

## INFORMATIONAL MEMORANDUM

### Tukwila Metropolitan Park District

TO: Tukwila Pool MPD Board

FROM: Rick Still, Parks and Recreation Director 

DATE: January 16, 2013

SUBJECT: 2013 Tukwila Pool Fees Increase

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#### ISSUE

Fees increase for Tukwila Pool programs and rentals.

#### BACKGROUND

In December 2011, the Board reviewed user fees and approved an increase of selected non-resident user fees. At that time, the Board determined it would be best to review the fees again, at a later date, to decide if fees should change for all users upon the completion of the Capital Improvement Project.

As part of the 2012 MPD Long Term Agenda and Work Plan, a preliminary review of 2012 Tukwila Pool Programs and User Fees was presented at the September 12<sup>th</sup> Board meeting. The Board requested the Tukwila Pool Advisory Committee (TPAC) to review the fees and prepare a recommendation for the November MPD Board meeting.

At the November 19, 2012 MPD Board meeting there was consensus to have staff return to the January 2013 Board meeting for Board Discussion and additional information on the proposed fee increase and a modified proposed fee increase spreadsheet.

#### DISCUSSION

During the establishing phases of the MPD, pool users stated that they would be willing to pay more for the use of the pool to keep the pool open. Residents are paying more for the pool through taxes and non-resident fees were increased last year. The Board may consider establishing the purpose and process for determining fee increases. The two main reasons for increasing pool use fees are 1) to generate more revenue and 2) to keep current with the market.

- 1) The revenue assumption included in the 20-year Financial Plan includes a 1% growth in pool use revenue. Pool use revenue can be increased by two methods: increased fees or increased participation. In 2012, both methods were utilized; the Board made modest fee increases to non-resident use and there were record numbers of users in the pool in 2012. These two methods generated a total of 33% over the projected revenue goal which was the third best year in the history of the pool achieved in just ten months of operations.

Looking forward to 2013, and the two methods to increase pool use revenue, it is expected that pool participation will continue to grow due to additional marketing and the anticipation and excitement of having a newly renovated pool. However, there is currently not a plan in place for increasing fees. It is a goal and desire to have a consistent fee increase schedule. This would allow for public awareness of fee increases and aid in having a planned, intentional marketing strategy.

The following are additional factors to be considered when looking at fee increases:

- Resident fees should be lower than non-resident fees because residents pay taxes to keep the pool open.
- Drop-in fees should be on the higher end to encourage purchasing a pass. Pass purchases saves staff time, reduces cash transactions, and provides valuable information about the pass holder, for marketing and statistical analysis.
- January is the start of the fiscal year and there are set revenue projections in the budget. Changing fees part way through the fiscal year creates complications for the revenue projections and budget planning.
- It takes time to gather all the needed information to rightly plan and make a fee increase schedule.

- 2) Conducting a market analysis this summer, would gain valuable information needed to create a foundation or starting point to make a set fee increase schedule. A market study is a good indicator to show that our fees are competitive with local pool service providers. The optimal goal to achieve after conducting a market analysis is to determine that the price paid for services provided is a good value and takes into consideration what makes the most sense for our users and situation. After conducting this research, proposed fees can be displayed and discussed at the pool with a recommendation at the August Board meeting to implement a fee increase effective January 1, 2014.

If that timeline is followed as outlined above, then the fee increase would also be happening in concurrence with the Parks and Recreation Brochure, which could be utilized to promote, inform, and advertise the new fees.

Attached is the requested modified spreadsheet:

The MPD Board is being asked to consider the two following questions:

**Question 1 - Should the MPD Board implement a fees increase?**

*Option 1*

Continue to utilize the current user fees.

*Option 2*

Implement a fee increase according to the proposed increases demonstrated in attachments A and B that includes the following:

- Increase all pass fees by approximately 5% (rounding to the nearest dollar) with the exception of Non-Resident 10 punch cards. Non-Resident 10 punch cards should remain at current rates as they are already equal to 10 drop in visits.
- Increase Party Rentals by approximately 5%.
- Increase Resident individual lane rentals to Non-resident individual lane rates. This increase will bring rates closer to regional lane rental rates yet Tukwila will continue to remain slightly below the average.

**Recommendation:** Staff recommends Option 1, continue to use current user fees.

**Question 2 - When should the MPD Board implement fee increases?**

*Option 1*

Implement a fee increase in May 2013 to coordinate with the Tukwila Parks and Recreation program guide. An increase implemented at this time would result in approximately \$3280 in additional revenue for 2013. \$3280 is based upon prorating 8 months of additional revenue.

