

Mission Valley Aquatics

Business Plan February 2010



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I. General Organizational Description

Mission Valley Aquatics' mission is to provide a state-of-the-art aquatic facility that enhances the health, fitness, safety, recreation and quality of life for all in the Mission Valley. The MVA vision is a community where every person enjoys water activities safely. Health, safety and recreation comprise MVA's core values.

The MVA Strategic Plan, updated in 2008, focuses on the strengths and weaknesses of the organization. MVA has strong community support as indicated by the results of the feasibility study, broad community representation on the board and advisory counsels, as well as the passing of the mil levy and creation of a recreational district for the aquatic center. This support will ensure sustainability of ongoing operations and maintenance of the facility. MVA will fulfill its mission and achieve its vision when an indoor facility has been built and maintained.

Strategic Plan

Strategic Goal I. Raise the funds required to build a state-of-the-art indoor aquatic facility in the Mission Valley.

Measures: 1) develop and implement a comprehensive fundraising plan; 2) achieve goals of fundraising plan.

Targets: 1) seek advice and information about fundraising; 2) develop fundraising plan with timeline and measurable objectives; 3) seek grants, corporate and individual donations.

Timeline: 2008-2010

Strategic Goal II. Build a state-of-the-art indoor aquatic facility.

Measures: 1) design a facility to meet the current and future needs of community residents; 2) ensure construction team has the knowledge and skill to build the facility.

Targets: 1) hire a design-build crew comprised of national or regional experts in pool design and a local contractor with expertise in construction in the area; 2) work with pool designer to create a design based on recent research and trends in pool design; 3) work with contractor to construct the facility to legal, environmental and regional standards.

Timeline: 2009-2010

Strategic Goal III. Ensure that facility's programming and services entice community members to participate in safe and enjoyable water activities.

Measures: 1) ensure facility is accessible for people of all ages, abilities, socioeconomic classes, and cultural identities; 2) provide high-quality programming and services.

Targets: 1) design programs that are attractive and appealing to community members; 2) design programs to enhance safety and health of the Mission Valley community.

Timeline: 2010-2011

Overview

Incorporated in the State of Montana in 2002, Mission Valley Aquatics (MVA) is a 501(c)(3) organization. MVA will build an aquatic facility providing programs and aquatic opportunities to individuals of all ages and abilities. The facility will be a community aquatic center that is open to the public.

The Mission Valley lies within the Flathead Indian Reservation, home to the Confederated Salish and Kootenai Tribes, and is located south of Kalispell and north of Missoula in northwest Montana. The Mission Valley encompasses numerous bodies of water, including the Flathead River, hundreds of miles of irrigation ditches and canals, several small lakes, and Flathead Lake. At 197 square miles, Flathead Lake is the largest freshwater lake in the western United States. Every resident of the Mission Valley lives near water, but, with surface temperatures averaging 62 degrees in the summer, few swim or participate in outdoor aquatic recreation more than three months a year.

Through a generous donation of land, the aquatic facility will be easily accessible to Mission Valley residents, just off the four-lane highway south of Polson, and near a popular local shopping area. The aquatic facility will include a zero entry pool with water spray features, a water slide, concession stand, meeting area for parties and family locker rooms. Those interested in health and wellness activities will enjoy the eight-lane pool for lap swim and competitions, a smaller pool suitable for instruction, therapy and aqua aerobics, and a hot tub and sauna. A planned second phase of construction will include basketball and racquetball courts as well as child care space.

Infrastructure and Governing Bodies

MVA is governed by a seven-member Board of Directors. An active community supports the project and committees are formed from this group as the need arises. Currently, a Campaign Committee, Finance Committee, Policy and Development Committee and Events Committee meet regularly. In 2008, MVA hired a part-time project director and part-time office coordinator to staff its fundraising efforts. The Project Director reports directly to the Board of Directors.

MVA Recreation District Board:

In 2008, voters approved the creation of a recreation district with boundaries from Elmo to Yellow Bay to Minesinger Road. The initial Recreation Board was appointed by the Lake County Commissioners. Future governing board members will be elected. They will serve as volunteers and are barred from receiving payment. The Recreation Board will become active when construction of the building is complete and in conjunction with the initiation of the mill levy. At this point, MVA Board of Directors will coordinate with the MVA Recreation District Board regarding transition and/or cooperative management and operation of the aquatic facility.

