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**CSRD Aquatic Feasibility Study**  
Projected Operating Cost Report

# Aquatic Facility Operating Costs – Golden and CSRD

## Introduction

This report outlines the projected operating costs for the new Aquatics Facility, including the Fitness Centre.

The projections were developed using 2018 pool operating costs as a basis, primarily in the areas of staffing costs. The estimates for utilities, the next largest expense, was estimated based on other similar facilities where possible.

Budgets were obtained from several municipalities to help determine accurate projections. These municipalities included Revelstoke, Vernon, and Trail.

## Facility Description

The Aquatics facility is assumed to include a six lane 25 M lap pool, a leisure pool, a hot tub, and changerooms (both universal and male and female). The Fitness Centre is 590 M<sup>2</sup>, situated above the changing facilities.

## Operating Cost Estimate

It is difficult to make precise estimates as no two facilities are the same and none have the same hours, or the same program and therefore not the same number of staff. Staff wages and salaries also vary.

Staffing is the highest cost item in the budget. The staff consists primary of aquatic staff to support the pool programs throughout the year. The aquatic staff are supported by administrative staff (front desk, registration etc.,) maintenance staff and management. The transition from a seasonal pool to a 12 month operation is a significant change in the number and types of programs that can be offered, and the staff required to support these programs.

The other significant cost is the utilities. This is difficult to accurately estimate until a decision is made on the facility design and plan for utilities (electricity, propane, or other source such as biomass)

The CSRD's annual budget will include an estimated operating and management contract cost from the Town of Golden of \$738,332 and additional funds will be required for CSRD related expenses including administration, overhead, staff time, travel, insurance etc. estimated at approximately \$75,000 per year.

The estimated operating cost based on the information available at this time is \$813,322 without capital depreciation.

The revenue projection is \$219,000. This results in a projected net operating cost of \$594,322.

The current net for the outdoor pool (based on 2018 numbers) was \$302,559.

Therefore, the increase in the estimated total operating costs to CRSD/Golden for the new pool will be about \$291,773 exclusive of capital depreciation (not yet calculated).

**Appendix A** is a summary of the projected revenue and costs using current Town budget categories.

**Appendix B** is the detailed potential staffing levels and associated cost estimate.

It should be noted that the current estimates will need to be updated, once the facility design is complete.

## Comparator Facility Operations

Three facilities have been used for the purpose of understanding the operating costs of the new aquatic facility. Although all three communities serve a larger population, their facilities are similar.

**City of Revelstoke** – Operates a 25 M six lane pool, a leisure pool with lazy river, water slide, hot tub, sauna, steam room and climbing wall. They also have a small fitness facility.

Their 2019 actuals indicated that the two major expense areas are wages plus benefits at \$595,756, and utilities at \$250,636. Their revenue was \$506,048.

Revelstoke is somewhat unique as they heat their pool through District Energy, which uses biomass.

They had an attendance of 80,000. This is each “visit” not unique individuals

Net operating cost for the facility in 2019 was \$596,854. This does not include the Director’s salary, and some other costs are included that are not just for the pool. They are relatively minor.

**City of Vernon** – Greater Vernon Recreation (which includes Coldstream and RDNO Electoral Areas B and C) operates a similar aquatic facility to what is being proposed for Golden. They have an 8 lane 25 M pool, a leisure pool, hot tub, steam room, sauna, and a very small fitness area.

Their 2020 projected expenses were \$1,678,085 which included \$1,178,058 in wages and benefits. Utilities were budgeted at \$154,760 for electricity and \$32,290 for natural gas. Their revenue was projected at \$1,074,369.

Their attendance in 2019 was 220,000 users.

Their projected net operating cost for 2020 was \$603,716 (prior to COVID-19 impact).

**City of Trail** – Trail has an aquatic centre similar (but somewhat larger) to what is being considered. They have an 8 lane, 25 M pool with diving boards, a large “play pool” with numerous water features, a large waterslide, steam room, and a fitness centre.

Based on their 2020 budget, their expenses were projected at \$1,283,050 and revenues of \$512,000. Their pool is older and has more lifeguarding/safety challenges due to the overall design and their waterslide.

Staff wages were budgeted at \$672,300. Their utilities included \$23,000 for natural gas to heat the pool and \$148,000 for power.

