



MONTGOMERY COUNTY DEPARTMENT OF PARKS
 THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPB 7/20/09
 ITEM #2

July 14, 2009

TO: Montgomery County Park Commission
VIA: Mary R. Bradford, Director of Parks *MB*
FROM: Christine Brett, Chief, Enterprise Division *CB*
SUBJECT: Enterprise Funds FY 2009 Preliminary End of Year Actuals

The preliminary FY09 end of year actuals for the Enterprise Fund as of July 8, 2009 are shown below. Details on revenues and expenditures are included in the attached chart (Attachment 1). The actuals will not be finalized until signed off by the Commission external auditors in September.

Overall, the **Enterprise Fund generated net income of \$281,864 in FY09**. This is a \$902,406 increase over FY08 actuals. More details are highlighted below.

Net Income (Loss)	FY09 Budget	FY09 Preliminary Actuals	Variance From FY09 Budget	FY08 Actuals	Growth From FY08 Actuals to FY09
Golf Courses	41,600	54,669	13,069	(116,016)	170,685
Ice Rinks	(776,000)	(355,696)	420,304	(466,530)	110,834
Tennis Facilities	311,000	182,204	(128,796)	(133,137)	315,341
Event Centers	(116,100)	(120,247)	(4,147)	(169,429)	49,182
Park Facilities	397,700	520,934	123,234	264,570	256,364
Total Net Income (Loss)	(141,800)	281,864	423,664	(620,542)	902,406

During the past year, the Enterprise Division has strived to increase efficiencies and hold staff accountable for both fiscal management and facility operations. We have also worked hard to increase programming and special events. The results have been positive showing a net operating income of \$951K. After including debt service payments (\$1.3M), Park Fund contributions (\$619K), and interest (\$49K), the end of year actuals reflects a net gain of \$282K.

Golf Courses had a net income of \$54K, which was slightly higher than the \$41K budgeted.

Ice Rink net income was \$420K higher than budget due largely to staff closely monitoring expenditures and keeping them \$600K lower than budget. The reductions came mostly from personnel savings, utility savings, and the delayed purchase of a dehumidification system. Revenues grew over \$140K from FY08. Class registrations closely mirrored last year's numbers and we feel that is very positive

considering the economic climate. We reevaluated our summer camp structure and fees and in early June announced changes to the camp schedules allowing expanded growth for the summer. We are looking forward to hosting South Atlantics Regional Competition (an Olympic Pre-Event) in October and plan community outreach to all our local customers to attend this event.

Tennis net income was \$315K higher than FY08. This is attributed to the reopening of Wheaton Indoor Tennis in January 2009 and a full year's operation of the Pauline Betz Addie Center. The Wheaton Indoor Tennis facility was budgeted to open in July. Patrons waited patiently for the facility to reopen and were delighted with results they saw at the Grand Reopening Celebration "Love Fest" on February 8, 2009 when 400 citizens showed their support.

The **Event Centers** showed a \$49K growth in net income from FY08. Although these facilities may never cover all their operating costs, Enterprise staff will continue to work hard to close the gap by enhancing our marketing outreach, redesigning the websites, and focusing on upgrades within the facilities.

The **Park Facilities** FY09 net income was \$521K. This is \$256K higher than FY08 and \$123K higher than budgeted. This is largely due to moving the budgeted loss associated with the camps and programs activities to the facility where the programs are held. The trains, carousel and splash park continue to be heavily utilized during the summer months and continue to be an affordable family fun. Expanded party rooms at the trains and splash park continue to increase in popularity particularly due to the expansion of the two party rooms at the Wheaton train station. Due to customer demand, the operating hours were extended at the Wheaton Train station to 7:30pm for Friday, Saturday and Sunday.

The Commission's **Enterprise Fund Balance Policy** states that the Fund balance should be 10% of operating expenditures plus 1 year's debt service payments. Should a catastrophic event happen, this reserve amount would allow the Enterprise Fund to remain solvent. As we move into FY10, the fund balance should be \$1.8 M.

At the end of FY08, the Enterprise Fund had a balance of just under \$1.6 M. With the preliminary gain of \$281,864, the fund balance has grown to meet our policy amount. Any additional reserves allow the Enterprise Fund to make needed capital repairs to our facilities.

