

CITY OF MERCER ISLAND

RECREATION DIVISION ANNUAL REPORT 2021

DIVISION OVERVIEW

Residents of the City of Mercer Island are fortunate to have a wide variety of recreation providers and opportunities within the community. The municipality’s recreation services, programs and facilities are an important portion of this abundance and can play a unique role in ensuring equitable access and promoting community values and goals.

The Recreation Division has been dedicated to following the *Strategy for MICEC and Recreation Program and Services* as a roadmap to reset the Division and begin reopening services to the public. While facing the unique challenges of 2021, the Division has successfully implemented many services and has been working to develop plans for continued success in areas such as administration, programming, and event management.

In addition to developing and implementing recreation services in 2021, Division staff was responsible for supporting the City’s response to the Covid-19 global pandemic, and other emergency related responses, which included operating a cool shelter at the Mercer Island Community and Event Center during record breaking heat wave.

IMPLEMENTATION OF 2021 SERVICES

Following the suspension of most Recreation Division services in 2020, the City Council adopted the 2021-2022 City Budget to include \$400,000 for “2021 Recreation Recovery Plan Startup Funding,” these funds were set as a placeholder and not appropriated at that time, while transitional staff and consultants worked with the Parks and Recreation Commission to develop path and strategy forward.

- *Staff, in coordination with the Parks & Recreation Commission and Arts Council, created a draft Reset Strategy to align strategic priorities and available resources for the MICEC and recreation programming and services.*
- *This Strategy provides a roadmap to service development and implementation through a phased approach.*
- *On Feb. 16, 2021, the City Council appropriated \$72,000 of the \$400,000 reserve to hire a Recreation Specialist (temporary) to assist in implementation of the Immediate Action Plan. The remaining \$328,000 was appropriated April 20, 2021, to implement Phase One of the Reset Strategy. This work was primarily done by a group of temporary/transitional staff.*

RECREATION DIVISION YEAR-END FINANCIALS

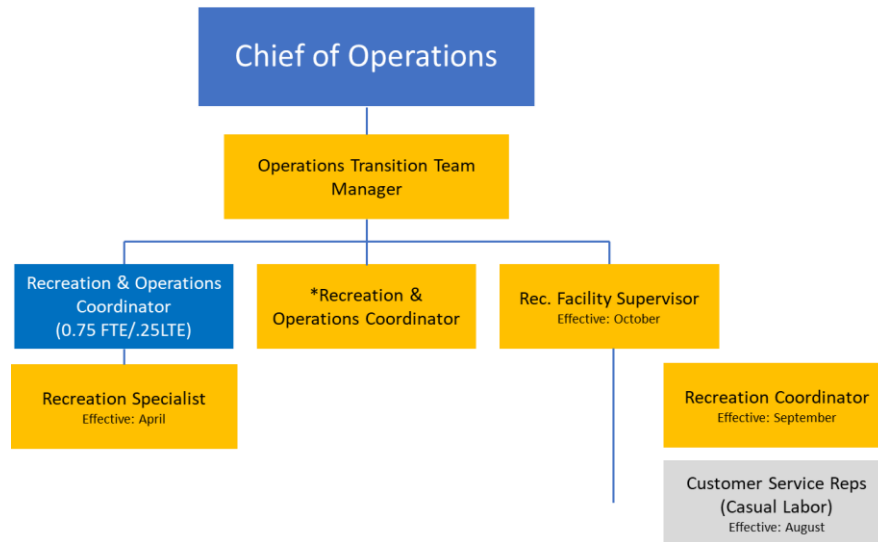
The budgeted amounts included all anticipated expenditures to include direct and indirect costs.

2021 YE Recreation Division Budget to Actual

	Budgeted	Actual
Expenditures	\$1,265,003.00	\$1,125,649.00
Revenues	\$180,880.00	\$391,665.00 ¹
Division-wide Cost Recovery	14%	35%

¹ Actual and budgeted revenues do not include \$200,000 of revenue which was transferred to Athletic Turf Sinking Fund.

