



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND, WA**

**AB 4163
March 5, 2007
Regular Business**

**NORTHWEST CENTER'S MARY WAYTE POOL-
2006 ANNUAL PERFORMANCE REPORT**

Proposed Council Action:

Receive report. No action required

DEPARTMENT OF

Parks and Recreation, (Peter M. Mayer, Director)

COUNCIL LIAISON

Dan Grausz El Jahncke Mike Grady

EXHIBITS

1. Agreement with Northwest Center for the Operation of Mary Wayte Pool
2. 2006 Annual Performance Report

APPROVED BY CITY MANAGER

Rich Council 3-1-07

AMOUNT OF EXPENDITURE	\$	100,000
AMOUNT BUDGETED	\$	100,000
APPROPRIATION REQUIRED	\$	0

SUMMARY

Late in 2002, King County Parks pursued the mothballing of numerous swimming pools in response to a budget crisis, including Mary Wayte Pool on Mercer Island. Northwest Center (NWC) contacted King County with a proposal to operate three area pools, including Mary Wayte Pool, in order to prevent a closure and preserve services for swimming enthusiasts as well as create job opportunities for people with disabilities. NWC expected to enhance Mary Wayte pool services over time by providing new programs and maintaining the operating schedule (at the same or greater number of hours each week).

NWC then sought financial support from the City of Mercer Island for the first year of operation and a commitment that funding would continue for four additional years (AB 3727 and AB 3732). The City entered into a multi-year agreement with NWC (Exhibit 1) and provided \$100,000 in 2003 for NWC to operate and maintain the pool consistent with the terms of the Agreement. The City committed to assist NWC in obtaining subsequent annual funding of at least \$100,000 by either budget allocation, voter approved financing or from private sources for the term of the Agreement (through 2007).

In November 2003, the City Council authorized the continuation of an operating subsidy of \$100,000 from the City's Beautification Fund for 2004 Mary Wayte Pool operations. In December 2004, the City Council adopted Ordinance No. 04-23 (later replaced with Ordinance No. 05-01) adopting the 2005-06 biennial budget and providing \$100,000 in annual expenditures for 2005 and 2006 from the Beautification Fund to support pool operations. Then again, on December 11, 2006, the Council approved Resolution 06-17 adopting the City's 2007-08 biennial budget that included expenditures of \$100,000 for 2007 and 2008 in support of pool operations.

Conditions of the Agreement between NWC and the City include:

- NWC would maintain and operate the pool in good condition, NWC would make necessary Capital Improvements to operate the pool,
- NWC would provide programs and hours of operations similar to what was provided by King County, and
- NWC would provide the City quarterly reports regarding its pool operation

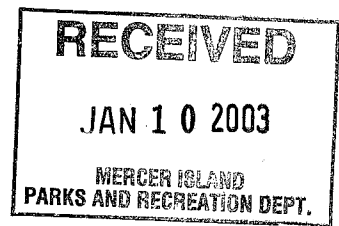
NWC has complied with these and other provisions of the Agreement.

The Parks and Recreation Department reviews monthly invoices and receives year-end information and data that is consolidated into an annual Performance Report. A Report has been prepared for each year since 2003, including one just completed for 2006 (Exhibit 2).

RECOMMENDATION

Parks and Recreation Director

MOVE TO: Receive report. No action required at this time.



**AGREEMENT BETWEEN THE CITY OF MERCER ISLAND AND
NORTHWEST CENTER FOR THE RETARDED
CONCERNING THE OPERATION OF THE
MARY WAYTE POOL**

1. PARTIES

This Agreement ("Agreement") is entered into by the City of Mercer Island, a Washington municipal corporation ("City"), and Northwest Center for the Retarded, a § 501(c)(3) private non-profit corporation ("Northwest").