Without a Park Fund payment in FY10 to offset the ice rink debt service of \$900K, the Enterprise Fund is budgeted to have a \$270,300 loss. While it shows the level of success of the Enterprise Fund that operating revenues exceed operating expenditures such that over \$600K of the debt service can be covered, the Enterprise Fund will have a less than desirable fund balance and no funding for needed capital repairs.

The Enterprise Division has completed **Business and Strategic Marketing Plans** for each facility and for the Fund as a whole. These plans highlight the strengths that the division can build on and issues that it faces. We will be using these plans in FY10 to monitor and manage the facilities. Without the transfer from the Park Fund, we have already begun to implement a new course for the facilities by restructuring our management ranks and repurposing the Wheaton Outdoor Rink.

I am proud of the Division's accomplishments during this past year and am confident that due to some of the changes we have implemented, we will continue to produce quality programs and provide warm and welcoming facilities to the citizens of Montgomery County.

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**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
MONTGOMERY COUNTY ENTERPRISE FUND**

ATTACHMENT 1

FY09 PRELIMINARY ACTUALS AS OF JULY 8, 2009

	FY09 BUDGET	FY09 PRELIMINARY ACTUALS	VARIANCE FROM BUDGET	FY08 ACTUALS	FY08 ACTUALS VS FY09	
GOLF COURSES	Operating Revenues	540,900	537,868	(3,032)	538,340	(472)
	Operating Expenditures	(16,800)	(8,390)	8,410	(148,883)	140,493
	Administrative Services	(77,500)	(69,851)	7,649	(74,745)	4,894
	Operating Income (Loss)	446,600	459,627	13,027	314,712	144,915
	Debt Service Payments	(405,000)	(404,958)	42	(430,728)	25,770
	Interest Earned	-	-	-	-	-
	Park Fund Participation (Subsidy)	-	-	-	-	-
	CIP Transfers	-	-	-	-	-
	Net Income (Loss) - Golf Courses	41,600	54,669	13,069	(116,016)	170,685
ICE RINKS	Operating Revenues	4,058,100	3,755,792	(302,308)	3,611,746	144,046
	Operating Expenditures	(3,871,200)	(3,198,045)	673,155	(3,123,919)	(74,126)
	Administrative Services	(581,800)	(532,289)	49,511	(555,799)	23,510
	Operating Income (Loss)	(394,900)	25,458	420,358	(67,972)	93,430
	Debt Service Payments	(924,100)	(924,154)	(54)	(941,558)	17,404
	Interest Earned	-	-	-	-	-
	Park Fund Participation (Subsidy)	543,000	543,000	-	543,000	-
	CIP Transfers	-	-	-	-	-
	Net Income (Loss) - Ice Rinks	(776,000)	(355,696)	420,304	(466,530)	110,834
TENNIS	Operating Revenues	1,552,900	1,267,328	(285,572)	728,243	539,085
	Operating Expenditures	(968,800)	(896,151)	72,649	(712,644)	(183,507)
	Administrative Services	(222,600)	(208,931)	13,669	(199,017)	(9,914)
	Operating Income (Loss)	361,500	162,246	(199,254)	(183,418)	345,664
	Debt Service Payments	-	-	-	-	-
	Interest Earned	49,500	19,958	(29,542)	50,281	(30,323)
	Park Fund Participation (Subsidy)	-	-	-	-	-
	CIP Transfers	(100,000)	-	100,000	-	-
	Net Income (Loss) - Tennis Facilities	311,000	182,204	(128,796)	(133,137)	315,341
EVENT CENTERS	Operating Revenues	465,000	331,792	(133,208)	314,564	17,228
	Operating Expenditures	(590,500)	(465,908)	124,592	(499,085)	33,177
	Administrative Services	(66,600)	(62,131)	4,469	(60,908)	(1,223)
	Operating Income (Loss)	(192,100)	(196,247)	(4,147)	(245,429)	49,182
	Debt Service Payments	-	-	-	-	-
	Interest Earned	-	-	-	-	-
	Park Fund Participation (Subsidy)	76,000	76,000	-	76,000	-
	CIP Transfers	-	-	-	-	-
	Net Income (Loss) - Event Centers	(116,100)	(120,247)	(4,147)	(169,429)	49,182
PARK FACILITIES	Operating Revenues	3,031,400	2,727,517	(303,883)	2,834,515	(106,998)
	Operating Expenditures	(2,239,600)	(1,855,773)	383,827	(2,218,129)	362,356
	Administrative Services	(434,600)	(371,917)	62,683	(402,689)	30,772
	Operating Income (Loss)	357,200	499,827	142,627	213,697	286,130
	Debt Service Payments	-	-	-	-	-
	Interest Earned	40,500	21,107	(19,393)	50,873	(29,766)
	Park Fund Participation (Subsidy)	-	-	-	-	-
	CIP Transfers	-	-	-	-	-
	Net Income (Loss) - Park Facilities	397,700	520,934	123,234	264,570	256,364
ADMINISTRATION	Operating Revenues	-	-	-	-	-
	Operating Expenditures	(1,383,100)	(1,245,119)	137,981	(1,293,158)	48,039
	Administrative Services	1,383,100	1,245,119	(137,981)	1,293,158	(48,039)
	Operating Income (Loss)	-	-	-	-	-
	Debt Service Payments	-	-	-	-	-
	Interest Earned	-	-	-	-	-
	Park Fund Participation (Subsidy)	-	-	-	-	-
	CIP Transfers	-	-	-	-	-
	Net Income (Loss) - Enterprise Admin	-	-	-	-	-
TOTAL	Operating Revenues	9,648,300	8,620,297	(1,028,003)	8,027,408	592,889
	Operating Expenditures	(9,070,000)	(7,669,386)	1,400,614	(7,995,818)	326,432
	Administrative Services	-	-	-	-	-
	Operating Income (Loss)	578,300	950,911	372,611	31,590	919,321
	Debt Service Payments	(1,329,100)	(1,329,112)	(12)	(1,372,286)	43,174
	Interest Earned	90,000	41,065	(48,935)	101,154	(60,089)
	Park Fund Participation (Subsidy)	619,000	619,000	-	619,000	-
	CIP Transfers	(100,000)	-	100,000	-	-
	Net Income (Loss) - Total Enterprise	(141,800)	281,864	423,664	(620,542)	902,406