The organizational chart below demonstrates the staffing model for the Recreation Division at the Conclusion of 2021 and the team responsible for delivering 2021 Division services. This team (5.25 LTE, 0.75 FTE) consisted of the following positions:



YEAR GOALS AND SUCCESS MEASURES AND SERVICES OFFERED

The goals for 2021 were to complete the Strategy for MICEC and Recreation Programs and Services, develop a budget for the remainder of 2021 and 2022, and deliver a limited set of recreation programs and services established as Immediate Action Items and Phase 1 as shown below:

***JANUARY 2021 – SEPTEMBER 2021:** Contractor-led summer camps, Long-term reset planning, and continuing to provide field rentals, boat launch permits, private lease of the Annex, P-Patch use and approvals for special use of parks.*

***APRIL 2021 – DECEMBER 2021:** Maintenance/custodial services, administrative services (Marketing, Front desk, Resourcing plans for next phases, Evaluation of contractor-led summer camps and recommendation for 2022 delivery method), Inclusion services, Scholarship program, Arts Council Immediate Action Plan (Prairie of Possibilities art installation/event, identifying policy/procedure needs, opening the MI Art Gallery), City-run special events.*

The Rest Strategy was used as guidance for reopening, however certain resources dedicated to some Immediate and Phase 1 action items were shifted to prioritize community needs for gathering and events over policy/procedure development and community center rentals to encourage and support community welfare and needs. The Recreation Division measures success in enjoyment, participation, and meeting cost recovery goals. This report synthesizes the data collected during Phase 1 of the reset strategy, including documented revenue, participation, and continued actions for reopening.

DIVISION HIGHLIGHTS



In addition to cost recovery, the Recreation Division would like to highlight some of the services, successes, and support that has been carried out in 2021. This work has been essential in setting up the Division for success in 2022, and reestablishing the Division and our priorities, needs, and procedures for the future. Policy development has been essential to reopening and restarting the Recreation Division and MICEC, especially the recreation policy Reset Strategy for MICEC and Recreation Programs and Services, Facility use and Allocation policy, and Differential Price policy.

Participation is one of the ways that the Recreation Division measures success, and we are excited to report increased participation for drop-in sports throughout the year, and summer camps reached over 1,600 participants in 2021. Summer camps, which were contracted through eight different community organizations, also far exceeded revenue projections for 2021. The Division also supported the Mercer Island Thrift Shop operations by hosting donations, collections, and processing at MICEC, and supported COVID-19 pandemic operational support and response.

The Division was excited to bring back in-person special events to Mercer Island, including the first in-person Illuminate MI and Town Center Trick-or-Treat. We were also excited to support and bring the Juneteenth event and MIPA Circus to the community.



COST RECOVERY BY SERVICE TIER

The following sections indicate the cost recovery for the 2021 programming, rentals, and events that were a part of the Immediate Action Items and Phase 1 action items. Due to staffing limitations and pandemic-related restrictions around gathering indoors, some services were delayed in 2021. Primarily the services delivery delays were associated with MICEC Rentals.

As it related to specific services identified within the tiers below, the Strategy for MICEC and Recreation Programs and Services defines direct costs to include all the specific, identifiable expenses (fixed and variable) associated with providing a service, program, or facility. Indirect costs, including departmental administration, support services or cost allocations from other internal departments that encompass the remaining overhead (fixed and variable), are not included.

Some cost recovery amounts may appear excessive, however as additional programs and services are established it is anticipated for recovery amounts to level out. As identified in the Strategy, program and service fees are established by also taking into account competitive or market rates.

TIER 5, 150% MINIMUM - 2021 ESTIMATED COST RECOVERY RATE: 1,259%

Tier 5 contains services that are for “mostly individual benefit”. The Annex building lease was successfully re-negotiated with Creative Learning and Little Acorn Preschools in August of 2021.

The boat launch continued to be utilized by the community and was encouraged by ease of the new Pay by Phone system. The Division also made the sign board available in Mercedale Park which can be purchased for advertising and announcements for the community.

Annex Lease

Re-negotiated Annex Lease with Creative Learning and Little Acorn Preschools in August 2021

Annual Revenue: \$84,632.00
Estimated direct costs: \$1,400.00
Cost Recovery: 6,045%

Boat Launch

515 Annual, 8 monthly, 2323 daily passes sold

Annual Revenue: \$55,168.00
Estimated direct cost: \$9,700.00
Cost recovery: 569%

TIER 4, 120% MINIMUM - 2021 ESTIMATED COST RECOVERY RATE: 207.5%

Tier 4 is designated for “considerable individual benefit” services. Seven public events were held in 2021 and permitted picnics were reintroduced. Several of these services were reintroduced in 2021 to encourage an active community while also meeting cost recovery goals.

