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## **AGENDA**

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# **Committee of the Whole**

**5:30 PM July 11, 2022**

**Council Members:**

**Andy Teater**

**Omar Tarazi**

**Les Carrier**

**Tina Cottone**

**Peggy Hale**

**Pete Marsh**

**Cynthia Vermillion**

**President**

**Vice President**

**Michelle Crandall, City Manager**

**Diane (Dee) Werbrich, Clerk of Council**

**City Hall, Council Chambers • 3800 Municipal Way, Hilliard, OH 43026**

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## City Council

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**I. Call to Order**

**II. Roll Call**

**III. Approval of Minutes**

A. June 27, 2022, Committee of the Whole

**IV. Business**

A. Recreation and Wellness Center – Construction Cost Estimates

**(Don McCarthy, McCarthy Consulting & Adam Drexel, President of Ruscilli)**

B. Hilliard Recreation and Wellness Center – Revenue/Expenditure/Cost Recovery Estimates

**(Arni Biondo, Senior Project Consultant, PROS & Recreation and Parks Director Ed Merritt)**

**V. Items for Discussion**

**VI. Adjournment**



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## CITY COUNCIL

### June 27, 2022 Committee of the Whole Minutes

#### CALL TO ORDER

The meeting was called to order by President Teater at 5:06 PM.

#### ROLL CALL

Attendee Name:	Title:	Status:
Andy Teater	President	Present
Omar Tarazi	Vice President	Present
Les Carrier	Councilman	Present
Tina Cottone	Councilwoman	Excused
Peggy Hale	Councilwoman	Present
Pete Marsh	Councilman	Present
Cynthia Vermillion	Councilwoman	Present

**Staff Members Present:** City Manager Michelle Crandall, Law Director Phil Hartmann, Assistant City Manager Dan Ralley, Deputy Finance Director Greg Tantari, City Engineer Clark Rausch, Recreation and Parks Director Ed Merritt, Community Relations Director David Ball, City Prosecutor Dawn Steele and Clerk of Council Diane Werbrich

**Others Present:** Don McCarthy, President, McCarthy Consulting (Owners Rep); Steve Smith, Attorney, Frost Brown Todd LLC

#### APPROVAL OF MINUTES

President Teater asked if there were any changes or corrections to the June 13, 2022, Committee of the Whole meeting minutes. Hearing none, the minutes were approved as submitted.

<b>STATUS:</b>	Accepted
<b>AYES:</b>	Teater, Tarazi, Carrier, Hale, Marsh, Vermillion
<b>EXCUSED:</b>	Tina Cottone

#### BUSINESS

##### 1. RECREATION AND WELLNESS CENTER - CONSTRUCTION BUDGET OVERVIEW

Mr. McCarthy apologized that at the June 13, 2002, meeting confusion was unknowingly created and hopefully he can clear that up. He presented the Recreation and Wellness Center - Construction Budget Overview (**See Attached**).

Mr. Carrier asked if he took 80,000 square feet at \$52.9 million he could get the cost per square foot. Mr. McCarthy agreed and replied that it should be approximately \$728/square foot. Mr. Carrier asked if that cost is normal and is seen in other parts of the region. Mr. McCarthy replied that, sight unseen at the time this budget was created, they did not know what the components of the project would be and are looking at it from a perspective of 80 percent of the allocated funds would have been earmarked for construction. He added \$52.9 million at the time the budget was created was not out of the question. Mr. Carrier clarified that this is in the range of others. Mr. McCarthy replied as a general rule, it is 80 percent of \$66.4 million.

Vice President Tarazi stated that normally, it is the total cost of construction divided by the number of square feet and would be \$66.4 million divided by 80,000 square feet, which totals approximately



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\$830.00/square foot. He added the 80 percent may be correct, but someone else may be able to get more/less square footage for that same dollar amount depending on a lot of other variables. Vice President Tarazi noted that \$830.00/square foot seems high given this is not the Taj Mahal of swimming but has a mixture of a lot of things. Mr. McCarthy explained that now that there is a program, Barker Rinker will be removed from the estimating equations and it now shifts to Ruscilli to take their experience with other sites with the same conditions and begin to break down the \$52.9 against the programming. He noted that process has started and he will continue to update Council on where they are in the process. Mr. McCarthy stated this is very much a process.

Mr. Carrier asked if Ohio State is working with Mr. McCarthy on the design piece of their 25,000 square feet. Mr. McCarthy reported they just had the letter of intent executed between Ohio State and the City, so that process has begun. Mr. Carrier then asked if he expects a \$830/square foot cost for that piece. Mr. McCarthy replied they are estimating their 25,000/square feet and are working with their design team to ensure their piece is as discernable as possible in the overall project. He noted they will get an allocation of the overall parking, site work, structure, roof and all of the components that surround their space and an allocation of all of those costs. Mr. Carrier asked if Ohio State will take a piece of the \$830/square foot. Mr. McCarthy agreed. Mr. Carrier then asked if Mr. McCarthy knows how much. Mr. McCarthy replied that without knowing where they are or where the appendage wants to be and how it wants to be folded in, he cannot answer that at this time and will know more as they start playing with layouts. Mr. McCarthy reported that if Council remembers from the presentation, they had two generic layouts that showed the possibility of what it could be for the spaces and OSU needs to be baked into that. He noted he will come back to Council for review and approval.

Vice President Tarazi reported that the \$66.4 million is for an 80,000 square foot community center that does not include the 25,000/square feet of OSU space. Mr. McCarthy agreed. Vice President Tarazi added that there must be additional money over the \$66.4 million to do whatever is being done for OSU. Mr. McCarthy replied that the 25,000/square feet is not in the square foot calculation. Vice President Tarazi stated that it is not in the \$66.4 million. Mr. McCarthy replied that part of it could be depending on where it fits as an appendage in or around the building. Vice President Tarazi stated that there is a total budget of the overall site and asked if there is money for the additional 25,000/square feet. He noted some of the \$66.4 million could be shifted to them. Mr. McCarthy agreed. Vice President Tarazi continued that there is still a dollar amount out of the overall budget for OSU's 25,000/square feet. Mr. McCarthy replied an example of that is the site development and \$3.5 million was budgeted for site development before the soil reports or siting of the building. That assumes the OSU piece would be part of that with the utilities being brought to the building and developing the site for access and parking with the knowledge that there would be a wellness partner and some of the \$3.5 million will go to OSU. Vice President Tarazi asked what the dollar amount is above the \$66.4 million for the OSU allocation. Ms. Crandall replied that number is not known yet and some funding is available from the sale of the Grener property, which would be put towards that because this has to be non-income tax dollars. Vice President Tarazi stated that he forgot about that so this is not in the \$100 million at all. Ms. Crandall agreed and said that depending on the total cost of that and if there is some funding left over from that allocation, it could be shifted towards either the athletic fields or the building depending where some of the overages are on either one of those projects. Mr. McCarthy reported that the plan for OSU will be when they come up with the allocation of their cost and they will attempt to try to figure out that allocation as if it is a standalone building. He noted they are expecting some pushback at some point from OSU but it will be done in a way that they can defend the costs put in front of them. Mr. McCarthy reported that they have had a few of those conversations with OSU in the creation of the Letter of Intent (LOI).

Mr. McCarthy explained that one of the other pages in the program document that Barker Rinker presented was the allocation of the recommended 79,497/square feet. He noted that if the numbers presented were added up it came to \$40,434,850.00, which is meaningless and he does not know why they did that because it does not have any relationship to the \$52 million or the \$46.9 million. Barker Rinker could not explain it when he challenged them on it, which led to more confusion. Vice President Tarazi stated then Mr. McCarthy can understand from Council's perspective that they are saying we are

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getting \$40 million of stuff for \$66 million, which is a \$26 million difference. Mr. McCarthy stated that there is \$52 million to build the City's \$66.4 million project.

Vice President Tarazi stated as he understood it, there is a cost per square foot difference in building middle school courts versus the swimming section, thereby you could adjust based on prioritization. He added if these numbers do not make any sense, will Council receive updated numbers on the cost per square foot for the swimming facility, etc. Mr. McCarthy replied he understands what Vice President Tarazi is saying but it becomes a challenge because construction companies do not estimate that way and do their estimates by trade (concrete, steel, etc.). One of the things they have asked Ruscilli to do is to break out their numbers as they do their estimates so they can categorize things and have some sense when they come back to Council to explain how much are the aquatics features, the administrative features and the fitness area. He reiterated they are working with them to break those numbers down and that they do not estimate this way so it is a bit of a challenge.

Vice President Teater asked how is the square footage to the \$52 million overall construction cost, why is the City getting 80,000/square feet for that money. Mr. McCarthy replied that is the program that they broke down, and that was Barker Rinker through the card game and they will test all of the allocations of the dollars to see if they add up to \$52 million, over or under that. He noted that going forward Ms. Osborn will only be talking about design features, but he and Ruscilli will be the only ones talking numbers.

Ms. Vermillion asked if the 80,000 square feet for the facility is set and could not be expanded to 85,000. Mr. McCarthy replied that it is their goal to maximize the \$52.9 million to the extent that there are savings in other categories (Buckets B or C), then those dollars would be available to be allocated back up to Bucket A or down to Bucket D, and staying within the \$66.4 million. He explained that they are charged with building the biggest, best facility with all of the program elements. His hope would be that if the design team does a good job, and they do a good job managing the design team that maybe some aspect of this space could get bigger, like the fitness area, or have more features to it. Mr. McCarthy reiterated that the goal is to build the best possible facility with all the features.

Vice President Tarazi reported at the last meeting, there was an Appendix B (Ruscilli's numbers) that was not included and asked when Council would receive those numbers. Mr. McCarthy replied that they are in the process of taking the programming and separating it using Ruscilli's database for costs and he is expecting a draft by Friday. He noted that with any number there is a reconciliation process, there are assumptions they are making and there are things they have to go through. Mr. McCarthy explained that there is \$3.5 million budgeted for this site and mentioned that they received the soil boring and the site Geotech report, which is not good news. It is potentially challenging news with respect to the water table and the soil conditions that they are dealing with. Mr. McCarthy explained the bearing capacity of the soils for the building area are lower than typically expected. The Geotech report recommended that there are soil treatments that need to happen in order to change the condition of the soils. One of the things throughout the site is Kokomo soil, which is an expansive clay so when it gets wet, it expands and when it gets dry, it contracts. It is extremely volatile and must be treated appropriately. He noted they just received those reports last week and are analyzing the impact of that. Mr. McCarthy reported that if a disproportionate amount of the cost goes to preparing the site so the building can be built, those costs come out of the \$52.9 million, which is a process they are currently working through.

Ms. Vermillion asked how the soil treatment will affect the Darby Creek area. Mr. McCarthy replied that he is not the expert on this but when they get done restructuring the 100 year flood line, the 500 year flood and the Riparian Setback, they will be outside of all of that in terms of the flood plain and impact of any flooding that may occur in that area and will all be held to the east. Ms. Vermillion then asked if they are building on an entire wetland site. Mr. McCarthy replied that it is not a wetland because a wetland has a very specific criteria but there are four small wetlands around the property but none near where they are proposing to put the recreation center. When there are low bearing capacities, based on the soils report, the footings have to get larger or you have to treat the soil. They are going through the analysis now and they assume it will be spread footings the building will sit on but if they are tied to a 2,000



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bearing capacity, where they would otherwise see 3,500 or 4,000 that means the footers have to get bigger, thicker, have steel in them and the slabs have to go from 4 to 6 inch to possibly 8 inch. There is a cost tradeoff for doing that versus treating the soil and that has to be figured out.

Mr. Carrier recalled that when the Cosgray Road piece went in, they tried to pump the water into that ditch and they were not allowed to do it and the water had to be moved when they hit the water table because that is how high that water table is. Mr. McCarthy replied that is one of the recommendations in the soils report that they may be required to put in some dewatering wells to lower the water table at the building site. These dewatering wells will be taken out when the work is done and then the water table comes back up.

Vice President Tarazi asked when Mr. McCarthy will share the Ruscilli numbers with Council. Mr. McCarthy replied that certainly by the next meeting because they need to know the road map and how it fits within the framework. He noted they may not have the answers relative to the site development cost because there are a lot of factors involved in how we handle storm water and storm water retention that has to be on both sites. They will make some assumptions so they can provide some general guidance as to the direction.

Vice President Tarazi stated the last time all of the contingencies added up was \$14-\$15 million. Mr. McCarthy replied \$16.3 million. Vice President Tarazi asked what is that number today. He understands that they are intellectually putting things in and this is the escalation budget and in his mind they are the same thing. It is money that is not allocated yet, that might be allocated or they think that might be allocated but is just there. He asked how much do they total. Mr. McCarthy replied that right now in Category A, relative to the design and estimating and escalating contingency there is \$4.2 million is in the \$52.9 million. The City, as the owner, has Category D, which is \$3.6 million. Vice President Tarazi remarked that it is approximately \$7.5 million, which is a different number. Mr. McCarthy apologized again for how it all unfolded because \$16.3 million versus \$7 million is very different. He explained that the \$7 million in Category A will stay there, it does not go away and will flow up into the construction as they move through the process of design.

Ms. Vermillion stated the 6.7 percent contingency with the soil issue, the City knows we will spending more money and asked if that is money that will flow up into construction. Mr. McCarthy replied that in all likelihood, yes and as he stated earlier \$3.5 million was allocated for site development within that number is an amount that was allocated based on historical information for grading and preparing the site to build things on it. A typical strategy for dealing with this is lime kiln dust stabilization. Lime dust dries out the soil and changes the properties of the soil so it can be used for its intended purpose in terms of compaction and getting it prepared for a building site. He noted it is a very expensive process, but very fast and the alternative to that is to take the soils and lay them out and let them dry in the sun and wind. The challenge is the time of year the City would be doing this. Those recommendations will come as a result of analyzing the schedule, timing and sequence of the project. All of those things have cost implications and the goal would be to not spend a lot of money trying to prepare the site because, as an owner, you do not get to see the benefit of that. He added the goal is to be smart in what we do, but time is money also. If the process that is taken/used takes an extra six months to build the building that is not free either to take that extra time to build the building. Mr. McCarthy stated it is a tradeoff and they do this on every project where they analyze the pros and cons and based on the information they have, they pick the best direction for their projects.

Ms. Crandall asked Mr. McCarthy to briefly explain the GNPs Council will see before the end of the year. Mr. McCarthy explained that one of the things that is important right now in the marketplace is speed to market. He noted they have 12 different clients and they are recommending the same thing is as soon as possible they need to get into a procurement process so they can buy things that have long lead times or are subject to significant cost escalation that is going on in the marketplace. He noted they are pivoting weekly on what they cannot get their hands on now and what is a long lead item. In order to maximize the \$52.9 million budget, they need to be thoughtful and efficient in when they go to the marketplace to procure those materials otherwise they are going to cost more and what that potentially means is the



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79,497 square foot facility is not that large anymore because that has to be paid for somehow. Mr. McCarthy stated that is what they have laid out in the overall master schedule that they are working to as a team. If Intel slows down, that does not change what they are dealing with in the marketplace in Central Ohio it just means they get a bit of a reprieve from that giant wave that is coming eventually from Intel. Ms. Crandall reported that it is important because during the Regular meeting is the second reading of the appropriation ordinance, which allows the funding to be appropriated so when these GNPs come back later in the year, the City can respond quickly to what Ruscilli is seeing in the market. Mr. McCarthy mentioned that another phenomenon that is going on in the marketplace right now is when a bid is taken, they are being told by the bidder that the bid is good for seven days. If the City is not nimble in the process that is implemented, costs will go up. He stated that it is unrealistic for a public authority to get through, from the day a bid is received, to when a GNP amendment is executed and the funds are available and that process is seven days, but as fast as they can will mitigate those moments in time when a bidder says their bid is no good after seven days and is part of the juggling act they have to go through. Mr. McCarthy reported that is a big issue in the commercial construction world being told numbers are only good for a very period of time and this will go on for a while.

Ms. Hale asked if there was a remote possibility that those numbers could go down in seven days. She feels there is some fear that it is that number or is guaranteed 100 percent to go up. Mr. McCarthy replied that he has been doing this for 40 years and cannot recall at any point of time where the costs of materials have gone down. What comes down or fluctuates is what the contractors ask for their markup and is dependent on the market conditions, the environment and work in their particular trade. The problem right now is that there is so much work that some contractors are not taking any more work for 2022 and thinking about not taking work for 2023 so they are sticking at a very high markup and what they are charging for their overhead and profit.

Mr. McCarthy stated that it is dangerous to look at a cost per square foot in relationship to a project because you do not know what is in those numbers (soft costs, contingencies etc.) unless involved in the project. They will come back and substantiate those costs to Council.

## 2. Electric Aggregation

Mr. Ralley stated there was a discussion in early May following a presentation from AEP Energy about green energy aggregation. Given the timeline for Council recess and the filing deadline for the November ballot, he wanted to make sure Council was at least aware of the option and deadlines for putting a ballot forward to the community, if Council chooses to put something on the November ballot, they would have to likely do that before their recess.

Mr. Ralley stated that in the packet there is draft language that would enable the City to put an issue on the ballot, if Council chooses to do that, and Mr. Steven Smith, Attorney, Frost Brown Todd, who has been working with the City of Grove City on their energy aggregation process is here to address questions that Council may have about the ballot process and share their experiences in Grove City.

Mr. Ralley explained that the last time this was discussed at a Council level there was some direction to staff to secure an energy broker to facilitate/assist with the ballot process and securing of a green energy source. It is staff's belief, that based on conversations with Mr. Smith and others, that the actual ballot process does not look much different than a Charter amendment. Things that cities do not do every year but are more traditional informational campaigns that have typically a mailing or two and information is disseminated to residents. Staff believes they can do that without the assistance of an outside consultant or broker and would be better off waiting until the outcome of the ballot issue to go through the selection of an energy consultant. Mr. Ralley pointed out that there is a bit of tension between the desire to have green energy and the desire to achieve cost savings through aggregation and those two things, at some level, are at odds with one another. He explained that the City of Worthington is now saving money in green energy aggregation but that was a function of timing of when they purchased their energy relative to where the market has gone in recent months. He stated he does not want to diminish the possibility of that being there but the intention should be for a green energy source independent from the aspirations of cost savings through that aggregation.



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Mr. Smith explained that he has been through the process from beginning to end and Grove City went through this with the intent that they wanted green energy and if it only costs residents an additional \$20.00/year per household, then that was something they thought at the time that they could live with. After the bids were received last month, and they think it will cost each household approximately \$200.00/year, so they tabled it. He stated if the City of Hilliard is going to do energy aggregation, the preliminary steps must be done so that when the market flips, the City is in a position to take advantage of it. Mr. Smith explained the City must have a clearly articulated goal. He pointed out that you cannot get green energy and save money and there are no facilities in place in Ohio that produce green energy so you have to buy the energy from other states. He mentioned that you can want green energy and to save money, but you cannot do both and if the City is going to do this, they are not doing it for now but for 2023 and forward so that once things even out, it works. The key is that if you go through the process, you do not have to do anything, but you will have the ballot issue done and the preliminary work done, the governance plan, certified by PUCO so that you will be in a position to wait to see if the numbers gets better.

Ms. Vermillion stated that Council had AEP Energy give a presentation on this and they said they are in the process of building locally sourced Ohio energy for wind and solar. She added the City would have to pass this ballot measure in order to start something like that with AEP. Mr. Smith replied yes and no because residents can call AEP and get put on a green program. If the City does this and moves forward, the odds that AEP building any of that soon and applicable to what is being done today, is small. Most of what they will be building will already be spoken for by the big aggregators that have already done this. Even if they build a bunch of facilities, he does not have the confidence in the foreseeable future, two to six years, that it will be available to the residents here to save money. Mr. Smith explained that all of the bids Grove City received were that they would be buying the energy from other states because Ohio does not have the assets available. In his opinion, they may be building them, but not enough for everyone who wants to use them.

Vice President Tarazi asked if there is an opportunity right now to save any money with aggregation. Mr. Smith replied that right now, no. When Grove City got their brown and green bids back, both were terrible. He explained that the market is in flux that it would not save money in the short-term and the City is eight months away from doing anything if Council decides to move forward with this. The question is will it help in 2023, 2024 or 2025 and the answer is maybe but depends on the market and right now the market is terrible. Mr. Smith stated the moment you start talking about aggregation, every broker will call to say they want to be part of it and how those brokers normally work is that they put a fee, basically for every kilowatt used. He noted the City does not pay this, but it is put on the resident's bill, which goes to the broker for as long as you have this program and they do not actually do anything once a provider is selected. In Grove City they wanted to do it as cheap as possible to get the best numbers for their residents and they found a broker that they could pay a flat fee to who would consult with them and help them through the process and the City paid that cost because they did not want to make the residents pay that forever. Grove City is looking at this long-term and are in a position so if the market does flip they will be able to be in position to act quickly and get pricing in to determine where they want to go with this.

Mr. Marsh asked if this goes to the ballot and passes, is it good forever. Mr. Smith replied that once residents approve the ballot issue, that is one box that is checked off in the Ohio Revised Code (ORC) in steps that need to be done to be an aggregator. After it is passed, you have to have a plan of governance and that is put in place, the real key then is to get certified by the PUCO as an aggregator and that is what limits how long you have to act, but can be renewed. So it is not forever but as long as you keep up with the PUCO, it can be there for a long time. Mr. Marsh asked that once a bid is received that is better, what are the steps to enact that. Mr. Smith replied that Council is involved throughout the process. First Council has to pass the ballot issue or the authority to put it on the ballot, if that gets approved by the voters, Council would have to come up with a plan of governance in terms of how the program will run, two public hearings are required then the RFP is put out to the electric providers and once that comes back it would come to Council to approve and at that point in time it would move



forward. He noted that almost every electric aggregation program is an opt out program, basically going out to the energy providers and saying that if every resident in Hilliard signs up for this, what is it going to cost. Then the residents have the option to say they do not want to participate. He noted you can do an opt in program, but the numbers will be worse and unless you make everyone be a part of it, the numbers will be even worse. Mr. Smith reiterated Council is involved in passing three different things, holding two different public hearings before you get to the point that this is imposed. Once Council decides that they received a bid that they like, the City has to send out opt out notices to everyone in the City. So there are a lot of steps that Council will be involved in. Mr. Marsh then asked what is the option for the City getting out if they have done a contract and have done a couple of years and it is turning out to be a bad deal. In essence, how does a city get out or revoke the aggregation. Mr. Smith replied that the RFPs will be for a set time period and the City will be in it for that period of time. This is not a guarantee for anything, you can just put the RFPs out and see what the numbers are and take your best guess on what you think the market will do and that is where the expert is key.

Ms. Hale asked how much Grove City paid for their broker. Mr. Smith replied he thought it was \$20,000.00 or \$25,000.00, \$10,000.00 upon sign up and \$10,000.00 upon completion and the City of Grove City paid that cost so it would not be passed to the residents. He added that the City will have to pay someone to help because the industry is extremely complicated.

President Teater stated current customers can opt in to a green energy program. Mr. Smith added there are individual programs that residents can sign up for. President Teater noted that the advantage of aggregation would allow for cheaper energy with buying power as a large group than an individual opting in. Mr. Smith replied theoretically yes, that is how it is supposed to work. He said the question is whether there is enough mass here to move the needle. Mr. Smith explained there are consortiums that are buying this in bulk on behalf of several communities. President Teater asked if residents can opt out any time. Mr. Smith replied they can opt out any time. If the residents are paying attention, there is low risk. A mailing must be sent to residents, which is written easy so that it is simple to understand but people do not read their mail or do not pay attention at what is going on with Council but they can opt out any time they choose.

Ms. Vermillion stated she appreciated Mr. Smith reporting on his experience with Grove City. She commented that his comment on "making people do this", this is not about that because obviously there is an opt out program and the City would make sure residents understood that. Ms. Vermillion reported that the big thing is that climate change is here and it is something that the City can do to hopefully make a dent in the use of some of the dirty energy that is used. Mr. Smith replied that the only thing he needs to caution about is from the beginning the priority needs to be set. Is it to save money or do you want to be green because the two, in his experience, do not go hand and hand so one has to take priority in terms of where you are going forward. The numbers Grove City got back were ten times higher than they expected and in this market with people struggling, they just could not do it. Ms. Vermillion stated that if a ballot issue was passed, that would position the City to be able to act. Mr. Smith replied that the ballot issue does not compel the City to do anything, it gets it out there and gives the City authority to go on to the next steps. It puts the City in a position to get the certification from the PUCO and then at some point in time, you put an RFP out. If this is passed, the City will have to put out an RFP at some point in time because that is what the residents told you to do when they passed it on the ballot, but the question is when. Grove City put out an RFP, the numbers were terrible and they are going to wait and see what happens, but they are in a position that they can do it any time again.

Vice President Tarazi asked if everyone opts out, is the City liable or is that built into the contract. Mr. Smith replied everyone can opt out immediately and that is built into them locking in the price which is based on a certain number of residents, they take the hit and it does not bind the City to anything. The City does not have to make up the difference for everyone who opts out and the City is not responsible for that. Vice President Tarazi stated he agrees with Mr. Smith about being clear with the voters and are they going to the voters to say if you are willing to spend more money per month to be green, vote yes and if you are not, vote no. Mr. Smith replied the City's draft language reads: Shall the City of Hilliard have the authority to aggregate the retail electric loads located within the incorporated areas in the City to

support local renewable clean energy generation in Hilliard's sustainable economy ..... President Teater asked if the cost savings is in the language. Mr. Smith replied it does not state cost savings. Vice President Tarazi remarked that Mr. Smith just read that it was local renewable energy and there is not any local renewable energy sources. Mr. Smith replied theoretically in the long term they hope there will be local assets but in the short-term there is none.

Mr. Carrier reported that Amazon, Intel or any big company that has declared they are going to be green by a certain time is exactly who the residents would be bidding against for that renewable energy. Mr. Smith replied yes theoretically but is much more limited than that. Mr. Carrier stated there is a pie that has so much energy that is renewably produced and everyone would be in the same bucket. He added that it is almost by design that the price is going to be higher for those. Mr. Smith replied that someday the hope is the price to produce energy via wind and solar, theoretically could be lower than brown energy.

Mr. Smith commented that if Council is going to vote on this, the key is to hit the right deadlines and not pay for a special election. President Teater reported that the ordinance would be moved to the Regular meeting for first reading tonight and the public hearing/second reading would be July 11, 2022, which would allow enough time to get it on the November ballot.

Mr. Marsh asked if during Grove City's campaign that they found what appealed to their residents because it did pass there. Mr. Smith noted that it passed overwhelmingly. Mr. Marsh then clarified if residents passed it because it said it would make their power cheaper and the City is contemplating taking that language out. He is a firm believer on putting something on a ballot when you think it would pass and if this is just not the right time because the market may be better next year at this time. Mr. Smith replied that they campaigned in Grove City and paid a consultant who put together a mailing which focused on the green energy piece and not the cost savings. If the City puts it on the ballot, the only thing it commits the City to is going through the process, putting out an RFP and not to anything else. Mr. Marsh stated that this could be put on the ballot and if it passes, Council can have that conversation to determine when the RFP comes back. Mr. Smith said that if the City completes all of the requirements as fast as they can, it will not be until approximately April 2023 before an RFP goes out. He noted there is a gap and cannot be done quicker than that because of the required steps.

Mr. Carrier asked how hard is it to opt out. Mr. Smith replied a resident would have to check a box and send it back. Mr. Carrier then asked if the opt out process could be done electronically. Mr. Smith replied Grove City did a mailing, which is what the ORC provides. If the City wanted to make it easier to opt out, he does not see why they could not come up with something else but the City will have to send a letter because State law requires a mailing of the opt out notice. The City can set up any process they want to opt out but the letter has to be sent by law.

Ms. Hale stated if this is passed but the City is not ready to move ahead with the RFP and the City has to be renewed and asked if that renewal is easy to do. Mr. Smith replied the City would send a form back to the PUCO and it is very simple. Ms. Hale asked if there is a cost associated with that renewal. Mr. Smith replied that he did not think there was a cost associated with it and that the only cost Grove City incurred was for the consultant, which they made a conscience decision to not pass that cost to the residents. He noted Grove City also paid for the mailing and the educational campaign prior to the election.

Vice President Tarazi stated that the goal of the ballot issue, in his mind, is to be clear on what the City is doing and the proposed ballot language about buying it from local green energy sources needs to be removed because that is probably not going to happen. Mr. Smith replied Vice President Tarazi does not know that it will not happen. Vice President Tarazi countered that no local energy source will exist any time in the near future and how it reads now, the City boxes itself in since they are telling the voters that they are buying it locally. President Teater stated that it could be reworded to say that the intent is to eventually buy it locally, but the goal is to buy locally. Mr. Smith replied Grove City had the local piece in their ballot language and interpreted that to mean they will get it locally when that comes on line. Vice President Tarazi added that if residents are willing to do this if it cost \$20.00/month, but not if it is

\$200.00/month, he would personally want that it will cost the residents more in the ballot language then if they are willing to pay up to a certain amount and if they vote to pay more for green energy at least the City would know there is broad support for that. President Teater stated the opt out program would be the guardrail for that. Mr. Smith replied he has never seen ballot language with a cap on it but anyone has the ability to immediately opt out. Mr. Hartmann noted that he thought it would be difficult to get the Board of Elections to agree to the language Vice President Tarazi is suggesting because they are very regimented on what they will allow. Mr. Smith reported that he looked at ballot language from municipalities in Ohio and other states and he never saw that language. He added it would be hard to figure out what that number or guardrail is. Ms. Vermillion commented that she thinks that it would be a completely wrong move to have that language included on a ballot measure. Vice President Tarazi asked how much is Ms. Vermillion willing to increase resident's bills. Ms. Vermillion replied that Grove City did not proceed because they felt that it was too much money. She stated that Council is here to be a guardrail so obviously it would not be to get the residents to pay \$1,000.00/year in energy. She reported surveys shows that an overwhelming majority of Americans feel that climate change is a huge issue and would like to have more green energy and Council should try to get that to the voters so they can have a voice. Mr. Smith reported that Grove City is still politically to the right, but the language for green energy still was approved overwhelmingly.

Mr. Marsh stated that it would be fair in the education campaign to note that this may result in a higher bill but he does not know they can pin a specific number or cap to it. It would be fair to say in that material that this does not necessarily mean their bills will go down so that residents would know that it could be a possibility. Where that cap is depends on who the seven council members are at that time and what they feel the community will or will not be willing to pay.

Vice President Tarazi asked if there has been any surveys on what people are willing to pay for green energy. Mr. Smith replied that Grove City did not do one.

President Teater mentioned that Mr. Smith read something about local in regards to the ballot language. Mr. Smith replied that is draft language that Mr. Ralley and staff prepared from information that he provided in terms of what not to do.

Mr. Carrier asked if there has been any push back from residents because it was overwhelmingly passed and they have not instituted it. Mr. Smith replied there were a couple residents who showed up at every meeting when they talked about aggregation but once the City got the numbers back and the showed them, they understood. He added there has been no push back at all.

President Teater commented that as Mr. Smith reported on how overwhelmingly this passed in Grove City, he questioned if Council is in a hurry to get it on the ballot this fall, which will happen if this goes for first reading this evening and second reading at the next meeting. It is a fast process without a lot of discussion and with energy prices where they are now, would it be smarter to wait to the spring election. Mr. Smith stated if Council puts it off until the spring election, then the City would be looking at an additional three or four months to do the preliminary housekeeping items so that the City is in a position to then issue the RFP. It is a matter of timing if the prices turn. Ms. Vermillion added this would put the City in a position to at least be able to make that decision. Mr. Smith reported that if this is put on the ballot and approved, there is nothing that states the RFP has to be issued immediately. The City can come up with a targeted plan on when to do the RFP based on the experts who buy and sell energy say when it is the right time. It will put the City in a position to do it when the City feel comfortable.

Ms. Vermillion, seconded by Mr. Marsh, moved to forward this ordinance to the Regular meeting tonight for first reading as Ordinance 22-23.

**22-23      AUTHORIZING ALL ACTIONS NECESSARY TO EFFECTUATE AN OPT-OUT ELECTRIC SERVICE AGGREGATION PROGRAM PURSUANT TO OHIO REVISED CODE 4928.20; AND DIRECTING THE FRANKLIN COUNTY BOARD OF ELECTIONS TO SUBMIT THE BALLOT QUESTION TO THE ELECTORS OF THE CITY.**



President Teater thanked Mr. Smith for his informative presentation.

<b>MOVER:</b>	Cynthia Vermillion
<b>SECONDER:</b>	Pete Marsh
<b>AYES:</b>	Teater, Tarazi, Carrier, Hale, Marsh, Vermillion
<b>EXCUSED:</b>	Tina Cottone

### 3. Tobacco Retail Licensing

Due to time, this item was moved to the Regular meeting under Council Discussion on the agenda.

#### ITEMS FOR DISCUSSION- NONE

#### CITY MANAGER UPDATES

Mr. Carrier, seconded by Mr. Marsh, moved to adjourn the meeting by Voice Vote.

#### ADJOURNMENT – 6:55 PM

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Andy Teater, President  
Council Committee of the Whole

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Diane Werbrich, MMC  
Clerk of Council

Approved: \_\_\_\_\_



## Council Memo: Information Only

**Subject:** Recreation and Wellness Center - Construction Budget Overview  
**From:** Michelle Crandall, City Manager  
**Initiated by:** Kelly Clodfelder, Staff Attorney  
**Date:** July 11, 2022

### Summary

The attached slide presentation, which provides construction budget estimates for the City's Recreation and Wellness Center, will be reviewed with Council during the July 11 Council of the Whole. Don McCarthy, the City's Owners Representative and Adam Drexel, President of Ruscilli, will both be presenting this information to Council.

These construction budget estimates provide a building detail breakdown for both the main community center portion of the building and the OSU Wexner Medical Center portion of the building. It is important to note that the City will only be responsible for the core & shell portion of the OSU build-out which is currently estimated at \$3,023,988 and OSU Wexner Medical Center would be responsible for the tenant improvements, which are currently estimated at \$5,599,860. There is a footnote on page 11 of the presentation that provides this separation of costs. At an estimated lease of \$400,000/year (yet to be finalized), the City's costs of construction would be paid back in full in 7.5 years or less.

Also included in the slides are four somewhat similar projects that were recently completed or in-progress. Finally, there is a section pertaining to economic data and trends from several construction industry reports. These detailed reports were previously forwarded to City Council as pre-reads but are also included in full within this presentation.

