



TOWN OF CENTRAL
MONDAY, SEPTEMBER 10, 2007, 6:00 p.m.
CENTRAL TOWN HALL
1067 WEST MAIN STREET
CENTRAL, SC 29630

Issues for Discussion:

Item 1. Young at Heart Program

- Jointly funded by Central (\$12,000) and Clemson (\$18,000) for annual budget.
- Copies of budget report from FY 06/07
- Laurel Maco, the original staff coordinator, recently resigned.
- Participation in various programs – how many persons are using these services?
- Do the Councils desire to continue this program? At same level?
- Are there alternatives for providing all or some of the services that are offered through the Young at Heart program?
- Should Recreation staff provide some of the Senior adult programming or could some of the programs be offered through the Central-Clemson Indoor Recreation Center?
- Day trips and extended trips have been the most popular activities. Could these trips be conducted by others?

Item 2. Central-Clemson Indoor Recreation Center

- New director – Mr. Joe Crosby. Has been greatly assisted by Tom Cloer over the past few months.
- Financial report for the FY 06/07 year – shows an operating deficit of \$93,000, with a cash deficiency of \$68,500.
- What are the causes for this operating loss?
 1. Continued payments for replacement of dehumidification system (\$33,000 annually for 4 years)
 2. Expanded payment for special classes, which were not originally included as a membership benefit (\$40,000).
 3. Reduction in certain classes of memberships.
 4. Increasing costs caused by inflation over the past years.
 5. There are now several alternatives available in the Clemson area that were not available when the center was built – creating increased competition for memberships.
 6. Rates are designed for “break-even” cash flow – we are not a for-profit business.
- Cities will need to make their first “subsidy payment” this year - \$34,000 each.
- Cost reduction has been occurring over the past three months, and staff will continue to look for ways to reduce operating costs.
- Rates can be adjusted (usually takes place in January) to reflect the true costs of operations, but this may have a negative impact on lower income households and the affordability of using the Center. We can increase the rates to reflect a structure that is similar to a YMCA rate, but we will likely lose membership numbers.
- Should we begin adding a “surcharge” to the basketball and other youth recreation program fees to reflect a building use fee? This will cause an increase in the registration costs for these programs.
- Should we examine a capital construction program for the near future, which would allow staff to begin adding services that would increase membership use and revenues?
- After cost reduction efforts, the operating loss can be reduced to some extent. However, without a significant rate increase it is likely that an annual operating subsidy payment would be required by both cities. Is this palatable to both Councils? If not, we will need to evaluate the number of hours that the facility is open to further reduce costs. What reduction of hours would be acceptable to our membership and the Councils?
- If the two Councils are comfortable with an annual subsidy, staff believes that a portion of this subsidy could be defined as a “Wellness Benefit” for our city employees. A significant reduction in membership fees may encourage employees to use the recreation and fitness center, which will translate into a healthier employee group (and hopefully less health insurance medical utilization in the future.)
- Discussion is needed by both Councils. Staff will report back with a financial projection, which is based upon the issues identified above. Follow-up discussion will be required in October or November for any rate adjustments to take place on January 1st.