

Section III – Operations Pro-forma

Expenditures have been formulated based on the costs that are typically included in the operating budget for indoor aquatic facilities. The figures are based on the size of the center, the specific components of the facility and the projected hours of operation. All expenses were calculated based on estimates from other facilities and the actual costs may vary based on the operational philosophy, and programming considerations adopted by staff. A cost scenario is noted below.

Facility Description - 32,500 sq.ft. Includes - A 6 lane competitive pool, therapy pool, leisure pool, locker rooms, concessions, racquetball court, wet classroom, party room, lobby area, and staff office area.

Operation Cost Model:

<u>Category</u>	<u>Facility Budget</u>
<u>Personnel</u>	
Full-time	169,000
Part-time	<u>299,257</u>
Total	\$468,257
 <u>Commodities</u>	
Office Supplies (forms, ID film)	5,000
Chemicals (pool/mech.)	20,000
Maint./Repair/Mat.	8,000
Janitor Supplies	8,000
Rec./Prog. Supplies	5,000
Food/Concession Supplies	15,000
Uniforms	1,000
Printing/Postage	10,000
Pro Shop	2,000
Other	<u>2,000</u>
Total	\$76,000

<u>Category</u>	<u>Facility Budget</u>
<u>Contractual</u>	
Utilities* (gas & elec.)	146,250
Water/Sewer	20,000
Insurance (prop.& liab.)	25,000
Communications (phone)	5,000
Contract Services**	15,000
Rent Equip.	1,000
Advertising	5,000
Training (staff time)	2,500
Conference	1,500
Trash Pickup	3,000
Dues/Subscriptions	1,000
Bank Charges	5,000
Other	<u>2,000</u>
Total	\$232,250
<u>Capital</u>	
Replace. Fund	\$10,000
<u>Grand Total</u>	\$786,507

Note: Line items not included in this budget are exterior site maintenance and any vehicle costs.

* Rates are \$4.50 sq. ft. It should be noted that at the time of this report utility rates were very volatile and could result in a higher energy rate for the center once it opens.

** Contract services cover maintenance contracts, control systems work, and contract labor.

Staffing Levels:

Positions	Facility Budget
NEW FULL-TIME	
Facility Manager (\$45,000)	1
Aquatic Coordinator (\$30,000)	1
Maintenance/Custodial Supervisor (\$30,000)	1
Front Desk Supervisor/Admin. Asst. (\$25,000)	1
Salaries	\$130,000
(30% benefits)	\$39,000
Total	\$169,000
New F.T.E.'s (full-time equiv.)	4

Note: Pay rates were determined based on the job classifications and wage scales of the area. The positions listed are necessary to ensure adequate staffing for the center's operation. **The wage scales for both the full-time and part-time staff positions reflect an anticipated wage for 2012.**

Positions	Facility Budget
PART-TIME	
Cashier/Attendant (\$8.00 hr.)	86hrs/wk
Lifeguard* (\$8.50 hr.)	330hrs/wk
Head Guard/Manager* (\$9.00 hr.)	40hrs/wk
Custodian (\$8.50 hr.)	31hrs/wk
Concessions Attendant (\$8.00 hr.)	35hrs/wk
Program Instruct.**	
Aquatics (Inst. \$9.00 hr.)	\$31,734
General (Rates vary)	\$11,700
Salaries	\$272,052
(10% benefits)	\$27,205
Total	\$299,257

* The estimate on pool guard hours is based on a guard rotation schedule and the fact that some pool maintenance functions will be handled by these individuals.

** Program instructors are paid at several different pay rates and some are also paid per class or in other ways. This makes an hourly breakdown difficult. Aquatics includes learn to swim and aqua fitness. General programs include birthday parties and other activities. No instructional staff for outside user groups has been shown.

Operating Revenues

The following revenue projections were formulated from information on the specifics of the project and a basic understanding of the demographics of the service area. Actual figures will vary based on the size and make up of the components selected during final design, market stratification, the philosophy of operation, fees and charges policy, and priorities of use.

Revenue Projection Model:

<u>Category</u>	<u>Facility Budget</u>
<u>Fees</u>	
Admissions	43,200
10 Visit Passes	6,037
3 Month Passes	8,600
Annuals*	120,525
Corporate/group	2,000
Rentals**	<u>53,000</u>
Total	\$233,362
<u>Programs***</u>	
Aquatics	47,500
General	<u>17,500</u>
Total	\$65,000
<u>Other</u>	
Pro-Shop	3,000
Spec. Events	2,000
Concessions (gross)	35,000
Vending (net)	<u>3,000</u>
Total	\$43,000
Grand Total	\$341,362

* Figures are based on an active program to promote the sale of annual/3 month passes with a strong emphasis on the sale of family annual passes.

