



MISSOURI CITY RECREATION AND LEISURE LOCAL GOVERNMENT CORPORATION MEETING AGENDA

Notice is hereby given of a meeting of the Board of Directors of the Missouri City Recreation and Leisure Local Government Corporation to be held on **Monday, June 2, 2014, at 5:00 p.m.** at: **City Hall, Council Chamber, 2nd Floor**, 1522 Texas Parkway, Missouri City, Texas, for the purpose of considering the following agenda items. All agenda items are subject to action. The Board of Directors of the Missouri City Recreation and Leisure Local Government Corporation reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

1. ROLL CALL

2. Consider approving the minutes of the meeting of January 6, 2014.

3. Consider and discuss the Fiscal Year 2015 proposed budget.

4. Consider the election of officers.

5. CLOSED EXECUTIVE SESSION

The Board of Directors may go into Executive Session regarding any item posted on the Agenda as authorized by Chapter 551 of the Texas Government Code.

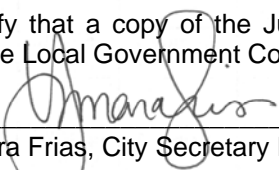
6. **RECONVENE** into Regular Session and consider action, if any, on items discussed in Executive Session.

7. ADJOURN

In compliance with the Americans with Disabilities Act, the City of Missouri City will provide for reasonable accommodations for persons attending Missouri City Recreation and Leisure Local Government Corporation meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Maria Gonzalez, City Secretary, at 281.403.8686.

CERTIFICATION

I certify that a copy of the June 2, 2014, agenda of items to be considered by the Missouri City Recreation and Leisure Local Government Corporation was posted on the City Hall bulletin board on May 30, 2014, at 4:00 p.m.



Yomara Frias, City Secretary Department

I certify that the attached notice and agenda of items for consideration by the Missouri City Recreation and Leisure Local Government Corporation was removed by me from the City Hall bulletin board on the ____ day of _____, 2014.

Title:_____



**MISSOURI CITY RECREATION AND LEISURE
LOCAL GOVERNMENT CORPORATION
JANUARY 6, 2014, MEETING MINUTES**

The Board of Directors of the Missouri City Recreation and Leisure Local Government Corporation held a meeting on **Monday, January 6, 2014, at 6:30 p.m.** at City Hall, Council Chambers, 2nd Floor, 1522 Texas Parkway, Missouri City, Texas.

1. ROLL CALL

Chair Owen called the meeting to order at 6:35 p.m.

Present were: Chair Owen, Vice-Chair Wyatt, Directors: Nguyen, Smith, and Emery, Chief Administrative Officer Broussard, Secretary Kelley, Assistant City Manager Atkinson, Assistant City Manager Elmer, City Secretary Gonzalez, Golf Course General Manager Stittleburg, Director of Parks and Recreation Foos, Assistant Parks and Recreation Director Troxell, Assistant Department Director Marvin, Recreation Superintendent Mize, Utilities Manager Upton, LAN Specialist Rooda and Media Relations Specialist Stottlemeyer. Also present: Frank Hester. Those Absent: Director Elackatt.

2. Consider approval of the minutes of the meeting of December 16, 2013.

Director Emery moved to approve the minutes of the December 16, 2013 meeting. Director Nguyen seconded. **MOTION PASSED UNANIMOUSLY.**

3. Consider a resolution authorizing the purchase of golf carts and the execution of a lease agreement for the financing of golf carts.

Chair Owen stated the 19 golf carts located on the side of the building need to have their batteries replaced. Chair Owen inquired if there are enough battery chargers for all the golf carts. Golf Course General Manager Stittleburg stated that they did not but would have enough once the current golf carts are turned in. Stittleburg noted they are working with EZGO to get the issue resolved.

Director Nguyen moved to authorize the purchase of golf carts and the execution of a lease agreement for the financing of golf carts. Director Emery seconded. **MOTION PASSED UNANIMOUSLY.**

4. ADJOURN

Chair Owen moved to adjourn the meeting at 6:38 p.m. Director Wyatt seconded. Motion passed unanimously. Meeting adjourned.

BY: _____
Allen Owen, Chair

ATTEST: _____
Caroline Kelley, Secretary



**Local Government Corporation Agenda Item Cover Memo
June 2, 2014**

To: Mayor and City Council
Agenda Item: 3 FY2015 Budget Approval
Submitted by: Tyson Stittleburg, General Manager

SYNOPSIS

The LGC is respectfully submitted the FY2015 Budget for approval.

BACKGROUND

The LGC is starting to develop more history for comparison and budget preparation. Through analysis of this history and reduced fluctuations in operations, staff is able to better forecast budget numbers. The FY2015 budget reflects changes in operations to tighten controls on inventories, as well as increases in event revenues from a change in reporting requirements of service charges. It also shows a significantly lower cost of course maintenance from the restructured contract with the vendor.

FISCAL ANALYSIS

The FY2015 Missouri City Recreation and Leisure Local Government Corporation budget plans operational profit of \$3,434.50.