### Attachments

Recreation & Wellness Center Project Budget Presentation

# Recreation & Wellness Center Project Budget Presentation



# **Review Key Slides From June 27, 2022 Presentation**

# City of Hilliard Project Budget Breakdown

Building	
<b>A. COST OF CONSTRUCTION</b>	
Construction Hard Cost	\$52,995,902
<b>TOTAL COST OF CONSTRUCTION</b>	<b>\$52,995,902</b>
<b>B. COST OF PROFESSIONAL SERVICES</b>	
A/E Design Fees	\$4,053,750
A/E Estimated Reimbursables	\$72,600
Additional Consultants	\$25,000
Owners Representative Services	\$265,688
Owners Representative Estimated Reimbursables	\$1,500
<b>TOTAL COST OF PROFESSIONAL SERVICES</b>	<b>\$4,418,538</b>
<b>C. OTHER OWNER COSTS &amp; ALLOWANCES</b>	
Plans Examination, Permit, & Inspection Fees	\$20,000
Construction Legal Counsel	\$50,000
Site Survey	\$25,000
Geotechnical Report	\$40,000
A/E CA & Inspection	-
Testing & Special Inspections	\$150,000
Environmental Consultant	\$50,000
Utility Tap Fees	\$200,000
AEP/Columbia Gas AIC Fees	\$100,000
Builders Risk Insurance	\$50,000
Interest Carry on Construction Loan	\$0
Property Acquisition Costs	\$0
Temporary Power/Heat During Construction	\$0
Signage	\$100,000
Branding & Artwork	\$100,000
Kitchen Equipment & Residential Appliances	\$200,000
Office Furniture	\$150,000
Ancillary/Lounge Furniture	\$100,000
Classroom Furniture & Equipment	\$100,000
Weight & Exercise Room Equipment	\$500,000
Athletic Equipment	\$750,000
Aquatic Equipment	\$150,000
Laundry Equipment	\$75,000
Outdoor Activity/Patio/Play Area Furniture & Equipment	\$1,500,000
Misc. FF&E (Games, Art Supplies, Gaming Systems, etc.)	\$75,000
Security	\$250,000
AV/IT/Telephone	\$500,000
Blueprints/Copies	\$15,000
Notice of Commencement Filing	\$150
1% Art Funding	\$200,000
<b>TOTAL OTHER CONSTRUCTION COSTS</b>	<b>\$5,450,150</b>
<b>D. OWNER'S PROJECT CONTINGENCY</b>	
Owner's Project Contingency	\$3,566,696
<b>TOTAL OWNER'S PROJECT CONTINGENCY</b>	<b>\$3,566,696</b>
<b>TOTAL PROJECT COST</b>	<b>\$66,431,286</b>

Traditionally = 80.0%; Hilliard = 79.8%

Traditionally = 8.0%; Hilliard = 6.7%

Traditionally = 5.0%; Hilliard = 8.2%

Traditionally = 7.0%; Hilliard = 5.3%

# Bucket A

## Hilliard Construction Cost

ARCHITECT TBD  
PROJECT: Hilliard Wellness Center - Building  
LOCATION: Hilliard, Ohio  
GSF: 120,000 SF

### Building Project Breakdown

		Conceptual Budget 2/2/22
<b>ESTABLISHED TOTAL PROJECT BUDGET</b>		
<b>A. COST OF CONSTRUCTION</b>		
Construction Hard Cost		\$46,975,000
Escalation		Included Above
Design/Estimating Contingency		Included Above
CM Staff	3.25%	\$1,526,688
CM Preconstruction Costs		\$125,000
General Conditions/Insurances/CAT Tax	3.25%	\$1,526,688
CM Contingency	2.50%	\$1,174,375
CM Fee	3.25%	\$1,668,152
<b>TOTAL - COST OF CONSTRUCTION</b>		<b>\$52,995,902</b>
		\$442/SF
<b>B. COST OF PROFESSIONAL SERVICES</b>		
<b>ARCHITECTURAL &amp; ENGINEERING DESIGN SERVICES</b>		
A/E Design Fees	8.50%	\$4,504,652
A/E Estimated Reimbursables		\$50,000
<b>OWNER'S REPRESENTATIVE SERVICES</b>		
Owner's Representative Services		\$265,688
Owner's Representative Estimated Reimbursables		\$1,500
<b>TOTAL COST OF PROFESSIONAL SERVICES</b>		<b>\$4,821,840</b>
		\$41/SF
<b>C. OTHER OWNER CONSTRUCTION COSTS &amp; ALLOWANCES</b>		
Plans Examination, Permit, & Inspection Fees		\$20,000
Construction Legal Counsel		\$50,000
Site Survey		\$25,000
Geotechnical Report		\$40,000
Testing & Special Inspections		\$150,000
Environmental Consultant		\$50,000
Utility Tap Fees		\$200,000
AEP/Columbia Gas A/C Fees		\$100,000
Builders Risk Insurance		\$50,000
Interest Carry on Construction Loan		\$0
Property Acquisition Costs		\$0
Temporary Power/Heat During Construction		\$0
Signage		\$100,000
Branding & Artwork		\$100,000
Kitchen Equipment & Residential Appliances		\$300,000
Office Furniture		\$150,000
Ancillary/Lounge Furniture		\$100,000
Classroom Furniture & Equipment		\$100,000
Weight & Exercise Room Equipment		\$500,000
Athletic Equipment		\$750,000
Aquatic Equipment		\$150,000
Laundry Equipment		\$75,000
Outdoor Activity/Patio/Play Area Furniture & Equipment		\$1,500,000
Misc. FF&E (Games, Art Supplies, Gaming Systems, etc.)		\$75,000
Security		\$250,000
A/V/IT/Telephone		\$500,000
Blueprints/Copies		\$15,000
Notice of Commencement Filing		\$150
1% Art Funding (\$200,000 Max)		\$200,000
<b>TOTAL OTHER CONSTRUCTION COSTS</b>		<b>\$5,450,150</b>
		\$45/SF
<b>D. OWNER'S PROJECT CONTINGENCY</b>		
	5%	\$3,163,395
		\$26/SF
<b>TOTAL PROJECT BUDGET</b>		<b>\$66,431,286</b>
		\$554/SF



		Conceptual Budget 2/2/22
<b>ESTABLISHED TOTAL PROJECT BUDGET</b>		
<b>A. COST OF CONSTRUCTION</b>		
Construction Hard Cost		\$46,975,000
Escalation		Included Above
Design/Estimating Contingency		Included Above
CM Staff	3.25%	\$1,526,688
CM Preconstruction Costs		\$125,000
General Conditions/Insurances/CAT Tax	3.25%	\$1,526,688
CM Contingency	2.50%	\$1,174,375
CM Fee	3.25%	\$1,668,152
<b>TOTAL - COST OF CONSTRUCTION</b>		<b>\$52,995,902</b>
		\$442/SF



# FINAL DRAFT PROGRAM – MAY 26, 2022 (RECOMMENDED

Space Type	Sft	Cost	SF area
Administration	P	\$1,295,750	3,550
Lobby and Support Spaces	P	\$1,666,500	4,125
Locker Spaces	P	\$1,036,800	2,700
Universal Changing Rooms	P	\$700,800	1,200
Child Watch	6	\$500,000	1,000
Games Room	4	\$468,000	1,200
Green Room / Technology	2	\$152,000	400
Meditation Room (35 persons)		\$273,000	700
Indoor Playground	2	\$591,000	1,200
50 person classroom	4	\$645,000	1,697
Party Room / Classroom / Wet Craft Room	6	\$362,000	936
Senior Adult Lounge	1	\$485,000	1,150
Outdoor Patio/Gathering Space	6	\$411,000	1,100
240 Person Community Events Room	4	\$1,809,000	3,808
Café / Juice Bar	3	\$132,000	300
Healthy Cooking Kitchen	3	\$241,000	450
Commercial Kitchen	3	\$493,000	1,050
Gym 5 - HS or 2 Middle School courts	1	\$5,284,000	13,478
MAC 1 - Multi-use	2	\$2,218,000	5,488
Elevated Walking Track - Gym 5 (12 laps/mile)	1	\$769,000	3,492
4000 sf Fitness & Weights (equip \$304,000)	1	\$2,009,000	4,760
30 Person Aerobics/Dance Studio	5	\$936,000	2,340
16-20 Person Spinning Studio	2	\$558,000	1,441
Aquatics Support	P	\$220,000	500
8-Lane x 25-Yard Pool	2	\$8,023,000	11,300
4,000 Recreation Activity Pool	2	\$8,134,000	9,800
Water Slide	6	\$522,000	0
Small Spa (whirlpool - 15 person)	3	\$300,000	332
Solar Hot Water System (payback good w/ pool)	3	\$200,000	
Program Area			79,497 sf

TOAL PROJECT BUDGET \$66,430,000

ROM TOTAL PROJECT COST \$69,490,000

-\$3,060,000 -5.8%



# Ruscilli Budget Breakdown Recreation & Wellness Center





**City of Hilliard**  
Recreation & Wellness Center Budget  
 July 5, 2022



**BUILDING DETAIL BREAKDOWN**

Rec Center - Building	Total SF	Scope Subtotal	BRS Budget	Variance
Administration	3,550	\$ 1,397,813	\$ 1,295,750	\$ 102,063
Lobby & Support Spaces	4,125	\$ 1,754,156	\$ 1,666,500	\$ 87,656
Locker Spaces	2,700	\$ 1,275,750	\$ 1,036,800	\$ 238,950
Universal Changing Rooms	1,200	\$ 504,000	\$ 700,800	\$ (196,800)
Child Watch	1,000	\$ 420,000	\$ 500,000	\$ (80,000)
Games Room	1,200	\$ 630,000	\$ 468,000	\$ 162,000
Green Room / Technology	400	\$ 315,000	\$ 152,000	\$ 163,000
Meditation Room (35 Persons)	700	\$ 282,975	\$ 273,000	\$ 9,975
Indoor Playground	1,200	\$ 525,000	\$ 591,000	\$ (66,000)
50 Person Classroom	1,697	\$ 668,194	\$ 645,000	\$ 23,194
Party Room / Classroom / Wet Craft Room	936	\$ 368,550	\$ 362,000	\$ 6,550
Senior Adult Lounge	1,150	\$ 513,188	\$ 485,000	\$ 28,188
Outdoor Patio / Gathering Space	1,100	\$ 420,000	\$ 411,000	\$ 9,000
240 Person Community Events Room	3,808	\$ 1,599,360	\$ 1,809,000	\$ (209,640)
Café / Juice Bar	300	\$ 133,875	\$ 132,000	\$ 1,875
Healthy Cooking Kitchen	450	\$ 259,875	\$ 241,000	\$ 18,875
Commercial Kitchen	1,050	\$ 578,813	\$ 493,000	\$ 85,813
Gym 5 - HS or 2 Middle School Courts	13,478	\$ 5,802,279	\$ 5,284,000	\$ 518,279
MAC 1 - Multi-Use	5,488	\$ 2,362,584	\$ 2,218,000	\$ 144,584
Elevated Walking Track - Gym 5 (12 Lap / Mile)	3,492	\$ 824,985	\$ 769,000	\$ 55,985
4000 SF Fitness & Weights (Equipment = \$304,000)	4,760	\$ 2,193,450	\$ 2,009,000	\$ 184,450
30 Person Aerobics / Dance Studio	2,340	\$ 982,800	\$ 936,000	\$ 46,800
16-20 Person Spinning Studio	1,441	\$ 605,220	\$ 558,000	\$ 47,220
Aquatics Support	500	\$ 210,000	\$ 220,000	\$ (10,000)
8-Lane x 25-Yard Pool	11,300	\$ 8,602,125	\$ 8,023,000	\$ 579,125
4000 Recreation Activity Pool	9,800	\$ 8,540,700	\$ 8,134,000	\$ 406,700
Water Slide	-	\$ 548,100	\$ 522,000	\$ 26,100
Small Spa (Whirlpool - 15 Person)	332	\$ 315,000	\$ 300,000	\$ 15,000
Solar Hot Water System (Payback Good w/Pool)	-	\$ 210,000	\$ 200,000	\$ 10,000
OSU Wellness Center (25,000 - SF Not Included in Total Bldg SF)	TBD	TBD	n/a	n/a
Market & Material Escalation	7.00%	\$ 2,999,065	\$ 5,425,009	\$ (2,425,944)
Design Contingency	3.00%	\$ 1,285,314	\$ 2,325,004	\$ (1,039,690)
<b>Subtotal</b>	<b>79,497</b>	<b>\$ 47,128,170</b>	<b>\$ 48,184,863</b>	<b>\$ (1,056,693)</b>
<b>Rec Center - Site</b>		<b>Scope Subtotal</b>	<b>BRS Budget</b>	<b>Variance</b>
Program & Design TBD (Clearing, earthwork - assumes balanced site, utilities, stormwater management, hardscapes, landscaping)		\$ 3,675,000	\$ 3,500,000	\$ 175,000
<b>Subtotal</b>		<b>\$ 3,675,000</b>	<b>\$ 3,500,000</b>	<b>\$ 175,000</b>





**City of Hilliard**  
Recreation & Wellness Center Budget  
 July 5, 2022



**BUILDING DETAIL BREAKDOWN**

Allocated General Construction Requirements		Scope Subtotal	BRS Budget	Variance
Building Permit & Inspection Fees		By Owner	n/a	n/a
Tap & Capacity Fees		By Owner	n/a	n/a
Preconstruction Costs		\$ 84,510	\$ 105,000	\$ (20,490)
Project Personnel		\$ 1,516,507	\$ 1,091,741	\$ 424,766
Liability Insurance		\$ 451,850	\$ 1,819,568	\$ (1,367,718)
Construction Aids & General Conditions		\$ 418,858	Inc. Above	\$ 418,858
Subcontractor Default Insurance		\$ 635,040	Inc. Above	\$ 635,040
Architectural and Engineering Fees		By Owner	n/a	n/a
General Contractor Contingency	1.50%	\$ 808,649	\$ 606,523	\$ 202,126
General Contractor Fee	1.85%	\$ 1,012,294	\$ 748,045	\$ 264,249
<b>Rec Center - Building &amp; Site</b>		<b>Project Total</b>	<b>\$ 55,730,878</b>	<b>\$ 56,055,740</b>
		<b>Budget</b>	<b>\$ 52,995,902</b>	<b>\$ 52,995,902</b>
		<b>Variance to Budget</b>	<b>\$ 2,734,976</b>	<b>\$ 3,059,838</b>
		<b>Variance to Budget</b>	<b>5.2%</b>	<b>5.8%</b>
				<b>\$ (324,862)</b>



**City of Hilliard**  
 Recreation & Wellness Center Budget  
 July 5, 2022



**BUILDING DETAIL BREAKDOWN**

Allocated General Construction Requirements		Scope Subtotal	BRS Budget	Variance
Building Permit & Inspection Fees		By Owner	n/a	n/a
Tap & Capacity Fees		By Owner	n/a	n/a
Preconstruction Costs		\$ 84,510	\$ 105,000	\$ (20,490)
Project Personnel		\$ 1,516,507	\$ 1,091,741	\$ 424,766
Liability Insurance		\$ 451,850	\$ 1,819,568	\$ (1,367,718)
Construction Aids & General Conditions		\$ 418,858	Inc. Above	\$ 418,858
Subcontractor Default Insurance		\$ 635,040	Inc. Above	\$ 635,040
Architectural and Engineering Fees		By Owner	n/a	n/a
General Contractor Contingency	1.50%	\$ 808,649	\$ 606,523	\$ 202,126
General Contractor Fee	1.85%	\$ 1,012,294	\$ 748,045	\$ 264,249
<b>Rec Center - Building &amp; Site</b>		<b>Project Total \$ 55,730,878</b>	<b>\$ 56,055,740</b>	<b>\$ (324,862)</b>
		Budget \$ 52,995,902	\$ 52,995,902	
		Variance to Budget \$ 2,734,976	\$ 3,059,838	
		Variance to Budget 5.2%	5.8%	



\$55,730,878  
 79,497 SF = \$701/SF

\$52,995,902  
 79,497 SF = \$667/SF

# Ruscilli Budget Breakdown OSU Tenant Costs



**Hilliard Athletic Complex**  
Rec Center - OSU Program Budget  
 July 5, 2022



**BUILDING DETAIL BREAKDOWN - DRAFT**

<b>Rec Center - OSU Program ONLY (assumes MEP &amp; structure incl.)</b>	<b>Total SF</b>	<b>Scope Subtotal</b>	
Same-Day & Orthopedic Immediate Care Clinic	6,041	\$ 1,781,925	<--FF&E by OSU
Mental / Behavioral Health and Integrative Health	9,504	\$ 2,654,408	<--FF&E by OSU
Physical Therapy and Sports Performance / Athletic Training	8,842	\$ 2,786,243	<--FF&E by OSU
Market & Material Escalation	7.00%	\$ 505,580	
Design Contingency	3.00%	\$ 216,677	
<b>Subtotal</b>	<b>24,387</b>	<b>\$ 7,944,832</b>	<b>\$ 325.78</b>
<b>Rec Center - Site (Excluded - assumes all site w/Rec Center Budget)</b>		<b>Scope Subtotal</b>	
Program & Design TBD (Clearing, earthwork - assumes balanced site, utilities, stormwater management, hardscapes, landscaping)		w/Rec Center	
<b>Subtotal</b>		<b>\$ -</b>	
<b>Allocated General Construction Requirements</b>		<b>Scope Subtotal</b>	
Building Permit & Inspection Fees		By Owner	<--with soft costs
Tap & Capacity Fees		By Owner	<--with soft costs
Preconstruction Costs	0.25%	\$ 19,862	<--TBD
Project Personnel	2.00%	\$ 158,897	<--TBD
Liability Insurance	1.00%	\$ 79,448	<--TBD
Construction Aids & General Conditions	0.50%	\$ 39,724	<--TBD
Subcontractor Default Insurance		\$ 99,310	
Architectural and Engineering Fees		By Owner	<--with soft costs
General Contractor Contingency	1.50%	\$ 125,131	
General Contractor Fee	1.85%	\$ 156,643	
<b>Rec Center - OSU Program</b>	<b>Project Total</b>	<b>\$ 8,623,848</b>	<b>\$ 353.62</b>

Core/Shell = \$124/SF or \$3,023,988; Tenant Improvement = \$230/SF or \$5,599,860

# Similar Project Cost Breakdowns

# Upper Arlington Community Center Project



- 165,814 GSF
- Estimated Construction Cost - \$74.0 million = \$447/SF
- Total Project Cost - \$88.1 million = \$531/SF
- UA Aquatic scope less scope than Hilliard
- UA Recreation program different than Hilliard
- Underground Parking for 55 Vehicles
  - UA Underground parking costs comparable to Hilliard site costs
- Early Release of Key Bid Packages – October 2022 – *Sitework, Foundations, Building Structure, Long Lead Equipment*



# Ohio Health Athletic Performance Center



- Bid & Awarded Q1 2020
- 45,815 GSF
- Construction Cost - \$22.6 million = \$493/SF
  - Escalated to Q3 2022 = \$631/SF
- Total Project Cost - \$34.2 million = \$746/SF
  - Escalated to Q3 2022 = \$955/SF
- Features Included:
  - *Locker Rooms*
  - *Dining/Kitchen Areas*
  - *Weight/Training Rooms*
  - *Administration/Office Areas*
  - *Medical/Hydro-Therapy Spaces*
  - *Meeting/Conference Spaces*

# OSU Schumaker Athletic Complex



- Bid & Awarded Q1 2017
- 108,000 GSF
- Estimated Construction Cost - \$33.7 million = \$312/SF
  - Escalated to Q3 2022 - \$428/SF
- Total Project Cost - \$42.9 million = \$398/SF
  - Escalated to Q3 2022 - \$546/SF
- Features Included:
  - *Hydrotherapy Pools*
  - *Indoor Rowing Center*
  - *Multi-Sport Locker Rooms*
  - *Large Weight Room*
  - *Medical/Treatment Areas*
  - *Game Day Broadcasting Spaces*
  - *Concessions*
  - *Administration/Office Areas*
  - *Laundry & Team Storage Rooms*



# Upper Arlington High School Project



- Bid & Awarded Q1 2019
- 411,000 GSF
- Estimated Construction Cost - \$98.0 million = \$238/SF
  - Escalated to Q3 2022 - \$309/SF
- Total Project Cost - \$113.0 million = \$335/SF
  - Escalated to Q3 2022 - \$435/SF
- Features Included:
  - 6,300 sf pool/16,000 sf natatorium
  - Multi-purpose Gym
  - Main Gym
  - State of the Art Theater
  - Black Box Theater
  - Administration/Office Areas
  - Library

# Construction Industry Economic Data Review

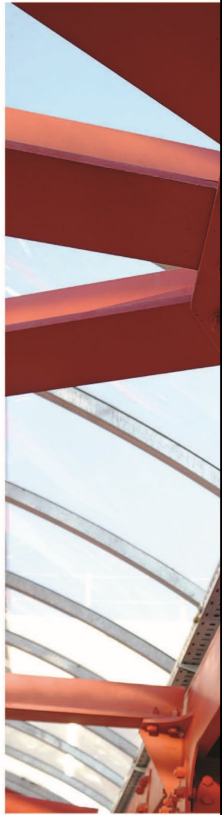


**2022**  
**HEAVY CIVIL**  
**CONSTRUCTION INDEX**  
Second Quarter Report

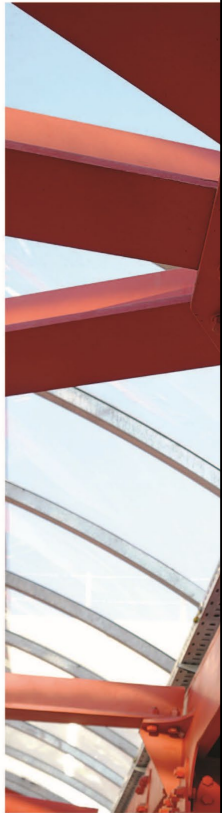


May 2022

# Major Sources of Construction Industry Economic Data (Non-Residential)



The cover of the U.S. Chamber of Commerce Commercial Construction Index report for Q3 2021. The top half features a stylized, high-contrast illustration of a city skyline with various building shapes and a construction crane. In the top right corner of this illustration is the U.S. Chamber of Commerce logo, which is a circular seal with the text 'THE SPIRIT OF ENTERPRISE' and 'U.S. CHAMBER OF COMMERCE' around a central emblem. The bottom half of the cover has a solid green background. On the left side of this green section, the text 'Q3 2021' is written in white, with 'Q3' in a large, bold font and '2021' in a smaller font below it. To the right of this, the text 'U.S. CHAMBER OF COMMERCE' is written in a smaller, white, sans-serif font, followed by 'Commercial Construction Index' in a large, white, serif font.



**Q3**  
2021

U.S.  
CONSTRUCTION

**ENR**

# 2021 4Q

FOURTH QUARTERLY

# COST REPORT

**T**he construction industry continues to grapple with labor shortages and materials price volatility, but experts are hopeful supply will catch up to demand in the coming year, bringing down high prices. The fourth quarterly cost report takes a deeper look into these matters, along with the general economic outlook, an overview of what's happening in the global economy and the ENR confidence index, which shows that executives' confidence in the market is beginning to decline despite the recent passage of the Infrastructure Investment and Jobs Act.

Economics p. 44 // Confidence Index p. 46 // Labor p. 48 // International p. 49 // Equipment p. 50 // Materials p. 51

enr.com December 20/27, 2021 • ENR • 43





ENR

# 2021 FOURTH QUARTER CONSTRUCTION CONFIDENCE

The construction confidence index, which tracks the volatility of the market, is bringing back the passage of the Inflation Reduction Act.

Quarterly cost reports along with the general construction confidence index, in the market is bringing back the passage of the Inflation Reduction Act.

Economics p. 44 // Confidence Index

Q3  
2021

U.S. CONSTRUCTION

## CONSTRUCTION ECONOMICS

ENR's 20-city average cost indexes, wages and material prices. Historical data for ENR's 20 cities can be found at [ENR.com/economics](https://enr.com/economics)

### Construction Cost Index

**+8.2%**

ANNUAL INFLATION RATE	INDEX VALUE	MONTH	YEAR
1913=100	13110.50	+0.8%	+8.2%
CONSTRUCTION COST	24560.73	+0.2%	+1.3%
COMMON LABOR	47.18	+0.2%	+1.3%

The Construction Cost Index's annual escalation rose 8.2%, while the monthly component rose 0.8%.

### Building Cost Index

**+14.7%**

ANNUAL INFLATION RATE	INDEX VALUE	MONTH	YEAR
1913=100	7889.98	+1.3%	+14.7%
BUILDING COST	11169.88	+0.4%	+3.3%
SKILLED LABOR	61.69	+0.4%	+3.3%

The Building Cost Index was up 14.7% on an annual basis, while the monthly component increased 1.3%.

### Materials Cost Index

**+2.5%**

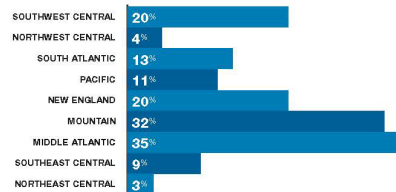
MONTHLY INFLATION RATE	INDEX VALUE	MONTH	YEAR
1913=100	5836.22	+2.5%	+31.8%
MATERIALS COST	162.04	+0.2%	+6.0%
CEMENT \$/TON	86.27	+1.8%	+39.1%
STEEL \$/CWT	1226.44	+4.1%	+24.8%

The MCI rose 2.5% since last month, while the annual escalation rate increased 31.6%.

## Construction Starts

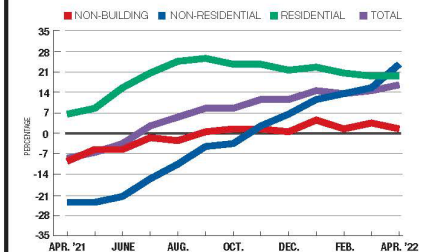
Regional growth trends vs. national trends

### SOUTHEAST CENTRAL STARTS UP 9%



SOURCE: DODGE DATA & ANALYTICS. YEAR-TO-YEAR PERCENT CHANGE IN VALUE OF TOTAL PROJECTS STARTED FEBRUARY 2022 FOR 12-MONTH ROLLING TOTALS.

### NON-RESIDENTIAL STARTS ON THE RISE



SOURCE: DODGE DATA & ANALYTICS. YEAR-TO-YEAR PERCENT CHANGE FOR 12-MONTH ROLLING NATIONAL TOTAL STARTS.

The total dollar value of new construction starts in Florida in February was 23.7% above February 2021's level, according to Dodge Data & Analytics. The residential sector increased 35.3%, while non-residential rose 22.8% from the same time last year. Non-building construction decreased 13.2% in the same time period.

FLORIDA CONSTRUCTION STARTS: \$/MIL.	2022 FEB.	2022 JAN.	2021 FEB.	% CHG. MONTH	% CHG. YEAR
<b>TOTAL CONSTRUCTION</b>	<b>90,134,347</b>	<b>88,976,786</b>	<b>72,992,030</b>	<b>+1.3</b>	<b>+23.7</b>
<b>NON-RESIDENTIAL</b>	<b>19,944,732</b>	<b>19,604,945</b>	<b>16,241,989</b>	<b>+1.7</b>	<b>+22.8</b>
COMMERCIAL, MANUFACTURING	12,107,446	11,899,028	9,164,331	+1.8	+32.1
STORES, SHOPPING CENTERS	2,053,614	1,961,151	1,428,901	+4.7	+43.7
OFFICE, BANK BUILDINGS	1,543,570	1,514,497	1,616,274	+1.9	-4.5
HOTELS, MOTELS	1,183,112	1,158,905	783,022	+2.1	+51.1
MANUFACTURING BUILDINGS	509,632	499,935	330,493	+1.9	+54.2
INSTITUTIONAL	7,837,286	7,705,917	7,077,658	+1.7	+10.7
EDUCATIONAL BUILDINGS	2,427,074	2,415,376	2,378,143	+0.5	+2.1
HEALTH CARE FACILITIES	2,873,300	2,841,621	2,594,671	+1.1	+10.7
<b>RESIDENTIAL</b>	<b>58,646,006</b>	<b>57,431,276</b>	<b>43,346,748</b>	<b>+2.1</b>	<b>+35.3</b>
<b>NON-BUILDING</b>	<b>11,543,609</b>	<b>11,940,565</b>	<b>13,303,293</b>	<b>-3.3</b>	<b>-13.2</b>
HIGHWAYS, BRIDGES	5,049,028	5,000,258	4,477,690	+1.0	+12.8
ENVIRONMENTAL PUBLIC WORKS	3,391,622	3,718,270	2,789,567	-8.8	+21.6
POWER, UTILITIES	1,667,278	1,804,794	4,477,988	-7.6	-62.8

SOURCE: DODGE DATA & ANALYTICS. CONSTRUCTION STARTS: TOTALS MAY NOT ADD UP DUE TO EXCLUSION OF OTHER CATEGORIES. 12-MONTH ROLLING TOTALS FOR FLORIDA.

enr.com June 27/July 4, 2022 • ENR • 61



## Building Cost Index History - As of July 2022

Like 0 Tweet Share Share 156

**HOW ENR BUILDS THE INDEX:** 68.38 hours of skilled labor at the 20-city average of bricklayers, carpenters and structural ironworkers rates, plus 25 cwt of standard structural steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1.128 tons of portland cement at the 20-city price, plus 1,088 board ft of 2 x 4 lumber at the 20-city price.

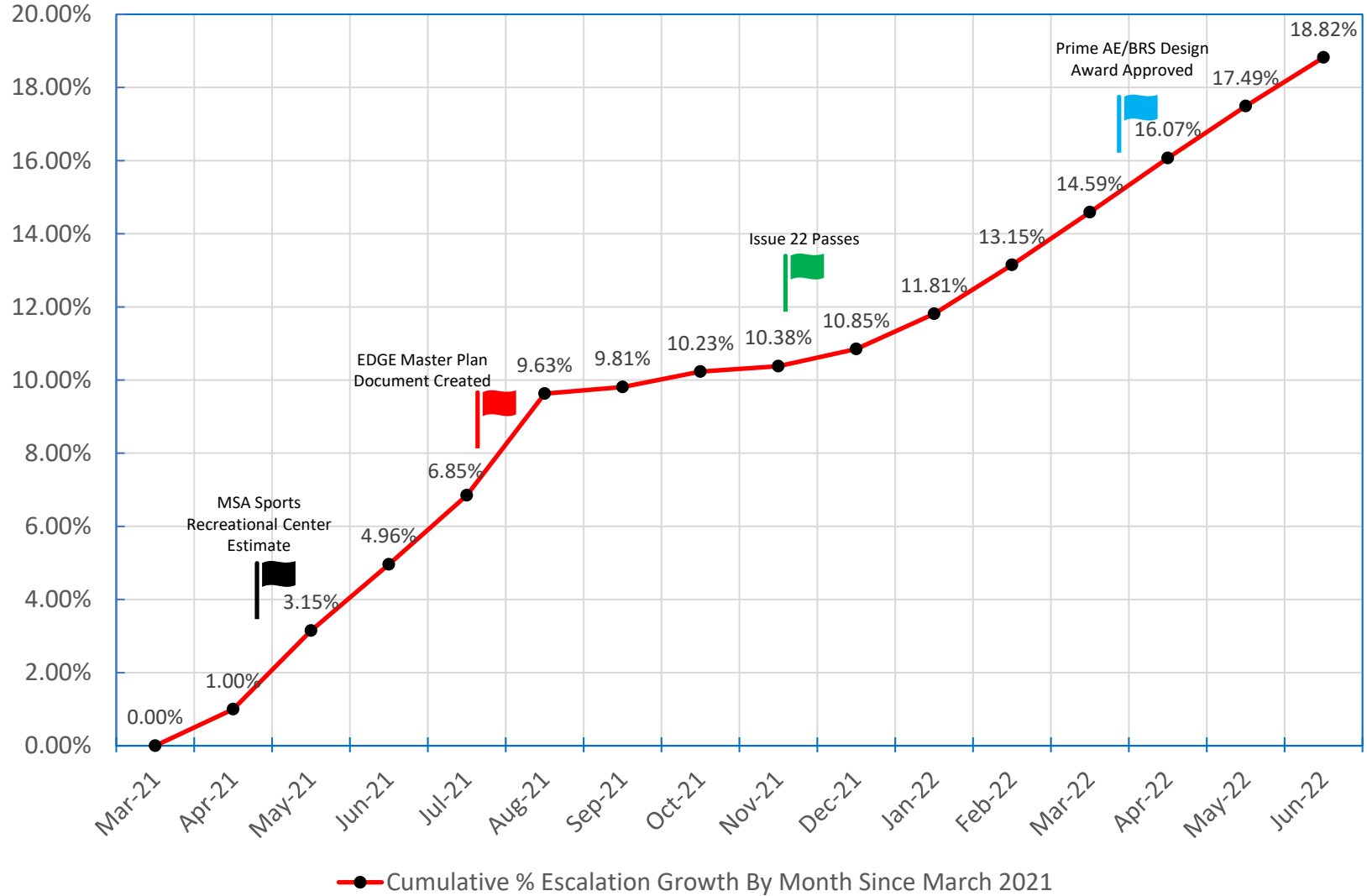
View the [ANNUAL AVERAGE For ENR'S BUILDING COST INDEX](#).

ENR'S BUILDING COST INDEX HISTORY (1915-2022)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG.
2022	7359.09	7457.68	7565.14	7677.45	7785.64	7889.98	7950.39						
2021	6459	6493	6545	6612	6754	6876	7006	7201	7214	7244	7255	7289	6912
2020	6214	6217	6218	6234	6239	6247	6258	6268	6300	6344	6392	6445	6281
2019	6107	6108	6110	6110	6112	6118	6131	6147	6147	6169	6179	6199	6136
2018	5921	5932	5942	5954	5995	6005	6043	6060	6081	6093	6093	6105	6019
2017	5734	5742	5789	5802	5816	5826	5844	5862	5873	5867	5902	5914	5831
2016	5561	5588	5605	5632	5637	5636	5659	5669	5657	5681	5690	5722	5645
2015	5497	5488	5487	5501	5490	5507	5510	5514	5541	5543	5563	5574	5518
2014	5324	5321	5336	5357	5370	5375	5383	5390	5409	5442	5468	5480	5387
2013	5226	5246	5249	5257	5272	5286	5281	5277	5285	5308	5317	5326	5278
2012	5120	5122	5144	5150	5167	5170	5184	5204	5195	5204	5213	5210	5174
2011	4969	5007	5010	5028	5035	5059	5074	5091	5098	5104	5113	5115	5058

# Engineering News Record (ENR) Building Cost Index (Non-Residential)

4.1.a





# Appendix Information

**FMI Q2 2022 Heavy Civil Construction Index Report**  
**U.S. Chamber of Commerce Q3 2021 Commercial Construction Report**  
**ENR Q4 2021 Quarterly Construction Report**  
**ENR Weekly Construction Economics Report – Week Ending July 4, 2022**



# 2022 HEAVY CIVIL CONSTRUCTION INDEX

## Second Quarter Report



May 2022

# EXECUTIVE SUMMARY

The Heavy Civil Construction Index improved in the second quarter of 2022, jumping to 57.7 from 55.4 in the first quarter. This is the second consecutive quarter of increasing momentum and the fifth consecutive quarter where the index is above 50, suggesting future industry expansion.

