

City Council of Peachtree City

WORKSHOP MINUTES

November 4, 2008

6:30 p.m.

The City Council of Peachtree City met in workshop session on Tuesday, November 4, 2008, at 6:30 p.m. Council Members in attendance were: Mayor Harold Logsdon, Steve Boone, Don Haddix, Cyndi Plunkett, and Doug Sturbaum.

Staff members attending were: City Manager Bernard McMullen, Financial Services Director Paul Salvatore, Leisure Services Director Randy Gaddo, Assistant City Manager/Developmental Services Director Colin Halterman, Recreation Administrator Sherry McHugh, and Assistant Finance Director Janet Camburn. Peachtree City Tourism Association (PCTA) Chairman Bill Bexley and PCTA Executive Director Lauren Yawn also attended.

Logsdon said the purpose of the meeting was to discuss the Tennis Center management and operation. Logsdon said that Gaddo would make a presentation first, then he would open up the floor for public comment. (A copy of Gaddo's PowerPoint presentation is included in the official meeting file.)

Gaddo noted that the Tennis Center was built in 1995 and started with 12 hard, outdoor courts. There was a major expansion around 2002, and the current configuration had 24 tennis courts, including 12 hard courts, six clay courts, and six covered hard courts. The complex also included a pro shop, restaurant space, administrative offices, covered patio space, and the PCTA's visitor's center.

The Tennis Center was originally operated by Development Authority of Peachtree City (DAPC). In late 2003, the Center transitioned briefly to City management, then to the PCTA in early 2004, where it had been ever since. While the employees have been staff of the DAPC, City, or PCTA, respectively, the Center had always been "owned" by the City. The venue's operating hours were Monday – Friday, 8 a.m.-10 p.m.; Saturday, 8 a.m.-6 p.m.; and Sunday, 12:30-6 p.m. The pro shop was leased to "Your Serve," and the restaurant was currently vacant.

Gaddo continued that there were nine full-time employees, including four tennis pros, three administrative/customer service people, and two maintenance people that were shared with the Fredrick Brown, Jr. Amphitheater. The five part-time employees' duties included administrative/customer service, maintenance, and tennis pro.

Currently, the Tennis Center had 236 memberships (365 people). The Membership Fees for a family (three or more) were \$750 annually, \$700 for a married couple, \$500 for an individual, \$300 for seniors (62 and older), and \$200 for juniors (21 and under). The member benefits included seven-day advance court reservations, certain charges waived, member discounts, guest passes, and more. In 2006, the Tennis Center had 241 memberships (414 people). In 2007, there were 239 memberships (401 people). The programs included league play (ALTA, USTA and Ball), ladies team tennis, high school tennis, adult tennis, junior tennis/Junior Academy, Junior USTA (ages 8 to 18), multi-sport camps during summers/school holidays, corporate tennis

packages, summer camps, and birthday parties. Six tournaments were held at the Tennis Center in 2008, and the Center had applied for 11 tournaments in 2009.

Gaddo went over the actions taken since the September 2 workshop, including discussing operations and maintenance with the head tennis pro and PCTA staff, reviewing budget documents/quarterly reports, and discussing issues with interested individuals and groups. The assumptions/goals for the Tennis Center included retaining it as a City-owned facility, minimizing the operational/financial burden for the City, providing a "patron friendly" environment, attracting tournaments to help local businesses, limiting the financial "risk," and keeping the Welcome Center under the PCTA.

Gaddo continued that several issues needed to be addressed, including the mission of the Tennis Center; whether the City wanted a profit center, amenity, or a combination; and whether the memberships gave the impression of exclusivity and if a public tennis center should have them. Customer service was another issue. Tennis was about people, not courts, Gaddo said. They should look at whether a public facility should provide exclusive features. They also needed to look at whether or not a "contract management" system was in the best interest of the facility and City, and whether it should be a full turnkey operation or a hybrid. Gaddo also questioned if a restaurant on site was advisable and if it would ever be profitable. They should also look at the best way to pay the pros.

