### HERC SCOPING

Part B: Funding – Framing Project Expectations

May 2022

#### SCOPING PHASE

- Funding Plan

- Frame Expectations

#### **Mission**

To provide a safe space for community recreation for all ages in Homer and to promote quality of life for all seasons.

#### Goals

To be a service hub for City programs and facility rentals, and offer quality programs by local instructors to enrich economic growth.

- Education Programs
- \* Recreation Programs
- Community Events
- Special Events



# Decision Points lead to a Resolution of Council stating intent for next steps

#### Considerations

- 1. What is the Construction budget?
- 2. How will we right size the building?
- 3. What's the level of service?
  - (Operations + Maintenance)
- 4. What grants to pursue?
- 5. Timeframe?

#### Capital Costs 20 yr bond

- How large a bond?
- How will we refine the project to fit the bond?

Bond debt	Projected Debt Service
\$1 M	80,000
\$5 M	400,000
\$10 M	800,000
\$15 M	1,200,000
\$20 M	1,600,000

0.3% sales tax generates about \$820,000 a year

#### Increased Sales Tax

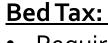
**Bed Tax** 

Other Options



#### **Increased Sales Tax Cap:**

- Increase the Cap from \$500 to \$1000
- 2017 estimate: \$358,000
- Ordinance introduction at KPB in June?



- Requires KPB action
- Could require a Homer vote
- Could require City to collect the tax
- 2017 estimate 4% = \$500,000-\$580,000



#### **Survey Results (rounded results)**

- Property Tax 15%
- Sales Tax 24 %
- Other Tax 10 %
- Reappropriate current funding 29%
- Don't fund 6%
- Not sure 16\$



**Service Area:** requires a yes vote of residents in the service area.

#### Facility + Service

#### **Expectations**

### Does fiscal reality match building & programming expectations?

It would be terrible to build a building and have it underutilized because we did not understand and plan enough for operations. We've never had a dedicated city rec facility of this scale and we have no track record for staffing or hours of operations... or the new opportunities we can't foresee.

- Current Electric + Heating oil costs averaged \$34,000/yr for both buildings over the past 5 years
- We already mow the lawn
- Janitorial and Building Maintenance would increase

# Facility & Program Management Personnel

#### **Business Model & Plan**

A facility will accommodate more programs, which requires additional personnel and operational support services.

#### **Personnel**

- Facility Manager
- Program Manager
- Program Assistant
- Operations Management:
  - Building Maintenance
  - Grounds Maintenance

#### Job Functions

3.5 FTE \$375,000 <u>Facility Manager:</u> Schedules events; manages rental program for facility and City park sites, works to attract larger scale events to use facility; maintains overall calendar; Office management: administers contracts, collects and reports fees, maintains and develops user database; develops promotional materials for programs; coordinates marketing activities for programs through various media outlets.

<u>Program Manager:</u> Coordinates program schedule with instructors, liaison with schools and outside stakeholder groups such as the Friends of the Skate Park and other recreation entities with MOUs with the City; develops new user groups and instructors; collaborates with facility manager for overall cohesiveness.

<u>Program Assistant (2):</u> Assists Facility Manager and Recreation Program Manager as needed with program and event management; arranges set-up, teardown and clean up before, during and after events; Office: processes user fees, maintains user database; ensures quality customer service at front desk.

<u>Operations Management:</u> Overall facility maintenance, janitorial service and grounds maintenance. Examine current plan and add for janitor and more facility maintenance time.

#### Funding Opportunities

#### Where should staff put their time?

- EPA Brownfield Grant
  - Great opportunity on a few levels, but may not lead to complete design documents
  - Takes staff time + capacity
  - Requires RFP SOON for professional service
- EDA
- Murkowski/Federal opportunities

#### Timeframe

1 year
design
+
education
+
vote

<u>2 years</u> construction



Estimate: Police station bond will be fully funded in 2025.

• The .3% sales tax will automatically sunset.

## Discussion Points:

# End Goal: Council Resolution outlining the answers to these questions.

#### What is the budget?

• What is the maximum bond, with the expectation of grant applications and other fundraising?

#### How will we right size the building?

Public input via charrettes?

#### What's the level of service?

- How many hours per day, days per week?
- How many FTE's added?

#### What grants to pursue?

Pursue EPA Brownfields funding? Yes or no?

#### Timeframe?

• There are items such as moving staff in prep for demolishing the old buildings that take time/administration