

SOUTHSHORE COMMUNITY CENTER

2009

Annual report on operations

This report will provide an overview of the operational successes and improvements made in the first six months of operation by the City of Shorewood and projections for the next 12 months.



Southshore Community Center

ANNUAL REPORT ON OPERATIONS

BACKGROUND

The Southshore Community Center began as the Southshore Senior and Community Center back in 1996/1997 as a joint project involving the cities of Deephaven, Excelsior, Greenwood, Shorewood, and Tonka Bay, and the private non-profit group, the Friends of the Southshore Center.

The original arrangement had the cities building the Center and the Friends of the Southshore Center leasing the Center from the Cities and being responsible for the operations and maintenance of the Center, as well as, providing senior programming and private rental of the Center.

This arrangement worked well for several years until grant and other sources of funding dried up and the center had to rely more on event type rental to support the operations. The Friends of the Southshore Center approached the partner communities for assistance in supporting the operations of the Center, which they did.

Following the last request for additional support, the cities established a working group to discuss the operation and future of the center. The group met several times over an 18 – 20 month period and in June of 2009, agreed to a new operational model for the Center.

The model agreed upon put the operation and maintenance of the Center in the hands of the City of Shorewood and changed the emphasis of the programming from a purely Senior Center to a Community Center. The City of Shorewood then contracted with Community Rec. Resources (CRR) to provide center management, market, and developing additional programming.

This brief report will outline the activities and efforts undertaken in 2009 to reestablish the Community Center as a viable option for events, meetings, classes, and programs. We will also cover expenditure and revenues for the past few years, projections for the future and information on users of the Center during 2009.

IMPROVEMENTS

with interior paint throughout the Center, new carpeting and dance floor area, and alterations to the lobby area as recommended by CRR. All the improvements were done in order to make the Center a more attractive location for private parties and other functions and to boost the revenue needed to make the Center viable. The City of Shorewood invested over \$23,000 toward the improvements and another \$1,000 or so was provided in donations of money, time and materials. Other improvements include professionally cleaned kitchen and carpeting in the conference room area. The entry way was enhanced with a donated electric fireplace and chairs, items contributed to the Center based on a list of needs/wishes established by CRR and the City of Shorewood. A more



formal reception area was created and this was done mainly through volunteer efforts and materials. Shorewood worked with Mediacom to get cable drops at the center and is running a wireless network open to the public from the center as well.

The transformation of the center has been very well received and several rental inquiries were received during the Grand Re-opening event. Below are a few before and after pictures.

USAGE INFORMATION

Usage of the community center is made up mainly by people residing in the south lake area. In addition to the five member cities, regular users of the facility come from Chanhassen, Chaska, Minnetonka, Victoria, Mound, Orono, etc.

In 2009, 799 individuals visited the Center (note, these counts do not include multiple visits by the same person). The data used was taken from Center sign in sheets maintained at the reception desk and represent people using the facility during normal business hours or special Center sponsored events. They do not reflect patrons who attend parties and other privately held events.

Of the 799 people coming to participate in Center activities, 57% reside in one of the five member communities and 43% are from other communities. There were 46 visitors that did not list a city.

The five member cities visitor numbers are shown in the following table:



City	Visitors
Deephaven	61 or 7.63%
Excelsior	174 or 21.78%

Greenwood	18 or 2.25%
Shorewood	176 or 22.03%
Tonka Bay	27 or 3.38%

The City of Minnetonka represents the largest non-member city population of users with 77 or just about 10% followed by Chanhassen with 58 or just over 7%.

PROGRAMMING AND ACTIVITIES

Programming, activities, and rentals are managed by Community Rec. Resources through contract with the City of Shorewood.

Community Rec. Resources has been working to develop partnerships, to bring in new opportunities, and bolster the regular rental business. Over the past six months, the agreement with the Church has been renewed, an agreement with the Southshore Senior Partners has been established, a chess program is holding classes and events, and a dance program is up and running. Community Rec. Resources also worked to establish ongoing partnerships with caterers, event planners, and other event facilities in the area in an effort to bring more attention and business to the Center. The Southshore Senior Partners, as part of the arrangement the City has with them, provide volunteer receptionists and other in-kind services which are coordinated by CRR.