2. PURPOSE AND RECITALS

- 2.1 The Mary Wayte Pool, located at 8815 SE 40th Street, Mercer Island, Washington was built as part of the Forward Thrust initiative in approximately 1972 ("Pool").
- 2.2 Since its construction, King County has operated and maintained the Pool on property owned by the Mercer Island School District ("District"), pursuant to a forty (40) year Lease Agreement dated June 14, 1972 between the District, as lessor and King County, as lessee ("Lease").
- 2.3 King County has declared that it will begin mothballing the Pool on or about December 20, 2002, and will cease operating and maintaining the Pool on December 31, 2002 unless title to the Pool has been transferred to Northwest on or before December 20, 2002, or other arrangements satisfactory to Northwest and the County have been implemented to provide funds to the County for operating the Pool after December 31, 2002.
- 2.4 The City has expressed an interest in keeping the Pool operating for up to five (5) years, subject to available funding.
- 2.5 Assuming that adequate financial support is available from the City and/or other community resources to operate the Pool through the end of the 40-year lease term, Northwest Center has expressed an interest in owning, operating and maintaining the Pool through such term.
- 2.6 The City has agreed to contribute toward Northwest's operating and maintaining the Pool if Northwest is able to obtain ownership of the Pool from King County and if Northwest is able to obtain the assignment of the Lease. This Agreement is contingent upon Northwest's ability to obtain such ownership and assignment.

3. RESPONSIBILITIES OF NORTHWEST

- 3.1 Maintenance & Operation of Pool. Northwest shall own, maintain in good condition and repair and operate the Pool for a period of five (5) years, commencing on the Effective Date of this Agreement
- 3.2 Capital Improvements. Northwest shall make all capital improvements and repairs to the Pool that are necessary to allow it to fulfill its commitment to operate the Pool; provided, however, that Northwest shall have no obligation to make any capital improvements or repairs that are necessitated by an act of nature or other event beyond the control of Northwest to the extent such capital improvements or repairs are not covered by any applicable insurance.
- 3.3 Level of Service. In operating the pool, Northwest shall provide programs and hours of operation that are reasonably similar to those programs and hours of operation currently provided by King County to Mercer Island residents.
- 3.4 Quarterly Reports. Northwest shall provide quarterly reports to the City regarding the maintenance and operation of the Pool, including, but not limited to, pool usage and revenue therefrom, repairs and capital improvements, fee schedules, utility costs, staffing costs, hours of operation, available programs and maintenance costs.
- 3.5 Ownership and Assignment. Prior to termination of this Agreement, Northwest shall not transfer title to the Pool or contract with any third party to operate the Pool without the written consent of the City, which shall not be unreasonably withheld; provided, however, that nothing in this Section 3.5 prohibits Northwest from transferring the Pool to the District upon early termination of the Lease, as provided in the Lease or the Lease Assignment. In addition, the City acknowledges that Northwest intends to create a limited liability company (of which Northwest will be the sole member) for the purpose of owning, managing, and operating Northwest's swimming pool and certain other recreational assets (the "LLC"). The City hereby consents to the transfer of the Pool and all of the rights, privileges, obligations and duties of Northwest hereunder to the LLC, so long as the LLC is adequately capitalized and insured in the City's reasonable determination. The City agrees that Northwest and the LLC may enter into one or more contracts as may be necessary in connection with the operation, administration, or staffing of the Pool (so long as such agreements are not inconsistent with the terms of this Agreement). The City agrees that upon such transfer, Northwest shall be relieved of all obligation and liability under this Agreement so long as the LLC assumes all such obligations and liabilities under this Agreement.

4. RESPONSIBILITIES OF CITY

- 4.1 In consideration of Northwest's agreement to operate and maintain the Pool consistent with the terms of this Agreement (including the service levels established in Section 3.3) from January 1, 2003 through December 31, 2003, the City shall pay Northwest One Hundred Thousand Dollars and No/100 (\$100,000.00) during 2003, in equal monthly payments, commencing on the Effective Date of this Agreement as described in Section 6.1.
- 4.2 The City commits to assist Northwest in obtaining annual funding of at least \$100,000 to subsidize Pool operations in the years 2004, 2005, 2006, and 2007. The City and Northwest acknowledge that this additional funding may be raised through a future City Council voted budget allocation, through voter approved financing or from private sources; and Northwest acknowledges that any future budget allocation to Northwest from the City will be subject to City Council approval. The parties agree to work diligently and cooperatively to obtain such future funding; provided, however, that to the extent (if any) that Pool operations require financial support in excess of the amount that can be raised from Pool revenues and the \$100,000 amount set forth above, the City acknowledges that Northwest may also be seeking to raise other funds from corporate or other private donor sources and that Northwest's efforts in that respect shall not be deemed to conflict in any way with, or be deemed to be in lieu of, this Section 4.2.

5. DISPUTE RESOLUTION

The parties mutually agree to use a formal dispute process such as mediation, through an agreed upon mediator and process, if agreement cannot be reached regarding interpretation or implementation of any provision of this Agreement. All costs for mediation services would be divided equally among the parties to the dispute. Each party would be responsible for the costs of their own legal representation; provided that nothing in this Section 5 shall be construed to limit or negate the parties' obligations to indemnify and defend as set forth in Section 7 below.

