

City of Piedmont COUNCIL AGENDA REPORT

DATE: May 19, 2025

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Consideration of the Piedmont Community Pool Pass Model and Associated Fee Structure

RECOMMENDATION

Approve the Piedmont Community Pool Build A Pass Model and Associated Fee Structure as Recommended by the Pool Advisory Committee.

BACKGROUND

In December of 2021, the City secured the services of Isaac Sports Group (ISG). ISG was engaged to develop a program, management and staffing model, and financial operating analysis for the new Piedmont Community Pool. ISG approached the facility design with two questions: 1) how can it meet the programmatic needs of the community and 2) how can the City afford to run the facility once opened. ISG and staff worked with the Pool Advisory Committee (PAC) to refine the report and gather community input. At the November 29, 2022 PAC meeting, the Committee recommended the report for consideration by the City Council.

On December 5, 2022, the City Council reviewed the Operational Analysis Report for the Piedmont Community Pool. The report included the projected revenues from rentals, programming, and passholders, as well as anticipated expenses but it did not address a pool pass model or non-resident differential rates for passes. Recognizing the need for further development, the City Council requested the Pool Advisory Committee continue its work to develop a pool pass model for the new Piedmont Community Pool.

Following the hire of the Recreation Supervisor for Aquatics in August of 2024, staff re-engaged the services of ISG to assist with the development of a pool pass model for Piedmont Community Pool. Staff has worked closely with ISG since then to develop an analysis of pool pass scenarios, their impact on financial performance, and the overall financial operating projections of the new pool.

Staff also re-engaged the PAC in November of 2024 to begin the community process of establishing a pool pass model. At this meeting, the PAC established some guiding principles to aid the staff, ISG and the PAC in the process of developing a pool pass model. The Pool Advisory

Committee held two Study Sessions on February 13, 2025, and March 25, 2025, to review and allow the committee and public to discuss and provide input on the proposed model and fee structure.

On April 15, 2025, the PAC reviewed the proposed model and finalized a recommendation to present to the City Council regarding the Build A Pass Model and associated fee structure, as well as the proposed pool facility rental fees for the City's Master Fee Schedule.

DISCUSSION

Pool Pass Model

The PAC held two study sessions to review the proposed pool pass model and fee structure. Over the course of the two sessions, the PAC received written and in-person public comments. PAC members carefully reviewed and discussed the model and public input.

At the February study session, staff and ISG presented the first draft of the pool pass model which introduced the Build A Pass Model and included the following goals and objectives derived from the PAC guiding principles:

1. Provide a flexible and adaptable pool pass system that meets the needs of a variety of families, households, and users
 - a. Recognize that there are many different types of families and households in Piedmont and the pass model should accommodate a variety of needs
 - b. Integrate the pass purchase flexibility into Community Pass, the Recreation Department's registration system, to simplify the overall pass purchase options
2. Create a pool pass model and overall budget that helps achieve 100% operational cost recovery
 - a. Provide a structure that increases the overall number of passholders, increasing community benefit and revenue
 - b. Recognize that pool pass sales make up a portion of revenue needed to fund the operation
3. Recognize the tax contributions that Piedmont residents pay toward the construction of the pool
 - a. Establish higher non-resident fees to help contribute to the financial sustainability of the pool
4. Create benefits and priorities that favor resident pool passholders and residents in pool programs and facility use/rental
5. Create a pool pass model that incentivizes the purchase of annual passes

- a. Structure fees such that purchasing a pass is favorable over summer passes or drop-in rates
- b. Add value to annual passes to encourage annual pass purchases
- c. Recognize that annual passholders will be more invested in the pool and create a sense of community
- d. Provide discounts for youth, seniors, and families

The first draft of the model was well received, and the PAC generally liked the structure of the Build A Pass Model which accomplished two of the main goals established by the PAC. First, it provided flexibility and could adapt to a wide range of individuals interested in purchasing passes. Second, it also incentivized the purchase of annual passes with additional benefits, lower pricing and greater benefits. The PAC and members of the public indicated interest in providing more benefits for residents and resident passholders and a higher non-resident rate differential in recognition of bond payments on local property tax bills associated with construction of the pool.

Staff returned to the second study session in March with further fee and pass sale analysis and recommended a higher non-resident rate that would not have a negative impact on pass sales revenue. Staff and ISG also developed additional resident pass holder benefits such as priority reservation and program registrations, guest passes and advanced summer pass sales. A key element presented at this study session was an increase in the Capital Reserve 20-year target allocation to from \$3,000,000 to \$5,000,000.

At the April PAC meeting, staff and ISG presented further study on the impacts that additional increases to non-resident pass and drop-in rates would have on revenue needed from pass sales to stay on a path to cost recovery. Pool pass sales are projected to account for 40% of revenue. The loss of non-resident purchases could lead to reduced revenues and require recovery through increased resident pass rates. The rates PAC has recommended look to strike a balance between the request for a higher non-resident differential and revenue projections needed to achieve cost recovery. The PAC also reviewed facility rental rates and priority reservation timelines.

The Build A Pass Model has been reviewed by the City's bond counsel, Jones Hall, to ensure compliance with private activity tests that preserve the tax-exempt status of Piedmont's 2021 General Obligation Bonds.

Updated Financial Analysis

In the fall of 2024, ISG collaborated closely with City staff to conduct a comprehensive analysis of operating costs, staffing models, program structures and fees, and opportunities to reduce expenses while increasing revenue. These updated projections reflect a more accurate and current outlook than those in ISG's initial 2022 Financial Operating Budget study. The revisions are based on actual staffing models, salaries and wages, program capacities, and 2024 cost data, with adjustments for inflation trends that were anticipated in 2022. The City's new Aquatics staff developed detailed program plans, staffing schedules, and operational models, which allowed for more precise projections of expenses and a phased ramp-up from initial opening through full operation.

Staff will monitor the annual escalation of operating and related costs on an ongoing basis. These changes will be reflected in annual updates to the City's fee schedule. Separate and apart from this process, staff recommends reviewing pool pass fees after a full year of annual and summer pass sales data in the context of market changes to maintain overall financial operating cost recovery targets. Depending on the pool's opening date, this review would occur after the one-year mark, with any revised fees implemented prior to the second cycle of summer pass sales which are proposed to take place in April of each year.

The recommended Build A Pass Model and recommended fee structure provides the best opportunity to meet the current and changing needs of Piedmont residents, families, and households. The conservative financial operating projections indicate 100% cost recovery by FY 2029 and all years following, including the debt service on the small electrification loan and Long Term Capital Reserve Fund annual allocations.

FISCAL IMPACT

The total annual pool pass and drop-in fees are estimated to represent 40% of total revenues in a 12-month cycle. Resident pool passes are \$577,000 (or 29%) and non-resident pool passes are \$217,000 (or 11%) of total revenues.

ATTACHMENTS

- A. Pool Pass and Financial Operating Analysis Executive Summary
- B. Pool Pass and Financial Operating Analysis Report

CITY ATTORNEY REVIEW

The City Attorney has reviewed the Staff Report.

By: Chelle Putzer, Recreation Director



PIEDMONT COMMUNITY POOL

Pool Pass and Financial Operating Analysis

EXECUTIVE SUMMARY

City Council Meeting
May 19, 2025



INTRODUCTION

City of Piedmont staff and Isaac Sports Group (“ISG”) have worked together to develop an analysis of pool pass scenarios, facility usage fees, financial operating model, and the overall financial operating projections of the new Piedmont Community Pool. Staff and ISG worked closely with the PAC in a series of four Study Sessions and public meetings to develop a recommendation for the pool pass model and facility rental pricing supported by Staff, ISG, and the PAC.

POOL PASS MODEL RECOMMENDATION

City Staff, ISG, and the PAC developed the recommended pool pass model that emphasized the following goals:

- Creating a flexible and adaptable pass system that meets the needs of a variety of families, households, and users
- Emphasizes and enhances resident value and benefits
- Incentivizes the purchase of Annual Passes
- Supports a revenue model that helps achieve 100% operating cost recovery by FY2029

The recommended pool pass model includes the following features and basis:

- Utilize a “Build A Pass” model featuring four basic pass categories: including Adult, Senior, Youth and Family
- The Build A Pass model includes the ability to pass holders to add additional household members to their pass, including Adults, Seniors, Youth, Children, and Guests
- Pass terms include the following:
 - Annual Pass
 - Summer Pass (Memorial Day through the end of September)
 - Daily Drop-In Passes
- Rates are based on the following parameters
 - Resident Adult Pass fees are based on a 15% increase over the 2019 pass rates for the basic Adult Pass and then calculating the rest of the resident category rates based on this base fee
 - Senior Discount = 25%
 - Youth Discount = 25%
 - Family Pass Fee is based on 1.5 times the adult fee
 - The Summer Pass is based on 25% peak season premium over the monthly average of the Annual Pass
 - Non-Resident Pass Fees are based on a 40% premium over the Resident Pass fees
- Resident Benefits
 - Priority advance purchase of Summer Passes
 - Complementary single use use guest passes based on category and term of pool pass
 - Opportunity to purchase additional guest passes in advance
 - Priority registration for all aquatic classes and programs

- Opportunity for priority reservations for Community Pool facilities, including Poolside Room, Pavilion, Poolside Room Birthday Parties, etc.
- All Passholder Benefits
 - Family Pass holders will receive one complimentary un-named guest pass
 - Invitations to special passholder events (TBD)

FINANCIAL ANALYSIS AND PROJECTIONS

The Financial Operating Model and projections are based on the following best practice assumptions:

- Robust investment in facility management and staff, including wages, training, and retention
- Best practice annual facility maintenance
- Conservative low risk pool pass and program revenue
- Conservative ramp up of pass and program revenue from opening day through first two full years of operation
- Enhancement of traditional programs and development of new programs
- Significant increased revenue based on the new Community Pool capacity, features, programmable and rental space, and new support and function spaces

The Community Pool operating model achieves 100% cost recovery by Fiscal Year 2029.

Profit & Loss Summary Conservative Low Risk Projection (in Thousands)

Budget Category	FY2026	FY2027	FY2028	FY2029	FY2030
Facility Revenue	\$919	\$1,047	\$1,136	\$1,188	\$1,234
Program Revenue	\$772	\$941	\$1,040	\$1,109	\$1,155
TOTAL REVENUE	\$1,691	\$1,989	\$2,177	\$2,297	\$2,389
Operating Expenses	\$1,654	\$1,726	\$1,790	\$1,848	\$1,917
Program Expenses	\$255	\$309	\$338	\$360	\$376
*Non-Operating Expenses (Electrification Loan)	\$25	\$50	\$50	\$50	\$50
Long Term Cap Reserve Fund Allocation	\$0	\$0	\$0	\$30	\$37
TOTAL EXPENSES	\$1,934	\$2,085	\$2,178	\$2,288	\$2,380
Total Net Revenue (Deficit)	\$(243)	\$(96)	\$(2)	\$9	\$9
Cost Recovery	87%	95%	100%	100%	100%

*NOTE: Non-Operating expenses include debt service on electrification loan and annual allocation to Long-Term Capital Replacement and Maintenance Reserve Fund.

LONG TERM CAPITAL REPLACEMENT AND MAINTENANCE RESERVE

The 20-year operating budget projections include allocations to support a Long Term Capital Facility Reserve Fund to support capital maintenance and ensure the long-term viability of the Community Pool. The 20-Year target is \$5,000,000. This projection is roughly 15% of total facility construction costs, which is a reasonable estimate in the industry. The actual accrual through FY 2045 exceeds that target and breaks out follows:

FY 2030	\$ 67,000
FY 2035	\$ 698,000
FY 2040	\$2,208,000
FY 2045	\$5,086,000

CONCLUSION

City staff, ISG, and the PAC recommend the Build A Pass Model based on a 15% increase in base rates from the 2019 rates and a 40% non-resident pool pass premium. This recommendation includes the proposed drop-in fee structure indicated in this report. This recommended model meets all of the Goals and Objectives identified during this process. It also provides the minimum increase in resident pool pass and drop-in fees needed to achieve 100% cost recovery.

The recommended Build A Pass model and recommended fee structure provides the best opportunity to meet the current and changing needs of Piedmont residents, families, and households. The conservative financial operating projections indicate a 100% cost recovery by FY 2029 and all years following, including the debt service on the small electrification loan and Long Term Capital Reserve Fund annual allocations.



PIEDMONT COMMUNITY POOL

Pool Pass and Financial Operating Analysis Report

**Piedmont City Council Meeting
May 19, 2025**



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INTRODUCTION

City of Piedmont staff and Isaac Sports Group (“ISG”) have worked together to develop an analysis of programs, pool pass scenarios, facility usage fees, financial operating model, and the overall financial operating projections for the new Piedmont Community Pool. Through this process, City staff and ISG developed and analyzed several different pool pass scenarios and their impact on residents, overall revenue, cost recovery, and presented the options and analysis to the Pool Advisory Committee (“PAC”) in a series of four meetings. During these meetings, staff and ISG worked closely with the PAC to develop a recommendation for a pool pass model and facility rental pricing, supported by staff, ISG, and the PAC. This report focuses on the recommended option and incorporates it into the financial model and projections.

