



Denton Aquatics Assessment

April 2018

Exhibit 3



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CHAPTER ONE - EXECUTIVE SUMMARY

1.1 INTRODUCTION

The City of Denton is a growing and dynamic community with an estimated population of 124,601 residents.

The Parks and Recreation Department manages and operates a range of parks and recreation facilities and offers recreational opportunities for people of all ages and abilities.

A significant aspect of the Parks and Recreation Department's offerings is its Aquatics system. The system consists of three pools and provides a wide variety of programming and services aimed at meeting the Aquatics needs of the community. The three Aquatics facilities are:

- Civic Center pool is community pool that is adjacent to Quakertown Park, behind Denton Civic Center, at 515 N. Bell Ave. This outdoor facility operates between Memorial Day and Labor Day and primarily serves Denton residents.
- Water Works Park is a destination location water park that is located adjacent to The Natatorium at 2400 Long Rd. This outdoor facility operates between Memorial Day and Labor Day and offers four giant slides, two toddler slides, one giant indoor slide, a wave pool a lazy river, children's play pool, sand volleyball, cabanas and full-service concessions.
- The Natatorium is an indoor, year-round Aquatics facility that is located adjacent to Water Works Park at 2400 Long Rd. The Natatorium has two indoor pools (a ten-lane competition pool with diving well and leisure pool with slide) and is used for year-round swim lessons, party rentals, water exercise classes, the Denton Dolphins Swim Team, Family Fun Nights, and more. The facility is operated in conjunction with the Denton Independent School District via the 2002 Joint Use Agreement.

1.2 PROJECT UNDERSTANDING

The City of Denton was interested in an analysis of its current Aquatics facilities and operations. The analysis included operational and fiscal perspectives of the Aquatics Division to determine if Denton Parks and Recreation is meeting best practices for Aquatics facility management and programming.

1.2.1 ELEMENTS OF THE PLAN

The planning process for the *Aquatics Assessment* was completed in conjunction with City of Denton staff and included:

- The collection and analysis of available relevant information, including, but not limited to, staffing levels, operating procedures, visitation, partnerships and financial performance.
- Workshops with Denton staff and Denton Independent School District representatives.
- Gain perspective of the supply and demand of Aquatics services within the community.
- Recommendations for improved operational and fiscal elements in meeting the Aquatics needs of the community.

The data collected from the staff and onsite facility assessments allowed the consulting team to identify key factors, issues, and concerns regarding the Aquatics system and how the Denton Aquatics Division manages operations.



1.3 AQUATICS ASSESSMENT STUDY ORGANIZATION

This *Aquatics Assessment* presents the overall analysis, findings, and recommendations of the consulting team related to the areas outlined in the scope of services. This study begins with an overview of the Aquatics Division and the following sections respond to the desired categories outlined in the study scope to reveal findings, determine needs and offer operational improvement recommendations.

1.4 SUMMARY OF AQUATICS ASSESSMENT

Following the assessment of the Aquatics Division operations, the PROS Consulting Team identified a variety of opportunities to support the implementation of recommendations. These recommendations for the operational, programming, financial and policy recommendation elements will guide decision-making for immediate actions, short-term strategy, and long-term planning over the next five to ten years. The following summarizes the Aquatics Assessment:

1.4.1. KEY FINDINGS

- **Desired Outcomes of Aquatics Facilities:** The desired operational outcomes of the three Aquatics facilities are loosely defined.
- **Pricing Policy:** The Division lacks a Pricing Policy tied to cost recovery goals for each facility.
- **Organizational Structure:** Staffing of the Division is functionally aligned with its program and service delivery.
- **Staffing:** Aquatics Division staff are highly knowledgeable, driven to operate using best practice and innovation and are considered by its peers to be leaders in the field of Aquatics Management. However, the Division is not “business strong” and lacks capacity to develop a targeted marketing program and generate revenue in non-traditional ways.
- **Standard Operating Procedures and Policies:** The Division has developed and implemented a set of best practice standard operating procedures and policies to guide the management and maintenance of the Aquatics facilities.
- **Safety:** Aquatics staff conducts thorough on-boarding, training and in-service programs and produce up to date lifeguard manuals and standard operating procedures to ensure the safety of every patron that utilizes the Aquatics facilities.
- **Customer Service:** Written code of conduct and customer service guidelines and training are in place.
- **Accountability:** The Aquatics Division utilizes data to drive decision making and produces reports that summarize its key performance indicators.
- **Program Participation:** Program participation rates are very strong. In Fiscal Year 2016-17, the Division offered 522 programs and had registered participants in 90% of all available spaces in the programs it offered. This far exceeds industry best practice (50-60%) on average.
- **Joint Use Agreement:** The current joint use agreement between the City of Denton and the Denton Independent School District lacks the detail necessary to better delineate roles, responsibilities, decision making authority and cost sharing. The cost-sharing arrangement defined in the agreement is such that DISD will fund 50% of the combined operating loss of the Natatorium and Water Works Park.

- **The Natatorium Committee:** The joint use agreement stipulates the formation and regular meeting of the Natatorium Committee to set usage procedures and policies for implementing the allocation of usage between the City and DISD. This committee has not met since circa 2005.
- **Facility Utilization:** The combined attendance of the three Aquatics facilities in Fiscal Year 2016-17 was 241,284. This breakdown by facility is as follows:
 - **Civic Center Pool:** 33,749
 - **The Natatorium:** 138,529
 - **Water Works Park:** 93,998
- **DISD Utilization of the Natatorium:** DISD Aquatics programs accounted for 24% (or 33,692) of the total attendance at the Natatorium.
- **Financial Performance/Cost Recovery - Overall:** The Division expended \$2.64MM to operate the three Aquatics facilities in 2016-17 with a cost recovery rate of 60% (or \$1.59MM in revenue generated through user fees and charges). This is in-line with best practice cost recovery rates.
- **Financial Performance/Cost Recovery - The Natatorium and Water Works Park:** The Division expended \$2.43MM to operate the Natatorium and Water Works Park in 2016-17 with a cost recovery rate of 59% (or \$1.44MM in revenue generated through user fees and charges).
- **DISD Cost Share:** DISD funded 50% of the operating loss (or \$493,544) in 2016-17. This equates to a DISD per person cost based on the attendance figures noted above of \$14.65.
- **Cost Allocation:** Current practice is for all wages and benefits of full-time employees of the Aquatics Division to be charged to the Natatorium budget.
- **Outside Food Policy at Water Works Park:** Currently, there is not a policy in place that restricts patrons from bringing outside food into the Water Works Park. This is potentially problematic as the Aquatics Division embarks on the operations of a full-service concession stand in the summer of 2018.

1.4.2 KEY RECOMMENDATIONS

EFFICIENCY AND EFFECTIVENESS

- Develop and implement a plan that upgrades the utilization of technology to capture and analyze data while improving customer service
- Implement a work order management system for Aquatics maintenance.

REVENUE GENERATION

- Develop a Pricing Policy based on the Classification of Services model with the goal of achieving an overall cost recovery goal for the Aquatics Division of 70% as projected by the financial pro forma presented in Chapter Four.
- Consider the addition of a Marketing Coordinator and Administrative/Financial Analyst to develop and implement a targeted marketing program including increasing group sales

- Consider offering City of Denton Employee Pricing for Aquatics programs and services to Denton Independent School District employees
- Allow the Aquatics Division to implement dynamic pricing strategies on an as needed basis

POLICY AND PROCEDURE

- Align policy with the recommended operating models for each Aquatics facility while continually seeking to manage the facilities utilizing best practice standards and procedures.
- Adopt a “No Outside Food Policy” for Water Works Park
- Revisit the Joint Use Agreement between the City of Denton and the Denton Independent School District in an effort to better delineate roles, decision making authority and cost sharing.
- Conduct a full task time analysis of Aquatics Division full-time staff to refine the cost allocation of full-time wages and benefits to the three Aquatics facilities
- Conduct a full cost of service analysis including the cost allocation of direct, indirect and administrative and overhead costs across all functional lines of service.



CHAPTER TWO - AQUATICS DIVISION OVERVIEW

The City of Denton's Aquatics facilities and programs are a Division of the Parks and Recreation Department. The Aquatics Division operates and maintains three Aquatics facilities.

2.1 AQUATICS FACILITY OPERATING MODELS

2.1.1 CIVIC CENTER POOL:

- **How does it function?** Summer only, "local community" pool - open approximately 12-13 weeks per year.
- **Operating Model:** Social; 30-40% Cost Recovery
- **Who does it service?** Primarily Denton residents, in particular children and families
- **Key Lines of Aquatics Services Offered?**
 - Learn to Swim/Summer Swim Team
 - Open Swim
 - Birthday Parties and Group Outings/Summer Day Camps
 - After Hours Rentals

2.1.2 WATER WORKS PARK:

- **How does it function?** Summer only, "destination water park" Aquatics facility - open approximately 12-13 weeks per year.
- **Operating Model:** Business; 100+% Cost Recovery
- **Who does it service?** Serves a regional population within 15-20 square miles of the facility.
- **Key Lines of Aquatics Services Offered?**
 - Open Swim
 - After Hours Rentals
 - Group Outings/Birthday Parties
 - Full-Service Concessions (coming summer of 2018)

2.1.3 THE NATATORIUM

- **How does it function?** Year-round, indoor community Aquatics center
- **Operating Model:** Social/Business; Cost Recovery 35-50%
- **Who does it service?** Primarily serves Denton residents of all ages and DISD students
- **Key Lines of Aquatics Services Offered?**
 - Learn to Swim Programs
 - Swim Team Practices and Meets
 - Water Polo
 - Water Fitness Programs
 - Certification, Training and Safety Programs
 - Open/Open Lap Swim
 - Masters Swim



2.2 LINES OF SERVICE

Within the facilities mentioned above, the Aquatics Division directly provides a wide variety of programs and services and facilitates the utilization of the facilities by outside user groups. The following tables summarize the programs and services that are provided by the Aquatics Division at the City of Denton's Aquatics facilities.

2.2.1 AQUATICS MANAGEMENT

Aquatic Management Lines of Service
Aquatic Fitness Classes
Administrative Duties
Group Learn to Swim Lessons
Lap Swim
Lifeguard Management
Open Swim
Masters Swim
Outreach/Safety Programs
Pool Scheduling
Program Instructor Management
Private Learn to Swim Lessons
Risk Management
Special Events
Swim Coach Management
Swim Meets
Swim Teams
Use Agreement Management

2.2.2 AQUATICS AND FACILITY MAINTENANCE

Aquatic and Facility Maintenance Lines of Service
Administrative Duties
Chemical Management (Inventory, Storage and Use)
Cleaning and Custodial Services Coordination
Facility Maintenance (i.e., HVAC, electrical, plumbing, elevator, etc.)
Irrigation Maintenance (Water Works Park and Natatorium)
Landscape Maintenance (Water Works Park and Natatorium)
Preventative Maintenance Coordination
Risk Management
System and Infrastructure Repair
Water Chemistry

2.2.3 GUEST SERVICES MANAGEMENT

Aquatic Guest Services Lines of Service
Administrative Duties
Birthday Parties
Cash Handling
External Customer Service
External Rentals/Reservations
Food and Beverage Services
Group Outings
Program Registration (Individuals)
Rentals/Reservations
Retail Sales
Signage and Display Management
Technology Support (Hardware)
Technology Support (Software/Systems)



CHAPTER THREE - OPERATIONAL ASSESSMENT AND BEST PRACTICES

3.1 ORGANIZATIONAL STRUCTURE

3.1.1 KEY FINDINGS

The Aquatics Division is currently comprised of 7.5 fulltime employees and 34.19 FTEs of part-time and seasonal employees and has made a conscious effort to continually operate efficiently and effectively. The following summarizes key findings regarding the organizational structure of the Division.

- The Division is functionally aligned with its program and service delivery.
- The Division is not “business strong” in that it lacks two key positions to advance the business side of the operation: An Administrative Assistant/Financial Analyst and a Marketing Coordinator.
- The Division does not have a position that focuses on revenue development, such as pass and daily guest sales, sponsorships, donations, and in-kind services to support operational costs. However, this position should be housed at the management level of the Department.

3.1.2 KEY RECOMMENDATIONS

- Given the emphasis on cost recovery, the Aquatics Division should consider adding marketing and administrative/financial analysis resources - i.e. Marketing Coordinator (\$35,000-\$45,000) and Administrative Assistant/Financial Analyst positions (\$40,000-\$50,000). PLEASE NOTE: The scope of this study did not include an assessment of the staffing capacity of the Parks and Recreation Department. The functions performed by the addition of these positions should first be considered within the context of the Parks and Recreation Department’s overall staffing capacity.
- The Parks and Recreation Department should consider adding the position of Revenue Development Manager, which will focus on the creation of partnerships, and sponsor and donor relationships to generate additional earned income. This position should work closely with the Denton Parks Foundation to strategically target revenue development opportunities and avoid the duplication of efforts between the City and the Foundation. Best practice suggests that within the first year of employment, the position should establish a goal to generate \$100,000 in earned income and/or in-kind services. Within five years, the goal of the position would be to generate \$250,000 annually.

3.2 AQUATICS AND FACILITY MAINTENANCE

3.2.1 KEY FINDINGS

Facilities that are clean and functioning efficiently are a critical element to delivering high quality programs and services. The Aquatics Division’s Facility Maintenance Operation can be described as a model operation. Key findings regarding the maintenance operation of Denton’s Aquatics facilities are as follows:

- Staff exhibits subject matter expertise that is rarely found at all levels of Aquatics facility maintenance. This is a credit to the City of Denton for identifying and developing staff.
- Best practice and standard operating procedure manuals are in place.

- The holistic operation focuses equally on day-to-day tasks, preventative maintenance, and repair and maintenance.
- Staff performs long-term asset preservation and replacement.
- Staff details all work via a coordinated system of manuals, checklists, and information logs.
- Staff maintains the landscaping within the Water Works Pool and around the Natatorium.

3.2.2 KEY RECOMMENDATIONS

- Continue the strong ongoing professional development program to ensure operational sustainability and succession planning.
- Continue to fully develop an asset management program that establishes lifecycle replacement plans for the functional and financial sustainability of the physical plants of the Aquatics Division.
- Develop a work order management system to better track preventative, daily and repair work.

3.3 LIFEGUARD MANAGEMENT

3.3.1 KEY FINDINGS

- **Lifeguard Management:** Denton Aquatics staff conduct thorough on-boarding, training and in-service programs and produce up to date lifeguard manuals, emergency action plans and most standard operating procedures to ensure the safety of every patron that utilizes City of Denton Aquatics facilities. Further, the positioning of lifeguards throughout the Aquatics facilities is in-line with best practice alignment.
- **Personal Protective Equipment Standards:** The utilization of personal protective equipment (tubes, masks, gloves, etc.) while performing rescues and first aid is necessary to ensure proper rescuer performance and to provide best practice first aid. The Aquatics Division has some standards in place around the care and utilization of personal protective equipment, but improvement is needed.
- **Safety Guidelines for Patrons with Special Needs:** Under the Americans with Disabilities Act (ADA) persons with disabilities must be provided equal access and opportunity to use all of the City of Denton's Aquatics facilities. In addition to providing the necessary physical accommodations like ramps and hydro-lifts, Aquatics staff must also be prepared to assist people with disabilities in normal activities and to respond appropriately in case of an emergency. The Aquatics Division has some standards in place around the care of patrons with special needs.
- **Non-Swimmer Protection Policy:** The City of Denton does not have a policy in its Lifeguard Manual to test the swimming abilities of unknown swimmers and thereby increases the risk of a life-saving incident in the Aquatics facilities.

3.3.2 LIFEGUARD MANAGEMENT KEY RECOMMENDATIONS

- Continue to update Aquatics facility safety check list
- Continue to enforce and reinforce lifeguard responsibilities
- Continue to refine and refresh the lifeguard in-service program to help ensure that lifeguards are ready to recognize, respond, rescue and resuscitate a victim at all times.