** Rental fees are based on the following:

Leisure Pool - 1 rental per week @ \$100 = \$5,200

Therapy Pool – 15hrs/wk @ \$30 = \$23,400

Competitive Pool – 2hrs x 5 days x 36 wks @ \$50 = \$18,000

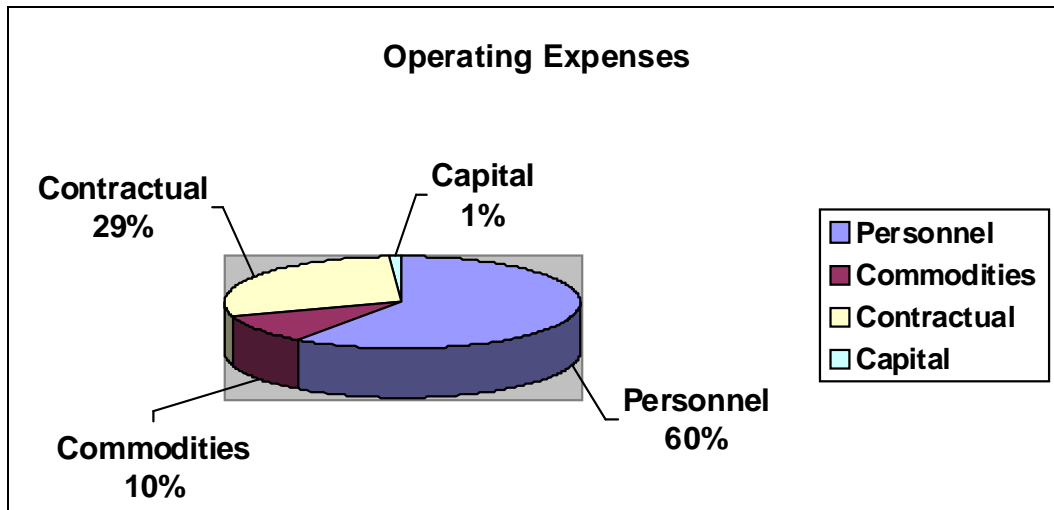
Meets – 6 x 4hrs @ \$50 = \$1,200

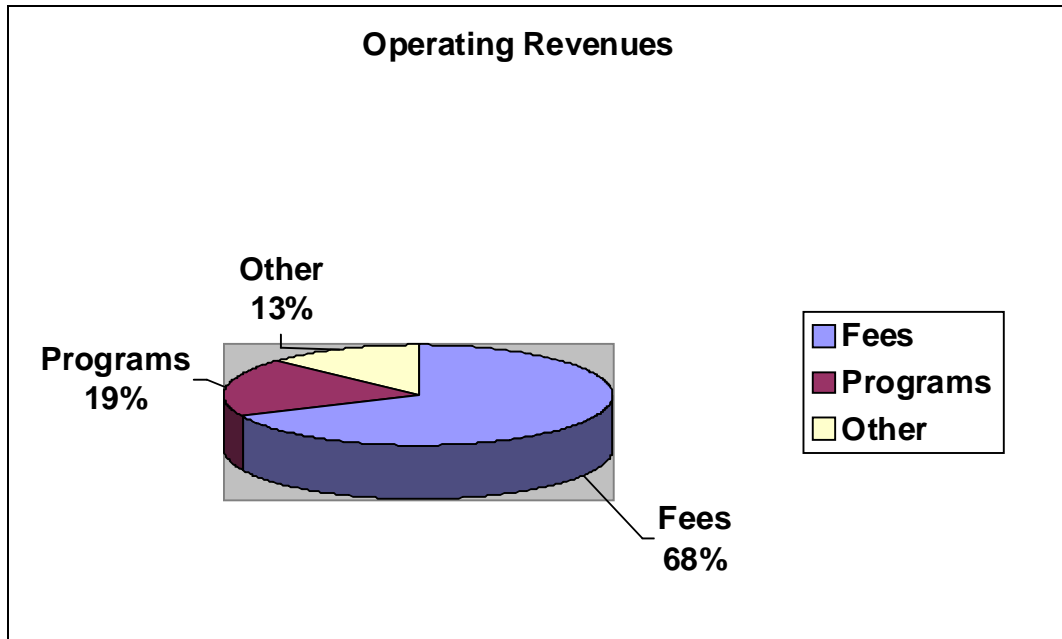
Class/Party Room - 4 rentals per week @ \$25 = \$5,200