II. Project Description

Physical Structure

Phase 1 – See attached Facility Plan

MVA plans to build an indoor aquatic center which will include the following features:

- **Eight lane, 25-yard competition pool** - Designed for lap swim and competition, will meet specifications for high school swim meets and will serve as a sport and fitness resource for members. This pool will include diving boards.
- **Shallow entry activity pool** - This is a zero entry pool gradually leading to a maximum depth of 4.5 feet. This warmer pool is designed for swim instruction and water aerobics and will be equipped with a slide and spray features. This pool will focus on fun, safety and fitness.
- **Warm water therapy pool** - A pool with average temperatures of 95 to 102 degrees for the community's health and fitness needs, primarily for physical therapy and relaxation.

Programs for these pools will include fitness classes, safety instruction for swimming, boating, lifeguard training and CPR instruction. Exercise sessions will range from high intensity aqua aerobics in the lap pool, gentler exercise in the activity pool and physical therapy in the therapy pool. The facility may also host regional and state swim meets for all ages, as well as diving and water polo competitions.

The facility will have a hot tub and sauna. Locker rooms for men, women, families, and the handicapped will be centrally located. The plan also includes a concession stand, meeting room and observation area for pool rentals and special events. Administrative offices, custodial space and storage are incorporated within the facility.

Phase 2 - See attached Facility Plan

Facility amenities will depend on additional funding and may include a basketball court, racquetball courts, exercise space and a childcare area. This Business Plan is limited to the functions of Phase 1 of construction.

To date, several key benchmarks have been met toward the development of this project.

Feasibility Study

The MVA Board of Directors contracted with a professional consultant to conduct and write an extensive feasibility study in 2004. The study evaluated area demographics and community support and concluded that the development and operation of an aquatic facility was a reasonable and a valuable addition to the community. However, the success of such a facility was

dependent upon location, leadership, partnerships, donations, grants and level of taxpayer support in the Mission Valley.

The study evaluated three primary service areas in Lake County. Each of the primary service areas has a 15-mile radius centered on the communities of Polson, Pablo and Ronan. Due to the close proximity of the communities to each other, there is a great deal of overlap in the primary service areas.

A primary service area with a 15-mile radius is commonly used to assess the recreational needs and number of potential users within a population. This area refers to the distance people will travel on a regular basis (once per week) to utilize an aquatic facility or its programs. The boundaries of the primary service area support a driving distance (15 to 20 minutes) that people will regularly travel. Within that distance, of course, are people who would also regularly walk or bicycle to a facility. It is important to note that due to the somewhat rural nature of the Mission Valley and the specialized nature of an aquatic facility, residents from outside of the primary service area can be expected to travel to the facility with some regularity. Therefore, a 15-mile primary service area is a conservative baseline from which to project user figures.

After extensive analysis, the City of Polson was chosen as the area of greatest interest for the site. The incorporated City of Polson is the seat of Lake County government and had a permanent year round population of 4,041 persons during 2000 (the latest census), making it the largest community in the Mission Valley. The Polson primary service area population during 2000 was 16,757 full time residents. Polson is located on the southern shore of Flathead Lake and provides a relatively wide variety of shopping opportunities to a steadily growing number of residents and visitors. Polson has the highest taxable value and more assets under bank management than any other community in the Mission Valley. The Polson area is also a summer destination and the local population swells by three or four times on some weekends as visitors from throughout the state and country enjoy Flathead Lake and the surrounding region.

Location and Significant Donation

On the strength of the feasibility study, MVA solicited and received a local donation of 2.5 acres of land, ideally located as a building site just off of Highway 93 (four-lane highway) south of Polson, near a popular local shopping area. All environmental impact studies were completed by the developer when the subdivision was granted by the city.

Recreation District Mil Levy

In early 2008, through a ballot measure, the residents of Polson created a recreation district with an ongoing mil levy to fund a significant portion of the aquatic facility's operational costs. The overwhelming public support for the measure, and the positive results of a feasibility study, strengthened MVA's decision to move forward with a capital campaign to raise the funds required to build the aquatic center. Details of the mil levy revenue are provided in the "Projections for Facility Operations" section of this document.

Capital Campaign and Funding Strategies

As a result of the feasibility study and passage of the mil levy, two anonymous \$1 million dollar donations were pledged to the pool project. The Board made the decision to seek counsel for a capital campaign to raise the additional \$5.4 million needed to fund Phase I of the aquatic facility construction. In 2008, MVA hired a private contractor to provide guidance for the capital campaign. To date, MVA has raised \$2.7 million of its construction goal of \$7.4 million (36% of the objective). Fundraising materials include a database that has been established to keep track of current potential donors and promotional documents to foster both private and public contributions. See the MVA Case for Support and visit the website (www.mvaquatics.org).

Individual & Business Contributions

MVA plans to receive a significant portion of their funding from private and public contributions. MVA staff and community volunteers will be trained to approach potential donors to request donations or pledges. Below is a table to demonstrate MVA's fundraising goals with individual and business contributions.

Donor Pyramid

# Gifts Anticipated	# Prospects Needed	Gift Level	Gift Amts
2	Complete	\$1.1 million	\$2.1 million
1	2	\$1 million	\$1 million
2	4	\$500,000	\$1 million
4	8	\$250,000	\$1 million
6	12	\$150,000	\$900,000
4	8	\$100,000	\$400,000
6	12	\$50,000	\$300,000
8	16	\$25,000	\$200,000
10	20	\$20,000	\$200,000
10	20	\$15,000	\$150,000
10	20	\$10,000	\$100,000
12	24	\$5,000	\$60,000
30	30	\$1,000	\$30,000
50	40	\$500	\$25,000
			TOTAL \$7.5 million

Grant Writing

MVA has submitted several grant applications and letters of inquiry to foundations and charitable organizations. MVA has received the following grants: the Lower Flathead Valley Community Foundation (\$2,500 + \$1,800), the George W. Taber Foundation (\$1,750), Polson Wal-Mart (\$5,000), the Marselius and Verna Rolfson Trust (\$735) and the Greater Polson Community Foundation (\$1,500). In addition to these funds, a significant donation was made by the Fred Barnowsky Estate (\$28,110). MVA has established a system of targeting appropriate grant sources and deadlines. MVA will seek grants to assist with the following elements of the aquatic center:

- Capital campaign development
- Building construction
- Operations of the facility
- Program development

Community Partnerships

MVA strives to initiate community partnerships to leverage the assets of the aquatic facility as a community resource and generate revenue for building completion and sustainability. Already, a number of entities have expressed interest in establishing partnerships with MVA. They include local school districts, the Salish Kootenai Housing Authority, health care providers, Salish and Kootenai Tribes, the Boys and Girls Club of the Flathead Reservation and county and city governments.

All of these potential partners have an interest in providing aquatic programming to their constituents and can help generate resources. However, at this early stage, none of the above entities have been asked to commit resources to the project. Mission Valley Aquatics plans to begin substantive discussions with the various entities in the near future. MVA understands these organizations are dealing with limited financial resources and the partnership must be mutually beneficial.

The following are examples of some of the community partnerships that could provide collaboration between MVA and the various entities to achieve the following goals:

1. The school districts within the service area have the potential to provide swim lessons as part of their physical education curriculum. Outside of the regular school day, the school can encourage healthy recreation and water safety opportunities for their students by providing bussing for after school and competitive programs.
2. The Salish Kootenai Housing Authority could organize trips to the facility and provide grant writing and administration services while providing healthy recreation and water safety opportunities to their residents.

3. Local health care providers could serve more patients by expanding their physical therapy and wellness programs to include water-based activities. MVA could aid those health care providers by offering discounted user rates or affordable leases for office space.
4. Salish Kootenai College has the potential to provide swim lessons and water safety as part of their physical education curriculum.
5. The Confederated Salish and Kootenai Tribes could also help provide infrastructure, maintenance, direct financing or grant writing and administration services while providing for the recreation and safety needs of their constituents.
6. The Boys and Girls Club of the Flathead Reservation could encourage use of the aquatic facility while providing healthy recreational opportunities to local children.
7. The local governments of Lake County, Polson and Ronan could help provide water and sewer services, road and pathway construction, labor and materials, as well as maintenance and financing assistance. These entities would help meet the recreation and safety needs of their residents and attract outside income to the area.

There are a number of other potential partners. They include local law enforcement, fire and rescue personnel, senior citizen groups, the local branch of the American Red Cross, corporate and private business entities. One of the major barriers to swimming is the distance between communities and the lack of an organized transportation system. MVA will collaborate with potential partners about the best way to increase transportation opportunities to the facility.

