



OPERATIONAL AND EFFICIENCY ASSESSMENT FOR OREM FITNESS CENTER



ACKNOWLEDGEMENTS

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OVERVIEW

EXECUTIVE SUMMARY

In December of 2016 Orem City issued a solicitation for an Operational and Efficiency Assessment for the Orem Fitness Center, the City selected VCBO Architecture and Ballard King*Associates to perform the study. Over the next several months VCBO/BK*A met with City representatives and other stakeholders to evaluate current operations, facility condition and explore alternatives for operation and facility improvements.

The Fitness Center was first built in 1979, and included a multi-use pool, spa, 14 racquetball courts, gymnasium, locker rooms, community meeting rooms and administrative offices. In 2002 and 2005 modifications were made to the entry area and fitness space. In 2006 a recreation pool was added. The Center has 11 full time and 360-part time employees.

OPERATIONAL AND EFFICIENCY ASSESSMENT

The Fitness Center has a long history of providing recreation services to the community, Orem has a large enough population base to support the center on its own. A variety of amenities within the center are offered including aquatics, fitness, gym, racquetball courts, walk/jog track and a firearms range. The center is generally well run and maintained. Additionally, the center offers a broad range of programs and services to the community. These services are generally well organized and well run.

Weaknesses within the facility include the fact that the Orem Fitness Center is nearly 38 years old and despite 3 renovations/expansions, it is an aging facility. Although the center has historically been the preferred public recreation and fitness center destination in the Utah Valley, there are now many other providers in the market, most notably that of Orem's neighbor to the south with the addition of the Provo Recreation Center in 2013. Compounded in part by a tight budget and resulting staff limitations, in recent years up until the commencement of this study, there is a lack of time and resources being allocated to long range planning. Consequently, the center operates more on a day to day basis. Also of note is the fact that there is a definite lack of a formal marketing plan for the center and its services.

To improve revenues, services and increase users, the Orem Fitness Center will need significant physical improvements to regain a noticeable market share in the area. Additionally, the facility will need to have a broader appeal to the community through its programs and services and there will need to be a stronger operational and management focus in the coming years to maximize the potential for the center. Ultimately the City of Orem, its elected officials and the community as a whole, will need to determine if they want to provide indoor recreation services at the higher level described above. In order to do so, additional operational and capital funding will be necessary. The operational recommendations in this document will not by themselves be able to significantly improve the financial performance of the center without significant physical improvements.

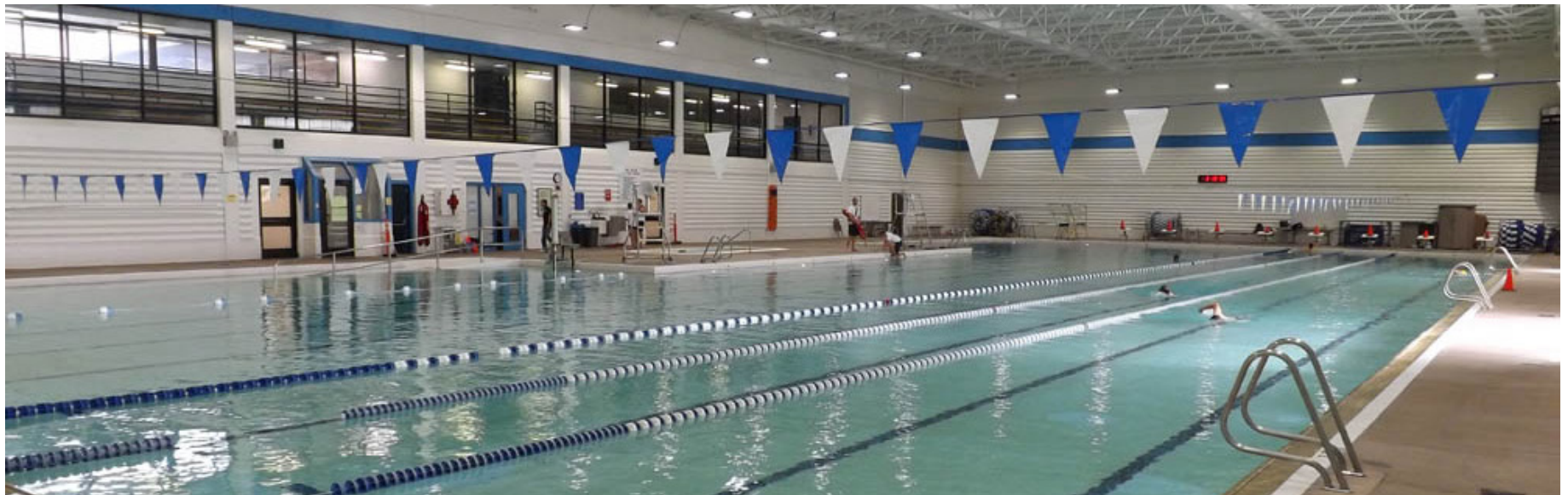
Key Take-aways from the Operational Analysis

Long-Range Planning

- A five year programming plan needs to be established.
- Increase the number of program performance measures that are tracked.
- Establish an overall staffing philosophy and plan.
- Place greater focus on a comprehensive maintenance and capital replacement plan.
- Develop a focused recreation marketing plan for the center and its programs.

Programming and Services

- Improve the online registration system.
- Grow programming in the following areas:
 - Sports programs and leagues
 - Fitness/wellness programs
 - Personal training
- Work to expand the number and types of programs that are offered with a goal of increasing program revenues to improve program cost recovery.
- Promote the use of the center for programmatic needs without having to be a pass holder.



Financial

- Establish yearly budget priorities.
- Adopt a formal fee policy for memberships, programs, facility use and rentals.
- Develop more cost centered accounting practices for the center itself as well as programs and services.
- Increase fees for youth sports organizations use of the pool and athletic fields.
- Explore possible alternative funding sources.
- Increase the number of pass holders that are on EFT.

Staffing

- Develop a formal training plan for staff.

Marketing

- Increase the level of funding for marketing.
- Build a clear identity and brand for the center.
- Develop a seasonal recreation programs and services catalog again.
- Promote the use of on-line program registration (after improving the existing system).
- Update the Department and Orem Fitness Center web site.





FACILITY ASSESSMENT

The Orem Fitness Center has not only been recognizable to Orem City residents but also to all of Utah County residents as a prominent destination for public recreation, up until 2013. Since 2013, when the Provo Community and Recreation Facility opened and as other newer and more amenity rich facilities come on line, revenues have continued to decrease. Additionally, as the existing facility ages operational expenses and capital expenditures continue to increase because of the wear and tear on the building and aging building systems.

Several improvement alternatives were investigated to explore the impact and costs. These alternatives ranged from non-structural finish and visual upgrades to a total facility replacement. A reoccurring theme throughout the alternative exploration process was the need for **substantial visual and functional improvements to make a marked improvement to the facility perception**. Demonstrating this fact, public comment was received on the Fitness Center as part of the Parks, Recreation, Trails & Open Space Master Plan (not part of this study), noting that facility should be “leveled” or substantially improved to be of value to the City.

The City of Orem is facing several upcoming financial needs beyond just the Fitness Center including City Hall upgrade or replacement and emergency response services. Prioritizing these differing competing needs with the needs of the Fitness Center will be the crucial decision about the future of indoor recreation in Orem.

Presented in this study are four alternatives for moving forward with the physical needs of the center. These alternatives are presented with costs and are as follows:

- **Alternative #1 - Non-Structural Finish upgrades, estimated at \$4,039,350**
- **Alternative #2 - Combination of Major and Minor Renovation, estimated at \$10,787,800**
- **Alternative #3 - Major Renovation, estimated at \$19,656,750**
- **Alternative #4 – Facility Replacement, estimated at \$35,985,500**

Mountain View High School, part of the Alpine School District shares property immediately north, east and west of the Fitness Center. Meeting with Alpine School District personnel, as a stakeholder in any future development, it was disclosed that the School District would like to remodel the existing parking lot North of the Fitness Center to increase the efficiency and number of parking spaces that serve the School. Additionally, it was identified that there is currently conflict between the Fitness Center and the High School due to the convenience to students of parking in the Fitness Center parking lot south of the facility.

The school district expressed interest in trading what is currently the parking lot for the Fitness Center with a comparable number of stalls in a defined area to the north. This alternative offers potential enhancements to the Fitness Center for two reasons, first the total parking stall counts for both the Fitness Center and the High School could be increased reducing conflicts from a lack of parking. Secondly, locating the parking on the north side could allow for the Fitness Center entrance to face Main Street, improving the front door exposure. The downside to this alteration is cost, both for redoing the north parking lot and for re-orienting the interior of the facility to allow for circulation and control from the north side. The benefits, however, will have a considerable positive impact on the visual appeal of the facility. Alternative 2 incorporates this change.

STUDY PRINCIPLES

The purpose and objectives for Orem City undertaking this study to investigate the viability of improving their existing community recreation facility are as follows.

GOALS

- To enhance the quality of life for the residents of Orem City by creating a social hub and focal point for “fun” in the City.
- To determine the viability of the facility, and define a strategy to return the facility into a state of profitability
- To create a venue that encourages and facilitates community social interaction, and provides year-round recreational opportunities for the community
- To continue to provide valuable programs and implement new programs to serve the broadest spectrum of users from toddler to senior, and from family to individual

OBJECTIVES

- Determine the greater Orem community's recreational interests and needs and anticipate future trends in community recreation.
- Assess various upgrade alternatives from limited remodel to full re-construction to determine the most cost-effective solution based on long-term needs.
- Determine the cost implications, both the initial capital investment and on-going operation expenses associated with the determined alternatives.
- Identify improvement strategies that result in ongoing operational cost savings.

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EXISTING FACILITY STUDY

A limited visual review of the existing Orem Recreation Center has been completed as a first step in the development of a plan to revitalize the facility. The limited visual review consisted of walking through the building and observing the structural, mechanical and electrical elements to the extent they are visible without removing existing finishes. No calculations or analysis were completed to determine actual load carrying capacities of the various structural elements, the functionality of the mechanical equipment, etc.

SITE

The facility is located such that access to the building is only available through a residential neighborhood which makes it somewhat difficult to find. Based on local zoning codes and the use of the building it has been determined that there should be ~415 parking stalls for patrons, currently there are only 167 available which leaves the facility nearly 250 parking stalls shy of meeting the requirement.



The building is located at 580 165 South, Orem, Utah 84058.

PARKING

There are currently 2 more ADA parking stalls than are required for this facility with a total of 11. There are two items of note that came to light after looking at the ADA parking layout; first there are three stalls which require a patron to pass by the rear of a parked vehicle before entering a marked and safe path of travel and second there are two ramps which encroach into the passenger loading and unloading zones. These are minor issues but do cause some concern.

The striping in the lot has been changed multiple times which makes understanding what is going on difficult to do.

As the building currently sits on the site it is difficult to see a feasible way to increase the parking to the required numbers of stalls, this is mainly due to the fact that there is not enough additional land available for use.



The building consists of several major sections, these sections include: the entrance, the exercise space, the racquetball courts, the 50 meter pool, the recreation pool, the gym, and the shooting range.

BUILDING ENTRANCE

The building entrance was updated in 1998, at that time the entry was relocated from the second level to the main level; this improved the accessibility and visibility of the entrance. This area of the building is in the best physical shape but is showing some aging.

The ADA access button is in working condition, it has been partially covered which makes it difficult to be located.

The stairs that are in the front of the building which access the upper level are falling into disrepair, the metal nosing is corroding, sticking up and in some instances has been removed entirely which has now caused a tripping hazard.





There are ample signs in the building veneer around the 50 meter pool indicating a current or pending facade failure, as seen in these images.

As you continue around the building there are several areas that are failing due to corrosion and the age of the facility. In many cases the concrete has failed where corrosion has taken hold. In many of these cases it doesn't affect the functionality of the facility but it certainly shows the age of the facility. The stairwell on the East side of the building is missing a panel of the metal siding.





Several of the storefront systems are missing their insulating glass seals and have been replaced with caulk which may be causing unnecessary heat gain or loss.



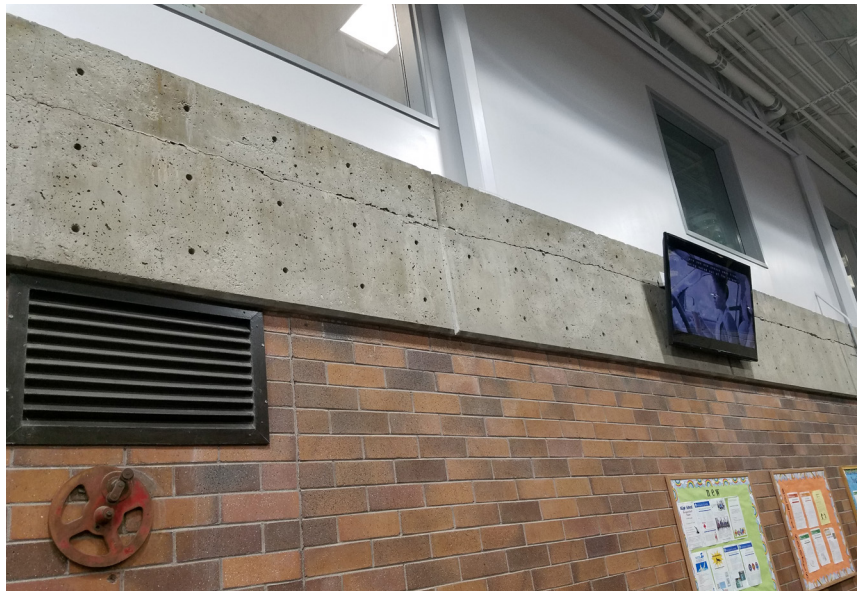
EXERCISE SPACE

There is a large portion of the running track that is covered by an exterior planter, this planter may or may not be the cause of water penetration into the track area, there is an internal debate as to the cause of the penetration and the issue has not been settled to date. Many of the concrete scuppers around the raised planter are cracking and coming apart, one actually has a small tree growing out of it.

At the walkout stairs from the running track on the east side of the building there is not a functional drain which causes the water to backup and penetrate the interior of the building. This issue will need to be addressed moving forward.



The main entry was renovated several years ago, during this remodel portions of the building which were once on the exterior are now found on the interior, in this area we are seeing a fair amount of cracking and blemishes in the finishes. These could lead to larger issues in the future.



Several of the windows at the running track level have debris built up against them and are nearing the point where they may need to be replaced to bring them back to their original functionality and design intent.





At the running track level, there are several areas where water is penetrating through the exterior walls and the roof/ceiling structure. It has been indicated that the presence of this water has resulted in portions of the track needing to close. When it comes to the roof/ceiling it has been a struggle for them to pinpoint what is allowing the water to seep in, so a repair/fix has been difficult to implement.



Overall the interior finishes of the facility are seeing the end of their useful life, the carpet is in dire need of replacement and most of the flooring in general. The ceiling tile needs to be replaced in many places as it is crumbling and falling down, there are several instances where it is held in place with screws. It would be wise to have

an asbestos assessment done to fully understand the extent to which it was used within the building and then have an abatement done to remove it from the facility to protect the health of the user.



RACQUETBALL COURTS

The racquetball courts (14 in total) are generally in decent shape; they are constructed with tilt-up concrete for the walls and have wood floors. A few of these are being used for other purposes such as introduction to gymnastics and wall ball. Several of the floors are seeing large separation gaps between the floor boards but the concrete walls are in good shape and are holding up well for their intended use. Any modification of these walls will require extensive engineering as they are all structural shear and bearing walls.



50 METER POOL AND RECREATION POOL

There have been several upgrades made in the pool area, the pool deck around the 50 meter pool was recently replaced and is in good shape, the addition of the recreation pool is under 10 years old and generally is in decent shape although there is some corrosion that could have been avoided if the structure was properly protected. The spectator seating area was closed in by glass which has caused some issues with the originally designed mechanical system. It would be recommended that either the glass be removed or the mechanical system be redesigned.



The mechanical system is being maintained as well as an old system is able to be maintained, repairs and replacements have been made as required but it is going to be a never ending process with a system as old as it is.



The roof is in generally good shape, there are a few leaks with only one that has not been pinpointed. It should have another several years before it would need to be replaced.



GYMNASIUM

The gym space is in relatively good shape, the lighting was recently replaced but due to the dark ceiling this didn't brighten the space as much as intended, it would be recommended that the ceiling be repainted and natural daylighting brought into the space. Equipment in this area is aging but operates as intended. There was a leak in the gym ceiling recently which damaged an area in the gym which has prompted the floor to be repaired and refinished in that area, the remaining floor will be refinished in the near future.

The locker rooms have been recently updated and are functional. We were able to locate one family change room but it could use some updates as far as finishes are concerned. The mezzanine level is lacking in restrooms, all patrons have to access the restrooms on the main floor if one is needed.



SHOOTING RANGE

The shooting range which has been a part of the facility from the beginning is still being utilized but at a later time there was an additional wall constructed to separate the shooters from the control workers, this has caused some issues with the mechanical system as the air is not circulating as intended.

With some careful coordination with the school district and utilizing some unique features of the building we could revitalize this facility and bring it back into play with the newer facilities that have been or are being constructed in the area. Overall the structure is holding up and the utilities are hanging in there but the facility as a whole is outdated and in need of special attention.



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OPERATIONS PRO-FORMA

INTRODUCTION

The purpose of this study is to analyze the operations and efficiency of the Orem Fitness Center, identify factors, issues, and concerns within the Center that need to be addressed, changed, altered or improved to increase the operational efficiency, and performance of the facility.

This study is based on information gathered from a site visit to the Orem Fitness Center and interviews with recreation staff.

The intent of the site visit was to gain a basic understanding of the Orem Fitness Center, how it is managed, how it is maintained, and how recreation programs and services are delivered.

In addition to the staff interviews, there was also a review of operational, program and administrative information, records, and material supplied by the Orem Recreation Department staff.

