



Missoula Aquatics: 5 years of success

MAKING A SPLASH SINCE 2006!

Based on exceptional attendance, expanded revenues and rave reviews, Missoula's water parks and splash decks have been a resounding success in their first five years of operation.

Exceeding Expectations

- Annual revenue exceeds financial projections
- Annual expenses are lower than projected

Since 2007, (the first full year of operation for both pools), aquatics revenue has exceeded pro-forma predictions, and expenses are lower than predicted.

When the Aquatics Project was first contemplated, the City commissioned a feasibility study and marketing analysis from recreation business consultants. They drafted a "pro-forma"; a prediction of a new business's revenues and expenses.

Missoula's aquatics pro-forma analysis was conducted by Ballard*King and Associates; one of the nation's leading recreation consulting firms.

Annual Revenue Exceeds Projections

PRO-FORMA	CURRENTS & SPLASH MONTANA*	DIFFERENCE
\$898,995	\$927,133	+28,138

Annual Expenses Are Less Than Projected

PRO-FORMA	CURRENTS & SPLASH MONTANA*	DIFFERENCE
\$1,083,482	\$996,776	-86,716

*Currents and Splash Montana figures are an average of FY 2007 through 2010. Neither pool was open for the full fiscal year 2006.



Using Tax Dollars Wisely

Attendance, Revenue and Expenses Compared to McCormick and Spartan Pools in 2005*

Annual Subsidy From City General Fund

MCCORMICK AND SPARTAN POOLS	CURRENTS AND SPLASH MONTANA
\$125,000	\$69,633

Annual Revenue

MCCORMICK AND SPARTAN POOLS	CURRENTS AND SPLASH MONTANA
\$59,983	\$927,133

Annual Expenses

MCCORMICK AND SPARTAN POOLS	CURRENTS AND SPLASH MONTANA
\$184,983	\$996,776

Annual attendance

MCCORMICK AND SPARTAN POOLS	CURRENTS AND SPLASH MONTANA
33,000	184,268

(Currents and Splash Montana figures are an average of FY 07-10)*

The Bottom Line

Splash Montana and Currents recover about 93% of their expenses through daily admissions, concessions, rentals and swim lessons.

To keep daily admission fees affordable for all citizens, the City subsidizes the remaining expenses through a general fund subsidy. McCormick and Spartan Pool recovered only about 32% of expenses through revenue.

By operating efficiently and minimizing costs, the pools have used only 54% of the general fund subsidy budgeted every year since 2006.

In fact, the subsidy has been decreased by about \$20,000 per year for FY10 and FY11 because aquatics managers have been so effective at controlling costs and generating revenue. That money was returned to the general fund to help pay for other city services—like streets, police and fire.

The aquatics subsidy has always been an important part of the City budget to keep daily admission rates low, make the pools affordable for all citizens, and help provide fee assistance for low-income families. It also helps cover costs when cold or rainy weather affects outdoor pool operations. The aquatics subsidy helps fund major structural improvements to both facilities; including “green”, energy-efficient water treatment and energy systems and long-term maintenance.

A BRIGHT FUTURE

“Green” Technology at Splash Montana and Currents.



- Sound mitigation at Currents
- Pool blanket on the 50-meter at Splash Montana
- Upgrades to Currents energy systems to save energy
- Energy conserving light fixtures at both pools
- New UV water treatment system at Currents uses less chlorine.

What does this mean for Missoula?

Each year, about **184,000** kids, seniors, adults, families and tourists enjoy healthy, low-cost fun at Currents Aquatics Center and Splash Montana—compared to **33,000** swimmers at McCormick and Spartan Pools.

- The aquatics facilities add about \$1 million a year to the local economy; for things like wages for 250+ employees, plus local purchases, contracts, and utilities.
- Each year, Missoula Parks and Recreation teaches about 3000 kids and adults to swim and enjoy aquatics. Learn-To-Swim programs help keep youngsters safe around water and introduces them a healthy and active lifestyle.
- Currents and Splash Montana were designed to be useful and enjoyable for citizens of all ages and abilities, thereby generating repeat visits. The aquatics facilities provide all Missoulians with multiple opportunities for social, recreational, competitive, wellness, and educational activities.
- Aquatics facilities like Currents and Splash Montana enhance the community by generating revenue, boosting tourism, increasing property values, attracting businesses and their employees, and providing wholesome, affordable, family entertainment.

