

SPECIAL WORK SESSION AGENDA

CITY OF LINO LAKES

Monday, December 13, 2021

CITY COUNCIL WORK SESSION

Community Room

Following the Regular City Council Meeting

1. Activity Center Financial Update, Hannah Lynch
2. Public Services Staffing Update, Sarah Cotton
3. Adjourn

WORK SESSION STAFF REPORT
Work Session Item No. 1

Date: December 13, 2021
To: City Council
From: Hannah Lynch, Finance Director
Re: Activity Center Financial Update

Background

The operation of the Rookery Activity Center is accounted for in a special revenue fund. The fund is independent of the City's General Fund. Re-opening expenses will largely be covered by ARPA dollars. Once those grant funds are exhausted, the fund will stand on its own. The revenues represented in the Isaac Sports Group analysis are anticipated to cover the operating and capital expenses.

Staff will give a brief presentation on the current financial status of the Rookery Activity Center.

Activity Center Financial Update

December 13, 2021



Special Revenue Fund

Rookery Activity Center



Fund 202 – Rookery Activity Center

- ▶ Cash Balance as of 12/13/2021: -\$1,190
 - ▶ Purchase of YMCA fitness equipment (\$15,000)
 - ▶ Testing site lease with the State of MN
 - ▶ Lease fee billed through November
 - ▶ Unreimbursed \$3,053 Xcel Energy bill
 - ▶ Maintenance supplies, handicap sidewalk ramp, re-keying, annual compliance and safety inspection, HVAC inspection, fire protection equipment phone service, mat service, irrigation
- ▶ Consulting Services (ISG, GameDay, DSGW) funded through General Fund

Fund 202 – Rookery Activity Center

- ▶ Going Forward: Re-opening Costs and Operating Expenditures
 - ▶ ARPA Funding \$1,458,716
 - ▶ Prepaid membership revenue from Endurance Fitness
 - ▶ Facility and program revenue

ROOKERY BUDGET STATUS

		ARPA	12/13/2021	
ITEM	APPROVED DATE	APPROVED AMOUNT	ACTUAL AMOUNT	GL Code
Civic Plus	11/17/2021	\$91,125		
Lockers	11/22/2021	\$96,500		
Change Order - Sloped Tops	12/6/2021	\$18,500		
Fiber Cable Extension	12/6/2021	\$54,503		
Painting				
Fitness/Studio Area Labor	12/6/2021	\$3,750		
Mezzanine Railings and Door Frames	12/13/2021	\$3,900		
Natatorium and Locker Rooms	12/13/2021	\$65,000		
Recarpet/Tile Upstairs	12/6/2021	\$38,000		
Pre-Opening Pool Equipment				
Recreation Supply Company	12/6/2021	\$16,000		
Industrial Washer/Dryer	12/6/2021	\$16,286		
Touchless Plumbing Fixtures	12/13/2021	\$12,750		
Electronic Door Access	12/13/2021	\$13,129		
		\$429,443		