SPECIFIC ASSESSMENT TASKS INCLUDED:

Review Background Information

Identify facility constraints and parameters

- Market-demographics
- Site/location-visit site and other facilities
- Components-review
- Related information

Review facility structure/resources/policies

- Marketing and promotion tools
- Policies and procedures
- Maintenance plan
- Staffing plan
- Fee schedule (facility and programs)
- Operating budget
 - Expenditures
 - Revenues
 - Budget categories
 - Budget tracking

Assessment of facilities physical condition and functionality

Supervision and control

Image and appeal

Safety and security

Maintenance concerns

Facility alterations/changes

Equipment and operating systems

Review existing Fitness Center services and programs

Participation numbers

Revenue figures

Fees and charges

Demand for services/facilities

- Determine sizing and space allocation requirements
- Economic justification for each program space
- Identify other programs

Conduct a comparative market analysis in the service area

Identify recreation facilities, comparable recreation centers

- Amenities
- Services offered
- Admission rates
- Attendance numbers

Identify factors that might have an impact of the project

Compare relevant national, regional and local cities of comparable size

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Section I - Introduction

The purpose of this study is to analyze the operations and efficiency of the Orem Fitness Center, identify factors, issues, and concerns within the Center that need to be addressed, changed, altered or improved to increase the operational efficiency, and performance of the facility.

This study is based on information gathered from a site visit to the interviews with recreation staff.

The intent of the site visit was to gain a basic understanding of the Orem Fitness Center, how it is maintained, and how recreation programs and services are managed.

In addition to the staff interviews, there was also a review of administrative information, records, and material supplied by the staff.

Specific Assessment Tasks Included:

A. Review Background Information

1. Identify facility constraints and parameters
 - a. Market-demographics
 - b. Site location-visit site and other facilities
 - c. Components-review
 - d. Related information
2. Review facility structure/resources/policies
 - a. Marketing and promotion tools
 - b. Policies and procedures
 - c. Maintenance plan
 - d. Staffing plan
 - e. Fee schedule (facility and programs)
 - f. Operating budget
 - a. Expenditures
 - b. Revenues
 - c. Budget categories
 - d. Budget tracking

B. Assessment of facilities physical condition and

1. Supervision and control

Section II - General Assessment Summary

The following is a basic summary of the overall strengths and weaknesses of the operation of the Orem Fitness Center as well as the challenges that are currently in place. A more detailed analysis of these points can be found in the body of this study.

Strengths:

- The Orem Fitness Center has a long history of providing recreation services to the community.
- The center serves the City of Orem's population as well as non-residents. Orem has a large enough population base to support the center on its own.
- There are a variety of amenities available in the center including aquatics, fitness, gym, racquetball courts, walking track and a firearms range. The center is generally well run and maintained.
- The center offers a broad range of programs and services to the community. These services are generally well organized and well run.

Weaknesses:

- The Orem Fitness Center is nearly 38 years old and despite 3 renovation/expansions, it is an aging facility.
- The center used to be the primary public recreation and fitness center in the Utah Valley but there are now many other providers in the market.
- Due in part to a tight budget and the resulting staff limitations, there is a lack of time and resources being allocated to long range planning. Consequently, the center operates more on a day to day basis.
- There is a definite lack of a cohesive marketing plan for the center and its services.

Challenges:

- The Orem Fitness Center will need significant physical improvements to regain market share in the area.

Review operational budgets

Expenditures

Revenues

Fees and charges

Review existing staffing levels

- Organizational flow chart
- Job functions
- Training

Future funding options

- Facilities
- Programs

Review promotional plans

Promotional plan assessment

Promotional tools

Sponsorships/partnerships

- Current sponsorships
- Determine costs and rates with neighboring communities

Customer service

GENERAL ASSESSMENT SUMMARY

The following is a basic summary of the overall strengths and weaknesses of the operation of the Orem Fitness Center as well as the challenges that are currently in place. A more detailed analysis of these points can be found in the body of this study.

Strengths

- The Orem Fitness Center has a long history of providing recreation services to the community.
- The center serves the City of Orem's population as well as non-residents. Orem has a large enough population base to support the center on its own.
- There are a variety of amenities available in the center including aquatics, fitness, gym, racquetball courts, walk/jog track and a firearms range. The center is generally well run and maintained.
- The center offers a broad range of programs and services to the community. These services are generally well organized and well run.

Weaknesses

- The Orem Fitness Center is nearly 38 years old and despite 3 renovation/expansions, it is an aging facility.
- The center used to be the primary public recreation and fitness center in the Utah Valley but there are now many other providers in the market.
- Due in part to a tight budget and the resulting staff limitations, there is a lack of time and resources being allocated to long range planning. Consequently, the center operates more on a day to day basis.
- There is a definite lack of a cohesive marketing plan for the center and its services.

Challenges

- The Orem Fitness Center will need significant physical improvements to regain market share in the area.
- The facility will need to have a broader appeal to the community through its programs and services.
- There will need to be a stronger operational and management focus in the coming years to maximize the potential for the center.
- Ultimately the City of Orem, its elected officials and the community as a whole, will need to determine if they want to provide indoor recreation services at a higher level. In order to do so, additional operational and capital funding will be necessary.
- While \$4 million is a substantial amount of money for renovation purposes, it will not be enough to make a significant, long term, impact on the financial viability of the Orem Fitness Center. This should be viewed as a first step in the process only.
- The operational recommendations in this document will not by themselves be able to significantly improve the financial performance of the center either.

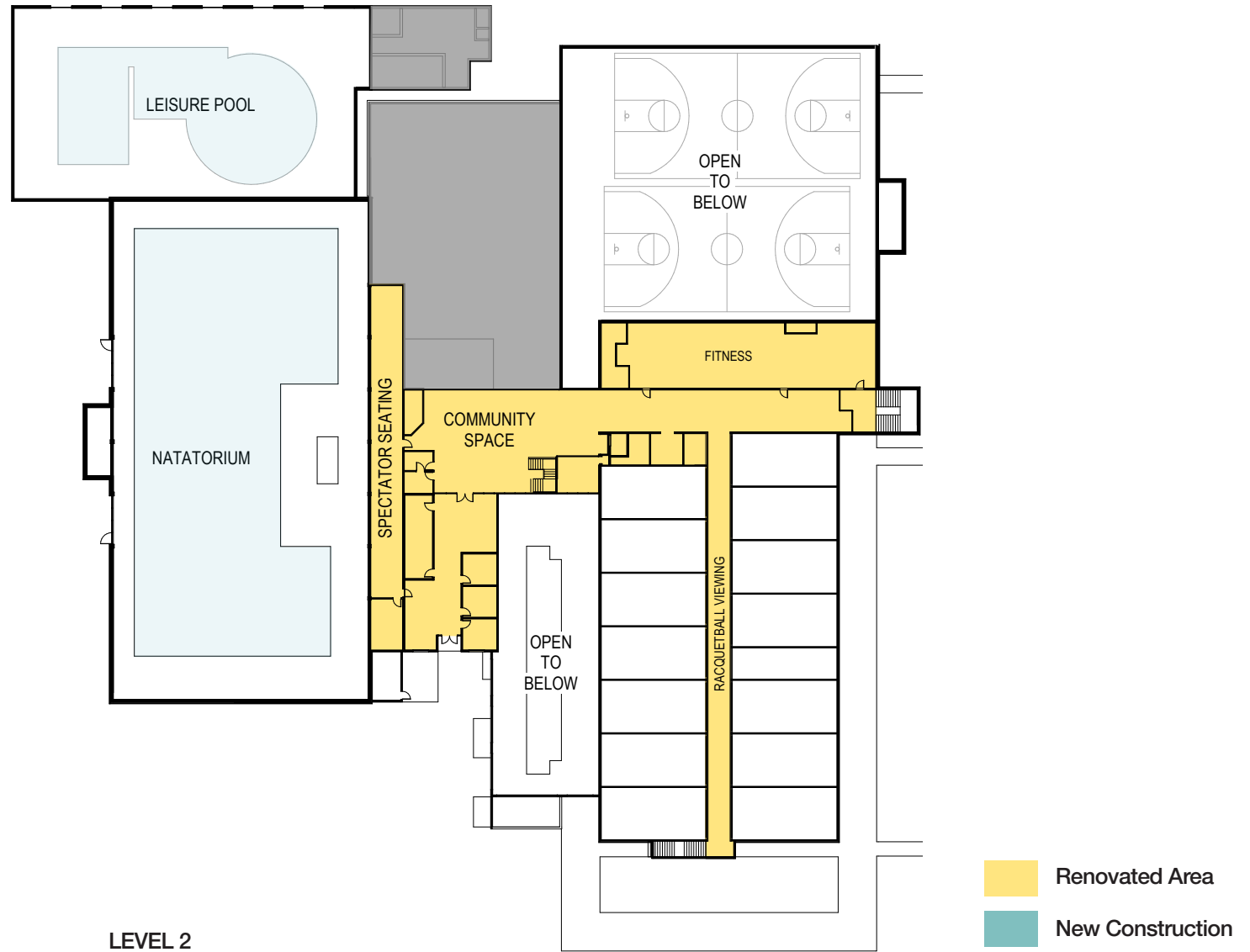
The complete Operational and Efficiency Assessment Study can be found in the Appendix.

CONCEPTUAL DESIGN OPTIONS

OPTION 1



OPTION 1



LEVEL 2

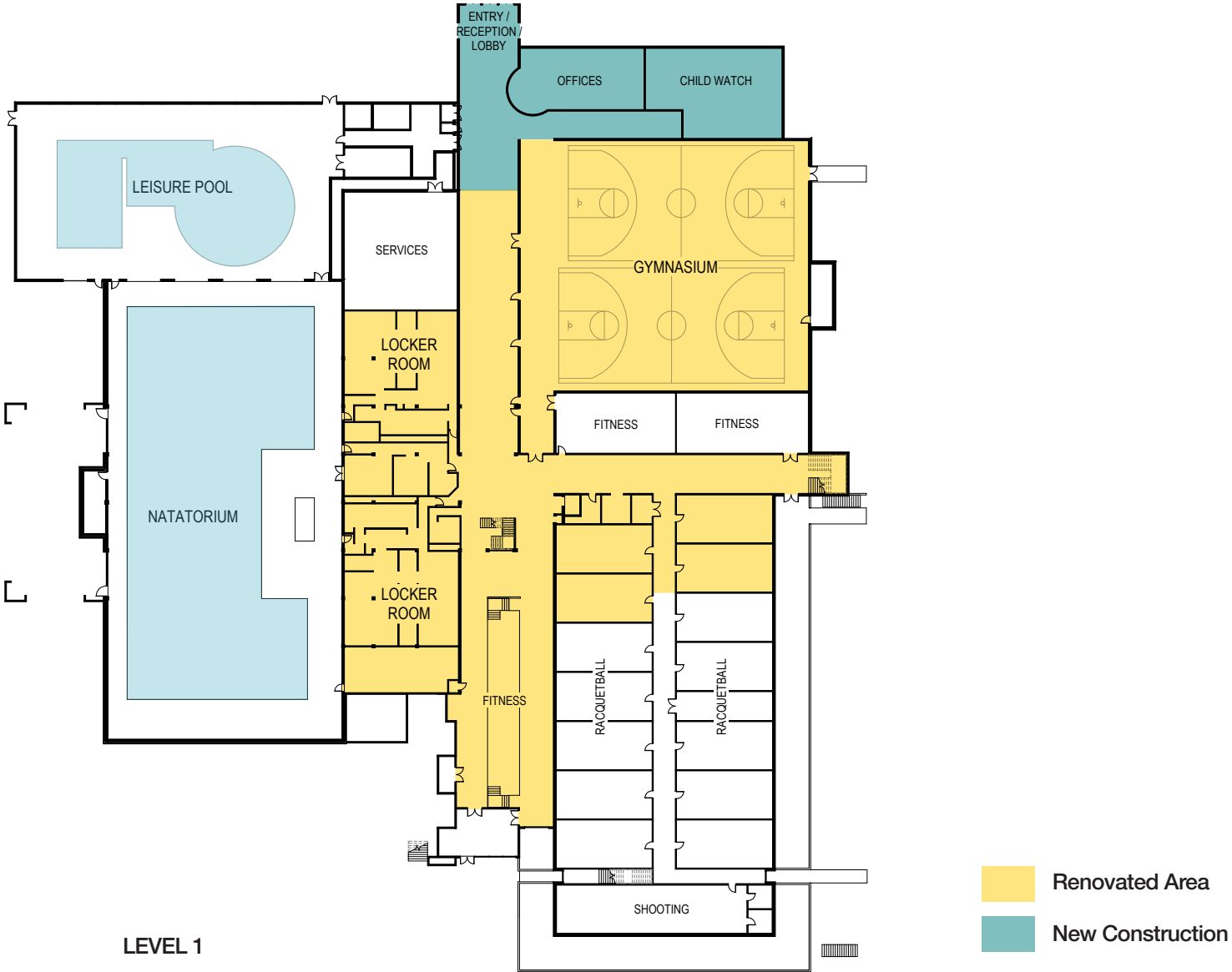
Option 1 Cost Estimate (Renovated Area - 109,000 SF)

Soft Costs				
	Land Acquisition		\$0.00	
	Architectural & Engineering Services		\$232,680.94	
	Geotechnical Investigation (Allowance)		\$0.00	
	Fixtures, Furnishings and Equipment (FF&E)		\$25,000	
	Testing, Permits, Surveys, Etc. (Allowance)		\$30,000	
	Project Contingency (5%)		\$28,768.09	
	Total Estimate Soft Costs		\$316,449.03	
Hard Costs			Line Item Cost	Cost/SF
	Division 1	General Requirements	\$352,070.00	\$3.23
	Division 2	Existing Conditions	\$92,650.00	\$0.85
	Division 3	Concrete	\$32,700.00	\$0.30
	Division 4	Masonry	\$81,750.00	\$0.75
	Division 5	Steel	\$14,170.00	\$0.13
	Division 6	Woods & Plastics	\$67,580.00	\$0.62
	Division 7	Thermal & Moisture Protection	\$0.00	\$0.00
	Division 8	Doors & Windows	\$41,420.00	\$0.38
	Division 9	Finishes	\$1,526,000.00	\$14.00
	Division 10	Specialties	\$7,630.00	\$0.07
	Division 11	Equipment	\$21,800.00	\$0.20
	Division 12	Furnishings	\$94,830.00	\$0.87
	Division 13	Special Construction	\$0.00	\$0.00
	Division 14	Elevators	\$0.00	\$0.00
	Division 21	Fire Sprinklers	\$45,780.00	\$0.42
	Division 22	Plumbing	\$352,070.00	\$3.23
	Division 23	Heating Ventilation Air Conditioning	\$250,700.00	\$2.30
	Division 26	Electrical	\$403,300.00	\$3.70
	Division 31	Sitework	\$0.00	\$0.00
	Division 32	Landscaping	\$0.00	\$0.00
	Construction Contingency 5%		\$338,445.00	\$2.60
	Total Estimate Construction Costs		\$3,722,895.00	\$33.65
	Total Estimated Project Costs		\$4,039,344.03	

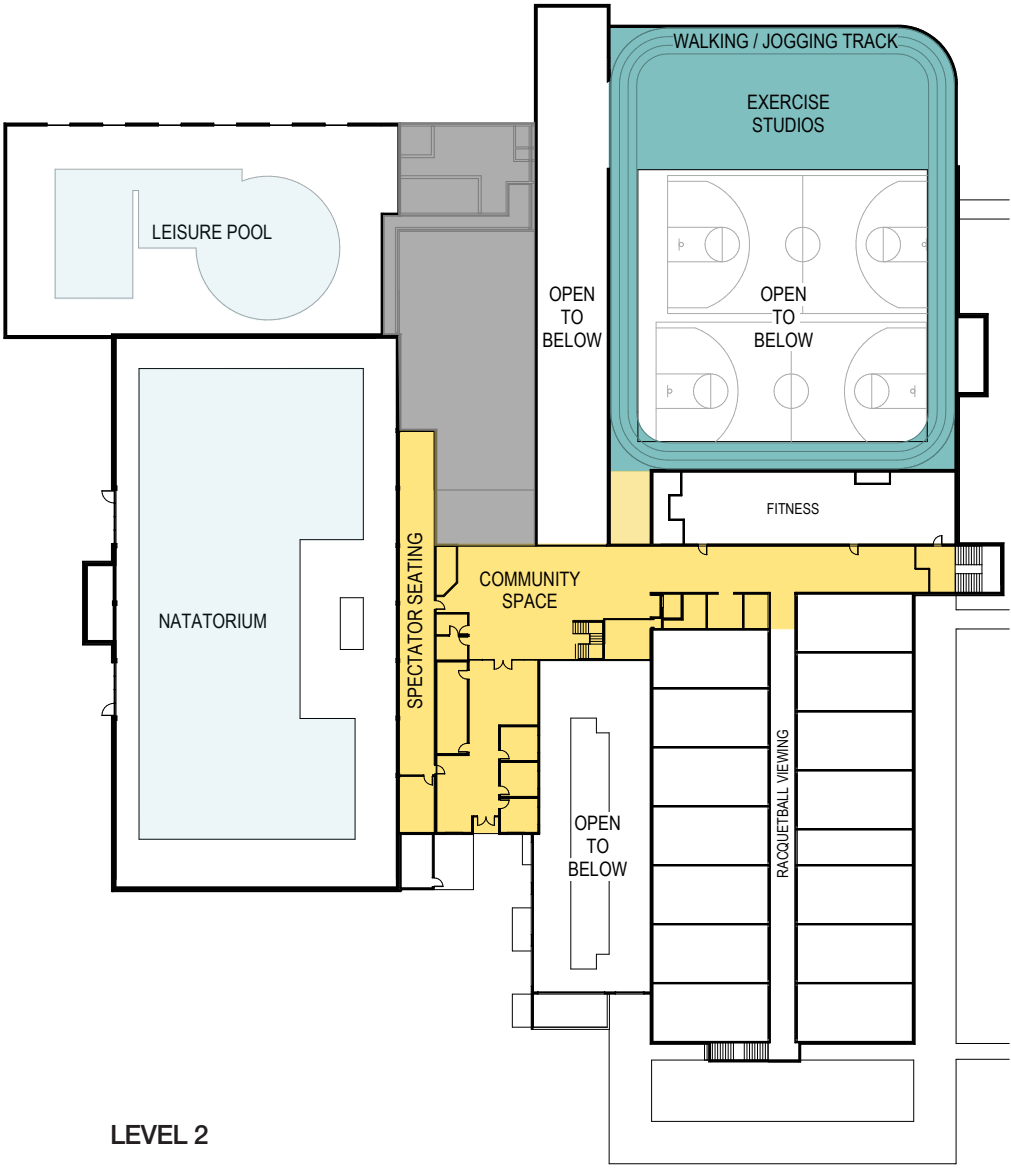
Notes:

1. Costs are in 2017 dollars and do not reflect any escalation for inflation.
2. Excludes parking lot and exterior improvements.
3. Includes pool area finish upgrades.