For more information about the Missoula Aquatics Project, including project timeline, construction costs and performance data, visit www.missoulaparks.org.



Missoula Aquatics Facilities: History, Timeline, Performance

August, 2011



When Were The Aquatics Facilities Built?

Splash Montana Waterpark, Currents Aquatics Center and four neighborhood splash decks were constructed in 2006.

The planning began in 2000, when citizens recognized the City's two outdoor municipal pools and neighborhood splash pools were due for replacement. In considering what types of facilities were appropriate for Missoula, Parks and Recreation planners were faced with several challenges. Montana has a very short outdoor swimming season, and the demand for aquatics programming in the community was very high. In addition, new pools would need to generate enough revenue to maintain a subsidy similar to the existing subsidy (2002.) To meet those needs, the City looked to water parks rather than traditional lap pools. Thus began the long process of funding, constructing and opening Missoula's six new aquatics facilities.

The facilities were built with an \$8.1 million municipal bond which was approved by approximately 60% percent of Missoula voters in 2003, with additional funding from the City, the Missoula Redevelopment Agency, and the community. The support from the community has been tremendous. Water parks and splash decks offer citizens a low-cost way to stay healthy and engage with their community. They're investments in our health and in our community which will continue to pay dividends well into the future.



Brief Timeline of Aquatics Project

- Nov 2002: Feasibility study recommends replacement of all Missoula aquatics facilities.
- Nov 2003: Voters approve Aquatics General Obligation Bond.
- May 06: Splash Decks at Bonner, Franklin, Westside and Marilyn Parks open.
- June 06: Splash Montana opens. Revenue and attendance significantly exceed pro-forma projections.
- Sept 06: Currents Aquatics Center opens.
- May 08: “The Lake” 50-meter pool at Splash Montana opens.
- 2010: Federally mandated safety drains installed at both pools and “green” ultra-violet water treatment system installed at Currents.

How Much Did The Aquatics Facilities Cost?

