Horace Mann Opinion of Probable Cost

Costs	Option A	Option B	Option C
Civil/LA	$140,300	$133,200	$131,600
Architectural	$445,400	$486,600	$520,200
Structural	$168,000	$143,200	$134,400
M& E	$280,400	$334,600	$289,000
Pool	$2,875,000	$3,660,000	$3,290,000[1]
Total	$3,909,100	$4,757,600	$4,365,200

Roosevelt Park Opinion of Probable Cost

Costs	Outdoor Pool	Indoor Pool	Fieldhouse w/Outdoor	Fieldhouse w/Indoor
Civil/LA	$ 282,000	$ 0	$ 105,200	$ 144,000
Architectural	$ 628,200	$3,585,300	$3,222,000	$4,076,400
Structural	$ 232,800	$ 722,400	$ 584,200	$ 784,800
M& E	$ 358,200	$1,947,200	$1,040,800	$1,391,100
Pool	$3,360,000	$3,420,000	$ 0	$ 0
Total	$4,861,200	$9,674,900	$4,952,200	$6,396,300*
		$252.11/SF	$144.29/SF	$136.87/SF

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[1] Inclusive of all the amenities depicted in the Concept C (slides, play features, etc.)

Section IV - Operations Analysis for Roosevelt Expansion

The operations analysis represents a conservative approach to estimating expenses and revenues and was completed based on the best information available and a basic understanding of the project. Fees and charges utilized for this study represent the current fee structure and market value and are subject to review, change, and approval by the City of Rapid City. There is no guarantee that the expense and revenue projections outlined in the operations analysis will be met as there are many variables that affect such estimates that either cannot be accurately measured or are subject to change during the actual budgetary process.

Expenditures

Expenditures have been formulated on the costs that were designated by the consultant to be included in the operating budget for the facility. The figures are based on the size of the expansion, the specific components of the facility, and the hours of operation. All expenses were calculated to the high side and the actual cost may be less based on the final design, operational philosophy, and programming considerations adopted by staff.

Roosevelt Complex - Expansion of the center that includes a 50-meter competitive pool, wet/dry classroom, field house for indoor sports, racquetball courts, rock climbing wall, group exercise classes, fitness and exercise area, administrative support area and storage. Expansion will be approximately 31,587 square feet. A second option listed below includes an outdoor 50-meter pool instead of an indoor pool.

Operation Cost Model:

Category	Field House Indoor Pool	Field House Outdoor Pool
Personnel		
Full-time	$ 0	$ 0
Part-time[1]	$194,002	$127,515
	$194,002	$127,515

[1] Summary of part time positions can be found on page 4.

Operation Cost Model cont.

Category	Field House Indoor Pool	Field House Outdoor Pool
Commodities		
Office Supplies[2]	$ 1,000	$ 1,000
First aid supplies[3]	$ 0	$ 0
Maint/repair materials[4]	$ 1,200	$ 1,000
Janitorial supplies[5]	$ 1,500	$ 1,000
Rec. program supplies	$ 2,500	$ 2,000
Uniforms	$ 2,000	$ 2,000
Printing/postage[6]	$ 0	$ 0
Pro-shop[7]	$ 1,000	$ 1,000
Chemicals	$14,500	$ 8,500
Other	$ 1,500	$ 1,500
Total	$25,200	$18,000

[2] Increase to existing budget
[3] No impact to existing budget
[4] Increase to existing budget
[5] Increase to existing budget
[6] No impact to existing budget
[7] Goggles, swim diapers, shampoo, lotion, etc

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Operating Cost Model cont.

