



# **Golf Course Maintenance and Management Function Sourcing Analysis**

Prepared to evaluate cost savings of function sourcing the  
golf course management and pro shop contract

April 6, 2025

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## **Executive Summary**

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Since October 2, 1996, the City of Pembroke Pines has contracted with Professional Course Management, LLC (PCM) for comprehensive management and maintenance of the Pembroke Lakes Golf Course and its Pro Shop operations. The current agreements, set to expire on November 15, 2026, have undergone several renewals, with minimal adjustments to management fees despite significant increases in operational costs driven by local economic conditions.

PCM has formally requested a five-year extension of both agreements effective November 15, 2026, along with immediate modifications starting April 15, 2025, to address inflationary pressures. Proposed adjustments include increasing the golf course management fee from \$100,000 to \$200,000 annually and the Pro Shop management fee from \$15,000 to \$20,000 annually, along with incremental increases in reimbursement caps for healthcare and insurance costs. The proposed structure also introduces an annual 3% increase to staffing, maintenance, and management fees to better align with current economic conditions.

An analysis comparing continued outsourcing with PCM versus transitioning to in-house management determined that the in-house model would significantly increase costs. Year one in-house management costs are projected at approximately \$3.67 million, exceeding PCM's costs by nearly \$2 million annually. Furthermore, transitioning operations in-house would eliminate approximately \$500,000 in annual revenue generated by PCM's Premier Card Program.

Given the substantial financial advantage and operational continuity, the Administration recommends approving PCM's requested five-year extension and proposed contractual adjustments, ensuring continued quality and fiscal responsibility in managing Pembroke Lakes Golf Course and Pro Shop.

## Introduction

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### Background

On October 2, 1996, the City Commission awarded a contract for Golf Course Management to Professional Course Management, LLC (PCM). The initial agreement had a five-year term, which was renewed on October 30, 2001, for an additional five years, expiring on November 15, 2006.

On November 1, 2006, the City and PCM entered into a restated agreement that extended the original terms for another five years, with the option for one additional five-year renewal. The value of the restated agreement starting November 15, 2006, was \$902,747, as shown in Table 1 (below).

Table 1

|                                |                      |
|--------------------------------|----------------------|
| Golf Course Management         | \$ 100,000.00        |
| Staffing                       | \$ 290,355.00        |
| Maintenance of the Golf Course | \$ 512,392.00        |
| <b>Total</b>                   | <b>\$ 902,747.00</b> |

This restated agreement stipulated no increase in staffing or maintenance costs during the first two years, followed by a 3% annual increase in years three through five. Notably, there was no provision for an increase in the golf course management fee.

Subsequent extensions include:

- June 1, 2011: First amendment approved, extending the contract through November 15, 2016.
- September 19, 2016: Second amendment approved, extending the agreement for five more years and adding a provision to reimburse PCM up to \$30,000 annually for costs related to the Federal Patient Protection and Affordable Care Act.
- June 16, 2021: Third amendment approved, extending the agreement through November 15, 2026, and adding a provision to reimburse PCM up to \$1,500 annually for new Environmental/Pollution Liability insurance requirements.

A full summary of annual contract costs is provided in Attachment A.

In addition, on November 15, 2009, the city entered into a separate agreement with PCM for the operation and management of the Pembroke Lakes Golf Course Pro Shop. This contract was established to reduce the City's overall operating costs by shifting responsibility for staffing, benefits, management, and theft insurance coverage to PCM. The initial contract value is shown in Table 2 (below).

Table 2

|                                    |                      |
|------------------------------------|----------------------|
| Total Base Annual Wages            | \$ 102,960.00        |
| PCM Employee Benefits Package      | \$ 20,592.00         |
| PCM Management Fee                 | \$ 15,000.00         |
| Theft Insurance Coverage \$500,000 | \$ 1,140.00          |
| <b>Total</b>                       | <b>\$ 139,692.00</b> |

The pro shop agreement had an initial two-year term expiring on November 15, 2011, aligning it with the golf course management agreement. The pro shop agreement allowed for a 3% increase in staffing and benefits costs in the second year, with no increase in the management fee.

Subsequent extensions include:

- June 1, 2011: First amendment approved, extending the agreement through November 15, 2016.
- September 19, 2016: Second amendment approved, extending the agreement for an additional five years.
- June 16, 2021: Third amendment approved, extending the agreement through November 15, 2026.

Annual costs related to the pro shop agreement are also included in Attachment A.

Both agreements are set to expire on November 15, 2026, with no additional renewal provisions. The current combined value of both contracts is shown in Table 3 (below).

Table 3

| Golf Course Maintenance and Management |   | Golf Course Pro Shop Staffing and Management |   |
|--|---|--|---|
| Description                            | Year 4 of Third Amendment<br>11/15/2024 -<br>11/15/2025 | Description                                  | Year 4 of Third Amendment<br>11/15/2024 -<br>11/15/2025 |
| Golf Course Management                 | \$ 100,000.00   | Total Base Annual Wages                      | \$ 134,339.96   |
| Staffing                               | \$ 401,919.21   | PCM Employee Benefits Package                | \$ 26,867.88  |
| Maintenance of the Golf Course         | \$ 792,359.66   | PCM Management Fee                           | \$ 15,000.00  |
| Health Insurance                       | \$ 30,000.00  | Theft Insurance Coverage \$500,000           | \$ 1,140.00   |
| Environmental/Pollution Insurance      | \$ 1,500.00   |  |   |
|  | <u>\$ 1,325,778.87</u>                                  |  | <u>\$ 177,347.84</u>                                    |

## Contract Overview

The Golf Course Management and Maintenance Agreement covers the full operation, management, maintenance, and repair of the Pembroke Lakes Golf Course. Under this agreement, Professional Course Management, LLC (PCM) is responsible for providing all labor, supervision, small tools, general supplies (such as flags and tees), fuel, and other necessary items required to fulfill the scope of services.

The City of Pembroke Pines, through the Recreation and Cultural Arts Department, provides oversight and administrative support. In addition, the city is responsible for:

- Supplying all capital equipment such as mowers and all capital improvements such as drainage projects.
- Providing all turf maintenance supplies and materials.
- Covering all utilities, such as electricity, phone, internet, and emergency power.
- Managing and funding all facility maintenance needs related to electrical, plumbing, masonry, carpentry, or other infrastructure.

The City and PCM are jointly responsible for identifying capital improvement needs for the golf course, while the City is tasked with budgeting and procuring any approved improvements through Administration and Commission approval.

The Golf Course Pro Shop Agreement includes the staffing and management of the pro shop. PCM must provide all labor, benefits, and supervision of pro shop personnel. The city, through the Recreation and Cultural Arts Department, provides the facility and all necessary equipment for pro shop operations. It should be noted here that the pro shop agreement does not include the retail portions of the pro shop. The retail component is handled by a separate agreement with TA Golf Sales in which the city receives 5% of gross sales revenues.

Importantly, under both PCM agreements, the city retains 100% of all revenue generated through the operation of the golf course.

Both contracts are scheduled to expire on November 15, 2026, and neither includes a renewal provision.

### **Contract Extension and Contract Increase Request**

On December 11, 2024, PCM owner Johnny Laponzina submitted a formal request to Assistant City Manager/Director of Recreation and Cultural Arts, Christina Sorensen, to renew both the Golf Course Management and Maintenance Agreement and the Golf Pro Shop Staffing Agreement for an additional five-year term beginning on November 15, 2026.