Their projected net operating cost for 2020 was \$771,050. (Prior to COVID-19)

## Contracting Out Pool Operations

One option is to explore opportunities to contract out the operations to a private company. This option could be explored once the facility design is finalized. Preliminary discussions could take place to gain a clear understanding of the potential benefits and drawbacks.

## Aquatic Facility Programming

The new facility, whether it is one pool or two will provide many aquatic opportunities for the community. The schedules for the pool(s) will be developed and revised based on community interest and need. The following is a list of potential program offerings.

### Adults (including Seniors):

- Lane swimming -generally early mornings, lunch hour, and some evenings during lessons
- Adult swimming lessons – beginner to advanced.
- Age-friendly programs
- Therapeutic sessions, Physiotherapy, Gentle Fitness etc.
- Aquafit
- Masters Swim

### Children and Youth:

- Pre-school lessons: mornings, afternoons, and weekends
- Children’s “Swim Kids” lessons – after school and weekends
- Advanced lessons and lifeguard training – after school, evenings, and weekends
- Special Needs lessons
- Private lessons
- School Group Lessons (offered in coordination with the School District)
- Golden Dolphin Swim Club

### All Ages:

- Recreational/Public Swim
- Wibit Swims
- Private Pool Rentals & Birthday Parties
- Water Safety – canoes etc.

### Employment Focussed Training:

- Adventure Tourism – e.g. Rafting education
- High School Lifeguard Academy

## Fitness Centre

The total area of the proposed fitness centre is 590 M<sup>2</sup>. The main space is 12 M by 40 M, or 480 M<sup>2</sup>. It would be located above the pool changerooms.

One of the key factors with a fitness centre is the numbers it can expect to attract as members.

The normal fitness centre capture rate is 20% of the adult population. Golden and surrounding area has a population of about 6,856. If we subtract the number of children and adults over the age of 85 it leaves 5810 “eligible” adults.

Twenty percent (20%) of 5,810 is 1162. Therefore, the potential number of fitness members is 1162 from Golden and all of Area A. Just Golden is 626 potential members.

It is also important to consider the current fitness centre market in Golden, and whether indoor fitness has room to increase the number of participants.

Trends are currently toward more non-equipment based activity. Examples of this are a TRX (Total Resistance Exercises) area/room and HIIT (High Intensity Interval Training) area. Also, some cardio equipment is important. In order of popularity they are: treadmills, ellipticals, upright and recumbent bikes. This style of Centre would somewhat reduce the cost of equipment.

Many fitness centres are staffed whenever open to ensure safe use of the equipment; however, some municipalities do not staff the smaller centres at all times.

Due to the union environment, it will be costly for the Town/CSRD to operate the Fitness Centre. There will be competition from the other fitness operators, although there are few in town. Equipment is expensive and at minimum would be in the range of \$100,000 to \$150,000. However, the Town/CSRD should be able to operate the Fitness Centre on a break even basis or a small net profit, depending on the fees charged.

An option would be to operate the Fitness Centre on a lease arrangement, whereby the Town could recover at a minimum, facility operation costs (utilities, cleaning, capital depreciation etc.) through the lease payments.

## Summary

The estimation of accurate future operating costs is a critical aspect in the development of a publicly funded facility. This document is an initial look at the costs but should be updated once the final design and operating model is determined.

