

**CITY OF MASON
WORKSESSION
September 19, 2005**

ATTENDANCE

The following Councilmembers were present: Victor Kidd, Steve Osborne, Tony Bradburn, John McCurley, Charlene Pelfrey and Peter Beck. Tom Grossmann was absent.

COMMUNITY CENTER

Jennifer Heft explained the financial requirements as dictated in the original agreement the City entered into with the schools. She provided an overview of how the center was financed for the first three years and the changes that are now in place to comply with the contract language.

Michael Hecker explained how staff has been working on reviewing the current programs being offered for cost and revenue justification. As part of that process, the percentages the instructors have been receiving has been reduced. This results in the City receiving a 60% portion of the fees instead the previously lower percentage. Michael stated the concern they are working under is to generate capital and provide a benefit of membership.

John Zimmerman explained to meet the expenses of the center the memberships will have to be subsidized. He stated staff analyzed each program and some are losing money. The idea of a value added membership was discussed and he stated his experience with the YMCA facilities has been people will be willing to pay if they perceive it as valued added and pay only a monthly fee. He stated the rates at the YMCA rose by \$18 per month and the number of memberships continued to rise. He stated the monthly rate charged at the YMCA is \$76 for a family membership while the City membership cost \$44 per month.

Council discussed this matter and noted there are currently between 2500 and 2700 family members. It was suggested corporate memberships be given incentives to increase that market. It was the consensus among Council the goal is to break even but realistically if we reach the going market level, then the City will have to subsidize the operation. Defining exactly what that subsidy should be was also discussed with Council stating they would prefer to not leave it open ended. The value added package that was presented to the Park Board would cost approximately \$64 per month. Staff stated that has to be revisited as new figures have been received from the school. Council suggested leaving other options available to fit the different needs of members instead of just

offering only the value added package. It was noted the individual memberships should also increase.

Council requested staff prepare a five and a three-year projection plan to breakeven. They also were requested to explore what the result would be if the City continues along the current path of increasing rates each year.

ADJOURN

A motion to adjourn was made by councilmember Bradburn, seconded by Vice Mayor Pelfrey. VOTE: ALL YEAS

TIME: 8:25 p.m.



Clerk of Council



Mayor