In addition, Mr. Laponzina requests that modifications to the PCM agreement be approved, effective April 15, 2025, to better reflect the current economic environment. Between October 2020 and October 2024, the local Consumer Price Index (CPI) increased by 57% and the minimum wage rose by 65%, from \$8.56 in 2020 to \$14.00 in 2025. In contrast, the only adjustment to the agreement—a 9% increase—has been applied solely to staffing costs, leaving the overall structure insufficient to absorb current cost pressures. Over a 28-year period, despite a 124% increase in the local CPI, the management fee has remained fixed at \$100,000—a level that, if adjusted for inflation, could have been approximately \$223,977 today. These disparities underscore Mr. Laponzina’s request for a revision of the contract terms to address the significant cost pressures currently faced. Greater details on Mr. Laponzina’s request can be found in his December 11<sup>th</sup> proposal package which is attached to this report as Attachment B.

The proposed modifications are as follows:

- An increase in the management fee for the Golf Management and Maintenance Agreement from \$100,000 to \$200,000.
- An increase in the management fee for the Golf Pro Shop Agreement from \$15,000 to \$20,000.
- An increase in the health care reimbursement cap from \$30,000 to \$35,000.

- An increase in the environmental/pollution liability insurance reimbursement from \$1,500 to \$2,000.
- A 3% annual increase applied to staffing and maintenance costs over the five-year extension rather than just years three, four, and five.
- Application of a 3% annual increase to the management fee, which is currently not adjusted annually.

If the proposed adjustments are approved effective April 15th, the current 2025 budget would increase by \$54,124.83 to cover the remaining months in the current year. Moving forward, these costs will be incorporated into the proposed golf course budget—a self-supported division—ensuring that the additional expense is fully considered in future budget balancing.

Table 4 below presents a comparative analysis of the current contract budget and the proposed budget, reflecting the impact of the adjustments.

Table 4

| Summary                                 | Adjusted Budget | Current Budget | Budget Adjustment Needed |
|---|-----------------|----------------|--------------------------|
| 001-573-7006-531500 - Professional Svcs | \$ 762,841.83   | \$ 708,717.00  | \$ 54,124.83             |
| 001-573-7006-534950 - Other Svcs Maint  | \$ 789,474.86   | \$ 789,475.00  | \$ -                     |

The financial analysis in this report assumes that the proposed increases are approved. Since both the agreement modifications and the five-year extension are being pursued concurrently—and the extension itself triggers the required function sourcing analysis—the estimates presented herein incorporate the requested increases for presentation purposes.

### Approach to Analysis

To evaluate the cost-effectiveness of continuing to outsource golf course management versus transitioning to in-house services with City staff, the analysis focuses on two primary components: personnel and minor operating expenses.

The city already covers most of the expenses associated with maintaining the golf course, including golf cart leases, chemicals, capital equipment, repairs, tree trimming, renovations, and other related costs. As a result, these expenses are not relevant to the cost comparison since they would remain unchanged regardless of service delivery method. In contrast, the majority of PCM’s contract cost is attributed to labor.

The financial analysis began by reviewing available data on both City personnel costs and contractor-related operating expenses. Although PCM is not required to provide detailed employee compensation data, they supplied position titles and estimated operating expense amounts that formed the basis of this analysis. City staff also identified

and excluded any costs already borne by the city, as these would not be affected by a change in service delivery.

If the City were to assume responsibility for golf course maintenance and pro shop staffing, the following cost categories would need to be funded:

1. Personnel Costs – Including salaries, benefits, and overtime.
2. Minor Operating Expenses – Specifically related to daily golf course maintenance activities.
3. Transition Costs – One-time expenses required to shift operations from contractor to City staff.

These categories are analyzed in detail in the following chapters:

- Chapter 2: Golf Maintenance and Golf Pro Shop Cost Components
- Chapter 3: Cost of Transition



## Chapter 2: Golf Maintenance and Golf Pro Shop Cost Components

### Personnel

#### *Salaries*

Personnel represents the largest expense for both golf course maintenance and pro shop management. Although PCM is not required to disclose detailed compensation or benefits information, they provided the necessary employee counts and position titles for this analysis.

Based on PCM's data, the anticipated staffing includes 21 full-time and 12 part-time employees. Salary data for comparable positions was sourced from the Public Employee Pay Equity Initiative (PEPIE) salary survey, which compiles wage information for Florida's public employees. The average of the minimum and maximum salaries for each position was calculated to establish estimated salary figures (see Table 5).

Table 5

| Average Minimum and Maximum Salaries for other Broward Entities |                                    |                |                |                      |                      |
|---|------------------------------------|----------------|----------------|----------------------|----------------------|
| Job Title   | Comparable Title from Pepie Survey | Minimum Salary | Maximum Salary | Minimum Salary/ Hour | Maximum Salary/ Hour |
| Director of Golf  | Deputy Director/Assistant Director | \$ 99,147.97   | \$ 159,665.49  | \$ 47.67             | \$ 76.76             |
| Assistant Director of Golf                                      | Recreation/Parks Superintendent    | \$ 72,113.50   | \$ 116,449.93  | \$ 34.67             | \$ 55.99             |
| Superintendent  | Grounds Superintendent             | \$ 69,834.29   | \$ 110,879.95  | \$ 33.57             | \$ 53.31             |
| Assitant Superintendent   | Foreman                            | \$ 59,335.62   | \$ 91,968.75   | \$ 28.53             | \$ 44.22             |
| Operator/Laborer/Groundskeeper                                  | Groundskeeper/Grounds Maintenance  | \$ 34,730.28   | \$ 53,855.08   | \$ 16.70             | \$ 25.89             |
| Irrigation/Sprinkler Technician/Operator                        | Irrigation Technician              | \$ 39,891.33   | \$ 62,527.08   | \$ 19.18             | \$ 30.06             |
| Mechanic  | Mechanic                           | \$ 46,072.06   | \$ 72,965.95   | \$ 22.15             | \$ 35.08             |
| Administrative Assistant  | Administrative Assistant           | \$ 40,041.17   | \$ 62,200.03   | \$ 19.25             | \$ 29.90             |
| Cashier   | Golf Pro Shop Coordinator          | \$ 37,442.10   | \$ 57,126.56   | \$ 18.00             | \$ 27.46             |

These averages were then applied to the staffing list, with part-time wages determined by current market rates. Given the uncertainty of whether existing golf course staff will transition to City employment, the analysis assumes that new hires will be made, requiring competitive compensation at the high to mid-range of the salary spectrum. This approach is intended to attract experienced personnel necessary for an effective transition. Detailed projections for each position are provided in Attachment C. The total estimated annual personnel salary cost is \$1,512,638.

***Benefits***

With the estimated salaries proposed, staff utilized data from the 2025 budget module to project the benefit costs for these employees. See Table 6 below for the calculations utilized to forecast the benefit cost of each employee.

Table 6

| Benefit Cost Factors per Employee |                                  |
|-----------------------------------|----------------------------------|
| FICA                              | 7.65%                            |
| Retirement                        | 12% Employees and 15% Management |
| Health Insurance per employee     | \$22,222                         |
| Life Insurance                    | 0.490%                           |
| Workers' Compensation Insurance   | 5.9%                             |
| OPEB (per employee)               | \$15,383                         |

Utilizing the total estimated annual personnel salary cost of \$1,512,638, the estimated benefit cost is \$1,238,204. See Attachment C for details on the burden cost for each proposed position.

***Overtime***

Staff proposed an amount of \$20,000 for estimated overtime costs. The total projected cost of personnel to transition from PCM to city staff is estimated at \$2,770,842. See Table 7 below.

