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## City Council Regular Meeting

**DEPARTMENT:** Parks and Recreation

**FROM:** Jen Basham, Director of Parks and Recreation


**MEETING:** February 2, 2026

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**SUBJECT:**

Receive a report, hold a discussion, and provide staff direction on the proposed budget for Sports Facilities Management (SFM) to operate Chisenhall Sports Complex (*Staff Contact: Jen Basham, Director of Parks and Recreation*)

**STRATEGIC PRIORITY AND GOAL(S):**

Strategic Priority	Strategic Goal
 <p><b>Great Place to Live</b> Through Expanded Quality of Life Amenities</p>	4.1.2 5 Year Capital Plan Implementation

**SUMMARY:**

Sports Facilities Companies (SFC) assumed day-to-day management of Chisenhall Fields with initial projections informed by industry benchmarks, market comparables, and pre-operational planning assumptions. Now that SFC has been operating the facility and receiving strong market response, including positive customer feedback and increased tournament interest. SFC is presenting an updated annual operating budget that reflects:

1. Refined staffing structure (including operational coverage and service level needs based on actual facility utilization);
2. Higher confidence in revenue forecasts due to executed bookings and concessions performance; and
3. A more complete and transparent presentation of wages, taxes/benefits, operating expenses, and cost of goods sold (COGS).

This agenda item is intended to maintain transparency by clearly showing what was originally presented in the pro forma versus what is now being recommended based on real-world operations.

On October 20, 2025, City Council approved funding actions related to Chisenhall Fields, including:

- \$1,947,124 for creation of the Chisenhall Fund; and
- \$967,496 representing the 4B subsidy to the Chisenhall Fund.

The Council attachment from October 20 also included:

- Page 8: Breakdown of approximately \$1.9M in cost categories (startup costs and Year 1 operating expenses)
- Page 26+: Pro forma
- Page 30: Startup cost detail
- Page 32: SFC five-year projection summary

At the time, the pro forma served as the best available planning tool; however, SFC emphasized that projections would be refined once operations began and staffing, tournament patterns, concessions purchasing, and expenses could be validated through actual performance.

Original Pro Forma Wage & Salary Expense: \$665,161

SFC has identified that the original pro forma wage and salary line item appears to be incomplete compared to the more detailed staffing schedule presented in the October 20 Council attachment (Page 48 of the attachment / Page 19 of the full pro forma). Specifically, certain staffing positions and cost layers (such as full coverage needs and/or employer burden items) appear not fully captured in the summary wage line.

Updated SFC Anticipated Wage & Salary Expense (Year 1 Budget): \$771,443 (direct payroll)  
Additionally, when payroll taxes/benefits/incentives are included, the total personnel cost becomes:

- Total Payroll (Salary + Hourly): \$771,443
- Payroll Taxes/Benefits/Incentive: \$151,518
- Total Personnel Cost (All-In): \$922,961

SFC has noted that early hiring occurred in phases due to start-up ramp-up and vacant positions, meaning payroll in the earliest months reflects partial staffing. The Year 1 budget figure above represents a full-year operational staffing level necessary to deliver customer service standards and execute tournament operations at the volume currently being realized.  
Quarter 1 Actual Performance Update (Oct–Dec)

SFC's first quarter of operations produced strong market signals and meaningful concessions performance. Quarter 1 reflects early operational ramp-up, and Council should view it as the first benchmark for updating projections.

Year 1 Payroll Breakout (as presented):

- Manager Base Salaries: \$365,153
- Manager Taxes/Benefits/Incentive: \$91,288
- Hourly Direct Payroll: \$406,290
- Hourly Taxes/Benefits: \$60,230

Q1 Actual Summary:

- Revenue: \$148,648
- COGS: \$38,673
- Operating Expenses: \$197,850
- Net Operating Income (NOI): (\$87,875)

Tournament Bookings (Q1 Actual): 11 tournaments

Concessions Performance (Q1 Actual):

- Concession Revenue: \$81,573
- Concession COGS (non-payroll): \$26,455
- Concession Gross Profit (non-payroll): \$55,118

Projected Revenues & Expenses – Updated Forecast by Quarter

Based on contracted bookings, scheduling activity, and operational learning from Q1, SFC's current projection includes quarter-by-quarter estimates for Council review.

A) Revenue / Expense Forecast by Quarter

Q2 Forecast (Jan–Mar)

- Revenue: \$197,176
- COGS: \$73,909
- Expenses: \$332,733
- NOI: (\$209,466)

Q3 Forecast (Apr–Jun)

- Revenue: \$681,588
- COGS: \$244,980
- Expenses: \$410,014
- NOI: \$26,594

Q4 Forecast (Jul–Sep)

- Revenue: \$535,188
- COGS: \$190,272
- Expenses: \$399,122
- NOI: (\$54,206)

B) Full-Year Projection (All Quarters Combined)

- Projected Annual Revenue: \$1,562,600
- Projected Annual COGS: \$547,834
- Projected Annual Expenses: \$1,339,719
- Projected Annual NOI: (\$324,953)

SFC has packaged tournament and concessions expectations alongside financial projections to give Council visibility into the operational drivers behind the updated budget.

Projected Tournament Bookings:

- Q1 Actual: 11
- Q2 Forecast: 3
- Q3 Forecast: 13
- Q4 Forecast: 12
- Total Annual Tournament Events: 39

Projected Concessions Revenue by Quarter:

- Q1 Actual: \$81,573
- Q2 Forecast: \$106,288

- Q3 Forecast: \$364,763
- Q4 Forecast: \$279,013

Projected Concessions COGS (non-payroll):

- Q1 Actual: \$26,455
- Q2 Forecast: \$69,255
- Q3 Forecast: \$138,610
- Q4 Forecast: \$106,025

**RECOMMENDATION:**

Staff recommends approval as presented.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

Council approved the management contract on October 6, 2025.

**REFERENCE:** N/A

**FISCAL IMPACT:**

Proposed Expenditure/Revenue:

Account Number(s):

Fund:

Account Description:

Procurement Method:

**STAFF CONTACT:**

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