BACKGROUND

In December of 2021, the City secured the services of Isaac Sports Group to develop a program, management and staffing model, and financial operating analysis for the new Piedmont Community Pool to determine if the pool design would meet the programmatic needs of the community and if the City could afford to run the facility once opened. ISG and staff worked with the Pool Advisory Committee to refine the report and gather community input. At the November 29, 2022, PAC meeting, the Committee recommended the report for consideration by the City Council.

At the December 5, 2022, City Council meeting, Council received the Operational Analysis Report for the Piedmont Community Pool. The report detailed a financial operational analysis that included all expected revenues from rentals, programming, and pass holders, as well as expected expenses but it did not address a pool pass model or address non-resident differential rates for passes. City Council requested the Pool Advisory Committee continue its work to develop a pool pass model for the new Piedmont Community Pool.

Following the hiring of Recreation Supervisor for Aquatics, Paula Cooper-Tipton, in August of 2024, staff reengaged the services of ISG to assist with the development of a pool pass model for Piedmont Community Pool. Staff has worked closely with ISG since then to develop an analysis of pool pass scenarios, their impact on financial performance, and the overall financial operating projections of the new pool.

Staff also reengaged the PAC in November of 2024 to begin the community process of establishing a pool pass model. The Pool Advisory Committee held two Study Sessions on February 13, 2025, and March 25, 2025, to review and allow the committee and public to discuss and provide input on the proposed model and fee structure. On April 15, 2025, the PAC reviewed the proposed models and made a recommendation to City Council to consider the Build A Pass model and associated fee structure as well as the proposed rental fees for the City’s Master Fee Schedule. ***Appendix A includes a tracking of the changes and updates through the series of PAC Study Sessions and public meetings.***

METHODOLOGY

The following methodology supported the study process and recommended approach to the pool pass model, fee structure and financial analysis.

1. Updated market research on surrounding and regional public and private aquatic facilities
 - a. Pool pass/membership model and fees
 - b. Program offerings and fees
 - c. Seasonality and pool schedules
2. Conducted regular meetings with City staff and ISG from August 2024 through April 2025
3. Hosted four PAC public meetings
 - a. Reviewed scenarios
 - b. Generated PAC and public input
 - c. Identified options for further review
 - d. Developed recommendations on the Pool Pass and Rental Fee model
 - e. Meeting Dates:
 - i. November 11, 2024
 - ii. February 13, 2025 (Study Session)
 - iii. March 25, 2025 (Study Session)
 - iv. April 15, 2025

GOALS AND OBJECTIVES

At the November 2024 PAC meeting, committee members provided some overarching goals for the pool pass model that staff and ISG used as guiding principles for developing the pool pass model.

1. Provide a flexible and adaptable pool pass system that meets the needs of a variety of families, households, and users
 - a. Recognize that there are many different types of families and households in Piedmont and the pass model should accommodate a variety of needs
 - b. Integrate the pass purchase flexibility into Community Pass, the Recreation Department's registration system, to simplify the overall pass purchase options
2. Create a pool pass model and overall budget that helps achieve 100% operational cost recovery
 - a. Provide a structure that increases the overall number of passholders, increasing community benefit and revenue
 - b. Recognize that pool pass sales make up a portion of revenue needed to fund the operation
3. Recognize the tax contributions that Piedmont residents pay toward the construction of the pool
 - a. Establish higher non-resident fees to help contribute to the financial sustainability of the pool

4. Create benefits and priorities that favor resident pool passholders and residents in pool programs and facility use/rental.
5. Create a pool pass model that incentivizes the purchase of annual passes
 - a. Structure fees such that purchasing a pass is favorable over summer passes or drop-in rates
 - b. Add value to annual passes to encourage annual pass purchases
 - c. Recognize that annual passholders will be more invested in the pool and create a sense of community
 - d. Provide discounts for youth, seniors, and families

HISTORIC PIEDMONT POOL PASS MODEL

The City's historic pass model dates back to the transition of the Piedmont Swim Club to the Piedmont Community Pool. The City assumed operations in 2011 and worked with leaders of the former Swim Club and hired consultants to create a pool pass model that would be simple, priced for cost recovery and comparable to the former Swim Club.

The model offered Family, Adult and Senior Passes with the option to buy a Seasonal or Annual Pass. The Family Annual Pass (\$850) was only \$100 more than the Adult Annual Pass (\$750). This pricing was like the Club's membership fee, which was the same fee for an individual as it was for a family.

The original model accomplished what it was designed to do for the first several years after the transition but as the condition and reliability of the pool deteriorated, the demand for purchasing a pool passes declined. In the last few years of the pool, staff tried many different approaches to encourage people to come to the pool, such as monthly options and lap swim only passes. In FY 2020, the Family Annual Pass rate was \$890, and the Adult Annual Pass was \$775, increasing only slightly over the nine years the City operated the pool.

Overall, the historic model presented some challenges and pointed to new opportunities and adjustments:

- The Family Pass was underpriced as compared to the Adult Pass
- Adults, seniors, and families lacked the flexibility of options, forcing the purchase of the Family Pass
- The Seasonal Pass start date and pro-ration methodology was inconsistent
- Monthly Passes had little impact on the market at only 8% of all passes
- Non-resident rates were only a 10% to 13% premium above comparable resident rates

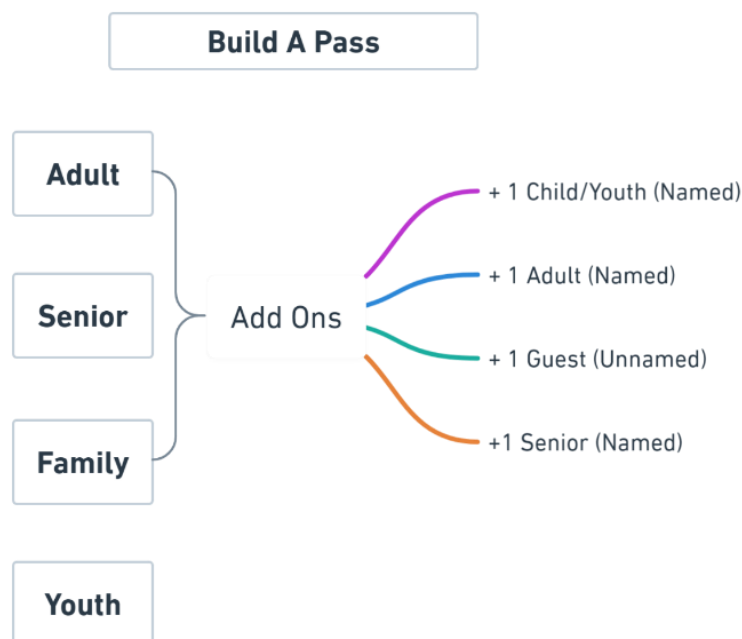
Due to these challenges and the fact that it has been five years since the closure of the former facility, staff determined it would be best to begin work on a pool pass model from scratch.

RECOMMENDED POOL PASS MODEL AND FEE STRUCTURE

In researching various pass models with typical categories such as Adults, Families, Seniors, and Couples, it became evident that the pre-defined categories and terms were limiting. If the pass model was kept simple, families and households would be forced to fit into a narrow definition. If the pass model allowed for limitless family and household configurations, a cumbersome list of options is generated. This inflexibility often prevents a passholder from getting what they need without paying for features they do not need. Staff and ISG determined a new pool pass approach was needed to create a simple and flexible model that allowed individuals/families to customize a pool pass that fit their household structure.

The PAC recommended pool pass model is the “Build A Pass” model. Staff and ISG collaboratively developed this model which allows users to develop a customized pass that meets their family/household needs and ensures a purchaser only pay for what they need. It also provides a simplified, flexible systematic approach to the pass model while incentivizing an annual pass purchase, offering discount pricing and additional value.

The Build A Pass model starts with four base pass categories and gives the option to Add-on additional household members to the base passes. The illustration below shows the basic format for the Build A Pass Model.



BUILD A PASS FOUR BASE CATEGORIES

The Build A Pass categories are offered as the base of the model. Pass holders are those who reside in the same household and are named in the system. The model allows purchasers to Add-on additional household members. The four base categories are described below.

Adult Pass

The Adult Annual Pass is the basis for the overall structure of the pool pass model. The Adult Pass includes one named adult, ages 19–64 years. It can easily become a “couples” pass with an Add-on Adult. The Adult Pass allows for someone to add an Adult, Senior, Youth/Child, or unnamed Guest.

Senior Pass

The Senior Pass includes one named senior, ages 65 years and older. The Senior Pass can easily become a “couples” pass with an Add-on Senior or Adult. A discount has historically been offered for Senior Passes, and that will continue in the Build A Pass model. The Senior Pass allows for someone to Add-on an Adult, Senior, Youth/Child, or unnamed Guest.

Family Pass

The Family Pass includes up to four named individuals with one adult required and a maximum of two adults. This allows the purchaser to mix and match (Examples: 1 adult + 3 children; 2 adults + 2 youth/children; 1 adult + 1 nanny + 2 children). Note that children (13 years of age and under) must be supervised by an adult. The Family Pass allows someone to Add-on an Adult, Senior, additional Youth/Child, or unnamed Guest. The Annual Family Pass also includes an unnamed Guest Pass at no additional charge. This allows Family Pass holders to bring a guest with them to any of their pool visits. Family members must be in same household.

Youth Pass

The Youth Pass covers ages 14–18 years old. The intent is to create an option for teens who are the only swimmers in their family. The previous pool pass model did not include this option. Youth Passes do not allow any Add-on options.

BUILD A PASS ADD-ONS

The key element of the Build A Pass model is the Add-on component. The ability to add onto the four base categories provides flexibility and a customized pass to fit the needs of the purchaser. Adult, Senior, and Family Passes allow for additional **Adults, Seniors, Children/Youth**, plus the option to add a **Guest**. A Guest Pass allows a passholder to bring an unnamed person with them to the pool. The Guest Pass is valid for the term of the pool pass (Annual or Summer). Except for the Guest Add-on option, all Add-ons would need to be in the same household.

BUILD A PASS TERMS

Annual Pass

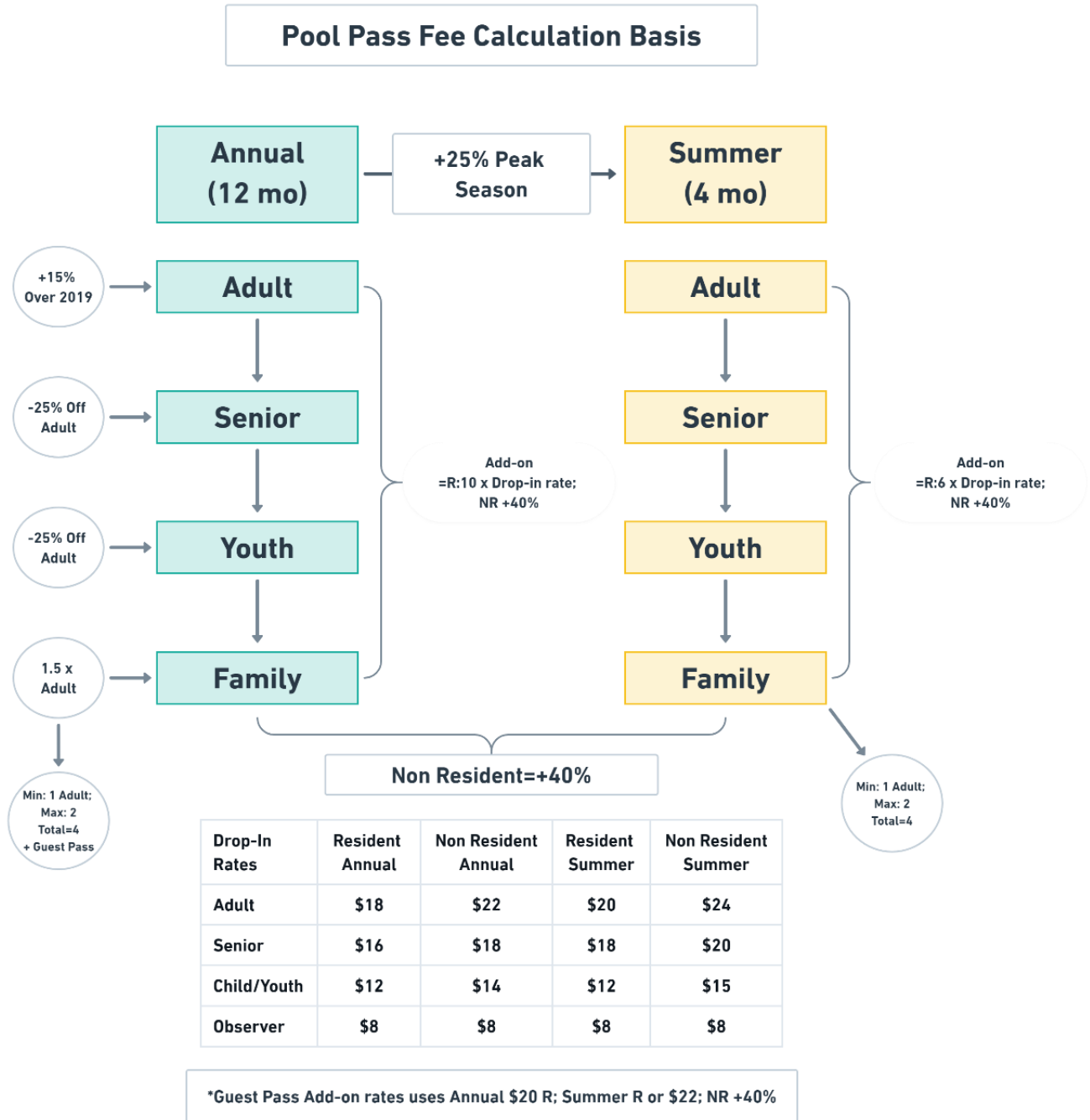
The Annual Pass is a 12-month pass that can be renewed one year from the purchase date. Annual Passes are offered for all four of the Build A Pass categories. A big focus of the pass model is to incentivize people to buy an Annual Pass by offering a discount, additional value, and benefits to these passes. The objective is to increase the Annual Pass purchases to a higher percentage of overall passes given that the new pool will be open year-round.

