

TOWNSHIP OF LOWER MERION

Parks & Recreation Committee

Issue Briefing

Topic: Township Swimming Pools Membership Fees Recommendation

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Date: January 27, 2017

- I. Action To Be Considered By The Board:** Consider for recommendation to the Board of Commissioners a minimum of a 1% increase to all membership fees for the Belmont Hills Pool and a minimum of 1%, rounded up to the nearest whole dollar, increase to all membership fees for the Ardmore Avenue Pool for 2017.
- II. Why This Issue Requires Board Consideration:** The Board has desired to review the Pool Membership fees on an annual basis.
- III. Current Policy Or Practice (If Applicable):** The current policy of the Board, set in 2006, is to recover 100% of Operating and Debt Service for the Belmont Hills Pool. The Ardmore Avenue Pool policy, set in 2015, is to recover 100% of Debt Service only. During the 2015, January 21st Board meeting the policy for the Debt recovery period for both pools was extended by ten (10) years to 2037.
- IV. Other Relevant Background Information:**

Using the recovery model to project the revenue amounts needed annually to meet our established goal anticipates a 1% annual increase through 2017. Rather than the uniform minimum annual increase, a higher percentage increase now would reduce the need in later years as would a lower increase enlarge the percentage increase needed in later years.

In 2016, the Belmont Hills Pool saw an increase in daily attendance, which resulted in higher than projected revenue. Our actual expenses met our projected expenses for the summer season. The 2016 revenue was up 1.9% (\$8,665) over 2015. We did experience mechanical repairs required to keep the pools operational. The repairs were handled by Parks Staff with minimal down time and cost savings versus contracting the repairs out to private contractors.

In 2016, the Ardmore Avenue Pool saw an increase in daily attendance, which resulted in higher than projected revenue. Our actual expenses met our projected expenses for the summer season. The 2016 Revenue was up 22.1% (\$17,851) over 2015. Regularly schedule maintenance and repairs were performed in 2016.

Membership Demographics

Ardmore Avenue Pool had a total of 2505 Member in 2016. That is 8.8% higher than 2015 head count of 2302.

City	Count	Percentage of total
Ardmore	1079	43.07%
Bala Cynwyd	60	2.40%
Bryn Mawr	133	5.31%
Gladwyne	16	0.64%
Haverford	100	3.99%
Havertown	4	0.16%
Merion	62	2.47%
Penn Valley	48	1.92%
Rosemont	0	0.00%
Villanova	39	1.56%
Wynnewood	475	18.96%
Non Residents	489	19.52%

The Township provides a discounted membership fee to Lower Merion Residents based on HUD income guidelines. In 2016, the Township approved 22 applications for discounted memberships encompassing 95 people for the Ardmore Pool. This equals the number of 2015 applications (22) but encompasses more people (80). We received two non-qualifying applications for a family of three and a family of eight. We establish a payment plan for these situations where smaller payments are accepted until the full cost of the membership has been paid, and then the membership is activated.

Belmont Hills Pool had a total of 4719 members in 2016. That is .7% higher than the 2015 head count of 4688.

City	Count	Percentage of total
Ardmore	198	4.20%
Bala Cynwyd	1320	27.97%
Bryn Mawr	92	1.95%
Gladwyne	129	2.73%
Haverford	39	0.83%
Havertown	18	0.38%
Merion	601	12.74%
Penn Valley	507	10.74%
Rosemont	2	0.04%
Villanova	55	1.17%
Wynnewood	972	20.60%
Non Residents	786	16.65%

The Township provides a discounted membership fee to Lower Merion Residents based on HUD income guidelines. In 2016, the Township approved 39 applications for discounted memberships encompassing 142 people for the Belmont Pool. In 2015 there were 48 applications approved encompassing 169 people. We received five non qualifying applications; four for a family of four and one for a family of five. We establish a payment plan for these situations where smaller payments are accepted until the full cost of the membership has been paid, and then the membership is activated.

Fees

The following fee charts show the real dollar impact of the 1% fee increase as well as what a 5% increase would be to the 2017 first tier Fee Schedule. A 1% increase at Ardmore would equal \$1 and a 5% increase would be a maximum increase of \$4 for Lower Merion Resident family package which includes three memberships. A 1% increase at Belmont would equal a maximum increase of \$4 and a 5% increase would be a maximum increase of \$17 for Lower Merion Resident family package which includes three memberships. We have a three tiered fee schedule to encourage early registration. The first tier is the base fee which receives the annual fee increase. The fee increases 10% after April 17th and an additional 10% after May 22, 2017.

