



**Baltimore Efficiency & Economy Foundation**

# **Baltimore Department of Recreation: Operation Review of Facilities**

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## 1.0 Executive Summary

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SMART Business Advisory and Consulting, LLC (“SMART”) is pleased to conduct and present an operational review of the facilities within the Baltimore Department of Recreation and Parks (BDPR). This document outlines our approach, findings, and recommendations associated with optimizing each facility.

### 1.1. Project Background

After initially completing an operations review of the William J. Meyers Soccer Pavilion (WJMSP) as a pilot, the Baltimore Efficiency & Economy Foundation (B.E.E.F.) re-engaged SMART to continue with this initiative and to complete the selected centers within the BDPR. The facilities within scope are as follows:

- Howard Peters Rawlings Conservatory and Botanic Gardens of Baltimore
- Carrie Murray Nature Center
- Cylburn Arboretum
- Baltimore Rowing and Resource Center
- Dominic “Mimi” DiPietro Family Skating Center
- Mt. Pleasant Ice Rink

As conducted initially with the WJMSP facility, the three functional areas outlined below were reviewed in association with the facilities:

- **Financial Operations:** Our focus in this area was on the end-to-end accounting life cycle to include the recordation and reporting of transaction data.
- **Facilities Management:** Our focus in this area was on the facility management life cycle to include maintenance planning and management, work order transaction processing, facility utilization, and staffing
- **Sales and Marketing:** Our focus in this area was on the sales and marketing life cycle to include sales forecasting and revenue optimization, marketing programs and their effectiveness, and customer relationship management.

### 1.2. Project Approach

The SMART team leveraged a similar structured approach from the WJMSP operations review to use with the remaining facilities. This approach included the following:

- Conduct documentation reviews of CitiStats financial reports, facility operations study, and sales and marketing collateral
- Complete industry and benchmark analysis, comparing revenue and operating expenses of similar facilities in comparable cities. These cities were selected based on discussions with the Baltimore City Council and our reviews of the city’s average household/family size, per capita income, median household income, and demographics:
  - Atlanta, GA
  - Chicago, IL
  - Cincinnati, OH
  - Cleveland, OH
  - Philadelphia, PA
  - St. Louis, MO
  - Washington, D.C.
- Provide a master plan of recommendations

For each facility, we identified several operational areas to drive growth, efficiencies, and strengthen controls. As such, we have listed our findings and categorized our operational recommendations into the following sections:

- **Facility Background:** we summarized the facility's current standing based on last fiscal year's CitiStats report
- **Current Findings:** we highlighted key points from our interview with the facility key personnel and our review of the facility operations
- **Benchmarked Facilities Comparison:** we highlighted the benchmarked facilities and their financial standing, in addition to comparing revenue against the Baltimore facility
- **Action Plan:** we recommended a primary action plan with short and long term goals

As a part of this approach, we included site visits as well as follow-up meeting with key personnel. During this initiative, we found that each facility's dedicated staff was extremely helpful in providing the necessary information we needed to gather and they all had a clear vision of the future of their respective facility.

In addition to site visits of the Baltimore facilities, SMART conducted benchmarking based on the facility types. As a result of our industry benchmarking, we were not able to fully benchmark all of the facility types due to the lack of data the facility and the city could provide at that point. In addition, restrictions to benchmarking in only comparable cities and push backs from some facilities have limited the number of available facilities to look at. As such, the data from the benchmarks that we did collect further supported the trend and recommendation that we have provided.

Each facility within the BDPR scope has its own unique offering and thus, we have identified specific new opportunities and enhancements to current programs for each of the facilities.

### 1.3. Project Findings

The recommendations in this review were made by the SMART team, in conjunction with the facility staff and their experiences, to further develop and grow the facility to its fullest potential. This in turn can affect the value of the facility and increase its revenues. As a result of the operation reviews of each facility, we have defined a common thread of opportunities that extends across all of the facilities within BDPR. We found that the biggest revenue enhancing opportunity for these facilities comes from developing and working with a non-profit organization. In conjunction, each facility should extend its own membership-based admissions, seek and provide acknowledgement of contributions, increase utilization in non-core alternative programs, and leverage education programs with schools and the community. In order to create and sustain these revenue enhancing opportunities, we found that staff optimization, improved marketing and media department support, facility enhancements and upgrades, and automation of the manual processes will further the operational efficiency of the facility.

## 2.0 The Howard Peters Rawlings Conservatory and Botanic Gardens of Baltimore

### 2.1. Facility Background

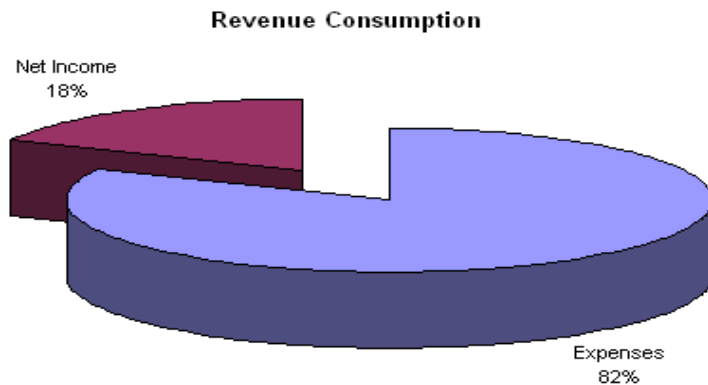
As a one-of-kind architecturally designed facility, the Howard Peters Rawlings Conservatory and Botanic Gardens of Baltimore (“Conservatory”) features year-round displays of plant material in five distinct areas: the 1888 Palm House, the Orchid Room, the Mediterranean House, the Tropical House, and the Desert House. The Conservatory consists of 35 flowerbeds in a 1 ½ acre garden. The Conservatory produces annual public flower shows and serves as a venue to rent for weddings, parties, meetings, and other special events.



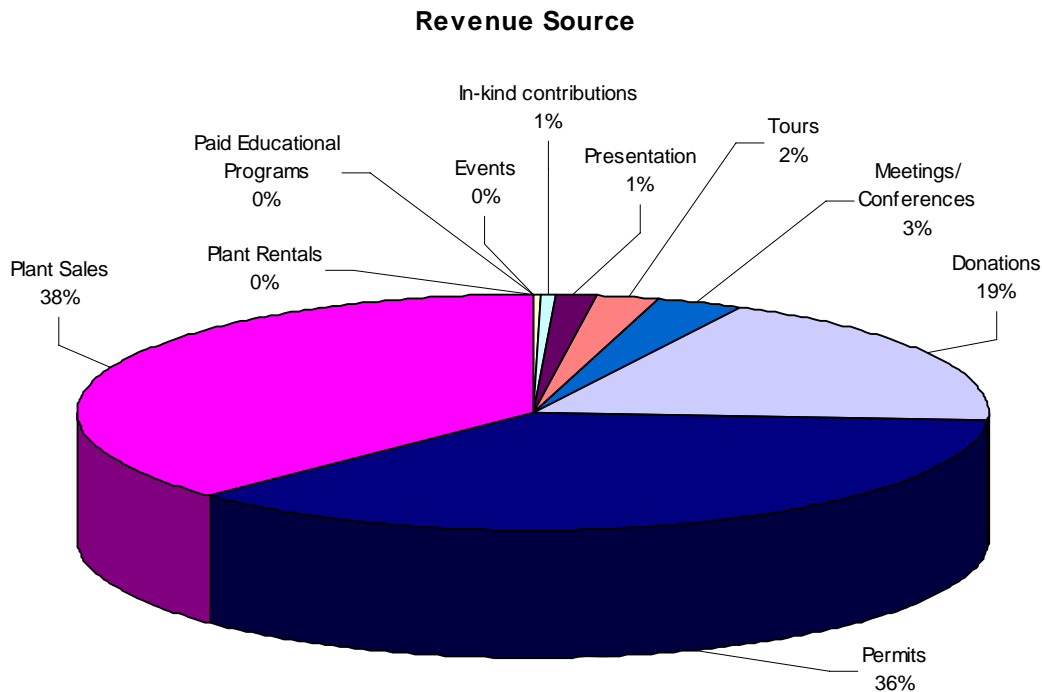
According to last fiscal year’s CitiStats, the Conservatory’s support and revenues was \$62,477 with \$51,268 in expenses for a net of \$11,209 in profit. Below is the financial view of the Conservatory’s revenue and expenses, the data can also be found in Appendix A.

SUPPORT AND REVENUES		
Plant Rentals	\$	-
Paid Educational Programs	\$	113
In-kind contributions	\$	462
Presentation	\$	800
Tours	\$	1,335
Meetings/Conferences	\$	1,930
Donations	\$	11,748
Permits	\$	22,683
Plant Sales	\$	23,406
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$</b>	<b>62,477</b>

EXPENSES		
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>51,268</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$</b>	<b>11,209</b>



As shown below, 93% of the revenue comes from 3 main sources: donations, permits (non-refundable fees from event applications), and plant sales. Therefore, based on the last fiscal year annual total revenue of \$62,477, the Conservatory's 3 main sources brought \$57,837 in revenues.



After review of the CitiStat financials, the SMART team reviewed the Conservatory's current operations.

## 2.2. Current Findings

For this facility, we interviewed Kate Blom, the Conservatory Supervisor, and reviewed the current operations of the facility. During our review, we found the following:

- The admissions and main events are free to the public and are based on voluntary donations of \$2.00
- There are a limited number of children summer education and family oriented programs offered
- The gift shop is limited to plant sales and a few educational pamphlets
- The staff has 4 full-time members total; three of these members handle the main operations and maintenance of the facility while the remaining member focuses on the cityscapes. In addition, the staff has 4 part-time members who each have their own specialties within the facility. For this facility, the volunteers are heavily depended upon to both operate and maintain the facility and provide assistance with tours.
- The current facility accommodations cannot host large indoor groups and the available parking is limited for large events
- The facility operations are manual and time-consuming, such as physical cash deposits and the time entry records are required to be maintained manually. Also, the technology is outdated (i.e. dial-up internet)
- The marketing support of the facility is poor; on occasions marketing products are not produced in time for events and/or have errors. Overall marketing of the facility in the community is almost non-existent.
- Recent vandalism to the facility caused thousands of dollars in repairs due to lack of security and/or security technology
- Some schools cannot utilize the Conservatory as an educational tool because those schools are unable to provide the bus transportation needed to go to the facility



## 2.3. Benchmarked Facilities Comparison

### 2.3.1. Facilities Benchmarked

Based on our research in comparable cities, the following conservatories were benchmarked against the Baltimore facility.

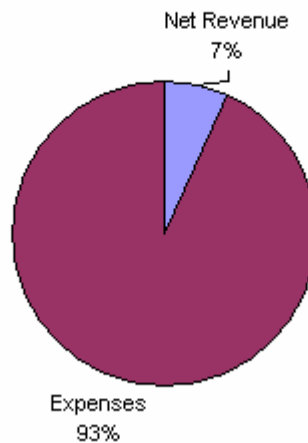
**Cleveland Botanical Garden, Cleveland, OH:** This glasshouse conservatory provides two exotic adventures into the lush rainforest of Costa Rica and the spiny desert of Madagascar, an extensive garden collection, and a public garden café and store. The facility is a 501(c)(3) owned and operated and is located near the Cleveland Museum of Art and Cleveland Museum of Natural History.



The facility's last fiscal year financial statement is displayed:

SUPPORT AND REVENUES		EXPENSES	
Contributions, Gifts, Grants, Direct Public Support, and similar amounts	\$ 1,962,940	Program Services	\$ 5,780,984
Admission and Parking	\$ 641,792	Management and General	\$ 884,466
Programs Fees	\$ 222,502	Fundraising	\$ 525,667
Rental Income	\$ 311,663	Payments to affiliates	\$ -
Food Service	\$ 92,677	<b>TOTAL EXPENSES</b>	<b>\$ 7,191,117</b>
Membership Dues and Assessments	\$ 317,225		
Interest on savings and temporary cash investments	\$ -	<b>CHANGE IN NET ASSETS</b>	<b>\$ 535,317</b>
Dividends and interest from securities	\$ 648,504	<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 53,079,067
Gross Rents	\$ -	<b>OTHER CHANGES IN NET ASSETS</b>	\$ (1,625,066)
Gross Amount from sales of assets other than inventory	\$ 3,707,666	<b>NET ASSETS - END OF YEAR</b>	\$ 51,989,318
Special Events and Activities	\$ -		
Gross Sales of Inventory	\$ (178,535)		
Other	\$ -		
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 7,726,424</b>		

**Revenue vs. Expenses**



**Missouri Botanical Garden, St. Louis, MO:** This facility is a self-contained institution within a neighborhood in the City of St. Louis, offering beautiful horticultural displays, including a Japanese strolling garden, Henry Shaw’s original 1850 estate home, and one of the world’s largest collections of rare and endangered orchids. The city-owned facility contracts with the Missouri Botanical Garden, a 501(c)(3) entity, for the installation, maintenance and improvements of facilities, and performance of services that would benefit the general public.



The facility’s last fiscal year financial statement is displayed:

**PUBLIC SUPPORT AND REVENUES**

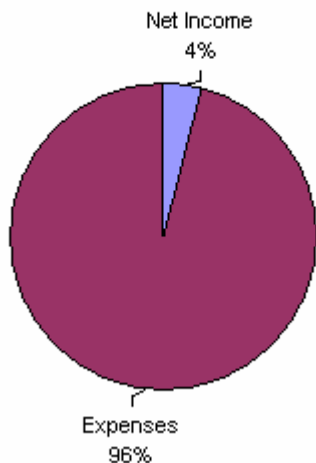
Public Support			
	Services provided for Botanical Garden		
	Sub district	\$	9,500,000
	Contributions and Membership	\$	5,970,389
	Bequest	\$	2,211,365
Revenue			
	Admissions	\$	1,790,645
	Grants and Contracts	\$	-
	Retail Shops	\$	2,401,319
	Education	\$	435,994
	Property Rentals	\$	495,655
	Overhead recovered from grants and contracts	\$	341,799
	Interest and Dividend Income	\$	1,314,123
	Net Realized Investment Gains (losses)	\$	2,180,068
	Net Unrealized Investment Gains	\$	-
	Net loss on property dispositions	\$	-
	Other	\$	994,661
	Net assets released from restrictions	\$	-
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>		<b>\$</b>	<b>27,636,018</b>

**EXPENSES**

Operating Services			
	Horticulture	\$	2,485,927
	Research and Library	\$	4,427,619
	Retail Shops	\$	2,271,143
	Education	\$	1,093,508
	Butterfly House-General	\$	1,095,767
	Shaw Nature Reserve-General	\$	701,045
	Visitor Services	\$	378,251
	Public Events	\$	342,302
	Professional Services	\$	-
	Neighborhood Improvements	\$	-
Supporting Services			
	Administrative	\$	6,336,593
	Maintenance and Improvements	\$	3,132,691
	Depreciation	\$	-
	Utilities	\$	914,987
	Security	\$	734,625
	Membership Department	\$	1,187,465
	Institution Advancement	\$	1,403,297
<b>TOTAL EXPENSES</b>		<b>\$</b>	<b>26,505,220</b>

<b>CHANGE IN NET ASSETS BEFORE TRANSFERS</b>	<b>\$</b>	<b>1,130,798</b>
<b>PROPERTY TRANSFERS</b>	\$	(219,700)
<b>TRANSFERS OF FUNDS</b>	\$	(1,376,675)
<b>CHANGE IN NET ASSETS</b>	\$	(465,577)
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$	5,259,955
<b>NET ASSETS - END OF YEAR</b>	\$	4,794,378

**Revenue vs. Expenses**



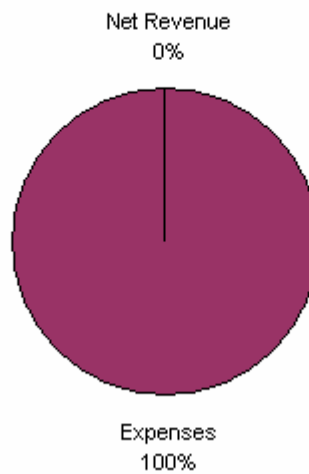
**Garfield Park Conservatory, Washington, D.C:** This city-owned facility is operated by the Chicago Park District but works with the Garfield Park Conservatory Alliance, a non-profit organization, to operate its programs. As one of the nation’s premier conservatories, this six multi-faceted greenhouse and two grand exhibition halls provide room rentals, a gift shop and café, seasonal flower shows, and a number of demonstrations and workshops.



The facility’s last fiscal year financial statement is displayed:

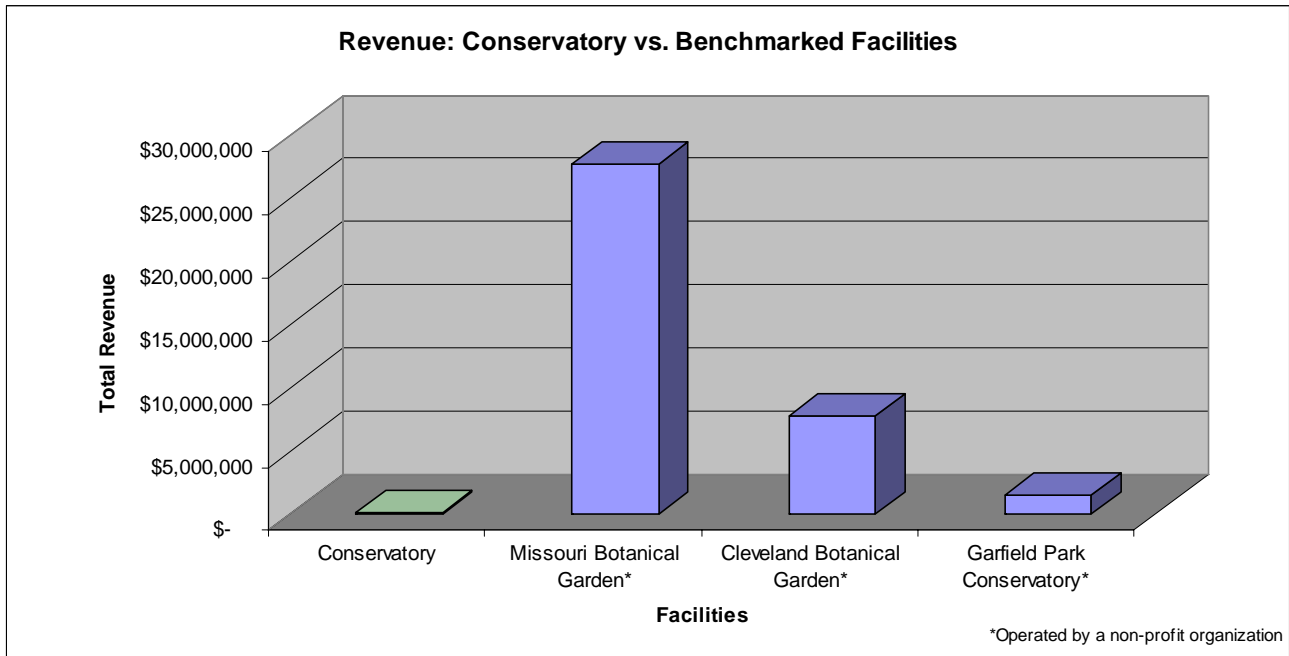
SUPPORT AND REVENUES		EXPENSES	
Corporate and Foundation	\$ 640,217	Program Services	\$ 869,826
Government	\$ 304,362	General and Administration	\$ 198,068
Membership, Programs, and Sales	\$ 187,865	Gift Shop	\$ 154,689
In-Kind	\$ 69,320	Fundraising	\$ 215,965
Individual Gifts	\$ 237,235	<b>TOTAL EXPENSES</b>	<b>\$ 1,438,548</b>
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 1,438,999</b>		
		<b>CHANGE IN NET ASSETS</b>	<b>\$ 451</b>

**Revenue vs. Expenses**

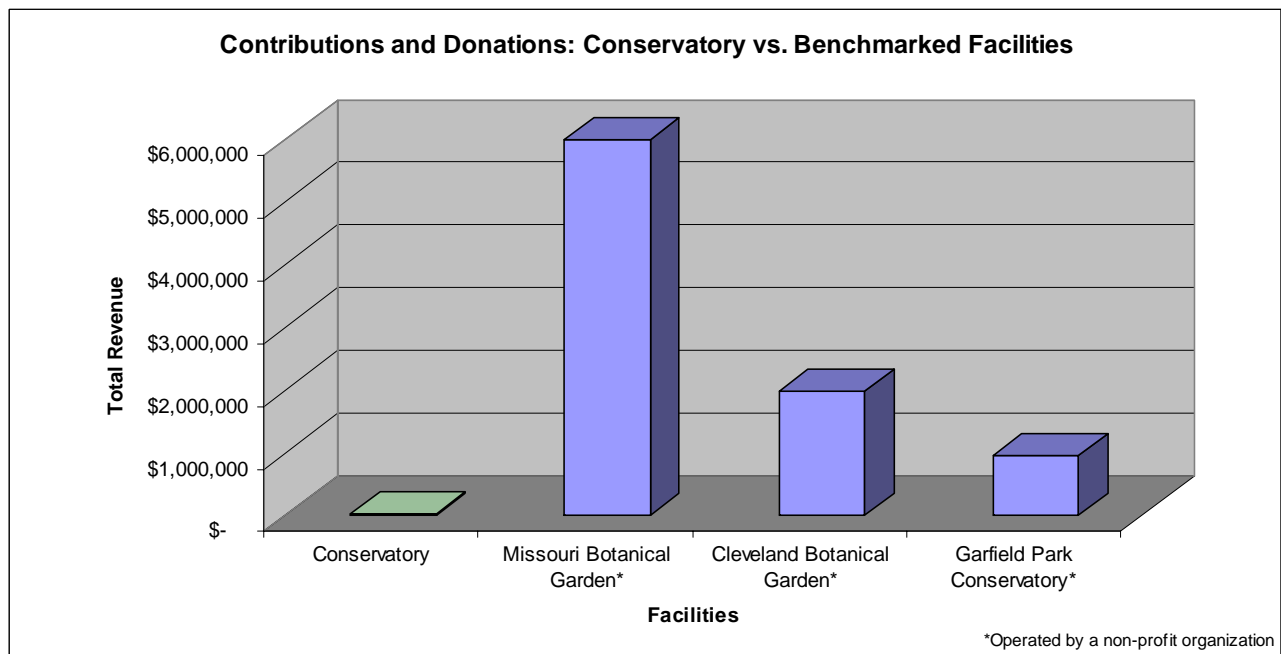


### 2.3.2. Conservatory vs. Industry Benchmarks

Based on the benchmarks, there is significant revenue increase due to the fact that the facility works with or is owned by a non-profit organization as compared to a city-owned and operated facility. Shown below is the Conservatory's revenue compared to the benchmarked facilities.