Optimism receded across nearly all of the components, with backlogs as the only area to improve this quarter. Though respondents remain confident in their local markets and business operations, a majority are pessimistic about expectations toward the overall U.S. economy. Similarly, productivity losses and ongoing rising costs of materials and labor weigh heavily against more positive index results.

Continuing the trend seen over the past several quarters, expectations are improving across all heavy civil segments. Not one segment has greater than 15% of respondents who believe conditions will be worse next quarter. These segment-led responses have largely upheld the index through the second half of the year against wavering economic sentiment.

Contractors continue to book backlog faster than they are burning it off. Thirty-seven percent have seen year-over-year backlog book/burn rates grow, while only 19% experienced a decline. In last quarter's survey, those measures were 38% and 15%, respectively. Open commentary suggests a variety of reasons, including weather, workload continuing to pick up post-COVID, and more intentional (i.e., selective) bidding, for the slight decline in this ratio.

Consistent with results from last quarter, more than one-third of respondents reported improving margins on work acquired; yet 23% see margins below levels from this time last year. Similarly, more contractors have seen margins improve this quarter compared to last quarter, with 30% reporting higher margins, versus only 14% reporting lower margins.

A growing majority, or 68%, of contractors reported an increase in competitors this quarter, compared to the 58% in the first quarter. However, this quarter fewer companies reported nontraditional civil firms entering their markets. Even with rising competition, just under 4 out of 5 participants reported increased bid prices.

Given the near-universal challenge to hire people, we focused several current issues questions on the topic of talent retention, acquisition and development. When asked about effectiveness in retaining top talent, only 1 in 5 rated themselves as either a 9 or 10, on a 10-point scale, where 10 is extremely effective. Most participants share a common challenge with turnover and filling nonmanagement field staff roles. Also, likely as a combined result of these challenges, survey participants maintain training programs heavily focused on leadership, management and technical skills.

A majority, or 63%, of contractors report they are operating at or above optimum capacity as defined by their desired balance between resources and workload. Providing some comfort for the nearly one-third of respondents operating below optimum capacity, nearly all, or 94%, do not expect any impact to future revenues from Infrastructure Investment and Jobs Act (IIJA) opportunities until 2023 or 2024.

## HCCI INDEX MOVEMENT

Current Reading  
for Q2 2022

**57.7**

Previous Reading  
for Q1 2022

**55.4**

		Q2 2022	Q1 2022
Overall U.S. Economy	↓	49.4	56.6
Economy Where We Do Business	↓	53.3	59.7
Our Engineering and Construction Business	↓	58.4	64.9
Engineering and Construction Where We Do Business	↓	63.9	64.9
Backlog	↑	64.6	61.2
Book/Burn Rate	↓	59.7	61.0
Cost of Materials	↓	3.4	4.4
Cost of Labor	↓	8.5	9.1
Productivity	↓	42.6	48.6

# EXECUTIVE SUMMARY

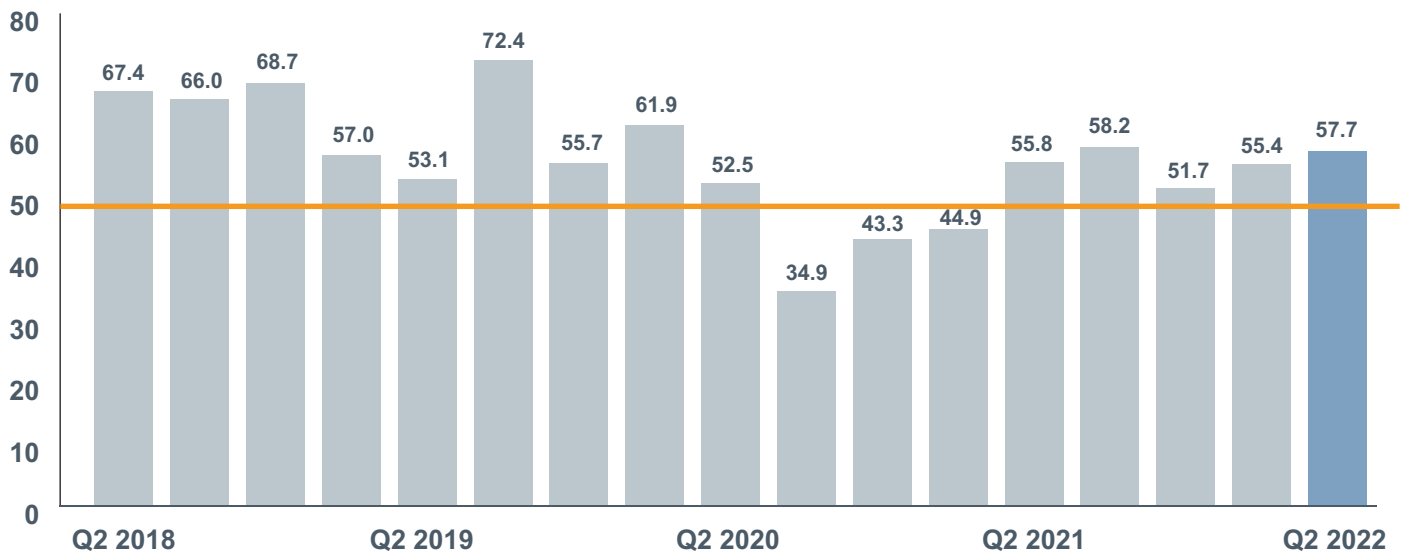
4.1.a

## Heavy Civil Construction Index (HCCI)

### Q2 2018 to Q2 2022

Scores above 50 indicate expansion; below 50, contraction

Index  
Score



Current HCCI Reading  
for Q2 2022

57.7

Survey dates:  
March 2-15

Previous Reading  
December 2-14

55.4

Source: FMI Heavy Civil Construction Survey Q2 2022

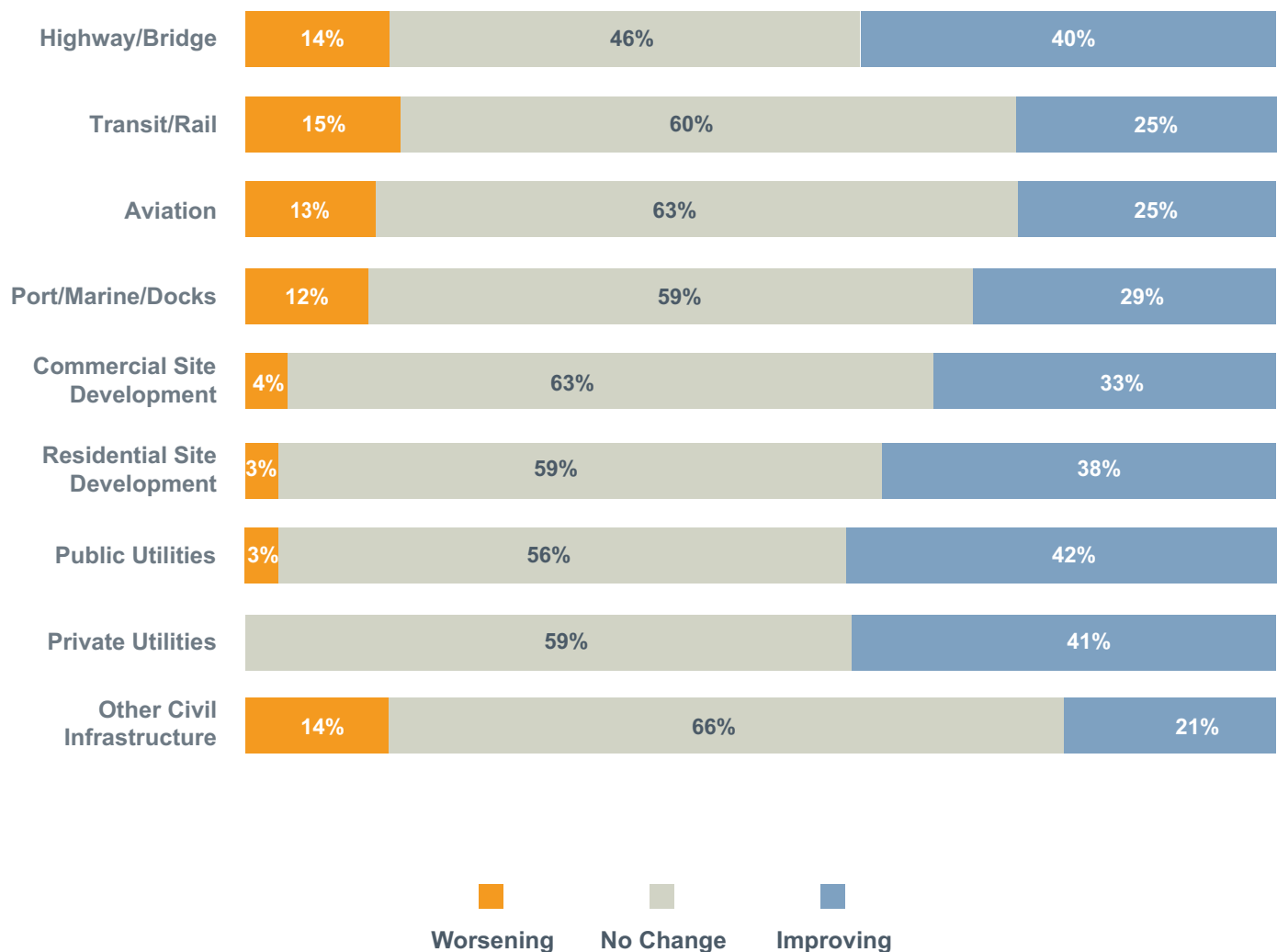


# EXECUTIVE SUMMARY



4.1.a

## Perception of Change by Segment for Next Quarter



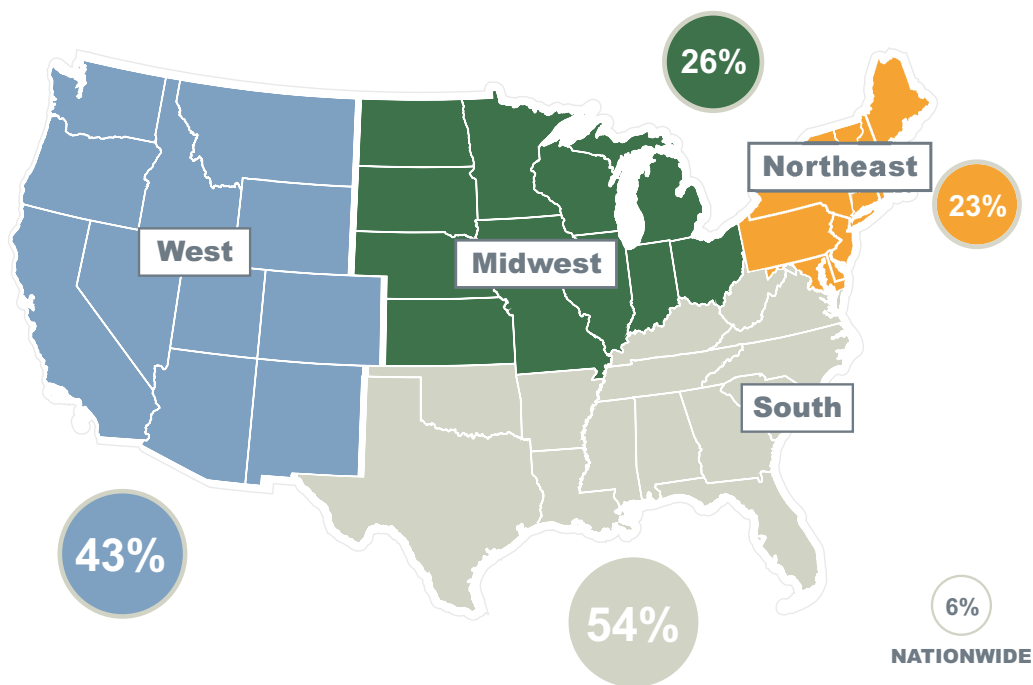
# DEMOGRAPHIC INFORMATION



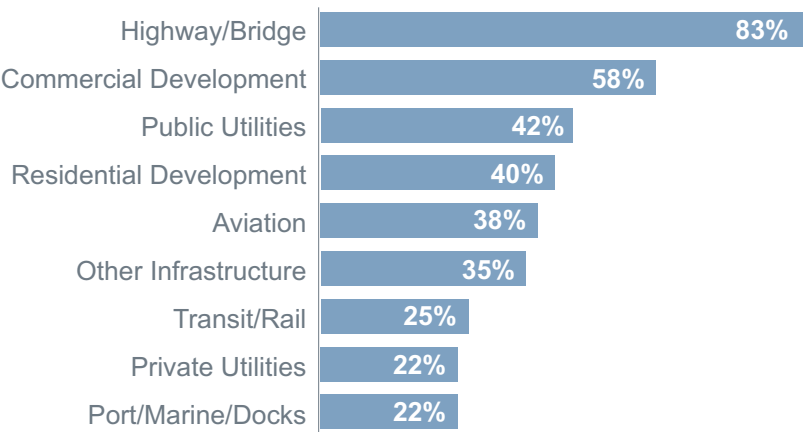
4.1.a

## Where Survey Participants Work

### By Geography



### By Discipline



Respondents are able to select more than one option.





# MARKET CONDITIONS

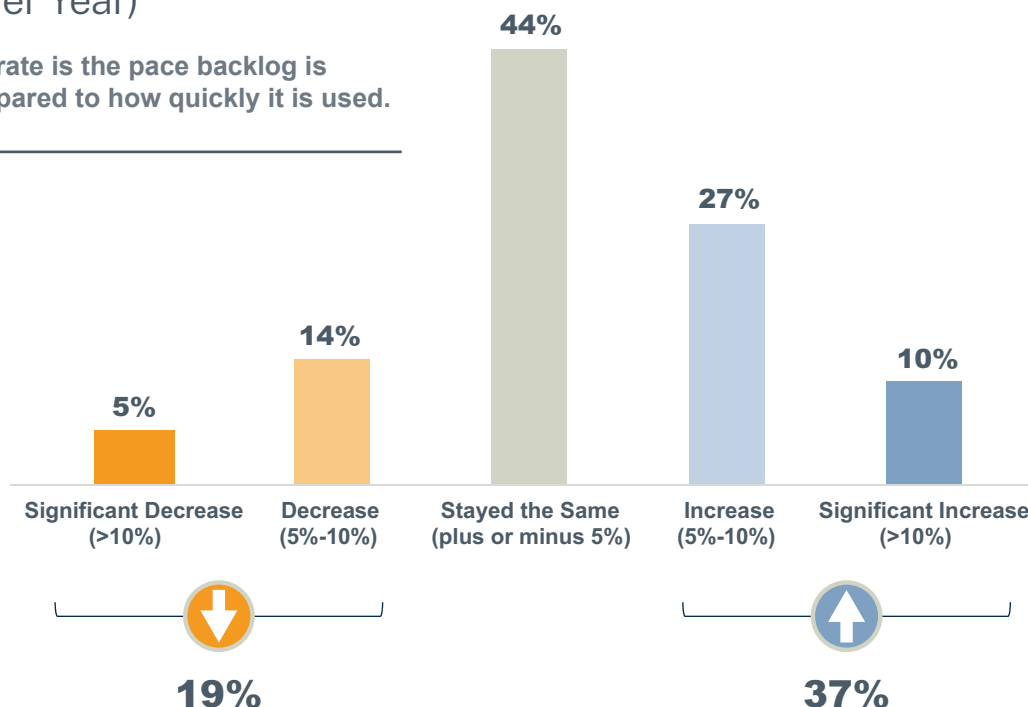


## Key Findings

- The market is signaling improved conditions when you take into consideration the number of contractors who indicate strong backlogs compared to last year and those who are at or ahead of anticipated backlogs.
- Contractors continue to book backlog faster than they are burning it off. Thirty-seven percent have seen year-over-year backlog book/burn rate grow, while only 19% saw a decline. In last quarter's survey, those measures were 38% and 15%, respectively. Commentary indicates a variety of reasons, including weather, workload continuing to pick up post-COVID, and more intentional (i.e., selective) bidding, for the slight decline in this ratio.
- Consistent with results from last quarter, more than one-third of respondents have reported improving margins on work acquired; yet 23% see margins below levels from this time last year. Similarly, more contractors have seen margins improve this quarter compared to last quarter, with 30% reporting higher margins, versus only 14% reporting lower margins.
- A growing majority, or 68%, of contractors reported an increase in competitors this quarter, compared to 58% in the first quarter. However, this quarter fewer companies reported nontraditional civil firms entering their markets (21% this quarter, compared to 30% last quarter).
- Even with rising competition, 4 out of 5 participants (78%) reported increased bid prices this last quarter.

## Backlog Book/Burn Rate (Year Over Year)

Book/burn rate is the pace backlog is added compared to how quickly it is used.

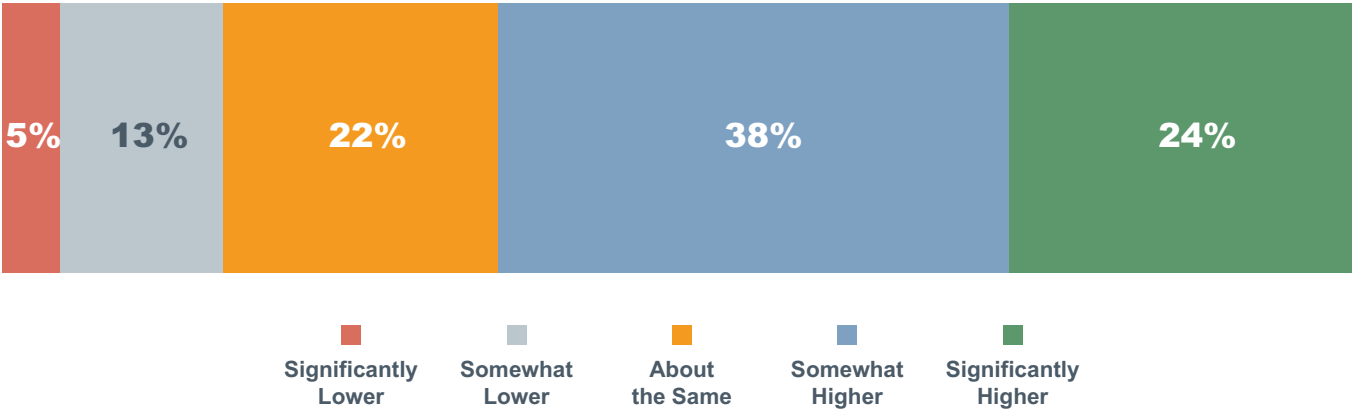


Source: FMI Heavy Civil Construction Survey Q2 2022

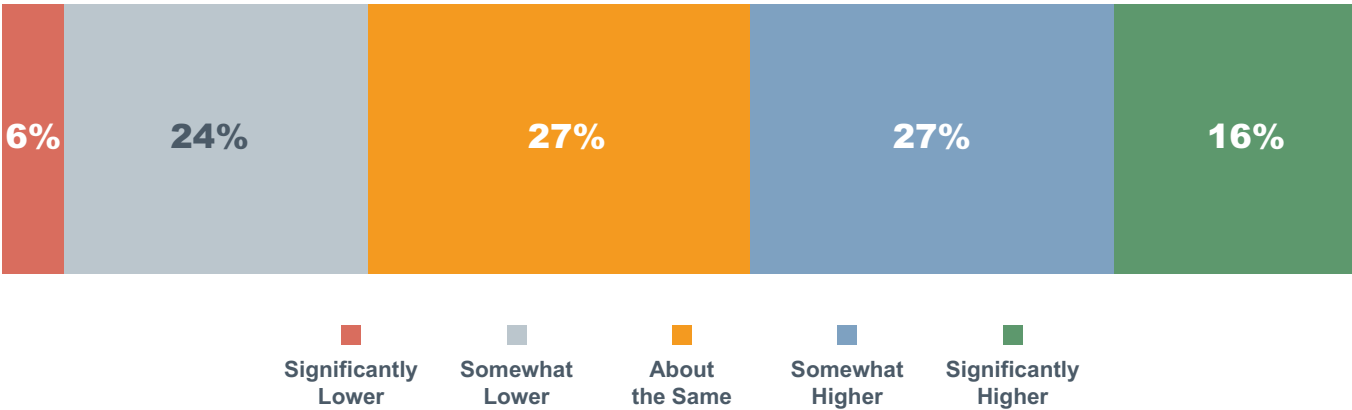


Backlogs

How does your backlog in the most recent quarter compare to the same quarter last year?



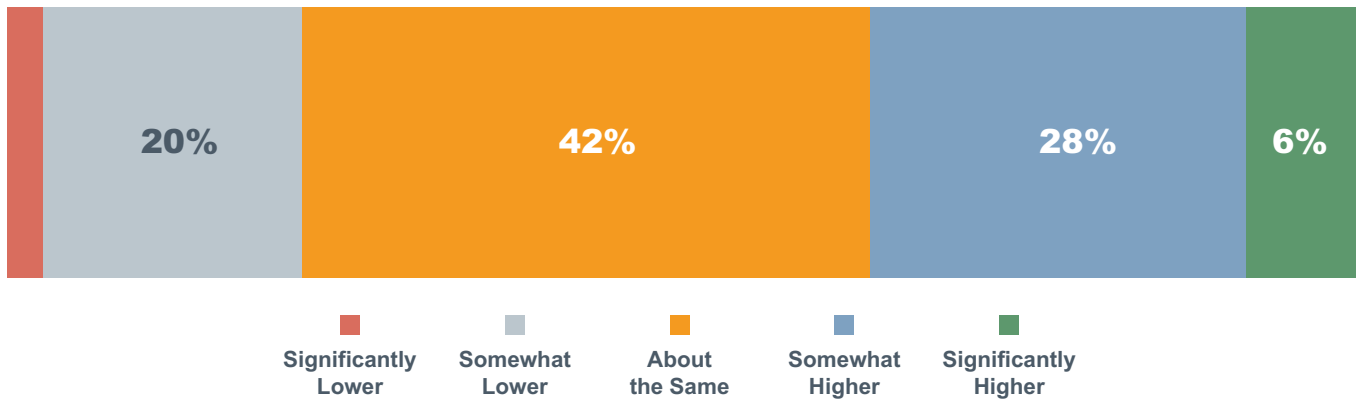
What is your current backlog compared to your anticipated/needed backlog at this point in the year?



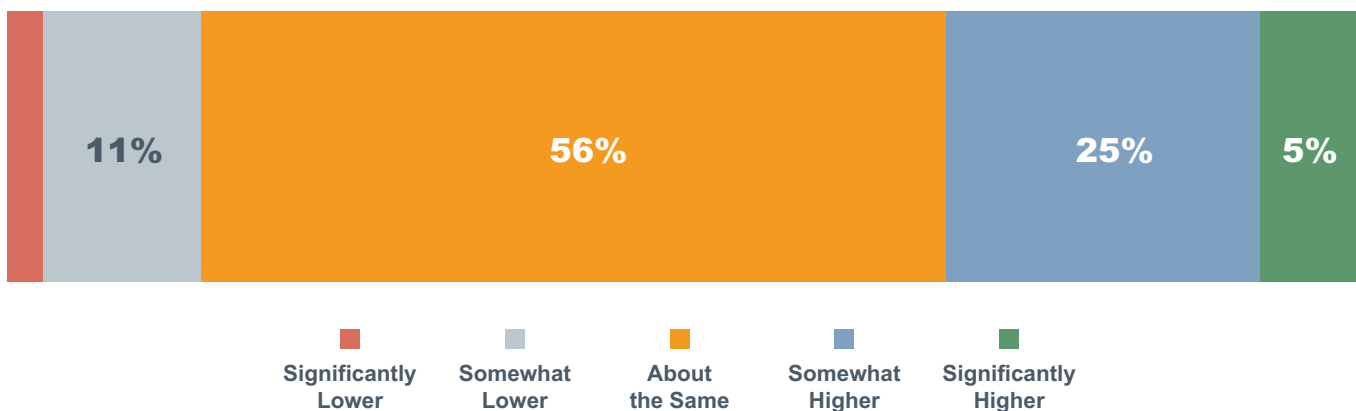
# MARKET CONDITIONS

## Margin

How would you compare margin on the work you have acquired in this quarter compared to the same quarter last year? (i.e., year-over-year change)



How would you compare margin on the work you have acquired in this quarter compared to the previous quarter?





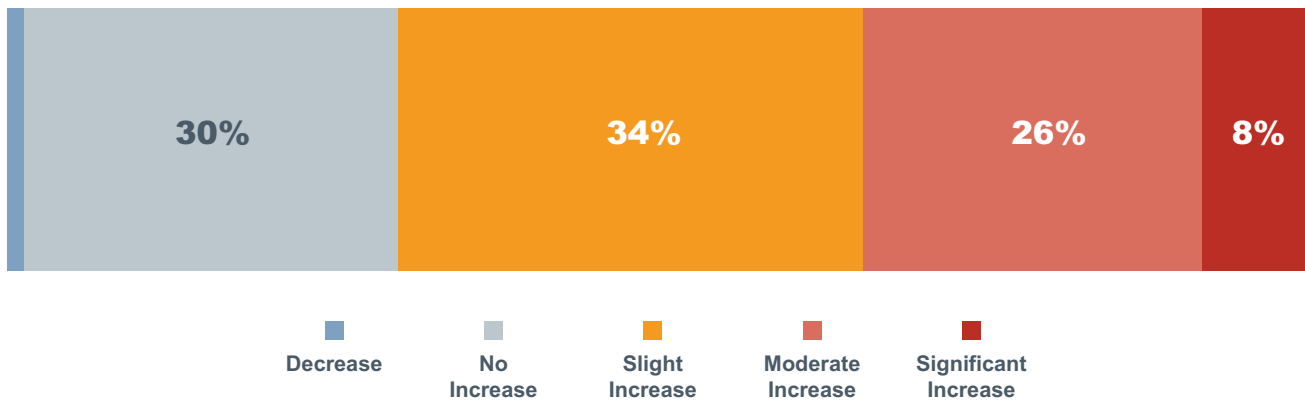
# MARKET CONDITIONS

4.1.a

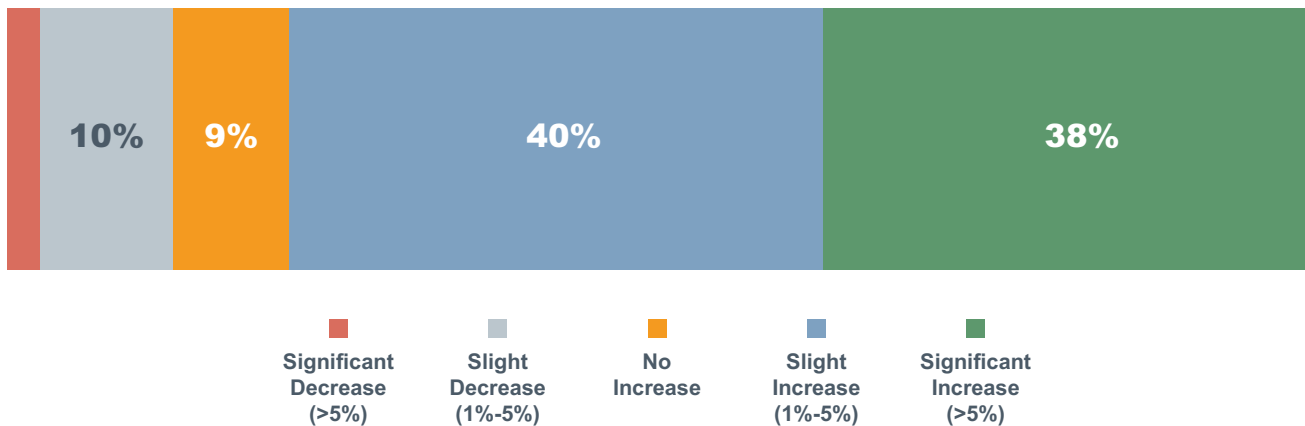


## Competitive Landscape

How has the competitive landscape changed in the last quarter in terms of the number of competitors?



How have bid prices been impacted in the last quarter?



In the past six months, have you experienced an increase in nontraditional civil firms (new entrants) in the market?





## CURRENT ISSUES





Talent: Retention

One of the top issues on every contractor’s radar is the challenge to retain and hire new employees, with many regularly citing this as the greatest inhibitor to future growth.

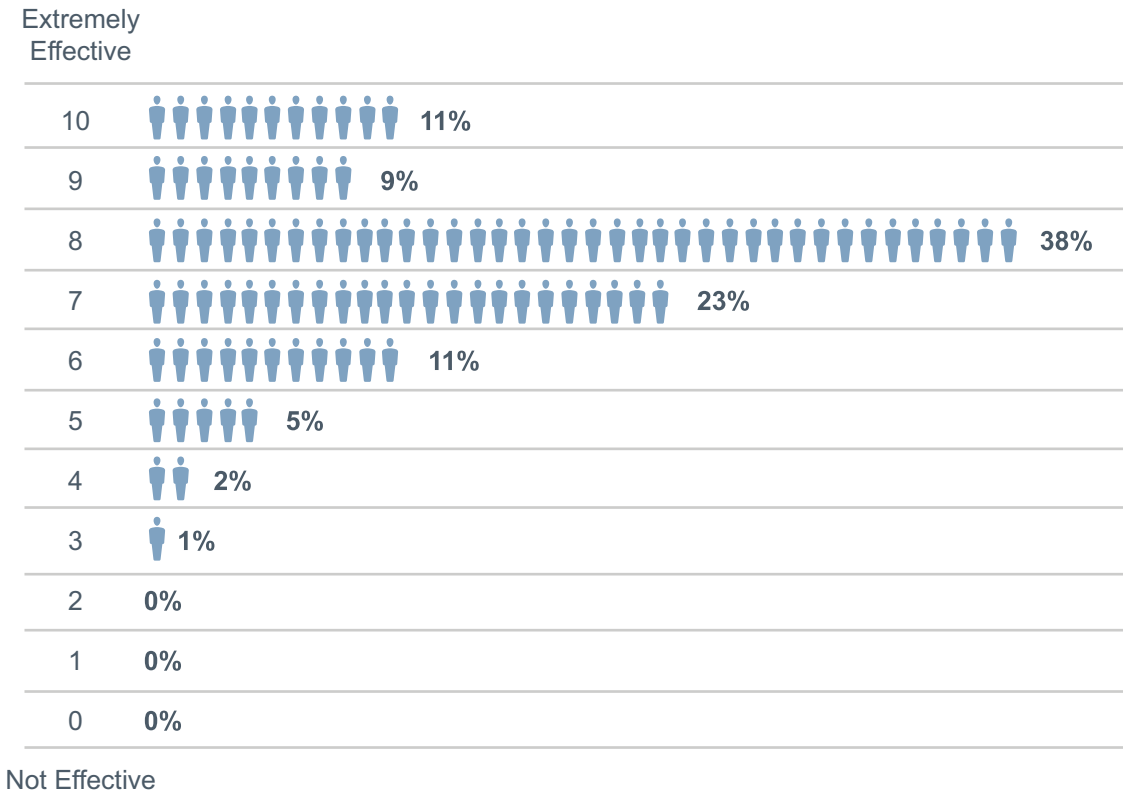
When asked about company effectiveness in retaining its top talent, just over 80% rated themselves as a 7 or higher (on a 10-point scale, where 10 is extremely effective), and only 1 in 5 rated themselves as a 9 or 10.

Most respondents report that nonmanagement field staff roles are a common challenge across the heavy civil sector as they are difficult positions to fill (53%) and have high turnover rates (72%). A close second is field staff managerial positions (i.e., superintendents and field managers), with just over half (52%) finding difficulties in filling those positions.

Likely as a combined result of retention needs, hiring challenges and turnover, most survey participants have training programs with a focus on leadership (66%), management (58%) and technical skills (56%).

Most contractors report they are operating at or above optimum capacity (63%), as defined by their desired balance between resources and workload. Providing some comfort for the nearly one-third of respondents operating below optimum capacity, nearly all (94%) do not expect any impact to future revenues from IIJA opportunities until 2023 or 2024.

How effective is your company in retaining its best employees? (Scale of 1-10 where 1 is ineffective and 10 is extremely effective).



## Talent: Acquisition and Turnover

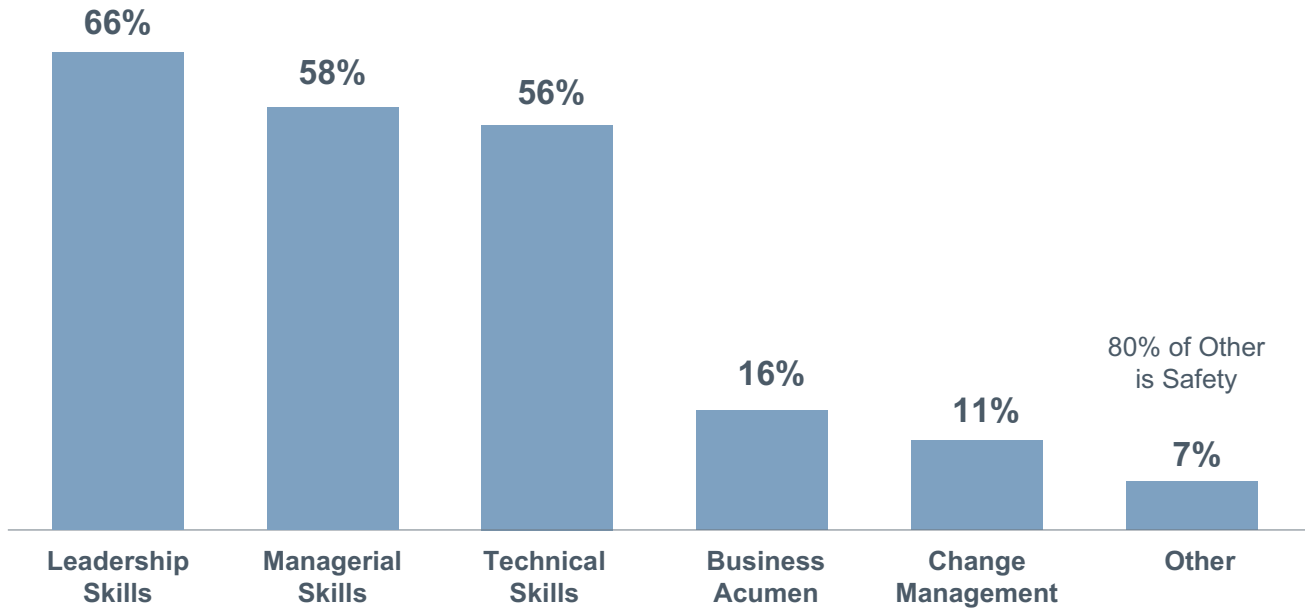


# CURRENT ISSUES



## Talent: Training

Overall, what type of training is your company focused on the most, given today's labor crisis? Select up to three.