P-Patch

52 garden plots assigned

Annual Revenue: \$3,250.00
Estimated direct costs: \$8,000.00
Cost Recovery: 40%

Athletic Fields

6,100+ hours of field bookings

Annual Revenue: \$297,079.00²
Estimated direct costs: \$140,300.00
Cost Recovery: 212%

Park shelters

*53 total shelter rentals *Aubrey Davis Park Shelter was unavailable due to fire damage**

Annual Revenue: \$11,968.00
Estimated direct costs: \$2,200.00
Cost Recovery: 544%

TIER 3, 75% MINIMUM - 2021 ESTIMATED COST RECOVERY RATE: 1,034%

Tier 3 services have balanced beneficiaries between individual and community benefit, and the MICEC hosts several drop-in activities for individuals to enjoy. The MICEC re-opened from the pandemic on August 10, 2021, with limited access, offering four drop-in programming opportunities in the gym (Volleyball, Pickleball, Badminton, Basketball). Starting in the latter part of August, community members started to return with expired punch cards, as well as to inquire about the availability of the Fitness Room. MICEC saw gradual increase over the month of August, and more extensive growth through the end of the year in drop-in participation numbers.

² Line-item annual revenue shows total revenue before \$200,000 contribution to Athletic Turf Sinking Fund.

MICEC GALLERY

Mercer Island Visual Arts League (MIVAL) partnered with the Recreation Division to provide the Holiday Art Show in the MICEC gallery from October-December, which enabled passive use of the facility. This was the only type of facility usage besides drop-in activities that was permitted in 2021 due to pandemic restrictions.

Drop-in Sports:

779 hours of drop-in activity offered
283 punch card passes sold
2046 drop-in attendees
Annual Revenue: \$20,937.00
Estimated direct costs: \$2,025.40
Cost Recovery: 1,034%

TIER 2, 50% MINIMUM - 2021 ESTIMATED COST RECOVERY RATE: 129%

The Recreation Division was very excited to be offering Tier 2 community benefit services in 2021, including a successful summer camp program through our partnerships and community-wide events in the parks. Hallo-weekend, Illuminate MI, Town Center Trick or Treat, Prairie of Possibilities, and the Mostly Music in the Park Concert were reintroduced in 2021.



Summer Camps

Contracted with 8 different organizations for 10 weeks of summer camps, with over 1,600 participants.

Annual Revenue: \$95,254.00
Estimated direct costs: \$36,390.00
Cost Recovery: 262%



Community-wide Special Events³

Five community events.

Annual Revenue: \$19,207.00
Estimated direct costs: \$52,241.00
Cost Recovery: 37%

TIER 1, 0% MINIMUM - 2021 ESTIMATED COST RECOVERY RATE: 0%

The Recreation Division continued to offer Tier 1 services in 2021. Due to the nature of these services, cost recovery is expected to be 0% and is not calculated at the line-item level. These services include inclusion services, maintenance/custodial services, administrative costs/overhead, and the scholarship program (1 administered).

GOING INTO 2022 – OVERALL COST RECOVERY

The Recreation Division is committed to implementing the Reset Strategy. The Strategy describes how to allocate resources (such as tax dollars and user fees) toward community- and individually derived benefits from recreation programs and services. With most of the tax dollars being put toward

³ Revenues collected in 2022.

foundational expenses and community-wide benefits that are present from the first day onwards (e.g., maintenance, general administration, utilities, and inclusion services), programs that are subsidized to a lesser degree and that generate greater revenue are needed to fully implement the balanced strategy. Therefore, in 2022, the MICEC is offering full-scale facility rentals. In addition, and as staffing and budget allows, the Recreation Division is confident that 2022 will continue to focus on planning and implementing the following:

