
7. OPERATIONS ANALYSIS

Operations

The operations analysis represents a conservative approach to estimating expenses and revenues for a proposed community center and was completed based on the best information available and a basic understanding of the project. Fees and charges utilized for this study reflect a philosophy designed to meet a reasonable cost recovery rate and future operations cost and are subject to review, change, and approval by the project committee. There is no guarantee that the expense and revenue projections outlined in the operations analysis will be met as there are many variables that affect such estimates that either cannot be accurately measured or are subject to change during the actual budgetary process.

Expenditures

Expenditures have been formulated on the costs that were designated by Ballard*King and Associates to be included in the operating budget for the facility. The figures are based on the size of the center, the specific components of the facility, and the hours of operation. All expenses were calculated to the high side and the actual cost may be less based on the final design, operational philosophy, and programming considerations adopted by the City.

Proposed Community Center – A community center with 3 gymnasium, indoor play structure, child watch, multi-purpose space, full-service kitchen, catering kitchen, class rooms (6), meeting rooms (2), fitness area with cardio and weight machines, fitness studios, dance studio, track and support space. Approximately 94,715 square feet.

<u>Category</u>	<u>Facility Budget</u>
Personnel	
Full-time ⁸	\$ 773,230
Part-time ⁹	<u>\$ 503,811</u>
Total	\$1,277,041

⁸ Line item detail and listing of full-time positions can be found on page 64.

⁹ Line item detail and listing of part-time positions can be found on page 65.

Operation Cost Model cont.

<u>Category</u>	<u>Facility Budget</u>
Equipment Maintenance	\$ 8,500
Mobile Devices	\$ 6,500
Mileage	\$ 500
Training and Education	\$ 3,500
IS System Maintenance	\$ 62,000
IS Replacement	\$ 30,000
Web Access	\$ 1,500
Space and Occupancy	\$253,500
Building Replacement ¹⁰	\$350,000
Postage	\$ 5,000
Telephone	\$ 12,500
Printing	\$ 9,000
Office supplies	\$ 12,500
Merch. for resale	\$ 3,000
Recreation Supplies	\$ 20,000
Other	\$ 2,500
Total	\$798,500
Grand Total	\$2,075,541

¹⁰ Based on 17,500,000 construction cost amortized on a straight line method over 50 years

Staffing levels:

<u>Positions</u>	<u>Facility Budget</u>
Full-Time	
Community Center Coordinator ¹¹	\$ 93,000
Fitness Supervisor	\$ 62,400
Sports Supervisor	\$ 62,400
Facility Coordinator (evenings/weekends)	\$ 34,944
Office Assistant ¹²	\$ 44,900
Event Coordinator	\$ 41,600
Maintenance Worker ¹³ (2)	\$ 91,770
Custodian (2)	\$ 74,547
Building Coordinators (3)	\$ 89,232
Salaries	\$594,793
Benefits (30% of salaries)	\$178,437
Total Full-Time Personnel	\$773,230

Note: Pay rates were determined based on the market conditions in Bloomington. The positions listed are necessary to ensure adequate staffing and provide for a full-time staff member presence during all open hours of the facility. The wage scales for both the full-time and part-time staff positions reflect estimated wages for 2016.

¹¹ Position is currently funded through the City

¹² In addition to the existing position that is funded through the City

¹³ In addition to the existing position funded through the City

Positions	Hours/Wk	Facility Budget
Part-Time¹⁴		
Front Desk (\$16.25/hr)	228 hrs/wk	\$ 188,955
Gym Attendant (36 wks) (\$10.65/hr)	95 hrs/wk	\$ 36,423
Gym Attendant (15 wks) (\$10.65/hr)	112 hrs/wk	\$ 17,892
Child Watch Worker (\$10.65/hr)	100 hrs/wk	\$ 54,315
Fitness Attendant (\$10.65/hr)	58 hrs/wk	\$ 31,502
Playground Attendant (36 wks) (10.65\$/hr)	63 hrs/wk	\$ 24,154
Playground Attendant (15wks) (\$10.65/hr)	73 hrs/wk	\$ 11,662
Building Attendants (\$13.35/hr) (\$16.80/hr)	78/hrs/wk	\$ 53,106
Program Instructors¹⁵		
Fitness		\$ 36,000
General		\$ 14,400
Sports		Contract
Aquatics		\$ 21,738
Salaries		\$ 468,009
Benefits (7.65% FICA)		\$ 35,802
Total Part-Time Salaries		\$ 503,811

¹⁴ A detailed schedule by position begins on page 70.

¹⁵ Some programs and classes will be on a contractual basis with the center, where the facility will take a percentage of the revenue collected for the program. These programs have not been calculated in this budget at this time.

Revenues

The following revenue projections were formulated from information on the specifics of the project and the demographics of the service area as well as comparing them to national statistics, other similar facilities and the competition for recreation services in the area. Actual figures will vary based on the size and make-up of the components selected during final design, market stratification, philosophy of operation, fees and charges policy, and priority of use. All revenues were calculated conservatively as a result.

Revenue Projection Model:

Category	Facility Budget
Fees¹⁶	
Daily Admissions	\$ 154,800
Annual Passes	\$ 156,180
Rentals	\$ 145,960
Total	\$ 456,940
Programs¹⁷	
General	\$ 44,640
Fitness	\$ 92,160
Sports	\$ 32,800
Total	\$169,600
Other	
Merchandise for Resale	\$ 7,500
Special events	\$ 5,000
Vending	\$ 4,000
Babysitting	\$ 21,750
Birthday Parties	\$ 45,000
Total	\$ 83,250
Grand Total	\$709,790

¹⁶ Detailed breakdown on fees can be found on page 76.

¹⁷ Detailed breakdown on program fees can be found beginning on page 79.

Future years: Expenditures – Revenue Comparison: Operation expenditures are expected to increase by approximately 3% a year through the first 3 to 5 years of operation. Revenue growth is expected to increase by 4% to 8% a year through the first three years and then level off with only a slight growth (3% or less) the next two years. Expenses for the first year of operation 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. It is not uncommon to see the amount of tax support to balance the community center budget increase as the facility ages.

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

Monday – Friday	5:30am to 9:30pm.
Saturday	6:00am to 9:00pm.
Sunday	Noon-8:00pm

Hours per week: 103. Hours usually vary some with the season (longer hours in the winter, shorter during the summer), by programming needs, use patterns and special events. While actual hours will vary, this model was used to produce the Operations analysis.

Fees and Attendance

Projected Fee Schedule: Revenue projections will be calculated from this fee model. The monthly rate listed is the cost of an annual pass broken down into twelve equal payments and does not include any handling fees. It should be noted that monthly bank draft convenience for customers would encourage more annual pass sales. However, there are bank fees and a substantial amount of staff time spent managing the bank draft membership base and consideration should be given to pass on some form of a handling fee for bank draft customers.

<u>Category</u>	<u>Daily</u>	<u>Annual</u>
Adult	\$ 8	\$216
Youth	\$ 6	\$ 84
Senior	\$ 6	\$120
Family	NA	\$360

The fee schedule above was developed as the criteria for estimating revenues and accounts for the fitness side of the facility. Actual fees are subject to review and approval by the City of Bloomington.

