Present
James Sima, Chairman, Justin Adinolfi and David Schrumm.
Staff: Michael A. Milone, Town Manager and Sheil Adams, Pool Coordinator

1. ROLL CALL
The clerk called the roll and a quorum was determined to be present.

2. PLEDGE OF ALLEGIANCE
The group Pledged Allegiance to the Flag.

3. POOL BUBBLE REPLACEMENT – REVIEW OF FINANCIAL INFORMATION

Mr. Sima stated that 1.5 years ago there was information provided to the Council on the concept of a summer only community pool. There was discussion at the Pool Bubble Alternative Subcommittee meetings about how much money would be generated by different structures with more or less activities, swim meets, birthday parties, etc. At this meeting tonight, the Planning Committee will review data provided by staff.

Town Manager Milone informed the committee that he received assistance with compilation of the data from Ms. Adams, Parks and Rec Director Ceccolini, and Deputy Finance Director Jaskot. The analyses review the revenue and expenditures, and daily, seasonal and annual pool passes on a monthly basis. This data is needed for the committee to consider and decide the revenue impact if the project goes out to bid, knowing what months the facility would be closed for construction of the new structure.

Color Graph – illustrates the yearly pool revenue stream, by month, as of 2/24/10 for activities, swim meets, parties, passes.

Passes - The data shows how many daily passes and yearly passes are sold monthly.

Daily Pool Activity By Month – Ms. Adams said this information shows how many people walk through the facility, and passes are scanned daily. This information does not include various programs, practices, swim events and parties. For the three year average, 2007-2009, the total is 44,447. In FY 2008-09 May and June dropped off from the average because the pool was closed for installation of the vinyl pool lining.
Mr. Milone explained that the pool was closed from May 27 to June 25. This report reflects the body counts of people coming through the door with annual, seasonal, and purchase of daily passes.

In July 2006-07 the data reflects 10,694 people coming through the door of the pool facility. Ms. Adams noted that some of the numbers are reduced due to colder summer weather in some months.

With the new structure, Mr. Schrumm said he would expect more people coming into the pool during the colder summer days.

Mr. Sima commented on the revenue number for the birthday parties, noting it is not a large number, and he questioned the impact of more activities at the pool.

The committee was informed by Ms. Adams that there was a regional swim meet over this weekend which generated revenue of $800 per lane used, and there is an SEC meet at the pool tonight. The YMCA annual revenue and usage of the pool is about $80,000 and this includes some of the larger meets. For dual meets there are only two teams. CCP swim lessons generate $100,000 annually.

Mr. Sima stated there was concern expressed about the space in the picnic area, with people gathering there, and this area holding as many people as possible inside the cover. He said many times during the meets, people go outside and then come back in to watch the meet.

Mr. Milone commented on the high swim lesson revenue, noting that this program is run by Ms. Adams, and it is very popular and very successful.

Mr. Adinolfi asked Ms. Adams for her sense on the revenue which could be generated by the different structures for the pool.

In response, Ms. Adams said that if the Town goes with the traditional bricks and mortar building summer activities will drop significantly, and this will also impact the daily, seasonal and yearly passes. People like the outdoor environment.

Mr. Sima reported that during the visit to the West Hartford pool the air was stifling due to lack of natural air movement inside the facility. They must rotate the lifeguards in the summer time due to the air quality.

Revenue Information – the top line of this report reflects the revenue number budgeted; the revenue is tracked month by month; and the average three year revenue generated from fees was $546,000. The variance is the difference is what was budgeted in revenue and what was actually collected. Three year average revenue generated was $505,180; Town subsidy was $404,000; and next year it will probably be under $380,000. 50% of the revenue is generated
from May to September, and if the pool closes for the summer there will be a heavy revenue hit. In FY 2009 the budgeted revenue was $566,261; revenue was $459,796; there was a shortage of $106,465; the Town subsidy was $419,392. As the revenue increases the subsidy decreases.

Mr. Milone explained that natural gas costs have been significantly reduced from October 2005 to the present time. The cost of natural gas went from 1.6283 in October 2005 to 1.0552 in FY 2009-10. Next year the quoted rate will be .85, and the Town wants to lock into a 2nd year at this rate and this must be approved by the Council.

