

# **Section VII**

## **Swim and Fitness Fund**

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Mission Statement

The Beede Swim & Fitness Center is managed by the Concord Recreation Division and is funded solely by membership and program fees. We are deeply committed to serving the fitness needs and interests of our community, across all ages and abilities.

Beede Center Budget Contents

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**Beede Center Highlights**

New membership plans were introduced in March 2017, including monthly recurring memberships, 3 month memberships and a 10 visit pass. All memberships now include swim & fitness, non-resident rates have been eliminated, and the joining fee has been reduced from \$199 to \$99.

- In FY19, the Beede Center is budgeting for negative operating income results due primarily to a depreciation expense of \$363,268.
- The Beede Center ended FY17 with an undesignated fund balance of \$1.35 million. These funds help the Beede Center to weather years of negative net income operating results, such as may occur in FY18 and FY19.

Expenditure Summary				
	FY16 Actual	FY17 Actual	FY18 Budgeted	FY19 Proposed
Operating Income	\$ (16,103)	\$ (180,131)	\$ (114,880)	\$ (257,405)
Net Income	\$ (1,995)	\$ (152,794)	\$ (99,101)	\$ (245,405)
Unassigned Fund Balance	\$ 1,503,666	\$ 1,350,692	\$ 1,251,591	\$ 1,006,185

**Description:**

The Beede Swim and Fitness Center, located on the campus of the Concord-Carlisle Regional High School, hosts an 8-lane lap pool, a therapy pool, a children's pool, a diving well, and pool-side spectator seating.

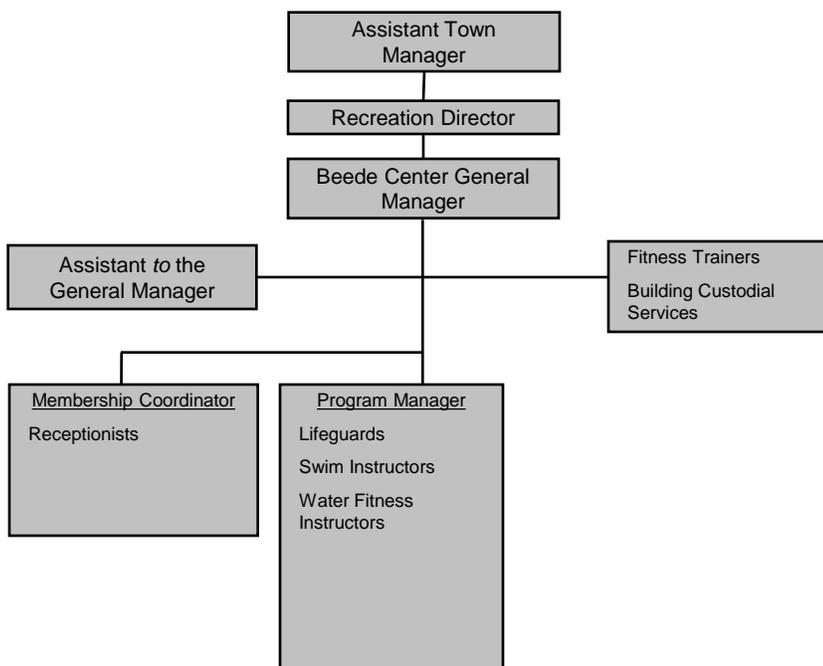
There are two 1,600-square-foot fitness rooms; one for weight training and one for cardiovascular exercise. In addition, the facility includes men's and women's locker/shower rooms, family changing rooms, and staff office space.

The facility is open approximately 100 hours each week throughout the year.

The Beede Center opened on April 18<sup>th</sup>, 2006. It was constructed for approximately \$11 million, which was made possible by a \$6 million gift from the Alfred Sawyer Trust and a \$1.8 million gift from the Beede family, as well as through many generous contributions from the community.

The Recreation Department operates the Center as an enterprise fund in accordance with Article 30 of the 2005 Annual Town Meeting.

The Beede Center strives to balance the recreational needs of the community with its obligation to be financially self-supporting and stable.





### Current Financial Status:

The Beede Center ended FY17 with a negative operating income of \$180,131 and a negative net income of \$152,794. This set the Beede Center's undesignated fund balance at \$1,350,692 at fiscal year end.