Summer Pass

The Summer Pass is a 4-month pass available from Memorial Day until the end of September. This term was selected based on peak use during summer months and early fall warm weather. Summer Pass holders will be given an opportunity to upgrade to an Annual Pass before the Summer Pass expires.

LOGIC BEHIND THE BUILD A PASS FEE STRUCTURE

In creating the Build A Pass fee model, several variables were considered to create a fee structure that is consistent, logical and drives annual pass sales. The structure needed to include key levers that can be adjusted to increase or decrease proposed fees in the model. These levers include discounts, peak pricing, added value in annual passes, non-resident rates, and a drop-in rate that would influence annual pass purchases. During the public process, PAC adjusted these levers to arrive at the recommended fee structure demonstrating the structure of the pass model was an adaptable tool. The following graphic illustrates the logic used in creating the fee structure in the model.



Benchmark Rate

The model is based on the Annual Adult Pass rate which is a recommended 15% increase from the 2019 Adult Pass rate of \$775. All the Build A Pass category fees are based off the Annual Adult Pass fee.

Senior and Youth Discounts

Based on market analysis and discussions, staff and ISG recommend using a 25% discount for the Senior and Youth Passes. The 25% discount is off the Annual Adult Pass rate. Historically, the Senior Pass ranged from a 17% to 23% discount off the Adult Passes, and a Youth Pass was not offered.

Demographic analysis of historic data indicates that only roughly 2% of the Piedmont senior population purchased pool passes. Senior passes only represented 8% of all pool passes. The new Community Pool provides a much more user-friendly facility for seniors, with improved accessibility, year-round programs, and scheduling. With the enhanced facilities and slightly increased senior discount, we anticipate an increase in pool passes and usage by seniors. We conservatively project market penetration to rise 7% to 8% of the Piedmont senior population. We believe that this penetration can be even higher after the first year of operations as the senior friendly pool becomes an important element of senior life in Piedmont.

The previous pool did not have a Youth Pass, although there were important junior lifeguard, lifeguard, and other youth based programs for this age range. The intent of the staff is to expand and enhance this programming. The added pool space and facility enhancements will also create additional time for teens and students to enjoy the pool.

Annual Family Pass

The Annual Family Pass fee is calculated using one Annual Adult fee plus half of an Annual Adult fee. This pass provides the most flexibility and best value. The Annual Family Pass includes up to four individuals: one adult required with a maximum of two adults, plus two to three children/youth. The pass also includes a Guest Pass. This unnamed guest pass can be any type of guest including adult, senior, youth, child, or observer and can include adult caregivers with a child who is a named passholder in the Annual Family Pass.

Summer Pass Rates

The summer rates include a 25% peak pricing mark-up on the average monthly rate of annual passes. The pass term is 4 months. Basic calculation example: average annual monthly rate (annual fee/12 months) x 25% increase=summer monthly fee x 4 months=summer pass rate.

Pass Add On Fees

The Build A Pass Resident Add-on prices are based upon estimated visits per month x the drop-in rate for each category. For the Resident Annual Passes, a 10 visits/year factor is used, and Resident Summer passes use a 6 visits/summer factor. Example price calculation for building a couple's pass: 1 Annual Adult + 1 Annual Adult Add-on (10 visits/yr x Adult drop-in fee). By using total visits per year x the drop-in rate, it helps people decide if an Add-on is a better deal than just dropping-in. Conservative visit estimates have intentionally been used to encourage Pool Pass Add-ons and reduce the cost to Residents. Non-resident Add-on fees are based on a 40% premium over the equivalent resident Add-on fee.

Youth/Child Add-on fees for both the resident and non-resident Family Annual Passes are capped at a maximum of four children/youth per family pass. If a family has more than four children/youth in their household, there will be no additional Add-on fees.

Non-Resident Differential

The importance of increasing the non-resident pool pass premium was clearly expressed at PAC meetings and through public input during the development of the pool pass model. The recommended non-resident differential is 40% higher than resident pass rates.

Historically, the non-resident rates at the Piedmont Pool represented between 10% and 13% increase over the resident rate. Based on market analysis, staff and ISG initially recommended a consistent 20% premium for the non-resident rates in the first draft of the Pool Pass Model. Based on input from the PAC and public, ISG also ran scenarios for 25%, 30%, 40%, and 50% non-resident premiums. Projections for each premium scenario indicate that the higher premium will decrease the total non-resident passes sold while increasing daily drop-ins, assuming drop-in rates do not increase from the recommended. There will be some loss of pass revenue but the shortfall in pass revenue will be roughly balanced by the additional drop-in fees up to the 40% premium. Based on this analysis, the 40% non-resident pass fee premium is recommended.

Drop-In Rate

A key element in creating a pool pass model is setting the drop-in rate. The price of a daily drop-in rate essentially drives whether someone would buy an annual or summer pass or just use daily drop-in option. When considering whether to buy a pass, purchasers “do the math,” factoring in their estimated use of the pool each week or month, cost of the drop-in rate and the cost of the pool pass. For example, if someone estimates they will visit the pool 5x/month they will look to see which is a better deal—to pay the drop-in rate each time or buy a pass. If the drop-in rate is \$18/visit that would be \$90/month and the Pool Pass is equivalent to \$74/month, buying an annual pass would be the better deal. If the drop-in rate is low and pool pass rates are high, people will “do the math” and opt for the drop-in option. With the increase in the non-resident pass rates, we anticipate an increase in non-resident drop-ins based on projected decrease in non-resident pass purchases. The following are the recommended drop-in rates.

Recommended Drop-In Fees

Category	Proposed Resident Fees		Proposed Non-Resident Fees	
	Non-Summer Off-Peak	Summer Peak	Non-Summer Off-Peak	Summer Peak
Adult	\$18	\$20	\$22	\$24
Senior	\$16	\$18	\$18	\$20
Youth/Child	\$12	\$12	\$14	\$15
Observer	\$8	\$8	\$8	\$8

The current drop-in rate was based on staff and ISG analysis of past drop-in rates comparing rates to pass rates to set drop-in fees that would encourage pass sales. Those rates were projected to be appropriate and reasonable non-resident rates. Based on input from the PAC meetings, ISG and staff explored increasing the drop-in rate for non-residents by the same 40% non-resident premium used for the pool passes. This 40% increase created higher non-resident drop-in fees that would significantly reduce non-resident drops-in revenue and would require making up this lost revenue through other pass sources. ***Projections of lost revenue and options to recover this revenue are included in Appendix B.***

BUILD A PASS FEES

Recommended Fee Structure

The pool passes and drop-in fees at the former Piedmont Community Pool had remained unchanged since the 2011–2012 season. However, current market research and significant increases in pool operating and staffing costs indicate that new pool pass fees will need to rise substantially. In a 2022 study, ISG projected that rates would increase by approximately 25% compared to the 2019 pass fees. As outlined in the fee structure logic, the Build A Pass model applies a 15% increase to the 2019 annual adult rate of \$775, resulting in a new base rate of \$891. This benchmark is then used to calculate all other related fees. The following table outlines the proposed Build A Pass fees, including Annual and Summer passes, resident and non-resident rates, drop-in, and Add-on fees.

Future Pass Fee Adjustments

Public facilities often neglect to regularly update pool passes or memberships to account for inflation and rising operating costs. Staff plans to monitor the annual escalation of operating and related costs, as well as market changes to update pool pass fees annually to maintain overall financial operating cost recovery targets. *A detailed fee table is included in Appendix C.*

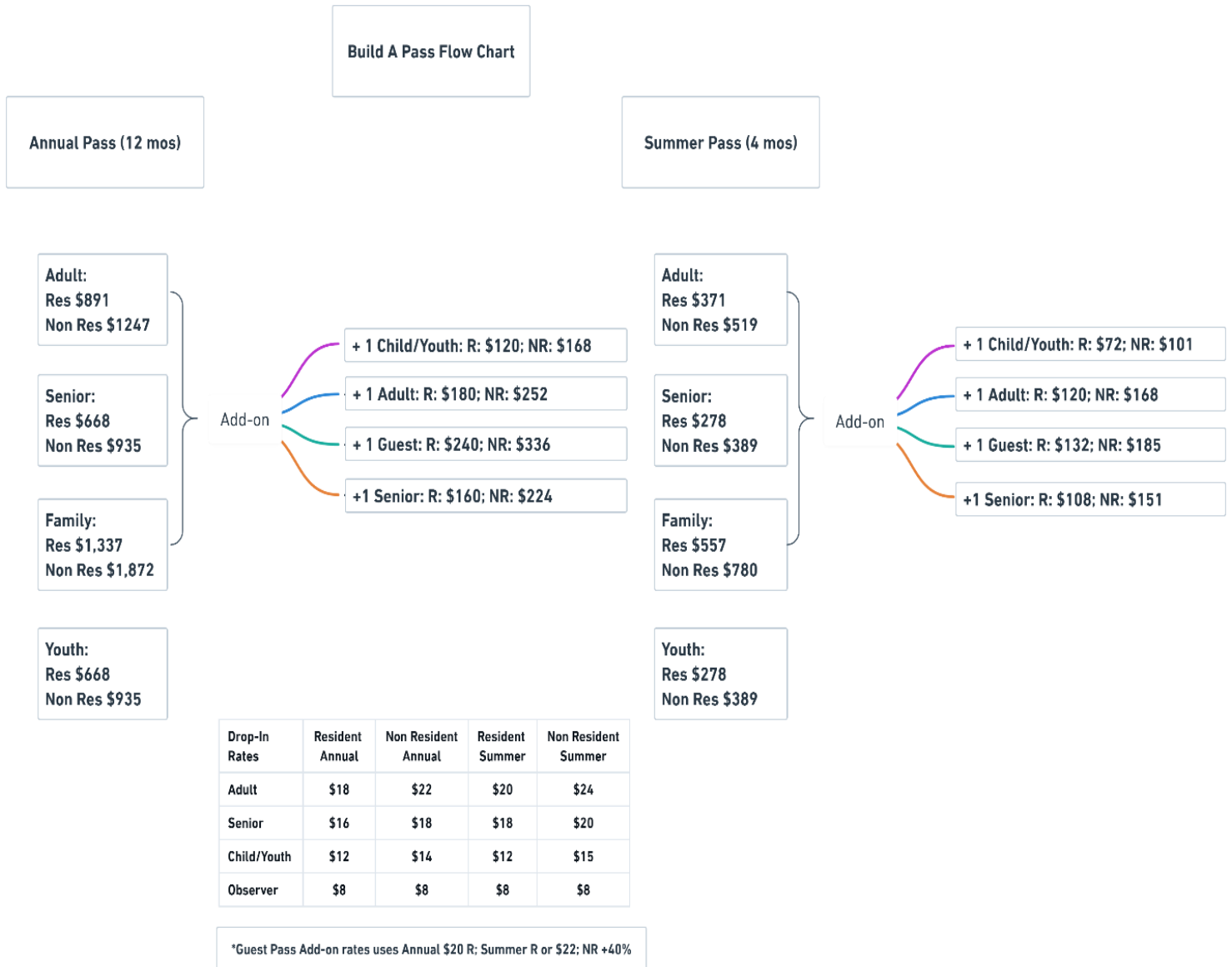
PRD Fee Assistance Program

The Piedmont Recreation Department's (PRD) current *Fee Assistance program description is included in Appendix F*. Staff will explore updating the Fee Assistance Program for all recreational program offerings.

