

Schroeder Capital Campaign - Goal \$1.3M

Retire the debt, replenish the endowment, establish and fund a capital and an operating reserve

1. Retire the Debt - \$500,000
2. Replenish the Endowment - \$300,000
3. Establish and Fund an Operations Reserve (\$250,000) and Capital Reserve (\$250,000) or \$500,000 total or about 1/3 of annual operations

Summary

The Walter Schroeder Aquatic Center, Ltd (WSAC) is a 501(c) (3) non-profit with the mission of maintaining and preserving the region's most unique and important aquatic facility. The WSAC, Ltd non-profit was established in 2008 to save the pool after the YMCA of Metropolitan Milwaukee had planned to redevelop its Brown Deer site and eliminate the Aquatic Center. While the WSAC and YMCA have maintained a cooperative relationship, the WSAC has been a financially separate organization after 2008.

Since 2008, the WSAC has managed to remain fiscally viable but has been unable to bring in enough revenue to cover annual depreciation expense which is \$85,000 annually (Depreciation is the amount of money assigned to cover the costs of long term maintenance as the building ages). Since 2008, we have not missed a payment for our mortgage or a payroll and we have been able to make it financially each of the last 11 years by watching our cash flow like a hawk. However we are just not bringing in enough revenue. The table below is representative.

Fiscal Year	Revenue	Expense	Net
2016	\$1,096M	\$1,273M	-\$177,000
2017	\$1,320M	\$1,412M	-\$92,000
2018	\$1,288M	\$1,390M	-\$102,000

While the trend in 2019 is better than previous years, the facility was required to complete repairs to the outside of the building, replacing failing sections of the wall high up below the roofline to maintain the facility's liability insurance coverage. The cost of the repair and installation of new metal siding is about \$300,000.



In April / May we tried to secure a loan from our bank - US Bank- to cover the cost of the construction and were turned down. We approached a local bank - Park Bank and were turned down. We are currently working with a bank that specializes in non-profits - IFF Bank - but we are a ways away from a deal if one should come.

We have raised \$150,000 around the immediate need of the exterior repairs or about half of the project costs and we are continuing the fundraising efforts.

We have met with local and state representatives to seek funding and solutions from both. Knight Public Affairs has been working consistently with: the Village of Brown Deer, Representative Mark Knodl, Senator Alberta Darling, the Wisconsin Economic Development Corporation - lots of very good contacts but nothing that can really help in the short term.

Capital Campaign

A two phase capital campaign has begun.

The first phase is to raise enough dollars to offset the cost of the repairs to the exterior of the the WSAC. Slightly more than half of the cost of the project has been committed or received or about \$147,000. An additional amount is needed to offset the remaining cost of the repairs which are projected to finish in November.

The second phase is to raise enough money to retire the remaining debt held by US Bank (\$500,000 of an initial note of \$1.2M), replenish the endowment which stands at about \$700,000 with the goal to fund the endowment at \$1.0M, and establish two reserves for capital and operational expense of about \$500,000. The total for the second phase of the capital campaign is \$1.3M

Since 2008, the Walter Schroeder Aquatic Center has received about \$3M in contributions. The Walter Schroeder Aquatic Center is unique in that it is not financially supported by a larger entity. Most pools and most major facilities across the United States are supported by school districts, universities, YMCAs or municipalities. The Schroeder facility is a stand alone facility.

Significance and Continued Relevance of the WSAC

The Schroeder pool is an important facility for WI Swimming, Inc. About 20% of all of Wisconsin Swimming's times in the SWIMS database are done at Schroeder each year. Additionally, about 20% or approximately 18,000 of WI Swim's annual 85,000 LCM performances are done at WSAC but many of the LCM swims done in the LSC are by Illinois-based teams at Rec Plex.

WI Swimming Teams that have or will host meets regularly at WSAC

SEA
LAKE
SHOR
EBSC
MFSC / Rocket
WEST
OSHY
SWAT
OZ

Cost of Keeping the WSAC Open - making the case

A conservative estimate of the annual cost to keep the Walter Schroeder Aquatic Center open is about \$500,000. This amount includes: energy, sublease, maintenance, cleaning, staff - lifeguards, aquatic director, meet support staff - mortgage, depreciation, and chemicals.

Without a Schroeder team as the primary tenant, the 30 annual events would bring in about \$80,000 in facility user fees and an additional \$100,000 in pool rental leaving a deficit of \$320,000.

The reality is, if we cannot increase our revenue so that it outstrips our expense by enough that we can start to build reserves for predicted and unpredicted losses and expense it is only a matter of time until the pool will have to close. WSAC can continue on for a while but without fundamentally changing the annual operating financial formula the pool will close when we run out of reserves.

Asking for WI Swimming's support two ways:

1. Share and endorse the capital campaign
2. Support a significant increase to Facility User Fee \$8-\$12-\$16

An increase of the Facility User Fee from \$3.50-5-7 to \$8-12-16 would increase the annual FUF revenue from approx. \$80,000 to approx. \$140,000

Why not significant pool rent increase? Teams that rent the WSAC have been and will continue to be essential to the facility's continued operation. But raising pool rental rates puts large pressure on teams to discontinue running events. The idea is to continue to incentivize teams to conduct meets and pass the cost of the facility to the users of the facility.

Would we reduce facility fees if things are going well? Yes. If and when the WSAC can or does meet its Capital Campaign Goal of \$1.3M, Facility User Fees can return or be lowered so that annual operating income is strong enough to support the facility but not to gouge users.

How can WI Swimming help?

Please share this story with your membership. There may be people in the community who are able to contribute to the capital campaign. Like a Team Unify fundraiser - people interested in donating [can make a contribution through the WSAC website](#). Anyone who has questions is encouraged to contact David Anderson 414 364 0275 or danderson@wsacltd.org

Consider the proposed facility user fee that is significant and vision a Wisconsin swimming future with and without at Walter Schroeder Aquatic Center. I sincerely hope that together we can maintain the facility for future generations of athletes.

Thank you for your consideration,

David Anderson

Coach
Schroeder YMCA Swim Team

About 30 events are hosted at the WSAC annually. 12 are hosted by Schroeder swim and dive teams and 18 events are hosted by other teams or organizations.

If there were 30 events per year that were 2.5 days / 8 hours each session and each had 400 athletes that would bring a total of \$234,000 of revenue for both pool rent and facility user fees at \$250 / hour and \$7.00 per athlete.

The annual revenue facility fees are about \$80,000 and the rental would be about ...100,000

\$80,000 ---> 143,000

This would leave an annual deficit of about \$320,000. The Schroeder swim, dive and masters teams do get to train at great pool and we conduct many events each year but if we were not successful and WSAC had to find others to use the pool the math goes like this:

$\$270,000 / 16 \text{ lanes} * 3 \text{ hours} / \text{day} * 365 \text{ days} = \$15.50 \text{ per lane hour per day}$ or \$250 per hour for the pool but given that you are allotting 75 days to events, the effective rate is about \$19 per lane per hour.