- Update Aquatics personal protective equipment standards. See Appendix B for a template policy.
- Develop and implement a written non-swimmer protection policy. See Appendix C for a template policy.
- Create written, special needs patron safety guidelines. See Appendix D for template guidelines

3.4 AQUATICS PROGRAM MANAGEMENT

3.4.1 KEY FINDINGS

- **Policies and Procedures:** Policies, procedures, and practices that guide Aquatics programming are in line with best practices.
- **Program Participation:** Program participation rates are very strong. In Fiscal Year 2016-17, the Division had registered participants in 90% of all available spaces in the programs it offered. This far exceeds best practice (50-60%).

TOTAL PROGRAMS OFFERED	TOTAL POSSIBLE MAXIMUM ENROLLMENT	ACTUAL ENROLLMENT	PERCENTAGE OF ACTUAL ENROLLMENT TO MAX ENROLLMENT
522	3,818	3,418	90%

- **Non-Resident Participation:** Non-residents comprised 35% of all program registrations in Fiscal Year 2016-17.

3.4.2 KEY RECOMMENDATIONS

- Implement classification of programs and services recommendations as presented in this report beginning on page 15.
- Consider the introduction of community special events at Water Works Park on opening and closing weekends.

3.5 GUEST SERVICES MANAGEMENT

3.5.1 KEY FINDINGS

- **Customer Service:** Written code of conduct and customer service guidelines and training are in place and serve as a strong foundation for the work of the Aquatics Division.
- **Program Registration:** Policies, procedures, and practices that guide Aquatics program registration are in line with best practices.
- **Cash Handling:** Policies, procedures and practices that guide cash handling are in place and in-line with City of Denton guidelines.
- **Facility Reservations/Group Outings:** Policies and procedures that guide the booking of group outings and the reservations of cabanas, shelters and multi-purpose room are in place. However, formal allocation guidelines are not in place.
- **Concession and Gift Shop Management:** Policies and procedures that guide the management of concessions and gift shop at the pools are in place.

- **Technology:** Opportunities exist to enhance and expedite guest services through the introduction of technology at Water Works Park.
- **Locker System at Water Works Park:** The current “Coin-for-a-Key” locker system is in need of lifecycle replacement.

3.5.2 KEY RECOMMENDATIONS

- In conjunction with Technology Services, explore the introduction of hand held scanners for passes and an interactive point of sale system to enhance and expedite guest services, in particular at Water Works Park.
- Implement a formal allocation policy for the utilization of the Aquatics facilities. See Appendix A for a template policy.

3.6 UTILIZATION OF AQUATICS FACILITIES

3.6.1 KEY FINDINGS

The following chart depicts the utilization of the Aquatics Division’s three pools during Fiscal Year 2016-17:

Denton Aquatic Facility Utilization (Fiscal Year 2016-17)							
Aquatic Facility	Annual Weeks of Operation	Weekly Hours of Operation	Annual Hours of Operation	Annual Attendance	Average Attendance per Week	Average Attendance per Day	Average Attendance per Hour
The Natatorium	50	85	4250	138,529	2,771	396	33
Water Works Park	12	55	660	93,998	7,833	1,119	142
Civic Center Pool	12	41	492	33,749	2,812	402	69
TOTALS			5,402	266,276	13,416	1,917	244

The following chart depicts the utilization of the Natatorium by the Denton Independent School District during Fiscal Year 2016-17:

Denton Independent School District Utilization of The Natatorium (Fiscal Year 2016-17)				
Aquatic Facility	Annual Hours of Use	Annual Lane Hours of Use	Attendance in All Programs	Attendance per Hour
The Natatorium (in total)	4205	42,050	138,529	33
DISD Utilization	1447.50	12,000	33,692	23
DISD % of Utilization	34%	29%	24%	



3.6.2 KEY RECOMMENDATIONS

- Evaluate operating hours to increase availability or decrease non-utilized hours.
- Develop formal allocation guidelines to maximize utilization of non-prime time hours.

3.7 FINANCIAL ANALYSIS

3.7.1 KEY FINDINGS

- **Cost of Service:** The Aquatics Division currently tracks revenue and direct cost expenditures across all revenue generating functions. This results in cost recovery percentages based on direct cost allocation only.
- **Pool-by-Pool Operating Costs:** The following is a snapshot of the financial performance of each Aquatics facility during Fiscal Year 2016-17:

Denton Aquatic Division Financial Performance for Fiscal Year 2016-17									
Aquatic Facility	Annual Expenditure Budget (actual)	Annual Revenue Generated (actual)	Annual Net Subsidy	Operating Cost per Hour (actual)	Hourly Net Subsidy	Per Person Net Subsidy	Cost Recovery Rate	National Benchmark Operating Cost per Hour	National Benchmark Cost Recovery Rate
The Natatorium	\$1,440,493	\$442,231	-\$998,262	\$338.94	-\$234.89	-\$7.21	31%	\$300-\$400	35-50%
Water Works Park	\$987,447	\$998,622	\$11,175	\$1,496.13	\$16.93	\$0.12	101%	NA	110-120%
Civic Center Pool	\$213,479	\$145,899	-\$67,580	\$433.90	-\$137.36	-\$2.00	68%	\$300-\$400	30-40%
TOTALS	\$2,641,419	\$1,586,752	-\$1,077,017	\$2,269	-\$389.17	-\$9.33	60%	NA	60--70%

- **The Natatorium and Water Works Park Combined Operating Costs:** The following is a snapshot of the financial performance of the Natatorium and Water Works Park:

Denton Aquatic Division Financial Performance for Fiscal Year 2016-17									
Aquatic Facility	Annual Expenditure Budget (actual)	Annual Revenue Generated (actual)	Annual Net Subsidy	Operating Cost per Hour (actual)	Hourly Net Subsidy	Per Person Net Subsidy	Cost Recovery Rate	National Benchmark Operating Cost per Hour	National Benchmark Cost Recovery Rate
The Natatorium	\$1,440,493	\$442,231	-\$998,262	\$338.94	-\$234.89	-\$7.21	31%	\$300-\$400	35-50%
Water Works Park	\$987,447	\$998,622	\$11,175	\$1,496.13	\$16.93	\$0.12	101%	NA	110-120%
TOTALS	\$2,427,940	\$1,440,853	-\$987,087	\$1,835	-\$217.95	-\$7.09	59%	NA	60--70%

- **Denton Independent School District Cost Share:** The following is a snapshot of the cost-share for Fiscal Year 2016-17 per the Joint Use Agreement that states that DISD will contribute 50% of the combined operating loss of The Natatorium and Water Works Park:

Denton Independent School District Cost Share (Fiscal Year 2016-17)				
Aquatic Facility	Annual Cost Share	Annual Cost per Hour	Annual Cost per Lane Hour	Annual Cost per Person per Use
The Natatorium	\$493,544	\$340.96	\$41.13	\$14.65

- **Cost Allocation:** Current practice is for all wages and benefits of full-time employees of the Aquatics Division to be charged to The Natatorium budget.
 - **Task-Time Analysis:** A high level, task time analysis of full-time employees was conducted to determine the appropriate level of wages and benefits to be allocated to the Water Works Park and the Civic Center Pool. The outcome of this analysis is shown below:

Full-time Employee Cost Allocation			
Employee	Total Wages and Benefits currently charged to NAT/Water Park Budget	RECOMMENDED Percentage of Cost Allocation to NAT/Water Park Budget	RECOMMENDED Total Salary and Benefits to be charged to NAT/Water Park Budget
Aquatics Project Area Manager	\$124,908	50%	\$62,454
Maintenance Supervisor	\$113,457	87%	\$98,708
Rec Center Supervisor - Programs	\$93,576	94%	\$87,961
Rec Center Supervisor - Business and Guest Services	\$83,943	97%	\$81,425
Rec Coordinator - Programming	\$65,542	94%	\$61,609
Crew Leader - Maintenance	\$98,297	87%	\$85,518
Rec Center Coordinator - Customer Service	\$65,604	97%	\$63,636
Specialist III - Maintenance	\$58,994	87%	\$51,325
TOTAL	\$704,321		\$592,636
REDUCTION TO NATATORIUM BUDGET			\$111,685
REDUCTION IN DISD PAYMENT			\$55,842

In summary, approximately \$111,685 of full-time employee costs for the Aquatics Division would be reallocated to the Civic Center Pool operating budget. This action alone would, in turn, reduce the combined net operating loss of Water Works Park and the Natatorium by the same amount, thereby reducing DISD's 50% cost share by \$55,842 annually.

- **Pricing Strategies:** The Aquatics Division employs a host of dynamic pricing strategies in an effort to maximize revenue generation, however, additional strategies can be developed and implemented.
 - **Non-Resident Fee:** One shortfall to the pricing strategies is the fee that non-residents pay to participate in Aquatics programs offered by the City of Denton. The current

practice is “what it always has been” which is to add a nominal \$5 surcharge to the fee of each program. With non-residents making up 35% of program registrants, an updated non-resident fee pricing strategy should be considered to maximize its revenue generation.

- **Revenue Generation:** Currently, all fees, pricing strategies, discounts and promotions for the Aquatics Division must be approved by Denton City Council as part of the City’s overall fee schedule during the annual budget process which begins each year in February. This is problematic, in particular for Water Works Park, as the information utilized to generate the fee schedule is not based on the most recent operating season. For example, information utilized to develop the fee schedule for Water Works Park for the 2018 operating season was based on data derived from the 2016 operating season.

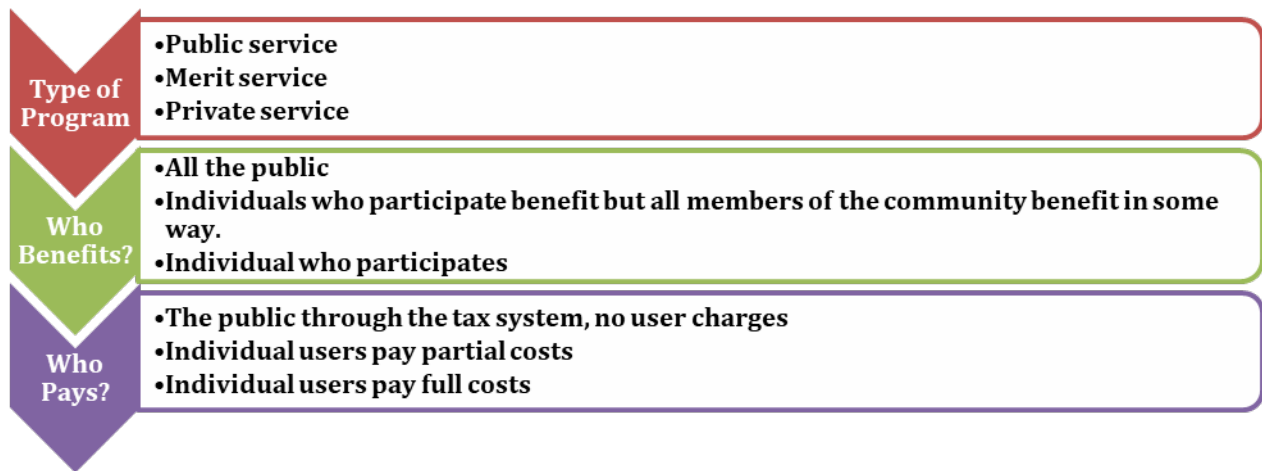
KEY RECOMMENDATIONS

- **Task Time Analysis:** The City of Denton should conduct a 12-month task time analysis of Aquatics Division full-time staff. This analysis will refine the cost allocation of full-time wages and benefits to the three Aquatics facilities and potentially result in further reduction of the annual Denton Independent School District cost sharing payment.
- **Full Cost of Service Analysis:** Upon completion of the task time analysis noted above, the Aquatics Division should conduct a full cost of service analysis including the cost allocation of direct, indirect and administrative and overhead costs across all functional lines of service. This analysis will more accurately allocate costs to the three Aquatics facilities. More information regarding Cost of Service can be found on page 31-33.
- **Revenue Generation:** Latitude should be given to the Parks and Recreation Department and the Aquatics Division to develop and implement revenue generating strategies within the framework of new pricing policy on an as needed basis to meet (and exceed) cost recovery goals. Opportunities exist in the areas of:
 - Special events
 - City of Denton Employee Pricing for Denton Independent School District Employees
 - Increased cabana services at Water Works Park
 - Development of “luxury loungers” at Water Works Park
 - Further development of group sales for Water Works Park



3.8 CLASSIFICATION OF SERVICES

The Aquatics Division currently does not classify its programs and services. Classification is an important process for an agency to remain aligned with the community’s interests and needs, the mission of the organization, and to sustainably operate within the bounds of its financial resources. The criteria utilized in program classification stems from the foundation’s concept detailed by Dr. John Crompton and Dr. Charles Lamb. In *Marketing Government and Social Services*, they purport that programs need to be evaluated based on the criteria of type, who benefits, and who bears the cost of the program. This is illustrated below:



The approach taken in this analysis expands classifying services in the following ways:

- For whom the program is targeted
- For what purpose
- For what benefits
- For what cost
- For what outcome

3.8.1 PARAMETERS FOR CLASSIFYING PROGRAM TYPES

The first milestone is to develop a classification system for the services and functions of the City of Denton’s Aquatics Division. These systems need to reflect the statutory obligations of the agency, the support functions performed, and the value-added programs that enrich both the customer’s experience and generate earned revenues in mission-aligned ways to help support operating costs. In order to identify how the costs of services are supported and by what funding source, the programs are to be classified by their intended purpose and what benefits they provide. Then funding source expectations can then be assigned and this data used in future cost analysis. The results of this process are a summary of classification definitions and criteria, classification of programs within the City of Denton’s Aquatics Division and recommended cost recovery targets for each service based on these assumptions.

Program classification is important as financial performance (cost recovery) goals are established for each category of services. This is then linked to the recommendations and strategies for each program or future site business plan. These classifications need to be organized to correspond with cost recovery expectations defined for each category.

3.8.2 SERVICE CLASSIFICATION PROCESS

The service classification process consists of the following steps:

1. Develop a definition for each program classification that fits the legislative intent and expectations of the Division; the ability of the Aquatics Division to meet public needs within the appropriate areas of service; and the mission and core values of City of Denton’s Aquatics Division.
2. Develop criteria that can be used to evaluate each program and function within the Division and determine the classification that best fits.

3.8.3 PROGRAM CLASSIFICATION DESCRIPTIONS

The program classification matrix provided by PROS Consulting was developed as a guide for the Aquatics Division staff to follow when classifying programs, and how that program needs to be managed with regard to cost recovery. By establishing clarification of what constitutes a “Core Public Service”, “Important Public Service”, and “Value Added Service” will provide the Division and its stakeholders a better understanding of why and how to manage each program area as it applies to public value and private value.

Additionally, the effectiveness of the criteria linked to performance management expectations relies on the true cost of programs (direct and indirect cost) being identified. Where a program falls within this matrix can help to determine the most appropriate cost recovery rate that should be pursued and measured. This includes being able to determine what level of public benefit and private benefit exists as they apply to each program area. Public benefit is described as, “everyone receives the same level of benefit with equal access”. Private benefit is described as “the user receives exclusive benefit above what a general taxpayer receives for their personal benefit”.