Table 7

| Total Personnel Cost |             |
|----------------------|-------------|
| Salaries             | \$1,512,638 |
| Benefits             | \$1,238,204 |
| Overtime             | \$20,000    |
| Total                | \$2,770,842 |

**Operating Expenses**

To determine the operating costs for golf course maintenance, the Assistant City Manager reviewed minor expenses with PCM. These projections include only those costs currently managed by PCM, which are in addition to the Recreation and Cultural Arts Department's regular budget for golf course operations. Table 8 summarizes these operating expenses.

Table 8

| Object Code | Description  | Estimated Budget |
|-------------|--|------------------|
| 41100       | Cellphones, Hot Spots and other telecommunication needs for the golf maintenance staff | \$ 5,000         |
| 44200       | Copier Lease   | \$ 2,000         |
| 46150       | Miscellaneous repairs  | \$ 5,000         |
| 46170       | Repairs to irrigation lines, sprinkler heads, etc.                                     | \$ 7,000         |
| 46250       | Supplies for repairs to lawn equipment and maintenance shop tools                      | \$ 5,000         |
| 49105       | License for spray technician   | \$ 1,000         |
| 51100       | Miscellaneous office supplies  | \$ 750           |
| 52000       | Misc operating supplies such as course flags, sticks, rope, sand, etc.                 | \$ 4,000         |
| 52150       | Misc safety equipment  | \$ 750           |
| 52300       | Miscellaneous small tools for staff  | \$ 1,500         |
| 52540       | Fuel for lawn mowers   | \$ 6,000         |
| 52650       | Small equipment such as blowers, weed eaters, etc.                                     | \$ 3,000         |
|             | Estimated Operating Expenses   | \$ 41,000        |
|             | 5% Contingency   | \$ 2,050         |
|             | <b>Total Estimated Operating Expenses</b>  | <b>\$ 43,050</b> |

## Capital Equipment

The city pays directly for all capital requirements of the golf course. Therefore, capital costs are not considered in this analysis.

## Insurance Costs

The City's Risk Manager received a copy of this analysis. Based on the number of employees, equipment needed, and risk assumed by performing the work, the estimate for the cost of property, casualty and liability insurance is \$400,000 annually. This amount includes the cost of claims that arise from property damage and liability claims for accidents such as injuries from falls.

## Chapter 3: Cost to Transition

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In Chapter 2, the analysis determined that a staff of thirty-three (33) employees are needed to take over the golf course maintenance and pro shop operation. The onboarding process to hire and train new employees could take up to three months. The Risk Department estimates the cost to recruit each employee to be \$500.

The city will need to build in a transition period wherein PCM will maintain their function while the city recruits, hires and trains new employees. A conservative estimate of three months is included in the cost of transition.

Table 9 below includes the estimated transition costs.

Table 9

| Transition Costs for 3 months   |                  |
|---|------------------|
| Three months of PCM contract to overlap hiring City personnel 11/15/26 - 2/15/27<br>\$1,710,074 x 25% | \$ 427,518.46    |
| City Recruitment Costs (33 new hires x \$500 per employee)  | \$ 16,500        |
| <b>Total</b>  | <b>\$444,018</b> |

## Chapter 4: Conclusion and Recommendation

The Recreation and Cultural Arts Department completed the analysis of the PCM agreement. The analysis included a review of personnel requirements, operating expenses, and transition costs. Table 10 below summarizes the five-year cost differential between retaining the PCM contracts and transitioning to in-house staffing.

Table 10

| <b>Golf Course Management In-House Conversion Cost Analysis</b>                                    |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Estimated Annual City Costs</b>   | <b>Year 1</b>       | <b>Year 2</b>       | <b>Year 3</b>       | <b>Year 4</b>       | <b>Year 5</b>       |
| Personnel (33 Employees)   | \$ 2,770,842        | \$ 2,909,384        | \$ 3,054,853        | \$ 3,207,596        | \$ 3,367,976        |
| Operating Expenses   | \$ 43,050           | \$ 44,342           | \$ 45,672           | \$ 47,042           | \$ 48,453           |
| Insurance and Claims Costs   | \$ 400,000          | \$ 412,000          | \$ 424,360          | \$ 437,091          | \$ 450,204          |
| Transition Costs   |                     |                     |                     |                     |                     |
| Three months of PCM contract to overlap hiring City personnel 11/15/26 - 2/15/27 \$1,710,074 x 25% | \$ 427,518          | \$ -                | \$ -                | \$ -                | \$ -                |
| City Recruitment Costs (33 new hires x \$500 per employee)   | \$ 16,500           | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Sub-total</b>   | <b>\$ 3,657,910</b> | <b>\$ 3,365,725</b> | <b>\$ 3,524,885</b> | <b>\$ 3,691,729</b> | <b>\$ 3,866,632</b> |

| <b>Estimated Annual PCM Contract Costs</b> | <b>Year 1</b>       | <b>Year 2</b>       | <b>Year 3</b>       | <b>Year 4</b>       | <b>Year 5</b>       |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| PCM Golf Course Maintenance Contract       | \$ 1,516,690        | \$ 1,561,066        | \$ 1,606,773        | \$ 1,653,851        | \$ 1,702,342        |
| PCM Golf Pro Shop Staffing Contract        | \$ 193,383          | \$ 199,151          | \$ 205,091          | \$ 211,210          | \$ 217,512          |
| <b>Sub-total</b>                           | <b>\$ 1,710,074</b> | <b>\$ 1,760,217</b> | <b>\$ 1,811,864</b> | <b>\$ 1,865,061</b> | <b>\$ 1,919,854</b> |

|   |                     |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Estimated Net Increase to Budget</b> | <b>\$ 1,947,836</b> | <b>\$ 1,605,509</b> | <b>\$ 1,713,021</b> | <b>\$ 1,826,668</b> | <b>\$ 1,946,779</b> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|

The analysis indicates that bringing the golf course management operation in-house would result in an estimated Year One cost of \$3,657,910—\$1,947,836 higher than the current contract costs. Additional details are provided in Attachment D

Moreover, transitioning in-house would eliminate the City's revenue from PCM's Premier Card Program, a separate membership initiative that currently generates an average annual revenue of \$500,000 for the city.

Based on the findings in the analysis, Administration recommends approving the fourth amendment for both the Golf Course Maintenance and Management and the Golf Course Pro Shop Staffing for a five-year period effective November 15, 2026.

