

FREQUENTLY ASKED QUESTIONS REGARDING STATUS OF UPT RECREATION CENTER

Since the June 16 presentation regarding planned programmatic changes for the Township Recreation Center, the Board of Supervisors and Township officials have received several comments and questions in response to the decision to phase out the fitness center component at the end of the year, along with general questions regarding the Center's future status. We have attempted to compile, categorize and respond to all the questions received to date. As we receive additional questions, this FAQ will be expanded as needed.

1. In your letter you indicate you “recently completed an evaluation” but do not share any of the findings of this evaluation. As a resident of Upper Providence who utilizes the fitness center and classes I feel this has been conducted in a hidden manner not involving those who use the center.

- From the outside looking in, we can perfectly understand membership concerns over a lack of openness regarding the administration decisions with respect to the fitness center. We certainly intended no ill intent; however, because this decision had personnel implications, we had an obligation to inform the Recreation Center staff first before releasing the letter and press release.
- The Township's June 18, 2018 presentation went into much detail about the Recreation Department's reorganization, current challenges and barriers, future goals for success, Staff recommendations and a proposed roadmap with targeted timelines. The presentation's goal was to layout fully and comprehensively Staff's research that led to the current decision to phase out the fitness center.

2. I have enjoyed knowing the UPTRC exists to serve a purpose in the community not served by all the for-profit athletic clubs, most of us who use the center feel this way and do not feel the noticeable abundance of other fitness providers meet our needs.

- In its research, Staff was surprised to learn that there are 32 fitness centers located within 2 miles of the Township's boundary. We have since learned that this number is actually conservative and does not include homeowner association fitness centers as well as the other wellness centers located on the major corporate campuses of SEI, GSK and Pfizer, to name a few.

- Given the saturation of new fitness centers, many of which have cropped up since the Center's 2011 opening, we believe the private sector is best capable of meeting the needs of the majority of Township residents.

3. While I understand the center must break even to function well I don't understand how the changes you are suggesting can be implemented without the say of the community. It appears that the vision and mission of the UPTRC has been overlooked due to financial reasons.

- The decision to close the fitness center was not entirely fiscally driven. Most area recreation centers are not break-even enterprises. All have some operational losses, which is acceptable assuming there is good public utilization. As an elected body, the Board wants to ensure that the tax dollars it appropriates to recreation has maximum community impact.
- In preparation for the 2019 budget, the Board's overall mission is "to provide recreational programming opportunities in a cost effective manner that maximizes community participation throughout all the park, trail and open space systems within Upper Providence Township."
- To achieve this mission, the Board will be seeking community input as part of the 2019 budget process and 2019-2023 5 Year Capital Improvement Plan. Part of this process will include conducting a comprehensive, scientific random sampling of the UPT community that will objectively survey residents on the types of programming desired by UPT residents. These results will help the Board forge a long-term, comprehensive recreation program that will focus not only on the recreational facility itself, but also the Township's entire park system.

4. Wasn't it our tax dollars that went into building the Recreation Center and wasn't this proposed and funded under the guise of a SERVICE to the community?

- No. The Center's construction costs were paid entirely from developer contributions to the Township's open space fund.

5. I believe there can be creative solutions to using space in a way that will allow all the programs and services to continue to be available, and these have not been appropriately evaluated or given a chance for community comment.

- Per the June 18th presentation, there will be substantial opportunity for public input. The Board is also planning to conduct a professional facilities assessment to determine how the facility can be better utilized.

6. The members have lots of ideas that could be put to good use! Many of us are successful career people with experience in everything from program development to facilities and marketing who would willingly participate in an “evaluation” of how to improve the Center.

- **In addition to preparing a professional survey and as part of the development of a forward-looking, recreational blueprint for Upper Providence, the Township welcomes this type of input. We will likely be convening a number of community forums to elicit feedback on how to prudently apply Township resources.**

7. I request that the results of your “evaluation” be shared with the membership of the Center and that you allow a 60-day period of comment. If at the close of this time, and based on feedback received, you feel the decision you have thus far made stand firm than I will support this effort. Please handle this as a public and community based decision, not one made in the absence of the community members by elected officials.

- **Per response to #3 above and based on feedback received, the fitness center’s closing will likely be timed with the expiration of the equipment lease, which is May 2019.**

8. The [June 18th] presentation was very misleading. It painted a picture that the broader community was subsidizing the 2.9% [2.39%] that utilize the facility, when in fact it is those people who pay membership fees that are subsidizing the entire building.

- **We respectfully disagree. The financial figures speak for themselves. Once the \$87,500 in Center revenues are accounted for, there is an estimated \$311,240 shortfall which is subsidized by UPT taxpayers, not Center members.**
- **There is a more important point, however, that needs to be emphasized here. The Board has no issue with providing a \$311,240 recreational subsidy, as long as it is applied to programs throughout the community, not just the recreation center per se.**

9. I believe the vast majority of that revenue is from the full facility members and most of that revenue will evaporate if the fitness center is closed. What's the percentage of the \$87,000 that is related to full facility members?

- The Revenue breakdown is as follows:

REVENUES	AMOUNT	%
Memberships	57,500	65.71
Parents' Night Out	1,035	1.18
Training	5,639	6.44
Silver Sneakers	13,569	15.51
Child Care	1,926	2.21
Birthday Parties/Room Rentals	7,831	8.95
	87,500	100

- Recreation Center memberships comprise the lion's share of the revenue pie. Because our membership structure is based on facility-wide use, we don't have specific statistics on how many members specifically utilize the fitness room itself.