Negative operating income projected for FY19 is a projected \$257,405 due to increased depreciation expense, conservative revenue projections, and providing for an appropriation that allows for maximum operating levels. However, this is manageable because the Beede Center has a strong reserve fund. This reserve, totaling \$1.35 million at the beginning of FY18, exists precisely so that the Beede Center does not have to sacrifice its service quality, issue sharp fee increases, or deviate from its long-term plans in order to deal with short-term negative operating results.

The Beede Center will also continue to meet its obligation to plan and prepare for the long-term maintenance and replacement of the \$11 million facility by fully funding its depreciation expense at approximately \$363,268. Membership rates have not increased from 2016. The Beede Center is anticipating increased operating expenditures related to providing a first-class swim and fitness experience.

With sound management, the Beede Center continues to weather the difficult economic times without having to compromise on its long-term financial stability or depend on taxpayer support.

### Programs and Fees:

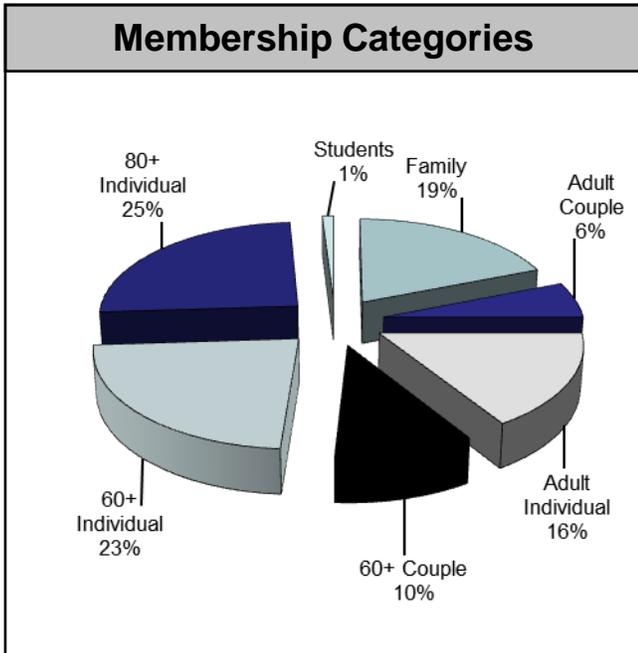
To compliment its swim and fitness offerings, the Beede Center offers personal training, various water fitness and swim lessons. All of these programs are available to the general public, and are offered at a discounted fee to members.

In Fiscal Year 2018, the Concord Recreation Department's group exercise and fitness classes were reassigned to be managed by the Beede Center budget and management. These programs include; Kickboxing, Pilates, Small Group Exercise, Spinning, Yoga, etc. and classes take place at The Beede Center, Hunt Gym, or the newly renovated 55 Church Street building in West Concord. The programs are also available to the general public, and are offered at a discounted fee to members. Participants may reserve their spot with a reservation for an entire session or drop in on a class when space is available.

It should be stressed that the Beede Center operates with revenue solely from user fees and **no tax dollars** are contributed to the Center.

**Membership Discussion**

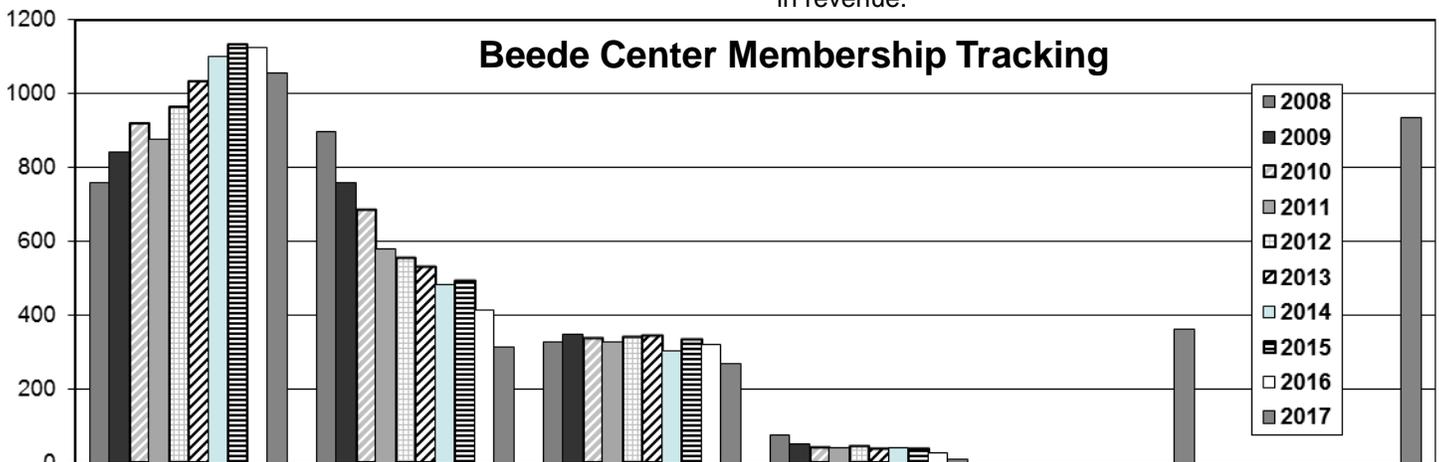
Please note that there is a difference between *members* and *memberships* – memberships often result in multiple members (i.e., one family membership could result in 2, 3, 4, 5, or more resulting new members).



