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TOWN COUNCIL CONSENT AGENDA COMMUNICATIONS

AGENDA DATE: March 3, 2025

SUBJECT: Resolution 2025-07: Payment to Northern Colorado YMCA for Town of Johnstown Recreation Center Facility Management Agreement

ATTACHMENTS:

1. Resolution 2025-07
2. YMCA of Northern Colorado – FY 2024 Financial Statement

PRESENTED BY: Matt LeCerf, Town Manager

Enclosed for your review and consideration is Resolution 2025-07. In April, 2019, the Town of Johnstown entered into a Facility Management Agreement with the Young Men's Christian Association of Boulder Valley d/b/a YMCA of Northern Colorado (YMCA). As part of the Agreement, the Town is obligated to provide an annual operating subsidy of \$500,000. This resolution would approve funding of the budget deficit incurred by the YMCA for its Facility Management costs incurred for FY 2024.

Verification and for your review are the updated financial statement provided by the Northern Colorado YMCA for the 2024 fiscal year. The financial statement provided represents a shortfall of \$467,069.69. Resolution 2025-07 is presented to reimburse the YMCA for the deficit in 2024 in compliance with the Agreement between the Town and the YMCA, which states the following:

6.1 Fiscally Sound Operation. The YMCA shall use commercially reasonable best efforts to operate the Facility in a fiscally sound manner to achieve break-even or surplus status during each year of the Term. All of the YMCA's obligations under this Agreement are intended to be paid for by the Operating Funds. The Parties anticipate and agree that the YMCA shall endeavor to operate the Facility with funds derived solely from the Facility Revenues and, if such revenues are not sufficient, then from the Operating Subsidy. The YMCA shall not be obligated to fund the Facility Expenses with YMCA revenue that is separate and distinct from

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the Facility Revenues. The YMCA shall maintain and account for Facility Revenues and Expenses within the YMCA's accounting system. Facility Revenues shall not be used to pay for any YMCA expenses except for the Facility Expenses.

6.2 Operating Subsidy. The Town recognizes and agrees that, if the Facility Revenues are not sufficient to cover the operations of the Facility, the YMCA shall not be responsible for any shortfall and the Town will be required to subsidize Facility operations through the Operating Subsidy. The Town agrees that, subject to budgeting and appropriations, it shall fund the Operating Subsidy on annual basis. The YMCA agrees that it will prudently and in a commercially reasonable manner operate the Facility to ensure the Facility Revenues and the Operating Subsidy are sufficient to cover the operations of the Facility.

The Town's FY 2024 Recreation Fund has an approved budget of \$503,000, with an estimated current expenditure of \$300,388. This represents the contributions of approximately \$277,332, from the Town for the monthly payment as well as the approximately \$23,000 for lighting repairs in the natatorium. It is important to note that the Town did provide its annual operating subsidy. The remaining balance was a roll over from a FY 2023 end of year surplus.

To comply with the terms of the Agreement, Resolution 2025-07 would authorize payment of the outstanding deficit incurred by the YMCA. A portion of this funding would be provided by the Recreation Fund and the balance would be contributed by the General Fund.

STRATEGIC PLAN ALIGNMENT:

- Organizational Excellence & Public Trust
 - *Strengthen public trust and confidence*
- Natural & Built Environment
 - *Invest in, enhance, and conserve our parks, open spaces, agricultural areas and natural environment*
- Quality Infrastructure & Facilities
 - *Repair and maintain existing infrastructure, facilities and equipment*

LEGAL ADVICE:

The Town Attorney administered drafting of the resolution presented.

FINANCIAL ADVICE:

The Town would utilize the remaining balance in the Recreation Fund as well as an allocation from the General Fund to satisfy the outstanding balance of \$467,069.69.

RECOMMENDED ACTION: Staff supports approval of the Resolution 2025-07 as presented.

Reviewed and Approved for Presentation,

A handwritten signature in blue ink, appearing to be 'W. J. C.', is written over a horizontal line.

Town Manager