6. EFFECTIVE DATE, DURATION AND TERMINATION

- 6.1 Effective Date. The effective date of this Agreement is either (i) January 1, 2003 or (ii) the date following approval of this Agreement by official action of the governing bodies of the parties, the signing of the Agreement by the duly authorized representative of each party, King County Council approval of the transfer of the Pool to Northwest and approval by the District of the assignment of the Lease to Northwest, whichever is later.
- 6.2 Term. This Agreement shall commence upon the Effective Date and shall continue until December 31, 2007, unless earlier terminated pursuant to any other provision of this Section 6.

- 6.3 Termination by Mutual Consent. This Agreement may be terminated upon mutual consent of the City and Northwest. Any mutual termination shall become effective thirty (30) days following written amendment to the Agreement executed by the parties.
- 6.4 Termination Due to Replacement Facility. Should the City construct (or contribute substantially to the construction of) a new swimming pool facility in Mercer Island for public use during the Term of this Agreement, the obligations of the City under this Agreement shall cease upon the opening for operation of that new swimming pool facility, even if such opening occurs prior to the end of 2007.
- 6.5 Termination Due to Lack of Future Funding. This Agreement may be terminated by Northwest at any time after January 1, 2004, if the anticipated annual \$100,000 operating funds described in Section 4.1(ii) are not provided to Northwest for any reason, or if the Pool is transferred to the District due to insufficient funding to own, operate and maintain the Pool on at least a break even basis (taking into account overhead and the costs of needed repairs and capital improvements).
- 6.6 Termination Due to Failure to Maintain Insurance. In the event that Northwest fails to maintain the insurance required by Section 8 of this Agreement, the City may terminate this Agreement.
- 6.7 Pro-Rata Refund to City. In the event of termination for any reason occurs on any day other than the last day of the month, Northwest agrees to repay to the City pro rata any portion of any monthly distribution calculated on the number of days the Pool was closed due to termination, compared to the total days in that month.

7. INDEMNIFICATION AND LIABILITY

- 7.1 Northwest shall release, protect, save harmless, indemnify, and defend, at its own expense (including attorney fees and costs), the City, its officers, elected officials, agents, volunteers and employees from any and all costs, claims, judgments or awards of damages arising out of or in any way resulting from the negligent acts, errors or omissions of Northwest, its officers, employees and agents in performing this Agreement.
- 7.2 The City shall release, protect, save harmless, indemnify, and defend, at its own expense (including attorney fees and costs), Northwest, its elected and appointed officials, officers, employees and agents, from any and all costs, claims, judgments or awards of damages, arising out of or in any way resulting from the negligent acts, errors or omissions of the City, its officers, employees or agents in performing this Agreement.
- 7.3 In the event of either party's liability for damages of any nature whatsoever arising out of the performance of this Agreement, including claims by either party's own officers, officials, employees, agents, or volunteers, or claims by third parties, caused by or resulting from the concurrent negligence of the parties, their officers, officials, employees or

volunteers, each party's liability hereunder shall be limited to the extent of that party's negligence.

7.4 No liability shall be attached to either party by reason of entering into this Agreement except as expressly provided herein.

7.5 It is further specifically and expressly understood that either party's indemnification provided herein constitutes such party's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this Section 7 shall survive the expiration or termination of this Agreement.

8. INSURANCE

Northwest shall maintain workers' compensation insurance in amounts sufficient pursuant to the laws of the State of Washington, automobile and commercial general liability insurance coverage in amounts consistent with standard industry practice in the Puget Sound region covering facilities open to the public and covering entities operating pools. The City shall be named as additional insured on all such policies, with the exception of workers' compensation coverages. Northwest shall provide certificates of insurance, concurrent with the execution of this Agreement. All insurance policies shall contain a clause or endorsement providing that they may not be terminated or materially amended during the Term of the Agreement, except after thirty (30) days prior written notice to the City.

9. RECORDS

The parties shall maintain adequate records to document obligations performed under this Agreement. The parties shall have the right, at its own expense and upon reasonable advance notice, to review the other party's records with regard to the subject matter of this Agreement during regular business hours.

