



Culture, Parks and Recreation Project

City Council Work Session
11.12.24

Purpose of tonight's Work Session

To give the public and city council a rough estimate of operating costs, (including the pull on the general fund, and fees) forecasted and estimated for the proposed new recreation center.

Work Session Agenda

1. Brief history of the project & finances
2. City Budget Context
3. What will we get?
4. Estimated Operating Budget
5. Market comparisons and options
6. Policy decisions & timing

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Project Background

iheartmac.org

- **Project Background**
- **Community Advisory Group**
- **PROS Plan**
- **Location**
- **Historic look at rec facilities**
- **Community Feedback**
- **FAQ's**
- **Contact us**

Project Finances

Capital costs = one time

- Acquisition of land
- Design
- Capital Construction (building)

Typically funded by general obligation bonds, grants & capital fundraising.

GO bonds must be approved by voters.

Capital Cost Estimate

Culture Parks and Recreation Bond = \$152.5 million

- **Used MacPAC concept plans and est. capital costs**
 - Rec Center = \$115 million
 - Library = \$25 million
 - Senior Center = \$3.5 million
- **PROS plan update**
 - Parks = \$9 million/5 year project list

Project Finances

Operating costs = ongoing

- Staffing
- Ongoing maintenance/repairs
- Supplies and materials
- Heating/electricity

Typically funded by user fees, general fund & donations

4 Elements of the Culture, Parks and Recreation Project

Library

no anticipated additional operating costs at this time

Senior Center

no anticipated additional operating costs at this time.

Park operations (maintenance)

level of service and add packages historically looked at through the budget process and add packages.

Proposed Recreation Center

anticipated changes in operating costs

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GO bonds, grants, capital fundraising

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Fees, general fund, donations

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Fees, general fund, donations

Questions on project or financial framework?

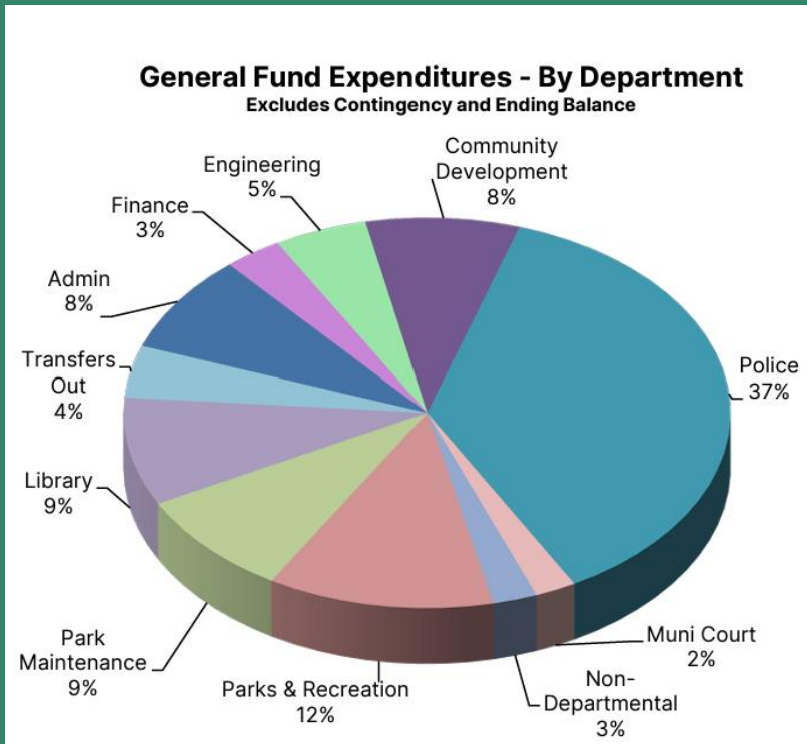
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Budget Context