OPTION 2



OPTION 2



LEVEL 2

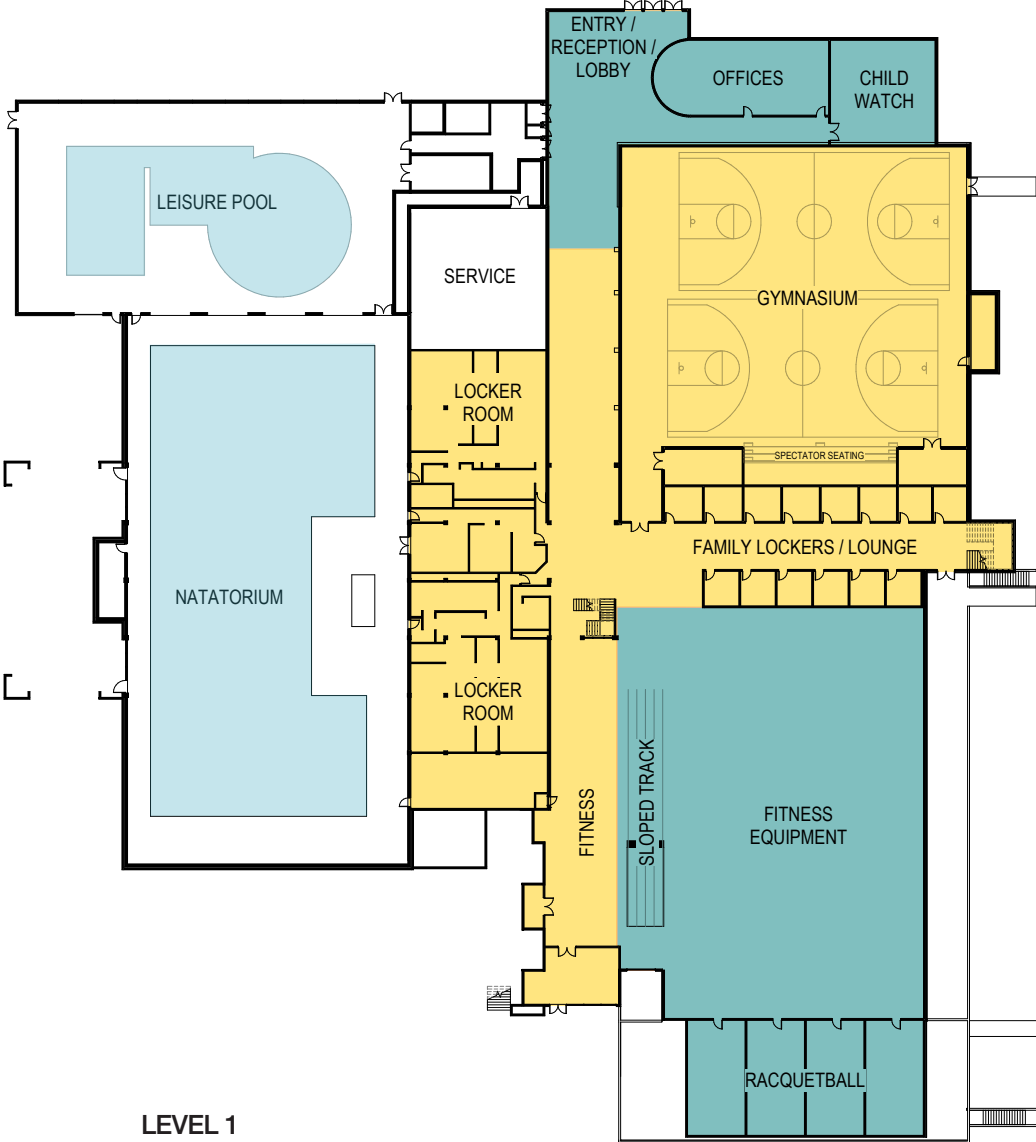
- Renovated Area
- New Construction

Option 2 Cost Estimate (Renovated Area - 109,000 SF, New Area - 13,843 SF, Pool Area - 30,743 SF)

Soft Costs							
	Land Acquisition	\$0.00					
	Architectural & Engineering Services	\$600,181.99					
	Geotechnical Investigation (Allowance)	\$12,000.00					
	Fixtures, Furnishings and Equipment (FF&E)	\$400,000.00					
	Testing, Permits, Surveys, Etc. (Allowance)	\$65,000.00					
	Project Contingency (5%)	\$107,718.20					
	Total Estimate Soft Costs	\$1,184,900.19					
Hard Costs		Line Item Cost	Cost/SF	Line Item Cost	Cost/SF	TOTALS	
	Division 1	General Requirements	\$214,658.40	\$15.51	\$855,345.48	\$15.51	\$1,070,003.88
	Division 2	Existing Conditions	\$54,806.40	\$3.96	\$672,805.60	\$12.20	\$727,612.00
	Division 3	Concrete	\$444,114.53	\$32.09	\$41,361.00	\$0.75	\$485,475.53
	Division 4	Masonry	\$228,725.38	\$16.53	\$78,310.16	\$1.42	\$307,035.54
	Division 5	Steel	\$318,242.50	\$22.99	\$99,266.40	\$1.80	\$417,508.90
	Division 6	Woods & Plastics	\$39,643.30	\$2.86	\$72,795.36	\$1.32	\$112,438.66
	Division 7	Thermal & Moisture Protection	\$449,412.48	\$32.47	\$344,675.00	\$6.25	\$794,087.48
	Division 8	Doors & Windows	\$181,409.18	\$13.11	\$70,589.44	\$1.28	\$251,998.62
	Division 9	Finishes	\$164,236.51	\$11.87	\$772,072.00	\$14.00	\$936,308.51
	Division 10	Specialties	\$32,335.78	\$2.34	\$65,074.64	\$1.18	\$97,410.42
	Division 11	Equipment	\$18,816.86	\$1.36	\$54,045.04	\$0.98	\$72,861.90
	Division 12	Furnishings	\$2,491.20	\$0.18	\$47,978.76	\$0.87	\$50,469.96
	Division 13	Special Construction	\$497,276.74	\$35.93	\$0.00	\$0.00	\$497,276.74
	Division 14	Elevators	\$18,451.49	\$1.33	\$88,236.80	\$1.60	\$106,688.29
	Division 21	Fire Sprinklers	\$23,932.13	\$1.73	\$82,722.00	\$1.50	\$106,654.13
	Division 22	Plumbing	\$276,800.00	\$20.00	\$661,776.00	\$12.00	\$938,576.00
	Division 23	HVAC	\$399,699.20	\$28.88	\$551,480.00	\$10.00	\$951,179.20
	Division 26	Electrical	\$316,050.24	\$22.84	\$551,480.00	\$10.00	\$867,530.24
	Division 31	Sitework	\$265,728.00	\$19.20	\$0.00	\$0.00	\$265,728.00
	Division 32	Landscaping	\$88,786.37	\$6.42	\$0.00	\$0.00	\$88,786.37
	Construction Contingency 5%		\$403,561.67	\$3.10	\$511,001.37	\$3.93	\$457,281.52
	Total Estimate Construction Costs		\$4,439,178.34	\$294.70	\$5,621,015.05	\$96.59	\$9,602,911.87
	Total Estimated Project Costs						\$10,787,812.06

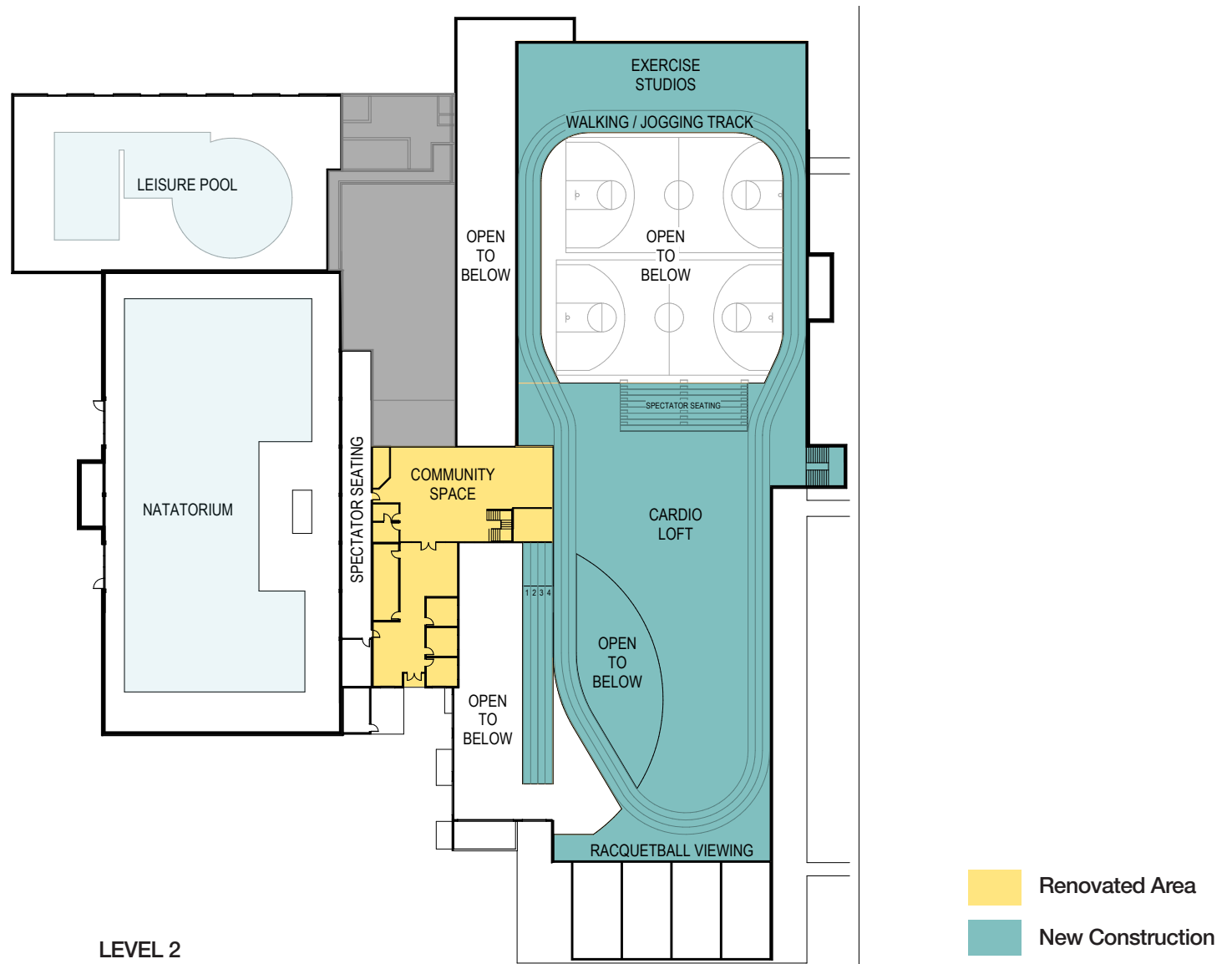
- Notes:
1. Costs are in 2017 dollars and do not reflect any escalation for inflation. Assumes no remodel work of pool area.
 2. Includes limited parking lot and site improvements.
 3. Excludes any work in the Pool area Racquetball Courts & Upper Fitness.
 4. Excludes any work at the basement level.

OPTION 3



- Renovated Area
- New Construction

OPTION 3



Option 3 Cost Estimate (Renovated Area - 58,000 SF, New Area - 36,400 SF, Pool Area - 30,743 SF)

Soft Costs						
	Land Acquisition	\$0.00				
	Architectural & Engineering Services	\$1,111,114.27				
	Geotechnical Investigation (Allowance)	\$12,000.00				
	Fixtures, Furnishings and Equipment (FF&E)	\$500,000.00				
	Testing, Permits, Surveys, Etc. (Allowance)	\$85,000.00				
	Project Contingency (5%)	\$170,811.43				
	Total Estimate Soft Costs	\$1,878,925.70				
Hard Costs		Line Item Cost	Cost/SF	Line Item Cost	Cost/SF	TOTALS
Division 1	General Requirements	\$564,564.00	\$15.51	\$899,580.00	\$15.51	\$1,464,144.00
Division 2	Existing Conditions	\$144,144.00	\$3.96	\$860,140.00	\$14.83	\$1,004,284.00
Division 3	Concrete	\$1,168,046.88	\$32.09	\$43,500.00	\$0.75	\$1,211,546.88
Division 4	Masonry	\$601,560.96	\$16.53	\$105,560.00	\$1.82	\$707,120.96
Division 5	Steel	\$836,996.16	\$22.99	\$127,600.00	\$2.20	\$964,596.16
Division 6	Woods & Plastics	\$104,264.16	\$2.86	\$76,560.00	\$1.32	\$180,824.16
Division 7	Thermal & Moisture Protection	\$1,181,980.80	\$32.47	\$362,500.00	\$6.25	\$1,544,480.80
Division 8	Doors & Windows	\$477,116.64	\$13.11	\$74,240.00	\$1.28	\$551,356.64
Division 9	Finishes	\$431,951.52	\$11.87	\$1,091,560.00	\$18.82	\$1,523,511.52
Division 10	Specialties	\$85,044.96	\$2.34	\$68,440.00	\$1.18	\$153,484.96
Division 11	Equipment	\$49,489.44	\$1.36	\$56,840.00	\$0.98	\$106,329.44
Division 12	Furnishings	\$6,552.00	\$0.18	\$50,460.00	\$0.87	\$57,012.00
Division 13	Special Construction	\$1,307,866.56	\$35.93	\$0.00	\$0.00	\$1,307,866.56
Division 14	Elevators	\$48,528.48	\$1.33	\$92,800.00	\$1.60	\$141,328.48
Division 21	Fire Sprinklers	\$62,942.88	\$1.73	\$87,000.00	\$1.50	\$149,942.88
Division 22	Plumbing	\$728,000.00	\$20.00	\$745,880.00	\$12.86	\$1,473,880.00
Division 23	HVAC	\$1,051,232.00	\$28.88	\$858,400.00	\$14.80	\$1,909,632.00
Division 26	Electrical	\$831,230.40	\$22.84	\$716,300.00	\$12.35	\$1,547,530.40
Division 31	Sitework	\$698,880.00	\$19.20	\$0.00	\$0.00	\$698,880.00
Division 32	Landscaping	\$233,513.28	\$6.42	\$0.00	\$0.00	\$233,513.28
	Construction Contingency 5%	\$1,061,390.51	\$8.16	\$631,736.00	\$4.86	\$846,563.26
	Total Estimate Construction Costs	\$11,675,295.63	\$299.76	\$6,949,096.00	\$113.78	\$17,777,828.38
	Total Estimated Project Costs					\$19,656,754.08

- Notes:
1. Costs are in 2017 dollars and do not reflect any escalation for inflation.
 2. Includes parking lot and site improvements.
 3. Excludes any work in the pool area.

OPTION 4

Option 4 does not include a diagram, as it would be an entirely new, freestanding 109,000 SF recreation center.

Option 4 Cost Estimate (New Area - 109,000 SF)

Soft Costs				
	Land Acquisition		\$0.00	
	Architectural & Engineering Services		\$2,062,807.56	
	Geotechnical Investigation (Allowance)		\$12,000	
	Fixtures, Furnishings and Equipment (FF&E)		\$600,000	
	Testing, Permits, Surveys, Etc. (Allowance)		\$85,000	
	Project Contingency (5%)		\$220,784.60	
	Total Estimate Soft Costs		\$2,980,592.16	
Hard Costs			Line Item Cost	Cost/SF
	Division 1	General Requirements	\$1,690,590.00	\$15.51
	Division 2	Existing Conditions	\$0.00	\$0.00
	Division 3	Concrete	\$3,497,722.80	\$32.09
	Division 4	Masonry	\$1,801,377.60	\$16.53
	Division 5	Steel	\$2,506,389.60	\$22.99
	Division 6	Woods & Plastics	\$312,219.60	\$2.86
	Division 7	Thermal & Moisture Protection	\$3,539,448.00	\$32.47
	Division 8	Doors & Windows	\$1,428,728.40	\$13.11
	Division 9	Finishes	\$1,293,481.20	\$11.87
	Division 10	Specialties	\$254,667.60	\$2.34
	Division 11	Equipment	\$148,196.40	\$1.36
	Division 12	Furnishings	\$2,877.60	\$0.03
	Division 13	Special Construction	\$3,916,413.60	\$35.93
	Division 14	Elevators	\$145,318.80	\$1.33
	Division 21	Fire Sprinklers	\$188,482.80	\$1.73
	Division 22	Plumbing	\$0.00	\$0.00
	Division 23	Heating Ventilation Air Conditioning	\$5,327,876.40	\$48.88
	Division 26	Electrical	\$2,489,124.00	\$22.84
	Division 31	Sitework	\$1,317,940.80	\$12.09
	Division 32	Landscaping	\$699,256.80	\$6.42
	Construction Contingency 5%		\$2,444,808.96	\$18.81
	Total Estimate Construction Costs		\$33,004,920.96	\$299.17
	Total Estimated Project Costs		\$35,985,513.12	

Notes:

1. Costs are in 2017 dollars and do not reflect any escalation for inflation.
2. Assumes new aquatic spaces.

RECREATION CENTER COST COMPARISON

Project	Construction Cost/ sf	Year Bid
Provo Community Recreation Center	\$218.75	2011
Springville Recreation Center	\$276.35	2016
Wasatch Aquatic Center	\$320.06	2016
Draper Recreation Center	\$436.11	2018

APPENDIX

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Section I - Introduction

The purpose of this study is to analyze the operations and efficiency of the Orem Fitness Center, identify factors, issues, and concerns within the Center that need to be addressed, changed, altered or improved to increase the operational efficiency, and performance of the facility.

This study is based on information gathered from a site visit to the Orem Fitness Center and interviews with recreation staff.

The intent of the site visit was to gain a basic understanding of the Orem Fitness Center, how it is managed, how it is maintained, and how recreation programs and services are delivered.

In addition to the staff interviews, there was also a review of operational, program and administrative information, records, and material supplied by the Orem Recreation Department staff.