Enterprise FY09 Year in Review

OVERALL ENTERPRISE NOTEWORTHY EVENTS

- Management staff participated in an Americans with Disabilities Act (ADA) workshop
- Entire ParkPASS system was upgraded in October 2008
- ParkPASS database increased from 36,237 to 50,458 account holders, 39% increase
- We continued to be a partner with the Maryland Senior Olympics
- Enterprise utilized 8,254 volunteers for a total of 70,494 hours at multiple facilities
- All camp programs were expanded to include full day and half day camps such as archeology, outdoor adventure camps (fishing, kayaking), nature and science camps, skating, tennis & baseball camps and scouting camps
- Strategic and Business Plans were completed for the Division and each facility

ICE RINKS

FY09 Noteworthy Events

- As a convenience to our customers, 2 ATM machines were added at Cabin John Rink and Wheaton Ice Arena in February
- We began offering healthier food options and expanded snack bar menus at both ice rinks, which were met with rave reviews from patrons
- Operating hours were changed during the off-season at both facilities to cut staffing, utility, and custodial supply costs

Cabin John Ice Rink

- The Internet Café at Cabin John Ice was completed and customers can now use the WIFI and read or study quietly while waiting at the rink
- The 2010 South Atlantic Regional Figure skating championships will be held in October 2009 with over 300 skaters and multiple vendors participating. This is a qualifying event for the 2010 Olympics and will draw skaters from the entire east coast.
- The dance studio was upgraded with strength and fitness equipment for use by customers and trainers for off-ice training
- A frequent freestyle discount card program was established to reward repeat patrons

Wheaton Ice Arena

- The operating hours were reduced during April and May due to low attendance during the off-season; therefore reducing 226 seasonal staff hours for 10 weeks saving \$21,500.
- New software was installed to control air flow in specific areas to conserve energy in less utilized areas of facility.
- Cooling tower water tank was changed to a larger capacity tank greatly reducing loss of hundreds of gallons of water per week
- A beautiful mural was completed in the snack bar area in partnership with local artists from Project Youth ArtReach

Wheaton Outdoor Rink

- Dasher boards from Cabin John Ice were used to replace old boards at the outdoor rink
- Staff assessed the viability of an outdoor ice rink and based on the utilization rate versus the income generated, the decision was made to close the facility during the winter and to repurpose the facility during the other seasons such as flea markets and as our camp headquarters for Week in the Park activities.