As with all non-profit organizations, the main source of income comes from tax-deductible contributions and donations. Below is the Conservatory's contributions and donations total compared to the benchmarked facilities.



## 2.4. Action Plan

Based on benchmarking of comparable facilities, we have provided a recommendation that will help bring in additional revenue for the Conservatory. Once revenue flow has increased, the short-term and long-term goals based on the current findings are listed as secondary next steps.

### 2.4.1. Primary Recommendation

Our main recommendation for the Conservatory is to establish a non-profit organization to either operate the facility or to manage and maintain the programs. Outlined in [Chapter 9: Creating a Non-Profit Organization](#) is the step-by-step process of establishing a non-profit organization.

### 2.4.2. Short-Term Goals: 0 – 6 months

The short-term action plan is focused to increase revenue with minimum investments, utilizing current facility offerings. The direct result of the short-term goals should be the increase of revenue, awareness of the facility, and visitor traffic.

#### Increase Sales and Marketing efforts:

1. Market facility throughout communities and schools of current offerings through advertisement, banners, flyers, and etc.
2. Modify rental fees for special events (i.e. weddings) by increasing rental fees for prime dates and decreasing rental fees for non-prime dates to increase facility utilization and revenue
3. Provide marketing and media support/personnel whose main focus is on the Conservatory for quicker turn-around time on flyers, banners, brochures, and etc. In addition, allow the facility the flexibility to market and advertise as needed.
4. Enhance the website with up-to-date information, programs and offerings, contact information, employment and volunteer opportunities, video tours and calendar of events

#### Increase Contributions, Grants, In-Kind Donations, and Memberships:

1. Host events to increase fund-raising and facility profile such as Art Exhibits, Concerts in the Park, Professional Organization Networking meetings, and “How-to” Demonstrations
2. Raise funds to support transportation for Baltimore City school students, this will increase the public awareness of the facility and at the same time provide an enjoyable learning environment

### 2.4.3. Long-Term Goals: 7 – 12 months

As a result of short-term goals, the revenue should be put back into the facility to further develop its long-term goals by supporting the following areas: revenue enhancing opportunities, financial operations, and facilities management.

#### Revenue Enhancing Opportunities:

1. Once visitor traffic increase, begin charging admission for self-guided tours: offer graduated rates such as adult, children, residential, Senior Citizen and Baltimore City employees, and include seasonal/yearly passes
2. Develop educational based programs for birthday parties and tours to integrate with grade-level school curriculums and children Summer Day-Camps and family oriented weekend “hands-on” activities
3. Improve the gift shop to include collectibles, informational books, clothing and apparel, etc.
4. Establish a restaurant venue to provide food and beverages for the public, by contracting with a city-selected vendor

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**Financial Operations:**

1. Have “sweep accounts” at a local bank branch to support the depositing of cash transactions, eliminating the physical driving to headquarters to submit deposits
2. Allow credit card sales to be made at the facility
3. Automate current manual processes, utilizing an electronic environment to support the collection, review, approval, and payment association to timesheets and to input the necessary metrics for CitiStats reporting
4. Establish an electronic procurement to payment application for the creation, routing, approval, and transmittal of purchase requisitions and requests

**Facilities Management:**

1. Include a full-time program coordinator to focus on maintaining current and establishing new programs and events
2. Add full-time security for the safety of the public and to prevent vandalism on the facility
3. Provide Docent training to volunteers in return for a time period commitment

**Sales and Marketing:**

1. Enhance current website to allow an online reservation system which will then support electronic payments, electronic billing, and online donations.

### 3.0 Carrie Murray Nature Center

#### 3.1. Facility Background

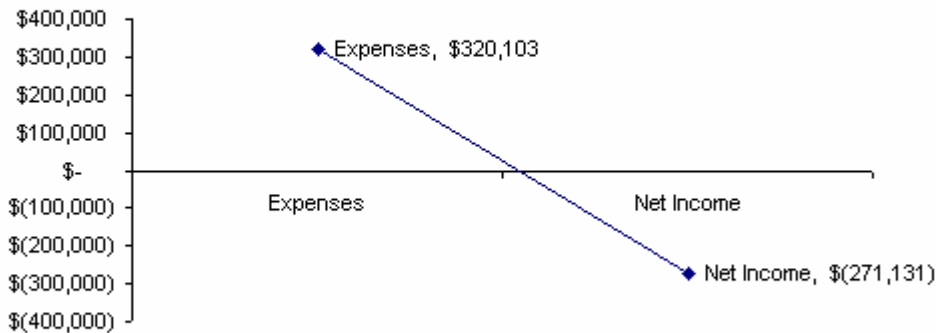
The Carrie Murray Nature Center (“Nature Center”) is a unique facility that features an Insect Zoo, rehabilitation center, a large classroom, and a live display of reptiles and amphibians. Opened year-round, participants are involved in nature programs and activities such as watershed/stream conservation, recycling, animal and wild bird rescue, bird, insect and tree identification, summer camps, and many others.



According to the last fiscal year’s CitiStats, the Nature Center’s support and revenues was \$48,972 with \$320,103 in expenses for a loss of \$271,131. Below is the financial view of the Nature Center’s revenue and expenses, the data can be found in Appendix A.

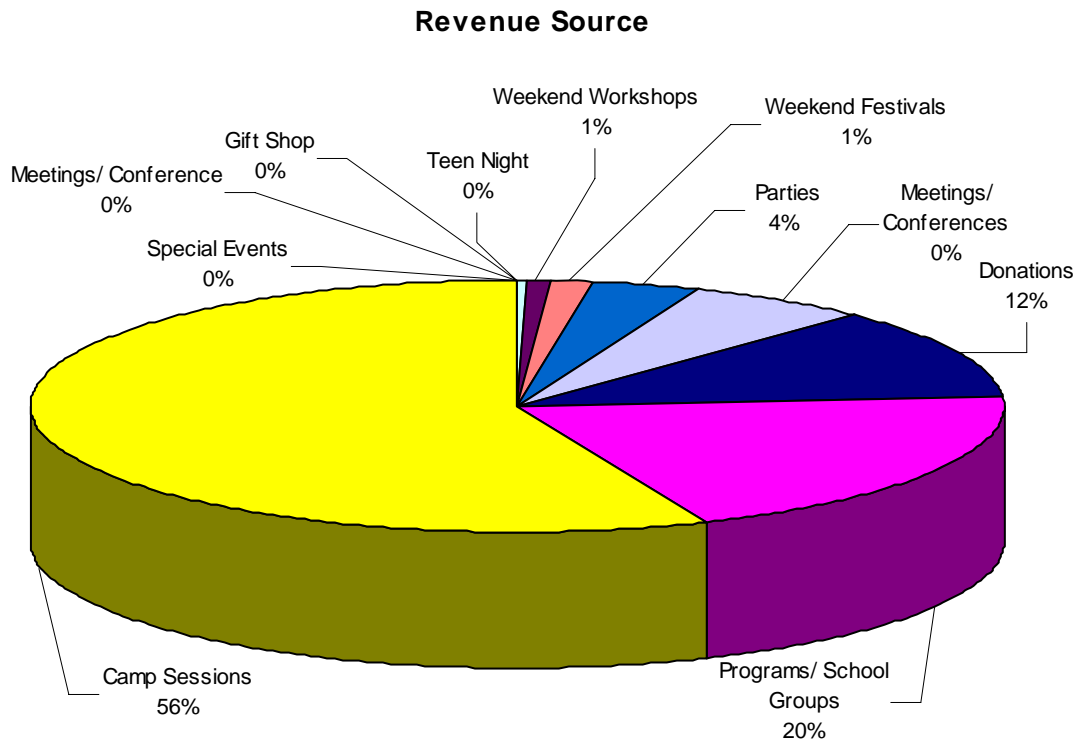
SUPPORT AND REVENUES			EXPENSES	
Meetings/Conferences	\$	150		
Weekend Workshops	\$	448		
Weekend Festivals	\$	650		
Parties	\$	1,800		
Other	\$	3,000		
Donations	\$	5,686		
Programs/School Groups	\$	9,608		
Camp Sessions	\$	27,630		
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$</b>	<b>48,972</b>	<b>TOTAL EXPENSES</b>	<b>\$ 320,103</b>
			<b>CHANGE IN NET ASSETS</b>	<b>\$ (271,131)</b>

**Revenue Consumption**



**Gross Revenue = \$48,972**

As shown below, 88% of the revenue comes from 3 main sources: camp sessions, education programs/school groups, and donations. As a result, based on the last fiscal year annual total revenue of \$48,972, the Nature Center's 3 main sources brought \$42,924 in revenues.



After review of the CitiStat financials, the SMART team reviewed the Nature Center's current operations.

### 3.2. Current Findings

For this facility, we interviewed the Nature Center's director, Corrine Parks, and reviewed the current operations of the facility. During our review, we found the following:

- There are not enough participants at sponsored events due to lack of marketing and advertising of the event
- The facility lacks air condition for the rehabilitation room, needs a new roof, and has mice problems which resulted in the closing of the gift shop
- The staff is made up of 2 full-time members and roughly 7-8 part-time members; needs additional full-time support with talented candidates but due to the current hiring process, the slowness resulted in lost of good candidates
- The vandalism, crimes, and unwarranted trespassing has reduced significantly due to the placement of security but it is currently in the process of being removed
- For the summer camp programs, each item needed for each session needs to be justified, a slow process for the biggest revenue source for the facility
- The marketing and advertising support is poor and the turn-around time is slow which have cause a low participation rate for certain events



### 3.3. Benchmarked Facilities Comparison

#### 3.3.1. Facilities Benchmarked

Based on our research, the following nature centers were benchmarked against the Baltimore facility.

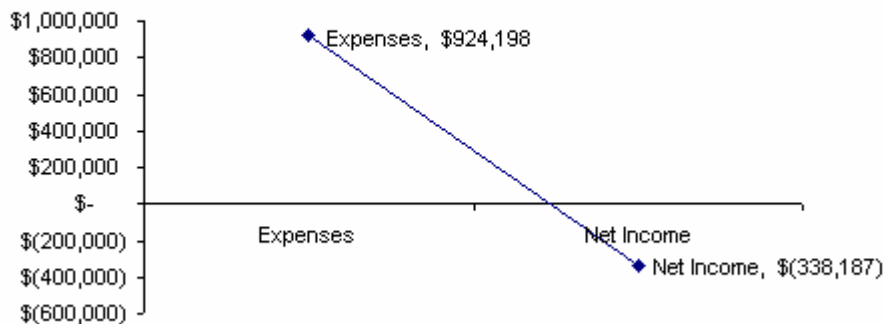
**Nature Center at Shaker Lakes, Cleveland, OH:** This facility is owned and operated by a 501c(3) non-profit organization and offers year-round and seasonal programming, indoor and outdoor facilities for rentals, and houses classrooms, a meeting room, exhibit areas, a library, and a gift store. In addition, the Nature Center is home to extensive wildlife and plant species living in a variety of natural habitats, including lake, stream, field, forest, marsh, and ravine.



The facility's last fiscal year financial statement is displayed:

SUPPORT AND REVENUES		EXPENSES	
Contributions, Gifts, Grants, Direct Public Support, and similar amounts	\$ 369,562	Program Services	\$ 728,089
Teaching Fees	\$ 65,252	Management and General	\$ 89,811
Seasonal Youth Camps	\$ 57,794	Fundraising	\$ 106,298
Membership Dues and Assessments	\$ -	Payments to affiliates	\$ -
Interest on savings and temporary cash investments	\$ 9,737	<b>TOTAL EXPENSES</b>	<b>\$ 924,198</b>
Dividends and interest from securities	\$ -	<b>CHANGE IN NET ASSETS</b>	<b>\$ (338,187)</b>
Gross Rents	\$ 31,149	<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 5,023,625</b>
Other Investment Income	\$ -	<b>OTHER CHANGES IN NET ASSETS</b>	<b>\$ 204,758</b>
Gross Amount from sales of assets other	\$ -	<b>NET ASSETS - END OF YEAR</b>	<b>\$ 4,890,196</b>
Special Events and Activities	\$ 48,157		
Gross Sales of Inventory	\$ 4,360		
Other	\$ -		
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 586,011</b>		

**Revenue vs. Expenses**



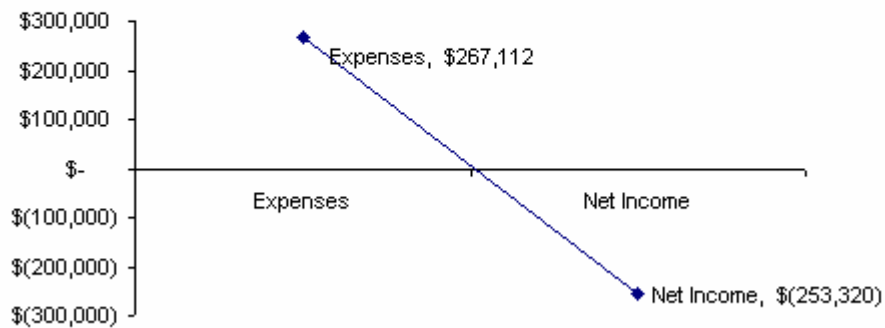
**North Park Village Nature Center, Chicago, IL:** This city owned and operated facility comprises of a cluster of buildings located on approximately 155 acres of land and is purposed to provide urban citizens with an opportunity to interact with wildlife, plants, and other natural resources. The North Park Village Nature Center is located on the northwest side of Chicago and includes a forty-six acre nature preserve which features trails, wetlands and prairie savannas, as well as an educational facility. As a part of the Chicago Park District, North Park Village Nature Center enjoys over 75,000 visitors per year.



The facility's last fiscal year financial statement is displayed:

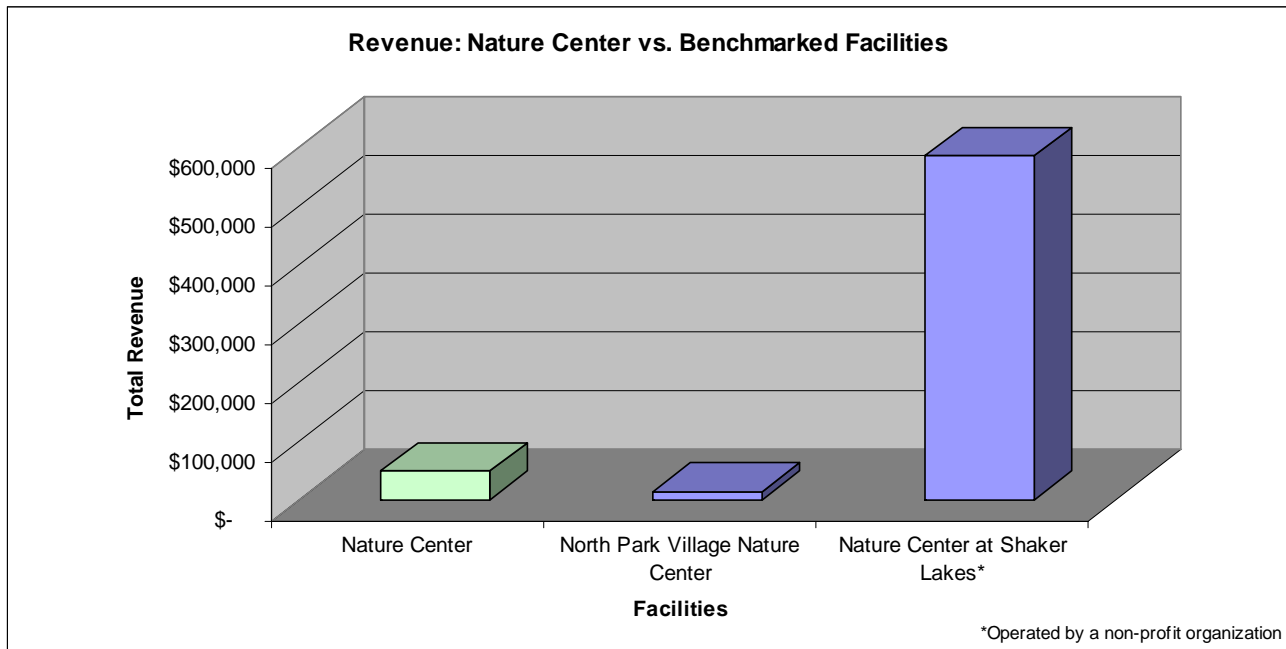
SUPPORT AND REVENUES				EXPENSES	
Public Support	Foundation grant	\$	-	Program Services/Contracts & Supplies	\$ 36,252
	Donations	\$	905	Administrative/Salaries	\$ 230,860
Revenue	Service/Registration fees	\$	12,887	<b>TOTAL EXPENSES</b>	<b>\$ 267,112</b>
<b>TOTAL SUPPORT AND REVENUES</b>				<b>\$ 13,792</b>	<b>CHANGE IN NET ASSETS</b>
					<b>\$ (253,320)</b>

**Revenue vs. Expenses**

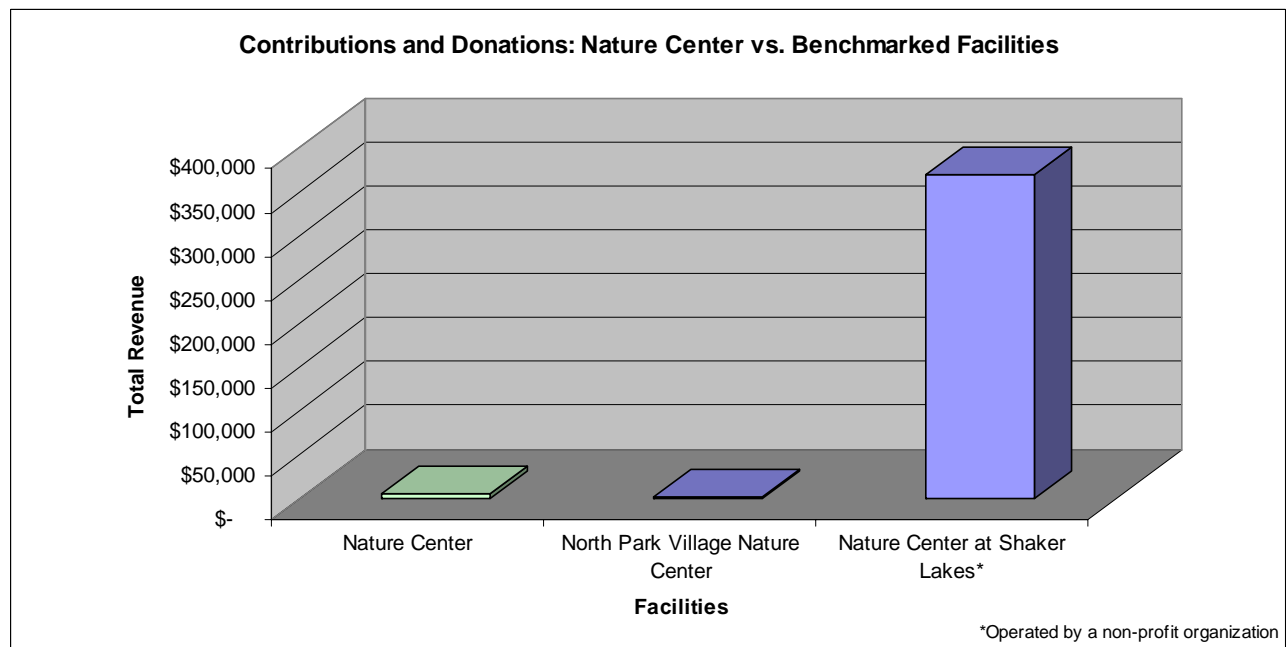


### 3.3.2. Nature Center vs. Industry Benchmark Comparison

Base on the benchmarks, there is a huge difference between revenue of the non-profit operated facility and a city-owned facility. Even though both these benchmarks showed a loss, the non-profit operated facility, Nature Center at Shaker Lakes, still had positive net assets at the end of the year due to the previous year's growth. Below is the Nature Center's revenue compared to the benchmarked facilities.