10. The 2018 estimated expenses are \$360,000. The lease renewal for the fitness equipment is \$38,000. It looks like the lease for equipment would be \$50,000 per year for 2019-2021.

- We are currently in the 2nd year of a 3rd year lease for the fitness equipment, which expires May 2019. The annual lease payment obligation is \$38,000.

11. I would like to see a detailed breakdown of the \$360,000.

- Referring to the June 18 presentation, the total annual operating costs are \$398,740, which includes the annual lease payments since this is a recurring expense. The breakdown is as follows:

EXPENSES	AMOUNT	%
Salaries	272,648	68.38
Annual Equipment Lease	38,000	9.53
Utilities	52,135	13.07
Professional Services – Technology	17,243	4.33
Professional Services -- Maintenance	8,089	2.02
Professional Services -- Equipment	10,625	2.67
	398,740	100

12. How much of the \$360,000 would still be incurred if the fitness center were to be shut down, but the broader community center stayed open? (And you can't attribute heating, cooling and maintenance to the fitness center since I assume that room would still be used in the future).

- **Based on the above figures, which is a current snapshot in time, we would probably be able to reduce the 272,648 in salaries, the \$38,000 fitness equipment lease and the \$8,089 fitness equipment costs and redistribute these savings to more broad-based programmatic activities once the Center is repurposed.**

13. My belief is that the majority of the \$87,000 of revenue is from the fitness center users, and in fact, covering the cost of the fitness center (or at least a large portion of the cost). Therefore, the broader community is NOT subsidizing the fitness center uses but rather we are paying for the fitness center expense).

- **See our response to #8 above.**

14. None of the programming mentioned in the presentation would require the space allocated to the fitness center. Not one!

- **The programs mentioned were intended to exemplify possible programs that the Recreation Department could offer if existing financial resources (as identified in #12 above) could be applied to more broad-based programs, not just at the center itself but throughout the Township's vast park system.**
- **We will not definitively know the actual composition of these new programs until after conducting a comprehensive survey of the UPT citizenry. This survey will comprise a random sampling of residents with controlled variables to ensure against bias toward any particular program.**

15. I support the transformation/re-branding of the community center and support the attempts to broaden utilization, but not at the expense of the fitness center. There is no need to eliminate the fitness center which is paying for itself. So why punish the few people who do utilize and actually subsidize the fitness center?

- **Refer to our response to #8 above.**

16. I do believe that it would be beneficial to replace the hockey rink with a multi-use indoor facility that would be used primarily for indoor tennis but could be augmented for other programming. While there are generally a number of fitness centers in the area, there are no indoor tennis facilities. The closest one is Kinetics. There are quite a few community families that play tennis and there is a growing interest in tennis within the Spring Ford region because the other high school sports teams are too difficult to make for a larger number of kids. This type of facility would increase your membership number and revenue and attract more kids to the center which was one of the stated goals.

- **These are excellent suggestions, worthy of inclusion in the random sample survey and in future community forum discussions.**

17. The Center should be rebranded as a community center with a wellness component. I would include programming for nutrition, stress relief, career counseling, financial wellness, smoking cessation, transit options, healthy cooking classes, flu shot, health fairs, sleep center, meditation room, providing a juice/protein shake bar.

- **We agree that the center does need to be rebranded and converted into an open community center environment that is not yoked to a membership structure. The types of programs cited in this question are excellent examples of possible program types that could be employed at the new center.**

18. The closing of the fitness center is really premature. In the timeline in the presentation, you have surveying the community and developing new programs starting in December. It is not realistic that you could implement any aspect of the survey that quickly and certainly nothing that would require the use of the fitness room. Therefore, why not wait another year until you have an idea of what you might do with the building? You will basically close the fitness center in 2019 without any programming to replace it. Your utilization will go well below 2.9% [2.39%] and your cost picture won't change materially. Any cost saving will be offset with lost revenue.

- **In speaking with State DCNR (Department of Conservation and Natural Resources) officials and other area recreational professionals, we agree that the process for the long term repurposing and rebranding of the recreation center will take some time and require a thoughtful, deliberative process that will likely span 1-2 years before full implementation. Please refer to our responses in Question #3.**

- To begin the long-term process, however, we needed to take some interim steps to begin transitioning the Recreational center from a membership-based model to a fee based one, and that required taking some admittedly unpopular, but necessary steps to begin the gradual process of reallocating the Township's recreational subsidy to other non-center based programs throughout UPT's park system.

19. There is room to raise membership prices to cover costs of the fitness center such as equipment leasing, staffing, and related expenses.

- This question assumes the continuation of a membership fee structure, which the Township is proposing to eliminate in favor of the open community center concept as explained earlier.

20. What is the total size of the fitness room and what % of the Center's total square footage does this number reflect?

- The fitness center room comprises 1,800 square feet or 11.61% of the Recreation Center's total 15,500 square feet.

21. According to the presentation, 571 Township residents and 201 nonresidents use the Center. I agree the facility needs to expand its scope but why take away the Equipment Room?

- Please refer to our responses in Question #18.

22. The way I understood the members that use their health insurance to pay for the "Silver Sneakers Program," if the Township were to close the equipment room, they would no longer qualify for health insurance reimbursement, requiring them to pay out-of-pocket for any new program. Please clarify.

- It is correct that for participants in the Silver Sneakers Program to qualify for health insurance reimbursement, they must have access to cardio-based elliptical equipment. As explained in the June 18 presentation, the Township plans to offer an alternative senior wellness program, but it will not pass this cost onto participating seniors. The Township plans to absorb the loss of this health insurance reimbursement (about \$6,000 per quarter) through the redistribution of the Township's recreation subsidy as explained in our response to Question #12.