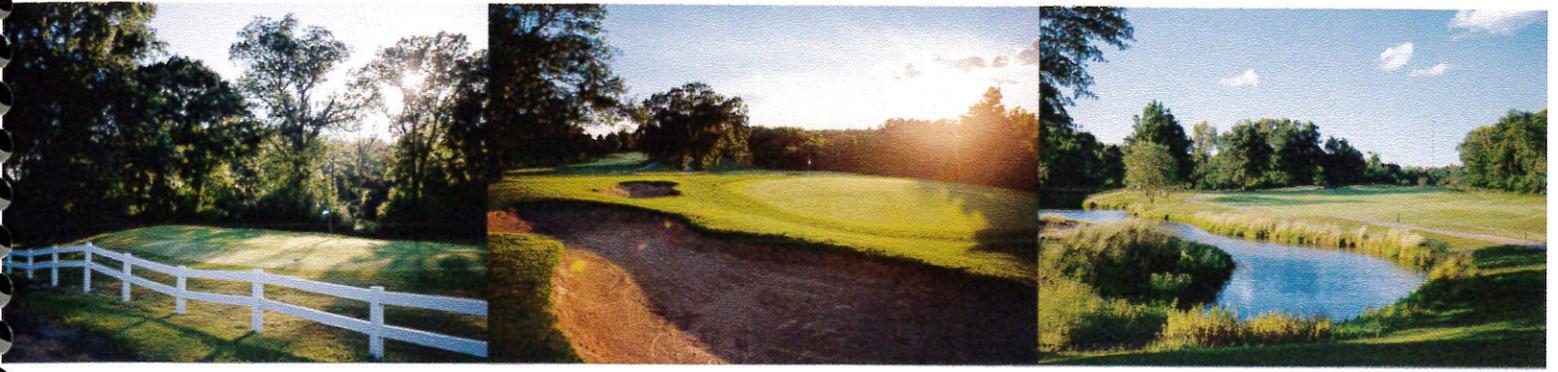

ORION
MANAGEMENT SOLUTIONS



Professional Service
with a Personal Touch.



Orion Management Solutions

Professional Golf Management

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CITY OF STILLWATER

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CITY CLERK'S OFFICE

John McClenny
Special Projects Director
City of Stillwater, OK
723 S. Lewis Street
PO Box 1449
Stillwater, OK 74076

October 24, 2016

We are pleased to present you with our qualifications for the management of Lakeside Golf Course. The City of Stillwater has a wonderful golf facility, and Orion Management Solutions is a good fit. As a smaller company, Orion prides itself on making personal connections with the facility owners. We see Lakeside Golf Course as a perfect fit: a city course – a company that specializes in municipal/government facilities – with the personal service of a smaller company.

If we are given the opportunity to perform the management services at Lakeside Golf Course, the City will see first hand what the City of Blue Springs and the City of Kansas City have experienced. A hallmark of Orion is our outstanding customer service, practical internal controls, and significant community involvement. Orion takes community involvement very seriously and views this as a gateway to drawing local support, and building a core base of regular customers. For the behind-the-scenes processes, Orion understands what kinds of internal controls allow a City to feel comfortable.

We look forward to meeting with you to discuss Lakeside and its future success. We may be contacted at (913) 238-3160. Thank you for your time.

Sincerely,

Matt Roberts, PGA
Partner – Orion Management Solutions
mroberts@orion-mgmt.com



Company Biography

Company Background – Legal Structure

Orion Management Solutions, Inc. was an idea brought together in 2000, by two individuals who have spent time in the past working under a “traditional” Golf Management Company. These individuals believed they could run a more efficient golf operation while at the same time building a team concept with clients and employees.

Orion is a Kansas City based Golf Management Company. Our Partners bring over forty years of experience with them relating to golf facility operations. Shane Gardner and Matt Roberts are members of the PGA of America and have both spent time working at, or with, over eighteen different golf facilities in several regions of the United States. Orion’s two Corporate Directors, Tony Bertels and Christine Heggstad, bring with them an additional thirty five years of experience working with numerous other golf facilities. Together all parties bring with them the energy, experience and positive attitude necessary when dealing with clients, customers and employees.

Formed as a Corporation in the state of Kansas, the Company Partners meet formally on a bi-weekly basis to discuss the business at hand. Each partner carries with them an equal share of the company’s success and decision-making.

Contact Information

We appreciate your consideration of Orion Management Solutions. Should you have any further questions, please contact one of our Partners or Directors at the following numbers or email addresses.

General Operations

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Food and Beverage

Christine Heggstad
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Orion Partners

Shane T. Gardner

Born and raised in Omaha, Nebraska, Shane Gardner brings over 25 years of golf experience to Orion. Participation in competitive collegiate golf enhanced a love for the game, while interest grew towards the business side of facility management. Once a Bachelors Degree was completed at the University of Nebraska-Omaha in Marketing Management and Personnel Management, Shane began to work towards completion of his Professional Golfer's Association of America (PGA) credentials.

Shane was then offered the General Managers position at a struggling semi-private facility. In his five-year tenure the course showed a 125% increase in rounds of golf and erased a yearly deficit only to replace that with a substantial profit. Later Shane moved to Kansas City to begin a seven-year career working for national full service golf course management firm. During this seven-year period of time, Shane assisted with the tremendous growth the company experienced while increasing their portfolio from eleven facilities to over fifty facilities.

During this time of prosperity, Shane's experience thrust him into the role of Regional Manager. While in Kansas City, Shane assisted with the opening of four facilities in both Kansas City and St. Louis. After moving to Atlanta to help with East Coast operations, Shane worked with an additional four courses in three different states.

In 2000 Orion Management Solutions was created and based in Leawood, Kansas. Shane brings extensive knowledge of municipal, upscale public, semi-private and private club experience to the management team of Orion.

Matt Roberts

Matt Roberts recognized early on in life that the golf business was a passion he would carry with him for the rest of his career. After a standout career as a collegiate golfer, Matt began working at a university owned golf course where he started to build an extensive knowledge of government owned golf facilities. In 1995 Matt moved to Kansas City and began work to open

a Municipal course. While under his leadership, he gathered several accolades including "Best Public Access Course in the State of Kansas" by *Golf Digest*.

As Orion Management Solutions was formed in 2000, Matt's forte for operations management were recognized. Strengths such as development of business plans, budgets and marketing programs are all talents Matt provides with a high level of expertise.