As with all non-profit organizations, the main source of income comes from tax-deductible contributions and donations. Hence the Nature Center's contributions and donations total compared to the benchmarked facilities.



### 3.4. Action Plan

Based on benchmarking of comparable facilities, we have provided a recommendation that will help bring in additional revenue for the Nature Center. Once revenue flow has increased, the short-term and long-term goals based on the current findings are listed as secondary next steps.

#### 3.4.1. Primary Recommendation

Our main recommendation for the Nature Center is to establish a non-profit organization to either operate the facility or to manage and maintain the programs. Outlined in [Chapter 9: Creating a Non-Profit Organization](#) is the step-by-step process of establishing a non-profit organization.

#### 3.4.2. Short-Term Goals: 0 – 6 months

The short-term action plan is focused to increase revenue with minimum investments, utilizing current facility offerings. The direct result of the short-term goals should be the increase of revenue, awareness of the facility, and visitor traffic.

##### Increase Sales and Marketing efforts:

1. Market facility throughout communities and schools of current offerings through advertisement, site banners, flyers, and etc.
2. Provide marketing and media support/personnel whose main focus is on the Nature Center for quicker turn-around time on flyers, banners, brochures, and etc. In addition, allow the facility the flexibility to market and advertise as needed.
3. Create a website with up-to-date information, programs and offerings, contact information, employment and volunteer opportunities, trail/hike maps, video tours and calendar of events

##### Increase Contributions, Grants, In-Kind Donations, and Memberships:

1. Increase fund-raising and facility profile by hosting events similar to those at Patterson Park, such as “the Frog Hopping Contest” and “Turtle Races”

#### 3.4.3. Long-Term Goals: 7 – 12 months

As a result of short-term goals, the revenue should be put back into the facility to further develop its long-term goals by supporting the following areas: revenue enhancing opportunities, financial operations, and facilities management.

##### Revenue Enhancing Opportunities:

1. Once visitor traffic increase, begin charging admission for self-guided tours: offer graduated rates such as adult, children, residential, Senior Citizen and Baltimore City employees and include seasonal/yearly passes
2. Enhance education programming through the following: have hikes/tours and classroom education programs to integrate with grade-level school curriculums, market as a venue for birthday parties by developing educational based programs, establish outreach programs to bring the Nature Center to off-site facilities for educational programming, and reach out to existing Boy and Girl Scouts groups to encourage the utilization of the facility and grounds in attainment of their badges through a variety of indoor and outdoor activities

3. Enhance education programming through the following:
  - a. Have hikes/tours and classroom education programs to integrate with grade-level school curriculums,
  - b. Market as a venue for birthday parties by developing educational based themes
  - c. Establish outreach programs to bring the Nature Center to off-site facilities for educational programming
  - d. Reach out to existing Boy and Girl Scouts groups to encourage the utilization of the facility and grounds in attainment of their badges through a variety of indoor and outdoor activities
4. Re-establish gift shop to include informational books, clothing and apparel, adoption of animals, etc.

**Financial Operations:**

1. Have “sweep accounts” at a local bank branch to support the depositing of cash transactions, eliminating the physical driving to headquarters to submit deposits
2. Allow credit card sales to be made at the facility
3. Automate current manual processes, utilizing an electronic environment to support the collection, review, approval, and payment association to timesheets and to input the necessary metrics for CitiStats reporting
4. Establish an electronic procurement to payment application for the creation, routing, approval, and transmittal of purchase requisitions and requests

**Facilities Management:**

1. Include a full-time program coordinator to focus on maintaining current and establishing new programs and events
2. Facility renovations to enhance structural support, provide air conditioning, and additional parking to accommodate larger groups
3. Include full-time security for the safety of the public and prevent unwanted trespassers
4. An incentive program for the staff should be developed based on the profits that the facility brings in

**Sales and Marketing:**

1. Enhance current website to allow an online reservation system which will then support electronic payments, electronic billing, and online donations

## 4.0 Cylburn Arboretum

### 4.1. Facility Background

The Cylburn Arboretum (“Cylburn”) is a public garden and nature preserve used as a venue for wedding, ceremonies, and photo shoots and is one of the few facilities with the City of Baltimore that operates with a non-profit organization, the Cylburn Association. Encompassing over 200 acres, the facility has more than 3 miles of nature trails, a man-made wetland area, and a historic mansion. The primary revenue sources for this facility come from permits, plant sales, and educational programs.

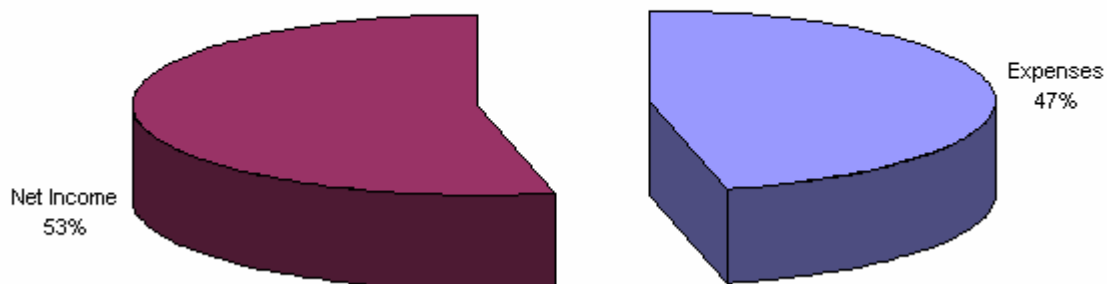


According to last fiscal year’s CitiStats, the Cylburn’s support and revenues was \$78,267 with \$36,415 in expenses for a net of \$41,851 in profit. Below is the financial view of the Cylburn’s revenue and expenses, the data can be found in Appendix A.

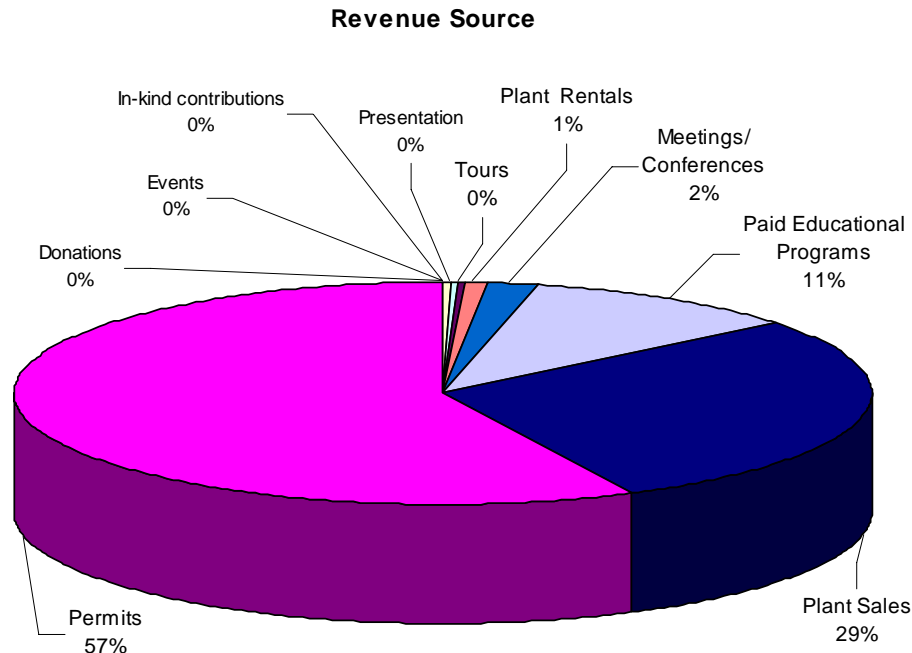
SUPPORT AND REVENUES		
In-kind contributions	\$	10
Donations	\$	183
Presentations	\$	225
Tours	\$	334
Plant Rentals	\$	460
Meetings/Conferences	\$	1,535
Paid Educational Programs	\$	8,292
Plant Sales	\$	22,363
Permits	\$	44,865
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$</b>	<b>78,267</b>

EXPENSES		
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>36,415</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$</b>	<b>41,851</b>

**Revenue Consumption**



As shown below, 97% of the revenue source comes from 3 main sources: permits (non-refundable fees from event applications), plant sales, and donations. As a result, these programs brought in \$75,520 of the total revenue.



After reviewing the CitiStats financials, we proceeded to review the current operations with the staff at Cylburn.

## 4.2. Current Findings

SMART met with Bill Vondrasik, the Chief Horticulturalist, to receive an overview of Cylburn. We then met with other staff members and received a tour of the grounds. We found the following:

- The grounds are free and open to the public, no donation box is provided and donations are not suggested
- The Mansion and the garden is often rented for weddings and by Photographers for photographs of weddings, families, and special occasions
- The staff for both the Conservatory and the Arboretum has approximately 50 employees. The majority, 30, are utilized for planting and maintaining flowers for the Mayor’s office, City Hall and various prominent sites and roads throughout Baltimore
- The current facility cannot host large groups indoors and the outdoor grounds are worn out due to high traffic
- The Arboretum lacks the support from the Marketing and Media Department, resulting in poor lack of website updates and advertisement of the facility and events
- The honey bee house exhibit is not being promoted, considering the fact that there are reports of unprecedented losses of honey bees today
- There is a plan to have a visitor center to be put on the grounds, as a result, the Arboretum grounds will need a dedicated staff to sustain the grounds to match the new visitor center grounds
- Currently, the staff cannot handle any more rentals because there is no full-time coordinator to handle them, but there isn’t enough work for a full-time coordinator to keep busy consistently
- The facility does not provide a snack shop, which requires the visitors to leave grounds
- There is a lack of storage for tables and chairs, in addition, these items are included with the facility rentals

### 4.3. Benchmarked Facilities Comparison

#### 4.3.1. Facility Benchmarked

Based on our research in comparable cities, the following arboretum was benchmarked against the Baltimore facility.

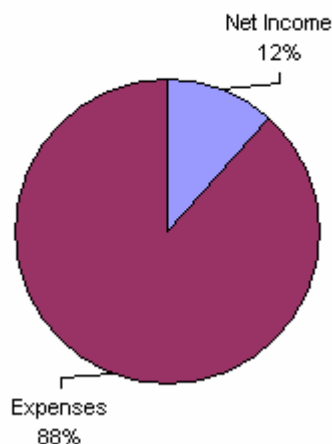
**Awbury Arboretum Philadelphia, PA:** Laid out as a series of open spaces, with clusters of trees and scrubs framing long vistas, the Francis Cope house sits on this English landscape tradition. This non-profit owned and operated facility is opened year round and offers nature programs and historic landscapes for rentals and photography.



The facility's last fiscal year financial statement is displayed:

SUPPORT AND REVENUES		EXPENSES	
Support, Administrative:		Programs	
Investment	\$ 127,157	Children's Education	\$ 176,455
Cope Trust	\$ 25,750	Job Training	\$ 217,450
Rental	\$ 6,725	Administrative	\$ 121,817
Other	\$ 5,957	Development	\$ 37,015
Net Assets Released from Restrictions	\$ 23,431	Building Preservation	\$ 23,480
Support, Development:		Landscape Preservation	\$ 155,688
Membership	\$ 101,978	Archival	\$ 2,414
Stores and Event Sales	\$ 13,412	<b>TOTAL EXPENSES</b>	<b>\$ 734,319</b>
Grants	\$ 113,134		
Contributions	\$ -	<b>CHANGE IN NET ASSETS</b>	<b>\$ 96,682</b>
Programs:		<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 479,198</b>
Children's education	\$ 129,752	<b>NET ASSETS - END OF YEAR</b>	<b>\$ 575,880</b>
Job Training	\$ 268,031		
Archival	\$ 2,000		
Landscape	\$ (2,559)		
Landscape Services	\$ 366,220		
Cost of Landscape Services	\$ (349,987)		
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 831,001</b>		

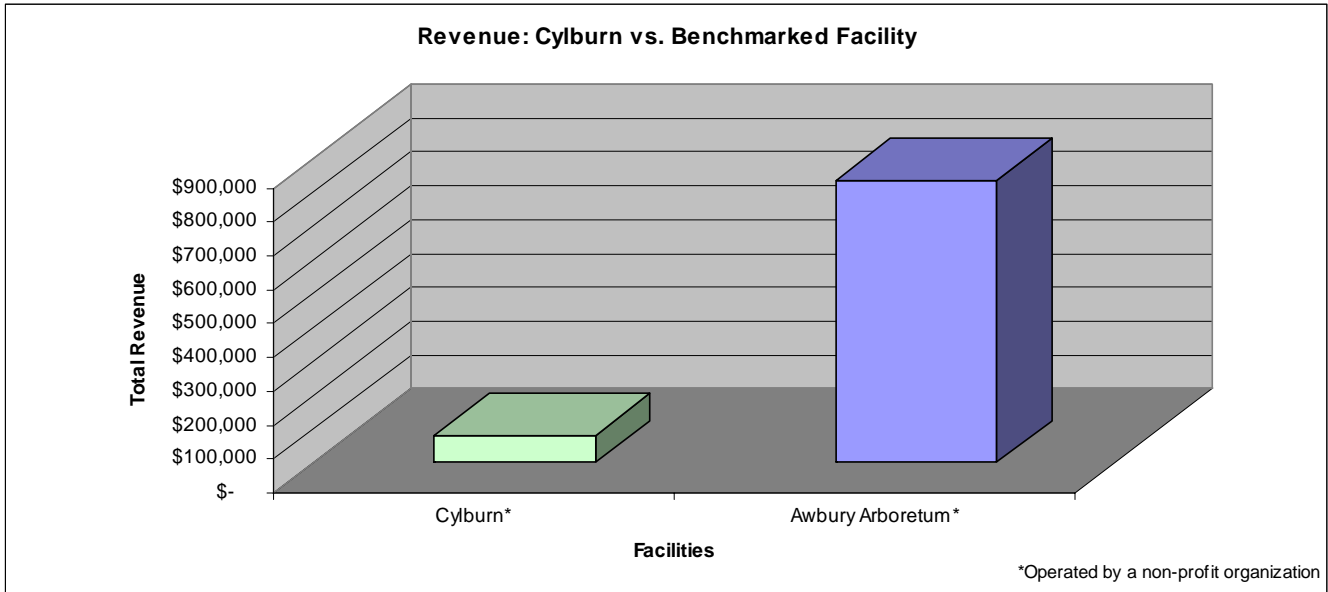
**Revenue vs. Expenses**



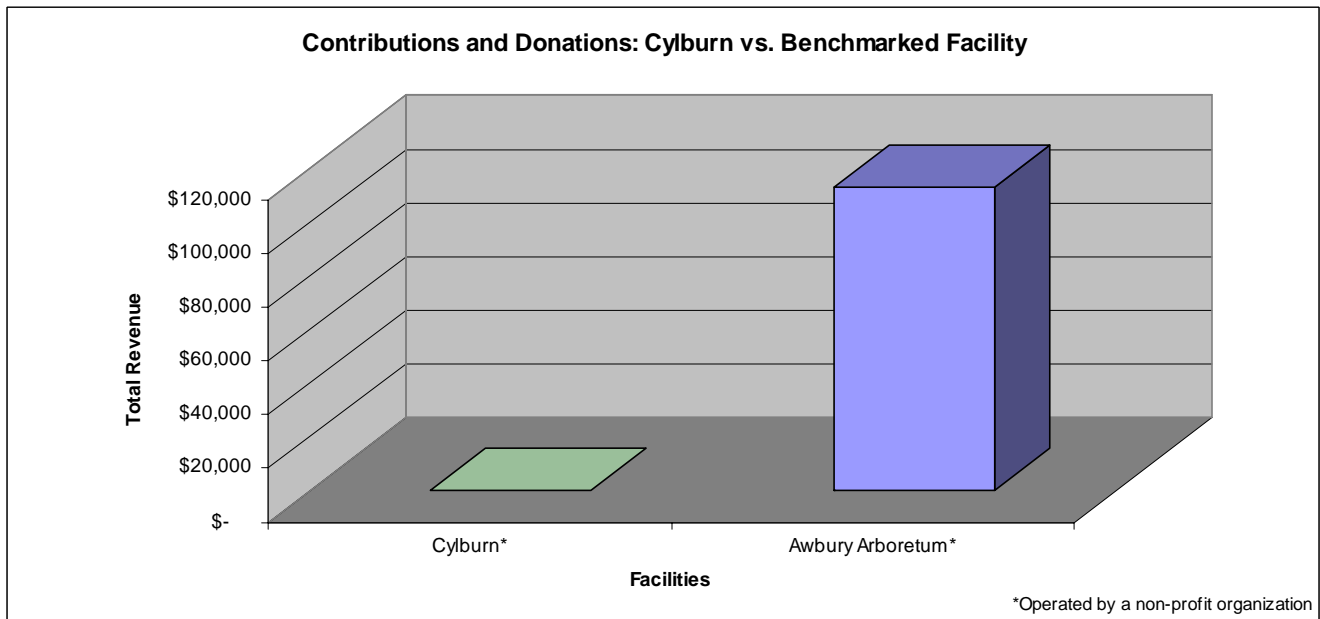


### 4.3.2. Cylburn vs. Industry Benchmark Comparison

Based on the revenues, the difference between Cylburn and the benchmark is significant and the net assets are approximately 50% more even though both of these facilities are operated by a non-profit organization. Below is Cylburn’s revenue compared to the benchmarked facility.



As with all non-profit organizations, the main source of income comes from tax-deductible contributions and donations. Below is Cylburn’s contributions and donations total compared to the benchmarked facility.



## 4.4. Action Plan

Based on the benchmarking of a comparable facility and the trend of other industry benchmarks, we have provided a recommendation that will help bring in additional revenue for the Cylburn. Once revenue flow has increased, the short-term and long-term goals based on the current findings are listed as next steps.

### 4.4.1. Primary Recommendation

Cylburn is currently working with a non-profit organization, Cylburn Association, as a result, our recommendation is to follow the following the short-term and long-term goals.

### 4.4.2. Short-Term Goals: 0 – 6 months

The short-term action plan is focused to increase revenue with minimum investments, utilizing current facility offerings. The direct result of the short-term goals should be the increase of revenue, awareness of the facility, and visitor traffic.

#### Increase Sales and Marketing efforts:

1. Modify rental fees for special events (i.e. weddings) by increasing rental fees for prime dates and decreasing rental fees for non-prime dates to increase facility utilization and revenue
2. Market facility throughout communities and schools of current offerings through advertisement, site banners, flyers, and etc.
3. Provide marketing and media support/personnel whose main focus is on Cylburn for quicker turn-around time on flyers, banners, brochures, and etc. In addition, allow the facility the flexibility to market and advertise as needed.
4. Enhance the website with up-to-date information, programs and offerings, contact information, employment and volunteer opportunities, video tours, trail/hike maps, and calendar of events

#### Increase Contributions, Grants, In-Kind Donations, and Memberships:

1. Host yearly fund-raisers, such as, Art and Craft exhibits, Summer/Fall concert series, Holiday events in conjunction with the Baltimore Symphony Orchestra, wine and cheese from local vineyards, and family-oriented events

### 4.4.3. Long-Term Goals: 7 – 12 months

As a result of short-term goals, the revenue should be put back into the facility to further develop its long-term goals by supporting the following areas: revenue enhancing opportunities, financial operations, and facilities management.

#### Revenue Enhancing Opportunities:

1. Once visitor traffic increase:
  - a. Begin charging admission for tours/hikes, offer graduated rates such as adult, children, residential, Senior Citizen and Baltimore City employees and include and seasonal/yearly passes
  - b. Establish gift shop to include informational books, clothing and apparel, and plant sales
  - c. Provide a small snack shop, utilizing the kitchen or leasing to a city-selected vendor

2. Improve its current programs through the following:
  - a. Expand current programs to include Adult education programs and “How-to” demonstrations
  - b. Have hikes/tours and classroom education programs to integrate with grade-level school curriculums
  - c. Market and utilize the Honey Bees as an educational tool for the community and the Schools
  - d. Offer summer day-camp programs
  - e. Market as a venue for birthday parties by developing educational based themes
  - f. Reach out to existing Boy and Girl Scouts groups to encourage the utilization of the facility and grounds in attainment of their badges through a available variety of indoor and outdoor activities

**Financial Operations:**

1. Have “sweep accounts” at a local bank branch to support the depositing of cash transactions, eliminating the physical driving to headquarters to submit deposits
2. Allow credit card sales to be made at the facility
3. Automate current manual processes, utilizing an electronic environment to support the collection, review, approval, and payment association to timesheets and to input the necessary metrics for CitiStats reporting
4. Establish an electronic procurement to payment application for the creation, routing, approval, and transmittal of purchase requisitions and requests
5. A percentage (or all) of the profits made should go directly back into the facility for upkeep and enhancements.

**Facilities Management:**

1. Upgrade facilities to include a solid cemented/bricked area to host events preventing overutilization of grounds and mansion upgrades for aesthetic appeal
2. The staff needs to consist of a full-time program coordinator to focus on maintaining current and establishing new programs and events, ground maintenance crew dedicated to the upkeep of the facility, and a part-time event planner to coordinate events and rentals
3. An incentive program for the staff should be developed based on the profits that the facility brings in
4. Add full-time security for the safety of the public and to prevent vandalism on the facility

**Sales and Marketing:**

1. Enhance current website to allow an online reservation system which will then support electronic payments, electronic billing, and online donations.

