TOWN OF PALM BEACH

Information for Recreation Advisory Commission Meeting on: January 7, 2019

To: Recreation Advisory Commission

From: Jay Boodheshwar, Deputy Town Manager
Rod Gardiner, Assistant Director of Recreation

Re: FY2018 Information Wrap-Up

Date: January 2, 2019

GENERAL INFORMATION

The following *unaudited* Fiscal Year 2018 Recreation Enterprise Fund year-end report includes a FY2017 and FY2018 comparison with some FY2018 highlights and FY2019 priorities for the Recreation Department. This includes the Department's "Productivity Indicators", which includes measurable outcomes such as cost recovery rates, resident/nonresident ratios, and overall participation levels at our recreation facilities. (FY2018 financial results determined as of December 24, 2018.)

Fiscal Year 2017 and 2018 Operating Expenses & Revenue Comparison

Overall, operating expenses were up 1.1%. Tennis expenses were up due to several unexpected light pole replacements at Seaview Park Tennis Center, while the Town Docks increase is related to some maintenance projects and upgrades, and Administration is the result of employee compensated absences (death of employee payout). The Recreation Center was down due to limited repairs and replacements once demolition of the building was confirmed to take place.

Operating Expenses	FY17	FY18	FY17/18 Difference	FY17/18 Variance %
Administration (311)	$433,648	$444,535	$10,887	2.5%
Tennis Programs & Facilities (312)	$339,853	$354,308	$14,455	4.3%
Recreation Center (313)	$616,575	$583,560	-$33,015	-5.4%
Marina (509)	$906,357	$941,331	$34,974	3.9%
Par 3 Golf Course (620)	$1,477,449	$1,491,997	$14,549	1.0%
Total	**$3,773,882**	**$3,815,731**	**$41,849**	**1.1%**

Overall, gross revenue was up 8.1%. It was a record year for the Par 3 Golf Course and the Marina. Recreation Center revenue was affected by the closing of the building in July 2018, offering only summer camp and no summer enrichment programs, and the limited fall programs offered off-site. Tennis was affected by the closing of Phipps Ocean Park Tennis Center for several weeks following Hurricane Irma in the fall of 2017 (annual Passes were extended an extra 2 months through the end of November from the previous year, thus diminishing the total revenue received as they are pro-rated), and construction in Seaview Park beginning in July.

Revenue	FY17	FY18	FY17/18 Difference	FY17/18 Variance %
Tennis Programs & Facilities	$234,907	$229,140	-$5,766	-2.5%
Recreation Center*	$354,199	$305,340	-$48,859	-13.8%
Marina	$3,649,775	$4,084,684	$434,910	11.9%
Par 3 Golf Course	$2,110,125	$2,245,084	$134,959	6.4%
Total	**$6,349,005**	**$6,864,248**	**$515,243**	**8.1%**

*Recreation Center closed to programs beginning July 28, 2018 due to demolition

FY2018 Operating Cost Recovery Results

All divisions exceeded their cost recovery goals for FY2018. See below for details.

Program Area	FY18 Expenses	FY18 Revenue	Difference	Cost Recovery
Administration	$444,535	$0	-$444,535	-100.0%
Tennis Programs & Facilities (Goal: 60%)	$354,308	$229,140	-$125,168	64.7%
Recreation Center (Goal: 50%)	$583,560	$305,340	-$278,220	52.3%
Marina (Goal 350%)	$941,331	$4,084,684	$3,143,353	433.9%
Par 3 Golf Course (110%)	$1,491,997	$2,245,084	$753,086	150.5%
Total	**$3,815,731**	**$6,864,248**	**$3,048,517**	**179.9%**

Productivity Indicators

Productivity indicators are key statistics which provide an important synopsis of the Department's focus and workload, and are critical in the decision making process for future budget years. Included with the productivity indicators are a few highlights from FY2018, and some priorities for FY2019.

Tennis Centers

Effectiveness/Output Measures	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual
Annual Passes Sold	127	125	107	111
12 Play Passes Sold	364	354	407	329
Tournaments/Special Events	19	20	20	10
League Teams Hosted	7	7	7	6
Lesson Participation	4,909	4,019	4,144	4,188
Clinic Participation	4,149	4,170	3,401	3,490
Daily Youth Participation	4,410	4,143	3,456	3,525
Daily Adult Participation	22,302	22,499	23,069	23,299
Resident/Nonresident ratio	65/35	61/39	60/40	63/37
Operating Cost Recovery	64.0%	64.8%	69.1%	64.7%