In a brief statement, please explain your company's training strategy, given the above selections.

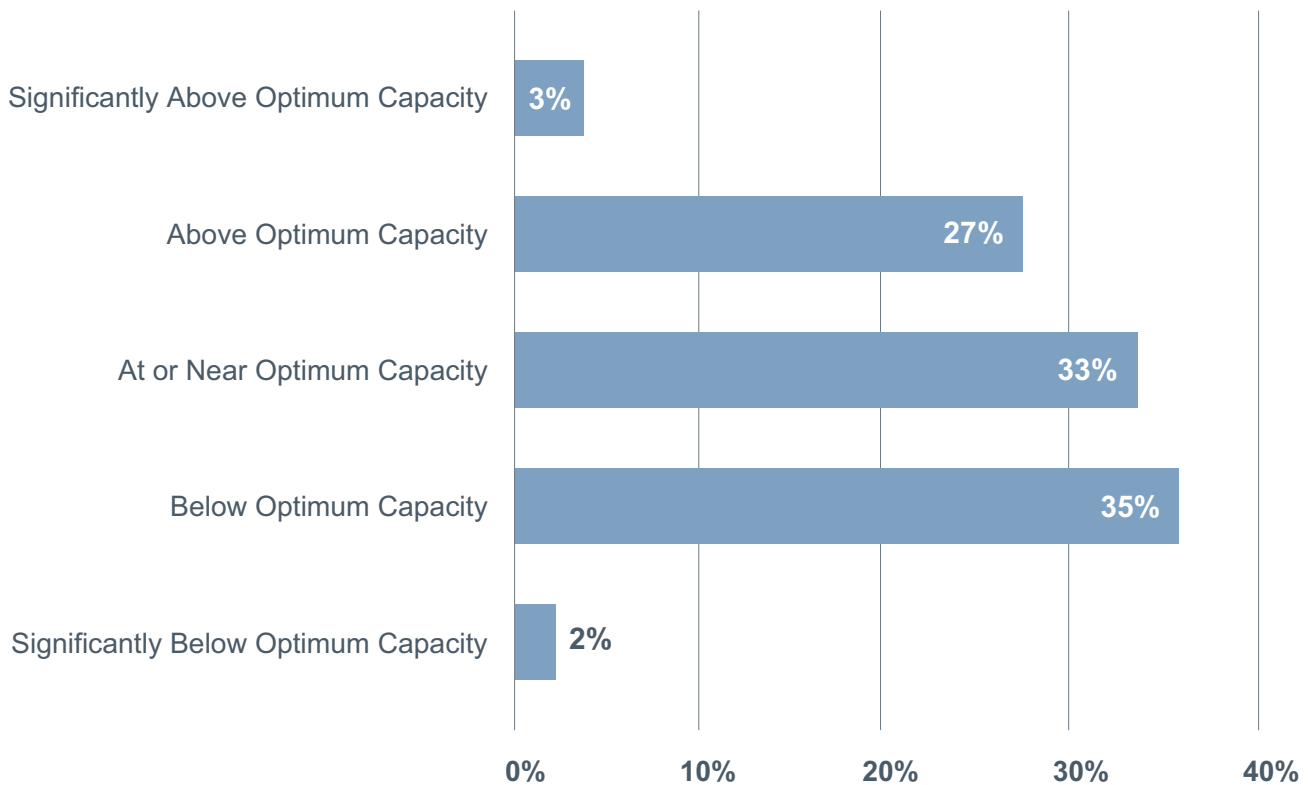
developing people technical process  
trying management improvement  
project develop strategy change  
key business programs job online  
focused leadership teach  
online leaders company technical career internal  
strategy monthly skills



## Optimum Capacity

Optimum capacity is defined as the desired balance between resources and workload, allowing your company to best meet its strategic goals.

Given current resources and workload, what is your perception of operations in terms of capacity?

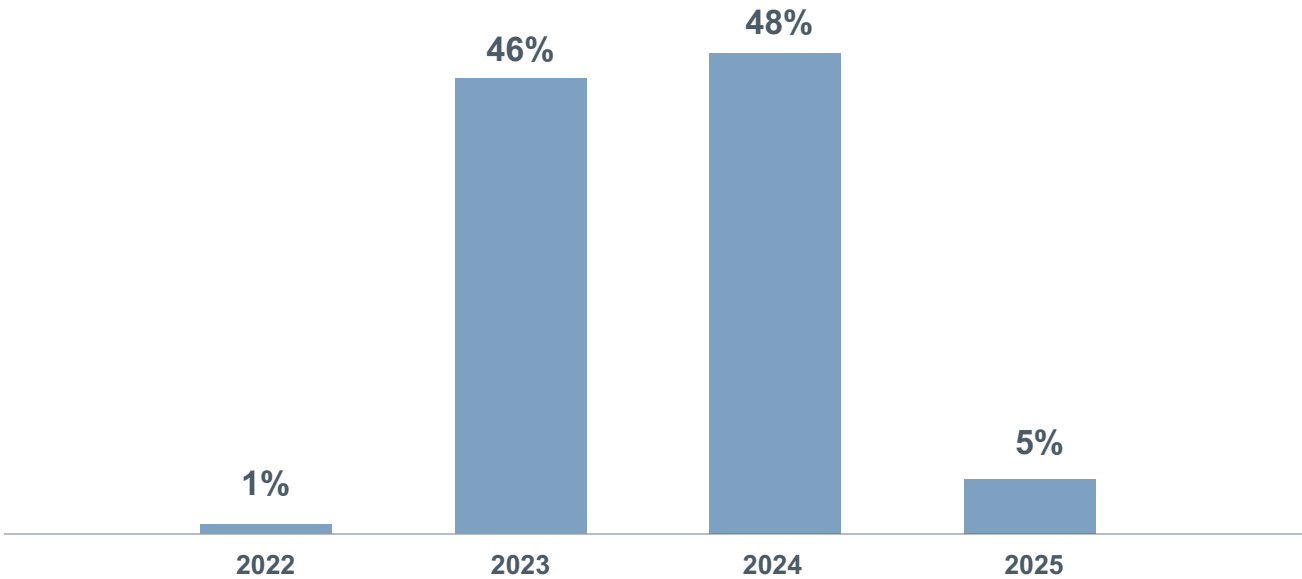


FMI assumes that respondents would ideally like to operate at or near their optimum capacities.



Infrastructure Investment and  
Jobs Act (IIJA) Expectations

If you anticipate future revenues based on IIJA opportunities, what year do you expect to realize the largest impact in revenues?







# HEAVY CIVIL CONSTRUCTION OUTLOOK







Key Findings

- Total heavy civil construction put in place is anticipated to grow by 3.8% in 2022, with growth reported across all segments and subcategories except air transportation.
- Over the full five-year forecast period, all segments and subcategories will experience rising investment.
- The infrastructure package is the foundation for long-term growth prospects through 2026, with water supply, sewage and waste disposal, and conservation and development investment as the fastest-growing segments.
- Similarly, highway and street, one of the largest nonbuilding segments, will see strong growth relative to recent history and supports an overall bullish outlook on the heavy civil construction market.

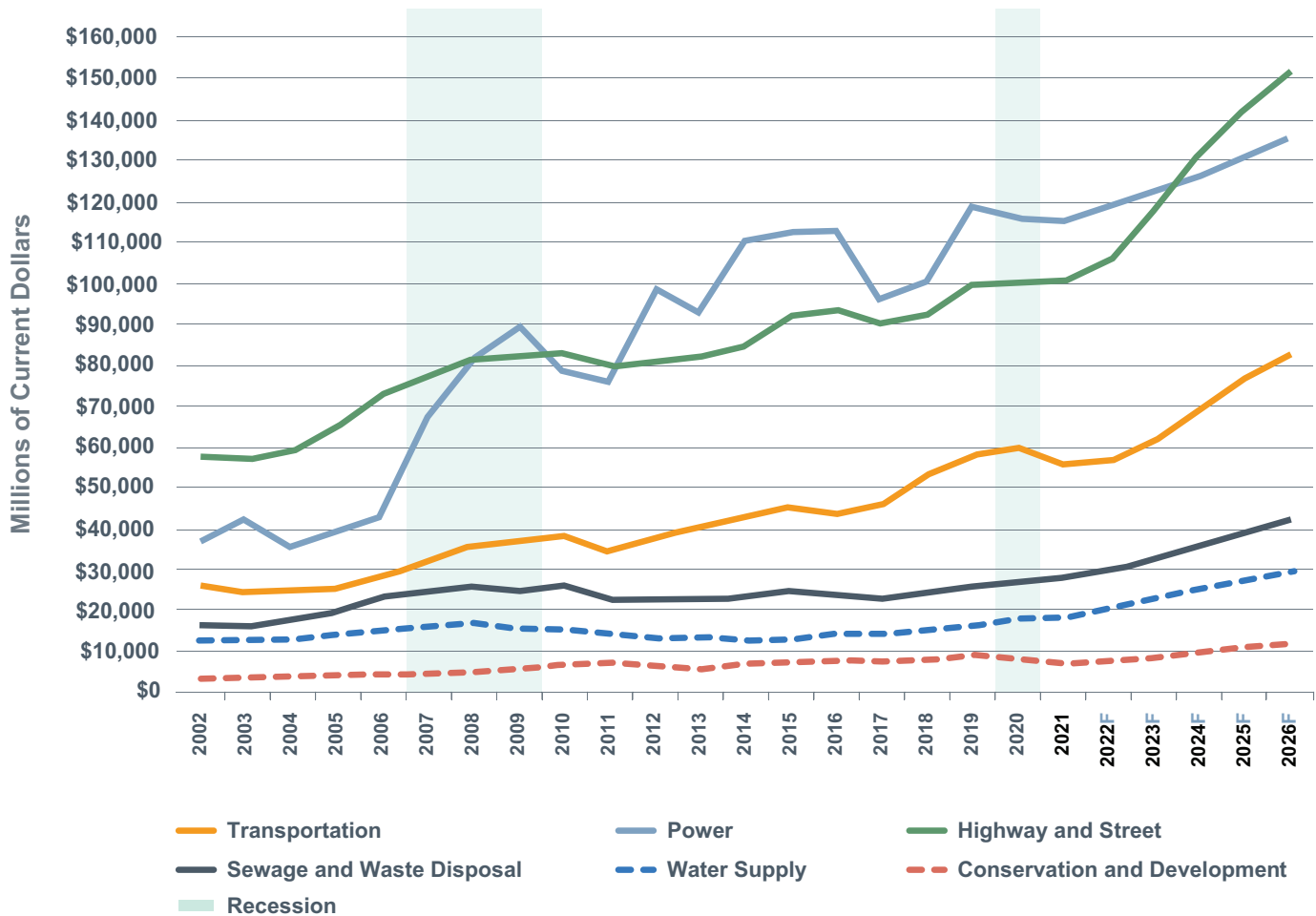
U.S. 2022 Segment Performance  
2022/2021 Comparison

 <div>UP</div> <div>5% or more</div>	<div>STABLE</div> <div>0% to 4%</div>	 <div>DOWN</div> <div>Under 0%</div>
Highway and Street Sewage and Waste Disposal Water Supply	Transportation Power Conservation and Development	

# HEAVY CIVIL CONSTRUCTION OUTLOOK

4.1.a

## Heavy Civil Construction Put in Place

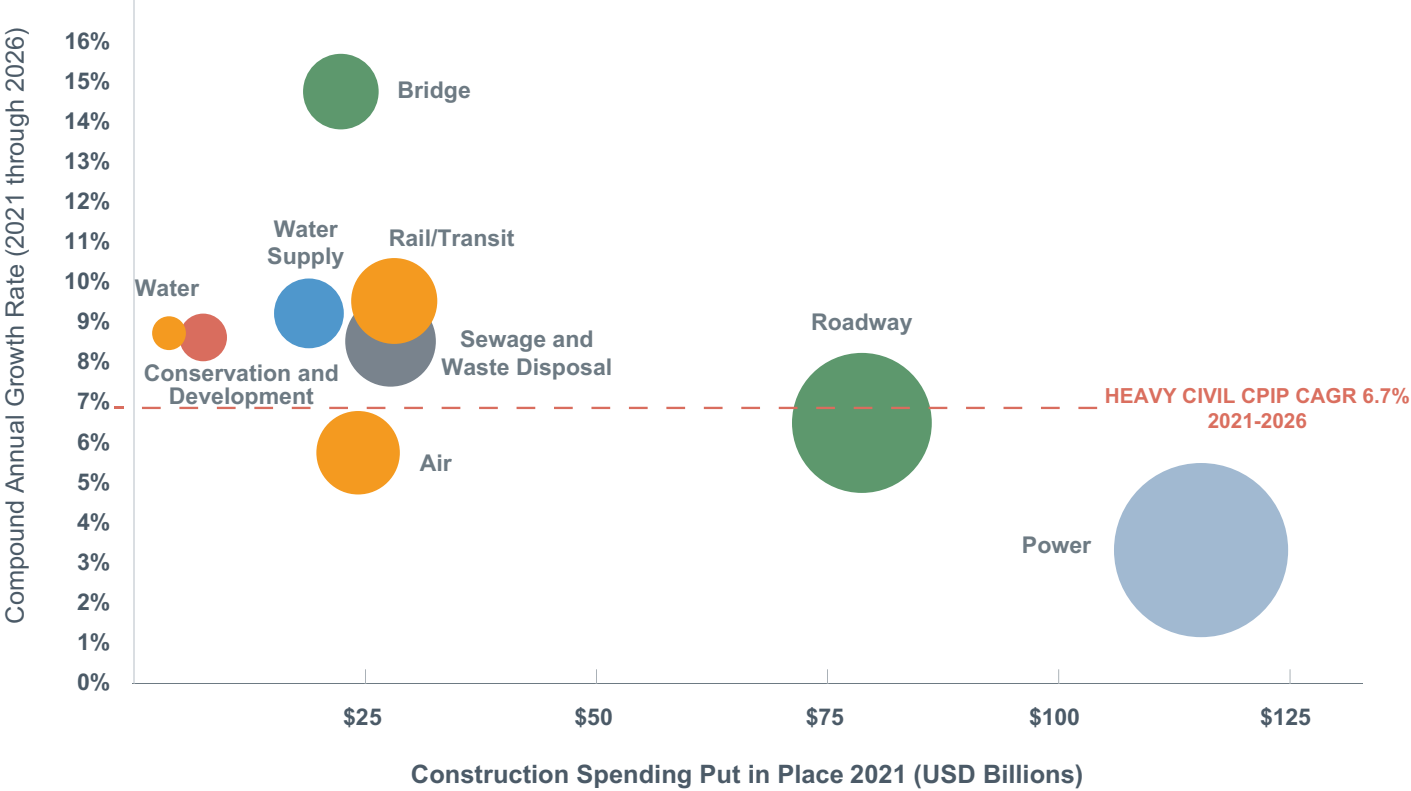


# HEAVY CIVIL CONSTRUCTION OUTLOOK



4.1.a

## Heavy Civil Construction Spending Put in Place 2021 and Forecast Growth (2021 through 2026) by Segment



# HEAVY CIVIL CONSTRUCTION OUTLOOK



4.1.a

## Construction Put in Place Estimated for the United States

Millions of Current Dollars

2nd Quarter 2022 Forecast (Based on 4th Quarter 2021 Actuals and 1st Quarter 2022 Assumptions)

	2017	2018	2019	2020	2021	2022F	2023F	2024F	2025F	2026F
<b>TRANSPORTATION</b>	<b>46,138</b>	<b>53,218</b>	<b>57,449</b>	<b>59,661</b>	<b>56,274</b>	<b>56,298</b>	<b>61,214</b>	<b>68,846</b>	<b>76,639</b>	<b>82,435</b>
Air	17,194	22,008	24,428	26,619	24,360	23,858	25,256	27,396	29,800	32,284
Rail/Transit	26,588	28,200	28,898	28,956	28,218	28,621	31,731	36,634	41,538	44,551
Port/Water	2,356	3,010	4,123	4,086	3,696	3,818	4,227	4,816	5,301	5,599
<b>POWER</b>	<b>95,951</b>	<b>99,569</b>	<b>117,960</b>	<b>115,048</b>	<b>114,845</b>	<b>118,804</b>	<b>122,176</b>	<b>125,613</b>	<b>130,853</b>	<b>135,237</b>
<b>HIGHWAY AND STREET</b>	<b>89,620</b>	<b>91,745</b>	<b>99,402</b>	<b>99,888</b>	<b>100,354</b>	<b>105,456</b>	<b>117,087</b>	<b>130,838</b>	<b>142,125</b>	<b>151,099</b>
Roadway	59,188	63,344	72,675	78,213	78,170	82,589	91,437	97,571	102,389	106,933
Bridge	30,432	28,401	26,727	21,675	22,184	22,867	25,650	33,266	39,736	44,167
<b>SEWAGE AND WASTE DISPOSAL</b>	<b>22,901</b>	<b>23,931</b>	<b>26,119</b>	<b>26,379</b>	<b>27,598</b>	<b>29,512</b>	<b>32,254</b>	<b>35,570</b>	<b>38,741</b>	<b>41,657</b>
<b>WATER SUPPLY</b>	<b>14,168</b>	<b>15,477</b>	<b>16,397</b>	<b>18,727</b>	<b>18,927</b>	<b>19,946</b>	<b>22,088</b>	<b>24,717</b>	<b>27,284</b>	<b>29,395</b>
<b>CONSERVATION AND DEVELOPMENT</b>	<b>7,464</b>	<b>8,229</b>	<b>9,207</b>	<b>8,955</b>	<b>7,576</b>	<b>7,776</b>	<b>8,554</b>	<b>9,500</b>	<b>10,529</b>	<b>11,448</b>
<b>TOTAL HEAVY CIVIL PUT IN PLACE</b>	<b>\$276,242</b>	<b>\$292,169</b>	<b>\$326,534</b>	<b>\$328,658</b>	<b>\$325,574</b>	<b>\$337,793</b>	<b>\$363,373</b>	<b>\$395,084</b>	<b>\$426,171</b>	<b>\$451,272</b>

## Construction Put in Place Estimated for the United States

Change From Prior Year Current Dollar Basis

2nd Quarter 2022 Forecast (Based on 4th Quarter 2021 Actuals and 1st Quarter 2022 Assumptions)

	2017	2018	2019	2020	2021	2022F	2023F	2024F	2025F	2026F
<b>TRANSPORTATION</b>	<b>6.5%</b>	<b>15.3%</b>	<b>8.0%</b>	<b>3.9%</b>	<b>-5.7%</b>	<b>0.0%</b>	<b>8.7%</b>	<b>12.5%</b>	<b>11.3%</b>	<b>7.6%</b>
Air	20.8%	28.0%	11.0%	9.0%	-8.5%	-2.1%	5.9%	8.5%	8.8%	8.3%
Rail/Transit	-0.8%	6.1%	2.5%	0.2%	-2.6%	1.4%	10.9%	15.5%	13.4%	7.3%
Port/Water	1.8%	27.8%	37.0%	-0.9%	-9.5%	3.3%	10.7%	13.9%	10.1%	5.6%
<b>POWER</b>	<b>-14.4%</b>	<b>3.8%</b>	<b>18.5%</b>	<b>-2.5%</b>	<b>-0.2%</b>	<b>3.4%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>4.2%</b>	<b>3.4%</b>
<b>HIGHWAY AND STREET</b>	<b>-3.8%</b>	<b>2.4%</b>	<b>8.3%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>5.1%</b>	<b>11.0%</b>	<b>11.7%</b>	<b>8.6%</b>	<b>6.3%</b>
Roadway	-2.5%	7.0%	14.7%	7.6%	-0.1%	5.7%	10.7%	6.7%	4.9%	4.4%
Bridge	-6.4%	-6.7%	-5.9%	-18.9%	2.3%	3.1%	12.2%	29.7%	19.4%	11.1%
<b>SEWAGE AND WASTE DISPOSAL</b>	<b>-5.2%</b>	<b>4.5%</b>	<b>9.1%</b>	<b>1.0%</b>	<b>4.6%</b>	<b>6.9%</b>	<b>9.3%</b>	<b>10.3%</b>	<b>8.9%</b>	<b>7.5%</b>
<b>WATER SUPPLY</b>	<b>1.6%</b>	<b>9.2%</b>	<b>5.9%</b>	<b>14.2%</b>	<b>1.1%</b>	<b>5.4%</b>	<b>10.7%</b>	<b>11.9%</b>	<b>10.4%</b>	<b>7.7%</b>
<b>CONSERVATION AND DEVELOPMENT</b>	<b>-3.6%</b>	<b>10.2%</b>	<b>11.9%</b>	<b>-2.7%</b>	<b>-15.4%</b>	<b>2.6%</b>	<b>10.0%</b>	<b>11.1%</b>	<b>10.8%</b>	<b>8.7%</b>
<b>TOTAL HEAVY CIVIL PUT IN PLACE</b>	<b>-6.2%</b>	<b>5.8%</b>	<b>11.8%</b>	<b>0.7%</b>	<b>-0.9%</b>	<b>3.8%</b>	<b>7.6%</b>	<b>8.7%</b>	<b>7.9%</b>	<b>5.9%</b>

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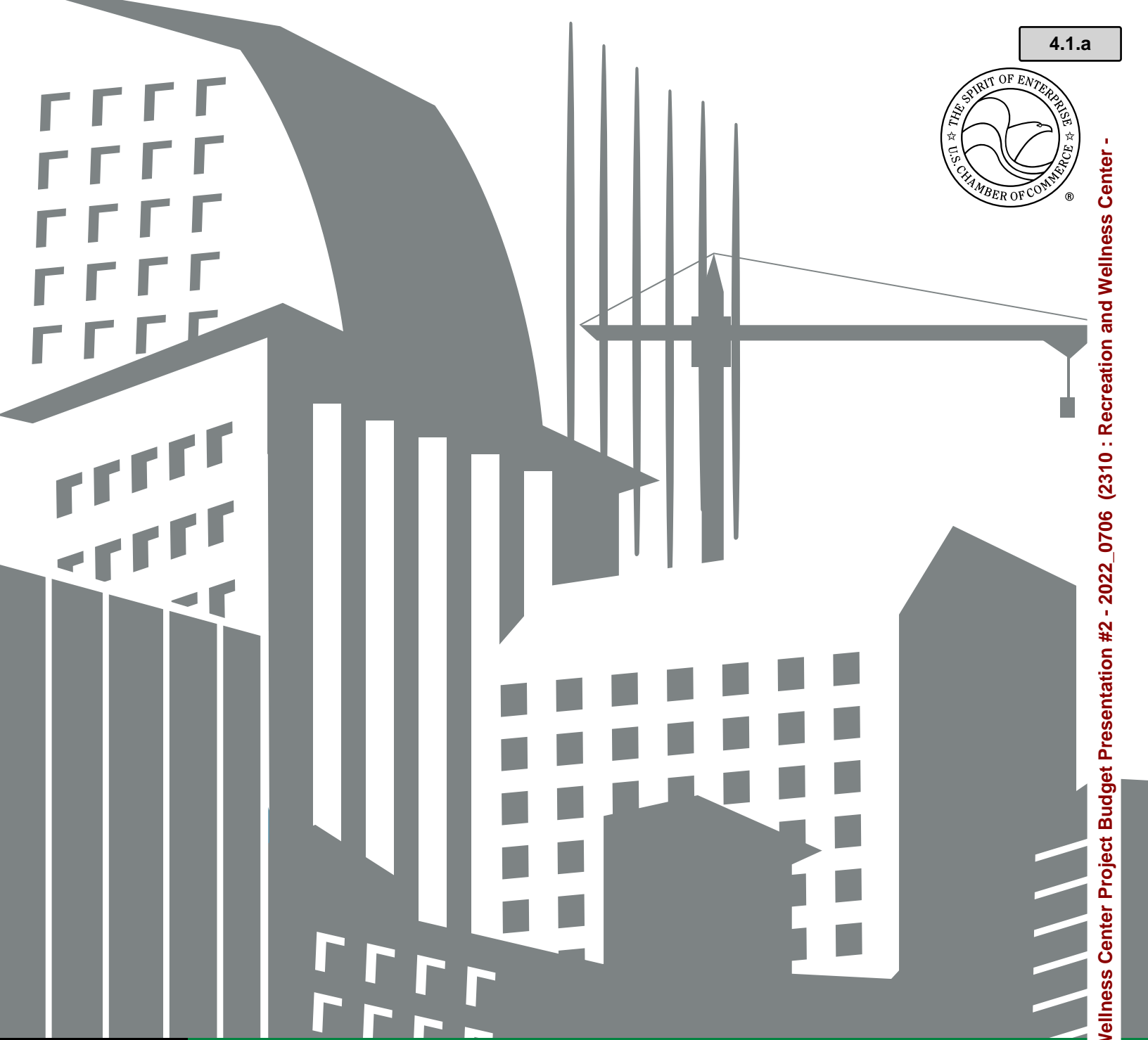
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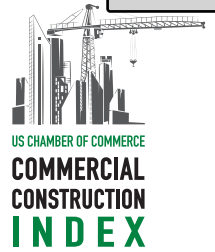


**Q3**  
2021

U.S. CHAMBER OF COMMERCE

# Commercial Construction Index

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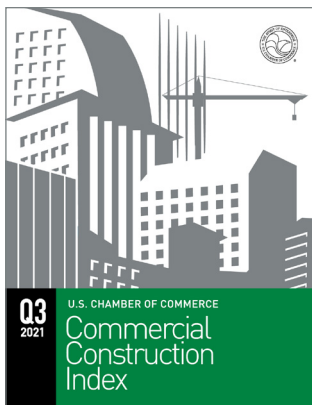
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The U.S. Chamber of Commerce Commercial Construction Index (CCI) is a quarterly economic index designed to gauge the outlook for and resulting confidence in the commercial construction industry. Recognizing a need to highlight the important contributions of this sector to the nation's economy, the U.S. Chamber of Commerce produced this first-of-its-kind index. Each quarter, contractors across the country are surveyed in order to better understand their levels of confidence in the industry and top-of mind concerns.

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# 1 REPORT SUMMARY

## Recovery Pauses as Contractors Struggle with Supply Chain, Skilled Labor Shortages

The U.S. Chamber of Commerce Commercial Construction Index (CCI) rose this quarter to 66, up just one point from Q2 2021. Two of the three key drivers of the Index—contractor confidence in new business and backlog—improved this quarter. One key driver [revenue] remained unchanged. The CCI has regained 10 points from its nadir of 56 at the onset of the pandemic, though it is still eight points below the pre-pandemic level of 74 [Q1 2020].

### KEY DRIVERS OF CONFIDENCE

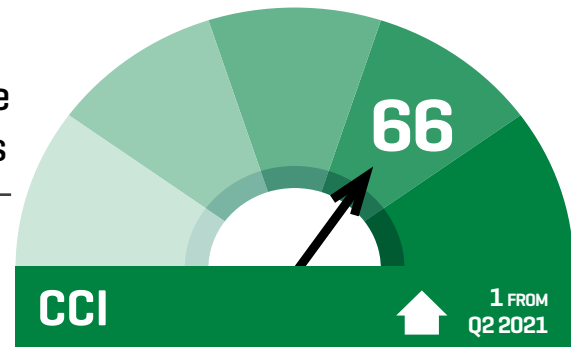
Contractors' confidence in the ability of the market to provide sufficient new business in the next 12 months climbed two points this quarter, hitting 64. The ratio of average current to ideal backlogs rose two points to 74, with the average months of backlog increasing from 9.2 months in Q2 to 9.4 months. The third key driver, revenue expectations, held steady at 61. *See Key Drivers on page 3.*

### QUARTERLY SPOTLIGHT

This quarter's spotlight examines the ongoing consequences of the COVID-19 pandemic on the commercial construction sector.

Most contractors [62%] say that less availability of building products/materials is the top consequence of the pandemic. In addition, just over a third of contractors [37%] are concerned about growing workforce shortages.

On a positive note, project delays due to the pandemic continue to decrease. This quarter, 60% of contractors are experiencing delays on some projects [down 12 points from Q2]. Even



fewer [56%] expect delays to continue in three months [down from 68% in Q2], and just half [50%] expect delays to continue six months from now [down from 55% in Q2]. *See Quarterly Spotlight on page 4.*

### MARKET TRENDS

Contractors expecting an increase in profit margin over the next 12 months stayed the same [24%], while those expecting a profit decrease rose. Thirteen percent expect their profit margin to decrease over that time [up seven points from Q2].

Contractors are facing increasing difficulties finding skilled workers and are paying more in order to attract them. The percentage of those reporting difficulty finding skilled workers this quarter rose, jumping 10 points to 55%. Half of contractors report a high degree of concern about their workers having adequate skill levels, up twelve points from last quarter and five points year-over-year. Moreover, 40% of contractors report a high degree of concern about the cost of hiring skilled labor. Of those who expressed concern about the cost to hire skilled labor, 79% say those costs have increased in the past six months.

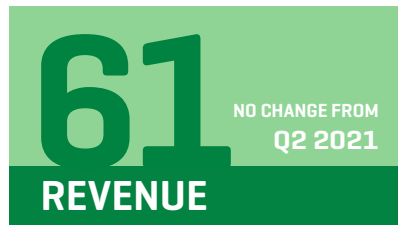
Almost all [93%] contractors are experiencing at least one product shortage, up from 84% last quarter. The product which most contractors are experiencing a shortage in is steel [34%], followed closely by wood/lumber at 31%. *See Market Trends on pages 5–8.*

## 2 DRIVERS OF CONFIDENCE

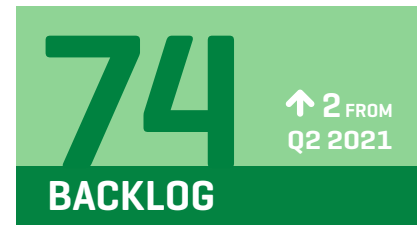
### Key Drivers of Contractor Confidence



- Contractors' confidence in the ability of the market to provide new business in the next 12 months grew, moving up two points to 64.
- This is up 14 points from Q2 2020 (after COVID-19 shutdowns), indicating a steady recovery, but still below its score of 76 in pre-pandemic Q1 2020.
- 90% of contractors report a moderate to high level of confidence that the U.S. market will provide sufficient new business opportunities in the next 12 months (up one point from Q2).
- One-third (33%) reported a high level of confidence. This score shows no significant change from Q2.



- Revenue expectations held steady at 61, the same as last quarter. This score is still below its score of 70 in pre-pandemic Q1 2020.
- A majority of contractors (53%) expect their revenues to remain about the same in the next 12 months.
- 37% of contractors expect their revenue to increase in the next year (down two percentage points from last quarter).
- 10% of contractors expect a decrease in revenue over the next year, up four points from last quarter.



- The ratio of average current and ideal backlogs rose two points to 74 from 72 last quarter. This key driver is the closest of the three to its pre-pandemic level: it was 76 in Q1 2020.
- The average months of backlog increased from 9.2 months in Q2 to 9.4 months.
- The optimal backlog level on average decreased slightly from 12.8 months to 12.7 months.
- 41% of contractors reported 6-12 months of backlog and 36% reported less than six months of backlog (the same as last quarter).



### 3 QUARTERLY SPOTLIGHT IMPACT OF COVID-19

## Contractors Say Product Shortages Are Biggest Impact of COVID-19

Contractors say that less availability of building products/materials is, by far, the top consequence of the COVID-19 pandemic [62%]. *[See page 8 for more details on product shortages]*. Thirty-eight percent of contractors say that worker health and safety is a top concern, followed by worker shortages at 37%.

### COVID-RELATED PROJECT DELAYS CONTINUE TO DECREASE

Project delays due to the coronavirus outbreak continue to decrease. This quarter, 60% are experiencing delays on some projects [down 12 points from last quarter]. Even fewer [56%] expect delays to continue in three months [down from 68% in Q2], and just half [50%] expect delays to continue six months from now [down from 55% in Q2].

The average percentage of projects delayed improved again this quarter. In Q2, contractors reported, on average, 17% of their projects were delayed. This quarter, contractors reported on average 15% of their projects are currently delayed.

However, looking ahead, contractors predict delays tailing off slowly. In three months, contractors expect an average share of 14% of their projects will be delayed and in six months that share is 11%.

**60%** of contractors  
**are experiencing  
project delays**  
due to COVID-19

**15%** is the **average  
share of delayed  
projects** due to  
COVID-19

### Contractors' Top Concerns During COVID-19 in Q3:



**62%** say less availability  
of building products.



**38%** say worker health  
and safety concerns.



**37%** say an increase  
in worker shortages.



**30%** say fewer projects.



**24%** say more project  
shutdowns/delays.

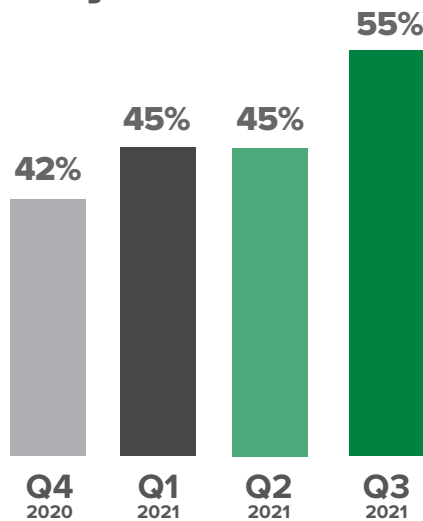
### 3 KEY MARKET TRENDS WORKFORCE



## Contractors Report Growing Difficulty Finding Skilled Workers

The majority [92%] of contractors report moderate to high levels of difficulty finding skilled workers, up four points from Q2. The percentage of contractors reporting *high* difficulty finding skilled workers rose, jumping 10 points to 55%. These are the highest numbers for both these statements in the past year [since Q3 2020].

### Contractors reporting high difficulty finding skilled workers:



Contractors have also grown more concerned this quarter about workers having adequate skill levels. Half of contractors report a high degree of concern about their workers having adequate skill levels, up twelve points from last quarter and five points year-over-year. Less contractors reported a moderate degree of concern this quarter than in Q2 [42% report a moderate degree of concern, down from 49% in Q2].

Looking ahead, almost all [93%] contractors who reported moderate to high concern expect the problem with finding skilled workers will stay the same or get worse in the next six months. Only 4% expect it to improve and 3% are unsure.