2009 Programs and Special Events:

- Customer Appreciation Days were held at the Ice Rinks in September and June (Free admission to one public session and a free skating lesson for beginners). Cabin John Ice had over 400 skaters and Wheaton Ice Arena had over 250 skaters
- Themed skating sessions at Ice Rinks were held throughout the year including: Scout Day, Halloween “spooky” skate, Veteran’s Day Skate, Holiday skate, Valentine skate and National Skating Month celebration
- At the December Holiday shows canned goods were collected and sent to area food banks
- During the “Keep Your Neighbors Warm Skate” program in November over 100 coats were collected and distributed to local schools
- Park Play Days and Spring Break camps were held on public school holidays for the children to participate in facility based activities such as tennis, ice skating, and nature activities
- Teen skate nights were held most Friday nights
- New” Flea Market in the Park” utilizing the Wheaton Outdoor Rink selling vendor spaces was a huge success. Dates were added and hours were increased based on demand.
- A new Canine Obedience program was initiated at Wheaton Dog Park

2010 plans

- The Commission was awarded a grant for \$73,000 from the EmPower Clean Energy program of MEA for energy efficient lighting for both rinks - \$47,000 for Cabin John and \$26,000 for Wheaton
- Weight equipment will be added to the newly renovated fitness room at Wheaton Ice Arena for skaters’ off-ice conditioning and memberships will be sold for fitness room use
- Standardized rink session schedules at Cabin John set for entire winter season versus bi-monthly in response to customer requests
- We will continue to expand our pro shop offerings at both rinks coordinating purchasing and marketing of merchandise between rinks
- Staff will continue to assess all equipment to improve energy efficiency such as installing a tankless water heater

INDOOR TENNIS

FY09 Noteworthy Events

- Operating hours were being changed during the off season at both facilities to cut staffing, utility, and custodial supply costs
- Outdoor tennis class offerings were expanded at Olney Manor and South Germantown

Pauline Betz Addie Tennis Center at Cabin John

- In coordination with the Montgomery County Tennis Association, a contractor completed a market analysis to determine if additional courts should be added
- 430 seasonal court contracts were issued for the 2009-10 season (September-April)
- Interior facility was repainted, and the bathrooms and storage areas were upgraded

Wheaton Indoor Tennis

- The Wheaton Indoor Tennis facility was reopened with a new fabric cover, air conditioning, courts, and netting. The grand re-opening was held on February 8th with approx. 400 patrons in attendance at the free “Love Fest”. Event included tennis games, refreshments, giveaways and many door prizes.
- The first “Quick Start Tournament” for 5-10 year olds was held in June 2009 with 30 participants

2010 Plans

- Continue coordinating programming with Montgomery County Tennis Association
- Expand daytime senior and youth afterschool programs at Wheaton Indoor Tennis

EVENT CENTERS

FY09 Noteworthy Events

- Upgraded websites for event centers including new URL's
- Program offerings were expanded to promote the facility and increase public awareness
- Park staff and volunteers helped beautify the grounds in May with new landscaping

Rockwood Manor

- Rockwood's overnight facilities were filled with patrons attending the Presidential Inaugural events
- Youth groups, including Girls Scouts, continued to use our dorms for scouting activities

2010 Plans

- A new tent pad will be installed in order to accommodate larger groups for socials, weddings, reunions, etc. at Woodlawn Manor
- Planned expansion of Brooke Hall in Rockwood to accommodate larger events
- Develop a marketing plan for event centers and maximize our online presence

PARK FACILITIES

FY09 Noteworthy Events

Brookside Gardens

- Free Fall lecture series continued to be a success
- "Garden of Lights" Winter light show from the end of November until early January is a customer favorite
- Wings of Fancy butterfly exhibit held annually

Black Hill Boats & Lake Needwood

- Through a non-matching state grant, a new \$184,000 boat dock was installed at Black Hill boat facility
- Both facilities held a Kids Fishing Day in June and July with the first 25 participants receiving a free cane pole and participating in a tournament. Program also included showing participants how to bait a hook, etc.