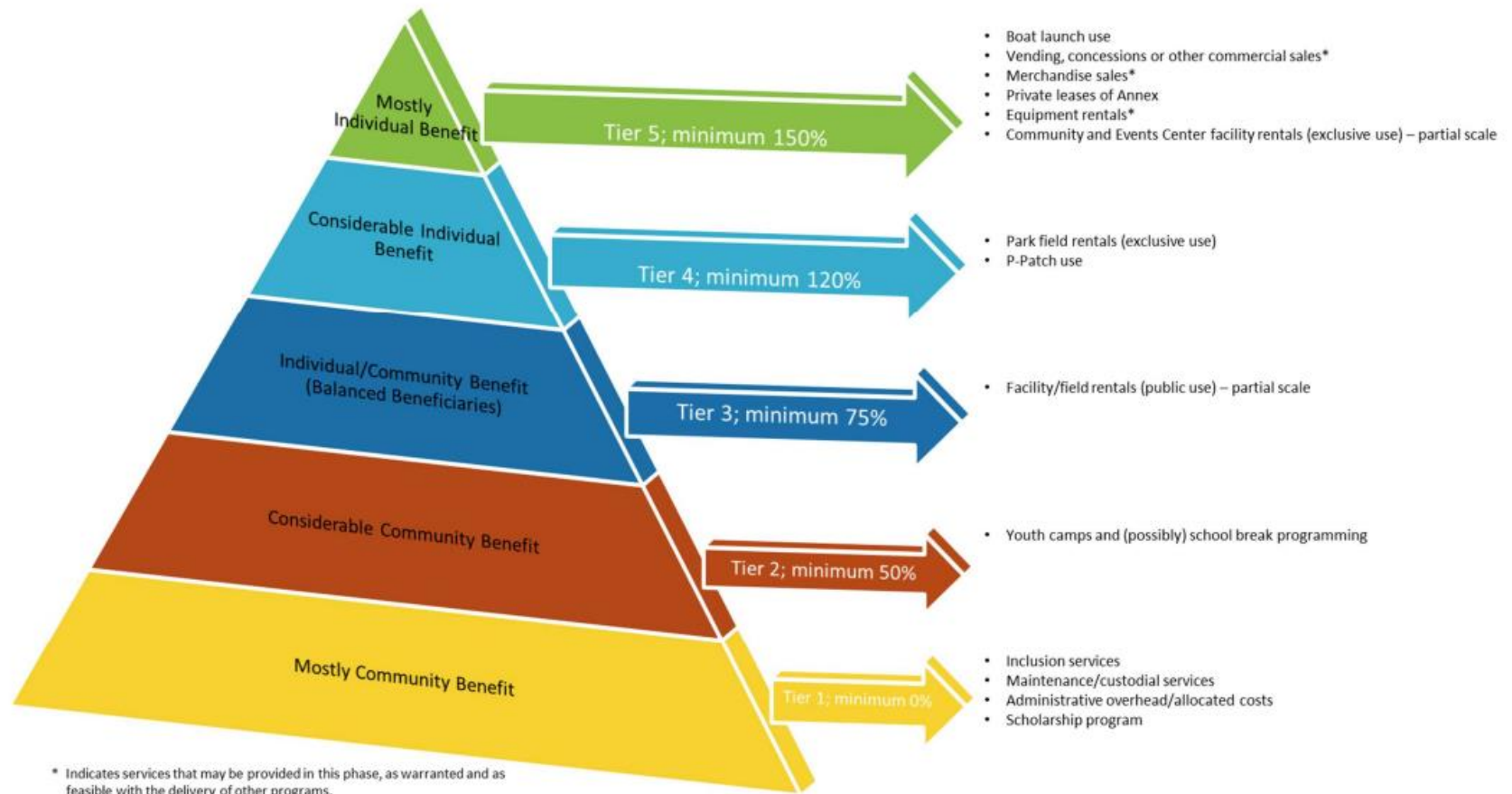
- More community partnerships
- More drop-in activities at MICEC and expanded facility access.
- Therapeutic/adaptive/specialized recreation services (evaluation and development of in-house programming)
- Increased public events and private rentals
- Focus on facilitating programs and events while keeping cost recovery and reset goals in mind

2022 will be used to continue the services from 2021 while administration focuses on program design and evaluation, cost recovery analysis, and policy development.

Reference materials:

Cost Recovery Pyramid by Phase:

Immediate Action Plan and Phase 1 "Foundational" Potential Programs and Services



Note: Categories of programs and services are listed in no particular order within each tier.