



*City of Franklin, Tennessee*  
**FY 2019 Operating Budget**

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# Cool Springs Conference Center

Michael Bennett, General Manager  
Franklin Marriott, Cool Springs



## *City of Franklin, Tennessee - FY 2019 Budget Request* **Cool Springs Conference Center**

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### **Outline**

- Operational Summary**
- Organization Structure/Relation to City**
- Financial & Budget Overview**
- Summary**



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### **Operational Summary**

- Connected to the Marriott Hotel; built in 1999; last major renovation in August of 2015.
- 297 guest rooms; 3 suites
- 29,000 square feet of flexible meeting space including ballroom space for up to 1,100 guests
- 2017 / 2018 producing forecasted 199,935 covers (guests) with a combined average check of \$22.07
- Occupancy: 949 events, 4,151 functions
- Overall healthy environment in the area. Definite business pacing +6% (+\$149K) over same time last year. Price increases driving this revenue increase.
- Group convention business is a key contributor towards revenue in the conference center. Group room nights are pacing flat year over year.
- There is currently a positive environment for Assoc. and short term corporate group. New supply could have significant impact on this.



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### **Organizational Structure / Relation to City**

- Hotel and Conference Center managed by Davidson Hotels and Resorts.
- Management of the facility began in July, 2014.
- Hotel is owned by Crow Holdings in Dallas, TX.
- Conference Center and Hotel Revenues are not shared.
- Most expenses are shared between the hotel and conference center.
  - Admin and General & Engineering: Split as a percentage of total revenue
  - Sales: 50-50 Split
  - Catering and Event Management: 100% conference center
  - Food and Beverage: expenses split as a percentage of food revenue



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# **Financial & Budget Overview: See Attachment**

### **3 Year Financial Summary**

- **2016 / 2017 Actual:**
  - Revenue: \$6.9M
  - Net Profit: \$534K
- **2017 / 2018 Projected:**
  - Revenue: \$7.4M (+\$426K to current budget)
  - Net Profit: \$752K (+\$342K to current budget)
- **2018 / 2019 Budget:**
  - Revenue: \$7.6M
  - Net Profit: \$805K



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# **Financial & Budget Overview: p.2**

### **Items Impacting Current FY Revenue Budget**

- No new revenue generators entering market and supply is increasing.
- Based on current pace, we anticipate slight growth due to annual price increases.
- With projected occupancy percentage, we have reached maximum capacity for group business.
- Additional hotel supply due to come online not only in the Franklin / Cool Springs area but Nashville as well (15 hotels with over 3,000 guest rooms anticipated in 2018).
- Renaissance Hotel in Nashville under major meeting space renovation in 2017 / 2018. Compression of group business was seen this year but will not repeat next year.
- Additional free standing event venues in Franklin / Williamson & Rutherford Co. continue to take local social events.



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# **Financial & Budget Overview: p.3**

### **Items Impacting Current FY Expense Budget**

- Info & Telecom Expense (-\$21K): CI/TY (Marriott Sales System) fees decreased in 2018.
- A&G Payroll (+\$34K): General Manager Position open for 4 mos. in 2017 / 2018. GM bonus was forfeited due to timing of resignation.
- Available labor continues to be a struggle. The additional supply that has and will be coming online has limited available personnel and continues to drive wages higher due to demand and overtime as well as a heavy reliance on contract labor.
- Management Bonus (-\$41K): Anticipated reduction in paid management bonus.





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## **Questions?**