A graduate of the University of Central Missouri and a native of Missouri, Matt Roberts is a member of the Professional Golfer's Association of America (PGA) and also involved with other associations such as the USGA, First Tee program, and the Executive Women's Golf Association.

Corporate Directors

Anthony "Tony" Bertels

Orion's Director of Agronomy, Tony Bertels, contributes a wealth of experience and knowledge to the daily operations of Orion. Tony is a twenty-five year member of the Golf Course Superintendents Association of America (GCSAA). Throughout his career he has worked growing in golf facilities, played host to National Collegiate Golf Championships and PGA Senior Tour events.

Having been involved with a myriad of operating budgets from small to large, he is adept at utilizing the resources available and optimizing their results. Tony is skilled at construction and special projects. He holds Commercial Pesticide Applicators licenses in both Kansas and Missouri and is well versed in implementing chemical and fertilization programs for cool, as well as warm-season turf managed in the Transition Zone.

Tony is an honors graduate of the Rutgers University School of Professional Golf Turf Management, New Brunswick, NJ. In 2004 he was awarded the Rutgers Alumni Award for Professional Excellence for his work in the golf profession. In 2006, he was named the C.H. Mendenhall Award recipient, an honor bestowed to individuals who have successfully dedicated years of service to the profession and mentoring future Superintendents.

Christine Heggstad

Christine Heggstad, Director of Food and Beverage for Orion, brings an acute understanding relating to all areas of a food and beverage operation. Christine held many positions where she gained valuable knowledge involving personnel management, food preparation, inventory control, menu design and pricing, state health and liquor regulations and overall facility management.

Ms. Heggstad possesses previous experience hosting a PGA Senior Tour event, assisted with the opening of a new golf facility, and held responsibility for all event planning and catering. As a volunteer with the Humane Society of Greater Kansas City she organizes her own golf fundraiser each year.

Christine contributes to Orion's success in many different ways. She plays the lead role in Orion's new on-line payroll system, and frequently works with Orion's many vendors to ensure each facility is receiving the best pricing possible.

Corporate Staff

Kaitlyn Troske

Kaitlyn Troske is a former collegiate golfer at Rockhurst University and is the Director of Marketing for Back9 Marketing. Back9 Marketing is a company owned by Orion and provides marketing services to Orion clients. Services include website creation/management, blast email campaigns, monthly newsletters, tournament/league promotions and the generation of leads for both golf and non-golf activities. Her experience as a competitive golfer, coupled with her Marketing and Media/Mass Communications degree, allow Kaitlyn to excel at driving revenues for golf courses.

Joyce Terbovich

Joyce Terbovich is not only a Certified Public Accountant, but she has more than thirty years experience in dealing with audits, federal and state taxes, and the preparation of financial statements. Her previous experience at Deloitte & Touche and KPMG, coupled with her experience as Treasurer for the City of Lake Quivira, provide Orion with solid and reputable knowledge of accounting practices when dealing with governmental agencies.

Shauna Bajich

Shauna Bajich, a graduate of Kansas University, is currently working toward another degree with aspirations of becoming a Certified Public Accountant. An avid golfer, Shauna also understands the business side of the game and what goes on behind the scenes. Ms. Bajich assists Orion with its banking, accounts payable and accounts receivable needs. She also works to produce monthly and year-end financial statements.

William Harms

As a Retired Air Force Colonel, and with a Masters Degree in Personnel Management, Bill Harms brings experience and wisdom in dealing with employment matters. Bill's expertise in areas such as workers compensation and unemployment has helped Orion enjoy significantly lower insurance rates than many other larger golf management companies.

Howard Huggins

Howard Huggins joined Orion and brought with him a wealth of administration, human resource and accounting knowledge to the Company. As a former retail business owner with several locations, Howard understands the complexities of growing a retail based business. Howard works with several of Orion's locations to streamline all elements of financial reporting, payroll, and governmental correspondence.

Our Management Team and Employees

The most important part of our team is also the most crucial element to the success of your facility, the management team. Employees make the difference in any business; often times for the customer they are the deciding factor when purchasing a good or service. The management team is our first priority at Orion. We accomplish this by placing the right people in the right positions, creating an immediate win-win situation at the facility. Outlining job descriptions and expectations, following through with a review process, rewarding outstanding behavior and treating each employee with the respect they deserve. Couple this with a safe and happy work place and employees will go to great lengths to provide superior customer service. If the employees are happy and taking good care of the customers, the bottom line will reflect this in a positive way. Our management team and employees are, and always will be, the most valuable resource of our organization.



Orion's Experience

Having been an active golf course management company since 2000, Orion has sixteen years of experience managing public and private facilities. There is not one area of golf course management that we do not have experience in – whether it is hiring/staffing, maintenance, food & beverage, merchandise, instructional programs, tournament/league administration, POS inventory controls or budgets & business plans – Orion is actively providing all of these services to our current clients.

In addition to offering full service golf course management, Orion has experience in non-golf retail operations as well. Orion's partners have experience in managing tennis operations, creating and managing a Holiday Golf Merchandise store in a popular shopping center in Kansas City and the implementation of a FootGolf course at one of the City of Kansas City properties.

Orion does have the financial capacity to provide working capital funds for Clubhouse operations, and would welcome the opportunity to discuss this further.

Orion currently manages four municipal facilities – 3 for the City of Kansas City, MO and 1 for the City of Blue Springs, MO. In addition to these current contracts, Orion has contracted with the City of Leawood, KS and the City of Warsaw, MO in the past. Municipal golf operations have always been a strength of Orion.

We are proud to say we have been at the Kansas City properties for ten years and were recently renewed for another five-year contract. Additionally, we have been at Blue Springs for five years and were recently renewed for another five-year contract. The experience we have relating to municipal properties is unmatched in the Midwest.

Below is a listing of our current clients and more detail pertaining to those properties.

Orion's Current Clients

***City of Kansas City, Missouri
Swope Memorial Golf Course, Minor Park Golf Course
Heart of America Golf Course***

The City of Kansas City, Missouri retained Orion in 2006 to improve the day-to-day operations at both Swope Memorial and Minor Park. Orion's work at both facilities has already made great

strides in facility improvements, customer service and operational profits. Orion's performance at Swope Memorial and Minor Park earned them the contract over other National management firms for the Heart of America Golf Course in 2009. A sound organizational structure and consistent customer service continue to be hallmarks of Orion's golf course management. Orion provides a complete package of management services.