	ESSENTIAL Programs	IMPORTANT Programs	VALUE-ADDED Programs
Public interest; Legal Mandate; Mission Alignment	<ul style="list-style-type: none"> • High public expectation 	<ul style="list-style-type: none"> • High public expectation 	<ul style="list-style-type: none"> • High individual and interest group expectation
Financial Sustainability	<ul style="list-style-type: none"> • Free, nominal or fee tailored to public needs • Requires public funding 	<ul style="list-style-type: none"> • Fees cover some direct costs • Requires a balance of public funding and a cost recovery target 	<ul style="list-style-type: none"> • Fees cover most direct and indirect costs • Some public funding as appropriate
Benefits (i.e., health, safety, protection of assets).	<ul style="list-style-type: none"> • Substantial public benefit (negative consequence if not provided) 	<ul style="list-style-type: none"> • Public and individual benefit 	<ul style="list-style-type: none"> • Primarily individual benefit
Competition in the Market	<ul style="list-style-type: none"> • Limited or no alternative providers 	<ul style="list-style-type: none"> • Alternative providers unable to meet demand or need 	<ul style="list-style-type: none"> • Alternative providers readily available
Access	<ul style="list-style-type: none"> • Open access by all 	<ul style="list-style-type: none"> • Open access • Limited access to users 	<ul style="list-style-type: none"> • Limited access to users

Through a workshop with staff, the major functional program areas were classified based on the criteria identified on the previous page. This process included determining which programs and services fit into each classification criteria. Then cost recovery goals were established based on the guidelines included in this assessment. The percentage of cost recovery is based on the classification of services and will typically fall within these ranges, *although anomalies will exist*:

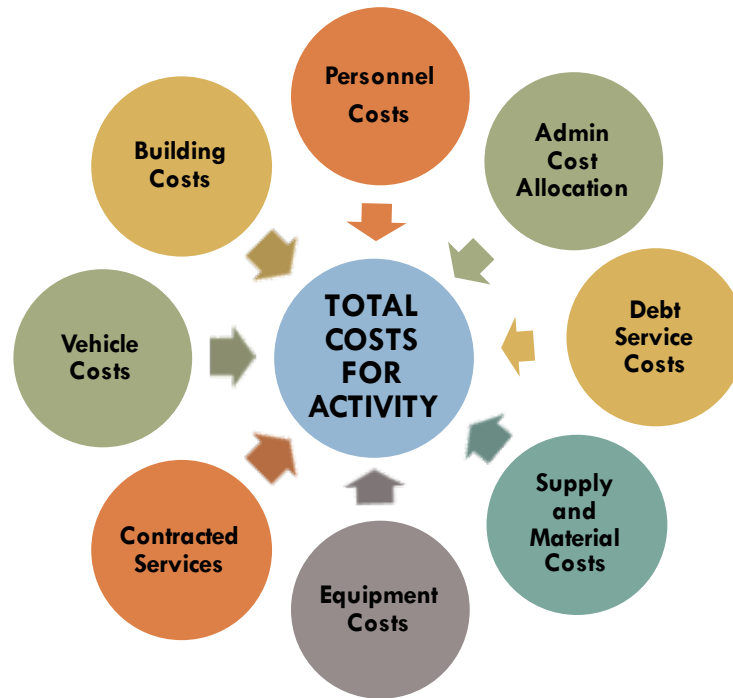
- Essential 0-35%
- Important 35-75%
- Value Added 75%+

The below table represents a summary of programs and services, the recommended classification of those programs, as well as, recommended cost recovery goals to be achieved within the next six years.

Core Program Area	Benefit Level	Classification	Pricing Strategy	Cost Recovery Goal
After Hour Rentals/Group Outings - Civic Center	Individual	Value Added	User Fees	100%
After Hour Rentals/Group Outings - NAT	Individual	Value Added	User Fees	100%
After Hour Rentals/Group Outings - Water Works	Individual	Value Added	User Fees	100%
Aquatic Explorer Camp	Individual	Value Added	User Fees	100%
Aquatic Fitness Classes - NAT	Individual	Value Added	User Fees	100%
Aquatic Fitness Classes - River Robics	Individual	Value Added	User Fees	100%
Aquatic Safety Programs – Outreach	Community	Essential	General Fund	0-25%
Babysitter Training	Individual	Value Added	User Fees	100%
Birthday Parties - Civic Center	Individual	Value Added	User Fees	100%
Birthday Parties - NAT	Individual	Value Added	User Fees	100%
Birthday Parties - Water Works	Individual	Value Added	User Fees	100%
Food and Beverage Services - Civic Center	Individual	Value Added	User Fees	100%
Food and Beverage Services - Water Works	Individual	Value Added	User Fees	100%
Group Learn to Swim Lessons - Civic Center	Individual/Community	Important	User Fees/General Fund	50%
Group Learn to Swim Lessons - NAT	Individual/Community	Important	User Fees/General Fund	50%
Junior Lifeguard Program	Individual	Value Added	User Fees	100%
Kayaking	Individual	Value Added	User Fees	100%
Lifeguard Training Certification	Community/Individual	Important	User Fees/General Fund	50%
Masters Swim	Individual	Value Added	User Fees	100%
Open/Lap Swim - NAT	Community/Individual	Essential/Value Added	General Fund - User Fees	25-75%
Open Swim - Water Works	Individual	Value Added	User Fees	100%
Open/Lap Swim - Civic Center Pool	Community	Essential	General Fund	25%
Private/Semi Private Swim Lessons	Individual	Value Added	User Fees	100%
Retail Sales - Gift Shop at Water Works	Individual	Value Added	User Fees	100%
Swim Teams/Meets - Denton Aquatics - NAT	Individual/Community	Important	User Fees/General Fund	50%
Swim Teams/Meets - Denton Aquatics - Civic Center	Individual/Community	Important	User Fees/General Fund	50%
Swim Teams and Meets – DISD	Community	Essential	General Fund	0%
Triathlon	Individual	Value Added	User Fees	100%
Water Safety Instructor Certification	Community/Individual	Important	User Fees/General Fund	50%

3.8.4 UNDERSTANDING THE FULL COST OF SERVICE

To properly fund all programs, either through taxes or user fees, and to establish the right cost recovery targets, a Cost of Service Analysis should be conducted on each program, or program type, that accurately calculates direct (i.e., program-specific) and indirect (i.e., comprehensive, including administrative overhead) costs. Completing a Cost of Service Analysis not only helps determine the true and full cost of offering a program but provides information that can be used to price programs based upon accurate delivery costs. The figure below illustrates the common types of costs that must be accounted for in a Cost of Service Analysis.



The methodology for determining the total Cost of Service involves calculating the total cost for the activity, program, or service, then calculating the total revenue earned for that activity. Costs (and revenue) can also be derived on a per unit basis. Program or activity units may include:

- Number of participants
- Number of tasks performed
- Number of consumable units
- Number of service calls
- Number of events
- Required time for offering program/service

Agencies use Cost of Service Analyses to determine what financial resources are required to provide specific programs at specific levels of service. Results are used to determine and track cost recovery as well as to benchmark different programs provided by the Aquatics Division between one another. Cost recovery goals are established once Cost of Service totals have been calculated. Division staff should be

trained on the process of conducting a Cost of Service Analysis and the process undertaken on a regular basis.

Currently, the Aquatics Division does not utilize a full cost of service model to track cost recovery. Staff does, however, analyze revenue, direct expenditures and cost recovery goals for most of its lines of service as shown in the table below:

Core Program Area	Fiscal Year 16-17 "Direct" Cost Recovery
After Hour Rentals/Group Outings - Civic Center	165%
After Hour Rentals/Group Outings - NAT	788%
After Hour Rentals/Group Outings - Water Works	168%
Aquatic Explorer Camp	181%
Aquatic Fitness Classes - NAT	0%
Aquatic Fitness Classes - River Robics	466%
Aquatic Safety Programs – Outreach	0%
Babysitter Training	NA
Birthday Parties - Civic Center	225%
Birthday Parties - NAT	104%
Birthday Parties - Water Works	202%
Food and Beverage Services - Civic Center	101%
Food and Beverage Services - Water Works	137%
Group Learn to Swim Lessons - Civic Center	103%
Group Learn to Swim Lessons - NAT	140%
Junior Lifeguard Program	175%
Kayaking	119%
Lifeguard Training Certification	158%
Masters Swim	NA
Open/Lap Swim - NAT	46%
Open Swim - Water Works	240%
Open/Lap Swim - Civic Center Pool	79%
Private/Semi Private Swim Lessons	NA
Retail Sales - Gift Shop at Water Works	127%
Swim Teams/Meets - Denton Aquatics - NAT	201%
Swim Teams/Meets - Denton Aquatics - Civic Center	99%
Swim Teams and Meets – DISD	0%
Triathlon	124%
Water Safety Instructor Certification	NA



To more accurately track cost of service and cost recovery, the consulting team recommends the following:

- **Develop New Pricing Policy Based on Classification of Programs and Services:** Given the recommended shift in philosophical approach, it is important to refocus the Division on cost recovery goals by functional program area or line of service. Pricing based on established operating budget recovery goals will provide flexibility to maximize all pricing strategies to the fullest. Allowing the staff to work within a pricing range tied to cost recovery goals will permit them to set prices based on market factors and differential pricing (prime-time/non-primetime, season/off-season rates) to maximize user participation and also encourage additional group rate pricing where applicable.

To gain and provide consistency, a revised pricing policy must be adopted in order for the Denton Aquatics Division to operate effectively and efficiently to meet the program cost recovery goals identified above. In short, it is important that the Aquatics Division state its policy in all publications, on its website, and in its reservation processes to describe how they establish a price for a service or use of a facility. Example:

“The City of Denton Aquatics Division’s funding that is derived from taxpayers is focused on mission-based facilities and services. The programs and facilities that are furthest from our mission, that provide an individual benefit, or that provide exclusive use will require higher fees from users or other sources to help offset operating costs.”

It is recommended that the Denton City Council adopt the recommended cost recovery goals for the Aquatics Division. It is expected that the Denton Aquatics Division will strive to continue to meet the cost recovery goals established for each program area as recommended. In order to continue to meet these goals, efforts must be made to:

- Consistently deliver high quality programs and services
- Strategically price programs and services
- Solicit sponsorships and donations to develop a sustainable earned income stream
- Increase the utilization of volunteers to offset operational expenditures
- Expand marketing to increase the volume of participation in programs and services

It is expected that an iterative implementation process of introducing the classification methodology and a new pricing policy along with the refinement of the Aquatics Division’s cost of service analysis will occur over the next six years. This process will have an impact on cost recovery as it will result in the refinement of foundational business elements including but not limited to service levels, service delivery, pricing and the guidelines developed to secure external operational funding sources such as grants, donations and partnerships. Additionally, external factors such as economic conditions and changes to the City’s financial policies will have a bearing on achieving a cost recovery goal in which revenue offsets 70% of expenditures.

- **Develop Pricing Strategies:** As the Denton Aquatics Division embarks on the implementation of a new pricing policy, it will be necessary to develop pricing strategies that will not only increase sales but also maximize the utilization of the City of Denton’s Aquatics facilities. By creating pricing options, customers are given the opportunity to choose which option best

fits their schedule and price point. The consulting team recommends that the Aquatics Division continue to explore pricing strategies that create options for the customer.

The following table offers examples of pricing options.

• Primetime	• Incentive Pricing
• Non-primetime	• Length of Stay Pricing
• Season and Off-season Rates	• Cost Recovery Goal Pricing
• Multi-tiered Program Pricing	• Level of Exclusivity Pricing
• Group Discounting and Packaging	• Age Segment Pricing
• Volume Pricing	• Level of Private Gain Pricing

The most appropriate strategies for the Denton Aquatics Division to consider are as follows:

- Primetime and Non-primetime pricing strategy - The price is set based on the time of the day. Primetime is considered to be the time of day in which the demand for the service is highest. Fees for the rental of a park or pool during this time would be set at rate that would recover 125-150% of costs incurred. To lessen the demand for “primetime”, the Aquatics Division can lower prices for rentals of the park or pool during times in which demand is lower. This will assist in maximizing the utilization of its facilities.
- Premium pricing - The price set is high to reflect the exclusiveness of the product. An example of this would be a user group paying higher rental fees for the exclusive use of a facility that prohibits the general public or other groups from participating.
- Consider a pricing strategy that provides a discount for online registration of programs.
- Consider a pricing strategy that provides for an increase to the Non-Resident Fee such as \$1 per hour for each session of program. For example, if a learn to swim program meets for a total of 8 hours, the non-resident fee would be equal to \$8.

3.8.5 THIRD PARTY CONTRACTING OF SERVICES CONSIDERATIONS

The Denton Parks and Recreation Department fully operates, manages and maintains, *at a best practice level*, the City of Denton’s three Aquatics facilities. The contracting out of work is limited to repair, maintenance and installation of specialized equipment and systems.

Additionally, Denton City Council not only establishes the fees for admission to the Aquatics facilities as well as the charges for the programs and services offered but does so in a manner to make the facilities, programs and services “affordable” to Denton residents by appropriating general fund dollars to offset the operating loss incurred by the Aquatics Division.

Given the best practice level at which the Aquatics Division currently operates and the desire to create affordable Aquatics offerings to Denton residents, the Consultant does NOT recommend the contracting out of the management and maintenance of the City of Denton’s Aquatics facilities.

It is, however, imperative that The City of Denton continually evaluate the capacity and cost of service of its operation against the private sector. Through the development of a managed competition process, the Aquatics Division would continually update its cost of service modeling through the implementation of a work order management system and, in turn, it would internally analyze the unit cost to perform work internally against the unit cost for a third party contractor. The introduction of managed



competition will reinforce the concept of performing work in an effective and efficient manner by striving to meet unit cost and level of productivity targets.

3.9 POLICY ANALYSIS

- **Joint Use Agreement:** The current joint use agreement between the City of Denton and the Denton Independent School District can best be described as a basic framework of an agreement and lacks the detail necessary to better delineate roles, responsibilities, decision making authority and cost sharing.
 - **The Natatorium Committee:** The joint use agreement stipulates the formation and regular meeting of The Natatorium Committee to set usage procedures and policies for implementing the allocation of usage between the City and DISD. This committee has not met since circa 2005.
- **Outside Food Policy at Water Works Park:** Currently, there is not a policy in place that restricts patrons from bringing of outside food into the Water Works Park. This is potentially problematic as the Aquatics Division embarks on the operations of a full-service concession stand in the summer of 2018. (The full-service concession stand was constructed during 2016-2017 Fiscal Year in conjunction with the Wave Pool. The outcome of the full-service concession stand is to generate additional revenue to increase the overall cost recovery at Water Works Pool to 110-120% - up from its current cost recovery rate of 104%).
- **Procurement:** Currently, most Aquatics Division supply and material purchases are made through the City's central warehouse. This practice has resulted in some charges to the Aquatics Division budget that are above market rate and thereby, unnecessarily, inflating the Division's expenditures.

KEY RECOMMENDATIONS

- **Joint Use Agreement:** Consider revising the joint use agreement to better delineate roles and responsibilities between the City of Denton and the Denton Independent School District. An example of a more "robust" joint use agreement is provided as a separate document.
- **The Natatorium Committee:** Consider reinstating the Natatorium Committee to increase accountability and lines of communication between the City and DISD.
- **Outside Food Policy:** Develop and implement an outside food policy that limits the food and beverage patrons can bring into the Water Works Park. Implementation of this policy can generate additional concession revenue, thereby increasing the cost recovery of the Water Works Park operation. An example of an "Outside Food Policy is as follows:

Outside food and beverages are permitted as follows:

- *One clear, quart-sized sealed bag*
- *One factory-sealed plastic water bottle (non-carbonated and colorless water only) not exceeding 1 liter in size per fan*
- *Children's single serving juice drinks in factory sealed box or pouch package*
- *Baby formula and baby food*
- *Small bags not exceeding 16" X 16" X 8"*

CHAPTER FOUR – OPERATING PRO FORMA

The consulting team utilized the following set of assumptions for the development of a high-level pro forma for the management of the three Aquatics facilities that make-up the Denton Aquatics Division.

4.1 AQUATICS ASSESSMENT RECOMMENDATION ASSUMPTIONS

- Civic Center Pool will operate as a summer only “community pool” and will utilize a social service operating model to recover 30-40% of its costs.
- The Natatorium will operate as a year-round, full service Aquatics center and will utilize a blended operating model of “social service/business” to recover 35-50% of its costs.
- The Water Works Park will operate as a summer only destination water park and will utilize a business operating model to recover 110-120% of its costs.
- Full-time employee costs of \$111,000 have been re-allocated from The Natatorium operating budget to the Civic Center Pool budget as a result of the task time analysis.
- The Aquatics Division will implement the Classification of Services recommendations.
- Water Works Park will implement a No Outside Food Policy as recommended in this report.
- The pro forma assumes current staffing levels of the Denton Aquatics Division and does NOT include the addition of full-time staff as noted in Section 3.1.2
- Personnel expenditures are based on FY 2017-18 salaries and wages and does not include an increase in minimum wage to \$10+ per hour.