Pool Pass Recommended Fee and Structure

Category	Resident					Non-Resident			
	Annual	Drop-in	Summer	Drop-in		Annual	Drop-in	Summer	Drop-in
Adult	\$891	\$18	\$371	\$20		\$1,247	\$22	\$519	\$24
Senior	\$668	\$16	\$278	\$18		\$935	\$18	\$389	\$20
Youth (14-18 yrs)	\$668	\$12	\$278	\$12		\$935	\$14	\$389	\$15
Family	\$1,337	NA	\$557	NA		\$1,872	NA	\$780	NA
Child (<14 yrs)		\$12		\$12			\$14		\$15
Observer		\$8		\$8			\$8		\$8
Add-ons									
Adult	\$180		\$120			\$252		\$168	
Senior	\$160		\$108			\$224		\$151	
Child/Youth	\$120		\$72			\$168		\$101	
Guest	\$240		\$132			\$336		\$185	

Recommended Rates in the Build A Pass Flow Chart



RECOMMENDED RESIDENT AND PASSHOLDER BENEFITS

Residents and resident passholders are prioritized over non-residents when it comes to pool-related reservations, program enrollment, summer pass sales and guest passes at the new Piedmont Community Pool.

Summer Pass Sales

Residents will be given priority for the purchase of Summer Passes and non-residents will have a limited number of passes available for purchase. The actual pass limits will be determined prior to the summer 2026 season based on annual resident and non-resident passes and pool load during fall and winter of 2025-26. The term of the Summer Pass is Memorial Day through the end of September. Pass sales will open on April 1st for residents and May for non-residents. Residents who purchase their Summer Pass in April will be allowed to start using their Summer Pass on May 1st.

Additional Guest Passes for Resident Passholders

The opportunity to bring guests to the pool is an important benefit for resident passholders. All guests must be accompanied by the passholder when using the pool. While anyone can use the pool as a regular public drop-in there are some specific benefits for passholder guests, including a guest's ability to enter and use the pool with the passholder during specific passholder events, special passholder hours, and days or hours when peak capacity limits the number of drop-in users.

Single-use guest passes are only included on resident pass holders. These guest passes can be used at any time during the term of the pass. A passholder can use several of these guest passes during a single pool visit. Any unused guest passes expire at the end of the annual pass term.

- Resident Annual Family Pass: 12 single-use guest passes
- Resident Family Summer Pass: 6 single-use guest passes
- Resident Annual Adult and Senior Passes: 6 single-use guest passes
- Resident Summer Adult and Senior Passes: 3 single-use guest passes

Purchasing Additional Guest Passes

In addition to the guest passes included in the different pass categories, passholders may purchase additional single-use guest passes at the regular public drop-in rate for the appropriate pass category (adult, senior, youth, child). These can be purchased in advance and added to a passholder's account through Community Pass. The resident ability to purchase single use guest passes gives residents the ability to bring guests during days of highest capacity in which daily drop-in passes are limited or not available.

Aquatic Programming Priority Registration

Registration for aquatic programs offered throughout the year will be made available based on a system that prioritizes resident passholders and residents. Aquatic programs include swim lessons, junior lifeguarding, summer camps, school break/minimum day camps and other aquatic programs/classes. The following four-tier system will be used to prioritize the registration for residents and passholders:

1. Resident passholders
2. Residents
3. Non-Resident passholders
4. Non-Residents

Annual vs. Summer Resident Passholders

- **Annual passholders** will have the benefit of priority registration for all aquatic programs with registration opening dates in the fall, spring, and summer
- **Summer passholders** have the benefit of priority registration for aquatic programs that open for registration during the summer pass term (May to end of September). Typically, this includes fall programs with August registration opening and any other special registration that is available during the term

Facility Reservations

The new Piedmont Community Pool will feature two spaces that will be available for rental, the Poolside Room and the Pavillon. The Poolside Room will feature birthday party packages that include pool entries for party guests and the use of the fully equipped Poolside Room. The Pavilion, overlooking the pool facility, will be a beautiful setting for gatherings of all sizes and includes tables and chairs.

The opportunity to reserve the Poolside Room and Pavilion will be prioritized for residents using the following schedule:

Reservation Dates	Open to Residents*	Open to Non-Residents*
Jan 1–31	Oct 1	Nov 1
Feb 1–28	Nov 1	Dec 1
Mar 1–31	Dec 1	Jan 1
April 1–30	Jan 1	Feb 1
May 1–31	Feb 1	Mar 1
June 1–30	Mar 1	Apr 1
July 1–31	Apr 1	May 1
Aug 1–31	May 1	June 1
Sept 1–30	June 1	July 1
Oct 1–31	July 1	Aug 1
Nov 1–30	Aug 1	Sept 1
Dec 1–31	Sept 1	Oct 1

*Or first business day following

BENEFITS FOR ALL PASSHOLDERS

The recommended Build A Pass Model includes a number of benefits for all passholders including:

- 25% discount on Senior and Youth Passes
- Discounts on Add-ons to the base pass categories
- Family Annual Pass includes an unnamed Guest Pass
- Invitation to Special Passholder Events (TBD)

PROJECTED POOL PASS NUMBERS AND REVENUE

Growth Generating Factors

Growth of pool pass and drop-in fees is first and foremost driven by the new Community Pool and its programs. Key facility and program features driving pass purchases and increase in use include the following:

1. The excitement of a new Piedmont Community Pool
2. Expansion of the overall square footage of pool water area from 4,802sf in the old pool to 10,126sf in the new pool. An increase of 111% in usable pool space
3. Increased features of the competition 25-yard x 27-meter pool
 - a. More available lap lanes throughout the day
 - b. Increased space for recreation and special recreation features and equipment
 - c. Opportunity to use lap lanes and access the competition pool even when teams are training
4. Features of the activity pool
 - a. Significantly expanded space with enhanced access: zero-entry and wide stairway into pool
 - b. Warm water year-round
 - c. Zero-entry area
 - d. 3 lane, 25-yard rectangular lap area for multiple purposes
 - i. Swim lessons and aquatic fitness classes
 - ii. Warm water lap swimming
 - iii. Recreational features and games
 - iv. Allows ongoing family use in the zero-entry area even when programs are utilizing the rectangular lap area
 - e. Concurrent program and open use of pool
5. Community Pool facility features
 - a. The addition of a Poolside Room directly off the pool deck plus the upper-level Pavilion will be drivers of overall use and indirectly provide greater value to pool passes
6. Programs
 - a. The enhancement of past programs and development of new programs will draw more participants, which will in turn generate more pool passes

- b. Year-round programs– especially swim lessons, aquatic fitness, adaptive programming, and recreation will also drive a strong increase in annual passes
- 7. Overall facility
 - a. The new Community Pool will generate a high level of excitement driving overall program and pass use
 - b. When comparing pool pass and use levels historically, it is important to remember that the old Piedmont pool was in a failing state in its last several years prior to the COVID pandemic. Use of the pool and passes in the last two years prior to the pandemic were below historic peaks
- 8. The Build A Pass system
 - a. The Build A Pass system will also increase pool pass purchases and upgrades compared to the more traditional static pool passes

Revenue Projections

ISG and staff ran two pool pass revenue projection models. ISG first developed a model termed the “Reasonable Opportunity Projection.” ISG based these projections on reasonable and attainable pass sales and use with strong marketing efforts. Using this model as a base, ISG and staff reviewed the options and developed a more conservative projection model termed the “Conservative Low Risk Projection.” This conservative projection increases confidence and lowers risk in the overall Community Pool projected annual operating financials. Assumptions used in developing the conservative projection compared to the opportunity projections include the following:

- 1. Focused the reductions on the highest level of market demographic projections, including adults and families
- 2. Maintained the conservative senior projections virtually unchanged
- 3. Maintained the non-resident projections largely unchanged, since the opportunity projections for non-residents were already very conservative
 - a. The non-resident pass percentages are still below historic levels in the conservative projections

The following is a high-level summary of the pool pass and drop-in revenue for FY 2027. FY 2027 was used since it is the second full year of pool operations and will achieve a more mature and consistent pool pass revenue model, eliminating variables in the first year of operation. Early year projections used in the Financial Operating Budget are based on the following projections:

- 1. FY 2026
 - a. Based on 80% of the FY 2027 projection
 - b. This ramp up projection in FY 2026 is conservative and there is a significant opportunity for a faster FY 2026 ramp-up resulting in higher revenue generated in FY 2026
 - c. Once an actual opening date of the pool is set, a review of the FY 2026 and FY 2027 projections will be reviewed

The following table shows the “Conservative Low Risk” projections for pool pass sales. The top portions show a summary of annual and summer revenue, and the bottom portion breaks up the revenue by pass category. Depending upon the actual opening date of the pool, FY 26 projections may need to be adjusted. ***The Pass Projection Worksheet for the Recommended Option is included in Appendix D.***

***Pool Pass Revenue Projections for Fiscal Years 2026 and 2027
Using the Recommended Pool Pass and Drop-In Model
(rounded to the nearest \$1,000)***

Type of Pool pass	Conservative Low Risk Projection FY 2026	Conservative Low Risk Projection FY 2027
Annual	\$293,000	\$367,000
Summer	\$226,000	\$282,000
Daily Drop-Ins		
Annual	\$52,000	\$43,000
Summer	\$121,000	\$101,000
TOTAL REVENUE	\$693,000	\$794,000
Breakdown by Category		
Adult	\$102,000	\$128,000
Adult Couple (Add-On)	\$34,000	\$43,000
Senior	\$46,000	\$57,000
Senior Couple (Add-On)	\$18,000	\$22,000
Youth	\$11,000	\$14,000
Family	\$267,000	\$334,000
Add-Ons	\$42,000	\$53,000
TOTAL PASS REVENUE	\$520,000	\$651,000

Demographic Analysis

Understanding the demographics of the pool pass purchasers at the old pool in 2019 can help us better understand the market and structure the pool pass model to reach more Piedmont residents.

City of Piedmont Demographic Market Penetration Historic and Projected

Population Category	2019 Pool Pass Share	2027 Projected Share
Adults	11%	18%
Seniors	2%	7%
Households with children < 18 yr old	15%	20%
All Households	8%	16%
Total Population	11%	18%

The higher non-resident differential will likely reduce total non-resident pass purchases and shift the percentage of passholders compared to historic resident/non-resident percentages. The percentage of resident pool passes will increase significantly, and the percentage of resident pass revenue will increase slightly less. The following table summarizes the comparative breakdown of historic resident/non-resident percentages and FY 2027 projected resident/non-resident percentages.

Breakdown of Resident and Non-Resident Passes and Revenue Based on Recommended Model

Pool Pass Terms	Historic Percentages	FY 2027 Resident	FY 2027 Non-Resident
All Passes			
Percentage of Total Passes	R61% NR39%	78%	22%
Percent of Revenue	NA	72%	28%
Annual			
Percentage of Total Passes	R76% NR24%	80%	20%
Percent of Revenue	NA	74%	26%
Summer			
Percentage of Total Passes	R53% NR47%	77%	23%
Percent of Revenue	NA	74%	26%

OVERALL FINANCIAL REVENUE DRIVERS AND ANALYSIS

In addition to the significantly enhanced pool pass/drop-in fee revenue stream there is a significant increase in other facility and program revenue. Overall facility and program revenue are driven by the following factors.

Management

Perhaps the most important factor in both increased facility and program revenue is the development of a professional aquatic facility and program management team led by Paula Cooper-Tipton, the Recreation Supervisor-Aquatics and Hadley Clegg, Recreation Coordinator-Aquatics. The new position of Recreation Supervisor-Aquatics provides professional leadership and direction in aquatic facility use and programming that will help optimize use of the Community Pool and its programs and drive revenue, achieving cost recovery goals.

Facility Revenue

Facility revenue is enhanced in several key areas:

- Expansion of the overall square footage of pool water area from 4,802sf in the old pool to 10,126sf in the new pool. An increase of 111% in usable pool space
- With more than double the number of 25-yard lanes in the pools the time and space available for the Piedmont Swim Team and other swimming, diving, and artistic swimming teams significantly increased. The rental rates have also increased based on rising costs and increases in rental rates across the region
- The creation of the Poolside Party Room and the Pavilion function space creates a whole new program and rental revenue stream that was not available at the previous community pool
- The expanded support building offers space for a small concession operation which is also an additional revenue source

The PAC reviewed the following facility rental fees for the initial year of operations. These rates include the 40% non-resident differential used in the Pool Pass model. PAC noted that these fees may be conservatively priced and would like staff to reevaluate the fees after the first year of operations. Additional fees will be added as operations are fully ramped up. The following are recommended for Fiscal Year 2026.