SUPPORTING MATERIALS

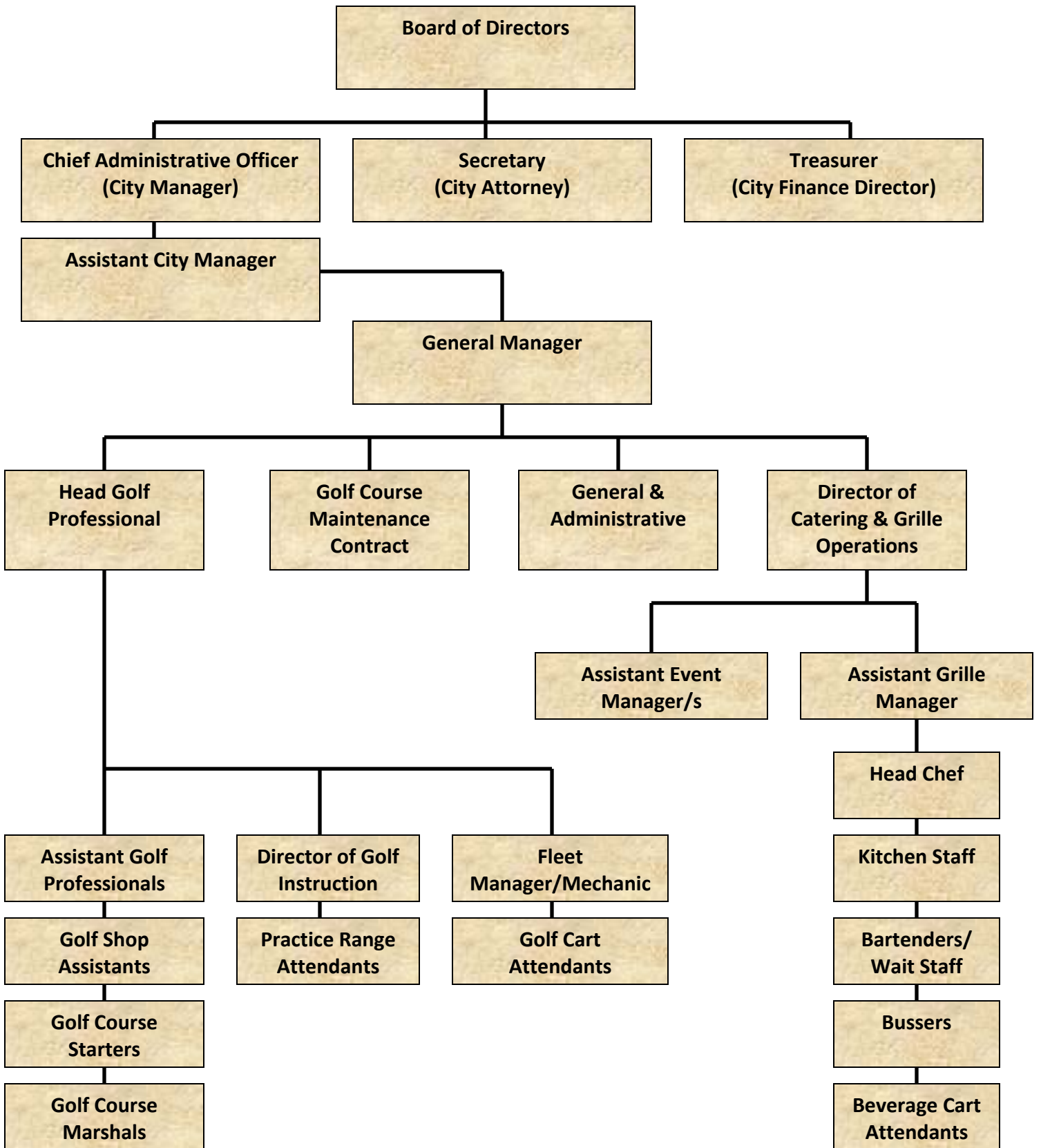
1. Budget Narrative
2. FY2015 Budget
3. Budget Presentation

STAFF'S RECOMMENDATION

Staff recommends the Board adopt the FY2015 budget as proposed.

**Missouri City Recreation & Leisure LGC
Budget Narrative
FY2015**





Executive Summary

FY2014 had many ups and downs for the Missouri City Recreation and Leisure Local Government Corporations (LGC). FY2014 was the first full year of operation for the City Centre from a budgetary standpoint. While it may have been operational from a budget stand point, there were many aspects of the facility that were still being completed and finalized during the budget year. The most important of these being the completion of the golf cart storage facility. Other projects that were completed in during the year were the removal of the half wall in the Bluebonnet Room, the completion of the landscaping around the facility and the demolition of the old cart storage facility.

While the LGC saw a 25% improvement in revenues in the banquets and events department, the golf department struggled during the winter months due to a cool and wet winter. As the staff of the LGC staff learns more about operations of the facility and is able to move away from the unstable “construction” atmosphere, there is great excitement about the future for the Golf Course and City Centre.

The FY2015 budget includes some significant changes. First there is a more conservative number of golf rounds being budgeted for the coming year at 55,291. Second, is the anticipation in increasing revenues in the event department by a considerable amount due to new IRS reporting rules for automatic gratuities for events. This change was implemented in February 2014 but will now be reflected in the entire FY2015 budget. Finally, a change in focus of the F&B department has allowed for better inventory controls and financial management.

There are many areas of change that will be detailed for the FY2015 budget. This will lead to a modest net revenue over expenses projection of \$3,434.50.

Golf Operations

The revenues for the Operations Department encompass daily green fees and annual green fees. This department is the largest revenue producer of all of the operational areas. The largest expenses for the Operations Department include a percentage golf shop employees and golf course starter wages, office supplies for the golf operations, golf course maintenance (including tree maintenance), bank and credit card fees for golf operations as well as a percentage of operational utilities. A significant change for the FY2015 budget is the reduction of the golf course maintenance contract with ValleyCrest Companies. This restructuring provides for a reduction in this expense item of \$103,308 versus FY2014.