Specific Assessment Tasks Included:

A. Review Background Information

1. Identify facility constraints and parameters
 - a. Market-demographics
 - b. Site/location-visit site and other facilities
 - c. Components-review
 - d. Related information
2. Review facility structure/resources/policies
 - a. Marketing and promotion tools
 - b. Policies and procedures
 - c. Maintenance plan
 - d. Staffing plan
 - e. Fee schedule (facility and programs)
 - f. Operating budget
 - a. Expenditures
 - b. Revenues
 - c. Budget categories
 - d. Budget tracking

B. Assessment of facilities physical condition and functionality

1. Supervision and control

2. Image and appeal
3. Safety and security
4. Maintenance concerns
5. Facility alterations/changes
6. Equipment and operating systems

C. Review existing Fitness Center services and programs

1. Participation numbers
2. Revenue figures
3. Fees and charges
4. Demand for services/facilities
 - a. Determine sizing and space allocation requirements
 - b. Economic justification for each program space
 - c. Identify other programs

D. Conduct a comparative market analysis in the service area

1. Identify recreation facilities, comparable recreation centers
 - a. Amenities
 - b. Services offered
 - c. Admission rates
 - d. Attendance numbers
2. Identify factors that might have an impact of the project
3. Compare relevant national, regional and local cities of comparable size

E. Review operational budgets

1. Expenditures
2. Revenues

3. Fees and charges
4. Review existing staffing levels
 - a. Organizational flow chart
 - b. Job functions
 - c. Training
5. Future funding options
 - a. Facilities
 - b. Programs

F. Review promotional plans

1. Promotional plan assessment
2. Promotional tools
3. Sponsorships/partnerships
 - a. Current sponsorships
 - b. Determine costs and rates with neighboring communities
4. Customer service

What follows is a summary of the operations and efficiency of the Orem Fitness Center that has been outlined above with an assessment of what changes or improvements should be made to the center while still supporting the mission and goals of the Department and City. Any recommendations being made are with the knowledge that it may be difficult to implement all the findings in this assessment with the current operational funding levels of the Department, the staffing levels for recreation, and the necessary time/resource requirements for completion.

Section II – General Assessment Summary

The following is a basic summary of the overall strengths and weaknesses of the operation of the Orem Fitness Center as well as the challenges that are currently in place. A more detailed analysis of these points can be found in the body of this study.

Strengths:

- The Orem Fitness Center has a long history of providing recreation services to the community.
- The center serves the City of Orem’s population as well as non-residents. Orem has a large enough population base to support the center on its own.
- There are a variety of amenities available in the center including aquatics, fitness, gym, racquetball courts, walk/jog track and a firearms range. The center is generally well run and maintained.
- The center offers a broad range of programs and services to the community. These services are generally well organized and well run.

Weaknesses:

- The Orem Fitness Center is nearly 38 years old and despite 3 renovation/expansions, it is an aging facility.
- The center used to be the primary public recreation and fitness center in the Utah Valley but there are now many other providers in the market.
- Due in part to a tight budget and the resulting staff limitations, there is a lack of time and resources being allocated to long range planning. Consequently, the center operates more on a day to day basis.
- There is a definite lack of a cohesive marketing plan for the center and its services.

Challenges:

- The Orem Fitness Center will need significant physical improvements to regain market share in the area.

- The facility will need to have a broader appeal to the community through its programs and services.
- There will need to be a stronger operational and management focus in the coming years to maximize the potential for the center.
- Ultimately the City of Orem, its elected officials and the community as a whole, will need to determine if they want to provide indoor recreation services at a higher level. In order to do so, additional operational and capital funding will be necessary.
- While \$4 million is a substantial amount of money for renovation purposes, it will not be enough to make a significant, long term, impact on the financial viability of the Orem Fitness Center. This should be viewed as a first step in the process only.
- The operational recommendations in this document will not by themselves be able to significantly improve the financial performance of the center either.

Section III – Market Analysis

The Orem Fitness Center first opened in December of 1979, to serve the residents of the City. As one of the few indoor public recreation facilities in the Utah Valley, the center also served a much larger market area that included Provo, Lindon and other communities. However, over time, as the region grew in population, new public and private indoor recreation and fitness facilities were added. The culmination came in May 2013, when the new Provo Recreation Center opened. As a result, it has been more difficult for the Orem Fitness Center to capture a strong market share, even with several expansions and renovations.

The following is a brief analysis of the Orem Fitness Center market.

Demographic Characteristics

The primary market for the center is the City of Orem, and the following are the basic demographic characteristics of the community (Information from ESRI).

	City of Orem
Population:	
2010 Census	88,336 ¹
2016 Estimate	93,413
2021 Estimate	98,676
Households:	
2010 Census	25,818
2016 Estimate	27,291
2021 Estimate	28,895
Families:	
2010 Census	20,366
2016 Estimate	21,279
2021 Estimate	22,333
Average Household Size:	
2010 Census	3.35
2016 Estimate	3.37
2021 Estimate	3.36
Ethnicity (2016 Estimate):	
Hispanic	17.3%
White	82.6%
Black	0.9%
American Indian	0.9%
Asian	2.4%
Pacific Islander	1.2%
Other	8.5%
Multiple	3.6%
Median Age:	
2010 Census	26.3
2016 Estimate	27.6
2021 Estimate	28.1
Median Income:	
2016 Estimate	\$57,652
2021 Estimate	\$64,825

¹ From the 2000-2010 Census, the City of Orem experienced a 4.6% increase in population.

Demographic Summary:

- The City of Orem has a population of nearly 95,000, which is large enough to support a large recreation/fitness center without having to draw significant users from outside the community.
- The City has a low median age indicating a large number of households with children which is further supported by a household size that averages 3.37 which is much higher than the national number of approximately 2.5.
- There is a higher median household income level than the United States as a whole.
- The population is not very diverse.

Despite losing market share in areas outside of Orem, the community is of sufficient size and has positive demographic characteristics to continue to support a comprehensive indoor recreation and fitness center well into the future if it can have an appeal to potential users.

Other Providers

As has been noted there are now a significant number of other indoor recreation, sports and fitness facilities in the greater Orem market. Some of the key providers include:

Public

There are a significant number of public recreation centers located in the Utah Valley. Over the last 5 years there has been a number of new public recreation centers that have come into the greater Orem market.

Provo Recreation Center (2013) – This state of the art recreation center opened in 2013 and it has set a new standard for public recreation centers in the Utah Valley. The center has a community wing that serves seniors as well as the rest of the community, a large gym, elevated track, lap and recreational pool as well as an extensive fitness center. The center currently has 18,045 members representing 8,278 passes. Of this number 1,208 are members from Orem, or 627 passes. So, Provo has approximately 6.7% of its members coming from Orem.

Lehi Legacy Center (2001) – This center is located well to the north of Orem and it has been in existence for some time. The center contains a large gym, elevated track, fitness area, classroom space and a large aquatic center. Although it is a significant facility, its distance from Orem reduces its impact on the Orem Fitness Center.

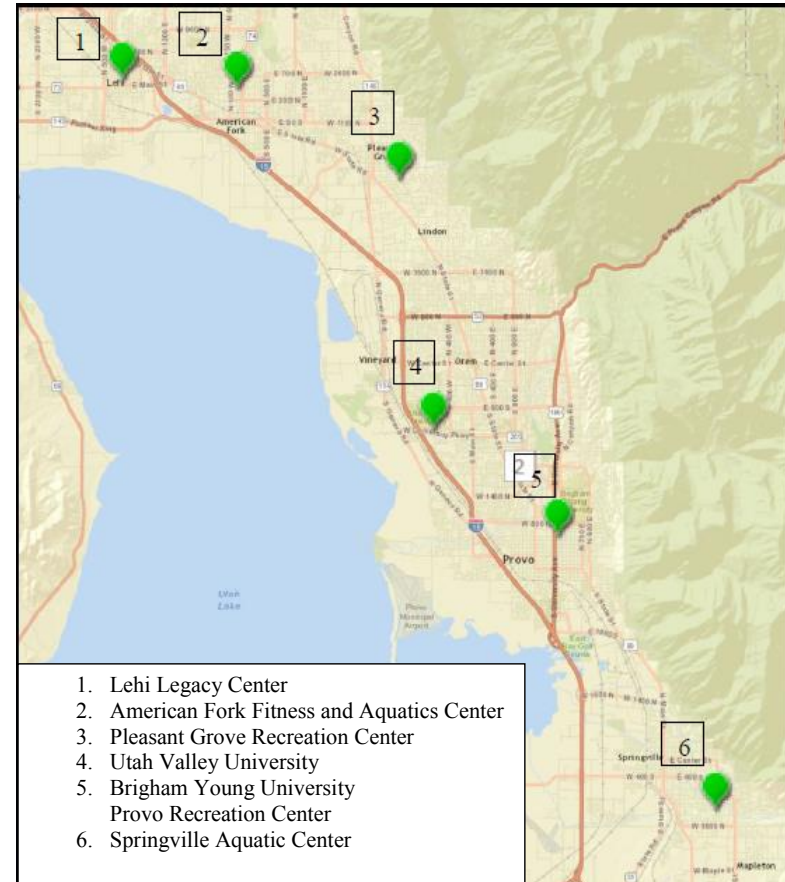
Pleasant Grove Recreation Center (2008) – This is a newer recreation center that contains a gym, fitness area, track and classrooms. It does not have any indoor aquatics. Due to its proximity to Orem, it has some impact on the Orem Fitness Center.

American Fork Fitness and Aquatics Center (1993) – This is an older, smaller facility that features an outdoor 50-meter pool and a small leisure pool that are bubbled in the winter. There is also a small fitness center and an indoor track. The smaller size and age of the center limits its impact on the Orem market.

The result is that most of the other major communities in the Utah Valley have significant indoor recreation facilities most of which are newer than the Orem Fitness Center. It should also be noted that *Springville* is building a new aquatic center that will also include a fitness center, track and gymnasium. This facility is expected to open in early 2018.

In addition to these public facilities, both Brigham Young University (Private) and Utah Valley University (2015) have newly renovated and expanded recreation facilities that are open to students, faculty and staff. The Utah Valley center allows its employees to use the facility at no charge.

Recreation Centers



Private

Besides the public recreation, sports and fitness facilities that are available in the region there are also a significant number of private fitness centers. This includes clubs that focus on adult fitness and personal training.

Planet Fitness

VASA Fitness North Orem

Vasa Fitness University

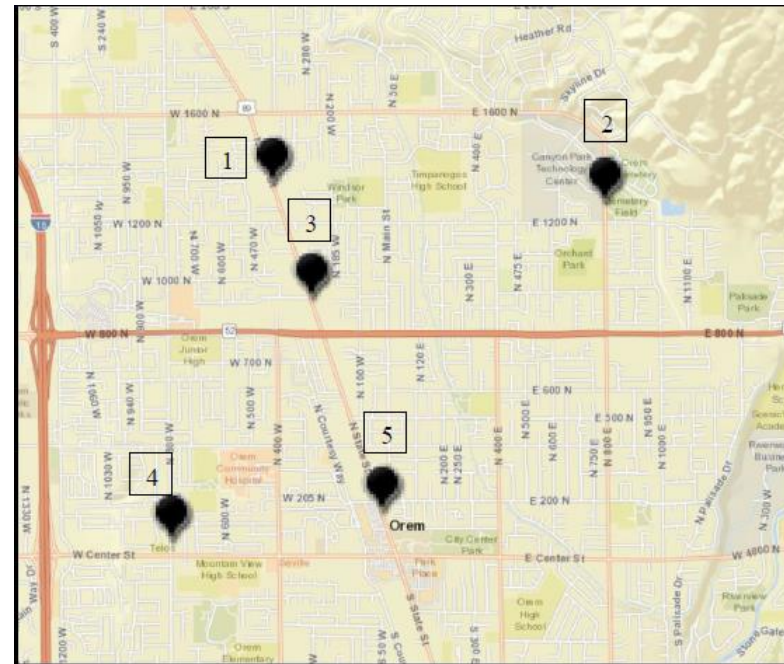
Orange Theory

Seasons Fitness Center

Anytime Fitness

There are also a significant number of smaller boutique fitness (cross-fit, Curves, personal training, etc.) and yoga studios in the area. This is not a strict accounting of all the other sports, fitness and recreation service providers in the Orem market area but is a general assessment.

Private



- 1. Orange Theory Fitness
- 2. VASA Fitness University
- 3. Seasons Fitness Center
- 4. VASA Fitness North Orem
- 5. Planet Fitness

Outdoor Aquatic Facilities

In addition to the indoor facilities, there are a number of outdoor aquatic centers in the greater Orem market area. Most of these are public facilities. This includes:

Scera Pool – This City of Orem pool is located a few miles from the Orem Fitness Center. It has extensive recreational amenities as well as a lap pool.

Provo Outdoor Pool – This pool is located in conjunction with the Provo Recreation Center. It has a wave ball pool as well as slides and other recreational amenities.

American Fork Aquatics Center – This is a pool that is outdoor during the summer but bubbled over the rest of the year. It is part of the Fitness Center. There is a 50 meter competitive pool as well as a recreational pool.

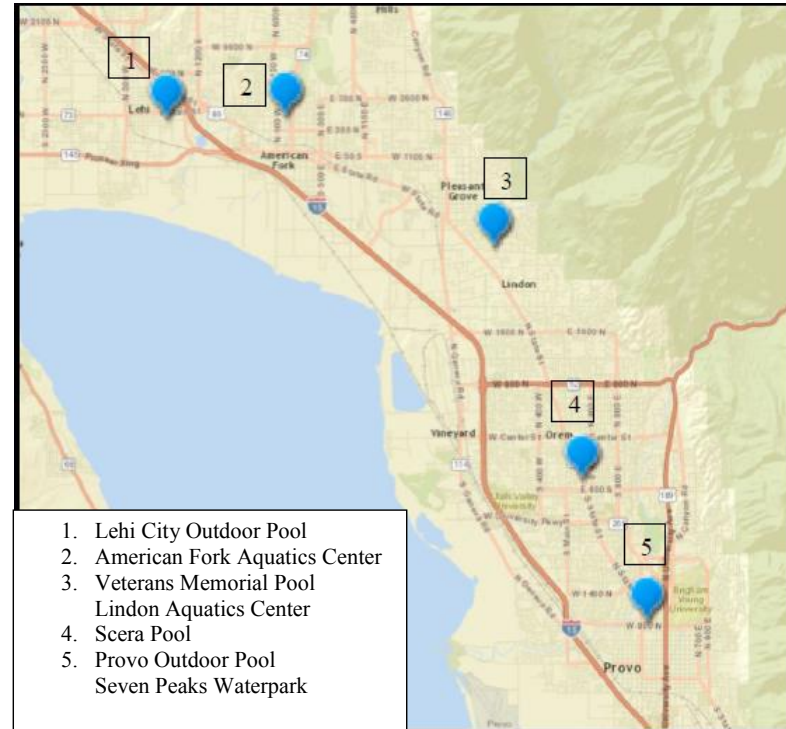
Lindon Aquatics Center – This facility features a Flow-Rider and other recreational swimming features as well as a lap pool.

Lehi City Outdoor Pool – This is an outdoor 50 meter pool with diving boards, slides and a wading pool.

Veterans Memorial Pool – Located in Pleasant Grove, this pool features an outdoor recreational pool as well as a lap pool.

Besides the public facilities noted above, there is also a large private water park, *Seven Peaks* that has an extensive lazy river, wave pools, slides and other amenities. This water park is located in Provo.

Outdoor Aquatic Centers



Market Conclusion:

Below are listed some of the market opportunities and challenges that exist with the Orem Fitness Center.

Opportunities

- The population of the City of Orem at almost 95,000, is large enough to support the fitness center on its own.
- The demographic characteristics of the City of Orem indicate households with reasonably high income levels and disposable income for recreation purposes. There are also a large number of households with children. These characteristics result in greater participation in recreation activities.
- Outside of Orem there is a secondary service area (that includes communities such as Vineyard and Lindon that do not have public indoor recreation centers) that adds even more potential users for the Fitness Center. Developing a specific plan to attract non-resident users is critical and this starts with a strong marketing plan as well as programs and services that appeal to this user group.
- The population will continue to grow at a steady pace for the next five plus years.
- Despite the presence of a number private health clubs in the market, these facilities serve very different markets and require a membership for use, while the Orem Fitness Center is available for a daily or extended visit fee or for programs only.
- The existing Orem Fitness Center is well known in the area and if there is a commitment to renovating and expanding its space in the near future and providing more programs, it should be able to recapture some of the market that has been lost over the last 5 years.

Challenges

- The existing Orem Fitness Center is an older facility that despite its earlier renovations and expansions, does not have the same look and feel as the newer centers in Provo, Pleasant Grove and Lehi.
- There are a significant number of other public recreation and fitness centers in the greater Orem area. The Provo Recreation Center has set a new standard for public centers in the market. There are also a number of outdoor aquatic centers in the area.

- The area that is available for expansion of the Fitness Center is relatively small. This may limit some of the amenity options that can be considered.
- Any significant expansion will need to include provisions for additional parking.
- Any addition will need to be operationally viable and should be planned to reduce the current subsidy level.

Benchmarking and Best Practices

An important aspect of an operational and efficiency study is examining national benchmarking and best practices for public recreation centers across the United States. The information presented below has been developed by Ballard*King & Associates based on 25 years of experience in the development and operation of public recreation centers throughout the United States. While this information can be valuable as background information for such studies, it must be recognized that each community is unique and there are market and operational issues that impact the management and financial performance of public recreation centers.

Market Realities: One of the most important impacts on operations and financial performance of public recreation centers are the market characteristics. This includes:

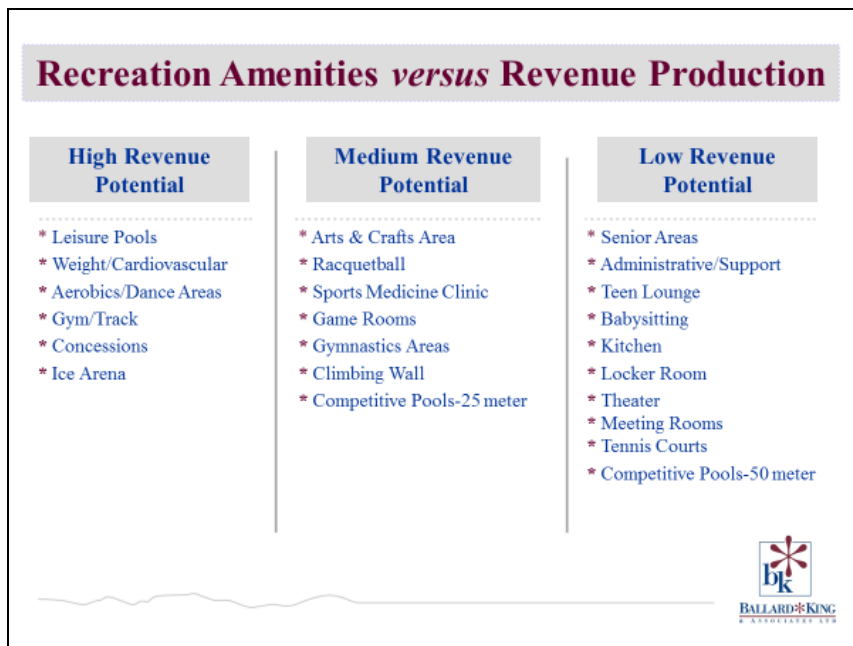
Demographics – Not surprisingly, communities with a larger market area, higher incomes, younger median age, and a significant number of households with children, tend to have higher utilization rates at their centers and usually have a higher cost recovery level associated with operations. Orem has strong demographic traits to support a center.