Golf Course Management - Professional Course Management, Ltd - Cost History  
Golf Course Management and Maintenance Agreement

| Description                       | Restated Original Agreement |                            |                            |                            |                            | First Amendment            |                            |                            |                            |                            |
|-----------------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                   | 11/15/2006 -<br>11/15/2007  | 11/15/2007 -<br>11/15/2008 | 11/15/2008 -<br>11/15/2009 | 11/15/2009 -<br>11/15/2010 | 11/15/2010 -<br>11/15/2011 | 11/15/2011 -<br>11/15/2012 | 11/15/2012 -<br>11/15/2013 | 11/15/2013 -<br>11/15/2014 | 11/15/2014 -<br>11/15/2015 | 11/15/2015 -<br>11/15/2016 |
| Golf Course Management            | \$ 100,000.00               | \$ 100,000.00              | \$ 100,000.00              | \$ 100,000.00              | \$ 100,000.00              | \$ 100,000.00              | \$ 100,000.00              | \$ 100,000.00              | \$ 100,000.00              | \$ 100,000.00              |
| Staffing                          | \$ 290,355.00               | \$ 290,355.00              | \$ 299,065.65              | \$ 308,037.62              | \$ 317,278.75              | \$ 317,278.75              | \$ 317,278.75              | \$ 326,797.11              | \$ 336,601.02              | \$ 346,699.05              |
| Maintenance of the Golf Course    | \$ 512,392.00               | \$ 572,392.00              | \$ 589,563.76              | \$ 607,250.67              | \$ 625,468.19              | \$ 625,468.19              | \$ 625,468.19              | \$ 644,232.24              | \$ 663,559.21              | \$ 683,465.99              |
| Health Insurance                  |                             |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Environmental/Pollution Liability |                             |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Insurance Reimbursement           |                             |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| <b>Total</b>                      | <b>\$ 902,747.00</b>        | <b>\$ 962,747.00</b>       | <b>\$ 988,629.41</b>       | <b>\$ 1,015,288.29</b>     | <b>\$ 1,042,746.94</b>     | <b>\$ 1,042,746.94</b>     | <b>\$ 1,042,746.94</b>     | <b>\$ 1,071,029.35</b>     | <b>\$ 1,100,160.23</b>     | <b>\$ 1,130,165.04</b>     |

| Description                       | Second Amendment           |                            |                            |                            |                            | Third Amendment (Current Agreement) |                            |                            |                            |                            |
|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                   | 11/15/2016 -<br>11/15/2017 | 11/15/2017 -<br>11/15/2018 | 11/15/2018 -<br>11/15/2019 | 11/15/2019 -<br>11/15/2020 | 11/15/2020 -<br>11/15/2021 | 11/15/2021 -<br>11/15/2022          | 11/15/2022 -<br>11/15/2023 | 11/15/2023 -<br>11/15/2024 | 11/15/2024 -<br>11/15/2025 | 11/15/2025 -<br>11/15/2026 |
| Golf Course Management            | \$ 100,000.00              | \$ 100,000.00              | \$ 100,000.00              | \$ 100,000.00              | \$ 100,000.00              | \$ 100,000.00                       | \$ 100,000.00              | \$ 100,000.00              | \$ 158,333.33              | \$ 206,000.00              |
| Staffing                          | \$ 346,699.05              | \$ 346,699.05              | \$ 357,100.02              | \$ 367,813.02              | \$ 378,847.41              | \$ 378,847.41                       | \$ 378,847.41              | \$ 390,212.83              | \$ 401,919.21              | \$ 413,976.79              |
| Maintenance of the Golf Course    | \$ 683,465.99              | \$ 683,465.99              | \$ 704,001.29              | \$ 725,121.33              | \$ 746,874.97              | \$ 746,874.97                       | \$ 746,874.97              | \$ 769,281.22              | \$ 792,359.66              | \$ 816,130.45              |
| Health Insurance                  |                            |                            |                            |                            | \$ 30,000.00               | \$ 30,000.00                        | \$ 30,000.00               | \$ 30,000.00               | \$ 35,000.00               | \$ 35,000.00               |
| Environmental/Pollution Liability |                            |                            |                            |                            |                            |                                     |                            |                            |                            |                            |
| Insurance Reimbursement           |                            |                            |                            |                            | \$ 1,500.00                | \$ 1,500.00                         | \$ 1,500.00                | \$ 1,500.00                | \$ 2,500.00                | \$ 2,500.00                |
| <b>Total</b>                      | <b>\$ 1,130,165.04</b>     | <b>\$ 1,130,165.04</b>     | <b>\$ 1,161,101.31</b>     | <b>\$ 1,192,934.35</b>     | <b>\$ 1,225,722.38</b>     | <b>\$ 1,257,222.38</b>              | <b>\$ 1,257,222.38</b>     | <b>\$ 1,290,994.05</b>     | <b>\$ 1,390,112.20</b>     | <b>\$ 1,473,607.24</b>     |

|  |                                    |
|--|------------------------------------|
| Current Year with<br>Proposed Rate<br>Increase Eff 4.15.25 | Final Year of Current<br>Agreement |
|--|------------------------------------|

| Description                       | Proposed Fourth Amendment  |                            |                            |                            |                            |
|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                   | 11/15/2026 -<br>11/15/2027 | 11/15/2027 -<br>11/15/2028 | 11/15/2028 -<br>11/15/2029 | 11/15/2029 -<br>11/15/2030 | 11/15/2030 -<br>11/15/2031 |
| Golf Course Management            | \$ 212,180.00              | \$ 218,545.40              | \$ 225,101.76              | \$ 231,854.81              | \$ 238,810.46              |
| Staffing                          | \$ 426,396.09              | \$ 439,187.98              | \$ 452,363.62              | \$ 465,934.53              | \$ 479,912.57              |
| Maintenance of the Golf Course    | \$ 840,614.36              | \$ 865,832.79              | \$ 891,807.77              | \$ 918,562.00              | \$ 946,118.86              |
| Health Insurance                  | \$ 35,000.00               | \$ 35,000.00               | \$ 35,000.00               | \$ 35,000.00               | \$ 35,000.00               |
| Environmental/Pollution Liability |                            |                            |                            |                            |                            |
| Insurance Reimbursement           | \$ 2,500.00                | \$ 2,500.00                | \$ 2,500.00                | \$ 2,500.00                | \$ 2,500.00                |
| <b>Total</b>                      | <b>\$ 1,516,690.46</b>     | <b>\$ 1,561,066.17</b>     | <b>\$ 1,606,773.15</b>     | <b>\$ 1,653,851.34</b>     | <b>\$ 1,702,341.89</b>     |

## Golf Course Management - Professional Course Management, Ltd - Cost History

### Golf Pro Shop Agreement

| Original Agreement                 |                             |  |                         |  |                         |  |                         |              |                         |              |                         | First Amendment |                         |              |                         |  |                         |  |                         |  |
|------------------------------------|-----------------------------|--|-------------------------|--|-------------------------|--|-------------------------|--------------|-------------------------|--------------|-------------------------|-----------------|-------------------------|--------------|-------------------------|--|-------------------------|--|-------------------------|--|
| Description                        | 11/15/2006 - 11/15/2007     |  | 11/15/2007 - 11/15/2008 |  | 11/15/2008 - 11/15/2009 |  | 11/15/2009 - 11/15/2010 |              | 11/15/2010 - 11/15/2011 |              | 11/15/2011 - 11/15/2012 |                 | 11/15/2012 - 11/15/2013 |              | 11/15/2013 - 11/15/2014 |  | 11/15/2014 - 11/15/2015 |  | 11/15/2015 - 11/15/2016 |  |
|                                    |                             |  |                         |  |                         |  |                         |              |                         |              |                         |                 |                         |              |                         |  |                         |  |                         |  |
| Total Base Annual Wages            | Operation Run by City Staff |  |                         |  |                         |  | \$102,960.00            | \$106,048.80 | \$106,048.80            | \$106,048.80 | \$106,048.80            | \$109,230.26    | \$112,507.17            | \$115,882.39 |                         |  |                         |  |                         |  |
| PCM Employee Benefits Package      |                             |  |                         |  |                         |  | \$20,592.00             | \$21,209.76  | \$21,209.76             | \$21,209.76  | \$21,209.76             | \$21,846.05     | \$22,501.43             | \$23,176.47  |                         |  |                         |  |                         |  |
| PCM Management Fee                 |                             |  |                         |  |                         |  | \$15,000.00             | \$15,000.00  | \$15,000.00             | \$15,000.00  | \$15,000.00             | \$15,000.00     | \$15,000.00             | \$15,000.00  |                         |  |                         |  |                         |  |
| Theft Insurance Coverage \$500,000 |                             |  |                         |  |                         |  | \$1,140.00              | \$1,140.00   | \$1,140.00              | \$1,140.00   | \$1,140.00              | \$1,140.00      | \$1,140.00              | \$1,140.00   |                         |  |                         |  |                         |  |
| Total                              |                             |  |                         |  |                         |  | \$139,692.00            | \$143,398.56 | \$143,398.56            | \$143,398.56 | \$143,398.56            | \$147,216.31    | \$151,148.60            | \$155,198.86 |                         |  |                         |  |                         |  |