*** Figures are based on assessing fees that are at least 50% higher than the cost of operating the program.

Expenditure - Revenue Comparison

Category	Facility Budget
Expenditures	\$786,507
Revenues	\$341,362
Difference	-\$445,145
Recovery %	43%





Future Years: Expenditure - Revenue Comparison: Expenses for the first year of operation of the center should be slightly lower than projected with the facility being under warranty and new. Revenue growth in the first three years is attributed to increased market penetration and in the remaining years to continued population growth. In most recreation facilities the first three years show tremendous growth from increasing the market share of patrons who use such facilities, but at the end of this time period revenue growth begins to flatten out. Additional revenue growth is then spurred through increases in the population within the market area, a specific marketing plan to develop alternative markets, the addition of new amenities or by increasing user fees.

This operations pro-forma was completed based on the best information available and a basic understanding of the project. However, there is no guarantee that the expense and revenue projections outlined above will be met as there are many variables that affect such estimates that either cannot be accurately measured or are not consistent in their influence on the budgetary process.

Fees and Attendance

Projected Fee Schedule: All attendance numbers were calculated from this fee model.

	<u>Daily</u>	<u>10 Visits</u>	<u>3 Month</u>	<u>Annual</u>
Adults (18 & over)	\$5.00	\$37.50	\$70.00	\$180
Youth	\$3.50	\$26.50	\$50.00	\$135
Senior (55+)	\$3.50	\$26.50	\$50.00	\$135
Family	N/A	N/A	\$130.00	\$350

Drop-in aqua exercise classes and use of the racquetball court fees are the same rate as the daily admission rate.

Other

Pool Rentals

Leisure Pool

\$100/hr (0-50 persons)

\$150/hr (51-100 persons)

\$200/hr (101-150 persons)

Therapy

\$30/hr.

Competitive Pool

\$50/hr. pool

\$8.50 lane/hr.

Class/Party Room Rental

\$25.00/hr.

Note: 10 visits are a 25% discount over the daily rate. Annual passes require a monthly automatic withdrawal option from the holder's bank account to encourage sales.

Admission Rate Comparisons: The above rates were determined based on the competition in the area and the rates paid at similar facilities in the region. The rates paid for other recreational activities were also considered when establishing these rates. For comparison, the rates for some of the providers in the area are listed below.

Bozeman Swim Center

	<u>Daily</u>	<u>12 Punch</u>
Adult	\$4.00	\$40.00
Youth (3-17)	\$3.00	\$30.00
Senior (55+)	\$3.00	\$30.00

	<u>1 Month</u>		<u>3 Month</u>		<u>6 Month</u>		<u>12 Month</u>	
	City/N City		City/N City		City/N City		City/N City	
Adult	\$40	\$45	\$65	\$75	\$100	\$115	\$145	\$165
Youth (3-17)	\$30	\$35	\$45	\$55	\$70	\$85	\$105	\$125
Senior (55+)	\$35	\$40	\$55	\$65	\$85	\$100	\$125	\$145
Family	\$70	\$75	\$100	\$115	\$140	\$175	\$200	\$225

Butte Family YMCA

	<u>Current Monthly</u>	<u>New Monthly</u>
Adult	\$45	\$50
Young Adult (18-25)	\$35	\$40
Youth (8-17)	\$16	\$20
Senior (62+)	\$41	\$46
Senior Couple	\$53	\$58
Family	\$63	\$68

Fairmont Hot Springs Resort

	<u>Daily</u>	
11 years and older	\$8.25	
10 and younger	\$5.00	
65 years and older	\$4.50	
Senior punch (15 admissions)	\$55.00	
	<u>6 Month</u>	<u>12 Month</u>
Single	\$275	\$500
Husband & Wife	\$420	\$750
Senior Single	\$275	\$475
Senior & Spouse	\$390	\$700
Family (up to 4)	\$575	\$850
Extra Family Member	\$35	\$65

Attendance Projections: The following attendance projections are the basis for the revenue figures that were identified earlier in this report. The admission numbers are affected by the rates being charged for residents and non-residents, the facilities available for use and the competition within the service area. The figures are also based on the performance of other similar facilities in other areas of the country. These are averages only and the yearly figures are based on 360 days of operation.