Aquatics Projects Summary - all revenues and all costs

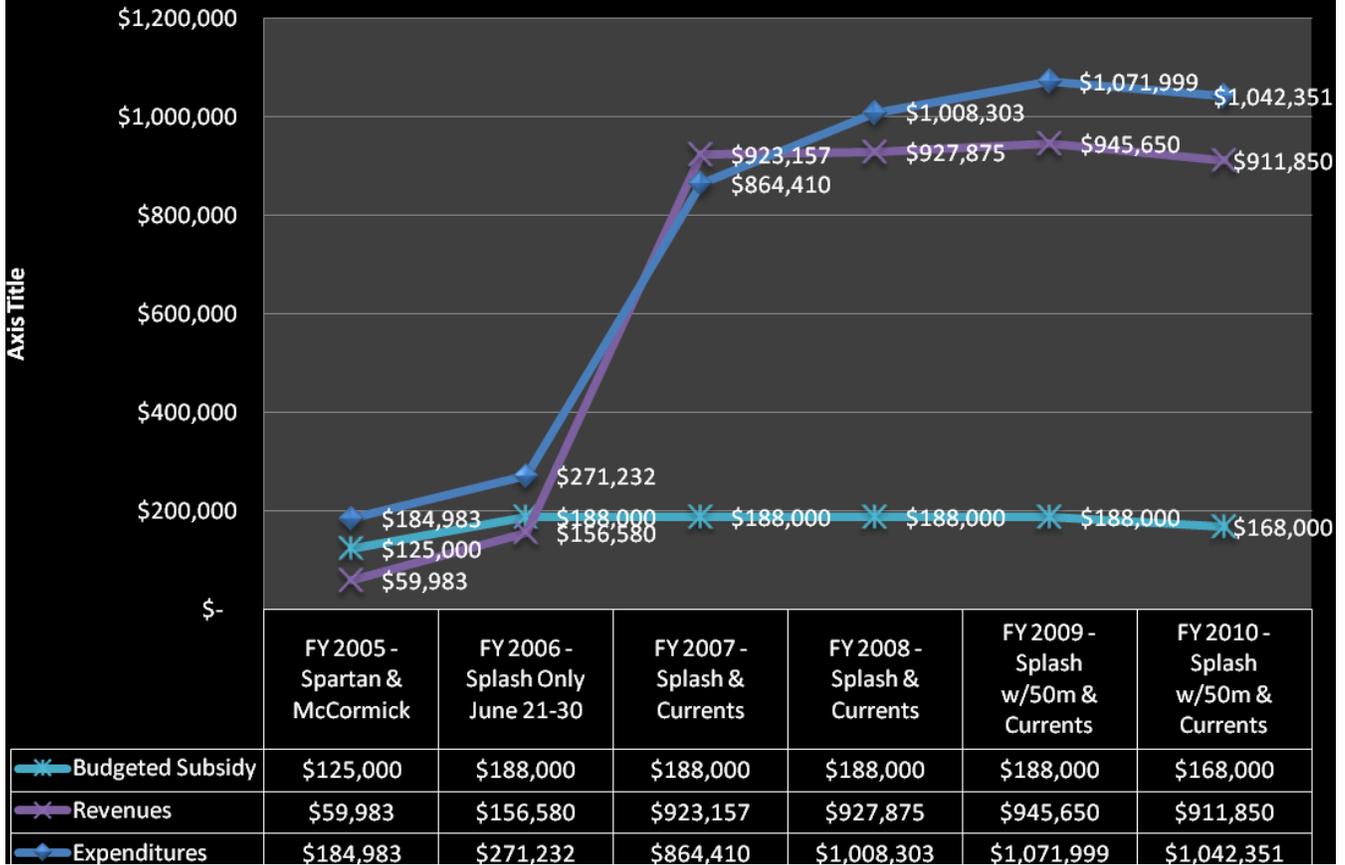
Expenses			
Construction			
	Splash Montana	\$	4,218,406
	Currents	\$	4,974,715
	Spray Decks	\$	1,113,546
	Financing Costs	\$	235,000
	1 Percent for Art	\$	88,000
	Design/Development/All A&E		1,624,864
	50 Meter Pool	\$	1,234,662
	New federally mandated pool drains installed 2010, both pools	\$	30,294
	Ultra-Violet Filtration at Currents Installed 2010	\$	38,798
Totals		\$	13,558,285

Revenue			
	GO Bond	\$	8,100,000
	CIP Transfers (earmarked for Parks Dept)		995,000
	CIP Impact Fees*		50,000
	MRA Funding		1,800,000
	20 Year Financing		1,400,800
	City - 50 Meter Pool		840,000
	Donations (50M pool)		394,662
Total		\$	13,580,462

Balance of CIP (Planned expenditure: Currents Sound Controls, 2011) \$ 22,178

*Impact fees were used to pay a portion of the new and expanded shelter and restrooms at Playfair Park.

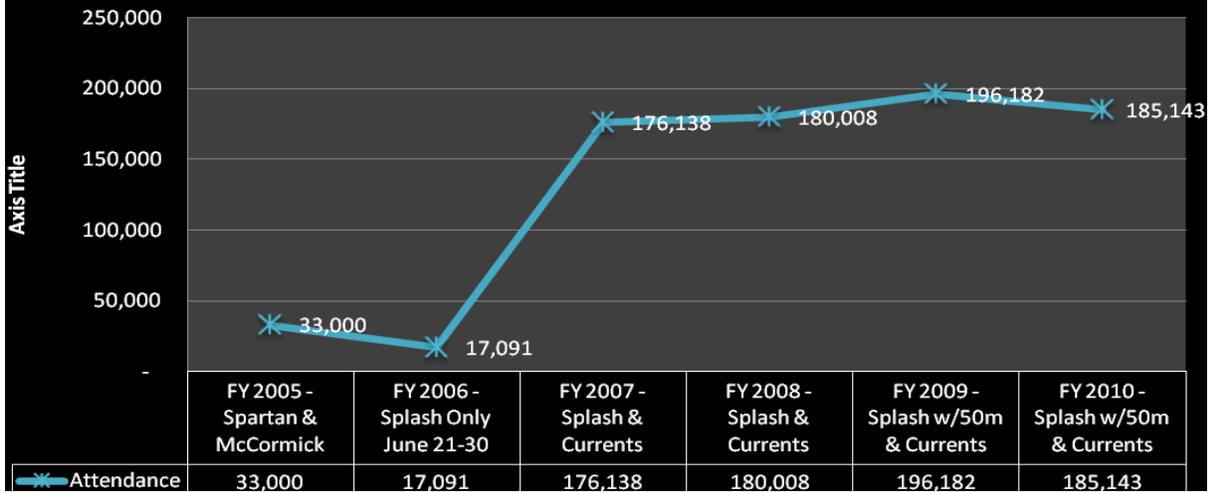
Aquatics Revenue, Expenditure, and Subsidy by Fiscal Year



Aquatics Revenue vs Subsidy Used by Fiscal Year



Aquatics Attendance by Fiscal Year



Missoula Parks and Recreation Currents & Splash Montana Operations Summary 2005-2010

10/10/10	Spartan & McCormick Pools		Splash Only June 21-30	Splash/Currents	Splash/Currents	Splash/Currents	Splash/Currents
Category	FY 2005 - Spartan & McCormick	ProForma	FY 2006 - Splash Only June 21-30	FY 2007 - Splash & Currents	FY 2008 - Splash & Currents	FY 2009 - Splash w/50m & Currents	FY 2010 - Splash w/50m & Currents
Attendance	33,000	186,120	17,091	176,138	180,008	196,182	185,143
Expenditures	\$ 184,983	\$ 1,083,482	\$ 271,232	\$ 864,410	\$ 1,008,303	\$ 1,071,999	\$ 1,042,351
Revenues	\$ 59,983	\$ 898,995	\$ 156,580	\$ 923,157	\$ 927,875	\$ 945,650	\$ 911,850
Difference	\$ 125,000	\$ 184,487	\$ 114,652	\$ (58,747)	\$ 80,428	\$ 126,349	\$ 130,501
Budgeted Subsidy	\$ 125,000	\$ 180,000	\$ 188,000	\$ 188,000	\$ 188,000	\$ 188,000	\$ 168,000
Actual Subsidy Used or (Unused)	\$ -	\$ 4,487	\$ (73,348)	\$ (246,747)	\$ (107,572)	\$ (61,651)	\$ (37,499)
Subsidy Used			\$ 114,652	\$ (58,747)	\$ 80,428	\$ 126,349	\$ 130,501
Fund Balance	0	0	\$ 73,348	\$ 246,747	\$ 107,572	\$ 61,651	\$ 37,499

Not added to Fund Balance	0	Not added to Fund Balance	0	\$ 107,572	\$ 62,600	\$ 37,499
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NOTES:

McCormick Closed August 2005 and Spartan Closed July 2005 - Eden's reports do not include professional or maintenance staff wages in this activity. Expenditures have been adjusted to reflect the actual costs of operating McCormick and Spartan pools.

Business Plan, completed by outside consultants specializing in marketing analysis and budget development with business strategies for municipal aquatic facilities: Ballard & King Assoc. Jan 2006

Splash Open 6-21-06

Currents Opens 9-06

50 meter pool Opens Memorial Day 2008

1st year all facilities operational for full year

Wet/Cold/Fall & Spring

Attendance: Splash Only 10 days - does not include attendance for Spartan July, August 2005

Council moves to put \$20,000 toward UV at Currents, \$30,000 for Tile and \$62,000 to Reserve Fund, \$20,000 back to General Fund - subsidy reduced to \$168,000

Fund Balance - added unused subsidy

The aquatics subsidy has always been an important part of the City budget to keep daily admission rates low, make the pools affordable for all citizens, and help provide fee assistance for low income families. It also helps cover costs when cold or rainy weather affects outdoor pool operations. The aquatics subsidy helps fund major structural improvements to both facilities; including "green", energy-efficient water treatment and energy systems and long-term maintenance.