Contract

The contract with the City of Kansas City, Missouri is set up with the revenues flowing into a City bank account that Orion does not have access to from an operations standpoint. A budget is approved at the beginning of each year for operating expenses. The City funds the operating expenses on a monthly basis by depositing money into an Orion bank account in the name of the course. Orion writes checks, pay the invoices and then provides a bank reconciliation at the end of the month along with requested copies of the checks written. Orion is provided incentives to drive revenues and is limited by the amount of approved funds it can spend for operations.

Since Orion has managed the City of Kansas City properties, Swope Memorial has earned the #4 Best Course You Can Play in Missouri by Golfweek magazine for the past three years and has consistently been voted the top Public Golf Course in Kansas City.

Money Management

- ☞ Orion is responsible for managing Kansas City's money and continues to operate within the confines of an approved budget.
- ☞ An approved budget with detailed expenses and salaries are approved before the year begins. All parties are comfortable with where funds are being allocated.
- ☞ Orion has executed lease agreements for golf course equipment that continue to save the City money each year.

Communication

- ☞ A written Annual Business Plan is given to the City of Kansas City each year. This plan details all aspects of the business for each golf facility. Sections of the Annual Business Plan include: Fees, Merchandise, Survey of Competition, Course Maintenance, Food and Beverage, Tournament Operations, Marketing and Capital Equipment / Improvements.
- ☞ One of Orion's partners is in touch with Kansas City's representative on a regular basis.

Structure

- ☞ Each facility has a management structure and regular weekly staff meetings. A team concept is built, and employees are coached so they can move up into management positions and grow with Orion at another course or at that facility.

Consistent Trend of Improvements

- ☞ Orion has consistently enhanced maintenance conditions at both facilities for Kansas City, and identified key areas for future improvement.
- ☞ Coaching of new staff members has improved customer – staff relations for all three facilities.

- ☞ In 2014, Orion introduced FootGolf at Heart of America GC. This was the first FootGolf facility in the Metro KC area and consistently generates an additional \$75,000 - \$100,000 in income.
- ☞ In partnership with The First Tee of Greater Kansas City, Orion assisted with the Grand Opening of the new Tom Watson Golf Academy at Heart of America GC. This new teaching facility opened Spring of 2016.

City of Blue Springs Adams Pointe Golf Club

The City of Blue Springs decided to move away from a traditional management company in 2010 and hired Orion to take over the day-to-day management of its facility. Since assuming management at Adams Pointe Golf Club, Orion has worked to reduce monthly expenses and improve customer relations. New programs were initiated to promote golf in secondary areas with the idea of not only increasing revenue, but building customer loyalty. Orion has provided the City of Blue Springs with the following over the term of the management agreement.

Contract

Orion's contract with the City of Blue Springs follows a traditional management model. All revenues flow into an account held by the Orion. Checks for invoices and payroll are written by Orion and paid out of the same account. Orion is provided incentives to drive revenues and only given authority to spend approved expenses amounts. A monthly financial reports package is sent to the Finance and Parks Department. Included in this package is a bank reconciliation report.

Money Management

- ☞ Orion is responsible for managing Blue Springs' money and continues to operate within the confines of an approved budget.
- ☞ An approved budget with detailed expenses and salaries are approved before the year begins. All parties are comfortable with where funds are being allocated.

Communication

- ☞ A written Annual Business Plan is given to the City of Blue Springs each year. This plan details all aspects of the business for each golf facility. Sections of the Annual Business Plan include: Fees, Merchandise, Survey of Competition, Course Maintenance, Food and Beverage, Tournament Operations, Marketing and Capital Equipment / Improvements.
- ☞ One of Orion's partners is in touch with City representative on a regular basis.
- ☞ Made available Orion's Certified Public Accountant to meet with City Staff when necessary or to answer financial questions.

Structure

- ☞ Each facility has a management structure and regular weekly staff meetings. A team concept is built, and employees are coached so they can move up into management positions and grow with Orion at another course or at that facility.

Invoices

- ☞ Cleaned up accounts left with outstanding balances from previous Company.
- ☞ Paid all vendors on time and took advantages of early payment discounts.
- ☞ Worked to separate Adams Pointe from mandatory agreements made by previous Management Company.

Marketing

- ☞ Developed "core" membership groups to guarantee revenue early and throughout the golf season.
- ☞ Increased the number of patrons who sign up for advanced purchase programs.
- ☞ Adams Pointe has more paid rounds than any other golf course in its direct competition.

William Jewell College Cardinal Hill Golf Course

William Jewell College operated Cardinal Hill Golf Course (formerly Claycrest Golf Club) for over thirty years. Over time, the College watched as operating income changed to operating losses. Orion was contracted to chart a new direction for the facility, which included a completely new marketing strategy with a new identity. In its first year of operating Cardinal Hill Orion erased the operating losses and secured a small operational profit. In addition Orion has provided the following additional services within its management agreement.

Contract

The contract with William Jewell College is closer to a true lease. Orion has an operating account that all revenues and expenses are paid out of on a regular basis. William Jewell is given percentages of revenue once certain targets goals are reached that allow for expenses to be covered. Regular meetings with William Jewell take place and financial updates are shared.

Money Management

- ☞ Mapped out an Annual Business Plan that illustrated the direction the facility would take so the College would be comfortable with any changes that were made.
- ☞ Responsible for all accounts receivable and accounts payable, securing additional discounts.
- ☞ Developed operational budget designed to eliminate losses and set facility on course for an operational profit.
- ☞ A list of potential capital improvements and an equipment replacement schedule is provided with its probable impact for the facility.

Marketing

- Conducted market testing and surveys for potential facility names, logo use, suggested improvements, etc.
- Created new programs and pricing to take advantage of gaps in local market.
- Design new web site with on-line booking of starting times and the ability to capture visitor information.
- Tracking marketing efforts to ensure success for future marketing avenues.

Structure

- Each facility has a management structure and regular weekly staff meetings. A team concept is built, and employees are coached so they can move up into management positions and grow with Orion at another course or at that facility.