## Attachments:

APPENDIX A – Budget Projections for New Facility

APPENDIX B – Staffing Estimates

<b>APPENDIX A</b>	<b>Outdoor Pool 2018 Actuals</b>	<b>Estimates for New Facility (2020 dollars)</b>	<b>Notes</b>
<b>REVENUE</b>			
<b>Membership and Punch Card</b>	(40,195.83)	(120,450.00)	55% Drop-in programs
<b>Program and Course</b>	(28,653.01)	(54,750.00)	25% Lessons & other instructional
<b>Merchandise</b>	(5,117.39)	(10,950.00)	5% Items for sale
<b>Facility Rental</b>	(10,237.03)	(32,850.00)	15% Educational programs
<b>TOTAL REVENUE</b>	<b>(84,203.26)</b>	<b>(219,000.00)</b>	
<b>EXPENSES</b>			
Wages - Regular	96,748.55	156,428.00	From Staffing Estimate
Wages - Casual	135,995.28	238,122.00	From Staffing Estimate
Wages - Overtime	12,201.24	3,000.00	
Wages - Dirty Pay/Shift Differential	-	-	
Fringe Benefits	33,430.65	48,632.00	
Travel Expenses	3,991.84	3,000.00	
Freight	2,693.80	2,500.00	
Internet & Hosting Services	-	-	
Telephone	2,816.14	3,000.00	
Hydro/Utilities	9,835.78	151,000.00	Based on comparators (average)
Heating Fuel/Propane	14,282.81	33,000.00	mid-range of AME estimate
Water And Sewer	5,196.75	10,000.00	Larger facility
Advertising	1,787.84	1,500.00	
Business Meetings	43.10	50.00	
Insurance	2,546.80	7,500.00	Much larger facility
Memberships Professional Fees	264.15	300.00	
Memberships/Conferences	-	-	
Training/Professional Development	4,643.90	5,000.00	
Contract Employees	-	-	
Engineering	-	-	
Contracted Services	9,870.32	10,000.00	
Permits & Licences (Reclass)	595.00	600.00	
Equipment Rental - Internal	142.50	-	
Equipment Rental - External	-	-	
Computer - Software	-	-	
Materials & Supplies - General	25,801.04	26,000.00	
Materials & Supplies - Mechanical	-	-	
Materials & Supplies - Programs	2,121.81	3,000.00	
Materials & Supplies - Office	108.45	200.00	
Materials & Supplies - Janitorial	6,600.02	12,000.00	
Consumable Supplies	5,641.38	6,000.00	
Clothing Allowance	626.44	500.00	
Materials & Supplies - Chemicals	4,723.38	13,000.00	
Small Tools & Equipment	458.42	1,000.00	
Safety Supplies & Equipment	2,855.50	3,000.00	
Computer Maintenance	739.51		
CSR expenses		75,000.00	
Capital Depreciation	-	-	Need info from CSR
<b>TOTAL EXPENSES</b>	<b>386,762.40</b>	<b>813,332.00</b>	
<b>NET</b>	<b>302,559.14</b>	<b>594,332.00</b>	

Notes: Increase primarily due to staffing, utilities, supplies and insurance

Utilities may change depending on design of facility.

Manager of Recreation Services Salary not included

**APPENDIX B - STAFFING ESTIMATE**

<b>Position</b>	<b>Rate</b>	<b>Benefits</b>	<b>Hrs per Week</b>	<b># of Weeks</b>	<b>Annual Cost w/o Benefits</b>	<b>Annual Cost with Benefits</b>	<b>Notes</b>
<b>Part Time / Casual Staff</b>							
Aquatic Worker 3	\$24.41	4.0%	40	40	\$39,056	\$40,618	See Note 1.
Aquatic Worker 3	\$24.41	4.0%	40	40	\$39,056	\$40,618	See Note 1.
Aquatic Worker 3	\$24.41	4.0%	40	40	\$39,056	\$40,618	See Note 1.
Aquatic Worker 2 (multiple people)	\$23.41	4.0%	80	16	\$29,965	\$31,163	(May-Aug)
Aquatic Worker 2 (multiple people)	\$23.41	4.0%	50	20	\$23,410	\$24,346	(Sept-April)
Recreation Clerk	\$21.66	4.0%	30	52	\$33,790	\$35,141	See Note 2.
Recreation Clerk	\$21.66	4.0%	30	52	\$33,790	\$35,141	See Note 2.
<b>Part Time / Casual Staff Total</b>					<b>\$238,122</b>	<b>\$247,647</b>	
<b>Full Time Staff</b>							
Recreation Coordinator- Aquatic Lead	\$32.16	25.0%	40	52	\$66,893	\$83,616	
Recreation Coordinator - Programs Lead	\$32.16	25.0%	20	52	\$33,446	\$41,808	See Note 3.
Recreation Operator	\$31.16	25.0%	24	52	\$38,888	\$48,610	
Senior Recreation Operator	\$33.08	25.0%	10	52	\$17,202	\$21,502	
<b>Full Time Staff Total</b>					<b>\$156,428</b>	<b>\$195,536</b>	See Note 4.
<b>Total Costs</b>					<b>\$394,550</b>	<b>\$443,182</b>	

**Notes:**

1. Aquatic Worker 3 staff work for three 10 week sessions plus one 8 week session with 2 training prep/wrap-up weeks.
2. 25% of time associated with other facilities.
3. 50% of time associated with other facilities.
4. Manager of Recreation Services position not included in caclulations