Gaddo presented three options for management of the Tennis Center and went over the pros and cons of each option. Option 1 was a Request for Proposal (RFP) for a turnkey management contract. He explained that, under a turnkey management contract, the contractor ran all aspects of operation, and the City became the contract manager or "landlord." There would be established parameters for the contract company. The City would retain limited control over operations in accordance with the contract. It was unknown if the facility could operate at profit even with City maintenance/repair support. The PCTA would continue to run the facility until the RFPs were received and evaluated (a four to six-month process). The benefits of a turnkey management contract were that the Tennis Center would still be a City-owned facility; the contractor would deal with details/issues; the "experts" would formulate the business plan; the City would set the parameters via contract; the Tennis Center might have the benefit of existing employees if the contract stipulated first consideration; and a contract would not add additional City staff, salaries, or benefits. The cons included the City might lose some control over certain operational areas; City contract managers would be placed between customers and the contractor – accountable but not directly involved in day to day operations; the contractor's primary focus would be profit, which could impact facility standards, staff, and customer service; and the City would most likely still pay for major repair items.

Option 2 was to retain the current arrangement under the PCTA since the Tennis Center was relatively stable at this time. City Council would continue to provide input on operation of the Tennis Center. The pros for Option 2 included maintaining the current stability for staff and patrons and enabling input from City Council for improvements. The cons were that management of the Tennis Center distracted the PCTA staff from tourism activities, and the PCTA had expressed desire to relinquish management of Tennis Center.

Option 3 was full City operational control. Gaddo continued that, after an adequate transition period, the PCTA would transfer the Tennis Center operation to the City. The arrangement would be similar to the Amphitheater and other Leisure Services departments. The Tennis Center manager and support staff would be City employees, and the tennis pros would be paid as contract employees (or via other appropriate method). The pros to Option 3 included allowing City staff to learn the operational cycle, identify issues and options, and inform and involve people; the City would work with the experienced Tennis Center staff, making changes as needed; the City would be able to make reasonable decisions based on in-depth knowledge of the operation rather than "opinions." It would bring the Tennis Center under City financial and administrative parameters for tighter control; and the facility would still be a City-controlled and maintained venue. The cons included that the City staff was not experienced in tennis operations; it would be a slower, more deliberate process, requiring patience and cooperation from all involved. It would add to City staff, with additional costs due to salaries and benefits; it would require considerable additional City staff time; and if the City decided to outsource the operation at some future date, the City would need to convert the entire system again and undo what was done.

Gaddo said a decision matrix was used to help staff decide on a recommendation. The questions asked included whether the venue would continued to be City-owned; whether the option would minimize the City administrative burden; whether it was in the best interest of City, staff, and patrons; whether the option had financial risk; whether tournaments would be attracted to the venue; whether the option enabled time for discovery; and whether the option enabled a smooth transition. Based on the matrix, Gaddo said the best option appeared to be Option 2. The Tennis Center operations were relatively stable; no "crisis" existed. There was no need for radical major changes right now. It was not efficient to switch to the City, then possibly to a contract arrangement later. Option 2 would also provide the time needed to develop and evaluate an RFP.

Gaddo clarified that Option 2 was only a temporary answer to give staff the time to retain the stability the venue already had while the City went through the RFP process. It would take time for staff to understand what they were asking companies to do and to develop the language to ensure people would understand what the City was asking, as well as having a system to evaluate the RFPs objectively. The process would take approximately four to six months, then staff would come back to Council for direction on whether to go with Option 1 or Option 3.

McMullen said staff was developing a citizen survey that would be sent out in January that would have questions about the perception the general public had of the Tennis Center. He noted that when the PCTA was first formed, one of the issues had been the perception that people had to be a member to play tennis at the facility. Plunkett noted while that was a perceived problem, it was not an actual problem. McMullen agreed, adding that Tennis Center membership was similar to a summer pass for the Kedron pools, which had the benefit of reducing the cost for using the pools. Staff wanted to find out if the perception was a problem and how it could be changed. Gaddo added that the perception could become reality if the problem was not addressed.

Haddix said the PCTA needed to focus on tourism, but there needed to be a transition time. He expressed concern that, with all of their other responsibilities, it would be difficult for City staff to become proficient at managing the Tennis Center. He felt that, ultimately, the management of the venue should be outsourced. Gaddo said that might be true, but with the right manager, the Tennis Center could remain directly under City supervision such as the Amphitheater and other recreation facilities.