Yearly Paid admissions	Facility
Daily (# daily admiss.)	10,800 30
10 Visits (# sold annually)	2,000 200
3 Month Passes* (# sold annually)	2,600 100
Annual* (# sold annually)	41,600 400
Total Yearly**	57,000
Total Daily	158

The 400 annual pass numbers are based on selling passes to approximately 10% of the households (2,147 estimated in 2008) in the primary service area and 5% of the households (3,626 estimated in 2008) in the secondary service area. All family admissions/passes are counted as one admission only.

* Admissions for pass holders were figured based on 26 visits per 3 month pass and 104 visits per year pass.

** The total does not include use figures for a swim team or community groups or organizations.

Note: Attendance for other events, programs, and spectator functions is more difficult to predict but a best guess estimate is approximately 2.5 times the number of paid admissions. Indoor aquatic centers are traditionally the busiest from November to March and mid-June to mid-August and are slow from April to early June and again from mid-August to the end of October. Weekdays, between the hours of 5pm and 8pm, are the busiest times of the week and weekends are also very busy during the winter and summer months. In contrast mid-morning and early afternoon on weekdays are usually slow especially during the winter months.

Hours of Operation: The projected hours of operation of the aquatics center are as follows:

Monday - Friday	6:00am to 8:00pm
Saturday	8:00am to 6:00pm
Sunday	Noon to 6:00pm

Hours per week: 86

Hours usually vary some with the season (longer hours in the winter, shorter during the summer), by programming needs, use patterns and special event considerations.

Operations Pro-forma Assumptions

1. The primary service area has only approximately 4,785 people in 2008. The center will need to have a strong draw from the primary service area as well as the secondary service area (another 8,755) to meet the revenue numbers shown in this document.
2. The median household income levels for both the primary and secondary service areas are below the national level.
3. The revenue and use projections are aggressive.
4. Annual passes require a monthly automatic withdrawal option from the holder's bank account to encourage sales. Credit cards must be accepted for all programs and services.
5. The center will have an aggressive fee structure that is slightly higher than some other providers in the area.
6. The center will have a strong marketing plan that encourages annual pass sales, swim team use and relatively strong programming.

Section IV - Appendix

Part-Time Staff Hours

Revenue Worksheet

Part-Time Staff Hours:

Cashier/attend - 1 scheduled to work any hour that the center is open.

Time	Hours	Employees	Days	Total Hours Per Week
Custodian				
<u>Mon.-Fri.</u>				
8pm – 11pm	3	1	5	15
<u>Sat.</u>				
1pm- 9pm	8	1	1	8
<u>Sun.</u>				
1pm - 9pm	8	1	1	<u>8</u>
Total				31 hours
Concession Attendant				
<u>Summer (June-August 15wks)</u>				
<u>Mon.-Fri.</u>				
12pm - 6pm	6	1	5	30
<u>Sat.</u>				
12pm - 6pm	6	1	1	6
<u>Sun.</u>				
12pm - 6pm	6	1	1	<u>6</u>
Total				42 hours
<u>Fall, Winter, Spring (Sept.-May 37wks)</u>				
<u>Mon.-Fri.</u>				
3pm - 7pm	4	1	5	20
<u>Sat.</u>				
12pm - 6pm	6	1	1	6
<u>Sun.</u>				
12pm - 6pm	6	1	1	<u>6</u>
Total				32 hours

Pool Guards

Summer Season (June, July, August & Holidays-15 wks)

<u>Time</u>	<u>Hours</u>	<u>Guards</u>	<u>Days</u>	<u>Total Hours Per Week</u>
<u>Mon.-Fri.</u>				
5:30am - 9am	3.5	1	5	17.5
9am - 1pm	4	3	5	60
1pm - 5pm	4	6	5	120
5pm - 8pm	3	4	5	60
<u>Sat.</u>				
7:30am - 9am	1.5	1	1	1.5
9am - 1pm	4	3	1	12
1pm - 6pm	5	6	1	30
<u>Sun.</u>				
Noon - 6pm	6	6	1	<u>36</u>
Total				337 hours

Fall, Winter, & Spring Seasons (September - May -37wks)