Revenue Analysis – Variation of Fee Revisions and Utilization Changes – (page 4) shows the line item revenues for next year’s pool budget, with total revenue estimated at $573,775. (page 2) Various options were looked at – fee increases of 10%, 20% and 50% and increased activity of 10%, 20% and 50%, and the two were merged.

Without any fee or utilization changes it is estimated the pool revenue will generate $573,775. A 10% fee increase with 0% utilization increase would generate revenue of $603,000 (+$29,000); a 20% fee increase with 0% utilization increase would generate revenue of $632,000; a 10% fee increase and 10% utilization increase would generate revenue of $635,064 (+$61,289); a 20% fee increase and 10% utilization increase would generate revenue of $667,000. As you look at the next levels, the changes in revenue can be seen.

Mr. Milone noted that with a fee increase of 20% and utilization increase of 50% the pool revenue generated would be $807,225, or +$233,480.

Regarding the fee increases, Ms. Adams stated that she believes yearly passes could be increased, and people would pay without question. However, an increase in the daily passes would cause people to leave the facility.

Mr. Adinolfi cited his concerns about the 4 biggest months of utilization with a traditional pool structure and the reduction in revenue during these summer months. He said there might be an increase in utilization in the other 8 months of the year. If the 4 months result in a significant reduction of 50% utilization this could be a significant revenue hit to the pool budget.

The committee was informed by Mr. Sima that the Pool Committee is talking about changing designs put forward asking for more doors and windows for the brick and mortar design, putting more air and sun into the facility.

In the Milford CT pool, Mr. Schrumm said that even in the winter months there is a pleasant environment and surroundings. He believes that with the open air type building nothing would be lost.
Mr. Adinolfi commented on his concern whereby the public believes this building will be self supporting. With a revenue drop, and spending millions of dollars, there is a greater investment without additional utilization of the facility. Mr. Adinolfi stated that he does not believe any municipal pool will ever be self supporting.

It was stated by Ms. Adams that she believes the community pool could get closer to self supporting, but it will never be totally self supporting.

Mr. Milone commented on the pool fund being a stand alone, special revenue fund, and it is glaring that it does not support itself.

With regard to a 10% fee increase, Mr. Sima questioned whether this would be palatable with the pool users.

Ms. Adams said with annual passes there could be a 10% increase, but not with daily passes.

Mr. Milone noted there could be 10% increase for annual and seasonal passes, and a smaller increase for the daily passes.

In response to a committee question on the daily passes revenue, Ms. Adams said it is about $34,000.

Expenditure Information – page 1 shows the vast majority of critical line items of expenditures for the pool. In 2009 the actual expenditures were $799,355; the actual budget total was $901,578 which included workers comp, medical benefits, pension, etc.; utilities make up about 37% of the pool operating budget. For next year it is estimated the budget number will be about $200,000 for natural gas, and this could even be lower.

Page 2 – shows the summary or expenditures by major categories.

Page 3 – tracks the personnel services expenditures by month.

Page 5 – shows the utility expenses by month. For construction of the new pool structure, Mr. Milone noted that November to March has the highest expenditures for utilities, and the 3 year average was $329,987.

Regarding construction of the new structure, Mr. Schrumm said that if it started in September it would take 8 or 9 months to complete, and this is knocking out the most expensive months of operation, keeping the best revenue months.

Mr. Sima stated that for winter construction the charges are higher, and the prices would be stipulated for steel or commodity costs. With a winter construction season there could be a stipulation that heating costs are paid by
The Town, or they are added to the cost of the contract. The contractor wants money down right away to purchase aluminum and steel to hold the prices.

The huge revenue stream is in the summer months, but most of the swim team competitions take place during the school year. Mr. Sima said that the high school swim teams would like construction to start in March and be completed by August, but this cannot be done because the facility cannot be done in such a short period of time. He asked Ms. Adams if a June opening is the best time for the pool.