III. The Market and Needs

Users

Projecting the likely number of users of an aquatic facility in the Mission Valley at this early stage is a difficult task because there are so many variables to consider. These variables include user cost, facility features, seasonal versus year-round operation, and distance from Flathead Lake and programming options. A 15-mile radius of the site is commonly used to assess the recreational needs and number of potential users within a population. This area is called the primary service area and refers to the distance people will travel on a regular basis (once per week) to utilize an aquatic facility or its programs. The boundaries of the primary service area support a driving distance (15 to 25 minutes) that people will regularly travel. Refer to the Feasibility Study for a detailed discussion on the factors and the demographics of the primary services area of Polson.

According to a number of aquatic recreation professionals, a primary service area of 15,000 residents is necessary to support an outdoor aquatic facility, with significantly more residents

needed to support an indoor one. Polson (the primary service area) has more than 15,000 residents but less than 20,000. Based on the demographic data within the Polson primary service area, national and statewide aquatic and recreational participation trends and comparisons with aquatic facility user rates in other markets, it can be estimated that an average of five percent of local population from a primary service area is likely to use an indoor aquatic facility on a weekly basis. Using 2004 population estimates, this translates into an average of 898 weekly users in the Polson primary service area. These figures showed potential of 41,308 annual visitors to a facility in Polson (to be conservative, the figures used to evaluate projected income included subtracting the weeks surrounding the Thanksgiving and Christmas holidays and four weeks during the summer when the lake is irresistible).

Local Aquatic Recreational Opportunities

Mission Valley residents and visitors frequent a number of local places for summertime swimming and aquatic recreation. These outdoor locations might be considered competition for a future aquatic facility in the Mission Valley during the summer. However, these sites do not involve any program services and there is a significant lack of lifeguard services in Polson. MVA will service users who value aquatic facility features such as a clean and supervised environment, organized swimming lessons, competitive programs, aqua aerobics, aqua therapy, and other fun water related activities.

IV. Operational Plan

Despite the fact that construction of the facility has not begun, several operational procedures have been established.

Management and Personnel

The Recreation Board will supervise the overall operation of the facility. The first appointed MVA Recreation District Commissioners are as follows:

- Hu Beaver, President of the MVA Board
- Tana Seeley, MVA Project Director
- James Raymond, Polson City Attorney

Future commissioners will be voter approved by the general public within the recreation district. Initial staffing of the aquatic facility is listed below. These positions will be publicly advertised and salaries will be competitive within the industry.

- a. A **Pool Manager** will be hired with the appropriate experience and background to operate a facility of this size and relevant programming. The Pool Manager position will be filled as construction begins to allow time to develop details and implementation of this plan. The Pool Manager will draft policies for the Board to adopt. The Pool Manager will also create the policies under which the pool

and staff will operate. Training programs for staff will be an important part of ensuring the smooth and efficient operation of the facility.

- b. An **Assistant Manager** will be employed, either part time or full time, to provide the continuous coverage required to maintain safety in the aquatic facility. The Assistant Manager will help administration and staff. Supervision and training of staff, as well as ensuring safety, are the major components of this position. A second assistant manager position may be added as required by attendance and function.
- c. A **Program Manager**, initially part time, will be added to create and maintain program areas such as swim lessons, aerobic classes, aqua therapy, pool rentals and other aquatic programming. The Program Manager will be responsible for actively seeking creative revenue-generating programs.
- d. The facility will employ a number of **Lifeguards**. Due to the fluctuating demands for lifeguards depending on programming schedules, user levels and season of the year, these positions are projected to be part-time. Duties will be standard, including providing monitoring of patrons, water safety and facility cleanliness.
- e. A full-time **Janitor** will provide daily sanitation, monitoring the filtration system, minor facility repairs and yard maintenance.
- f. A **Water Quality Coordinator** will be contracted. This position will be held by a certified pump and filtration specialist who will provide specialized services in the area of water quality and pump maintenance who is on call 24/7.

Regulatory Environment

The state-of-the-art aquatic facility will address all regulations governing water quality of pools as established by the state of Montana. Standards for various segments of the operation are set and monitored by the Health Department, Occupational Safety and Health Administration and the fire department. The architect will also provide guidance regarding regulatory agency requirements prior to building. These will be addressed through the facility design and operational standards. All required standards will be met prior to opening the facility for use and will continue to be met through the operational plan.