Sycamore Ridge Golf Course

The new owner of Sycamore Ridge hired Orion to a full management contract in April of 2014. Prior to the change in ownership, Orion managed Sycamore Ridge for UMB Bank while the facility was listed for sale. Working closely with ownership, Orion is excited about the future of Sycamore Ridge. Numerous upgrades to the facility, including golf course renovations and a Clubhouse expansion are in the works.

Contract

The contract with Sycamore Ridge is set up like a traditional management agreement. A base fee is paid to Orion on a monthly basis. Incentives are set up to drive revenues and reward Orion for a good season. A bank account is set up by Orion under the course's name. All operational expenses are paid out of this account. A bank reconciliation is given to the owner on a monthly basis along with financial reports. Prior approval is needed for spending outside of the approved budget.

Accounting

- Turn around time for monthly financial statements at fifteen days.
- Made available Orion's Certified Public Accountant to meet with owner when necessary or to answer financial questions.
- Assisted Owner with State Audit of Sales and Compensating Use Tax.
- Acquired a new Kansas State Liquor License in Orion's name for daily operations.

Invoices

- Cleaned up accounts left with outstanding balances from previous Company.
- Paid all vendors on time and took advantages of early payment discounts.
- Worked to separate Sycamore Ridge from mandatory agreements made by previous Management Company.

Marketing

- Developed "core" membership groups to guarantee revenue early and throughout the golf season.
- Created a series of in-house golf tournaments to increase revenues during traditionally slow times.
- Completing a new marketing plan focused on the upgrades to the facility for the 2015 season.

Alvamar Golf & Country Club

The Owners of Alvamar contacted Orion in 2012 regarding the day-to-day management of their facility. Alvamar had recently been under contract with a large national management company and they were not happy with overall operations. Revenues were sliding and expenses were building while membership levels remained flat. In 2013, Orion was hired to change the direction of the Club by cleaning up the financials and rejuvenating the membership base. Orion has provided Alvamar with the following over the term of the management agreement.

Contract

The contract with Alvamar is set up as a traditional management agreement. Orion is paid a base monthly fee. Incentives are set to drive revenues and reward Orion for a good season. Expenses are paid by Orion out of a course operating account. Monthly financial reports and a bank reconciliation is given to the owners each month.

Structure

- Orion developed a written business plan that covered all areas of the operation. The business plan was submitted to the Owners for approval.
- Key management positions with job descriptions were identified and written. Those management positions were hired and training began in the early spring.

Money Management

- Mapped out an Annual Business Plan that illustrated the direction the facility would take so the Owners would be comfortable with any changes that were made.
- Responsible for all accounts receivable and accounts payable, securing additional discounts. Cleaned up Accounts Payable and cleared nearly \$90,000 in outstanding bills.
- Developed operational budget designed to eliminate losses and set facility on course for an operational profit.
- A list of potential capital improvements and an equipment replacement schedule is provided with its probable impact for the facility.

Improvements

- Necessary improvements were listed and an explanation given as to their positive effect on current members and potential members.
- Physical improvements were approved and carried out by Orion.

➤ Additional improvements were prioritized by Orion.

Marketing

- A marketing plan was organized and goals were set for the coming season.
- Printed membership packages were updated and improved.
- A coordinated marketing campaign was created to tie in internal and external marketing avenues.
- Results from marketing avenues were recorded to further enhance future marketing efforts.
- Club events were organized to include potential members and bring positive image awareness to the facility.

Communication

- Monthly newsletters were printed and also sent out via electronic mail. An electronic mail list was created to save on paper and mailing costs.
- Regular communication via electronic mail was encouraged and sent out every two weeks throughout the golf and swim season.

Facility Experience

The following are clubs the Partners or Directors of our Company have directly managed, supervised, or assisted in some capacity for Orion, previous employers, clients or partners:

Adams Pointe Golf Club, Blue Springs, MO
Alvamar Golf & Country Club, Lawrence, KS
Bloomingdale Golfers Club, Tampa, FL
Braeburn Golf Course, Wichita, KS
Cardinal Hill Golf Course, Liberty, MO
Cedar Hills Golf Course, Omaha, NE
Champions Country Club, Omaha, NE
Chapel Ridge Golf Club, Lee's Summit, MO
Club of the Country, Louisburg, KS
Fontenelle Hills Country Club, Omaha, NE
Forest Glen Country Club, Naples, FL
Heart of America Golf Course, Kansas City, MO
Highland Creek Golf Course, Charlotte, NC
IRONHORSE Golf Club, Leawood, KS
Laurel Springs Country Club, Suwanee, GA
Liberty Hills Country Club, Liberty, MO
Loch Lloyd Country Club, Belton, MO
Miracle Hill Golf and Tennis Center, Omaha, NE
Minor Park Golf Course, Kansas City, MO
Pevely Farm Golf Club, St. Louis, MO
Prairie Highlands Golf Course, Olathe, KS
River Hills Country Club, Tampa, FL
Shawnee Bend Golf Course, Warsaw, MO
Shawnee Country Club, Topeka, KS
Swope Memorial Golf Course, Kansas City, MO
Sycamore Ridge Golf Club – Spring Hill, KS
Tiffany Greens Golf Club, Kansas City, MO
Windermere Golf Club, Cumming, GA



Operations Plan

Orion's approach would be the same for the City as it is for all courses Orion manages. This starts with the basic structure and services as outlined below.

Proposed Structure

The first step is to set a course of action that the owners feel comfortable with, and one that will build trust for employees, customers, and the owners. This will start with a detailed Business Plan that will outline all departments and their goals for the coming season.

The Business Plan will cover proposed fees, other revenue options, memberships, rental information, etc. A marketing plan will list goals for the season and a means of achieving those set goals. A breakdown of all marketing dollars will be listed so the owners have a comfort factor in knowing where the marketing emphasis will lie. A separate section will outline a proposal for future changes, pricing strategies and member incentives or programs. Other sections of the plan will include Course Maintenance, Food and Beverage, Golf Shop Merchandise, Survey of Competition, Operating Budget, Equipment Replacement Schedule and a Capital Improvement Schedule.

It is the goal of Orion for the owners to feel like they understand what is taking place at the course level *before* it happens.

