Appendix F: Estimated Financial Performance

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Appendix F: Estimated Financial Performance

1. Operational Assumptions

The operational and financial performance of the various aquatics facility options are based on the following assumptions:

- The operating performance for the different options are not site specific. The revenue potential of the options could vary somewhat based on the final site that is chosen for the facility. Traffic issues along the I-405 and I-90 corridors, as well as the presence of the King County Aquatic Center were taken into consideration in the development of the use and revenue numbers that are shown.
- Most operations and business services will be handled in-house by the facility. While the work associated with operating and maintaining a new facility could be achieved with a different mix of full-time, part-time, and contracted labor, these adjustments will not significantly impact the overall financial performance of the facility.
- Central support fees are shown in these budget projections. Per Government Finance Officers Association (GFOA) recommended budget practices and City of Bellevue financial policy, the full cost of providing service should be calculated in order to understand the full cost of providing service and as a basis for setting user fees and charges. Examples of overhead costs include payroll processing, accounting services, computer usage, and other central administrative services.
- The possible financial participation of any partners in the project has not been shown.
- The revenue projections are aggressive and based on strong use of the center in general and on the sale of a large number of annual passes. There is also a reasonably aggressive projection of programs and services being offered at the facility.
- Options C-E have a heavy emphasis on the rental of the pools by a variety of user groups.
- The pro-forma numbers are in addition to the existing Bellevue Aquatic Center budget.
- The operating expenses and revenues are based on the first full year of operations and today's dollars (present value). Assuming a facility opening in 2011, for example, operating expenses and revenues in this analysis would need to be adjusted for inflation.
- These are preliminary operational pro-forma's based on the basic program and concept plan developed for the center options at this time. It is expected that this operations plan will be adjusted and updated as the program is refined and a more detailed concept plan for the facility is developed.

2. Summary of Financial Performance

Below is a summary of the estimated annual financial performance of the different facility options.

Category	Option A	Option B	Option C	Option D	Option E
Revenue					
Fees	678,850	1,101,657	1,642,261	1,891,573	2,069,738
Programs	41,500	225,000	425,500	442,500	526,000
Other	111,500	187,000	227,000	283,000	322,000
Total Revenues	**$831,850**	**$1,513,657**	**$2,294,761**	**$2,617,073**	**$2,917,738**
Expenses					
Personnel	391,279	1,461,274	2,394,758	2,625,809	3,042,098
Commodities	111,000	155,500	221,000	300,500	352,000
Utilities/Prof Services	200,000	564,000	898,313	1,045,000	1,426,250
Operating Expenses	**$702,279**	**$2,180,774**	**$3,514,071**	**$3,971,309**	**$4,820,348**
Renovation/Refurbishment	220,000	330,000	520,000	880,000	1,120,000
Total Expenses	**$922,279**	**$2,510,774**	**$4,034,071**	**$4,851,309**	**$5,940,348**
Operating Surplus/Deficit	$129,571	-$667,117	-$1,219,310	-$1,354,236	-$1,902,610
% Operating Cost Recovery	118%	69%	65%	66%	61%
Total Surplus/Deficit	-$90,429	-$997,117	-$1,739,310	-$2,234,236	-$3,022,610
% Total Cost Recovery	90%	60%	57%	54%	49%

This operational and financial analysis 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 cannot be accurately measured at this point. That said, we believe these figures represent a true and fair assessment of the likely financial performance of the five scenarios studied.

Expenses for the first year of operation of the center should be slightly lower than projected with the facility being under warranty and new. While revenues may also be lower during the initial operating seasons, revenue can be expected to grow over the first three years due to increased market penetration and in the remaining years due 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.

3. Financial Performance of Other Aquatics Facilities

Current Bellevue Aquatic Center

The current Bellevue Aquatic Center has operating revenues of $660,000 and operating expenses of $1,160,000 (2007). This results in an operating subsidy of $500,000 and a 57% operational cost recovery rate. In addition, annual renovations and improvements at the Bellevue Aquatic Center are estimated to average $195,000 per year over the next seven-year CIP cycle, and are not included in the above cost recovery rates. This level of subsidy was known when the City accepted the facility from King County in 1997. The current operational deficit is funded by a General Fund subsidy, interest earnings from the Parks M&O Endowment Fund, and other user fees in the Parks Enterprise Fund. Renovation costs are included in the Parks Renovation and Refurbishment CIP (P-R-11). The possible development of a new aquatic center would have an impact on the existing center:

Option A – With only an outdoor pool in this option, it is expected that the existing aquatic center would have to continue to operate in its current manner.