Insurance coverage for the building and liability exposures will be obtained. Additionally, those who rent the facilities will be required to provide evidence of insurance, identify the MVA Center in the coverage, and sign releases as appropriate. Insurance costs are currently rising for many aquatic facilities and it will be important to ensure all safety and risk management elements are strictly adhered to during construction and ongoing operations.

Additional Services

MVA may offer complimentary services as a convenience to users. As the operation unfolds, these services will be evaluated for their desirability, strategic benefits and ability to provide revenue to the general fund. At the current time, the following have been considered:

- A **concession stand** providing food service through a contract with an outside vendor who will be responsible for maintaining concessions inventory including items specifically needed in an aquatic facility.
- A **swim shop** selling a small number of swim related items.
- A **meeting room** available to rent for parties and meetings.
- **Office space** available for healthcare professionals to provide on-site services such as physical therapy or personal training.

Credit Policies

Payment plans through automatic payment and automatic renewal will be provided for the convenience of patrons but credit will not be extended by the aquatic facility to patrons. A scholarship fund will be established to assist those patrons with financial limitations. Payment will be accepted in cash, local check, or credit card. Down payments will be required upon reservation for parties and special events with the balance payable the day of the event. These credit policies are standard for the industry.

Professional and Advisory Support

MVA is a non-profit organization that relies on the generosity of volunteers whenever possible. Many professionals have provided services by being members of the MVA Board of Directors, Advisory Council, the Recreation District Board and various committees. In addition to formal committees, numerous individuals have provided guidance in their area of expertise. MVA will continue to seek assistance and guidance from skilled volunteers within the community.

V. Financial Analysis

Budget for Capital Campaign Activities and Project Development Operations

A summarized audited statement for FY 2008 (Jan. to Dec. Fiscal Year) is below along with an actual for FY 2009 and a budget for FY 2010. These figures represent general activity during a period of developing a capital campaign for construction of an aquatic facility.

Operating Budget	FY2008 Audited	FY 2009 Actual	FY2010 Budget
Beginning Unrestricted Cash Position	\$61,434	\$37,998	\$66,389
Revenue Sources:			
Individual and Business Contributions*	\$7,388	\$54,085	\$913,500
Grant Funding	\$2,500	\$5,792	\$6,000
Misc. Donations	\$2,952	\$478	\$600
Service Group Contributions	\$100	\$0	\$600
Fundraising Event Income	\$4,240	\$3,863	\$3,150
Investment Savings	\$2,192	\$4,827	\$7,000
Total Income	\$19,372	\$69,045	\$930,850
Expenses:			
Fund Raising Events and Other Events	\$10,033	\$1,101	\$1,115
Grant Writing Services	\$4,278	\$500	\$1,200
Campaign Services	\$12,600	\$12,000	\$12,000
Accounting Services	\$185	\$4,251	\$600
Operations/Office Expenses	\$1,961	\$4,073	\$4,620
Travel and Meetings	\$80	\$99	\$240
Payroll (Includes Director Salary)	\$12,665	\$18,562	\$28,920
Insurance	\$0	\$0	\$1,200
Business Expense (includes Advertising)	\$806	\$68	\$1,995
Other	\$200	\$0	\$100
Total Expenses:	\$42,808	\$40,654	\$51,990
Net Surplus/Deficit Position	\$(23,436)	\$28,391	\$878,860
Ending Unrestricted Cash Position	\$37,998	\$66,389	\$945,249
Capital Campaign Activity: **			
Capital Campaign Pledges	\$2,000,000	\$250,000	\$4,000,000
Grant Funding for Bldg Const			\$1,000,000
Land Donation	\$350,000		

Reference FY 2008 Audited Statement & see attached FY 2010 Profit & Loss Budget Overview.

* Contributions in 2009 include: \$28,110 Barnowsky Estate, \$5,000 Darlington Memorial, \$3,400 Local Fundraisers and \$17,575 Local Pledged Dollars.

Projected contributions in 2010 will increase significantly due to capital campaign activity. See p. 13 for fundraising strategies.

** Total Fundraising objective is \$7.4 million; campaign funds needed \$5 million.

Notes to Assumptions for Projections:

Revenue:

- Individual and Business Contributions – depending on the intent of the donor, these can be general donations that are unrestricted and available for administrative, program and fundraising expenses or can be a donation that is restricted to the construction of the facility.
- Program Income – this represents activity from community programs.
- Investment Savings – MVA has established a formal policy for Investment and Expenditures, which dictates approved investments of cash and the allowable use of any investment income. Reference the Investment and Expenditures Policy.

