

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

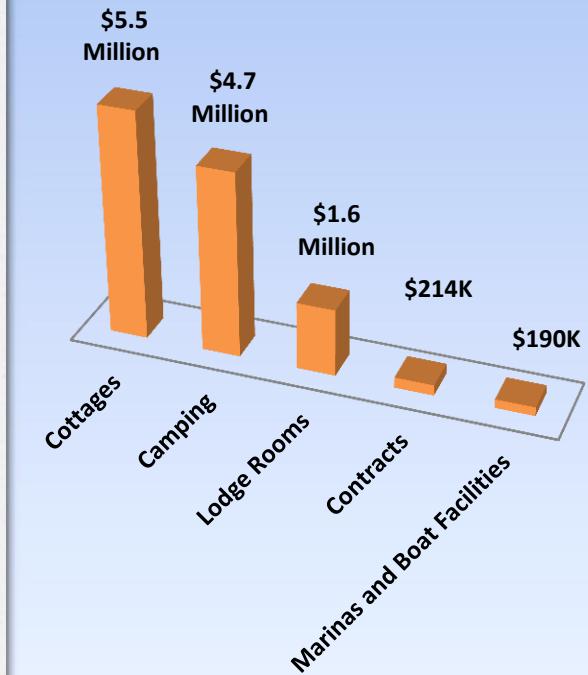
Group Camps \$ 145K

Equestrian \$ 130K

Yurts \$ 123K

Recreation Amenities \$2K

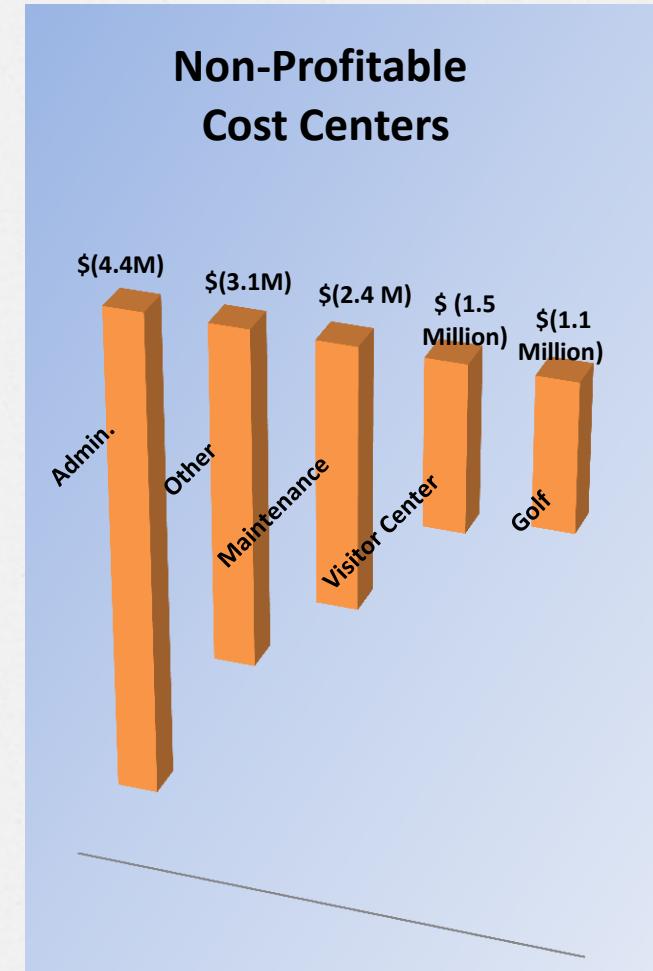
FY2012 Most Profitable Cost Centers



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

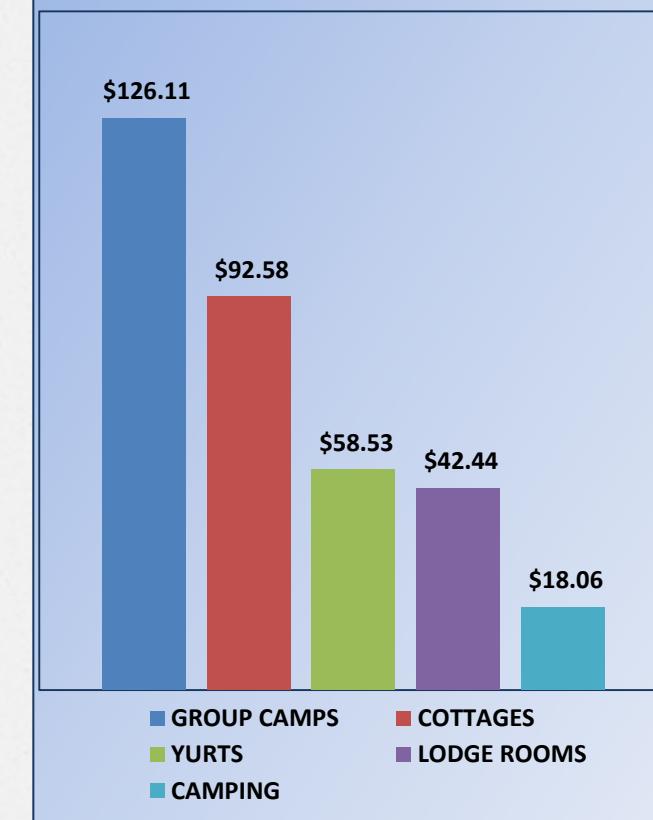