Category	Field House Indoor Pool	Field House Outdoor Pool
Contractual		
Utilities[8] (gas & elect)	$112,000	$ 99,500
Water/sewer[9]	$ 0	$ 0
Advertising	$ 5,000	$ 5,000
Insurance	$ 15,000	$ 15,000
Communications[10]	$ 600	$ 600
Trash Removal[11]	$ 0	$ 0
Training	$ 2,500	$ 2,500
Others	$ 1,000	$ 1,000
Total	$136,100	$123,000

Category	Field House Indoor Pool	Field House Outdoor Pool
Capital		
Replacement fund[12]	$ 35,000	$ 35,000
Total	$ 35,000	$ 35,000
Grand Total	**$390,302**	**$303,515**

[8] Based on a net square footage of 28,000 at $4.00/SF.
[9] Service provided by the City.
[10] Increase/expansion of the existing service
[11] No impact to the existing service
[12]Capital needs will be minimal during the first year of operation since most equipment and operating systems will be under warranty. It is strongly recommended that a sinking fund be established with a goal to build adequate reserves that meet future capital needs. American Public Works recommends planning for 2%-4% of construction cost for capital and maintenance needs. Since maintenance costs have been factored into this pro-forma, a target for building the sinking fund to a level of $30,000-$50,000 is desirable.

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Staffing levels:

Pay rates were determined based on the estimated of existing positions in Rapid City. The positions listed are necessary to ensure adequate staffing and support. The wage scales for both the full-time and part-time staff positions reflect estimated wages for 2013.

Positions	**Fieldhouse Outdoor Pool**
Full-Time	
Administrative Secretary	$0
Benefits (35% of salaries)	$0
Total Full-Time	$0

Positions	**Hours**	**Fieldhouse Indoor Pool**	**Fieldhouse Outdoor Pool**
Part-Time[13]			
Front desk (36 wks) ($7.50/hr)	37 hrs/wk	$ 9,990	$ 9,990
Lifeguard ($8.50/hr)	228 hrs/wk	$100,776	
Front desk (outdoor) ($7.50/hr)	67 hrs/wk		$ 7,035
Lifeguard (outdoor) ($8.50/hr)	231 hrs/wk		$ 27,489
Head Guard ($8.50/hr)	92 hrs/wk		$ 11,730
Gym Attendant ($7.50/hr)	50 hrs/wk	$ 18,750	$ 18,750
Custodian ($7.50/hr)	28 hrs/wk	$ 3,360	$ 3,360
Program Instructors (all)			
Aquatics		$ 10,860	$ 3,620
Fitness		$ 19,200	$ 19,200
Sports		$ 17,280	$ 17,280
Salaries		$180,216	$ 118,454
Benefits (7.65% of part-time wages)		$ 13,786	$ 9,061
Total Part-Time Salaries		$194,002	$ 127,515

[13] Detailed worksheet and schedule by position can be found on page 8.

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Revenues

The following revenue projections were formulated from information on the specifics of the project, existing facility usage, and the demographics of the service area as well as comparing them to national statistics. Actual figures will vary based on the size and makeup of the components selected during final design, market stratification, philosophy of operation, fees and charges policy, and priority of use. All revenues were calculated conservatively as a result.

Revenue Projection Model:

Category	**Field House Indoor Pool**	**Field House Outdoor Pool**
Fees[14]		
Daily Admissions	$ 38,058	$ 28,487
Punch Pass – 10	$ 27,425	$ 27,425
Punch Pass - 20	$ 22,005	$ 22,005
Annuals	$ 146,230	$ 146,230
Total	$ 233,718	$224,147
Programs		
Aquatics	$ 66,600	$ 15,300
Sports	$ 29,446	$ 29,446
Fitness	$ 41,400	$ 41,400
Total	$137,446	$ 86,146
Other		
Pro-shop/Vending	$ 3,000	$ 3,000
Birthday parties[15]	$ 17,000	$ 3,825
Total	$ 20,000	$ 6,825
Grand Total	**$391,164**	**$317,118**

[14] The fee schedule used for the purposes of this revenue model can be found on page 7. A detailed worksheet for revenue calculations can be found on page 11.

[15] Based on 200 parties at $85.00 each.

Expenditure – Revenue Comparison

Category	Fieldhouse Indoor Pool	Fieldhouse Outdoor Pool
Expenditures	$390,302	$303,515
Revenue	$391,164	$317,118
Difference	$862	$13,603
Recovery %	100%	104%

This operational pro-forma 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, weather included, that either cannot be accurately measured or are not consistent in their influence on the budgetary process.

