

Council Minutes January 27, 2022

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas, met in a Town Hall Meeting at 6:00 p.m. in the Council Chambers of City Hall, 2000 Forest Ridge Drive, on the 25th day of January, 2022 with the following members present:

Michael Boyter
Amy Sabol
Ruth Culver
Rich Steves

Mayor
Mayor Pro Tem
Councilmembers

constituting a quorum.

Councilmembers Almendarez, Cogan, and Gagliardi were not present at the meeting.

Staff present included:

Jimmy Stathatos
Michael Wells

City Manager
City Secretary

CALL TO ORDER / GENERAL COMMENTS

Mayor Boyer called the Town Hall to order at 6:01 p.m.

TOWN HALL MEETING

- **Presentation and discussion regarding Generations Park operations**

Mayor Boyer stated the purpose of the town hall is to share with the public and receive feedback about the operations of The Center at Generations Park, which was approved by voter referendum in November 2017. A business plan was developed in August 2019 regarding the cost to operate the facility, which showed a deficit of approximately \$1,100,000 and a cost recovery model of 36 percent. Council's goal when they approved the project was a cost recovery of 65 percent. The business plan gave Council a path forward to figure out how to pay for operations, with conversations starting with the YMCA in August 2020. He stated the goal of Council is to be smart on how the money is spent and to ensure there is a first-class facility.

City Manager Jimmy Stathatos stated the City did not have plans to set aside cash to help offset the deficit at the time the business plan was developed. The only way to get necessary funds to operate the facility is to either cut expenses or expand revenues, and one of the recommendations of the company who developed the business plan was to look at operational partners. He discussed conversations with the YMCA and savings for the City and residents that are members of the YMCA. He stated the finances for the facility would depend on the number of members that join, whether it was operated by the City or the YMCA.

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Mr. Stathatos presented a comparison of monthly rates between what Bedford could charge based on the business plan and what the YMCA is proposing to charge, subject to final deliberation and negotiation, which shows the YMCA rates to be much less than what the City would charge based on a 65 percent cost recovery. He stated there would be an approximately \$907,000 net cost for the City to run the Center. The YMCA would be responsible for all staffing, janitorial, and maintenance costs if they were to run The Center. Mr. Stathatos stated the initial agreement would be five years, but the City could terminate with one year notice. All revenue would be credited towards the operational costs of the YMCA, who would be responsible for providing monthly financial reports. Further, an advisory board would be created composed of Bedford residents and business owners, with the Council having the ability to appoint at least three members. The Center would remain a City facility but be cobranded with the YMCA. In financial terms and based on 2,300 members, the net cost to the City would be approximately \$300,000, for a savings of approximately \$600,000 a year. In answer to common questions, Mr. Stathatos stated The Center would not be called the YMCA; the YMCA would not operate the ballfields, concessions, or the Old Bedford School (OBS); certain senior programming would remain at the OBS; and the YMCA would not be responsible for planning or conducting special events. Mr. Stathatos presented an overview for what the \$600,000 savings could be utilized.

Jessica Bruda, Executive Director of the Airport Area YMCA, introduced Chief Operating Officer Eric Martin, Chief Financial Officer Jay Helm, Vice President of Operations Irene Johnson, and Chief Executive Officer Mike Brown. Ms. Bruda presented an overview of the proposed partnership to operate The Center, including the indoor and outdoor aquatics, in partnership and under the guidance of City and the advisory board. Revenue would come to the YMCA, who would manage all the maintenance and daily operations. They are asking that The Center be cobranded with the City, with the YMCA name on the building and clothing. Programs they offer include aquatics, summer camp, SilverSneakers, youth sports, and health and wellness. She discussed staffing opportunities, including competitive salaries, benefits, and retirement for both full-time and part-time employees.

Mr. Helm stated the YMCA feels they can operate The Center at a lower deficit than if it were done internally. An external market study showed they could pull in 2,300 members and he felt they could bring in more members with their brand than another provider. Further, their expertise and abilities would allow expenses to be reduced. He estimates they would reach maximum membership by eight months and bring in approximately \$2,100,000 in revenue compared to \$2,400,000 in expenses. Mr. Helm discussed transparency with their finances and ensuring that a majority of operational costs fall on users as to limit the liability on the tax base.

