $217,000 (11%) due to recession.
- **2011** Council allows Golf Pro contract to be terminated, City (and Garland Foundation for Development) assumed financial responsibility for all operations. Gave City more flexibility to address growing deficit.

Firewheel Golf Course

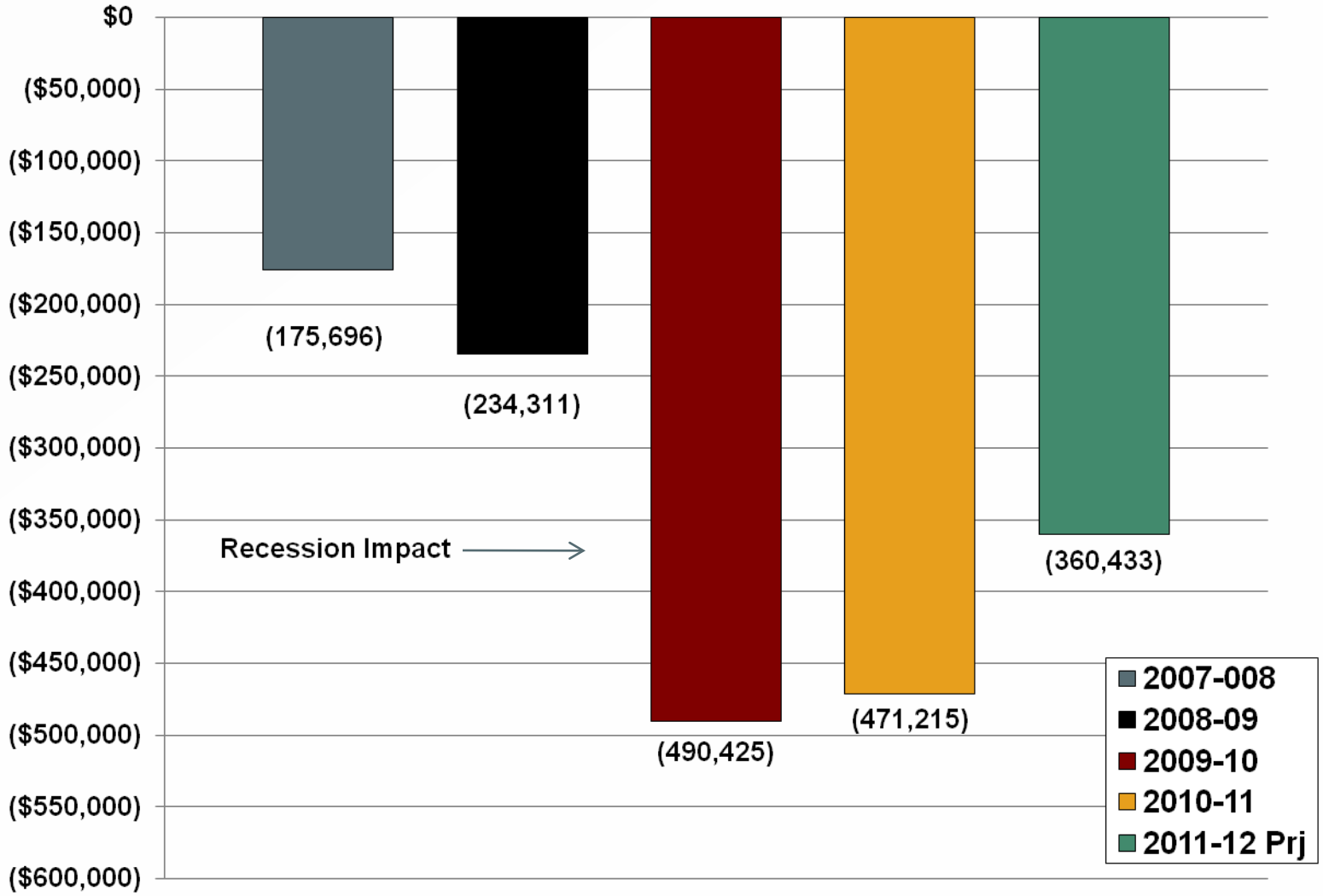
Division Between Entities

	City of Garland	Garland Foundation for Development
Revenues	Green Fees, Pro Shop Sales, Driving Range, Facility Rentals	Food and Beverage – Including Alcohol, Transfers from COG
Staffing	Grounds Maintenance (25) Accounting Staff (1)	Golf Pros and Food and Beverage Staff (14) – supplemented with PT
Operations	Chemicals, Direct Materials, Equipment Repairs, Merchandise	Food, Beverage

Notes:
To provide liability protection to the City, the mixed beverage permits from the Texas Alcoholic Beverage Commission (TABC) were acquired by the Garland Foundation for Development (GFFD). To meet TABC's permit requirements, all food and beverage services at Firewheel must be provided under the GFFD.