Future years: Expenditures – Revenue Comparison: Operation expenditures are expected to increase by approximately 3% a year through the first 3 to 5 years of operation for the field house. Revenue growth is expected to increase by 5% to 10% a year through the first three years and then level off with only a slight growth (3% or less) the next two years. Expenses for the first year of operation should be slightly lower than projected with the facility being under warranty and new. Revenue growth in the first three years is attributed to increased market penetration and in the remaining years to continued population growth. In most aquatic 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.

Five-Year Revenue-Expense Comparison for Field House with Indoor Pool

Years	Expense	Revenue	Difference	Cost Recovery
2013	$390,302	$391,164	$862	100%
2014	$402,011	$408,766	$6,755	101%
2015	$414,071	$425,117	$11,046	102%
2016	$426,493	$439,996	$13,503	103%
2017	$439,288	$453,196	$13,908	103%

Projected Fee Schedule: The fee schedule above was developed as the criteria for estimating revenues. Actual fees are subject to review and approval by the City of Rapid City.

Category	Daily	10 Punch	20 Punch	Annual
Adult	$ 5.25	$ 44.00	$ 71.00	$287.00
Youth	$ 4.25	$ 39.00	$ 56.00	$221.00
Senior	$ 3.75	$ 34.00	$ 50.00	$196.00
Family	$10.00	$114.00	$163.00	$516.00

Attendance projections: The following attendance projections are based on the participation estimates worksheet from page 10 below. The admission numbers are affected by the rates being charged, the facilities available for use, and the competition within the service area. The figures are also based on the performance of other similar facilities in the area. These are averages only and the yearly figures are based on 84 days of operation.

Seasonal Admissions	Field House
Daily (135 additional weekly admissions)	6,885
Annuals[16] (350 additional annuals)	36,400
Punch Passes (800 additional punch passes)	10,750
Total Yearly	54,035
Total Daily	150

[16] Based on 104 visits per annual sold

Section V – Part-Time Staff Hours

Field House with Indoor Pool Option

Time	Hours	Staff	Days	Total Hours/Wk
Front Desk Support				
Mon-Fri				
3pm-8pm	5	1	5	25
Sat/Sun				
Noon-6pm	6	1	2	12
Total				37 hours
Lifeguards				
Mon-Fri				
5:30am –3:30pm	10	2	5	100
3:30pm-8:30pm	5	3	5	75
Saturday				
8am-Noon	4	2	1	8
Noon-8pm	8	3	1	24
Sunday				
1pm – 8pm	7	3	1	21
Total				228 hours
Custodian				
Mon-Sun				
4pm-8pm	4	1	5	20
Sat/Sun				
1pm-5pm	4	1	2	8
Total				28 hours

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Gym Attendant

Mon-Sun				
3pm-9pm	6	1	5	30
Saturday				
9am-9pm	12	1	1	12
Sunday				
Noon-8pm	8	1	1	8
Total				50 hours

Program Staff Cost

Aquatics

Category	Classes/wk	Wks	Rate	Amount
Lessons	80	12	$10.00	$9,600
Fitness	4	12	$20.00	$ 960
Privates	30	Annual	$10.00	$ 300
Total				$10,860

Fitness

Category	Classes/wk	Wks	Rate	Amount
Group Fitness	20	48	$20.00	$19,200
Total				$19,200

Sports

Category	Classes/wk	Wks	Rate	Amount
Basketball	8	24	$60.00	$11,520
Volleyball	6	24	$20.00	$ 2,880
Sports	6	24	$20.00	$ 2,880
Total				$17,280

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Field House with Outdoor Pool Option

Time	Hours	Staff	Days	Total Hours/Wk
Front Desk Support				
Mon-Fri				
8am-7pm	11	1	5	55
Sat/Sun				
1pm-7pm	6	1	2	12
Total				67 hours
Lifeguards				
Mon-Fri				
7am –3pm	8	2	5	80
3pm-9pm	6	3	5	90
Saturday				
7am-Noon	5	2	1	10
Noon-9pm	9	3	1	27
Sunday				
Noon – 8pm	8	3	1	24
Total				231 hours
Head Guard				
Mon-Sat				
7am-9pm	14	1	6	84
Sunday				
Noon-8pm	8	1	1	8
Total				92 hours

