



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Date: September 9, 2020

To: Mark F. Miller, City Manager

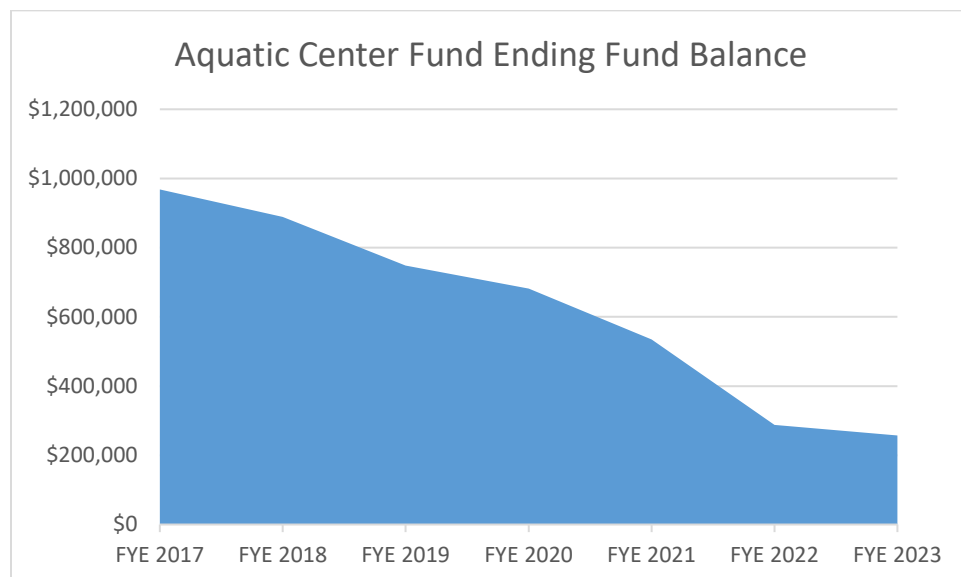
From: Robert J. Bruner, Assistant City Manager
Robert C. Maleszyk, Chief Financial Officer
Elaine S. Bo, Recreation Director
Kurt Bovensiepe, Public Works Director

Subject: Troy Family Aquatic Center

History

The Troy Family Aquatic Center (TFAC) was designed to have a capacity to accommodate up to 1,200 people, cost \$4.3million to construct, and was opened to the public on May 25, 1991. The TFAC generates income through daily and annual passes, swimming lessons, concessions, community events, and facilities rentals. Initially only Troy residents could purchase pool passes. However, membership plans were instituted for nonresidents and City employees several years ago in efforts to increase revenue.

The TFAC is its own enterprise fund and its revenues were intended to cover its expenses. As the facility ages it has required additional maintenance and repair causing the expenses to increase exponentially over the last several years. This has caused the Aquatic Center Fund expenditures to exceed its revenues for several years. FYE 2018 beginning fund balance was \$968,299 and the projected FYE 2023 ending fund balance is budgeted to be \$257,016, a 73% reduction in five years. Accordingly, maintenance and operations of the status quo is not financially sustainable.





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As the facility ages, maintenance and repair expenses have increased. In 2017, \$58,600 was expensed to repair the utility “cave” and in 2018 \$44,150 was spent to replace the sand in the filter system. Marcite is a mixture composed primarily of white Portland cement, marble dust, and fortifying additives to boost strength and water resistance. Since this is a specialized trade, there are only two local companies that provide Marcite plaster to large outdoor pools. The Marcite plaster repair and resurfacing project that was scheduled for fiscal year 2019-2020 was postponed to fiscal year 2020-2021 due to the COVID-19 pandemic.

City staff estimates an investment of nearly \$300,000 is required to reopen TFAC in 2021.

FYE	Project	Cost
2021	Pool resurfacing (Marcite plaster)	\$125,000
2021	Concession area repairs	\$5,000
2021	Deck lighting upgrades	\$30,000
2021	Deck and drain concrete repairs	\$125,000
Total		\$285,000

These projects are in addition to the normal operational costs. To offer the least amount of disruption to the operations, the projects must be completed during the off-season. Additionally, it has been difficult to predict if public health conditions will allow TFAC to reopen in 2021 after these investments are made. To make matters more challenging, the approved Marcite plaster contractor is not available to perform the work in spring 2021 so it must be done in fall 2020 if it is to be done at all. This forces City staff to make a “go” or “no-go” decision regarding the 2021 season in September 2020. In other words, the decisions made this month will determine whether or not TFAC can reopen in 2021.

Looking ahead, City staff estimates additional investments of nearly \$500,000 will be required in the next several years.

FYE	Project	Cost
2022	Replace interior water heaters	\$75,000
2022	Exterior repairs	\$15,000
2022	Play structure replacement	\$150,000
2022	Rebuild pool pumps	\$70,000
2023	Replace pool heaters	\$80,000
2024	Recondition water slides	\$80,000
Total		\$470,000

These investments would be subsidized by the General Fund since the Aquatic Center Fund alone will not have the available funds. Roughly 40% of daily visitors are residents and 60% are non-residents. This means the General Fund expenditures would disproportionately benefit non-residents.



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Given the financial situation and the uncertainty regarding public health conditions, City Management does not intend to proceed with the Marcite plaster repair and resurfacing project this fall. This will effectively close the Troy Family Aquatic Center for the foreseeable future. Rather than reinvesting in the Aquatic Center, City Management intends to investigate options to replace the Aquatic Center with an updated facility in the future. This will present an opportunity to repurpose the useable infrastructure into a community based project that would service Troy residents and meet demands identified in the community engagement surveys like the Parks and Recreation Master Plan.