



Value in Cost Centers

Director's Conference

February 21, 2012

Presented by Kim Lampkins & Terry Trowbridge

AGENDA

◊ WHY COST
CENTER
INFORMATION
IS VALUABLE

◊ HOW TO USE
COST CENTER
INFORMATION

WHY THIS INFORMATION IS VALUABLE

- KNOWING YOUR OPERATION
FROM A FINANCIAL PERSPECTIVE

Profitable Cost Centers for Park Operations

Cottages \$ 5.5 Million

Camping \$ 4.7 Million

Lodge Rooms \$ 1.6 Million

Contracts \$ 214K

Marinas & Boating Facilities \$190K

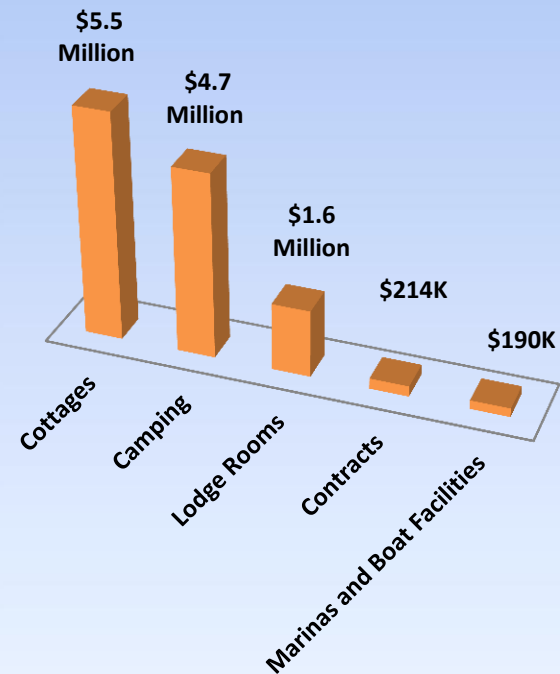
Group Camps \$ 145K

Equestrian \$ 130K

Yurts \$ 123K

Recreation Amenities \$2K

FY2012 Most Profitable Cost Centers



Non-Profitable Cost Centers for Park Operations

Admin. \$ (4.4 Million)

Other \$ (3.1 Million)

Maintenance \$ (2.4 Million)

Visitor Center \$ (1.5 Million)

Golf \$ (1.1 Million)

Law Enforcement \$ (1.3 Million)

Historic Sites \$ (1.0 Million)

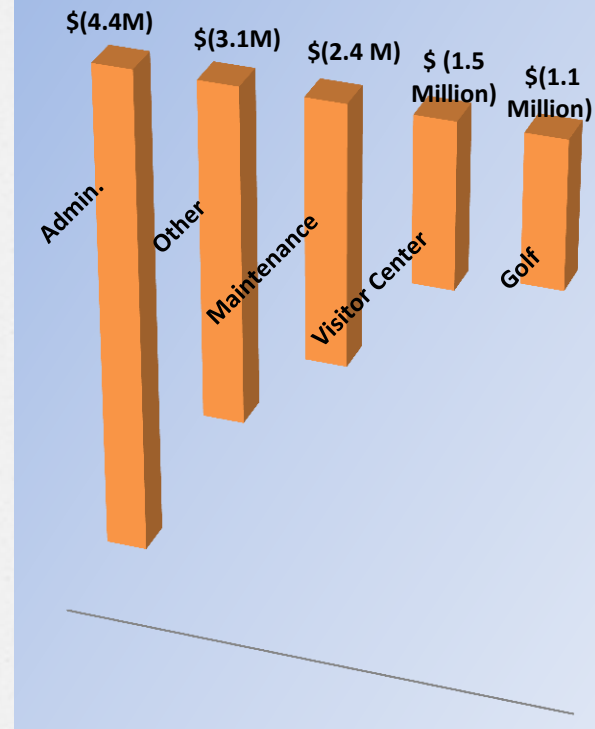
Programming \$ (449K)

Restaurant \$ (376K)

Other Public Safety \$ (357K)

Day Use Rentals \$ (295K)

Non-Profitable Cost Centers



Profit Per Occupied Night for Overnight Facility Cost Centers

GROUP CAMPS \$ 126.11

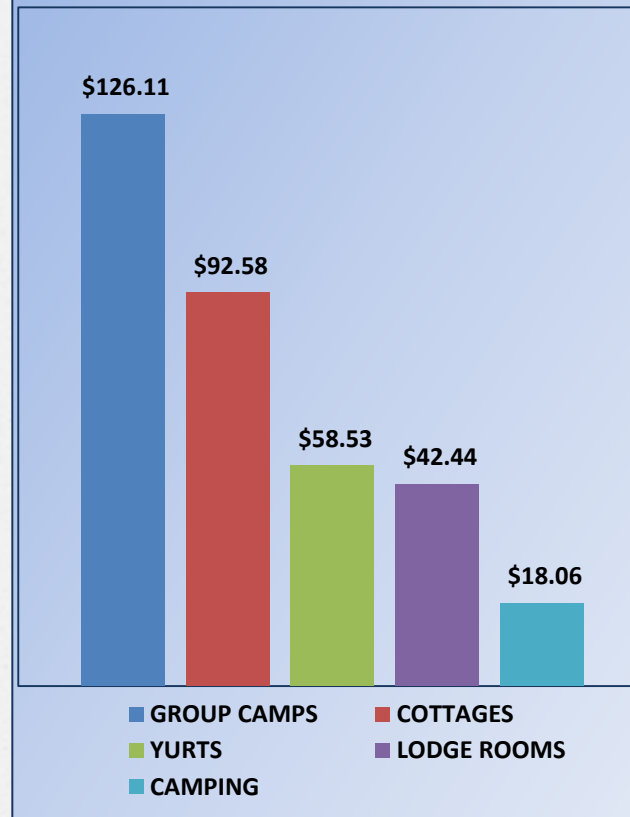
COTTAGES \$ 92.58

YURTS \$ 58.53

LODGE ROOMS \$ 42.44

CAMPING \$ 18.06

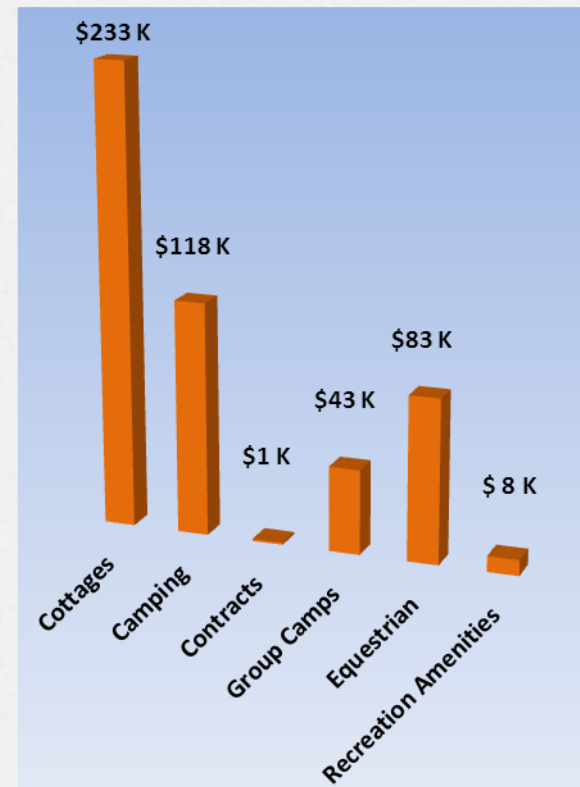
FY 2012 Average Profit Per Occupied Night



Profitable Cost Centers for Hard Labor Creek

| | |
|----------------------|---------|
| Cottages | \$ 233K |
| Camping | \$ 118K |
| Contracts | \$ 1K |
| Group Camps | \$ 43K |
| Equestrian | \$ 83K |
| Recreation Amenities | \$ 8K |

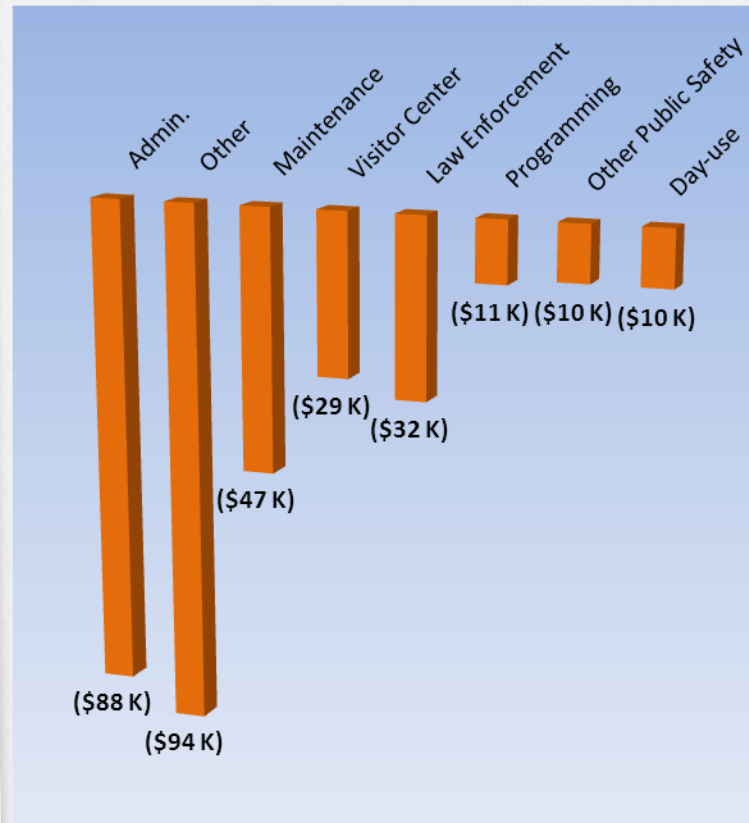
Hard Labor Creek- Profitable Cost Centers



Non-Profitable Cost Centers for Hard Labor Creek

| | |
|---------------------|----------|
| Admin. | \$ (88K) |
| Other | \$ (94K) |
| Maintenance | \$ (47K) |
| Visitor Center | \$ (29K) |
| Law Enforcement | \$ (32K) |
| Programming | \$ (11K) |
| Other Public Safety | \$ (10K) |
| Day-Use Rentals | \$ (10K) |

Hard Labor Creek - Non- Profitable Cost Centers



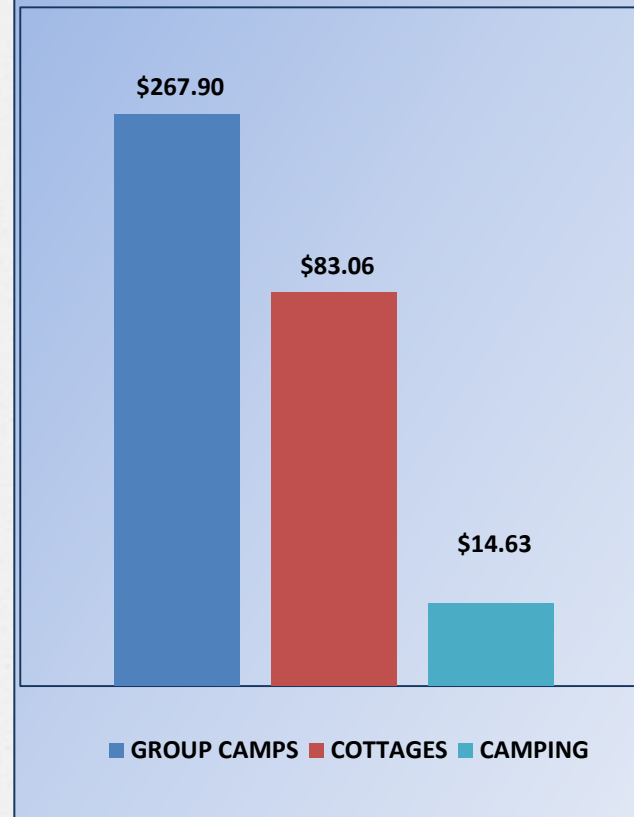
Profit Per Occupied Night for Hard Labor Creek

GROUP CAMPS \$ 267.90

COTTAGES \$ 83.06

CAMPING \$ 14.63

FY 2012 HLC Profit Per Occupied Night



How Can We Use This Information?

We ALL can use the cost center data to assist us with making better informed decisions as well as creating a more efficient and alive park system

- o The Director
- o Chief of Operations
- o Region Manager
- o Site Manager
- o Friends
- o Other Stakeholders

Types of Operational
Decisions where
using Cost Center
Data can be a Benefit

- o Capital Investments/Bond Decisions
- o Capital Improvements & Maintenance
- o ParkPass Project Decisions
- o Seasonal and/or Reduced Operations
- o Closure of Certain Facilities & Amenities
- o Zero-Based Budgeting
- o Staffing Decisions
- o Justify Additional Funding
- o Improve Profit!!

IMPROVE PROFIT



Increase
Revenues

Decrease
Expenses

INCREASE REVENUE

**More
PAYING
Customers**

- o Increasing Overnight Facility Usage
- o Providing Quality Programs and/or Special Events (That customers will PAY money to attend)
- o Recreation Amenities
- o Retail
- o Non-Traditional Revenue

Increasing Rentals of Overnight Facilities

- “Charge the Right Rate at the Right Time”

| Park | Cottage |
|--------------------|--------------|
| Fort Yargo | 76.09 |
| Smithgall Woods | 74.48 |
| Gordonia | 62.10 |
| Fort Mountain | 58.34 |
| Tugaloo | 56.26 |
| Indian Springs | 55.36 |
| Magnolia Springs | 51.81 |
| George T. Bagby | 49.15 |
| George L. Smith | 49.07 |
| Stephen C. Foster | 47.94 |
| Mistletoe | 47.51 |
| James Sloppy Floyd | 46.65 |
| General Coffee | 46.53 |
| Amicalola | 45.40 |
| Black Rock | 45.15 |
| Crooked River | 45.11 |
| Richard Russell | 43.39 |
| AH Stephens | 43.22 |
| Fort McAllister | 42.72 |
| Elijah Clark | 41.76 |
| FDR | 40.63 |
| Unicoi | 37.60 |
| Cloudland Canyon | 37.35 |
| Seminole | 35.78 |
| Vogel | 34.56 |
| Hard Labor Creek | 33.65 |
| Little Ocmulgee | 32.49 |
| Red Top | 32.44 |
| Florence Marina | 32.32 |
| Laura Walker | 13.60 |
| Watson Mill Bridge | 5.53 |

Total Cottage
Expenses Per
Occupied Night

State
Average
\$42



Daily Cottage Occupancy for Red Top

FEBRUARY FY12 DAILY COTTAGE OCCUPANCY

| RED TOP MOUNTAIN STATE PARK | | | | | | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 02/01/2012 | 02/02/2012 | 02/03/2012 | 02/04/2012 | 02/05/2012 | 02/06/2012 | 02/07/2012 | 02/08/2012 | 02/09/2012 | 02/10/2012 | 02/11/2012 | 02/12/2012 |
| Wednesday | Thursday | Friday | Saturday | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday |
| 10.53% | 10.53% | 57.89% | 63.16% | 10.53% | 5.26% | 15.79% | 15.79% | 5.26% | 26.32% | 26.32% | 5.26% |

Red Top Mtn Promotions

- o Special- Cottage- \$65 per night Monday-Wednesday, no minimum stay, December-February
- o Pay for two nights and receive the third 50% off.
- o Pay for three nights and get the fourth 75% off.

Site Specific Promotional Packages and Special Rate Procedures

Site Manager
Creates the
Promotion/Special
Rate

Site Manager
Sends the
Promotion to
Assistant Region
Manager for
Approval

Asst.RM Sends
Promotion to
Reservation
Services,
Marketing, &
Business Services

Provide Quality Programs and Special Events that
Customers will PAY to Attend

```
graph TD; A[Provide Quality Programs and Special Events that Customers will PAY to Attend] --> B[In FY2012 - PRHSD lost $449K in Programming]; A --> C[In 1st 1/2 of FY2013 - PRHSD lost $475K in Programming];
```

In FY2012 -
PRHSD lost
\$449K in
Programming

In 1st 1/2 of
FY2013 -
PRHSD lost
\$475K in
Programming

Tallulah Gorge

- Provide Guided Hikes – Gorge Floor, Historical Rock, and Full Moon. Also provide Full Moon Canoe Paddles

Vann House

- Will provide school group guided tours on an as scheduled basis

Sweetwater Creek

- Wants to provide Summer Day Camps.