4.2 GENERAL EXPENSE AND REVENUE ASSUMPTIONS

- Expenses are projected to be 100% of projected costs beginning in the modeled year “Operating Year 1”; annual increases of a set percent per year each year thereafter as based on Expenditure and Revenue Growth Inputs
- Revenues are projected to be 100% of projected revenue capacity beginning in the modeled year “Operating Year 1”; annual increases of a set percent per year each year thereafter as based on Expenditure and Revenue Growth Inputs

4.3 OPERATING/GROWTH INPUT ASSUMPTIONS

- Operating and growth inputs are based on average increases per expenditure and revenue category; due to the volatility of the health care for staff and utility costs, higher growth rates were utilized
 - Revenues are projected to growth annual by 3% through growth in users and fee adjustments
 - Salaries and Benefit growth rate is calculated at 3% annual growth due to the potential volatility of the insurance/pension fund requirements
 - Supplies expenditures are calculated at 3% annual growth due to inflation
 - Other services growth rate is calculated at an average of 2% annual growth due to ongoing increases in City of Denton Internal Service Fund transfers



From these assumptions, PROS Consulting projects that the Aquatics Division can operate at a 70% cost recovery beginning in Fiscal Year 2019-20 and require a subsidy in the form of the DISD joint use agreement subsidy and a general fund subsidy to offset the total operating loss (\$907,500).

4.3.1 BASIC PRO FORMA – FULL AQUATICS DIVISION

The following table summarizes the financial operations for the first year of the pro forma - Fiscal Year 2019-20 for the Denton Aquatics Division.

Pro Forma Revenues & Expenditures				
DENTON AQUATIC DIVISION				
BASELINE: REVENUES AND EXPENDITURES				
SERVICE TITLE	Revenues	Expenditures	Revenues Over (Under) Expenditures	Cost Recovery - Percent
Water Works Park	\$1,545,000.00	\$1,405,000.00	\$140,000.00	110%
The Natatorium	\$479,500.00	\$1,360,000.00	(\$880,500.00)	35%
Civic Center Pool	\$155,000.00	\$344,000.00	(\$189,000.00)	45%
Total	\$2,179,500.00	\$3,109,000.00	(\$929,500.00)	70%

4.3.2 BASIC PRO FORMA – WATER WORKS PARK AND THE NATATORIUM

The following table summarizes the financial operations for the first year of the pro forma - Fiscal Year, 2019-20 for the Water Works Park and the Natatorium.

Pro Forma Revenues & Expenditures				
DENTON AQUATIC DIVISION				
BASELINE: REVENUES AND EXPENDITURES				
SERVICE TITLE	Revenues	Expenditures	Revenues Over (Under) Expenditures	Cost Recovery - Percent
Water Works Park + The Natatorium	\$2,024,500.00	\$2,765,000.00	(\$740,500.00)	73%
Total	\$2,024,500.00	\$2,765,000.00	(\$740,500.00)	73%

4.3.3 REVENUE MODEL

The following table summarizes the revenue model for the three Aquatics facilities that comprise the Aquatics Division.

Pro Forma Revenues & Expenditures			
DENTON AQUATIC DIVISION			
REVENUE MODEL			
DIVISION	ACCOUNT TITLE	REVENUES	EXPLANATION
REVENUES			
WWP	Admissions	\$1,000,000.00	
WWP	Concessions	\$400,000.00	
WWP	Gift Shop	\$15,000.00	
WWP	Programs	\$30,000.00	
WWP	Facility Rental	\$100,000.00	
TOTAL WWP Revenues		\$1,545,000.00	
DIVISION	ACCOUNT TITLE	REVENUES	EXPLANATION
REVENUES			
The NAT	Admissions	\$125,000.00	
The NAT	Concessions	\$3,000.00	
The NAT	Merchandise	\$1,500.00	
The NAT	Programs	\$275,000.00	
The NAT	Facility Rental	\$75,000.00	
TOTAL NATATORIUM REVENUES		\$479,500.00	
DIVISION	ACCOUNT TITLE	REVENUES	EXPLANATION
REVENUES			
CCP	Admissions	\$75,000.00	
CCP	Programs	\$60,000.00	
CCP	Rentals	\$20,000.00	
TOTAL CIVIC CENTER POOL REVENUES		\$155,000.00	



4.3.4 EXPENDITURE MODEL – WATER WORKS PARK

The following table summarizes the expenditure model for Water Works Park.

Pro Forma Revenues & Expenditures		
WATER WORKS PARK		
ACCOUNT TITLE		BUDGET
REVENUES		
Admissions		\$1,000,000.00
Concessions		\$400,000.00
Gift Shop		\$15,000.00
Programs		\$30,000.00
Facility Rental		\$100,000.00
TOTAL REVENUES		\$1,545,000.00
EXPENDITURES		
PERSONNEL SERVICES		
Total	Personnel Services	\$780,000.00
SUPPLIES		
Total	Supplies	\$610,000.00
OTHER SERVICES & CHARGES		
Total	Other Services	\$15,000.00
TOTAL EXPENSES		\$1,405,000.00
NET REVENUE/(LOSS)		\$140,000.00

4.3.5 EXPENDITURE MODEL – THE NATATORIUM

The following table summarizes the expenditure model for The Natatorium.

Pro Forma Revenues & Expenditures		
THE NATATORIUM		
ACCOUNT TITLE		BUDGET
REVENUES		
Admissions		\$125,000.00
Concessions		\$3,000.00
Merchandise		\$1,500.00
Programs		\$275,000.00
Facility Rental		\$75,000.00
TOTAL REVENUES		\$479,500.00
EXPENDITURES		
PERSONNEL SERVICES		
Total	Personnel Services	\$800,000.00
SUPPLIES		
Total	Supplies	\$450,000.00
OTHER SERVICES & CHARGES		
Total	Other Services	\$110,000.00
TOTAL EXPENSES		\$1,360,000.00
NET REVENUE/(LOSS)		(\$880,500.00)



4.3.6 EXPENDITURE MODEL – CIVIC CENTER POOL

The following table summarizes the expenditure model for the Civic Center Pool.

Pro Forma Revenues & Expenditures		
CIVIC CENTER POOL		
ACCOUNT TITLE		BUDGET
REVENUES		
Admissions		\$75,000.00
Programs		\$60,000.00
Rentals		\$20,000.00
TOTAL REVENUES		\$155,000.00
EXPENDITURES		
Personnel Services		
Total	Personnel Services	\$250,000.00
SUPPLIES		
Total	Supplies	\$75,000.00
OTHER SERVICES & CHARGES		
Total	Other Services	\$19,000.00
TOTAL EXPENSES		\$344,000.00
NET REVENUE/(LOSS)		(\$189,000.00)

4.3.7 SIX YEAR PRO FORMA – FULL AQUATICS DIVISION

Based on all operating assumptions set forth within this report, and excluding any unforeseen circumstances, the Denton Aquatics Division is projected to achieve and maintain a cost recovery of 70%. A summary of the six-year pro forma is presented in the table below.

Pro Forma Revenues & Expenditures						
DENTON AQUATIC DIVISION						
BASELINE: REVENUES AND EXPENDITURES						
Revenues	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Water Works Park	\$1,545,000.00	\$1,591,350.00	\$1,639,090.50	\$1,688,263.22	\$1,738,911.11	\$1,791,078.44
The Natatorium	\$479,500.00	\$493,885.00	\$508,701.55	\$523,962.60	\$539,681.47	\$555,871.92
Civic Center Pool	\$155,000.00	\$159,650.00	\$164,439.50	\$169,372.69	\$174,453.87	\$179,687.48
Total	\$2,179,500.00	\$2,244,885.00	\$2,312,231.55	\$2,381,598.50	\$2,453,046.45	\$2,526,637.84
Expenditures	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Water Works Park	\$1,405,000.00	\$1,447,150.00	\$1,490,564.50	\$1,535,281.44	\$1,581,339.88	\$1,628,780.07
The Natatorium	\$1,360,000.00	\$1,400,800.00	\$1,442,824.00	\$1,486,108.72	\$1,530,691.98	\$1,576,612.74
Civic Center Pool	\$344,000.00	\$346,630.00	\$349,335.10	\$352,117.48	\$354,979.37	\$357,923.09
Total	\$3,109,000.00	\$3,194,580.00	\$3,282,723.60	\$3,373,507.63	\$3,467,011.23	\$3,563,315.91
Total Cost Recovery	70%	70%	70%	71%	71%	71%

4.3.8 SIX YEAR PRO FORMA – WATER WORKS PARK AND THE NATATORIUM

Based on all operating assumptions set forth within this report, and excluding any unforeseen circumstances, the combined financial performance of the Water Works Park and the Natatorium is projected to achieve and maintain a cost recovery of 70%. A summary of the six-year pro forma is presented in the table below.

Pro Forma Revenues & Expenditures						
DENTON AQUATIC DIVISION						
BASELINE: REVENUES AND EXPENDITURES						
Revenues	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Water Works Park	\$1,545,000.00	\$1,591,350.00	\$1,639,090.50	\$1,688,263.22	\$1,738,911.11	\$1,791,078.44
The Natatorium	\$479,500.00	\$493,885.00	\$508,701.55	\$523,962.60	\$539,681.47	\$555,871.92
Total	\$2,024,500.00	\$2,085,235.00	\$2,147,792.05	\$2,212,225.81	\$2,278,592.59	\$2,346,950.36
Expenditures	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Water Works Park	\$1,380,000.00	\$1,421,400.00	\$1,464,042.00	\$1,507,963.26	\$1,553,202.16	\$1,599,798.22
The Natatorium	\$1,360,000.00	\$1,400,800.00	\$1,442,824.00	\$1,486,108.72	\$1,530,691.98	\$1,576,612.74
Total	\$2,740,000.00	\$2,822,200.00	\$2,906,866.00	\$2,994,071.98	\$3,083,894.14	\$3,176,410.96
Total Cost Recovery	74%	70%	70%	70%	71%	71%
City of Denton General Fund Subsidy	\$357,750.00	\$368,482.50	\$379,536.98	\$390,923.08	\$402,650.78	\$414,730.30
Denton Independent School District Subsidy	\$357,750.00	\$368,482.50	\$379,536.98	\$390,923.08	\$402,650.78	\$414,730.30

4.3.9 FINANCIAL SUMMARY

The projected 70% cost recovery would result in a decrease in the overall net subsidy from its current level of \$1,077,017 to \$929,500 in Fiscal Year 2019-20. This is a savings of \$147,517 to the taxpayers of the City of Denton.



CHAPTER FIVE – ACTION PLAN MATRIX

The consultant synthesized its findings to develop a framework of strategic recommendations for the City of Denton’s Aquatics Division. The Action Plan features recommended strategies that align with three major categories: Efficiency and Effectiveness, Revenue Generation, and Policy and Procedures.

The Action Plan should be evaluated and refined as political and economic circumstances shift and be used to accomplish the vision and mission of Aquatics Division. A complete implementation plan matrix, including tactics, accountability, timelines and performance measures, has been provided as a separate, stand-alone document.

EFFICIENCY and EFFECTIVENESS	
Create an efficient and effective service delivery model of Aquatics for Denton residents.	
Strategy	Develop and implement a plan that upgrades the utilization of technology to capture and analyze data while improving customer service. (Examples include: Point-of-sale scanners, I-Pads for staff, interactive point of sale system for Water Works Park concession)
Strategy	Upgrade the security system at the Natatorium to reduce incidences of false alarms.
Strategy	Engage the City of Denton’s Procurement Division to determine opportunities to reduce Aquatics Division expenditures.
Strategy	Implement a work order management system for Aquatics maintenance.

REVENUE GENERATION	
Increase cost recovery for the Aquatics Division to 70% from 60%.	
Strategy	Consider the addition of a Marketing Coordinator and Administrative/Financial Analyst
Strategy	Develop and implement a target marketing program that includes increasing efforts in the area of group sales
Strategy	Implement the Classification of Services Model that focuses on cost recovery based on level of benefit received.
Strategy	Evaluate the introduction of premium services at the Water Works Park, including cabana services, luxury loungers and interactive point of sale system for concessions
Strategy	Develop and implement Community Special Events at the Water Works Park
Strategy	Consider offering City of Denton Employee Pricing for Aquatics programs and services to Denton Independent School District employees
Strategy	Allow Aquatics Division staff to implement dynamic pricing strategies on an as needed basis within the framework of the new pricing policy.

POLICY and PROCEDURE	
Align policy with the recommended operating models for each Aquatics facility while continually seeking to manage the facilities utilizing best practice standards and procedures.	
Strategy	Adopt a Pricing Policy for Aquatics Division that aligns the operating models of the three Aquatics facilities.
Strategy	Adopt a “No Outside Food Policy” for Water Works Park to maximize the return on investment of the new concession stand
Strategy	Revisit the Joint Use Agreement between the City of Denton and the Denton Independent School District in an effort to better delineate roles, responsibilities, decision making authority and cost sharing.
Strategy	Update Aquatics personal protective equipment standards. See Appendix B for a template policy.
Strategy	Develop and implement a written non-swimmer protection policy.
Strategy	Create written, special needs patron safety guidelines.
Strategy	Implement a formal allocation policy for the utilization of the Aquatics facilities.
Strategy	Conduct a full task time analysis of Aquatics Division full-time staff to refine the cost allocation of full-time wages and benefits to the three Aquatics facilities and potentially result in further reduction of the annual Denton Independent School District cost sharing payment
Strategy	Conduct a full cost of service analysis including the cost allocation of direct, indirect and administrative and overhead costs across all functional lines of service. This analysis will more accurately allocate costs to the three Aquatics facilities
Strategy	Eliminate “Coin-for-A-Key” locker system to improve customer service by eliminating the perception of putting a financial strain on the customer by charging small amounts for a minor service (“nickel and diming”)

CHAPTER SIX - CONCLUSION

The overall vision and mission of the Denton Aquatics Division has evolved over the past decade as the City continues to develop as a community comprised of healthy-minded, physically active citizens who love swimming. This evolution creates challenges and opportunities for the Aquatics Division to operate effectively and efficiently while recovering costs.

The Aquatics Assessment includes recommendations to ensure that the Denton Aquatics Division is positioned to accomplish short and long-term goals, initiatives, tactics and measurements while delivering best practice Aquatics facilities, services and programs to the Denton Community.



APPENDIX A - FORMAL ALLOCATION GUIDELINES

PRIORITY USE SYSTEM

Following is a list of user types in priority order. This priority list needs to be used as a guide in allocating pool space, while still ensuring a balance of programming is offered for the residents of Denton.

LANE ALLOCATION CONSIDERATIONS

Groups in good financial standing with the City of Denton will be allocated pool time, utilizing the Priority Use System as a framework. While this system provides a framework for allocation, the City of Denton Aquatics staff will need to distribute pool space and times with the goal of ensuring that a balance of activities and opportunities are available to residents of varying Aquatics interest. Users may not monopolize desirable pool time so as to jeopardize a variety of programming opportunities being offered to the residents of Denton. If competing requests for allocation takes place, the following factors will be considered in allocation of lanes:

- Percentage of residents vs. nonresidents
- Size of program
- Total number of Denton residents in the organization/program
- Type of program
- Consistent use of previous allocation
- Adherence to permit requirements and facility rules and regulations during previous commitments

Once pool permits have been issued, additional pool time will be permitted only if space is available during the time requested. At least a two-week advance written notice is required if an organization wishes to cancel the permitted lane. If the canceled permitted lanes are not needed for city programs, staff will notify other existing permit holders via email of the lane availability and allocate the available pool space to the first respondent. All permitting of pool space will be approved in writing.

To ensure safe and quality workouts, organizations are expected to limit the number of participants entering the pools in relationship to the number of lanes they are permitted.

NONPROFIT STATUS

In order to be classified as a nonprofit organization, verification demonstrating good standing with the State of Colorado is required by June 30th of each year for returning organizations and at the time of permit application submission for new applicants.

RESIDENT ORGANIZATIONS

In order to qualify as a resident organization, at least 50% of an organization's participants using the pools must be Denton residents. Participants are defined as "unduplicated" (# of different people). Organizations with both adult and youth programs are classified separately by program.

Organizations that have not applied for a permit at the pools within the last 12 months will be required to submit organization program rosters with full home addresses of participants (business addresses, PO boxes, etc. are not acceptable) to the pools at the time the permit application is submitted. Newly formed organizations must submit their roster to the pools prior to the first day of use. This roster will be compared to the information submitted with the permit application and user category classification adjustments will be made as warranted.



It is recommended that the Aquatics Division track not just residency but also total participation.

CLASSIFICATION IN PRIORITY USE CATEGORIES

For determining placement in the Priority Use Categories, participation levels during the 12-month period prior to each seasonal application deadline are used. If 50% or more participants are residents, the organization will be categorized as a resident organization (youth and adult programs calculated separately) for the upcoming permit period.

