



City of McMinnville

MacPAC Agenda Thursday, August 5, 2021 6:30 p.m. Online Meeting

Join online via

Zoom: <https://mcminnvilleoregon.zoom.us/j/98733600881?pwd=VIVHQTJ0cSsxaU1EczJCMm52L2l4UT09>

Meeting ID: 987 3360 0881 **Password:** 655257

Or you can call in and listen via zoom: 1 346 248 7799
ID: 987 3360 0881

- 1. Welcome**
- 2. Polling discussion with CDRI, Inc.**
- 3. Operating budget presentation**
- 4. City budget shortfall update**
- 5. Finance Subcommittee Discussion**
- 6. Next steps**
- 7. Next MacPAC meeting September 2nd, 2021**
- 8. Wrap up**

If you have any questions about this meeting, or if you would like to make a request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities, please contact Susan Muir at (503) 474-7310 at least 48 hours before the meeting.



City of McMinnville

MacPAC August 5, 2021 Staff Report

To: MacPAC

From: Susan Muir, P&R Director and Jenny Berg, Library Director

Subject: Background for agenda items

At the June MacPAC meeting, a Finance Subcommittee was created that includes members Duane Bond, Kevin Chambers, Lisa Macy-Baker, and Meredith Maxfield. The subcommittee has met 3 times and included the City's Finance Director, Jennifer Cuellar.

Since your July meeting, the consultant team has developed a draft operating plan. In addition, staff has worked with the City's municipal financial advisor and spoken with a polling firm who worked recently for the City of McMinnville.

The goals of this meeting are to:

- Understand the current financial shortfall facing the City of McMinnville and how that impacts the MacPAC project.
- Connect the community pulse on new revenue sources (fees/levy) to this project.
- Have a complete picture of both the estimated, rough capital costs (one time) and operating costs (on going) of the proposed new Rec Center. At this time there are no additional operational costs planned for the Library and Senior Center (other than an undetermined increase in facility maintenance and funding for capital replacement).
- Hear from the Finance Subcommittee

Each agenda item on the agenda has overlapping background and associated information that will be relevant for the next steps of this project.

Please do the following prior to the meeting:

- Watch the 30 minute City Council presentation from May 11, 2021 made by Martha DeLong and John Campbell of Campbell DeLong Resources, Inc. This presentation gives insight into the financial pulse of the community related to revenue options. Scroll to 2:21:15 on the video found here: <https://www.youtube.com/watch?v=HMM857mNey4>

(If you're interested in more info, the associated written report can be found on pages 29-77 here:

https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/city_council/meeting/packets/21929/amended_packet_05.11.21.pdf or find the City Council packet online for the May 11, 2021 Regular Council meeting).

- Review the draft operating plan (hours, fees, etc.) & budget on pages 3-5 of this packet. This information shows the ongoing, additional operating costs for the new rec center. This plan is consistent with the capital costs that were presented in July that did not include the cost of building the outdoor pool. The outdoor pool would add approximately \$1.9 million (this is the fully loaded cost that includes contingency, design work and contractor costs) to the one-time capital construction costs and about \$140,000 in annual operating costs. The far-right column on page 6 shows the *additional cost* to operate the proposed building (without the outdoor pool) which would require over \$475,000/annually from the general fund (on top of the current shortfall of approximately \$2 million).

We have also provided the current Parks and Rec fees on p. 6 for comparison.

Ken Ballard will present this information and be available for questions at the meeting.

- Watch the 30 minute presentation about the current budget gap and roadmap to address it here: <https://www.youtube.com/watch?v=0imwvTapQbA>, scroll to 57:10.
- Review the worksheet found on p. 7 from the City's Financial Advisor, Public Financial Management, Inc.
- Review the general costs per square foot of each of the indoor amenities of the proposed rec center (p. 8) that Kevin Chambers put together for the Finance Subcommittee.

McMinnville Aquatic/Recreation Center Operations Analysis Summary

This operations analysis has been completed for the planned new McMinnville Aquatic/Recreation Center. The following are the basic parameters for the project.