The golf operations department revenues are largely driven by the number of rounds played and the corresponding fee being charged. For FY2015, the plan includes an increase in certain fees during peak times and let others be seen as a reduction from our peak fees. We are planning to increase the weekend non resident daily fees by \$3.00, the tournament fees by \$2.00 per golfer and the annual pass fees by 5% across the board. These modest increases will allow for more revenue to be generated while still keeping costs competitive during non peak times. We also plan to include more promotional times during the year to increase play and stimulate customer involvement with our e-marketing program.

Given these adjustments, we budgeted revenues in the Operations Department of \$1,464,799 and budgeted expenses of \$1,437,732. This is a net operational profit of \$27,067. As previously mentioned, we are

budgeting for 55,291 rounds of golf in FY2015. This is based off of a five year analysis of weather patterns and rounds tracking. Also included in this figure is consideration that a nearby golf course will be closed for approximately three months during the fall to complete major course maintenance. This is expected to bring in more rounds to Quail Valley during this time frame. It is also important to note that the salary for the General Manager has been moved from the Operations Department to the General & Administrative Department for FY2015.

Golf Cart Operations

Golf carts at a golf facility are traditionally one of the largest revenue generating areas of the operation. In addition the expenses are traditionally low enough to allow for a healthy profit from the operation.

In FY2014 we added an additional 20 golf carts to the fleet now maintaining 126 golf carts. FY2014 also saw unplanned expenses for battery replacement in carts that were seeing exceptional usage levels due to an aging fleet of recently traded golf carts. The amount of golf carts now on site, allows for most events to be hosted without the need for renting of additional tournament carts. This will still be a necessity as we continue to grow our large tournament business.

Annualized revenues for the golf cart operation are \$603,807. Expenses for FY2015 are projected to be \$280,590 which covers a percentage of outside services wages, mechanic wages, golf cart leases, cart maintenance, and a percentage of facility utilities. This leaves a net positive for golf cart operations of \$323,217.

Practice Range

The practice range facility also continues to provide a consistent revenue stream for the facility. On average, for every person that tees off, there is \$1 in range fees generated. Growth in range revenues is difficult as the current condition of the range is not conducive to higher fees and the size of the range puts a constraint on the amount of golfers who can be on the range at any given time.

Revenues for the practice range department are budgeted for \$83,116 while expenses are expected to be \$77,921. Expenses include a percentage of outside services labor, range balls, picker lease and maintenance, teaching fees and a percentage of facility utilities. The difference is a positive \$5,196.

Golf Shop Merchandise

The increase in golf tournament rounds as well as public play rounds has had a significant effect on the merchandise concession. Not only are there increased revenues, there are also increased interest in special orders and programs like demo days. Revenues for the merchandise department are budgeted for \$221,162. Expenses for merchandise include a percentage of golf shop employee wages, cost of goods (76%) and a percentage of facility utilities. Estimated expenses for merchandise are \$215,853. This is a positive difference of \$5,309.

Food & Beverage – Grille Operations

The operations of the Bluebonnet Grille continue to be an issue with the facility has a whole. While it is important to have a Grille facility to accommodate golfers, the Grille struggles to find enough consistent business to cover ongoing operational expenses. The Grille's location in the City and its proximity to many other local and national restaurants are the two biggest constraints on growing the revenue stream. Even through growing revenues may be difficult, we have seen success in programs such as Live Music on the Patio, Friday Night Fish (seasonal) and small groups coming for lunch.

The success of the Grille is largely dependant on controlling expenses. In the past labor costs and cost of goods sold were considerably higher than management had projected. Now that a new management structure is in place, we feel confident that cost controls will be a priority for the Grille operation and that any losses can be minimized. Due to the nature of the operation, cost of goods sold for the Grille is normally around 43%. This is coupled with the Banquets and Events department and the Beverage Cart department to combine for a facility F&B cost of goods sold of 34%.

Grille revenues are highly dependant on the number of golf rounds played. In FY2014 we produced \$7.71 in Grille revenues for every round of golf. This figure was used to project revenues for FY2015. A new menu developed in late FY2014 will provide for a more accurate reflection of the tastes of the clientele of the facility as well an appropriate pricing structure, not only as compared to the market but also from the standpoint of cost in preparation. Staff will monitor cost changes throughout the year and adjust prices to the guests accordingly. For FY2015 projected revenues in the Grille Department are \$402,898 while expenses are \$461,299. This results in a net loss of (\$58,401).

Food & Beverage - Banquets & Events

The Banquets and Events Department has grown in leaps and bounds. FY2014 saw an increase in event revenues of over 25% versus FY2013. As word of mouth continues to spread and more events bring in new possible clients, we continue to see increase interest in groups hosting events at the City Centre. Since opening in FY2013, we have developed relationships with many local groups that have been the basis for many of our other events. Advertising of the City Centre has also been a factor in our success. Current advertising relationships with many local media partners have enabled us to cast a broad reach into our market.

The Banquet and Event department is also important to the overall financial goals of the facility as it provides a much leaner structure for cost controls versus the Bluebonnet Grille and provides a much lower cost of goods sold. Cost of goods for the event department is typically around 31%. Given that a higher percentage of our overall revenue comes from this department as compared to the Grille and Beverage Cart it is important to foster this as a great revenue stream for the Golf Course and City Centre. Other benefits of the event department are streamlined employee scheduling, efficient product purchasing and client volume leading to potential additional sales.

Revenues for the Banquet and Event Department are budgeted to be \$778,806 while expenses are budgeted for \$770,934. This provides for a net profit of \$7,872. FY2015 revenues include the gratuity or service charge that is added to each event. 2014 IRS Rules require that all service charges or automatic gratuities be considered

facility revenue and any portion given to staff as gratuity paid as payroll. Also important is that the salary for the Director of Catering is in the Banquets and Events department while the responsibilities of this individual also extend greatly into managing the Bluebonnet Grille and Bev Cart departments as well.

Food & Beverage – Beverage Cart Operations

The beverage cart at a public golf course is very important. Not only is this a vital service provided to the golf clientele it is also a great source of additional income for the facility as a whole. Like the Banquets and Events Department, the Beverage Cart Department is able to control expenses due to the fact that it is primarily a service for the golf clientele. If there are no golfers on the course, we do not need a beverage cart either. This flexibility in scheduling provides an opportunity to cut wasted costs dramatically. Additionally, the Beverage Cart Department sees a cost of goods sold of nearly 31%. This is primarily because the carts sell low cost items at a substantial mark up to golfers on the course.

For FY2015 the revenues for the Beverage Cart Department are budgeted to be \$129,967 versus expenses of \$115,377. This leaves a net profit of \$14,590.

General & Administrative

The General & Administrative Department (G&A) covers all of the costs that are not easily allocated to individual departments. In FY2015 the salary and benefits package of the General Manager have been moved to the G&A Department to better reflect the responsibilities of this position.

Expenditures in the G&A department will closely follow those of FY2014. Exceptions to this are the advertising and promotional department (increase of \$5,500 over FY2014) and the supplies budget (decrease of \$2,400 from FY2014). Budgets for general repairs and service agreements have grown to include the increasing needs of a building that is now out of warranty and agreements with multiple vendors for necessary services such as employee screenings, inspections and public postings. There are no revenues to offset the expenses in the G&A department. The expenses for this department are budgeted at (\$321,349).

Summary Overall Operation

As operations at the Quail Valley Golf Course and City Centre continue to stabilize, management is developing a template for future budgets. This has been a difficult process in the past given the amount of change that has happened in a short period of time. Capital expenditures are not included in this budget. A list of proposed capital expenditures is included in the addendum to the summary. Overall for FY2015, the LGC is budgeting for revenues of \$3,684,555 and expenditures of 3,681,121. Net for FY2015 would be \$3,434.50. This is compared to the projected net loss for FY2014 of (\$411,864). Important notes for FY2014 are the \$24,500 in expenditures from FY2013 that were put to FY2014 and the approximately \$70,000 in F&B inventory adjustments that had to be made in the third quarter of FY2014. This would put the projected loss for FY 2014 at \$317,364.

Assumptions

- COGS for golf merchandise is 76%
- COGS for food and liquor is 34%
- Golf costs split per percentage of sales:
 - o Operations – 62%
 - o Golf Carts – 25%
 - o Practice Range – 4%
 - o Merchandise – 9%
- F&B costs split per percentage of sales:
 - o Grille - 31%
 - o Banquets & Events - 59%
 - o Beverage Cart - 10%
- Utilities cost split by department percentage of revenues
 - o Golf – 67%
 - o F&B – 33%

	FY2013 Actual	FY2014 Budget	FY2014 Projected	FY2015 Budget
Ordinary Income/Expense				
Income				
Operations				
Green Fees - La Quinta	\$479,899	\$607,881	\$474,122	\$534,073
Green Fees - El Dorado	\$570,618	\$590,284	\$493,317	\$553,226
Annual Fees	\$335,144	\$349,280	\$376,104	\$367,990
Handicap Fees	\$9,310	\$9,510	\$24,979	\$9,510
	<u>\$1,394,971</u>	<u>\$1,556,955</u>	<u>\$1,368,522</u>	<u>\$1,464,799</u>
Range				
Annual Range Fee	\$21,012	\$20,313	\$16,255	\$18,038
Range Fees	\$64,903	\$57,559	\$63,294	\$53,079
Range Teaching Fees	\$22,935	\$12,000	\$12,000	\$12,000
	<u>\$108,850</u>	<u>\$89,872</u>	<u>\$91,549</u>	<u>\$83,116</u>
Pro Shop				
Pro Shop Sales	\$213,201	\$196,661	\$224,597	\$221,162
Donations - Parks	\$12,649			\$0
	<u>\$225,850</u>	<u>\$196,661</u>	<u>\$224,597</u>	<u>\$221,162</u>
Cart				
Cart Rental Fees	\$502,901	\$515,003	\$486,881	\$541,162
Trail Fees	\$79,341	\$67,860	\$82,938	\$62,645
	<u>\$582,243</u>	<u>\$582,863</u>	<u>\$569,819</u>	<u>\$603,807</u>
Total Golf Revenues	\$2,311,914	\$2,426,351	\$2,254,487	\$2,372,884
Food & Beverage				
F&B Grille	\$243,398	\$370,582	\$261,976	\$259,934
LBW - Grille	\$168,723	\$192,154	\$132,479	\$142,964
	<u>\$412,121</u>	<u>\$562,735</u>	<u>\$394,455</u>	<u>\$402,898</u>
F&B - Banquets/Events/Rentals	\$444,328	\$542,895	\$562,682	\$687,829
LBW - Banquets/Events	\$15,513	\$56,111	\$50,856	\$90,977
	<u>\$459,841</u>	<u>\$599,006</u>	<u>\$613,538</u>	<u>\$778,806</u>
F&B - Golf Shop	\$22,900	\$13,725	\$12,412	\$12,997
LBW - Golf Shop	\$7,033	\$0	\$6,490	\$12,997
F&B - Bev Cart	\$49,771	\$54,901	\$49,866	\$51,987
LBW - Bev Cart	\$56,682	\$82,352	\$48,927	\$51,987
	<u>\$136,386</u>	<u>\$150,978</u>	<u>\$117,695</u>	<u>\$129,967</u>
Total F&B Revenues	\$1,008,348	\$1,312,719	\$1,125,688	\$1,311,671
Other Income	\$3,928	\$3,600		\$0
Gross Revenues	\$3,324,190	\$3,742,670	\$3,380,175	\$3,684,555

