COMMUNITY CENTER FINANCE COMMITTEE
MEETING MINUTES

MAY 13, 2025
6:00pm – 7:30pm

Member Attendance: Mike Farnsworth, Jamie Hannon, Randy Holt, Gary James, Anthony Wilson

Others in Attendance: Charles Boso, Jack Castle, Cindi Fitzpatrick, Christine Manns, Jim Russell (Pizzuti), Ashley Senn, (Pizzuti), Mike Turner,

Agenda Item A: Introductions
Jim Russell opened the meeting by introducing Pizzuti Senior Project Manager, Ashley Senn. Ashley has more than a decade of experience working in the public sector at the city government level, partnering with clients to develop strategies and programming for projects to achieve the best outcome for all stakeholders.

Agenda Item B: City's Financial Snapshot – Mike Turner
Refer to the 051325 City Financial Snapshot document

1. **Report Overview**
   Fund Balance Report 12/31/24 (page 3)
   - $ 82,666,606.57 was the city's cash position at the end of 2024
   - General Fund is discretionary
   - Pinnacle TIF Fund is available for public infrastructure projects with language that makes it a possibility for funding
   - Capital Improvement Fund is already committed to other projects
   - All other funds are restricted, ie. Stringtown Rd TIF is for roads, sanitary systems and infrastructure

   Governmental Funds Revenue Chart (page 4)
   - This money the city needs for city maintenance, income tax makes up about half of the total revenue, it is the bloodline for the general fund.

   Grove City Budgets: General Funds Budget and Other Expenses (pages 5-7)
   - Budget for 2026:
   - 62,000,000 total
   - 26,000,000 wages
   - 17,000,000 capital projects like annual street maintenance, annual sidewalk maintenance, new roads
   - 520 acres of park land (a large expense)

   General Fund Operating Revenue (page 8)
   - Light blue is income tax – the city's lifeline
   - Dark blue is everything else (Hotels are 20% of our revenue, Mt. Carmel, Veteran's Administration, Orthopedic One make up about 2%.)
   - No new businesses projected to come in.

   Income and Expense Trends (page 9)
   - General fund revenue increased nicely in the past 10 years, in the past 3 years it has leveled off, no indication that this will increase again. Grove City is not in bad shape at all, but we must proceed with care. Operating expenses will continue to go up.

Debt Profile 12/31/24 (page 10)

- $ 65,000,000 total debt

Annual Debt Service Estimates (page 11)

Charter Debt Limitation (page 12)

- Ohio law limits the amount debt allowed. The city's self-imposed rule is even more strict.
- We can borrow another $ 50,000,000 without a vote from our citizens.
- That can become $ 75,000,000 if the term is lengthened.
- Issue 2 makes funds available to us through Ohio Works for a grant or a loan that we apply for to be used for capital projects.

Authority to Tax (pages 14-15)

- The city has the authority to impose a tax, 3.5 mil right now, we could raise it to 7 mils.
- The city can also raise money by a tax levy approved by the citizens.
- Anything over 1% must be voted on.

Income Tax – 2% (page 16)

Grove City Residents – 2023 (page 17)

- Shows all the wages for the people of Grove City
- 47% of all wages earned are already taxed 2.5% or higher

Pinnacle TIF Fund (page 18)

- Back to the Pinnacle TIF Fund, it is a cash cow for the city, 15,000,000 in the fund right now, debt service will roll off in 8 years. City Council could determine whether this money could be used for the community center.

2. **Initial Ideas from Pizzuti and the Committee**
   - Capitalization of the building from the TIF
   - Operations lean on another opportunity like .5% from income tax
   - Capital Reserve Fund where money is set aside for future expenses, maintenance
   - Can phase the build, so for example, a 20,000 sq ft wing to the building can be added later as an expansion

Agenda Item C: Review of Program/Budget

a. The program is a work in progress of the program; budget piece is a big part of that.
b. There have been changes to the Pros Solutions proposal
c. *Refer to the 051325 Projected General Program and Costs document*

Agenda Item D: Discussion/Next Steps

1. **Cost Recovery**
   a. The committee will need to determine what an acceptable level of cost recovery is, keeping in mind that the center is a public good (vs. private good)
   Refer to the 051325 Pizzuti Cost Recovery Approach document
   b. One Cost Recovery approach incorporates the Pyramid Model
   Refer to the 051325 Pizzuti Cost Recovery Pyramid Model document

2. **Benchmarking**
   a. You also have a market that you must appeal to
   b. What are the communities that have community centers, how do they handle cost recovery
   c. Dublin only has 50% recovery on the building
   d. Upper Arlington targets a 75% recovery; they shared this and made it transparent

3. Potential Partnership
    a. UA 50,000 sq ft room and 400 people space assuming a partner and then decided it wasn't going to work out as well as they initially thought, ended up leasing out 32,000 sq ft of 41,000 to OSU.
    b. Do an early letter of interest with potential partners, Pizzuti has relationships already.
    c. Considering tax-exempt and non-exempt combination can be difficult to manage.
    d. A partner can also add employees which also adds income tax.

4. Private Fundraising
    a. Direct donations
    b. Start thinking of ideas

The next meeting will be Tuesday, May 27 @ 6:00pm.