Total cost to operate the city: **\$131,736,348**

Total cost to operate the general fund services: **\$37,153,892**

Total cost to operate Parks & Recreation: **\$3,941,747**



From p. 15, 24, 31
FY 24/25 Proposed Budget

Budget Context

Total General Fund Revenue

Charges for Services

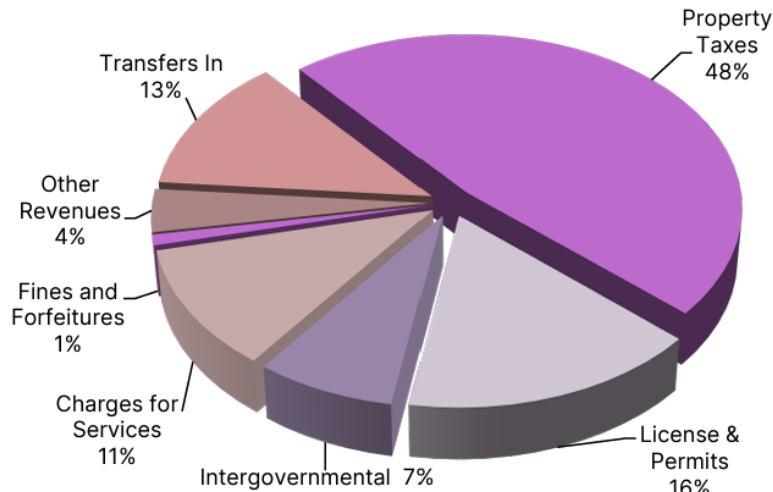
\$3,234,569

RESOURCES by Type

Beginning Balance	\$ 8,293,117
Property Taxes	13,750,000
License & Permits	4,646,000
Intergovernmental	2,172,187
Charges for Services	3,234,569
Fines and Forfeitures	283,040
Other Revenues	1,146,948
Transfers In	3,628,031
Total Resources	\$ 37,153,892

General Fund Revenues - By Type

Excludes Beginning Balance



From p. 24 of FY 24/25
Proposed Budget

Budget Context

Total General Fund Revenue

RESOURCES by Type	
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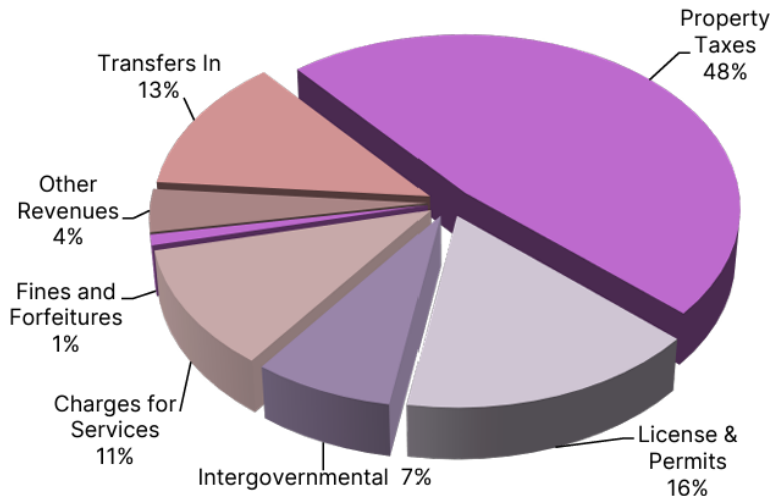
**FY 23/24 Actual
Parks & Recreation
Revenue =**

\$641,730

**(or about 20% of all charges for
services' revenue for the city)**

General Fund Revenues - By Type

Excludes Beginning Balance



Why was the project put on hold?



- City budget foundational issues needed addressing
- Making sure operational funds were there for long term financial sustainability
- Address maintenance and reserve planning
- Still recovering from the pandemic
- Property / location conversations

Budget Context

Dollars & Sense – the City’s 2023 project to consider how the city might choose to use the approximate **\$5 million annually** (\$1.50/\$1,000 of assessed value) freed up by the voter approved fire district.

The community ranked **Culture, Parks and Recreation** as their top priority for use of those funds.

Budget Committee recommendation and City Council decision to levy .50 of the full \$1.50 which was estimated to bring in about **\$1.8 million**

Questions on budget context?

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- 3. What will we get?***
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***depending on City Council direction, construction costs, etc.**

What will we get?*



*depending on City Council direction, construction costs, etc.

