

Recreation Advisory Committee

# User Fees Proposal October 2019

Dave Carver  
Chair



# Tonight's Update



## What Is a RAC?

- Members and purpose

## Review of Mgt of Recreation Costs

- In October 2018, a council vote served to lay the groundwork for a new approach to ensure that relevant funds be set aside for the purpose of re-skinning.
- **The estimated cost of that project is \$1.1M with a useful life of approximately 10 year.**
- The Council has asked the RAC to evaluate alternative approaches to funding this cost and provide recommendations-consistent with the RAC's responsibility as documented in Ordinance 45-2013 which states in section 1(F) "The Fees established by this section shall be collected in accordance with policies established by the Recreation Director and the Recreation Advisory Committee."

## Decisions for Council

- Given the annual costs to pay off the MRC Complex, maintain grass fields and prepare to replace the MRC turf [estimated for 2022] what is the right mix of taxpayer funding vs user fees in support of the borough's additional costs to reskin/maintain the MRC Turf annually. With regards to User Fees, what is the recommended amount and why? Finally, how will these decisions be adapted to support the decision-making process for a new turf field at the MRC Complex

## RAC Recommendations

- Alternatives Evaluated



# What Is a RAC?

- Appointed by Council to one-year term
- Represents **all youth sports programs**
- Rec Director Ensures consistent approach
  - Coach background checks and training
  - Field/gym scheduling
  - MRC fee collections
- Shares best practices
- Identifies and resolve common issues
- Advocates for facility improvements
- Manages fundraising initiatives
- Develops strategic plan

## 2019 RAC MEMBERSHIP

Name	Represents
Stephanie Berk	Little League Baseball
Nathan Burroughs	Wrestling
Dave Carver	Babe Ruth Softball
Brenda Catalanello	MAF
Nino Coviello	Football
Zach Ellis	Madison Recreation
Meghan Garrity	Field Hockey
Tony Gero	Ice Hockey
Tom Haralampoudis	MJS Rep
VACANT	OSRHP, BOE, POOL
Christopher 'Dutch' Holland	Basketball
Bob Macagnano	Madison Soccer Club
Shannon Salamone	Girls Lacrosse
Tara Spagnoletti	Boys Lacrosse
Sue Whitehorn	PEC

*Works to ensure our programs complement each other*



# RAC Members Manage the Effective Utilization of Our Community's Active Recreation Facilities

Field	Acreage	Value of...		Total Value (\$MM)	Future Planned Investments (\$MM)
		Land (\$MM)	Capital Improvements (\$MM)		
Bayley Ellard	8.5	2,750	170	2,920	191
Delbarton Park	1.3	1,802	216	2,018	316
Edwards Field	0.8	1,123	5	1,128	6
Ice Rink Field	1.5	2,079	335	2,414	696
LUCY D Complex	5.7	7,900	722	8,623	1,160
Dodge Field	4.8	11,660	1,001	12,661	1,894
Memorial Soccer Field	2.1	2,911	211	3,122	393
MRC (Active Rec Area Only)	10.5	2,786	2,755	5,540	5,485
Niles Park	4.8	6,653	-	6,653	-

<b>TOTALS</b>	<b>43.2</b> Acreage	<b>\$44,098</b> Land (\$MM)	<b>\$5,948</b> Capital Improvements (\$MM)	<b>\$50,046</b> Total Value (\$MM)	<b>\$11,168</b> Planned Investments (\$MM)
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The 2015 Capital Assets Strategic Planning Committee conducted interviews during its project.

What it learned was that Madison has high quality assets and **Madison residents and taxpayers have expectation for high level of asset maintenance and service.**



# Youth Sports Are Thriving in Madison

Madison Recreation			REGISTRATIONS/PLAYERS	
SPORT	Gender	Season	Summer/Fall 2018	Winter/Spring 2019
Cross Country	Co-Ed	Fall	35	
Field Hockey	Girls	Fall	133	
Football	Boys	Fall	210	
Soccer Travel	Boys	Fall	151	
Soccer Travel	Girls	Fall	167	
Soccer-Rec	Boys	Fall	307	
Soccer-Rec	Girls	Fall	205	
Baseball	Boys	Spring		590
Baseball-Travel	Boys	Spring		
Ice Hockey	Co-Ed	Spring		15
Lacrosse	Boys	Spring		244
Lacrosse	Girls	Spring		180
Soccer Travel	Boys	Spring		161
Soccer Travel	Girls	Spring		176
Softball-Rec	Girls	Spring		283
Track and Field	Co-Ed	Spring		125
Baseball-Travel	Boys	Summer	135	
Softball-Travel	Girls	Summer	97	
Basketball	Boys	Winter		371
Basketball	Girls	Winter		223
Ice Hockey	Co-Ed	Winter		97
Ski Club	Co-Ed	Winter		200
Wrestling	Boys	Winter		86