Option B – Despite the fact that the new center will have an indoor focus to its operation, it is possible that the existing aquatic center will need to remain in place. However, its focus could shift to more of a therapy program and wellness emphasis. This could require that both operating shortfalls (existing center and new facility) be funded.

Option C, D, and E – With the development of any one of these options, it is assumed that the existing aquatic center will close. This could result in approximate $500,000 current subsidy being applied to the new facility's operating budget.

Financial Performance of Other Aquatic Centers

The following information was gathered from other competitive aquatic centers. This information is provided as background information, and caution should be used in interpreting the fiscal performance of different aquatics facilities. Differences between facilities have not been controlled for regional labor markets, utility costs, revenue policies, budget philosophies, market competition, or maintenance and renovation levels:

Saanich Commonwealth Place, Victoria, BC

Indoor 50 meter pool, a dive tank, wave pool, water slide, and tot pool. The facility also has a gym and large fitness area.

2006 Operational Expenses Est.	$6,000,000
2006 Operational Revenues Est.	$4,300,000
Operating Loss	-$1,700,000
% Cost Recovery	71%

Osborn Aquatic Center, Corvallis, OR
Indoor 50 meter pool with an outdoor leisure pool.

2006 Operational Expenses	$1,150,000
2006 Operational Revenues	$750,000
Operating Loss	-$400,000
% Cost Recovery	65%

Operational Trends: The cost of utilities and labor are rising faster than revenues, resulting in increasing operational subsidies.

Tualatin Hills Aquatic Center, Beaverton, OR
Indoor 50 meter pool.

2006 Operational Expenses	$1,135,000
2006 Operational Revenues	$426,000
Operating Loss	-$709,000
% Cost Recovery	37%

Operational Trends: The cost of operating this facility is rising faster than revenues, resulting in increasing operational subsidies.

Lawrence Aquatic Center, Lawrence, KS
Indoor 50 meter pool with an indoor leisure pool.

2006 Operational Expenses	$899,500
2006 Operational Revenues	$356,000
Operating Loss	-$543,500
% Cost Recovery	39%

Rec-Plex, St. Peters, MO
Indoor 50 meter pool with an indoor leisure pool. This is part of a larger indoor recreation center that includes gyms, fitness areas and indoor ice rinks.

2006 Aquatic Operational Expenses (Est.)	$900,000
2006 Aquatic Operational Revenues (Est.)	$400,000
Operating Loss (Est.)	-$500,000
% Cost Recovery	44%

Operational Trends: The estimated operational subsidy for 2008 and 2009 is projected to be over $1,000,000. This is due primarily to a large center expansion (non-aquatic) that has increased the cost of operation considerably.

King County Aquatic Center, Federal Way, WA

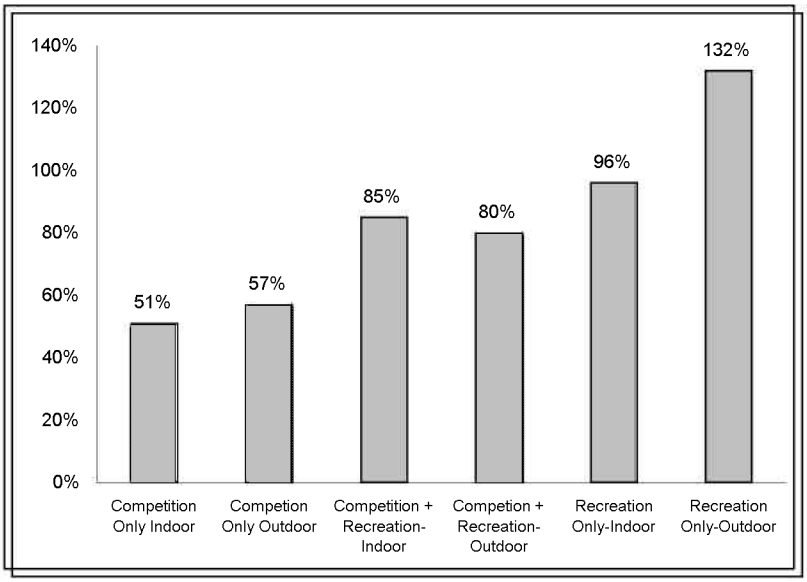
The facility has three separate pools - a 50-m competition pool at 9-10.5 feet deep; a 25-yard by 22-foot, 3-lane pool; and a 25-yard by 17-yard diving well (7-lanes when used as a warm-up pool) of 17 feet deep. Diving components include (2) 1-meter and (2) 3-meter boards; 1-meter, 3-meter, 5-meter, 7.5-meter, and 10-meter platforms.