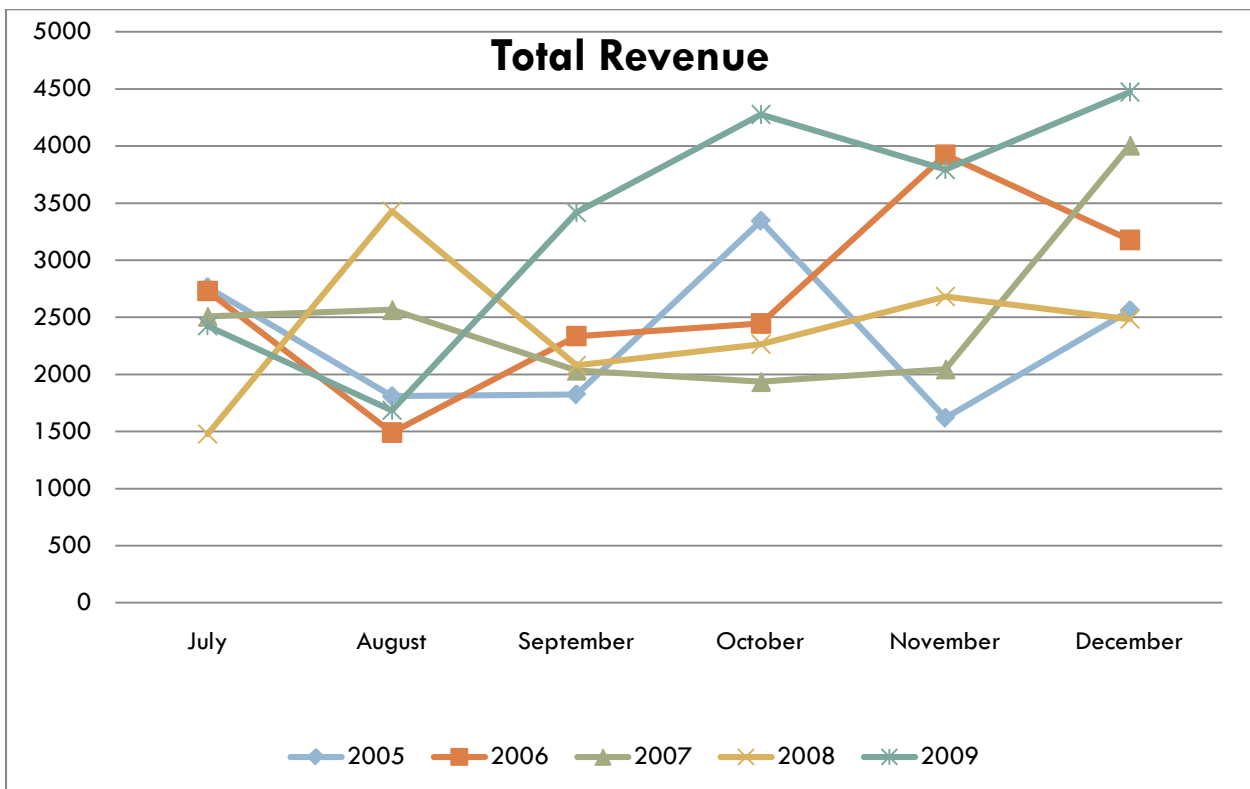
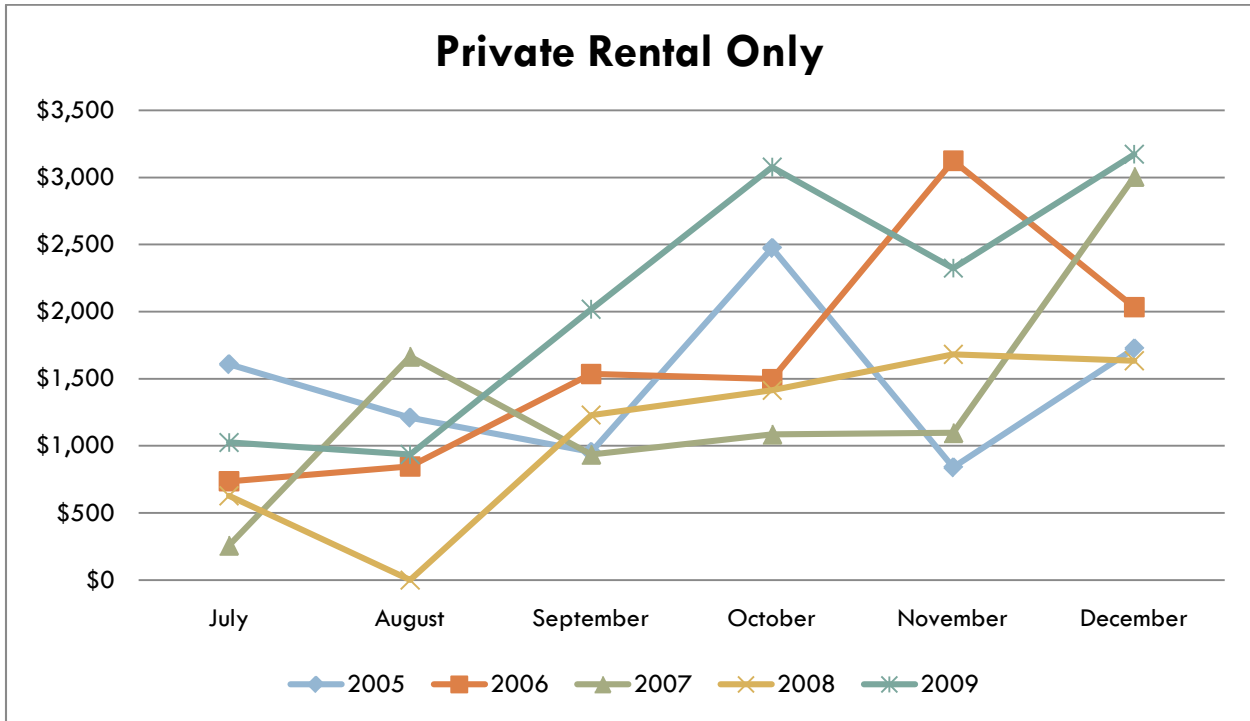