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Section VI - Program Fees and Revenue Worksheet

Field House w/Indoor Pool Option

Weekly Admissions

Category	Number	Fee	Daily Revenue
Adult	65	$ 5.25	$ 341.25
Youth	35	$ 4.25	$ 148.75
Senior	15	$ 3.75	$ 56.25
Family	20	$ 10.00	$ 200.00
Weekly Total	135		$ 746.25 x 51 weeks = $38,058

Punch Cards (10)

Category	Number	Fee	Revenue
Adult	315	44.00	$ 13,860
Youth	85	39.00	$ 3,315
Senior	50	34.00	$ 1,700
Family	75	114.00	$ 8,550
Total Annuals	525		$ 27,425

Punch Cards (20)

Category	Number	Fee	Revenue
Adult	165	71.00	$11,715
Youth	45	56.00	$ 2,520
Senior	25	50.00	$ 1,250
Family	40	163.00	$ 6,520
Total Annuals	275		$22,005

Annual Passes

Category	Number	Fee	Revenue
Adult	55	287.00	$ 15,785
Youth	25	221.00	$ 5,525
Senior	45	196.00	$ 8,820
Family	225	516.00	$116,100
Total Annuals	350		$146,230

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Swim Programs

Category	Number	Fee	Sessions	Revenue
Swim Lessons	40	$50.00	18	$36,000
Privates	120	$15.00	Annual	$ 1,800
Water Fitness	28	$50.00	12	$16,800
Masters Swim	20	$50.00	12	$12,000
Total				$66,600

Sports Programs

Category	Number	Fee	Sessions	Revenue
Basketball	16	$350.00	2	$11,200
Volleyball	12	$130.00	2	$ 3,120
Kickball	12	$130.00	2	$ 3,120
Rock Wall	30	$ 50.00	8	$12,000
Total				$29,440

Fitness Programs

Category	Number	Fee	Sessions	Revenue
Group Classes – Advanced	60	$50.00	12	$36,000
Personal Training	180	$30.00	Annual	$ 5,400
Total				$41,400

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Outdoor Pool Option

Daily Admissions – Outdoor Pool

Category	Number	Fee	Daily Revenue
Adult	15	$ 5.25	$ 78.75
Youth	5	$ 4.25	$ 21.25
Senior	7	$ 3.75	$ 26.25
Family	3	$ 10.00	$ 30.00
Total Daily	35		$ 156.25 x 70 days = $10,937

Weekly Admissions – Outdoor Pool

Category	Number	Fee	Daily Revenue
Adult	45	$ 5.25	$ 236.25
Youth	25	$ 4.25	$ 106.25
Senior	12	$ 3.75	$ 45.00
Family	10	$ 10.00	$ 100.00
Weekly Total	102		$ 487.50 x 36 weeks = $17,550

Punch Cards (10)

Category	Number	Fee	Revenue
Adult	315	44.00	$ 13,860
Youth	85	39.00	$ 3,315
Senior	50	34.00	$ 1,700
Family	75	114.00	$ 8,550
Total Annuals	525		$ 27,425

Punch Cards (20)

Category	Number	Fee	Revenue
Adult	165	71.00	$11,715
Youth	45	56.00	$ 2,520
Senior	25	50.00	$ 1,250
Family	40	163.00	$ 6,520
Total Annuals	275		$22,005

Annual Passes

Category	Number	Fee	Revenue
Adult	55	287.00	$ 15,785
Youth	25	221.00	$ 5,525
Senior	45	196.00	$ 8,820
Family	225	516.00	$116,100
Total Annuals	350		$146,230

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Rentals - Pool

Category	Hours/Week	Fee	Weeks	Revenue
Swim Team	100 lanes	$5.00/LH	15	$ 7,500
Swim Meet	20	$150.00	1	$ 3,000
Total				$10,500

Swim Programs

Category	Number	Fee	Sessions	Revenue
Swim Lessons	50	$50.00	3	$ 7,500
Privates	40	$15.00	Annual	$ 600
Water Fitness	28	$50.00	3	$ 4,200
Masters Swim	20	$50.00	3	$ 3,000
Total				$15,300

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