Expense

Operations

Salaries & Wages	\$60,008	\$60,000		\$0
Overtime				\$0
Salary Reserve				\$0
Taxes, Social Security				\$0
Workers Compensation				\$0
Benefits				\$0
Contingency Workers	\$140,868	\$119,571	\$108,300	\$121,826
Overtime	\$16,158		\$4,950	\$0
Salary Reserve				\$0
Taxes, Social Security	\$17,848	\$13,737	\$13,282	\$8,899
Workers Compensation	\$5,014	\$3,753	\$2,752	\$2,966
Benefits	\$9,224	\$18,000	\$10,163	\$5,880
Office Supplies	\$17,255	\$9,500	\$7,928	\$9,500
Wearing Apparel	\$2,228			\$3,000
Fuel, Oil & Lubricants				\$0
Minor Tools/Small Equip				\$0
Uniform & Laundry		\$4,000	\$486	\$0
Janitorial Supplies				\$0
Postage				\$0
Bldg Mat/Supplies/Repr				\$0
Copy Machine/Suppl/Repr				\$0
Golf Course Mater/Supply				\$0
Miscellaneous	\$2,243	\$1,200		\$1,200
Minor Equip Maintenance				\$0
Handicap Service	\$6,671	\$6,400	\$7,442	\$6,400
Contractor Hiring/Mowing	\$1,287,846	\$1,230,000	\$1,204,428	\$1,126,692
Contract Hiring/TreeTrim	\$17,054	\$25,200	\$11,520	\$15,000
Insurance				\$0
Special Services & Legal				\$0
Bank Fees	\$49,417	\$54,903	\$45,325	\$54,903
Service Agrmts/Contracts		\$7,500		\$3,400
Building Repairs				\$0
Printing & Publications				\$0
Dues & Subscriptions	\$1,347	\$2,225		\$2,225
Training & Travel	\$200	\$600		\$600
Golf Equipment Rental				\$0
Audit Services		\$2,500		\$0
Donations	\$11,059			\$0
Machinery & Equipment				\$0
Gas/Utilities	\$5,596	\$6,962	\$5,705	\$5,218
Electric Utilities	\$54,941	\$58,303	\$62,192	\$55,953
Water Utilities	\$13,119	\$10,188	\$14,426	\$14,069
	\$1,718,096	\$1,634,542	\$1,498,899	\$1,437,732

Cart

Contingency Workers (Mechanic)				\$31,200
Overtime				\$0
Taxes, Social Security				\$2,279
Worker's Compensation				\$760
Benefits				\$4,200
Contingency Workers (Attendants)	\$115,411	\$99,635	\$83,532	\$76,050
Overtime	\$4,477		\$1,068	\$0
Taxes, Social Security	\$9,171	\$7,622	\$6,472	\$5,555
Worker's Compensation	\$2,506	\$2,082	\$1,341	\$1,852
Benefits	\$1,700	\$3,600		\$0
Bldg Mat/Supplies/Repairs	\$18,508	\$2,400	\$40,822	\$2,400
Uniforms/Laundry		\$1,200		\$1,200
Minor Equip Maint/Rpr	\$1,962	\$7,200		\$7,200
Equipment/Cart Lease	\$99,379	\$113,136	\$95,542	\$121,560
Tournament Rentals	\$12,290		\$22,644	\$0
Gas/Utilities	\$2,098	\$2,611	\$2,139	\$1,826
Electric Utilities	\$20,602	\$21,864	\$23,321	\$19,584
Water Utilities	\$4,920	\$3,821	\$5,408	\$4,924
	\$293,024	\$265,171	\$282,289	\$280,590

Range

Contingency Workers		\$45,623	\$35,799	\$40,950
Overtime			\$458	\$0
Salary Reserve				\$0
Taxes, Social Security		\$3,490	\$2,773	\$2,991
Workers Compensation		\$954	\$575	\$997
Benefits				\$0
Range Ball Expense	\$7,279	\$12,000	\$8,239	\$12,000
Minor Tools & Equipment - Range	\$471		\$211	\$1,800
Instructor Fees	\$22,875	\$12,000	\$12,000	\$12,000
Minor Equip Maint/Rpr	\$1,494	\$4,800	\$1,774	\$1,200
Range Picker Lease Purchase		\$2,400	\$1,344	\$2,220
Gas/Utilities	\$350	\$435	\$356	\$261
Electric Utilities	\$3,434	\$3,644	\$3,887	\$2,798
Water Utilities	\$820	\$637	\$901	\$703
	\$36,723	\$85,983	\$68,317	\$77,921

