



**To:** Honorable Mayor and Members of Town Council

**From:** Jeff Brauer, Director of Parks and Recreation

**Title:** Daily Admission Fee Increases for Recreation Center and Miller Activity Complex

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### **Executive Summary**

As of January 1, 2017 Colorado Amendment 70 has required the non-tipped minimum wage to increase incrementally each year. The annual increase will conclude in January 2020 when the minimum wage reaches \$12 per hour. The Parks and Recreation Department employs over 500 part-time employees during peak summer months so this change will produce a significant increase in labor costs for the department. Analysis of current part-time staffing levels and wages indicates an impact of approximately \$168,000 of additional cost per year in part-time wage increases through 2020 for the Community Center Fund as a direct result of Colorado Amendment 70.

The Community Center Fund accounts for the Town's recreational facilities including the Recreation Center and Miller Activity Complex (MAC). Patrons can presently enter either facility by purchasing daily admission or by using a 20-punch card, a three-month pass, a six-month pass or an annual pass. Existing rates for admission fees, punch cards and passes can be found on Attachment A. Since 2010, youth and adult daily admission fees to the Recreation Center have only increased by \$1 and senior daily admission fees by \$1.25 respectively; admission fees to the MAC have not changed since opening in 2014. 20-punch card fees were also last raised in 2010 by an average of \$10 each.

To address the anticipated increase in labor cost, staff recommend raising admission rates to both facilities. Staff recommend increasing fees for admission and punch cards, while retaining the same fee structure for three-month, six-month and annual passes. Upon approval, the new fees will become effective on January 1, 2019.

### **Budget Impact**

In consideration of the services provided to the community, as well as the desire to remain accessible to the community at large, the following increases are recommended at both facilities for daily admission rates and punch cards:

- A small increase of \$1 per youth and adult daily admission
- A small increase of \$0.50 per senior daily admission
- A small increase of \$10 per 20-punch card for youth, adult and senior

Based on existing admission rates, these fee changes should increase gross daily admission revenue by \$12,227.91 at the MAC and \$39,978.18 at the Recreation Center. By raising punch-card fees by \$10, an increase of \$9,000 is also possible at the MAC and \$26,820 at the Recreation Center.

Currently at the MAC, trampoline admission is sold separately from general facility admission. While initially anticipated to be an add-on feature, the existence of separate admissions has led to confusion among residents and patrons. Replacing the trampoline-only pass with a joint

trampoline-admission pass has the potential to increase revenue by \$76,000. It should be noted that MAC-only daily admission and 20-punch cards will remain available for patrons to purchase. Patrons will then also be able to purchase a 20-punch card that includes admission to both the trampoline and the facility.

At this time, staff are not recommending implementing fee changes to three-month, six-month or annual pass rates.

The following table conveys the recommended changes in rates from 2018 to 2019 for resident and nonresident patrons at the Recreation Center and MAC:

Fee Comparison – Resident Rates			Fee Comparison – Nonresident Rates		
	2018	2019		2018	2019
Daily – youth	\$5	\$6	Daily – youth	\$6	\$7
Daily – adult	\$6	\$7	Daily – adult	\$7	\$8
Daily – senior	\$5.50	\$6	Daily – senior	\$6.50	\$7
Trampoline (MAC only)	\$7	-	Trampoline (MAC only)	\$7	-
MAC + trampoline (MAC only)	-	\$15	MAC + trampoline (MAC only)	-	\$18
20-punch card – MAC/trampolines (MAC only)	-	\$250	20-punch card – MAC/trampolines (MAC only)	-	\$300
20-punch card – youth	\$65	\$75	20-punch card – youth	\$79	\$89
20-punch card – adult	\$90	\$100	20-punch card – adult	\$115	\$125
20-punch card – senior	\$71	\$81	20-punch card – senior	\$93	\$103

Based on current admission trends, the following table conveys the estimated financial impact in gross positive revenue based on the recommended rate changes:

Estimated Financial Impact	
Trampoline/MAC joint access admission	\$76,000.00
MAC daily admission increase	\$12,227.91
REC daily admission increase	\$39,978.18
MAC 20-punch card increase	\$9,000.00
REC 20-punch card increase	\$26,820.00
<i>Revenue Increase</i>	<i>\$164,026.09</i>

### **Staff Recommendation**

To address the anticipated increases in labor cost, staff recommend raising fees for daily admission rates and punch cards to both the Recreation Center and the MAC, while retaining the same fee structure for three-month, six-month and annual passes. Staff also recommend eliminating trampoline-only admission at the MAC and replacing it with a joint facility/trampoline admission fee. These fee increases have the potential to increase revenue by \$164,026.09 annually for the Community Center Fund and will help cover nearly all of the projected costs associated with Colorado Amendment 70.

### **Attachments**

**Attachment A – 2018 Facility Admission Fee Structure**

## 2018 RECREATION CENTER AND MAC ADMISSION FEE STRUCTURE

<b>Daily Admission</b>	<i>Resident</i>	<i>Nonresident</i>
Youth (3-17)	\$5	\$6
Adult (18 and up)	\$6	\$7
Senior (62 and up)	\$5.50	\$6.50
 <b>20-punch card</b>		
Youth (3-17)	\$65	\$79
Adult (18 and up)	\$90	\$115
Senior (62 and up)	\$71	\$93
 <b>Three-month pass</b>		
Youth (3-17)	\$79	\$101
Adult (18 and up)	\$134	\$167
Senior (62 and up)	\$90	\$117
Family	\$244	\$306
 <b>Six-month pass</b>		
Youth (3-17)	\$150	\$189
Adult (18 and up)	\$245	\$306
Senior (62 and up)	\$167	\$216
Family	\$445	\$557
 <b>Annual pass</b>		
Youth (3-17)	\$289	\$361
Adult (18 and up)	\$467	\$584
Senior (62 and up)	\$311	\$405
Family	\$823	\$1,029

Trampoline admission is not included with admission to the MAC.

Passes are only valid at the facility for which they are purchased. The MAC and the Recreation Center have separate passes.

Family passes include up to four household members. For additional family members, add \$5.25/month for residents and \$6.50/month for nonresidents.

Monthly payment options are available.