Christine Manns
Christine Manns, Project Coordinator
Grove City Parks & Recreation Dept.
Acting Secretary

Jack Castle
Jack Castle, Director
Grove City Parks & Recreation Dept.
Meeting Chair

City of Grove City

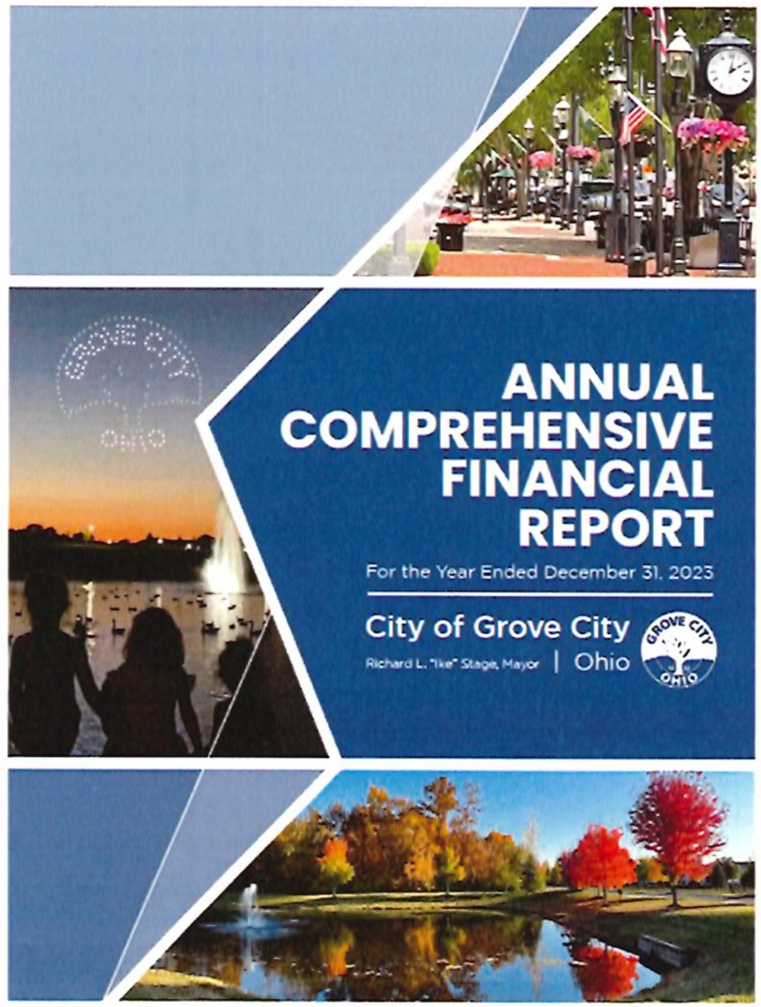
Community Center Finance Committee

Municipal Finance 101

Annual Report

GroveCityOhio.gov

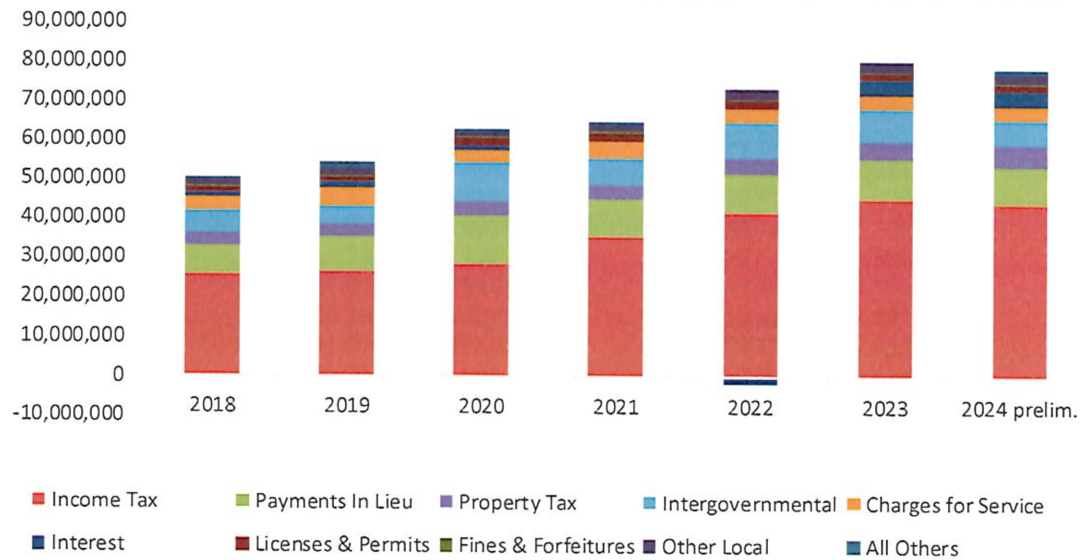
Auditor.state.oh.us



Fund Balance Report 12/31/2024

Fund Name	01/01/24	Receipts	Disbursements	12/31/24
General	**27,387,810.68**	**55,315,191.00**	**62,272,963.44**	**20,430,038.24**
Street Maintenance	1,023,355.84	2,505,577.39	2,730,494.62	798,438.61
State Highway	154,874.07	208,936.91	96,345.69	267,465.29
Police Pension	1,020,701.99	2,115,312.33	1,529,044.98	1,606,969.34
General Recreation	197,090.22	1,319,427.18	1,383,370.50	133,146.90
City Permissive MVL	76,384.06	221,995.45	126,499.97	171,879.54
County Permissive MVL	201,872.78	160,398.53	114,774.51	247,496.80
Senior Nutrition	7,402.12	44,955.00	44,782.93	7,574.19
Drug Law Enforcement	177,894.77	106,012.56	142,490.00	141,417.33
Community Development	98,261.05	625,977.18	559,028.97	165,209.26
Community Environment	418,979.41	81,187.00	127,702.67	372,463.74
Law Enforcement Assistance	14,475.15	0.00	0.00	14,475.15
Enforcement and Education	28,701.38	1,901.00	0.00	30,602.38
Mayor's Court Computer	44,838.30	30,515.00	27,196.58	48,156.72
Big Splash	202,369.97	359,305.00	357,241.40	204,433.57
Parks Donation	9,753.42	8,000.00	0.00	17,753.42
Rockford TIF	1,613,774.83	0.00	93,992.52	1,519,782.31
Local Fiscal Recovery	3,907,984.15	0.00	488,304.25	3,419,679.90
OneOhio Opioid Settlement	22,900.38	51,165.44	0.00	74,065.82
Debt Service	1,570,687.00	2,674,360.39	2,868,698.82	1,376,348.57
Buckeye Center TIF	3,077,120.15	3,422,129.08	3,918,578.95	2,580,670.28
Pinnacle TIF	**16,253,582.91**	**4,542,098.57**	**5,406,490.76**	**15,389,190.72**
SR665 / I71 TIF	916,179.53	778,114.50	691,038.09	1,003,255.94