Ms. Bruda presented an overview of their monthly membership model, which would give access to the entire facility. She discussed the 20 percent discount for Bedford residents, financial assistance through the YMCA's Open Doors program, and the membership being good at all YMCA facilities nationwide. She further discussed the benefits of the YMCA operating The Center, including their assumption of risk and maintenance costs; fundraisers and discounts; their ability to increase services to the youth during the summer and after school; and their skilled maintenance teams that will assist in conforming to the City's standards. She provided examples of their collaborations with other municipalities and stated their best performing facilities are those with municipalities. She provided samples of what cobranding could look like, examples of current senior programs to supplement those at the OBS, potential future programs, and an overview of their branches within the metroplex.

There was discussion on The Center, including its size and amenities compared to other YMCA facilities such as the elevated walking track, the indoor pool, and more meeting space and activity rooms; the potential for more programming than at the former Boys Ranch Activity Center (BRAC);

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the price point based on the cost to run a facility the size of The Center along with the additional programming; and fitness programs for seniors as an addition to the current programming at the OBS. There was further discussion on the YMCA being a fee-based organization; the value of the YMCA brand; the incentive to increase membership from a community and financial aspect; the estimate of the number of members being based on the YMCA's experience on operating similar facilities and the external market study; and concerns related to membership levels and staffing during the pandemic and the membership fees.

PUBLIC COMMENTS AND QUESTIONS

Ida Powell – Ms. Powell asked about whether there were regulations in the City Charter or state law about whether a request for proposal was needed for this process. Mr. Stathatos stated he believed it was not required but would discuss the issue with the City Attorney and put the answer on the City's website. Ms. Powell asked if the YMCA was the best entity to perform the function. Mr. Stathatos stated staff has reached out to other firms but has not found any that do so, especially with a municipal facility. In response to a question from Ms. Powell regarding the impact to City employees, Mr. Stathatos stated no City employees would be impacted by the YMCA, and that nobody would lose their job or be replaced due to the YMCA. Further, if in the future the City decided not to offer senior programming at the OBS, the YMCA agreed to hire those employees. He further reiterated that no existing employees would be replaced, terminated, demoted, or have their pay cut and that anybody that said otherwise was being dishonest. There was discussion on a void of information and concerns regarding privatization.

Bob Cochrane – Mr. Cochrane discussed raising the membership rates in the second year of the contract and recommended a shorter notice of termination of nine months in the agreement. There was discussion on the expense of government employees with salaries and benefits; the expertise the YMCA could bring to operations; and the business plan's recommendation for the City to partner with another organization. Mr. Cochrane recommended the agreement contain provisions for regular audits. There was discussion on the current YMCA facility; the possibility of the YMCA taking over summertime programming; maintenance of other parks and expanding special events; the agreement being approved by Council at a future public meeting; and the possibility of day and season passes for the pool. Mr. Cochrane advised adding financial rewards in the agreement for increasing membership.

Tom Culbert – Mr. Culbert asked about the senior dance. Ms. Bruda stated there would be an event center space for 200 people where dances could be held. Mr. Culbert discussed old drawings of the facility that were not to scale.

Tom Jacobsen – Mr. Jacobsen stated that classes make for a good gym and felt the downfall of the BRAC was that there were not enough classes or support for those that were there. He wanted to ensure that The Center has the membership to support the operations. He discussed the positive online reviews for the current YMCA.

Margaret Hall – Ms. Hall asked whether there would be a fee just for the outdoor water park. Mr. Stathatos stated it would be included in the YMCA membership.

Becky Farrell– Ms. Farrell asked where the new programs were going to take place. There was discussion that senior fitness and health related activities would be at The Center, with the current senior programs remaining at the OBS. Ms. Farrell stated she was disappointed that there was not a space dedicated for seniors.

