

**Park Advisory Board
Meeting Minutes
January 11, 2024
Meeting called to order 5:30 PM**



1. **ATTENDANCE:**
 - A. Park Board Members Present: Board Member, Gregory Webb
Board Member, Jacob Powers Board
Member, Michelle Musgrave
Board Member, Don Mitchell
Board Member, Lori Wood
 - B. Park Board Members Absent: Member, Michelle Musgrave
 - C. Staff Present: J.C. Kennedy, Parks & Recreation Director
2. **Agenda Approval:** A Motion to approve the Agenda was made by Mrs. Wood. Second by Mr. Mitchell. Agenda Approved.
3. **December 7, 2023 Minutes:** Motion to approve the minutes was made by Mr. Powers. Second by Mr. Webb. Minutes approved.
4. **Meeting Agenda:**
 - January 11, 2024
 - February 8, 2024
 - March 7, 2024
 - April 4, 2024
 - May 9, 2024
 - June 6, 2024
 - July No Meeting Independence Day Holiday
 - August 8, 2024
 - September 5, 2024
 - October 10, 2024
 - November 7, 2024
 - December 5, 2024
5. **Election of Officers: Same:** A motion to retain the current officer structure was made by Mr. Webb. Second by Mr. Mitchell. Mr. Powers will serve as the Park Advisory Board President and Mrs. Wood will serve as the Park Advisory Board Secretary for 2024.
6. **2023 Annual Revenue Report**

Membership Tracking:	December 29, 2022 = 1,086
	December 28, 2023 = 1,261

In 2023 we welcomed 173,496 paid members to the Center.

We realized 120.3% of our anticipated revenue for the year, \$257,297.48 over revenues budgeted.

AHRC Revenue Year to Date	\$1,517,420.80
AHRC Expenditures Year to Date	\$2,073,683.72
AHRC Subsidy Year to Date	\$556,262.92
AHRC Cost Recovery % Year to Date	73.18%

- 7. Recreation Center Operating Goals, Subsidy Analysis, COVID Impact on Operations:** Mr. Kennedy provided an analysis that he put together about where the AHRC would have been in comparison to the operating goals that were set without the negative impact of the COVID 19 Pandemic. Having a continuous year of data allowed this to be put together.

OPERATING GOALS

November 11, 2017 City Council authorizes professional services agreement with Ballard King & Associates for Operations Study for facility.

FIRM PROFILE

Ballard King & Associates was established in 1992 by Ken Ballard and Jeff King in response to the need for market-driven and reality-based planning for recreation facilities. B*K has achieved 20 years of success by realizing that each client’s needs are specific and unique. With over 50 combined years of facility management and planning experience in the collegiate, public, non-profit and private sector, our consulting firm has completed over 500 projects in 48 states and has working relationships with more than 100 architects coast-to-coast. We are also honored to be the recipient of five Athletic Business Facilities of Merit Awards.

Friday March 23, 2018 Operating Analysis Assumptions, Market Analysis presented to City Council.

“The ability of a fitness, aquatic, sports or recreation facility to capture a market share is based in large part on the amenities that are included in a center, the variety of amenities available, the size of the facility and the fees that are going to be charged.”

Membership

We discussed multiple times during City Council meetings we believe that the membership numbers provided by Ballard King were somewhat conservative. The discussions centered around reaching a revenue goal of having the Recreation Center cover its costs.

SUBSIDY ANALYSIS

Ballard King Operations Budget Presented to City Council, April 30, 2018

Projected 032 Community Services Budget

Expenses: \$2,407,643

Revenues: \$1,277,098

Operating Subsidy: \$1,130,545

Cost Recovery: 53.04%

COVID IMPACT ON OPERATIONS

- In March of 2020 the World Health Organization declared the COVID-19 a pandemic.
- On March 16, 2020 Governor Inslee ordered all fitness facilities closed.
- June 15, 2020 many fitness facilities open adhering to “Safe Start” guidelines established by the Washington State Department of Health.
- February 1, 2021 AHRC re-opens with reduced hours of operation and under “Safe Start” guidelines including mask mandates.
- March 12, 2022 Mask Mandate lifted.
- April 2022 AHRC expanded hours.

In April of 2022 we were finally able to start to rebuild and at the same time regain the confidence of our membership base. Our operating model intended to include annual COLA increases to the membership rates. COVID significantly impacted our ability to follow through with these intentions.

2023 marked the first full 12-month cycle of operations for AHRC. Without the impact of the COVID Pandemic we would have realized annual increases in membership rates that would have significantly reduced the subsidy that we receive from the general fund. The COLA increases in membership rates were intended to keep pace with the COLA increases mandated by the state for part time employees. These increases represented a 32.8% increase from 2019 to 2023. Having a full year of data now from 2023 we can apply the COLA to our membership revenues that we realized to see what the true impacts of the pandemic were on our operating model.

2023 Data

Total Revenues: \$1,527,109.67

Expenditures: \$2,086,308.74

Operating Subsidy: \$559,199.07

Membership Revenues: \$1,239,378.00

Apply 32.8% to the membership revenues and it is \$406,515.98 in additional membership revenue that we didn't realize.

Apply that to the Total Revenue and we would have realized \$1,933,625.65 representing a 98.68% cost recovery.

That would have reduced our subsidy from the general fund to \$152,683.09

Our Subsidy in 2018 before the facility opened when we were operating out of the old Community Center, what is now City Hall was \$327,047.80.

Without the impacts of the COVID Pandemic we would have realized our goal of the Rec Center covering its costs and we would have exceeded that goal by \$174,364.71.

- 8. 2024 Budget Challenges:** Mr. Kennedy identified two line items in the Parks 076 Budget that he is concerned about. The first line item is the Parks Utilities Budget is funded at \$60,000 for the year. Looking at a historical overview of this line item from 2018 to the present illustrates the concerns about the impact this will have

on staff ability to maintain the parks.

Actual Expenditures:

- 2018 - \$94,440
- 2019 - \$126,724.08
- 2020 - \$92,342.70
- 2021 - \$145,143.93
- 2022 - \$75,168.49
- 2023 - \$110,293.98

The figures here to not include the additional irrigation expenses we will incur this year when we accept the Highland Village Project from Community Frameworks.

The second is the Parks Special Events line item. The first budget we submitted requested \$25,000. The September 21,2023 memorandum from the City Manager required us to reduce the Parks Budget by \$50,000 the Special Events Budget was an item that I identified with a comment that I did not believe that it would be well received as these events have been supported by the council. The focus of budget cuts at that point shifted to the larger cuts mandated in the Recreation Budget and the cuts made to the parks budget were not discussed. The 2024 budget has \$0 budgeted for Special Events.

9. **Adjourn:** A motion to adjourn the meeting was made by Mr. Webb. Second by Mr. Powers. **Meeting adjourned at 5:59 pm.**