10. GENERAL PROVISIONS

This Agreement contains all of the agreements of the parties with respect to any matter covered or mentioned in this Agreement. No provision of the Agreement may be amended or modified except by written Agreement signed by the parties. Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision. Except as otherwise provided in Section 7 of this Agreement, in the event either of the parties defaults on the performance of any terms of this Agreement or either party places the enforcement of this Agreement in the hands of an attorney, or files a lawsuit, each party shall pay all its own attorney fees, costs and expenses. The venue for any dispute related to this Agreement shall be King County, Washington. Failure of either party to declare any breach or default immediately upon the occurrence thereof, or delay in taking any action in connection with, shall not waive such

breach or default. Time is of the essence of this Agreement and each and all of its provisions in which performance is a factor.

11. CONTACTS FOR AGREEMENT. The contact persons for this Agreement are:

David Wunderlin
President
Northwest Center
1600 W. Armory Way
Seattle, WA 98119
(206) 285-9140

Pete Mayer
Director of Parks and Recreation Services
City of Mercer Island
9611 S.E. 36th Street
Mercer Island, WA 98040-3732
(206) 236-3548

The parties have signed this Agreement on the date indicated below.

CITY OF MERCER ISLAND

Approved as to Form:



Richard M. Conrad
City Manager

Date: 12-19-02



Londi K. Lindell
City Attorney

NORTHWEST CENTER
FOR THE RETARDED



By: David Wunderlin
Its: President

Date: 12.20.02



2006 Annual Performance Report Mercer Island Mary Wayte Pool



Prepared by

**Peter M. Mayer
Assistant City Manager | Parks and Recreation Director
City of Mercer Island**

AB 4163
Exhibit 2
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1.0 EXECUTIVE SUMMARY

As a result of its budget crisis, King County pursued the mothballing of numerous swimming pools in late 2002. In response Northwest Center (NWC) contacted King County with a proposal to operate three area pools, including Mercer Island's Mary Wayte Pool. NWC then sought financial support from the City of Mercer Island for the first year of operation and a commitment that funding would continue for four additional years. The City authorized the transfer of \$100,000 from the Beautification Fund as an operating subsidy for Mary Wayte Pool.

In November 2003, the City Council authorized the continuation of an operating subsidy of \$100,000 from the City's Beautification Fund for 2004 Mary Wayte Pool operations.

In December 2004, the City Council passed Ordinance 04-23 (later replaced with Ordinance 05-01) adopting the 2005-06 biennial budget. This included \$100,000 in annual expenditures for 2005 and 2006 from the Beautification Fund to support Mary Wayte Pool operations.

On December 11, 2006, the City Council passed Ordinance 06-17 adopting the 2007-08 biennial budget. Included within the approved budget was Beautification Fund expenditures of \$100,000 for both years, 2007 and 2008, to support Mary Wayte Pool operations.

One of the conditions of the Agreement was that NWC would provide the City quarterly reports regarding its pool operation. NWC has complied with this and other provisions of the Agreement.

2.0 BACKGROUND

In mid 2001 King County proposed that Mercer Island assume ownership and operation of two County park facilities: Mary Wayte Pool and Luther Burbank Park. In November 2001 the Council considered a detailed report of Mary Wayte Pool including its use, operating costs and condition of its facilities. During the ensuing months Staff continued to negotiate with King County on terms under which the City would assume ownership of Luther Burbank Park. However, the Council continued to decline the County's offer to assume ownership of the pools with its physical limitations and operating costs. King County Staff proceeded on course to mothball Mary Wayte Pool effective January 1, 2003.

In mid-October 2002, the Northwest Center (NWC) contacted King County Executive Ron Sims with a confidential expression of interest toward taking on three of the threatened pools (Mercer Island, Redmond & Northshore). NWC would operate the pools as an ongoing resource to each community and at the same time create jobs for people with disabilities.

The NWC contacted City Staff regarding their proposition on October 30th. A specific proposal for Mary Wayte Pool was provided on November 14th, with a subsequent meeting between the Mayor, Deputy Mayor, City Manager, Deputy City Manager and NWC's President and CEO, Vice President-Commercial Operations and Vice President-Corporate Operations. The key elements of the proposal included:

- County to transfer title to Mary Wayte to NWC under same terms as offered to City. In order to be a legal transaction, the basic parameters for public access and recreational uses are similar to the conditions that would apply to transferring a pool to a city.
- County to pay for capital expenses (associated with their deferred maintenance) to ensure code compliance, integrity of structural and mechanical systems plus mothballing costs.
- For economy of scale, the NWC business plan calls for owning a minimum of three pools, preferably 6 or 7.
- The NWC revenue plan relies upon corporate sponsorships, increased fees and a commitment from the City to provide support for pool operations, specifically a \$100,000 annual contribution.

County Executive Ron Sims confirmed the NWC's pool proposal in his letter to Mayor Merkle dated November 18th. Mayor Merkle responded with a November 22 letter indicating the City's intention and preparation to assist Northwest Center with plans to take action at their December 2 City Council meeting.

2006 Annual Performance Report
Mercer Island Mary Wayte Pool

The NWC proposal included an assumption that the City of Mercer Island would provide \$100,000 to support operations of the pool in the first year, with an anticipation that a similar funding contribution would continue for four additional years. A variety of funding strategies were considered by Council on December 2nd, before authorizing the City Manager to negotiate a contract that would include a transfer of a \$100,000 local operating subsidy for Mary Wayte Pool from the Beautification Fund to Northwest Center.

3.0 AGREEMENT

An Agreement was then reached between the City and NWC effective January 1, 2003 through December 31, 2003 which conveyed \$100,000 to NWC in exchange for NWC's agreement to operate and maintain the pool and provide programs and hours of operation that resembled those under King County ownership.

The Agreement also committed the City to assist NWC in obtaining annual funding of at least \$100,000 to subsidize Pool operations in the years 2004, 2005, 2006, and 2007. Any future budget allocation to NWC from the City would be subject to City Council approval.

Several key provisions of the Agreement are noted below:

Section 3.1 Maintenance & Operation of the Pool- Northwest shall own, maintain in good condition and repair and operate the Pool for a period of five (5) years, commencing on the Effective date of this Agreement.

Section 3.4 Capital Improvement- Northwest shall provide quarterly reports to the City regarding the maintenance and operation of the Pool, including, but not limited to, pool usage and revenue there from, repairs and capital improvements, fee schedules, utility costs, staffing costs, hours of operation, available programs and maintenance costs.

Section 3.3 Level of Service- In operating the pool, Northwest shall provide programs and hours of operation that are reasonably similar to those programs and hours of operation currently provided by King County to Mercer Island residents.

Section 3.4 Quarterly Report- Northwest shall provide quarterly reports to the City regarding the maintenance and operation of the Pool, including, but limited to, pool usage and revenue there from, repairs and capital improvements, fees schedules, utility costs, staffing costs, hours of operation, available programs and maintenance costs.

4.0 PERFORMANCE

The following information has been provided by NWC and in compliance with the Agreement.

The following are the Operational Highlights and Capital Improvements undertaken by Northwest Center at Wary Wayte Pool in 2006.

Operational Highlights

- Increase of 173 participants in swimming lessons between Q1-05 and Q1-06;
- 2,798 swim lessons conducted (not including private lessons) (Q1)
- 12 special needs children participated in Adapted Aquatics lessons (Q1)
- Hosting of Mercer Island High School Dual Meet Championship with 10 local high schools/800 swimmers/500-600 spectators (Q1)
- Hosting of KingCo 3A Championships- 8 high schools/500 participants & spectators (Q1)
- Hosting of two day Chinook Challenge- 350 swimmers/spectators per day (Q1)
- Hosting of Iron Swimmer Meet- 46 swimmers (Q1)
- Receipt of \$1,500 grant from the Mercer Island Foundation for LCD projector and DVD/VCR for movie nights (Q1)
- Hosted Lifeguard Training Class (Q2)
- Hosted April Pool's Day water safety awareness (Q2)
- Spring Break Public Swims- average 30 people per day (Q2)
- Hosted free 3rd Annual Competitive Swim Clinic with University of Washington- 32 children participated (Q2)
- Registered 65 children for Riptide Summer Swim Team (Q2)
- Provided lessons to Country Village Day School- 35 registrants (Q2)
- Group lessons provided to Mercer Island Montessori School and Kids Company (Q2)
- Hosted Mercer Island Beach Club for Mid-Lakes practices- 85 swimmers 7 days per week (Q2)
- Hosted Mercer Island Beach Club B-Champs- 150 swimmers and families for all-day meet (Q3)
- Hosted Mercer Island Youth Triathlon (Q3)
- Summer Swim Team supported 70 swimmers (increase of 10 swimmers over 2005) (Q3)
- Hosted three dual meets- largest of 60 swimmers (Q3)
- Attendance decline due to extraordinary fall weather, Shore and Beach Clubs extending pool operations past Labor Day and Mercerwood Shore Club adding a bubble to facilitate year-around use (Q3)
- Sponsored 8th Annual Apple Bob and Float (Q4)
- West Seattle YMCA hosted October Challenge- 350 swimmers and families (Q4)