Programming Calculator

| | Tallulah Gorge | | | | | | | | | | | | |
|-------------------------|-----------------------------------|------------------------------------|---------------|--------------|-----------|-------------------------------|------------|----------------------------------|--------------|-----------------------|---------------|-----------------------------|-----------------------|
| Month: | January thru December | | | | | | | | | | | | |
| Program Description: | Multiple Guided Hikes and Paddles | | | | | | | | | | | | |
| Program | # of Programs | Estimate # of Visitors Per Program | Rate Per Prog | Rev per Prog | Total Rev | Total Labor Hours Per Program | Labor Rate | Total Labor Expenses Per Program | Sup Per Prog | Total Exp Per Program | Total Expense | Profit / (Loss) Per Program | Total Profit / (Loss) |
| Gorge Floor Hike | 26 | 25 | 5.00 | 125.00 | 3,250 | 4 | 10.00 | 40.00 | | 40.00 | 1,040.00 | 85.00 | 2,210.00 |
| Historical Rock Hike | 6 | 20 | 10.00 | 200.00 | 1,200 | 6 | 10.00 | 60.00 | | 60.00 | 360.00 | 80.00 | 480.00 |
| Full Moon Hike | 36 | 30 | 5.00 | 150.00 | 5,400 | 4 | 10.00 | 40.00 | | 40.00 | 1,440.00 | 70.00 | 2,520.00 |
| Full Moon Canoe Paddles | 12 | 16 | 15.00 | 240.00 | 2,880 | 8 | 10.00 | 80.00 | | 80.00 | 960.00 | 80.00 | 960.00 |
| | | | | | | | | | | | | | 6,170.00 |

Recreation Amenities

This is an inexpensive
revenue source that creates
an experience for our
customers



Crooked River –
Converted Office
Space to Additional
Retail Space

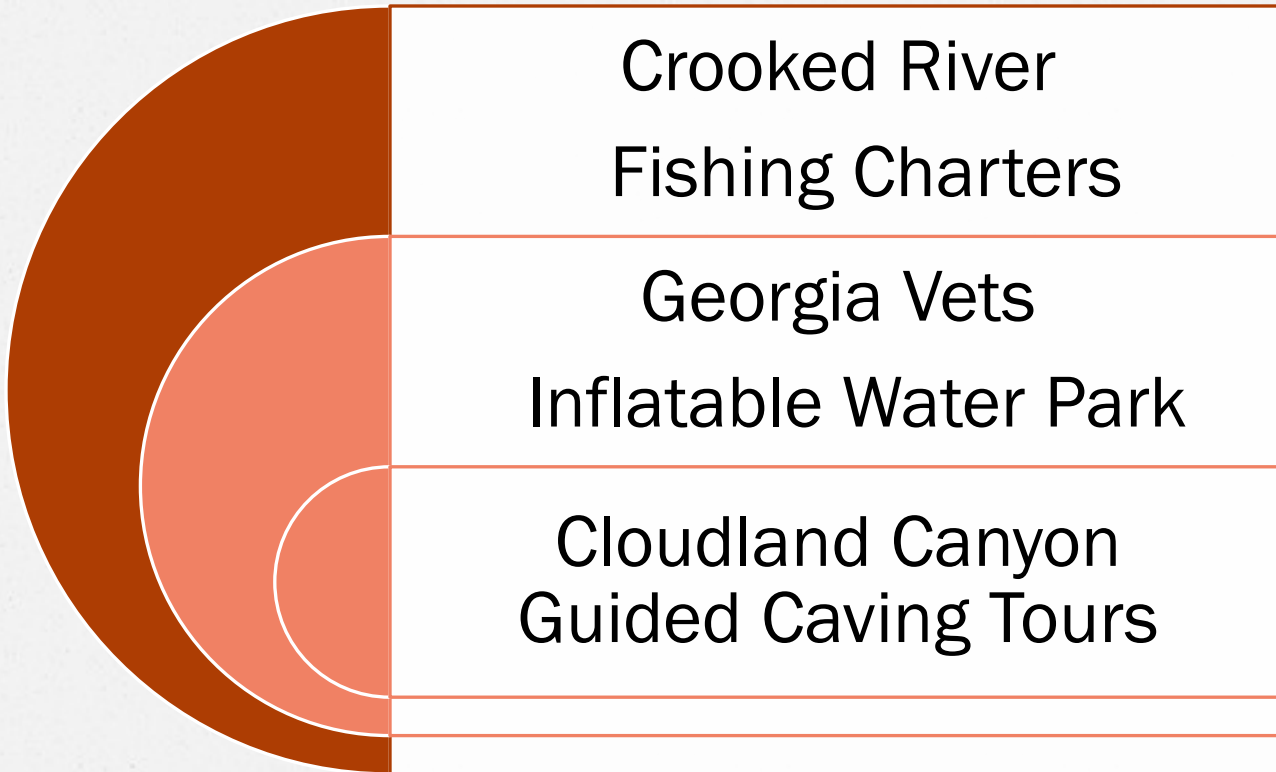
Reynolds Mansion –
Converted Library to a
Retail Area