COTTAGES \$ 92.58

YURTS \$ 58.53

LODGE ROOMS \$ 42.44

CAMPING \$ 18.06

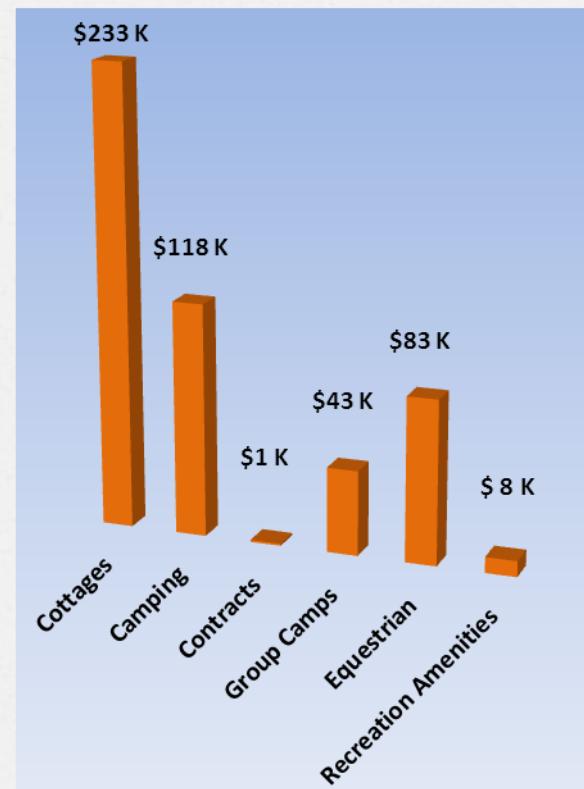
**FY 2012 Average Profit
Per Occupied Night**



Profitable Cost Centers for Hard Labor Creek

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

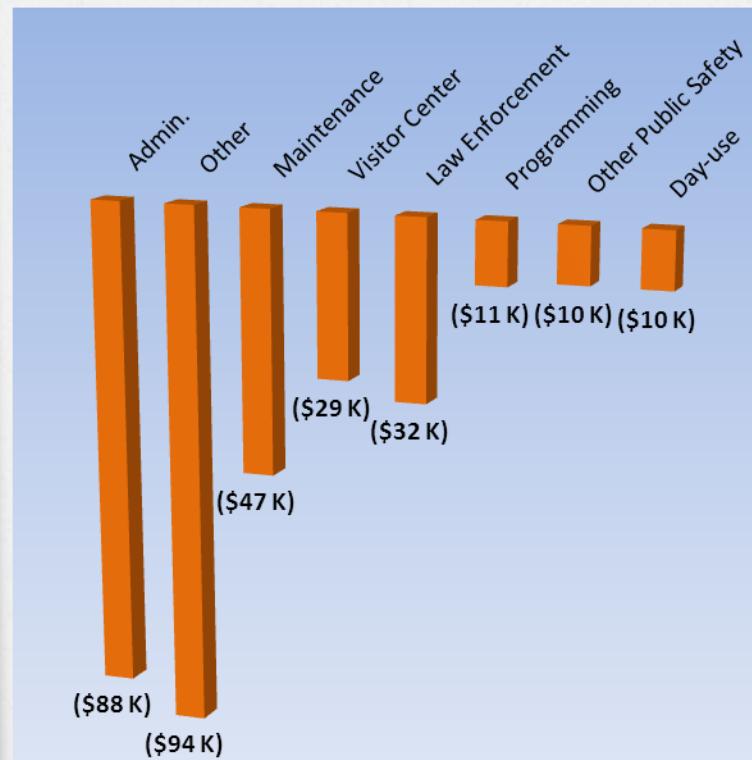
Hard Labor Creek- Profitable Cost Centers



