

**FIRCREST CITY COUNCIL
STUDY SESSION AGENDA**

**MONDAY, JULY 20, 2020
6:00 P.M.**

**COUNCIL CHAMBERS
FIRCREST CITY HALL, 115 RAMSDELL STREET**

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Agenda Modifications**
5. **[Discussion of 2021 Pool Program](#)**
6. **[2021 Budget Expectations and Discussion](#)**

AGENDA ITEM #6: Discussion of 2021 Pool Program

**FROM: Jeff Grover, Parks and Recreation Director
Colleen Corcoran, Finance Director
Scott Pingel, City Manager**

BACKGROUND: The Pool Program for 2021 has been developed by Parks and Rec staff, and in collaboration with the Finance Director and City Manager. The program document is laid out to discuss proposed changes and new programs, program rates, and forecasted revenues and expenditures. 2021 will be year 1 for the new pool. While we are able to program more services and expect higher than usual attendance and sustained excitement for the new pool, we have tried to remain conservative and deliberate about where revenues will come from in the 2021 and what expenditures will look like. The challenge is that it is kind of a blind year since we only have the numbers achieved by the old pool as a context for forecasting year 1 of the new pool. The staff is excited to present to the Council and look forward to Council feedback.

Attachment(s): [Pool Business Plan](#)

CITY OF FIRCREST

Community Pool Operational Plan



PROPOSED NEW PROGRAMS

Events

Offer events/programs during lower attended Open Swim times. We will be planning an event on the 1st Friday and 3rd Saturday night throughout the 10 weeks of summer. Events may include: Parents Night Out Swim Parties, Movie in the Pool, Family or Kid Float, Teen Pool Party.

Aquatic Exercise Programs

Water Aerobics is just one of many specialized aerobics classes that can be offered in the new pool. Staff will continue to evaluate opportunities for exercise programs for the pool.

Lap Swim

With the new design, the pool provides a level of flexibility in offering more lap swim opportunities.

Lifeguard/WSI Training

During the weeks between Memorial Day and the last day of school, we are proposing that the pool is open on the weekends for open swim. Monday through Friday will be reserved for lifeguard training courses, aerobics classes, and pool rentals. Having lifeguard training in-house will be used as a tool to attract and train lifeguards, specifically for the Fircrest Pool.

CHANGES TO PREVIOUS POOL POLICIES AND PROGRAMS

CREATE POLICY ON LOW ATTENDANCE

In 2018, there were 84 swim sessions in which 20 or fewer people attended. At the previous pool, each hour the pool operates for an open swim it costs \$164.82. If less than 50 people are at the pool, one guard is sent home after an hour. This will decrease the cost by around \$15 per hour. At 20 people (11 Residents and 9 Non-Residents), \$87 revenue is brought in.

The proposed attendance policy will guarantee the pool will be open during the day session from 12:15-4:30pm weekdays and from 12-5:00pm weekends and holidays for the swim season. However, the night session will be dependent on outside temperature and the number of swimmers. This can be gauged by how many swimmers attended the day session and the evening weather forecast. The attendance at the pool is directly related to the temperature outside.

Proposed Criteria: The daytime temperature must hit 70 (or is it 68? The average temp is around 69 degrees in July) degrees, plus the day attendance must hit 150 admissions for the pool to be open at night. (Attendance of 200 people covers the cost to run the pool the entire day).

DISCONTINUE 3:30-6:30 PM OPEN SWIM IN JUNE, OFFER WEEKENDS ONLY

When looking solely at the direct costs to run this program, it costs **\$3,055.78** to serve an average of 12 people at 14 sessions. This breaks down to the cost being \$18 per person at each swim (considering only direct staff costs). This pool time could be more fruitful in revenue generation and number of people served by renting out the pool to specialty groups, where Fircrest staff time is minimal (swim team rentals, Fire Department, Scuba Classes, Lifeguard Training, aerobic classes, pool parties, etc.).

CHANGES TO SWIMMING LESSONS

Start classes earlier, as the first lesson time is fuller than others. Now slated to start ½ hour earlier.

Offer more night lesson times for working parents. Previously only offered two evening sessions. (5-week sessions held, two days a week). The new model allows for 8 sessions (4:45-6:15pm, 5 days a week for two weeks).

Incorporating adult swimming lessons and private swimming lessons into a swim lesson program.

Expand the number of offerings at each lesson time due to more usable space.