**Membership Trends**

Membership has decreased over the past year from 2017 to 2018. Some of the decline in traditional memberships can be attributed to the new 3 month and 10 visit options made available in March 2017.

- Since January 2017, Family Memberships have dropped by 102 from 415 to 313.
- Individual Memberships have decreased by 69, from 1127 to 1058.
- Couple Memberships have increased by 10, from 323 to 333.
- Student Memberships have decreased by 15, from 27 to 12.
- The community had been asking for short term membership options. The Beede Center now offers a 3 month membership and 10 visit pass. Since March 2017, 364 3 Month Memberships were purchased generating \$99,425 in revenue and 935 10 Visit Passes were purchased generating \$93,500 in revenue.



	Individual	Family	Couple	Student	3 Month	10 Visit
■ 2008	760	899	328	77	0	0
■ 2009	842	760	348	53	0	0
□ 2010	922	685	337	40	0	0
■ 2011	877	580	330	41	0	0
□ 2012	966	554	342	43	0	0
▨ 2013	1035	531	343	36	0	0
□ 2014	1103	485	304	43	0	0
▨ 2015	1133	494	333	38	0	0
□ 2016	1127	415	323	27	0	0
■ 2017	1058	313	269	12	364	935

**Beede Center Membership Fees**

On March 1, 2017, the Beede Swim & Fitness Center changed its membership plans. The goal was to provide members with simpler, more flexible membership options. Following an industry standard, the Beede Center moved to monthly recurring billing for all members.

The following goals are kept in mind when setting fees:

- Fees should reflect the cost of services provided, allowing the Beede Center to operate as a self-supporting enterprise fund;
- Fees should be set in a way that minimizes “shock” increases; and
- Fees should be set to encourage a use of the facility that is appropriate for its capacity.



**Calendar Year 2018 Membership Rates are as follows:**

	Monthly	3 Month	10 Visit	Day Pass
Adult	\$82	\$270	\$100	\$20
Couple	\$129	\$426		\$30
Family	\$153	\$504		\$40
65+	\$62	\$212		
65+ Couple	\$98	\$327		
14-18	\$41	\$138		
80+				

**All memberships begin the day of purchase and are valid for one year.**

**A \$99 joining fee is applied to all new memberships.**

**Hours of Operation**

Monday through Friday: 5:30 AM – 9:00 PM

Saturday and Sunday: 7:00 AM – 6:00 PM

The Beede Center is closed on the following days:

Patriots Day; Easter; Memorial Day; July 4<sup>th</sup>; Labor Day; and Christmas.

There are limited hours on Thanksgiving Day, Christmas Eve, New Year’s Eve, and New Year’s Day.

## Excerpts From the Beede Center's Membership Brochure

At the Beede Center, we strive to be your partner in health with dedicated staff, inspired program offerings and exceptional facilities. Join us today and make yourself at home!

### Flexible Membership Options

Our new membership plans offer unlimited access to state-of-the-art aquatic and fitness facilities. Annual, 3-month and 10-visit options let you create the perfect membership to fit your needs.

### Aquatics

Beede's state-of-the-art aquatic facilities serve competitive swimmers, fitness classes, therapeutic programs and family fun year-round.

- 8-Lane Competition Pool (25yd x 25m)
- Deep Water Diving Well with two 1m boards
- Warm Water Therapy Pool
- Children's Play Pool with slide and fountains

### Youth Swim Lessons & Programs

40% discount for members! Build competence in the water with American Red Cross swim lessons and water safety courses. Available in Group, Semi-Private and Private.