2007 Operational Expenses*	$1,834,287
2007 Operational Revenues	$ 737,194
Operating loss	-$1,097,093
% Cost Recovery	40%

* Does not include overhead expenses

In a recent Aquatics International article ("Balancing Act", March 2006), Randy Mendoiroz of Aquatics Design Group provides a summary of 24 aquatics facilities throughout the Western states to determine which combinations of aquatics programs were the most financially successful. Below is a summary of survey findings:

- When compared to other facilities surveyed, competition-only facilities were the poorest financial performers, averaging 51% cost recovery for indoor and 57% cost recovery for outdoor oriented facilities.



- The outlook gets better with the combination of competition and recreation facilities. Cost recovery for these venues ranged from nearly 80% for outdoor to approximately 85% for indoor.
- The facilities with the healthiest financial outlook were, by far, the recreation-only facilities. Seven out of eight venues in this category were actually recording operating profits, with the cost recovery averaging 96% for the indoor facilities and more than 131% for the outdoor ones.

The author notes many factors influence profitability, including seasonality of use, the size of the facility compared to the market served, programming and the effective use of advertising.

4. Detailed Revenue and Attendance Projections

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 state and national statistics, other similar facilities (see budget comparisons with other facilities in the body of the report), 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 priorities of use.

Category	Option A	Option B	Option C	Option D	Option E
Fees					
Daily Admissions	311,250	271,800	345,600	385,200	412,200
12 Admissions	0	26,500	33,200	36,450	40,050
3 Month/Summer Passes	293,500	134,625	168,125	184,875	203,125
Annual Passes*	0	501,250	681,250	749,750	823,875
Corporate/Group	20,000	20,000	30,000	35,000	40,000
Rentals**	54,100	147,482	384,086	500,298	550,488
Subtotal	$678,850	$1,101,657	$1,642,261	$1,891,573	$2,069,738
Programs***					
Lessons	31,000	182,500	367,000	375,500	406,000
Fitness/Others	10,500	32,500	43,500	49,000	96,000
Contract programs	0	10,000	15,000	18,000	24,000
Subtotal	$41,500	$225,000	$425,500	$442,500	$526,000
Other					
Concessions	90,000	150,000	170,000	200,000	220,000
Sponsorships/Adv.	5,000	10,000	20,000	40,000	50,000
Pro-shop	12,500	19,000	25,000	31,000	37,000
Spec. events	2,000	3,000	4,000	4,000	5,000
Vending	2,000	5,000	8,000	8,000	10,000
Subtotal	$111,500	$187,000	$227,000	$283,000	$322,000
Operating Revenue	**$831,850**	**$1,513,657**	**$2,294,761**	**$2,617,073**	**$2,917,738**

* Figures are based on an active program to promote the sale of summer/season and annual passes.

*** Figures are based on typical program cost structure in which marginal cost represents one third of total revenues.

Estimated Fee Schedules

Following the existing City pricing policy for enterprise activities, the fee schedule for all options does not include a fee differential for non-city residents (outside of the city limits). Sales tax would be in addition to the fees noted below. Revenue projections and attendance numbers were calculated from these fee models. It should be noted that final fee setting/pricing is a policy decision for the City of Bellevue, and we have assumed the City's goal is to maximize revenues in order to minimize the annual operating subsidy of the various facility options.