The second step, which blends with the first, is to set an organizational chart of department managers and supervisory employees under those managers. A sound business has structure, and individuals have responsibility within that structure. It is the goal of Orion to set in place five departments: General and Administrative, Golf Shop, Food and Beverage, Course Maintenance and Outside Services. Those five major departments will have people who will oversee their success and be held accountable for their results. Weekly staff meetings will ensure that everyone is on the same page, working toward the same goals. All department managers will have a copy of the Business Plan and will be expected to follow it as a road map to success.

Management Services

For the record, a representation of our management services include, but are not limited to the following services:

Human Resources

- ☞ Recruit, hire, and orient all new employees.
- ☞ Regularly train the staff in customer service and job-specific responsibilities.
- ☞ Annually review all employees for performance and compensation.
- ☞ Ensure the facility is in compliance with all State and Federal labor rules and regulations.

Budgeting and Accounting

- ☞ Develop and submit annual operational budget and business plan.
- ☞ Prepare monthly and annual financial statement analysis including the income statement variance report.
- ☞ Establish and monitor the necessary cash controls and audit systems procedures.
- ☞ Develop a long-term capital improvement and equipment replacement plan.

General Operations

- ☞ Purchase all supplies, equipment, merchandise, etc.
- ☞ Establish and review the operating policies of the facility.
- ☞ Purchase all necessary workers compensation, liability, and property insurance.
- ☞ Recommend and establish prices, membership options, etc.
- ☞ Obtain all licenses and permits needed.
- ☞ Recommend and purchase the major equipment needed for golf and golf course maintenance.
- ☞ Maintain the required records for maintenance, equipment, licenses, laws, etc.
- ☞ Meet with owners on a regular basis.
- ☞ Major emphasis on minor things. Attention to detail is paramount.

Marketing and Promotions

- ☞ Upgrade and manage the web site.
- ☞ Prepare and produce advertising and marketing plans and promotions.
- ☞ Interact with the members to enhance communication.

Transition Period

As with any change, the first order of business is to evaluate the current operation and employees. From a customer standpoint, communication is the key. We will start by organizing a meeting with all employees. Then a private meeting will be arranged with key employees to discuss direction and obtain additional information. Finally, a meeting will be advertised to any public golfers who wish to come. This will be a time for Orion to introduce itself, lay out a plan for the next season, and for golfers to ask questions. The Orion team will be on hand to personally converse with patrons and understand their expectations.

Time will be spent working with the City to streamline all procedures and implement all internal controls. Our goal will be to make the transition seamless from the City's view and assist the City with all issues that arise. Since Orion is a company with headquarters based in Kansas City, face-to-face meetings will be a normal occurrence that provides the City with reassurance that processes will be completed quickly and efficiently. A more detailed timeline is included later in the proposal.

Public Relations Overview

While web sites, printed materials, and direct mail may all be important forms of the marketing mix, direct contact is the key to success in letting golfers know that change is a positive step, not something to be feared. Getting involved in Chamber gatherings, hosting fund-raising events and getting involved in the community is the single best way to win over customers. Sitting down with the key members of the local golf organizations and associations to establish an open line of communication regarding direction is a key element toward winning the support of the people.

Experience dealing with other governmental agencies has given Orion a good background when it comes to the expectations the City will have moving forward. For Orion, there are two goals, exceed the City expectations as it relates to processes, and exceed the public's perception of quality and service as it relates to their golfing experience. Orion has plenty of experience and success in both of these areas.

Infrastructure Maintenance

One of the most difficult transitions for government agencies when transitioning to private management is identifying who is responsible for the upkeep of the infrastructure of the facilities, including equipment and buildings. It is Orion's opinion that the City remains responsible for the basic upkeep of the buildings and grounds. This entails items such as roof replacement, updated electrical work, clubhouse paint/carpet and plumbing issues. Routine maintenance will be handled by Orion and funded through the operating budgets.

Orion envisions the same set up with City owned equipment. Existing equipment will be utilized by Orion, no different than it currently is. All mechanical repairs will be paid for through the operating budgets.

Rates & Fees

Currently Orion is not proposing any changes to the current rate and fee structure. If Orion is awarded the contract, a thorough examination of all fees will be conducted and recommendations will be made to the City for discussion and/or approval.

Business Approach

General Principals

- The facility will be open the entire year from sunrise to sunset, except Christmas Day.
- The Golf Course Superintendent and the General Manager / Golf Professional will be responsible for the overall management of Lakeside.
- Each facility will be equipped with TeeQuest, a state-of-the-art POS system.

Golf Course Maintenance

- The maintenance standards outlined in the RFP information is acceptable and typical of Orion's current operations.
- Size of the maintenance crew will be between seven and twelve.
- Projects will be prioritized and addressed as the budget allows.
- A list of long-term capital improvements will be compiled.
- An equipment lease package will be explored to address equipment selected for replacement.
- Natural areas will be outlined and approved to save money on labor and water expenses.
- A recycling program will be initiated and advertised to the general public.

Marketing

- A collection of e-mail addresses will be collected for future correspondence with customers.
- Lakeside will pull a large portion of their audience from the City. Appropriate neighborhoods and homeowner's associations will be contacted in hopes of passing along course information to their constituents.
- In-house events will be initiated to draw in new customers.
- In-house leagues will be initiated to draw in new customers.
- Web specials will target slower times of the day or week.
- Efforts will be made to continue and strengthen junior, senior and ladies leagues.
- Businesses and associations will be contacted regarding league opportunities.
- Free clinics will be advertised and directed to encourage new golfers.
- Low cost alternatives will be explored for hosting tournament meals before or after play. (tents, pavilions, etc.)
- Tournament package pricing will offer special discounts for signing a two-year agreement.

Food and Beverage

- An outside grill may be utilized in the evenings to feed league players coming from work, and on weekends to service regular weekend golfers.
- Beverage car service will be initiated during periods of heavy play.

General Employment Information

Orion Management Solutions has a record of working with facility owners to hire existing staff. Many other larger companies move people from outside the area to a facility and simply choose not to hire the existing staff members. That is not Orion's approach to any facility. Orion interviews all key staff members, evaluates what positive aspects and qualities they can bring to the course, and works to hire those people.

In several of the facilities where Orion has been asked to take over, nearly 90% to 100% of the staff was retained. This provided each staff member an opportunity to fit in with Orion's goals and direction for the facility. Orion strongly supports the PGA of America and the Golf Course Superintendents Association of America. Orion's Partners and Directors are involved in local sections and chapters of both organizations.