- Parent & Child
- Preschool
- Learn to Swim
- Lifeguard Training
- Water Safety Instruction
- Diving
- Otters Swim Team

### Adult Aquatic Programs

Push yourself beyond free swim with Private Lessons, Coached Workouts and water fitness classes like Ai Chi, Deep Water Interval Training and Shallow Water Workout. Up to 40% off all programs for members!

### Fitness

Work out in natural light with 12 channels of DirecTV on every cardio machine. New members receive a free equipment orientation and workout plan from one of our certified trainers. Members also enjoy up to a 40% discount on all Group Fitness Classes held at Concord Recreation locations.

- Weight Training Room
- Cardio Fitness Room
- Free Weights

### Personal Training

Get the most out of your workout with the expertise of our dedicated trainers who will help you design, and reach, your fitness goals.

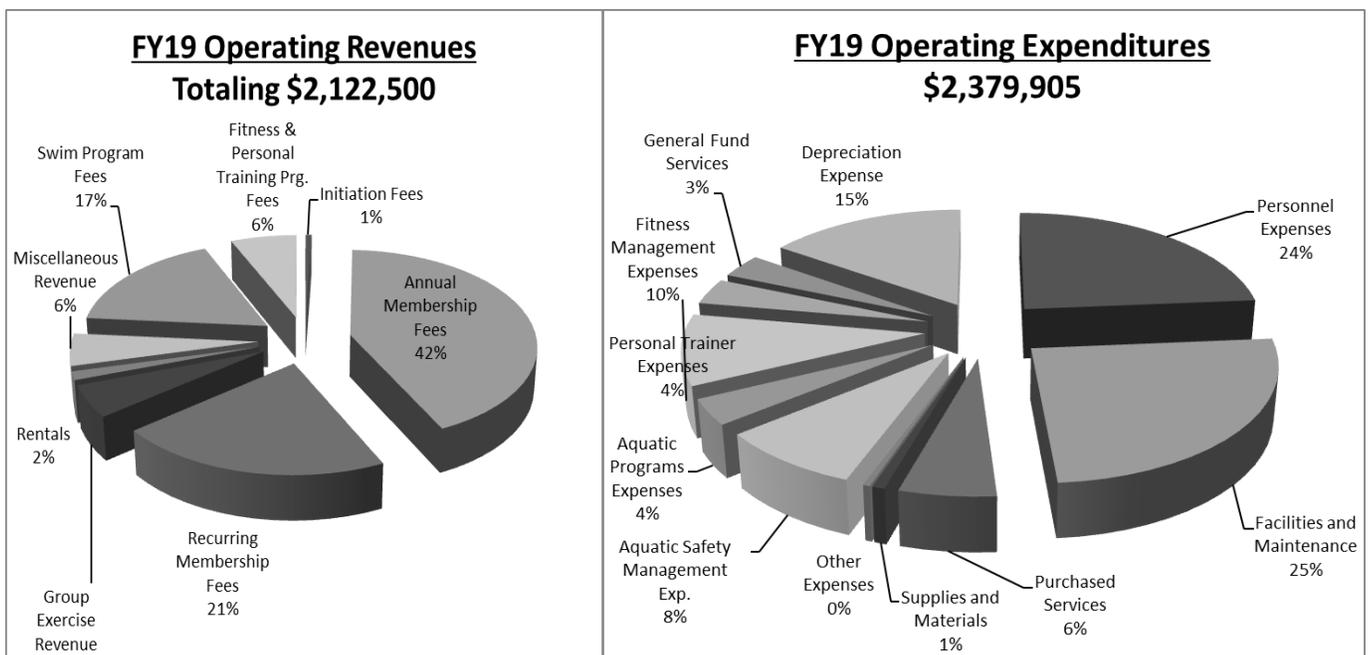
Program Implementation

The vast majority of the Beede Center’s operating revenues come from Membership Fees (\$1,362,500 or 63% of the total). Because of this, membership fees are carefully set each year, and membership levels are monitored. As Beede revenues in general are influenced by economic conditions, the Town also works to manage the enterprise in a way that will allow it to maintain the financial reserves necessary to bridge economic downturns.

The three expense categories of greatest magnitude are Personnel Services, Facilities and Maintenance, and Depreciation Expense.