Lumberyard TIF	375,271.50	367,697.10	697,708.69	45,259.91
Beulah Park TIF	423,326.22	371,133.31	354,160.81	440,298.72
East Stringtown Road TIF	412,763.80	130,546.50	361,082.25	182,228.05
Brown's Farm TIF	0.00	579,384.30	396,973.60	182,410.70
Capital Improvement	**21,031,357.02**	**24,675,855.38**	**21,410,155.64**	**24,297,056.76**
Recreation Development	366,364.63	142,534.66	139,591.54	369,307.75
BWC Self-Insurance	724,439.93	250,000.00	311,596.68	662,843.25
Water	1,253,284.22	795,755.61	595,876.20	1,453,163.63
Sewer	1,911,893.45	1,543,307.68	941,491.72	2,513,709.41
Deposit Trust	1,718,379.51	3,968,932.35	4,077,714.56	1,609,597.30
Convention Bureau	21,301.21	590,877.62	575,000.00	37,178.83
JEDD - Scioto Township	363,367.54	1,451,474.32	1,425,480.63	389,361.23
Mayor's Court	9,512.00			9,680.00
Payroll Withholding	374,748.07			408,340.01
Total All Funds	87,458,295.26	109,440,058.34	114,265,871.97	82,666,606.57

Governmental Funds Revenue



	2018	2019	2020	2021	2022	2023	2024 prelim.
Income Tax	25,328,352	26,443,162	28,354,354	35,039,171	41,352,460	45,094,723	43,748,492
Payments In Lieu	7,688,416	8,910,705	12,415,041	9,702,490	9,982,987	10,482,152	9,635,340
Property Tax	3,109,515	3,079,148	3,172,730	3,840,529	3,930,963	4,226,728	5,541,319
Intergovernmental	5,723,465	4,633,993	10,331,357	6,739,254	9,522,063	8,621,089	6,716,622
Charges for Service	3,485,330	4,747,964	3,222,760	4,309,951	3,445,469	3,298,223	3,570,256
Interest	971,989	1,465,771	953,916	34,674	-1,584,730	3,967,256	3,528,558
Licenses & Permits	1,426,901	1,224,040	2,172,388	2,018,528	1,796,116	1,424,669	1,675,572
Fines & Forfeitures	381,666	371,500	255,861	531,588	530,618	542,479	542,306
Other Local	1,650,032	1,892,079	1,195,314	1,706,852	2,163,929	2,237,127	2,381,251
All Others	674,531	1,395,393	908,947	890,172	719,303	376,436	882,246
Total	**50,440,197**	**54,163,755**	**62,982,668**	**64,813,209**	**71,859,178**	**80,270,882**	**78,221,962**