APPLICATION PROCESS

Applications for pool permits will be accepted twice per year for priority processing. Application/permit dates are approximate and may be adjusted based on school calendars and/or staff schedules. Permitting periods may vary each year in order to adhere to the Denton Valley School District's school-year calendar, and/or pool maintenance schedules.

Hours requested on the permit application are to include warm up, stretching, and cool down time. Permits requested after the application deadline for each permitting period will be issued on a space availability basis.

CANCELLATIONS

Permitted groups cannot exchange or sublet their allocated pool space to any other group and will be responsible for paying for all lanes permitted.

If non-weather-related cancellations are requested by a group, credit will only be given with two or more weeks advanced written notification to Aquatics staff.

PERMIT GROUP ATTENDANCE

Member information for each organization will be entered into the City's recreation software system and each person will be issued an Activity Passport card to be swiped upon entering the pools. A fee for the Activity Passport cards will be charged for participants. In the event an organization has a new participant that has not been added to the organization's roster, they will be asked to sign-in upon entry to the pools and be counted as a nonresident unless proof of Denton residency is provided. New members will be given a grace period in which to obtain an Activity Passport card. Members that continually participate with an organization without obtaining an Activity Passport card may be denied access until a card is obtained. Organizations will be required to provide staff with information on new and deleted members on at least a monthly basis in order to update the automated system.

RESIDENCY CLASSIFICATION FOR BILLING PURPOSES

Organizations will be classified as resident or nonresident on a quarterly basis. At the conclusion of each calendar quarter, staff will determine the number of resident and nonresident participants from each organization (youth and adult programs calculated separately). If the percentage of resident participants during the concluding quarter is 50% or greater, the organization will be classified as a resident organization for that quarter and billed accordingly. If the percentage of resident participants during the concluding quarter is less than 50%, the organization will be classified as a nonresident organization for that quarter and be billed accordingly.

PAYMENT

Organizations will be billed quarterly. Payment of invoices will be due upon receipt and is considered delinquent if not received within thirty days of invoice date. Permits may be canceled with lanes reallocated and facility access denied if payment is not received on time. Late payments may also result in loss of priority standing for the following permitting season and a requirement for advance payment may be instituted.

SWIM MEET RENTALS

Organizations can apply for use of the pools for swim meets, although the City is limited in the number of meets that can be held each year pursuant to the operating conditions for the facility. Fees are charged on a per-hour basis and only include use of the lap pools. Staff will provide timely notice to permit groups regarding permit changes due to meets schedules.

PROHIBITED USES

Permits will not be issued to organizations that compete with City programs. Private instruction requires authorization by the City of Denton Aquatics Supervisor.

APPENDIX B – AQUATICS PERSONAL PROTECTIVE EQUIPMENT STANDARDS

Lifesaving is a trainable technique that has been refined for maximum effectiveness. Rescue techniques are employed using specific equipment. This equipment is essential to protect the user and the victim. The following equipment is not optional. It is used to ensure proper rescuer performance and provide appropriate rescuer safety.

TUBE

The tube provides the rescuer with protection and prevention from sinking. It also provides the victim with buoyancy and prevents the lifeguard from having to fully support the victim's weight.

- The tube must be in possession of the on-duty lifeguard at all times, no exceptions!
- The strap is to be worn by the lifeguard and gathered to prevent catching on the chair during exit.
- The tube can be used as a barrier for the lifeguard in the event of an emergency (i.e., keeps the guard in control, keeps the victim away from the lifeguard, supports four to five victims' heads above the static water line).

MASK & GLOVES

The mask protects the lifeguard from ingesting vomit or other bodily fluids. Gloves give the rescuer protection from blood borne pathogens and give the victim assurance that their rescuer will not panic and quit before the rescue is complete.

- Mask and gloves will always be with the guard, preferably in a fanny pack.
- Virtually all drowning and near drowning incidents involve bodily fluids, especially vomit, which has the potential to be expelled into the guard's mouth if they do not utilize a mask.
- The guard will not use these protective devices if they are not readily available. The fanny pack must be worn at all times while at the pool facility. This will ensure they are prepared if they have to respond to an emergency off the pool deck.

TRAINING

Every lifeguard is required to be certified, a facility must take extra precautions into consideration.

- Conduct training that will focus specifically on Personal Protective Equipment utilization and practice.
- During training, "create" artificial body fluids using fake blood and Alka-Seltzer. This strategy will help prepare your guards to adapt to encountering this scenario.
- Regularly verify that lifeguards are properly equipped and rescue-ready.

Lifeguards train and practice in closed environments, usually free of blood borne pathogens and actual drowning victims. It may be difficult to conceive of such a remote and unfamiliar danger as a blood borne pathogen, but the exposure, once experienced, has the potential to be life changing and irrevocable.

APPENDIX C - NON-SWIMMER PROTECTION POLICY

Many Aquatics facilities do not test the swimming capabilities of unknown swimmers. Frequently, tragic stories demonstrate the need to develop and implement swim test protocols. An increasing number of Aquatics facilities have implemented a non-swimmer protection policy and are now successfully testing swimmers of unknown ability, especially participants of special use groups like day camps, rental groups, and birthday parties.

Following is a recommended policy for non-swimmer protection, including all children and adults that are part of an outside group (rentals, special events, birthday parties, etc.).

TEST:

Swim test to determine swimming ability. Users who do not take the test, or children under seven years old, may automatically be designated as non-swimmers.

MARK:

Clearly mark all users to identify swimming ability.

PROTECT:

Most Aquatics incidents happen in shallow water (3'-5'). Protect non-swimmers, especially younger children, by restricting them to the shallow end and adding additional layers of protection.

1. The non-swimmer is actively engaged in a swim lesson or activity with staff.
2. The non-swimmer is actively supervised, within arms-reach of an adult parent or caregiver; and/or
3. The non-swimmer is wearing a properly fitted US Coast Guard approved Life Jacket.

Any change in policy and procedure may encounter difficulties in administration and implementation. Although modifications and new innovations to a policy are anticipated to overcome implementation challenges, the spirit of a policy needs to be fully implemented. A non-swimmer protection policy must be enforced at all times without exception. Failure to do so may put the City of Denton "at risk" in the event of an incident. More importantly, failure to enforce this or a similar policy leaves your swimmers at risk.



APPENDIX D - SAFETY GUIDELINES FOR PATRONS WITH SPECIAL NEEDS

Under the Americans with Disabilities Act (ADA) persons with disabilities must be provided equal access and opportunity to use all of the City of Denton's Aquatics facilities. In addition to providing the necessary physical accommodations like ramps and hydro-lifts, Aquatics staff must also be prepared to assist people with disabilities in normal activities and to respond appropriately in case of an emergency.

Although there are many types of disabilities, it is most important to remember that everyone is a person first. Within the Aquatics Division, there are several scenarios in which lifeguards may be asked to work with or supervise people with disabilities; and your role will vary based on the situation, age of the person and the person's ability to understand safety and directions.

Drop-In/Free Swim:

For a drop-in, a patron with a disability has paid the entrance fee to the rec center and is coming to swim either in the lap or leisure pool. As with any other patron, as a lifeguard your role is to supervise them in the pool to make sure they are being safe and following the pool rules. Your role does not include helping patrons dress, use the restroom or transferring people in or out of wheelchairs. People needing additional support with these types of activities are able to bring an assistant in to the recreation center free of charge to help them. Our pools all have water wheelchairs, accessible entries into the pools (lifts, ramps, zero depth entry) and assistive floatation devices (life jackets, water belts, etc.). If a patron would like to use this equipment, please watch to ensure they are using it correctly.

Registered Class/Swim Lesson:

In this situation, a patron has pre-registered for a class and requested an accommodation. At this point, an EXPAND staff will complete an assessment with the patron and decide upon some accommodations to help make the lesson a positive, successful experience for everyone. Accommodations may include things such as a visual schedule of the lesson plan, helping a patron transfer into or out of the pool and having an extra City of Denton staff to assist the patron in the water. Swim instructors will be given information about the person in their class and the accommodations being made for them ahead of time. Staff who will be in charge of physically assisting individuals will be trained in the correct procedures to ensure they do not hurt themselves or the patron. This includes things such as transferring people in and out of wheelchairs, using adaptive Aquatics equipment and assisting patrons in the rest room. Please do not attempt to physically assist someone without the proper training - both you're and the patron's safety are of upmost importance!

In general, lifeguards need to:

- Recognize individuals with various challenges and communicate effectively with them.
- Be able to safely and efficiently assist each of them in case of need.
- Be proactive to prevent a potentially dangerous situation from becoming an emergency.
- Modify rescue protocols and procedures; regularly practice how to assist these patrons.
- Increase guard-to-swimmer ratios to provide adequate protection in pools that include groups of swimmers with disabilities.
- The Aquatics staff must remember individuals with disabilities are people first, people who are to be treated with the same level of respect and dignity that would be afforded to any patron.

APPENDIX E - MARKET ANALYSIS

The Demographic Analysis provides an understanding of the population of Denton, Texas. This analysis is reflective of the total population, and its key characteristics such as age segments, income levels, race, and ethnicity.

It is important to note that future projections are all based on historical patterns and unforeseen circumstances during or after the time of the projections could have a significant bearing on the validity of the final projections.

METHODOLOGY

Demographic data used for the analysis was obtained from City of Denton's Department of Development Services, the U.S. Census Bureau and from the Environmental Systems Research Institute (ESRI), the largest research and development organization dedicated to Geographical Information Systems (GIS) and specializing in population projections and market trends. All data was acquired in January 2018 and reflects actual numbers as reported in the 2010 Censuses and estimates for 2017 and 2022 as obtained by ESRI. Straight line linear regression was utilized for projected 2027 and 2032 demographics.

RACE AND ETHNICITY DEFINITIONS

The minimum categories for data on race and ethnicity for Federal statistics, program administrative reporting, and civil rights compliance reporting are defined as below. The Census 2010 data on race are not directly comparable with data from the 2000 Census and earlier censuses; caution must be used when interpreting changes in the racial composition of the US population over time. The latest (Census 2010) definitions and nomenclature are used within this analysis.

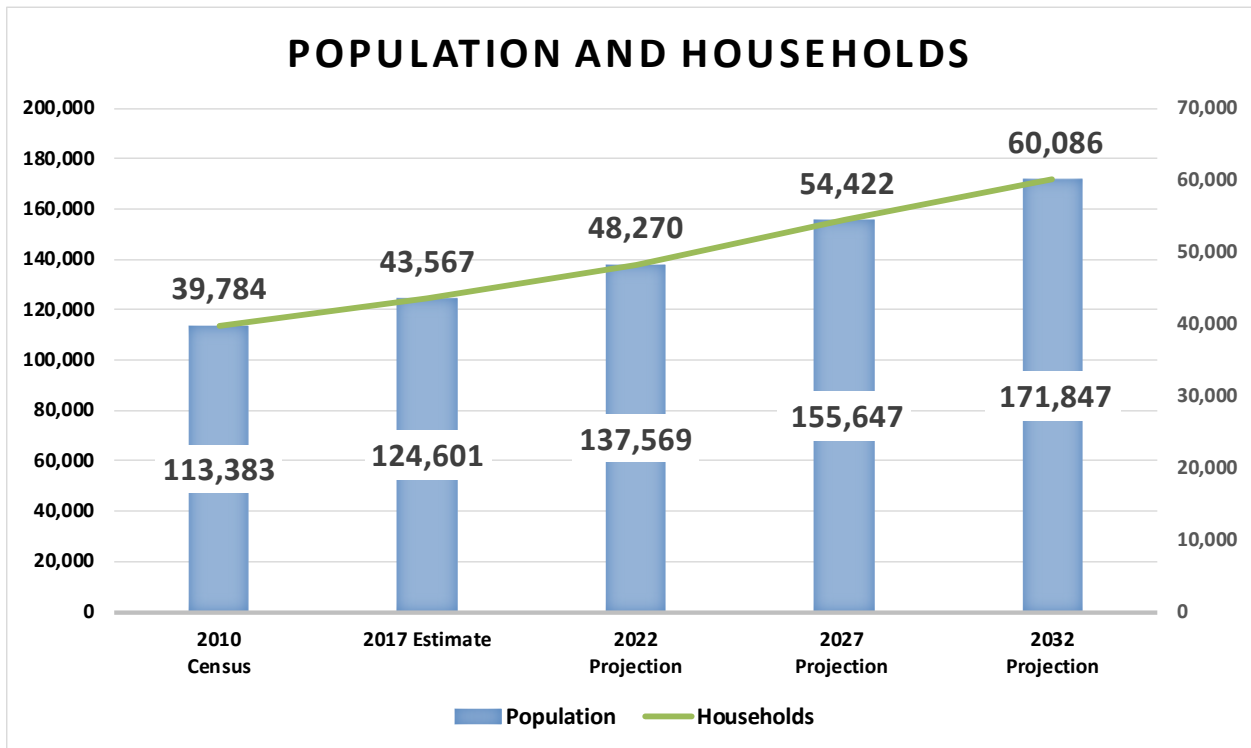
- American Indian - This includes a person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment
- Asian - This includes a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam
- Black - This includes a person having origins in any of the black racial groups of Africa
- Native Hawaiian or Other Pacific Islander - This includes a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands
- White - This includes a person having origins in any of the original peoples of Europe, the Middle East, or North Africa
- Hispanic or Latino - This is an ethnic distinction, a subset of a race as defined by the Federal Government; this includes a person of Mexican, Puerto Rican, Cuban, South or Central American, or other Spanish culture or origin, regardless of race



DENTON POPULACE

POPULATION

The City's population has experienced a growing trend in recent years and is currently estimated at 124,601 individuals. Projecting ahead, the total population is expected to continue to grow rapidly over the next 15 years. Based on predictions through 2032, the service area is expected to have 171,847 residents living within 60,086 households - a projected annual increase of 2%, which is nearly three times that of the US annual growth of 0.7%.

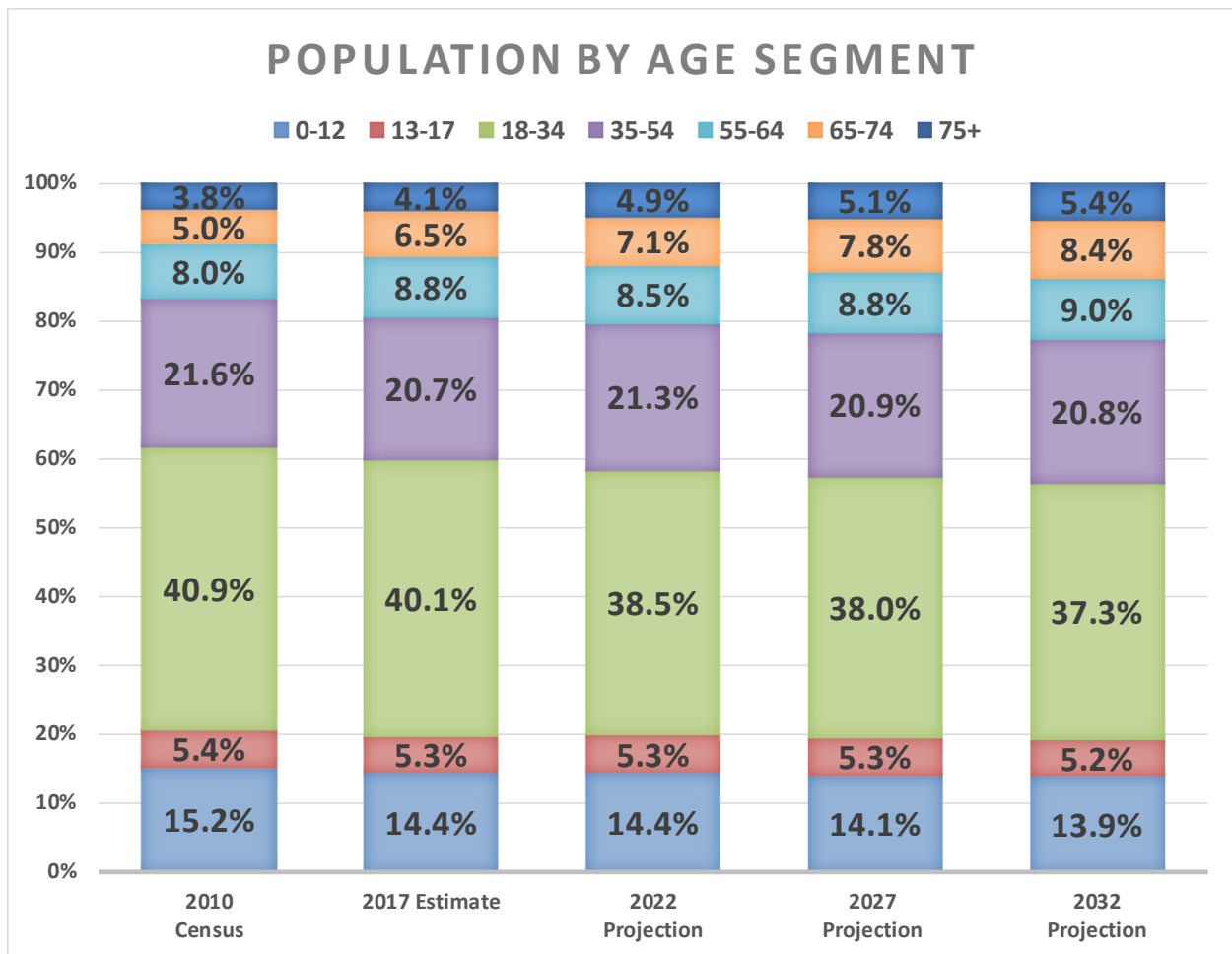


- Please note. Figures above include North Texas State University and Texas Woman's University student enrollment figures of approximately 53,000 which contributes significantly to the overall population of the City of Denton.

