



To: Mayor and City Council
From: Dylan Mulfinger
Subject: Wellness Center Review
Date: 5/8/2023

City Council voted in a tie to review the Wellness Center with the Mayor breaking the tie because of a simple motion. The City Administrator has conducted several meetings and has brought together many documents for the council's review. The root of this review from City Council is the annual discussion of the operating lost that the Wellness Center has each year.

Council tasked the City Administrator with the following:

- Review and consider an update of the 28E agreement
- Provide a breakdown of the contract with MercyOne
- Cost for each entity City, School, MercyOne

The City Administrator provides the following review below.

- Update of the 28E agreement
 - The agreement ends after 25 years. It was signed in 2002.
 - Key areas of the contract could be updated should the city and school come to an agreement.
 - The City Administrator has worked with the Oelwein Community School District Superintendent to identify these areas.
- Breakdown of the contract with MercyOne
 - MercyOne operates the Wellness Center on behalf of the city. MercyOne captures a 4.5 percent administration fee for the cost to operate a Wellness Center. All staffing, cleaning, and programming are a part of the Mercy contract. Employees of the Wellness Center are MercyOne Employees.
 - MercyOne uses Bob Johnson, Director of Rehab Services, to oversee the Wellness Center and other centers for MercyOne.
 - MercyOne operates a physical therapy office out of the Wellness Center and pays rent to the school district.
- Cost for each entity City, School, MercyOne
 - City
 - The city experiences an annual revenue loss
 - Table provided shows each year
 - \$175,000 revenue (projected FY2023)
 - \$203,000 expenses (projected FY2023)
 - \$30,000 subsidy from local option sales tax
 - Overseeing MercyOne contract
 - All revenue from the Wellness Center



- The Wellness Center Coordinator runs all recreation programs for the city
- City benefits provide staff family and single memberships
- Oelwein Community School District
 - 50/50 split of large equipment
 - \$24,000 annually for staff memberships
 - All utility cost (previously charged the city \$20,000 annually)
 - All maintenance costs
 - All cost of the Performing Arts Center
 - Rent from MercyOne physical therapy
- Mercy
 - Administration of the Wellness Center
 - Their administration fee in FY2022 was \$6,165.85

Through this research I believe the city can move in two ways:

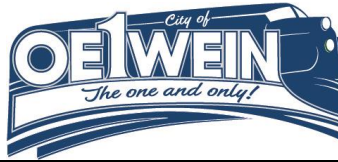
1. Small changes to the 28E and work with the Oelwein Community School District on reviewed 28E
2. Full revision of the 28E with the school district and plan out the next 20 years of the Wellness Center

The City Council must consider that the founders of the Wellness Center created a space for the community knowing that it would be supported by the community. The Wellness Center is an amenity that is subsidized by local option sales tax. Taking away this amenity could hurt the community in its ability to retain and attract people to Oelwein.



		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023	FY 2024
		Actual	Actual	Actual	Actual	Budget	Re-Estimate	Proposed
Revenue	Account Title	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2023	6/30/2024
680-8220-43000	INTEREST	0	0	0	0	0	0	0
680-8220-43100	RENTALS	442	600	1,139	1,209	200	200	1,000
680-8220-44320	SALES TAX	9,932	7,206	7,944	8,059	8,000	8,000	8,000
680-8220-44410	GRANTS (FEDERAL)	0	0	0	44,776	0	0	0
680-8220-45009	CLOTHING-TOWELS	0	86	0	0	0	0	0
680-8220-45011	5K RUN	0	22	0	0	0	0	0
680-8220-45021	CORPORATE WELLNESS	86	2,064	28	28	5,000	100	100
680-8220-45022	INCENTIVE PROGRAMS	1,918	976	0	362	1,000	500	500
680-8220-45023	WELLNESS LEAGUES	0	0	0	0	0	0	0
680-8220-45024	AFTER SCHOOL PROGRAMS	654	489	1,075	2,080	500	500	1,000
680-8220-45507	PERSONAL TRAINING	1,216	649	1,075	836	750	750	850
680-8220-45510	DAY PASSES	10,427	6,798	6,467	10,054	9,000	9,000	10,000
680-8220-45511	MEMBERSHIPS	158,143	142,859	142,823	145,133	150,000	155,000	155,000
680-8220-47040	DONATIONS/FUNDRAISER	0	0	0	23	0	0	0
680-8220-47990	MISC	0	199	183	4,000	0	0	0
680-8220-49009	WELLNESS LOSS TRANSFER	27,496	30,460	17,318	0	29,000	29,500	27,100
		210,314	192,411	178,052	216,560	203,450	203,550	203,550

		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023	FY 2024
		Actual	Actual	Actual	Actual	Budget	Re-Estimate	Proposed
Expenditure	Account Title	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2023	6/30/2024
680-8220-60100	SALARY	0	0	0	0	0	0	0
680-8220-63730	COMMUNICATIONS	167	107	107	107	150	150	150
680-8220-63810	UTILITIES	18,540	540	540	544	400	400	550
680-8220-64080	INSURANCE-LIABILITY	3,085	3,227	3,274	4,026	3,800	3,800	4,000
680-8220-64090	JANITORIAL	13,748	9,875	13,564	16,570	15,000	15,000	16,500
680-8220-64180	SALES TAX	10,114	7,447	7,720	8,052	9,000	9,000	8,000
680-8220-64915	REFUNDS	844	1,249	558	15	500	500	250
680-8220-64950	CONTRACTS	141,390	156,173	138,461	137,019	150,000	150,000	146,500
680-8220-65041	EQUIPMENT	6,801	7,378	6,511	6,159	8,000	8,000	8,000
680-8220-65060	OFFICE SUPPLIES	4,268	4,482	5,836	6,393	4,000	4,000	6,000
680-8220-65070	SUPPLIES	522	685	698	702	1,000	1,000	1,000
680-8220-65310	5-10K RUN	0	0	0	0	0	0	1,000
680-8220-65340	INCENTIVE PROGRAM	403	772	0	262	500	500	500
680-8220-65345	CORPORATE WELLNESS	0	0	255	0	100	100	100
680-8220-65350	AFTER SCHOOL PROGRAMS	440	476	528	1,299	1,000	1,000	1,000
680-8220-67990	CAPITAL OUTLAY	9,943	0	0	0	10,000	10,000	10,000
		210,265	192,411	178,052	181,148	203,450	203,450	203,550



Wellness Center Loss History			
June 30 FY	Actual Loss	Nov 2021 COVID Relief Grant Balance \$44,776	Adjusted Loss using COVID Relief
2003	\$28,240		
2004	\$28,241		
2005	\$68,200		
2006	\$20,453		
2007	\$26,100		
2008	\$38,000		
2009	\$60,493		
2010	\$67,164		
2011	\$67,136		
2012	\$68,013		
2013	\$78,869		
2014	\$70,206		
2015	\$54,702		
2016	\$55,695		
2017	\$50,554		
2018	\$22,468		
2019	\$27,496		
2020	\$30,460		
2021	\$17,317		
2022	\$9,365	\$35,141	0
2023			