



CITY COUNCIL REPORT

January 19, 2007

TO: Phillip L. Nelson, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance and Administration
Carol K. Anderson, Parks and Recreation Director

SUBJECT: Concession Stand Operations Report

Background:

- Listed on the attached document is the annual report from the concessionaire for operations in 2006. This was the third year of a five-year contract. Contract terms include: the contractor paying the City a percentage of the gross receipts less Michigan sales tax with a guaranteed minimum annual payment by the contractor.

Financial Considerations:

- Total gross sales were down slightly (10%+) in 2006 compared to 2005. This may be attributed to:
 - Less attendance at the Troy Family Aquatic Center (5108 fewer patrons than in 2005)
 - Overall poor summer weather
 - In lieu of opening during the adult summer soccer season at Firefighters Park the contractor installed vending machines.

Legal Considerations:

- There are no legal considerations.

Policy Considerations:

- There are no policy considerations.

Options:

- Although the evaluation fell below the minimum passing score of 70%, staff recommends that the city continue with the current vendor and continue efforts to improve the operation.

Concession Operations Final Reports

	Russell Chavaux <u>2006</u>	Russell Chavaux <u>2005</u>	Russell Chavaux <u>2004</u>	Sport Orion Express <u>2003</u>	Russell Chavaux <u>2002</u>
Total gross	\$113,794.95	\$126,871.79	\$ 84,425.35	\$ 58,535.05	\$139,235.67
Total gross less tax	\$107,353.73	\$119,690.36	\$ 79,359.83	\$ 55,311.10	\$ 131,354.40
Guarantee % or Money Guarantee (whichever is higher)	x 12% \$12,882.45 \$12,000	x 12% \$14,362.84 \$12,000	X 12% \$9,523.18 \$ 12,000	x 10% \$5,531.11 \$ 10,000	x 15% \$19,703.16 \$ 15,000
Aquatic Center Total	\$ 9,146.53	\$ 10,082.71	\$ 8,160	\$ 7,800	\$ 13,723.39
Parks Total	\$ 3,735.92	\$ 4,280.13	\$ 3,840	\$ 2,200	\$ 5,979.77
TFAC Attendance	50,240	55,348	36,047	38,578	53,542
TFAC Closed Days	6	7	21	23	15
Evaluation Score*	226.5	245	266	294.5	No official evaluation tool

(NOTE: Minimum passing score is 245 (70%), maximum possible score is 350)