RENTALS



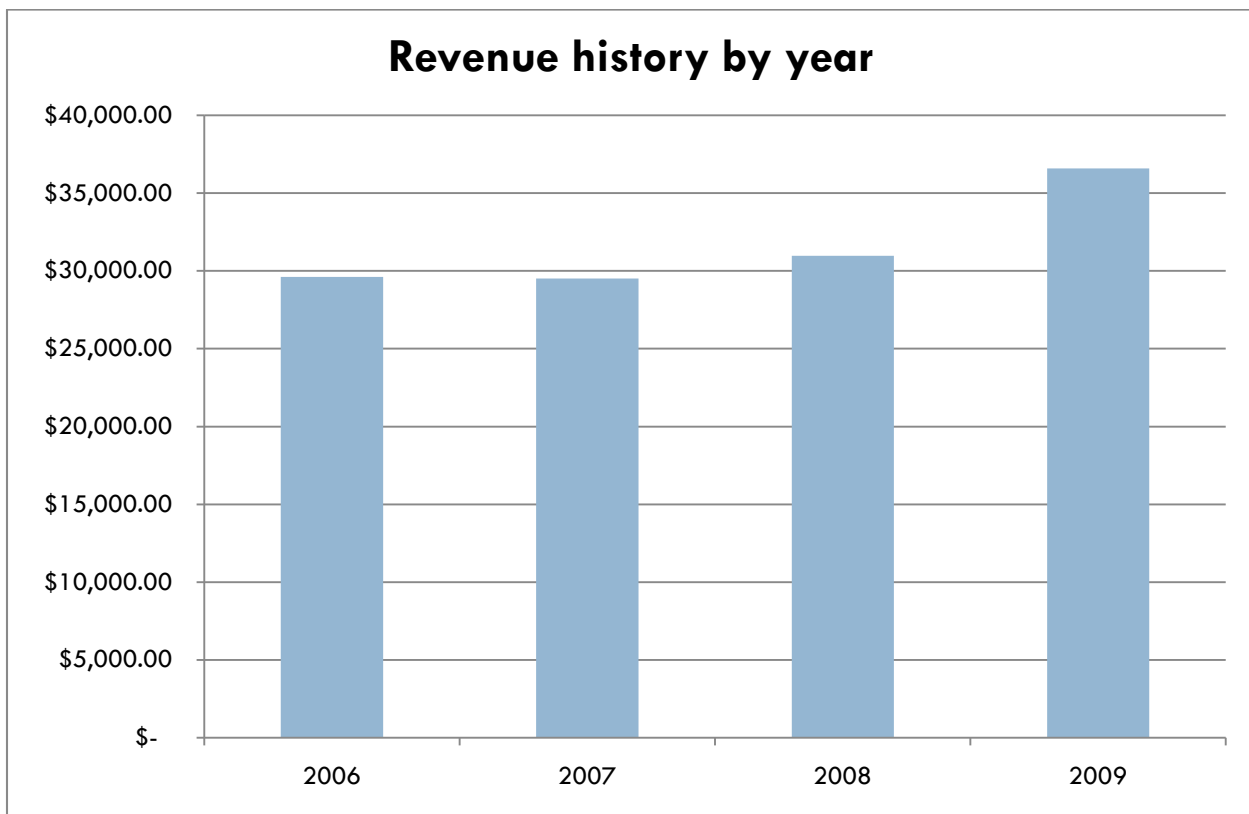
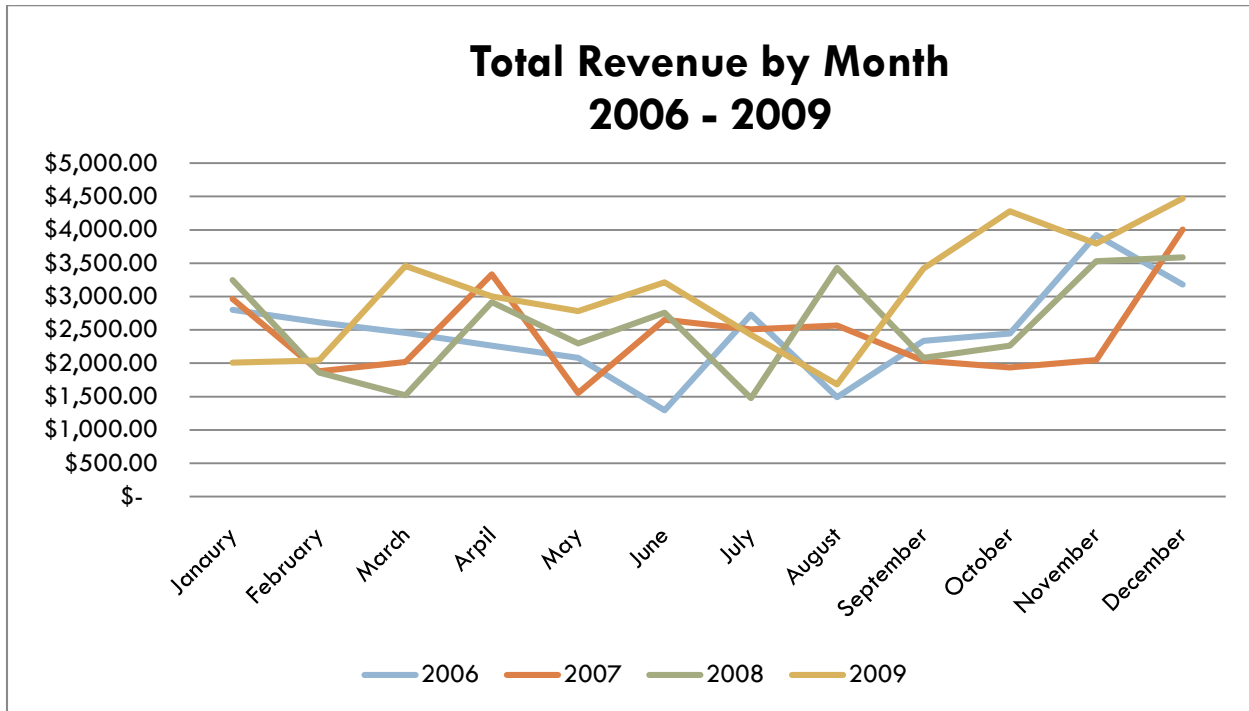
A key objective for the Shorewood Council is moving the Community Center toward a break-even status.