Boone said that City staff was already overburdened. The risk was too high. Outsourcing was a possibility. He perceived increasing membership and getting more tournaments could be burdensome to members who wanted to play tennis.

Logsdon opened the floor for comments from the public. Those who spoke included Haroon Khan, Telisa Roberts, Candace Fletcher, Mike Fitzpatrick, Joy Cochran, Byron Sturgis, Sylvia Davis, Laurie Farmer, Janet Berry, Ann Lange, Pat Wade, Kimberly Davis, Stacy Koontz, and Tennis Center staff members Becky Grant, Frank Ofori, and Ben Maes,

Roberts told Council they had formed a committee that had several recommendations. In addition to Roberts, the members included Wendy Owen, John Thibadeau, Tim Kaigler, Sharon Greiner, Candace Fletcher, Gerri Kowal, Joy Cochran, Myron Sturgis, Keith Foxworth, Rick Davison, Cheryl Hamel, Jon Reeves, Ron Mann, Bob Choate, Kimberly Davis, Pat Wade, and Shari Allison. Roberts' presentation included several charts, including a member and non-member fee comparison, a comparison of adult league fees, a pie chart showing the training facilities used by the members of the McIntosh High School boy's tennis team. (A copy of the documents Roberts presented is included in the official meeting file.) The committee also worked on a sample vision statement and goals.

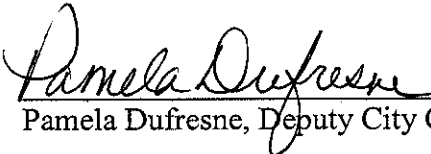
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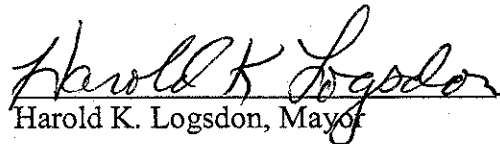
- Members did not see the impetus for change.
- A third party might not have the best interest of the community at heart especially if the operation was profit-centered.
- The community vision for the venue should be determined first, and a plan should be implemented to achieve the vision.
- The Tennis Center should be the hub of tennis activity on the southside.
- The Tennis Center should not be expected to make money.
- More junior player development was needed.
- Players did not feel welcomed or valued.
- There should be a good relationship between the Tennis Center and local businesses.
- Tournaments did not make money for Tennis Center, but they made money for local businesses.
- Meetings should be held with the former pros to find out why they left.
- There was no consistency in the Academy program due to the turnover rate of the pros.
- There was not enough time for the pros to give private lessons.

- The number of adult leagues and teams that played at the Tennis Center had dropped significantly.
- There were not enough volunteers to help during tournaments.
- It was not always cheaper to be a member of the Tennis Center, especially when the player was involved in leagues.
- High school matches should be played on courts with good viewing.
- Staff did a great job; the pros were good, but there were not enough.
- The fees for a venue the quality of the Tennis Center were far cheaper than anywhere else.
- The fees cost more for members that did not play much.
- Outsourcing could cause a loss of control over the facility.
- The Tennis Center should be allowed to develop, manage, and be accountable for the budget.
- Other options were now available other than the Tennis Center, so there needed to be more advantages to being a member.
- There was concern the facility's quality would go down.
- Parents who would not give the Tennis Center a change because of vendettas or past histories were hurting the youth programs the most.
- Vending machines and ping-pong tables could replace the restaurant space and would give youth a place to wait during tournaments and practices.
- The current manager had not been given the opportunity to do the job needed to make the facility function and make money.
- Programs should be restructured.
- The Tennis Center was a quality of life issue; it brought people to the area.
- The focus should be on the parents, who need to come together to make the youth programs work.
- The PCTA should be augmented with a tennis volunteer group that would focus on the Tennis Center.

Logsdon said that Council's interest was to find the right way to run the Tennis Center. It was an asset to the City and the crown jewel of tennis in the area. How to continue to make it better was what staff and Council had been charged with. Logsdon said it would be figured out over the next few months. All of Council wanted the facility to thrive.

There being no further business to discuss, the meeting adjourned at 8:30 p.m.


Pamela Dufresne, Deputy City Clerk


Harold K. Logsdon, Mayor