AGE SEGMENT

Evaluating the population by age segments, the service area exhibits an unbalanced distribution of population among the major age segments. Currently, the largest age segment, as expected due to the presence of the two major universities, is the 18-34 segment, making up 40.1% of the population.

The overall age composition of the population within the City is projected to undergo a slight aging trend. While most of the younger age segments are expected to remain the same or experience slight decreases in population percentage; those who are 55 and older are projected to continue increasing over the next 15 years, making up 22.8% of the population by 2032 - an increase of 3.4% over 2017.

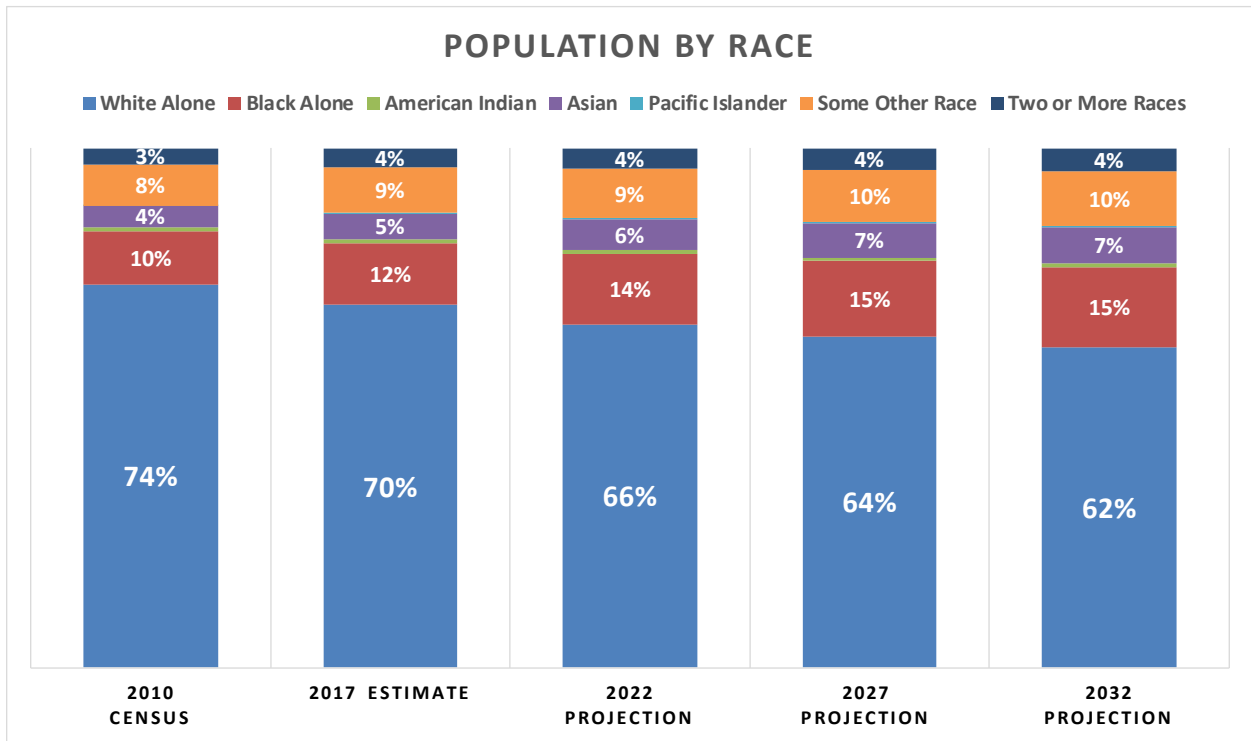


- Please note. Figures above include North Texas State University and Texas Woman’s University student enrollment figures of approximately 53,000 which significantly contribute to the 18-34-year-old age segment.

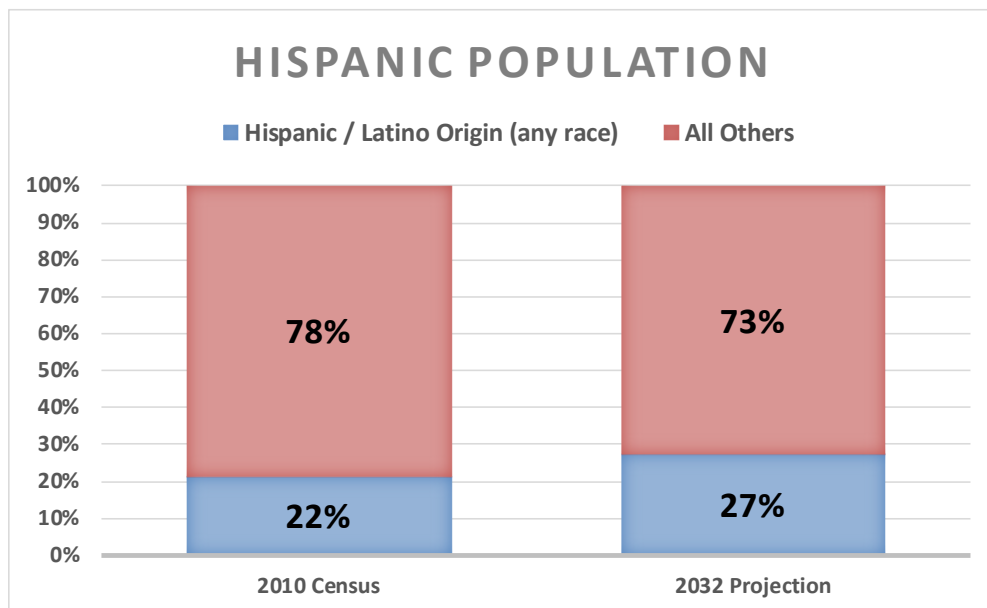


RACE AND ETHNICITY

In analyzing race, the service area’s current populations are predominately White Alone. The 2017 estimates show that 70% of the service area’s population falls into the White Alone category, while the Black Alone category (12%) represents the largest minority. The predictions for 2032 project that the service area’s population by race will diversity even further with a decrease in the White Alone population by approximately 8% and slight gains in most every other category.

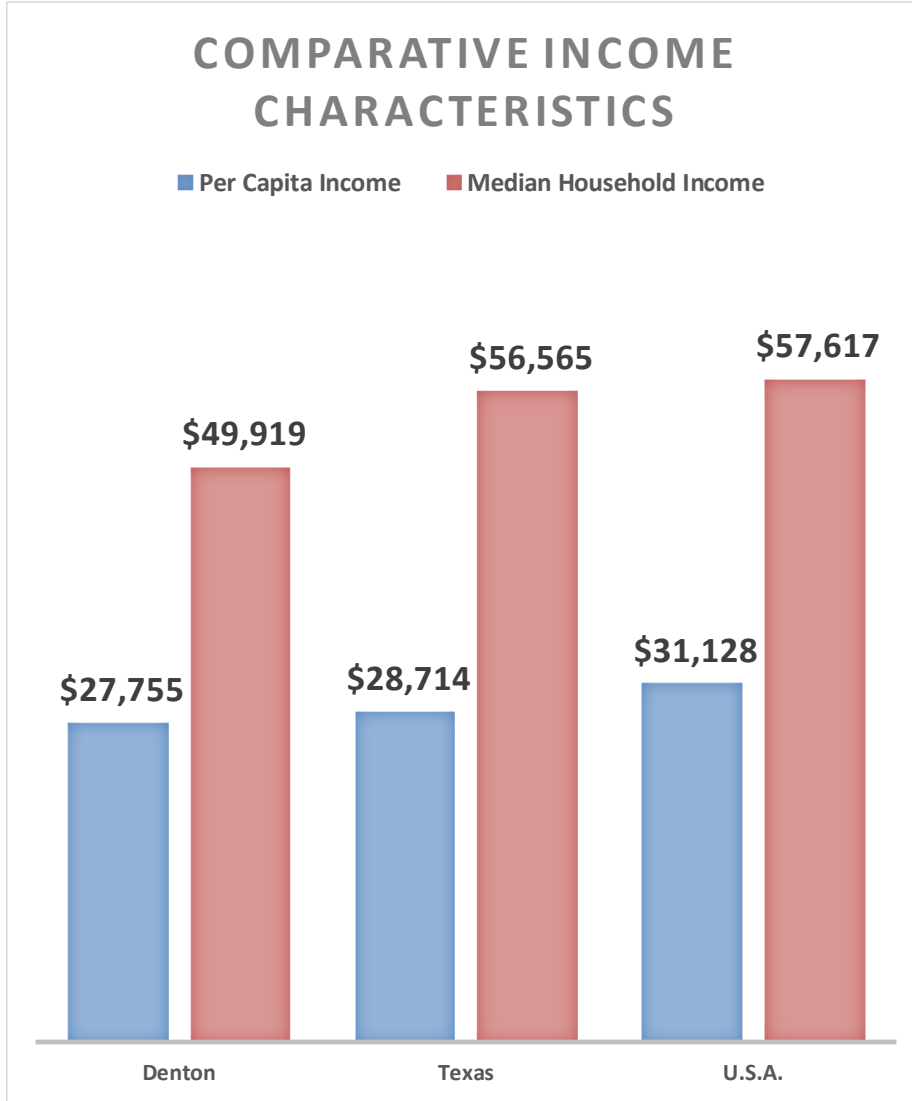


Based on the 2010 census, those of Hispanic/Latino origin represent 22% of the City’s total population. The Hispanic/Latino population is expected to experience a slight increase of 36% by 2032.



HOUSEHOLDS AND INCOME

As seen in chart below, the City’s per capita and median household income levels are slightly below the states averages and in-line with national averages.



- Please note. Figures above include North Texas State University and Texas Woman’s University student enrollment figures of approximately 53,000 which significantly contribute to the “depression” of income averages in the City of Denton.



DENTON DEMOGRAPHIC IMPLICATIONS

The following implications are derived from the analyses provided above. Each implication is organized by the outlined demographic information sections.

POPULATION

The population is increasing and is projected to experience a 30% population growth over the next 15 years. With a growing population, opportunity exists for Aquatics services to grow and change to keep pace with the population.

AGE SEGMENTATION

Denton has an unbalanced age segmentation with the largest group being 18-34 with the second largest group being 35-54. Over the next 15 years, while the younger age segments are expected to remain experience slight decreases in population percentage; those who are 55 and older are projected to increase by 3.4% over the next 15 years, making up 22.8% of the population by 2032. This is significant as providing access to Aquatics services and programs will need to be focused on a multitude of age segments simultaneously and equally challenging as age segments have different likings towards Aquatics activities.

RACE AND ETHNICITY

A diversifying population will likely focus the City on providing traditional and non-traditional Aquatics programming and service offerings while always seeking to identify emerging activities and sports in the area of Aquatics

HOUSEHOLDS AND INCOME

With median and per capita household income averages in-line with the state averages and below that of national averages, it would be important for the City to prioritize providing Aquatics offerings that are first class with exceptional customer service while modestly seeking opportunities to create revenue generation.

OVERVIEW OF NATIONAL PARTICIPATORY TRENDS

Information released by Sports & Fitness Industry Association's (SFIA) 2016 Study of Sports, Fitness, and Leisure Activities Topline Participation Report reveals that the most popular sport and recreational activities include: fitness walking, treadmill, running/jogging, free weights, and road bicycling. Most of these activities appeal to both young and old alike, can be done in most environments, are enjoyed regardless of level of skill, and have minimal economic barriers to entry. These popular activities also have appeal because of their social application. For example, although fitness activities are mainly self-directed, people enjoy walking and biking with other individuals because it can offer a degree of camaraderie.

Fitness walking has remained the most popular activity of the past decade by a large margin, in terms of total participants. Fitness walking participation last year was reported to be roughly 109.8 million Americans. Although fitness walking has the highest level of participation, it did report a 2.4% decrease in 2015 from the previous year. This recent decline in fitness walking participation paired with upward trends in a wide variety of other activities, especially in fitness and sports, suggests that active individuals are finding new ways to exercise and diversifying their recreational interests. In addition, the popularity of many outdoor adventure and water-based activities has experienced positive growth based on the most recent findings; however, many of these activities' rapid increase in participation is likely a product of their relatively low user base, which may indicate that these sharp upward trends may not be sustained long into the future.

From a traditional team sport standpoint, basketball ranks highest among all sports, with approximately 23.4 million people reportedly participating in 2015. In general, nearly every sport with available data experienced an increase in participation, which is a reversal from the five-year trend of declining participation in sports. Sports that have experienced significant growth in participation are squash, boxing, lacrosse, rugby, roller hockey, and field hockey - all of which have experienced growth in excess of 30% over the last five years. More recently, roller hockey, racquetball, indoor soccer, boxing, and flag football were the activities with the most rapid growth during the last year.

According to the Physical Activity Council, an "inactive" is defined as an individual that doesn't take part in any physical activity. Over the last five years, the number of inactive individuals has increased 7.4% from 76 million in 2010 to 81.6 million in 2015. However, looking at just the past year, from 2014 to 2015, the US saw a slight decrease of 0.6% from 82.7 to 81.6 million individuals. Although this recent shift is very promising, inactivity remains a dominant force in society, evidenced by the fact that 27.7% of the population falls into this category.

The Sports & Fitness Industry Association (SFIA) Sports, Fitness & Recreational Activities Topline Participation Report 2016 was utilized to evaluate national sport and fitness participatory trends. The study is based survey findings by the Physical Activity Council from a total of 32,658 online interviews carried out in 2015. The purpose of the report is to establish levels of activity and identify key participatory trends in recreation across the US.



NATIONAL TRENDS IN AQUATICS ACTIVITY

Swimming is unquestionably a lifetime sport, and all Aquatics activities have experienced strong participation growth among the American population. In 2016, fitness swimming is the absolute leader in overall participation (26.6 million) for Aquatics activities, due in large part to its broad, multigenerational appeal. In the most recent year, competition swimming reported the strongest growth (16.5%) among Aquatics activities, followed by Aquatics exercise (14.6%) and fitness swimming (1.1%).

Aquatics exercise also has a strong participation base and has experienced steady growth since 2011. Aquatics exercise has paved the way as a less stressful form of physical activity, while allowing similar benefits as land-based exercises, including aerobic fitness, resistance training, flexibility, and better balance. Doctors are now recommending Aquatics exercise for injury rehabilitation, mature patients, and patients with bone or joint problems, due to the significant reduction of stress placed on weight-bearing joints, bones, muscles, and also the effect of the water in reducing swelling from injuries.

While all activities have undergone increases over the last five years and most recently, casual participation (1-49 times) is increasing much more rapidly than core participation (50+ times). For the five-year timeframe, casual participants of competition swimming increased by 123.9%, Aquatics exercise by 27.5% and fitness swimming by 26.4%. However, core participants of fitness swimming decreased by 4.8% in 2016. From 2011 to 2016, core participation of competition swimming declined by 2.3% and Aquatics exercise declined by 0.1%.