ISG Analysis

Hybrid Management Model



	A	B	C	G	H	I	J	K	L
1	Lino Lakes Recreation and Community Center: The Rookery								
2	Existing Facility Hybrid Management Model								
3	Profit & Loss Summary								
4	Membership Update 10/30/21								
5	October 30, 2021								
6	NOTES:	Hybrid Management/Program model includes a Fitness Program Partner and Centennial Community Ed Swim Lesson/Aquatic Partnership							
7		*Year Zero is the period facility is closed prior to reopening under City or outside management. Includes costs to re-open facility							
8	Net Operating Revenue (Deficit) Categories	Net Operating Revenue		With City Admin Alloca. Incl.			With Reserve Included		
9		Rec and Community Center Projections							
10	REVENUE	Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5		
11	FACILITY REVENUE	\$ -	\$ 1,542,816	\$ 1,816,926	\$ 1,906,184	\$ 1,999,233	\$ 2,097,621		
12	Educational, Classes, Camps and Clinics Rentals	0	0	0	0	0	0		
13	Gym/Court Rentals	0	20,000	30,000	31,500	33,075	34,729		
14	Pool Rentals	0	36,412	39,773	40,806	42,082	43,398		
15	Competitive Event Rentals	0	0	0	0	0	0		
16	Special Events & Function Space Rentals	0	18,000	24,000	24,720	25,668	26,652		
17	Therapy, Rehab, Health Use	0	0	0	0	0	0		
18	Memberships & Daily Use Fees	0	1,462,404	1,715,503	1,801,278	1,890,293	1,984,483		
19	Retail and Vending Revenue	0	6,000	7,650	7,880	8,116	8,359		
21	Facility Sponsorships/Advertising/Contributions	0	0	0	0	0	0		
22	School District and Partners	0	0	0	0	0	0		
23	Miscellaneous	0	0	0	0	0	0		
24									
25									
26	PROGRAM REVENUE	\$ -	\$ 383,274	\$ 536,107	\$ 580,369	\$ 635,775	\$ 664,022		
27	Education and Community Programming	0	7,000	13,000	13,390	13,926	14,483		
28	Aquatic Training, Fitness and Therapy	0	19,000	28,500	29,640	30,826	32,059		
29	Dry-Side Fitness & Training	0	157,750	211,000	219,440	228,218	237,346		
30	Learn to Swim	0	154,524	208,607	239,899	281,686	295,770		
31	Camps and Clinics	0	45,000	75,000	78,000	81,120	84,365		
32	Aquatic Team Programs	0	0	0	0	0	0		
33	Sport Team Programs	0	0	0	0	0	0		
36	Program Sponsorships/Advertising/Contributions	0	0	0	0	0	0		
37	Miscellaneous	0	0	0	0	0	0		
38									
39	TOTAL REVENUE	\$ -	\$ 1,926,090	\$ 2,353,033	\$ 2,486,553	\$ 2,635,008	\$ 2,761,643		
40	Projected Revenue Growth Rate			22%	6%	6%	5%		
41									



	A	B	C	G	H	I	J	K	L
42	EXPENSES			Year Zero*	Year 1	Year 2	Year 3	Year 4	Year 5
43	OPERATIONAL EXPENSES			\$ 458,255	\$ 1,791,633	\$ 1,875,243	\$ 1,954,822	\$ 2,037,782	\$ 2,134,886
44		Utilities		9,000	140,631	144,850	149,195	153,671	158,281
45		Maintenance		19,000	43,000	44,290	45,619	46,987	55,397
46		Equipment and Supplies		210,514	67,000	72,010	74,170	76,395	78,687
47		Staff Wages & Salary & Benefits							
48		Full Time Staff		123,958	554,500	582,225	611,336	641,903	673,998
49		Part Time Staff		13,500	348,400	365,820	384,111	403,317	423,482
50		Benefits and Payroll Taxes		52,283	291,480	306,054	321,357	337,425	354,296
51		Staff-Other Costs		2,000	4,750	4,869	4,990	5,115	5,243
52		Outside Services		11,000	228,876	230,005	237,483	242,330	250,566
53		General Office		9,500	92,996	107,320	110,951	114,712	118,679
54		Insurance		5,000	10,000	10,300	10,609	10,927	11,255
55		Miscellaneous Expense Contingency		2,500	10,000	7,500	5,000	5,000	5,000
56									
57	PROGRAM EXPENSES			\$ 1,000	\$ 197,710	\$ 266,982	\$ 284,242	\$ 305,802	\$ 318,357
58		Community and Educational Programs		0	3,300	5,700	5,856	6,070	6,293
59		Aquatic Training, Fitness, and Therapy		0	8,600	12,400	12,856	13,330	13,823
60		Dry-Side Fitness & Training		0	97,810	130,440	135,618	141,002	146,602
61		Learn to Swim		1,000	58,170	76,342	86,856	100,896	105,629
62		Camps and Clinics		0	21,080	34,100	35,556	37,003	38,509
63		Aquatic Team Programs		0	0	0	0	0	0
64		Sport Team Programs		0	0	0	0	0	0
66		Program Staff-Miscellaneous		0	0	0	0	0	0
67		Scholarships & Student Support		0	5,000	5,000	5,000	5,000	5,000
68		Miscellaneous Expense Contingency		0	3,750	3,000	2,500	2,500	2,500
69									
70	TOTAL OPERATING EXPENSES			\$ 459,255	\$ 1,989,343	\$ 2,142,225	\$ 2,239,063	\$ 2,343,585	\$ 2,453,243
71	Projected Expense Growth Rate					8%	5%	5%	5%
72									
73	CITY SHARED ADMINISTRATIVE EXPENSES			\$ -	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,644	\$ 182,326
74									
75	GROSS OPERATING EXPENSES			\$ 459,255	\$ 2,139,343	\$ 2,299,725	\$ 2,404,438	\$ 2,517,229	\$ 2,635,568