**1,663**  
Boys

**1,464**  
Girls

**472**  
Co-Ed

**4,191**  
Grand Total



# In November 2016, RAC Recommendations Next 10 Years

**Implement the field management recommendations from the 2006 field management report. Our existing grass fields are an asset of the community; they should be managed as such.**

- Review field specific maintenance expectations with DPW staff
- Document sport specific field prep expectations with DPW staff
- Evaluate ability to “charge” Recreation budget for time and materials associated with field management

## **Change the way existing Recreation Use Fees are managed by the borough.**

- Evaluate alternative approaches [set up a utility where the funds generated cover expenses. create a separate trust where revenues can be dedicated and separated from the Municipal Operating fund] which allow fees and charges produced from revenue-generating recreation facilities and programs to come back to the Recreation department, rather than go into the general fund. Prepare recommendation for council consideration
- **Transition the existing MRC Use Fee of \$20 to an all-inclusive Recreation Fee [\$ TBD] charge for all youth sports programs that use borough facilities**
- Update hourly field rental fees annually to reflect local market. Continue to market field availability during off peak hours
- Transition responsibility to update and manage Park Improvement Capital Asset Plan to Recreation Director. RAC to advocate for capital spend during annual council update
- Continue to work with MAF on fundraising activities in support of continued investment in youth sports facilities

### **Continued investment in new and existing youth sports facilities. Specifically:**

- Enhance the MRC complex with bleachers, a press box and playground
- Invest in a new indoor multi use fieldhouse
- Add lights to an existing grass field to extend available use hours
- Incorporate additional ADA Assets across all community playgrounds



# Current Situation- MRC

## Cash In

In Oct 2018, council reserved \$270k of these funds for MRC reskinning vs debt repayment

	2012	2013	2014	2015	2016	2017	2018	Totals
Field User Fees	MAF	\$32,900	\$68,520	\$22,880	\$67,360	\$40,680	\$45,740	\$278,080
Field Rentals	\$21,490	\$21,805	\$23,449	\$28,080	\$47,905	\$49,533	\$43,587	\$235,849
Totals	\$21,490	\$21,805	\$91,969	\$50,960	\$115,265	\$90,213	\$89,327	\$513,929

## Cash Out

					2020-2029		2030-2033	2020-2033	
Total Open Space, Rec and Hist Pres Trust Fund Tax Levy					\$ 6,350,000		\$ 2,540,000	\$ 8,890,000	
		less				% of			% of
TOTAL MRC DEBT/BOND REPAYMENTS	LTLAND	Green Acres	LT TURF	TOTAL		Totals			Totals
Open Space	\$ 1,545,372	\$ (165,000)	\$ -	\$ 1,380,372	50%	\$ 599,641	\$ 1,980,013	57%	
MRC [LAND AND FIELDS]	\$ 421,465	\$ (45,000)	\$ 978,387	\$ 1,354,852	50%	\$ 163,539	\$ 1,518,391	43%	
Total Spend on 49 Acres	\$ 1,966,837	\$ (210,000)	\$ 978,387	\$ 2,735,224	100%	\$ 763,180	\$ 3,498,404	100%	
MRC DRE Common Area Maintenance Fee				\$ 100,000		\$ 40,000	\$ 140,000		
Open Space Tax Levy Available Other Projects					\$ 3,514,776		\$ 1,736,820	\$ 5,251,596	