Pro Shop

Contingency Workers		\$27,985	\$27,965	\$30,949
Overtime			\$2,038	\$0
Taxes, Social Security		\$2,141	\$2,295	\$2,261
Worker's Compensation		\$585	\$478	\$754
Benefits			\$2,629	\$2,520
Minor Tools & Equip			\$208	\$0
Bldg Mater/Supp/Repr				\$0
Purchases of Merchandise	\$169,227	\$153,396	\$194,826	\$168,083
Telephone - Pro Shop				\$0
Equipment/Cart Lease - Pro Shop				\$0
Gas/Utilities	\$699	\$1,274	\$715	\$783
Electric Utilities	\$6,868	\$7,288	\$7,773	\$8,393
Water Utilities	\$1,640	\$870	\$1,802	\$2,110
	\$178,434	\$193,539	\$240,729	\$215,853

6104 - Food & Beverage - Grille

Salaries & Wages	\$51,355	\$52,500	\$39,045	\$35,000
Overtime				\$0
Salary Reserve				\$0
Taxes, Social Security				\$2,596
Workers Compensation				\$865
Benefits				\$4,200
Contingency Workers	\$339,069	\$145,147	\$173,456	\$153,357
Overtime	\$99,453		\$39,045	\$0
Salary Reserve				\$0
Taxes, Social Security	\$43,231	\$15,416	\$17,627	\$11,375
Workers Compensation	\$11,342	\$4,131	\$3,876	\$3,792
Benefits	\$9,412	\$11,592	\$11,109	\$13,104
Meals/Drinks				\$0
Uniforms	\$1,625	\$1,016	\$979	\$1,016
Linens	\$98,911	\$26,110	\$12,561	\$8,058
Supplies		\$19,252	\$11,720	\$4,029
Dishes & Glassware	\$6,666	\$524	\$2,344	\$2,014
Paper/Disposables	\$18,755	\$8,455	\$6,825	\$6,043
Small Tools/Equip.	\$4,233	\$2,841	\$175	\$2,014
Kitchen Equip.			\$613	\$0
COGS F&B	\$409,950	\$142,991	\$164,637	\$111,772
COGS LBW	\$86,157	\$73,662	\$53,399	\$61,474
Miscellaneous	\$67,324		\$242	\$0
Service Agreements		\$3,000		\$1,209
Equipment Maintenance	\$7,615	\$3,762	\$3,070	\$4,029
Bank Fees	\$9,654	\$4,653	\$3,907	\$4,029
Beverage Taxes	\$25,751	\$13,547	\$9,722	\$6,043
Liquor Liability Insurance	\$4,063	\$3,413	\$1,304	\$825
Permit Services	\$1,503		\$2,553	\$0
Utilities - Water	\$4,051	\$3,146	\$4,454	\$4,572
Utilities - Electricity	\$16,967	\$18,005	\$19,205	\$18,185
Utilities - Gas	\$1,727	\$2,150	\$1,763	\$1,696
	\$1,318,814	\$555,313	\$583,631	\$461,299

Total

6104 - Food & Beverage - Banquets/Events

Salaries/Wages - Dir. Of Catering		\$43,206	\$30,805	\$51,840
Commissions		\$23,960	\$19,026	\$15,336
Overtime				\$0
Salary Reserve				\$0
Taxes, Social Security				\$4,983
Workers Compensation				\$1,661
Benefits				\$4,200
Contingency Workers - Ass. Sales Mgr.				\$26,500
Commissions				\$15,336
Overtime				\$0
Salary Reserve				\$0
Taxes, Social Security				\$3,103
Workers Compensation				\$1,034
Benefits				\$4,200
Contingency Workers	\$170,390		\$187,909	\$239,867
Overtime			\$19,746	\$0
Salary Reserve				\$0
Taxes, Social Security	\$18,529		\$16,009	\$17,792
Workers Compensation	\$4,965		\$3,496	\$5,931
Benefits	\$17,208		\$14,956	\$20,496
Meals/Drinks				\$0
Uniforms	\$1,161		\$1,120	\$1,161
Linens	\$29,443		\$22,554	\$23,004
Supplies	\$21,997		\$13,649	\$7,668
Dishes & Glassware	\$599		\$2,673	\$3,834
Paper/Disposables	\$9,662		\$7,791	\$7,668
Small Tools/Equip.	\$3,247		\$200	\$3,834
Kitchen Equip.			\$701	\$0
COGS F&B	\$205,249		\$191,630	\$209,507
COGS LBW	\$25,368		\$60,753	\$28,203
Miscellaneous	\$38,891		\$25,883	\$15,336
Equipment Maintenance	\$4,300		\$3,507	\$5,751
Bank Fees	\$5,317		\$4,467	\$5,751
Beverage Taxes	\$15,277		\$10,354	\$7,668
Liquor Liability Insurance	\$3,900		\$1,490	\$1,650
Permit Services			\$2,917	\$0
Utilities - Water	\$4,630	\$3,596	\$5,092	\$7,034
Utilities - Electricity	\$19,391	\$20,578	\$21,949	\$27,977
Utilities - Gas	\$1,975	\$2,457	\$2,013	\$2,609
	\$25,996	\$669,300	\$670,690	\$770,934