| Description                        | Second Amendment           |                            |                            |                            |                            | Third Amendment (Current Agreement) |                            |                            |                            |                            |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                    | 11/15/2016 -<br>11/15/2017 | 11/15/2017 -<br>11/15/2018 | 11/15/2018 -<br>11/15/2019 | 11/15/2019 -<br>11/15/2020 | 11/15/2020 -<br>11/15/2021 | 11/15/2021 -<br>11/15/2022          | 11/15/2022 -<br>11/15/2023 | 11/15/2023 -<br>11/15/2024 | 11/15/2024 -<br>11/15/2025 | 11/15/2025 -<br>11/15/2026 |
| Total Base Annual Wages            | \$115,882.39               | \$115,882.39               | \$119,359.32               | \$122,940.10               | \$126,628.30               | \$126,628.30                        | \$126,628.30               | \$130,427.15               | \$134,339.96               | \$138,370.16               |
| PCM Employee Benefits Package      | \$23,176.47                | \$23,176.47                | \$23,871.76                | \$24,587.91                | \$25,325.55                | \$25,325.55                         | \$25,325.55                | \$26,085.32                | \$26,867.88                | \$27,673.92                |
| PCM Management Fee                 | \$15,000.00                | \$15,000.00                | \$15,000.00                | \$15,000.00                | \$15,000.00                | \$15,000.00                         | \$15,000.00                | \$15,000.00                | \$20,000.00                | \$20,600.00                |
| Theft Insurance Coverage \$500,000 | \$1,140.00                 | \$1,140.00                 | \$1,140.00                 | \$1,140.00                 | \$1,140.00                 | \$1,140.00                          | \$1,140.00                 | \$1,140.00                 | \$1,140.00                 | \$1,140.00                 |
| <b>Total</b>                       | <b>\$155,198.86</b>        | <b>\$155,198.86</b>        | <b>\$159,371.08</b>        | <b>\$163,668.01</b>        | <b>\$168,093.85</b>        | <b>\$168,093.85</b>                 | <b>\$168,093.85</b>        | <b>\$172,652.47</b>        | <b>\$182,347.84</b>        | <b>\$187,784.08</b>        |

|   |                                       |
|---|---------------------------------------|
| Current Year with<br>Proposed Rate<br>Increase Eff<br>4.15.25 | Final Year of<br>Current<br>Agreement |
|---|---------------------------------------|

#### Proposed Fourth Amendment

| Description                        | 11/15/2026 -<br>11/15/2027 | 11/15/2027 -<br>11/15/2028 | 11/15/2028 -<br>11/15/2029 | 11/15/2029 -<br>11/15/2030 | 11/15/2030 -<br>11/15/2031 |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                    |                            |                            |                            |                            |                            |
| Total Base Annual Wages            | \$142,521.26               | \$146,796.90               | \$151,200.80               | \$155,736.83               | \$160,408.93               |
| PCM Employee Benefits Package      | \$28,504.14                | \$29,359.26                | \$30,240.04                | \$31,147.24                | \$32,081.66                |
| PCM Management Fee                 | \$21,218.00                | \$21,854.54                | \$22,510.18                | \$23,185.48                | \$23,881.05                |
| Theft Insurance Coverage \$500,000 | \$1,140.00                 | \$1,140.00                 | \$1,140.00                 | \$1,140.00                 | \$1,140.00                 |
| <b>Total</b>                       | <b>\$193,383.40</b>        | <b>\$199,150.70</b>        | <b>\$205,091.02</b>        | <b>\$211,209.55</b>        | <b>\$217,511.64</b>        |



**Request for Modification and Renewal of the  
Pembroke Lakes Golf Course and Pro Shop Management  
Agreements between the City of Pembroke Pines and  
Professional Course Management**





# PROFESSIONAL COURSE MANAGEMENT

December 11, 2024

Christina Sorenson  
Director of Recreation & Cultural Arts/Assistant City Manager  
CITY OF PEMBROKE PINES  
601 City Center Way, S-313  
Pembroke Pines, FL 33025

Re: Request for Modification and Renewal of the PCM Management Agreements

Christina,

As we have previously discussed, PCM is requesting to modify our current agreements which expire on November 15, 2026. The modifications are outlined in this letter and would include an option to renew the Pembroke Lakes Golf Course and Pro Shop Management Agreements for an additional 5-year term expiring November 15, 2031 with the mutual consent of the City of Pembroke Pines and PCM.

When we reflect on our partnership over the past 28 years, we recognize the mutual benefits our contract has provided to both our organization and the City of Pembroke Pines. This long-standing relationship has allowed us to successfully manage operations, drive revenue growth, and maintain high levels of service. However, due to significant economic changes and rising operational costs in recent years, we find ourselves in a position where we must formally request an adjustment to our management contract and associated expenses moving forward.

Since the inception of our agreement, we have made every effort to absorb rising costs while continuing to deliver quality service. However, the current economic environment, including record inflation, substantial increases in minimum wages, and escalating overall operational costs has made it increasingly difficult to maintain the same level of service without adjusting our financial terms.

To provide context, we have researched what other comparable management companies in South Florida charge municipalities for similar services and the financial realities they are facing. We will present this data in more detail in the attached documents.

- **Current PCM Agreement:** The PCM management fee has remained the same for the last 28 years, in which we receive \$100,000 each year with a 3% increase every third, fourth, and fifth year for salaries and wages only. It's important to note that in the same 28 year period the CPI increased 98%.
- **Impact of Inflation:** Over the past 4 years the Consumer Price Index (CPI) has grown 21.49% from 2020 to 2024. This highlights the growing disparity between our current contract terms and the actual cost of doing business.



## Key Points for Consideration

Here are several key factors we would like to discuss that demonstrate why a modification to the agreement is justified:

- **Increased Revenue:** Since 2020, we have increased our revenue by more than \$1.1 million, showcasing the success of our management and the continued growth of the facility.
- **Increased Rounds Played:** The total number of rounds played has increased by 5,600, going from 41,206 rounds in 2020 to 46,866 rounds in 2024. This increase in demand has put additional pressure on our resources and staffing.
- **Increased Average Revenue Per Round:** The average revenue per round has increased from \$44.51 to \$61.28, reflecting the success of our marketing efforts.
- **Premier Card Revenue:** As a result of PCM including Pembroke Lakes Golf Club in the Premier Card program, the Premier Card currently generates well over \$500,000 annually to the bottom line. Revenue generated from our Premier Card program at Pembroke Lakes has grown 61% since 2020, further contributing to the financial health of the operation.