<i>Belmont Hills Swimming Pool Fee Based on 1% & 5% Increase</i>						
	LOWER MERION RESIDENT			NON RESIDENT		
	2016 Rate	1% Increase	5% Increase	2015 Rate	1% Increase	5% Increase
SEASON PASS						
Family of up to 3 (Same household 2 Adults Max)	\$335	\$338	\$352	\$529	\$534	\$555
Additional Children (21 & under)	\$21	\$22	\$23	\$36	\$37	\$38
Individual (17 & under)	\$142	\$143	\$149	\$204	\$206	\$214
Individual (18 & older)	\$156	\$158	\$164	\$244	\$246	\$256
Senior Citizen (60 & older)	\$19	\$20	\$21	\$42	\$43	\$44
Nanny, Au Pair, Babysitter	\$172	\$174	\$181	N/A	N/A	N/A
Individual "Pay as you go" (2 & Over)	\$80	\$81	\$84	\$126	\$127	\$132
Plus Admittance at pool	\$6	\$6	\$6	\$6	\$6	\$6
½ SEASON PASS						
Family of up to 3 (Same household 2 Adults Max)	\$196	\$198	\$206	\$306	\$309	\$321
Additional Children (21 & under)	\$16	\$17	\$18	\$28	\$29	\$30
Individual (17 & under)	\$80	\$81	\$84	\$126	\$127	\$132
Individual (18 & older)	\$96	\$97	\$101	\$149	\$150	\$156
GUEST FEES:						
Weekdays	\$8	\$8	\$8	\$8	\$8	\$8
Weekend/Holiday	\$10	\$10	\$10	\$10	\$10	\$10

Ardmore Avenue Swimming Pool Fee Based on 1% & 5% Increase						
	LOWER MERION RESIDENT			NON RESIDENT		
	2015 Rate	1% Increase	5% Increase	2015 Rate	1% Increase	5% Increase
SEASON PASS						
Family of 3 (Same household 2 Adults Max)	\$75	\$76	\$79	\$284	\$287	\$298
Additional Children (21 & under)	\$12	\$13	\$14	\$47	\$48	\$49
Individual (17 & under)	\$29	\$30	\$31	\$113	\$114	\$119
Individual (18 & older)	\$37	\$38	\$39	\$139	\$140	\$146
Senior Citizen (60 & older)	\$5	\$6	\$7	\$40	\$41	\$42
Nanny, Au Pair, Babysitter	\$46	\$47	\$48	N/A	N/A	N/A
Individual "Pay as you go" (2 & Over)	\$14	\$15	\$16	\$53	\$54	\$56
Plus Admittance at pool	\$3	\$3	\$3	\$3	\$3	\$3
½ SEASON PASS						
Family of up to 3 (Same household 2 Adults Max)	\$47	\$48	\$49	\$181	\$183	\$190
Additional Children (21 & under)	\$10	\$11	\$12	\$39	\$40	\$41
Individual (17 & under)	\$18	\$19	\$20	\$72	\$73	\$76
Individual (18 & older)	\$23	\$24	\$25	\$82	\$83	\$86
GUEST FEES: Weekdays	\$5	\$5	\$5	\$5	\$5	\$5
Weekend/Holiday	\$8	\$8	\$8	\$8	\$8	\$8

- V. Impact On Township Finances:** Based on the current membership levels and a minimum of 1% annual increase for both pools through 2037, the Ardmore Avenue Pool is currently projected to recover 100% of Debt Service and approximately 37% of operating costs, and the Belmont Hills Pool is currently projected to recover 100% of Debt Service and 100% operating costs.

Annual increases are factored into the model. Expense projections are factored for increased operating expenses and the larger scale mechanical and structural repairs experienced as the facilities age. Revenue projections are based on the annual 1% fee increase and the prior year's revenue numbers. Both revenue and expenses are adjusted annually to reflect the actual amounts for the year, which impact future projections.

- VI. Staff Recommendation:** Recommend to the Board a Minimum of a 1% increase to all membership fees for the Belmont Hills Pool and a minimum of 1%, rounded up to the nearest whole dollar, increase to all membership fees for the Ardmore Avenue Pool for 2017.