Grove City Budget

Charter Section 5.05
Appropriation Ordinance

Based upon the work program of the City

2025

City of Grove City

Budget Proposal

GroveCityOhio.gov

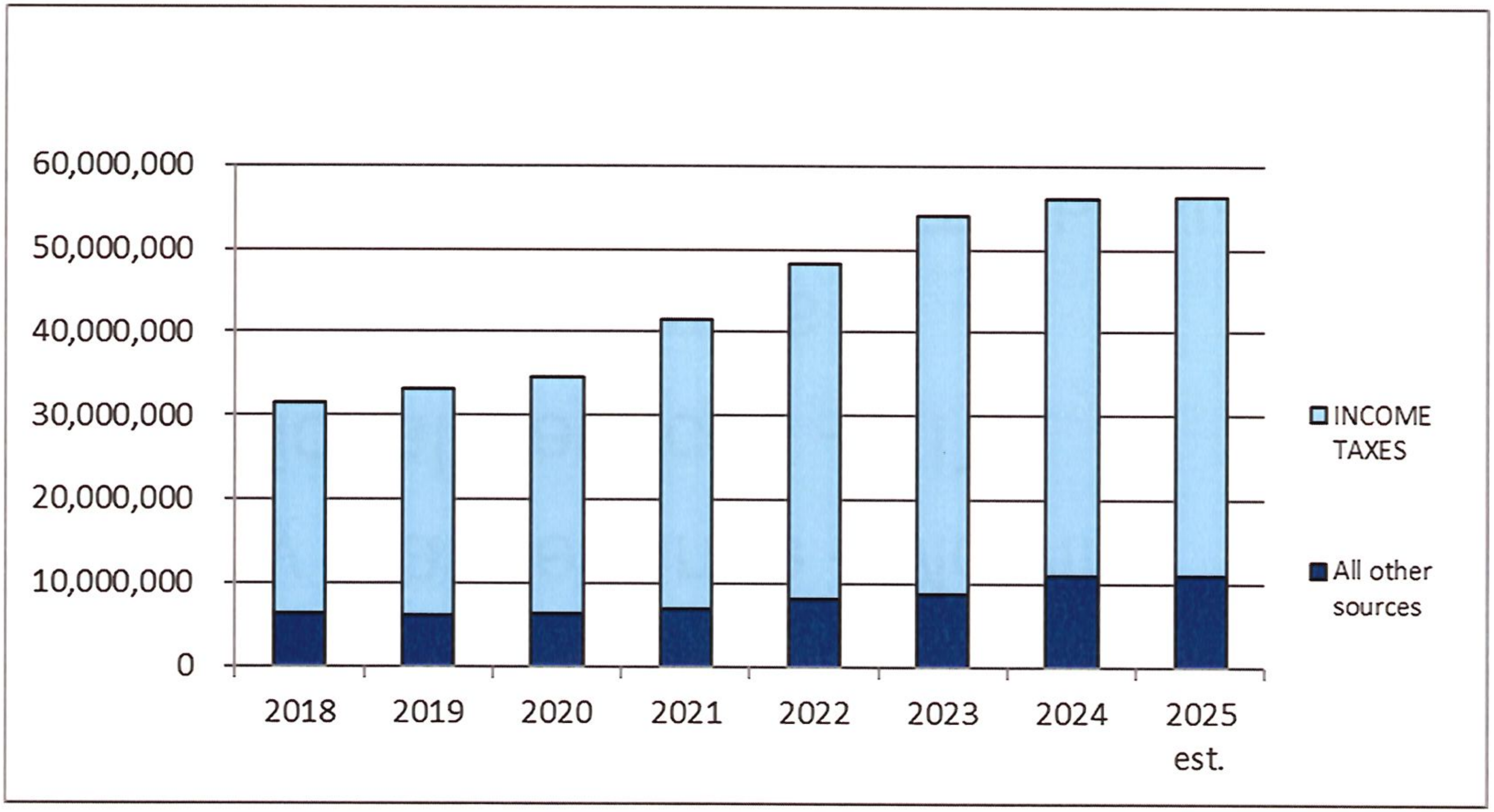
General Fund 2025 Budget

	Personal Services	Supplies Materials	Contract Services	Capital Purchases	Transfers Others	2025 Budget
GENERAL GOVERNMENT	726,163	18,000	2,318,000	60,000	17,607,300	20,729,463
POLICE	11,826,495	587,899	773,015	694,674	0	13,882,083
LANDS & BUILDINGS	3,408,040	530,775	3,070,500	1,447,700	0	8,457,015
INFORMATION TECHNOLOGY	1,476,581	65,000	2,170,207	508,000	0	4,219,788
PARKS & RECREATION	2,426,242	14,500	462,000	555,930	0	3,458,672
COMMUNICATIONS	2,404,147	27,500	40,700	50,000	0	2,522,347
BUILDING	1,519,354	33,750	187,000	43,600	0	1,783,704
DEVELOPMENT	864,950	21,000	472,825	20,000	0	1,378,775
FINANCE	538,783	3,750	696,310	0	0	1,238,843
ADMINISTRATION	907,984	16,077	122,520	0	0	1,046,581
LAW	0	0	821,000	0	0	821,000
CITY COUNCIL	513,605	1,200	47,800	13,904	0	576,509
HEALTH	0	0	555,000	0	0	555,000
MAYOR'S COURT	333,794	23,400	166,543	10,000	0	533,737
COMMUNITY RELATIONS	296,648	1,100	167,400	2,000	0	467,148
FLEET MAINTENANCE	269,330	177,950	15,960	0	0	463,240
HUMAN RESOURCES	281,702	1,000	146,000	0	0	428,702
GENERAL FUND	27,793,818	1,522,901	12,232,780	3,405,808	17,607,300	62,562,607