<u>Time</u>	<u>Hours</u>	<u>Guards</u>	<u>Days</u>	<u>Total Hours Per Week</u>
<u>Mon.-Fri.</u>				
5:30am - 9am	3.5	1	5	17.5
9am - 1pm	4	3	5	60
1pm - 3pm	2	2	5	20
3pm - 8pm	5	6	5	150
<u>Sat.</u>				
7:30am - 9am	1.5	1	1	1.5
9am - 1pm	4	3	1	12
1pm - 6pm	5	6	1	30
<u>Sun.</u>				
Noon - 6pm	6	6	1	<u>36</u>
Total				327 hours

Note: This schedule is based on a guard rotation concept and on utilizing the Head Guard in the rotation schedule (approximately 40 hrs. a week additional). Based on the pool's configuration, schedule and estimated use patterns, this level of lifeguard staffing will be necessary to ensure adequate protection for swimmers. This is an estimate of anticipated guard hours only and actual needs could vary depending on actual use patterns, and hours of operation over time.

Program Staffing

Aquatics Programs

Swim Lessons (instructors are paid \$9.00 an hour classes are 25 minutes in length)

Summer- staff (\$4.50/cl.)	8 classes/day	5 days	10 wks	\$1,800
Spring/Fall- staff (\$4.50/cl.)	4 classes/day	2 days	16 wks	\$576
Winter- staff (\$4.50/cl.)	4 classes/day	2 days	8 wks	<u>\$288</u>
Total				\$2,664

Water Aerobics

Summer- staff (\$15.00/cl.)	9 classes/wk		14 wks	\$1,890
Spring/Fall- staff (\$15.00/cl.)	6 classes/wk		26 wks	\$2,340
Winter- staff (\$15.00/cl.)	6 classes/wk		12 wks	<u>\$1,080</u>
Total				\$5,310

Lifeguard Training

1 staff (\$15.00/cl.)	33 hours/sess.		2 sessions	\$990
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Private Swim Lessons

2 lessons/wk (\$10.00/less.)			45 wks	\$900
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Swim Team

Coach (\$15.00/hr.)	2 hrs/wk x 5 days x 48 wks, plus 48hrs/meets			\$7,920
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Therapy Classes

1 staff (\$20.00/cl.)	9 classes/wk		40 wks	\$7,200
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Misc.

1 staff (\$15.00/cl.)	9 classes/wk		50 wks	\$6,750
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Total Aquatics Programs **\$31,734**

General Programs

Birthday Parties

1 staff (\$15.00/cl.)	5/wk	52 wks	\$3,900
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Misc. (general programs)

1 staff (\$15.00/cl.)	10 classes/wk	52 wks	\$7,800
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Total General Programs			\$11,700
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Note: Some programs and classes could be on a contractual basis with the center, where the facility will take a percentage of the revenues charged and collected. These programs have not been shown in this budget as a result.

Revenue Work Sheet:

Daily

	<u>Fee</u>	<u># per day</u>	<u>Revenue</u>	
Adult	\$5.00	10	\$50	
Youth	\$3.50	10	\$35	
Senior	<u>\$3.50</u>	<u>10</u>	<u>\$35</u>	
Total		30	\$120 x 360 days =	\$43,200

10 Visit Passes

	<u>Fee</u>	<u># sold</u>	<u>Revenue</u>	
Adult	\$37.50	67	\$2,513	
Youth	\$26.50	67	\$1,716	
Senior	<u>\$26.50</u>	<u>66</u>	<u>\$1,749</u>	
Total		200	\$6,037	\$6,037

3 Month Passes

	<u>Fee</u>	<u># sold</u>	<u>Revenue</u>	
Adult	\$70	20	\$1,400	
Youth	\$50	20	\$1,000	
Senior	\$50	20	\$1,000	
Family	<u>\$130</u>	<u>40</u>	<u>\$5,200</u>	
Total		100	\$8,600	\$8,600

Annual Passes

	<u>Fee</u>	<u># sold</u>	<u>Revenue</u>	
Adult	\$180	45	\$8,100	
Youth	\$135	10	\$1,350	
Senior	\$135	45	\$6,075	
Family	<u>\$350</u>	<u>300</u>	<u>\$105,000</u>	
Total		400	\$120,525	\$120,525

Revenue Summary

Daily	\$43,200
10 Visits	\$6,037
3 Month Passes	\$8,600
Annual Passes	<u>\$120,525</u>
Total	\$178,362

Note: This work sheet was used to project possible revenue sources and amounts. These figures are estimates only, based on very basic market information and should not be considered as guaranteed absolutes. This information should be utilized as a representative revenue scenario only and to provide possible revenue target ranges.