Other Providers – The presence of other similar facilities in the market, usually other public or non-profit centers, will have an impact on the use and financial performance of a public recreation center. Private facilities usually have much less of an impact on the market due to their different market focus. The fewer “competitors”, the higher the rate of utilization and revenue production. Orem has a high number of other similar facilities in the market.

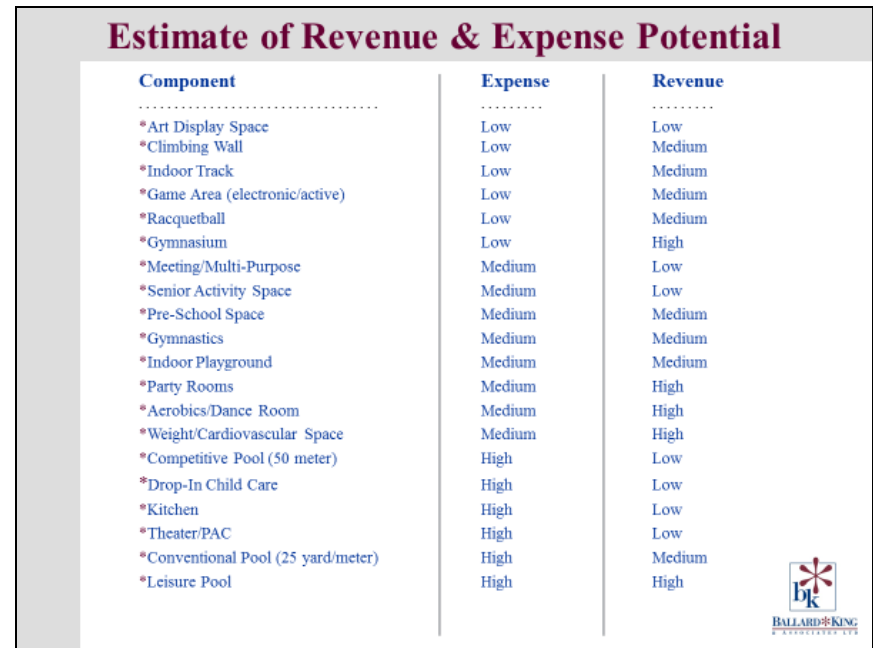
Region of the Country – Generally speaking, public recreation centers in the eastern portion of the country have better financial performance than centers in the Midwest, south or western portion of the United States. People on the east coast expect to pay more and are more willing to purchase memberships/passes to centers than individuals in other areas of the country. This is particularly true for public centers in the west where user fees tend to be lower and the sale of memberships or passes are also lower than some other areas of the country. By virtue of its location in the west, Orem has lower fees and passes sold than other areas of the country.

Recreation Center Amenities: The choices regarding the amenities that are found in a recreation center have a direct bearing on the ability to increase the level of cost recovery. In addition, the size of the spaces also has a direct impact on cost recovery.

The following charts indicate the general cost recovery characteristics of key amenities that could be included in a recreation center.



While understanding the revenue realities of different indoor recreation amenities is important, revenues must also be balanced with the cost of operation of the amenity as well. The chart below compares the two characteristics.



It should be noted that the Orem Fitness Center has many of the high revenue amenities (fitness related and a leisure pool) but also has other elements (50 meter pool and racquetball courts) that are lower revenue producers.

The size of the spaces in a recreation center also impact how well a center is used and is related to revenue generation as well. For most communities, the most undersized elements in a recreation center include:

- *Weight/Cardio/Functional Training Space* – This element is consistently the most undersized aspect of most public recreation centers. A baseline for most new centers is at

least 5,000 SF of this space and it is not unusual to see 10,000 SF or more in newer centers. The Orem Fitness Center has approximately 9,000 SF in weight/cardio space.

- *Group Exercise Space* – It used to be that having one group exercise room in a center was sufficient but now having at least two is the norm and many now have three spaces of varying size to meet a variety of exercise class needs. The main exercise space is usually 2,000 SF while the two studios can be 1,000 to 1,500 SF each. The Orem Fitness Center has one group exercise room at 3,000 SF plus a small spinning studio.
- *Recreational Pools* – The size of indoor recreational pools keep going up as well based on the demand. Pools with 3,500 SF of water surface area used to be considered large but now many pools are over 5,000 SF. The Orem Fitness Center has a significant leisure pool but it has well under 5,000 SF of water surface area.
- *Gymnasiums* – Gyms were often a single high school basketball court in width with smaller cross courts for basketball or volleyball. Now gyms often include 2 to 3 high school courts with 6 to 8 volleyball (or pickleball) courts. There is a large gym in the Orem Fitness Center.
- *Support Spaces* – The need for more storage and office space has also forced up the size of this space as has the addition of more unisex changing rooms in the locker area. There is a definite lack of storage and centralized office space in the Orem Fitness Center.

In addition to the sizing of amenities there are trends in the types of amenities themselves. The following are some of the basic trends that have been seen in recreation amenities.

- *Fitness* - As has been noted above, the inclusion of larger and more diverse fitness spaces continues to be the primary driver in most centers. There is a much greater emphasis on functional training and personal training in most centers as well.
- *Therapy Pools* – With a greater focus on wellness, plus partnerships with health care providers, has led to the inclusion of true therapy pools in some recreation centers.
- *Fieldhouse* – This is usually a large turf area that can support field sports such as soccer, lacrosse, football and even baseball/softball.
- *Indoor Playgrounds* – These usually are large themed playgrounds that have climbing structures and other interactive features. Most require a fee for use.

- *Adventure Sports Areas* – These spaces can vary considerably based on the types of adventure sports that are being emphasized. This can include climbing/bouldering walls, indoor skate parks, and even ropes courses.
- *Teaching Kitchen* – There has been a real growth in the desire for true teaching kitchens that can support nutrition and healthy eating programs.

The Orem Fitness Center does not have virtually any of these spaces, except for the larger fitness area.

Recreation Center Benchmarks: The following represents the basic benchmarks for public recreation centers that are operated by a municipality.

- The majority of community recreation centers that are being built today are between 65,000 and 75,000 square feet. Most centers include three primary components A) A pool area usually with competitive and leisure amenities, B) Multipurpose gymnasium space, and C) Weight/cardiovascular equipment area. In addition, most centers also have group exercise rooms, drop-in childcare, and classroom and/or community spaces. The Orem Fitness Center is over 100,000 square feet.
- For most centers to have an opportunity to cover all of their operating expenses with revenues, they must have a service population of at least 50,000 and a market driven fee structure. The City of Orem has a population nearing 100,000.
- Most centers that are between 65,000 and 75,000 square feet have an operating budget of between \$1,750,000 and \$2,500,000 annually. Nearly 65% of the operating costs are from personnel services, followed by approximately 25% for contractual services, 8% for operating supplies, and 2% for capital replacement. The Orem Fitness Center budget has similar budget figures.
- For centers that serve a more urban population and have a market driven fee structure, they should be able to recover 70% to 100% of operating expenses. For centers in more rural areas the recovery rate is generally 50% to 75%. Facilities that can consistently cover all of their operating expenses with revenues are relatively rare. The first true benchmark year of operation does not occur until the third full year of operation. Public recreation centers in Utah generally are at the lower end of the 70% to 100% cost recovery range due to lower fees and a stronger emphasis on youth. The Orem Fitness Center has a cost recovery rate that is well within this range.
- The majority of centers of the size noted (and in an urban environment) above average daily paid attendance of 800 to as much as 1,000 per day. These centers will also typically sell

between 1,000 and 2,500 annual passes (depending on the fee structure and marketing program).

- It is common for most centers to have a three-tiered fee structure that offers daily, extended visit (usually punch cards) passes, and annual passes. In urban areas, it is common to have resident and non-resident fees. Non-resident rates can cost 25% to 50% higher than the resident rate and are usually a topic of discussion amongst elected officials. Daily rates for residents average between \$5.00 and \$10.00 for adults, \$4.00 and \$6.00 for youth and the same for seniors. Annual rates for residents average between \$300 and \$500 for adults, and \$200 and \$300 for youth and seniors. Family annual passes tend to be heavily discounted and run between \$600 and \$1,200. Again, the user fees for Utah recreation centers tend to be at the lower end of these fee ranges.
- Most centers are open an average of 105 hours a week, with weekday hours being 5:00 am to 10:00 pm, Saturdays 8:00 am to 6:00 pm and Sundays from 8:00 am to 6:00 pm. There is now a trend to open earlier on Sundays as well. Often hours are shorter during the summer months. It is significant that most centers in Utah are not open on Sunday.

Note: These statistics vary by regions of the country and in Utah (as noted above).

Recreation Center Market Orientation: Based on the demographic makeup of the market area and the trends in indoor recreation amenities, there are specific needs that are usually addressed with such community facilities. These include:

General

1. *Drop-in recreation activities* - Critical to the basic operation of any recreation center is the availability of the facility for drop-in use by the general public. This requires components that support drop-in use and the careful scheduling of programs and activities to ensure that they do not dominate the center and exclude the drop-in user. The sale of annual passes and daily admissions, potential strong revenue sources for a center, requires a priority for drop-in use.
2. *Instructional programming* - The other major component of a recreation center's operation is a full slate of programs in a variety of disciplines. The center usually provides instruction for a broad based group of users in a number of program areas. The primary emphasis is on teaching basic skills with a secondary concern for specialized or advanced instruction.
3. *Special events* - There is usually a market for special events including children's birthday parties, community organization functions, sports tournaments and other special activities. The development of this market can aid significantly in the generation of additional revenues and these events can often be planned for before or after regular operating hours or during slow use

times of the year. Care has to be taken to ensure that special events do not adversely impact the everyday operations of the center.

4. *Community rentals* - Another aspect of a center's operation is providing space for rentals by civic groups or organizations as well as the general public. Gyms and multi-purpose rooms can be used as a large community gathering space and can host a variety of events from seminars, parties, receptions, arts and crafts sales and other events. To maximize revenue, it is important that a well-defined rental fee package is in place and the fee schedule followed closely. Rentals are not done at the expense of drop-in use or programming in the center.

5. *Social welfare programs* - An emerging area for many centers is the use of space for social service activities and programs. Special population activities, teen and senior assistance programs, childcare and other similar uses are now common in many facilities.

Specific market segments include

1. *Families* - Within most markets an orientation towards family activities is essential. The ability to have family members of different ages participate in a variety of activities together or individually, is the challenge.
2. *Pre-school children* - The needs of pre-school age children need to be met with a variety of activities and programs designed for their use. From drop-in childcare to specialized pre-school classes, a number of such programs can be developed. Interactive programming involving parents and toddlers can also be beneficial. It is significant that this market usually is active during the mid-morning time frame, providing an important clientele to the facility during an otherwise slow period of the day. For parents with small children who wish to participate in their own activities, babysitting services are often necessary during the morning and early evening time slots.
3. *School age youth* - Recreation programming has tended to concentrate on this market segment and this age group should be emphasized at a recreation center as well. This group requires a wide variety of programs and activities that are available after school, during the summer, or during weekend hours. Instructional programs and competitive sports programs are especially popular, as well as drop-in use of the facility.
4. *Teens* - A major focus of many recreation center projects is on meeting the needs of teenagers in the community. There is a great debate among recreation providers throughout the country on how to best provide recreation programming for this age group. Some believe that dedicated teen space is required to meet their needs while others find that it is the activities and approach that is more important. Serving the needs of this age group will often require the use of many areas of the center at certain "teen" times of use.

5. *Seniors* - As the population of the United States continues to age, continuing to meet the needs of the senior population will be essential. A younger, more active and physically oriented senior is now demanding services to ensure their continued health. Social programs as well as weight training and cardiovascular conditioning, aquatics and gym based activities have proven to be popular with this age group. Again, the fact that this market segment will usually utilize a facility during the slower use times of early to mid-day also is appealing.

6. *Business/corporate* – Depending on the market realities, meeting the needs of the business community can be important. They often have a variety of needs from fitness/wellness and instruction, to recreation and social.

7. *Special needs population* - This is a secondary market, but with the A.D.A. requirements and the existence of a number of recreation components, the amenities are usually present to develop programs for this population segment. Association with health care providers and/or other social service agencies are often necessary to fully reach this market.

8. *Special interest groups* - While the needs of these groups can be great, their demands on a center can often be incompatible with the overall mission of the facility. Care must be taken to ensure that special interest groups are not allowed to dictate use patterns for a center.

The Orem Fitness Center has most of the areas of market orientation noted above.

Management and Operations: Public recreation centers have been tested in the last 10 to 20 years to alter their approach to providing parks and recreation services. This has been based on the following:

Increasing Demands – Ever increasing facility, program, and service demands from the public.

Inclusiveness – The requirement that agencies provide access to facilities, programs and services to an ever more diverse population.

Cost Effectiveness - A demand that recreation centers be more cost effective in their operations of services and facilities.

Measurable Outcomes – A strong need to be able to quantify the results and benefits of the programs and facilities that are provided. Establishing well defined levels of service (LOS) are critical.

As a result of these factors, the following general best practices have been adopted.

- Recreation centers have a clear vision statement regarding their roles and responsibilities in providing services to their constituents. This includes an overall philosophy on cost recovery that was hopefully developed before the center was designed and constructed.
- The vision statement is backed up by a number of pointed goals including cost recovery guidelines and mandates.
- There are on-going, long range, planning efforts to position the center for success in the future.
- There is a realization that a public recreation center cannot effectively be all things to all people in the delivery of recreation services and facilities. As a result, specific areas of focus are determined and certain functions are left to others.
- Careful analysis is done to determine which services should be provided in-house and which should be contracted to other providers.
- There is strong record keeping that allows for trends and directional analysis. This also results in the development of specific performance measurements (number of pass holders, programs offered, use of the center by day of the week, month, etc.). For this to be effective there must be full computerization of all management records. This includes program registration, point of sale, rentals, facility scheduling, time card management, maintenance, etc.
- There are well written and comprehensive policies and procedures in place that cover all aspects of a center's management and operation. These are updated on a regular basis.
- Virtually every aspect of a center's operation is evaluated, tracked, and measured on a regular basis.

Budget

- There is a comprehensive internal budgeting process that focuses on cost center accounting on a very detailed level.
- A complete fee policy is in place to guide fee setting for all amenities, programs and services. Fees are increased on at least an every other year basis and are benchmarked against other similar facilities in the market area.
- Budgets include all expenses, even those services that are provided by other departments or organizations.

- There is thorough, on-going, budget monitoring and tracking where financial performance issues can be quickly identified and dealt with.
- Five-year capital replacement budgets are present and updated each year.
- A scholarship program is funded to cover those individuals and families that cannot afford the established fee schedule.
- Program and facility managers/supervisors are accountable for their own budgets.

Staffing

- A center has a well-defined staffing philosophy that clearly defines the role of all staff.
- There is strong leadership at the administrative level that is supported by a team concept.
- Clear expectations are established for all staff with work plans and yearly evaluations to measure job performance. Each staff member is held accountable for their areas of responsibility.
- Job descriptions for all full-time and part-time staff are in place that accurately describe the job requirements and skills that are necessary for the position.
- Staff is empowered and expected to make important management and supervisory decisions but are also held accountable for the performance of their areas.
- There is a mix of full-time and part-time staff.
- There is a formal communications protocol in place. Staff meetings are held on a regular basis and the minutes and actions are documented.
- There are appearance and conduct standards in place for all staff.
- There is an annual staff training program with adequate levels of funding.
- A comprehensive staff manual is updated regularly to guide staffing standards and regulations.

- Background checks are completed on all new hires, especially those that have direct contact with youth.
- There is a strong staff focus on customer service and satisfaction.

Programs and Services

- A center has a well-defined program plan in place that guides future programming directions and areas of focus. There is also a realization that a center cannot provide all of the programs and services that are demanded from their constituents. A recreation center clearly identifies their core program areas.
- Specific program priorities are established and the role of other providers is recognized.
- Program metrics are tracked including:
 - Rates of fill (percentage of maximum number of registrations that are in the program)
 - Participation numbers and comparisons to past years/seasons.
 - Rate of program cancellations
 - Financial performance
 - Evaluations from participants
- A lifecycle analysis is completed for all programs offered by the agency.
- On-line registration is available for all programs and services including facility rentals.

Facility Maintenance

- An overall maintenance plan is developed and updated for the center. This is followed-up by specific plans for each major amenity. This includes a strong focus on preventative maintenance tasks.
- Many recreation centers are contracting for custodial services for certain elements in the center or the entire building. Developing strong contracts that detail specific tasks to be completed, the frequency and expected quality of service is essential. Contracts must have specific performance standards to ensure that recreation facilities are adequately cleaned. Contract maintenance also must be supervised, managed, and evaluated on a regular basis.
- Operations manuals are present for all major facility amenities and equipment. This includes safety and liability protocols and an emergency action plan.

- Costs for maintaining individual amenities are tracked on a daily, weekly, and monthly basis. Any outside costs are also assigned to a maintenance budget as well.
- Deferred maintenance items are prioritized and a funding plan to address these concerns is developed.
- An asset inventory is established for all major equipment and a depreciation schedule developed.
- Maintenance tasks, schedules and costs are managed by a maintenance management software system (such as Archibus or Datastream).
- A cost/benefit analysis is completed to determine which maintenance tasks and services should be accomplished in-house and which should be contracted. All contracted services have contracts and are monitored regularly for compliance.

Marketing

- A center has a comprehensive community relations protocol as well as a specific marketing plan.
- There is an adequate level of funding for marketing and staff resources are allocated for this purpose.
- A center has an interactive web site that is updated quarterly.
- There is an active effort to engage the public for all planning efforts. This includes the utilization of the following methods:
 - Focus groups
 - Community meetings
 - Surveys
 - Social media
- Specific marketing tools are developed for individual target and niche markets.
- Communications to the public are provided in the languages of the residents that are present in the community.

- Centers or agencies produce a recreation services magazine or brochure on a twice to three times a year basis that is distributed to the community they serve. These are available on line as well as a more traditional printed version.
- There must be a strong recognition of the different demographic markets that must be served. The youth, senior and family populations in the area should be specifically addressed as should any different ethnic groups.
- There is usually an effort to “brand” a center, its amenities, and its programs through all publications, promotional materials, flyers, signs, web site, and other items. All marketing materials often have the same format, look, logo, etc.
- There is strong use of Facebook, Twitter and other social media sources to promote the center’s amenities, programs and services. This is backed up with a formal social media policy.
- A formal sponsorship plan is in place for specific amenities as well as events and programs.
- Centers or agencies increasingly have at least a part-time marketing professional on staff to coordinate all marketing efforts.
- The manner in which users find out about center amenities, programs and services, is tracked on a regular basis and guides future marketing resource allocation and areas of focus.
- Centers heavily promote the use of on-line program registration as well as facility rentals. This requires a fully computerized registration software package with point of sale and the ability to make payments over time.
- The annual marketing efforts have a formal evaluation mechanism to determine the overall effectiveness of the plan.
- Centers establish a strong customer service training program for all employees (full-time and part-time). Areas of focus often include, dealing with difficult people, diversity, how to handle discipline and behavioral issues, and effectively implementing emergency procedures.

Partnerships: Partnerships with a variety of entities is now a major way to develop public recreation amenities and services.

These partnerships often include:

- Health care providers
- School districts
- Other governmental agencies
- YMCA's/Boys & Girls Clubs/Jewish Community Centers
- Community organizations
- Private health clubs
- Sports organizations
- Business and corporate community

For Partnerships to be Effective

- The roles and expectations of other organizations and providers are clearly articulated by a center in an effort to promote the effective use of overall community resources.
- Equity partnerships (those that provide capital and/or operational funding) are actively pursued for amenities and programs during the feasibility and design stage of the project.
- Formal written agreements are in place for any partnerships.
- Coordination efforts with other government agencies are pursued and documented.

Facility Partnerships

- A significant number of new public recreation centers now involve some form of partnership with other community organizations and recreation service providers. Partnerships are generally on three levels.

Primary or Equity Project Partners – These would be the main partners in a project who have the most interest, the ability to fund, and a willingness to be a part of the development and operation of a facility.

Secondary Project Partners – These organizations could have a direct interest in the facility but not to the same level as a primary partner. Capital funding for the project is unlikely but there could be some assistance with program and service delivery.

Support Partners – These organizations support the development of a new facility but would see limited to no direct involvement in the development or operation of the facility.

Specific facility partnerships could include.

- *Health Care Providers* – A health care provider could offer capital funding for a portion of a facility or lease space in a building. In addition, they can also possibly provide programs and services for the center. Partnerships between public entities and medical providers can be very beneficial for both parties.
- *Non-Profits* – YMCA's, Boys & Girls Clubs, and Jewish Community Centers could be a possible operator of the entire facility (or a portion of the center such as the pool and/or fitness area) and can also be part of a fundraising campaign for a new center or the renovation of an existing building. They may also provide certain programs and services at the center.
- *Private Health Clubs* – A partnership would most likely be in the form of a city or other agency leasing land at a very low rate and the club building a private fitness center. This is often not a realistic option for most communities. However other clubs might be interested in managing certain aspects of the center (fitness and aquatics), or in providing specific specialized programs and services.
- *School District* – A school district's role in a project could be considerable and include, a capital contribution for construction of certain amenities, or funding for operations (beyond possible fees for use).
- *Retail Operations* – It may be possible to integrate some retail services into a facility. This could come from a small drink/food service operation and/or a small area to sell sports, recreation and fitness goods. The facility can either lease space in the center for these purposes and/or take a percentage of gross revenues from any goods that are sold. This could include food truck operations and other vendors.
- *Sports Organizations* – Local sports organizations could be primary users of a center if the amenities that they need are available and support their activities. It should be expected that these groups would pay for their use.
- *Community Organizations* – Developing working relationships with community organizations and service clubs could provide much needed support for a project as well as generate possible users of a facility.
- *Business and Corporate Community* – It is important to approach the corporate community with a variety of sponsorship opportunities to enhance the revenue prospects of a facility.

Best Practices Summary: The characteristics that generally mark financially successful public recreation centers include.

- They are located in larger markets that have strong demographic characteristics to support the operation of a center.
- They contain the amenities that generate strong use and revenue. There is almost always a significant fitness element.
- There is a stated cost recovery goal and an emphasis on revenue production. There is also an aggressive fee structure.
- Annual pass/membership revenue is emphasized and tracked on a continual basis.
- There is a strong management team in place.
- Center performance metrics are closely monitored and adjustments made in the management of the facility in a timely manner.
- A wide range of programs and services are offered that meet a large cross section of community needs.
- Partnerships with a variety of organizations are pursued and nurtured to expand markets and revenue potential.

The Orem Fitness Center faces many of the same challenges that have been noted in the Best Practices segment of this study. It is also important to note that it is very difficult for a public recreation center to effectively meet all of best practices that are indicated.

While the Orem Fitness Center is a well run facility, there are opportunities to improve on the best practices that have been described for Management and Operations and the following sections of the report identify specific areas of concern and recommendations for improvement.

Section IV - Assessment of Physical Condition and Functionality

One of the most critical aspects of a recreation center's operation is the physical condition of the building itself as well as its operating systems and equipment. The following is an assessment of these factors for the Orem Fitness Center.

General Amenities

- Due to the general age of the facility it suffers from the following amenity issues.
 - There are simply too many racquetball courts for the overall demand. The total number could be reduced by anywhere from 4 to 6 courts.
 - Office space is not centralized and it has a negative impact on use of the upper level.
 - There is a general lack of storage in the building.
 - There is a definite shortage of family change rooms to enhance the aquatics area.
 - There are not any party rooms to support the recreational pool.
 - A lack of classroom space to allow for more general programs to be offered.
 - There are not any restrooms on the upper level.
- While the center has made a concerted effort to add new fitness areas in the building, a greater emphasis on fitness studios to support activities such as yoga and Tai Chi is needed as is open space to promote functional training.
- The upper level of the center is a poorly organized space and as a result the area is very underutilized.
- The aquatics area is the most functional portion of the facility and is in the best physical condition and it has the greatest appeal to the user.
- The center has a general lack of storage space. Long range plans should be developed to increase storage space in the center (especially with any planned renovation or expansion). This results in equipment and operating supplies being left out in corridors and program space which increases liability, reduces the amount of useable space and impacts the overall look and feel of the center. It is recognized that this is a much lower priority for capital funding.
- The center also suffers from a lack of office space for staff. Long range plans should also include the addition of office space in the building as part of the expansion plans.

- Parking continues to be an issue at the center. The parking lot at the center is often full during high times of center use. This issue will become more acute with any planned building expansion or renovation.

Image and Appeal

- The center lacks a real presence in the community. Its entrance faces on a small park and is accessible only through residential streets. Since the center originally had both an upper and lower entry, there is still some confusion for first time users where the actual entrance to the facility is located.
- There is no drop-off area at the front entrance of the center.
- The center does not have an inviting entrance nor is there a social gathering area before users reach the control desk. The front desk itself is not well positioned to serve the needs of the user and lacks in overall appeal.
- The center's interior is dark and lacks natural light. This is particularly true for the basement level and the racquetball courts area.
- Many areas of the center have low ceilings which makes the space seem smaller.
- With the location of the center next to Mountain View High School, it loses some of its identity and there are issues associated with access and parking, especially when there are events being conducted at the high school.
- Signage in the center in general is not well coordinated and there are too many paper signs on doors and windows. There is one video monitor at the front desk but there could be more of these located throughout the center. Exterior signage is also weak and does not quickly or easily identify the building or the entrance.
- There is too much carpet in high traffic areas of the center it often does not look good. Replacing much of this with hard surface flooring would make cleaning easier and reduce replacement costs.

Supervision and Control

- With one primary entrance to the center, access to the building is reasonably well controlled.

- The fact that the center is on three levels makes overall supervision of the facility more difficult. This is especially true for the basement level.
- Office space in the center is located on the third level, which is well away from the major amenities that are located on the main floor more difficult.
- There are comprehensive policies and procedures in place for the center that cover all aspects of the facility's operation. It is important that these policies and procedures are reviewed and updated on an annual basis.

Safety and Security

- The center has an emergency action plan and there is a specific plan for the pools. These plans cover most types of incidents that would need a specific response from staff. It is critical that these emergency action plans are updated on a yearly basis.
- The presence of the firearms range in the center requires specific rules and regulations regarding firearms and ammunition in the center, and these appear to be in place. Much of the concern is mitigated since Utah is an open carry and concealed carry state which already allows for firearms to be brought into the building.
- Consideration should be given to adding video surveillance to the exterior of the building and the parking lot.
- There should be a weekly safety walk-through of the center that inspects that basic areas of the building as well as equipment (especially weight/cardio equipment) for any problems and issues. This should include a written inspection with follow-up actions that need to occur, the person in charge of making these happen, and the date that they should be completed.
- Strong consideration should be given to having a safety committee established in the Department that meets monthly to review safety issues, accidents and other factors associated with the operation of the center. For this to be effective there may also need to be a designated safety officer.

Maintenance

- The overall level of maintenance needs to be improved at the center. It is critical that the center develop a comprehensive maintenance plan that deals not only with custodial care but also with building and equipment maintenance tasks and frequency. This plan should serve as the guide for long term cleaning and maintenance of the building. In addition,

the plan should focus on specific measures that are needed in the area of preventative maintenance.

There are basic cleaning task lists and sign-off sheets for certain areas of the building in place, but these by themselves are not enough.

- Day to day cleaning of the center is being completed in-house by center staff. The overall level of cleanliness in the building is not where it needs to be. The Department may want to consider contracting for at least a portion of this work (locker rooms, floors, etc.). For this to be effective, the contract must have specific performance requirements and performance should be strictly monitored.
- Maintenance tasks and procedures should be handled by a maintenance management software program (such as Archibus or Datastream). There are a number of packaged systems currently on the market that could serve this purpose.
- The center should develop a detailed five-year capital improvement plan for the facility. This should prioritize capital expenditure needs on a yearly basis, and the overall plan should be updated on an annual basis.
- The center's building elements, systems and equipment should be evaluated and put on a capital depreciation schedule. This then becomes the basis for the five-year capital improvement budget.
- There are a very large number of deferred maintenance items associated with the center. A complete master list of these items needs to be developed and then prioritized by the Department.
- The center has a yearly two week shut down in from late August to early September. While a yearly shut down is normal for most centers, reducing the time to one week and finding alternative locations for users during that time is advised.
- The overall image of the center could be greatly enhanced if most of interior of the building was repainted with a lighter color and a more up to date color scheme. This is particularly true for the gym, track and racquetball corridor.
- There are roof leaks in the lower track area that need to be fixed.
- Continue to improve the level and type of lighting in the center to be more energy efficient as well as providing a more inviting space.

- The center's SDS/MSDS books need to be prominently displayed in the maintenance areas of the facility.
- All chemical recording sheets, opening and closing checklists, and fitness equipment inspections, should be archived for a minimum of one year. Ideally these should be entered into a computer data base for improved record keeping.

Equipment and Operating Systems

- The center's weight/cardio equipment should be formally inspected on a weekly basis and any wear, safety or performance issues noted. There should be a written inspection sheet with a signature line and a note on follow-up action that is required.
- The center should adopt a formal budget plan to replace its cardio equipment on a 4-year staggered schedule where one-fourth of the equipment is turned over every year. It will be important that this plan is followed to keep equipment current and in good working condition. When the cardio equipment is replaced, the new units should have integrated video/TV screens rather than just the wall mounted system that is now in place. The spin bikes should be included in the replacement schedule as well.
- The center should have additional video monitors in the building where they can be used to display information about upcoming programs and other activities and events at the center and in the City.

Key Recommendations:

- Improve the overall cleanliness and maintenance of the building.
- Develop a comprehensive maintenance plan for the center.
- Develop a comprehensive list of all deferred maintenance items.
- Establish a detailed five-year capital improvement plan for the facility.
- Formalize a budget plan to replace the center's cardio equipment on a staggered 4-year schedule.
- Utilize a maintenance management software program for tracking all maintenance work.

- Determine the direction and future priorities for possible center additional renovations and expansion. Determine the capital and operational budget implications.

Cost Saving Recommendations

- Develop a comprehensive maintenance plan for the center.
- Utilize a maintenance management software program for tracking all maintenance work.

Revenue Generating Recommendations

- Determine the direction and future priorities for possible center renovation and expansion.

Section V – Recreation Services and Programs

This section summarizes the Orem Fitness Center’s recreation programs and services.

Program Offerings Summary

- Currently the Orem Recreation Department (and the Orem Fitness Center) provides recreation programs in the following general program categories. The level of programs is designated by a high level of programming, a medium level or a low level based on program information provided by the Recreation Department and benchmarking against other similar facilities in the western United States.

Programs	High	Medium	Low
Youth Sports	√		
Adult Sports	√		
Fitness/Wellness	√		
Cultural Arts			√
Education			√
Aquatics	√		
Youth (General)		√	
General Interest			√
Special Needs		√	
Special Events			√
Outdoor Education		√	
Seniors		√	
Teens			√

- The following table summarizes participation figures in general program areas in the last five years that are taking place in the Orem Fitness Center.

Program Area	2012	2013	2014	2015	2016
Land Aerobics	60,933	58,438	53,612	52,585	48,394
Water Aerobics	14,533	15,046	12,005	11,101	10,600
Learn to Swim	2,203	3,317	1,602	1,659	1,577
Triathlon	20	11	7	16	29
Pre-Comp Swim	249	134	93	98	47
Community Safety	135	116	91	89	101
Scout Pow Wow	631	528	481	366	381
Firearm Safety	195	218	208	150	191
Self Defense	103	62	40	17	0
Dance Classes	343	367	339	231	312
Weight Lifting	130	81	19	23	0
Personal Fitness	0	0	0	0	10
Racquetball Classes	137	138	155	129	110
Racquetball Tourn.	90	79	153	153	68
Floorball Classes	0	0	0	0	64
Floorball Tourn.	0	0	0	0	56
Pickleball Tourn.	0	0	0	64	86
Winterman Triath.	0	0	0	0	60
Biggest Loser	0	0	0	0	126
Total	79,702	78,535	68,805	66,681	62,212

It is important to note that overall program participation rates have declined every year since 2012. This is particularly true for land and water based fitness classes and learn to swim classes.

- Due to the focus of the Fitness Center on active recreation pursuits, the majority of program offerings are in the following areas:
 - Fitness/wellness
 - Youth and adult sports
 - Aquatics
 - Dance
 - Firearms training

- With a lack of multi-purpose and classroom space in the building, there are limited programs in the following areas.
 - Cultural arts
 - Education

- General interest
- Teens

Sports Participation Trends

- Since the Orem Fitness Center has a strong emphasis on fitness and sports activities, it is important to examine basic participation trends for these activities. Below are listed a number of sports/fitness activities and the percentage of growth or decline that each has experienced nationally over the last ten years (2006-2015). This information is from the National Sporting Goods Association (NSGA). There are no specific trend numbers available for individual states.

Increasing in Popularity

	2006 Participation	2015 Participation	Percent Change
Yoga ²	10.7	30.7	186.9%
Lacrosse ³	1.2	2.9	141.7%
Running/Jogging	28.8	44.5	54.5%
Gymnastics ⁴	3.9	5.8	48.7%
Aerobic Exercising	33.7	45.1	33.8%
Exercise Walking	87.5	106.3	21.5%
Exercising w/ Equipment	52.4	56.3	7.4%
Weight Lifting	32.9	34.8	5.8%
Martial Arts/MMA ⁵	6.4	6.6	3.1%
Pilates ⁶	5.5	5.6	1.8%
Soccer	12.8	14.1	0.7%

- 2015 Participation:** The number of participants per year in the activity (in millions) in the United States.
- 2006 Participation:** The number of participants per year in the activity (in millions) in the United States.
- Percent Change:** The percent change in the level of participation from 2006 to 2015.

² Growth Since 2007.
³ Growth Since 2007.
⁴ Growth Since 2009.
⁵ Growth Since 2013.
⁶ Growth Since 2014.

Decreasing in Popularity

	2006 Participation	2015 Participation	Percent Change
Workout @ Club	37.0	36.6	-1.1%
Cheerleading	3.8	3.7	-2.6%
Volleyball	11.1	10.7	-3.6%
Boxing ⁷	3.8	3.6	-5.3%
Basketball	26.7	24.8	-7.1%
Swimming	56.5	46.3	-18.1%
Baseball	14.6	11.8	-19.2%
Softball	12.4	9.8	-21.0%
Wrestling	3.8	3.0	-21.1%
Football (tackle)	10.1	7.8	-22.8%

2015 Participation: The number of participants per year in the activity (in millions) in the United States.

2006 Participation: The number of participants per year in the activity (in millions) in the United States.

Percent Change: The percent change in the level of participation from 2006 to 2015.

Fitness Activities that Gained in Popularity (From the Sports & Fitness Industry Association-SFIA).

	2009 Participation	2014 Participation	Percent Change
Cardio Cross Trainer ⁸	5.4	7.5	+37.8%
Barre	2.9	3.2	+10.3%
Stationary Cycling (Group)	6.8	8.4	+4.8%
Cardio Kickboxing	5.5	6.7	+4.4%
Elliptical Motion Trainer	25.9	28.0	+1.7%
Treadmill	50.4	50.2	+0%

Fitness Activities that Declined in Popularity.

	2009 Participation	2014 Participation	Percent Change
Pilates	8.8	8.5	-0.5%
Stair Climbing Machine	13.7	13.2	-0.6%
Boot Camp/Cross Training ⁹	7.7	6.8	-12.1%

⁷ Decrease since 2013.

⁸ Statistics from 2013.

⁹ Statistics are from 2011.