Firewheel Golf Course

Operating Results – Past Five Years



Firewheel Golf Course

Deficit Reduction Initiatives to Date

- Improvement in Playing Conditions:
  - Tree Trimming and Shrub Removal. – significantly enhanced course.
  - Renovation of Traditions Course – including replanting greens.
  - Upgraded Golf Carts – Added GPS (Bridges Course).
  - Reconstruction (and partial elimination) of all Sand Bunkers at Bridges Course.
  - Hired an Additional Superintendent (eliminated two maintenance positions).

- Operating Efficiencies Implemented:
  - Replacement of Obsolete Equipment.
  - Changes to Employee Shifts.
  - New Maintenance Facility at Bridges Course Under Design – reduce crew travel time.
  - New Food and Beverage Manager Hired to Reduce Labor and Food Costs.

- Revenue Enhancements:
  - Green Fees Reviewed – Brought to Market.
  - Discount and Promotional Programs Realigned.
  - 2011-12 Rounds Projected to Be Highest in Five Years.

Firewheel Golf Course

2012-13 Proposed Staff Reorganization

- Eliminate (19) specialized City maintenance positions – paying between $12.00 and $20.38 per hour.
- Create (9) new City Greenskeepers positions, paying $14.50 per hour (market), for which current employees may apply.
- Outsource to a private agency (8) Grounds Maintenance positions.
- Outsource to a private agency (2) Mechanic Technician positions.
- Reclassify (1) Maintenance Crew Leader position to a Community Services Coordinator.
- Reclassify (1) Maintenance Technician position to a Master Mechanic to oversee all equipment maintenance.
- Effective November 1, 2012.

Firewheel Golf Course

2012-13 Proposed Staff Reorganization

- Allows adjustment of pay scales to the market - which has changed due to extreme cost pressures in the golf industry.
- Provides a core group of City employees for work involving higher skill levels.
- Allows maintenance staffing to be ramped up and down in response to seasons, weather conditions, floods, and tournaments.
- Allows expanded duties and opportunity to get away from single specializations.
- Allows oversight and expertise for the proper maintenance of equipment.
- Allows for the effective use of community service workers.
- Projected Savings **Y1 - $135,000** **Y2 - $211,000**

Comparison of Firewheel Maintenance Staff

Current Staffing

Description of Positions	Number of Positions
Golf Course Superintendant	2
Business Operations	1
Golf Course Crew Leader	2
Maintenance Crew Leader	2
Maintenance Technician	3
Spray Technician	2
Landscape Technician	1
Irrigation Technician	4
Building Attendant	1
Grounds Maintenance Tech.	8
Agency – Grounds Maint. Tech.	13
TOTAL POSITIONS	**39**