USER FEE SCHEDULE						
Group	Category	Option A	Option B	Option C	Option D	Option E
Daily Fee	Adult	$9.00	$7.00	$7.00	$7.00	$7.00
	Youth/Senior	$7.00	$5.00	$5.00	$5.00	$5.00
Mutliple Pass	Adult	N/A	$70.00	$70.00	$70.00	$70.00
	Youth/Senior	N/A	$50.00	$50.00	$50.00	$50.00
Summer Pass	Adult	$175.00	$175.00	$175.00	$175.00	$175.00
	Youth/Senior	$120.00	$120.00	$120.00	$120.00	$120.00
	Family	$300.00	$300.00	$300.00	$300.00	$300.00
Annual Pass	Adult	N/A	$500.00	$500.00	$500.00	$500.00
	Youth/Senior	N/A	$350.00	$350.00	$350.00	$350.00
	Family	N/A	$775.00	$775.00	$775.00	$775.00

ANNUAL SALES						
		Option A	Option B	Option C	Option D	Option E
Daily Fee	Adult	11,250	14,400	19,800	21,600	21,600
	Youth/Senior	30,000	34,200	41,400	46,800	52,200
Mutliple Pass	Adult	N/A	200	260	285	315
	Youth/Senior	N/A	250	300	330	360
Summer Pass	Adult	100	75	95	105	115
	Youth/Senior	300	200	250	275	300
	Family	800	325	405	445	490
Annual Pass	Adult	N/A	200	275	305	335
	Youth/Senior	N/A	150	225	245	270
	Family	N/A	450	600	660	725

ANNUAL REVENUE						
		Option A	Option B	Option C	Option D	Option E
Daily Fee	Adult	$101,250	$100,800	$138,600	$151,200	$151,200
	Youth/Senior	$210,000	$171,000	$207,000	$234,000	$261,000
	Subtotal	$311,250	$271,800	$345,600	$385,200	$412,200
Mutliple Pass	Adult	N/A	$14,000	$18,200	$19,950	$22,050
	Youth/Senior	N/A	$12,500	$15,000	$16,500	$18,000
	Subtotal	$0	$26,500	$33,200	$36,450	$40,050
Summer Pass	Adult	$17,500	$13,125	$16,625	$18,375	$20,125
	Youth/Senior	$36,000	$24,000	$30,000	$33,000	$36,000
	Family	$240,000	$97,500	$121,500	$133,500	$147,000
	Subtotal	$293,500	$134,625	$168,125	$184,875	$203,125
Annual Pass	Adult	N/A	$100,000	$137,500	$152,500	$167,500
	Youth/Senior	N/A	$52,500	$78,750	$85,750	$94,500
	Family	N/A	$348,750	$465,000	$511,500	$561,875
	Subtotal	$0	$501,250	$681,250	$749,750	$823,875
TOTAL		$604,750	$934,175	$1,228,175	$1,356,275	$1,479,250

Rental Revenues:

Option A –

Leisure Pool $350 x 4/wk x 11 wks = $15,400

Competition Pool $110 x 10/wk x 11 wks = $12,100

Swim Meets $600 x 4 meets = $2,400

Pavilion $100 x 15/wk x 11 wks = $16,500

Party Room $50 x 14/wk x 11 wks = $7,700

Total $54,100

Option B –

Leisure Pool (indoor) $275 x 1/wk x 48 wks = $13,200

Leisure Pool (outdoor) $135 x 2/wk x 11 wks = $2,970

Competition Pool

High School $78 (6 lanes) x 6hrs x 4 days x 26 wks = $48,672

Meets $130 x 3hrs x 10 meets = $3,900

Club $78 (6 lanes) x 2hrs x 5 days x 48 wks = $37,440

Meets $130 x 6hrs x 6 meets = $4,680

Other (water polo, synch, etc.) $78 x 1hr x 5 days x 48 wks = $18,720

Party Room $75 x 4/wk x 48 wks = $14,400

Meet Room $50 x 70hrs = $3,500

Total $147,482

Option C –

Leisure Pool $350 x 1/wk x 48 wks = $16,800

Program Pool $80 x 4/wk x 48 wks = $15,360

Wellness Pool $130 x 15hrs/wk x 48 wks = $93,600

Competition Pool

High School $104 (8 lanes) x 6hrs x 4 days x 26 wks = $64,896

Meets $130 x 3hrs x 10 meets = $3,900

Club $104 (8 lanes) x 3hrs x 5 days x 48 wks = $74,880

Meets $130 x 6hrs x 6 meets = $4,680

Other (water polo, synch, etc.) $104 x 2hr x 5 days x 48 wks = $49,920

Diving/Warm-up $75 x 2hr x 5 x 48 = $36,000

Meets $75 x 3hrs x 6 meets = $1,350

Party Room $75 x 4/wk x 48 wks = $14,400

Meet Room $50 x 70hrs = $3,500

Meeting Room $50 x 2/wk x 48 wks = $4,800

Total **$384,086**

Option D –

Leisure Pool $350 x 1/wk x 48 wks = $16,800

Program Pool $105 x 4/wk x 48 wks = $20,160

Wellness Pool $130 x 15hrs/wk x 48 wks = $93,600

Competition Pool

High School $234 (18 lanes) x 3hrs x 4 days x 26 wks = $73,008

Meets $130 x 3hrs x 12 meets = $4,680

Clubs $156 (12 lanes) x 3hrs x 5 days x 48 wks = $112,320

Meets $130 x 6hrs x 12 meets = $9,360

50-meter Distance $120 (6 lanes) x 3hrs x 5 days x 12 weeks = $21,600

Other (water polo, synch, etc.) $104 x 2hr x 5 days x 48 wks = $49,920

Diving $75 x 2hr x 5 x 48 = $36,000

Meets $75 x 3hrs x 6 meets = $1,350

Regional Meets 4 x $1,500 per day x 3 days = $18,000

Party Room $75 x 6/wk x 48 wks = $21,600

Meet Room $50 x 150hrs = $7,500

Meeting Room $50 x 6/wk x 48 wks = $14,400

Total **$500,298**

Option E –

Leisure Pool $350 x 1/wk x 48 wks = $16,800

Program Pool $130 x 4/wk x 48 wks = $24,960

Wellness Pool $130 x 15hrs/wk x 48 wks = $93,600

Competition Pool

High School $234 (18 lanes) x 3hrs x 4 days x 26 wks = $73,008

Meets $130 x 3hrs x 12 meets = $4,680

Clubs $156 (12 lanes) x 3hrs x 5 days x 48 wks = $112,320

Meets $130 x 6hrs x 12 meets = $9,360

50-meter Distance $120 (6 lanes) x 3hrs x 5 days x 12 weeks = $21,600

Other (water polo, synch, etc.) $104 x 2hr x 5 days x 48 wks = $49,920

Diving $75 x 4hr x 5 x 48 = $72,000

Meets $75 x 3hrs x 12 meets = $2,700

Regional Meets 4 x $1,500 per day x 3 days = $18,000

National Meet 1 x $2,000 per day x 4 days = $8,000

Party Room $75 x 6/wk x 48 wks = $21,600

Meet Room $50 x 150hrs = $7,500

Meeting Room $50 x 6/wk x 48 wks = $14,400

Total **$550,448**

Attendance Projections

The following attendance projections are the basis for the revenue forecast used in this report. The admission numbers are impacted by a variety of factors, including the user fees being charged, the facilities available for use, and competition within the service area. These are averages only; Option A is based on 75 days of operation, and the other options are based on 360 days of operation.

Yearly Paid admissions	Option A	Option B	Option C	Option D	Option E
Daily	41,250	48,600	61,200	68,400	73,800
(# daily admiss.)	550	135	170	190	205
12 Admissions		5,400	6,720	7,380	8,100
(# sold annually)	0	450	560	615	675
Summer/Season Pass	36,000	18,000	22,500	24,750	27,150
(# sold annually)	1,200	600	750	825	905
Annual Pass		83,200	114,400	125,840	138,320
(# sold annually)	0	800	1,100	1,210	1,330
Total Yearly	77,250	155,200	204,820	226,370	247,370
Total Daily	1,030	431	569	629	687

As discussed earlier in this report (Table F, page 35), there are approximately 4 million "swimmer days" in the primary and secondary service areas for this facility. Thus, total estimated admissions translates to market penetration ranging from 2% (Option A) to 6% (Option E) of the total swimming market.

The formula for determining pass sales for each option is noted below. These market numbers are based on the service area demographics, the presence of other providers and the rates that will be charged for use. These estimates are aggressive compared to current pass sales at the Bellevue Aquatic Center, and will require a marketing strategy to be successful.

