

Derry Township Community Center

**Departmental Pro Forma
Estimate Summary**

Introduction

- The department has reviewed both operations studies that have been completed for the community center project in an effort to establish an internal baseline for the second full year of operations for the facility. It is important to note that the previously completed studies were completed at various stages of the project timeline.
- The first analysis was completed by Ballard King Associates and was based on a baseline facility which included a 25-yard cool water indoor pool, an indoor warm water leisure pool, and a wellness /fitness area. Very late in this study, a 50-meter indoor cool water pool was considered which was also loosely modeled.
- The second study was conducted by SFA (Sport Facility Advisory) who considered four separate models including the currently designed facility. All analysis modeled a partnered fitness offering with a third party providing the management of the facility. This study did not include the operations of the outdoor pool.

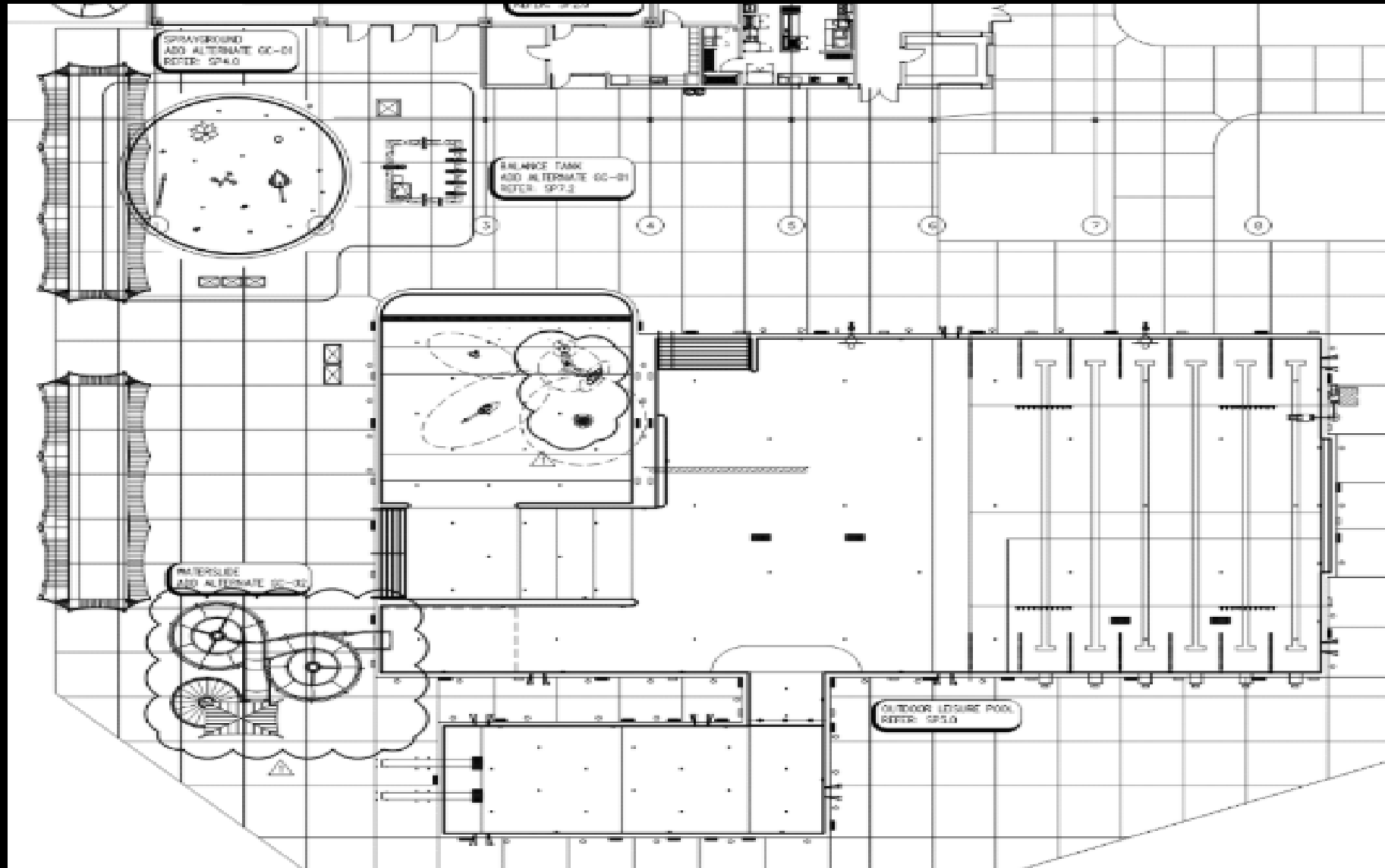
- The department has compiled some adjustments to these reports in an effort to reflect what we anticipate the operational outcomes of the facility may be from a departmental standpoint, and what an estimated annual township operational contribution might look like.
- The department has utilized the very useful information within the studies along with its knowledge of departmental operations, staffing requirements based on the current design, wage rates and how we anticipate our community utilizing the facility.
- It is important to note that the financial operation of this facility will be an ever-evolving process as programming and needs of the community dictate. We fully realize that these figures are conservative but feel that this will assist in creating a baseline for the ongoing annual operation of the facility with a confidence that our department will outperform these operational estimates.