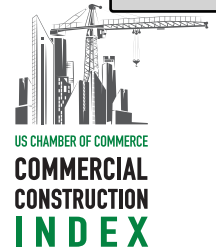
### Of those contractors who report difficulty finding skilled labor:

- **73%** report a **challenge in meeting project schedule requirements**, up from 56% in Q2.
- **71%** say they are **asking skilled workers to do more work**, up slightly from 68% from Q2.
- **Over half [59%]** are **putting in higher bids**, up from 50% in Q2.
- **Over a third [42%]** report **turning down work** due to skilled labor shortages, up from 35% in Q2.

**92%** of contractors report moderate to high levels of difficulty finding skilled workers

**42%** of contractors having difficulty finding workers report turning down work due to skilled labor shortages

## 4 KEY MARKET TRENDS PROFIT, REVENUE & FINANCING



### Most Contractors Expect Steady Revenue, Profits

Most contractors anticipate few changes in both revenue and profits over the coming year.

The majority of contractors [63%] expect their profit margins to remain about the same over the next 12 months [down from 70% in Q2]. This quarter, the percentage of contractors expecting an increase in profit margin stayed the same as last quarter at 24%, while those expecting a decrease rose [13% expect a decrease, up seven points from last quarter].

More than half of contractors [53%] expect their revenues to remain about the same in the next 12 months. Thirty-seven percent of contractors expect their revenue to increase over the next year [down two points from last quarter]. Meanwhile just 10% of contractors expect revenue decreases over the next year.

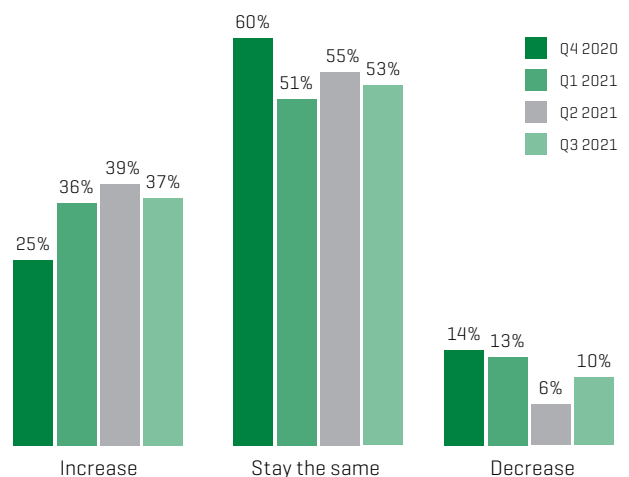
Those expecting changes predict they will be small. Of those expecting an increase in revenue, 43% believe it will be an increase of up to 3%. Of those expecting a decrease, 40% believe it will be a decrease of up to 3%.

#### CONTRACTORS ANTICIPATE ACCESS TO FINANCING TO REMAIN THE SAME

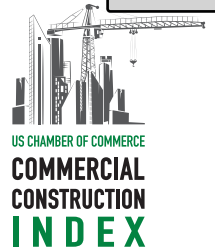
Similar to revenue and profits, most contractors see little change in access to financing.

More than two-thirds [67%] of contractors expect their access to working capital financing will remain about the same in the next six months, while just 6% expect that it will get easier [down from 10% in Q2 2021]. Meanwhile, 65% of contractors believe that *owner/developer access* to financing will get easier or remain about the same within that same timeframe.

**Contractors' expected change in revenue over the next 12 months:**



## 4 KEY MARKET TRENDS MATERIALS COSTS & EQUIPMENT SPENDING



### Contractors Report Record Impact of Cost Fluctuations

Contractors' concern about the cost of building materials reached an all-time high this quarter [since the inception of the CCI in 2017].

This quarter, an astounding 98% of contractors indicate cost fluctuations have a moderate-to-high impact on their business. This figure is up four points since Q2 and 35 points year-over-year [63% reported moderate-to-high impacts from cost fluctuations in Q3 2020].

**98%** of contractors say **material cost fluctuations** have a moderate to high impact on their business

Of those who said material cost fluctuations have had a considerable impact on their business, 45% say wood/lumber is the product of most concern, followed by steel [44%]. [In Q2, those concerns were 56% and 48% respectively]. Seventeen percent said copper and pipe/PVC cost fluctuations were of concern.

#### SLIGHTLY MORE SAY THEY WILL NOT SPEND MORE ON TOOLS AND EQUIPMENT

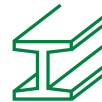
Just under half of contractors [45%] report they will *not* spend more on tools and equipment in the next six months [up from 42% last quarter].

Forty percent say they will increase spending on tools and equipment over the same time period [down from 44% who said they would increase spending last quarter].

#### Products of most concern to contractors who report impacts from cost fluctuations:



45% say wood/lumber

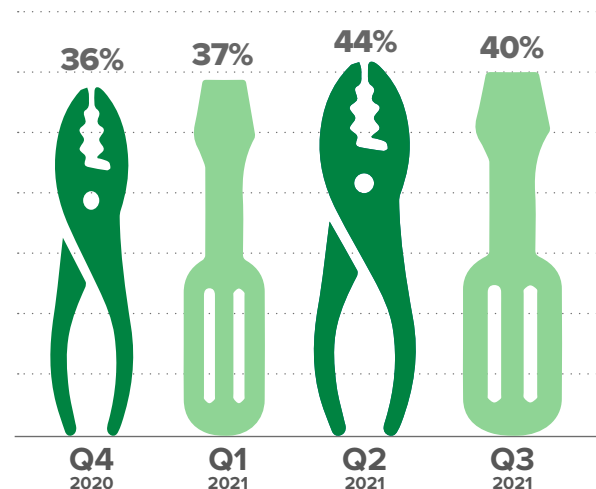


44% say steel

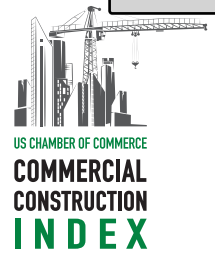


17% say copper

#### Percentage of contractors planning to spend more on tools and equipment in the next six months:



## 4 KEY MARKET TRENDS MATERIALS AVAILABILITY & TARIFFS



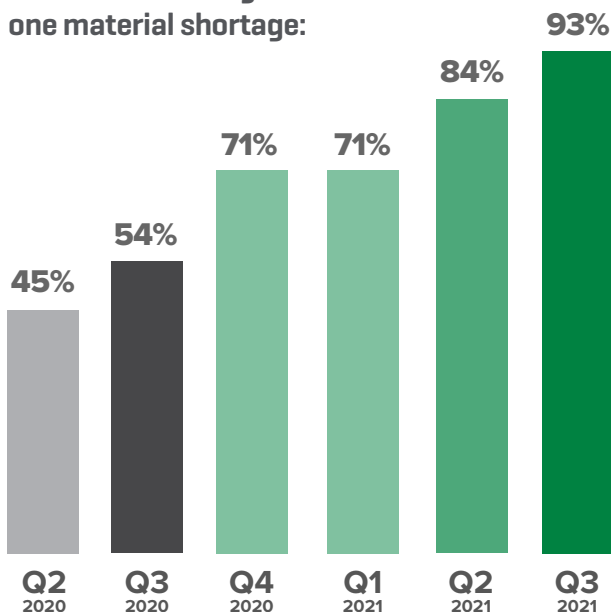
### Steel Shortages Take Lead from Lumber

As supply chains adapt and recover from the pandemic, almost all contractors say they are experiencing at least one building product or material shortage. Notably this quarter, steel surpasses lumber as the most-reported product shortage.

Almost all [93%] contractors are experiencing at least one product shortage, up from 84% last quarter. The product which most contractors are experiencing a shortage in is steel [34%], followed closely by wood/lumber at 31%. The next most-reported shortage is insulation/insulation material with 15% of contractors reporting a shortage. This is the first time since Q2 2020 that steel shortages have been reported more than lumber shortages.

Contractors are also reporting bigger impacts from product shortages. According to those experiencing shortages, 64% report a high impact on projects this quarter, up from 46% in Q2. Meanwhile, 35% report a moderate level of impact on projects due to product shortages and 1% report no impact.

#### Contractors facing at least one material shortage:



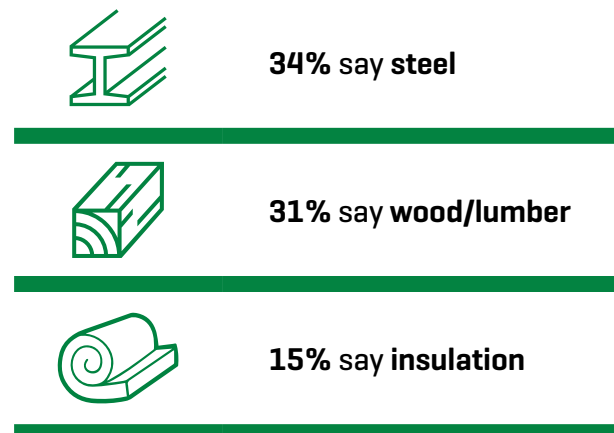
#### TARIFF AND TRADE CONCERNS LINGER AT NEW, HIGHER LEVELS

Contractors have expressed ongoing concerns about the potential effect of tariffs and trade wars on their access to materials.

Last quarter, these concerns jumped, and this quarter concern has remained at elevated levels or even increased:

- **46%** say **steel and aluminum tariffs** will have a high to very-high degree of impact on their business in the next three years, up one point from 45% in Q2 2021.
- **44%** say **new construction material and equipment tariffs** will have a high to very-high degree of impact on their business over the next three years, up four points from 40% in Q2 2021.
- **30%** expect high impacts from **trade conflicts with other countries**, the same as in Q2 2021.

#### Contractors top reported material shortages:





## 5 METHODOLOGY



### Methodology

Dodge Data & Analytics (DD&A) in partnership with the U.S. Chamber of Commerce conducts the Commercial Construction Index survey on a quarterly basis with the DD&A Contractor Panel. The data represented in this report is from the Q3 2021 survey conducted online from July 15 to July 18, 2021.

#### DD&A CONTRACTOR PANEL

In order to enable reliable market research in the construction industry, DD&A maintains a panel of more than 2,200 decision-makers that includes general contractors, construction managers, design-builders and trade contractors. This panel allows DD&A to provide findings that are representative of the entire U.S. construction industry by geography, and by size and type of company.

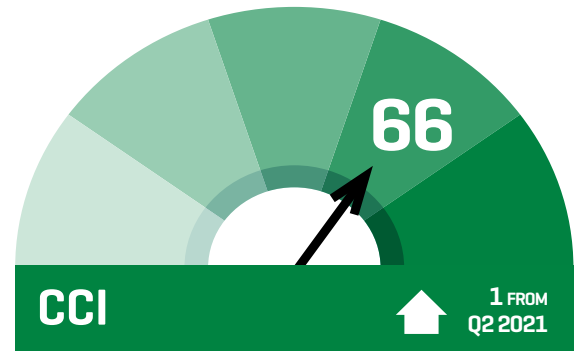
#### THIRD QUARTER SURVEY DEMOGRAPHICS

210 contractors who do projects in the commercial and institutional sectors in the U.S. (including multifamily residential) responded to the survey.

**TYPE OF COMPANY** 54% of respondents are prime contractors (including general contractors, construction managers, design-builders), and 46% are specialty trade contractors.

**JOB FUNCTION** Most are in leadership roles or engaged in projects. 39% of respondents are C-level, 31% are primarily involved on projects, 24% are estimators and 6% fall into the Other category.

**REGIONS** 31% do most of their project work in the Midwest, 28% in the South, 22% in the West, and 13% in the Northeast.



**The Commercial Construction Index is 66 for the third quarter of 2021.**

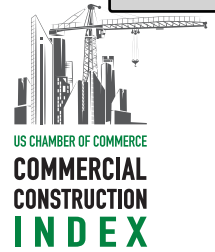
**SIZE OF COMPANY** 21% Large companies (\$100M and over), 42% midsize companies (\$10M to under \$100M), 36% small companies (Under \$10M)

The analysis includes comparisons to previous surveys conducted online with the DD&A Contractor panel since January 2017.

#### COMMERCIAL CONSTRUCTION INDEX

The Commercial Construction Index is an indicator of the health of the contractor segment of the U.S. building industry. It is comprised of three specific components reflecting aspects of the commercial contractors' situation.

**THE FIRST COMPONENT** calculates each respondent's ratio of current backlog to ideal backlog. It takes the mean of the ratio across all survey respondents.



**THE SECOND COMPONENT** is the mean of all responses, on a scale of 1-10, to the question "How confident are you that the U.S. market will provide your company with sufficient new business opportunities?"

**THE THIRD COMPONENT** compiles contractors' ranges of expected revenue growth/decline and transposes those to a 10-point scale, then takes the mean of responses on that scale.

Each measure is drawn from the quarterly survey responses, and they are weighted evenly by one third (33.3%) to create the composite index.

### DEFINING COMMERCIAL CONSTRUCTION

For purposes of the CCI we define commercial construction as the following types of buildings: Office, Retail, Hospitality, Education, Healthcare, Multifamily Residential (mid- and high-rise), Government, Warehouses, Airport Terminals and other transportation buildings.

**The U.S. Chamber of Commerce** is the world's largest business organization representing companies of all sizes across every sector of the economy. Our members range from the small businesses and local chambers of commerce that line the Main Streets of America to leading industry associations and large corporations. They all share one thing: They count on the U.S. Chamber to be their voice in Washington, across the country, and around the world. For more than 100 years, we have advocated for pro-business policies that help businesses create jobs and grow our economy.

**Dodge Data & Analytics** is North America's leading provider of commercial construction project data, market forecasting & analytics services and workflow integration solutions for the construction industry. Building product manufacturers, architects, engineers, contractors, and service providers leverage Dodge to identify and pursue unseen growth opportunities that help them grow their business. On a local, regional or national level, Dodge empowers its customers to better understand their markets, uncover key relationships, seize growth opportunities, and pursue specific sales opportunities with success. The company's construction project information is the most comprehensive and verified in the industry.

As of April 15th, Dodge Data & Analytics and The Blue Book — the largest, most active network in the U.S. commercial construction industry — combined their businesses in a merger. The Blue Book Network delivers three unparalleled databases of companies, projects, and people.

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[www.commercialconstructionindex.com](http://www.commercialconstructionindex.com)

2022

FIRST QUARTERLY

# COST REPORT

**C**onstruction starts are once again increasing after a slowdown in the fourth quarter of 2021. But labor shortages continue, and after a brief decline, materials prices are again climbing, caused partially by the war in Ukraine. The first quarterly cost report dives deeper into these trends, alongside an overview of ENR's cost indexes and methodology, the general economic outlook and the quarterly confidence index, which shows executives are expressing cautious optimism in looking toward the future.

Economics p. 51 // Confidence Index p. 55 // Equipment p. 59 // Materials p. 60 // Labor p. 63 // Methodology p. 64 // Indexes p. 67

# Challenges Persist As Construction Starts Grow

Lingering problems with materials and labor add to longer project lead times **By Alisa Zevin**

**A**s the height of the pandemic continues to recede, contractors still face several ongoing issues, including sky-high materials prices and staff shortages.

“With 2021 in the rearview mirror, signs are pointing to stronger growth for the construction sector in 2022,” says Richard Branch, chief economist at Dodge Construction Network. “However, prices for construction materials continue their ascent and skilled labor has become even more scarce, meaning construction projects are taking longer to break ground.”

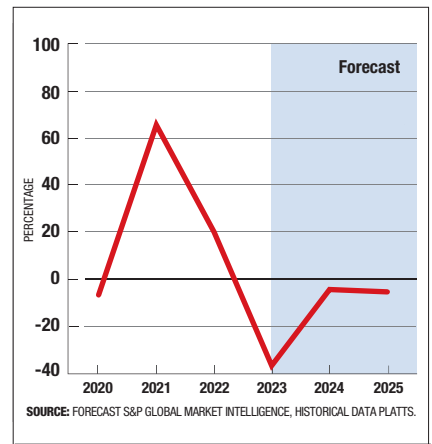
Julian Anderson, president of Rider Levett Bucknall, agrees. “Uncertainty is rising as everyone involved in the process tries to juggle getting the work done ... against a backdrop of a [potentially] post-COVID world, in which interest rates are set to rise, and Russia upends global stability with its invasion of Ukraine.”

He adds: “This leaves owners having to make decisions about whether to go ahead with their projects, reduce scope or shelve them. In many cases, contractors are no longer willing to take on the risk of cost escalation and are putting that risk back on owners.”

Branch notes that non-residential building projects are taking roughly six months longer to begin construction than in 2019, which he expects to continue. “The Ukraine conflict, and its impact on energy and raw materials prices, complicates the situation and will likely lead to even higher prices and more project delays in the months to come.”

In the first two months of the year, Dodge reports the dollar value of construction starts rose 14% over the same time period last year. Residential work rose 20% in the first two months of 2022, largely in the multifamily sector. “Single family activity has been weak as higher

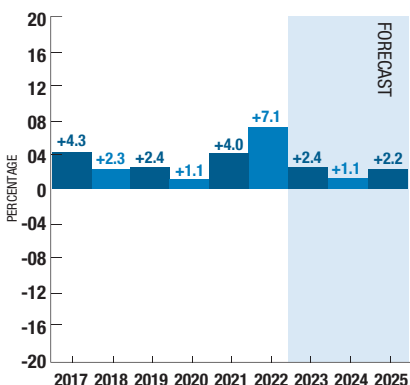
## Structural-Steel Forecast



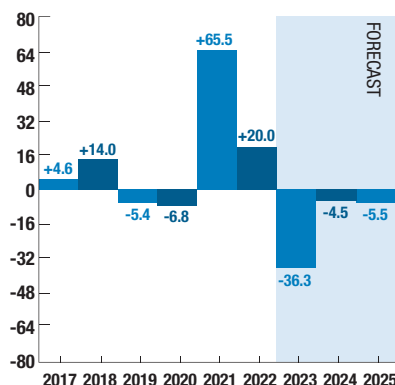
materials prices and mortgage rates weigh on the market. Multifamily construction, however, has taken its place posting aggressive growth,” says Branch.

Non-residential starts in the first two months of the year increased 39% over this time last year, as office and hotel work

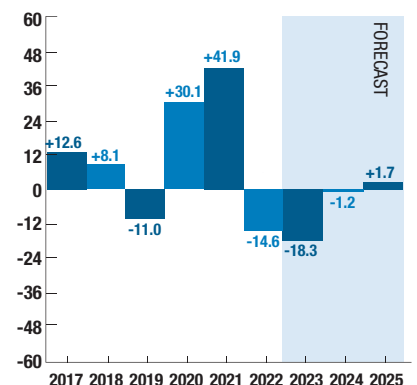
## CEMENT



## STRUCTURAL STEEL



## SOFTWOOD LUMBER



SOURCE: S&P GLOBAL MARKET INTELLIGENCE

begin to rise again. Transportation and education activity also experienced increases, but the “real start” is manufacturing, says Branch. “Domestic producers are expected to seek more control over their supply chains in the future, so that aspect of construction should continue to flourish.”

In the non-building sector, starts have stayed flat over the first two months of 2022. Branch expects activity to rise as funds from the Infrastructure Investment and Jobs Act are distributed.

On the materials side, the first quarter forecast for S&P Global Market Intelligence (formerly IHS Markit) predicts a 14.6% drop in softwood lumber in 2022, following a 41.9% increase in 2021. This marks a significant change from the 2021 fourth quarter forecast, which predicted 29.2% decline this year. “Near-term supply-demand imbalance is the main driver of current price spikes,” says Deni Koenhems, associate director at S&P Global Market Intelligence. “While pandemic-related supply shortages are over, weather-related logistical difficulties persist, preventing lumber to reach buyers in a timely manner. This in turn creates panic buying and higher prices.”

Plywood is following a similar pattern, according to S&P Global Market Intelligence. The 2021 fourth quarter forecast predicted a 30.6% drop for 2022 year after soaring 46.2% in 2021. The current first quarter forecast has amended this to a more modest 17.8% decline.

For steel, “everything has changed since the previous forecast,” says John Anton, director of steel at S&P Global Market Intelligence. “The Russian invasion of Ukraine reversed all downtrends.”

S&P Global Market Intelligence’s revised forecast, updated March 15, predicts a 22.1% increase for rebar in 2022, with a 20% boost for structural shapes.

“Products that fell in late 2021/early 2022 are moving back up and may regain their peaks. Prices that had not fallen much but were expected to drop are now expected to move sideways or even increase,” says Anton. “To put it simply, prices in 2022 will challenge the peak prices of 2021.” ■

## BUILDERS' CONSTRUCTION COST INDEXES

NAME, AREA AND TYPE	JANUARY 2021	APRIL 2021	JULY 2021	OCTOBER 2021	JANUARY 2022	% CHANGE QTR.
<b>GENERAL-PURPOSE COST INDEXES:</b>						
ENR 20-CITY: CONSTRUCTION COST <sup>1</sup>	1082.51	1103.12	1139.28	1160.43	1168.87	+0.7
ENR 20-CITY: BUILDING COST <sup>1</sup>	956.17	978.77	1037.15	1072.38	1089.28	+1.6
BUREC: GENERAL BUILDINGS <sup>2</sup>	404.00	437.00	460.00	478.00	500.00	+4.6
FM GLOBAL: INDUSTRIAL <sup>3</sup>	NA	NA	NA	NA	NA	NA
SIERRA WEST: GENERAL BUILDING	1108.38	1113.19	1122.27	NA	NA	NA
LELAND SAYLOR: MATERIAL/LABOR	1147.62	1175.11	1182.79	1236.39	1324.85	+7.2
ECC, EDWARTOSKI COST CONSULTING <sup>4</sup>	NA	NA	NA	NA	NA	NA
<b>SELLING PRICES INDEXES—BUILDING:</b>						
SIERRA WEST: SELLING PRICE	1872.42	1896.81	1910.59	NA	NA	NA
TURNER: GENERAL BUILDING <sup>1</sup>	1164.52	1179.43	1199.24	1222.03	NA	NA
LELAND SAYLOR: SUBCONTRACT	1196.71	1214.20	1202.38	1271.31	1381.46	+8.7
RIDER LEVETT BUCKNALL <sup>5</sup>	211.90	218.06	221.36	225.38	228.93	+1.6
<b>SPECIAL-PURPOSE BUILDING COST INDEXES:</b>						
U.S. COMMERCE: ONE-FAMILY HOUSE <sup>6</sup>	143.80	151.20	157.00	163.60	169.30	+3.5
U.S. COMMERCE: NEW WAREHOUSES <sup>6</sup>	162.20	165.70	172.60	195.69	207.81	+6.2
U.S. COMMERCE: NEW SCHOOL BUILDINGS <sup>6</sup>	174.30	176.50	181.00	190.75	195.78	+2.6
U.S. COMMERCE: NEW OFFICE BUILDINGS <sup>6</sup>	146.70	152.20	157.20	165.72	173.95	+5.0
POWER ADVOCATE: POWER PLANT <sup>7</sup>	210.90	221.30	219.40	NA	NA	NA

<sup>1</sup>BASE: 1967=100; <sup>2</sup>BASE: 1977=100; <sup>3</sup>BASE: 1980=100; <sup>4</sup>FORMERLY SMITH GROUP, 1992=100; <sup>5</sup>BASE: APRIL 2001=100; <sup>6</sup>BASE: 1992=100; <sup>7</sup>POWER PLANT FOR A 550-MW COMBINED-CYCLE FACILITY.

## CONSTRUCTION MATERIALS PRICE MOVEMENT IN 2022

		AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.
AGGREGATES	MONTHLY % CHG.	+0.2	+0.1	-0.1	+0.3	-0.2	+4.0	+1.6
	ANNUAL % CHG.	+4.1	+4.3	+4.6	+4.6	+4.1	+6.8	+7.9
ALUMINUM SHEET	MONTHLY % CHG.	+3.8	+3.1	+4.3	+2.1	-7.3	+3.3	+7.0
	ANNUAL % CHG.	+34.0	+32.8	+39.5	+41.9	+26.7	+28.0	+34.7
ASPHALT PAVING	MONTHLY % CHG.	+0.5	+0.1	+0.5	-0.1	+1.1	+9.2	+1.9
	ANNUAL % CHG.	+5.5	+5.7	+6.7	+6.5	+8.2	+8.2	+8.6
CEMENT	MONTHLY % CHG.	+0.6	+0.2	+0.1	-0.5	+0.2	+3.4	+0.3
	ANNUAL % CHG.	+4.5	+4.6	+4.7	+4.3	+4.5	+7.5	+7.6
CONCRETE PIPE	MONTHLY % CHG.	+1.0	+0.8	+3.5	+0.8	+4.1	0.0	+1.2
	ANNUAL % CHG.	+4.5	+4.4	+9.2	+11.0	+14.9	+13.3	+16.2
COPPER PIPE	MONTHLY % CHG.	+0.2	-0.2	-0.1	+1.3	-2.5	+1.9	+0.9
	ANNUAL % CHG.	+38.0	+35.0	+33.7	+32.8	+22.0	+21.1	+20.8
DIESEL FUEL	MONTHLY % CHG.	-1.4	+3.7	+11.9	-2.0	-5.4	+5.0	+14.3
	ANNUAL % CHG.	+68.7	+88.3	+99.7	+82.4	+54.4	+56.4	+57.5
FABRICATED STEEL	MONTHLY % CHG.	+3.4	+2.4	+1.8	+2.8	+1.6	+0.8	+1.2
	ANNUAL % CHG.	+33.2	+36.3	+39.3	+42.5	+43.2	+42.3	+39.8
GYPSUM PRODUCTS	MONTHLY % CHG.	+0.5	+0.2	+1.6	+0.1	+0.2	+4.7	-1.2
	ANNUAL % CHG.	+22.4	+22.7	+24.5	+20.5	+20.7	+22.5	+20.3
LUMBER, SOFTWOOD	MONTHLY % CHG.	-22.4	-4.6	+6.5	+6.0	+24.4	+24.7	+5.2
	ANNUAL % CHG.	-9.4	-31.3	-20.1	+3.2	+13.0	+20.8	+22.2
PLYWOOD	MONTHLY % CHG.	-23.4	-20.2	+4.4	+4.0	+2.6	+18.1	+5.5
	ANNUAL % CHG.	+28.8	-6.1	+1.0	+9.4	+14.2	+24.3	+22.2
PVC PRODUCTS	MONTHLY % CHG.	+2.7	+1.2	+2.9	+1.7	+1.4	+1.6	+1.3
	ANNUAL % CHG.	+30.1	+29.9	+31.2	+32.7	+34.6	+35.6	+35.6
READY-MIX CONCRETE	MONTHLY % CHG.	+2.1	0.0	-0.4	+0.9	+0.4	+1.9	+0.8
	ANNUAL % CHG.	+6.0	+5.3	+5.2	+7.2	+6.8	+8.8	+8.2
SHEET METAL	MONTHLY % CHG.	+3.2	+0.4	+1.8	+2.1	+2.1	+0.8	+1.9
	ANNUAL % CHG.	+17.0	+17.5	+19.5	+22.1	+24.7	+26.2	+25.7
EQUIPMENT	MONTHLY % CHG.	+0.3	+0.5	+3.4	+0.4	+0.8	+0.3	+0.1
	ANNUAL % CHG.	+4.3	+4.8	+8.3	+8.8	+9.4	+8.2	+8.0

SOURCE: BUREAU OF LABOR STATISTICS. MONTHLY AND YEAR-TO-YEAR PERCENT CHANGES FOR PRODUCER PRICE INDEXES FOR LATEST EIGHT-MONTH PERIOD.



# Confidence Stays Steady As Execs Wait and See

Demand stronger than economic limiters, for now **By Jonathan Keller**

**E**NR's Construction Industry Confidence Index remained steady in Q1, rising slightly to a rating of 61, a one-point bump from the final quarter of 2021. The index had fallen the previous two quarters.

The index measures executive sentiment about where the current market will be in the next three to six months and over a 12- to 18-month period, on a 0-100 scale. A rating above 50 shows a growing market. The measure is based on responses by U.S. executives at leading general contractors, subcontractors and design firms on ENR's top lists to surveys sent between Feb. 7 and Mar. 14.

Executives are much less confident about the economy as a whole. The economic confidence index fell four points to a rating of 46. The index has dropped 34.3% since Q2 in 2021. Only 19.8% of respondents thought the economy would improve in three to six months, with 35.2% seeing a decline. Those numbers



flip when looking long term, however. When considering the economy three years from now, 17.9% see a decline while 42.6% see an improving economy.

Confidence rose in all markets that ENR tracks this quarter, with the exception of slight dips in the distribution/warehouses market (down two points to a 78 rating) and higher education (down one point to 51). Transportation made the biggest jump, up 14 points from last quarter to a 70 rating. Confidence in the hotels/hospitality market continues to rise, up 13 points to a 57 rating. Retail rose 10 points to its highest rating (42) since Q3 of 2018.

The results of the latest Confindex survey from the Construction Financial Management Association (CFMA), shows little change in chief financial officers' overall confidence in the market. Each quarter, CFMA polls CFOs from general and civil contractors and subcontractors about markets and business conditions. The Confindex is based on four separate financial and market components, each rated on a scale of 1 to 200. A rating of 100 indicates a stable market; higher ratings indicate market growth.

The overall Confindex rating stayed at 116. The "current confidence" index rose two points, also to 116, and the "year ahead outlook" fell one point to 115. More interest-

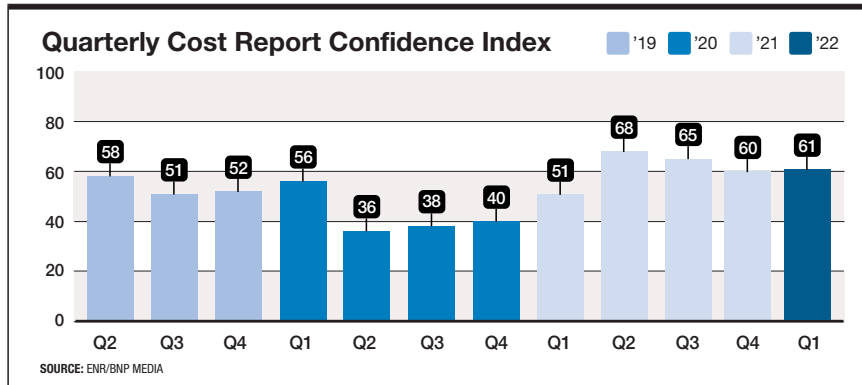
## PROSPECTS IN INDIVIDUAL SECTORS BY FIRMS WORKING IN THOSE MARKETS

	NUMBER OF FIRMS	CURRENTLY (%)			3-6 MONTHS (%)			12-18 MONTHS (%)		
		DECLINING ACTIVITY	STABLE ACTIVITY	IMPROVING ACTIVITY	DECLINING ACTIVITY	STABLE ACTIVITY	IMPROVING ACTIVITY	DECLINING ACTIVITY	STABLE ACTIVITY	IMPROVING ACTIVITY
COMMERCIAL OFFICES	96	51	36	12	40	43	18	26	49	26
DISTRIBUTION, WAREHOUSE	61	3	36	61	2	36	62	7	44	49
EDUCATION K-12	70	10	56	34	9	51	40	6	59	36
ENTERTAINMENT, THEME PARKS, CULTURAL	34	30	42	27	24	47	29	15	50	35
HOSPITALS, HEALTH CARE	80	9	44	48	9	38	54	1	41	58
HIGHER EDUCATION	78	26	55	19	22	49	29	17	53	31
HOTELS, HOSPITALITY	64	25	47	28	17	44	39	8	56	36
MULTI-UNIT RESIDENTIAL	75	3	43	55	8	33	59	8	43	49
RETAIL	58	40	41	19	34	48	17	21	57	22
INDUSTRIAL, MANUFACTURING	70	6	46	49	6	41	53	9	32	59
TRANSPORTATION	50	16	40	44	18	24	57	4	24	72
WATER, SEWER AND WASTE	44	7	50	43	9	41	50	2	41	57
POWER	22	14	45	41	14	45	41	9	36	55
PETROLEUM, PETROCHEMICAL	13	23	46	31	31	31	38	23	23	54
ENVIRONMENTAL, HAZARDOUS WASTE	14	0	71	29	7	50	43	7	50	43

SOURCE: ENR/BNP MEDIA. FIGURES MAY NOT ADD UP TO 100% DUE TO ROUNDING

# ENR CONFIDENCE INDEX

FIRST QUARTERLY COST REPORT



ingly, the “business conditions” index rose, up eight points to a rating of 131.

This is an indication of how strong demand is for construction services, says Anirban Basu, CEO of economic consultant Sage Policy Group, Baltimore, and a CFMA economic adviser. That’s surprising, given the rise in the cost of delivering construction services, he thinks. “And yet many of them are reporting that, if anything, their profit margins are set to expand going forward.” Basu cites regional megaprojects, such as Intel’s recently announced \$20-billion semiconductor plant in Columbus, Ohio, data and fulfillment centers, health care and incoming infrastructure projects as some of the primary drivers of this demand.

Respondents to the Confindex survey are more pessimistic about project funding moving forward. The “financial conditions” index, which measures present and future credit, fell five points to a rating of 105. “[CFOs] appear to be concerned that the federal reserve is going to start tightening monetary policy, maybe tighten it too aggressively given all of this inflation,” says Basu. And that in turn will make financing projects and construction loans more expensive, even as more infrastructure dollars start to hit the economy, he thinks.

## Labor Shortages Top of Mind

According to the February U.S. Bureau of Labor Statistics report, construction employment has nearly reached its pre-pandemic levels, but labor shortages are still pressing.

“When you look at this quarter, 74% [of respondents to CFMA’s Confindex survey] are highly or very concerned over labor shortages,” says Stuart Binstock, CFMA’s CEO. “That’s three-to-five times higher than any other issues of concern.”

Basu characterizes it more as a skills shortage than a worker shortage. “The fastest growing occupational category within construction is unskilled labor,” he says. Skilled worker shortages have been driven by retirements, but also by changes in immigrant worker availability. Slowing immigration and more aggressive enforcement of existing laws related to undocumented workers have drained an already shallow labor market, Basu says.

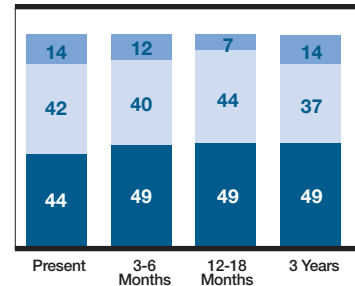
Russia’s invasion of Ukraine has disrupted the global energy market, but the conflict does not appear to have affected construction firms’ industry confidence—at least for now. ENR’s Confidence Index came in at a 61 rating for firms filing both before and after the invasion began. Basu thinks that a shift away from Russian oil could open opportunities for U.S. energy production.