Option A – The number of season passes is based on selling passes to approximately 2% of the estimated 48,000 households in Bellevue plus another 200 to non-residents of the area.

Option B – The number of annual and summer passes (total) is based on selling passes to approximately 2.5% of the estimated 48,000 households in Bellevue plus another 200 to non-residents of the area.

Option C – The number of annual and 3 month passes (total) is based on selling passes to approximately 3.0% of the estimated 48,000 households in Bellevue plus another 400 to non-residents of the area.

Option D – Has 10% higher use numbers than Option C.

Option E – Has 10% higher use numbers than Option D.

Note: Attendance for other events, programs, and spectator functions is more difficult to predict but is assumed to be 2.5 times the number of paid admissions.

Hours of Operation

The projected hours of operation of the aquatic center options are as follows:

Indoor Options

Monday - Friday 5:30am to 10:00pm
Saturday - Sunday 8:00am to 8:00pm

Hours per week: 106.5

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

Outdoor Options

Season – Mid June- End of August – 11 weeks

Monday - Sunday 11:00am to 8:30pm

Hours per week: 66.5

It is anticipated that the outdoor leisure pool would be open for lessons, swim team practice and aqua exercise classes from 8:00am until 11:00am on weekdays, and after-hours time would also be available for rentals.

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.

Admission Rate Comparisons

The above rates were determined based on the competition in the area and the rates paid at similar public facilities in the Seattle Area.

Bellevue Aquatic Center

	Drop-in	12 Swims	3 Month
Youth	$4.25	$42.48	$88.00
Adult	$5.25	$52.56	$132.00
Discounted Swim	$3.75	$37.56	N/A
Family	N/A	N/A	$210
Single Parent	N/A	N/A	$165
Deep Water/Masters	$6.25	$62.52	N/A

Redmond-Hartman Pool and Mercer Island Mary Wayte Pool

	Public Swim	Family Swim	Lap Swim
Youth	$3.75	$3.75	$3.75
Adult	$3.75	$3.75	$5.00
Senior	$3.25	$3.25	$3.25
Disabled	$2.25	$2.25	$2.25

	10 Punch
Youth	$32.50
Adult	$48.50
Senior	$30.00

	3 Month	6 Month	12 Month
Youth	$105.00	$180.00	$260.00
Adult	$165.00	$235.00	$405.00
Senior	$105.00	$165.00	$235.00
Disabled	$105.00	$165.00	$235.00
Family	$270.00	$360.00	$610.00

Julius Boehm Pool - Issaquah

	Daily	30 Day Pass	90 Day Pass	Annual
Youth	$3.00	$20.00	$50.00	$175.00
Adult	$4.00	$30.00	$75.00	$300.00
Non-Res. Senior	$3.00	$20.00	$50.00	$175.00
Family	$10.00	$60.00	$150.00	$500.00

Weyerhaeuser King County Aquatic Center

General Admission	
Family Swim	$3.25
Public Swim	$3.25
Disabled	$2.50
Lap Swim	
Adult	$5.00
Senior	$3.50

Passes

	3 Month	12 Month
Youth	$107.25	$312.00
Adult	$156.75	$456.00
Family	$275.00	$650.00
Senior	$107.50	$273.00
Disabled	$82.50	$260.00

Henry Moses Aquatic Center – Renton

	Daily		Twilight		Season	
	Res./N.Res		Res./N.Res		Res./N.Res	
Ages 1-4	$2.00	$4.00	$1.25	$2.50	$20	$33
Ages 5-12	$5.00	$8.00	$3.50	$4.75	$50	$83
Ages 13-17	$6.00	$9.00	$3.75	$6.00	$62	$110
Adult	$7.00	$14.00	$4.75	$8.50	$75	$165
Senior	$6.00	$8.00	$3.50	$4.75	$62	$73
Family		N/A		N/A	$175	$330
Lap/Water Walk		N/A		N/A	$37	$55

5. Detailed Expenditure Projections:

Expenditures have been projected based on the full cost of operating the various types of aquatics facilities included in this study. The figures are based on the size of the center, the specific components of the facility and the projected hours of operation. Actual costs were utilized wherever possible, estimates for other expenses were based on similar facilities in the Pacific Northwest, and all costs reflect annual expenses in today's dollars. All expenses were calculated as accurately as possible, but the actual costs may vary based on the final design, operational philosophy, and programming considerations adopted by staff.

Option A – Outdoor Seasonal Aquatic Center -	**70,000 sq.ft.**
Option B – Indoor/Outdoor Year Round Aquatic Center -	**60,000 sq.ft.**
Option C – Indoor Competitive & Training Aquatic Center -	**70,000 sq.ft.**
Option D – Indoor Regional Aquatic Center -	**88,000 sq.ft.**
Option E – Indoor National Aquatic Center -	**139,500 sq.ft.**

Staffing costs are the biggest single operating expense, and alternative options need to be investigated if costs are to be significantly reduced. The pay rates for both part-time and full-time personnel were determined based on the need to attract well-qualified employees and minimize staff turnover rates. It is important to budget for an adequate level of staffing in all areas. One of the biggest mistakes in operations comes from understaffing a center and then having to come back and ask for more help later.

An adequate training fund is essential to a well-run center. An emphasis needs to be placed on the importance of image and customer service in all training programs. The key to opening an aquatic center and have it operate smoothly is hiring the necessary staff well in advance and having them become well organized, properly trained, and comfortable with the building's features. They need to be ready to hit the ground running with policies and procedures in place, and a marketing and maintenance program underway.

In addition to routine operating costs, it is estimated that approximately 40% of the original capital costs of the facility (mechanical systems, roofs and surfaces, parking lots, etc.) will need to be replaced over a 20-year period. Taking 40% of the projected building and site costs, and distributing the cost equally over a 20-year period, would result in the following operational costs each year. This level of funding conforms with previously noted American Public Works Association recommendations for funding the replacement and renovation of capital items.

Category	Option A	Option B	Option C	Option D	Option E
Personnel					
Full-time	0	446,310	836,055	911,790	987,525
Part-time	391,279	1,014,964	1,558,703	1,714,019	2,054,573
Subtotal	$391,279	$1,461,274	$2,394,758	$2,625,809	$3,042,098
Commodities					
Office supplies	2,000	8,000	12,000	15,000	20,000
Chemicals (Pool)	30,000	20,000	30,000	35,000	40,000
Maint./repair/mat.	5,000	10,000	20,000	25,000	30,000
Janitor supplies	5,000	10,000	20,000	25,000	30,000
Rec. supplies	7,000	15,000	25,000	35,000	45,000
Uniforms	5,000	4,000	5,000	6,000	7,000
Concession food	40,000	60,000	70,000	100,000	110,000
Printing/postage	5,000	10,000	15,000	30,000	35,000
Pro Shop	10,000	15,000	20,000	25,000	30,000
Other	2,000	3,500	4,000	4,500	5,000
Subtotal	$111,000	$155,500	$221,000	$300,500	$352,000
Utilities/Prof. Svcs					
Utilities* (gas & elec.)	50,000	195,500	317,813	396,000	627,750
Water/sewer	35,000	40,000	50,000	55,000	70,000
Trash pickup	2,000	4,000	4,000	4,000	4,000
Insurance (prop.& liab.)	25,000	35,000	50,000	55,000	65,000
Communications, Phone	2,000	6,000	8,000	8,000	9,000
Contract services**	12,000	75,000	125,000	130,000	160,000
Rent equip.	1,000	3,000	5,000	5,000	5,500
Advertising	5,000	5,000	15,000	30,000	50,000
Training, Travel, Dues	4,000	7,500	9,500	9,500	11,000
Central support***	58,000	180,000	290,000	328,000	398,000
Bank charges	5,000	10,000	20,000	20,000	21,000
Other	1,000	3,000	4,000	4,500	5,000
Subtotal	$200,000	$564,000	$898,313	$1,045,000	$1,426,250
Operating Expenses	**$702,279**	**$2,180,774**	**$3,514,071**	**$3,971,309**	**$4,820,348**
Renovation/Refurbishment	220,000	330,000	520,000	880,000	1,120,000
Total Expenses	**$922,279**	**$2,510,774**	**$4,034,071**	**$4,851,309**	**$5,940,348**

* 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. Outdoor pool utility costs for Option A are $50,000 and Outdoor Option B is $15,000.

** Contract services cover contract cleaning of the building, maintenance contracts, control systems work, and other labor.

*** Central support includes internal charges from the city to cover payroll, purchasing, contract services, finance and computer support functions. This is figured based on 10% of the total operating budget (minus capital).

Staffing Levels

Positions	Option A	Option B	Option C	Option D	Option E
FULL-TIME					
Facility Manager ($82,500)	0	1	1	1	1
Facility Asst. Manager ($77,000)	0	0	1	1	1
Aquatics Program Sup ($71,500)	0	1	1	1	1
Aquatic Events Coor. ($56,100)	0	0	0	1	1
Aquatics Program Coor ($56,100)	0	1	2	2	2
Fitness Program Coor. ($56,100)	0	0	0	0	1
Marketing Coor ($56,100)	0	0	1	1	1
Building Operations Sup ($71,500)	0	1	1	1	1
Maintenance Worker ($49,500)	0	0	1	1	1
Front Desk Supervisor ($49,500)	0	1	2	2	2
Salaries	$0	$330,600	$619,300	$675,400	$731,500
Benefits (35%)	$0	$115,710	$216,755	$236,390	$256,025
Total Full Time	$0	$446,310	$836,055	$911,790	$987,525
F.T.E. (full-time equiv.)	0	5	10	11	12

Note: Pay rates were determined based on the City of Bellevue's job classifications and wage scales. The positions listed are necessary to ensure adequate staffing for the center's operation.

Positions	Option A	Option B	Option C	Option D	Option E
PART-TIME (Indoor)					
Front Desk Sup ($14.00hr.)	N/A	67hrs/wk	27/hrs/wk	27hrs/wk	27hrs/wk
Front Desk Cash ($11.50hr.)	N/A	107hrs/wk	137hrs/wk	137hrs/wk	137hrs/wk
Weight/Cardio Sup ($12.50hr.)	N/A	N/A	N/A	N/A	107hrs/wk
Concession Sup. ($14.00hr.)	N/A	69hrs/wk	70hrs/wk	70hrs/wk	70hrs/wk
Concession Cash. ($11.50hr.)	N/A	44hrs/wk	70hrs/wk	82hrs/wk	98hrs/wk
Lead Lifeguard ($19.50hr.)	N/A	80hrs/wk	120hrs/wk	120hrs/wk	160hrs/wk
Lifeguard ($14.50hr.)	N/A	586hrs/wk	1,155hrs/wk	1,316hrs/wk	1,458hrs/wk
Custodian ($15.00hr.)	N/A	42hrs/wk	87hrs/wk	94hrs/wk	160hrs/wk
Program instructors*					
Aquatics	N/A	$60,841	$122,352	$125,152	$135,392
General (rates vary)	N/A	$10,845	$14,535	$16,380	$31,980
Salaries	$0	$800,524	$1,391,699	$1,530,374	$1,834,440
Benefits (12%)	$0	$96,063	$167,004	$183,645	$220,133
Total Indoor	$0	$896,587	$1,558,703	$1,714,019	$2,054,573

Positions	Option A	Option B	Option C	Option D	Option E
PART-TIME (Outdoor)					
Aquatic Ctr. Man. ($22.00hr.)	85hrs/wk	N/A	N/A	N/A	N/A
Cashier ($11.50hr.)	210hrs/wk	70hrs/wk	N/A	N/A	N/A
Concession Sup. ($14.00hr.)	70hrs/wk	70hrs/wk	N/A	N/A	N/A
Concession Cash. ($11.50hr.)	252hrs/wk	126hrs/wk	N/A	N/A	N/A
Lead Lifeguard ($19.50hr.)	210hrs/wk	70hrs/wk	N/A	N/A	N/A
Lifeguard ($14.50hr.)	1,194hrs/wk	331hrs/wk	N/A	N/A	N/A
Custodian ($15.00hr.)	28hrs/wk	14hrs/wk	N/A	N/A	N/A
Program instructors*					
Aquatics	$10,290	$0	$0	$0	$0
General (rates vary)	$3,465	$0	$0	$0	$0
Salaries	$349,356	$105,694	$0	$0	$0
Benefits (12%)	$41,923	$12,683	$0	$0	$0
Total Outdoor	$391,279	$118,376	$0	$0	$0
Total Part Time	$391,279	$1,014,964	$1,558,703	$1,714,019	$2,054,573

* 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.