Township Community Center Contribution History

- In 1993, 27 years ago, the township's contribution was \$628,287.
- Through the hard work of many within our department, the 1995 township operational contribution was \$282,789.
- Between 1995 and 2018 (23 years), programming revenues had reached their peak while expenses continued to rise (More costly to operate an aging facility, contractual obligations, utility increases....)
- The average township operational contribution for the last three full years of operating the current facility was approximately \$800,000.



Outdoor Pool Schematic



Swim Lane Totals

Current Recreation Center - Winter 6 Lanes = **6**

Summer 9 outdoor lanes = **15**

35 Meter Configuration - Winter 14 Lanes & 4 Recreation Pool Lanes = **18**

Summer 6 outdoor lanes = **24**

25 yard Configuration – Winter 10 Lanes & 4 Recreation Pool Lanes = **14**

Summer 6 Outdoor = **20**

The reviews that were conducted include:

- #1 Currently designed 35- meter and wellness / fitness level.
- #2 Currently Designed 35-meter with reduced wellness / fitness level.
- #3 25-yard pool with current wellness / fitness level.
- #4 25- yard pool and reduced wellness/fitness offering.

Assumptions

- Figures are based on the currently designed and awarded facility with a non-partnered fitness model.
- Figures include the operation of the outdoor community pool.
- Figures represent second full year of operation in 2024.
- Wages are based on 3% increases for 2023 and 2024 as worst-case scenario.
- Hotel Rebates are not included in the projections but could be pursued during construction period.
- Aquatic Revenues are reduced and will be further defined during construction period.

Assumptions Continued:

- Membership revenue assumes an 8% capture rate for the primary service area for a full Wellness/Fitness offering and a 7% capture rate for the reduced option. 0.35% capture rate for secondary service area in both scenarios.
- Consideration was given to converting the current child watch room to party/program rental space.
- Senior Programs and services will be provided by existing senior center staff.
- The entire Community Center will be operated by the Township.

Pro Forma Adjustments

Outdoor Pool Not Included in Report

- The report did not include the operations of the outdoor pool. The department estimates that the outdoor pool operations will add around \$50,000 to operate. Please note that this is a worst-case scenario related to weather unpredictability. This is a conservative approach to the outdoor pool operation.
 - Addition of \$50,000 to annual deficit.

Payroll

- Once again, the outdoor pool was not included in the projections of the previous study.
 - This addition is projected to add approx. \$287,000 related to staffing the outdoor pool. An addition of \$213,000 was identified for staffing deficiencies identified throughout the remainder of the year. Accounts for wages increases as well.

Pro Forma Adjustments

Aquatic Revenue

- Aquatic Revenue from Swim Meets, Pool Rentals, and Lane Fees is projected to be \$142,450 in year two. Please note that it is anticipated that these revenues will increase as the facility evolves and additional meets are realized annually. This is a conservative number.
 - Reduction of \$116,820 in Revenue.

Hotel Rebates

- The report projected \$66,573 in Hotel Rebates. Although this program is successful for the Hershey Youth Soccer Association, until such time that a specific number of meets that require overnight stays are confirmed, the department has conservatively backed out these revenues. Expectations are that some revenue will be realized from this source at some point.
 - Reduction of \$66,573 in revenue.