Benefits

Health Insurance – Eligible full-time employees may elect to participate in Orion's health insurance plan after completing 90 days of service. Coverage is effective the first of the month following successful satisfaction of the 90-day introductory period. Any employee whose introductory period has been extended due to performance or other concerns will not be eligible for health insurance or any other benefits until satisfactory completion of the extended introductory period.

Eligible employees may participate in the health insurance plan subject to all terms and conditions of the agreement between Orion and the insurance carrier. A change in employment classification that would result in loss of eligibility to participate in the health insurance plan may qualify an employee for benefits continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Life Insurance – Life insurance offers the employee and the employee's family important financial protection. Orion provides a basic life insurance plan for eligible full-time employees following successful satisfaction of the introductory period. Any employee whose introductory period has been extended due to performance or other concerns will not be eligible for life insurance or any other benefits until satisfactory completion of the extended introductory period.

Eligible employees may participate in the life insurance plan subject to all terms and conditions of the agreement between Orion and the insurance carrier.

Employees may elect Voluntary Life coverage up to \$50,000 without underwriting.

401(k) Savings Plan – Orion has established a 401(k) savings plan to provide regular full-time employees the potential for future financial security for retirement.

To be eligible to join the 401(k) savings plan, an eligible employee must complete 12 consecutive months of service and be 21 years of age or older. An employee may join the plan only during open enrollment periods.

The 401(k) savings plan allows the employee to elect how much salary he or she wants to contribute so the retirement package can be tailored to meet individual needs.

Because a 401(k) plan contribution is automatically deducted from the employee's pay before federal and state tax withholdings are calculated; tax dollars are saved by having the current taxable amount reduced. While the amounts deducted generally will be taxed when they are finally distributed, favorable tax rules typically apply to 401(k) distributions.

Course Benefits – Employees with Orion receive complimentary golf on a space available basis Monday through Friday and after 2pm on Weekends. In addition those employees also receive discounts on merchandise and food and beverage (excluding alcohol) and complimentary practice balls.

Marketing

To begin the transition, marketing efforts will be somewhat silent to the general public while the future infrastructure is put in place. Nothing could be worse than rolling out marketing media and programs before the facilities and staff members are ready.

A sample of some marketing media and programs are listed below:

Lakeside Web Site – One central website, separate from the City's website, that will highlight the facility and its advantages, list pricing tiers and programs, allow for booking of starting times via the Internet and allow patrons to sign up for future correspondence via e-mail. This web site will be the central marketing tool that almost all advertising will revolve around.

Point of Purchase Advertising – Lakeside will have multiple opportunities to highlight upcoming events, their own programs and special league offers. These are found in the form of signs at the facility counter, in the restrooms, in the golf cars and on the receipt that they get when paying for their golf. The POS system put in place will help with this form of advertising.

Tiered Pricing – Tiered pricing will target non-prime categories such as late afternoons or evenings on weekends. A lower price, or the use of a combination of a fee and golf car for one price may move some patrons from busier times to non-peak times, freeing up those more highly sought after starting times.

Corporate Golf Packages – Selling bundled rounds of golf to local corporations and businesses provide another avenue for revenue growth. These businesses are looking for an opportunity to bring co-workers and clients out to the golf course. Right now this business is being exclusively captured by the privately owned public golf facilities or private country clubs.

Annual Pass Packages – Competitively priced Annual Pass programs can be developed and sold once other marketing measures are in place. This should not occur until the second season, so that management can gain a grasp on the playing characteristics of the customers. First Orion must determine with proper marketing efforts, where the non-peak times still exist. Then the

Annual Pass programs should address those areas and stay away from the peak timeframes. Monthly membership opportunities should be explored as well.

Food and Beverage

The food and beverage operation at Lakeside is very minimalistic. Orion believes there is opportunity to grow revenue in this area. Similar facilities under Orion's management bring in closer to \$120,000 in annual revenues. However, there are principals that will govern all facilities that will prove to enhance the profit percentages.

- A consolidation of vendors will be incorporated to take advantage of pricing
- Use of wholesale clubs (Sam's Club) will allow the facility to maximize profit levels and control inventory
- New products will be introduced and their popularity among golfers measured
- Outdoor gas grills may be purchased to offer league and weekend players additional menu items when coming from work or home
- Event menus will be created and advertised for those companies or charitable organizations who wish to host their event at Lakeside
- A recycling program will be started with all paper and plastic products used disposed of into specially marked containers
- Beverage cars will be utilized during prime time; course logo personal coolers will be used during non-prime time
- Daily specials will allow facilities to move products that are coming up on expiration dates.

Capital Improvements

While it is important to schedule Capital Improvements so a facility has an estimate when it comes to replacement and repair, this is a difficult task when evaluating a facility from the outside as a potential contractor. Orion also realizes that there is a most likely a Master Plan for golf course improvements that has been approved by the City.

Current and Future Programming and Partnerships

Should Orion be selected there would be no immediate changes to the current programming or partnerships in place. An evaluation process would take place during the first year of operation. At the conclusion of the first year of operation, Orion would provide any suggestions or changes to current programming or partnerships with their expected positive effect on operations or customer service.

Orion has extensive experience operating governmental facilities and understands their obligations to local organizations, schools, the commitment to junior golf that must take place.

Orion has been a leader in junior golf in the Kansas City area partnering with The First Tee to provide affordable instruction to junior golfers of all ages.

Orion has also begun work in the local school systems with the Starting New At Golf program (SNAG). The SNAG program is administered inside school gyms and promotes the game of golf in a fun and creative way. This type of program creates enthusiasm for golf with children as they come out of winter and into spring weather. Outdoor free clinics in the spring season encourage potential junior golfers to sign up for summer junior golf programs. This would be an ideal program to adopt in Stillwater with Lakeside leading the way.

Timetable and Transition Plan

The transition away from city-operated facilities to privately operated facilities must be done carefully. The single worst thing that can happen is for change to move too quickly in an unplanned fashion that upsets the current customers and appears to make the operating company look disorganized.

Changes must be stepped in so that the transition is smooth. Orion has been very successful handling transitions with current employees – ***most times over 90% of employees have been retained.*** In addition, Orion has been very successful by taking a hands-on approach with customers by scheduling meetings where customers can attend and ask questions. These meetings allow both employees and customers to feel more confident about the changes to come. Below is a sample timeline of an Orion takeover. Meetings with City personnel are not included in this timeline as they will be occurring frequently before and after takeover.

