

**FINANCE SUBCOMMITTEE**

**October 6, 2020**

Due to the ongoing situation with COVID-19 and pursuant to H.B. 197, this Community Center Feasibility Task Force, Facilities & Partnerships Sub-Committee Meeting was convened remotely via video-conference using Zoom.

This meeting was called to order by Chair Rule at 12:00 p.m.

**SUBCOMMITTEE**

**MEMBERS PRESENT:** Subcommittee Chairperson Matt Rule, Linda Mauger, Brian Perera, Todd Walter

**SUBCOMMITTEE**

**MEMBERS ABSENT:** None

**TASK FORCE MEMBERS**

**PRESENT:** Yanitza Brongers, Bill Westbook, Margi Pizzuti

**STAFF PRESENT:**

Assistant City Manager Dan Ralley, Community Affairs Director Emma Speight, Parks & Recreation Director Debbie McLaughlin, Parks Planning & Development Manager Jeff Anderson, City Attorney Darren Shulman, Economic Development Director Joe Henderson, Finance Director Brent Lewis, Assistant Finance Director Jon Lindow, Matt Leber, Program Manager Parks and Recreation.

**CONSULTANTS**

**PRESENT:** Leon Younger, Scott Vollmer, Nancy Weir

**1. Approval of the Minutes from September 22, 2020 Meeting**

All members voted in favor of the approval of the September 22<sup>nd</sup> minutes.



## **2. Establishing Sub-Committee Goals**

Chairperson Rule re-visited the Finance Sub-Committee goals that were discussed at the September 22<sup>nd</sup> meeting.

- 1) Capital stack. How will the construction of a community center be funded?
- 2) Operational Expenses. Examining how the ongoing operation of a community center would be structured.
  - a. Fee Structure Programatic or subscription based revenue model?
  - b. Cost Recovery – Is there a philosophy that sub-committee would like to utilize for the Community Center?
  - c. Fee participation. Should persons within different groups pay different rates?
- 3) Partnership philosophy. Is there a philosophy around partnerships that this sub-committee would like to recommend with regard to third party tenants and operating partners?

## **3. Overview of Community Center Operating Budget**

Leon Younger, Pros Consulting gave a presentation (attached) overviewing programing and operational criteria for a community center.

The community center, as currently envisioned, would include three gyms, walking track, indoor aquatics, and group fitness. Shared spaces would include dedicated senior space as well a variety of indoor play and common spaces.

Two different models for operation: Membership model and a program model. Survey results indicated a preference for a membership model. Assumption is that with a membership model 60% of the revenues will come from memberships with the balance coming from daily fees, rentals, program fees and childcare services.

Membership would include differential pricing for residents/non-residents as well as variable rates for youth, seniors and families. The City currently treats persons who work in Upper Arlington as residents for purposes of program registration and fees.

Operating budget would include utility costs of \$3.50 sq ft and include maintenance cost assumptions. Ongoing maintenance and replacement costs estimated at 5% of overall gross revenues. Fixtures, furniture and equipment will be built into the capital estimates.



Discussions with staff are needed to identify operating hours, existing department positions, current revenues and subsidies.

Matt Rule asked about the stability of memberships. Leon Younger indicated that the goal is typically to retain 75% of all members year over year.

Linda Mauger asked about how to budget for programs that are already in existence as they get fit into a community center space and whether fees for these programs have to change.

Leon Younger sought direction from the sub-committee about whether the facility should be membership or program driven. Todd Walters indicated that being welcoming was important and giving access to people in various ways will be important. Because some residents already belong to facilities it will be important to allow access thru a hybrid between membership and programs.

Linda Mauger voiced support for the hybrid model as well and asked whether it would offer an opportunity to partner with Grandview Heights and Marble Cliff.

Leon Younger indicated that a future discussion about how to encompass existing pool and tennis memberships will be needed.

Brian Perera ask about how the program option will impact demand for memberships. Leon Younger indicated that the memberships have to have a high perceived value and part of that is early access to program registration.

Matt Rule indicated support for the membership model, especially initially, because of the stability of the revenue stream.

Todd Walters commented that there are incremental costs to the new facility that need to be framed in discussions with the community because the City has existing costs with the Senior Center and with other programs. All operational costs will not be new, and that may not be well understood.

Leon Younger noted that pre-selling memberships creates excitement and energy in the building when it first opens and is an important element of successful launches of new community centers.

Matt Rule indicated in two weeks he would like additional information about other successful operating partnerships and suggested that a case study model would be useful for the next meeting.



**3. Public Comment**

None

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The meeting was adjourned at 1:20 p.m.



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**Chairperson**

**ATTEST:**



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**Secretary**