Pro Forma Adjustments

Concession Revenue

- The report estimated \$22,800 in concession revenue. We project it to be at \$40,000.
 - Increase of \$17,200 in revenue.

Janitorial Expenses

- The report estimated 56,079 for janitorial expenses. We estimated \$74,000.
 - Increase of \$17,921 in expenses.

Insurance

- The report estimated \$71,050 in insurance expenses. Ballard King estimated \$32,000. The current township umbrella allocation to the current recreation center is approximately \$15,000. Doubling the current premium and utilizing the \$32,000 figure is included.
 - Reduction of \$39,050 in expenses.

Pro Forma Adjustments

Travel/Training

- The report estimated \$22,300 for travel and training. We anticipate this to be no more than \$4,500.
 - Reduction of \$17,800 in expenses.

Utility Expenses

- The report estimated utility expenses to be \$537,291. Our estimates are \$500,000 for utility expenses.
 - Reduction of \$37,291 in expenses.

Repurpose Child Watch Area

- Recommend repurposing the designed Child Watch space into a Party Room.
 - Saves approximately \$45,000 annually in staffing costs and increases rental revenue for this space.

35-Meter 8,000 sf Fitness Revenues

REVENUES

Derry Township Community Center Revenues	
Category	35 M w/ 8,000 sf Fitness
<u>Fees</u>	
Daily Admissions	172,125
10 Visit Admissions	14,153
1 Month	10,508
3 Month Pass	61,908
Monthly Annuals	1,080,329
Annuals	585,401
Group/Corporate	30,000
Aquatic Rentals	142,450
General Facility Rentals	83,600
Total	\$ 2,180,474

Programs	
Aquatics Programs	117,300
Aquatics Contract Program Revenue	17,000
Fitness/General Programs	294,311
Fitness/General Contract Program Revenue	30,000
Total	\$ 458,611

Other	
Resale Items (Gross Sales)	18,750
Senior Center Contribution	22,800
Concession (Gross Sales)	40,000
Child Watch	0
Special events	4,000
Vending	9,000
Total	\$ 94,550
Grand Total	\$ 2,733,635

35-Meter 8,000 Fitness Expenses

EXPENSES

Acct. #	Category	35 M w/ 8,000 sf Fitness
	Personnel (plus benefits)	
	Full-time	864,850
	Part-time	1,426,899
	Total	\$ 2,291,749

	O & M	
145321210	Office supplies	12,000
145322224	First Aid Supplies	500
145324240	Other Center O&M Supplies (repairs/supplies)	23,000
145325252	Equipment Maintenance Parts	10,000
145326260	Small Tools & Minor Equipment	5,000
145331400	Legal Fees	1,000
145332321	Telephone Service	10,000
145332325	Postage	3,000
145333331	Travel Expenses	500
145333334	Freight & Express Charges	500
145334341	Advertising	20,000

145335351	Property Insurance (center and pool)	32,000
145336361	Electricity	291,250
145336362	Natural Gas	144,750
145336364	Sewer	16,500
145336365	Solid Waste Disposal	0
145336366	Water	47,500
145337373	Building Maintenance-Hired Out	4,250
145337374	Equipment Maintenance Service (alarm/HVAC/Computer)	45,000
145342420	Dues & Subscriptions	500
145345450	Other Contracted Services	22,500
145345451	Custodial Services Contract (contract cleaning, \$1.00 sf, excludes pool)	74,000
1455346460	Meetings Conferences & Training	4,000
	Total	\$ 767,750

35-Meter 8,000 Fitness Expenses

Recreation Programming		
145024247	Recreation Program Supplies	25,000
	Cardio Equipment Lease	100,000
145045450	Misc. Contracted Services	21,000
	Total	\$ 146,000
Aquatics Programming		
145124247	Aquatics Program Supplies	11,000
145131318	Pool Water Testing	5,000
145132222	Pool Chemicals	50,000
145145450	Misc. Contracted Services	11,500
	Total	\$ 77,500

Parks & Recreation Concessions		
145221215	Merchandise for Resale (\$20,000 concessions/\$10,000-\$15,000 retail)	35,000
145243430	Sales Tax Remittance	200
	Total	\$ 35,200
Other		
	Bank Charges (Credit Card and EFT)	67,500
	Uniforms	4,500
	Total	\$ 72,000
	Capital	
	Replacement fund	\$ 100,000
	Grand Total	\$ 3,490,199

