

# Community Center Operations Review

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November 14, 2022



City of **Upper  
Arlington**

# Community Center Feasibility Study

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## Task Force Finance Committee Recommendations

- A business model should be pursued that is based on competitive and market rate membership rates and programming of spaces
- A cost recovery model of not less than 85% of total community center operating expenditures
- Continuation of the City's historical investment for recreation services (approximately \$530,000 in 2020) over and above revenue collected to remain
- Include annual contributions for future capital expenditures such as maintenance and equipment replacement
- Establish tiered membership/participation levels
- Include a scholarship fund to assist residents facing financial barriers to participation.



# UACC Operating Profroma

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## Ballard\*King & Associates Review Process

- Reviewed feasibility study
- Interviewed staff
- Examined the design
- Utilize industry expertise and data sources
  - **US Census**
  - **ESRI (Environmental Systems Research Institute)**
  - **NSGA (National Sporting Goods Association)**
  - **NEA (National Endowment for the Arts)**
  - **SFIA (Sports & Fitness Industry Association)**



# UACC Operating Profroma

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## Assumptions

- Based on design with 2022 data
- Fully operational in 2025
- Weight equipment purchased, cardio equipment leased
- No food and beverage included, potential for café operator and vending
- Scholarship funded through \$1 per transaction

Hours of Operation	
Mon – Fri	5am – 10pm
Sat & Sun	8am – 8pm



# UACC Operating Proforma

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## Program modifications

- Event venue
- E-Sports
- 4<sup>th</sup> floor hub



# UACC Operating Proforma

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## Membership Structure

- Youth
- Adult
- Senior
- Household

## Resident vs. Non-Resident

## Daily Fees

## Punch Pass

	Daily	Punch (10 visits)	Monthly
Youth (2-17)	\$7.00	\$56.00	\$22.00
Adult	\$10.00	\$88.00	\$33.00
Senior	\$7.00	\$56.00	\$22.00
Household			\$80.00

Residents rates are shown



# Membership Rate Comparison

Monthly Membership	Dublin	Westerville	Upper Arlington	UA Feasibility Study
Youth	\$22	\$20	\$22	\$27
Adult	\$22	\$26	\$33	\$27
Senior	\$12	\$24	\$22	\$20
Household	\$56	\$70	\$80	\$70
Minimum Cost Recovery Target	50%	85%	85%	85%



# UACC Operating Proforma

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<b>Revenue</b>	
Fees	\$1,569,978
Programs	\$1,215,817
Rentals/Birthday Parties	\$230,645
<b>Total</b>	<b>\$3,016,440</b>





# UACC Operating Proforma

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## Full-Time Staff

- 11 positions with responsibility within the facility
  - **4 new positions & 1 upgraded position**
    - Community Center Manager - established in 2022 budget
    - Aquatic Manager – upgrade to FT in 2023 budget
    - Aquatic Coordinator, Recreation Supervisor (Sports), Rental Coordinator – establish in 2024 budget

## Part-Time Staff

- 10 different position classifications
  - **Examples – Front desk, lifeguard, child watch, fitness, facility attendant**
- 2,200 average hours per week
  - **School year and summer schedules for peak staff levels**



# Expenses

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## Personnel

- Review operating hours
- 2022 pay scale

## Non-Personnel

- Supplies
- Contractual Instructors
- Custodial Services
- Fitness Equipment lease
- E-sports
- Utilities based on current design
- Bank fees for online transactions

## Capital Replacement Fund

- \$150,000 annual set aside
- @ 5% revenue



# UACC Operating Proforma

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<b>Expenses</b>	
Personnel	\$1,696,704
Commodities	\$166,000
Contractual	\$1,486,886
Capital Replacement	\$150,000
<b>Total</b>	<b>\$3,499,590</b>



# UACC Operating Proforma – Base Model

Base Model	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$3,016,440	\$3,106,933	\$3,293,349	\$3,458,017	\$3,561,757
Expenses	\$3,499,590	\$3,674,570	\$3,858,298	\$4,051,213	\$4,253,774
	(\$483,150)	(\$567,636)	(\$564,949)	(\$593,196)	(\$692,016)
Cost Recovery	86.2%	84.6%	85.4%	85.4%	83.7%

- City investment to support operations is less than 2022 budget amount \$573,300



# Stress Test Projections

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Forecast financial impact of market fluctuations

Adjustments from Base Model	Negative Impact	Positive Impact
Membership	Reduce 15%	Increase 15%
Daily Admissions	Reduce 15%	Increase 15%
Program Utilization	Reduce 10%	Increase 10%
Facility Rental	Reduce 15%	Increase 15%



# Stress Test Projections

Impact	Negative	Base Model	Positive
<b>Revenue</b>	\$2,636,897	\$3,016,440	\$3,430,061
<b>Expenses</b>	\$3,433,601	\$3,499,590	\$3,591,708
<b>Net Total</b>	<b>-\$796,705</b>	<b>-\$483,150</b>	<b>-\$161,648</b>
<b>Cost Recovery</b>	76.8%	86.2%	95.5%

City investment to support operations in 2022 budget is \$573,300

- Worst case - operating investment increases \$223,405
- Best case – operating investment decreases \$411,652

Ideal operating plan is to strive for cost recovery which maintains current recreation investment



# UACC Operating Profroma

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## Summary/Recommendations

- Based on design with 2022 data
- Weight equipment purchased, cardio equipment leased
- No concessions included
- Scholarship funded through \$1 per transaction
- Streamline membership structure for outdoor pools and tennis
- Annual fee review and increase



# Discussion

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