General Analysis

- There is only minimal information on the programs that take place in the center. The center needs to track programming on an annual basis with the following information:
 - An annual listing of programs that are offered by general categories.
 - Number of classes that had to be cancelled due to a lack of registration compared to the number of programs that were a “go”.
 - The fill rate for classes that have a minimum and maximum number of participants.
 - Program registration numbers broken down by resident/non-resident.
 - Programs offered in-house vs. contracted.
 - Programs provided by other organizations or agencies.
 - A capacity/use analysis (number of uses/activities per space for the hours available, determined on a percentage basis) should be completed for each major space in the building to determine the current percentage of utilization. It is recognized that most of the spaces in the center are operating at or near capacity during the high use times of operation. This effort should also develop basic priorities of use by space and activity.
 - All in-house programs should have strict minimum numbers of registrants that ensure enrollment and revenues are adequate and there is the best use of space and time at the center. It does appear that some of this does currently occur.
 - In general, programs should have an overall cancellation rate of approximately 15%-20%. Numbers that are higher than this level indicates that either too many or not the right type of programs are being offered. Levels below 15% indicate that not enough new program ideas are being explored. Tracking the rate of cancellation of classes per season (or quarter) is advised.
 - A long-term programming plan needs to be developed that outlines program and service priorities for the next five years, the individual (or organization) responsible for the development of the program, and the required resources (staff, facility, funding, fees, etc.) to implement the activity. This programming plan should be a basic simple document that is updated annually.
- In addition to using survey data to guide this process, the staff should consider scheduling a series of focus groups with current center users as well as with non-users to determine future needs and expectations for recreation services.
- The center should explore additional partnering opportunities for programs and services. This should include the school district, appropriate private providers, non-profit, and

other cities in the area. This could add programs for the center that do not require an annual pass to participate.

- Each major program area should complete an annual report that succinctly summarizes program numbers and participation rates for the year and compares them with the previous years. Each program area should utilize the same format and the information should be available in a single document for the center.
- Each program should also have a calculation of the cost per participant to determine the value that is received for the cost.
- The Department should also track program trends on a regional and national basis to ensure that program offerings are current and reflect the opportunities that are available.
- A lifecycle analysis of center's recreation programs and services needs to be undertaken where program registrations by interest area are tracked and reviewed on a seasonal basis. Programs should be slotted into the following categories:
 - *New* – programs in the start-up phase that are just starting to build in popularity.
 - *Mature* – programs that have consistent high levels of registrations and are still growing in popularity.
 - *Old* – programs that are seeing a decline in popularity.

Program offerings should be reasonably distributed among the three areas noted to have a healthy and vibrant programming focus. Programs that are in the old category should ultimately be changed, updated or discontinued.

- Each program and service offered by the center should have a cost and revenue projection completed prior to starting the activity that outlines expected financial performance. At the conclusion of the program, a cost/revenue summary should also be completed that indicates the actual financial performance of the program. This effort should ensure that each program and service meets its financial goals.
- An important characteristic for the Orem Fitness Center is the fact that people that are not pass holders of the facility can still take programs. Increasing the number of program only users should be a goal as this adds another market for the center itself.
- Most all of the programming at the Orem Fitness Center is being offered by in-house staff. Many agencies now utilize contractors for certain program areas that require unique skills or are branded activities that require certified instructors. Determining areas where contractors can be utilized and gross revenues split on a 60/40 or 70/30 basis (higher revenues going to the contractor), should be established. Clear expectations for

the contractors need to be part of the agreement process and they should be held responsible for meeting these requirements. All registration and financial transactions should be handled by the center at the front desk. All contract program providers should be required to provide paper work to the City that indicates that background checks have been completed on all staff working at the center.

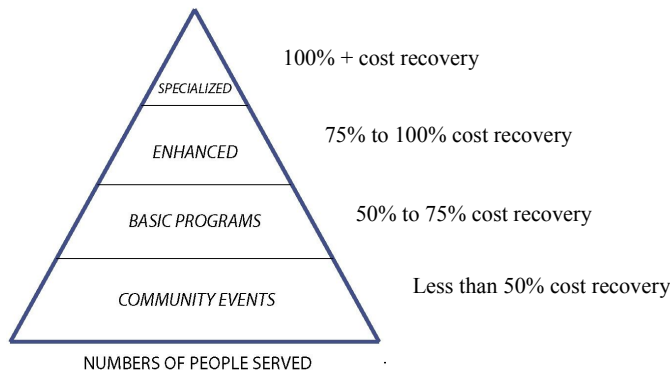
Before determining which programs, and services to contract or have provided by others, an assessment of the specific pros and cons of such a move needs to be completed. A major aspect of this analysis should be to determine the financial impacts and quality of the services that will be provided. Key questions to be asked include:

- Will this be the most cost effective method to obtain the program, service or function?
 - Does the Department have the knowledge and equipment to provide the program, service or function?
 - Will the quality of the program, service or function suffer if it is contracted to other organizations?
 - Are there other more qualified organizations that should provide the program, service or function?
 - Is the service, program or function only available from a contract provider?
 - Are the safety and liability risks too high to provide the program or service in house?
- There should be a continued emphasis in the next few years on the following programming areas:
 - Continue to grow sports programs and leagues for youth, adults and seniors.
 - Increase fitness /wellness program offerings by partnering with a local health care provider for classes associated with nutrition, healthy living, fitness assessments, personal training and other specialty services.
 - Increasing the number and frequency of personal training sessions. This should be accompanied by a broad range of personal trainers (by age, specialty and time availability) that are working in the center.
 - There must be a strong recognition of the different demographic markets that must be served. The youth, senior and family populations in the area should be specifically addressed as well as the needs of various ethnic groups.
 - Center staff should have the authority to alter or eliminate programs based on the program plan that is put in place. This will allow for a more rapid response to needed changes in specific program offerings.

- It is essential that an improved on-line registration system is developed to encourage and streamline program sign-up.

Fees and Charges

- A more comprehensive and formal program fee policy must be adopted to guide program and service fee setting. Many parks and recreation agencies are now tiering their programs into different categories with differing levels of cost recovery.



FEE CONTINUUM

In this particular case, programs in the community event category would have the lowest cost recovery level, while specialized activities would have the highest. Cost recovery refers to all direct costs associated with the program or activity. The exact percentage of cost recovery is established for each program category noted and then individual programs are slotted in the appropriate category. It is important that there are programs available for most demographic groups (youth and seniors especially) in each of the categories and not just in the basic or community events classifications.

Program examples by category include:

Category	Example Program
Community Events	Special events such as the 4 th of July, Christmas, etc.
Basic Programs	Group swimming lessons for youth, youth sports lessons (tennis, etc.)
Enhanced Programs	Group exercise classes for adults, adult sports leagues, summer camps for youth
Specialized	Personal training, private swim lessons

- The center does include basic land and water fitness classes as a benefit to all passes sold for the center. However, this needs to be more strongly promoted.
- A qualitative analysis should be completed for each program and activity that is offered by the center. This assessment should primarily be conducted through evaluations by the participants themselves. It is not necessary to evaluate each program every session but every program should be evaluated at least once during the course of a calendar year.

Key Recommendations:

- Establish a long-term programming plan within the next year.
- Develop capacity/use analysis for the major spaces in the building.
- Increase the number of program performance measures that are tracked.
- Adopt a formal program fee policy.
- Attempt to grow programming in the following areas:
 - Sports programs and leagues
 - Fitness/wellness programs
 - Personal training
- Complete a lifecycle analysis of the center’s programs and services.

- Work to expand the number and types of programs that are offered with a goal of increasing program revenues.
- Improve the on-line registration system.
- Promote the use of the center for programmatic needs without having to be a passholder.

Cost Saving Recommendations

- Establish a long-term programming plan within the next year.
- Increase the number of program performance measures that are tracked.
- Complete a lifecycle analysis of the center’s programs and services.

Revenue Generating Recommendations

- Develop capacity/use analysis for the major spaces in the building.
- Adopt a formal program fee policy.
- Attempt to grow programming in the following areas:
 - Sports programs and leagues
 - Fitness/wellness programs
 - Personal training
- Work to expand the number and types of programs that are offered with a goal of increasing program revenues.
- Improve the on-line registration system.
- Promote the use of the center for programmatic needs without having to be a pass holder.

Section VI – Operational Budget

This section examines the financial aspects of the Orem Fitness Center’s operation.

General

- With the overall center budget, yearly budget priorities should be directed by long term operational and management goals that are updated on an annual basis. There must be realistic and measurable goals established and staff held accountable for reaching these goals.
- From a budget perspective, the focus will need to be more on maintenance of the center and capital replacement in the next five years.
- The Orem Fitness Center in 2016 recovered approximately 83% of its operating budget through fees and charges. This is a figure that is in the middle of the national cost recovery percentages that typically run between 75% and 95%.
- Any expansion to the building will require an increase in the center’s operating budget for utilities, custodial services, and other operating costs. However, there should also be an increase in the revenues generated from admissions, passes and programs occurring at the center. Estimates of the budget implications for any expansion to the center should be calculated prior to starting construction.
- The Fitness Center is open 6 days a week with the hours of 5am to 10pm on weekdays and 7am to 7pm on Saturdays. This accounts for 97 hours of operation a week. These are considered reasonably normal hours for most centers. Some do open at 5am or 6am on Saturdays.

Fitness Center Usage Numbers

Type of Use	2012	2013	2014	2015	2016
Center Visits	369,068	353,657	304,020	344,317	361,575
Total Current Members	9,201	8,289	10,514	10,231	12,359
Senior Citizen Members	1,748	1,859	1,639	1,792	1,976
Companies with Corp. Memberships	103	102	92	92	81

- For the last 5 years the following summary of center usage is possible:
 - Center visits (other than 2014) have only seen small swings in number.
 - The number of overall members has grown considerably in the last three years.
 - The number of senior citizen memberships have increased in the last two years, for the last three years the percentage of senior members has averaged 16.3% of the total, which is lower than an average of over 20% in 2012-2013.
 - The number of corporate members has decreased in the last 5 years by over 20%.

Pass Information	2012	2013	2014	2015	2016	Average
# of Passes Sold	7,988	7,744	6,124	6,610	6,673	7,028
# of People with Pass	16,416	15,678	13,433	14,817	15,011	15,071
Average # Members/Pass	1.63	1.56	1.66	2.18	2.04	2
Total Scanned Admits	298,109	282,715	251,755	275,769	269,174	275,504
Average Admits/Person	33.14	21.91	24.22	23.86	28.84	26
Revenue from Sales	\$695,157	\$673,943	\$598,403	\$673,733	\$702,928	\$668,833

- For the last 5 years the following summary of center pass information is possible:
 - Center pass numbers have decreased since 2012-2013.
 - The number of people with passes has also decreased in the last three years.
 - The average number of members per pass has increased in the last two years.
 - The number of annual scanned admits has declined in the last three years but the number of admits per person has gone up.
 - Revenue from pass sales has increased during the last two years, which is probably more a reflection of an increase in fees than anything else.
 - In 2016 the greatest number of passes sold were family, followed closely by seniors (minus Silver Sneakers and Silver & Fit), then business family and individual.

Daily Admission Type	2012	2013	2014	2015	2016
Admission Custom	34	27	37	78	40
Adult/General Admiss.	39,199	38,606	27,290	31,709	29,748
Child/Senior Citizen	16,526	15,205	13,689	18,645	17,637
Custom	11	8	6	8	23
Daily Admission	17	14	16	20	29
Family Night	95	98	47	61	44
Track Only	4,346	5,944	3,733	3,521	4,069
Track Punch Card	99	131	106	37	71
Total	60,327	60,033	44,924	54,079	51,684

- For the last 5 years the following summary of center daily admission information is possible:
 - Overall admission numbers have decreased since 2012-2013.
 - The vast majority of passes are Adult/General Admission.
 - The number of Child/Senior admissions has actually increased in the last two years.
- In 2016, 15.8% of all passes sold were non-residents. This is a reasonably low number.
- It is readily apparent that all aspects of use of the Orem Fitness Center were impacted by the opening of the Provo Recreation Center in late 2013.

Expenditures and Revenues

- The Recreation Fund has four different budget accounts
 - Recreation Administration
 - Fitness Center Operations
 - Fitness Center Facilities
 - Scera Park Pools Facilities & Operations

The two primary budget accounts that cover the Fitness Center are Fitness Center Operations and Fitness Center Facilities.

- The following is the budget history for the last five years (minus Administration and Scera Outdoor Pool and Other revenues). It is the opinion of Ballard*King & Associates that this more closely represents the true costs and revenues associated with the operations and maintenance of the Orem Fitness Center.

Operations and Maintenance Budget

Revenues	2012	2013	2014	2015	2016
Daily Admissions	248,604	268,300	167,472	240,077	238,498
Passes	766,125	729,767	558,124	686,374	736,055
Group Use	98,687	90,441	70,811	95,431	116,284
Classes	149,107	150,043	131,609	144,255	133,409
Total	\$1,262,523	\$1,238,551	\$928,016	\$1,166,137	\$1,224,246

Expenses	2012	2013	2014	2015	2016
Operations					
Personnel Services	712,401	729,355	669,773	774,731	805,171
Supplies & Maint.	22,246	20,967	20,938	35,677	13,779
Contract Services	670	1,545	1,838	805	1,967
Misc.	0	0	0	0	13,502
Total	\$735,323	\$751,867	\$692,549	\$811,213	\$834,419
Facilities					
Personnel Services	173,743	162,741	170,544	171,566	179,824
Supplies & Maint.	109,738	110,294	126,045	110,234	117,385
Utilities	168,214	171,385	171,150	298,234	250,421
Contract Services	9,781	10,040	7,580	6,386	6,933
Misc.	0	0	510	0	0
Total	\$461,476	\$454,460	\$475,829	\$586,759	\$554,563
Grand Total	\$1,196,799	\$1,206,327	\$1,168,378	\$1,497,079	\$1,388,982

Operations and Maintenance Budget Totals

Comparison	2012	2013	2014	2015	2016
Revenues	\$1,262,523	\$1,238,551	\$928,016	\$1,166,137	\$1,224,246
Expenses	\$1,196,799	\$1,206,327	\$1,168,378	\$1,397,972	\$1,388,982
Difference	+\$62,724	+\$32,224	-\$240,332	-\$231,835	-\$164,736
% Recovery	105%	103%	79%	83%	88%

- Since 2013, the cost recovery level has dropped significantly and there is now a substantial operational short fall each year. However, it is important to remember that the vast majority of public recreation centers across the United States (in urban environments) operate in the range of 75% to 95% cost recovery. It is highly unusual to have public centers consistently able to achieve 100% cost recovery if all operational costs are included.

The fact that the Fitness Center has a 50-meter pool as one of the amenities in the facility makes the current level of cost recovery much more acceptable as this element is virtually never a strong revenue producer compared with expenses.

- As has been shown above, the Department should track actual costs with revenues for the Fitness Center and make yearly comparisons between expenses and revenues. This will require the two existing fitness center budgets to be combined for comparative purposes.
- The vast majority of public recreation centers are included as part of a city's general fund and are not listed as an enterprise fund. This is due to the fact that it is unusual for public recreation centers to be able to cover their operating costs through revenues generated by the facility itself.
- One of the primary cost figures (although more of a paper transaction) is for depreciation. It is very unusual to have this cost included in the operational costs for a public recreation center. When this line is removed, the cost recovery (and operational loss) significantly improves. At minimum, this figure should be shown "below the line" (after the total of operating expenditures as has been indicated).
- Capital improvements are not listed as a budget category for overall Fitness Center expenses. Capital improvement/replacement should be a budget category, however these expenses are also not usually included in operating costs but are often identified "below the line" as another expense for the facility.
- The following table indicates the history of depreciation and capital expenses at the Orem Fitness Center for the last five years.

Comparison	2012	2013	2014	2015	2016
Depreciation	\$96,360	\$97,520	\$99,114	\$99,107	\$94,567
Capital	\$25,610	\$34,337	\$3,612,995	\$81,511	\$114,050

- There does appear to be some internal city charge backs for insurance and IT services, etc. to the center's operation budgets. These costs can at times be shown in a center's

operating budget depending on the direction of city finance departments but is not always included.

- While the center currently has the two budget accounts that separate out operations from maintenance, there should be an even stronger budgeting process that identifies and manages the center as a series of “cost centers”. The existing budget categories are too broad. Establishing general cost centers by facility and program areas is essential. The “cost center” accounting process not only needs to include expenses but also must attach any associated revenues to give a true net cost. It is recognized that revenues may need to be assigned based on a percentage estimate for annual passes and other admission options.

For the facilities budget, there should be separate sub-budget accounts for aquatics, fitness and the firearms range. These can be in one single budget but should be tracked by individual amenities if at all possible. Under programs and services, separate budget accounts need to be set up for different program areas (fitness, aquatics, etc.) From this a true cost of service can be determined and matched with the level of service that is being delivered to residents.

- The Department does a good job with on-going budget comparisons with previous years, as a way to benchmark current operations. But this is primarily on a general budget basis rather than by the overall center.
- The City will need to recognize that there will likely be increases in the minimum wage at the state and national level over the next five years. At minimum, the Department will need to plan for a minimum wage of at least \$10 an hour and the fact that it could go to as high as \$15 an hour. There is virtually no way that the Fitness Center will be able to absorb these additional costs within the existing operating budget.
- The Fitness Center does not appear to have a 5 year CIP budget and there is a strong need to develop a prioritized CIP budget.
- It must be recognized that recreation is a discretionary use of an individual’s time and money and as a result there needs to be an adequate budget and staff commitment to marketing and promotions on an annual basis. The current level of funding will need to be increased in the coming years with key measures of the effectiveness and return on investment of these efforts.
- Budget allocations for staff training and certification also needs to be increased. Particular areas of focus should be customer service, emergency situations, team

building, and other factors. Funding levels should support a well thought out training plan that is developed annually.

- Sound financial practices require good budget monitoring procedures and strong record keeping. The operational budgets need to continue to be monitored on at least a monthly basis with any possible deviations or modifications noted at that time. This should occur not only on the management level but also at the supervisor/coordinator level as well.
- The retention rate for the Orem Fitness Center’s annual/semi-annual passes is noted below. The industry average should be at least 70% on a yearly basis. It is critical that the retention rate for these passes is improved and this requires tracking on a monthly basis and continued comparisons made year to year.

Year	Total Passes Sold	Retained Passes	Retention Percentage
2016	3,645	1,991	55%
2015	3,358	1,926	57%
2014	3,736	2,112	57%
2013	3,380	1,557	46%
2012	3,482	1,556	45%

Note: Total passes sold does not include business passes.

- The general guideline for recreation programs calls for them to recover 50% of all direct costs. Depending on the type of program, this rate of recovery is low. The development of a pricing plan that tiers (see Recreation Services and Programs section) programs with different levels of cost recovery is strongly recommended.

Fees and Charges

- The basic fees for the use of the Orem Fitness Center are noted below.