*Option 2*

Implement a fee increase in September 2013 to coordinate with the Tukwila Parks and Recreation program guide. An increase implemented at this time would result in approximately \$1640 in additional revenue for 2013. \$1640 is based upon prorating 4 months of additional revenue.

*Option 3*

Implement a fee increase in January 2014 to coordinate with the Tukwila Parks and Recreation program guide. An increase that goes into effect in January 2014 will not impact the 2013 revenue however will enable staff to focus on increasing patronage without implementing fee increase. Additionally, waiting until January 2014 to implement a fee increase will have the least impact upon patrons, who were greatly impacted by the recent closure and for residents the added issue of the pool already being a relatively new tax.

**Recommendation:** Staff recommends Option 3, a fee increase to occur in January of 2014 to allow staff time to conduct a market analysis as a form of benchmarking and create a foundation for planned fee increase schedule.

**RECOMMENDATION**

TPAC: At the November 10, 2012 TPAC meeting, a motion was passed to recommend the MPD Board adopt and implement the recommended fee increase effective May 2013 (Attachment C).

STAFF: Continue to use current 2012 user fees throughout the rest of the year and conduct a market analysis this summer to aid in creating a planned fee increase schedule with the first increase effective January of 2014.

***If it is the desire of the Board to raise fees effective May, a motion will be needed at this January Board Meeting, to allow time to incorporate the fees into the Recreation Brochure.***

**ATTACHMENT**

Attachment A – User Fees Spreadsheet (9/17/12)

Attachment B – Pass Sales/Projected Revenue

Attachment C – TPAC Recommendation (11/14/12)



# Current Fee Schedule and 2013 Proposed Schedule

Fee Type	Tukwila Resident Note: fee was not changed in 2012	Proposed 2013 Resident Fee	Early 2012 Tukwila Non-Resident	2012 Non-Resident Fee Note: new fee structure was implemented in early 2012	Proposed 2013 Non-Resident Fee	Industry Average (average compiled with data from seven surrounding pools)
Adult Drop-in	\$4.00	\$4.00	\$4.00	\$5.00	\$5.00	\$4.22
Youth/Sr Drop-in	\$3.00	\$3.00	\$3.00	\$4.00	\$4.00	\$3.48
Adult H2OX Drop-in	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.54
Sr. H2OX Drop-in	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.12
Youth 10 Punch Public Swim	\$27.00	\$28	\$27.00	\$30	\$30	\$33.29
Adult 10 Punch Public Swim	\$36.00	\$38	\$36.00	\$40	\$40	\$38.81
Senior 10 Punch Public Swim	\$27.00	\$28	\$27.00	\$30	\$30	\$30.73
Youth 1 Month Pass	\$28.00	\$29	\$31.00	\$35	\$37	\$34.75
Adult 1 Month Pass	\$39.00	\$41	\$43.00	\$49	\$52	\$50.50
Sr. 1 Month Pass	\$28.00	\$29	\$31.00	\$35	\$37	\$34.75
Youth 3 Month Pass	\$66.00	\$69	\$73.00	\$83	\$87	\$103.53
Adult 3 Month Pass	\$105.00	\$110	\$115.00	\$132	\$139	\$142.55
Sr. 3 Month Pass	\$66.00	\$69	\$73.00	\$83	\$87	\$93.03
Youth 12 Month Pass	\$187.00	\$196	\$205.00	\$236	\$247	\$277.94
Adult 12 Month Pass	\$308.00	\$323	\$339.00	\$388	\$407	\$386.72
Sr. 12 Month Pass	\$187.00	\$196	\$205.00	\$236	\$247	\$226.94
Adult H2OX 10 visit	\$52.00	\$55	\$52.00	\$60	\$60	\$59.70
Sr. H2OX 10 visit	\$42.00	\$44	\$42.00	\$50	\$50	\$44.77
Swim Lesson (\$/class)	\$5.50	\$5.50	\$6.00	\$6.50	\$6.50	\$7.88
Private Lessons	\$25.00	\$25.00	\$25.00	\$30.00	\$30.00	\$30.44
Semi Private Lessons	\$30.00	\$30.00	\$30.00	\$35.00	\$35.00	\$28.50
Party Rental (1-25 ppl) /hr	\$110.00	\$116.00	\$110.00	\$140.00	\$140.00	\$123.67
Party Rental (26-60 ppl) /hr	\$135.00	\$140.00	\$135.00	\$170.00	\$170.00	\$162.08
Party Rental (60-90 ppl) /hr	\$160.00	\$168.00	\$160.00	\$200.00	\$200.00	\$180.56
Party Rental (90-120ppl) /hr	\$185.00	\$195.00	\$185.00	\$235.00	\$235.00	\$217.57
Party Rental (120-150ppl) /hr	\$210.00	\$220.00	\$210.00	\$265.00	\$265.00	\$253.71
Party Room 1/hr	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32.56
Lane Rental/hr - Schools	\$9.00	\$12.00	\$9.00	\$12.00	\$12.00	\$13.38
Lane Rental/hr - Swim Team	\$8.00	\$11.00	\$8.00	\$11.00	\$11.00	\$12.05

Note: All fees remain lower than the industry average with the exception of drop-in rates as staff are encouraging the purchase of a pass vs. utilizing the drop-in rate.



Comparison of 2011 Tukwila Pool Pass sales and revenues  
with Proposed 2013 Tukwila Pool Pass rates and projected revenues

Fee Type	2011				2013				Total projected revenue increase	
	# Resident Purchased	Resident Rate	Revenue	# Non Resident Purchased	Non-Resident Rate	Revenue	Projected Resident Revenue change	Proposed Non-Resident Rate		projected Non Res. revenue change
Youth 10 Punch Public Swim	27	\$27	\$729	14	\$27	\$378	\$28	\$30	\$42.00	\$69.00
Adult 10 Punch Public Swim	125	\$36	\$4,500	99	\$36	\$3,564	\$38	\$40	\$396.00	\$646.00
Senior 10 Punch Public Swim	75	\$27	\$2,025	131	\$27	\$3,537	\$28	\$30	\$393.00	\$468.00
Youth 1 Month Pass	35	\$28	\$980	11	\$31	\$341	\$29	\$37	\$66.00	\$101.00
Adult 1 Month Pass	71	\$39	\$2,769	25	\$43	\$1,075	\$41	\$52	\$225.00	\$367.00
Sr. 1 Month Pass	34	\$28	\$952	45	\$31	\$1,395	\$29	\$37	\$270.00	\$304.00
Youth 3 Month Pass	4	\$66	\$264	2	\$73	\$146	\$69	\$87	\$28.00	\$40.00
Adult 3 Month Pass	18	\$105	\$1,890	13	\$115	\$1,495	\$110	\$139	\$312.00	\$402.00
Sr. 3 Month Pass	15	\$66	\$990	30	\$73	\$2,190	\$69	\$87	\$420.00	\$465.00
Youth 12 Month Pass	0	\$187	\$0	0	\$205	\$0	\$196	\$247	\$0.00	\$0.00
Adult 12 Month Pass	4	\$308	\$1,232	4	\$339	\$1,356	\$323	\$407	\$272.00	\$332.00
Sr. 12 Month Pass	26	\$187	\$4,862	25	\$205	\$5,125	\$196	\$247	\$1,050.00	\$1,284.00
Adult H2OX 10 visit	10	\$52	\$520	23	\$52	\$1,196	\$55	\$60	\$184.00	\$214.00
Sr. H2OX 10 visit	18	\$42	\$756	24	\$42	\$1,008	\$44	\$50	\$192.00	\$228.00
<b>Grand Total</b>	<b>462</b>		<b>\$22,469</b>	<b>446</b>		<b>\$22,806</b>		<b>\$1,070</b>	<b>\$3,850</b>	<b>\$4,920.00</b>

Year Revenue Goal*	\$205,000
% of yearly revenue goal	2.40%
growth required by budget	2.50%

\* assumption of 12 month year





## **INFORMATIONAL MEMORANDUM MPD**

**TO:** Tukwila Pool MPD Board President

**FROM:** Bryan Nelson, Chair, Tukwila Pool Advisory Committee

**DATE:** November 14, 2012

**SUBJECT:** Fees Increase and Budget Recommendations

### **ISSUE**

Tukwila Pool Advisory Committee (TPAC) Fees Increase and Budget Recommendations

### **DISCUSSION**

TPAC has thoroughly reviewed and discussed Fees Increase materials and the 2013-2014 MPD Budget at their October 2<sup>nd</sup>, November 7<sup>th</sup>, and November 10<sup>th</sup> meetings. The following is TPAC's recommendations:

**Fees Increase:** At the November 10, 2012 TPAC meeting, a motion was passed to recommend the MPD Board adopt and implement the recommended fee increase effective May 2013.

**2013 Budget:** At the November 10, 2012 TPAC meeting, a motion was passed to recommend the MPD Board adopt the 2013 Budget as presented with the following requests:

- Addition of a line item for a scholarship program (\$5,000) with recommended details/guidelines to be worked out by TPAC, Staff and MPD Board in the future.
- Budget includes/assumes similar programs and scheduling as 2012, with a minimum of three special events.

### **RECOMMENDATION**

Please consider TPAC's recommendations as you move forward with determining a fees increase and passing the 2013 MPD Budget.