Prior to Orion Start

- Meeting with Key Employees Individually to discuss employment plans.
- Meet with hourly employees to discuss employment plans and fill out appropriate paperwork.
- Schedule meetings to meet with key organizational leaders at each course.
- Advertise meeting open to the general public to answer questions about new management.
- Develop marketing ideas and concepts for the season.
- Set up installation of new POS system and work through basic training with each grouping of department managers.
- All employee paperwork and benefits have been finalized and turned in to Orion office.
- Work on business planning for upcoming season.

First Year of Operation

- Installation of new POS system. Training sessions with employees at each course.
- Physical inventory of fixed assets completed.
- Monthly physical inventory of merchandise and food and beverage inventory.
- Advertise rate structure and programs.
- Meet with key organizational leaders to determine details for upcoming season.

- Contact outside events to discuss details.
- Schedule in-house events.
- Implement scheduled marketing efforts for the season.
- Continue regular visits and face-to-face meetings with key employees of each course.
- Meeting with key facility employees to discuss potential changes for second year.

Community Involvement and Volunteer Opportunities

As mentioned earlier, the SNAG program provides the City with the opportunity to provide instruction and direction over the winter and spring to Stillwater area public schools. This volunteer program then benefits the golf courses with an increased awareness and attendance in junior golf programs.

In addition to the SNAG program Orion also offers volunteer opportunities for residents of Stillwater at Lakeside. Residents can volunteer their time at Lakeside, acting as a course ambassador at the first tee or on the golf course as a player assistant. This volunteer program benefits the golf course by creating an orderly movement of players from the first tee throughout their round of golf. Volunteers are given limited playing privileges and other benefits for volunteering their time.

There are several ways to get involved in the community including through the Rotary or Chamber of Commerce. Orion will explore participation in each of these associations in order to benefit Lakeside.

Summary Budget

The following page shows the summary budget that reflects actual financial data provided by the City, with updated salaries for key employees and an increase in food & beverage revenues.

2017 Lakeside GC Operating Budget

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Rounds	540	810	1,890	2,700	2,970	3,510	3,510	3,510	4,050	1,890	1,080	540	27,000
Revenues													
Green Fees	6,266	9,399	21,930	31,329	34,462	40,727	40,727	40,727	46,993	21,930	12,531	6,266	313,286
Pro Shop	2,430	3,645	8,505	12,150	13,365	15,795	15,795	15,795	18,225	8,505	4,860	2,430	121,500
Range	999	1,499	3,497	4,995	5,495	6,494	6,494	6,494	7,493	3,497	1,998	999	49,950
Carts	4,347	6,520	15,214	21,734	23,907	28,254	28,254	28,254	32,601	15,214	8,694	4,347	217,339
Food & Beverage	1,901	2,851	6,653	9,504	10,454	12,355	12,355	12,355	14,256	6,653	3,802	1,901	95,040
Gross Revenue	15,942	23,913	55,798	79,712	87,683	103,625	103,625	103,625	119,567	55,798	31,885	15,942	797,116
Cost of Sales													
Merchandise	1,652	2,479	5,783	8,262	9,088	10,741	10,741	10,741	12,393	5,783	3,305	1,652	82,620
Food & Beverage	608	911	2,127	3,038	3,342	3,949	3,949	3,949	4,557	2,127	1,215	608	30,380
Cost of Sales	2,260	3,390	7,910	11,300	12,430	14,690	14,690	14,690	16,950	7,910	4,520	2,260	113,000
Gross Profit	13,682	20,523	47,888	68,412	75,253	88,935	88,935	88,935	102,617	47,888	27,365	13,682	684,115
Operating Expenses													
Golf Shop	9,898	9,898	13,027	12,027	12,737	12,737	12,737	12,737	13,237	12,737	9,898	15,400	147,069
Range	0	0	1,000	2,500	0	1,000	2,500	0	1,000	0	0	0	8,000
Carts	4,578	4,578	8,363	8,363	8,363	8,363	8,363	8,363	8,363	8,363	4,578	4,578	85,214
Course Maintenance	20,969	20,969	32,729	32,829	29,729	29,729	29,729	29,729	34,529	29,629	20,969	24,270	334,812
Food & Beverage	100	100	250	250	500	500	500	500	500	500	200	100	4,000
General & Administrative	14,578	8,670	9,837	16,112	10,203	11,587	16,387	10,387	10,570	15,837	9,562	9,178	142,907
Total Operating Expenses	50,122	44,214	65,206	72,081	61,033	63,916	69,716	61,716	68,199	67,066	45,206	53,526	722,002
Net Operating Income	(36,440)	(23,691)	(17,318)	(3,670)	14,220	25,019	19,219	27,219	34,418	(19,178)	(17,841)	(39,843)	(37,886)
Other Income / (Expense)													
Management Fees	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(48,000)
Total Other Income/(Expense)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(48,000)							
EBITDA	(40,440)	(27,691)	(21,318)	(7,670)	10,220	21,019	15,219	23,219	30,418	(23,178)	(21,841)	(43,843)	(85,886)
Net Income	(40,440)	(27,691)	(21,318)	(7,670)	10,220	21,019	15,219	23,219	30,418	(23,178)	(21,841)	(43,843)	(85,886)
Net Cash Flow	(40,440)	(27,691)	(21,318)	(7,670)	10,220	21,019	15,219	23,219	30,418	(23,178)	(21,841)	(43,843)	(85,886)
Cumulative Cash Flow	(40,440)	(68,131)	(89,449)	(97,119)	(86,899)	(65,880)	(50,661)	(27,442)	2,976	(20,202)	(42,043)	(85,886)	



Proposed Management Compensation

Contract Length

Orion is proposing a five-year contract with a five-year renewable option.

Goals for Facility

Orion Management has identified the following goals for Lakeside:

- ✓ To operate as successful recreational facility, similar to Stillwater's other recreational offerings.
- ✓ To provide a golf course that will set the tone for the City and will be a focal point for the City of Stillwater.
- ✓ To maintain the course and facilities in a manner that represents a well maintained facility.
- ✓ To limit the annual City subsidy and ultimately bring Lakeside to a profitable operation.
- ✓ To strive to discover new and successful ways to improve efficiencies throughout the facilities operations.
- ✓ To become a better steward of the environment.