Personnel Services are budgeted to total \$563,364 in FY19. This level of expenditure is lower than historical expenses, because in FY19 some of the Personnel Services expense have been allocated to four new program codes: Aquatic Management, Aquatic Programs, Fitness Management, and Fitness Programs.

Depreciation expense reflects the cost imposed by the annual use, or wear-and-tear, of the Beede Center. Facility and equipment depreciation expense totals \$363,268 in the FY19 budget and is placed in a *depreciation fund*.



Operating Results:

The FY19 budget proposes operating expenditures that are \$257,405 *greater than* operating revenues. This results in an operating loss for the year.

This operating loss is slightly offset by the estimated \$12,000 of investment income, and the results is an estimated net income of negative \$245,405 for FY19.

These negative annual results are an expected occurrence with any enterprise activity, especially one like the Beede Center, which competes in the private market for revenues. Although the Beede Center has built-up an adequate financial reserve (over \$1.35 million at the end of FY17) with which to bridge times of negative operating results, negative net income results are being carefully watched.

**OPERATING REVENUES (\$)**

	FY16 Actual	FY17 Actual	FY18 Budgeted	FY19 Proposed
Initiation Fees	\$ 21,683	\$ 28,661	\$ 29,203	\$ 12,500
Membership Fees	\$ 1,642,414	\$ 1,508,529	\$ 1,612,199	
Annual Membership Fees			-	900,000
Recurring Membership Fees		108,764	-	450,000
Group Exercise Revenue			-	114,000
Rentals		23,734	-	30,000
Miscellaneous Revenue	61,071	124,378	115,341	115,000
Swim Program Fees	420,160	378,136	414,585	365,000
Fitness & Personal Training Prg. Fees	171,987	163,926	190,864	136,000
Child Care Fees	1,150	117		
<b>Operating Revenues Total</b>	<b>\$ 2,318,464</b>	<b>\$ 2,336,243</b>	<b>\$ 2,362,192</b>	<b>\$ 2,122,500</b>

**OPERATING EXPENSES (\$)**

	FY16 Actual	FY17 Actual	FY18 Budgeted	FY19 Proposed
<b><u>Personnel Services</u></b>				
Personnel Expenses	\$ 1,142,571	\$ 1,070,295	\$ 1,207,389	\$ 563,364
Accrued Employee Benefits		-	-	-
Audit Adjustment	\$ (15,104)	191,244	-	-
<b>Subtotal</b>	<b>\$ 1,127,467</b>	<b>\$ 1,261,539</b>	<b>\$ 1,207,389</b>	<b>\$ 563,364</b>
<b><u>General Purpose</u></b>				
Facilities and Maintenance	528,268	630,635	543,000	599,519
Purchased Services	109,976	105,346	125,100	134,100
Supplies and Materials	80,497	81,324	120,000	17,760
Other Expenses	9,208	14,144	20,900	9,700
Audit Adjustment	(2,076)	(50,456)	-	-
<b>Subtotal</b>	<b>725,873</b>	<b>780,993</b>	<b>809,000</b>	<b>761,079</b>
<b><u>Program</u></b>				
Aquatic Safety Management Exp.	-	-	-	202,933
Aquatic Programs Expenses	-	-	-	86,000
Fitness Management Expenses	-	-	-	236,483
Personal Trainer Expenses	-	-	-	87,000
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 612,416</b>
<b><u>General Fund Services</u></b>				
Town Manager	10,239	9,765	9,765	9,765
Human Resources	33,042	29,047	29,047	28,328
Finance Administration	10,143	9,705	9,705	11,246
Treasury	19,742	20,044	20,044	19,529
Accounting	10,228	10,480	10,480	10,910
Recreation Administration	9,757	10,033	10,033	-
Audit Adjustment	(16,045)	(3,408)		
<b>Subtotal</b>	<b>\$ 77,106</b>	<b>\$ 85,666</b>	<b>\$ 89,074</b>	<b>\$ 79,778</b>
<b><u>Depreciation Expense</u></b>				
Depreciation Expense	404,121	388,176	371,609	363,268
<b>Subtotal</b>	<b>\$ 404,121</b>	<b>\$ 388,176</b>	<b>\$ 371,609</b>	<b>\$ 363,268</b>
<b>Total Operating Expense</b>	<b>\$ 2,334,567</b>	<b>\$ 2,516,374</b>	<b>\$ 2,477,072</b>	<b>\$ 2,379,905</b>