CHANGES TO OPEN SWIM

Offer a full and half-open swim session during the day. This will allow more revenue recovery and potentially draw in more people in the afternoon, with a shorter swim session and a more affordable rate. Start open swim earlier when more people may be attracted to come at noon.

Increased admission for open swim. The pool will be brand new and offer new play opportunities.

Change admission fees to better track what age groups the pool is serving for age groups:

4 & under free

5 & over share the same rate

NEW RENTAL OPPORTUNITIES

Lane/Pool Rentals

Offer lane rentals, and/or pool rentals to offset the fixed costs of the pool. Develop set times in which each is available. See detail under *Proposed New Pool Rates*.

Pool Parties

Pool: The pool can be rented on Saturdays and Sundays from 9:45 –11:45.

Party Room: Offering pool parties in the party room at the same time the pool is open for Open Swim.

Proposed New Pool Schedule

Monday - Friday	
7:00 - 8:00 am	Lap Swim/Water Aerobics
8:30 - 12:00 pm	Swim Lessons
11:00 - 12:00 pm	Water Aerobics
12:30 - 4:30 pm	Open Swim (Full Session)
2:30 - 4:30 pm	Open Swim (Half Session)
4:30 - 5:30 pm	Swim Team
4:45- 6:15 pm	Night Swim lessons
6:30 - 8:30 pm	M/W/F Open Swim (Night Session)*
6:30 - 8:30 pm	T/TH Open Swim (Family Swim Session)*
Saturday - Sunday	
9:45 - 11:45 am	Pool Rentals (excluding select Saturdays in July for swim meets)
12:00 - 5:00 pm	Open Swim (Full Session)
2:30 - 5:00 pm	Open Swim (Half Session)
5:30 - 8:00 pm	Open Swim (Night Session)*
Events & Themed Swim*	
6:30 - 9:00 pm	1st Friday Night Session Open Swim
5:30 - 8:00 pm	3rd Saturday Night Session Open Swim

*Still offer family swims on Tuesday and Thursday nights – community values this program.

*1st Fridays from 6:30-9 pm and 3rd Saturdays from 5:30-8:30 pm in June, July, & August will have events or themed activities at the pool. There will be no open swim these nights.

PROPOSED NEW POOL RATES

Open Swim

Full Session (12:15-4:30 pm) Resident \$5, Non-Resident \$8 (*new rate, previous \$3 Res., \$6 NR*)

Half Session (2:30-4:30 pm) Resident \$4, Non-Resident \$7 (*new rate*)

Evening Session (6:30-8:30 pm) Resident \$3, Non-Resident \$6 (*no change*)

Tot (age 4 & Under)

Free (*previously 7 & under free, old wading pool open to 7 & under only*)

Season Pass

Resident \$60 (Previously \$50), Non-Resident \$125 (Previously \$110)

2nd Pass Resident \$45 (*Previously \$32*), Non-Resident \$85 (*Previously \$70*)

Swimming Lessons (2 Weeks, ½ Hour per day)

Swimming Lessons Resident \$47 (Previously \$40), Non-Resident \$63 (Previously \$55)

Private Lessons Resident \$65, Non-Resident \$98

Contracted Classes

Water Aerobics Resident \$4, Non-Resident \$6* (*Per Class Fee*)*Class prices will be determined by instructor cost. Subject to change.

Lap Swim

Lap Swim Resident \$2.50, Non-Resident \$3.50 (*per visit*)

Programs/Events (1st Friday & 3rd Saturday)

2.5-hour event

Resident \$8

Non-Resident \$14

Family \$20 (*up to 7 individuals in same household*)

RENTALS

Lane Rental for Outside Swim Teams

Lane Rental: Lane \$15/hr, Whole Pool \$90/hr*

*Swim Meet rental would cost more.

