

# **TOWNSHIP OF LOWER MERION**

## ***Parks & Recreation Committee***

### **Issue Briefing**

**Topic:** Township Swimming Pools Membership Fees Recommendation

**Prepared By:** Donna L. Heller, Director of Parks & Recreation

**Date:** January 31, 2020

- I. Action To Be Considered By The Board:** Consider for recommendation to the Board of Commissioners a 2.75% Non-Resident fee increase for all Pool memberships, a 1.5% increase to resident membership fees for the Belmont Hills Pool and a 4.0% increase to resident membership fees for the Ardmore Avenue Pool for 2020 and 2021.
- II. Why This Issue Requires Board Consideration:** The Board regularly reviews the Pool Membership fees.
- III. Current Policy Or Practice (If Applicable):** The current policy of the Board, last set in 2006, is to recover 100% of operating and debt service costs for the Belmont Hills Pool. The Ardmore Avenue Pool policy, last set in 2015, is to recover 100% of debt service costs only. During the January 21, 2015 Board meeting the policy for the debt service recovery period for both pools was extended by ten (10) years to 2037.
- IV. Other Relevant Background Information:**  
The Board of Commissioners established an Ad-hoc Pool Fee Committee in 2019 to consider policies and procedures for future pool fee recommendations. The Committee discussed and weighed options for the administration of pool fees with the goal of formulating a fair and achievable policy.

Recommended outcomes from the Committee were:

- The Board to set pool fees on a biennial basis.
- Staff to recommend an alternative policy focused primarily on recovery of operating costs.

The biennial fee evaluation would require the Board to review and set the pool fees over a two year period. The need for Fees adjustments would be reviewed each even numbered year (2020, 2022, etc.) Staff would continue to evaluate the financials and changes in membership of both pools annually and incorporate the information into each successive Board fee review.

Staff ran the data through multiple “what if” situations to present two alternative policies which follow the goal of the subcommittee to implement an achievable policy that focuses on Operating costs. Because the Ardmore & Belmont Pools are coming from different starting points, it is difficult to have one policy for both pools that would not drastically impact rates at one of the facilities. This recommendation like other program fees seeks to first recover

pool operating expenses which escalate annually. The focus on recovering operating costs is balanced with finding an achievable and reasonable annual fee increase schedule.

Potential Policies and Cost impacts:

- To meet the current policy, a 2.75% Non-Resident fee increase for both pool memberships, an annual 2% increase to resident fees for the Belmont Hills while Ardmore Avenue would not require any additional increase through 2037.
- Alternative Policy #1 would be:
  - Belmont Hills to recover 100% of operating and debt service costs (past deficits forgiven) on an ongoing basis (2020 forward). This would require an annual resident fee increase of 0.75% and annual non-resident fee increase of 2.75%
  - Ardmore Avenue has no past deficits so building off the current policy, this option would recover 100% of debt service costs and 40% of Operating on an ongoing basis (2020 forward). This would require an annual resident fee increase of 1.5% and annual non-resident fee increase of 2.75%
- Alternative Policy #2 would be:
  - Belmont Hills to forgive 50% of past deficits and then recover 100% of operating and debt service costs on an ongoing basis moving forward. This would require an annual resident fee increase of 1.5% and annual non-resident fee increase of 2.75%
  - Ardmore Avenue to recover 75% of operating costs only on an ongoing basis moving forward. This would require an annual resident fee increase of 4% and annual non-resident fee increase of 2.75%

The following charts show the impact in dollar amounts.

<b>Belmont Hills Swimming Pool Fees Base on Policy Decisions</b>				
	<b>LOWER MERION RESIDENT</b>		<b>NON RESIDENT</b>	
	<b>Cost in 2020</b>	<b>Cost in 2021</b>	<b>Cost in 2020</b>	<b>Cost in 2021</b>
Family of 3 Seasonal Membership				
Current Policy 2% Res & 2.75% Non-Res	\$350 (+\$7)	\$357	\$573 (+\$15)	\$589
Alternative Policy #1 .75% Res & 2.75% Non-Res	\$346 (+\$3)	\$348		
Alternative Policy #2 1.5% Res & 2.75% Non-Res	\$348 (+\$5)	\$353		

<b>Ardmore Avenue Swimming Pool Fees Base on Policy Decisions</b>				
	<b>LOWER MERION RESIDENT</b>		<b>NON RESIDENT</b>	
	<b>Cost in 2020</b>	<b>Cost in 2021</b>	<b>Cost in 2020</b>	<b>Cost in 2021</b>
Family of 3 Seasonal Membership				
Current Policy 0% Res & 2.75% Non-Res	\$75 (+\$0)	\$75	\$292 (+\$8)	\$300
Alternative Policy #1 1.5% Res & 2.75% Non-Res	\$76 (+\$1)	\$77		
Alternative Policy #2 4% Res & 2.75% Non-Res	\$78 (+\$3)	\$81		

The Township provides a discounted membership fee to Lower Merion residents based on HUD income guidelines, which considers annual income levels and family size. Also a payment plan is available, where smaller payments are accepted until the full cost of the membership has been paid, and then the membership is activated.

**V. Impact On Township Finances:**

The impact on finances will vary depending on the cost recovery policy set by the Board of Commissioners.

**VI. Staff Recommendation:** The Staff recommendation is to approve alternative policy #2 with a 2.75% Non-Resident fee increase for all Pool memberships, a 1.5% increase to resident membership fees for the Belmont Hills Pool and a 4.0% increase to resident membership fees for the Ardmore Avenue Pool for 2020 and 2021.