Expenses:

- Grant Writing – anticipated fees for a professional grant writer.
- Capital Campaign – In 2008, MVA contracted with ALPS Foundation Services, a professional fundraising and philanthropic management consultant to perform campaign services on behalf of and in the name of MVA. The agreement calls for ALPS to be paid a flat fee over the term of the agreement. The provisions for payment were ten percent upon commencement of the contract and an additional amount per month until the fee has been paid in full or until reaching the campaign goal at which time the remaining balance would be due.

Details of the contractual commitments can be referenced in the MVA Audit.

Cost of Facility Construction

After a detailed analysis of the cost to construct a state-of-the-art aquatic facility, MVA projects a \$7,314,800 construction budget for Phase 1. Phase 1 will include an eight-lane lap pool, shallow entry activity pool, warm water therapy pool, water slides and spray features, concession area, meeting room, offices and locker rooms.

PROJECT - BUDGET DETAIL

PROJECT DESCRIPTION

Land, Road, & Utility Connection			
A. Costs			
1.	Land		\$ 350,000
2.	Water Fee		\$ 11,000
3.	Sewer Fee		\$ 22,000
4.	Propane		\$ 8,900
5.	Electrical Utility		\$ 5,300
			\$ 397,200
B. Construction Costs			
1.	Building Permit		\$ 36,100
2.	Site Development		\$ 250,000
3.	Construction - Phase 1	36,900 sf	\$ 5,414,600
4.	Construction - Phase 2	13,039 sf	\$ -
			\$ 5,700,700
C. Contingency Funds			
1.	Escalation Cont.	5.00%	\$ 285,100
2.	Project and bidding Contingency	2.00%	\$ 114,100
3.	Construction Contingency	5.00%	\$ 285,100
			\$ 684,300
D. Architect/Engineer Fees & Expenses			
1.	Basic Fee	8.00%	\$ 456,100
2.	Pool Consultant		inc
3.	Expenses (Printing, Postage, Travel)		inc
4.	Additional Services(Survey,As-Builts)		inc
			\$ 456,100
E. Equipment & Furnishings			
1.	Pool Acc (Life Jackets, Lane Markers, Swim Blocks)		\$ 20,000
2.	Concessions Eq.(Frig, Micro, Range, Popcorn, Fountain)		\$ 20,000
3.	Concessions Furniture (Tables, Chairs)		\$ 10,000
4.	Office Equipment and Furniture (Fax, Copier, Chairs, Desk)		\$ 15,000
5.	Custodial (soaps, tissues, cleaning, vacuum, mops)		\$ 6,500
			\$ 71,500
F. Miscellaneous Expenses			
1.	Construction Testing		\$ 5,000
2.	Legal/Bonding		\$ -
			\$ 5,000
TOTAL PROJECT COST			\$ 7,314,800

The construction budget was provided by Architects Design Group and Swank Enterprises.

Projections for Facility Operations

In estimating the revenue and expenses for facility operations, MVA conducted significant national and regional research, including national statistics, examination of comparable aquatic facilities' budgets, and consultation with an experienced aquatic manager who edited the MVA operating budgets after review of the facility and programming plans.

After researching comparable aquatic facilities throughout the northwestern United States, MVA concluded that Missoula Currents Aquatic Center is the most similar to the Mission Valley Aquatic Center design plan. Currents was used as a benchmark and differences in population size between Missoula and the Polson service area were taken into consideration when reviewing their budget for comparison.

A recreation district with an ongoing mil levy has been created to fund a significant portion of the aquatic facility's operational costs. The approved levy of 7 mils equates to approximately \$14.36 per year on \$100,000 of taxable value of property. The funds will be initially levied in the year construction begins. The recreation district mil levy provides ongoing income which supplements user fees for the operational budget.

Mil Levy Revenue for the Recreation District

Based on the 2007 tax year, the numbers would have been as follows:

Recreation District Tax base = \$27,542,560.00

1 mil = \$27,542.00

7 mils = \$191,801.00

Residents that live within the Recreation District boundaries, whether they are homeowners or renters, will have access to reduced annual passes. The Recreation District Board will determine the programming fee structure for daily user fees, annual swim passes, lessons and pool rentals. Projected general pool access fees will be \$3 per child, \$4 per adult and \$10 per family. Monthly passes are estimated at \$25 per individual and \$50 per family, yearly passes at \$150 per individual and \$250 per family. User fees and passes will be adjusted over time for inflation. See attached facility fee tables for more details.