**AUTHORIZED POSITIONS (\$)**

	FY18 Budgeted		FY19 Initial Budget	
	Positions/Hours	\$ Amount	Positions/Hours	\$ Amount
<b>5111</b>				
General Manager	1.00	\$ 88,660	1.00	\$ 89,500
Assistant to the General Manager	1.00	70,004	1.00	67,400
Beede Program Manager	1.00	63,940	1.00	64,500
Senior Department Clerk	1.00	58,349	1.00	58,349
Swim and Fitness Specialists	6.00	270,649	6.00	224,077
<b>Subtotal</b>	<b>10.00 FTEs</b>	<b>\$ 551,602</b>	<b>10.00 FTEs</b>	<b>\$ 503,826</b>
<b>5112</b>				
Recreation Clerk	0.65	\$ 37,744	0.65	\$ 31,718
<b>Subtotal</b>	<b>0.65 FTEs</b>	<b>\$ 37,744</b>	<b>0.65 FTEs</b>	<b>\$ 31,718</b>
<b>5115</b>				
Lifeguards	8561 hrs.	156,300	8561 hrs.	125,600
Receptionists	5481 hrs.	85,968	5481 hrs.	52,000
Custodians	0 hrs.	-	0 hrs.	-
Fitness Trainers	2088 hrs.	56,972	2088 hrs.	76,073
Head Lifeguard	988 hrs.	23,633	0 hrs.	-
<b>Subtotal</b>	<b>8.20 FTEs</b>	<b>\$ 322,873</b>	<b>7.73 FTEs</b>	<b>\$ 253,673</b>
<b>5120</b>				
Programming (misc. accts.)				
Swim Programming	3628 hrs.	83,382	3628 hrs.	86,000
<b>Subtotal</b>	<b>1.74 FTEs</b>	<b>\$ 83,382</b>	<b>1.74 FTEs</b>	<b>\$ 86,000</b>
<b>Employee Benefits</b>				
Health Insurance	N/A	56,000	N/A	27,144
Life Insurance	N/A	250	N/A	-
Dental Insurance	N/A	5,000	N/A	-
OPEB	N/A	30,000	N/A	-
Retirement Contribution	N/A	71,038	N/A	53,825
<b>Subtotal</b>	<b>N/A</b>	<b>\$ 162,288</b>	<b>N/A</b>	<b>\$ 80,969</b>
<b>Payroll Taxes</b>				
Medicare Tax	N/A	16,000	N/A	10,634
Social Security Contribution	N/A	21,000	N/A	17,611
<b>Subtotal</b>	<b>N/A</b>	<b>\$ 37,000</b>	<b>N/A</b>	<b>\$ 28,245</b>
<b>Other Personnel Costs</b>				
Overtime	N/A	2,500	N/A	5,000
Unemployment Compensation	N/A	10,000	N/A	-
Car Allowance	N/A	-	N/A	-
Salary Reserve	N/A	-	N/A	-
<b>Subtotal</b>	<b>N/A</b>	<b>\$ 12,500</b>	<b>N/A</b>	<b>\$ 5,000</b>
<b>Total Personnel Costs</b>	<b>20.59 FTEs</b>	<b>\$ 1,207,389</b>	<b>20.11 FTEs</b>	<b>\$ 989,431</b>

**NET INCOME (\$)**

	FY16 Actual	FY17 Actual	FY18 Budgeted	FY19 Proposed
<b>Statement of Net Income:</b>				
Operating Revenues	\$ 2,318,464	\$ 2,336,243	\$ 2,362,192	\$ 2,122,500
Less Operating Expenses	(2,334,567)	(2,516,374)	(2,477,072)	(2,379,905)
<b>Operating Income</b>	<b>\$ (16,103)</b>	<b>\$ (180,131)</b>	<b>\$ (114,880)</b>	<b>\$ (257,405)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Add Investment Income	\$ 14,108	\$ 27,337	\$ 15,779	\$ 12,000
Add Sawyer Trust Contribution	-	-	-	-
Add Beede Endowment	-	-	-	-
<b>Nonoperating Income</b>	<b>\$ 14,108</b>	<b>\$ 27,337</b>	<b>\$ 15,779</b>	<b>\$ 12,000</b>
<b>Net Income</b>	<b>\$ (1,995)</b>	<b>\$ (152,794)</b>	<b>\$ (99,101)</b>	<b>\$ (245,405)</b>