What will we get?*

Community health and wellness emphasis ● Open 25 more hours a week ● Automatic, accessible restrooms you can operate the fixtures regardless of if you're on your feet, or you're on wheels, or have a caregiver ● Privacy ● **Family changing rooms** ● Drop in child-care for users ● One stop shop for all of your recreation needs ● Efficient and easier on families ● **One membership** ● More options to tailor fees to fit different financial needs ● More publicly rentable gym space ● More drop in time ● Concurrent activities – pickleball, basketball, etc. ● Energy efficiency ● **Safe environment, crime prevention through environmental design** ● A facility we can be proud of ● Easier to recruit staff ● Opportunity for more revenue ● More opportunity for competitive swim meets ● More clinics and camps all year round because of the gym ● Better lighting ● Opportunity for pickleball, basketball, 3x3 tournaments ● Double the number of indoor pickleball courts ● Updated and safer tiny tots ● Full size basketball courts ● **More parking** ● More parking for the library ● **\$150,000/year towards capital reserves** ● Located away from the jail and other conflicting uses ● Adjoining our most amazing park and interface with the Yamhill River ● Safe drive through drop off ● Better cardio room/weight room ● No rain induced waterfalls ● Currently we have one deteriorating slide as our **family pool** amenity we'll have lazy river, interactive elements, play that we will be able to keep open when meets are happening ● **Dedicated maintenance person** for the facility which frees up time for programming ● Regional destination ● Local hub ● new rec options ● Zero depth entry which means you can walk into the water ● Maximum number of lanes we have in our lap pool is 8/25 yards will have up to 20 lanes at 25 yards or 10 lanes in 50 meter ● Modern pool systems and HVAC systems ● Better air quality for chlorine sensitivities ● Birthday party rental ● Reduced waiting lists ● Working elevator ● **Focus on fitness and wellness** ● Functional training space ● Better cardio space & equipment ● Community wing ● Meeting rooms ● Outdoor play spaces ● More space for older adults ● Values based fees ● Secure front desk ● **Sustainable financial plan**

*depending on City Council direction, construction costs, etc.


Questions about what we'll get?

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Updates to the 2019 Estimates

- Public engagement and advisory committee work enhanced/expanded the amenities
- Covid added costs, affected attendance/participation
- Economy looks very different
- Personnel cost increases

How we looked at it

- Estimated operating budget is built on what will be run out of the building (does not include Senior Center, P&R Admin or Parks Maintenance budgets)
- Comparisons are all escalated to 2028 (4% increase annually)
- Goal was 

Assumptions for estimate

- First year of operations = 2028
- Presence of other providers in the market will remain the same
- Built using 2021 concept plan
- One time start up budget will be necessary to estimate costs prior to opening (not included)
- Part time 2028 wage scale = \$17 minimum wage

Assumptions for estimate (con't)

- High level of programming, which increases staffing & potential revenue
- Center will draw from outside the city limits
- Basic capital replacement/reserve dollars are included.
- No debt service for the capital funding has been shown.

Parks and Recreation Department

Budget Overview

Departmental budget currently includes cost centers:

1. Admin
2. Community Center
3. Aquatic Center
4. Rec Sports
5. Senior Center

The proposed rec center estimated operating budget includes/compares a subset of that, including the programs that will be run out of the new building:

2. Community Center
3. Aquatic Center
4. A portion of Rec Sports (indoor)

Escalating to 2028 ↔

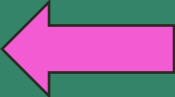
Existing facilities, programing, and revenue		
	23/24 actual	23/24 Actual Escalated to 2028
Expenses	\$1,929,340	\$2,257,055
Revenues	\$641,730	\$750,733
Difference	\$1,287,610	\$1,506,322

Estimated 'pull' on the general fund with existing costs, escalated for inflation (portion of department budget)

Escalating to 2028



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**Estimated revenue, escalated for inflation
(portion of department budget)**

Escalating to 2028 ↔

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Estimated revenue, escalated for inflation (portion of department budget)

2028 (escalated) compared to estimated

Comparing escalated to estimated			
	23/24 actual	23/24 Actual Escalated to 2028	Estimated in new facility
Expenses	\$1,929,340	\$2,257,055	\$4,817,281
Revenues	\$641,730	\$750,733	\$2,697,342
Difference	\$1,287,610	\$1,506,322	\$2,119,940

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Estimated new 'pull on the general fund'

23/24 actual escalated	\$1,506,322
<u>Estimated in new facility</u>	<u>-\$2,119,940</u>

\$613,618

Additional annual general fund resources required to operate the proposed rec center

Questions about estimated operational costs?