	A	B	C	G	H	I	J	K	L
76									
77									
78	NET OPERATING REVENUE (DEFICIT)			\$ (459,255)	\$ (63,254)	\$ 210,808	\$ 247,489	\$ 291,423	\$ 308,401
79	Not Including City Administrative Allocation								
80	COST RECOVERY (Direct Revenue & Expenses Only)			0%	97%	110%	111%	112%	113%
81									
82	CUMMULATIVE OPERATING NET REVENUE (DEFICIT)			\$ (459,255)	\$ (522,509)	\$ (311,700)	\$ (64,211)	\$ 227,212	\$ 535,612
83									
84	NET GROSS OPERATING REVENUE (DEFICIT)			\$ (459,255)	\$ (213,254)	\$ 53,308	\$ 82,114	\$ 117,779	\$ 126,075
85	Including City Administrative Allocation								
86	COST RECOVERY (Direct Revenue & Expenses Only)			0%	90%	102%	103%	105%	105%
87									
88	CUMMULATIVE OPERATING NET REVENUE (DEFICIT)			\$ (459,255)	\$ (672,509)	\$ (619,200)	\$ (537,086)	\$ (419,307)	\$ (293,232)
89									
90	NON-OPERATING EXPENSES								
91									
92	Long Term Capital Replacement & Maintenance Reserve			0	0	60,000	70,000	80,000	82,400
93	Capital Reserve Accumulation Years 1-5								292,400
94	Years 6-10				84,872	87,418	90,041	92,742	95,524
95	Years 11-15				98,390	101,342	104,382	107,513	110,739
96	Years 16-20				114,061	117,483	121,007	124,637	128,377
97									
98	Capital Accumulation Year 10								742,997
99	Capital Accumulation Year 15								1,265,362
100	Capital Accumulation year 20				0				1,870,927
101	NON-OPERATING EXPENSES			\$ -	\$ -	\$ 60,000	\$ 70,000	\$ 80,000	\$ 82,400
102									
105	GRAND TOTAL ALL EXPENSES (Including Reserve)			\$ 459,255	\$ 2,139,343	\$ 2,359,725	\$ 2,474,438	\$ 2,597,229	\$ 2,717,968
106									
107	GRAND TOTAL REVENUE (DEFICIT)			\$ (459,255)	\$ (213,254)	\$ (6,692)	\$ 12,114	\$ 37,779	\$ 43,675
108	COST RECOVERY			0%	90%	100%	100%	101%	102%
109	CUMMULATIVE TOTAL GROSS REVENUE (DEFICIT)			\$ (459,255)	\$ (672,509)	\$ (679,200)	\$ (667,086)	\$ (629,307)	\$ (585,632)