## Staffing and Wage Increases

Our ability to attract and retain qualified staff has been increasingly challenged by the rising cost of living and wage increases across the industry. Key points include:

- **Minimum Wage Increases:** Minimum wage in Florida is set to rise by \$6.44 per hour from 2020 to 2026, which represents a significant increase in labor costs for non-exempt employees. While this represents a 75.23% increase, our staffing agreement for this period increased by only 12%.
- **Tipped Employee Wage Increases:** Tipped employees will see a wage increase of \$6.44 per hour from 2020 to 2026, further compounding the need for an adjustment to our budget. While this represents a 116.25% increase, our staffing agreement for this period increased by only 12% as well.

## Competitor and Industry Comparisons

To provide further context for our request, we have attached the following documents:

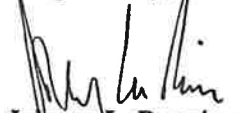
1. **5-Year Rounds & Revenue Comparison at Pembroke Lakes Golf Club:** A breakdown of our financial performance over the last five years.
2. **Florida Minimum Wage Increases:** A summary of the scheduled increases in minimum wage for Florida workers, which directly impacts our payroll expenses.
3. **Local Management Fees of Competitors:** A comparative analysis of management fees in South Florida charged by other companies in the area for similar services, highlighting the gap between our current contract and the industry standard.

## **Conclusion and Request**

Given these rising costs and the continued performance improvements, we believe an adjustment to the PCM agreements is both reasonable and necessary. We respectfully request an increase to the management contract to more accurately reflect current economic conditions and ensure we can continue to provide top-quality service to the City of Pembroke Pines.

We are available to meet with any and all City officials to discuss our proposal and are requesting a modified agreement approval by February 1, 2025. We are proud of the long-standing relationship we have maintained with the City of Pembroke Pines, and we look forward to continuing this partnership.

Respectfully,



Johnny LaPonzina  
President

## **Attachments:**

1. **Proposed Modifications to Renew the Pembroke Lakes Management Agreements**
2. **5-Year Rounds and Revenue Comparison at Pembroke Lakes Golf Club**
3. **Florida Minimum Wage Increases**
4. **Local Management Fee Comparisons**
5. **Letters from Local Management Companies**

**Proposed Modifications to Renew the Pembroke Lakes Golf Course and Pro Shop  
Management Agreements between the City of Pembroke Pines and  
Professional Course Management (PCM)**

We respectfully request the following necessary modifications in the current terms and conditions of PCM's management agreements with the City of Pembroke Pines, including an additional 5-year renewal.

**1. PCM Golf Course Agreement Management Fee**

Since the inception of the management agreement (1996) which PCM inherited at the City's request from the previous contractor 28 years ago, the Golf Course Management Fee has remained constant at \$100,000 annually without any adjustment for inflation and increased costs. Given the substantial rise in management fees over the years in the golf industry, inflation, increased costs, and to have competitive fees, we are requesting an increase to \$200,000 annually for the continued services PCM provides.

**2. PCM Pro Shop Agreement Management Fee**

For the last 15 years, the Pro Shop Management Fee has remained unchanged at \$15,000 annually. To reflect the increased management fees associated with running a high-quality facility, we request an increase to \$20,000 annually for these services.

**3. 3% Annual Inflation Increase**

Currently, the 3% annual inflation increase applies only to years three through five of the 5-year agreement. We are requesting a 3% annual inflation increase for each of the five years of the Golf Course and Pro Shop agreements moving forward. This increase would also apply to both the Golf Course Management Fee and Pro Shop Management Fee going forward to compensate for future inflation.

**4. Health Care Costs**

The annual reimbursement cap for additional healthcare costs, due to the Affordable Care Act, is currently set at \$30,000. However, due to rising health insurance premiums (19% premium increase this year), PCM requests an increase in this reimbursement cap to \$35,000 annually to cover the rising premium costs.

**5. Environmental/Pollution Liability Insurance**

The current annual reimbursement for Environmental/Pollution Liability Insurance is capped at \$1,500. To accommodate rising costs, PCM is requesting an increase in this reimbursement up to \$2,500 annually.

Due to tremendous inflationary pressures over the last few years, the modifications outlined above represent the minimum necessary financial terms PCM requires to continue management services at Pembroke Lakes Golf Club.

These terms are reasonable and more than competitive with golf industry management fee standards in South Florida (please see Page 7, Local Management Fee Comparison) and reflect the reality of rising operational costs across the region. Our financial results and level of services provided speak for themselves.



# Pembroke Lakes Golf Course 5 Year Rounds & Revenue Comparisons

| <b>Fiscal Year</b> | <b>Rounds</b> | <b>Revenue</b>        |
|--------------------|---------------|-----------------------|
| <b>2023 – 2024</b> | <b>46,866</b> | <b>\$3,036,811.23</b> |
| <b>2022 – 2023</b> | <b>45,778</b> | <b>\$2,811,559.53</b> |
| <b>2021 – 2022</b> | <b>46,926</b> | <b>\$2,664,784.23</b> |
| <b>2020 – 2021</b> | <b>41,795</b> | <b>\$2,248,256.50</b> |
| <b>2019 – 2020</b> | <b>41,206</b> | <b>\$1,930,544.60</b> |

**Premier Card distributions and commissions  
are included in total fiscal year revenues.**

# Florida Minimum Wage Increases

| Year | Minimum Wage | Tipped Wage |
|------|--------------|-------------|
| 2026 | \$15.00      | \$11.98     |
| 2025 | \$14.00      | \$10.98     |
| 2024 | \$13.00      | \$9.98      |
| 2023 | \$12.00      | \$8.98      |
| 2022 | \$11.00      | \$7.98      |
| 2022 | \$10.00      | \$6.98      |
| 2021 | \$8.65       | \$5.63      |
| 2020 | \$8.56       | \$5.54      |

**Minimum wage from 2020 to 2026 is set to increase \$6.44 per hour or 75.23%.**

**Tipped wage from 2020 to 2026 are set to increase \$6.44 per hour or 116.25%.**

## **Local Municipalities and Public Golf Course Paid Management Fees and Incentives**

---

| <b>Golf Course</b>               | <b>Management Fees<br/>and Incentives</b> |
|----------------------------------|---|
| <b>Plantation Preserve</b>       | <b>\$190,000</b>                          |
| <b>Miami Lakes Golf Club</b>     | <b>\$350,000</b>                          |
| <b>Miami Shores Country Club</b> | <b>\$450,000</b>                          |
| <b>Normandy Shores Golf Club</b> | <b>\$467,454</b>                          |
| <b>Miami Beach Golf Club</b>     | <b>\$702,215</b>                          |

**Attached are letters from each company stating their management package.**



# De Lucca Golf Course Management

7601 Miami Lakes Dr.  
Miami Lakes, FL 33014  
305.785.9029  
charlied@miamilakesgolf.com

Good Morning Mr. Allison

The information we spoke about as it pertains to the management contract of the Miami Lakes Golf Course is as follows. DeLucca Golf Course Management receives \$200,000.00 a year until all of the renovations are complete including new club house and learning facility on the driving range. Based on the proforma the contract should generate between 325,00.00 and 375,000. If you have any other question please just give me a call.

Sincerely,



Charles De Lucca III  
President



*Miami Shores*



*Country Club*

December 9, 2024

To whom it may concern:

Professional Course Management has managed Miami Shores Country Club since March 1989. Currently Miami Shores Country Club pays Professional Course Management a management fee of \$450,000.00 a year. Should you have any questions do not hesitate to contact me at 305-795-2360 Ext. 103.

Respectfully,

Teresa Aponte  
Controller

M.S.C.C. OPERATED BY  
PROFESSIONAL COURSE MANAGEMENT



Dec. 10, 2024

To whom it may concern,

Professional Course Management has a contract with the City of Miami Beach for the management of Normandy Shores Golf Club. The base management plus incentive fees for the Normandy Shores Golf Club were \$467,454.00 for the FY ending Sept. 24.