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



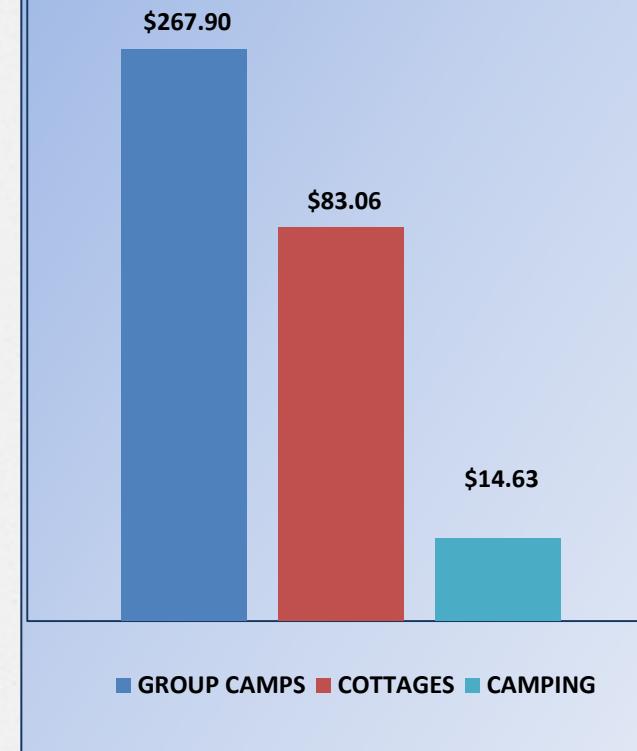
Profit Per Occupied Night for Hard Labor Creek

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

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

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

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

IMPROVE PROFIT



Increase
Revenues

Decrease
Expenses

INCREASE REVENUE

More
PAYING
Customers

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

Increasing Rentals of Overnight Facilities

- “Charge the Right Rate at
the Right Time”

Total Cottage Expenses Per Occupied Night

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

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

Recreation Amenities

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



Crooked River –
Converted Office
Space to Additional
Retail Space

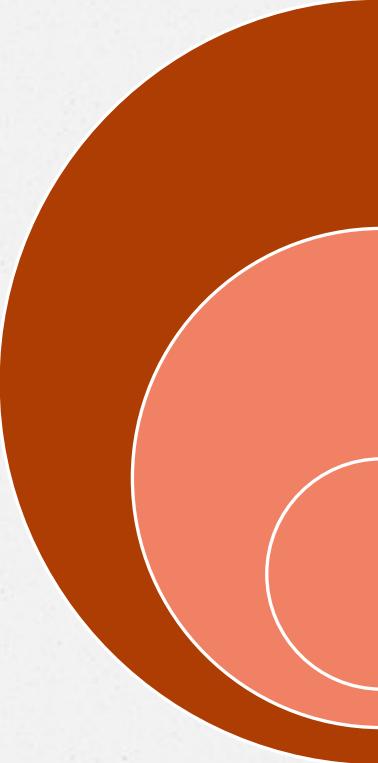
Reynolds Mansion –
Converted Library to a
Retail Area