- *A New Aquatic/Recreation Center* – A center that includes a recreation pool, a 50 meter by 25 yard lap pool with seating, wet classroom, large gym, elevated track, gymnastics studio, weight/cardio area, functional training area, group exercise room, fitness studio, weight cardio space, child watch room, indoor playground, multi-purpose room, kitchen, crafts classroom, afterschool/youth room, administrative area, lobby and locker rooms. **Approximately 125,000 SF**
- The first year of operation will be 2025 or later.
- This operational budget represents full expenses and revenues associated with the operations and programs that take place at the center. Other department budgets have not been included.
- Expenses do not include any allocation of department overhead costs or general city service charges. These costs could be added to the operating budget at some point in the future.
- The presence of other providers in the market will remain the same.
- The center will be operated by the City of McMinnville.
- This operations estimate is based on a program plan and preliminary concept plan for the facility only.
- Part-time wage scales reflect an anticipated \$14.50 minimum wage that would be in place by 2025.
- There will be a high level of programming in the center, which requires an increased level of staffing.
- The center will draw well from the entire Primary Service Area.
- No partnerships with other organizations have been shown in this operations plan.
- Beyond use by the swim club and McMinnville School District of the competitive pool, no other ongoing use or long-term rental of space in the facility has been shown. However, swim team and MSD pool use costs have been shown at a rate nearly three times the current level.
- Basic capital replacement dollars are shown.

- No debt service for the capital funding of the building has been shown.
- The projected hours of operation will be:

Day	Hours
Monday - Thursday	5:00am – 9:00pm
Friday	5:00am – 8:00pm
Saturday	8:00am – 6:00pm
Sunday	8:00am – 6:00pm
Total Hours	99 Hours/Week

Note: Hours of operation can vary based on use patterns and time of the year.

- The projected fee structure for use of the facility will be:

Category	Daily		10 Visit (+1 Free)		Annual Pass		Month to Month	
	Res	NRes	Res	NRes	Res	NRes	Res	NRes
Adults	\$7.00	\$9.00	\$70	\$88	\$565	\$707	\$48	\$59
Youth (3-17)	\$5.00	\$6.50	\$50	\$63	\$435	\$545	\$37	\$46
Senior (60+)	\$5.00	\$6.50	\$50	\$63	\$435	\$545	\$37	\$46
Family ¹	N/A	N/A	N/A	N/A	\$990	\$1,238	\$83	\$104

Fitness \$10.00 daily fee per class/no admission fee required.

Drop-in Child Watch \$3.00 per hour

Note: Fee structure pricing is based on an anticipated 2025 or later opening date. 10 Visit passes offer 11 admissions for the price of 10. Month to Month is the annual rate divided by 12. Non-resident rates are approximately 25% higher than the resident rate.

Annual/Month to Month passes include basic land and water group exercise classes plus free drop-in child watch.

¹ Includes 2 adults and all youth under 21 living in the same home.

McMinnville Aquatic Recreation Center Operations Budget Projections

Category	18-19 Actual	New Total	Difference
Expenses	\$ 1,436,316	\$ 3,410,758	\$ 1,974,442
Revenues	\$ 778,094	\$ 2,275,086	\$ 1,496,992
Difference	(658,222)	(1,135,672)	(477,450)
Recovery %	54%	67%	76%

Note: 18-19 Actuals are for the Aquatic Center and Community Center budget accounts combined.

The New Total budget numbers represent the second full year of operation.

DRAFT

Current Parks and Rec Drop In fees

Aquatic Center

Pass Fees

Single	3 Months
Child (2yrs-8th Grade)	\$55
Senior (62+) & HS Student	\$73
Adult (18+)	\$90
Non-Residents	+\$10

Family	3 Months
2 or more	\$135
Senior	\$110
Non-Residents	+\$15

Drop-In Day Pass

Infant (under 2yrs)	FREE
Child (2yrs-8th Grade)	\$3.50
Senior (62+) & HS Student	\$4.50
Adults (18+)	\$5.50

Discount Day Pass: 10 Admissions

Child (2yrs-8th Grade)	\$30.00
Senior (62+) & HS Student	\$40.00
Adults (18+)	\$50.00

Community Center

Full Member

Includes use of locker rooms, indoor track, racquetball courts, gymnasium, pickleball courts, and table tennis.

Resident

Student.....	\$45/yr
Adult.....	\$140/yr or \$77/6 mo
Adult & Spouse.....	\$250/yr or \$138/6 mo
Family *.....	\$300/yr or \$165/6 mo

Non-Resident

Student.....	\$54/yr
Adult.....	\$168/yr or \$92/6 mo
Adult & Spouse.....	\$300/yr or \$165/6 mo
Family *.....	\$360/yr or \$198/6 mo

Jogger's Special

Includes use of track and locker rooms.

Resident

Adult.....	\$85/yr or \$47/6 mo
Adult & Spouse.....	\$150/yr or \$83/6 mo

Non-Resident

Adult.....	\$102/yr or \$56/6 mo
Adult & Spouse.....	\$180/yr or \$99/6 mo

Walker's Special

Includes use of track.

Resident

Adult.....	\$50/yr or \$28/6 mo
Adult & Spouse.....	\$85/yr or \$47/6 mo

Non-Resident

Adult.....	\$60/yr or \$33/6 mo
Adult & Spouse.....	\$102/yr or \$56/6 mo

Athletic Facility Daily Drop-In Fees

Note: Youth ages 14 and under must be accompanied by an adult.

Gymnasium.....	\$1
Walking/Jogging Track.....	\$1
Table Tennis	FREE!
Locker Rooms.....	\$2
Pickleball Courts.....	\$2
Racquetball Court.....	\$6/hour



City of McMinnville, Oregon
General Obligation Bond Analysis
 Preliminary

Summary of Results

	Scenario 1A	Scenario 1B	Scenario 2A	Scenario 2B	Scenario 3A	Scenario 3B
Net Proceeds	\$50,000,000	\$50,000,000	\$100,000,000	\$100,000,000	\$140,000,000	\$140,000,000
Term	30 years	20 years	30 years	20 years	30 years	20 years
Annual Debt Service	\$2,679,142	\$3,305,113	\$5,350,342	\$6,599,888	\$7,487,067	\$9,235,863
Total Debt Service	\$80,374,250	\$66,102,250	\$160,510,250	\$131,997,750	\$224,612,000	\$184,717,250
All-in True Interest Cost	3.39%	2.83%	3.38%	2.81%	3.38%	2.81%
Average Levy Rate	0.5713	0.8032	1.1410	1.6039	1.5966	2.2445
FY 2023 Levy Rate	0.8715	1.0749	1.7411	2.1461	2.4347	3.0040
FY 2023 Levy Impact to Average Homeowner (Annual)	\$195	\$240	\$389	\$480	\$544	\$672
FY 2023 Levy Impact to Average Homeowner (Monthly)	\$16	\$20	\$32	\$40	\$45	\$56

Key Assumptions:

- Market rates as of 7/19/2021 + 1.00%
- Bonds issued February 2022
- 5% coupons
- 4% assessed value growth in FY 2022-2026, and 3% thereafter, with 2% delinquency, 3% discount
- Levy rate impact to average homeowner based on estimated average taxable value of \$223,548

Cost estimates for component parts of recreation building

Indoor Pools	\$ 26,277,016
Outdoor Pool	\$ 1,404,551
Gym	\$ 9,715,076
Elevated Walk Jog Track	\$ 2,965,358
Gymnastics Room	\$ 4,688,089
Functional Training Room	\$ 960,211
Group Exercise Studio	\$ 1,299,109
Fitness Studio	\$ 960,211
Multi Purpose Room	\$ 1,090,460
Crafts Classroom	\$ 1,308,552
Youth Center	\$ 1,090,460
Childwatch	\$ 681,538
Indoor Play Group	\$ 1,090,460
Outdoor Basketball (lighted)	\$ 329,660
Pickleball/Tennis (lighted)	\$ 426,554
Outdoor Turf Soccer (lighted)	\$ 577,943
Outdoor Courtyard with Sand Volleyball	\$ 55,788
	\$ 54,921,035