**AVAILABLE RESOURCES (\$)**

<b>Resources Available from Current Operations for Replacement &amp; Renewal of Facility:</b>				
	FY16 Actual	FY17 Actual	FY18 Budgeted	FY18 Proposed
<b>Capital Purposes</b>				
Add Depreciation Expense	\$ 404,121	\$ 388,176	\$ 371,609	\$ 363,268
Add Net Income	(1,995)	(152,794)	(99,101)	(245,405)
<b>Net Available for Capital</b>	<b>\$ 402,126</b>	<b>\$ 235,382</b>	<b>\$ 272,508</b>	<b>\$ 117,863</b>

**CASH POSITION AND FORECAST**

<b>Cash at Year Opening</b>	<b>FY18</b>		<b>FY19</b>	
	Operating Fund	Depreciation Fund	Operating Fund	Depreciation Fund
<b>Cash on July 1st</b>	\$ 3,577,716		\$ 3,679,224	
Add Assets	256,091		256,091	
Less Liabilities	(1,253,429)		(1,253,429)	
<b>Fund Balance on July 1st</b>	<b>\$ 2,580,378</b>		<b>\$ 2,681,886</b>	
<b>Fund Balance Details (projected)</b>				
Fund Balance as of July 1st	1,350,692	1,229,686	1,251,591	1,430,295
Net Income	(99,101)	-	(245,405)	-
Capital Outlay (non-borrowing)	-	(171,000)	-	(567,500)
Add Depreciation Expense	-	371,609	-	363,268
Balance Projected at June 30th	1,251,591	1,430,295	1,006,185	1,226,063
<b>Fund Balance on June 30th</b>	<b>\$ 2,681,886</b>		<b>\$ 2,232,248</b>	
<b>Cash at Year End (projected)</b>				
Fund Balance on June 30th	2,681,886		2,232,248	
Add Cash as Unearned Revenue	(256,091)		677,715	
Add Cash Held for Liabilities	1,253,429		1,253,429	
<b>Projected Cash at June 30th</b>	<b>\$ 3,679,224</b>		<b>\$ 4,163,392</b>	

*Definition*

**Capital Expenditure:** The use of funds to acquire or enhance productive assets, such as structures, land, and equipment (including related plans, designs, and studies), which have a life expectancy of at least 2 years and a cost of at least \$5,000, and procured with the intention of increasing service capacity or efficiency.

**Facility Highlights**

- The Beede Center opened its doors on April 18<sup>th</sup>, 2006.
- It has now been in operation for almost eleven years.
- Original construction costs were about \$11 million and included:
  - Two 1,600-square-foot fitness rooms (one for weight training and one for cardiovascular exercise);
  - an 8-lane lap pool;
  - a therapy pool;
  - a children’s pool;
  - a diving well;
  - pool-side spectator seating;
  - men’s and women’s locker/shower rooms;
  - family changing rooms; and
  - staff office space.



**Capital Highlights:**

**Lighting Improvements:** The exterior lighting (\$70,000) were replaced in FY17. New LED lighting fixtures along the building sidewalk, and in the two parking areas will match those of the new high school in design, finish and lighting color temperature.