National Participatory Trends - Aquatics								
Activity	Participation Levels						% Change	
	2011		2015		2016		11-16	15-16
	#	%	#	%	#	%		
Swimming (Fitness)	21,517	100%	26,319	100%	26,601	100%	23.6%	1.1%
<i>Casual (1-49 times)</i>	14,065	65%	17,059	65%	17,781	67%	26.4%	4.2%
<i>Core(50+ times)</i>	7,453	35%	9,260	35%	8,820	33%	18.3%	-4.8%
Aquatic Exercise	9,042	100%	9,226	100%	10,575	100%	17.0%	14.6%
<i>Casual (1-49 times)</i>	5,598	62%	5,991	65%	7,135	67%	27.5%	19.1%
<i>Core(50+ times)</i>	3,444	38%	3,236	35%	3,440	33%	-0.1%	6.3%
Swimming (Competition)	2,363	100%	2,892	100%	3,369	100%	42.6%	16.5%
<i>Casual (1-49 times)</i>	840	36%	1,482	51%	1,881	56%	123.9%	26.9%
<i>Core(50+ times)</i>	1,523	64%	1,411	49%	1,488	44%	-2.3%	5.5%
NOTE: Participation figures are in 000's for the US population ages 6 and over								
Participation Growth/Decline	Large Increase (greater than 25%)		Moderate Increase (0% to 25%)		Moderate Decrease (0% to -25%)		Large Decrease (less than -25%)	
Core vs Casual Distribution	Mostly Core Participants (greater than 75%)		More Core P Participants (58-74%)		Evenly Divided (45-55% Core and Casual)		More Casual Participants (58-74%)	
							Mostly Casual Participants (greater than 75%)	

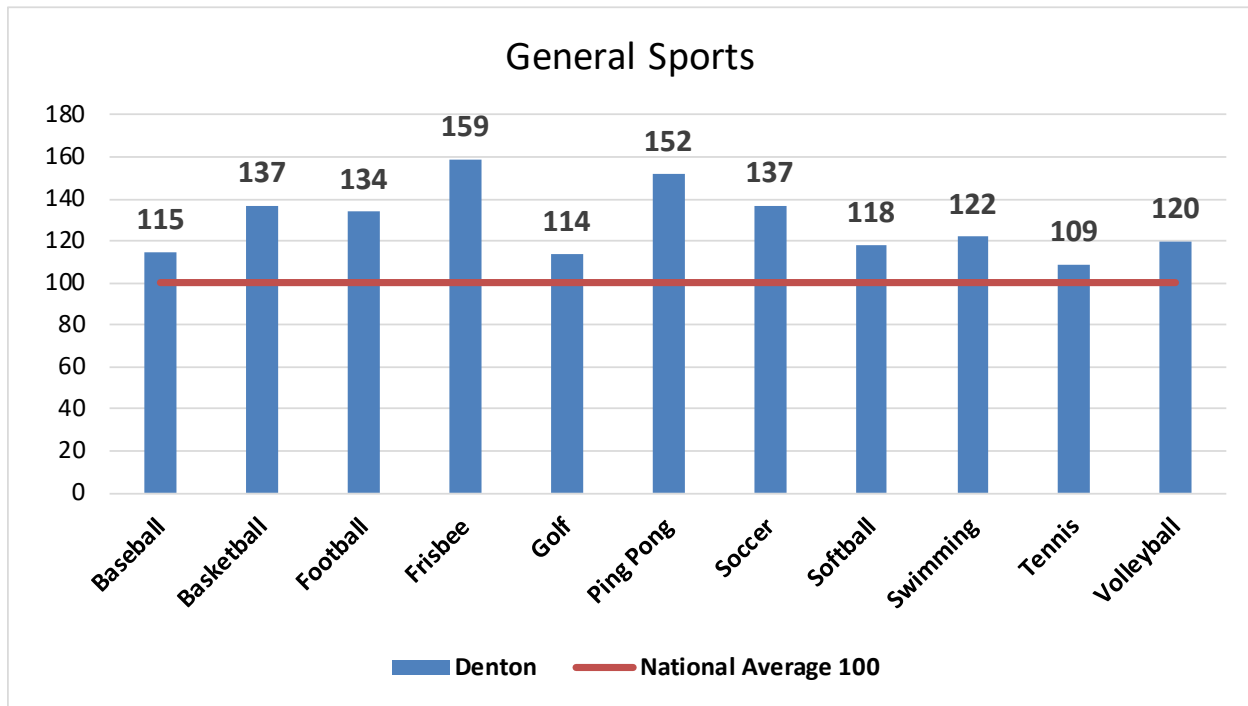
LOCAL MARKET POTENTIAL FOR AQUATICS

The following charts show sport and leisure market potential data from ESRI. A Market Potential Data (MPI) measures the probable demand for a product or service within the City and its surrounding service area. The MPI shows the likelihood that an adult resident of the target area will participate in certain activities when compared to the US National average. The national average is 100, therefore numbers below 100 would represent a lower than average participation rate, and numbers above 100 would represent higher than average participation rate. The service area is compared to the national average in three (3) categories - general sports, fitness and outdoor activity.

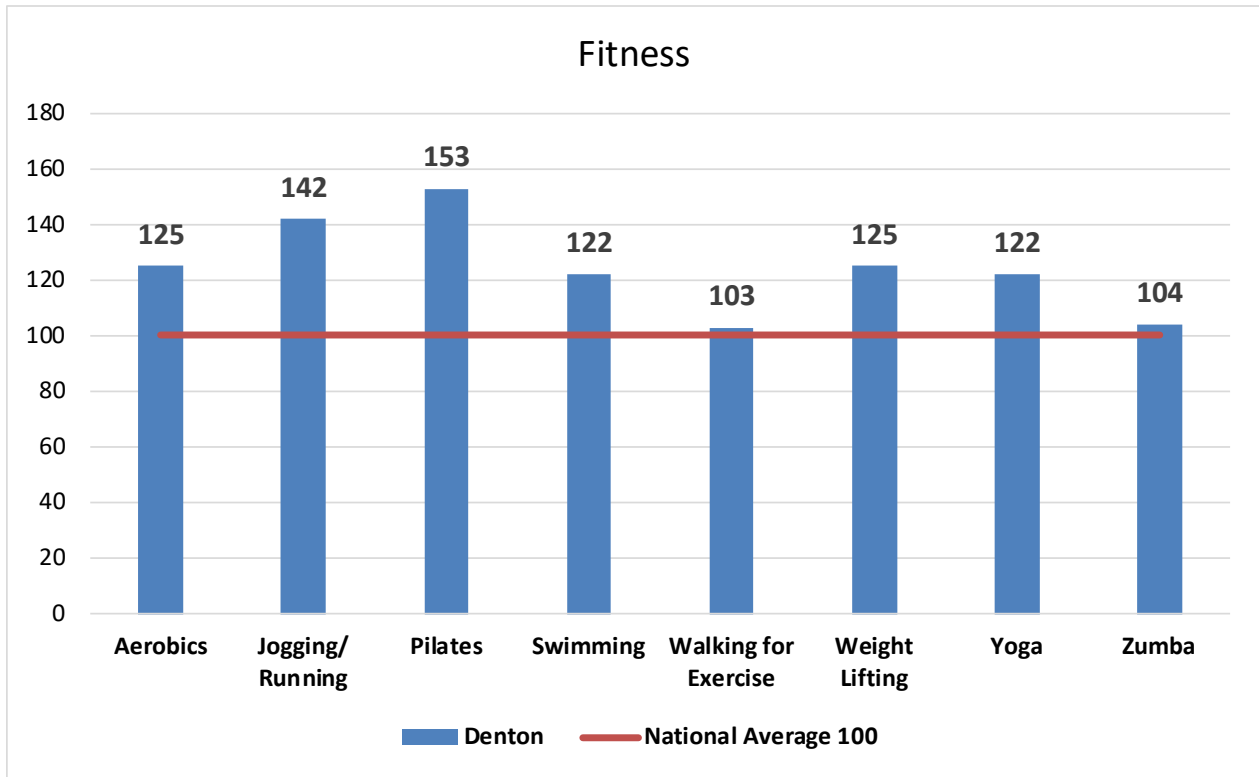
Overall, Denton demonstrates average market potential index (MPI) numbers. Looking at the three categories (general sports, fitness and outdoor activity), almost all of the activities' MPI scores fall above 100+. These overall MPI scores show that Denton has relatively strong participation rates when it comes to recreational activities. *This becomes significant to consider as there are 11 activities that have higher MPI scores than swimming.*

High index numbers (100+) are significant because they demonstrate that there is a greater potential that residents of the service area will actively participate in offerings provided by the City.

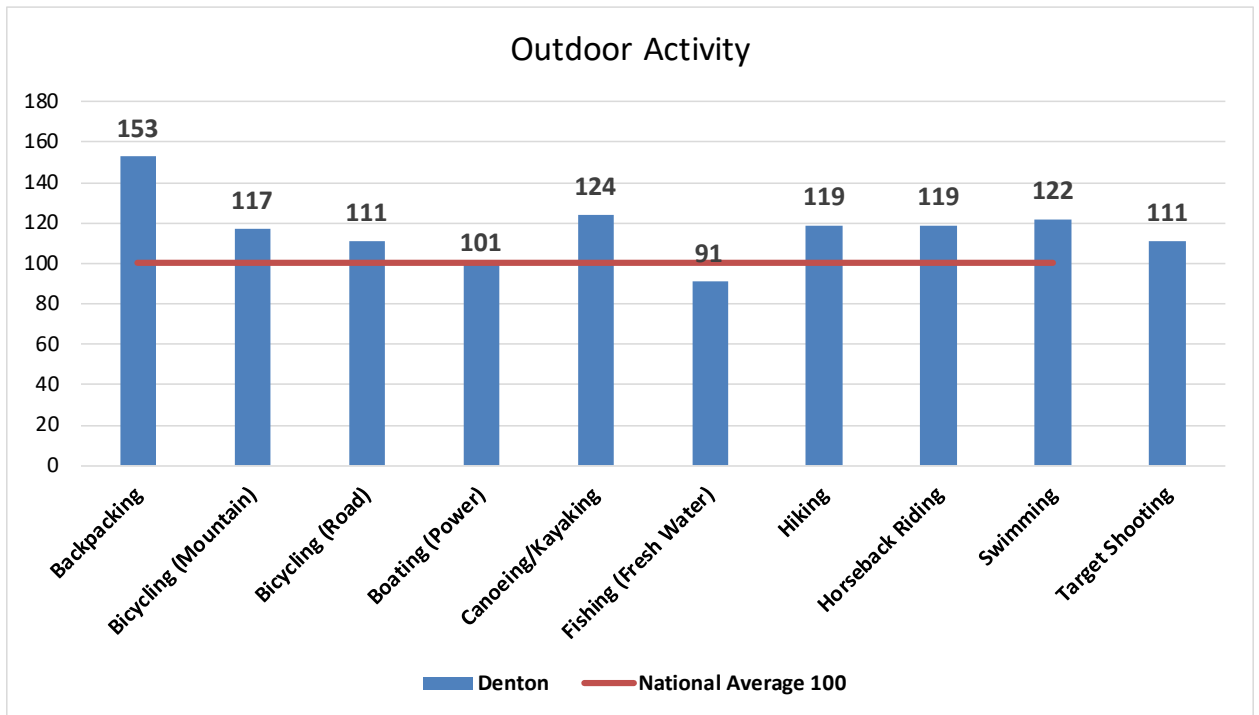
GENERAL SPORTS (AND SWIMMING) MPI



GENERAL FITNESS (AND SWIMMING) MPI



OUTDOOR ACTIVITY (AND SWIMMING) MPI





Aquatic Assessment Presentation – April 2018

City of Denton, TX



Functions of Each Pool

Civic Center Pool

- ❖ **Summer Only “Community” Pool – open approximately 12-13 weeks**
- ❖ **Serves primarily Denton residents**
- ❖ **Serves primarily kids and families**
- ❖ **Core Functions**
 - **Learn to Swim**
 - **Open Swim**
 - **Birthday Parties and Group Outings/Summer Day Camps**
 - **After Hours Rentals**
 - **Summer Swim Team**

Water Works Pool

- ❖ **Summer Only Pool – open approximately 12-13 weeks**
- ❖ **Water Park – Destination Facility**
- ❖ **Serves Regionally**
- ❖ **Core Functions:**
 - **Open Swim**
 - **Facility Rentals**
 - **Group Outings/Birthday Parties**
 - **Full Service Concession – coming in summer of 2018**

NAT

- ❖ **Year-round Community Indoor Aquatic Center**
- ❖ **Primarily serves Denton Residents of all ages**
- ❖ **Core Functions**
 - **Learn to Swim Programs**
 - **Swim Team Practices and Meets**
 - **DISD; USA Swim Clubs; Dolphins Swim Team (Denton Aquatics)**
 - **Water Polo**
 - **Water Fitness Programs**
 - **Certification and Training Programs**
 - **Open Swim**
 - **Lap Swim**
 - **Masters Swim**
 - **Safety Programs**



Staff Levels

Staffing Levels

- ✓ **7.5 Full-Time Staff**
- ✓ **34.19 FTE – Part-time and seasonal staff**
- ✓ **Best Practice Lifeguard Staffing Levels and Positioning**
- ✓ **Best Practice Learn to Swim Instructor to Student Ratios**
- ✓ **Lean and Efficient Guest Service PT Staffing Levels**
- ✓ **Best Practice Aquatic and Facility Maintenance Staffing Levels**
- ✓ ***Recommendation: Admin/Analyst, Marketing/Outreach, Revenue Development**
- * **Staffing recommendations must be considered within the context of the Parks and Recreation Department's staffing capacity;**



Overall Key Findings

Operational Key Findings

❖ Organizational Structure

- **Functionally aligned** with its program and service delivery.

❖ Staffing:

- **Highly knowledgeable** and are **leaders in the field of Aquatics Management**.
- Not “**business strong**” and lacks capacity to develop a **targeted marketing program** and **generate revenue** in non-traditional ways.

❖ Standard Operating Procedures and Policies:

- Utilizes a set of **best practice** standard operating procedures and policies

❖ Safety:

- **Thorough** on-boarding, training and in-service programs to ensure the safety of every patron

Joint Use Agreement Key Findings

❖ Joint Use Agreement:

- The **current joint use agreement** between the City of Denton and the Denton Independent School District **lacks the detail** necessary to better delineate roles, responsibilities, decision making authority and cost sharing.