Wheaton Train & Carousel

- Party rooms were renovated at train station to accommodate more people and the operating hours of the train were extended on the weekends to accommodate more passengers
- A new train engine was purchased for the Wheaton Train station
- The Haunted Train and Carousel rides were a huge success during the month of October including discounted admission with the donation of a canned food item

Cabin John Train

- The train station party room was renovated and patrons can now book online rentals through ParkPASS
- Eye Spy Halloween train rides were held during the month of October and patrons received discounted admission with a donation a canned food item

Splash Park & Miniature Golf

- New senior discount and teen nights offered at South Germantown miniature golf to encourage attendance
- The splash park added an additional party tent for rental

Little Bennett Campground

- New camping programs were added such as family campouts, camping skills classes, and outdoor camp cooking classes
- The campground opened in January 2009 for RV patrons attending the Presidential Inaugural events

2010 plans

- Year-round booking of the Cabin John and Wheaton train party rooms

Montgomery County Department of Parks – Enterprise Fund – Attendance and Revenue Data

Facility Name		Amenities	FY08						FY09					
			# Courses	# Course Registrants	Course Revenue	# Rentals	Total Attendance	Total Revenue	# Courses	# Course Registrants	Course Revenue	# Rentals	Total Attendance	Total Revenue
ICE RINKS	Cabin John	1 NHL rink, 1 Olympic rink, 1 studio rink, pro shop, snack bar, dance studio, internet café	1,155	6,434	\$638,000	643	286,578	\$2,505,663	1,167	6,568	\$687,000	583	309,628	\$2,724,698
	Wheaton Arena	1 NHL rink, pro shop, snack bar, fitness room	458	2,194	\$205,000	262	110,893	\$981,681	385	2,066	\$200,000	170	78,143	\$969,601
	Wheaton Outdoor	1 covered NHL rink	38	342	\$63,413	32	11,275	\$124,401	18	326	\$61,418	37	2,565	\$73,770
TENNIS	Pauline Betz Addie at Cabin John	6 courts in a butler building	291	1,928	\$203,000	3,966	58,510	\$724,851	459	2,616	\$280,000	4,266	94,718	\$1,024,834
	Wheaton Indoor	6 courts in a permanent fabric structure	Facility Closed Entire Year											
			Facility Closed for 4 months						Facility Closed for 6 months					
EVENT CENTERS	Rockwood Manor	Multiple meeting rooms; small weddings/social events	1	52	\$13,000	384	16,317	\$196,719	9	225	\$21,000	352	12,827	\$205,317
	Lodge at Seneca Creek	One large room small weddings/social events	---	---	---	74	8,333	\$88,066	1	11	\$275	25	8,311	\$102,245
	Woodlawn Manor (Historic Home)	Small meeting room; small outdoor weddings/social events	---	---	---	23	5,709	\$25,780	---	---	---	82	6,591	\$20,777
PARK FACILITIES	Brookside Gardens	Revenue producing classes, trips and rentals	148	2,833	\$93,000	301	96,717	\$1,015,227	137	2,855	\$88,000	316	98,569	\$1,016,152
	Black Hill Boats (Seasonal)	Boat rentals, fishing permits, mooring sites, pontoon boat ride	---	---	---	---	13,585	\$114,832	---	---	---	---	16,937	\$131,843
	Lake Needwood Boats (Seasonal)	Boat rentals, fishing permits, mooring sites, pontoon boat ride	---	---	---	---	19,325	\$44,348	---	---	---	---	23,750	\$54,189
	Little Bennett Campground (Seasonal)	Only full service campground in Montgomery County 91 campsites	---	---	---	3,175	19,802	\$158,644	---	---	---	3,291	29,150	\$162,901
	Cabin John Train (Seasonal)	Miniature train accommodates 60 riders	---	---	---	44	70,791	\$119,0028	---	---	---	63	55,264	\$122,281
	Wheaton Train & Ovid Hazen Wells Carousel - Wheaton (Both Seasonal)	Miniature train accommodates 60 riders Herschell/Spillman Carousel Circa 1915	---	---	---	30	167,165	\$268,350	---	---	---	63	134,786	\$280,375
	South Germantown Splash Playground & Miniature Golf (Both Seasonal)	Water features and tent rental Two 18 hole miniature golf courses	---	---	---	125	49,213	\$207,428	---	---	---	231	48,939	\$232,240