Total

6104 - Food & Beverage - Bev Cart

Contingency Workers		\$52,000	\$32,908	\$40,404
Overtime			\$37	\$0
Salary Reserve				\$0
Taxes, Social Security		\$4,056	\$2,520	\$2,997
Workers Compensation		\$1,087	\$558	\$999
Meals/Drinks				\$0
Uniforms		\$242	\$234	\$242
Linens			\$2,990	\$2,599
Supplies		\$4,583	\$2,954	\$1,300
Dishes & Glassware		\$125	\$558	\$650
Paper/Disposables		\$2,013	\$1,653	\$1,300
Small Tools/Equip.		\$676	\$282	\$650
Kitchen Equip.			\$146	\$0
COGS F&B		\$28,482	\$39,200	\$20,145
COGS LBW		\$29,644	\$12,714	\$20,145
Miscellaneous				\$0
Maintenance & Repairs		\$896	\$729	\$1,300
Bank Fees		\$1,108	\$850	\$1,300
Liquor Liability Insurance		\$813	\$311	\$275
Permit Services		\$580	\$608	\$580
Beverage Cart Rental	\$12,890	\$12,976	\$12,902	\$12,969
Utilities - Water	\$965	\$749	\$1,062	\$1,407
Utilities - Electricity	\$4,040	\$4,287	\$4,574	\$5,595
Utilities - Gas	\$411	\$512	\$420	\$522
	\$18,306	\$144,829	\$118,210	\$115,377

Total

Admin

Salaries & Wages	\$27,500		\$60,376	\$68,000
Taxes, Social Security	\$20,322			\$4,967
Workers Compensation				\$1,656
Benefits				\$4,200
Pest Control	\$185	\$3,000		\$600
Supplies		\$6,000	\$1,474	\$600
General Maint.	\$50,959	\$26,000	\$39,125	\$36,400
Security Monitoring	\$5,548	\$5,400	\$5,400	\$6,000
Cable Service	\$5,020	\$6,000	\$3,534	\$4,800
Fees				\$0
Postage	\$215	\$296	\$435	\$296
Telephone	\$11,542	\$12,000	\$15,577	\$13,200
Auto/Travel		\$0	\$0	\$0
Adv/Promo	\$32,041	\$36,238	\$48,719	\$41,500
Service Agreements	\$16,793	\$6,000	\$25,177	\$21,600
License/Permits			\$624	\$0
Employee Recognition		\$2,000	\$1,672	\$2,000
P/R Prep.		\$1,500		\$12,000
Trash/Waste Removal	\$9,782	\$7,695	\$10,966	\$9,600
Property Insurance	\$1,000	\$27,372		\$0
Liability Insurance		\$1,000	\$37,900	\$26,400
CH Maint. Contract	\$19,554	\$30,000	\$37,788	\$39,600
Facility /Capital Improvements			\$14,427	\$0
COMC Maintenance Technician/HVAC PM		\$18,000	\$21,061	\$21,996
Elevator Maintenance		\$5,400	\$5,019	\$6,000
	\$200,461	\$193,901	\$329,274	\$321,415
Total				
	\$3,789,854	\$3,742,578	\$3,792,039	\$3,681,121

Gross Expenses**Other Income**

Other Income - Operations
Other Income - Range
Other Income - Pro Shop
Other Income - Food & Beverage

Total Other Income**Net Income (Loss)****-\$465,664****\$92****-\$411,864****\$3,434**

Total by Department**Operations**

Income	\$1,394,971	\$1,556,955	\$1,368,522	\$1,464,799
Expenses	\$1,718,096	\$1,634,542	\$1,498,899	\$1,437,732
Net Income (Loss)	<u>-\$323,125</u>	<u>-\$77,587</u>	<u>-\$130,377</u>	<u>\$27,067</u>

Cart

Income	\$582,243	\$582,863	\$569,819	\$603,807
Expenses	\$293,024	\$265,171	\$282,289	\$280,590
Net Income (Loss)	<u>\$289,219</u>	<u>\$317,692</u>	<u>\$287,530</u>	<u>\$323,217</u>

Range

Income	\$108,850	\$89,872	\$91,549	\$83,116
Expenses	\$36,723	\$85,983	\$68,317	\$77,921
Net Income (Loss)	<u>\$72,127</u>	<u>\$3,889</u>	<u>\$23,232</u>	<u>\$5,196</u>

Pro Shop

Income	\$225,850	\$196,661	\$224,597	\$221,162
Expenses	\$178,434	\$193,539	\$240,729	\$215,853
Net Income (Loss)	<u>\$47,416</u>	<u>\$3,122</u>	<u>-\$16,132</u>	<u>\$5,309</u>

Food & Beverage (Grille)

Income	\$412,121	\$562,735	\$394,455	\$402,898
Expenses	\$1,318,814	\$555,313	\$583,631	\$461,299
Net Income (Loss)	<u>-\$906,693</u>	<u>\$7,422</u>	<u>-\$189,176</u>	<u>-\$58,401</u>

Food & Beverage (Banquets/Events)

Income	\$459,841	\$599,006	\$613,538	\$778,806
Expenses	\$25,996	\$669,300	\$670,690	\$770,934
Net Income (Loss)	<u>\$433,845</u>	<u>-\$70,294</u>	<u>-\$57,152</u>	<u>\$7,872</u>

Food & Beverage (Bev Cart)

Income	\$136,386	\$150,978	\$117,695	\$129,967
Expenses	\$18,306	\$144,829	\$118,210	\$115,377
Net Income (Loss)	<u>\$118,080</u>	<u>\$6,149</u>	<u>-\$515</u>	<u>\$14,590</u>

General & Administrative

Income	\$0	\$0	\$0	\$0
Expenses	\$200,461	\$193,901	\$329,274	\$321,415
Net Income (Loss)	<u>-\$200,461</u>	<u>-\$193,901</u>	<u>-\$329,274</u>	<u>-\$321,415</u>