Ms. Adams said June was the best time. She has talked to the CHS Athletic Director about the timing for the swim teams. He advised that the teams will have to find some place to go for one year, that the swimmers could practice at Cheshire Academy, and the divers would have to find another facility.

In looking at the expenditure numbers, Mr. Schrumm said that utilities will go down, personnel numbers will not change, contracted services would change, supplies would not change. The contracted services occur in June and October with taking down and putting up the bubble. The cost is $48,000 annually, and the cost has not increases since the first time the contractor did this work. Without the bubble, Mr. Schrumm asked if there is anything else involved with contracted services.

Ms. Adams noted that there would still be some contracted services such as HVAC and filters.

Contracted services were budgeted at $95,000. Mr. Milone explained that $48,000 was for the work on the bubble; $4,000 computer and preventative maintenance; $35,000 for plumbing and electrical repairs; $8,000 for Co2 tanks, mats, dumpster and storage trailer. The debt service on the pool is $2,692,961.

Mr. Milone reviewed the debt service schedule for the pool enclosure, principal and interest at $5.1 million, issued at 5% borrowing rate financed over 20 years. He said the borrowing rate could be lower at 3.6% to 4% range.

At a 4% borrowing rate, Mr. Sima said the savings is about 20% annually.

Regarding maintenance for the two proposals, Mr. Adinolfi said he hopes something can be factored in with the maintenance costs, with the Open Aire having less maintenance costs.

Mr. Sima said that the West Hartford Jewish Community pool was recently painted. Maintenance would be higher without the natural air flow, because there must be a mechanical method of moving the air in and out, running another blower.
With the new facility, Mr. Schrumm commented on savings of $48,000 for the bubble work, reduction in labor overtime for snow storms, natural gas costs will decrease greatly, and with a sunny winter day in January, the facility would be warm.

Mr. Sima stated that the Open Aire proposal has a co-gen system to go along with their project, which is a unit of a large engine driving a generator.

Ms. Adams asked about a greenhouse keeping heat in when the sun goes down.

It was explained by Mr. Sima that there are solar blankets with wires that cover a greenhouse. They are called curtains, a fine fabric hung on very fine wires and retract across the greenhouse.

Mr. Milone commented on another savings for the bubble work which involves using town crew members working overtime for 3 or 4 days. This is 8 days of overtime with 10 crew members from Public Works and Parks and Rec Departments. The cost is about $1000.

Mr. Sima commented on the Public Building Commission having a question about leaving in the revolving door, and the effect on the activity of the pool.

According to Ms. Adams there would be no reason to move the revolving door.

Mr. Adinolfi commented on voters looking at 3 things regarding the pool. First is Open Air concept, and why spend the extra money. He said we should look at maintenance over the life of the building. Second is a seasonal only pool, which is not a revenue driver, which would still require a Town subsidy of about $250,000. Third is the cost to replace the bubble if we leave the facility with a bubble.

With regard to bubble replacement, Ms. Adams said there are now more energy efficient bubbles at a replacement cost of $400,000, but this was the cost two years ago. The new bubble is custom fit to Cheshire’s specifications, and there is also a more efficient heating source other than the blower unit. To replace the bubble and the blower unit would be $900,000 to $1 million.

Ground to ground installation of the bubble would be better. There is an air lock system and deck space would be less.

Mr. Milone explained that the subsidy number for a seasonal only pool would be $119,000 to $272,000. Debt service is not included, and the debt service would have to be paid for a 12 month pool while the pool is used only for 4 months. There would be additional costs involved for the high school swim teams for rental of a facility, plus the transportation costs for the teams.
The committee was informed by Ms. Adams that Wesleyan University charges $50 an hour for 2 lanes, and the teams use 8 lanes at the Cheshire pool. She will get information to the committee on the costs for the swim teams to swim at another facility. Ms. Adams said that transportation costs alone would be about $15,000.

Mr. Milone will provide all the information from this meeting to the PBC. He will also run the numbers for $5 million debt service at 3.5% to 4% borrowing rate and provide this information to the committee.

4. ADJOURNMENT

MOTION by Mr. Schrumm; seconded by Mr. Adinolfi.

MOTION to adjourn at 8:45 p.m.

VOTE The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk