

Dear Amy,

This letter is my formal proposal for permission to modify PflugFun's kayak rental facilities' hours for the 2011 season. Per our contract, we agreed to operate 7 days a week with the following hours:

**Off-Season (Weekends)** 10am-Dusk  
**Peak-Season (Weekends & Weekdays)** 9am-8pm

While these hours seem to make sense for most facilities, PflugFun's isolation in a bedroom community cannot support such a schedule at this time.

Our base operating costs are roughly \$12 per hour including cost to pay employees, taxes, inventory and supplies. This would translate to \$120 per day during the off-season and \$135 per day during the peak season. This is roughly \$4000 per month during the peak season. Unfortunately, despite our best efforts and with the available funds, we only averaged about \$2000 in revenue per month.

As you can see this has been a struggle for me personally as I had to pay for half of all expenses out of pocket in 2010. It has also been almost impossible for me to invest in advertising initiatives, inventory expansion (Stand Up Paddle Boards, Pedal Boats & Canoes) and other improvements since we were operating with negative numbers.

However, I believe that with a change in the schedule, I could make this business profitable and help me grow it. The idea is not so much to make a profit to recoup my personal expenses especially (I have a full-time job that pays my bills) but rather grow the business into something much bigger than it is now. Then, as time goes on, not only does the community benefit with access to more inventory and services but both the City and my business can ultimately generate more revenue.

The following is my proposed schedule based on my observations in 2010:

**Off-Season (Weekends)** 11am-Dusk

**Peak-Season**  
**Weekends** 10am-8pm  
**Mon** Closed  
**Tue-Fri** 2pm-8pm

The logic is simple. We typically had nobody show up until after 4-5pm on weekdays. This is probably due to the simple fact that as a bedroom community most are at work and those that stay at home are not in a position to go out and play until their spouses returns home from work. What we also do is condense the amount of time people have to rent kayaks allowing us to efficiently operate so that my employees are not just sitting around all day. By closing two days out of the week, I am also able to reduce the amount of employees I need to hire by 1. The fact is, most if not all our revenue was generated after 4-5pm. That leads me to believe that changing the hours will not have an affect on revenue or customer inconvenience. Instead, it will reduce the operating costs while still producing the same amount of revenue.

I firmly believe regardless of what the outcome of this proposal is, we will do better than we did last year but approving the schedule change, will help us out even more. If we can't, at the minimum, break even this year, I will have no choice but to shut down operations after our contract expires in fall.

Of course, on the flipside, I am also open to returning to the original schedule if business booms as time goes on.

I want to take this time to thank you for giving me the opportunity to continue to be Lake Pflugerville's official kayak rental concession and look forward to a great year!

Thank you,



Roland Jimenez  
Owner, PflugFun, LLC