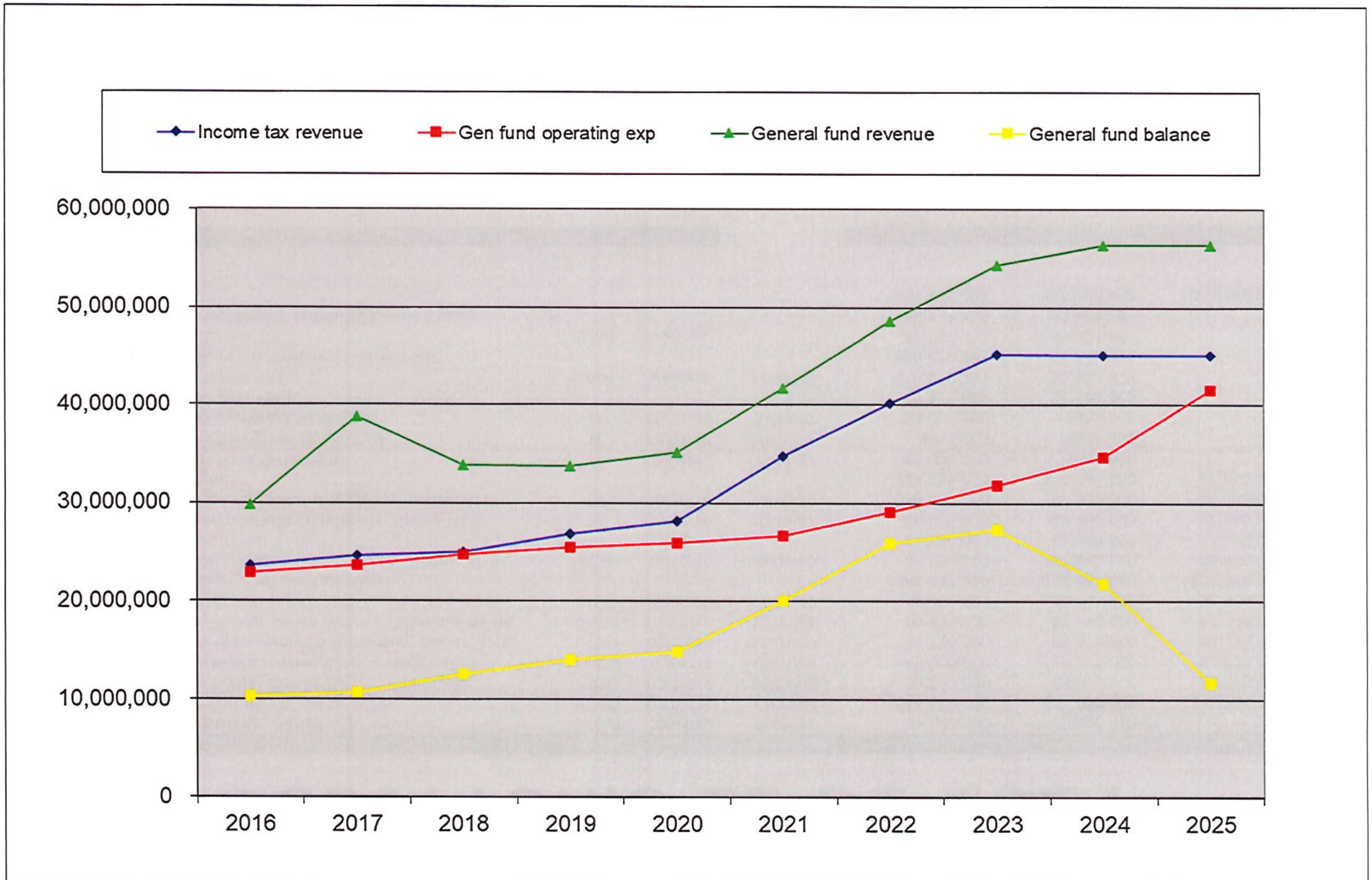
Other Expenses

- Property Maintenance - Mowing
- Professional Services - RITA
- Utilities – Street Lights
- Equipment – Information Technology
- Supplies – Parks and Rec Programs
- Insurance – Property & Liability

General Fund Operating Revenue



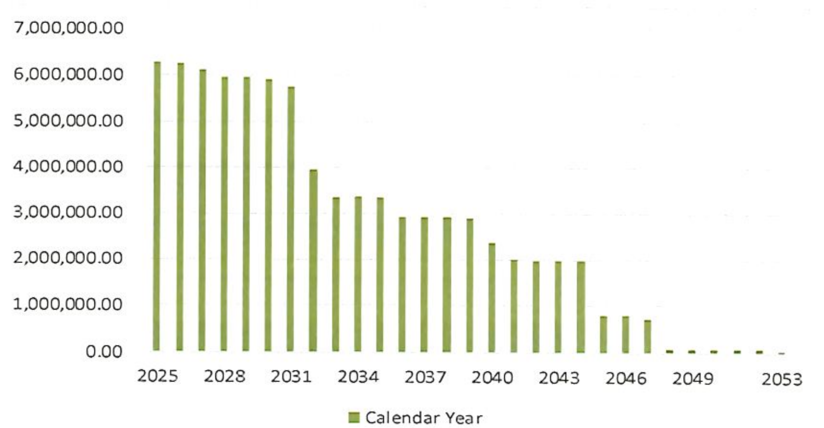
Income and Expense Trends



Debt Profile 12-31-2024

Series Name	Type	Dated	Final Maturity	Original Par	Outstanding Par	Callable Par
Various Purpose Bonds, Series 2012	LTGO	10/31/12	12/01/26	$1,395,000	$220,000	$0
Library Construction Bonds, Series 2015	LTGO	07/02/15	12/01/44	$14,000,000	$11,085,000	$10,705,000
Capital Facilities Bonds, Series 2017 - Fiber Optic	LTGO	09/28/17	09/01/32	$4,550,000	$3,275,000	$3,275,000
Capital Facilities Bonds, Series 2019 - Beulah Park	LTGO	12/04/19	12/01/39	$5,000,000	$4,275,000	$3,320,000
Various Purpose Improvement & Refunding, Series 2019	LTGO	09/24/19	12/01/39	$7,780,000	$5,975,000	$4,195,000
Capital Facilities Bonds, Series 2021 - Columbus Street	LTGO	02/24/19	12/01/44	$6,695,000	$5,770,000	$4,245,000
Capital Facilities Bonds, Series 2023 - Park at Beulah	LTGO	05/02/23	12/01/47	$9,000,000	$8,785,000	$6,635,000
General Obligation (Limited Tax) Total				**$48,420,000**	**$39,385,000**	**$32,375,000**
Special Obligation Nontax Revenue Bonds, Series 2015	NTR	12/15/15	12/01/40	$4,760,000	$3,640,000	$3,470,000
Nontax Revenue Total				**$4,760,000**	**$3,640,000**	**$3,470,000**
Pinnacle TIF Revenue Refunding Bonds, Series 2016	TIF	10/26/16	10/15/31	$6,865,000	$3,490,000	$2,550,000
Stringtown TIF Revenue Refunding Bonds, Series 2016	TIF	10/26/16	10/15/31	$14,520,000	$7,350,000	$5,360,000
TIF Revenue Total				**$21,385,000**	**$10,840,000**	**$7,910,000**
2017 Income Tax Fiber Optic FCIB	IT	08/01/17	08/01/27	$2,000,000	$691,940	$0
2017 Income Tax Stringtown Road FCIB	IT	08/01/17	08/01/27	$911,663	$315,408	$0
2023 Income Tax Demorest Road FCIB	IT	05/01/23	05/23/32	$1,000,000	$839,505	$0
Income Tax Revenue Total				**$3,911,663**	**$1,846,853**	**$0**
OPWC Various Loans (11)	Loan	Various	12/01/47	$10,072,293	$5,864,912	$0
Ohio Public Works Commission Loans Total				**$10,072,293**	**$5,864,912**	**$0**
OWDA Various Loans (3)	Loan	Various		$5,627,453	$3,651,691	$0
Ohio Water Development Authority Loans Total				**$5,627,453**	**$3,651,691**	**$0**
Grand Total				**$94,176,409**	**$65,228,456**	**$43,755,000**