FY2018 Highlights

- Achieved cost recovery of 64.7% (60% goal)
- Town revenue generated from teaching services increased by 4.53% from previous fiscal year
- The purchase of daily passes increased by 14.6% from FY17
- The tennis centers hosted six (6) competitive men's and women's tennis teams through the Palm Beach County Women's Tennis Association, Palm Beach County Senior Tennis League, and Palm Tennis League

FY2019 Priorities

- Increase public awareness and knowledge of tennis opportunities for residents and visitors and minimizing construction impacts on Seaview Park tennis participants
- Continue to engage with participants to incorporate feedback and ideas in programming services and facilities
- Implement enhanced staff training opportunities focusing on customer service

Recreation Center

Effectiveness/Output Measures	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual*
Family Special Events Participation	1,190	1,200	1,240	1,300
Youth Enrichment/Athletics Participation	3,541	3,610	4,208	2,927
Youth Camps/After School Participation	10,192	10,064	9,708	9,628
Adult Enrichment/Fitness Participation	1,599	1,575	1,760	1,599
Number of Unique Programs Offered	160	139	50	59
Number of Sessions Offered	182	211	221	225
Resident /Nonresident ratio – Youth	38/62	38/62	35/65	33/67
Resident /Nonresident ratio - Adult	83/17	71/29	85/15	90/10
Operating Cost Recovery	49.9%	57.0%	57.4%	52.3%

*No summer enrichment sessions and limited fall 2018 session due to new Recreation Center construction

FY2018 Highlights

- Achieved cost recovery goal of 52.3% (50% goal)
- Construction of new Mandel Recreation Center began in July 2018
- Offered 225 programs, serving over 14,100 participants

FY2019 Priorities

- Take necessary steps to keep the completion of the new Mandel Recreation Center moving forward and evaluating programs and instructors for deployment after opening
- Work with CMAR Hedrick Brothers Construction to keep construction on task
- Offer limited recreational opportunities throughout the construction at alternate sites
- Update staffing and operation plan to provide higher level of customer service

Town Docks

Effectiveness/Output Measures	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual
Annual and Seasonal Occupancy	100% (83)	100% (83)	99% (82)	NA
Annual Occupancy	87% (72)	90% (75)	93% (77)	94% (78)
Total Transient Vessels	356	367	288	285
Total Transient Nights	1,921	2,176	1,822	2,089
Transient Average Nights of Stay	5.4	5.93	6.33	7.33
Lease Retention	83%	83%	83%	80%
Operating Cost Recovery	379.7%	392.7%	402.6%	433.9%

FY2018 Highlights

- Achieved cost recovery of 433.9% (350% goal)
- Achieved 94% annual occupancy
- Generated the most revenue in Town Docks history (more than $4,084,000)
- Completed selection process for consultant (W.F. Baird & Associates) to develop a master plan for the Town Docks and accessory structures and selected engineering services and environmental permitting contractors (Edgewater Resources LLC)

FY2019 Priorities

- Increase transient revenue
- Engage with patrons and community groups to incorporate feedback and ideas in developing the master plan
- Implement enhanced staff training opportunities focusing on customer service

Par 3 Golf Course

Effectiveness/Output Measures	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual
Total Lessons/Clinics Participation	2,227	1,695	1,528	1,363
Range Buckets Sold	17,139	15,450	11,678	18,552
Total Rounds of Golf	35,379	36,861	36,757	38,089
Tournaments/Outings Hosted	49	83	85	93
Resident/Nonresident Ratio	15/85	20/80	18/82	19/81
Operating Cost Recovery	151.7%*	149.4%	132.3%	150.5%

FY2018 Highlights

- Achieved cost recovery of 150.5% (110% goal)
- Generated the most revenue in the Par 3's history (more than $2,245,000)
- Projects completed included: Clubhouse - painted inside and outside, subway tile installed in both restrooms, replaced AC air condensers, upgraded Wi-Fi; Golf Course - laser leveled 18 tees, removing portion of cattails from the west lake, replaced synthetic turf on the driving range, trimmed all trees and mangroves on property in-house, verti-cut tees and fairways
- Hosted 93 tournaments and outings

FY2019 Priorities

- Enhance quality of the Par 3 Golf Course experience through improved maintenance at the Clubhouse and on the Golf Course and adding additional teaching pros
- Implement staff training opportunities focusing on customer service
- Continue to engage with participants to incorporate feedback and ideas in programming services and facilities

As a reminder, starting with the FY2019 budget, the Palm Beach Par 3 Golf Course and Town Docks are in two separate independent business enterprise funds, while Recreation Administration, Recreation Center and Tennis have been moved to the General Fund. Overall, the Recreation Department had a good year in FY2018 – and is situated for an exciting and successful future.

c: Tony Chateauvert, Golf Course Manager
Michael Horn, Dockmaster