Proposed Staffing

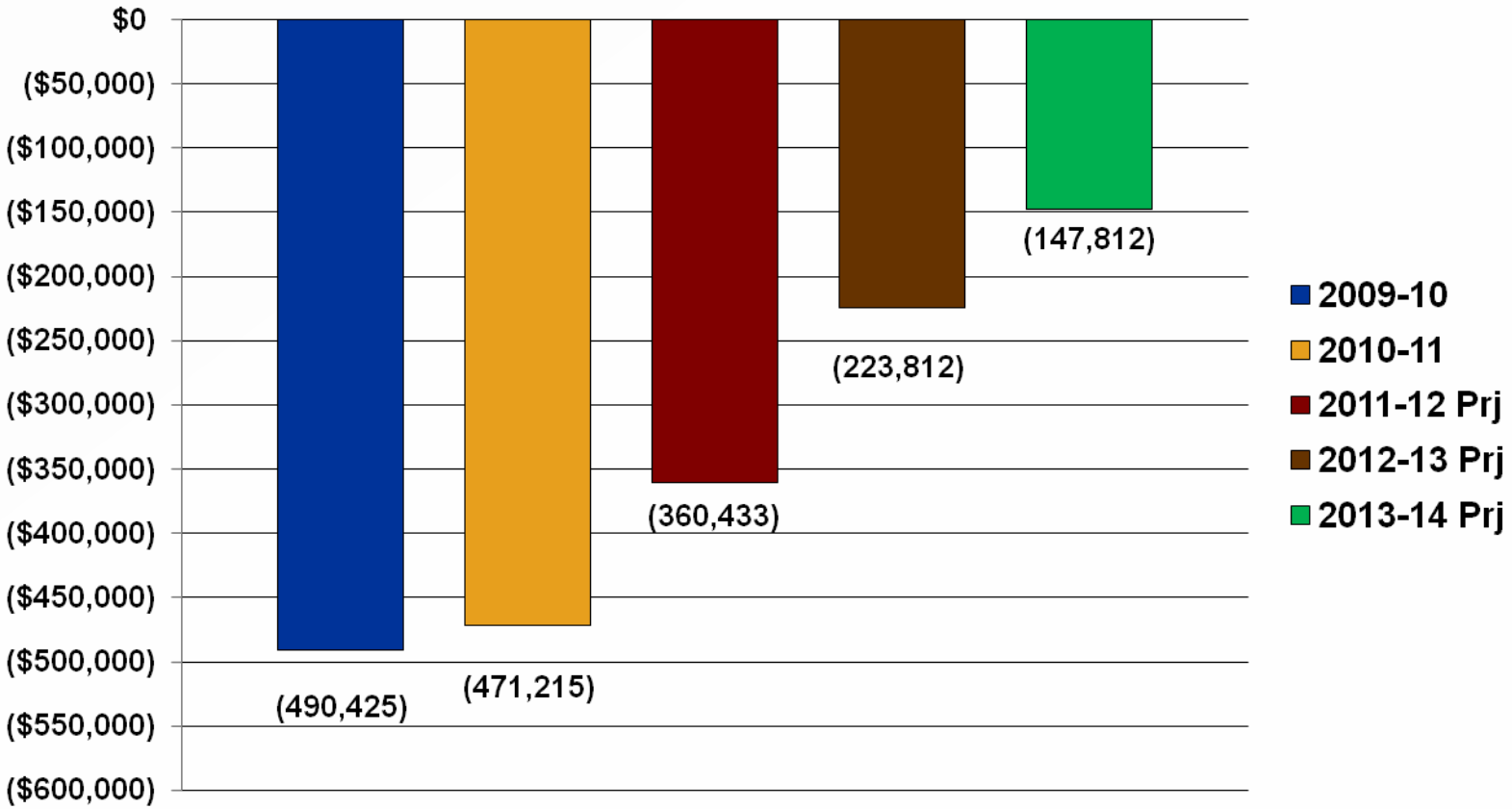
Description of Positions	Number of Positions
Golf Course Superintendant	2
Business Operations	1
Golf Course Crew Leader	2
Master Mechanic	1
Community Service Coord.	1
Greenskeeper	9
Agency – Grounds Maint. Tech.	19
Agency – Mechanic Tech.	2
TOTAL POSITIONS	**37**

City Employment Drops from 26 to16 Positions

Notes: Red signifies non-City contracted out positions.

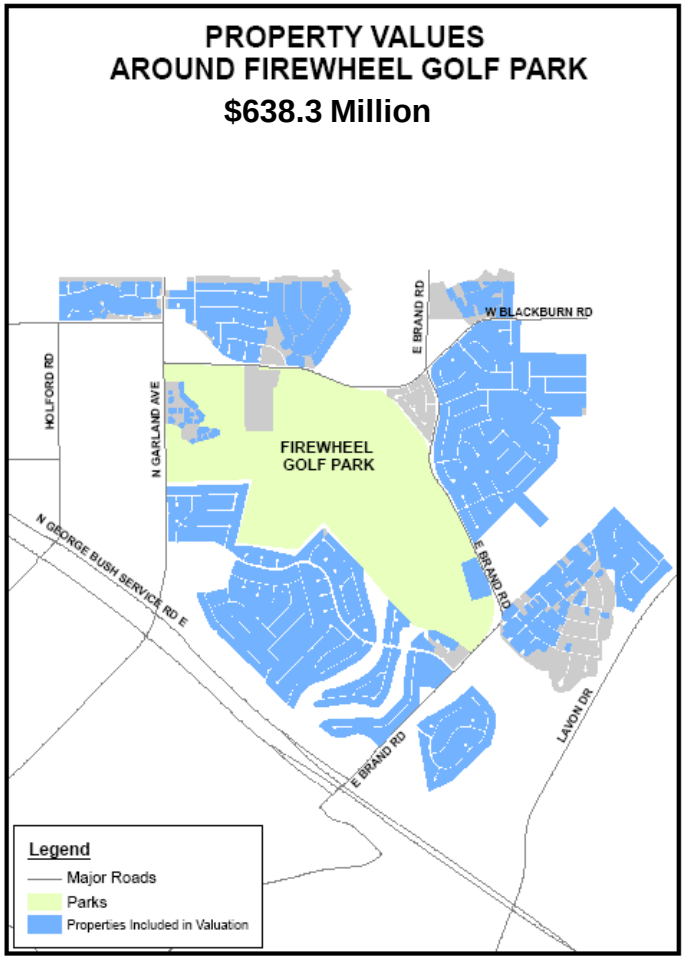
Firewheel Golf Course

Historical and Projected Operating Results



Notes:
Based on staff reorganization – only. Other cost savings initiatives are not included.

Economic Development Catalyst



Firewheel Residential Development

Property Tax Base Value

$638,264,000

Annual Property Taxes

$4,497,000

FIREWHEEL GOLF PARK

Economic Development Catalyst

Questions