Total

Income	\$3,324,190	\$3,742,670	\$3,380,175	\$3,684,555
Expenses	\$3,789,854	\$3,742,578	\$3,792,039	\$3,681,121
Net Income (Loss)	<u>-\$465,664</u>	<u>\$92</u>	<u>-\$411,864</u>	<u>\$3,434</u>

FY2015 Budget Presentation



Road Map

- FY2014 Review
- FY2015 Summary
- FY2015 Detailed Adjustments

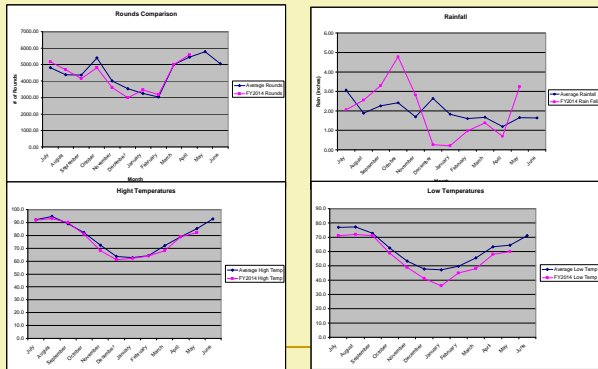
FY2014 Review

- Projected revenues of \$3,380,175
- Projected expenses of \$3,792,039
- Projected net loss of \$411,846
 - This includes:
 - approximately \$70,000 in F&B inventory adjustments
 - Approximately \$24,500 in expenses not categorized for FY2013
 - Resulting in adjusted net loss of \$317,346

FY2014 Review

- Rounds of golf projected at 53,047 (down 6% from FY2013)
- Weather played an impact
 - Days closed 29 (up 53% from FY2013)
 - Average low temperature in December & January was 9 degrees colder than historical average (important figure for high traffic weekend morning rounds)

FY2014 Review



FY2014 Review

- Completed golf cart barn in September (scheduled for July 1)
- Completion of clubhouse landscaping in April of 2014
- Increased fleet size of carts to 126 in March (scheduled for July 1)
- Change in reporting of liquor taxes and automatic gratuities in January of 2014
- Management change in F&B dramatically changed expenditures and cost controls

FY2015 Summary

- Budgeted revenues of \$3,684,555
- Budgeted expenses of \$3,681,121
- Budgeted net profit of \$3,434
 - Major adjustments include:
 - Reduction of contract cost with ValleyCrest
 - Including automatic gratuities as revenues
 - Reduction in costs of labor, food and supplies for the F&B department
 - Minor increases in some golf fees

FY2015 Detailed Adjustments

- Golf Operations
 - Moved salary of GM from operations to G&A
 - New contract amount with ValleyCrest is \$103,308 less than FY2013 budget
 - Reduced budget for tree maintenance

FY2015 Detailed Adjustments

- Pro Shop
 - Better inventory control methods should reduce COGS to 76%
- Golf Cart/Range
 - Reduction in labor budget to more accurately reflect actual labor usage
 - Should not need to replace batteries in carts as in FY2014
 - Full year or lease with 126 carts

FY2015 Detailed Adjustments

- Bluebonnet Grille
 - Budgeting for a loss in Grille operations
 - Grille operations with better inventory and cost controls
 - New menu which is designed with proper costing to match budget and market
 - Reduction in OT and regular labor to reach a labor percentage of 42% for all F&B operations

FY2015 Detailed Adjustments

- Banquets & Events
 - Budgeted for a modest 5% increase in sales revenue
 - Budget includes 20% automatic gratuities as revenue
 - Budget reflects paying gratuities through payroll
- Bev Cart
 - Better inventory and cost controls

FY2015 Detailed Adjustments

- General & Administrative
 - Salary of GM moved to this department
 - Decreases in pest control and supplies
 - Increases in general repairs, marketing, service agreements and payroll prep



**Missouri City Recreation and Leisure Local Government Corporation
Agenda Item Cover Memo
June 2, 2014**

To: Board of Directors of Missouri City Recreation and Leisure
Local Government Corporation
Agenda Item: 4 Officers of LGC
Submitted by: Caroline Kelley, Secretary

SYNOPSIS

This agenda item addresses the various officer positions of the Missouri City Recreation and Leisure Local Government Corporation.

BACKGROUND

Pursuant to the LGC's bylaws, the Mayor of the City serves as the Chair of the Board of Directors of the LGC, and the Mayor Pro Tem of the City serves as Vice Chair. The Board shall elect from its members a Secretary, a Treasurer, and other Board officers as it deems fit. Alternatively, the Board may dispense with the Board offices of Secretary and Treasurer and instead delegate those duties to non-board members. Additionally, the Board may designate other officers as it deems fit. Accordingly, Mayor Owen and Mayor Pro Tem Elackatt shall serve as Chair and Vice Chair, respectively. Previously, the Board had dispensed with the board positions of Secretary and Treasurer and instead delegated those duties to non-board members Caroline Kelley and Wes Vela, respectively. Also previously, the Board designated Ed Broussard as Chief Administrative Officer. Chief Administrative Officer Broussard, Secretary Kelley and Treasurer Vela shall continue to serve in these offices until the Board determines otherwise.

FISCAL ANALYSIS

No fiscal impact.

STAFF'S RECOMMENDATION

Receive staff report and direct staff if any changes are desired.