2022 Budget

Rookery Activity Center

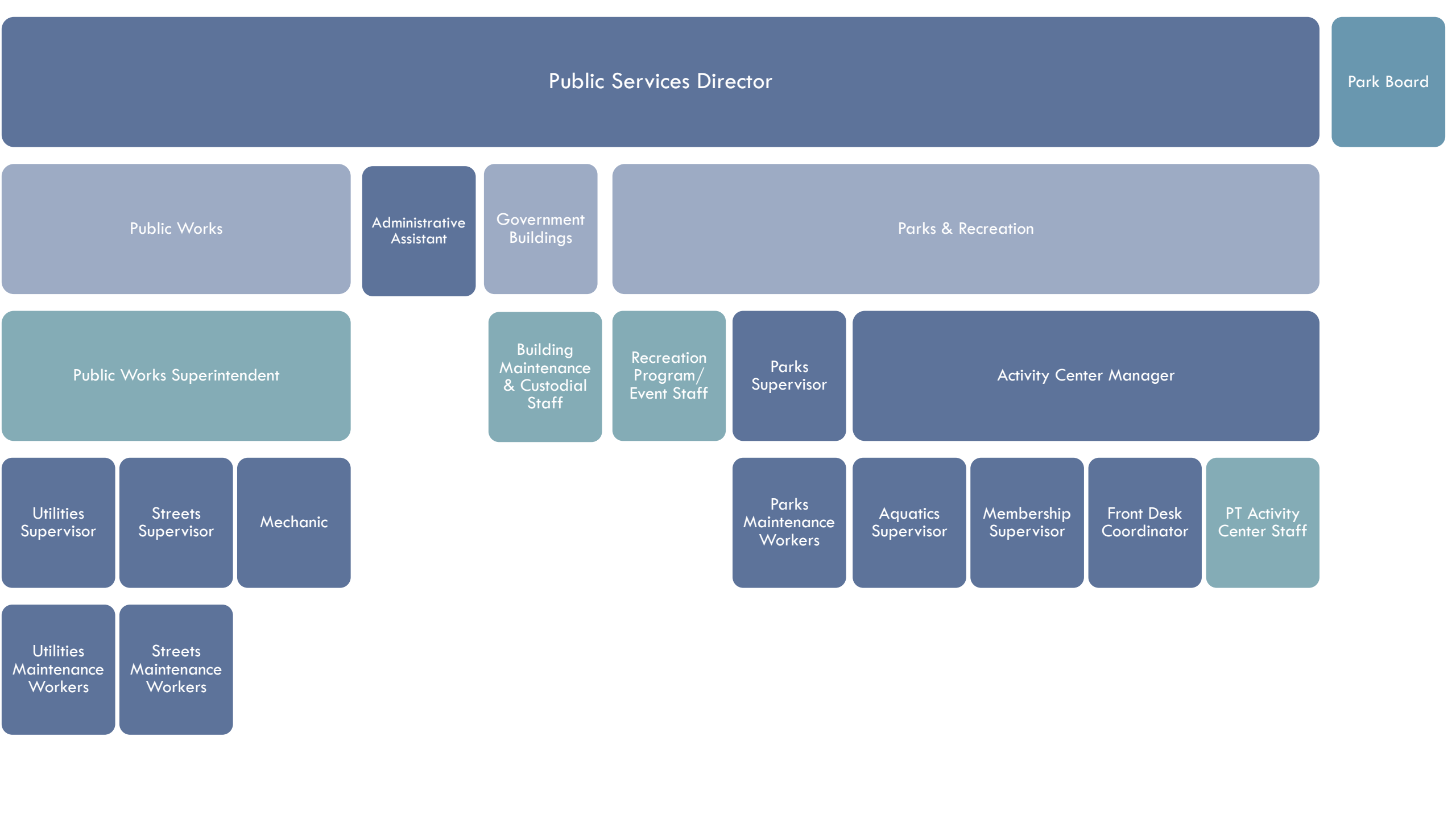


CITY OF LINO LAKES

REC CENTER (202-000)