Party Room Rental w/kitchen

Weekend Pool Room Rental Resident \$50/hr, Non-Resident \$65/hr

Weekday Pool Room Rental Resident \$30/hr, Non-Resident \$45/hr

Pool Rental (Entire Pool)

(2-hour minimum, offered 9:45 – 11:45 am on Sat & Sun)

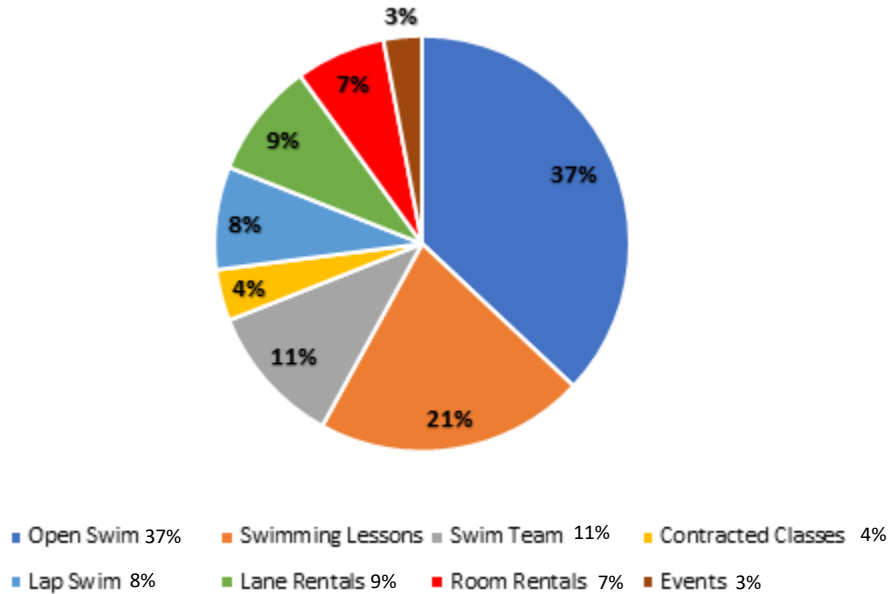
1-25 people Private Party Resident \$75/hr, Non-Resident \$100/hr *

26-50 people Private Party Resident \$112/hr, Non-Resident \$150/hr *

51+ people Private Party Resident \$150/hr, Non-Resident \$200/hr *

*Add on Party Room and Kitchen \$15/Hour

ESTIMATED POOL USE BREAKDOWN



Revenues & Expenses

REVENUE DEVELOPMENT STRATEGY

The current pool budget expectation consists exclusively of earned revenues and subsidy to support on-going operations. The goal of the revenue development strategy is to expand the revenue sources with increased programming and rental opportunities for the pool and to draw less subsidy from the general fund.

MAJOR REVENUE ANALYSIS (SWIM LESSONS AND OPEN SWIM)

2021 Forecasted Swim Lesson Revenue

The Swim Lesson revenue forecast is based on 72 total classes, with each class split in half between residents and non-residents. We have only assumed sessions at 80% capacity.

Total Forecasted Revenue from Swimming Lessons: \$63,360

2021 Forecasted Open Swim Revenue

The open swim forecast is based on the average pool attendance over the past 3 years. We plan to add the option of half sessions, so we have split daily averages between full and half sessions.

Total Forecasted Revenue from Open Swim (full season) = \$83,610

EXPENSE ANALYSIS

2021 PAY AND STAFFING MODEL AT THE POOL:

Pool Cashiers \$13.65-\$14.15
 Lifeguards \$14.20-\$14.70
 Swim Instructors \$14.20-\$14.70
 Swim Coaches \$14.90-\$15.40
 Pool Opener (Head Guard) \$15.50-\$16.00

Summary

Below, the top table reflects a summary of all the operating expenses, assumptions, and estimates by major expense category. The bottom table is the estimated revenues based on proposed programming.

<u>Expenses</u>	2021
Regular Staff Wages	\$23,000
Staff Benefits	\$22,750.00
Casual & Seasonal Labor	\$106,500
Overhead/Other Operating Expenses	\$73,250
Total Expenses	\$225,500

<u>Revenues</u>	2021
Open Swim	\$83,610
Swimming Lessons	\$63,360
Swim Team	\$6,125
Contracted Classes	\$1,210
Party Room	\$7,680
Lap Swim	\$1,100
Events	\$2,700
Pool Rentals	\$4,500
Total Revenues	\$170,285

	2017	2018	2019	2021
Total Revenues	\$85,078	\$86,517	\$78,000	\$170,285
Total Expenses	\$152,677.05	\$177,943.71	\$152,725.00	\$225,500
Subsidy	\$67,599.05	\$91,426.71	\$74,725	\$55,215
Recovery Rate	55%	49%	51%	75.5%

The City of Fircrest staff will continue to work to identify additional programs and revenue opportunities and pursue grant funding.

AGENDA ITEM #5: 2021 Budget Expectations and Discussion**FROM: Scott Pingel, City Manager**

BACKGROUND: Each year as staff works through the next year's budget process, we discuss with Council your expectations for the following budget. It is time to have that discussion again. As a part of our budget expectations discussion, we want to provide an update on the COVID-19 impacts to the current budget, especially from a revenue standpoint. As we have discussed in relation to the Alameda Grind and Overlay project, we also want to discuss the current status of the Street and Storm Funds specifically to get feedback from the Council as to which fund to use in order to include the curb and gutter improvements in the Alameda Grind and Overlay project. Finally, to aid our discussion about the 2021 budget, I have updated the status of goals set for 2019, which were based on our 2018 City Council workshop. These were seen as multi-year goals. I have also included the entire goal and dot breakdown from the workshop as well as the budget expectations set last year for the 2020 budget.

While case numbers continue to stay elevated in Pierce County and cases have spiked across the country, we have some good news from a revenue standpoint. Sales Tax is the most vulnerable, and potentially volatile source of revenue. We have been anticipating the June 30th sales tax turnover because that tells us what happened in April, which was the initial month that everything shut down. Sales tax came in at about \$40,000 for the month, which is fairly strong considering the current economy with COVID-19. It is not where we would hope to be without COVID-19 (\approx \$50,000 + range), but it is much better than previously expected (\approx \$20,000 range). While we probably need to see one more month before we get too comfortable, this is a really good sign for the City of Fircrest.

While remaining fairly conservative about projections, below is an updated projected overall picture of 2020 budget projections from the worst-case scenario we put in front of the Council in April. I have made the adjustments in track changes so you can see what the numbers were previously vs. our current projections. I have not rehashed the details on the expenditures side as the goal is to give you the big picture, and our main impacts have been on the revenue side. Again, assuming these projections to be conservative, we are still projecting a small shortfall, but it is much smaller than we were looking at in April, and we are hopeful that we will completely close the gap by year-end. As we get into the latter part of the year and have a better understanding of where we will be by the end of the year, we may want to bring back the discussion about putting additional funds aside for the pool and community center project. With the savings from 2019 to 2020, we had planned on putting an additional \$250,000 in the cumulative reserve fund to be used for the pool and community center. We have delayed taking that action due to the uncertainty of the impacts of COVID-19.

Here is the overall picture:

- 2020 Budgeted operating revenues vs. expenditures = +\$5,255

- Projected General Fund revenue shortfall \approx ~~\$522,000~~ 401,000
 - Main contributors:
 - General Property Tax down \approx \$20,000 to account for potential increased delinquency
 - Retail Sales Tax down \approx ~~\$205,000~~ 65,000
 - Zoo Tax down \approx ~~\$30,000~~ 15,000
 - All Pool Fees zeroed out = \$84,500
 - Municipal Court Fees down \approx ~~\$90,000~~ 80,000
- Projected Operating Expenditures savings \approx ~~\$315,000~~ 370,000
- Projected operating shortfall (revenues vs. expenditures) \approx ~~\$202,000~~ 26,000

Attached to this memo is the 2019 Goals and Priorities Status Update. This was based on the 2018 City Council Workshop. The initial push was to pursue items that had received 4 dots or more. One 3 dot item is listed because it became a separate discussion from the workshop. Also attached is the complete list of goals from the 2018 workshop listed in their main categories and priority order based on dots received at the workshop. Here is the list of 2020 budget expectations as discussed at our June 2019 study session:

- Add Emphasis Patrol
- Increase Cyber Security
- Hire a Custodian do help with the cleaning of the new pool and community center (a plan for this was budgeted).
- Deal Pedestrian Safety at Whittier Elementary School and the Emerson Crosswalk
- Add a couple of Speed Signs
- Add budget for an Electronic Readerboard
- Ask Legislature for funds for AMI Meters
- Figure out Storage Garage Needs

Additional items discussed but not included in the 2020 budget included the following:

- Data architecture map
- Fund a 10th Police Officer
- Bike Trail Plan
- Establish Heritage Commission
- Public Safety Building needs
- Online survey of residents

Here are the Fund Summaries for the Street, Storm Capital, and REET Funds for the 2020 Budget for purposes of discussing how to fund the curb and gutter improvements for the Alameda Grind and Overlay project. I have highlighted the ending fund balances in each of the funds that could be used for the curb and gutter work.

REET FUND SUMMARY REPORT

RESOURCES

Designated Beginning Fund Balance (1st 1/4)	422,225
Designated Beginning Fund Balance (2nd 1/4)	1,128,399
Revenues-REET 1	123,500
Revenues-REET 2	132,000
Total Resources with Beginning Fund Balances	<u>1,806,124</u>

EXPENDITURES

Transfers Out REET 1	194,300
Transfers Out REET 2	0
Designated Ending Fund Balance (1st 1/4)	351,425
Designated Ending Fund Balance (2nd 1/4)	1,260,399
Total Expenditures with Ending Fund Balances	<u>1,806,124</u>

STORM CAPITAL FUND SUMMARY REPORT

RESOURCES

Beginning Fund Balance	519,248
Transfers In	81,900
Total Resources with Beginning Fund Balance	<u>601,148</u>

EXPENDITURES

Capital Expenses	111,000
Undesignated Ending Fund Balance	490,148
Total Expenditures with Ending Fund Balance	<u>601,148</u>

STREET FUND SUMMARY REPORT

RESOURCES

Undesignated Beginning Fund Balance	213,710
Operating Revenues	173,200

Grant Revenue	1,208,490
Transfers In-Operating	309,672
Transfer In-Capital	204,300
Total Resources with Beginning Fund Balance	<u>2,109,372</u>
EXPENDITURES	
Operating Expenses	560,999
Capital Expenses	1,412,770
Undesignated Ending Fund Balance	135,604
Total Expenditures with Ending Fund Balance	<u>2,109,372</u>

Due to the favorable bids, we received for both TIB projects (Alameda Overlay and Emerson Sidewalk), our required match for each should be less, which frees up what would have been used as matching funds to now be used for the curb and gutter. Both projects were planned to be funded by the TIB grant and REET 1. REET 1 is the source of our matching funds. In the 2020 Budget, \$75,200 is budgeted in REET 1 for the City’s match for the Alameda Grind and Overlay project. \$59,100 is budgeted in REET 1 for the Emerson Sidewalk project. Based on the apparent low bids, we should be about \$25,000 under what we have budgeted to match. For the apparent low bid on the Alameda Grind and Overlay Project, the curb and gutter cost came in at about \$75,000. It will be in the \$80,000 range when we include engineering.

As you can see from the fund summaries, the Street Fund struggles the most. Most years it is difficult to keep up with operations with what we have in the Street Fund, let alone any capital needs. We never plan on paying for Street Capital projects directly from the Street Fund. It is usually through a grant and then we use the REET Fund to match the grant, just as we have with the TIB projects. Staff recommends leaving the Street Fund alone in looking for where to come up with the additional \$80,000 for the curb and gutter.

Both the Storm Capital Fund and REET Fund are currently robust. Since we are just doing the curb and gutter on Alameda, and not including the sidewalk, we can use the Storm Capital Fund if we choose. The other option is to use the REET Fund. Since we are saving \$25,000 in REET transfer due to the low bids, we would be adding an additional \$55,000 out of REET to complete the curb and gutter if we use REET. We could also mix and match and use the full amount of what we budgeted in REET to pay for part of the curb and gutter, and then pay for the additional \$55,000 out of the Storm Capital Fund.

Attachment(s): [City Council Goals & Priorities](#)
[City Council Goals & Priorities 2020 Status](#)

FIRCREST CITY COUNCIL GOALS AND PRIORITIES

DEVELOP FACILITIES AND INFRASTRUCTURE INVESTMENT PLAN AND 5-YEAR C.I.P.

DOTS	GOALS
7	New Pool rebuild
7	Community Center replacement
3	Entryway Improvements
2	Expand ERR Program to include Facilities Replacement
0	Police Facility Major Remodel or New Facility
0	Utilities on Pay-as-you-Go schedule without deferred capital or catch up rate hikes

UPDATE COMPREHENSIVE PLAND AND DEVELOPMENT CODES

DOTS	GOALS
4	Revise Commercial/Mixed Use Zones, Development Standards, and Initiatives
3	Develop healthy community design standards (connected, walkable, bikeable, gathering places, parks)
3	Complete Streets Policy
2	Green Energy Codes
1	Neighborhood major remodel and infill/rebuild guidelines and/or standards
1	Update Community Vision Statement

SUPPORT ORGANIZATION DEVELOPMENT AND TRAINING

DOTS	GOALS
4	Expand technology use and training for improved service delivery and information
4	Parks Maintenance and Capital Improvements included with the Pool Bond
3	Training for City Council as a Team (both at AWC and in-house)
3	Succession Planning (staff development and cross-training)
2	Technical and Management/Leadership Training, Teambuilding for all
2	Add a Sergeant position and an additional Police Officer
1	Pro-Rata Medical for Regular Part-time Employees

MAINTAIN FINANCIAL STABILITY AND SUSTAINABILITY

DOTS	GOALS
5	5-year Financial Forecast (Forecasting Model) and 5-year CIP
5	I.T. Plan and Implementation Schedule
4	Expand Grants Search and Grantsmanship Activities

INCREASE COMMUNITY INFORMATION AND INVOLVEMENT

DOTS	GOALS
3	Expand Community Information (multiple means and media)
3	Celebrate and Promote City's "America the Beautiful" History
1	Update Council Rules to streamline meetings and include community input
1	Expand volunteer opportunities and use of volunteers
0	Council Meeting on Cable TV or Streaming Video

FIRCREST CITY COUNCIL 2019 PRIORITY GOALS (2020 Update)

DEVELOP FACILITIES AND INFRASTRUCTURE INVESTMENT PLAN AND 5-YEAR C.I.P.

DOTS	GOALS	STATUS
7	New Pool rebuild	Will be complete in late August/early September
7	Community Center replacement	Out to Bid. Bid award scheduled for August 25 th . Abatement/Demolition to begin mid-September.
3	Entryway Improvements <ul style="list-style-type: none"> • Replace entryway sign at Regents off of Mildred. Remove island. 	After meeting with Columbia Bank and additional Council discussion, it was decided to leave this entry sign as-is for now.

UPDATE COMPREHENSIVE PLAN AND DEVELOPMENT CODES

DOTS	GOALS	STATUS
4	Revise Commercial/Mixed Use Zones, Development Standards, and Initiatives	Over the past couple of years, the Council has discussed options with the Planning Commission. The main initiative moving forward currently is form-based code. The Planning Commission and City Council have also discussed potential Green Energy policies. The City has included green options in development information, but no additional steps have been taken or direction provided by the Council.

SUPPORT ORGANIZATION DEVELOPMENT AND TRAINING

DOTS	GOALS	STATUS
4	Expand technology use and training for improved service delivery and information <ul style="list-style-type: none"> • Meters, Meter Reading Technology, Billing System Research • Choose and establish a Parks and Recreation Online Registration and Scheduling System • Develop online permitting options 	<p>- Public Works staff have been installing new AMI meters for several months now. The City was awarded \$200,000 in the 2020 State Capital fund to bolster the \$150,000 already budgeted for this project. The complete overhaul should be completed in about 3 years.</p> <p>- RecDesk was chosen and recently approved for the Parks and Rec registration software solution.</p>

		- City staff demoed finance, utility billing, and permitting software. While some solutions have been impressive, the one we like most falls short on the financial reporting side of things. We are not currently looking for another solution to the BIAS System.
4	Parks Maintenance and Capital Improvements included with the Pool Bond	Several Park Bond projects have been completed. COVID-19 has delayed additional discussions and finalizing a project list.

MAINTAIN FINANCIAL STABILITY AND SUSTAINABILITY

DOTS	GOALS	STATUS
5	5-year Financial Forecast (Forecasting Model) and 5-year CIP	A forecasting model continues to be worked on. This has also been delayed by COVID-19 with unknowns about the economic fallout. Staff may still have a forecast prepared for the General Fund for the 2020 Budget Cycle.
5	I.T. Plan and Implementation Schedule <ul style="list-style-type: none"> • Email and Office Suite to Office 365 • Smartphones • IT Audit 	- Office 365 has been implemented. - Smartphones were implemented for necessary staff for the 2019 budget. - We completed an I.T. audit in mid-2019, put out an RFP for I.T. Services in late 2019 and Council approved a new I.T. Contract with Right Systems in early 2020. A major changeover in service is nearly complete with Right Systems and the infrastructure they have put in place. We now have a more robust, safer I.T. system.
4	Expand Grants Search and Grantsmanship Activities	A new Grant Writer started in October 2018. She helped the City become successful in several major grants. We hope to be able to re-fill or retool a grants position as we work out of the COVID-19 pandemic.