“Europe started buying oil and natural gas from Russia with the intent of building a relationship on mutual economic interest,” he says, but recent aggressive Russian actions have shown that type of engagement to be problematic. That could translate into energy exports to Europe from the U.S. “Of course a lot of that translates into construction work,” he adds. ■

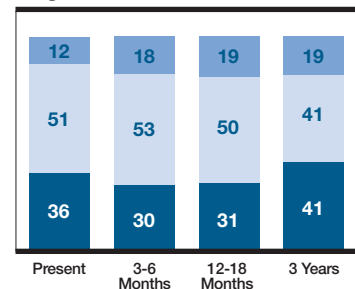
## How Different Types of Firms View the Overall Market

Improving Stable Declining

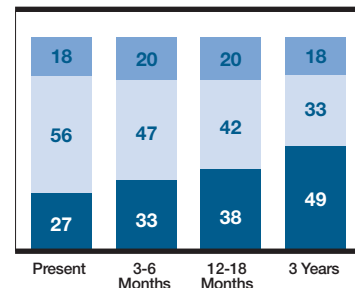
### Designers



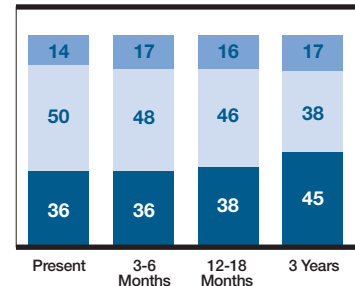
### General Contractors, Construction Managers, Engineer-Constructors



### Subcontractors



### All Firms



SOURCE: ENR/BNP MEDIA

# Construction Activity, Supply Chain Issues Keep Utilization High

Equipment sourcing contends with higher resale prices, limited availability **By Jeff Rubenstone**

The construction equipment market is still working through the supply chain issues that bedeviled it in 2021, and an active construction market is keeping machines in use longer and constraining the flow of used iron into the normal secondary channels.

As a result, construction equipment is still seeing strong pricing in the resale and auction markets, according to first-quarter data from industry analyst firm EquipmentWatch. Prices for equipment at resale were up 4.7% year-over-year in January and up 6% from December. Equipment age is also creeping up: 15.1% year-over-year and up 12.9% from December.

Construction equipment “is not depreciating as it usually has in the past,” says Garrick Brim, senior analyst, data analytics at EquipmentWatch. “We’re even seeing values [for used equipment] that are even higher than the MSRP [manufacturer’s suggested retail price] if that equipment is on the newer side.”

All this points to continued issues with the supply chains for new equipment. But the real constraint may be coming from a tight equipment pipeline in the midst of an otherwise robust construction market.

EquipmentWatch data shows a stagger-

ing drop in construction equipment resale activity, with resale down 29.7% year-over-year and down 5.5% from December to January. Even more troubling is the 28.8% decline in auction activity year-over-year seen in the January numbers.


It would seem that there’s simply less equipment being put out for resale or

chines still constrained. The average usage of equipment going to auction—how many hours are on it—is down slightly from last year, but still much higher than the equipment that was being auctioned right before the pandemic hit. “If we’re seeing an increase in usage, that means productivity has not slowed down,” notes Brim. “There’s just not enough equipment out there.”

But just because some machines going to secondary channels have been ridden harder than in the past doesn’t mean sellers won’t get their money’s

worth. “People are really using the equipment a lot more right now—in some cases putting on double hours from what we’ve seen before—and that will affect the value,” says Brim. “But with such strong demand, I don’t see it depreciating soon either.”

EquipmentWatch also tracks types of equipment being sold, and the prevalence of smaller machines such as skid-steer loaders and compact excavators getting picked up at auction lately is worth noting. Brim says contractors are sourcing the smaller equipment they need for projects right now, rather than just buying larger machines for future work. “That activity [in compact equipment] is a reliable good sign of health of the market,” he says. ■

CONSTRUCTION EQUIPMENT MARKET DATA FOR JANUARY 2022						
POWERED BY:  EquipmentWatch	RESALE			AUCTION		
	VS.	VS.	VS.	VS.	VS.	VS.
	1/2020	1/2021	12/2021	1/2020	1/2021	12/2021
VALUES	2.6%	4.7%	6.0%	-7.3%	-5.8%	6.3%
ACTIVITY	-43.7%	-29.7%	-5.5%	-20.6%	-28.8%	-81.2%
AGE	13.0%	15.1%	12.9%	22.0%	9.6%	-10.6%
USAGE	4.0%	7.1%	-0.8%	26.9%	-1.6%	-35.5%

NOTES: RESALE ACTIVITY BASED ON LISTINGS; AUCTION ACTIVITY BASED ON SALES RESULTS; SOURCE: DATA COURTESY OF EQUIPMENTWATCH

JANUARY 2022 MODEL YEAR POPULARITY			
RESALE		AUCTION	
MODEL YEAR	PREVALENCE	MODEL YEAR	PREVALENCE
2018	10.7%	2015	14.7%
2019	10.3%	2014	13.8%
2015	9.7%	2016	11.4%
2016	8.5%	2013	8.8%
2017	8.3%	2012	5.9%

auction, and Brim says his firm’s data suggests the high level of construction activity is to blame. “If resale activity is down, then my first thought is that people are holding onto construction equipment longer,” he observes.

And a lot of equipment that was purchased before the COVID-19 pandemic is still in service, with owners reluctant to let it go with the supply of new ma-

# No Return to Normal As Conflict Roils Materials Markets

Oil surges while materials such as nickel and copper hit record highs after Ukraine war **By Jeff Yoders**

**C**ontractors hoped a return to a pre-pandemic materials supply free of logistics bottlenecks would come in early 2022, but then Russia invaded Ukraine.

Oil prices are still more than \$100 per barrel for both Brent crude and West Texas Intermediate as of March 22. Nickel, the key ingredient in stainless steel, saw its futures price jump 250% March 8 to over \$100,000 per metric ton, only to see trading halted on the London Metal Exchange. A series of false restarts then shook confidence in the exchange as the metal sank to \$36,915 per metric ton on March 18, hitting its low limit. Steel prices have jumped since the late-February invasion as well.

"In addition to high commodities pricing, we are also in the middle of a very busy market, which adds to the problem," says Mark Duda Sr., preconstruction director at McCarthy Building Cos., St. Louis. Several other estimators and construction executives report that for projects to succeed under current market conditions, early planning and collaboration between owners, designers, contractors and trades partners are de rigueur.

"We are highly recommending early contractor involvement to mitigate cost issues and control project budgets," Duda says.

Many estimators have grown accustomed to early purchasing to lock in prices and availability over the last two years, but the supply chain and delivery difficulties that plague construction and other industries are still creating unavoidable delays. Labor is also a concern.

"We have to make sure that we have good [trades]



## GETTING AHEAD

A CRB team installs a prefab electrical module for a utilities building. Such assemblies and early buying are ways contractors are controlling costs.

partners and that we are not just left with whoever's not busy at the time," says Tom Rychlewski, market team leader at Kansas City-based firm CRB. He also advises "taking into account lead times of things that didn't used to be long lead. The constant shift on long lead items as well as understanding how material prices are being escalated is crucial."

Rychlewski and his team were able to save one client \$500,000 in escalation by procuring electrical components before design was 100% done. "We bought just about 80% of the raw materials, such as copper wire, and went ahead and put orders in on mechanical components, reserving our spot in line and our pricing at the current price," he says.

Both Rychlewski and Duda say keeping communication open with clients about shifting materials prices and using alternative types of delivery and contract instruments are necessary to keep their projects moving forward. "Traditional design-bid-build delivery makes many of these concepts difficult to deliver," Duda says.

Most estimators now expect no return to pricing and delivery normalcy this year. ■



# Executive Pay Expected to Rise as Firms Look to Future

Candidates are focusing more on base pay than bonuses in 2022 **By Bruce Buckley**

**W**ith first-quarter construction starts trending above 2021 activity, the industry's need to attract and retain talent is on the rise as well. At the executive level, companies are not only eyeing current needs, but also future succession plans, prompting firms to offer compensation increases that have not been seen in more than a decade.

In 2021, executives saw a 4.3% increase in base salary over 2020, according to industry compensation research firm PAS. That bump followed a slight pull-back in 2020—attributed to pandemic shutdowns—when increases averaged 3.8%. Firms that responded to the PAS 2022 Executive Compensation Survey for Contractors estimated that 2022 salary increases will hold at 4.3% this year. However, Jeff Robinson, president of PAS, says that he sees firms already pushing above that. “I’m comfortable saying that we could see 4.8% this year and I wouldn’t be surprised if it hits 5%.”

If that forecast holds, salary increases would reach 5% for the first time in 15 years, based on PAS data. Robinson notes that staff and executive pay increases follow steady rises in rates for hourly workers, as the industry grapples with labor shortages. “Once you raise the craft level and the staff level, you have to give raises to the people above them,” he says.

After years of making up a large percentage of total compensation, bonuses dipped in 2022, according to PAS data. On average, bonuses as a percentage of base pay fell 9% this year compared to last year. Bonuses for presidents came in at 80% of base pay—down 12% from last year. Vice pres-

CONTRACTOR EXECUTIVE PAY		
TITLE	MEDIAN BASE SALARY (\$)	MEDIAN BONUS (\$)
<b>PRESIDENT</b>	\$289,750	\$175,000
<b>CHAIR</b>	\$452,000	\$358,500
<b>EXECUTIVE VP</b>	\$231,369	\$148,890
<b>SENIOR VP</b>	\$233,763	\$139,392
<b>VP, OPERATIONS</b>	\$182,850	\$52,500
<b>VP, ESTIMATING</b>	\$167,539	\$43,750
<b>VP, BUS. DEVELOPMENT</b>	\$175,001	\$52,133
<b>VP, PRECONSTRUCTION</b>	\$180,000	\$46,000
<b>VP, ADMINISTRATION</b>	\$180,000	\$67,500
<b>VP, CFO</b>	\$187,000	\$67,994
<b>VP, HUMAN RESOURCES</b>	\$163,640	\$35,000
<b>GENERAL COUNSEL</b>	\$219,960	\$50,250
<b>OPERATIONS MANAGER</b>	\$151,250	\$39,500
<b>IT-MIS DIRECTOR</b>	\$141,397	\$19,898
<b>DIVISIONAL MANAGER</b>	\$152,000	\$30,000
<b>GEN. SUPERINTENDENT</b>	\$148,650	\$25,200
<b>CONTROLLER</b>	\$123,594	\$21,375
SOURCE: PAS INC. 2022 EXECUTIVE COMPENSATION SURVEY		

idents of operations should see bonuses at 46% of base pay this year—down 11% from 2021. Only vice presidents of business development will see bonuses rising this year, by 8% on average. Robinson says that after big bonuses in recent years, they have settled back to previous levels. PAS data shows that current averages for bonuses as a percentage of base pay are similar to those in 2017.

Alan MacNair, president of MacNair Retained Search, says that given the fluctuations of bonuses, he sees candidates increasingly focused on base pay in their compensation packages. He adds that roughly one quarter of current C-Suite searches include equity participation, but in many cases, companies are choosing to buy back equity from employees rather than offer it in a compensation package.

With average salary increases approaching 5%, MacNair says there is added pressure on employers to offer sizeable salaries to C-suite job candidates. “Increases need to be a minimum of 10%, plus other factors like company culture or opportunities that aren’t available with their current employer,” he adds.

In terms of construction sectors, MacNair says he’s noticing particular interest in heavy civil as firms look to take advantage of funding from the recent \$1.5-trillion federal infrastructure law. The firm also sees increased interest in candidates with experience in self-perform trades, allowing companies to bring more of its subcontracted work in house.

Tom Helbling, president of executive search firm Helbling & Associates, says he also sees demand for candidates with a self-performance portfolio, as firms look to improve efficiencies. Helbling credits part of that push for efficiencies to more private equity firms investing in the AEC sector.

In many cases, these firms are open to bringing in C-suite candidates from outside the construction industry. “We see that in [chief marketing officers and chief human resource officers], where companies are looking for talent that strengthens the organization,” he says.

Helbling also notes that, in recent years, a large portion of his firm’s assignments have been from organizations looking for more diverse candidate outreach. “I think the industry has its eyes wide open for talent that can bring an added dimension to organizations from increased diversity,” he says. ■



# Materials Costs Continued to Rise in 2021

Steel, lumber and other materials were in high demand throughout the year **By Alisa Zevin**

**A**lthough ENR's indexes measure the costs of non-residential buildings, the housing market has had a major impact on index movement. The ENR 20-city average yearly price for steel rose 37% by the end of 2021, while the overall Materials Cost Index experienced an increase of 31%. Both skilled and common labor saw a modest gain. The ENR Building Cost Index increased 13.1% for the year, while the Construction Cost Index rose 7.4% over the same period.

ENR began reporting changes in materials prices and wages systematically in 1909, but it did not establish the CCI until 1921. It was designed as a general-purpose tool to chart basic cost trends and today remains a weighted aggregate index of the prices of a constant quantity of structural steel, portland cement, lumber and common labor. This package of goods was valued at \$100, using 1913 prices.

The original use of common labor in the CCI was intended to reflect wage-rate activity for all construction workers. In the 1930s, however, wage and fringe benefit rates climbed much faster in percentage terms for common laborers than for workers in the skilled trades. In response to this trend,

ENR in 1938 introduced its Building Cost Index (BCI) to weigh the impact of skilled-labor wage changes on overall costs.

The BCI labor component is the average union wage rate, plus fringe benefits, for carpenters, bricklayers and ironworkers. The materials component is the same as the CCI's. The BCI also represents a hypothetical package of these construction items, valued at \$100 in 1913.

Both indexes are designed to indicate the basic underlying trends of construction costs in the U.S. Therefore, components are based on construction materials that are influenced less by local conditions. ENR chose steel, cement and lumber be-

cause they have a stable relationship to the U.S. economy and play a predominant role in construction.

## Materials Choices

As a practical matter, ENR selected these materials because reliable price quotations are available for all three, ensuring both indexes can be computed on a timely basis. While there may be some weaknesses in any index based on a limited number of components, ENR thinks a larger number of elements would increase the time lag between verifying prices and releasing the index. Also, an index with fewer components is

more sensitive to price changes than one that includes many.

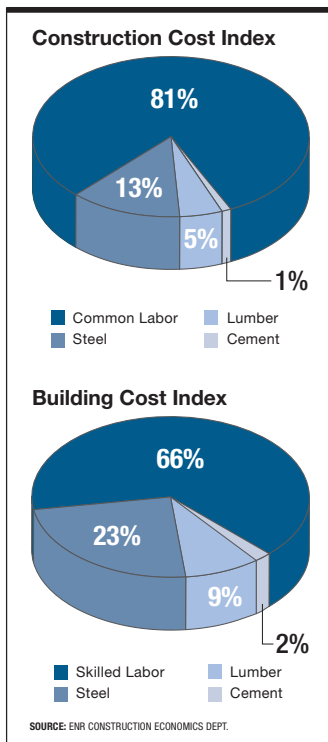
On the downside, however, the use of only a few cost components can cause indexes for individual cities to be more vulnerable to source changes. These aberrations tend to average out for the 20-city indexes, which ENR recommends for general use.

Since the indexes are computed with real prices, the proportion of a given component within the index will vary with its relative escalation rate.

In the late 1970s, labor's share of the index dropped because materials prices were in the grip of hyperinflation. In 1979, for example, lumber prices increased 16%, cement prices rose 13% and steel prices jumped 11%, but labor went up just 8%. These developments resulted in materials gaining a larger percentage of the index.

In the original CCI, the components were weighted at 38% for labor, 38% for steel, 17% for lumber and 7% for portland cement. The shifting tide of inflation changed the weight of the CCI components, making labor 81%, steel 13%, lumber 5% and cement 1%. This shift was less dramatic for the BCI, which is now 66% for labor, 23% for steel, 9% for lumber and 2% for cement.

Neither index is adjusted for productivity, contractor overhead or profits. However, the indexes can get a fix on these factors. As a rule, when productivity is low, the selling price will be relatively higher than the ENR index. Generally, when competition is sharp, the selling price of finished construction will fall below ENR's indexes. ■



# Using ENR's Cost Indexes

An overview of the differences between the building and construction cost indexes **By Alisa Zevin**

**R**eaders of ENR often ask questions about the magazine's cost indexes and how to apply them accurately to construction projects. To help clarify the nature and use of the cost indexes, below is a compilation of answers to several frequently asked questions, as well as suggestions on how to avoid costly mistakes when using the indexes.

## ■ What is the difference between ENR's Construction Cost Index (CCI) and its Building Cost Index (BCI)?

The difference between the two indexes is in their respective labor components. The CCI calculation uses 200 hours of common labor, multiplied by the 20-city average rate for wages and fringe benefits. The BCI derives its calculation from a baseline of 68.38 hours of skilled labor, multiplied by the 20-city wage-fringe average for three trades:

bricklayers, carpenters and structural ironworkers. For their materials components, both indexes use 25 cwt of standard fabricated structural steel at the 20-city average price, 1.128 tons of locally priced bulk portland cement and 1,088 board-ft of 2x4 lumber, which is also priced locally. The ENR indexes measure how much it costs to purchase this hypothetical package of goods compared with the price in the base year.

## ■ What kinds of construction are represented in the ENR indexes?

The two indexes apply to general construction costs. The CCI can be used when labor costs are a high proportion of total costs. The BCI is more applicable to structures.

## ■ Where does ENR get its data?

ENR's price reporters check local prices in 20 U.S. cities. The prices are quoted by the same suppliers each month. ENR computes its latest indexes from these figures as well

as local union wage rates.

## ■ Are materials prices averaged?

No. ENR reporters collect spot prices from a single source for all materials tracked, including those in the index. The reporters survey the same suppliers each month for materials that affect the index. Actual prices within a city may vary, depending on the competitiveness of the market and local discounting practices. This method allows for a quick indicator of price movement, which is the primary objective of both indexes.

## ■ Do the indexes measure cost differences between cities?

No. This is a common error in the application of ENR's indexes, which measure trends only in each individual city and in the U.S. as a whole. Differentials between cities may reflect differences in labor productivity and building codes. Moreover, price quotations for lumber and cement vary from one city to

## BUILDING COST INDEX HISTORY (1929-2021)

**HOW ENR BUILDS THE INDEX:** 68.38 hours of skilled labor at the 20-city average wage of bricklayers, carpenters and structural ironworkers, plus 25 cwt of standard structural-steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1.128 tons of portland cement at the 20-city price, plus 1,088 board-ft of 2x4 lumber at the 20-city price.

ANNUAL AVERAGE, 1993=100					JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL AVERAGE
1929: 191	1954: 446	1979: 1819		2001	3545	3536	3541	3541	3547	3572	3625	3605	3597	3602	3596	3577	3574
1930: 185	1955: 469	1980: 1941		2002	3581	3581	3597	3583	3612	3624	3652	3648	3655	3651	3654	3640	3623
1931: 168	1956: 491	1981: 2097		2003	3648	3655	3649	3652	3660	3677	3684	3712	3717	3745	3766	3758	3694
1932: 131	1957: 509	1982: 2234		2004	3767	3802	3859	3908	3955	3996	4013	4027	4103	4129	4128	4123	3984
1933: 148	1958: 525	1983: 2384		2005	4112	4116	4127	4168	4189	4195	4197	4210	4242	4265	4312	4329	4205
1934: 167	1959: 548	1984: 2417		2006	4335	4337	4330	4335	4331	4340	4356	4360	4375	4431	4462	4441	4369
1935: 166	1960: 559	1985: 2425		2007	4432	4432	4411	4416	4475	4471	4493	4515	4533	4535	4558	4556	4486
1936: 172	1961: 568	1986: 2483		2008	4557	4556	4571	4574	4599	4640	4723	4733	4827	4867	4847	4797	4691
1937: 196	1962: 580	1987: 2541		2009	4782	4765	4767	4761	4773	4771	4762	4768	4764	4762	4757	4795	4769
1938: 197	1963: 594	1988: 2598		2010	4800	4812	4811	4817	4858	4888	4910	4905	4910	4947	4968	4970	4883
1939: 197	1964: 612	1989: 2634		2011	4969	5007	5010	5028	5035	5059	5074	5091	5098	5104	5113	5115	5059
1940: 203	1965: 627	1990: 2702		2012	5120	5122	5144	5150	5167	5170	5184	5204	5195	5204	5213	5210	5174
1941: 211	1966: 650	1991: 2751		2013	5226	5246	5249	5257	5272	5286	5281	5277	5285	5308	5317	5326	5278
1942: 222	1967: 676	1992: 2834		2014	5324	5321	5336	5357	5370	5375	5383	5390	5409	5442	5468	5480	5387
1943: 229	1968: 721	1993: 2996		2015	5497	5488	5487	5501	5490	5507	5510	5515	5541	5544	5564	5560	5517
1944: 235	1969: 790	1994: 3111		2016	5562	5588	5606	5633	5637	5637	5660	5670	5657	5682	5690	5723	5645
1945: 239	1970: 836	1995: 3112		2017	5734	5742	5789	5802	5816	5826	5844	5862	5873	5867	5902	5914	5831
1946: 262	1971: 948	1996: 3203		2018	5921	5932	5942	5954	5995	6005	6043	6060	6081	6093	6093	6105	6019
1947: 313	1972: 1048	1997: 3364		2019	6107	6108	6110	6110	6112	6118	6131	6147	6147	6169	6179	6199	6136
1948: 341	1973: 1138	1998: 3391		2020	6214	6217	6218	6234	6329	6247	6258	6268	6300	6344	6392	6445	6281
1949: 352	1974: 1205	1999: 3456		2021	6459	6493	6545	6612	6754	6876	7006	7201	7214	7244	7255	7289	6912
1950: 375	1975: 1306	2000: 3539															
1951: 401	1976: 1425																
1952: 416	1977: 1545																
1953: 431	1978: 1674																

# ENR INDEXES

FIRST QUARTERLY COST REPORT

the next. One city may report list prices, while another city may include discounts in its reported price for the same material.

## ■ Are the cost indexes seasonally adjusted?

No. This is an important point for index users to keep in mind. Wages, the most important component, usually affect the indexes once or twice a year. Cement prices tend to be more active in the spring, while pricing for fabricated structural steel tends to have monthly adjustments.

Lumber prices, which are more dependent on local pricing and producing conditions, are the most volatile and can change appreciably from month to month. Declines in the indexes are most often the result of falling lumber and steel prices.

The study of index movement for a period of less than 12 months can sometimes miss these important developments. Users of an index for individual cities should take note of the timing of wage settlements as well. Stalled labor negotiations may keep the old wage rate in effect longer than a 12-month period, giving the appearance of a low inflation rate.

## ■ Is it more accurate to use an index that is closest to my home city?

No. The 20-city average index is generally more appropriate—because it has more el-

ements, it has a smoother trend. Indexes for individual cities are more susceptible to price spikes.

## ■ Are the annual averages weighted?

No. They are straight mathematical averages.

## ■ Are the indexes verifiable?

Yes. In ENR's Construction Economics section, the national indexes are updated in the first week of each month, while the indexes for individual cities appear in the second issue of each month.

Prices for the indexes' materials components can be found in the preceding month's Construction Economics pages: Cement prices appear in the first issue, pipe in the second issue, lumber prices in the third and steel in the fourth. Wages for all 20 cities are published in the Third Quarterly Cost Report. Readers can compute ENR's indexes by multiplying the published prices and wages by the appropriate weights (shown in the tables below) and tallying the results.

## ■ Does ENR forecast its indexes?

Yes, once a year. ENR projects its BCI and CCI for the next 12 months in the Fourth Quarterly Cost Report in December. To reach its forecast, ENR incorporates the new wage rates called for in multiyear collective-bargaining agreements and esti-

mates for cities in which new contract terms will be negotiated. Further, ENR estimates the materials component by studying consumption forecasts as well as price trends.

## ■ Does ENR change the weighting of the index components?

No. The components are always multiplied by the same factors. However, a component's share of an index's total will shift with its relative escalation rate.

## ■ Has ENR ever changed the makeup of the indexes' components?

Only once. In 1996, ENR switched from the mill price for structural steel to the 20-city average fabricated price for channel beams, I-beams and wide flanges after ENR's two sources for mill prices left the structural market.

## ■ Does ENR revise the indexes?

On some occasions, ENR must revise the indexes. Its March 2004 indexes were revised shortly after their initial publication to reflect huge surcharges being placed on structural steel. Any revisions to the national indexes for individual cities are published in the cost report at ENR.com.

## ■ Is ENR's cost data online?

Yes. All of ENR's cost indexes, wage rates, material prices and cost-issue articles can be found at ENR.com. ■

## CONSTRUCTION COST INDEX HISTORY (1929-2021)

**HOW ENR BUILDS THE INDEX:** Two hundred hours of common labor at the 20-city average common-labor wage rates, plus 25 cwt of standard structural-steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1,128 tons of portland cement at the 20-city price, plus 1,088 board-ft of 2x4 lumber at the 20-city price.

ANNUAL AVERAGE, 1993=100			JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL AVERAGE	
1929: 207	1954: 628	1979: 3003	2001	6281	6272	6279	6286	6288	6318	6404	6389	6391	6397	6410	6390	6334
1930: 203	1955: 660	1980: 3237	2002	6462	6462	6502	6480	6512	6532	6605	6592	6589	6579	6578	6563	6538
1931: 181	1956: 692	1981: 3535	2003	6581	6640	6627	6635	6642	6694	6696	6733	6741	6771	6794	6782	6695
1932: 157	1957: 724	1982: 3825	2004	6825	6861	6957	7017	7064	7109	7126	7188	7298	7314	7312	7308	7115
1933: 170	1958: 759	1983: 4066	2005	7297	7298	7309	7355	7398	7415	7422	7479	7540	7563	7630	7647	7446
1934: 198	1959: 797	1984: 4148	2006	7660	7689	7692	7695	7691	7700	7721	7723	7763	7883	7911	7888	7751
1935: 196	1960: 824	1985: 4182	2007	7880	7880	7856	7865	7942	7939	7959	8007	8050	8045	8092	8089	7967
1936: 206	1961: 847	1986: 4295	2008	8090	8094	8109	8112	8141	8185	8293	8362	8557	8623	8602	8551	8310
1937: 235	1962: 872	1987: 4406	2009	8549	8533	8534	8528	8574	8578	8566	8564	8586	8596	8592	8641	8570
1938: 236	1963: 901	1988: 4519	2010	8660	8672	8671	8677	8761	8805	8844	8837	8836	8921	8951	8952	8799
1939: 236	1964: 936	1989: 4615	2011	8938	8998	9011	9027	9035	9053	9080	9088	9116	9147	9173	9172	9070
1940: 242	1965: 971	1990: 4732	2012	9176	9198	9268	9273	9290	9291	9324	9351	9341	9376	9398	9412	9308
1941: 258	1966: 1019	1991: 4835	2013	9437	9453	9456	9484	9516	9542	9552	9545	9552	9689	9666	9668	9547
1942: 276	1967: 1074	1992: 4985	2014	9664	9681	9702	9750	9796	9800	9835	9846	9870	9886	9912	9936	9806
1943: 290	1968: 1155	1993: 5210	2015	9972	9962	9972	9992	9975	10039	10037	10039	10065	10128	10092	10135	10034
1944: 299	1969: 1269	1994: 5408	2016	10133	10182	10242	10279	10315	10337	10379	10385	10403	10435	10443	10531	10339
1945: 308	1970: 1381	1995: 5471	2017	10542	10559	10667	10678	10692	10703	10789	10826	10823	10817	10870	10873	10737
1946: 346	1971: 1581	1996: 5620	2018	10878	10889	10959	10971	11013	11069	11116	11124	11170	11183	11184	11186	11062
1947: 413	1972: 1753	1997: 5826	2019	11206	11213	11228	11228	11230	11268	11293	11311	11311	11326	11381	11381	11281
1948: 461	1973: 1895	1998: 5920	2020	11392	11396	11397	11412	11418	11436	11439	11455	11499	11539	11579	11626	11466
1949: 477	1974: 2020	1999: 6059	2021	11627	11698	11749	11849	11989	12112	12237	12463	12464	12464	12467	12481	12133
1950: 510	1975: 2212	2000: 6221														
1951: 543	1976: 2401															
1952: 569	1977: 2576															
1953: 600	1978: 2776															

# CONSTRUCTION ECONOMICS

ENR's 20-city average cost indexes, wages and material prices. Historical data for ENR's 20 cities can be found at [ENR.com/economics](https://enr.com/economics)

Construction Cost Index				Building Cost Index				Materials Cost Index			
ANNUAL INFLATION RATE				ANNUAL INFLATION RATE				MONTHLY INFLATION RATE			
1913=100	INDEX VALUE	MONTH	YEAR	1913=100	INDEX VALUE	MONTH	YEAR	1913=100	INDEX VALUE	MONTH	YEAR
CONSTRUCTION COST	13110.50	+0.8%	+8.2%	BUILDING COST	7889.98	+1.3%	+14.7%	MATERIALS COST	5836.22	+2.5%	+31.6%
COMMON LABOR	24560.73	+0.2%	+1.3%	SKILLED LABOR	11169.88	+0.4%	+3.3%	CEMENT \$/TON	162.04	+0.2%	+6.0%
WAGE \$/HR.	47.18	+0.2%	+1.3%	WAGE \$/HR.	61.69	+0.4%	+3.3%	STEEL \$/CWT	86.27	+1.8%	+39.1%
								LUMBER \$/MBF	1226.44	+4.1%	+24.8%

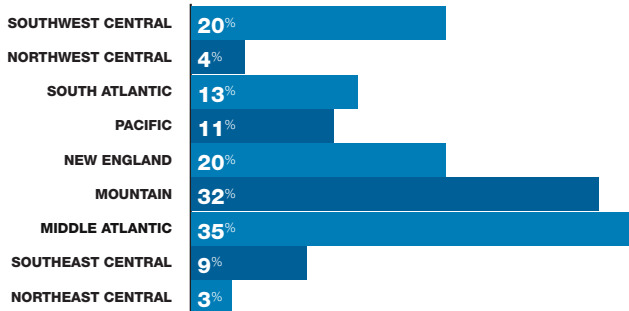
The Construction Cost Index's annual escalation rose 8.2%, while the monthly component rose 0.8%.

The Building Cost Index was up 14.7% on an annual basis, while the monthly component increased 1.3%.

The MCI rose 2.5% since last month, while the annual escalation rate increased 31.6%.

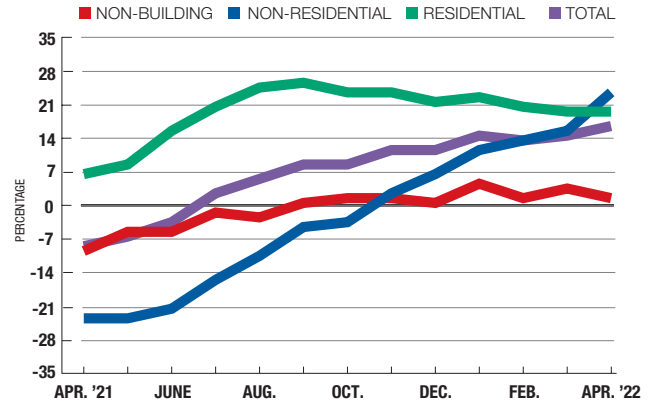
## Construction Starts Regional growth trends vs. national trends

### SOUTHEAST CENTRAL STARTS UP 9%



SOURCE: DODGE DATA & ANALYTICS. YEAR-TO-YEAR PERCENT CHANGE IN VALUE OF TOTAL PROJECTS STARTED FEBRUARY 2022 FOR 12-MONTH ROLLING TOTALS.

### NON-RESIDENTIAL STARTS ON THE RISE



SOURCE: DODGE DATA & ANALYTICS. YEAR-TO-YEAR PERCENT CHANGE FOR 12-MONTH ROLLING NATIONAL TOTAL STARTS.

The total dollar value of new construction starts in Florida in February was 23.7% above February 2021's level, according to Dodge Data & Analytics. The residential sector increased 35.3%, while non-residential rose 22.8% from the same time last year. Non-building construction decreased 13.2% in the same time period.

FLORIDA CONSTRUCTION STARTS: \$/MIL.	2022 FEB.	2022 JAN.	2021 FEB.	% CHG. MONTH	% CHG. YEAR
<b>TOTAL CONSTRUCTION</b>	<b>90,134,347</b>	<b>88,976,786</b>	<b>72,892,030</b>	<b>+1.3</b>	<b>+23.7</b>
<b>NON-RESIDENTIAL</b>	<b>19,944,732</b>	<b>19,604,945</b>	<b>16,241,989</b>	<b>+1.7</b>	<b>+22.8</b>
COMMERCIAL, MANUFACTURING	12,107,446	11,899,028	9,164,331	+1.8	+32.7
STORES, SHOPPING CENTERS	2,053,614	1,961,151	1,428,901	+4.7	+43.7
OFFICE, BANK BUILDINGS	1,543,570	1,514,497	1,616,274	+1.9	-4.1
HOTELS, MOTELS	1,183,112	1,158,905	783,022	+2.1	+51.7
MANUFACTURING BUILDINGS	509,632	499,935	330,493	+1.9	+54.7
INSTITUTIONAL	7,837,286	7,705,917	7,077,658	+1.7	+10.7
EDUCATIONAL BUILDINGS	2,427,074	2,415,376	2,378,143	+0.5	+2.7
HEALTH CARE FACILITIES	2,873,300	2,841,621	2,594,671	+1.1	+10.7
<b>RESIDENTIAL</b>	<b>58,646,006</b>	<b>57,431,276</b>	<b>43,346,748</b>	<b>+2.1</b>	<b>+35.3</b>
<b>NON-BUILDING</b>	<b>11,543,609</b>	<b>11,940,565</b>	<b>13,303,293</b>	<b>-3.3</b>	<b>-13.2</b>
HIGHWAYS, BRIDGES	5,049,028	5,000,258	4,477,690	+1.0	+12.7
ENVIRONMENTAL PUBLIC WORKS	3,391,622	3,718,270	2,789,567	-8.8	+21.7
POWER, UTILITIES	1,667,278	1,804,794	4,477,988	-7.6	-62.7

SOURCE: DODGE DATA & ANALYTICS CONSTRUCTION STARTS. TOTALS MAY NOT ADD UP DUE TO EXCLUSION OF OTHER CATEGORIES. 12-MONTH ROLLING TOTALS FOR FLORIDA.



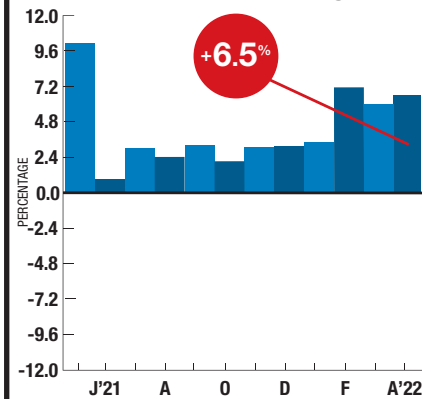
## CONSTRUCTION ECONOMICS

The price for aluminum sheet increased 6.5% in April after rising 6.1% in March, according to the Bureau of Labor Statistics' producer price index. The annual index increased to 43.1%. ENR's 20-city average monthly price for aluminum sheet rose 1.2%, with yearly prices rising 29.4% above June 2021's level. The average price for standard structural shapes increased 39.1% from May 2021's prices, while monthly prices increased 1.8% since April. Both types of stainless-steel plate experienced yearly increases, as did all three types of stainless-steel sheet.