**INCREASE
RETAIL**

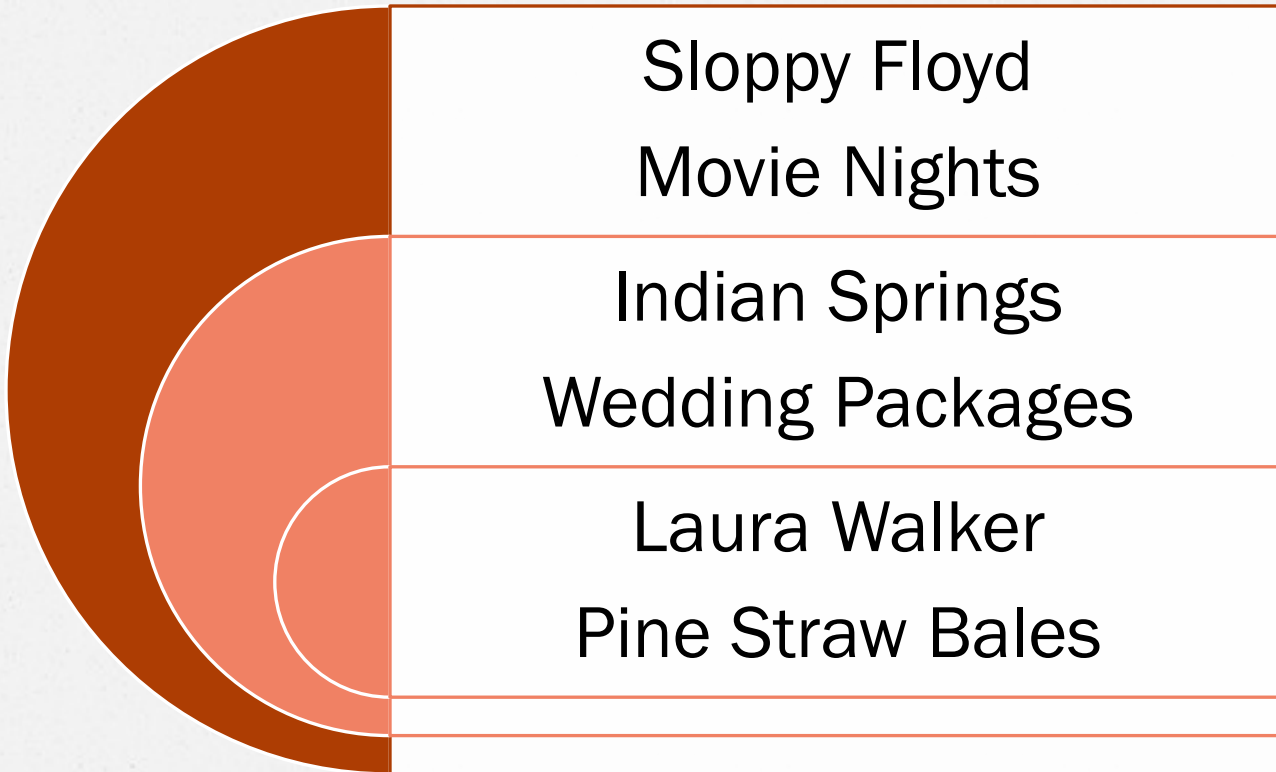
AH Stephens –
Converting a Bldg in
Group Camp to a
Country Store