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Proposed 2028 Fees/New Facility

Category	Daily		10 Visit (+1 Free)		Annual Pass		Month to Month	
	Res	NRes	Res	NRes	Res	NRes	Res	NRes
Adults	\$8.50	\$10.50	\$85	\$105	\$690	\$865	\$55.50	\$70.00
Youth (3-17)	\$7.00	\$8.50	\$70	\$85	\$530	\$665	\$42.00	\$53.50
Senior (60+)	\$7.00	\$8.50	\$70	\$85	\$530	\$665	\$42.00	\$53.50
Family	N/A	N/A	N/A	N/A	\$1,200	\$1,500	\$98.00	\$123.00

Proposed 2028 Drop-In Fees/New Facility

Category	Daily		10 Visit (+1 Free)		Annual Pass		Month to Month	
	Res	NRes	Res	NRes	Res	NRes	Res	NRes
Adults	\$8.50	\$10.50	\$85	\$105	\$690	\$865	\$55.50	\$70.00
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Senior (60+)	\$7.00	\$8.50	\$70	\$85	\$530	\$665	\$42.00	\$53.50
Family	N/A	N/A	N/A	N/A	\$1,200	\$1,500	\$98.00	\$123.00

Note – if someone pays for a class & doesn't want to use the facility, they don't have to pay drop in fee

Comparing current escalated to 2028 Fees/New Facility

Category	Daily		10 Visit (+1 Free)		Annual Pass		Month to Month	
	Res	NRes	Res	NRes	Res	NRes	Res	NRes
Adults	\$8.50	\$10.50	\$85	\$105	\$690	\$865	\$55.50	\$70.00
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Family	N/A	N/A	N/A	N/A	\$1,200	\$1,500	\$98.00	\$123.00

Category	Existing Month to Month Escalated to 2028 (AC & CC)	New Estimated Month to Month
Adults	\$49.72	\$55.50

11% Increase



Market Comparison – Quick Scan

Category	Daily		10 Visit (+1 Free)		Annual Pass		Month to Month	
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Family	N/A	N/A	N/A	N/A	\$1,200	\$1,500	\$98.00	\$123.00

Location	Annual family membership rate (current)	Escalated to 2028
Kroc Center Salem	\$1,620	\$1,895
Sherwood YMCA	\$1,443	\$1,688
Juniper (Bend)	\$1,152	\$1,348
Chehalem Aquatic / Rec Center	\$999	\$1,169
Woodburn	\$890	\$1,041
Shute (Hillsboro)	\$547	\$640

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Shute (Hillsboro)	\$547	\$640

Partners – Swim Club, Hospital, club sports and MSD fees

- **Assumes fairly significant increase for rentals**
- **Need to keep having conversations with partners**
- **Important to move forward together**
- **Part of Council future policy considerations**

Questions on Market Comparison & Options?

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Timing

- **Not approving fees or operating budget now**
- **Regular updates to estimates will be needed**
 - Construction costs and timing
- **Conversations with partners – MSD, clubs, etc.**
- **Parks and Rec Advisory Committee**
- **Council decision through fee adoption**

Policy Dials

- **Cost Recovery %**
- **Membership rates**
- **Scholarships/subsidies/incentives**
- **In-city discount**
- **Partners/contracts**
- **Naming policy**
- **Could be possible to negotiate a lower non-resident rate with neighboring communities if County or surrounding cities want to pay in to operating costs.**



Policy Dials

- Balance
- Value Driven
- Long term facility management
- Community Needs



Next steps

- Polling results December 18, 2024
- Ballot title & explanatory statement
January/February 2025
- February 2025 – City Council decision for
capital bond on May 2025 Ballot

Questions?