

**Aquatic Committee  
Cost Recovery Working Group  
YHS Aquatics Classroom  
Thursday, July 24, 2018  
Time: 7:00-9:00 PM**

**Minutes**

In attendance: Cynthia Hilton; Ron Kampeas; Dee Romanek. Staff: Kevin Cronin & Helena Machado  
Meeting Convened at 7:05 pm.

I. Welcome

II. Approval of 19 June 2018 minutes - Minutes approved with corrections to table to reflect revised data submitted by APS and DPR via email.

III. Continuation of discussion about cost recovery strategies for operations and maintenance (O&M) costs incurred by APS.

- Definitions
  - **O&M costs** mean “Operations and Maintenance” costs including costs related to the staffing, utilities, supplies, maintenance and repairs necessary to keep the APS Aquatics Centers safely operational.
  - **Revenue** means all funding sources that are allocated for O&M costs including appropriated tax revenue, the DPR transfer, and fees collected by APS.
  - **Rental** means a third-party individual, group or entity using the APS Aquatic Centers under a rental agreement with APS; this may include private instructors, for profit and non-profit teams, one-time events or other service providers.
  - **DPR Classes** means programs managed by DPR and offered at the APS aquatics centers as stipulated under a current MOU. These programs are further organized into:
    - Sessions – Seasonal set of multiple offering of classes (e.g., summer, fall, winter and spring).
    - Class – A scheduled offering within the Session (e.g., 5:30 pm Water Babies Class).
  - **DPR Competitive Teams** mean youth and adult teams managed and offered by DPR at the APS aquatics centers, currently, AAC and Masters.
  - **Community Swimmers** mean all patrons at APS aquatics centers other than those that are APS curriculum-based or sanctioned by the VHSL, Renters, or those registered in DPR classes or teams.
  - **Tax-Supported Programs** means programs managed by APS that are funded by the County/APS revenue-sharing agreement through the APS Community Activities Fund.
- Review of formula option 2: APS collects a “splash” access fee from all users. DPR continues to charge a separate fee for its programs.
  - DPR transfer – DPR current transfer is replaced by a “per splash” access fee payable by class and competitive team participants and collected by APS; the annual DPR transfer will be limited to funding any gap in a FY between all revenue available to APS for O&M expenses and actual O&M expenses.

- APS will establish a process for collecting DPR participant O&M fees that minimizes the inconvenience to the participant.
      - APS will explore web-based registration and linking to DPR’s registration site to simplify participant registration.
    - DPR participants may choose to purchase existing swim passes and membership packages; these would exempt them from additional APS charges for DPR class/team admission
    - DPR participants who miss a non-refundable class or practice, will be able to use the “splash” for a non-class/practice swim of their choosing.
  - Alternatives considered but not recommended:
    - Calculating the DPR class/team fee by multiplying the annually-established access fee by the potential enrollment in each class/team session. For Example: the fee payable by DPR for a Pre-School class would be the maximum number of kids enrolled in each class (6), multiplied by the number of classes (splashes) in the session, and multiplied by the established admission fee for Children. APS would receive a transfer from DPR of funds at the completion of each class or session. Downsides to this option are that unused access fees would not be refunded, APS would not be able to determine the residency status of participants for billing purposes, and DPR would be responsible for multiple fund transfers throughout the year.
    - Discontinued use of the pools by DPR when LBP opens. Mentioned but postponed pending future discussion related to LBP by the AC.
- Age discounts based on adult fees:
  - The cost of a single splash each baseline year (2 FYs behind) will dictate the Adult fee for a single swim. All other fees will be based on the formula shown below:

Per-Splash Discount or Surcharge	Proposed FY 2020 Splash Assessment
Baseline Cost/Swim (0%)	\$5.15
Adult Fee – Res (0%)	\$5.15
Arlington Uniformed Public Safety Employees (0%)	\$5.15
APS Students and Athletes (0%)	\$5.15
Senior Fee Res (<30%)	\$3.65
College Student Fee Res (<20%)	\$4.15
Child Fee Res (<60%)	\$2.10
Adult Fee - Non Res (+30%)	\$6.70
Senior Fee Non Res (+30%)	\$6.70
College Student Fee Non Res (+20%)	\$5.00
Child Fee non Res (+30%)	\$2.75

- Swim Passes and memberships will continue to be calculated using the formula implemented by APS in 2010 and supported by the Aquatics Committee in 2018:

Packages	# Splashes	Discount
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3-mos		24	15%
3-mos NR		24	10%
6-mos		52	25%
6-mos NR		52	10%
12-mos		104	40%
12-mos NR		104	10%
Family Membership	Summed Cost of individual memberships		10%
APS Full-time Employees	Cost of individual membership		50%
Swim Pass Res		10	15%
Swim Pass Non Res		10	10%

- Non-Resident fees will continue to be adjusted to match the resident fees at neighboring jurisdictions.
- Rental fees will be based on the 2-year prior actual O&M costs/hour AND splash fees capped at the number of swimmers that can safely occupy a lane, divers per board, or the capacity of IPools, etc.
- Table below shows the estimated fees based on Fiscal 2018 Budgeted expenses and cost/splash adjusted to child fee:

Third Party Pool Use (FY 2018 estimate)	Utilities	O&M	MOD	#guards	Wages	# swimmers	Splash\$	Income Splash	Non Profit Fee 2020	For Profit Fee 20120
Full Facility (Cpool/Ipool/Well)	27	18	35	2	15.6	94	2.1	197.4	309	324
Full Facility (Cpool/Ipool/Well/Classroom)	27	18	35	2	15.6	124	2.1	260.4	372	390
10-Lanes (WL Only)	27	18	35	2	15.6	80	2.1	168	279	293
8- Lanes	27	18	35	1	15.6	64	2.1	134.4	230	242
8 lanes with tank	27	18	35	2	15.6	94	2.1	197.4	309	324
6-Lanes	27	18	35	1	15.6	48	2.1	100.8	196	206
6-Lanes + Tank	27	18	35	2	15.6	78	2.1	163.8	275	289
4-Lanes	14	4	9	0.5	15.6	32	2.1	67.2	102	107
4-Lanes + tank	16	18	9	1	15.6	62	2.1	130.2	189	198
Instructional Pool (WK)	27	18	35	1	15.6	32	2.1	67.2	163	171
Instructional Tanks	27	18	35	1	15.6	30	2.1	63	159	167
Divning Well	14	9	35	1	15.6	12	2.1	25.2	98	103
3-Lanes	8	5	10.5	0.4	15.6	24	2.1	50.4	81	85
Classroom	7	4	35	0	15.6	25	2.1	52.5	114	119
Classroom w/ AV	7	4	35	0	15.6	25	2.1	52.5	139	146
Single Lane (1/2 Lane)/Partial Tank -Private	3	2	4.375	0.25	15.6	2	3.625	7.25	21	22

- Determine repeatable criteria/formula to trigger fee increases in the future
  - 2-year data lag – fee changes (increase or decrease) will be based on the cost/splash calculated each preceding fiscal cycle for which actual data is available and based on above mentioned formulas.
  - FY 2020 Implementation – CRWG agree on the following:
    - Use FY 2018 per splash base fee.
    - Public Swim fees will be lower than FY2019 – based on the cost/splash calculated on the actual Fiscal 2018 expenses.

- Over- or Under-collection options
  - In the event the income collected from public swim programs (APS and DPR) does not fully recover the actual expenses DPR will be assessed an additional fee equal to 100% of the shortfall as APS aquatic centers are community amenities available to all Arlington residents just as other sports amenities paid for by DPR.
  - In the event that the income collected from public swim exceeds the actual costs:
    - APS will carry forward 100% of the funds to be obligated in the next FY.
    - Funds will be used for building, or instructional equipment replacement or upgrades and MCMM projects;
    - Funds may also be held for future capital improvements to the Aquatics centers as permitted by VA State Law and School Board Policies.
    - The AC will be consulted and provide recommendations for the use of these funds.

IV. Public Comment - There was no public comment.

VI. Recommendations - The CRWG added the following to previous recommendations:

- The three APS Aquatics Centers (and any future Centers) will operate at 100% cost recovery by collecting revenue based on the percentage of splashes attributed to each user group (APS, DPR, Community Swimmers, Renters).
- All pool users will be assessed an access (per splash) fee based on cost/splash data from the preceding two fiscal cycles, e.g., FY 2018 data for FY 2020 fees.
- APS will pay the access fee for students participating in instructional and athletic programs from its general fund revenue-sharing agreement with the County. Student numbers will be based on the September 30 enrollment by grade report and the number of athletes registered to participate in aquatic athletic programs.
- APS will collect access fees from all other eligible pool users – renters, community swimmers and DPR class/team participants.
- Renters will be charged a “facility” fee in addition to an access fee for individual participants.
- APS will continue to offer age-determined discounted packages based on time (e.g., quarterly or annual memberships) or multi-swim passes (e.g., 10 or 20 swim options). Discounts will be available to DPR class participants.
- To calculate the percent of splashes attributed to APS and DPR in order to determine the expected revenue from these user groups, the percentages will be based on full-enrollment.
- APS will continue to fund from its revenue-sharing allotment:
  - income-based fee reductions according to school board established policy in order to facilitate pool use by all citizens;
  - “free youth” and “free senior” swims;
  - free admission for uniformed public safety personnel; and
  - discounts to full-time APS employees consistent with APS policy to promote an active lifestyle.
- APS and DPR will provide a financial report annually to the AC as required by the AC charter based on the same standard of accountability in order to verify the reliability of the “social value scale”; to determine the effect, if any, of access fees on DPR’s ability to recover program costs; and to allow for recommendations on fee setting for the upcoming budget cycle.
- The AC will evaluate recommendations for the use of funds that may be collected in excess of actual expenses related to the aquatics center operations

- DPR will fund annual revenue shortfall, when it occurs, through a transfer to the APS Community Activities Fund. APS is funding its user community at the full-adult, non-discounted splash rate. Renters are assessed 100% of costs. Discounts are offered only to DPR class and team registrants and Arlington citizen swimmers, a subset of DPR's larger sports and recreation community. It is appropriate that DPR fund any O&M shortfall as it would fund O&M for other sports/recreation options offered by the County.
- APS will continue to apply cost avoidance strategies and revenue generating opportunities to ensure 100% recovery of Community Swim costs.

#### VII. New business/New Steps

- Reciprocity with LBP – The CRWG did not specifically address reciprocity of memberships between APS Pool and LBP. The main focus of the group is to establish a process by which APS can operate its facilities at 100% cost recovery. To the extent that this goal can be maintained, the CRWG recommends that the AC address this issue at a later date.
- MOU update – Staff indicated that staff level meetings to redraft the MOU to determine the DPR use of APS facilities and associated financial obligations have begun. The timeline for completion of this draft is October 2018 to allow for the inclusion of any financial issues in the 2020 budget development process. CRWG will recommend that the AC meet no later than September 15 to deliberate on the group's proposal and draft the final AC recommendations to the School Board and the Sports Commission.

#### VIII. Adjourn – Meeting Adjourned at 8:50 pm