❖ The Natatorium Committee:

- The joint use agreement stipulates **the formation and regular meeting** of the Natatorium Committee to **set usage procedures** and **policies** for implementing the allocation of usage between the City and DISD.
- **This committee has not met since circa 2005.**



Program Participation Assessment

TOTAL PROGRAMS OFFERED	TOTAL POSSIBLE MAXIMUM ENROLLMENT	ACTUAL ENROLLMENT	PERCENTAGE OF ACTUAL ENROLLMENT TO MAX ENROLLMENT
522	3,818	3,418	90%

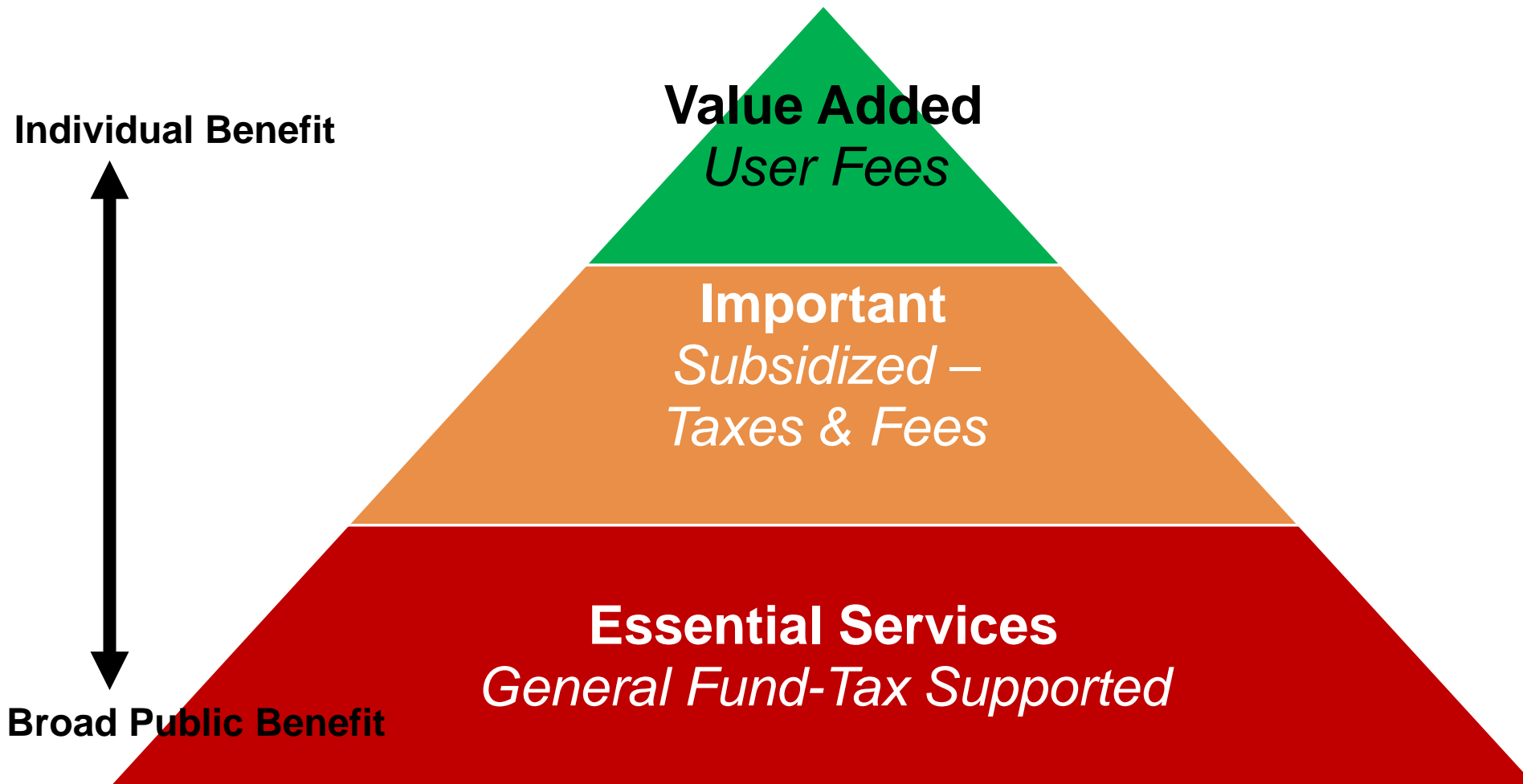
Overall Program Participation Analysis

CORE PROGRAM AREA	PROGRAMS OFFERED	TOTAL POSSIBLE MAXIMUM ENROLLMENT	ACTUAL ENROLLMENT	PERCENTAGE OF ACTUAL ENROLLMENT TO MAX ENROLLMENT
Recreation/Education Camp	9	180	94	52%
Certification/Training	18	340	195	57%
Health and Wellness	14	475	388	82%
Education/Safety (Learn to Swim)	481	2823	2741	97%

Core Program Participation Analysis



Classification and Pricing of Services (Cost Recovery)



Classification of Services

Core Program Area	Recommended Cost Recovery Goal
After Hour Rentals/Group Outings - Civic Center	100%
After Hour Rentals/Group Outings - NAT	100%
After Hour Rentals/Group Outings - Water Works	100%
Aquatic Explorer Camp	100%
Aquatic Fitness Classes - NAT	100%
Aquatic Fitness Classes - River Robics	100%
Aquatic Safety Programs – Outreach	0-25%
Babysitter Training	100%
Birthday Parties - Civic Center	100%
Birthday Parties - NAT	100%
Birthday Parties - Water Works	100%
Food and Beverage Services - Civic Center	100%
Food and Beverage Services - Water Works	100%

Cost Recovery Goals

Core Program Area	Recommended Cost Recovery Goal
Group Learn to Swim Lessons - Civic Center	50%
Group Learn to Swim Lessons - NAT	50%
Junior Lifeguard Program	100%
Kayaking	100%
Lifeguard Training Certification	50%
Masters Swim	100%
Open/Lap Swim - NAT	25-75%
Open Swim - Water Works	100%
Open/Lap Swim - Civic Center Pool	25%
Private/Semi Private Swim Lessons	100%
Retail Sales - Gift Shop at Water Works	100%
Swim Teams/Meets - Denton Aquatics - NAT	50%
Swim Teams/Meets - Denton Aquatics - Civic Center	50%
Swim Teams and Meets – DISD	0%
Triathlon	100%
Water Safety Instructor Certification	50%

Cost Recovery Goals



Full-Time Staff Task Time Analysis

Task Time Analysis – Full-Time Staff

- ❖ **Currently, Full-time staff costs are not allocated to Civic Center Pool (CCP) Budget and therefore a task-time analysis was conducted to determine what percentage of cost should be allocated to CCP**
- ❖ **Aquatic Administration – 50% of time to be allocated to NAT/WWP**
- ❖ **Aquatic Management – 94% of time to be allocated to NAT/WWP**
- ❖ **Aquatic Guest Services – 97% of time to be allocated to NAT/WWP**
- ❖ **Aquatic Maintenance – 87% of time to be allocated to NAT/WWP**

Full-Time Employee Cost Allocation to Civic Center Pool

Full-time Employee Cost Allocation			
Employee	Total Wages and Benefits currently charged to NAT/Water Park Budget	RECOMMENDED Percentage of Cost Allocation to NAT/Water Park Budget	RECOMMENDED Total Salary and Benefits to be charged to NAT/Water Park Budget
Aquatics Project Area Manager	\$124,908	50%	\$62,454
Maintenance Supervisor	\$113,457	87%	\$98,708
Rec Center Supervisor - Programs	\$93,576	94%	\$87,961
Rec Center Supervisor - Business and Guest Services	\$83,943	97%	\$81,425
Rec Coordinator - Programming	\$65,542	94%	\$61,609
Crew Leader - Maintenance	\$98,297	87%	\$85,518
Rec Center Coordinator - Customer Service	\$65,604	97%	\$63,636
Specialist III - Maintenance	\$58,994	87%	\$51,325
TOTAL	\$704,321		\$592,636
REDUCTION TO NATATORIUM BUDGET			\$111,685
REDUCTION IN DISD PAYMENT			\$55,842

- Reduction to NAT budget of \$111,685 which in turn reduces the NAT/WWP net loss by same amount
- DISD impact - \$55,842 annual reduction in DISD payment



Utilization and Cost (FY 16-17)

Overall Utilization

Denton Aquatic Facility Utilization (Fiscal Year 2016-17)							
Aquatic Facility	Annual Weeks of Operation	Weekly Hours of Operation	Annual Hours of Operation	Annual Attendance	Average Attendance per Week	Average Attendance per Day	Average Attendance per Hour
The Natatorium	50	85	4250	138,529	2,771	396	33
Water Works Park	12	55	660	93,998	7,833	1,119	142
Civic Center Pool	12	41	492	33,749	2,812	402	69
TOTALS			5,402	266,276	13,416	1,917	244

DISD Utilization

Denton Independent School District Utilization of The Natatorium (Fiscal Year 2016-17)				
Aquatic Facility	Annual Hours of Use	Annual Lane Hours of Use	Attendance in All Programs	Attendance per Hour
The Natatorium (in total)	4205	42,050	138,529	33
DISD Utilization	1447.50	12,000	33,692	23
DISD % of Utilization	34%	29%	24%	

- 42,050 = total Lap lane hours available for use at the Natatorium – 10 lanes per hour x 4205 annual operating hours
- DISD utilized 12,000 lane hours (or 29% of total available hours)



Financial Performance (FY 16-17)

Overall Financial Performance

Denton Aquatic Division Financial Performance for Fiscal Year 2016-17

Aquatic Facility	Annual Expenditure Budget (actual)	Annual Revenue Generated (actual)	Annual Net Subsidy	Operating Cost per Hour (actual)	Hourly Net Subsidy	Per Person Net Subsidy	Cost Recovery Rate	National Benchmark - Operating Cost per Hour	National Benchmark - Cost Recovery Rate
The Natatorium	\$1,440,493	\$442,231	-\$998,262	\$338.94	-\$234.89	-\$7.21	31%	\$300-\$400	35-50%
Water Works Park	\$987,447	\$998,622	\$11,175	\$1,496.13	\$16.93	\$0.12	101%	NA	110-120%
Civic Center Pool	\$213,479	\$145,899	-\$67,580	\$433.90	-\$137.36	-\$2.00	68%	\$300-\$400	30-40%
TOTALS	\$2,641,419	\$1,586,752	-\$1,077,017	\$2,269	-\$389.17	-\$9.33	60%	NA	60--70%

The Nat and WWP Financial Performance

Water Works Park and The Natatorium Combined Financial Performance for Fiscal Year 2016-17									
Aquatic Facility	Annual Expenditure Budget (actual)	Annual Revenue Generated (actual)	Annual Net Subsidy	Operating Cost per Hour (actual)	Hourly Net Subsidy	Per Person Net Subsidy	Cost Recovery Rate	National Benchmark Operating Cost per Hour	National Benchmark Cost Recovery Rate
The Natatorium	\$1,440,493	\$442,231	-\$998,262	\$338.94	-\$234.89	-\$7.21	31%	\$300-\$400	35-50%
Water Works Park	\$987,447	\$998,622	\$11,175	\$1,496.13	\$16.93	\$0.12	101%	NA	110-120%
TOTALS	\$2,427,940	\$1,440,853	-\$987,087	\$1,835	-\$217.95	-\$7.09	59%	NA	60--70%

DISD Cost Share

Denton Independent School District Cost Share (Fiscal Year 2016-17)				
Aquatic Facility	Annual Cost Share	Annual Cost per Hour	Annual Cost per Lane Hour	Annual Cost per Person per Use
The Natatorium	\$493,544	\$340.96	\$41.13	\$14.65



Strategic Opportunities

Efficiency and Effectiveness

EFFICIENCY and EFFECTIVENESS	
Create an efficient and effective service delivery model of Aquatics for Denton residents.	
Strategy	Develop and implement a plan that upgrades the utilization of technology to capture and analyze data while improving customer service. (Examples include: Point-of-sale scanners, I-Pads for staff, interactive point of sale system for Water Works Park concession)
Strategy	Upgrade the security system at the Natatorium to reduce incidences of false alarms.
Strategy	Engage the City of Denton’s Procurement Division to determine opportunities to reduce Aquatics Division expenditures.
Strategy	Implement a work order management system for Aquatics maintenance.

Revenue Generation

REVENUE GENERATION	
Increase cost recovery for the Aquatics Division to 70% from 60%.	
Strategy	Consider the addition of a Marketing Coordinator and Administrative/Financial Analyst
Strategy	Develop and implement a target marketing program that includes increasing efforts in the area of group sales
Strategy	Implement the Classification of Services Model that focuses on cost recovery based on level of benefit received.
Strategy	Evaluate the introduction of premium services at the Water Works Park, including cabana services, luxury loungers and interactive point of sale system for concessions
Strategy	Develop and implement Community Special Events at the Water Works Park
Strategy	Consider offering City of Denton Employee Pricing for Aquatics programs and services to Denton Independent School District employees
Strategy	Allow Aquatics Division staff to implement dynamic pricing strategies on an as needed basis within the framework of the new pricing policy.

Policy and Procedure

POLICY and PROCEDURE	
Align policy with the recommended operating models for each Aquatics facility while continually seeking to manage the facilities utilizing best practice standards and procedures.	
Strategy	Adopt a Pricing Policy for Aquatics Division that aligns the operating models of the three Aquatics facilities.
Strategy	Adopt a “No Outside Food Policy” for Water Works Park to maximize the return on investment of the new concession stand
Strategy	Revisit the Joint Use Agreement between the City of Denton and the Denton Independent School District in an effort to better delineate roles, responsibilities, decision making authority and cost sharing.
Strategy	Update Aquatics personal protective equipment standards. See Appendix B for a template policy.
Strategy	Develop and implement a written non-swimmer protection policy.
Strategy	Create written, special needs patron safety guidelines.

Policy and Procedure - continued

Strategy	Implement a formal allocation policy for the utilization of the Aquatics facilities.
Strategy	Conduct a full task time analysis of Aquatics Division full-time staff to refine the cost allocation of full-time wages and benefits to the three Aquatics facilities and potentially result in further reduction of the annual Denton Independent School District cost sharing payment
Strategy	Conduct a full cost of service analysis including the cost allocation of direct, indirect and administrative and overhead costs across all functional lines of service. This analysis will more accurately allocate costs to the three Aquatics facilities
Strategy	Eliminate “Coin-for-A-Key” locker system to improve customer service by eliminating the perception of putting a financial strain on the customer by charging small amounts for a minor service (“nickel and diming”)



Financial Pro Forma

Overall Aquatic Division

Pro Forma Revenues & Expenditures						
DENTON AQUATIC DIVISION						
BASELINE: REVENUES AND EXPENDITURES						
Revenues	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Water Works Park	\$1,545,000.00	\$1,591,350.00	\$1,639,090.50	\$1,688,263.22	\$1,738,911.11	\$1,791,078.44
The Natatorium	\$479,500.00	\$493,885.00	\$508,701.55	\$523,962.60	\$539,681.47	\$555,871.92
Civic Center Pool	\$155,000.00	\$159,650.00	\$164,439.50	\$169,372.69	\$174,453.87	\$179,687.48
Total	\$2,179,500.00	\$2,244,885.00	\$2,312,231.55	\$2,381,598.50	\$2,453,046.45	\$2,526,637.84
Expenditures	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Water Works Park	\$1,405,000.00	\$1,447,150.00	\$1,490,564.50	\$1,535,281.44	\$1,581,339.88	\$1,628,780.07
The Natatorium	\$1,360,000.00	\$1,400,800.00	\$1,442,824.00	\$1,486,108.72	\$1,530,691.98	\$1,576,612.74
Civic Center Pool	\$344,000.00	\$346,630.00	\$349,335.10	\$352,117.48	\$354,979.37	\$357,923.09
Total	\$3,109,000.00	\$3,194,580.00	\$3,282,723.60	\$3,373,507.63	\$3,467,011.23	\$3,563,315.91
Total Cost Recovery	70%	70%	70%	71%	71%	71%

The Nat and WWP

Pro Forma Revenues & Expenditures

DENTON AQUATIC DIVISION

BASELINE: REVENUES AND EXPENDITURES

Revenues	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Water Works Park	\$1,545,000.00	\$1,591,350.00	\$1,639,090.50	\$1,688,263.22	\$1,738,911.11	\$1,791,078.44
The Natatorium	\$479,500.00	\$493,885.00	\$508,701.55	\$523,962.60	\$539,681.47	\$555,871.92
Total	\$2,024,500.00	\$2,085,235.00	\$2,147,792.05	\$2,212,225.81	\$2,278,592.59	\$2,346,950.36
Expenditures	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Water Works Park	\$1,380,000.00	\$1,421,400.00	\$1,464,042.00	\$1,507,963.26	\$1,553,202.16	\$1,599,798.22
The Natatorium	\$1,360,000.00	\$1,400,800.00	\$1,442,824.00	\$1,486,108.72	\$1,530,691.98	\$1,576,612.74
Total	\$2,740,000.00	\$2,822,200.00	\$2,906,866.00	\$2,994,071.98	\$3,083,894.14	\$3,176,410.96
Total Cost Recovery	74%	70%	70%	70%	71%	71%
City of Denton General Fund Subsidy	\$357,750.00	\$368,482.50	\$379,536.98	\$390,923.08	\$402,650.78	\$414,730.30
Denton Independent School District Subsidy	\$357,750.00	\$368,482.50	\$379,536.98	\$390,923.08	\$402,650.78	\$414,730.30

Pro Forma Summary

- ❖ The projected 70% cost recovery would result in a decrease in the overall net subsidy from its current level of \$1,077,017 to \$929,500 in Fiscal Year 2019-20.
- ❖ This is a savings of \$147,517 to the taxpayers of the City of Denton.

QUESTIONS?