# Current Situation- Estimated Spend MRC and Grass Fields

		A	B		C	A+B+C				
year	Total Spend to Payoff MRC [Land/Fields]	Grass Field Maintenance	Weed/Feed	Total Grass Fields	Replace Turf	Total Operating Costs	Rentals	Costs to Cover	user fees	% covered
2020	\$ 157	\$ 750	\$ 25	\$ 775		\$ 775	\$ (46)	\$ 729	TBD	TBD
2021	\$ 153	\$ 765	\$ 26	\$ 791		\$ 791	\$ (47)	\$ 744	TBD	TBD
2022	\$ 150	\$ 780	\$ 26	\$ 806	\$ 110	\$ 916	\$ (48)	\$ 868	TBD	TBD
2023	\$ 146	\$ 796	\$ 27	\$ 822	\$ 110	\$ 932	\$ (49)	\$ 884	TBD	TBD
2024	\$ 143	\$ 812	\$ 27	\$ 839	\$ 110	\$ 949	\$ (50)	\$ 899	TBD	TBD
2025	\$ 139	\$ 828	\$ 28	\$ 856	\$ 110	\$ 966	\$ (51)	\$ 915	TBD	TBD
2026	\$ 136	\$ 845	\$ 28	\$ 873	\$ 110	\$ 983	\$ (52)	\$ 931	TBD	TBD
2027	\$ 133	\$ 862	\$ 29	\$ 890	\$ 110	1,000	\$ (53)	\$ 947	TBD	TBD
2028	\$ 129	\$ 879	\$ 29	\$ 908	\$ 110	1,018	\$ (54)	\$ 964	TBD	TBD
2029	\$ 113	\$ 896	\$ 30	\$ 926	\$ 110	1,036	\$ (55)	\$ 981	TBD	TBD
<b>SUBTOTAL</b>	<b>\$ 1,400</b>	<b>\$ 8,212</b>	<b>\$ 274</b>	<b>\$ 8,486</b>	<b>\$ 880</b>	<b>\$ 9,366</b>	<b>\$ (504)</b>	<b>\$8,862</b>		
2030-33	\$ 164	\$ 3,585	\$ 120	\$ 3,705	\$ 440	\$ 4,145				
	funded by Open Space	assume 2% annual cost increase			assume 10 year					
		as per 2019			amortization					
		<b>ALL NUMBERS IN THOUSANDS [000]</b>								

Through final MRC Debt payoff



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- This is consistent with the RAC's responsibility as documented in Ordinance 45-2013 which states in section 1(F) "The Fees established by this section shall be collected in accordance with policies established by the Recreation Director and the Recreation Advisory Committee."



## Decisions for Council

- Given the annual costs to pay off the MRC Complex, maintain grass fields and prepare to replace the MRC turf [estimated for 2022] what is the right mix of taxpayer funding vs user fees in support of the borough's additional costs to reskin/maintain the MRC Turf annually. With regards to User Fees, what is the recommended amount and why? Finally, how will these decisions be adapted to support the decision-making process for a new turf field at the MRC Complex

## RAC Recommendations

- Alternatives Evaluated



# Alternatives Considered [taxpayers always source]

## • Open Space, Recreation and Historic Preservation Tax Funding

- Apply annual field rental income [Est \$50K annually] to MRC Reskin cost.
- **Fund remaining [Est \$60K annually] MRC reskin cost from Open Space Trust Fund Tax Revenues.**
- Eliminate turf user fees.

## • General Tax Funding

- Today, the general budget funds both DPW and Recreation operations; existing practices for grass field management estimated at about 20% of DPW annual spend. The MRC Turf reskinning in 5-year capital plan for 2022.
- Apply annual field rental income [Est \$50K annually] to MRC Reskin cost.. **Fund remaining [Est \$60K annually] MRC reskin cost by increasing DPW budget accordingly; incorporate into General Tax Revenues budget process.**
- Eliminate turf user fees.

## • User Fees Funding **RECOMMENDED**

- A survey of 10 neighboring communities [Basking Ridge, Chatham, Cranford, Hanover Park, Long Hill, Madison, Mendham, Millburn, Parsippany, Summit, West Caldwell and Westfield] found field use fees in place in 4 towns. Three towns charge \$15, \$17 and \$20 respectfully to cover field maintenance. Madison was the only town to charge a turf field specific fee.
- By increasing turf fees slightly [\$20-\$25/registration], families using the facilities make a significant contribution to the boroughs annual cost of turf replacement. Double fee [\$20-\$40] to support an additional field at opening.



