



To: Mayor and City Council
From: Dylan Mulfinger
Subject: Wellness Center Funding
Date: 6/9/2025

The City Administrator is seeking direction to allow the city and the school district to work together to work toward a smaller Wellness Center deficit. The goal is \$25,000 in FY2026. The city took on the true cost of the Wellness Center this year which now has an estimated loss of \$100,000. The City Administrator wants to make the following changes and have the city council provide approval on June 9.

- Reduce staffed desk hours (-\$5,000)
- Reduce Administrative Costs (-\$50,000)
 - The Wellness Center will go from two full time employees to one
- Sales Tax (+\$10,000)
 - We will no longer include this in the price of membership
- Card Processing Fees (+\$10,000)
 - We will pass along credit card fees to the members
- New Weight Room
 - This should help attract members that did not want to use the shared weight room
- Rental Agreements with Community Partners
 - We will explore these options throughout FY2026
- Breakout the District's financial obligations
 - To help the community see the input from the school district we will work with the administration to show these costs

Should the city council vote in favor, the city and the school will work to make changes in June to prepare for the FY2026 year.