Description	Object Code	Actual 2019	Actual 2020	Budget 2021	2022 Base Budget	Adopted 2022	Budget Detail
PERSONAL SERVICES							
SALARIES	4101-000	0	0	0	902,900	0	100% Facility Director
OVERTIME	4102-000	0	0	0	0	0	100% Program Manager
ON CALL/PAGER	4105-000	0	0	0	0	0	100% Acquatic Program Manager
TEMPORARIES	4106-000	0	0	0	0	0	100% Membership/Customer Service Manager
WELLNESS PROGRAM	4108-000	0	0	0	0	0	100% Front Desk Coordinator
PERA	4121-000	0	0	0	291,480	0	100% Maint/Operations Manager
SOCIAL SECURITY	4122-000	0	0	0	0	0	100% Admin/Finance Clerk
ICMA EMPLOYER CONTRIBUTION	4123-000	0	0	0	0	0	4.5 FTE Custodial & Maint Staff
HEALTH INSURANCE	4131-000	0	0	0	0	0	1.5 FTE Front Desk Staff
LIFE & DISABILITY INSURANCE	4133-000	0	0	0	0	0	1.0 FTE Gym Monitors
DENTAL INSURANCE	4134-000	0	0	0	0	0	0.5 FTE Head Lifeguard
REEMPLOYMENT INSURANCE	4141-000	0	0	0	0	0	3.0 FTE Lifeguards
WORKER'S COMPENSATION	4151-000	0	0	0	0	0	2.0 FTE Child Watch Attendants
		0	0	0	1,194,380	0	
SUPPLIES							
OFFICE SUPPLIES	4200-000	0	0	0	5,000	0	Office Supplies, First Aid/Safety
MAINTENANCE SUPPLIES	4211-000	0	0	0	46,000	0	Pool Maintenance, Building Repairs & Maintenance, Equipment Repairs
CUSTODIAL SUPPLIES	4216-000	0	0	0	30,000	0	
CHEMICALS	4222-000	0	0	0	7,000	0	Pool Chemicals
SMALL TOOLS	4240-000	0	0	0	16,000	0	Pool Equipment, Sport Equipment, Recreational Supplies
		0	0	0	104,000	0	
OTHER SERVICES AND CHARGES							
PROFESSIONAL SERVICES	4300-000	0	0	0	58,496	0	Credit Card Processing Fees and Other Finance Charges
MUNICIPAL ATTORNEY	4301-000	0	0	0	5,000	0	
OTHER CONSULTANTS	4310-000	0	0	0	3,000	0	
TELEPHONE	4321-000	0	0	0	3,000	0	
POSTAGE	4322-000	0	0	0	2,500	0	
TRAVEL & TUITION	4330-000	0	0	0	3,250	0	
PRINTING & PUBLISHING	4340-000	0	0	0	7,000	0	Advertising, Marketing and Promo Materials
INSURANCE	4361-000	0	0	0	10,000	0	
UNIFORMS	4370-000	0	0	0	3,000	0	
ELECTRICITY	4381-000	0	0	0	0	0	
UTILITIES	4382-000	0	0	0	140,631	0	
HEAT	4383-000	0	0	0	0	0	
SANITATION	4384-000	0	0	0	6,000	0	
		0	0	0	241,877	0	
CONTRACTUAL SERVICES							
CONTRACTED SERVICES	4410-000	0	0	0	6,000	19,900	Software Annual Fees (\$2,000), Marketing (\$4,000)
CONT SRVS - FITNESS PROVIDER	4410-000	0	0	0	218,876	0	Remittance to Fitness Provider
SPECIAL PROJECTS	4418-000	0	0	0	15,000	0	Scholarship & Membership Financial Aid
SUBSCRIPTIONS & DUES	4452-000	0	0	0	1,500	0	
		0	0	0	241,376	19,900	
OTHER							
CONTINGENCY	4905-000	0	0	0	10,000	0	
ADMINISTRATION FEE	4915-000	0	0	0	150,000	0	
		0	0	0	160,000	0	
CAPITAL OUTLAY							
EQUIPMENT	5000-000	0	0	0	0	0	
		0	0	0	0	0	
TOTAL REC CENTER		0	0	0	1,941,633	19,900	





WORK SESSION STAFF REPORT
Work Session Item No. 2

Date: December 13, 2021
To: City Council
From: Sarah Cotton, City Administrator
Re: Public Services Staffing Update

Background

Staff is requesting that the City Council consider approving a new Public Works Superintendent position.

With the addition of The Rookery Activity Center, it has become increasingly evident that the Public Services Director will need assistance in overseeing the Public Works Division, including Utilities, Streets, and Fleet Maintenance activities. Staff is proposing the addition of a Public Works Superintendent. This position would be responsible for:

- Providing overall supervision, direction, coordination, planning and support to the Public Works Division – Utilities, Streets, and Fleet Maintenance.
- Assisting the Public Services Director with preparing and addressing annual budgets, council issues, purchasing, and project and contract management.
- Assisting the Public Services Director with the hiring process of FT and Seasonal Public Works Staff.
- Responding to inquiries and complaints from contacts and members of the public.
- Managing the City’s Safety Program and training of Public Works Staff.
- Preparing and maintaining all required and requested reports, schedules, and records of the Public Works Division.

*This is not intended to be an all-inclusive list of responsibilities, but a high level summary of the overall responsibilities of the position. Staff will work to further develop a complete job description.

Staff is proposing that a Public Works Superintendent position be posted immediately. The new hire would report to the Public Services Director, Rick DeGardner.

A proposed draft Public Services Organizational Chart is attached for your review. Staff will provide information regarding the development of the organizational structure at the work session. In addition, staff will continue to develop the org structure of the Public Services division taking into consideration staffing needs identified by ISG in the Activity Center Feasibility Study. Funding for this position will be provided by the

reallocation of current staff costs. Staff will provide a summary of the proposed allocations and budget impact at the work session.

Requested Council Direction

Staff is recommending the Council approve posting the new position.

Attachments

Proposed Public Services Organizational Structure