## 5.0 Baltimore Rowing and Resource Center

### 5.1. Facility Background

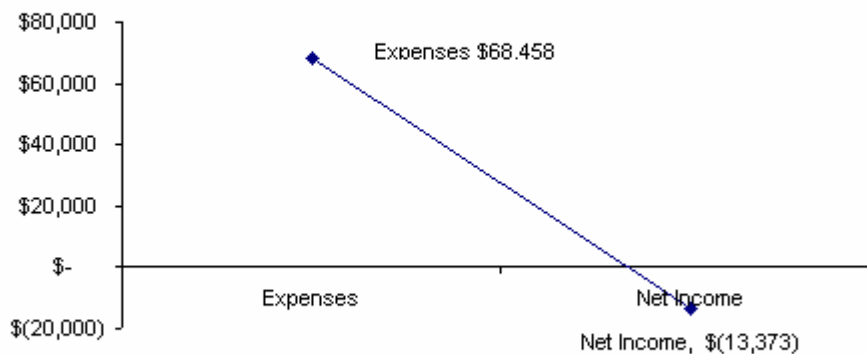
The Baltimore Rowing and Water Resource Center (“Resource Center”) is the centerpiece of 150 acres of parkland which features fishing piers, boat ramps, picnic areas, and wetlands. As a facility that has been a premiere venue for meetings, social events, wedding receptions, and reunions, its main and only source of revenue comes from facility rentals.



According to last fiscal year’s CitiStats, the Resource Center’s support and revenues was \$55,085 with \$68,458 in expenses for a loss of \$13,373. Below is the financial view of the Resource Center’s revenue and expenses, the data can be found in Appendix A.

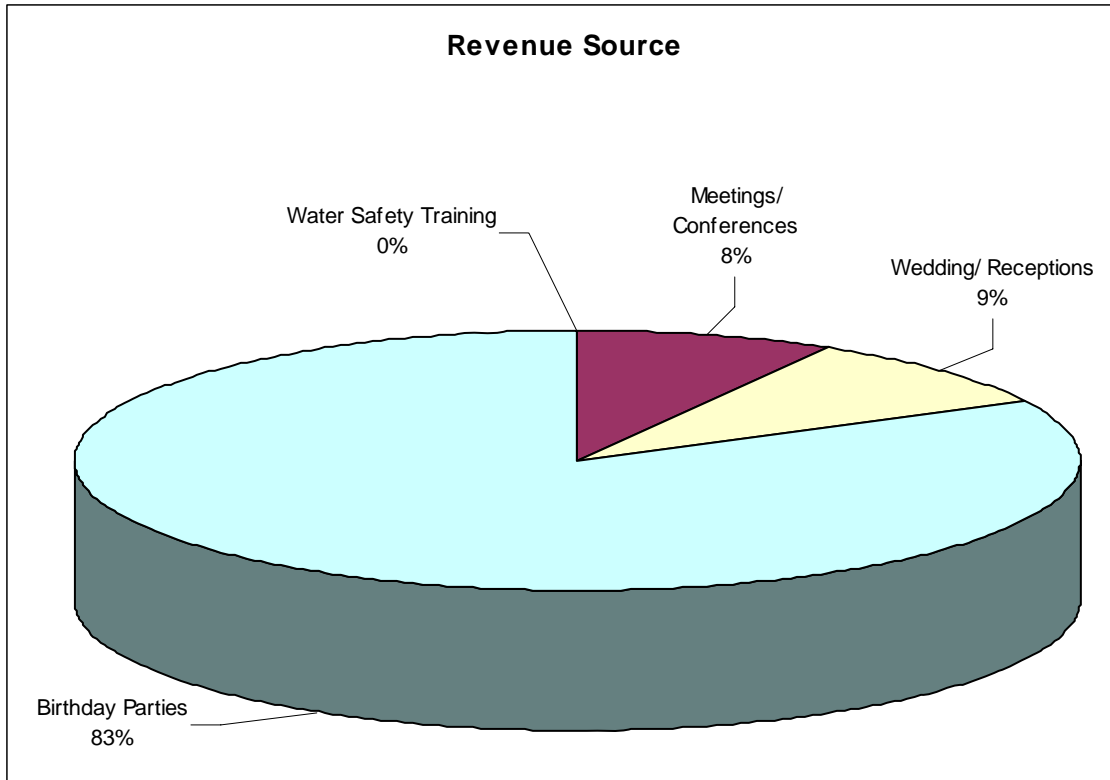
SUPPORT AND REVENUES		EXPENSES	
Water Safety Training	\$ -		
Meeting/Conferences	\$ 4,650		
Weddings/Receptions	\$ 5,050		
Birthday Parties	\$ 45,385		
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 55,085</b>	<b>TOTAL EXPENSES</b>	<b>\$ 68,458</b>
		<b>CHANGE IN NET ASSETS</b>	<b>\$ (13,373)</b>

**Revenue Consumption**



**Gross Revenue = \$55,085**

As shown below, of the type of events that rent the facility, 83% of the main source of revenue comes from birthday parties' rental. Based on last fiscal year annual total revenue of \$55,085, the facility rentals for birthday parties was \$45,385.



After review of the CitiStat financials, the SMART team reviewed the Resource Center's current operations.

## 5.2. Current Findings

In reviewing the current operations of this facility, we interviewed Darryl Sutton, the Aquatics Director. During this initiative, we found the following:

- The facility is maxed out to hold only 150 people at one time for any event
- Constantly booked on the weekends and holidays, the facility is not being utilized fully during the weekdays, Monday – Thursday
- The current rental rates are low compared to different rental places and there is not a discount rate for non-prime dates
- Cancellations can be taken 2-weeks before the event for a full refund and ½ of the deposit is refunded if cancelled later
- The facility lacks a place to store equipment such as chairs, tables, and etc., currently it is stored in the kitchen and locker rooms
- The chairs and tables are outdated and the facility does not provide any equipment for rentals, i.e. projectors, screens, TVs, and etc
- The facility is slowly becoming ADA compliant and needing to be updated with an AC and heating unit
- There is no website for this facility to market its venue and offerings, in addition, there is a need for on-line reservation and payments

### 5.3. Benchmarked Facilities Comparison

#### 5.3.1. Facilities Benchmarked

Based on our research in comparable cities, the following rental facility was benchmarked against the Baltimore facility.

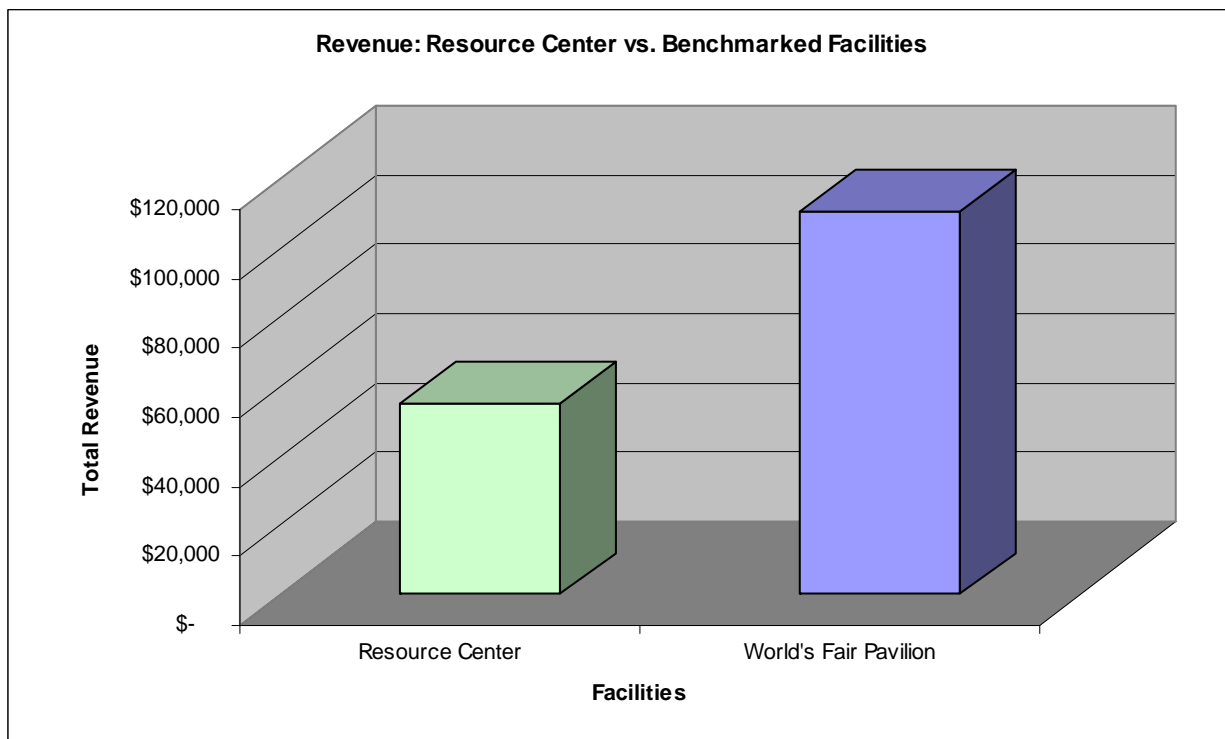
**World’s Fair Pavilion, St. Louis, MO:** This facility is a magnificent open air shelter which has been one of Forest Park’s most popular and impressive attractions since its development. The World’s Fair Pavilion was built in 1909 with proceeds from the 1904 World’s Fair, hence its name. It is a picturesque setting for special events, company picnics, private receptions, benefits, or parties. The World’s Fair Pavilion enjoys over 200,000 event attendants per year, not counting daily visitors.



The facility’s financial information is combined with the city’s park financial statement, therefore the expenses and breakdown of revenue could not be provided. However, last fiscal year’s revenue for this facility is \$110,210.

#### 5.3.2. Resource Center vs. Industry Benchmark Comparison

Based on the benchmark, the revenue is twice as much as the Resource Center and they are both city-owned facilities. Below is the Resource Center’s revenue compared to the benchmarked facility.



## 5.4. Action Plan

Based on the benchmarking of a comparable facility and the trend of other industry benchmarks, we have provided a recommendation that will help bring in additional revenue for the Resource Center. Once revenue flow has increased, the short-term and long-term goals based on the current findings are listed as secondary next steps.

### 5.4.1. Primary Recommendation

Our main recommendation for the Resource Center is to establish a non-profit organization to either operate the facility or to manage and maintain the programs. Outlined in [Chapter 9: Creating a Non-Profit Organization](#) is the step-by-step process of establishing a non-profit organization.

### 5.4.2. Short-Term Goals: 0-6 months

The short-term action plan is focused to increase revenue with minimum investments, utilizing current facility offerings. The direct result of the short-term goals should be the increase of revenue, awareness of the facility, and visitor traffic.

#### Increase Sales and Marketing efforts:

1. Modify rental fees by increasing rental fees for prime dates and decreasing rental fees for non-prime dates to increase facility utilization and revenue
2. Modify the cancellation policy so that the facility has enough time to book for another event, in addition to any financial loss it might incur; for example, 60-days notice for 100% refund, 30-days notice for 50% refund
3. Create a website with up-to-date information, programs and offerings, contact information, employment and volunteer opportunities, video tours and schedule of events
4. Provide marketing and media support/personnel whose main focus is on the Resource Center for quicker turn-around time on flyers, banners, brochures, and etc. In addition, allow the facility the flexibility to market and advertise as needed.

### 5.4.3. Long-Term Goals: 7-12 months

As a result of short-term goals, the revenue should be put back into the facility to further develop its long-term goals by supporting the following areas: revenue enhancing opportunities, financial operations, and facilities management.

#### Revenue Enhancing Opportunities:

1. Offer a variety of programs during the week:
  - a. Fitness programs, i.e., yoga, tai-chi, aerobic, martial arts, etc., that don't utilize heavy weights to prevent damage to the facility
  - b. Summer day-camps and sleep-over programs
  - c. Utilize the outside park grounds for nightly cinema showings during the summer
  - d. Host admissions based programs i.e. Wine tasting, Ethnic festivals, History of Baltimore, and Bingo
  - e. Offer the same boat rentals and services provided in the Inner Harbor

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**Financial Operations:**

1. Automate current manual processes, utilizing an electronic environment to support the collection, review, approval, and payment association to timesheets and to input the necessary metrics for CitiStats reporting
2. Allow credit card sales to be made at the facility
3. Establish an electronic procurement to payment application for the creation, routing, approval, and transmittal of purchase requisitions and requests

**Facilities Management:**

1. Contract with a fitness instructor (or multiple instructors) and summer camp staff for facility utilization
2. Facility renovations to enhance aesthetic look, upgrade AC/Heating unit, ADA compliant, increase the size of facility to accommodate crowds larger than 150 people (or offer different size rooms to offer different accommodation needs), and add a storage area for supplies such as tables and chairs
3. Include a full-time program coordinator to focus on maintaining current and establishing new programs and events; additional part-time staff might be needed for nightly events and additional programming

**Sales and Marketing:**

1. Enhance current website to allow an online reservation system which will then support electronic payments, electronic billing, and online donations



## 6.0 Dominic "Mimi" DiPietro Family Skating Center

### 6.1. Facility Background

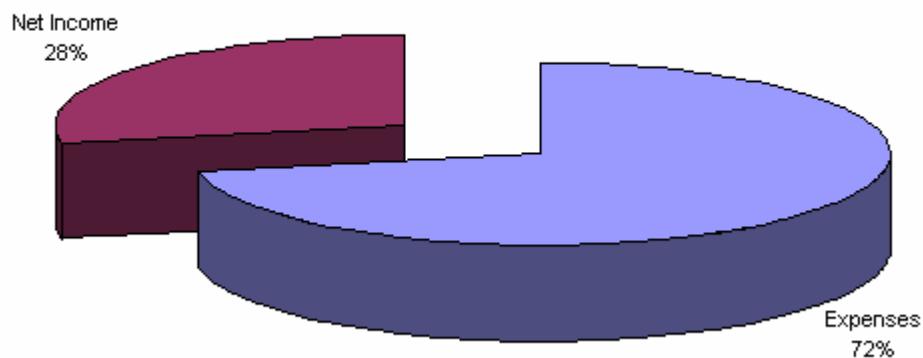
Dominic "Mimi" DiPietro Family Skating Center ("DiPietro") is a full-sized ice rink that offers seasonal special events, skating sessions, ice hockey, broomball, and variety of leagues. Equipped with a warm-up room, fireplace, concession stand, and skate shop, this facility can be a venue for parties and group rentals.



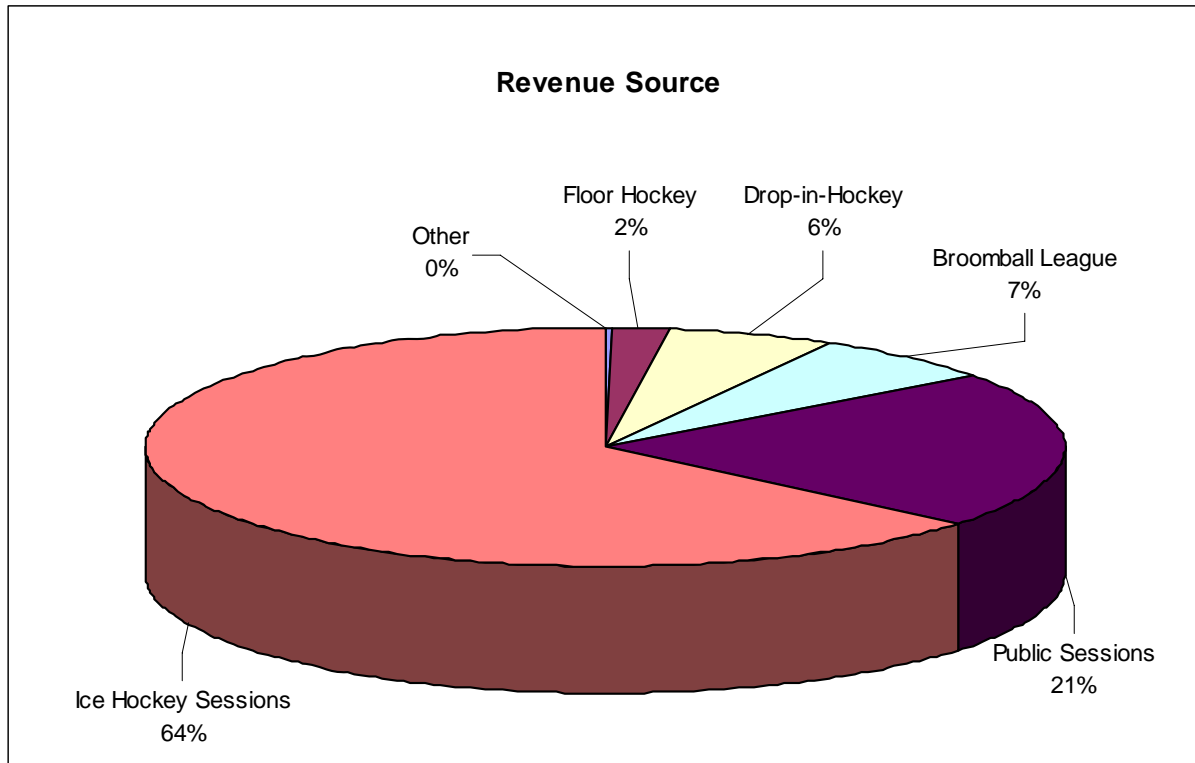
According to last fiscal year's CitiStats, the DiPietro's support and revenues was \$127,916 with \$78,212 in expenses for a net of \$49,704 in profit. Below is the financial view of DiPietro's revenue and expenses, the data can be found in Appendix A.

SUPPORT AND REVENUES		EXPENSES	
Other	\$ 182		
Floor Hockey	\$ 2,750		
Drop-in-Hockey	\$ 7,520		
Broomball League	\$ 8,360		
Public Sessions	\$ 27,452		
Ice Hockey Sessions	\$ 81,652		
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 127,916</b>	<b>TOTAL EXPENSES</b>	<b>\$ 78,212</b>
		<b>CHANGE IN NET ASSETS</b>	<b>\$ 49,704</b>

**Revenue Consumption**



As show below, 85% of the revenue comes from 2 main sources: Ice Hockey and Public Sessions. Of the \$127,916 in total revenue from last fiscal year, these 2 revenue sources brought in \$109,104.



After reviewing the CitiStat financials, the SMART team reviewed DiPietro’s current operations

## 6.2. Current Findings

SMART met with DiPietro’s Recreation Programmer, Mark Burke, to review his day-to-day operations of the facility. As the only full-time employee, his responsibilities, in addition to financial operations, extend to the entire park, its fields, buildings, tennis courts, etc. As a result of our review, the current findings for this facility are:

- The facility for ice-skating is opened from October through April
- There is a Pro-Shop with limited inventory
- There are 10 part-time staff members, 1 full time employee, and 3 volunteers
- The purchasing of supplies and service request can be challenging due to the limited approved vendors and the turn-around time
- The concession stand’s hours do not coincide with all events and it also offers a limited menu.
- The facility structural support and the surrounding fencing are poor, in addition to the limited parking that is available. Also, there are no official locker rooms for groups/teams to utilize
- The facility does not offer lessons on the programs they offer
- The facility operations are manual and time-consuming, such as physical cash deposits and the records are manually recorded and faxed
- The marketing support for the facility is poor, the staff does not have the rights to contact local media to showcase special events or advertise outside of local area of events and program offerings

### 6.3. Benchmarked Facilities Comparison

#### 6.3.1. Facilities Benchmarked

Based on our research in comparable cities, the following ice arenas were benchmarked against the Baltimore facility.

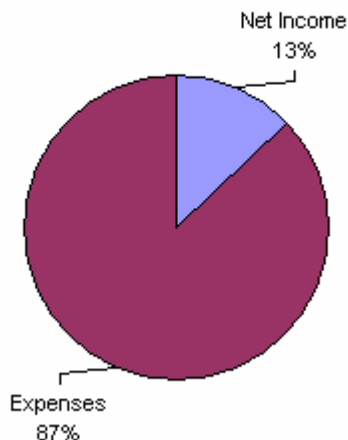
**Fort DuPont Ice Arena, Washington, D.C.:** Owned by the government and operated by the Friends of DuPont Ice Arena Inc., a non-profit organization, this facility offers public skating, children’s skate programs, adult skating classes, ice rentals, and private lessons. In addition, this facility has a concession area with hot and cold food and beverages, meeting room for community or business meetings, and party room for birthday parties.



The facility’s last fiscal year’s financial statement is displayed:

SUPPORT AND REVENUES		EXPENSES	
Earned Revenue		Administrative	\$ 47,826
Concession	\$ 27,957	Advertising	\$ 2,398
Ice Sales, Casual	\$ 33,187	Credit Card Processing Fee	\$ 2,642
Ice Sales, Contract	\$ 282,252	Maintenance and Utilities	\$ 275,839
Ice Sales, Kids on Ice Programs	\$ 5,890	Events - Board Recruitment	\$ -
Ice Sales, Public Sessions	\$ 16,760	Expansion	\$ 19,998
Merchandise	\$ 214	Fees	\$ 7,961
Paid Classes/Lessons	\$ 10,523	Gifts	\$ 1,391
Party Room	\$ 6,111	Insurance	\$ 36,453
Classroom	\$ 650	Kids on Ice Coaching	\$ 25,688
Vending	3409	Membership Dues	\$ 1,190
Contributed Revenue		Other	\$ 444
Corporate Contributions	\$ 16,445	Paid Skating Classes	\$ 2,516
Foundations	\$ 157,800	Payroll (Services, Tax)	\$ 417,000
Individual Contributions	\$ 53,000	Program Suppliers and	
New Board Solicitation Contributions	\$ 10,000	Equipment/Kids on Ice	\$ 4,577
City Funding	\$ 380,000	Public Skating Supplies	\$ 2,308
Cost of Goods Sold		Staff Development	\$ 8,060
Concessions	\$ (16,154)	Transportation	\$ 1,539
Vending	\$ (1,602)	Volunteer Appreciation	\$ -
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 986,442</b>	<b>TOTAL EXPENSES</b>	<b>\$ 857,830</b>
		<b>CHANGE IN NET ASSETS</b>	<b>\$ 128,612</b>
		<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ -
		<b>OTHER REVENUE AND EXPENSE</b>	\$ (53,942)
		<b>NET ASSETS - END OF YEAR</b>	\$ 74,670

**Revenue vs. Expenses**



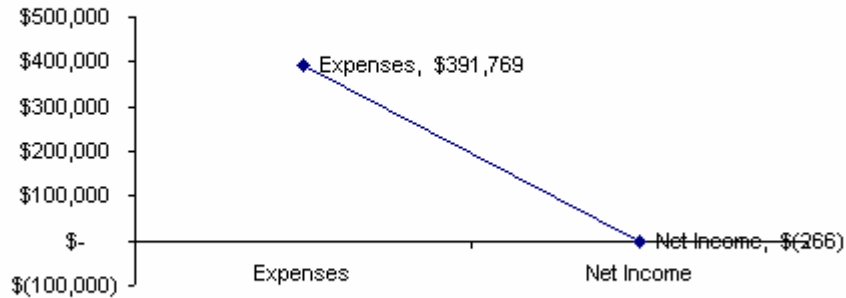
**Steinburg Ice Skating Rink, St. Louis, Mo.:** The Steinburg Ice Skating Rink is city-owned facility operated under a management contract to a private for-profit vendor. Recently this facility has undergone a \$1.4 million renovation including a new rink surface, pipes for making ice, new concrete surface surrounding the rink, new lights, and a new sound system. In addition to the Steinberg Café, a full food service including alcoholic beverages, the facility offers public skating and lessons in the winter and sand volleyball in the summer.



The facility's last fiscal year's financial statement is displayed:

SUPPORT AND REVENUES		EXPENSES	
Skate	\$ 242,841	Cost of Sales	\$ 176,764
Aviation Field Concessions	\$ 47,744	Operating Expenses	\$ 215,005
Steinburg Snack Bar	\$ 76,984	<b>TOTAL EXPENSES</b>	<b>\$ 391,769</b>
Volleyball	\$ 19,138		
Broom Ball	\$ 2,800	<b>CHANGE IN NET ASSETS</b>	<b>\$ (266)</b>
Rentals	\$ -		
Refunds	\$ -		
Other	\$ 1,997		
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 391,503</b>		

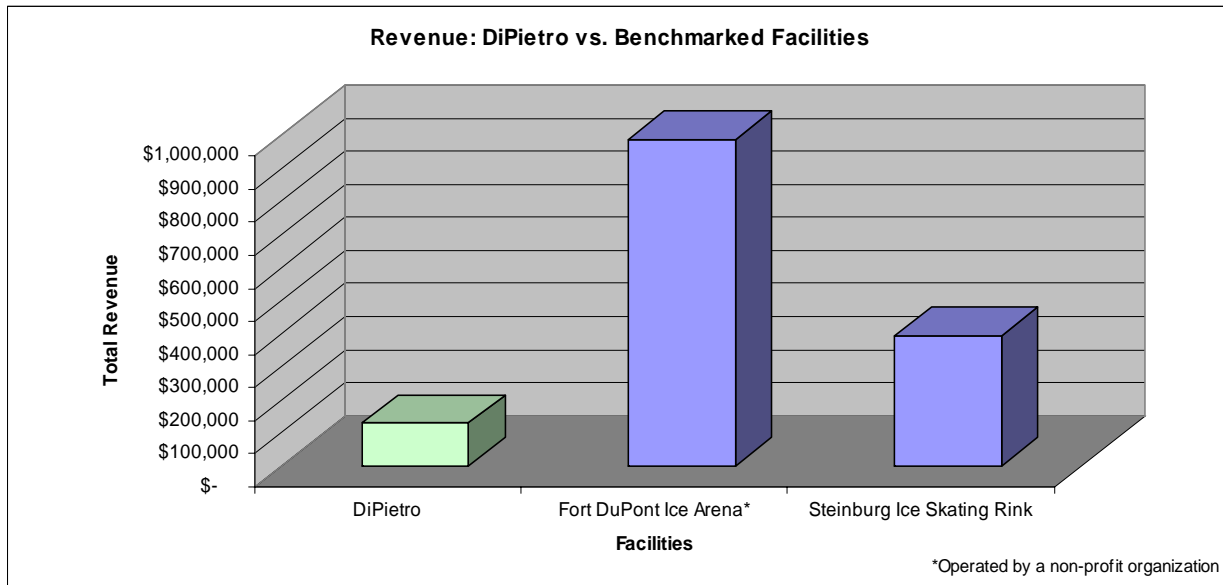
**Revenue vs. Expenses**



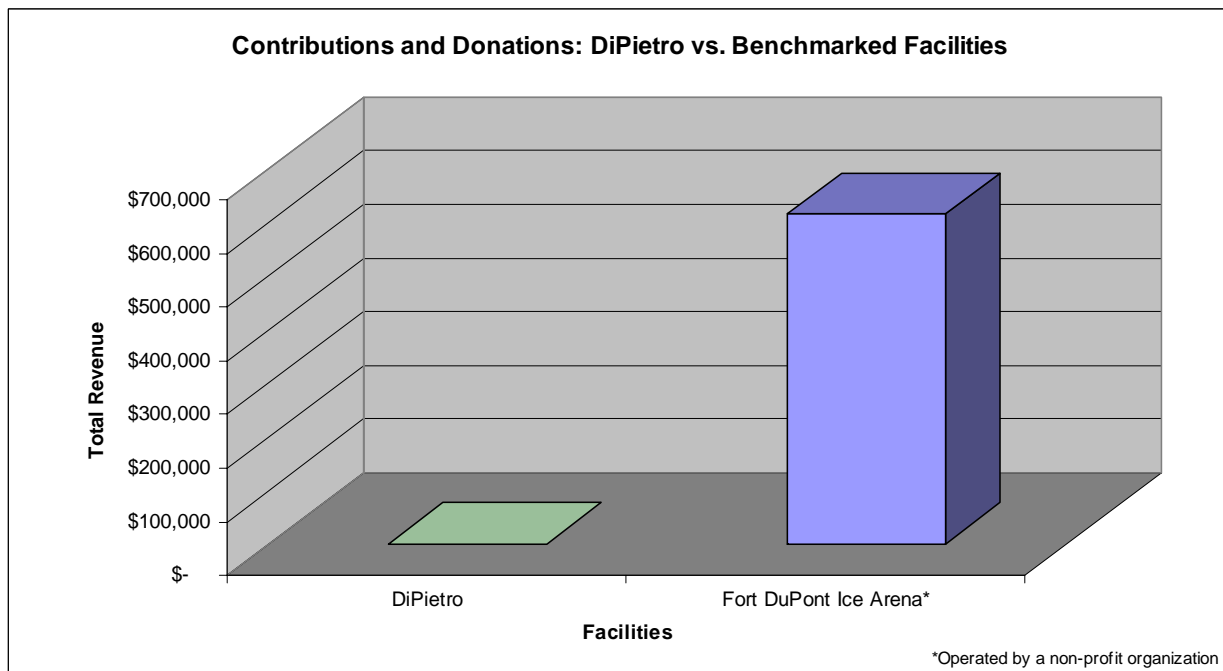
**Gross Revenue = \$391,503**

### 6.3.2. DiPietro vs. Industry Benchmark Comparison

Based on the benchmarks, there is significant revenue difference as compared to DiPietro due to the fact the benchmarked facilities are either operates with a non-profit organization or a for-profit private organization. As a result, below is the DiPietro’s revenue compared to the benchmarked facilities.



As with all non-profit organization, the main source of income comes from tax-deductible contributions and donations. Therefore, the Stienburg Ice Skating Rink will not be a part of this comparison because the city-owned facility is working with a for-profit private organization. Below is DiPietro’s contributions and donations total compared to the non-profit operated facility, Fort DuPont Ice Arena.



## 6.4. Action Plan

Based on benchmarking of comparable facilities, we have provided a recommendation that will help bring in additional revenue for DiPietro. Once revenue flow has increased, the short-term and long-term goals based on the current findings are listed as secondary next steps.

### 6.4.1. Primary Recommendation

Our main recommendation for DiPietro is to establish a non-profit organization to either operate the facility or to manage and maintain the programs. Outlined in [Chapter 9: Creating a Non-Profit Organization](#) is the step-by-step process of establishing a non-profit organization.

### 6.4.2. Short-Term Goals: 0 – 6 months

#### Increase Sales and Marketing efforts:

The short-term action plan is focused to increase revenue with minimum investments, utilizing current facility offerings. The direct result of the short-term goals should be the increase of revenue, awareness of the facility, and visitor traffic.

1. Provide marketing and media support/personnel whose main focus is on DiPietro for quicker turn-around time on flyers, banners, brochures, website updates, and etc.; the website should have both employment and volunteer opportunities that are available. It should provide a current calendar of events, programs and classes, mailing lists, newsletter distribution, and video tours of the facility
2. Allow the facility the flexibility to market and advertise, in addition to the marketing and media department support

### 6.4.3. Long-Term Goals: 6 – 12 months

As a result of short-term goals, the revenue should be put back into the facility to further develop its long-term goals by supporting the following areas: revenue enhancing opportunities, financial operations, and facilities management.

#### Revenue Enhancing Opportunities:

1. Improve the concession stand and pro-shop through:
  - a. Enhance concession stands with a wider variety of food or contract and lease out to an outside vendor
  - b. Provide full service Pro Shops that open on a regular basis and provide online purchases
2. Vary Ice rental rates based on weekday and weekend usage
3. Provide ice skating, hockey, broomball, and other facility programs classes and lessons; add speed skating and curling leagues
4. Enhance current public session through:
  - a. Extend skating passes by offering seasonal passes
  - b. Host additional special skating events, i.e. Skate with the Easter Bunny, Santa and other Holiday characters, College Late Nights, Live DJ Nights, offering different rates
  - c. Keep the ice rink opened year-round for public skating sessions and other sports; converting the ice rink into a roller rink if the facility is not capable of sustaining a year-round ice rink

#### Financial Operations:

1. Automate current manual processes, utilizing an electronic environment to support the collection, review, approval, and payment association to timesheets and to input the necessary metrics for CitiStats reporting
2. Establish an electronic procurement to payment application for the creation, routing, approval, and transmittal of purchase requisitions and requests
3. Have “sweep accounts” at a local bank branch to support the depositing of cash transactions, eliminating the physical driving to headquarters to submit deposits
4. Allow credit card sales to be made at the facility
5. A percentage (or all) of the profits made should go directly back into the facility for upkeep and enhancements.

**Facilities Management:**

1. Build the very lean staff to include:
  - a. A full-time program coordinator to focus on maintaining current and establishing new programs and events
  - b. Add additional staff members/instructors to provide classes and lessons
2. Contract the concession stand and pro shop with a city-selected vendor
3. Renovate the facility to update structural support, lighted parking, add locker rooms, and provide ability to keep the ice-rink opened year-round or the capability to be converted to a roller skate rink
4. Provide an incentive program for the staff which should be developed based on the profits that the facility brings in
5. Include full-time security for the safety of the public and prevent unwanted trespassers/gangs

**Sales and Marketing:**

1. Enhance current website to allow an online reservation system which will then support electronic payments, electronic billing, and online donations

## 7.0 Mt. Pleasant Ice Arena

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### 7.1. Facility Background

Mt. Pleasant Ice Arena (“Mt. Pleasant”) is a perfect venue for private parties and group rentals, in addition to offering public skating sessions, ice hockey, sled hockey, and skating lessons. Unique in that the operations have been “outsourced” for the past 23 years, this facility focuses on figure skating. The current operation is under the direction of Brendan McElroy and Ruthie Herman.

Recently an acquired facility and being closed for 4 months, the past fiscal year revenue breakdowns and expenses are not available. According to CitiStats, the total and only revenue that was reported last fiscal year was \$247,531, expense data was not available. The data can be found in Appendix A.



### 7.2. Current Findings

The SMART team met with management, staff, and the professional coaches at the Mt. Pleasant Ice Arena. As a result of our review, the current findings for this facility are as follows:

- Mt. Pleasant recently purchased both a used Zamboni and ice sharpening equipment; the new Zamboni has provided the facility with a more improved ice surface.
- There are 5 public sessions per week
- The facility is opened from October through April and is closed for the remainder of the year
- The rink is rented hourly by various hockey teams, including local private schools and universities
- Dorothy Hamill, an Olympic champion, practices at the facility on a regular basis
- There is pro-shop with limited inventory and is opened on minimum occasions
- The concession stand’s hours do not coincide with all event and practices and offers a limited menu
- The facility operations are manual and time-consuming, such as physical cash deposits and the records are manually recorded and faxed
- The marketing and advertising support for the facility is poor due to slow turn-around times and does not give the facility the ability to market themselves
- The website was not updated with the correct contact information and is now closed
- The facility has a multi-purpose room that is not being utilized
- The facility is outdated and needs to be renovated with windows (or additional lighting), additional parking, and replace sheet ice equipment and worn out ice skating equipment



### 7.3. Benchmarked Facilities Comparison

#### 7.3.1. Facilities Benchmarked

Based on our research in comparable cities, the following ice arenas were benchmarked against the Baltimore facility.

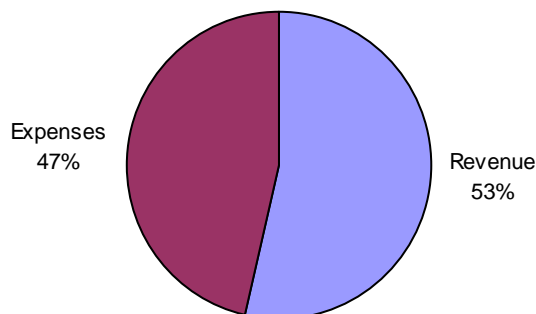
**Fort DuPont Ice Arena, Washington, D.C.:** Owned by the government and operated by the Friends of DuPont Ice Arena Inc., a non-profit organization, this facility offers public skating, children’s skate programs, adult skating classes, ice rentals, and private lessons. In addition, this facility has a concession area with hot and cold food and beverages, meeting room for community or business meetings, and party room for birthday parties.



The facility’s last fiscal year financial statement is displayed:

SUPPORT AND REVENUES			EXPENSES		
Earned Revenue			Administrative		
Concession	\$	27,957	Advertising	\$	2,398
Ice Sales, Casual	\$	33,187	Credit Card Processing Fee	\$	2,642
Ice Sales, Contract	\$	282,252	Maintenance and Utilities	\$	275,839
Ice Sales, Kids on Ice Programs	\$	5,890	Events - Board Recruitment	\$	-
Ice Sales, Public Sessions	\$	16,760	Expansion	\$	19,998
Merchandise	\$	214	Fees	\$	7,961
Paid Classes/Lessons	\$	10,523	Gifts	\$	1,391
Party Room	\$	6,111	Insurance	\$	36,453
Classroom	\$	650	Kids on Ice Coaching	\$	25,688
Vending		3409	Membership Dues	\$	1,190
Contributed Revenue			Other	\$	444
Corporate Contributions	\$	16,445	Paid Skating Classes	\$	2,516
Foundations	\$	157,800	Payroll (Services, Tax)	\$	417,000
Individual Contributions	\$	53,000	Program Suppliers and		
New Board Solicitation Contributions	\$	10,000	Equipment/Kids on Ice	\$	4,577
City Funding	\$	380,000	Public Skating Supplies	\$	2,308
Cost of Goods Sold			Staff Development	\$	8,060
Concessions	\$	(16,154)	Transportation	\$	1,539
Vending	\$	(1,602)	Volunteer Appreciation	\$	-
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$</b>	<b>986,442</b>	<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>857,830</b>
			<b>CHANGE IN NET ASSETS</b>	<b>\$</b>	<b>128,612</b>
			<b>NET ASSETS - BEGINNING OF YEAR</b>	\$	-
			<b>OTHER REVENUE AND EXPENSE</b>	\$	(53,942)
			<b>NET ASSETS - END OF YEAR</b>	\$	74,670

Revenue vs. Expenses



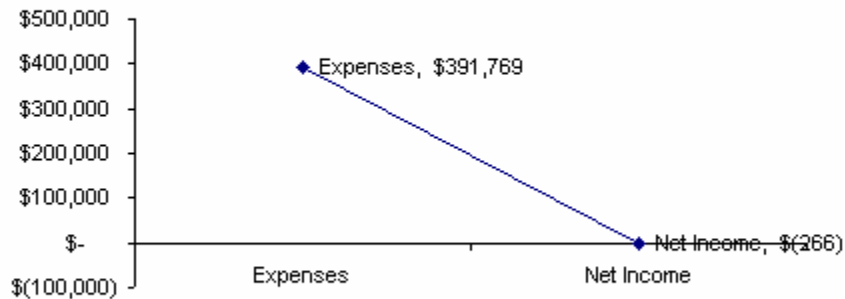
**Steinburg Ice Skating Rink, St. Louis, Mo.:** The Steinburg Ice Skating Rink is city-owned facility operated under a management contract to a private for-profit vendor. Recently this facility has undergone a \$1.4 million renovation including a new rink surface, pipes for making ice, new concrete surface surrounding the rink, new lights, and a new sound system. In addition to the Steinburg Café, a full food service including alcoholic beverages, the facility offers public skating and lessons in the winter and sand volleyball in the summer.



The facility's last fiscal year's financial statement is displayed:

SUPPORT AND REVENUES		EXPENSES	
Skate	\$ 242,841	Cost of Sales	\$ 176,764
Aviation Field Concessions	\$ 47,744	Operating Expenses	\$ 215,005
Steinburg Snack Bar	\$ 76,984	<b>TOTAL EXPENSES</b>	<b>\$ 391,769</b>
Volleyball	\$ 19,138		
Broom Ball	\$ 2,800	<b>CHANGE IN NET ASSETS</b>	<b>\$ (266)</b>
Rentals	\$ -		
Refunds	\$ -		
Other	\$ 1,997		
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 391,503</b>		

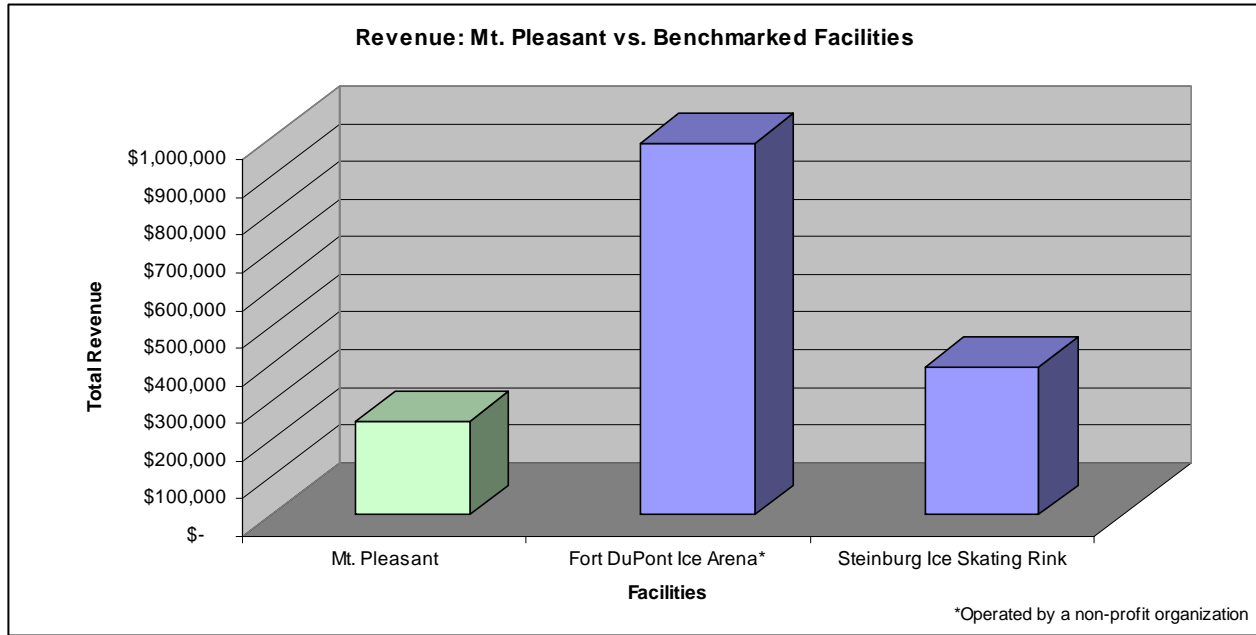
**Revenue vs. Expenses**



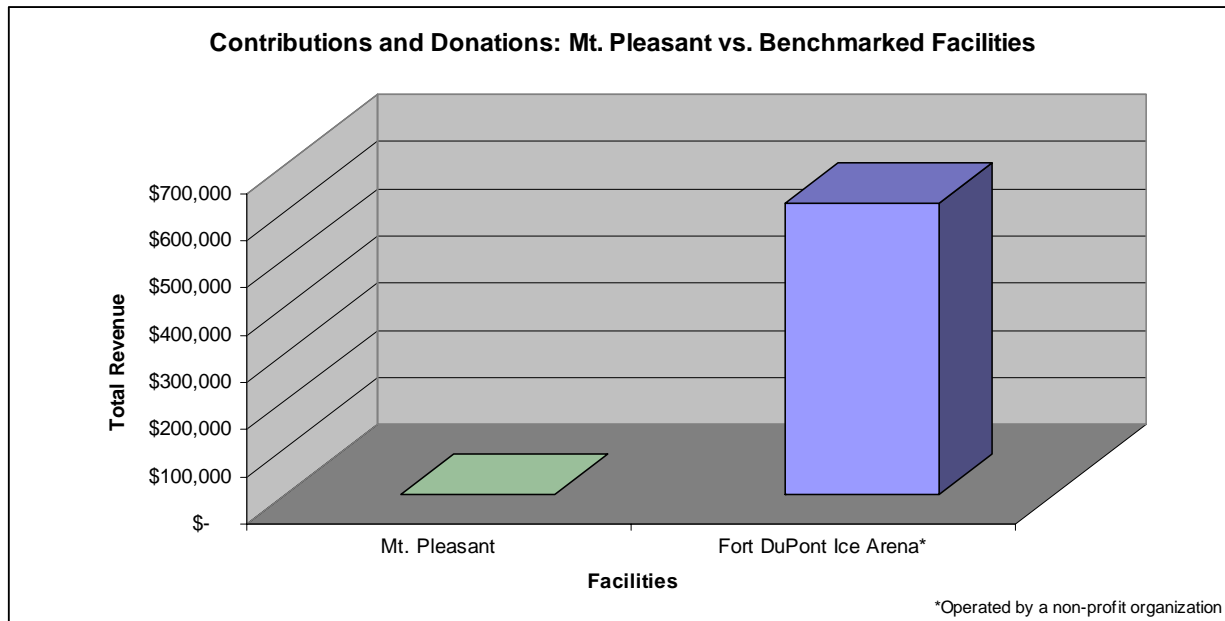
**Gross Revenue = \$391,503**

### 7.3.2. Mt. Pleasant vs. Industry Benchmark Comparisons

As discussed, Mt. Pleasant was closed for 4 month so a true comparison to the benchmark can not be shown. As a result, below is Mt. Pleasant’s incomplete fiscal year revenue data is compared to the benchmarked facilities completed fiscal year.



As with all non-profit organization, the main source of income comes from tax-deductible contributions and donations. Therefore, the Stienburg Ice Skating Rink will not be a part of this comparison because the city-owned facility is working with a for-profit private organization. In addition, Mt. Pleasant’s revenue data breakdowns were not available according to CitiStats. Therefore, below is the non-profit operated facility, Fort DuPont Ice Arena’s contributions and donations total.



## 7.4. Action Plan

Based on benchmarking of comparable facilities, we have provided a recommendation that will help bring in additional revenue for Mt. Pleasant. Once revenue flow has increased, the short-term and long-term goals based on the current findings are listed as secondary next steps.

### 7.4.1. Primary Recommendation

Our main recommendation for Mt. Pleasant is to establish a non-profit organization to either operate the facility or to manage and maintain the programs. Outlined in [Chapter 9: Creating a Non-Profit Organization](#) is the step-by-step process of establishing a non-profit organization.

### 7.4.2. Short-Term Goals: 0 – 6 months

#### Increase Sales and Marketing efforts:

1. Provide marketing and media support/personnel whose main focus is on Mt. Pleasant for quicker turn-around time on flyers, banners, brochures, and etc.
2. Re-establish website with up-to-date information, programs and offerings, contact information, employment and volunteer opportunities, video tours and calendar of events
3. Allow the facility the flexibility to market and advertise, in addition to the marketing and media department support
4. Open the facility for public skating sessions 7 days a week and during public school holidays

#### Increase Contributions, Grants, In-Kind Donations, and Memberships:

1. The staff who are professionals themselves have already spoken to both figure skating stars and Olympic trainers based on their contacts. They firmly believe in this goal, in collaboration with the Baltimore City Schools, to recruit and cultivate future Olympic Stars.

### 7.4.3. Long-Term Goals: 6 – 12 months

#### Revenue Enhancing Opportunities:

1. Improve the concession stand and pro-shop through:
  - a. Enhance concession stands with a wider variety of food or contract and lease out to an outside vendor
  - b. Provide full service Pro Shops that open on a regular basis and provide online purchases
2. Vary Ice rental rates based on weekday and weekend usage
3. Provide ice skating, hockey, broomball, and other facility programs classes and lessons; add speed skating and curling leagues
4. Enhance current public session through:
  - a. Extend skating passes by offering seasonal passes
  - b. Host additional special skating events, i.e. Skate with the Easter Bunny, Santa and other Holiday characters, College Late Nights, Live DJ Nights, offering different rates
  - c. Keep the ice rink opened year-round for public skating sessions and other sports; converting the ice rink into a roller rink if the facility is not capable of sustaining a year-round ice rink

#### Financial Operations:

1. Automate current manual processes, utilizing an electronic environment to support the collection, review, approval, and payment association to timesheets and to input the necessary metrics for CitiStats reporting
2. Establish an electronic procurement to payment application for the creation, routing, approval, and transmittal of purchase requisitions and requests
3. Have “sweep accounts” at a local bank branch to support the depositing of cash transactions, eliminating the physical driving to headquarters to submit deposits
4. Allow credit card sales to be made at the facility
5. A percentage (or all) of the profits made should go directly back into the facility for upkeep and enhancements.

#### Facilities Management:

1. Build the staff to include:
  - a. A full-time program coordinator to focus on maintaining current and establishing new programs and events
  - b. Additional Instructors to provide fitness programs for the multi-purpose room, as needed
2. Contract the concession stand and pro shop with a city-selected vendor
3. Renovate the facility to prevent recurring repairs and to include: additional locker rooms (for the use of schools/teams), update aesthetic appeal (include windows), updated equipment, additional parking spaces, and provide ability to keep the ice-rink opened year-round or the capability to be converted to a roller skate rink
4. Provide an incentive program for the staff should be developed based on the profits that the facility brings in
5. Update skating equipment; purchase new skates to replace the present inventory of rental skates

#### Sales and Marketing:

1. Enhance current website to allow an online reservation system which will that support electronic payments, electronic billing, and online donations

## 8.0 William J. Meyers Soccer Pavilion

### 8.1. Facility Background

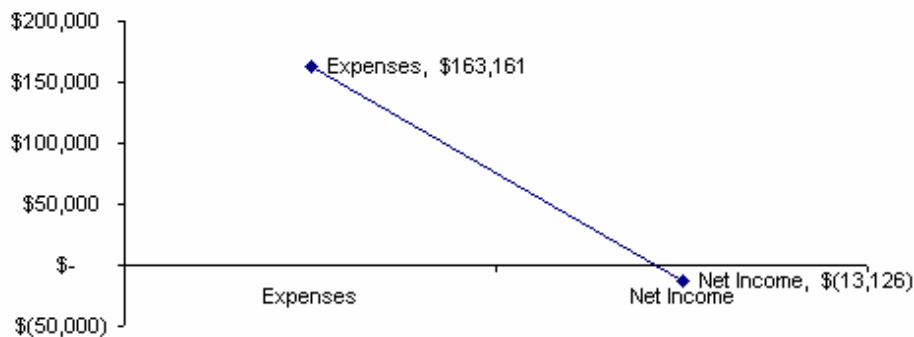
Opened in 1986, the William J. Meyers Soccer Pavilion (“Meyers Pavilion”) features an indoor artificial tuft field, dasher boards, Plexiglas, and netting. The facility provides seating for 500 spectators, locker rooms, showers, and a concession area as well as a venue to rent for parties, meetings, workshops and special events.



According to last fiscal year’s CitiStats, the Meyers Pavilion’s support and revenues was \$62,477 with \$51,268 in expenses for a net of \$11,209 in profit. Below is the financial view of Meyers Pavilion’s revenue and expenses, the data can be found in Appendix A.

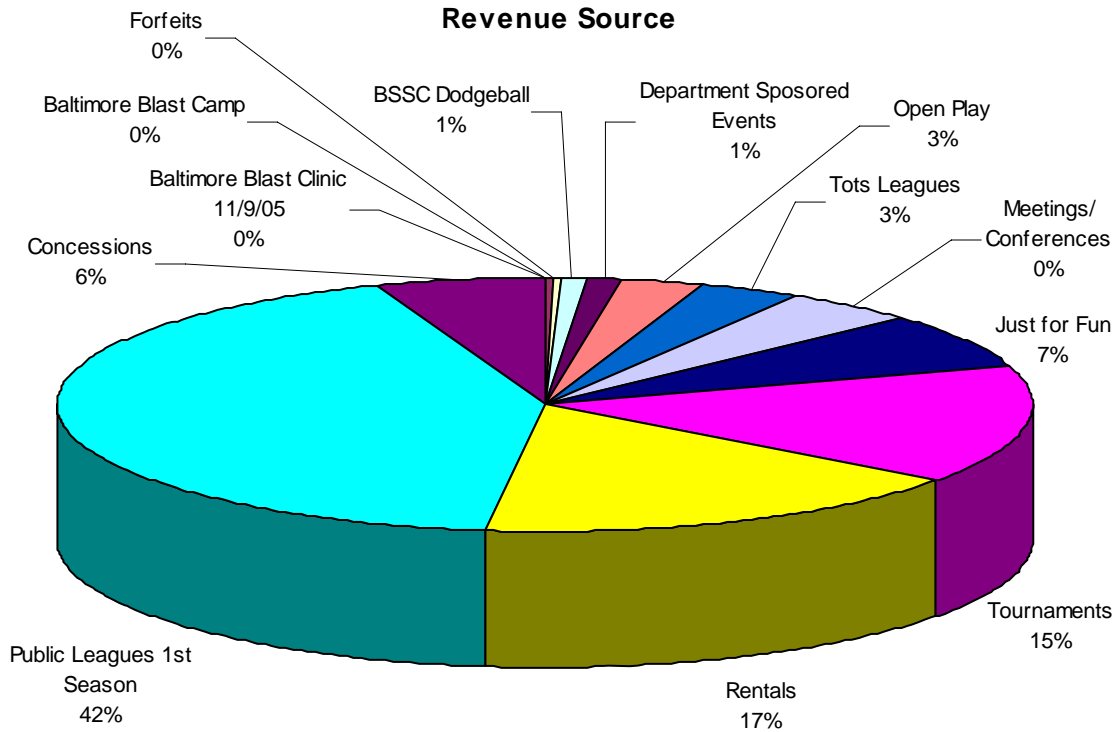
SUPPORT AND REVENUES		EXPENSES	
Baltimore Blast Clinic 11/9/05	\$ -		
Baltimore Blast Camp	\$ 240		
Forfeits	\$ 584		
BSSC Dodgeball	\$ 1,440		
Department Sposored Events	\$ 1,950		
Open Play	\$ 4,565		
Tots Leagues	\$ 5,050		
Public Leagues Fall session	\$ 7,650		
Just for Fun	\$ 11,090		
Tournaments	\$ 24,985		
Rentals	\$ 27,202		
Public Leagues 1st Season	\$ 69,377		
Concessions	\$ 9,028		
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 163,161</b>	<b>TOTAL EXPENSES</b>	<b>\$ 176,287</b>
		<b>CHANGE IN NET ASSETS</b>	<b>\$ (13,126)</b>

**Revenue Consumption**



**Gross Revenue = \$163,161**

As shown below, 74% of the revenue comes from 3 main sources: Public League 1<sup>st</sup> Season, Rentals, and Tournaments. Therefore, based on the last fiscal year annual total revenue of \$163,161, the Meyers Pavilion’s 3 main sources brought \$121,564 in revenues.



## 8.2. Current Findings

Previously, the Meyers Pavilion operations review was conducted, therefore, The “William J. Meyers Soccer Pavilion Operations Review” document with findings and recommendations was submitted to the City of Baltimore and can be found in Appendix B.

### 8.3. Benchmarked Facilities Comparison

#### 8.3.1. Facility Benchmarked

Based on our research in comparable cities, the following soccer arena was benchmarked against the Baltimore facility.

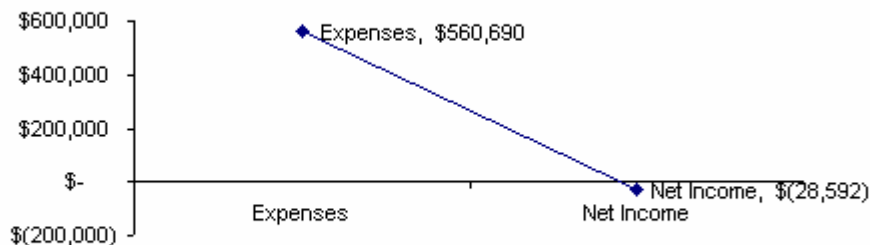
**Rockdale Youth Soccer Association, Atlanta, GA:** This youth soccer organization was founded in 1972 and in 1988 the organization constructed a leagued-owned and operated soccer facility through contributions from several of the community’s sponsors. The facility is home to many of Georgia’s professional and youth soccer teams. The Rockdale Youth Soccer Association indoor soccer facility is operated under a non-profit organization and managed by a president, commissioner, and a board of directors.



The facility’s last fiscal year financial statement is displayed:

SUPPORT AND REVENUES		EXPENSES	
Contributions, Gifts, Grants, Direct Public Support, and similar amounts	\$ 11,186	Program Services	\$ 424,920
Program Service Revenue including government fees and contracts	\$ 546,863	Management and General	\$ 135,770
Interest on savings and temporary cash investments	\$ 3	<b>TOTAL EXPENSES</b>	<b>\$ 560,690</b>
Gross Rents	\$ 2,250	<b>CHANGE IN NET ASSETS</b>	<b>\$ (28,592)</b>
Gross Amount from sales of assets other than inventory	\$ (44,690)	<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 977,730</b>
Special Events and Activities	\$ 12,106	<b>OTHER CHANGES IN NET ASSETS</b>	<b>\$ -</b>
Gross Sales of Inventory	\$ 4,380	<b>NET ASSETS - END OF YEAR</b>	<b>\$ 949,138</b>
Other	\$ -		
<b>TOTAL SUPPORT</b>	<b>\$ 532,098</b>		

**Revenue vs. Expenses**

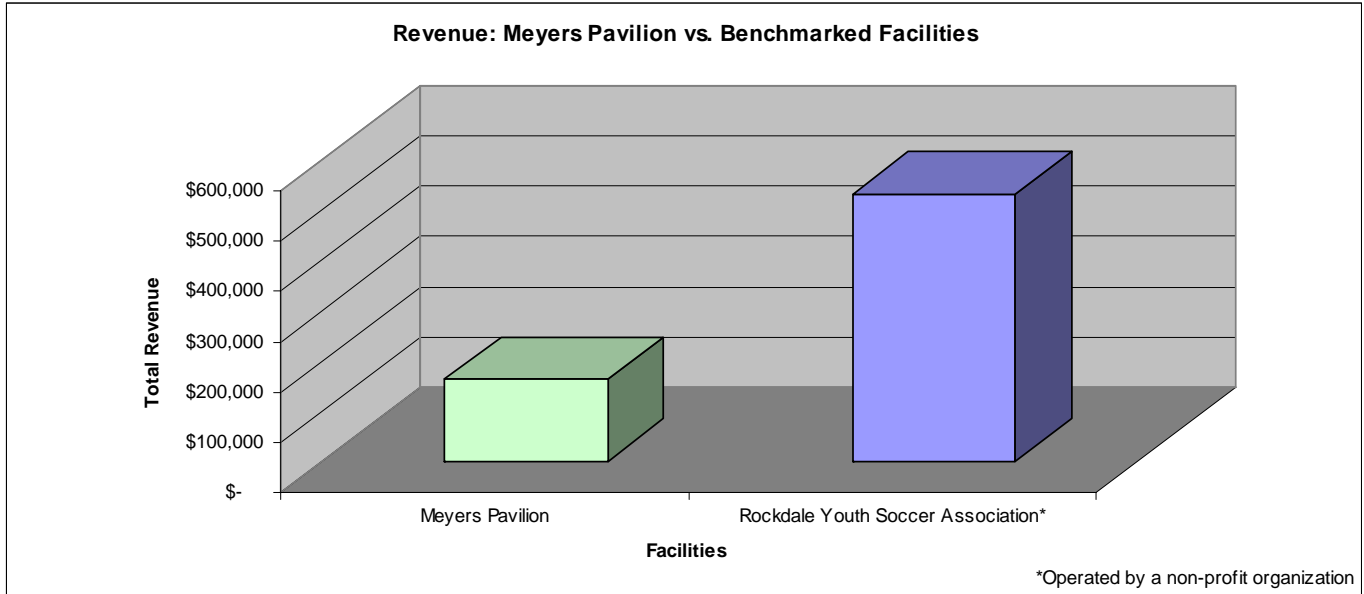


**Gross Revenue = \$532,098**

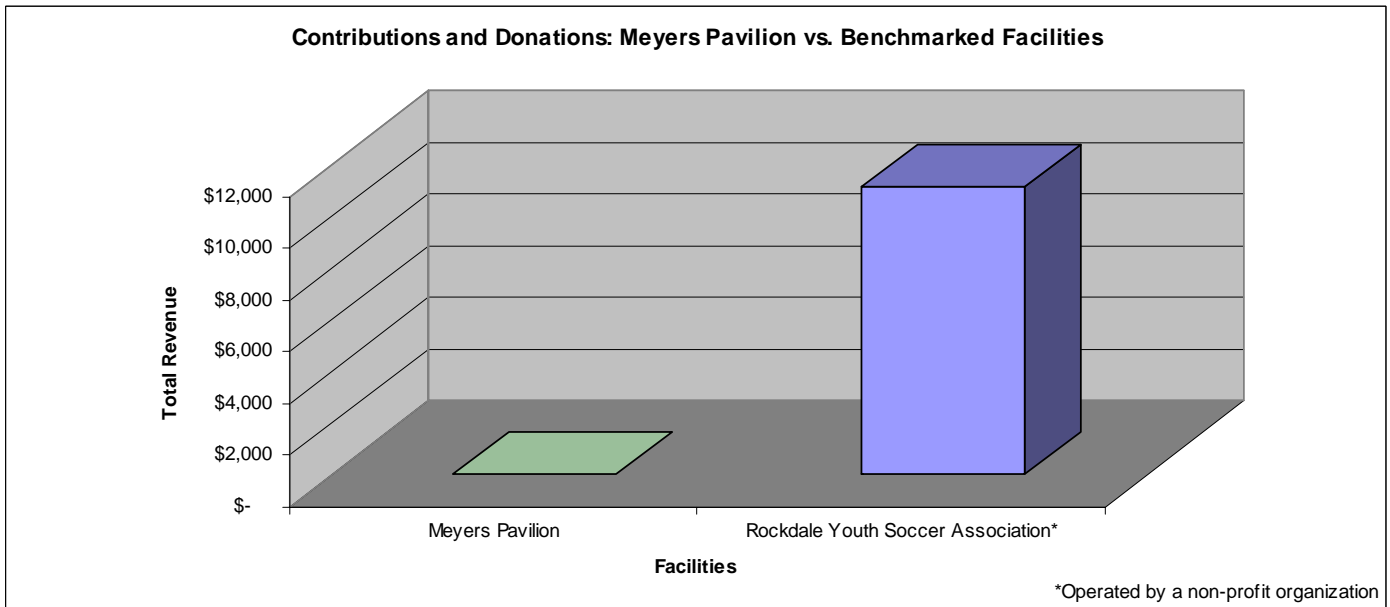


### 8.3.2. Meyers Pavilion vs. Industry Benchmarks

Based on the benchmark, the revenue is about 4 times more than the Meyers Pavilion. Shown below is the Meyers Pavilion's revenue compared to the benchmarked facility.



As with all non-profit organizations, the main source of income comes from tax-deductible contributions and donations. The past fiscal year, Meyers Pavilion did not report any contributions and donations. As a result, shown below is Rockdale Youth Soccer Association's contributions and donations total.



## 8.4. Action Plan

Based on the benchmarking of a comparable facility and the trend of other industry benchmarks, we have provided a recommendation that will help bring in additional revenue for the Meyers Pavilion. Previously, the Meyers Pavilion operations review was conducted, therefore, The “William J. Meyers Soccer Pavilion Operations Review” document with recommendations has been submitted to the City of Baltimore and can be found in Appendix B.

### 8.4.1. Primary Recommendation

Our main recommendation for the Meyers Pavilion is to establish a non-profit organization to either operate the facility or to manage and maintain the programs. Outlined in [Chapter 9: Creating a Non-Profit Organization](#) is the step-by-step process of establishing a non-profit organization.

## 9.0 Creating a Non-Profit Organization

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As recommended, listed is the step-by-step process of how to create a non-profit organization based on our research. In addition, we have defined City of Baltimore resources that should manage and be involved in this effort.

1. **Form a Project task force.** Create a project team to focus on creating a non-profit organization for all or each of the facilities. The project task force should consist of representatives from the city, the department of recreation and parks representative, and the facility.

*Resource: Department of Recreation and Parks*

2. **Determine the relationship with non-profit.** As a city-owned facility, determine what role the non-profit organization will have with the facility. Will the non-profit organization only maintain and establish education programs? Or will it be utilized as a source of revenue? Will the non-profit organization run the facility, handling all operating expenses and maintenance? Or will the city continue to handle the operation and maintenance of the facility?

*Resource: Project task force*

3. **Formulate a vision and mission statements.** Why does the organization exist? As a non-profit organization, you exist to accomplish your mission, which should be crafted based upon your purpose, visions, services and values. In writing the vision and mission statements, include descriptions of what you think will be the new non-profit's:

- Primary benefits and services to clients
- Groups of clients who will benefit from those services
- Values that will guide how your non-profit will operate
- How you'd like others to view your non-profit

The vision and mission statements are a concise expression that covers in a couple of sentences who the organization is, what it does, for whom and where. It should also be compelling, as it will be used in all published materials, funding requests and public relations. It should also portray how your organization is distinct from others.

*Resource: Project task force*

4. **Form a Board of Directors.** Forming a board requires careful thought and extensive recruitment efforts. Work with the state attorney general's office to determine the minimum size of the board but the optimum number of people who sit on the board should be determined by the needs of the organization. Based on what your organization would like to accomplish, you should decide what special skills and qualities are required of the individuals on your board by establishing descriptions of the roles and responsibilities. A good board member is someone who is interested in the organization's purpose, willing to work within a group, and be in a position to make financial contributions to the organization, or to find others who will. Inviting prominent members of the community to join your board can attract interest, excitement and prestige to the organization. It is also desirable if board members are well known in the field in which the non-profit organization functions and it can be extremely beneficial if they have expertise in areas such as real estate, non-profit law and accounting.

*Resource: Project task force*

- 5. File Articles of Incorporation.** Articles of Incorporation are official statements of creation of an organization filed with the State Department of Assessments and Taxation. They are important to protect both board and staff from legal liabilities incurred by the organization, making the corporation the holder of debts and liabilities, not the individuals and officers who work for the organization. The specific requirements governing how to incorporate are determined by the state, you can obtain the information you need to proceed with this step from the State Department of Assessments and Taxation. As recommended, consult with an attorney who is experienced in the area of non-profit law so that you do not run across any major mistakes.

*Resource: Project task force, State Department of Assessments and Taxation Representative, Non-profit specialized attorney*

- 6. Draft bylaws.** Bylaws define how a non-profit organization will be managed and how it will run. They determine which staff and board members have authority and decision-making responsibilities and how those responsibilities should be carried out. Although Bylaws are not required to file for 501(c)(3) status, they will help you create a framework for the organization, and aid in resolving internal disputes. Bylaws should be drafted with the help of an attorney and approved by the board early in the organization's development.

*Resource: Project task force, Board of Directors, Non-profit specialized attorney*

- 7. Develop a budget.** Creating a budget is often one of the most challenging tasks when creating a non-profit organization. A budget is the expression, in financial terms, of the plan of operation designed to achieve the objectives of an organization. New organizations may start the budgeting process by looking at potential income, figuring out how much money they have to spend. Establish a bank account by seeking a bank that understand the needs of a new, small non-profit.

*Resource: Project task force, Board of Directors*

- 8. Develop a record-keeping system.** Legally, you must save all Board documents including minutes and financial statements. It is necessary to preserve your important corporate documents, including board meeting minutes, bylaws, Articles of Incorporation, financial reports, and other official records. You should contact your appropriate state agency for more information on what records you are required to keep in the official files.

*Resource: Project task force, Board of Directors*

- 9. Develop an accounting system.** If your board does not include someone with a financial or accounting background, work with an accountant or other finance expert to help set up a basic bookkeeping system. Non-profits are accountable to the public, their funders, and, in some instances, government granting bodies, and it is vital to establish a system of controls (checks and balances) when establishing the organization's accounting practices. Responsible financial management requires the establishment of an accounting system that meets both current and anticipated needs.

*Resource: Project task force, Board of Directors, Accountant or Financial Expert*

- 10. File for 501(c)(3) status.** To apply for recognition of tax-exempt, public charity status, obtain Form 1023 (application), Publication 557 (detailed instructions), and Form 8718 (User Fee for Exempt Organization Determination Letter Request) from the IRS website. The filing fee depends upon the size of the organization's budget. The application is an important legal document, so it is advisable to seek the assistance of an experienced attorney when preparing it. All of these documents can be downloaded from the IRS website.

*Resource: Project task force*

11. **Apply for a federal employer identification number.** Non-profits are required to obtain a federal Employer Identification Number (EIN), also referred to as the federal ID number. Available from the IRS, this number is used to identify the organization when tax documents are filed and is used not unlike an individual's Social Security number. If you received your number prior to incorporation, you will need to apply for a new number under the corporate name. The Form SS-4 (Application for Employer Identification Number) can be downloaded from the IRS website.

*Resource: Project task force*

12. **File for state tax exemption.** Upon receiving an IRS tax determination letter stating that your organization is exempt from federal income taxes, your organization may also apply for an exemption from state income taxes. The Comptroller of the Treasury is the state agency responsible for acknowledging an exemption from Maryland income tax.

To apply for a state income tax exemption, your organization should submit to the Legal Department of the Revenue Administration Division the following information:

- Request for exemption from Maryland income tax;
- An explanation of the nature, purpose, and scope of your organization;
- A copy of the IRS tax determination letter;
- A copy of your organization's by-laws; and
- A copy of the latest financial statement of your organization.

When the request for an exemption has been granted, no income tax returns need to be filed with the Comptroller unless your organization files an IRS Form 990-T. (The Form 990-T is required if your organization has unrelated business income.)

The request for a state income tax exemption and the supporting documentation should be forwarded to the Comptroller of the Treasury, Revenue Administration Division.

*Resource: Project task force, Controller of the Treasury (Revenue Administration Division)*

13. **Register with the Office of the Secretary of State as a Charitable Organization.** Organizations soliciting charitable contributions in Maryland are generally required to register with the Office of the Secretary of State as a charitable organization. Registration is required before solicitation in Maryland begins and continues on an annual basis. If your newly formed organization will be soliciting Maryland residents for charitable contributions (either monetary or in-kind donations), your organization will probably be required to register with the Charitable Organizations Division. In most cases, the Exempt Organization Fund-Raising Notice will be the appropriate registration form for new organizations. This notice is required for organizations raising less than \$25,000 in charitable contributions a year. You should also note that if your organization intends on raising funds in other states, you may also be required to register in the other states. Registration forms may be obtained from the Charitable Organizations Division.

*Resource: Project task force, Secretary of State (Charitable Organizations Division)*

14. **File for Property Tax Exemption.** Certain charitable, fraternal, educational, and religious organizations may be eligible for an exemption from state property tax. Once the property tax exemption is granted, the exempt status continues until it is revoked. State law, however, grants the State Department of Assessments and Taxation the authority to conduct periodic reviews of the granted exemptions to ensure continued compliance with the requirements. While the tax-exempt status issued by the IRS is required to process the exemption application, the status granted by the IRS does not automatically guarantee that the organization's property will be exempt. Based upon the type of organization, there are different standards used to review a property tax exemption. To receive an exemption application form or information about the exemption, please contact the State Department of Assessments and Taxation office for the county in which the property is located.

*Resource: Project task force, State Department of Assessments and Taxation office*

15. **File for Sales and Use Tax Exemption.** Non-profit charitable, educational or religious organizations, volunteer fire or ambulance companies or volunteer rescue squads may also be eligible for sales and use tax exemptions. In Maryland, the Comptroller of the Treasury is responsible for granting this five-year renewable exemption. In order to be granted an exemption, your organization must have received a determination letter from the IRS stating that your organization is exempt under section 501(c)(3) of the IRS. The applicable form can be obtained by contacting the Controller of the Treasury.

*Resource: Project task force, Controller of Treasury*

16. **Apply for a non-profit mailing permit.** The federal government provides further subsidies for non-profits with reduced postage rates on bulk mailings. While first-class postage rates for non-profits remain the same as those for the for-profit sector, second- and third-class rates are substantially less when non-profits mail to a large number of members or constituencies. For more information on eligibility, contact the U.S. Postal Service and ask for Publication 417, Non-profit Standard Mail Eligibility.

*Resource: Project task force, Local Post Office*

17. **Get Insured.** Work with an insurance agent as you may need liability insurance, property insurance, and when you hire staff: worker's compensation, health and life insurance benefits, etc. In addition, get unemployment insurance once you start to hire employees.

*Resource: Project task force, Insurance Agent*







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## APPENDIX B: William J. Meyers Soccer Pavilion Operations Review

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### *William J. Meyers Soccer Pavilion*

### *Operations Review*

January 04, 2008



*William J. Meyers Soccer Pavilion Operations Review*

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*William J. Meyers Soccer Pavilion Operations Review*

## Project Background

The Baltimore Efficiency & Economy Foundation (B.E.E.F.) engaged SMART Business Advisory & Consulting, LLC (SMART) to conduct an operations review for seven facilities within the Baltimore Department of Recreation (BDR). The organizations within scope are as follows:

- William J. Meyers Soccer Pavilion
- Carrie Murray Nature Center
- Baltimore Rowing Center
- DiPietro Ice Rink
- Mount Pleasant Ice Rink
- Conservatory
- Cylburn Mansion

The combined team (BDR, BEEF and SMART) decided to start the initiative by completing an operations review of the William J. Meyers Soccer Pavilion (WJMSP) as a "Proof of Concept" to ensure that there was value to completing the remaining centers. The three functional areas outlined below were reviewed during this initiative.

**Financial Operations:** Our focus in this area was on the end to end accounting life cycle to include the recordation and reporting of transactional data (Accounts Receivable, Cash Collections, Purchasing, Accounts Payable, Payroll, Inventory and Petty Cash).

**Facilities Management:** Our focus in this area was on the facility management life cycle to include lease management, maintenance planning & management, work order transaction processing, and facility utilization.

**Sales & Marketing:** Our focus in this area was on the sales & marketing life cycle to include sales forecasting and revenue optimization, marketing programs and their effectiveness, and customer relationship management.

The remainder of this document outlines our approach, findings and recommendations associated with optimizing the WJMSP facility.

## Project Approach

Our team leveraged a structured approach for completing the WJMSP operations review. This approach included the conducting of staff interviews; completing documentation reviews (financial reports, operations scheduling reports, as well as sales and marketing collateral); completing industry / benchmark analysis; and, formulating an opportunity assessment.

Our approach included site visits as well as follow-up conference calls with key personnel. During this initiative, we found the WJMSP staff extremely helpful in the gathering of data / information and the understanding of the WJMSP operations environment.

## Project Findings

During this initiative, we identified several areas to drive operational efficiencies and strengthen controls. While none of these operational efficiencies will drive material operational savings at the WJMSP, they may provide significant savings to the BDR if extended to all facilities under their (or the city's control). We found that the biggest opportunity for the WJMSP is to drive additional revenues through increased facility utilization in "non-core" alternative athletic programs. As such, we have categorized our findings as either Revenue Enhancing or Operational Efficiencies. Each of these areas is described in detail below.

### **Revenue Enhancing Opportunities**

While WJMSP is fulfilling its mission by serving the community as an indoor soccer pavilion, it is missing an opportunity to significantly increase revenues by leveraging the facility for alternative athletic / event usage. Based upon our review of other indoor facilities, we believe that the BDR should consider completing an engineering assessment to retrofit the existing facility to support the following alternative programs:

- Indoor Lacrosse
- Indoor Tennis
- Indoor Basketball
- Community Fitness Center
- Business Meetings / Team Development Events

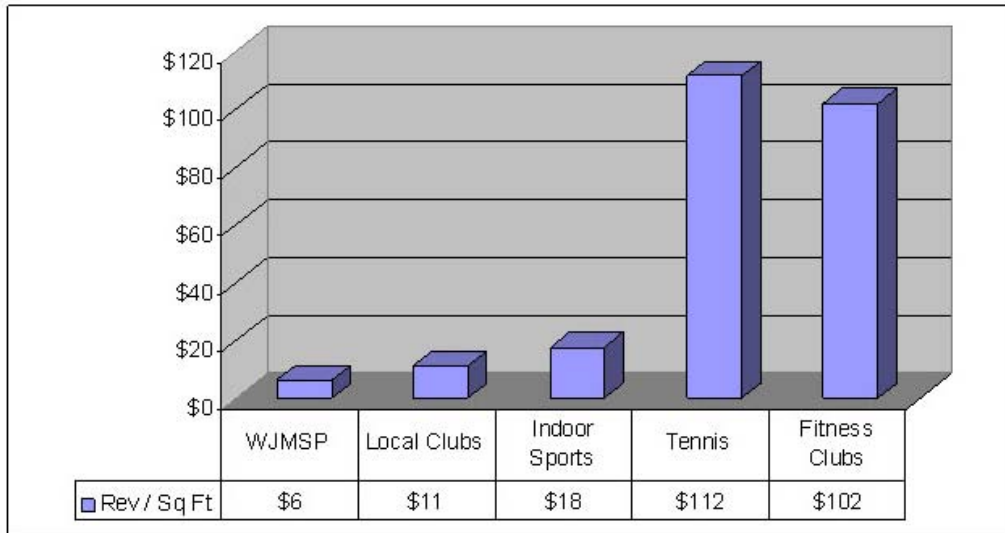
Other local and national organizations have been successful in leveraging similar facilities to support a myriad of events (the vast majority of which would yield a higher annual revenue per square foot for the WJMSP). Potential customers for these programs would be businesses, community groups, schools / universities, and individual members of the community.

We recommend that the alternative use of the WJMSP be thoroughly vetted prior to embarking on a marketing campaign to increase its utilization. We recommend the establishment of a focus group of the aforementioned potential clients to help develop key service offerings and messaging. Our recommendation for this approach is based upon the following analysis.

*William J. Meyers Soccer Pavilion Operations Review*

**Industry Benchmarks: Multi-Purpose Sports Facilities**

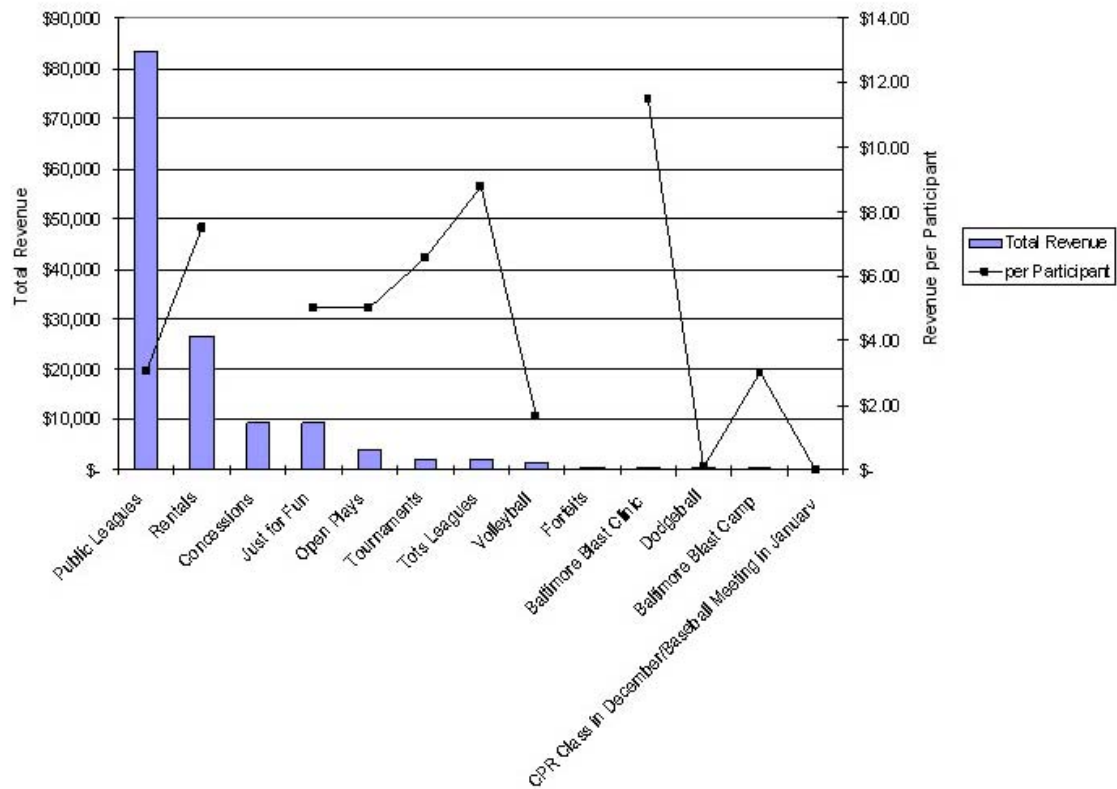
Depicted below is the average annual revenue per square foot for various categories of indoor sports facilities. As can be readily seen, there is plenty of potential to increase annual revenue per square foot for the WJMSP. Some of the rate differences are driven by the sports supported and the manner in which the activities are marketed. The details behind these metrics are included in the appendix.



*William J. Meyers Soccer Pavilion Operations Review*

**WJMSP Total Revenue vs. Revenue per Participant**

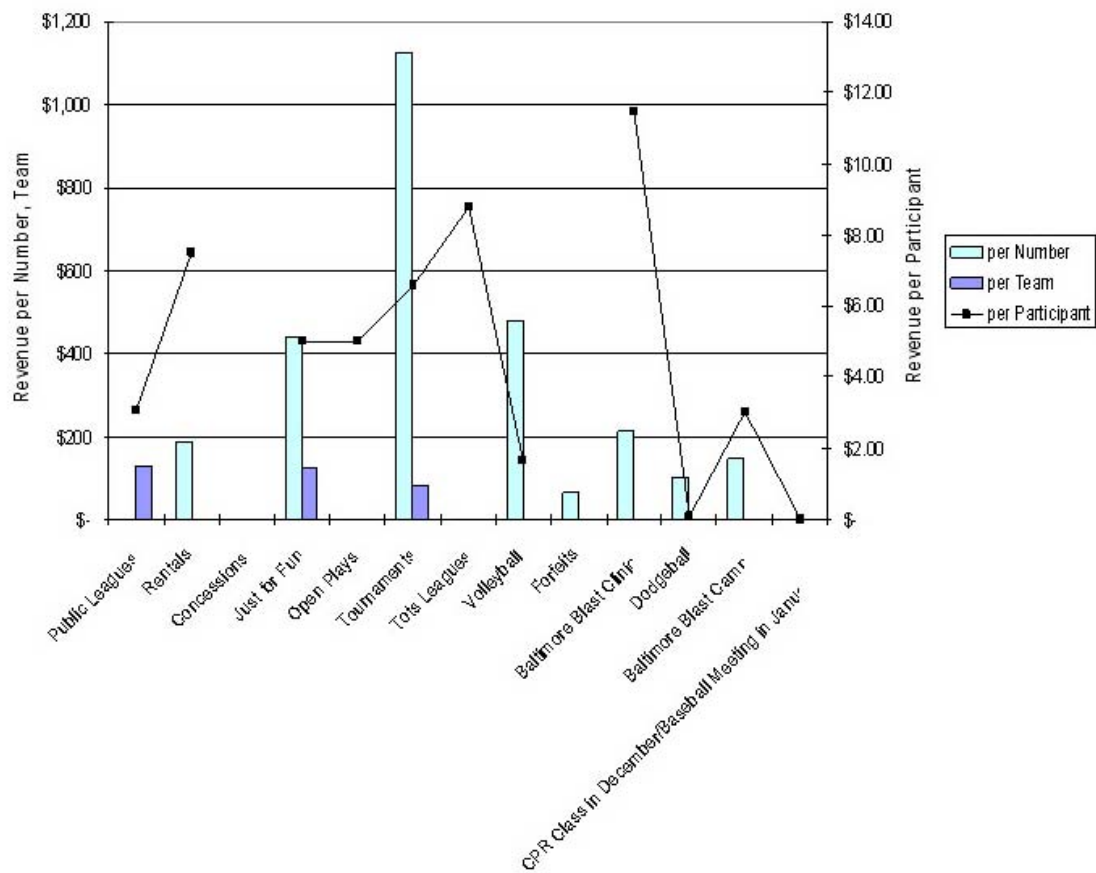
As can be readily seen by the chart depicted below, the largest portion of WJMSP's revenue is generated by activities driving the lowest participant cost. Some of the highest yielding activities yield the lowest total revenue due to the number of events held throughout the year (e.g. the Blast Clinic yields a much higher rate per participant than any of the other facility activities).



*William J. Meyers Soccer Pavilion Operations Review*

In addition, our team reviewed the revenue opportunity on a participant, team, and number of uses basis finding that revenue patterns persist at the detailed team / event level. As can be seen, some of the highest yielding activities are offered on a minimal basis.

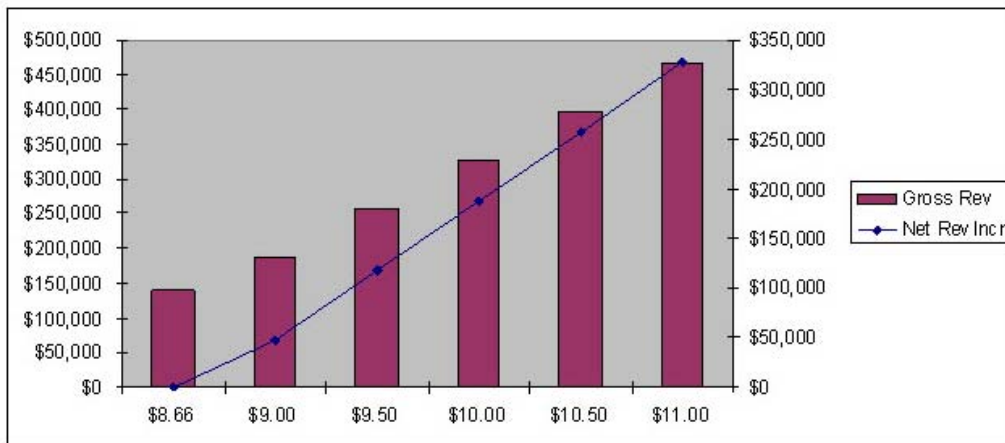
**WJMSP Revenue per Team (Number) / Participant**



*William J. Meyers Soccer Pavilion Operations Review*

**WJMSP Revenue Opportunity Analysis**

Leveraging the WJMSP as a multi-purpose indoor sports facility may significantly increase revenues. Depicted below is a stratification of the revenue opportunity based on other local multi-purpose sports facilities. Of special interest are facilities supporting indoor tennis as well as fitness centers. The Arthur Ashe Tennis Center averages \$112 of revenue per square foot of facility space. Multi-purpose facilities containing fitness equipment and classes can average up to \$102 of revenue per square foot. In addition, we find that organizations hosting business events can command more than \$500 per square foot of facility space. We understand that the WJMSP is not current configured to house all types of business events; however, select opportunities are available and should be considered.





## **Operational Efficiency Opportunities**

As stated earlier in the document, the WJMSP is run by a lean staff comprised of both full-time and part-time employees. The center director does a good job of ensuring that there is coverage without incurring unnecessary costs or expenses. A majority of the processes in place at the WJMSP today are manual in nature. Many of these processes lend themselves to automation; however, implementing an automated solution for just the WJMSP would prove cost prohibitive. Our perspective is that efficiency could be driven if these solutions were implemented for the larger BDR organization. Each of these process areas is depicted in Appendix C: Current State Process Flows.

A summary of these recommendations is as follows:

- Establishment of an online reservation system that supports credit card / electronic payments.
- Establish a Point of Sale (POS) solution that will capture and provide metrics around facility usage, inventory management, and Customer Relationship Management (CRM) reporting and analysis.
- Establish “sweep accounts” at a local bank branch to support the depositing of cash transactions (eliminating the physical driving to BDR Headquarters to submit deposits).
- Establish electronic procurement to payment application to support the creation, routing, approval and transmittal of purchase requisitions and payment requests.
- Establish an electronic environment to support the collection, review, approval and payment associated with electronic timesheets.
- Automate the uploading of CitiStat reporting metrics to reduce manual intervention and increase controls.



**Appendix A: Industry Benchmark Detail**

Facility	Location	Symbol	Website	Revenue (\$Thous)	Total Sq. Ft.	Revenue per Sq. Ft.
<b>Local</b>						
Perring Athletic Club	Baltimore, MD		<a href="http://www.perringac.com">http://www.perringac.com</a>	\$ 500	60,000	\$ 8.33
Freestate Sports Arena	Whitemarsh, MD		<a href="http://www.freestatesports.com">http://www.freestatesports.com</a>	\$ 700	37,800	\$ 18.52
Carroll Indoor Sports Center	Westminster, MD		<a href="http://www.carroll-indoor.com">http://www.carroll-indoor.com</a>	\$ 300	42,600	\$ 7.04
Crown Indoor Sports Center	Fruitland, MD		<a href="http://www.crownindoorsportscenter.com">http://www.crownindoorsportscenter.com</a>	\$ 200		
<b>Average</b>						<b>\$ 11.30</b>
<b>Soccer</b>						
Wolfs Indoor Soccer	Marietta, GA		<a href="http://www.wolfsindoorsoccer.com">http://www.wolfsindoorsoccer.com</a>		14,400	
<b>Average</b>						
<b>Indoor Sports</b>						
Pittsburgh Indoor Sports Arena	Pittsburgh, PA		<a href="http://www.indoorsportsarena.com">http://www.indoorsportsarena.com</a>	\$ 700	100,000	\$ 7.00
Plainville Indoor Sports Arena	Plainville, CT		<a href="http://www.plainvillesportsarena.com">http://www.plainvillesportsarena.com</a>	\$ 200	11,000	\$ 18.18
Syracuse Indoor Sports Center	Syracuse, NY		<a href="http://www.siscinfo.com">http://www.siscinfo.com</a>	\$ 700	54,000	\$ 12.96
Red Rose Indoor Arena	Reading, PA		<a href="http://www.redrosearena.com">http://www.redrosearena.com</a>	\$ 700	27,000	\$ 25.93
Williamsburg Indoor Sports Complex	Williamsburg, VA		<a href="http://www.thewisc.com">http://www.thewisc.com</a>	\$ 400	77,000	\$ 5.19
World Indoor Sports, Inc.	Greenville & Simpsonville, SC		<a href="http://www.sportsclubsc.com">http://www.sportsclubsc.com</a>	\$ 4,300	115,500	\$ 37.23
Indoor Sports Pavilion	Randolph, NJ		<a href="http://www.indoorsportspavilion.com">http://www.indoorsportspavilion.com</a>		75,000	
Capital Clubhouse	Waldorf, MD		<a href="http://www.capitalclubhouse.com">http://www.capitalclubhouse.com</a>		90,000	
Brookfield Indoor	Brookfield, WI		<a href="http://www.brookfieldindoor.com">http://www.brookfieldindoor.com</a>		80,000	
Connecticut Sports Complex	New Milford, CT		<a href="http://www.ctsportscomplex.com">http://www.ctsportscomplex.com</a>		75,000	
Edge Sports Center	Fort Collins, CO		<a href="http://www.edgesportscenter.com">http://www.edgesportscenter.com</a>		22,000	
<b>Average</b>						<b>\$ 17.75</b>
<b>Tennis</b>						
Arthur Ashe Tennis Center and Youth Foundation	Philadelphia, PA		<a href="http://www.ashetennis.org">http://www.ashetennis.org</a>	\$ 3,366	30,000	\$ 111.87
<b>Average</b>						<b>\$ 111.87</b>
<b>Fitness Clubs</b>						
Bally Total Fitness Holding Corporation		BTFH		\$ 1,509,100	11,800,000	\$ 127.89
Life Time Fitness Inc.		LTM		\$ 500,393	6,600,000	\$ 75.82
Town Sports International Holdings		CLUB		\$ 433,100	4,200,000	\$ 103.12
<b>Average</b>						<b>\$ 102.28</b>
<b>Meeting/Hospitality</b>						
Gaylord Entertainment Company		GET		\$ 645,437	621,772	\$ 1,038.06
Marriott Conference Centers		MAR	<a href="http://www.marriott.com">http://www.marriott.com</a>	\$ 162,635	387,660	\$ 419.53
Great Wolf Resorts, Inc.		WOLF	<a href="http://www.greatwolfresorts.com">http://www.greatwolfresorts.com</a>	\$ 148,648	829,000	\$ 179.31
<b>Average</b>						<b>\$ 545.63</b>

*William J. Meyers Soccer Pavilion Operations Review*

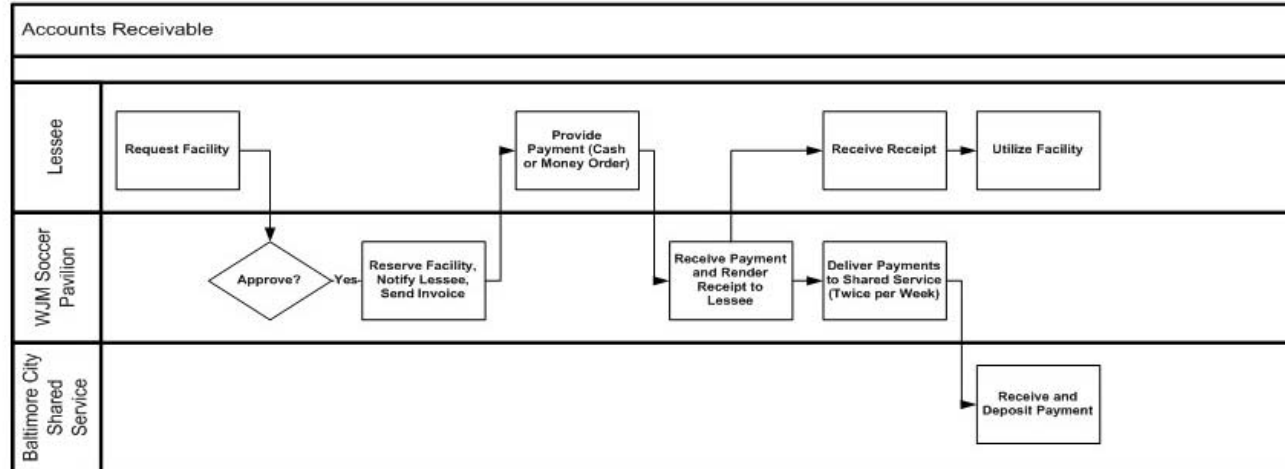
**Appendix B: WJMSP Revenue Data**

	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Total
<i>History</i>													
<b>Revenue</b>	\$ 3,386	\$ 3,122	\$ 16,058	\$ 26,854	\$ 17,702	\$ 5,966	\$ 29,855	\$ 13,497	\$ 6,790	\$ 11,719	\$ 2,181	\$ 2,715	\$ 139,845
<b>Number</b>	10	20	15	16	17	5	26	31	15	7	8	16	186
<b>Teams</b>	30	30	44	74	76	69	117	105	66	50	50	36	747
<b>Participants</b>	2,557	1,946	1,884	4,172	3,876	3,972	4,802	3,737	4,104	3,330	1,644	1,969	37,993
<b>Ann.Rev. Per Sq. Ft.</b>	\$ 2.52	\$ 2.32	\$ 11.93	\$ 19.95	\$ 13.15	\$ 4.43	\$ 22.18	\$ 10.03	\$ 5.05	\$ 8.71	\$ 1.62	\$ 2.02	\$ 8.66

## Appendix C: Current State Process Flows

### Accounts Receivable

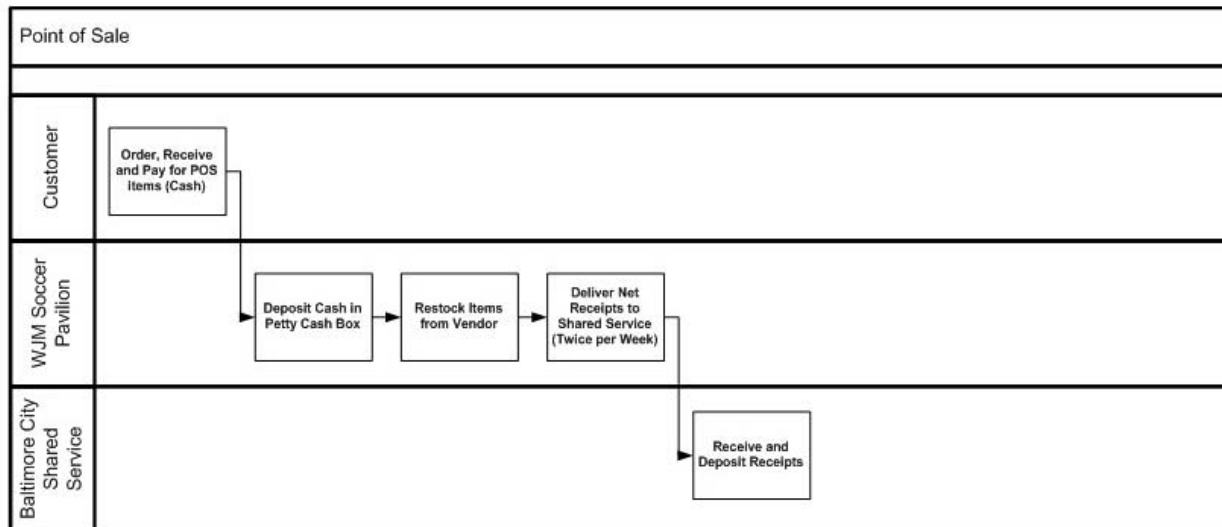
Our team met with the WJMSP staff to develop an understanding of their current accounts receivable process (depicted below). Based upon our understanding of their processes, we recommend the establishment of an online reservation / cash management application that would provide the ability to better schedule and manage the facility, accept credit card payments, as well as provide comprehensive Customer Relationship Management (CRM) reporting and analysis. Our team understands that this type of investment would not provide a significant financial payback if it were to be only deployed for the WJMSP. However, we believe that there is significant upside potential if this automated environment were to be implemented across all of the BDR facilities.



*William J. Meyers Soccer Pavilion Operations Review*

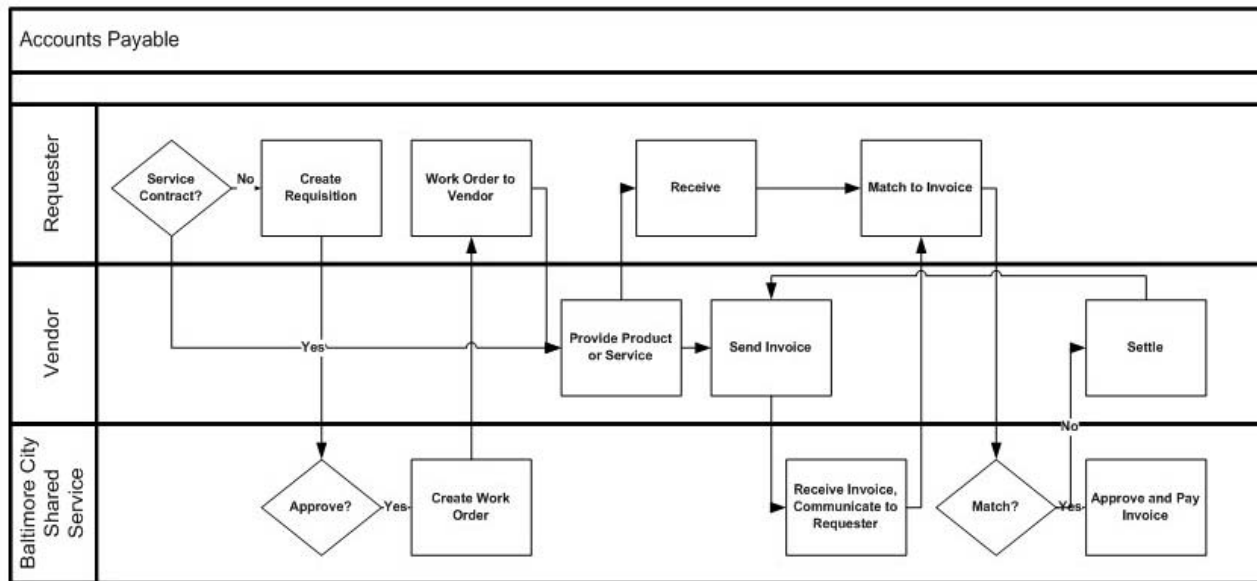
**Point of Sale**

Our team met with the WJMSP staff to develop an understanding of their current point of sale environment supporting the concession stand (depicted below). Based upon our understanding of their current processes, we recommend the establishment of an online point of sale application that would provide the ability to better track sale by product and manage inventory by type. We further recommend the evaluation of expanding the concession stand footprint to drive additional sales during facility events. Our team understands that this type of investment would not provide a significant financial payback if it were to be only deployed for the WJMSP. However, we believe that there is significant upside potential if this automated environment were to be implemented across all of the BDR facilities.



### Accounts Payable

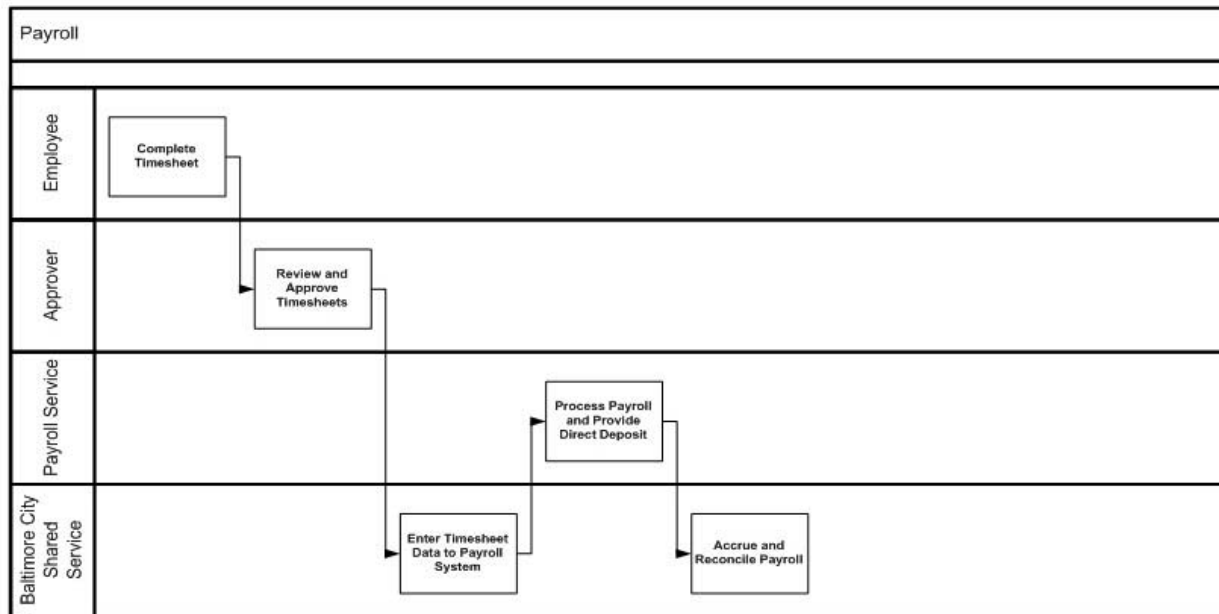
Our team recognizes that a majority of the expenses associated with operating the WJMSP have already been centralized in a shared services environment. However, we believe that there could be additional savings by leveraging an electronic spend management tool supporting the procurement to payment processing environment across each of the BDR facilities / organizations. In addition, a contract review / consolidation initiative should be considered to ensure that the BDR is optimizing its considerable annual spend.



*William J. Meyers Soccer Pavilion Operations Review*

**Payroll**

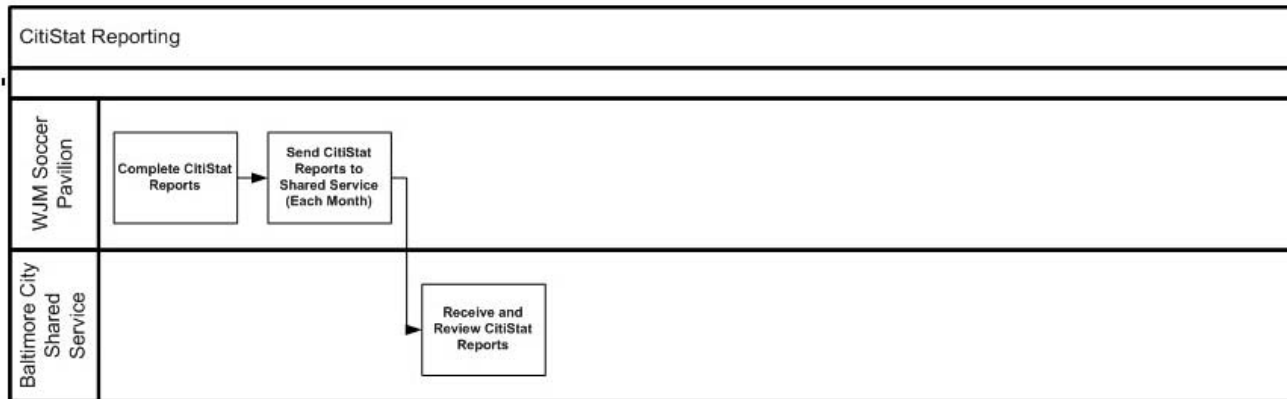
Our team recommends the implementation and utilization of an electronic time tracking application with electronic workflow / approval routing to support the collection, approval, payment and reporting of timesheets for the WJMSP staff. Our team understands that this type of investment would not provide a significant financial payback if it were to be only deployed for the WJMSP. However, we believe that there is significant upside potential if this automated environment were to be implemented across all of the BDR facilities.



*William J. Meyers Soccer Pavilion Operations Review*

### **CitiStat Reporting**

CitiStat reporting is currently completed in a manual fashion. Our team recommends developing and automated upload from the WJMSP applications (both existing and proposed) to satisfy the CitiStat reporting requirements. This process will eliminate the potential for data mapping errors and would allow the reports to be processed in a seamless manner. Our team understands that this type of investment would not provide a significant financial payback if it were to be only deployed for the WJMSP. However, we believe that there is significant upside potential if this automated environment were to be implemented across all of the BDR facilities.







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