Steve Farrell

General Manager



## Miami Beach Golf Club

*The Premier Golf Destination in the Heart of Historic Miami Beach.*

Dec. 10, 2024

To whom it may concern,

Professional Course Management has a contract with the City of Miami Beach for the management of Miami Beach Golf Club. The base management plus incentive fees for the Miami Beach Golf Club were \$702,215.00.00 for the FY ending Sept. 24.

Steve Farrell

General Manager

A handwritten signature in black ink, appearing to be 'S. Farrell', with a long horizontal line extending to the right.

Details on Proposed Staffing Cost Estimates

|    | Job Title                                      | FT/PT | MGMT | Minimum Salary | Maximum Salary | Calculated Salary               | Estimated Salaries (Based on Percentage) | FICA (7.65%) | Retirement Plan (12% of salary or 15% for mgmt) | Health Insurance (\$22,222 per employee) | Life Insurance (0.49%) | Workers Compensation Insurance (5.9%) | OPEB (\$15,383 per employee) | Total Cost |
|----|--|-------|------|----------------|----------------|---------------------------------|--|--------------|---|--|------------------------|---------------------------------------|------------------------------|------------|
| 1  | Superintendent                                 | FT    | Y    | \$ 69,834      | \$ 110,880     | 75% of Difference b/w min & max | \$ 100,619                               | \$ 7,697     | \$ 15,093                                       | \$ 22,222                                | \$ 538                 | \$ 12,074                             | \$ 15,383                    | \$ 173,625 |
| 2  | Assistant Superintendent                       | FT    | Y    | \$ 59,336      | \$ 91,969      | 75% of Difference b/w min & max | \$ 83,810                                | \$ 6,412     | \$ 12,572                                       | \$ 22,222                                | \$ 448                 | \$ 10,057                             | \$ 15,383                    | \$ 150,904 |
| 3  | Mechanic                                       | FT    | N    | \$ 46,072      | \$ 72,966      | 75% of Difference b/w min & max | \$ 66,242                                | \$ 5,068     | \$ 7,949  | \$ 22,222                                | \$ 354                 | \$ 7,949                              | \$ 15,383                    | \$ 125,168 |
| 4  | PT Operator                                    | PT    | N    |                |                | \$16.00/Hour                    | \$ 24,128                                | \$ 1,846     |   |  |                        | \$ 2,895                              |                              | \$ 28,869  |
| 5  | Operator                                       | FT    | N    | \$ 34,730      | \$ 53,855      | 75% of Difference b/w min & max | \$ 49,074                                | \$ 3,754     | \$ 5,889  | \$ 22,222                                | \$ 262                 | \$ 5,889                              | \$ 15,383                    | \$ 102,473 |
| 6  | Operator                                       | FT    | N    | \$ 34,730      | \$ 53,855      | 75% of Difference b/w min & max | \$ 49,074                                | \$ 3,754     | \$ 5,889  | \$ 22,222                                | \$ 262                 | \$ 5,889                              | \$ 15,383                    | \$ 102,473 |
| 7  | Operator                                       | FT    | N    | \$ 34,730      | \$ 53,855      | Mid Range                       | \$ 44,293                                | \$ 3,388     | \$ 5,315  | \$ 22,222                                | \$ 237                 | \$ 5,315                              | \$ 15,383                    | \$ 96,153  |
| 8  | Operator/Laborer                               | FT    | N    | \$ 34,730      | \$ 53,855      | 75% of Difference b/w min & max | \$ 49,074                                | \$ 3,754     | \$ 5,889  | \$ 22,222                                | \$ 262                 | \$ 5,889                              | \$ 15,383                    | \$ 102,473 |
| 9  | Operator/Laborer                               | FT    | N    | \$ 34,730      | \$ 53,855      | 75% of Difference b/w min & max | \$ 49,074                                | \$ 3,754     | \$ 5,889  | \$ 22,222                                | \$ 262                 | \$ 5,889                              | \$ 15,383                    | \$ 102,473 |
| 10 | Operator/Laborer                               | FT    | N    | \$ 34,730      | \$ 53,855      | Mid Range                       | \$ 44,293                                | \$ 3,388     | \$ 5,315  | \$ 22,222                                | \$ 237                 | \$ 5,315                              | \$ 15,383                    | \$ 96,153  |
| 11 | Operator/Laborer                               | FT    | N    | \$ 34,730      | \$ 53,855      | Mid Range                       | \$ 44,293                                | \$ 3,388     | \$ 5,315  | \$ 22,222                                | \$ 237                 | \$ 5,315                              | \$ 15,383                    | \$ 96,153  |
| 12 | Groundsworker                                  | FT    | N    | \$ 34,730      | \$ 53,855      | 75% of Difference b/w min & max | \$ 49,074                                | \$ 3,754     | \$ 5,889  | \$ 22,222                                | \$ 262                 | \$ 5,889                              | \$ 15,383                    | \$ 102,473 |
| 13 | Groundsworker                                  | FT    | N    | \$ 34,730      | \$ 53,855      | 75% of Difference b/w min & max | \$ 49,074                                | \$ 3,754     | \$ 5,889  | \$ 22,222                                | \$ 262                 | \$ 5,889                              | \$ 15,383                    | \$ 102,473 |
| 14 | Groundsworker                                  | FT    | N    | \$ 34,730      | \$ 53,855      | Mid Range                       | \$ 44,293                                | \$ 3,388     | \$ 5,315  | \$ 22,222                                | \$ 237                 | \$ 5,315                              | \$ 15,383                    | \$ 96,153  |
| 15 | Groundsworker                                  | FT    | N    | \$ 34,730      | \$ 53,855      | Mid Range                       | \$ 44,293                                | \$ 3,388     | \$ 5,315  | \$ 22,222                                | \$ 237                 | \$ 5,315                              | \$ 15,383                    | \$ 96,153  |
| 16 | Director of Golf                               | FT    | Y    | \$ 99,148      | \$ 159,665     | 90% of Difference b/w min & max | \$ 153,614                               | \$ 11,751    | \$ 23,042                                       | \$ 22,222                                | \$ 821                 | \$ 18,434                             | \$ 15,383                    | \$ 245,267 |
| 17 | Assitant Director of Golf                      | FT    | Y    | \$ 72,114      | \$ 116,450     | 75% of Difference b/w min & max | \$ 105,366                               | \$ 8,060     | \$ 15,805                                       | \$ 22,222                                | \$ 563                 | \$ 12,644                             | \$ 15,383                    | \$ 180,043 |
| 18 | Admin/Human Resources                          | FT    | N    | \$ 40,041      | \$ 62,200      | 75% of Difference b/w min & max | \$ 56,660                                | \$ 4,335     | \$ 6,799  | \$ 22,222                                | \$ 303                 | \$ 6,799                              | \$ 15,383                    | \$ 112,502 |
| 19 | Starter  | FT    | N    |                |                | \$16.00/Hour                    | \$ 31,200                                | \$ 2,387     | \$ 3,744  | \$ 22,222                                | \$ 167                 | \$ 3,744                              | \$ 15,383                    | \$ 78,847  |
| 20 | Starter  | FT    | N    |                |                | \$16.00/Hour                    | \$ 31,200                                | \$ 2,387     | \$ 3,744  | \$ 22,222                                | \$ 167                 | \$ 3,744                              | \$ 15,383                    | \$ 78,847  |
| 21 | Baggage Room/Cart Attendant/Range Attendant    | FT    | N    |                |                | \$16.00/Hour                    | \$ 31,200                                | \$ 2,387     | \$ 3,744  | \$ 22,222                                | \$ 167                 | \$ 3,744                              | \$ 15,383                    | \$ 78,847  |
| 22 | PT Baggage Room/Cart Attendant/Range Attendant | PT    | N    |                |                | \$16.00/Hour                    | \$ 24,128                                | \$ 1,846     |   |  |                        | \$ 2,895                              |                              | \$ 28,869  |
| 23 | PT Baggage Room/Cart Attendant/Range Attendant | PT    | N    |                |                | \$16.00/Hour                    | \$ 24,128                                | \$ 1,846     |   |  |                        | \$ 2,895                              |                              | \$ 28,869  |
| 24 | PT Baggage Room/Cart Attendant/Range Attendant | PT    | N    |                |                | \$16.00/Hour                    | \$ 24,128                                | \$ 1,846     |   |  |                        | \$ 2,895                              |                              | \$ 28,869  |