Annual Debt Service



Debt Statistics

Total Par Outstanding	$65,228,456
Total Interest Due	$15,878,542
Total Debt Service	$81,106,998
Average Life of Debt (yrs)	12.02
Average Annual Debt Service	$2,796,793
Max Annual Debt Service	$6,269,589
Last Maturity Date	01/01/53
# Outstanding Issues/Loans	27

Annual Debt Service Estimates

	1% Lower			Current			1% Higher		
Amount Financed	3.3% 20 Years	3.4% 25 Years	3.5% 30 Years	4.3% 20 Years	4.4% 25 Years	4.5% 30 Years	5.3% 20 Years	5.4% 25 Years	5.5% 30 Years
100,000,000	6,869,884	5,969,933	5,410,672	7,504,843	6,635,144	6,107,066	8,169,817	7,336,193	6,844,004
90,000,000	6,182,895	5,372,940	4,869,605	6,754,359	5,971,630	5,496,359	7,352,835	6,602,573	6,159,603
80,000,000	5,495,907	4,775,947	4,328,538	6,003,875	5,308,116	4,885,652	6,535,853	5,868,954	5,475,203
70,000,000	4,808,919	4,178,953	3,787,470	5,253,390	4,644,601	4,274,946	5,718,872	5,135,335	4,790,802
60,000,000	4,121,930	3,581,960	3,246,403	4,502,906	3,981,087	3,664,239	4,901,890	4,401,716	4,106,402
50,000,000	3,434,942	2,984,967	2,705,336	3,752,422	3,317,572	3,053,533	4,084,908	3,668,096	3,422,002
40,000,000	2,747,954	2,387,973	2,164,269	3,001,937	2,654,058	2,442,826	3,267,927	2,934,477	2,737,601

Charter Debt Limitation

Based upon the maximum debt charges schedule required for unvoted, general obligation bonds and notes heretofore issued and the Bonds, the highest debt charges requirements in any year for all City unvoted, general obligation debt subject to the four-mill limitation is estimated to be approximately $3,203,447*. The payment of that amount of annual debt charges would require a levy of approximately 1.7608* mills based on current assessed valuation. Thus approximately 2.2392* mills remain free within the City's four-mill limitation to support, based upon the current assessed valuation of the City, the issuance of approximately $50,768,216 of additional 20-year bonds of the City assuming an interest rate of 5.0%.

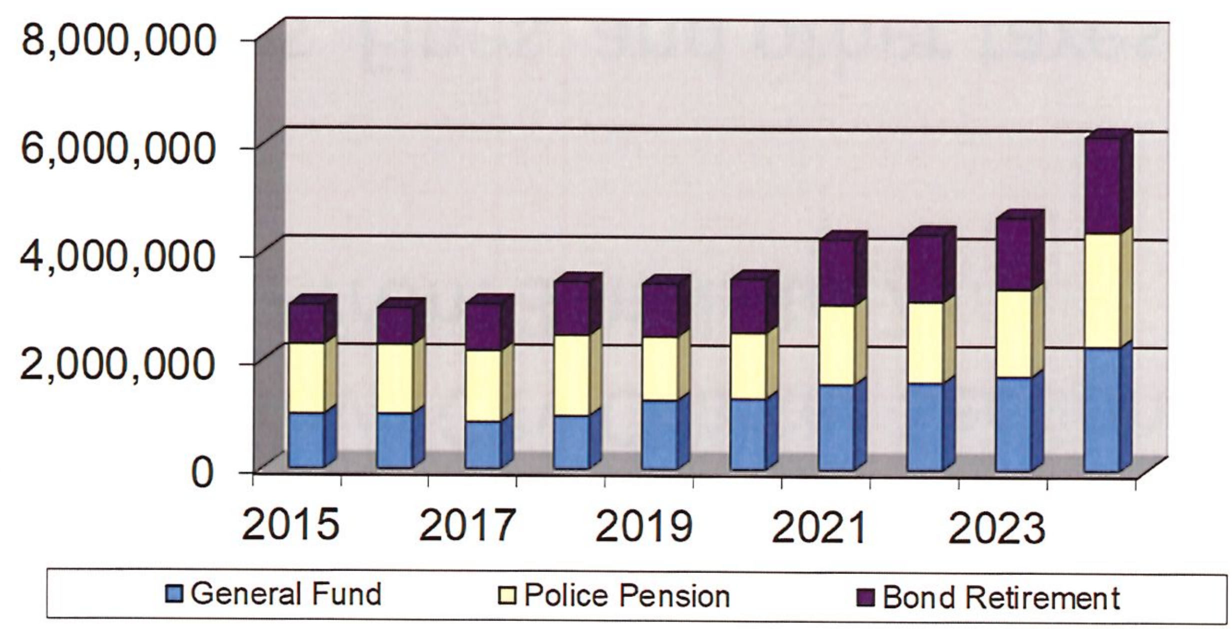
* Preliminary, subject to change.

Authority to Tax

- Real Property Tax
- ORC 5705 – Tax Levy Law
- ORC 5705.02 Ten mill limitation
- 11-2-1982 Grove City Charter Section 6.02 amendment - from 3 mills to 7 mills

- Licenses, Fees, Fines, and other taxes.
- All authorized with legislative acts in conformance with Ohio Revised Code

Real Estate Taxes - 3.5 mils



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund	1,016,770	1,018,977	872,629	989,611	1,275,652	1,311,422	1,583,720	1,618,702	1,737,692	2,291,029
Police Pension	1,286,458	1,273,821	1,309,024	1,484,541	1,177,612	1,210,594	1,461,964	1,494,506	1,604,831	2,115,312
Bond Retirement	726,075	679,369	872,689	989,668	981,357	1,008,820	1,218,303	1,245,410	1,337,359	1,762,760
Total Received	**3,029,303**	**2,972,167**	**3,054,343**	**3,463,820**	**3,434,621**	**3,530,835**	**4,263,987**	**4,358,617**	**4,679,881**	**6,169,101**