EXPENSES

35-Meter 8,000 Fitness Summary

Derry Township Community Center	
Operational Budget Summary	
Square Foot (Indoor Only)	90,000 sf
Category	35-M w/ 8,000 sf Fitness
Revenues	\$ 2,733,635
Expenses	\$ 3,490,199
Difference	\$ (756,564)
Recovery %	78%
<i>This budget represents the second full-year of operation (2024)</i>	

35-Meter 6,500 sf Revenues

REVENUES

Derry Township Community Center Revenues	
Category	35 M w/ 6,500 sf Fitness
Fees	
Daily Admissions	172,125
10 Visit Admissions	14,153
1 Month	10,508
3 Month Pass	61,908
Monthly Annuals	991,109
Annuals	545,816
Group/Corporate	30,000
Aquatic Rentals	142,450
General Facility Rentals	83,600
Total	\$ 2,051,669

Programs	
Aquatics Programs	117,300
Aquatics Contract Program Revenue	17,000
Fitness/General Programs	286,589
Fitness/General Contract Program Revenue	30,000
Total	\$ 450,889

Other	
Resale Items (Gross Sales)	18,750
Senior Center Contribution	22,800
Concession (Gross Sales)	40,000
Child Watch	0
Special events	4,000
Vending	9,000
Total	\$ 94,550
Grand Total	\$ 2,597,108

35-Meter 6,500 sf Fitness Expenditures

Acct. #	Category	35 w/ 6,500 sf Fitness
	Personnel (plus benefits)	
	Full-time	864,850
	Part-time	1,426,899
	Total	\$ 2,291,749

O & M		
145321210	Office supplies	12,000
145322224	First Aid Supplies	500
145324240	Other Center O&M Supplies (repairs/supplies)	23,000
145325252	Equipment Maintenance Parts	10,000
145326260	Small Tools & Minor Equipment	5,000
145331400	Legal Fees	1,000
145332321	Telephone Service	10,000
145332325	Postage	3,000
145333331	Travel Expenses	500

145333334	Freight & Express Charges	500
145334341	Advertising	20,000
145335351	Property Insurance (center and pool)	32,000
145336361	Electricity	281,875
145336362	Natural Gas	144,750
145336364	Sewer	16,500
145336365	Solid Waste Disposal	0
145336366	Water	47,500
145337373	Building Maintenance-Hired Out	4,250
145337374	Equipment Maintenance Service (alarm/HVAC/Computer)	45,000
145342420	Dues & Subscriptions	500
145345450	Other Contracted Services	22,500
145345451	Custodial Services Contract (contract cleaning, \$1.00 sf, exludes pool)	74,000
1455346460	Meetings Conferences & Training	4,000
	Total	\$ 758,375

EXPENSES

35-Meter 6,500 sf Fitness Expenditures

Recreation Programming		
145024247	Recreation Program Supplies	25,000
	Cardio Equipment Lease	72,500
145045450	Misc. Contracted Services	21,000
	Total	\$ 118,500

Parks & Recreation Concessions		
145221215	Merchandise for Resale (\$20,000 concessions/\$10,000-\$15,000 retail)	35,000
145243430	Sales Tax Remittance	200
	Total	\$ 35,200

Aquatics Programming		
145124247	Aquatics Program Supplies	11,000
145131318	Pool Water Testing	5,000
145132222	Pool Chemicals	50,000
145145450	Misc. Contracted Services	11,500
	Total	\$ 77,500

Other		
	Bank Charges (Credit Card and EFT)	67,500
	Uniforms	4,500
	Total	\$ 72,000
	<u>Capital</u>	
	Replacement fund	\$ 100,000
	Grand Total	\$ 3,453,324

EXPENSES

35-Meter 6,500 sf Fitness Summary

Derry Township Community Center	
Operational Budget Summary	
Square Foot (Indoor Only)	90,000 SF
	35 M w/ 6,5000 sf Fitness
Revenues	\$ 2,597,108
Expenses	\$ 3,453,324
Difference	\$ (856,216)
Recovery %	75%
<i>This budget represents the second full-year of operation (2024)</i>	