**Swim and Fitness Fund**

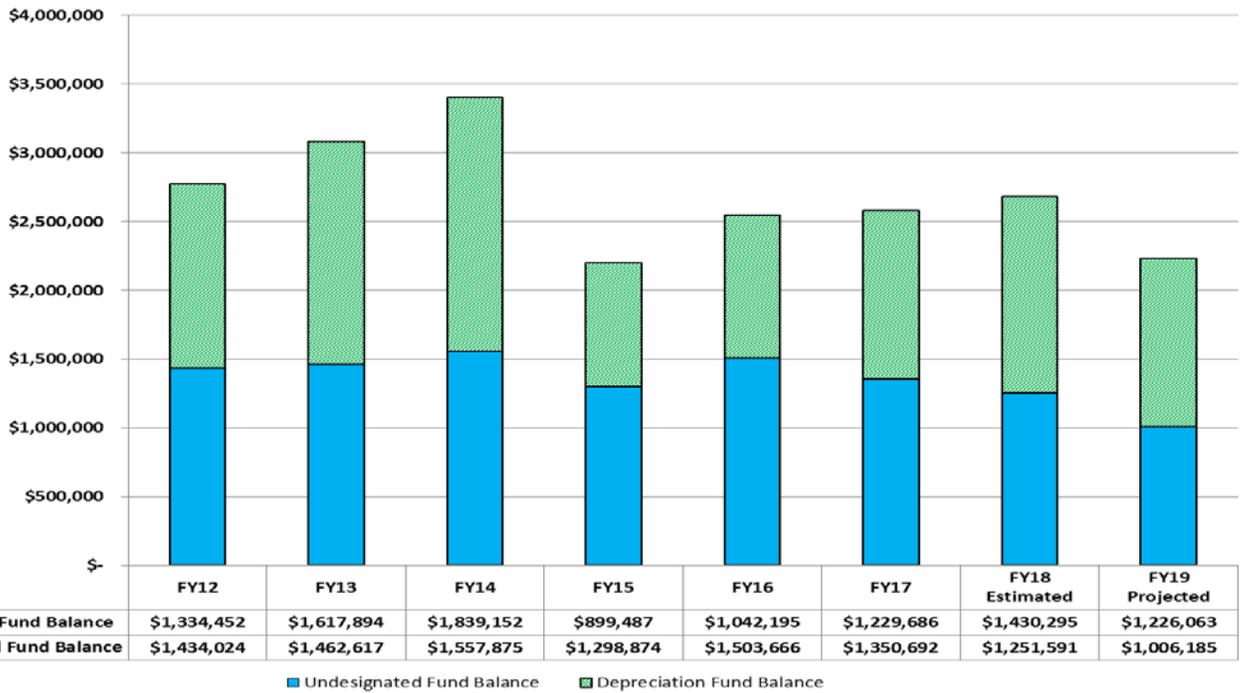
**Capital Spending**

**Beede Swim and Fitness Center**

**Capital Program**

	<b>FY16 Actual</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>Total FY19-23</b>
<b>Primary Facility</b>									
Building Improvements	\$ 38,666	\$ 35,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 180,000
Fitness Rooms Flooring	-	-	-	39,000	-	-	-	-	39,000
Dehumidification System	-	-	-	-	-	-	-	-	-
VFD Motors	-	-	-	-	-	-	-	-	-
Roof Top HVAC Units	-	-	-	325,000	-	-	-	-	325,000
Sound System	-	-	-	-	-	-	-	-	-
Parking System	-	-	-	-	-	-	-	-	-
Parking Lighting	-	70,000	-	-	-	-	-	-	-
FCR Doors & Frames	-	-	24,000	-	-	-	-	-	24,000
Misc. Equipment	15,960	10,000	10,000	10,000	10,000	10,000	10,000	10,000	60,000
Subtotal	\$ 54,626	\$115,000	\$ 64,000	\$404,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 628,000
<b>Pool Facility</b>									
Deck Repairs	-	-	-	-	-	-	-	-	-
Pool Filters	-	-	20,000	20,000	20,000	-	-	-	60,000
Diving Stands	-	-	-	36,500	-	-	-	-	36,500
Diving Boards	-	-	7,000	-	7,000	-	7,000	-	21,000
Lap Pool Connectors	-	-	-	12,000	-	-	-	-	12,000
Misc. Equipment	-	20,000	20,000	35,000	35,000	35,000	35,000	35,000	195,000
Subtotal	\$ -	\$ 20,000	\$ 47,000	\$103,500	\$ 62,000	\$ 35,000	\$ 42,000	\$ 35,000	\$ 324,500
<b>Beede Equipment</b>									
Sidewalk Plow	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Fitness Equipment I (treadmills)	-	-	-	-	-	-	-	-	-
Fitness Equipment II (Elipticals)	-	60,000	-	-	60,000	-	-	60,000	120,000
Fitness Equipment III (Strength Machines)	-	-	60,000	-	-	60,000	-	-	120,000
Fitness Equipment IV (Stationary Bikes)	-	-	-	60,000	-	-	60,000	60,000	180,000
Fitness Equipment V (Miscellaneous)	-	-	-	-	10,000	10,000	-	20,000	40,000
Audit Adjustment	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ 60,000	\$ 60,000	\$ 60,000	\$ 70,000	\$ 70,000	\$ 60,000	\$140,000	\$ 460,000
<b>Total Capital</b>	<b>\$ 54,626</b>	<b>\$195,000</b>	<b>\$171,000</b>	<b>\$567,500</b>	<b>\$172,000</b>	<b>\$145,000</b>	<b>\$142,000</b>	<b>\$215,000</b>	<b>\$ 1,412,500</b>

**Beede Center Fund Balance**



**Beede Center Undesignated Fund Balance vs 6 Months Reserves**