Recommended Fiscal Year 2026 Rental Fees

Recreation Rental Fees	
DESCRIPTION	Proposed FY 2025-26
Piedmont Community Pool	
Pavilion	
Weekday (Monday-Thursday and Friday before 3:00 pm) 2-hour minimum; No Weddings	
Base Rental Rate	\$301.00/hour
Resident Discount Rate	\$215.00/ hour
Piedmont Non-Profit Rate	\$75.00/ hour
Weekend (Friday-Sunday) 4-hour min	
Base Rental Rate	\$329.00/ hour
Resident Discount Rate	\$235.00/ hour
Piedmont Non-Profit Rate	\$95.00/ hour
Pavilion Deposit	\$750.00
Poolside Room	
Birthday Party Package	
Pool entries for up to 20 kids and 4 adults; 2-hr party + 1 hr set-up/clean-up and swimming	
Base Rental Rate	\$630.00/ hour
Resident Discount Rate	\$450.00/ hour
Poolside Room Rental	
Base Rental Rate	\$84.00/ hour
Resident Discount Rate	\$60.00/ hour
Piedmont Non-Profit Rate	\$50.00/ hour
Poolside Room Deposit	\$500.00
Pool Rentals	
Groups and Teams; Not for lap swim	
Main Pool Cost per Lane	\$35.00/ hour
Resident Discount Main Pool Cost per Lane	\$25.00/ hour
Activity Pool Cost per Lane	\$35.00/ hour
Resident Discount Activity Pool Cost per Lane	\$25.00/ hour
Piedmont Youth Team Multi-Lane Rental Discount	20%
Additional Lifeguard or Event Staff Rate	\$25.00/ hour

Program Revenue

Program Revenue is also increased in several key areas:

- The year-round operation of both pools, especially the warm water program pool, supports year-round programming, including swim lessons, aquatic fitness, senior programs, therapy/rehab, and other programs. Although not all programs will be offered in FY 2026, programming will continue to expand and evolve over the first several years of operation
- The fees for aquatic programming, especially swim lessons, have significantly increased since the beginning of the pandemic as both costs and demand have increased. The year round warm-water pool and the main pool will make the Piedmont Community the leading source of year-round public swim lessons, competing favorably with regional for-profit swim schools
- The very popular summer camps and programs can now be expanded to holiday programs and specialty weekend programs during the school year
- The staff will look to add new and expanding programs to continue to enhance the programming available to the entire community

FINANCIAL ANALYSIS

In the fall of 2024, ISG collaborated closely with City staff to conduct a comprehensive analysis of operating costs, staffing models, program structures and fees, and opportunities to reduce expenses while increasing revenue. These updated projections reflect a more accurate and current outlook than those in ISG's initial 2022 Financial Operating Budget study. The revisions are based on actual staffing models, salaries and wages, program capacities, and 2024 cost data, with adjustments for inflation trends that were anticipated in 2022. This process was significantly strengthened by the hiring of Paula Cooper-Tipton, Recreation Supervisor, Aquatics, in late August 2024. Her contributions included the development of detailed program plans, staffing schedules, and operational models, which allowed for more precise projections of expenses and a phased ramp-up from initial opening through full operation. ***A detailed Profit and Loss Summary is included in Appendix E.***

1. Revenue
 - a. Facility Revenue: Pool passes, rentals and other revenue not associated specifically with programs
 - b. Program Revenue: Swim lessons, fitness classes, summer swim camps, lifeguard programs, middle school programs, other
2. Expenses
 - a. Operating Expenses: All expenses and costs not specifically associated with programs
 - b. Program Expenses: Specific expenses associated with specific program

The net operating revenue is broken into two categories:

1. Direct Operating Revenue (Deficit): This is based on direct operating expenses and revenue

2. Overall Total Operating Revenue (Deficit): This includes non-direct operating expenses including debt service on electrification loan and annual allocation to Long-Term Capital Replacement and Maintenance Reserve Fund

***Profit & Loss Summary
Conservative Low Risk Pass Projection
(in Thousands)***

Budget Category	FY2026	FY2027	FY2028	FY2029	FY2030
Facility Revenue	\$919	\$1,047	\$1,136	\$1,188	\$1,234
Program Revenue	\$772	\$941	\$1,040	\$1,109	\$1,155
TOTAL REVENUE	\$1,691	\$1,989	\$2,177	\$2,297	\$2,389
Operating Expenses	\$1,654	\$1,726	\$1,790	\$1,848	\$1,917
Program Expenses	\$255	\$309	\$338	\$360	\$376
*Non-Operating Expenses (Electrification Loan)	\$25	\$50	\$50	\$50	\$50
Long Term Cap Reserve Fund Allocation	\$0	\$0	\$0	\$30	\$37
TOTAL EXPENSES	\$1,934	\$2,085	\$2,178	\$2,288	\$2,380
Total Net Revenue (Deficit)	\$(243)	\$(96)	\$(2)	\$9	\$9
Cost Recovery	87%	95%	100%	100%	100%

**NOTE: Non-Operating expenses include debt service on electrification loan and annual allocation to Long-Term Capital Replacement and Maintenance Reserve Fund.*

LONG TERM CAPITAL REPLACEMENT AND MAINTENANCE RESERVE FUND

The total budget projections include a projected annual allocation to a Long-Term Capital Replacement and Maintenance Reserve Fund. The intent of this reserve fund is to provide for anticipated and foreseeable capital facility replacement and maintenance. While this may be an actual funded reserve; it is more likely a projection tool for budgeting in future City budgets.

This Capital Reserve Fund projection is based on maintaining best annual maintenance practices, including all annual and planned routine maintenance as recommended by manufacturers and best practice facility management. Maintaining a Capital Reserve is not an excuse to ignore or cut costs on any required and best practice annual and routine maintenance.

The Capital Reserve Fund is generated through annual allocations included in the facility operating expenses. The annual allocations begin in FY2029 when the facility reaches 100% cost

recovery. The annual allocation increases in FY2035 when the electrification loan is paid off eliminating debt service payments from the annual operating budget. The annual Capital Reserve allocation is built into the annual operational budget as part of the balanced 100% cost recovery budget.

Cap Reserve Accrual by 5-year periods

The 20-Year target is \$5,000,000. This projection is roughly 15% of total facility construction costs, which is a reasonable estimate in the industry. The Actual accrual through FY 2045 is as follows:

FY 2030	\$ 67,000
FY 2035	\$ 698,000
FY 2040	\$2,208,000
FY 2045	\$5,086,000

Calculating the Capital Reserve Fund Estimated Needs

The estimated actual Capital Reserve 20-year needs are based on estimated capital systems, building, and equipment life cycles and future escalated costs for replacement or maintenance. A 3% annual escalation factor was used over the first five years then reduced to 2.75% for the next 15 years to project the costs out over the twenty years. The key Capital Replacement and Maintenance categories and their estimated 20-year costs are as follows:

Capital Reserve Methodology

The actual assessment of each component included in the Capital Reserve Projections included the following research and methodology.

1. Heat Pumps and HVAC Systems
 - a. Consulted with the Project Manager in the Service and Retrofit Department of ACCO Engineering, a leading regional firm in the local market handling heat pumps
2. Pool Mechanical Systems
 - a. Consulted with Pool Contractors in the California market
 - b. Reached out to the current Pool Contractor, Western Water Features
 - c. Consulted with a leading independent national Aquatic Design and Engineering firm with significant projects in California
 - d. Consulted with system component manufacturers and distributors for pricing and projections
3. Pool Tanks and Pool Decks
 - a. Consulted with Pool Contractors in the California market
 - b. Reached out to the current Pool Contractor, Western Water Features
 - c. Consulted with a leading independent national Aquatic Design and Engineering firm with significant projects in California
 - d. Consulted with system component manufacturers and distributors for pricing and projections
4. Sports Equipment and Systems
 - a. Consulted with Colorado Timing Systems (the manufacturer and servicing entity for the timing system and scoreboards)

- b. Reviewed lifespan and costs with aquatic sport and recreation equipment manufacturers and distributors
 - i. NOTE: The majority of equipment replacement and updates falls into the annual operating budgets
- 5. Buildings
 - a. Utilized general design and costing guidelines in the market for bricks and mortar construction
 - b. Reached out to current general contractor
- 6. Miscellaneous/Contingency of 5%

***Capital Reserve
Maintenance and Phasing Projections by Category***

Replacement/Maintenance Category	20-Year Total Cost	Projected Phasing of Capital Maintenance
Heat Pumps	\$2,050,000	Lifespan=15–20 years. Targeting 2/3 replacement in FY 2039-2040 and 1/3 in FY 2041-2045
Building HVAC	\$650,000	Never complete replacement. Components phased across 2031 to 2045
Pool Mechanical Systems	\$490,000	Never complete replacement in the first 20 years. Filter tanks last well beyond 20 years as does piping. Anticipate pump, control units, and peripherals in addition to routine maintenance.
Pool Tanks	\$579,400	Anticipate full concrete/gunnite resurfacing of the Pool every 10 years. Budgeted in FY 2036-2037 and FY 2045
Pool Deck	\$225,000	Deck patching and resurfacing in conjunction with tank resurfacing
Sports Equipment & Systems	\$340,000	Major cost is replacement of scoreboard FY 2041-2045, Rest is incremental equipment replacement as needed
Buildings	\$525,000	Minimal major building repair. Roof will last more than 20 years. Projecting plumbing, electrical, flooring, FF & E and cosmetic work spread out FY 2035-2045
Miscellaneous/Contingency	\$225,000	
	\$5,084,400	

CONCLUSIONS

Operating Budget Conclusions

Overall, the operating budget projections are relatively conservative and include quite a few items already captured in the current City budget and the proposed for the FY 2026 City budget. Final determination of the actual opening date of the pool will require some adjustment to budget projections.

The Conservative Low Risk model projects the following:

- Operations (including electrification debt service) generate 100% cost recovery in FY2029 after debt service and allocation to the Long-Term Capital Reserve Fund
- The total net operating deficit in FY 2026 through FY 2028 totals \$341,000
- The budget indicates budget operating support of \$450,000 to cover the FY 2026 through FY 2028 operating deficits, leaving a positive operating balance of \$109,000 at the end of FY 2028
- Annual accrual to Long-Term Capital Reserve begins in FY 2029

The “Reasonable Opportunity” projection option identified a reasonable projection of pool pass and user revenue that was approximately \$150,000 higher than the “Conservative Low Risk” projections. City staff and ISG determined it was prudent to focus on the conservative projections, understanding that there may be potential upsides for both a faster revenue ramp up in FY 2026 and FY2027 and a long-term revenue upside.

Report Conclusion

City staff, ISG, and the PAC recommend adopting the Build A Pass model, which includes a 15% increase over 2019 base rates and a 40% non-resident pool pass premium, along with the proposed drop-in fee structure outlined in this report. This model meets all the Goals and Objectives identified during the planning process and provides the minimum necessary increase in resident pool pass and drop-in fees to achieve 100% cost recovery. It offers the best opportunity to meet the current and evolving needs of Piedmont residents, families, and households. The conservative financial operating projections indicate that 100% cost recovery – including debt service on the electrification loan and annual allocations to the Long-Term Capital Reserve Fund will be reached by FY 2029 and sustained thereafter. This 100% cost recovery by FY 2029 is achieved through a minimal increase in resident pool passes and drop-in fees, along with projected non-resident pass revenue, which is expected to account for 28% of total pool pass and drop-in revenue.

APPENDIX A

Tracking Changes and Updates Through the Series of PAC Study Sessions and Meetings

This Appendix tracks the changes and updates in the Pool Pass model and financial impact through the series of PAC Public meetings.

Key Changes from Study Session 1: Presented at PAC Meeting March 20, 2025

The first draft of the Executive Summary (dated February 4, 2025) was presented and reviewed by the Pool Advisory Committee (PAC) at their February 13, 2025, meeting. PAC discussed the proposed pass model and provided input and comments to staff. At the meeting, public comments were received in person and via written correspondence. The Build A Pass Model was well received, and staff has worked to incorporate feedback in this second draft of the Executive Summary.

1. Non-resident rate increased from 20% to 40%
2. Add-on rates for residents lowered to 10x/year for summer and 6x/summer. Down from 12x/year and 8x/summer respectively
3. Add-on rates for non-residents include 40% premium
4. Increased drop-in rates for premium summer season
5. Changed “Student” to “Youth” and changed the age from 13–22 yrs to 14–18 yrs
6. Kept Resident Child/Youth Drop-in rate the same for Annual and Summer
7. Changed top two priority registration categories for aquatics programming to resident Annual Pass holder and residents
8. Added single use guest passes to annual and seasonal pool passes
9. Changed priority reservation of Poolside Room and Pavilion to residents
10. Pool pass revenue projections based on “Conservative Low Risk”
11. Increased 20-year Capital Reserve target from \$3,000,000 to \$5,200,000

Key Changes from Study Session 2: Presented at the PAC Meeting on April 15, 2025

The second draft of the Executive Summary (dated March 20, 2025) was presented and reviewed by the Pool Advisory Committee (PAC) at their March 25, 2025 meeting. PAC discussed the proposed pass model and provided input and comments to staff. Staff and ISG have worked to incorporate feedback in the final version of the Executive Summary.

1. Non-resident pass differential remains 40% with previously proposed drop-in fees but additional study conducted on 40% pass premium with 40% drop-in increase
2. Additional single-use guest passes only available to resident passholders
3. Priority registration for aquatic programming for resident annual/summer passholders and residents over non-residents
4. Priority reservation window for residents for the use of the Poolside Room and Pavillion
5. Advanced reservations for facility rentals adjusted to open 4 times per year
6. Summer Pass sales will open for residents on April 1st. Residents who purchase in April

will be allowed to start using pass on May 1st. Summer Pass term is Memorial Day to end of September

7. Non-resident Summer Passes will be limited based on number of resident summer and annual passes purchased and will open for non-resident purchases in May
8. Capital Reserve accrual target for the first 20 years was confirmed based on additional research with both current contractors as well as independent aquatic contractors and appropriate engineers
9. Information on existing resident financial assistance for aquatic programs has been added to this Executive Summary

APPENDIX B

Pool Pass and Non-Resident Fee Models and Impact Reviewed at PAC Meeting April 15, 2025

City Staff and ISG presented an analysis of different non-resident premium fee differentials requested by the PAC. Following is a summary of these options and scenarios.

6-Month Membership Option

A 6-month option was considered but staff and ISG think that an additional term doesn't provide a better option than the annual pass. The Annual Family pass option is by far the best deal for those who would like a pass longer than the 4-month summer pass. This option could be reconsidered as pool pass sale data is collected.

40% Non-Resident Fee Premium Analysis

At the 40% non-resident premium non-residents we are seeing significant increases in pass fees compared to the non-resident fees in 2019. Following is a summary of the actual increases in non-resident fees compared to historic pass fees.

Increases in Non-Resident Pass Fees from 2019 Levels Based on the 40% Non-Resident Premium

	2019 Pass Fees		Proposed Rates (40% Premium)			
Category	Annual	*Seasonal Summer (\$/month)	Annual Fee	% Increase	Summer	% Increase per Month
Adult	\$875	\$550/\$92	\$1,247	+43%	\$519/\$130	+41%
Senior	\$660	\$470/\$78	\$935	+42%	\$389/\$97	+24%
Family	\$990	\$660/\$110	\$1,872	+89%	\$780/\$195	+77%

*NOTE: 2019 Seasonal covered 6 months: Proposed Summer Pass includes 4 months

The Family Non-Resident Annual and Seasonal historically were the most popular non-resident passes. The large 89% and 77% increases in the non-resident family pass fees lead to a decreased number of projected non-resident family passes in the new facility. See section on Projected Pass Revenue for more discussions of options and impact on overall budget.

Additional Pool Pass and Drop-In Fee Scenarios

At the March 25, 2025, PAC Study Session, the PAC requested further review of the impact of higher non-resident pass fees as well as the increase of non-resident daily drop-in pass fees. This request was based on several underlying factors:

- Concern that non-resident pass holders and daily users would create overcrowding or over capacity limiting access of residents to the pools
- Non-residents should pay higher fees for drop-ins than the initially proposed fees

ISG and staff assessed different scenarios to calculate the increased pass and daily drop in rates. The options are reduced to two main options:

- Option 1: Use the current recommended 40% pass premium and current drop-in fees
- Option 2: Keep the 40% non-resident pass premium but apply the non-resident drop-in fee by the same 40% premium

Following shows the two different drop-in fee options.

Non-Resident Drop-In Fee Scenarios

Category	Proposed Drop-In Fee		40% Non-Resident Drop-In Fee	
	Non-Summer Off-Peak	Summer	Non-Summer Off-Peak	Summer
Adult	\$22	\$24	\$25	\$28
Senior	\$18	\$20	\$22	\$25
Youth/Child	\$14	\$15	\$17	\$17

For reference, a Family of two adults and two children would pay \$90 to drop-in under the 40% premium versus paying \$78 under the proposed fee. While this is only a \$12 increase, it can decrease the overall number of family drop-ins, especially for repeat users of the drop-in option. This normally would drive more non-residents to the pool pass option, but the high cost of the 40% premium pool passes combined with the high drop-in are limiting the affordability of either option.

Based on initial projections of revenue we would anticipate that this combination of the 40% premium for both passes and drop-ins will limit non-resident users as well as decreasing overall non-resident users and revenue. ISG projects a loss of approximately \$30,000 in non-resident revenue under this scenario. The following assumptions were made in this calculation.

- Non-resident pool pass numbers and revenue would remain flat
- Non-resident daily drop-in passes would decrease by 30%

- The majority of this decrease would come in the summer, particularly with family drop-ins
- *NOTE: This decrease in summer non-resident family drop-ins also does act as a limiting factor on overall non-resident use in the summer addressing the concerns of overuse by non-residents, but it still creates the shortfall in revenue*

If the PAC recommends using the 40% premium for both non-resident pool passes and drop-in fees, the challenge becomes how to make up this lost revenue in order to achieve 100% operational cost recovery by FY 2029. This shortfall would need to be made up with additional revenue from resident pool passes.

Making up the Pool Pass Revenue Shortfall

ISG assessed two scenarios to make up this shortfall, both involving increasing the resident base pool pass fees. The two options are the following:

- Option 2A raises the benchmark resident fee increase from 15% to 20%
- Option 2B raised the benchmark resident fee increase from 15% to 25%

The increase in the benchmark rate in each Option is as follows:

***Pool Rates with Increased Resident Base Rate Increases
20% and 25% Increase from 2019
Non-Resident Premium is 40%***

Increased Resident Base Fees and Corresponding Non-Resident Fees									
	20% Base Increase over 2019 Rates					25% Base Increase over 2019 Rates			
	Resident		Non-Resident			Resident		Non-Resident	
Category	Annual	Summer	Annual	Summer		Annual	Summer	Annual	Summer
Adult	\$930	\$387	\$1,302	\$542		\$969	\$403	\$1,356	\$565
Adult Couple	\$1,156	\$513	\$1,618	\$718		\$1,164	\$534	\$1,630	\$747
Senior	\$697	\$290	\$976	\$406		\$726	\$302	\$1,017	\$423
Senior Couple	\$885	\$403	\$1,239	\$564		\$900	\$420	\$1,260	\$587
Child	NA	NA	NA	NA		NA	NA	NA	NA
Youth	\$697	\$290	\$976	\$406		\$726	\$302	\$1,017	\$423
Family	\$1,396	\$582	\$1,954	\$814		\$1,453	\$605	\$2,035	\$848
Add-Ons	Annual	Summer	Annual	Summer		Annual	Summer	Annual	Summer
Adult	\$188	\$125	\$263	\$175		\$196	\$130	\$274	\$183
Senior	\$167	\$113	\$234	\$158		\$174	\$117	\$243	\$164
Child & Youth	\$125	\$75	\$175	\$105		\$130	\$78	\$183	\$110
Guest	\$251	\$138	\$351	\$193		\$261	\$143	\$365	\$201

Analysis of these options indicate that Option A, the 20% benchmark increase, will generate an additional \$31,000 in pass revenue, covering the \$30,000 shortfall. The 25% benchmark increase will generate an additional \$48,000 in pass revenue. It is important to note that the non-resident

rates also increase maintaining the 40% premium. The non-resident drop-in fees used are the current recommended drop-in fees (not the 40% premium drop-in fees).

Benchmark Scenarios Projection Assumptions

These projections are based on the following assumptions, including expertise and knowledge.

- 20% benchmark resident increases
 - Projects a 5% decrease in total resident and non-resident pool passes
 - Projects a 5% increase in both resident and non-resident daily drop-in fees
- 25% benchmark resident increases
 - Projects a 10% decrease in total resident and non-resident pool passes
 - Projects a 10% increase in both resident and non-resident daily drop-in fees
- Assumes that the drop-in fees for residents and non-residents do not increase. Any additional increase in these would limit the upside drop-in revenue needed to cover the shortfall
- These assumptions are based on several research and experience factors, including
 - Local market research and knowledge of City staff
 - ISG Analysis of historic Piedmont Pool pass, drop-in, and revenue numbers and trends
 - ISG experience with other public and private aquatic facilities and the impact of changing fee structures on their membership, users, and revenue
 - Includes discussion of these scenarios with other facilities

APPENDIX C

The following table shows the recommended Fee structure and includes the monthly average cost and comparisons of the drop-in pass equivalents. This provides another way to compare the value of the different passes and drop-in fees.

Pool Pass Recommended Fee and Structure Detailed Analysis

Pool Pass Recommendation (Averages Approximately a 15% Increase over 2019 Rates)								
Category	Resident				Non-Resident (+40%)			
Term	Annual (12 mos)	Drop -in	Summer (4 mos)	Drop -in	Annual (12 mos)	Drop- in	Summer (4 mos)	Drop-in
Adult	\$891	\$18	\$371	\$20	\$1,247	\$22	\$519	\$24
Average/month	\$74.25		\$92.75		\$103.92		\$129.75	
# of drop-ins/mo	4.1		5.2		4.1			
*Adult Couple	\$1,071	NA	\$491	NA	\$1,499	NA	\$687	NA
Average/month	\$92.25		\$128.75		\$129.17		\$180.25	
# of drop-ins/mo	2.6		3.6		2.5			
Senior	\$668	\$16	\$278	\$18	\$935	\$18	\$389	\$20
Average/month	\$55.67		\$69.50		\$77.92		\$97.25	
# of drop-ins/mo	3.7		4.6		3.7			
*Senior Couple	\$828	NA	\$386	NA	\$1,159	NA	\$540	NA
Average/month	\$70.67		\$99.50		\$98.92		\$139.25	
# of drop-ins/mo	2.4		2.5		2.4			
Child (<14 yrs old)		\$12		\$12		\$14		\$15
Youth (14-18 yrs old)	\$668	\$12	\$278	\$12	\$935	\$14	\$389	\$15
Average/month	\$55.67		\$69.50		\$77.92		\$97.25	
# of drop-ins/mo	4.6		5.8		4.8			
Family	\$1,337	NA	\$557	NA	\$1,872	NA	\$780	NA
Average/month	\$111.42		\$139.25		\$156		\$195.00	
# of drop-ins/mo	1.9		2.3		1.9		2.3	
Observer		\$8		\$8		\$8		\$8
Add-ons	10x/yr		6x/summer		+40%		+40%	
Adult	\$180		\$120		\$252		\$168	
Senior	\$160		\$108		\$224		\$151	
Child/Youth	\$120		\$72		\$168		\$101	
Guest	\$240		\$132		\$336		\$185	

Build A Pass Model Notes:

- *The Adult and Senior Couple are not a specific option but is included in this Fee Table to indicate the cost based on an Adult or Senior Pass with an Adult or Senior Add-On
- Average/month used only for calculations
- #Drop-ins/month are calculated by average/month divided by the drop-in fee

- Add-ons are calculated by drop-in fee x visits/year estimate (Annual=10 x/year; Summer 6 x/summer)
- No Add-ons are allowed for Youth passes

PIEDMONT COMMUNITY POOL														
Pool Pass Projections and Revenue Scenarios														
Projections based on Fiscal Year 2027, the second full year of Pool Operations.														
	STAFF AND PAC RECOMMENDED MODEL													
	Conservative Low Risk Projection Updated 3/16/2025 15% Base rate increase with 40% Annual and Summer Non-Resident Premium													
	Asumptions: No change in Resident Pass or Drop-in Projections				Asumptions: Non-Resident annual passes remain the same as 2/7 but summer passes decrease ty 3%. Daily Drop-Ins increase by 10%.									
Category of Pool Pass	Piedmont Resident			Standard (Non-Resident)			Comments							
	Rate	# of Passes	Total Revenue	Rate	# of Passes	Total Revenue								
Daily Drop In							Summer Drop in is Memorial Weekend through September 30. Non-Summer Off Peak is October 1 up to Memorial Day Weeedend. Drop-Ins include single day use Guest passes.							
Non-Resident is calculated at 30% of Resident Drop-Ins based on increased non-resident rates.														
Adult							Projection: 8/day for 125 days							
Drop-In Summer							\$ 20	1,000	\$ 20,000	\$ 24	300	\$ 7,200	Projection: 2/day for 230 days	
Drop-in October-May							\$ 18	460	\$ 8,280	\$ 22	138	\$ 3,036		
Senior									\$ -			\$ -		
Drop-In Summer							\$ 18	375	\$ 6,750	\$ 20	113	\$ 2,250	Projection: 3/day for 125 days	
Drop-in October-May							\$ 16	345	\$ 5,520	\$ 18	104	\$ 1,863	Projection: 1.5/day for 230 days	
Child Up to 13 years old														
Drop-In Summer							\$ 12	2,250	\$ 27,000	\$ 15	675	\$ 10,125	Projection: 18/day for 125 days	
Drop-in October-May							\$ 12	920	\$ 11,040	\$ 14	276	\$ 3,864	Projection: 4/day for 230 days: Mostly weekends with some after school.	
Youth 14-18														
Drop-In Summer							\$ 15	1,250	\$ 18,750	\$ 15	375	\$ 5,625	Projection: 18/day for 125 days	
Drop-in October-May							\$ 12	460	\$ 5,520	\$ 14	138	\$ 1,932	Projection: 4/day for 230 days: Mostly weekends with some after school.	
Guest: Single Day Use Passes													See Guest Policy	
Drop-In Summer													Guest single use drop-in passes are included in the overall drop in numbers by category above.	
Observer														
Drop-In Summer							\$ 8	325	\$ 2,600	\$ 8	98	\$ 780	Projection: 3/day for 125 days	
Drop-in October-May							\$ 8	230	\$ 1,840	\$ 8	69	\$ 552	Projection: 1/day for 230 days: Mostly weekends with some after school.	

Category of Pool Pass	Piedmont Resident			Standard (Non-Resident)			Comments
	Rate	# of Passes	Total Revenue	Rate	# of Passes	Total Revenue	
Annual Passes							Non-resident calculated at roughly 25% of Resident Passes
Adult	\$ 891	80	\$ 71,280	\$ 1,247	20	\$ 24,948	25% non-residents
Adult Couple	\$ 1,071	20	\$ 21,420	\$ 1,499	5	\$ 7,497	25% non-residents
Young Adult			\$ -	\$ -	0	\$ -	
Senior	\$ 668	50	\$ 33,400	\$ 935	13	\$ 11,690	25% non-residents
Senior Couple	\$ 828	16	\$ 13,248	\$ 1,159	4	\$ 4,637	25% non-residents
Senior Family			\$ -		0	\$ -	
Child Up to 13 years old			\$ -		0	\$ -	
Youth 14-18	\$ 668	6	\$ 4,008	\$ 935	2	\$ 1,403	25% non-residents
Family Basic 1-2 Adults 2-3 kids	\$ 1,337	75	\$ 100,275	\$ 1,872	19	\$ 35,096	23% non-residents. Minimum 1 adult/Max 2 adults
Summer Passes							Memorial Day to end of September. Non-resident calculated at roughly 30% of Resident Passes
Adult	\$ 371	60	\$ 22,260	\$ 519	18	\$ 9,349	30% non-residents
Adult Couple	\$ 491	20	\$ 9,820	\$ 687	6	\$ 4,124	30% non-residents
Young Adult			\$ -	\$ -	0	\$ -	30% non-residents
Senior	\$ 278	30	\$ 8,340	\$ 389	9	\$ 3,503	30% non-residents
Senior Couple	\$ 386	8	\$ 3,088	\$ 540	2	\$ 1,297	30% non-residents
Senior Family			\$ -		0	\$ -	30% non-residents
Child Up to 13 years old			\$ -		0	\$ -	30% non-residents
Youth 14-18	\$ 278	20	\$ 5,560	\$ 389	6	\$ 2,335	30% non-residents
Family Basic 2 Adults 2 kids	\$ 557	250	\$ 139,250	\$ 780	75	\$ 58,485	30% non-residents
Add-Ons							Only available Adult, Senior, and Family Passes
Adult							Most of Add-On Adults covered in Couple/Dual Categories
Annual	\$ 180	20	\$ 3,600	\$ 252	5	\$ 1,260	Annual NR Add-Ons = 25% of Resident Add-Ons
Summer	\$ 120	40	\$ 4,800	\$ 168	12	\$ 2,016	Summer NR Add-Ons = 30% of Resident Add-Ons
Monthly			\$ -			\$ -	
Senior							Most of Add-On Seniors covered in Couple/Dual Categories
Annual	\$ 160	12	\$ 1,920	\$ 224	3	\$ 672	
Summer	\$ 108	25	\$ 2,700	\$ 151	8	\$ 1,134	
Monthly			\$ -			\$ -	
Youth (14-18 Years Old)							
Annual	\$ 120	25	\$ 3,000	\$ 168	6	\$ 1,050	
Summer	\$ 72	60	\$ 4,320	\$ 101	18	\$ 1,814	
Monthly			\$ -			\$ -	

Category of Pool Pass	Piedmont Resident			Standard (Non-Resident)			Comments
	Rate	# of Passes	Total Revenue	Rate	# of Passes	Total Revenue	
Child (13 and under)							
Annual	\$ 120	10	\$ 1,200	\$ 168	3	\$ 420	
Summer	\$ 72	100	\$ 7,200	\$ 101	30	\$ 3,024	
Monthly			\$ -			\$ -	
Guest							See Guest Policy rates based on residency of family
Annual	\$ 240	10	\$ 2,400	\$ 336	3	\$ 840	
Summer	\$ 132	50	\$ 6,600	\$ 185	15	\$ 2,772	
TOTAL: ALL REVENUE BY SCENARIO		73%	\$ 576,989		27%	\$ 216,594	Pool Passes and Drop-Ins
TOTAL: REGISTRATION FEES			\$ -			\$ -	
TOTAL: COMBINED REVENUE ALL TYPES (Resident + Non-Resident)			\$ 793,583				
TOTAL: POOL PASS BY TERM	72%	635	\$ 469,689	28%	178	\$ 179,367	Includes Add-Ons
Annual by Residency Passes	80%	247	\$ 243,631	26%	62	\$ 85,271	
Annual by Residency Revenue	74%						
Annual Combined		309	\$ 328,902				
Summer by Residency Passes	77%	388	\$ 188,318	23%	116	\$ 79,094	
Summer by Residency Revenue	70%			30%			
Summer Combined		504	\$ 267,412				
TOTAL: POOL PASS REVENUE RESIDENT AND NON-RESIDENT			\$ 649,056				
TOTAL: POOL PASS UNITS BY RESIDENCY		635			178		
Combined Resident + Non-Res		813					528 total passes in 2019
Resident		635					320 in 2019
Non-resident		178					208 in 2019
Percentage Residents		78%					
Percentage Non-Residents		22%					
POOL PASS BREAKDOWN BY CATEGORY	% of Passes	Passes	Revenue	% of Passes	Passes	Revenue	
Adult	22%	140	93,540	21%	38	34,297	
Adult Couple	6%	40	31,240	6%	11	11,621	
Senior	13%	80	41,740	12%	22	15,193	
Senior Couple	4%	24	16,336	4%	6	5,934	
Child	0%	0	0	0%	0	0	
Youth	4%	26	9,568	4%	8	3,738	
Family Basic	51%	325	239,525	53%	94	93,581	
Total by Residency	100%		\$ 431,949	100%		\$ 164,364	
TOTAL COMBINED			\$ 596,313				

Category of Pool Pass	Piedmont Resident			Standard (Non-Resident)			Comments
	Rate	# of Passes	Total Revenue	Rate	# of Passes	Total Revenue	
POOL PASS ADD-ONS TOTAL	352	\$ 37,740	100%	102	\$ 15,002	100%	
Adult Total	60	\$ 8,400	22%	17	\$ 3,276	22%	Does not include the Adult Couple Add-ons
Annual	20	\$ 3,600	10%	5	\$ 1,260	8%	
Summer	40	\$ 4,800	13%	12	\$ 2,016	13%	
Senior Total	37	\$ 4,620	12%	11	\$ 1,806	12%	Does not include the Senior Couple Add-ons
Annual	12	\$ 1,920	5%	3	\$ 672	4%	
Summer	25	\$ 2,700	7%	8	\$ 1,134	8%	
Child Total	110	\$ 8,400	22%	33	\$ 3,444	23%	
Annual	10	\$ 1,200	3%	3	\$ 420	3%	
Summer	100	\$ 7,200	19%	30	\$ 3,024	20%	
Youth Total	85	\$ 7,320	19%	24	\$ 2,864	19%	
Annual	25	\$ 3,000	8%	6	\$ 1,050	7%	
Summer	60	\$ 4,320	11%	18	\$ 1,814	12%	
Guest Total	60	\$ 9,000	24%	18	\$ 3,612	24%	
Annual	10	\$ 2,400	6%	3	\$ 840	6%	
Summer	50	\$ 6,600	17%	15	\$ 2,772	18%	
TOTAL Combined Res & Non-Res	\$ 52,742						
CATEGORY PASS BREAKDOWN TOTAL	100%	635	453,722	100%	178	160,596	Includes Add-ons. NOTE: 8.5% of 2019 was monthly passes, which will no longer be offered.
Annual Passes by Residency	80%	247	255,751	20%	62	89,513	29% in 2019
Annual Passes Total (Res & Non-Res)	38%	309	345,264				
Summer Passes by Residency	77%	388	197,971	23%	116	71,083	63% in 2019
Summer Passes Total (Res & Non-Res)	62%	504	269,054				
Total All Passes	100%	813					
Annual Pass Revenue by Residency	74%			26%			
Summar Pass Revenue by Residency	74%			26%			
TOTAL: POOL PASS UNIQUE USERS							Includes Add-Ons to Passes
Combined		2,605	100%				
Resident		2,026	78%				
Non-Resident		579	22%		579		
Individuals/Pool Pass Unit		3.20					
Resident							
Non-resident							
Adults		930					
Seniors		119			45		Probably low, with no seniors factored into the Family Basic pass
Youth and Children		871					

Category of Pool Pass	Piedmont Resident			Standard (Non-Resident)			Comments
	Rate	# of Passes	Total Revenue	Rate	# of Passes	Total Revenue	
DROP-INS BY CATEGORY							
Adults							
Summer: Mem Day - Sept 30		1,000	\$ 20,000		300	7,200	
Oct - Memorial Day		460	\$ 8,280		138	3,036	
Seniors							
Summer: Mem Day - Sept 30		375	\$ 6,750		113	2,250	
Oct - Memorial Day		345	\$ 5,520		104	1,863	
Youth							
Summer: Mem Day - Sept 30		1,250	\$ 18,750		375	5,625	
Oct - Memorial Day		460	\$ 5,520		138	1,932	
Children							
Summer: Mem Day - Sept 30		2,250	\$ 27,000		675	10,125	
Oct - Memorial Day		920	\$ 11,040		276	3,864	
Observer							
Summer: Mem Day - Sept 30		325	\$ 2,600		98	780	
Oct - Memorial Day		230	\$ 1,840		69	552	
TOTAL Drop-Ins by Season							
Summer: Mem Day - Sept 30		5,200	\$ 75,100		1,560	\$ 25,980	
Oct - Memorial Day		2,415	\$ 32,200		725	\$ 11,247	
TOTAL Drop Ins by Residency		7,615	\$ 107,300		2,285	37,227	
Percentage by Residency		53%	70%		68%	70%	
TOTAL: DAY/DROP-INS & REVENUE		7,615	\$ 107,300		2,285	\$ 37,227	
Combined		9,900	\$ 144,527				
Resident		7,615	\$ 107,300				
Non-resident		2,285	\$ 37,227				
Percentage Residents		77%	74%				
Percent Non-Resident		23%	26%				
PIEDMONT DEMOGRAPHIC DATA							
Total Population	11,000	% of Residents with some Pass category				18.4%	Includes Add-Ons to Passes. 11% in 2019
Seniors (65+)	1,640	% of Seniors with some Pass category				7.3%	Up from 2% in 2019
Under 18 years old	3,017	No matching Pool Pass category					
18-24 years old	451	% of 18-24 with some Pass category					
18 years old and under	3,468	% of 18 & under with some Pass category				25.1%	Assumes some add-ons at no trackable add-on cost in large family annual passes
Adults 19-64	5,560	% of Adults with some pass categories				16.7%	11% in 2019
Total Households	3,810	% of all households with some Pool Pass				16.0%	10% in 2019
Total Households w childrean <19	1,610	Percent of family households with Family Pass				20.2%	Compared to 15% in 2019
Total Single Adult households (non-senior)	235						

Piedmont Community Pool
Financial Forecast Pre-Opening Year Through Year 5
25 yard x 87 foot Main Pool with Warm-Water Activity/Program Pool
Profit & Loss Summary

USING CONSERVATIVE LOW RISK POOL PASS PROJECTIONS and POOL PASS MODEL APPROVED BY THE POOL ADVISORY COMMITTEE
Based on 15% Base Rate Increase and 40% Non-Resident Premium
March 24, 2025

*Fiscal Year 2025 includes 3 months of Community Pool operations from April to June, 2025
Fiscal Year is July 1 through June 30 Target Opening Date is April 2025

Net Operating Revenue (Deficit)

Total Net Operating Revenue (Deficit)

@Line Items are average of FY 2018 and FY 2019 full years or 2019 if higher.

REVENUE	Pre-Pandemic						
	Actuals Reference@	Percent of Total Revenue FY2028	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
FACILITY REVENUE	362,494	52%	\$ 919,317	\$ 1,047,333	\$ 1,136,084	\$ 1,188,403	\$ 1,233,990
Educational, Camps and Clinics	0	0%	0	5,000	5,400	5,616	5,841
Club and Training Rental	32,748	6%	120,000	121,500	121,560	125,207	128,963
Other Pool Rentals	0	0%	3,200	8,000	8,800	9,240	9,702
Competitive Events	0	0%	2,640	4,000	4,400	4,664	4,897
Special Events & Functions	0	6%	100,800	115,250	122,983	127,088	131,335
Concessions & Vending Sales	0	0%	0	0	0	0	0
Pool Passes & Daily Use Fees	320,470	40%	692,677	793,583	872,941	916,588	953,252
Facility Sponsorships/Advertising/Contributions	0	0%	0	0	0	0	0
School District & Partnerships	0	0%	0	0	0	0	0
Miscellaneous	9,276	0%	0	0	0	0	0
PROGRAM REVENUE	185,639	48%	\$ 771,730	\$ 941,252	\$ 1,040,423	\$ 1,108,539	\$ 1,154,879
Community and Educational Programs	16,887	2%	37,600	48,220	51,213	53,774	56,462
Training, Fitness and Therapy	10,792	3%	25,968	48,740	55,988	58,764	61,678
Learn to Swim	138,864	28%	442,312	538,062	605,226	653,411	679,631
Camps and Clinic Programs	7,379	8%	156,300	172,190	184,551	192,605	200,513
Club Team and Training Programs	0	4%	72,250	84,640	89,441	93,786	98,111
Concessions and Sales	11,717	2%	34,800	46,400	50,504	52,524	54,625
Program Sponsorships/Advertising/Contributions	0	0%	0	0	0	0	0
Miscellaneous	0	0%	2,500	3,000	3,500	3,675	3,859
TOTAL REVENUE	\$ 548,133	100%	\$ 1,691,047	\$ 1,988,585	\$ 2,176,507	\$ 2,296,942	\$ 2,388,868
Projected Revenue Growth Rate			18%	9%	6%	4%	
NOTE: Historic Actuals are blended average over 2018 and 2019 and not the exact total of the line items not including capital outlay or liabilities.							
NOTE: Total Historic Revenue is based on FY 2018, the highest revenue in most recent 3 years of operation							

EXPENSES		Percent of Total Expenses	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATIONAL EXPENSES	659,808	84%	1,654,294	1,726,211	1,790,125	1,847,919	1,916,919
Utilities	63,049	6%	111,851	115,206	118,374	121,334	124,367
Maintenance	104,474	6%	119,000	129,360	132,917	136,240	152,646
Equipment and Supplies	54,247	3%	62,200	64,066	65,828	67,474	69,160
Staff Wages & Salaries	304,252	51%	995,450	1,036,951	1,078,142	1,114,199	1,148,015
Staff Benefits & Payroll Taxes	52,116	10%	195,369	205,351	214,766	224,101	233,593
Staff-Other Costs	20,994	0%	8,700	8,940	9,241	9,495	9,732
Outside Services	38,876	3%	54,000	55,440	56,965	58,389	59,848
General Office (includes insurance)	21,800	5%	107,725	110,897	113,891	116,689	119,556
Miscellaneous Expense Contingency	0	0%	0	0	0	0	0
PROGRAM EXPENSES	57,772	16%	254,817	308,688	338,010	359,571	375,724
Community and Educational Programs	0	0%	7,938	9,117	9,800	10,448	10,921
training, Fitness, and Therapy	0	2%	16,081	29,744	34,093	35,758	37,507
Learn to Swim	51,503	8%	123,051	149,422	167,729	180,939	188,250
Camps and Clinics	0	2%	37,294	38,248	39,776	42,001	44,638
Team Programs	0	3%	46,618	53,616	56,259	58,980	61,835
Aquatic Program Staff-Miscellaneous	0	0%	0	0	0	0	0
Concessions & Sales	6,269	1%	23,836	28,541	30,354	31,444	32,574
Scholarships & Student Support	0	0%	0	0	0	0	0
TOTAL OPERATING EXPENSES	\$ 719,143	100%	\$ 1,909,111	\$ 2,034,899	\$ 2,128,135	\$ 2,207,490	\$ 2,292,642
Projected Operating Expense Growth Rate			7%	5%	4%	4%	
NOTE: Historic Line Item Actuals are blended average over 2018 and 2019, not the exact total of the line items not including capital outlay or liabilities.							
NON-OPERATING EXPENSES	\$ -		\$ 25,000	\$ 50,000	\$ 50,000	\$ 80,000	\$ 87,000
Annual Capital Replacement Reserve							
Allocation			\$ -	\$ -	\$ -	\$ 30,000	\$ 37,000
Debt Service: Electrification Loan			\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
TOTAL GROSS EXPENSES	\$ 719,143		\$ 1,934,111	\$ 2,084,899	\$ 2,178,135	\$ 2,287,490	\$ 2,379,642
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
NET DIRECT INCOME (LOSS)	\$ (171,010)		\$ (218,064)	\$ (46,314)	\$ 48,372	\$ 89,453	\$ 96,226
COST RECOVERY (Direct Revenue & Expenses Only)	76%	89%					
CUMULATIVE NET OPERATING INCOME (LOSS)			\$ (218,064)	\$ (264,378)	\$ (216,006)	\$ (126,553)	\$ (30,327)
ACTUAL NET LOSS IN FY 2019 (2018-19)	\$ (223,336)						
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
NET GRAND TOTAL INCOME (LOSS)			\$ (243,064)	\$ (96,314)	\$ (1,628)	\$ 9,453	\$ 9,226
COST RECOVERY (with Debt Service & Capital Reserve)			87%	95%	100%	100%	100%
CUMULATIVE TOTAL NET INCOME (LOSS)			\$ (243,064)	\$ (339,378)	\$ (341,006)	\$ (331,553)	\$ (322,327)
Includes All Direct Operating Expenses plus Debt Service and Annual Allocation to Long Term Capital Maintenance Reserve.							

PROJECTED ANNUAL GRAND TOTAL REVENUE (DEFICIT) OVER 20 YEARS						
Assumes Revenue Increases by 3.5% annually (program, use, and inflation) and expenses by 2.5% annually beginning in Year 6						
FY 2031-FY 2035	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	
Revenue	\$ 2,472,479	\$ 2,559,015	\$ 2,648,581	\$ 2,741,281	\$ 2,837,226	
Total Direct Operating Expenses	\$ 2,349,958	\$ 2,408,707	\$ 2,468,925	\$ 2,530,648	\$ 2,593,914	
Debt Service Project Electrification Loan	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	
Cap Reserve Allocation (included in Total Expenses)	\$ 67,500	\$ 95,300	\$ 124,600	\$ 155,600	\$ 188,300	
TOTAL EXPENSES	\$ 2,467,458	\$ 2,554,007	\$ 2,643,525	\$ 2,736,248	\$ 2,832,214	
Net Revenue (Deficit)	\$ 5,020	\$ 5,008	\$ 5,056	\$ 5,033	\$ 5,012	
Cost Recovery	100%	100%	100%	100%	100%	
FY 2036-FY 2040	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	
Revenue	\$ 2,936,529	\$ 3,039,308	\$ 3,145,683	\$ 3,255,782	\$ 3,369,735	
Total Direct Operating Expenses	\$ 2,658,762	\$ 2,725,231	\$ 2,793,362	\$ 2,863,196	\$ 2,934,776	
Debt Service Capital Project Loan	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	
Cap Reserve Allocation (included in Total Expenses)	\$ 225,000	\$ 262,000	\$ 300,000	\$ 340,000	\$ 382,750	
TOTAL EXPENSES	\$ 2,933,762	\$ 3,037,231	\$ 3,143,362	\$ 3,253,196	\$ 3,367,526	
Net Revenue (Deficit)	\$ 2,767	\$ 2,077	\$ 2,322	\$ 2,586	\$ 2,209	
Cost Recovery	100%	100%	100%	100%	100%	
FY 2041-FY 2045	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	
Revenue	\$ 3,487,675	\$ 3,609,744	\$ 3,736,085	\$ 3,866,848	\$ 4,002,188	
Total Direct Operating Expenses	\$ 3,008,145	\$ 3,083,349	\$ 3,160,433	\$ 3,239,443	\$ 3,320,429	
Debt Service Capital Project Loan	\$ -	\$ -	\$ -	\$ -	\$ -	
Cap Reserve Allocation (included in Total Expenses)	\$ 477,000	\$ 524,000	\$ 573,000	\$ 625,000	\$ 679,000	
TOTAL EXPENSES	\$ 3,485,145	\$ 3,607,349	\$ 3,733,433	\$ 3,864,443	\$ 3,999,429	
Net Revenue (Deficit)	\$ 2,530	\$ 2,395	\$ 2,653	\$ 2,405	\$ 2,758	
Cost Recovery	100%	100%	100%	100%	100%	
OPERATING ANNUAL CAPITAL BALANCE						
Starting Operating Balance						
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	
Operating Balance: FY2026-FY2030	\$ (0)	\$ (0)	\$ (1,628)	\$ 7,825	\$ 17,051	
Includes Cap Reserve Fund Contribution Deduction						
	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	
Operating Balance: FY2031-FY2035	\$ 22,071	\$ 27,080	\$ 32,136	\$ 37,169	\$ 42,181	
	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	
Operating Balance: FY2036-FY2040	\$ 44,948	\$ 47,025	\$ 49,346	\$ 51,933	\$ 54,141	
	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	
Operating Balance: FY2041-FY2045	\$ 56,672	\$ 59,067	\$ 61,719	\$ 64,124	\$ 66,882	
LONG TERM CAPITAL RESERVE ACCUMULATION						
LONG TERM CAPITAL REPLACEMENT & MAINTENANCE RES	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Cumulative Reserve Accrual
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	
Annual Reserve Fund: FY 2026-2030 Allocation	\$ -	\$ -	\$ -	\$ 30,000	\$ 37,000	\$ 67,000
	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Annual Reserve Fund: FY 2031-2035 Allocation	\$ 67,500	\$ 95,300	\$ 124,600	\$ 155,600	\$ 188,300	\$ 698,300
	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	
Annual Reserve Fund: FY 2036-2040 Allocation	\$ 225,000	\$ 262,000	\$ 300,000	\$ 340,000	\$ 382,750	\$ 2,208,050
	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	
Annual Reserve Fund: FY 2041-2045 Allocation	\$ 477,000	\$ 524,000	\$ 573,000	\$ 625,000	\$ 679,000	\$ 5,086,050

Appendix E

FINANCIAL ASSISTANCE AND SCHOLARSHIP PROGRAMS

The Piedmont Recreation Department has a Fee Assistance/Scholarship program in place. Currently, Piedmont Residents who are in need of assistance may apply for either Fee Assistance or a Scholarship as noted below.

City of Piedmont Fee Assistance Program Guidelines

The Piedmont Fee Assistance Program was established to ensure that all City of Piedmont residents are afforded an opportunity to participate in enrichment classes, sports programs, and camps. The following is a summary of the Piedmont Fee Assistance Program Guidelines:

1. The Piedmont Fee Assistance Program is limited to Piedmont Residents only
2. Fee Assistance will be offered at 50% of the program fee
3. Scholarships are limited to \$200 per person per calendar year or a maximum of \$500 per family per year. Due to contractual agreements with instructors, the number of Fee Assistance opportunities in certain classes will be limited.
4. The parent or legal guardian must complete the enrollment application

Adaptive Programs

The Piedmont Recreation Adaptive Programs Division (Sidekicks) has been working with the Regional Center of the East Bay (RCEB) on funding assistance. The Regional Center of the East Bay collaborates with numerous individuals and organizations to plan and coordinate services and supports individuals with developmental disabilities, their families, and community leaders across Alameda and Contra Costa counties.

A new Social/Recreation category, has been established, allowing coverage for extracurricular activities such as classes or camps, either directly by the Regional Center or through full reimbursement. For example, any class or camp under the Sidekicks umbrella is now considered eligible for Social/Recreation funding. PRD anticipates Sidekicks Aquatics programs will be eligible.

Future Financial Assistance Opportunities

Based on comments at the last PAC meeting, City staff will explore updating PRD's Fee Assistance program for all recreational program offerings, including Pool Passes.