SUMMARY

25-Yard 8,000 sf Fitness Revenues

Derry Township Community Center Revenues	
Category	25 M w/ 8,000 sf Fitness
Fees	
Daily Admissions	172,125
10 Visit Admissions	14,153
1 Month	10,508
3 Month Pass	61,908
Monthly Annuals	1,080,329
Annuals	585,401
Group/Corporate	30,000
Aquatic Rentals	112,450
General Facility Rentals	83,600
Total	\$ 2,150,474

25-Yard 8,000 sf Fitness Revenues

<u>Programs</u>	
Aquatics Programs	100,000
Aquatics Contract Program Revenue	15,000
Fitness/General Programs	294,311
Fitness/General Contract Program Revenue	30,000
Total	\$ 439,311

<u>Other</u>	
Resale Items (Gross Sales)	18,750
Senior Center Contribution	22,800
Concession (Gross Sales)	40,000
Child Watch	0
Special events	4,000
Vending	9,000
Total	\$ 94,550
Grand Total	\$ 2,684,335

25-Yard 8,000 Fitness Expenditures

Derry Township Community Center Operating Expenses		
Acct. #	Category	25 M w/ 8,000 sf Fitness
	Personnel (plus benefits)	
	Full-time	864,850
	Part-time	1,310,966
	Total	\$ 2,175,816

O & M		
145321210	Office supplies	12,000
145322224	First Aid Supplies	500
145324240	Other Center O&M Supplies (repairs/supplies)	23,000
145325252	Equipment Maintenance Parts	10,000
145326260	Small Tools & Minor Equipment	5,000
145331400	Legal Fees	1,000
145332321	Telephone Service	10,000
145332325	Postage	3,000
145333331	Travel Expenses	500

145333334	Freight & Express Charges	500
145334341	Advertising	20,000
145335351	Property Insurance (center and pool)	32,000
145336361	Electricity	281,875
145336362	Natural Gas	144,750
145336364	Sewer	15,000
145336365	Solid Waste Disposal	0
145336366	Water	40,000
145337373	Building Maintenance-Hired Out	4,250
145337374	Equipment Maintenance Service (alarm/HVAC/Computer)	45,000
145342420	Dues & Subscriptions	500
145345450	Other Contracted Services	22,500
145345451	Custodial Services Contract (contract cleaning, \$1.00 SF, excludes pool)	74,000
1455346460	Meetings Conferences & Training	4,000
	Total	\$749,375

EXPENSES

25-Yard 8,000 Fitness Expenditures

Recreation Programming		
145024247	Recreation Program Supplies	25,000
	Cardio Equipment Lease	100,000
145045450	Misc Contracted Services	21,000
	Total	\$ 146,000

Aquatics Programming		
145124247	Aquatics Program Supplies	11,000
145131318	Pool Water Testing	5,000
145132222	Pool Chemicals	45,000
145145450	Misc. Contracted Services	11,500
	Total	\$ 72,500

Parks & Recreation Concessions		
145221215	Merchandise for Resale (\$20,000 concessions/\$10,000-\$15,000 retail)	35,000
145243430	Sales Tax Remittance	200
	Total	\$ 35,200

Other		
	Bank Charges (Credit Card and EFT)	67,500
	Uniforms	4,500
	Total	\$ 72,000
	<u>Capital</u>	
	Replacement fund	\$ 100,000
	Grand Total	\$ 3,350,891

EXPENSES

25-Yard 8,000 sf Summary

Derry Township Community Center	
Operational Budget Summary	
Square Foot (Indoor Only)	90,000 sf
Category	25 M w/ 8,000 sf Fitness
Revenues	\$ 2,684,335
Expenses	\$ 3,350,891
Difference	\$ (666,556)
Recovery %	80%
<i>This budget represents the second full-year of operation (2024)</i>	

25-yard 6,500 sf Revenues

Derry Township Community Center Revenues	
Category	25 YD w/ 6,500 sf Fitness
Fees	
Daily Admissions	172,125
10 Visit Admissions	14,153
1 Month	10,508
3 Month Pass	61,908
Monthly Annuals	991,109
Annuals	545,816
Group/Corporate	30,000
Aquatic Rentals	112,450
General Facility Rentals	83,600
Total	\$ 2,021,669

25-yard 6,500 sf Revenues

<u>Programs</u>	
Aquatics Programs	100,000
Aquatics Contract Program Revenue	15,000
Fitness/General Programs	286,589
Fitness/General Contract Program Revenue	30,000
Total	\$ 431,589

<u>Other</u>	
Resale Items (Gross Sales)	18,750
Senior Center Contribution	22,800
Concession (Gross Sales)	40,000
Child Watch	-
Special events	4,000
Vending	9,000
Total	\$ 94,550
Grand Total	\$ 2,547,808

REVENUES

25-Yard 6,500 sf Expenditures

EXPENSES

Derry Township Community Center Operating Expenses		
Acct. #	Category	25 YD w/ 6,500 sf Fitness
	Personnel (plus benefits)	
	Full-time	864,850
	Part-time	1,310,966
	Total	\$ 2,175,816

O & M		
145321210	Office supplies	12,000
145322224	First Aid Supplies	500
145324240	Other Center O&M Supplies (repairs/supplies)	23,000
145325252	Equipment Maintenance Parts	10,000
145326260	Small Tools & Minor Equipment	5,000
145331400	Legal Fees	1,000
145332321	Telephone Service	10,000
145332325	Postage	3,000
145333331	Travel Expenses	500

145333334	Freight & Express Charges	500
145334341	Advertising	20,000
145335351	Property Insurance (center and pool)	32,000
145336361	Electricity	272,500
145336362	Natural Gas	144,750
145336364	Sewer	15,000
145336365	Solid Waste Disposal	-
145336366	Water	40,000
145337373	Building Maintenance-Hired Out	4,250
145337374	Equipment Maintenance Service (alarm/HVAC/Computer)	45,000
145342420	Dues & Subscriptions	500
145345450	Other Contracted Services	22,500
145345451	Custodial Services Contract (contract cleaning, \$1.00 SF, exludes pool)	74,000
1455346460	Meetings Conferences & Training	4,000
	Total	\$ 740,000

25-Yard 6,500 sf Expenditures

<u>Recreation Programming</u>		
145024247	Recreation Program Supplies	25,000
	Cardio Equipment Lease	72,500
145045450	Misc Contracted Services	21,000
	Total	\$ 118,500

<u>Parks & Recreation Concessions</u>		
145221215	Mechandise for Resale	35,000
	(\$20,000 concessions/\$10,000-\$15,000 retail)	
145243430	Sales Tax Remittance	200
	Total	\$ 35,200

<u>Aquatics Programming</u>		
145124247	Aquatics Program Supplies	11,000
145131318	Pool Water Testing	5,000
145132222	Pool Chemicals	45,000
145145450	Misc. Contracted Services	11,500
	Total	\$ 72,500

<u>Other</u>		
	Bank Charges (Credit Card and EFT)	67,500
	Uniforms	\$ 4,500
	Total	\$ 72,000
	<u>Capital</u>	
	Replacement fund	\$ 100,000
	Grand Total	\$ 3,314,016

EXPENSES

25 -Yard 6,500 sf Summary

Derry Township Community Center	
Operational Budget Summary	
Square Foot (Indoor Only)	90,000 sf
Category	25 YD w/ 6,500 sf Fitness
Revenues	\$ 2,547,808
Expenses	\$ 3,314,016
Difference	\$ (766,208)
Recovery %	77%
<i>This budget represents the second full-year of operation (2024)</i>	

Derry Township Community Center				
<i>Operational Budget Summary Second Full Year Operation 2024.</i>				
Square Foot (Indoor Only)	90,000 SF	90,000 SF	90,000 SF	90,000 SF
Category	35-M w/ 8,000 sf Wellness /Fitness	35-M w/ 6,500 sf Wellness/Fitness	25-Yard w/ 8,000 sf Wellness /Fitness	25-Yard w/6,500 sf Wellness / Fitness
Revenues	\$2,733,635	\$2,597,108	\$2,684,335	\$2,547,808
Expenses	\$3,490,199	\$3,453,324	\$3,350,891	\$3,314,016
Difference	(756,564)	(856,216)	(666,556)	(766,208)
Recovery %	78%	75%	80%	77%
SFA Difference	(544,639)			

This analysis represents the second full-year of operation (2024)