Details on Proposed Staffing Cost Estimates

|           | Job Title  | FT/PT | MGMT | Minimum Salary | Maximum Salary | Calculated Salary | Estimated Salaries (Based on Percentage) | FICA (7.65%) | Retirement Plan (12% of salary or 15% for mgmt) | Health Insurance (\$22,222 per employee) | Life Insurance (0.49%) | Workers Compensation Insurance (5.9%) | OPEB (\$15,383 per employee) | Total Cost   |
|-----------|--|-------|------|----------------|----------------|-------------------|--|--------------|---|--|------------------------|---------------------------------------|------------------------------|--------------|
| 25        | PT Baggage Room/Car<br>Attendant/Range Attendant | PT    | N    |                |                | \$16.00/Hour      | \$ 24,128                                | \$ 1,846     |   |  |                        | \$ 2,895                              |                              | \$ 28,869    |
| 26        | PT Baggage Room/Car<br>Attendant/Range Attendant | PT    | N    |                |                | \$16.00/Hour      | \$ 24,128                                | \$ 1,846     |   |  |                        | \$ 2,895                              |                              | \$ 28,869    |
| 27        | PT Baggage Room/Car<br>Attendant/Range Attendant | PT    | N    |                |                | \$16.00/Hour      | \$ 24,128                                | \$ 1,846     |   |  |                        | \$ 2,895                              |                              | \$ 28,869    |
| 28        | Golf Pro Shop Coordinator                        | FT    | N    | \$ 37,442      | \$ 57,127      | Mid Range         | \$ 47,284                                | \$ 3,617     | \$ 5,674  | \$ 22,222                                | \$ 253                 | \$ 5,674                              | \$ 15,383                    | \$ 100,107   |
| 29        | PT Golf Pro Shop<br>Personnel                    | PT    | N    |                |                | \$16.00/Hour      | \$ 24,128                                | \$ 1,846     |   |  |                        | \$ 2,895                              |                              | \$ 28,869    |
| 30        | PT Golf Pro Shop<br>Personnel                    | PT    | N    |                |                | \$16.00/Hour      | \$ 24,128                                | \$ 1,846     |   |  |                        | \$ 2,895                              |                              | \$ 28,869    |
| 31        | PT Golf Pro Shop<br>Personnel                    | PT    | N    |                |                | \$16.00/Hour      | \$ 24,128                                | \$ 1,846     |   |  |                        | \$ 2,895                              |                              | \$ 28,869    |
| 32        | PT Golf Pro Shop<br>Personnel                    | PT    | N    |                |                | \$16.00/Hour      | \$ 24,128                                | \$ 1,846     |   |  |                        | \$ 2,895                              |                              | \$ 28,869    |
| 33        | PT Golf Pro Shop<br>Personnel                    | PT    | N    |                |                | \$16.00/Hour      | \$ 24,128                                | \$ 1,846     |   |  |                        | \$ 2,895                              |                              | \$ 28,869    |
|           | Overtime   |       |      |                |                |                   | \$ 20,000                                | \$ 1,530     |   |  |                        |                                       |                              | \$ 21,530    |
| Sub Total |  |       |      |                |                |                   | \$ 1,532,638                             | \$ 117,247   | \$ 160,075                                      | \$ 466,662                               | \$ 6,538               | \$ 181,512                            | \$ 323,043                   | \$ 2,787,715 |

| <b>Golf Course Management In-House Conversion Cost Analysis</b>                                    |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Estimated Annual City Costs</b>   | <b>Year 1</b>       | <b>Year 2</b>       | <b>Year 3</b>       | <b>Year 4</b>       | <b>Year 5</b>       |
| Personnel (33 Employees)   | \$ 2,787,715        | \$ 2,927,101        | \$ 3,073,456        | \$ 3,227,128        | \$ 3,388,485        |
| Operating Expenses   | \$ 43,050           | \$ 44,342           | \$ 45,672           | \$ 47,042           | \$ 48,453           |
| Insurance and Claims Costs   | \$ 400,000          | \$ 412,000          | \$ 424,360          | \$ 437,091          | \$ 450,204          |
| Transistion Costs  |                     |                     |                     |                     |                     |
| Three months of PCM contract to overlap hiring City personnel 11/15/26 - 2/15/27 \$1,710,074 x 25% | \$ 427,518          | \$ -                | \$ -                | \$ -                | \$ -                |
| City Recruitment Costs (33 new hires x \$500 per employee)   | \$ 16,500           | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Sub-total</b>   | <b>\$ 3,674,783</b> | <b>\$ 3,383,442</b> | <b>\$ 3,543,487</b> | <b>\$ 3,711,261</b> | <b>\$ 3,887,142</b> |

| <b>Estimated Annual PCM Contract Costs</b> | <b>Year 1</b>       | <b>Year 2</b>       | <b>Year 3</b>       | <b>Year 4</b>       | <b>Year 5</b>       |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| PCM Golf Course Maintenance Contract       | \$ 1,516,690        | \$ 1,561,066        | \$ 1,606,773        | \$ 1,653,851        | \$ 1,702,342        |
| PCM Golf Pro Shop Staffing Contract        | \$ 193,383          | \$ 199,151          | \$ 205,091          | \$ 211,210          | \$ 217,512          |
| <b>Sub-total</b>                           | <b>\$ 1,710,074</b> | <b>\$ 1,760,217</b> | <b>\$ 1,811,864</b> | <b>\$ 1,865,061</b> | <b>\$ 1,919,854</b> |

|   |                     |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Estimated Net Increase to Budget</b> | <b>\$ 1,964,709</b> | <b>\$ 1,623,225</b> | <b>\$ 1,731,623</b> | <b>\$ 1,846,200</b> | <b>\$ 1,967,288</b> |
|   |                     |                     |                     |                     | \$ 9,133,046        |

## Assumptions:

1. City Personnel Costs Year 2-5 include a 5% increase to account for wage increases and increases in cost of benefits. PCM Golf Maintenance Contract includes a 3% increase to account for allowed CPI increases to include the management fee. PCM Golf Pro Shop Contract includes a 3% increase on the wages, benefits, and the management fee. Salaries were based on averages from salaries of same or similar titles from Florida local goverments. The salary varies to account for the range in experience needed to fill the positions.
2. Operating Expenses include only those items that are currently the responsibility of the Golf Maintenance contractor. The City provides all capital equipmment, all chemicals and materials to maintain the grounds. The contractor only provides minimal supplies and tools to maintain the grounds.