Fort McAllister– Built
a “Roaming Retail”
Trailer

Non-Traditional Revenue Sources



Non-Traditional Revenue Sources



DECREASE EXPENSES

```
graph TD; A[DECREASE EXPENSES] --> B[LABOR COSTS]; A --> C[ENERGY COSTS]; A --> D[OTHER COSTS];
```

LABOR
COSTS

ENERGY
COSTS

OTHER
COSTS

Expense Analysis – Cottage Labor

| | System Average | | |
|-------------------------|----------------|----------------|---------------|
| | Labor Expense | Energy Expense | Other Expense |
| Cottage Per Occup Night | 20.32 | 11.37 | 10.79 |

| | Not My Park | | |
|-------------------------|---------------|----------------|---------------|
| | Labor Expense | Energy Expense | Other Expense |
| Cottage Per Occup Night | 35.41 | 11.09 | 8.85 |
| Cottage Total Amounts | 44,829 | 14,040 | 11,204 |

| | Variance b/w Site & System | | |
|-------------------------|----------------------------|----------------|---------------|
| | Labor Expense | Energy Expense | Other Expense |
| Cottage Per Occup Night | 15.09 | -0.28 | -1.94 |

| | Potential Improvement if all stats change to at least the system average | | |
|--------------------------|--|----------------|---------------|
| | Labor Expense | Energy Expense | Other Expense |
| Cottage Per Occup Night | 20.32 | 11.09 | 8.85 |
| Cottage Total | 31,151 | 17,001 | 13,567 |
| Addtl' Potential Cottage | -13,679 | 0 | 0 |

Expense Analysis – Camping Energy & Other

| | System Average | | |
|-------------------------|----------------|----------------|---------------|
| | Labor Expense | Energy Expense | Other Expense |
| Camping Per Occup Night | 1.79 | 3.42 | 3.63 |

| | Not My Park | | |
|-------------------------|---------------|----------------|---------------|
| | Labor Expense | Energy Expense | Other Expense |
| Camping Per Occup Night | 0.46 | 4.16 | 4.62 |
| Camping Total Amounts | 5,598 | 50,627 | 56,225 |

| | Variance b/w Site & System | | |
|-------------------------|----------------------------|----------------|---------------|
| | Labor Expense | Energy Expense | Other Expense |
| Camping Per Occup Night | -1.33 | 0.74 | 0.99 |

| | Potential Improvement if all stats change to at least the system average | | |
|--------------------------|--|----------------|---------------|
| | Labor Expense | Energy Expense | Other Expense |
| Camping Per Occup Night | 0.46 | 3.42 | 3.63 |
| Camping Total | 5,598 | 41,621 | 44,177 |
| Addtl' Potential Camping | 0 | -9,006 | -12,048 |

FORT YARGO ENERGY

- Cost Centers Showed High Energy Expenses - Energy Audit Discovered the Site was Paying Will-A-Way's Energy Expenses

MULTIPLE SITES - CABLE EXPENSES

- Sites Using Wilcox Cable had Higher than Average Other Expenses – Example -\$17K Elijah Clark, \$12K Skidaway, \$10K Crooked River

MULTIPLE SITES - GAS LOGS

- Cost Centers Showed Higher Energy Expenses for Cabins with Gas Logs

What's Next?

- o Use the Cost Center Data to Make Wise Business Decisions at All Levels
- o Continue to Improve Profit by Increasing Revenue and Decreasing Expenses
- o Finish One-On-One Cost Center Meetings with the Remaining Sites
- o Adjust Cost Centers for FY2014
- o In 2013 VOLS beat the Dawgs!!