## PRODUCER PRICE INDEX

## ALUMINUM SHEET

Monthly Percent Change



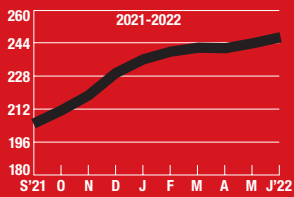
SOURCE: BUREAU OF LABOR STATISTICS

## ENR's Materials Prices For June 2022

## ALUMINUM SHEET

+1.2%

PRICES INCREASED 1.2% THIS MONTH AND ROSE 29.4% FOR THE YEAR.

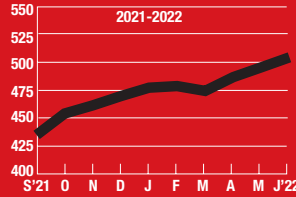


1992=100

## REINFORCING BARS

+1.8%

PRICES ROSE 1.8% THIS MONTH AND WERE UP 24.7% FOR THE YEAR.

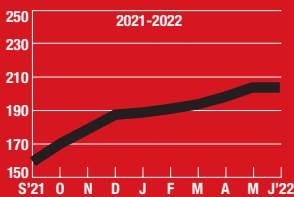


1992=100

## STAINLESS-STEEL SHEET

0.0%

PRICES FOR 20-GAUGE STAINLESS-STEEL SHEET STAYED FLAT THIS MONTH.

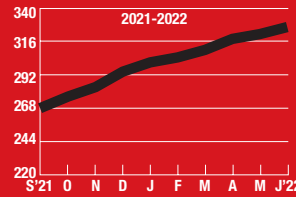


1992=100

## WIDE FLANGE

+1.6%

MONTHLY PRICES ROSE 1.6%, WITH ANNUAL ESCALATION AT 44%.



1992=100

## 20-CITY AVERAGE

ITEM	UNIT	\$PRICE	%MONTH	%YEAR
<b>STANDARD STRUCTURAL SHAPES</b>				
Average	CWT	87.68	+1.6	+38.6
Channel beams, 6" Deep, 8.2 LB/LF	CWT	81.90	+0.9	+32.6
I-beams, 6" Deep, 12.5 LB/LF	CWT	91.78	+1.3	+37.8
Wide-flange, 8" Deep, 31 LB/LF	CWT	88.23	+1.6	+44.0
<b>REINFORCING BARS</b>				
Grade 60, No. 4	CWT	72.42	+1.8	+24.7
<b>HOT-ROLLED CARBON-STEEL PLATE</b>				
12 gauge, 48" x 10'	CWT	93.39	+0.4	+59.3
<b>ALUMINUM SHEET</b>				
3003H14, 36" x 96"	CWT	320.14	+1.2	+29.4
<b>STAINLESS-STEEL SHEET</b>				
14 gauge	CWT	295.11	-0.4	+37.5
16 gauge	CWT	292.26	-0.3	+34.2
20 gauge	CWT	289.54	0.0	+40.8
<b>STAINLESS-STEEL PLATE</b>				
304, 1/4", 72" x 240"	CWT	288.61	+0.4	+29.6
316, 1/4", 96" x 140"	CWT	341.42	+0.7	+19.3
<b>STEEL PILING (H-PILE)</b>				
HP10 x 42	CWT	37.14	+0.9	0.0

SOURCE: ENR

## PLATTS\* STEEL SPOT MARKET PRICES: MAY 2022

Reinforcing bar, No. 5	TON	1175.00	+1.4	+38.5
Plate	TON	1952.62	+0.1	+48.4
Hot-rolled coil	TON	1347.14	-8.1	-13.0

SOURCE: \*PLATTS S&amp;P GLOBAL REBAR SOUTHERN U.S.; PLATE PRICES U.S. SOUTHEAST AVERAGE; HOT-ROLLED COIL PRICES INDIANA



# Structural Steel, Rebar, Building Sheet, Piling For June 2022

City prices reflect quotes from single sources and can be volatile. They are not meant to be the prevailing price for a city. Data are a mix of list and transaction prices and may include ENR estimates. Do not compare prices between locations. Use city information to analyze national trends.

ITEM	UNIT	ATLANTA	BALTIMORE	BIRMINGHAM	BOSTON	CHICAGO	CINCINNATI	CLEVELAND	DALLAS	DENVER	DETROIT
<b>STANDARD STRUCTURAL SHAPES</b>											
AVERAGE	CWT	75.95	50.99	+72.04	83.33	+80.77	57.68	48.18	76.61	+85.33	-158.23
CHANNEL BEAMS, 6" DEEP, 8.2 LB/LF	CWT	73.92	49.48	+70.34	78.27	+76.53	77.73	49.82	72.41	+81.78	-124.60
I-BEAMS, 6" DEEP, 12.5 LB/LF	CWT	75.60	56	+74	86.76	+83.38	47.8	48.4	76.83	+89.45	184.80
WIDE-FLANGE, 8" DEEP, 31 LB/LF	CWT	78.33	47.5	+71.79	84.95	+82.40	47.5	46.32	80.58	84.76	+165.30
<b>REINFORCING BARS</b>											
GRADE 60, No. 4	CWT	+70.51	+77.32	+68.43	+76.19	+72.08	+74.70	+72.95	73.02	69.88	74.44
<b>HOT-ROLLED CARBON-STEEL PLATE</b>											
12 GAUGE, 48" x 10'	CWT	+87.38	46.12	74.54	89.15	+83.93	46.12	44.8	88.26	+90.36	-160.20
<b>BUILDING SHEET AND PLATE</b>											
ALUM. SHEET, 3003H14, 36" x 96"	CWT	+318.92	173.8	268.60	+337.56	311.77	190	186	+315.63	+320.05	-518.00
<b>STAINLESS-STEEL SHEET</b>											
14 GAUGE	CWT	248.30	166.42	226.92	+302.79	257.54	266.54	162	+281.00	285.56	-644.50
16 GAUGE	CWT	231.58	169.67	222.18	+295.56	254.00	285.27	164	+277.34	281.13	-605.60
20 GAUGE	CWT	212.75	173.44	218.86	+292.17	246.25	152	167	+275.61	276.87	+642.70
<b>STAINLESS-STEEL PLATE</b>											
304, ¼", 72" x 240"	CWT	270.10	157	228.73	+290.28	274.61	154	176.76	281.47	266.19	-510.50
316, ¼", 96" x 140"	CWT	326.53	320	293.86	+345.49	331.95	349	238	342.38	307.44	+475.60
<b>STEEL PILING: H-PILE</b>											
HP10 x 42	CWT	+39.88	44	32.07	38.15	38.09	33.44	30.22	35.20	39.53	30.42

ITEM	UNIT	KANSAS CITY	LOS ANGELES	MINNEAPOLIS	NEW ORLEANS	NEW YORK	PHILADELPHIA	PITTSBURGH	ST. LOUIS	SAN FRANCISCO	SEATTLE
<b>STANDARD STRUCTURAL SHAPES</b>											
AVERAGE	CWT	44.33	-151.67	+169.93	+76.76	84.04	+83.55	52.33	44.7	173.33	82.25
CHANNEL BEAMS, 6" DEEP, 8.2 LB/LF	CWT	46.82	150	-130.20	+75.62	80.00	+78.89	49.48	49	144.00	79.05
I-BEAMS, 6" DEEP, 12.5 LB/LF	CWT	42.84	155	-187.30	+79.29	87.11	+85.56	60	43.1	186.00	86.28
WIDE-FLANGE, 8" DEEP, 31 LB/LF	CWT	43.33	150	+174.30	+75.38	85.05	+86.20	47.5	42	190.00	81.41
<b>REINFORCING BARS</b>											
GRADE 60, No. 4	CWT	+76.34	50	+73.72	74.61	67.84	+72.15	-75.10	74.78	+88.37	71.30
<b>HOT-ROLLED CARBON-STEEL PLATE</b>											
12 GAUGE, 48" x 10'	CWT	43.88	-170	-154.33	+71.15	+83.90	77.28	44	42.5	276.00	92.02
<b>BUILDING SHEET AND PLATE</b>											
ALUM. SHEET, 3003H14, 36" x 96"	CWT	194.88	-350	524.64	+294.82	+312.68	305.53	189	183.88	797.00	+318.29
<b>STAINLESS-STEEL SHEET</b>											
14 GAUGE	CWT	160.8	-425	-642.50	262.97	+260.10	265.64	166	156.25	450.00	288.41
16 GAUGE	CWT	167.1	-425	-614.90	259.75	+273.49	261.91	170	157.6	451.00	282.18
20 GAUGE	CWT	169.68	-450	-652.50	256.62	+269.73	258.10	173	175.36	452.00	273.36
<b>STAINLESS-STEEL PLATE</b>											
304, ¼", 72" x 240"	CWT	202.1	-480	+507.60	284.50	+270.82	238.54	192	197.1	540.00	+272.65
316, ¼", 96" x 140"	CWT	234.1	505	+489.40	317.21	+325.00	305.19	220	202	583.00	+347.83
<b>STEEL PILING: H-PILE</b>											
HP10 x 42	CWT	30.42	78.16	30.56	+37.05	36.94	35.22	30.22	30	34.6	38.67

+ OR - DENOTES PRICE HAS RISEN OR FALLEN SINCE PREVIOUS REPORT. ALL PRICES ARE FOR WAREHOUSE OR CITY. STAINLESS-STEEL SHEET PRICES ARE FOR TYPE 304, 2B FINISH, 48 X 120-IN. STEEL PILES ARE HIGH-STRENGTH A572. SOME PRICES MAY INCLUDE TAXES OR DISCOUNTS. PRODUCT SPECIFICATIONS MAY VARY DEPENDING ON WHAT IS MOST COMMONLY USED OR MOST ACCESSIBLE IN A CITY. QUANTITIES ARE GENERALLY TRUCKLOADS.

## Council Memo: Information Only

**Subject:** Hilliard Recreation and Wellness Center - PROS Performa  
**From:** Michelle Crandall, City Manager  
**Initiated by:** Ed Merritt, Director of Recreation & Parks  
**Date:** July 11, 2022

### Summary

The City of Hilliard hired PROS Consulting Inc. to create a proforma that would provide possible expenditures and revenues the City could expect with the operation of the new Recreation and Wellness Center. Based on the approved programming space for the facility, staff worked with Leon Younger, President, and Arnie Biondo, Senior Project Consultant to build the proforma.

Using information gathered by Ballard King in 2021, several meetings with City staff to discuss current and future programming and staffing, and reviewing other community center operations in central Ohio, PROS developed an initial proforma document. From that document the numbers were refined and revised further to provide a more accurate assessment as shown in the attached document. It is important to understand that this document will continue to change as we better understand and refine programming to be offered and better define passholder rates.

### Financial Impacts

The proforma outlines preliminary detailed estimates for the first 6 years of operation, including revenues, expenditures, capital outlays, and cost recovery. The revenue model includes passes, youth programs, adult programs, 50+ programs, therapeutic recreation programs, camps, rentals, and assumptions for the OSU Wexner Medical Center partnership. Some assumptions were made for pass types and cost. When the facility opens, the pass types may change, and the dollar amounts will reflect current market value pricing in Central Ohio.

Regarding the OSU Wexner Medical Center revenue assumptions, while a lease agreement has not yet been finalized, an estimate of \$225,000/year is included for common area maintenance (CAM) and \$400,000/year for leasing of the space. This additional \$625,000/year increased the overall cost recovery rate from 71% to 76% in most years. This \$625,000 is shown constant each year but it would increase a certain percentage (yet to be determined) each year. Not included in the revenues is the additional income tax that will be realized from the new jobs created in Hilliard by OSU Wexner Medical Center. A conservative income tax estimate of \$100,000/year is reasonable assumption.

This proforma shows the community center broken down into eight areas to include all expenditures related to administration, maintenance, youth programs, adult programs, 50+ programs, community center aquatics (separate from outdoor aquatics), therapeutic recreation, and seasonal camps. Each area has a preliminary detailed estimate of personnel, supplies and other charges that are associated with each program area.

Also included in the packet is the detailed listing of current, full-time staff, as well as anticipated new staff (these wages are adjusted to represent what could be expected in 2025). This also allocates staff duties by each category listed above as well as percentages for each area.

### Expected Benefits

The Hilliard Recreation and Wellness Center Performa, developed by PROS Consulting, helps us better understand financial implications of operating the recreation and wellness center.

### Attachments

PROS Hilliard Recreation and Wellness Center Performa

Full Time Staff Allocation List – new staff highlighted, along with allocations to work areas  
Community Center Cost Comparison – City of Westerville & City of Dublin

## Pro Forma Revenues & Expenditures

HILLIARD COMMUNITY CENTER

### BASELINE: REVENUES AND EXPENDITURES

Revenues	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Passes	\$1,558,617.80	\$1,636,548.69	\$1,702,010.64	\$1,770,091.06	\$1,823,193.79	\$1,877,889.61
Youth Programs	\$443,750.00	\$465,937.50	\$484,575.00	\$503,958.00	\$519,076.74	\$534,649.04
Adult Programs	\$448,695.00	\$471,129.75	\$489,974.94	\$509,573.94	\$524,861.16	\$540,606.99
50+	\$274,392.00	\$288,111.60	\$299,636.06	\$311,621.51	\$320,970.15	\$330,599.26
Aquatics	\$216,900.00	\$227,745.00	\$236,854.80	\$246,328.99	\$253,718.86	\$261,330.43
Seasonal	\$377,525.00	\$396,401.25	\$412,257.30	\$428,747.59	\$441,610.02	\$454,858.32
Therapeutic Recreation	\$6,885.00	\$7,229.25	\$7,518.42	\$7,819.16	\$8,053.73	\$8,295.34
Rental	\$111,345.00	\$116,912.25	\$121,588.74	\$126,452.29	\$130,245.86	\$134,153.23
OSU Wexner Partnership	\$625,000.00	\$625,000.00	\$625,000.00	\$625,000.00	\$625,000.00	\$625,000.00
<b>Total</b>	<b>\$4,063,109.80</b>	<b>\$4,235,015.29</b>	<b>\$4,379,415.90</b>	<b>\$4,529,592.54</b>	<b>\$4,646,730.31</b>	<b>\$4,767,382.22</b>

Expenditures	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Personnel Services	\$3,496,196.33	\$3,636,044.19	\$3,781,485.95	\$3,932,745.39	\$4,090,055.21	\$4,253,657.42
Supplies	\$210,500.00	\$216,815.00	\$223,319.45	\$230,019.03	\$236,919.60	\$244,027.19
Other Services & Charges	\$1,404,539.70	\$1,460,721.28	\$1,519,150.14	\$1,579,916.14	\$1,643,112.79	\$1,708,837.30
<b>Total</b>	<b>\$5,111,236.03</b>	<b>\$5,313,580.47</b>	<b>\$5,523,955.54</b>	<b>\$5,742,680.57</b>	<b>\$5,970,087.60</b>	<b>\$6,206,521.91</b>

Capital Outlay	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Maintenance Endowment Fund (5% of revenue)	\$203,155.49	\$211,750.76	\$218,970.80	\$226,479.63	\$232,336.52	\$238,369.11
Scholarship Fund (2% of pass sales)	\$31,172.36	\$32,730.97	\$34,040.21	\$35,401.82	\$36,463.88	\$37,557.79
<b>Total</b>	<b>\$234,327.85</b>	<b>\$244,481.74</b>	<b>\$253,011.01</b>	<b>\$261,881.45</b>	<b>\$268,800.39</b>	<b>\$275,926.90</b>

<b>Total Gain / Loss (less Maint. Endowment Fund)</b>	<b>(\$1,282,454.08)</b>	<b>(\$1,323,046.92)</b>	<b>(\$1,397,550.65)</b>	<b>(\$1,474,969.48)</b>	<b>(\$1,592,157.68)</b>	<b>(\$1,715,066.59)</b>
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<b>Total Cost Recovery</b>	<b>76%</b>	<b>76%</b>	<b>76%</b>	<b>75%</b>	<b>74%</b>	<b>74%</b>
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## Pro Forma Revenues &amp; Expenditures

HILLIARD COMMUNITY CENTER

## Revenue Model

DIVISION	ACCOUNT TITLE	PRICE	UNITS	REVENUES	EXPLANATION
	REVENUES		units	Passes	
Passes	Individual - Monthly	\$27.00	12	474	\$153,576.00
Passes	Couple - Monthly	\$46.00	12	102	\$56,304.00
Passes	Family - Monthly	\$70.00	12	448	\$376,320.00
Passes	Additional Child - Monthly	\$10.00	12	45	\$5,400.00
Passes	Senior - Monthly	\$20.00	12	850	\$204,000.00
Passes	Individual - Annual	\$259.00	1	316	\$81,844.00
Passes	Couple - Annual	\$442.00	1	68	\$30,056.00
Passes	Family - Annual	\$672.00	1	299	\$200,928.00
Passes	Additional Child - Annual	\$96.00	1	30	\$2,880.00
Passes	Senior - Annual	\$192.00	1	566	\$108,672.00
Passes	NR Individual - Monthly	\$35.10	12	84	\$35,380.80
Passes	NR Couple - Monthly	\$59.80	12	18	\$12,916.80
Passes	NR Family - Monthly	\$91.00	12	79	\$86,268.00
Passes	NR Additional Child - Monthly	\$13.00	12	8	\$1,248.00
Passes	NR Senior - Monthly	\$26.00	12	150	\$46,800.00
Passes	NR Individual - Annual	\$336.70	1	56	\$18,855.20
Passes	NR Couple - Annual	\$574.60	1	12	\$6,895.20
Passes	NR Family - Annual	\$873.60	1	53	\$46,300.80
Passes	NR Additional Child - Annual	\$124.80	1	5	\$624.00
Passes	NR Senior - Annual	\$249.60	1	100	\$24,960.00
Passes	Daily Admission - Child	\$7.00		362	\$2,534.00
Passes	Daily Admission - Adult	\$12.00		543	\$6,516.00
Passes	Daily Admission - Senior	\$7.00		181	\$1,267.00
Passes	NR Daily Admission - Child	\$10.00		64	\$640.00
Passes	NR Daily Admission - Adult	\$16.00		96	\$1,536.00
Passes	NR Daily Admission - Senior	\$10.00		32	\$320.00
Passes	Value Pack (10 visits) - Child	\$49.00		50	\$2,450.00
Passes	Value Pack (10 visits) - Adult	\$84.00		100	\$8,400.00
Passes	Value Pack (10 visits) - Senior	\$49.00		50	\$2,450.00
Passes	NR Value Pack (10 visits) - Child	\$70.00		9	\$630.00
Passes	NR Value Pack (10 visits) - Adult	\$112.00		18	\$2,016.00
Passes	NR Value Pack (10 visits) - Senior	\$70.00		9	\$630.00
Passes	Drop-In Child Watch	\$12.00		724	\$8,688.00
Passes	Value Pack (10 visits) - Child Watch	\$84.00		50	\$4,200.00
Passes	Drop-In Group Fitness	\$20.00		362	\$7,240.00
Passes	Value Pack (10 punches) - Drop-In Group Fitness	\$140.00		50	\$7,000.00
TOTAL PASS REVENUES				\$1,558,617.80	

DIVISION	ACCOUNT TITLE	PRICE	UNITS	REVENUES	EXPLANATION
	REVENUES		sessions	Participants	
Youth Programs					\$0.00
Youth Programs	Superhero & Fairy Tale Dance Party	\$8.00	1	46	\$368.00
Youth Programs	Better Baby Sitters	\$120.00	6	8	\$5,760.00
Youth Programs	Kids Home Alone	\$80.00	4	8	\$2,560.00
Youth Programs	Kinderdance	\$130.00	4	6	\$3,120.00
Youth Programs	Beginner ballet	\$90.00	6	8	\$4,320.00



Youth Programs	Intermediate ballet	\$120.00	6	9	\$6,480.00	
Youth Programs	Advanced ballet	\$125.00	6	8	\$6,000.00	
Youth Programs	Pre-ballet	\$80.00	6	7	\$3,360.00	
Youth Programs	Youth Art Class (1 x week x 5 weeks)	\$70.00	20	12	\$16,800.00	drawing, painting,
Youth Programs	Ornament Party	\$15.00	1	8	\$120.00	
Youth Programs	Stories at the Center	\$5.00	40	8	\$1,600.00	
Youth Programs	Youth Craft Classes	\$40.00	20	12	\$9,600.00	nature, paper, kits, etc.
Youth Programs	Preschool Art	\$75.00	6	7	\$3,150.00	
Youth Programs	Mommy and Me Art	\$75.00	6	7	\$3,150.00	
Youth Programs	Parents Night Out	\$15.00	6	13	\$1,170.00	
Youth Programs	Youth Exercise Class (Group X A room)	\$90.00	4	9	\$3,240.00	3 days/ week 10-week class
Youth Programs	Teen Exercise Class (Group X A room)	\$90.00	4	15	\$5,400.00	3 days/ week 10-week class
Youth Programs	Youth Yoga Class (Group X A room)	\$60.00	4	9	\$2,160.00	2 days/ week 10-week class
Youth Programs	Teen Yoga Class (Group X A room)	\$60.00	4	15	\$3,600.00	2 days/ week 10-week class
Youth Programs	Athlete Yoga	\$55.00	8	11	\$4,840.00	
Youth Programs	Youth Yoga	\$52.00	12	9	\$5,616.00	
Youth Programs	Teen/H.S. Yoga	\$52.00	12	9	\$5,616.00	
Youth Programs	Youth Spinning	\$60.00	4	6	\$1,440.00	2 days/ week 10-week class
Youth Programs	Teen Spinning	\$60.00	4	6	\$1,440.00	2 days/ week 10-week class
Youth Programs	Teen Personal Training	\$100.00	50	11	\$55,000.00	4 sessions with personal trainer
Youth Programs	Mother Daughter Yoga	\$80.00	6	8	\$3,840.00	
Youth Programs	Shooting Stars Basketball	\$85.00	8	13	\$8,840.00	
Youth Programs	Middle School Volleyball skills	\$78.00	4	14	\$4,368.00	
Youth Programs	School Off Day/Holiday Open Gym (Youth 4-8)	\$5.00	8	30	\$1,200.00	
Youth Programs	Pickleball for Kids	\$50.00	6	13	\$3,900.00	5 week sessions 1 day/wk
Youth Programs	Badminton	\$50.00	4	9	\$1,800.00	5 week sessions 1 day/wk
Youth Programs	Floor Hockey	\$50.00	4	17	\$3,400.00	5 week sessions 1 day/wk
Youth Programs	Learn to Volley	\$75.00	4	17	\$5,100.00	
Youth Programs	3-on-3 Middle School League	\$24.00	2	23	\$1,104.00	6-week league
Youth Programs	3-on-3 High School League	\$24.00	2	23	\$1,104.00	6-week league
Youth Programs	Excel Boys Volleyball League	\$90.00	2	17	\$3,060.00	
Youth Programs	Excel Girls Volleyball League	\$90.00	2	17	\$3,060.00	
Youth Programs	Teen Volleyball League	\$30.00	2	27	\$1,620.00	
Youth Programs	Daily Drop-in Youth Gym- Non-pass holders	\$5.00	100	28	\$14,000.00	
Youth Programs	High School Volleyball skills	\$78.00	4	14	\$4,368.00	
Youth Programs	School Off Day/Holiday Open Gym (HS 9-12)	\$5.00	8	30	\$1,200.00	
Youth Programs	Teen Chefs	\$50.00	10	9	\$4,500.00	4-week classes; 1/wk
Youth Programs	Cake Decorating	\$50.00	4	6	\$1,200.00	
Youth Programs	Organic Meal Prep	\$50.00	4	7	\$1,400.00	
Youth Programs	Healthy Eating	\$50.00	10	9	\$4,500.00	4-week classes; 1/wk
Youth Programs	Kids Cooking Class	\$45.00	20	9	\$8,100.00	4-week classes; 1/wk
Youth Programs	No-bake healthy snacks	\$45.00	4	8	\$1,440.00	
Youth Programs	Kids in the Kitchen	\$35.00	8	6	\$1,680.00	
Youth Programs	Cookie Creations	\$78.00	6	7	\$3,276.00	
Youth Programs	Ice, Ice Cookies	\$10.00	1	9	\$90.00	
Youth Programs	Tumbling Tots 4-5	\$55.00	8	6	\$2,640.00	
Youth Programs	Tumbling 6-8	\$55.00	6	6	\$1,980.00	
Youth Programs	Tumbling 9-12	\$55.00	6	7	\$2,310.00	
Youth Programs	Youth Gymnastics (1x/ wk 5 week session)	\$100.00	6	12	\$7,200.00	
Youth Programs	Pre School Open Gym (1x/ wk 5 week session)	\$45.00	6	10	\$2,700.00	
Youth Programs	Little Ballers Basketball	\$85.00	12	25	\$25,500.00	
Youth Programs	Before/After School Recreation/Care	\$65.00	38	36	\$88,920.00	8.5 months of school year
Youth Programs	Tae Kwon Do	\$80.00	6	10	\$4,800.00	
Youth Programs	Karate	\$80.00	6	10	\$4,800.00	
Youth Programs	Judo	\$80.00	6	10	\$4,800.00	
Youth Programs	Winter Indoor Archery	\$108.00	6	9	\$5,832.00	

Youth Programs	Tyke Time	\$32.00	4	10	\$1,280.00	Age divisions; 2days/wk; 6 wks each
Youth Programs	School Off Day/Holiday Open Gym (Youth K-3)	\$5.00	8	30	\$1,200.00	
Youth Programs	Sport Conditioning (2x week x 5 weeks)	\$85.00	4	17	\$5,780.00	
Youth Programs	Multi-Sport Camps	\$100.00	12	14	\$16,800.00	
Youth Programs	Amazing Athletes	\$78.00	8	6	\$3,744.00	
Youth Programs	Amazing Athletes Tots	\$78.00	8	6	\$3,744.00	
Youth Programs	Junior Lifeguard	\$45.00	4	7	\$1,260.00	
Youth Programs	Computer Camps	\$50.00	24	6	\$7,200.00	
Youth Programs	Video recording and editing	\$50.00	24	6	\$7,200.00	
Youth Programs					\$0.00	

**TOTAL YOUTH PROGRAM REVENUES****\$443,750.00****contract****\$405,070.00**

DIVISION	ACCOUNT TITLE	PRICE	UNITS	REVENUES	EXPLANATION
<b>REVENUES</b>			Sessions	Participants	
Aquatics	Swim Lessons-Summer	\$60.00	295	5	\$88,500.00
Aquatics	Swim Lessons-Sept to May	\$60.00	288	5	\$86,400.00
Aquatics	ADULT swim lessons	\$75.00	10	5	\$3,750.00
Aquatics	Rec Pool Infant/mom-tot	\$60.00	48	5	\$14,400.00
Aquatics	Aqua Fitness 3-DAY/week	\$75.00	10	13	\$9,750.00
Aquatics	Aqua Fitness 2-DAY/week	\$75.00	12	9	\$8,100.00
Aquatics	Arthritis-friendly class	\$50.00	12	5	\$3,000.00
Aquatics	Water walking	\$50.00	12	5	\$3,000.00
<b>TOTAL AQUATICS REVENUES</b>					<b>\$216,900.00</b>
			<b>contract</b>		<b>\$128,400.00</b>

DIVISION	ACCOUNT TITLE	PRICE	UNITS	REVENUES	EXPLANATION
<b>REVENUES</b>			Sessions	Participants	
50+	Bingo	\$0.00	24	13	\$0.00
50+	CPR/1st aid	\$10.00	3	9	\$90.00
50+	Misc Topics Lecture/Travelounge	\$20.00	20	13	\$5,200.00
50+	Bible Study PM	\$0.00	24	13	\$0.00
50+	Prayer Lunch	\$5.00	12	19	\$1,140.00
50+	Ballroom Dance	\$50.00	4	14	\$2,800.00
50+	Ballroom Dance - Intermediate	\$50.00	4	14	\$2,800.00
50+	Zumba	\$50.00	8	14	\$5,600.00
50+	Tap Dance	\$50.00	8	14	\$5,600.00
50+	Line Dance	\$15.00	8	15	\$1,800.00
50+	Special Events	\$5.00	12	28	\$1,680.00
50+	Salsa Dance	\$50.00	4	14	\$2,800.00
50+	Ballet	\$50.00	8	14	\$5,600.00
50+	Ceramic/mosaic/stain Glass	\$40.00	8	8	\$2,560.00
50+	Woodcarvers PM	\$3.00	48	16	\$2,304.00
50+	Foreign Language Classes	\$50.00	8	12	\$4,800.00
50+	Personal Dev. Programs	\$20.00	12	17	\$4,080.00
50+	Garden Club PM	\$5.00	10	8	\$400.00
50+	Yoga	\$40.00	6	14	\$3,360.00
50+	Chair Exercise	\$40.00	6	19	\$4,560.00
50+	Pilates Fusion	\$60.00	6	8	\$2,880.00
50+	Qigong	\$60.00	6	12	\$4,320.00
50+	Tai Chi	\$72.00	8	10	\$5,760.00
50+	Balance Class	\$20.00	12	10	\$2,400.00
50+	Group Aerobics	\$40.00	6	13	\$3,120.00
50+	Pickleball (indoors)	\$3.00	144	28	\$12,096.00
50+	Chair Volleyball	\$2.00	100	15	\$3,000.00

50+	50+ Volleyball	\$2.00	100	16	\$3,200.00
50+	50+ Basketball	\$2.00	100	13	\$2,600.00
50+	Weekly lunch	\$7.00	250	65	\$113,750.00
50+	Best Nutrition in the Kitchen	\$48.00	10	10	\$4,800.00
50+	Tasting Class (Guest Chefs)	\$5.00	12	10	\$600.00
50+	Pickleball - Learning the Game	\$40.00	3	28	\$3,360.00
50+	Crafting Classes 4-6 wks each	\$20.00	8	12	\$1,920.00
50+	Crafting Club	\$0.00	40	13	\$0.00
50+	Watercolor/Painting	\$50.00	6	8	\$2,400.00
50+	Aqua Aerobics	\$5.00	100	19	\$9,500.00
50+	Water Walking	\$5.00	100	14	\$7,000.00
50+	Arthritis Aquatics Classes	\$48.00	12	12	\$6,912.00
50+	Table Tennis	\$0.00	50	13	\$0.00
50+	Billiards	\$0.00	351	12	\$0.00
50+	Euchre	\$0.00	50	20	\$0.00
50+	Chess	\$0.00	100	14	\$0.00
50+	Board Games/ Cards	\$0.00	50	16	\$0.00
50+	Staying Well Nutrition	\$0.00	4	15	\$0.00
50+	Book Club	\$0.00	12	12	\$0.00
50+	Current Events Discussion Group	\$0.00	52	22	\$0.00
50+	Stock Market Discussion Group	\$0.00	52	12	\$0.00
50+	Hands on computer lab	\$20.00	12	8	\$1,920.00
50+	Mac Computer Classes	\$20.00	24	9	\$4,320.00
50+	iPad Classes	\$20.00	16	12	\$3,840.00
50+	iPhone Classes	\$20.00	16	12	\$3,840.00
50+	Windows 10 Classes	\$20.00	24	8	\$3,840.00
50+	Social Media Classes	\$20.00	12	8	\$1,920.00
50+	Photoshop Classes	\$20.00	12	8	\$1,920.00
50+	Music Lessons	\$60.00	6	7	\$2,520.00
50+	Valentine Day	\$8.00	1	60	\$480.00
50+	St Pats Day	\$8.00	1	60	\$480.00
50+	Xmas Lunch	\$8.00	1	60	\$480.00
50+	New Year's Lunch	\$8.00	1	60	\$480.00
50+	Thanksgiving Lunch	\$10.00	1	60	\$600.00
50+	Halloween Lunch	\$8.00	1	60	\$480.00
50+	Veterans Day Lunch	\$8.00	1	60	\$480.00

**TOTAL 50+ PROGRAM REVENUE****\$274,392.00****contract****\$211,626.00**

DIVISION	ACCOUNT TITLE	PRICE	UNITS		REVENUES	EXPLANATION
REVENUES		sessions	participants			
Adult Programs	Line Dance	\$15.00	8	15	\$1,800.00	240P
Adult Programs	Family Movie Night	\$5.00	5	6	\$150.00	
Adult Programs	Self Defense for Women	\$25.00	3	18	\$1,350.00	
Adult Programs	Writing	\$50.00	1	13	\$650.00	
Adult Programs	Writing Workshop	\$22.00	1	15	\$330.00	
Adult Programs	Bridge	\$66.00	3	13	\$2,574.00	
Adult Programs	Texas Hold 'em	\$66.00	3	13	\$2,574.00	
Adult Programs	Euchre	\$66.00	3	13	\$2,574.00	
Adult Programs	Nutrition 101	\$120.00	1	11	\$1,320.00	
Adult Programs	DIY All-Natural Skin Care Products	\$25.00	1	11	\$275.00	
Adult Programs	DIY Green Cleaning Products	\$25.00	1	11	\$275.00	
Adult Programs	Community CPR:AED	\$35.00	3	9	\$945.00	
Adult Programs	Natural Healing Through Reiki	\$15.00	3	11	\$495.00	
Adult Programs	Mindfulness	\$12.00	1	13	\$156.00	