# User Fees Funding [now and w/additional field]

Madison Recreation			REGISTRATIONS/PLAYERS		Revised
SPORT	Gender	Season	Summer/Fall 2018	Winter/Spring 2019	Facility Fee
Cross Country	Co-Ed	Fall	35		
Field Hockey	Girls	Fall	133		\$ 3,325
Football	Boys	Fall	210		\$ 5,250
Soccer Travel	Boys	Fall	151		\$ 3,775
Soccer Travel	Girls	Fall	167		\$ 4,175
Soccer-Rec	Boys	Fall	307		\$ 7,675
Soccer-Rec	Girls	Fall	205		\$ 5,125
Baseball	Boys	Spring		590	
Lacrosse	Boys	Spring		244	\$ 6,100
Lacrosse	Girls	Spring		180	\$ 4,500
Soccer Travel	Boys	Spring		161	\$ 4,025
Soccer Travel	Girls	Spring		176	\$ 4,400
Softball-Rec	Girls	Spring		283	\$ 7,075
TOTALS			1,208	1,634	\$ 55,425
			RENTAL INCOME		\$ 50,000
			TOTAL USER CONTRIBUTIONS		\$ 105,425
			Estimated Annual Cost to Reskin		\$ 110,000
			% Covered by Users		96%

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Football	Boys	Fall	210		\$ 8,400
Soccer Travel	Boys	Fall	151		\$ 6,040
Soccer Travel	Girls	Fall	167		\$ 6,680
Soccer-Rec	Boys	Fall	307		\$ 12,280
Soccer-Rec	Girls	Fall	205		\$ 8,200
Baseball	Boys	Spring		590	\$ 23,600
Lacrosse	Boys	Spring		244	\$ 9,760
Lacrosse	Girls	Spring		180	\$ 7,200
Soccer Travel	Boys	Spring		161	\$ 6,440
Soccer Travel	Girls	Spring		176	\$ 7,040
Softball-Rec	Girls	Spring		283	\$ 11,320
TOTALS			1,208	1,634	\$ 112,280
			RENTAL INCOME		\$ 50,000
			TOTAL USER CONTRIBUTIONS		\$ 162,280
			Estimated Annual Cost to Reskin		\$ 165,000
			% Covered by Users		98%



# Accumulating A Reserve for Reskinning

Date	User Fees	Rentals	Totals	Balance	Reskin
<b>Oct-18</b>				<b>\$ 270</b>	
2019	\$ 45	\$ 46	\$ 91	\$ 361	
2020	\$ 56	\$ 46	\$ 102	\$ 462	
2021	\$ 56	\$ 47	\$ 102	\$ 564	
2022	\$ 56	\$ 48	\$ 103	\$ (432)	\$ (1,100)
2023	\$ 56	\$ 49	\$ 104	\$ (328)	
2024	\$ 56	\$ 50	\$ 105	\$ (223)	
2025	\$ 56	\$ 51	\$ 106	\$ (116)	
2026	\$ 56	\$ 52	\$ 107	\$ (9)	
2027	\$ 56	\$ 53	\$ 108	\$ 99	
2028	\$ 56	\$ 54	\$ 109	\$ 209	
2029	\$ 56	\$ 55	\$ 110	\$ 319	
<b>subtotals</b>	<b>\$ 600</b>	<b>\$ 550</b>	<b>\$ 1,149</b>		
2030-31	\$ 111	\$ 110	\$ 221	\$ 540	



# SUMMARY

- ✓ Manage the cost to reskin MRC Turf in the capital budget planning process.
- ✓ Begin planning for 2022 MRC Reskinning. Reskin that year.
- ✓ Increase turf fees slightly [\$20-\$25/registration] in Spring 2020.
- ✓ Increase fee again [\$25-\$40] to support an additional turf field at/if opening.
- ✓ Manage a dedicated 'reserve' of turf user fees and rentals to cover reskinning costs.
- ✓ Continue to use this cash flow from 2022 onwards to cover remaining cost to reskin and build a reserve for the 2032 reskinning.



# In Conclusion...

The RAC is going to continue to...

- **Work together to manage our youth sports programs and active recreation facilities**
- **Advocate for turning our recommendations into reality**
- **Fundraise as needed to support our recommendations**



*Thank You!*