The following graphs show the historical revenue for the center for the period July – December for the past several years:



The next graph shows total revenue over the past three years. Note that data for 2009 is a bit sketchy due to the transition from the Friends operation to City of Shorewood operation. Even with the decline in rental

activity in the middle of 2009, rental activity picked up in the last three months making 2009 one of the better years.



The income above represents rental information only, including “long-term” rental agreements. The amounts above do not include any revenue from Friends fund raising activities, grants, or municipal contributions to help cover the general operational and programming costs.

Expenditure data is a bit more difficult to come by and we only have data for 2008 and sketchy data for 2009. The expenditure information, illustrated in the table below includes all expenses we are aware of for 2008 and includes one-time expenses such as capital improvements and attorney fees incurred during the transition of the center from the Friends operation to City of Shorewood. The table has two 2009 columns, one includes all expenses and the other are expenses without the capital and attorney fees. Note that prior to 2008, the Friends contracted with Senior Cooperative Services for administration and programming that added approximately \$50,000 to the expenses. The CRR contract fee is included.

2008	2009	2009 without onetime costs
\$39,132	\$72,607	\$40,950

LOOKING AHEAD

2010 will be a difficult and challenging year as the economy continues to lag and recover. We do anticipate an increase in activity at the Center with more partnerships, expanded programming and increased rental activity. The goal for the City of Shorewood is to get the Center to a break-even point, but we acknowledge that this will be difficult, and is rarely achieved by any City based community center. The City is planning for a subsidy of approximately \$13,400 based on current expenditure plans and revenue assumptions.



Below are the projections for 2010, 2011, and 2012.

	2010	2011	2012
Revenue	\$44,930	\$47,458	\$50,239
Expenditures	\$58,356	\$61,362	\$64,418
Subsidy needed	\$13,426	\$13,904	\$14,179

The revenue projections may be a bit conservative based on the past three months of activity and only reflects current agreements. If activity continues at the current rate, we should exceed our estimates. The expenditures include the contract fee to Community Rec. Resources for their time in managing the operations and programming at the Center. The contract has an increase in the base rate as well as an escalator built in to the percentage of income generated. Thus if income increases, so does the fee for CRR.

Not included in our projections are donations, contributions, grants, or other sources of income that may come in to off-set operational or possible capital costs. We also do not have any funds earmarked for major capital improvements during this period.