Statistically, aquatic facilities do not establish their full participation levels until the fourth year. Therefore, the lower attendance rate was used when calculating the mil levy, ensuring adequate funding in the first few years of operation. As programming revenue increases, mil levy funds will provide for replacement and repair of equipment and infrastructure that require a longer view. Detailed projections on the following page have been established as a benchmark to support both the operations budget and further review of operational costs.

The two options analyzed are:

Option 1: Revenue based upon Missoula Currents and Expense based upon 50% of Missoula Currents Operating Costs.

Option 2: Revenue at 50% of Missoula Currents and Expense based upon 50% of Missoula Currents Operating Costs.

Analyzed Revenue and Expenditure Options

	Option 1	Option 2
	Revenue Based upon Currents. Expense based upon 50% of Currents OP costs	Revenue at 50% of Currents. Expense based upon 50% of Currents OP costs
Days of Operation	360	360
Total Annual Visitors	41,308	21,000
Attendance Assumptions		
Daily Admissions	21,308	11,000
Passes	15,000	7,500
Swim lesson attendance	2,500	1,250
Rental attendance	2,500	1,250
Total Number of Visitors	41,308	21,000
REVENUE		
Admission Revenue		
Daily admissions (avg. of \$3)	\$ 63,924.00	\$ 3,000.00
Multiple/Yearly Passes (100 ind @ \$125, 80 fam @ \$150)	\$ 24,500.00	\$ 12,000.00
Total Admission Revenue	\$ 88,424.00	\$ 45,000.00
Passes/Programs Revenue		
Swim lessons (\$7 per lesson-1500 lessons)	\$ 10,500.00	\$ 5,500.00
Classes (\$5 per class – 1500 uses)	\$ 7,500.00	\$ 3,500.00
Parties (45 groups @ \$50 per group)	\$ 2,250.00	\$ 2,250.00
Corporate/group/other		
Special Events		
General Facility rentals, etc.		
Total Program Revenue	\$ 20,250.00	\$ 11,250.00
Total Revenue	\$ 108,674.00	\$ 56,250.00
EXPENDITURES		
Salaries		
Center Director	\$ 40,000.00	\$ 40,000.00
Assistant Managers – 2	\$ 40,000.00	\$ 40,000.00
Lifeguards	\$ 40,000.00	\$ 40,000.00
Janitor	\$ 10,000.00	\$ 10,000.00
Maintenance	\$ 5,000.00	\$ 5,000.00
Total Salaries	\$ 135,000.00	\$ 135,000.00
Office Expenses	\$ 4,277.00	\$ 4,277.00
Advertising and Promotion	\$ 10,545.50	\$ 10,545.50
Utilities:		
Electricity and Gas	\$ 73,225.00	\$ 73,225.00
Water	\$ 1,555.50	\$ 1,555.50
Insurance	\$ 2,250.00	\$ 2,250.00
Trash	\$ 765.50	\$ 765.50
Telephone & Communications	\$ 750.00	\$ 750.00
Total Utilities	\$ 78,546.00	\$ 78,546.00
Repair and Maintenance	\$ 22,384.00	\$ 22,384.00
Other Expenses (Travel, Training & Development)	\$ 4,910.00	\$ 4,910.00
Total Expenses	\$ 255,662.50	\$ 251,437.00
Surplus/Deficit	\$ (146,988.50)	\$ (195,187.00)
Anticipated Mil Levy Revenue	\$ 192,542.00	\$ 192,542.00
Surplus or (Deficit)	\$ 45,553.50	\$ (2,645.00)

Note: These figures are based upon Missoula Currents budgeted numbers for the fiscal year 2010. The Missoula Currents project has been in operation since 2006.

VI. References

- DeGrandpre, Dave. “Feasibility Study, A Pool and More” 2004. Available online at www.mvaquatics.org
- Mission Valley Aquatic Center and ALPS Foundation. “Case for Support” 2009
- MVA Audit. Audit Statement FY 2008. Audited Financial Statement by Loren W. Randall, P.C.
- Investment and Expenditures Policy. MVA. Contact office for copy. (406) 883-4567
- Aquatic Center Operating Budget. MVA. Contact office for copy. (406) 883-4567
- Currents Aquatic Center, 600 Cregg Lane, Missoula, MT 59801. (406) 552-6257