	Daily
Adult (14+)	\$4.50
Youth (4-13)	\$3.50
Senior (55+)	\$3.50
Family	\$21.00
Track Only	\$1.50

	Monthly		Monthly EFT		Semi-Annual		Annual	
	Res.	Non Res.	Res.	Non Res.	Res.	Non Res.	Res.	Non Res.
Individual	\$31	\$43	\$26	\$36	\$139	\$170	\$232	\$283
Senior (55+)	\$19	\$31	\$16	\$26	\$62	\$98	\$98	\$155
Student	\$25	\$36	\$21	\$30	\$118	\$144	\$206	\$258
Family	\$48	\$61	\$40	\$50	\$221	\$273	\$407	\$494

Note: There are also group discount rates (a percentage discount based on number) and business passes that are available.

The fee structure is reasonable for the age and condition of the Fitness Center and is approximately 20% less than what is charged for the Provo Recreation Center resident rates (based on current rates). The fees have been increased on a periodic basis over the last 15 years with long stretches of years where there has been no increase.

- The fees being charged for general rentals of most areas of the center are fair. However, the rates for youth sports use are very low (or no fees are being charged) and should be increased systematically over the next 3-5 years.

The rate of free to \$2.00-\$2.50 an hour per lane for the competitive (18-25-yard distance) pool for high school and other swim teams is very low and also needs to be increased to a rate of at least \$6.00-\$8.00 a lane hour within 3-5 years. The rate for the 50-meter distance should be at least \$15.00 an hour. This is the most expensive amenity in the center to operate and maintain and yet the lowest rate is being charged for this use. Even at the increased hourly rate, the cost of operating and maintaining the pool will still not be close to being covered by this higher fee.

- Revenue generation through facility use and programs is a primary goal of the Fitness Center. However, this focus lacks a formal, established, cost recovery and revenue generation plan to support this effort.
- A formal fee philosophy and policy for facility use, rentals, and programs and services, should be developed (see the Recreation Services and Programs Section).
- The Orem Fitness Center currently has a resident/non-resident fee structure for passes and it is recommended that this be kept as part of the fee structure in the future. There should be a consistent percentage of differential between the two. The percentage should be in the 25% to 35% range which does not discourage non-resident use.
- An annual fee survey should be conducted with the other facilities and organizations in the Utah Valley to determine where Orem Fitness Center fees fall in comparison.
- It is critical that there is a policy that encourages an adjustment of fees at least every two years to keep from falling behind on increases in expenditures or increases in fees from other providers. However, first and foremost, fees must be competitive with other providers in the area.
- A scholarship program for the center and its programs needs to be developed. The plan could include a sliding scale for participant payment and the utilization of an existing agency for eligibility and administration. However, there needs to be an established maximum value per household that can be awarded in one year, a percentage of the total fee that must be paid by the participant (could be up to 25%), and tracking actual use and attendance for scholarship recipients.
- Although not directly part of the Fitness Center fees and charges issue, it is strongly recommended that the Department review its current fee schedule for athletic field use by community organizations (primarily youth sports organizations). The current rate of free to \$4.00 per participant is very low and all groups should be expected to be paying a minimum of \$10 per player/per season within the next 3 years. There is a movement nationally among park and recreation agencies to either begin charging or increasing the fees for field use by community youth sports organizations. Most agencies either charge per player, per season or by use per hour. Many player fees are now anywhere from \$10 a season to as much as \$20 a season for resident players with a higher fee for non-resident players.

Staffing

- Of the Department’s 11 full-time staff 6 are allocated to the operations and maintenance of the Orem Fitness Center.
 - Maintenance 3
 - Manager 1
 - Recreation Coordinators 2

This is a low full-time staff level for a center the size and magnitude of the Orem Fitness Center. This leaves much of the daily responsibility for the operation of the center in the hands of part-time staff (152 year-round and another 165 summer). Many centers would have at least one full-time front desk staff (if not two), another coordinator, and additional full-time aquatic staff (1-2).

The Department does not utilize contract staff for operations, maintenance or programs.

- The center has the bulk of its part-time staffing in the following areas:
 - Front Desk
 - Maintenance
 - Lifeguards and Swim Instructors
 - Fitness
 - Babysitting
 - Range

What follows is an assessment of the current level of part-time staffing in each of these areas. This is based on a quick review of schedules provided by staff.

Front Desk – The hours of operation of the center dictate the hours of staffing that is required at the front desk. Also, the size and lay-out of the center can impact desk staffing requirements. At the center, staffing can vary from a low of two positions present during some daytime hours to three in the evenings and some weekends. At times, there is a fourth position, which in some instances is handling some form of maintenance. For the size and amenities that are present in the center, plus the three levels of the facility, three is an acceptable level of staffing. However, a strong effort needs to be made to try and keep the level of staffing at no more than three (not including maintenance) and there should only be one Supervisor and Team Leader working at a time.

As noted above, having one or two of these positions as full-time would be best.

Maintenance – This consists of the night maintenance staff which works a three hour shift every week night and Saturdays. There are two people on each shift. These positions augment the three full-time maintenance staff. This level of staffing is very acceptable for a center of this size and with these components.

To maximize not only the roles and responsibilities of the part-time but also the full-time maintenance staff, having a well-defined maintenance plan is essential.

Lifeguards and Swim Instructors – The level of lifeguard staffing is dictated in large part by state and national standards for number of guards per square foot of water as well as the number of swimmers that are in the pool. The center’s guard rotation schedule was reviewed as well as the basic schedules for head lifeguards and lifeguards in the When to Work software program. A head lifeguard is present from late afternoon until close during the week and all open hours on Saturdays. This schedule does not appear to vary much from season to season. For lifeguards, the schedule tends to vary by time of the day and season of the year. During the school year it appears that there 3-4 guards present in the morning, 2-3 in the early afternoon, and 3-5 during the late afternoon and evenings throughout the week. For the summer, there are 4-5 guards present in the morning, 5-7 in the afternoon, and 4-5 during the evenings throughout the week. There are 4-5 guards scheduled on Saturday year-round. Based on these numbers, it appears that the level of lifeguarding while acceptable, is at the low end of the spectrum during certain times considering the size and layout of the two pools.

The number of swim instructors is based on the number of classes that are offered and have the minimum required registrants (3 minimum). Generally during the school year this results in two instructors in the mornings and 4-5 in the afternoon and evenings. During the summer, there are 5-8 instructors teaching at a time during the morning hours. This is also an acceptable number.

Fitness – Currently the land based classes number over 50 per week with classes offered through-out the day and evenings. This is a strong number of classes to offer. For water based classes, there are fewer classes in number but still a solid number of offerings. Most comprehensive recreation centers offer between 40-50 land based fitness classes a week and 20-30 water based classes, so the Orem Fitness Center is well above these numbers.

It is important that all class numbers are monitored on a regular basis with a minimum level of average attendance developed (usually 10). If classes drop below this minimum for more than a month they should be cancelled and/or replaced with another program.

Babysitting – The hours when babysitting is available drives the staffing model and the morning, evening, and Saturday hours are consistent with what are usually found at other facilities. There are at least two staff on duty (which is the minimum that is required) and there are three during what appears to be higher demand periods. This is an acceptable level for this service.

Staffing is usually based on one staff for every 5-6 kids but this can vary based on the age of the children. It is critical that staffing levels are adjusted based on historical use patterns to control expenses. If there are not at least 4 kids present on a regular basis then hours should be reduced.

Range – The range has limited hours that it is open and one part-time staff is assigned to the facility during open hours. This is a minimum staffing level that is permissible if there are direct communications available to the front desk and other management staff if there is a problem at the range.

- When to Work staff scheduling software is utilized for lifeguard staffing at the center and this should be expanded to all part-time staff in the future.
- The Department and center do not appear to have an overall staffing philosophy. This should be developed to cover issues associated not only with key roles and responsibilities of full-time and part-time staff but also requirements for facility staffing, the presence of a full-time staff in the center, and the possible use of contract staff or services. The plan should also address minimum staffing requirements for opening/operation and seasonal adjustments to the staffing schedule.
- A long-term staffing plan will need to be developed that ensures that the center is managed and operated at a consistently high level. Key areas of responsibility that need to be clearly identified as part of this process include:
 - Budget development and monitoring
 - Human resources
 - Facilities management
 - Recreation program and service delivery
 - Maintenance operations and coordination of any contract services
 - Marketing coordination
 - Safety/security and risk management coordination
 - Staff training coordination

It is not necessary to have a full-time (or even a part-time) employee dedicated to each function. It may be possible for a couple of areas of responsibility to be shared by a

single staff member. However, one individual should be the identified person that is responsible for coordinating and monitoring each of these functions.

Basic job descriptions are included in the Policies and Procedures Manual but these need to be updated (full-time and part-time) to adequately reflect the actual duties of each position and the performance expectations of the individual in that role. These job descriptions should include specific educational and experience requirements for the position. The existing job descriptions are the formal position narratives but a more functional depiction is required.

- The center would benefit greatly by having a full-time marketing position for the Recreation Department.
- There should be a strong staff (both full-time and part-time) training and education program instituted to provide opportunities for staff growth and improvement. This staff training program should focus on customer service, program development, budgeting, revenue growth, safety/security, and operations. Specific priorities for the training program will need to be developed. There are good staff training check-off lists for the front desk and lifeguard staff and these should be present for all part-time staff positions in the center.
- The Department has an annual performance appraisal for all full-time staff and should continue to have a formal work plan as part of this process. The work plan should establish specific measurable goals and areas of focus for the next year. Staff should then be held accountable to meet these goals

All part-time staff should also have a yearly evaluation completed and areas of needed improvement noted.

- The Department does make use of college interns to augment paid staff. This needs to continue.

Funding Options

- A stronger more concerted effort to find alternative funding sources for facility operations, programs and services will need to be pursued. This includes additional grants and fundraising as well as sponsorships.

The Department should identify 3-5 grants a year to pursue for funding specific aspects of recreation programming and/or facility development. This will need to be coordinated

at the director or manager level. Grants could focus on energy savings, wellness, teen services and senior activities.

- The City should strongly consider forming a Parks and Recreation foundation (or continue to use the existing Orem Foundation with a specific sub area for parks and recreation) to help as a conduit for donations, grants and other potential revenue sources specifically for parks and recreation.

Key Recommendations

- Establish yearly budget priorities.
- There will need to be a greater focus on maintenance and capital replacement in the next few years.
- The Department will need to have a strong on-going focus on overcoming the financial impact of the Provo Recreation Center on the Orem Fitness Center.
- Develop more cost center accounting practices for the center itself as well as programs and services.
- Establish a 5-year capital improvement budget for the center that prioritizes needs. This listing should be updated annually.
- Develop a replacement schedule for center equipment.
- Increase the level of funding for marketing.
- Increase fees for youth sports organizations use of the pool and athletic fields.
- Develop a formal fee policy for memberships, programs, facility use and rentals.
- Establish an overall staffing philosophy and plan.
- Update the existing job descriptions to reflect the actual job functions and requirements.
- Develop a formal training plan for staff.
- Explore possible alternative funding sources.

- Consider forming a Parks & Recreation Foundation.

Cost Saving Recommendations

- Establish yearly budget priorities.
- Develop more cost center accounting practices for the center itself as well as programs and services.
- Establish a 5-year capital improvement budget for the center that prioritizes needs. This listing should be updated annually.
- Establish an overall staffing philosophy and plan.

Revenue Generating Recommendations

- Increase fees for youth sports organizations use of the pool and athletic fields.
- Develop a formal fee policy for memberships, programs, facility use and rentals.
- Explore possible alternative funding sources.
- Consider forming a Parks & Recreation Foundation (or formalizing the role of the Orem Foundation).

Section VII – Promotional Plans

A primary focus of the Orem Fitness Center staff in the next several years should be in the area of marketing and promoting of the facility’s amenities, recreation programs, and services.

Marketing and Promotion

- The Department needs to have a basic marketing plan developed that guides promotional efforts. The first priority must be the establishment of a concise and pointed annual marketing plan as well as a more visionary five-year plan. The yearly plan should be a simple document that is built on an overall promotional philosophy and contains bullet points for specific goals. This straight forward document should identify 3 to 4 areas of focus for the year, the specific marketing tasks that will be completed, a timeline for implementation, a cost estimate, the responsible staff, and a way to measure success.
- The marketing plan must take into consideration the market position of the Orem Fitness Center and programs. The fact that the facility is not a private fitness center, has a broad range of programs and services, serves all age groups, does not require a membership and allows individuals to take programs without having a membership, needs to be celebrated. These factors need to form the identity for the center.
- The marketing plan’s direction and focus will need to be guided by the key target markets that will be served. This should include different ethnic groups, age groups, interest areas, and socio-economic groups.
- While the overall marketing effort should be coordinated and directed by a single marketing staff member, clear areas of responsibility for all staff as it relates to promoting the center and recreation programs must be developed and endorsed by all staff. Ideally this should be a full-time staff position in the Department but could be part of another staff member’s responsibilities if there is adequate time available for this work.
- A number of years ago, the Department did away with their quarterly program/facility brochure. This needs to be brought back with at least an on-line version that is available 2-3 times a year to promote the center and its programs and services. This should be a top priority.
- As has been noted, it is critical that the Department increase the budget funding for marketing efforts. The level of funding should be tied to implementing the annual marketing plan.

- Three times of the year (September, December and May) there are “sales” of annual and semi-annual passes with 20% and 10% off respectively. These are good times of the year to provide incentives to purchase passes but consideration should be given to offering value added incentives (13 months for the price of 12, etc.) instead of discounting the rate.

There are also discounts available for renewing passes and these should continue.

- The business or corporate pass should be revamped to better meet the needs of this potential user group. However, it is important that there is a stated program in place and any discount should not be lower than the resident rate for an annual pass.
- A strong effort is needed to try and increase the number of passes that are on EFT. This is to the advantage of the center and makes renewal much less of an issue.
- The retention rate for annual, semi-annual or monthly EFT pass holders needs to be improved from the current rate of 55%. This will require a concerted marketing effort to move the retention rate to or above 70%.
- Resident and non-resident fees should be listed as Resident Discount Fee and the Regular Fee.
- The Department should develop a fee option that gives annual and semi-annual pass holders a discount on Scera Pool fees as a benefit. There are plans in place to offer a 50% discount off of the daily rate this summer but this should include a discount off of punch passes as well.
- Phone interviews should be conducted with those individuals who cancel their annual, semi-annual or EFT passes to determine the reasons for this. If a call is not possible, then an email should be sent asking for the reason for their cancellation.
- Increasing the use of on-line registration for programs should be emphasized as well as for facility rentals should be explored. This helps to increase program registrations and reduces staffing needs to cover registration functions. The Department should measure the percentage of program and service registrations that are completed on-line annually and work to push the percentage above 50% within the next two years. It is recognized that there have been numerous complaints about the existing system, and the Department (and ultimately the City) will need to be committed to improving this situation if this goal is to be met.

- There needs to be continuing efforts to “brand” the Department through all publications, promotional materials, flyers, signs, web site, and other items. All marketing materials need to have the same format, look, logo, etc.
- The annual marketing efforts should have a formal evaluation mechanism to determine the overall effectiveness of the plan as well as specific marketing efforts.
- The Fitness Center should actively pursue partnerships with Orem area businesses, non-profits and others to expand the exposure of the center and its programs and services. This needs to begin with an assessment of what partnership opportunities are present, ensure that there is no negative impact on the Center or the City, and then develop a plan to establish one to two formal partnerships in the next couple of years. Special attention should be focused on establishing a medically based partner for fitness and wellness services.
- Expanding sponsorship opportunities for key programs and services (both existing and new) will not only help to promote the programs themselves but may also provide funding to maintain or add new programs. This should be a simple program with basic levels of sponsorships established based on a yearly basis, the magnitude of the program, and the cost of providing the program. It is recognized that it could take a number of years to totally institute a full sponsorship program. This could include the establishment of naming rights for existing and new spaces in the center.
- The areas of focus for marketing in the short term should be:
 - Increasing the retention rate for pass holders.
 - Increasing overall utilization rates for the center.
 - Increasing overall participation rates in recreation programs and services.
 - Promoting facility rentals.
 - Increasing the use of on-line program registration.
 - Increasing the number of passes on EFT.
 - Emphasizing the fact that people do not have to be annual, semi-annual or monthly pass holders to take advantage of the center’s programs and services.
- There are a number of specific marketing tools that should be utilized, these include:
 - There should be an annual (in-house) survey of center users’ needs and concerns. This survey should gather opinions regarding the center’s maintenance, staff, programs and services, and future needs.
 - A formal survey of residents should be conducted on a 2-3 year basis. This survey should be conducted by a professional survey firm and should gather opinions regarding facilities, staff, programs and services, and future needs.

- The use of email as a viable communications medium needs to be encouraged and should include specific demographic groups and program participants. It is recognized that not all individuals in the city may have access to email.
- On a yearly basis, a series of focus groups should be held with individuals who are both users and non-users of the center or programs to determine future needs and expectations.
- The manner in which users find out about Department facilities, programs and services, needs to be tracked on a regular basis and should guide future marketing resource allocation and areas of focus.
- The existing Department website needs to be updated with more interactive features and much more information on programs and services, more pictures of events and activities, and how the center can serve the community. All facility schedules, fees, programs and services should be available from the website. Website content should be updated at least every six months.
- There will need to be better utilization of social media as communication and promotional tools for programs and activities offered by the Department. This should be particularly effective for youth and young adults. This will require that specific social media policies are in place in the City.
- There is the need to increase the number of flat screen video monitors in the center rather than relying on flyers, bulletin boards and other printed materials. These monitors should be utilized for the promotion of new programs and activities, providing information on current operations, and also encourage users to register on-line.

Key Recommendations

- The Recreation Department needs to develop a basic marketing plan for the center and its programs.
- Build a clear identity and brand for the center.
- Hire a full-time marketing professional.
- Develop a seasonal recreation programs and services catalog again.

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- Expand the sponsorship opportunities for programs and services.
- Develop partnerships with a couple of key organizations in the Orem area.
- Promote the use of on-line program registration (after improving the existing system).
- Increase the number of pass holders that are on EFT.
- Increase the retention rate for annual, semi-annual or monthly EFT pass holders.
- Update the Department and Orem Fitness Center web site.

Cost Saving Recommendations

- The Recreation Department needs to develop a basic marketing plan for the center and its programs.
- Promote the use of on-line program registration.

Revenue Generating Recommendations

- The Recreation Department needs to develop a basic marketing plan for the center and its programs.
- Build a clear identity and brand for the center.
- Develop a seasonal recreation programs and services catalog again.
- Expand the sponsorship opportunities for programs and services.
- Develop partnerships with a couple of key organizations in the Orem area.
- Increase the number of pass holders that are on EFT.
- Increase the retention rate for annual, semi-annual or monthly EFT pass holders.
- Update the Department and Orem Fitness Center web site.

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