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

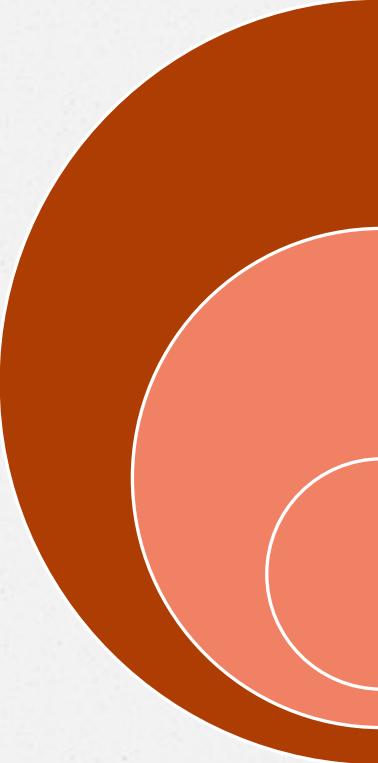


Crooked River
Fishing Charters

Georgia Vets
Inflatable Water Park

Cloudland Canyon
Guided Caving Tours

Non-Traditional Revenue Sources

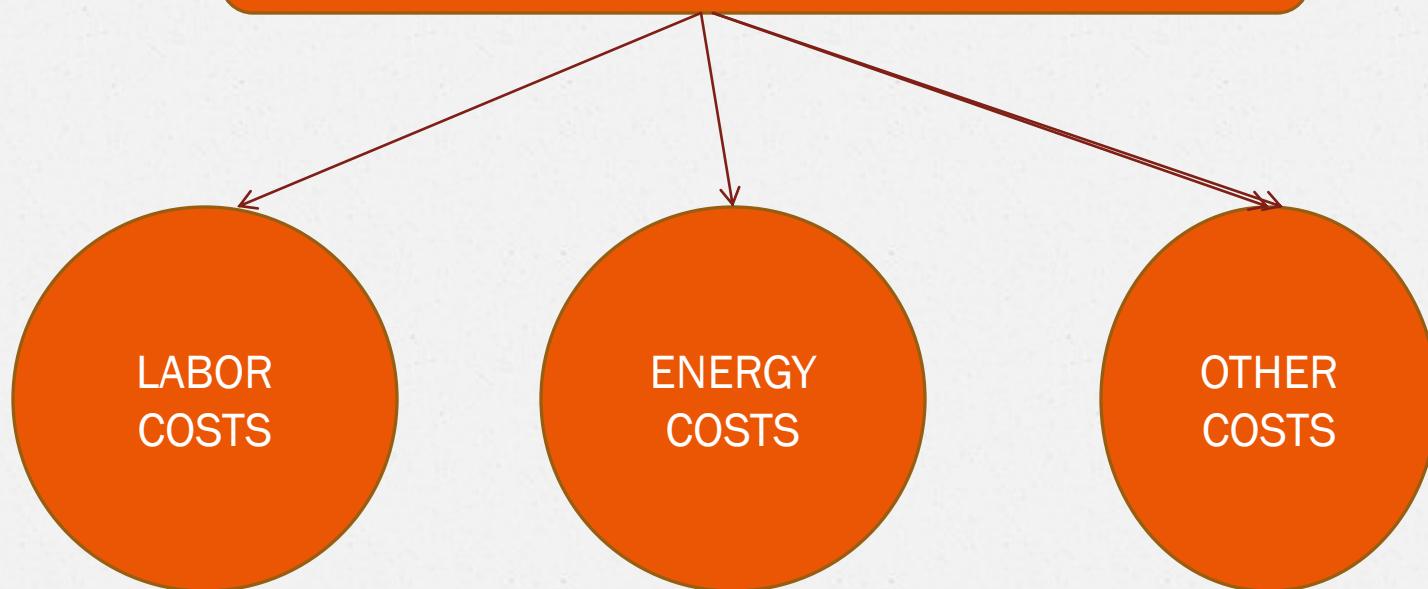


Sloppy Floyd
Movie Nights

Indian Springs
Wedding Packages

Laura Walker
Pine Straw Bales

DECREASE EXPENSES



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?

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