It is Orion's desire to become a dependable partner that will enable the City to achieve these goals, provide area golfers with a high quality golf experience and preserve the value of the City's asset.

Compensation Arrangement

Orion Management Solutions is proposing a compensation arrangement that the company feels would work in the best interest of the City and Orion Management Solutions. This type of arrangement is utilized by the City of Kansas City, MO and works very well for the City and Orion.

Orion is proposing the following terms:

- ✎ Orion would operate Lakeside with employees falling under the Orion Management Solutions umbrella.

- Orion submits an annual budget for approval to the City. The budget includes all Operating Revenues, Operating Expenses, including Cost of Goods, Payroll and Management Fees.
- All revenues deposited in the City's bank account.
- Orion invoices the City monthly for budgeted operating expenses (as set forth in the approved budget). These expenses are deposited into an "Orion – Facility Name" operating account.
- Vendors are set-up as "Orion – Facility Name" and all bills are processed and paid by Orion from the "Orion – Facility Name" bank account.
- Inventories are managed and counted monthly by Orion.
- By the 15th of the following month, Orion will submit to the City the previous month's bank statements, copies of all paid invoices with check vouchers, account reconciliation sheets, inventories, detailed payroll reports and any other appropriate support documentation.
- By the 15th of each month, Orion will submit a detailed monthly Profit & Loss Statement, including Actual vs. Budget for both month-to-date and year-to-date. Additionally, Orion will submit a Revenue/Expense Variance Report.
- Monthly meetings to discuss progress will be set between an Orion Partner and a City designated manager or official.

This outline is consistent with the model other governments have used because it gives them the control of expenses and utilizes all the advantages of employing a private company to drive revenues. The length of the contract gives Orion a suitable timeframe to enhance the operational practices and provide a more significant operational profit.

Orion Compensation

Orion's compensation agreement is broken down into two portions – a base management fee and a contingent management incentive. The base management fee provides Orion an opportunity to cover its operational costs, overhead for specialized professional services and supplies needed for the contract. The contingent fee provides an incentive for Orion to drive revenues for the City. The improvement of revenue and the addition of new revenue streams, combined with the constant monitoring of expenses will lead the City to greater operational profits in years to come.

Monthly base management compensation for the term of the contract is as follows:

Base Management Fee Year One -	\$4,000
Base Management Fee Year Two -	\$4,000
Base Management Fee Year Three -	\$4,500
Base Management Fee Year Four -	\$4,500
Base Management Fee Year Five -	\$4,750

Contingent incentive fees are set as follows:

Contingent Fee For All Contract Years – 10% of all revenues over an agreed upon total revenue number.

The contingent fee is set up to provide an incentive for Orion, while protecting the City in making sure that operational costs are covered by revenues before a contingent fee is achieved.

Management Fees Include

Orion Management Solutions is a professional services company. This means our support network which includes technical agronomic consulting, food, beverage and banquet expertise, golf shop operations, marketing and accounting are all included in our management fee. There are never any site visit charges for our management team.

Our Partners and Corporate Directors are available to personally meet with facility staff or City personnel. Our accounting employees are available by phone or by personal meeting. This is a customer service touch that no other company offers the City.

Orion Management Solutions takes a personal interest in each of our facilities. Many other companies will send a “regional” person by the facility once or twice a year. In addition the “regional” team members change on a regular basis.

Orion’s Partners or Corporate Directors visit each facility on a regular basis to make sure operations are up to our standard. The City will meet with the same people for the life of the contract.

Summary

The proposed compensation agreement offers the City stability, a high degree of customer service, quality course conditions, a good reputation of operational success and a community partner that participates and represents the City in a professional manner.

Orion’s fees are competitive with any national company, and the level of personal service is unmatched.



References

Reference #1

Name: Doug Schroeder
Firm: City of Kansas City, MO Parks and Recreation
Title: Director of Golf Services
Address: 4600 E. 63rd Street
Kansas City, MO 64130
Telephone: 816.513.7650
Fax: 816.513.8977

Mr. Schroeder is responsible for the oversight of the Kansas City, MO owned golf courses:

- ☞ Swope Memorial Golf Course
- ☞ Minor Park Golf Course
- ☞ Heart of America Golf Course

Orion reports to Mr. Schroeder on virtually a daily basis and cover all aspects of the operations, such as financial reporting, revenue/expense analysis, budget/marketing planning and golf course maintenance best practices. Orion receives all facility expenses on a monthly basis and is responsible for submitting appropriate back-up to Mr. Schroeder to ensure accuracy.

Reference #2

Name: Ron Mullinex
Firm: William Jewell College – College Hill Investment Group
Title: Vice President
Address: 500 College Hill
Liberty, MO 64068-1896
Telephone: 816.883.2613
Fax: 816.792.2807

Besides Mr. Mullinex's responsibility to William Jewell College, he is also a member of College Hill Investments (CHI), a division of William Jewell College, which owns Cardinal Hill Golf Course in Liberty, MO. Orion began an operating agreement with CHI in March 2009 to manage the entire golf operation at Cardinal Hill, including Food/Beverage and Maintenance.

The operating agreement places Orion with full responsibility for financial reporting, daily accounting, accounts receivable and accounts payable for the operation. Besides presenting the College with a new direction for the facility, Orion also provides the College an Annual Business Plan with a listing of potential capital improvements and an equipment replacement schedule.

Orion meets with Mr. Mullinex on a regular basis to review the operations at Cardinal Hill, discuss the financial picture and to plan for future activities.

Reference #3

Name: Dennis Dovel
Firm: City of Blue Springs, MO
Title: Park and Recreation Director
Address: 903 West Main Street
Blue Springs, MO 64015
Telephone: 816.228.0265
Fax: 816.228.7592

The City of Blue Springs contacted Orion in the spring of 2010 about management for their golf course. After going through an RFP process, Orion was selected over many other national golf course management companies. Since October of 2010, Orion has worked on improving financial performance, playing conditions and customer service.

Mr. Dovel speaks or meets with Orion on a weekly basis to discuss progress or issues at the golf course. Orion's CPA meets with the Finance Department on a quarterly basis.

Since Orion's presence at Adams Pointe GC, financial performance, customer service and playing conditions have all shown improvement.