Adult Programs	Beginning Ballroom Dance	\$115.00	6	9	\$6,210.00	
Adult Programs	Ballroom Dance - Intermediate	\$50.00	4	14	\$2,800.00	240P
Adult Programs	Zumba	\$50.00	8	14	\$5,600.00	50P
Adult Programs	Tap Dance	\$50.00	8	14	\$5,600.00	50P
Adult Programs	Adult Ballet	\$125.00	6	8	\$6,000.00	
Adult Programs	Pastels	\$110.00	6	11	\$7,260.00	
Adult Programs	Beginner Pencil sketching	\$110.00	6	11	\$7,260.00	
Adult Programs	Drawing with Colored Pencil	\$110.00	6	11	\$7,260.00	
Adult Programs	Charcoal Sketching	\$110.00	6	11	\$7,260.00	
Adult Programs	Intro to Woodcarving	\$75.00	2	8	\$1,200.00	
Adult Programs	Intro to Wine & Food Pairing	\$30.00	1	19	\$570.00	
Adult Programs	Taste of the Region: French Wines	\$30.00	1	19	\$570.00	
Adult Programs	Drinking Local: Craft Beer Tasting	\$25.00	1	15	\$375.00	
Adult Programs	Ohio Native Plants	\$22.00	1	11	\$242.00	
Adult Programs	Backyard Native Gardens	\$25.00	1	13	\$325.00	
Adult Programs	Gardening Year-Round	\$25.00	1	13	\$325.00	
Adult Programs	Landscaping basics	\$25.00	2	13	\$650.00	
Adult Programs	Composting 101	\$10.00	2	11	\$220.00	
Adult Programs	Intro to Improv	\$60.00	1	15	\$900.00	
Adult Programs	Genealogy	\$22.00	1	14	\$308.00	
Adult Programs	Spanish for Beginners	\$90.00	3	12	\$3,240.00	
Adult Programs	French for Beginners	\$90.00	3	14	\$3,780.00	
Adult Programs	Intro to Bike Care Basics	\$18.00	2	12	\$432.00	
Adult Programs	Learn to Repair a Flat Bike Tire	\$18.00	2	12	\$432.00	
Adult Programs	First Friday Family Game Night	\$5.00	9	5	\$225.00	
Adult Programs	Beginner Bike Maintenance	\$18.00	2	12	\$432.00	
Adult Programs	Grandparents Day Breakfast Bingo	\$6.00	1	35	\$210.00	
Adult Programs	Gentle Yoga	\$115.00	6	5	\$3,450.00	
Adult Programs	Yoga for Back Health	\$115.00	3	5	\$1,725.00	
Adult Programs	Family Yoga	\$115.00	4	17	\$7,820.00	
Adult Programs	Beginning Hatha Yoga	\$115.00	6	5	\$3,450.00	
Adult Programs	Tabata: 3 Days/Wk Option	\$100.00	8	10	\$8,000.00	
Adult Programs	AM Tabata: 2 Days/Wk Option	\$70.00	8	10	\$5,600.00	
Adult Programs	PM Tabata 3-day	\$100.00	8	10	\$8,000.00	
Adult Programs	Aerobic Dance: 3 Day/Week Option	\$170.00	8	19	\$25,840.00	
Adult Programs	Aerobic Dance: 2 Day/Week Option	\$125.00	8	19	\$19,000.00	
Adult Programs	Total Body Workout	\$85.00	6	18	\$9,180.00	
Adult Programs	Blasting Belly Fat	\$15.00	3	11	\$495.00	
Adult Programs	Strength training for Women	\$75.00	6	14	\$6,300.00	
Adult Programs	Strength Training with Free Weights	\$90.00	6	14	\$7,560.00	
Adult Programs	Group Aerobics -co-ed	\$170.00	30	17	\$86,700.00	10 week class/ 3 times/day; 3-day/wk
Adult Programs	Pilates Fusion	\$60.00	6	8	\$2,880.00	EX A
Adult Programs	Qigong	\$60.00	6	12	\$4,320.00	EX A
Adult Programs	Tai Chi	\$72.00	8	10	\$5,760.00	EX A
Adult Programs	Prenatal Yoga	\$112.00	6	6	\$4,032.00	
Adult Programs	Pilates for Beginners	\$36.00	6	6	\$1,296.00	
Adult Programs	Stretching	\$60.00	4	12	\$2,880.00	
Adult Programs	Men's 3-on-3 Bball league	\$150.00	3	18	\$8,100.00	by teams
Adult Programs	Men's Basketball League	\$200.00	3	14	\$8,400.00	by teams
Adult Programs	Women's Basketball League	\$200.00	3	14	\$8,400.00	by teams
Adult Programs	Co-Rec Volleyball League A, B, C	\$210.00	3	22	\$13,860.00	by teams
Adult Programs	Women's Volleyball League	\$210.00	3	11	\$6,930.00	by teams
Adult Programs	Basic Beer brewing	\$30.00	2	17	\$1,020.00	
Adult Programs	Holiday Cocktails	\$33.00	1	20	\$660.00	
Adult Programs	Cake Decorating	\$50.00	4	6	\$1,200.00	
Adult Programs	Organic Meal Prep	\$50.00	4	7	\$1,400.00	

Adult Programs	Healthy Eating	\$50.00	10	9	\$4,500.00	4-week classes; 1/wk
Adult Programs	Mediterranean Cooking	\$50.00	4	9	\$1,800.00	4-week classes; 1/wk
Adult Programs	French Cooking	\$48.00	2	8	\$768.00	
Adult Programs	Intro to Wines	\$25.00	2	16	\$800.00	
Adult Programs	Learning Bourbon	\$25.00	2	17	\$850.00	
Adult Programs	Bread Baking	\$25.00	4	8	\$800.00	
Adult Programs	Grilling	\$25.00	2	8	\$400.00	
Adult Programs	Dessert creations	\$25.00	2	8	\$400.00	
Adult Programs	Tae Kwon Do	\$80.00	6	10	\$4,800.00	
Adult Programs	Karate	\$80.00	6	10	\$4,800.00	
Adult Programs	Judo	\$80.00	6	10	\$4,800.00	
Adult Programs	Beginning Dog Obedience	\$240.00	4	5	\$4,800.00	
Adult Programs	Puppy Trainnig	\$240.00	4	5	\$4,800.00	
Adult Programs	Pickleball How-to	\$15.00	2	12	\$360.00	4wks/1 day a wk
Adult Programs	Pickleball Play	\$25.00	4	16	\$1,600.00	Need clarification on how its done now
Adult Programs	Adult Badminton	\$40.00	3	12	\$1,440.00	
Adult Programs	Clay modeling	\$124.00	6	10	\$7,440.00	
Adult Programs	Acrylic Workshop	\$115.00	6	10	\$6,900.00	
Adult Programs	Beginning Watercolor	\$55.00	3	11	\$1,815.00	
Adult Programs	Advanced Watercolor	\$110.00	6	11	\$7,260.00	
Adult Programs	Stand Up Paddleboarding 101	\$45.00	3	7	\$945.00	
Adult Programs	Learning Kayaking	\$45.00	3	7	\$945.00	
Adult Programs	Guitar for beginners	\$55.00	2	4	\$440.00	
Adult Programs	Drumming for beginners	\$50.00	2	3	\$300.00	
Adult Programs	Intro to Ukulele	\$40.00	2	4	\$320.00	
Adult Programs	Intro to Voiceovers	\$40.00	3	17	\$2,040.00	
Adult Programs	Hands on computer lab	\$20.00	12	8	\$1,920.00	Tech room
Adult Programs	Mac Computer Classes	\$20.00	24	9	\$4,320.00	Tech room
Adult Programs	iPad Classes	\$20.00	16	12	\$3,840.00	Tech room
Adult Programs	iPhone Classes	\$20.00	16	12	\$3,840.00	Tech room
Adult Programs	Windows 10 Classes	\$20.00	24	8	\$3,840.00	Tech room
Adult Programs	Social Media Classes	\$20.00	12	8	\$1,920.00	Tech room
Adult Programs	Photoshop Classes	\$20.00	12	8	\$1,920.00	Tech room
Adult Programs	Stroller Aerobics	\$70.00	4	19	\$5,320.00	
Adult Programs	COUCH TO 5K LEARN TO RUN	\$60.00	4	13	\$3,120.00	
Adult Programs	WALK TO FITNESS	\$60.00	4	13	\$3,120.00	

**TOTAL ADULT PROGRAM REVENUES****\$448,695.00****contract****\$448,695.00**

DIVISION	ACCOUNT TITLE	PRICE		UNITS	REVENUES	EXPLANATION
<b>REVENUES</b>						
Therapeutic Recreation	TR ADAPTIVE SWIM	\$10.00	12	9	\$1,080.00	
Therapeutic Recreation	YOUTH TR	\$10.00	12	9	\$1,080.00	
Therapeutic Recreation	ADULT TR	\$10.00	12	9	\$1,080.00	
Therapeutic Recreation	PS TR	\$10.00	12	6	\$720.00	
Therapeutic Recreation	TR Theatre	\$40.00	3	13	\$1,560.00	
Therapeutic Recreation	Adaptive Yoga	\$35.00	3	13	\$1,365.00	
<b>TOTAL THERAPEUTIC RECREATION REVENUES</b>					<b>\$6,885.00</b>	

DIVISION	ACCOUNT TITLE	PRICE		UNITS	REVENUES	EXPLANATION
<b>REVENUES</b>						
Seasonal	Daddy-Daughter date night	\$65.00	1	62	\$4,030.00	
Seasonal	Lego Camp (summer)	\$110.00	4	13	\$5,720.00	
Seasonal	STEM Camp	\$125.00	2	15	\$3,750.00	
Seasonal	Summer Art Camp	\$150.00	4	15	\$9,000.00	



Seasonal	Spring Break Art Camp	\$150.00	1	15	\$2,250.00	
Seasonal	Winter Break B-ball Camp	\$125.00	1	30	\$3,750.00	
Seasonal	Summer Basketball Camp	\$140.00	2	30	\$8,400.00	
Seasonal	Summer Volleyball Camp	\$140.00	2	30	\$8,400.00	
Seasonal	Summer Soccer Camp	\$140.00	2	30	\$8,400.00	
Seasonal	Bicycle Teen Camp	\$125.00	3	15	\$5,625.00	
Seasonal	Summer Day Rec Camp	\$175.00	33	50	\$288,750.00	All camp staff now in proforma budget 50/site x 11 wks x 3 sites 06222022
Seasonal	Summer Flag Football Camp	\$140.00	2	30	\$8,400.00	
Seasonal	School's Out, Camp's In	\$45.00	8	30	\$10,800.00	
Seasonal	Spring Break Camp	\$65.00	1	50	\$3,250.00	
Seasonal	Winter Break Day Camp	\$65.00	1	50	\$3,250.00	
Seasonal	Aqua Camp	\$125.00	2	15	\$3,750.00	

TOTAL SEASONAL REVENUES					\$377,525.00	
Contracted:					\$17,472.00	
DIVISION	ACCOUNT TITLE	PRICE		UNITS	REVENUES	EXPLANATION
REVENUES						
Rentals / Other	Room Rentals	\$50.00	10	51.5	\$25,750.00	10 hrs of rental per week
Rentals / Other	NR Room Rental	\$65.00	2	51.5	\$6,695.00	2 hours of rental per week
Rentals / Other	Party Rentals	\$200.00		130.0	\$26,000.00	130 parties/year - includes cake, ice cream, activity, and staff
Rentals / Other	NR Party Rentals	\$260.00	1	20.0	\$5,200.00	20 parties/year - includes cake, ice cream, activity, and staff
Rentals / Other	Gym Rental	\$100.00	10	12.0	\$12,000.00	10 hrs of rental per month
Rentals / Other	NR Gym Rental	\$130.00	2	12.0	\$3,120.00	2 hours rental per month
Rentals / Other	Vending Revenue	\$3.00	30	362	\$32,580.00	30 ppl per day @ \$3 spend
TOTAL RENTALS / OTHER REVENUES					\$111,345.00	
DIVISION	ACCOUNT TITLE	PRICE		UNITS	REVENUES	EXPLANATION
REVENUES						
OSU Partnership	OSU Wexner CAM				\$225,000.00	
OSU Partnership	OSU Wexner Wellness Space Lease	\$16.00	25000 Sq. Ft.		\$400,000.00	
TOTAL RENTALS / OTHER REVENUES					\$625,000.00	

## Pro Forma Revenues & Expenditures

HILLIARD COMMUNITY CENTER

### ADMINISTRATION

ACCOUNT TITLE	BUDGET	EXPLANATION
<b>REVENUES</b>		
<b>TOTAL REVENUES</b>	<b>\$1,669,962.80</b>	

ACCOUNT TITLE			BUDGET	EXPLANATION
<b>PERSONNEL SERVICES</b>	units	rate		
Director	0.50	\$136,990.54	\$68,495.27	50% of salary
Deputy Director	0.30	\$110,552.81	\$33,165.84	30% of salary
Program Manager Programming/Front Desk Supervisor	0.20	\$94,299.45	\$18,859.89	20% of salary
Program Manager Parks/Maintenanc	0.30	\$84,666.46	\$25,399.94	30% of salary
Recreation Coordinator - FRONT DESK	0.98	\$53,434.28	\$52,365.59	90% of salary
Recreation Supervisor OUTDOOR RENTALS/VOLUNTEER	0.10	\$70,393.62	\$7,039.36	10% of salary
Recreation Supervisor Fitness/Corporate Rec. - <b>NEW</b>	0.20	\$70,393.62	\$14,078.72	20% of salary
Business Manager - Finance / Rec Trac Liason - <b>NEW</b>	0.98	\$85,000.00	\$83,300.00	90% of salary
Facility Manager - Guest Experience - <b>NEW</b>	0.98	\$85,000.00	\$83,300.00	90% of salary
IT (support) - <b>NEW</b>	0.90	\$70,350.00	\$63,315.00	90% of salary
HR Manager / Analyst (support) - <b>NEW</b>	0.98	\$70,350.00	\$68,943.00	90% of salary
Community Relations Digital Marketer - <b>NEW</b>	0.90	\$74,370.00	\$66,933.00	90% of salary
PT Front Desk Staff	10,991	\$14.00	\$153,867.00	107.75 staffing hrs/wk x 51 weeks=5495.25 hrs x \$14=65,943 x 2 positons
Manager on Duty - <b>NEW</b>	2,780	\$18.00	\$50,031.00	54.5 hrs/wk x 51 weeks=2779.5 hrs x \$18
Child Watch Room Babysitter - <b>NEW</b>	5,151.00	\$14.00	\$72,114.00	50.5 x 2 staff/shift=101 hrs x \$14=1010 x 51 weeks
Birthday Party Coordinator - <b>NEW</b>	525.00	\$16.00	\$8,400.00	50 weeks x 3 parties per week=150 partiesx 3.5 hrs=525 hours x \$16
Rental Coord. (support for FT front desk coord.) - <b>NEW</b>				tbd
Employer's Share of Medicare			\$12,609.31	1.45% of Salaries and Wages
Benefits			\$214,307.64	\$29,277 / FT Employee
OPERS			\$121,745.07	14% of FT salaries
<b>Total</b>	<b>Personal Services</b>		<b>\$1,218,269.64</b>	

<b>SUPPLIES</b>		
Stationary & Printed Materials	\$3,000.00	Business cards, stationary, envelopes, cards
Office Supplies	\$25,000.00	
Safety Supplies	\$5,000.00	First aid supplies for center
Other Miscellaneous	\$2,000.00	
<b>Total</b>	<b>Supplies</b>	<b>\$35,000.00</b>

<b>OTHER SERVICES &amp; CHARGES</b>		
Consulting Fees	\$0.00	
Medical Fees (Drug Tests) / Background Checks	\$5,000.00	

Marketing & Promotions	\$15,000.00	
Security Services	\$5,000.00	Alarm monitoring
Utilities	\$364,581.00	Estimated at \$3.50 per square foot
Credit Card Fees	\$68,762.20	est. 2% of revenues
Info Systems Maint / Contracts	\$12,000.00	
Software Fees / Contracts	\$4,000.00	
Copier	\$5,000.00	
Other Rental & Leases	\$1,000.00	
Staff Clothing	\$3,000.00	
Staff Training	\$12,500.00	Onboarding, customer service training, CPR/First Aid/AED training
Other Fees & Licenses	\$2,500.00	ASCAP license for music, CPR/First Aid/AED certifications
Special Projects	\$2,000.00	Staff morale/incentives
Party Rental Supplies	\$1,200.00	cake, ice cream, plates, etc - 48 parties @ \$25
Vending Concessionaire	\$24,435.00	75% of revenue
<b>Total</b>	<b>\$528,978.20</b>	<b>Other Services</b>
<b>CAPITAL OUTLAY</b>		
Furniture & Fixtures	\$0.00	
Computer Equipment	\$0.00	
<b>NET REVENUE/(LOSS)</b>	<b>(\$1,782,247.83)</b>	
cost recovery**	93.7%	

## Pro Forma Revenues &amp; Expenditures

HILLIARD COMMUNITY CENTER

## BUILDING MAINTENANCE

ACCOUNT TITLE			BUDGET	EXPLANATION
REVENUES				
TOTAL REVENUES			\$0.00	
ACCOUNT TITLE			BUDGET	EXPLANATION
PERSONNEL SERVICES	units	rate		
Director	0.10	\$136,990.54	\$13,699.05	10% of salary
Deputy Director	0.10	\$110,552.81	\$11,055.28	10% of salary
Program Manager Parks/Maintenanc	0.14	\$84,666.46	\$11,853.30	10% of salary
Recreation Supervisor OUTDOOR RENTALS/VOLUNTEER	0.10	\$70,393.62	\$7,039.36	10% of salary
Maintenance Tech - Facility Maintenance - NEW	1.00	\$62,439.25	\$62,439.25	100% of salary
Custodian	1.00	\$44,679.13	\$44,679.13	100% of salary
Custodial PT Support - NEW	2,856	\$28.00	\$79,968.00	56 hrs/week x 51 weeks x \$28
Athletic Complex PT Maintenance - NEW	750	\$15.00	\$11,250.00	25 hrs/wk x 30 wks x \$15
Gym Attendant - NEW	500	\$14.00	\$7,000.00	10 hrs x \$14 x 50 weeks
PT Parks Maintenance	5,000	\$15.00	\$75,000.00	25 hours/week x 50 weeks x 4 staff x \$15/h
Employer's Share of Medicare			\$4,697.76	1.45% of Salaries and Wages
Benefits			\$71,435.88	\$29,277/ FT Employee
OPERS			\$45,357.67	14% of salaries
Total	Personnel Services		\$445,474.69	
SUPPLIES				
Gasoline			\$5,000.00	
Building Materials			\$7,000.00	Paint, Lumber, Nails, Screws, Glues, etc...
Repair Parts			\$10,000.00	Plumbing, Hardware, Electrical, Lighting, etc...
Small Tools & Minor Equip.			\$2,000.00	Misc. and Specialty Tools
Other Maint. Supplies			\$5,000.00	Lubricants, light bulbs, etc.
Safety Supplies			\$1,000.00	Safety Glasses, Gloves, Harness, Radios, etc...
Other Miscellaneous			\$1,000.00	
Total	Supplies		\$31,000.00	
OTHER SERVICES & CHARGES				
Contracted Services (Custodial, Landscaping)			\$125,000.00	
Building Repairs & Maint.			\$15,000.00	Services for HVAC systems, elevator, floor refinishing, etc.
Radio Maintenance			\$500.00	Portable radio repairs / replacement
Equipment Maint. Contract			\$10,000.00	Fire, HVAC, Elevators, Kitchen Equipment
Other Rental & Leases			\$7,000.00	Tool and equipment rentals
Staff Clothing			\$400.00	
Internal Instruction Fees			\$500.00	
Total	Other Services		\$158,400.00	
TOTAL EXPENSES			\$634,874.69	
NET REVENUE/(LOSS)			(\$634,874.69)	
cost recovery**			0.0%	

## Pro Forma Revenues &amp; Expenditures

HILLIARD COMMUNITY CENTER

## YOUTH PROGRAMS

ACCOUNT TITLE	BUDGET	EXPLANATION
<b>REVENUES</b>		
<b>TOTAL REVENUES</b>	<b>\$443,750.00</b>	

ACCOUNT TITLE			BUDGET	EXPLANATION
<b>PERSONNEL SERVICES</b>	units	rate		
Deputy Director	0.20	\$110,552.81	\$22,110.56	20% of FT position
Program Manager Programming/Front Desk	0.17	\$94,299.45	\$16,030.91	15% of FT position
Recreation Supervisor SPORTS/LEAGUES	0.54	\$71,080.64	\$38,383.55	50% of FT position
Recreation Supervisor-YOUTH PRESCHOOL CAMPS	0.34	\$71,991.74	\$24,477.19	30% of FT position
Rec. Supervisor Programming - <b>NEW</b>	0.49	\$70,043.40	\$34,321.27	45% of FT position
Community Recreation Instructors	198.00	\$20.00	\$3,960.00	198 hours to ENHANCE AND PROVIDE NEW programs x \$20
Staff for Parents Night Out Programs, etc - <b>NEW</b>	120.00	\$14.00	\$1,680.00	2 Staff x 5 hours x 12 occurrences x \$14
Sport Tournaments Seasonal Aides - <b>NEW</b>	1.00	\$10,213.00	\$10,213.00	
Sport Spring Seasonal - <b>NEW</b>	1.00	\$4,889.00	\$4,889.00	
Sport Fall Seasonal - <b>NEW</b>	1.00	\$13,570.00	\$13,570.00	
Community Rec Instructor Programming - <b>NEW</b>	1.00	\$15,120.00	\$15,120.00	
Employer's Share of Medicare			\$2,678.95	1.45% of Salaries and Wages
Benefits			\$50,941.98	\$29,277 / FT Employee
OPERS			\$25,865.77	14% of salaries
<b>Total</b>	<b>Personnel Services</b>		<b>\$264,242.17</b>	

## SUPPLIES

Linens & Towels		\$2,000.00
General Program Supplies		\$20,000.00
<b>Total</b>	<b>Supplies</b>	<b>\$22,000.00</b>

## OTHER SERVICES &amp; CHARGES

<b>Contract Instructors</b>	\$199,687.50	60% or an estimated 75% of programs added with new Center
Marketing / Promotions	\$3,000.00	
Equipment Maintenance	\$2,000.00	
Staff Clothing	\$1,000.00	
<b>Total</b>	<b>Other Services</b>	<b>\$205,687.50</b>

<b>TOTAL EXPENSES</b>	<b>\$491,929.67</b>
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<b>NET REVENUE/(LOSS)</b>	<b>(\$48,179.67)</b>
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cost recovery**	90.2%
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## Pro Forma Revenues &amp; Expenditures

HILLIARD COMMUNITY CENTER

## COMMUNITY CENTER - AQUATICS

ACCOUNT TITLE		BUDGET	EXPLANATION
<b>TOTAL REVENUES</b>		<b>\$216,900.00</b>	
ACCOUNT TITLE		BUDGET	EXPLANATION
<b>PERSONNEL SERVICES</b>			
Deputy Director	0.10	\$110,552.81	10% of salary
Rec. Sup. - Aquatics, HSP, Splash	0.44	\$65,299.38	40% of FT position
Recreation Coordinator - AQUATICS	0.44	\$50,249.68	40% of FT position
Indoor Pool Manager - <b>NEW</b>	4,870.50	\$16.00	95.5 hrs x 51 weeks x 1 staff x \$16 (avg wage)
Indoor Lifeguards - <b>NEW</b>	29,223.00	\$14.00	95.5 hrs x 51 weeks x 6 staff x \$14 (avg wage)
Indoor Swim Instructors - <b>NEW</b>	2,730.00	\$15.00	13 instructors x 3 hrs(sessions) x 5 days x 28=5460/2(due to space)=2730 hrs
PT Swim Lesson Coordinator - <b>NEW</b>	450.00	\$18.00	10 hrs x 45 weeks x \$18
Employer's Share of Medicare		\$8,510.65	1.45% of Salaries and Wages
Benefits		\$25,763.76	\$29,277/ FT Employee
OPERS		\$82,171.82	14% of FT salaries
<b>Total</b>	<b>Personnel Services</b>	<b>\$714,443.10</b>	
<b>SUPPLIES</b>			
Building Materials		\$1,500.00	
Repair Parts		\$3,000.00	
Small Tools & Minor Equip.		\$1,500.00	
Chemicals		\$25,000.00	
Other Maint. Supplies		\$3,000.00	
Safety Supplies		\$5,000.00	
Linens / Towels		\$4,000.00	
General Program Supplies		\$10,000.00	
<b>Total</b>	<b>Supplies</b>	<b>\$53,000.00</b>	
<b>OTHER SERVICES &amp; CHARGES</b>			
Marketing & Promotions		\$3,000.00	
Equipment Repairs & Maint.		\$12,000.00	
Staff Clothing		\$1,000.00	
<b>TOTAL EXPENSES</b>		<b>\$783,443.10</b>	
<b>NET REVENUE/(LOSS)</b>		<b>(\$566,543.10)</b>	
cost recovery**		27.7%	

## Pro Forma Revenues &amp; Expenditures

HILLIARD COMMUNITY CENTER

## 50+/Senior Programs

ACCOUNT TITLE	BUDGET			EXPLANATION
REVENUES				
TOTAL REVENUES	\$274,392.00			
PERSONNEL SERVICES				
	units	rate	total	
Program Manager Programming/Front Desk Supervisor	0.22	\$93,830.31	\$20,642.67	20% of FT position
Recreation Supervisor-SENIOR ADULT	0.70	\$70,364.70	\$49,255.29	70% of FT position
Recreation Supervisor SPORTS/LEAGUES	0.10	\$71,080.64	\$7,108.06	10% of FT position
Rec. Sup. Fitness/Corporate - New	0.34	\$70,393.62	\$23,933.83	30% of FT position
Cook	1.00	\$20,400.00	\$20,400.00	10% of PT position
Assistant Cook	1.00	\$17,859.00	\$17,859.00	10% of PT position
SC Front Desk Workers	2,499.00	\$14	\$34,986.00	TOTAL ADDITIONAL HRS NEEDED: 2499 hours x \$14
Community Recreation Instructors	198.00	\$20	\$3,960.00	198 hours to ENHANCE AND PROVIDE NEW programs x \$20
SC Front Desk	1.00		\$29,175.00	
SC Trip Aid	1.00		\$19,776.00	
SC Bus Driver	1.00		\$22,692.00	
Employer's Share of Medicare			\$3,621.92	1.45% of Salaries and Wages
Benefits			\$39,816.72	\$29,277 / FT Employee
OPERS			\$34,970.30	14% of FT salaries
Total	Personnel Services		\$328,196.80	
SUPPLIES				
Linens / Towels			\$2,000.00	
General Program Supplies			\$20,000.00	
Total	Supplies		\$22,000.00	
OTHER SERVICES & CHARGES				
Contract Services			\$211,626.00	
Marketing & Promotions			\$2,000.00	
Staff Clothing			\$500.00	
Capital Outlay			\$0.00	
TOTAL EXPENSES	\$564,322.80			
NET REVENUE/(LOSS)				
cost recovery**	(\$289,930.80)			
	48.6%			

# Pro Forma Revenues & Expenditures

HILLIARD COMMUNITY CENTER

## ADULT RECREATION

ACCOUNT TITLE	BUDGET			EXPLANATION
REVENUES				
TOTAL REVENUES	\$448,695.00			
PERSONNEL SERVICES	units	rate	total	
Program Mgr Prog/Front Desk Supv	0.17	\$93,830.31	\$15,951.15	15% of FT position
Recreation Supervisor SPORTS/LEAGUES	0.34	\$71,080.64	\$24,167.42	30% of FT position
Recreation Supervisor-SENIOR ADULT	0.20	\$70,364.70	\$14,072.94	20% of FT position
Rec Supervisor-Fitness/Corporate - NEW	0.44	\$70,043.40	\$30,819.10	40% of FT position
Rec. Supervisor Programming - NEW	0.49	\$70,043.40	\$34,321.27	45% of FT position
PT Fitness Attendants	2,779.50	\$14.00	\$38,913.00	54.5 hrs/wk x 51 weeks x \$11.89
Employer's Share of Medicare			\$2,294.55	1.45% of Salaries and Wages
Benefits			\$48,014.28	\$29,277 / FT Employee
OPERS			\$22,154.28	14% of salaries
Total	Personnel Services		\$230,707.99	
SUPPLIES				
Linens and laundry			\$3,000.00	
General Program Supplies			\$30,000.00	
Total	Supplies		\$33,000.00	
OTHER SERVICES & CHARGES				
Contract Instructors			\$269,217.00	60% of Contract Program Revenues
Marketing & Promotions			\$2,000.00	
Office Equipment				
Capital Outlay			\$0.00	
TOTAL EXPENSES			\$535,424.99	
NET REVENUE/(LOSS)			(\$86,729.99)	
cost recovery**			83.8%	

# Pro Forma Revenues & Expenditures

HILLIARD COMMUNITY CENTER

## Therapeutic Recreation

ACCOUNT TITLE	BUDGET	EXPLANATION
<b>REVENUES</b>		
<b>TOTAL REVENUES</b>	<b>\$6,885.00</b>	
<b>PERSONAL SERVICES</b>		
Program Manager Programming/Fr Part Time	0.10 \$94,299.45	\$9,429.95 10% of FT position
Overtime		\$0.00
Employer's Share of Medicare Benefits		\$599.74 1.45% of Salaries and Wages
		\$140.51 \$29,277 / FT Employee
OPERS		\$3,300.48 14% of salaries
<b>Total</b>	<b>Personal Services</b>	<b>\$13,470.68</b>
<b>SUPPLIES</b>		
Linens & Laundry		\$500.00
General Program Supplies		\$500.00
Other Miscellaneous		\$500.00
<b>Total</b>	<b>Supplies</b>	<b>\$1,500.00</b>
<b>OTHER SERVICES &amp; CHARGES</b>		
Marketing & Promotions		\$500.00
Contract Instructors		\$4,131.00 60% of Contract Program Revenue
<b>Total</b>	<b>Other Services</b>	<b>\$4,631.00</b>
<b>TOTAL EXPENSES</b>	<b>\$19,601.68</b>	
<b>NET REVENUE/(LOSS)</b>	<b>(\$12,716.68)</b>	
cost recovery**	35.1%	

## Pro Forma Revenues &amp; Expenditures

HILLIARD COMMUNITY CENTER

## Seasonal / Camps

ACCOUNT TITLE	BUDGET			EXPLANATION
REVENUES				
			\$377,525.00	
TOTAL REVENUES			\$377,525.00	
PERSONNEL SERVICES				
	units	rate	total	
Deputy Director	0.10	\$110,552.81	\$11,055.28	10% of FT position
Program Manager Programming/Front Desk Supervisor	0.12	\$94,299.45	\$11,315.93	10% of FT position
Recreation Supervisor-YOUTH PRESCHOOL CAMPS	0.64	\$71,991.74	\$46,074.71	60% of FT position
Camp Staff	1.00	\$117,569.00	\$117,569.00	Additional School Site planned for 2023 & beyond 2022 New camp
NEW Camp Staff	1.00	\$55,569.00	\$55,569.00	
Employer's Share of Medicare			\$3,178.58	1.45% of Salaries and Wages
Benefits			\$25,178.22	\$29,277 / FT Employee
OPERS			\$33,821.75	14% of salaries
Total	Personnel Services		\$281,391.27	
Misc.			\$3,000.00	
General Program Supplies			\$10,000.00	
Total	Supplies		\$13,000.00	
OTHER SERVICES & CHARGES				
contractual camp services			\$17,472.00	
Marketing / Promotions			\$2,000.00	
Office Equipment			\$0.00	
Total	Capital Outlay		\$0.00	
TOTAL EXPENSES			\$299,391.27	
NET REVENUE/(LOSS)			\$78,133.73	
cost recovery**			126.1%	



## 2025 - NEW H.R.P.D. STAFF & ALLOCATION

	Admin.	Maint.	Youth	CC Aquatics	50+	Adult	Therapeutic	Seasonal Camp	Outdoor Aquatics	Special Events	Parks	TOTAL
1 Director	50%	10%							10%	10%	20%	100%
2 Deputy Director	30%	10%	20%	10%				10%	10%	5%	5%	100%
3 Program Mngr. Programming/F.D. Supervisor	20%		17%		22%	17%	10%	12%		2%		100%
4 Program Mngr. Parks / Maint.	30%	14%								2%	54%	100%
5 Rec. Sup. SPECIAL EVENTS										100%		100%
6 Rec. Sup. OUTDOOR RENTALS/VOLUNTEER	10%	10%								10%	70%	100%
7 Rec. Sup. SPORTS/LEAGUES			54%		10%	34%				2%		100%
8 Rec. Sup.-SENIOR ADULT					70%	20%				10%		100%
9 Rec. Sup. - YOUTH PROGRAMMING/CAMPS			34%					64%		2%		100%
10 Rec. Sup. - AQUATICS, HSP & SPLASH PADS				44%					44%	2%	10%	100%
11 Crew Leader - Parks											100%	100%
12 Recreation Coordinator - AQUATICS				44%					44%	2%	10%	100%
13 Recreation Coordinator - FRONT DESK	98%									2%		100%
14 Custodian		100%										100%
15 Maintenance Tech											100%	100%
16 Maintenance Tech											100%	100%
17 Maintenance Tech											100%	100%
18 Maintenance Tech											100%	100%
19 Maintenance Tech											100%	100%
20 Maintenance Tech											100%	100%
1 Landscape Arch./Project Manager - <b>NEW</b>										2%	98%	100%
2 Business Mngr. - Fin. / Rec Trac Liason - <b>NEW</b>	98%									2%		100%
3 Facility Manager - Guest Experience - <b>NEW</b>	98%									2%		100%
4 Rec. Sup. Programming - <b>NEW</b>			49%			49%				2%		100%
5 Rec. Sup. Fitness/Corporate - <b>New</b>	20%				34%	44%				2%		100%
6 IT (support) - <b>NEW</b>	90%									10%		100%
7 HR Manager / Analyst (support) - <b>NEW</b>	98%									2%		100%
8 Community Relations / Marketer - <b>NEW</b>	90%									10%		100%
9 Maintenance Tech - Facility - <b>NEW</b>		100%										100%
10 Crew Leader - SPORTS/TURF MANG. - <b>NEW</b>											100%	100%
11 Maintenance Tech -SPORTS/TURF - <b>NEW</b>											100%	100%
12 Maintenance Tech -SPORTS/TURF - <b>NEW</b>											100%	100%
13 Maintenance Tech -SPORTS/TURF - <b>NEW</b>											100%	100%

NEW

Current

# COMMUNITY CENTER OPERATING COST COMPARISONS City of Westerville & City of Dublin



# COMMUNITY CENTER OPERATING COST COMPARISONS

(Source: Information taken directly from 2022 Operating Budgets)

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## **Westerville Community Center**

### **2022 Operating Budget**

**\$8,339,382 total operating expenses**

(includes budgets for Community Center, Senior Center, Recreation Programming, and 1/2 of Administration)

**\$3,677,600 estimated revenues in budget, 44% cost recovery**

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## **Dublin Community Recreation Center**

### **2022 Operating Budget**

**\$7,951,215 total operating expenses**

(includes budgets for Recreation Center, Recreation Center Facilities Maintenance/Cleaning, Recreation Programming)

**\$3,975,608 cost recovery requirement of 50% via City Council policy**

# COMMUNITY CENTER OPERATING COST COMPARISONS

City Community Center	Expenses	Revenues	Cost Recovery
Westerville (2022)	\$8,339,382	\$3,677,600	44% (as budgeted)
Dublin (2022)	\$7,951,215	\$3,975,608	50% (required)
Hilliard (2026 – 2nd year)	\$5,558,062	\$4,235,015*	76%

\* Hilliard revenue includes \$625,000/year estimate for CAM & lease rate due from OSU Wexner Medical Center. It does not include estimated income tax revenue also generated from the additional jobs created by OSU.