Authority to Tax

- Income Tax
- Authorized by Article XVIII, Section 3 of the Ohio Constitution. Levied in accordance with, and consistent with, the provisions and limitations of Ohio Revised Code ("ORC") 718.
- ORC 718.04 limits rate to 1%.
- Grove City Resolution CR-24-83 - submit the question to electors
- 11-8-1983 voters increase rate to 2%

Income Tax - 2%

Year	*Withholding*	*Percentage Of Total*	*Individual*	*Percentage Of Total*	*Business Net Profit*	*Percentage Of Total*	*Total*
2015	$16,613,554	73%	$2,127,576	9%	$4,160,891	18%	$22,902,021
2016	17,194,897	73%	2,101,555	9%	4,240,477	18%	23,536,929
2017	18,446,253	75%	2,171,830	9%	4,074,179	16%	24,692,262
2018	19,631,846	78%	2,309,467	9%	3,124,264	13%	25,065,577
2019	22,312,666	83%	2,297,260	8%	2,281,046	9%	26,890,972
2020	23,297,217	83%	2,301,694	8%	2,592,544	9%	28,191,455
2021	25,783,503	74%	3,436,321	10%	5,524,965	16%	34,744,789
2022	29,666,757	74%	3,376,644	8%	7,072,830	18%	40,116,231
2023	32,246,817	71%	3,567,976	8%	9,376,693	21%	45,191,486
2024	35,080,144	79%	3,444,269	8%	5,560,765	13%	44,085,178

Grove City Residents - 2023

Work Municipality	Tax Rate	Wage Income	%
COLUMBUS	2.50%	381,031,351	38.6%
GROVE CITY	2.00%	332,988,225	33.8%
NON-RITA	0.00%	43,249,862	4.4%
DUBLIN	2.00%	27,838,773	2.8%
CITY NOT LISTED	0.00%	27,285,608	2.8%
HILLIARD	2.50%	15,945,392	1.6%
WHITEHALL	2.50%	11,443,035	1.2%
WESTERVILLE	2.00%	11,133,659	1.1%
GROVEPORT	2.00%	10,839,494	1.1%
OBETZ	2.50%	8,250,246	0.8%
NEW ALBANY	2.00%	7,723,398	0.8%
GRANDVIEW HEIGHTS	2.50%	6,444,698	0.7%
GAHANNA	2.50%	6,078,915	0.6%
UPPER ARLINGTON	2.50%	5,972,654	0.6%
WORTHINGTON	2.50%	5,318,694	0.5%
WEST JEFFERSON	1.00%	5,208,489	0.5%
OUT OF RITA	0.00%	4,691,770	0.5%
REYNOLDSBURG	2.50%	4,615,789	0.5%
CIRCLEVILLE	2.50%	4,455,474	0.5%
PRAIRIE OBETZ JEDZ	2.50%	4,135,114	0.4%
NO MATCH FOUND	0.00%	3,540,384	0.4%
URBANCREST	2.00%	3,470,564	0.4%
NON-RITA 2.5%	2.50%	3,346,346	0.3%
CANAL WINCHESTER	2.00%	2,950,432	0.3%
LONDON	1.50%	2,666,500	0.3%
PRAIRIE TOWNSHIP JEDD	2.50%	2,594,080	0.3%
WASHINGTON COURT HOU	1.95%	2,378,624	0.2%
PICKERINGTON	1.00%	2,137,169	0.2%
LANCASTER	2.30%	2,045,200	0.2%
MARYSVILLE	1.50%	1,838,006	0.2%

Wages Taxed at 2.5% or Greater	
$465,686,779	**47.2%**

Columbus	2.5%
Hilliard	2.5%
Grandview Heights	2.5%
Upper Arlington	2.5%
Obetz	2.5%
Gahanna	2.5%
Dublin	2.0%
Westerville	2.0%
Reynoldsburg	2.5%
Worthington	2.5%

Pinnacle TIF Fund Projection

Year	Begin Balance	Service Payments	Debt Service	Other Expenditures	End Balance
2024	$16,253,582.91	$4,542,098.57	$543,709.71	$4,862,781.05	15,389,190.72
2025	$15,389,190.72	$4,610,230.05	$544,223.00	$10,031,800.00	9,423,397.77
2026	$9,423,397.77	$4,610,230.05	$543,668.00	$175,000.00	13,314,959.82
2027	$13,314,959.82	$4,610,230.05	$542,885.00	$175,000.00	17,207,304.87
2028	$17,207,304.87	$4,610,230.05	$546,876.00	$175,000.00	21,095,658.91
2029	$21,095,658.91	$4,610,230.05	$545,526.00	$175,000.00	24,985,362.96
2030	$24,985,362.96	$4,610,230.05	$543,949.00	$175,000.00	28,876,644.01
2031	$28,876,644.01	$4,610,230.05	$547,145.00	$175,000.00	32,764,729.06
2032	$32,764,729.06	$4,610,230.05		$175,000.00	37,199,959.11
2033	$37,199,959.11	$4,610,230.05		$175,000.00	41,635,189.16
2034	$41,635,189.16	$4,610,230.05		$175,000.00	46,070,419.21
2035	$46,070,419.21	$4,610,230.05		$175,000.00	**50,505,649.25**

Projected General Program and Range of Costs
Grove City Multi-Generational Community Center

Building: Approximately 180k s.f. including all program elements of Pros/Williams study plus the following key additions:

- Four community rooms (± 2000 sf)
- Senior Center Space (based on Evans Center) 14,000 sf
- Competition Pool revisions (total space tbd)
- 12 soccer fields (details to come on location and amenities)

Site:

- Base we need 15 acres (building plus parking (for 350 cars)
- Base plus 2 championship fields and additional parking 20 acres
- Base plus 4 fields and again additional parking as 24 acres
- Base plus 12 and tournament parking for four fields as 39 acres

Working Projections:

- Base Building $65mm-$80mm
- Base Building Land Budget $5mm
- Total Projected Building Cost of $70mm-$85mm
- *Cost range for 12 fields - $15mm - $18mm (fields and parking)
- *Total Project Cost Range - $85mm-$96mm

* Does not include the cost of land for the 12 tournament fields (tbd)

COST RECOVERY APPROACH

Community centers often use a tiered membership system, aiming for a cost recovery percentage of around 75% to 85% of the total project cost. This means that a significant portion of the center's operating costs are funded by membership and usage fees. The exact cost recovery percentage can vary depending on the type of programming and the intended audience. Here's a more detailed look at how community centers use membership fees for cost recovery:

1. Setting a cost recovery goal
   - Community centers target a percentage of operating costs to be recovered through fees.
   - This percentage is typically based on factors like the type of programming offered, the intended audience, and the overall budget.
   - A common goal is to recover at least 75% of costs, but some centers aim for full recovery.
2. Tiered membership and usage fees
   - Community centers often offer tiered membership plans to accommodate different needs and budgets.
   - Usage fees may also be applied for specific programs, facilities, or events.
   - These fees are structured to contribute to the overall cost recovery goal.
3. Cost recovery calculation:
   - The full cost of service for each program or activity is determined.
   - A cost recovery percentage is then applied to this full cost to calculate the appropriate fee.
   - This ensures that fees are set at a level that contributes to the overall cost recovery target.

4. Public good vs. Private good programs

- Some programs may be considered for the "public good", which are fundamental to the mission of the community center and may not require full cost recovery.
- Other programs may be considered "private good" programs, where full cost recovery should be seriously considered.

5. Social equity considerations

- Community centers strive to balance cost recovery with social equity by offering discounts or scholarship programs for low-income residents.
- This ensures that everyone has access to the benefits of the community center, regardless of their ability to pay.

6. Additional revenue streams

- In addition to membership and usage fees, community centers may also generate revenue through grants, donations, fundraising, and sponsorships.
- These additional revenue streams can further contribute to the overall cost recovery efforts.

By implementing a well-structured cost recovery model, community centers can ensure their sustainability and continue to provide valuable services to the community. Cost recovery models for Ohio community and recreation centers can involve various approaches to ensure financial sustainability. A common approach is the Cost Recovery Pyramid Model, which categorizes services based on the level of community benefit and adjusts pricing accordingly. Other models may consider market rates, impact on demand, and non-resident fees. Here's a more detailed look:

1. Cost Recovery Pyramid Model:
    - Foundation of community benefit – services that mostly benefit the community (e.g., basic park access, community events) are placed at the

base of the pyramid and have lower fees or are even free.

- Progression of individual/community benefit – as services move up the pyramid, they become more individual or group-focused, and fees may increase to reflect the higher level of benefit received.

- Example: a community center might offer free or low-cost community events as a foundation, then offer higher-fee programs for specialized skill development or individual fitness classes.

2. Considerations beyond the pyramid

- Market rates: pricing should consider what similar services cost in the market to ensure competitiveness.
- Impact on demand: overly high fees could decrease participation, so pricing must balance cost recovery with demand.
- Non-resident fees: fees for non-residents may be higher to help offset the cost of providing services to a wider group.
- Scholarship funds: some communities may use a portion of fee revenue to create scholarship funds that offer discounts or free access to programs.

3. Cost recovery as a process:

- Data-driven: cost recovery models rely on accurate data about costs, expenses, and fees for each service.
- Regular review: fees should be reviewed periodically to keep pace with cost-of-living changes, market demands, and to promote specific programs.
- Tools and software: software solutions can help automate cost recovery processes and provide insights into revenue management.

COST RECOVERY PYRAMID MODEL

The Cost Recovery Pyramid Model is a strategic framework used by community and recreation centers to determine which facilities and services should be fee-based and to what extent. It's a way to develop strategies for meeting cost recovery goals by focusing on different levels of services and their associated fees. Below is a breakdown of how it works:

1. Cost Recovery Pyramid

   - Base (Fundamentally free)

     This level includes basic services that are essential to the community and are provided at no or minimal cost. Examples include community programming, public restrooms, and free access to certain facilities during specific hours.

   - Middle (Fee-based)

     This level consists of services where fees are charged to partially cover the costs of operation. Examples include membership fees, specialized programs like sports leagues or fitness classes, and rental fees for certain facilities.

   - Top (Full cost recovery)
     This level represents services where fees are set to fully cover the costs of operation. Examples include certain recreational activities like golf courses or swimming pools, and special events or rentals.

2. Specific context

   - Typically, recreation centers often rely on a combination of local funding, state grants, and fee revenue to operate.
   - The Cost Recovery Pyramid Model can help communities that are planning new centers develop a sustainable funding model that balances accessibility with financial stability.

3. Benefits of using the Model

- Transparency – it clearly outlines which services are fee-based and the rationale behind the pricing structure
- Sustainability – it helps ensure that the center can cover its operational costs through a mix of funding sources
- Accessibility – it allows for a balance between providing free or low-cost services to the community while also generating revenue
- Efficiency – it encourages centers to identify the most efficient ways to deliver services and manage costs

4. Example

Let's say a community center wants to implement the Cost Recovery Pyramid Model:

- The ***base level*** could include free access to the playground, community garden, and certain hours of use for the gym
- The ***middle level*** could include fee-based memberships, specific program offerings like dance classes or after-school programs, and rental fees for the community room
- The ***top level*** could include charging full cost for things like renting the gymnasium for birthday parties or using the swimming pool for swimming lessons