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Steve Farco – Mr. Farco stated he was concerned that Bedford residents may miss out due to YMCA members from around the area being able to use The Center and asked if there were going to be any provisions for the residents. There was discussion Generations Park as an economic development project and monitoring the utilization of the facility. There was further discussion on how the City's financial would be affected by memberships being sold outside the City; incentives for Bedford residents to join; data from the YMCA on members who join at one facility but utilize another, including that data being shared with the City Manager; and the YMCA facilities that have an indoor pool and water park.

Bob – Bob asked why there were only two lap lanes for the pool and if there would be yearly promos. He felt the membership was too high. There was discussion on establishing the right rate structure; the City further subsidizing to lower the membership rates; the approximately \$276,000 deficit to run the Senior Center in its last year; financial mechanisms through the partnership with the YMCA for senior participation; and YMCA's efforts in increasing membership.

Barbara Postma – Ms. Postma, who runs the ceramics class for seniors at the OBS, stated she understood that such programs as ceramics and quilters would remain at the OBS but asked if they would not be able to go to The Center. Mr. Stathatos stated the OBS is currently being offered as an amenity for seniors at no charge, but they can utilize The Center as well. Ms. Postma stated there is a need for a kiln for the ceramics class and there are issues for seniors at the OBS, including uneven bricks and a lack of a handrail. Mr. Stathatos stated staff is working on another ramp in the cul-de-sac and doing something with the bricks. There was discussion on shifting the focus onto the OBS once the management of The Center is finalized.

Patty Bond – Ms. Bond was concerned about the membership rates, specifically for seniors, and compared the proposal to city-run gyms in area cities. There was discussion on the YMCA's discount programs for seniors; the reasons why rates are lower in other cities; and subsidization of the membership rate.

Gary Morlock – Mr. Morlock discussed the YMCA facility in Benbrook as an example for The Center and asked what the differences between them were. There was discussion that the Benbrook facility was half the size and did not have an indoor pool; people who work in Bedford taking advantage of facilities; and that the YMCA works with companies on corporate memberships.

Sam Fairchild – Mr. Fairchild stated he and his wife are members of the recreation center in Grapevine, which is free to residents of Grapevine at certain times of the week and suggested something similar for The Center. There was discussion that the YMCA programs would be included with the membership, except for personal training and the delta between revenue and expenditures equaling the City's contribution.

Brian Molina – Mr. Molina asked if Generations Park could have an 18-hole championship disc golf course and pickleball. There was discussion on other amenities that could be added to the park in the future and that the outdoor basketball court would be striped for pickleball.

Margaret Hall – Ms. Hall asked about the large meeting room space and rentals. There was discussion that rentals for the space would be through the YMCA, who would have to provide labor and costs for the service.

Lin Garavaglia – Ms. Garavaglia asked how the YMCA raises money for scholarships. There was discussion on the YMCA receiving support from individuals, grants, their own foundation, and local businesses; the benefit of fundraising to lower membership and program costs; local

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resources that offer transportation for seniors; programs the YMCA offers in communities outside of their facilities; and membership discounts for military, teachers, and students.

Jeannette Cook – Ms. Cook felt the numbers presented do not reflect the true cost, especially if some of the memberships are subsidized. She discussed the City turning over other facilities to outside organizations, including soccer and baseball fields and the OBS. She asked that The Center have the minimum of what was there before, with much greater opportunities for all ages. She asked why the City could not try to run it for a year and then turn it over to the YMCA. There was discussion on the cost to the City of operating the facility based on the business plan. Ms. Cook stated the City needs to be able to utilize the building and for that to be worked into the agreement.

Valerie Philbert – Ms. Philbert felt there has been a lot of discussion about seniors but not the youth and asked if there is anybody against whom the City can benchmark. There was discussion on other centers being operated by the YMCA; that Bedford does not have the resources as other cities; other amenities that could be added in the future; and working with leagues and groups to make them a revenue opportunity.

Gwen Roof – Ms. Roof discussed the costs of the recreation center in North Richland Hills.

Mr. Stathatos stated he and the Mayor would be at the OBS to answer any questions and with the Parks and Recreation Board the following week.

ADJOURNMENT

Mayor Boyter adjourned the town hall meeting at 8:25 p.m.

Michael Boyter, Mayor

ATTEST:

Michael Wells, City Secretary