**2006 Annual Performance Report
Mercer Island Mary Wayte Pool**

- Hosted KingCo 3A Championships- 350 swimmers/500 spectators for two day event (Q4)
- Hosted Chinook Aquatic Club annual Pentathlon for 350 participants. Additional 300 coaches, officials, and spectators (Q4)
- Hosted Chinook Aquatic Club Fall Challenge- 350 athletes/coaches/spectators (Q4)
- Hosted Salmon Bay Aquatic Club Fall Challenge- 350 athletes/coaches/spectators (Q4)
- Over 45 attendees for winter movie nights- two per month (Q4)
- Winter storms caused basement flooding and boiler repair (Q4)

Capital Improvements

- Calibration of boiler fire chamber and repair of boiler shell (Q2)
- Replaced aged heat coils for locker room and lobby air (Q4)
- Replaced boiler parts due to basement flooding (Q4)

Operational Summary by Quarter

	Q1	Q2	Q3	Q4
Attendance	14,615	15,369	13,386	20,145
Revenue	\$124,769	\$135,653	\$105,980	\$102,175
Utility Expense	\$39,294	\$27,116	\$22,575	\$26,908
Staffing Expense	\$54,461	\$52,180	\$56,656	\$47,370
Maint/Repairs/Capital	\$2,133	\$2,754	\$5,377	\$20,606

**capital amounts are indicated in the maint/repairs category*

A comparison of the 2005-06 Profit/Loss Statement is presented below:

Profit/Loss Statement*	2005	2006	Difference	% Change
Total Revenue	\$ 437,846	\$ 468,506	\$ 30,660	7%
Total Costs of Goods	<u>\$ 98,972</u>	<u>\$ 107,943</u>	<u>\$ 8,971</u>	8%
Gross Profit	\$ 338,874	\$ 360,563	\$ 21,689	6%
Total Expenses	\$ 329,904	\$ 353,007	\$ 23,103	7%
Total Expenses & Costs of Goods	<u>\$ 428,876</u>	<u>\$ 460,950</u>	<u>\$ 32,074</u>	7%
Excess/Deficit	\$ 8,970	\$ 7,557	\$(1,413)	-19%

**Unaudited*

**2006 Annual Performance Report
Mercer Island Mary Wayte Pool**

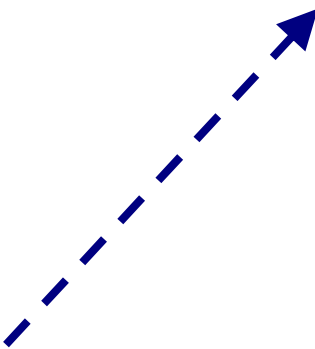
Northwest Center has provided the following Mary Wayte Pool profit/loss statement for 2006:

**Northwest Center
560 Mercer Island Pool
For the Twelve Months Ending December 31, 2006**

	Amount
REVENUE	
Service Sales	\$ 449,094
Intercompany Sales	\$ 453
Contributions	\$ 18,959
	-
TOTAL REVENUE	\$ 468,506
COSTS OF GOODS SOLD	
Production Wages	\$ 89,299
Production Benefits & Payroll	
Taxes	\$ 11,346
Supplies (COGS)	\$ 7,298
	-
TOTAL COSTS OF GOODS SOLD	\$ 107,943
	-
GROSS PROFIT	\$ 360,563

	Amount
EXPENSES	
Staff Salaries	\$ 99,472
Staff Benefits & Payroll Taxes	\$ 23,758
Supplies	\$ 5,801
Maintenance and Repairs	\$ 14,211
Utilities	\$ 116,272
Prof Fees and Contract Services	\$ 7,163
Furniture and Equipment	\$ 4,186
Sales Expense	\$ 3,034
Rent and Leases	\$ 124
Intercompany Services	\$ 3,338
Insurance	\$ 12,360
Legal, Audit, Licenses, Fees, & Taxes	\$ 5,206
Conference and Training	\$ 605
Travel	\$ 953
Bad Debt Expense	\$ -
Depreciation and Amortization	\$ 3,618
Administration **	\$ 52,905
	-
TOTAL EXPENSES	\$ 353,006
	-
TOTAL EXPENSES & COGS	\$ 460,949
	-
EXCESS (DEFICIT) OPERATIONS	\$ 7,557

** Administrative Charge Detail:	
1. Head Office Administration	
A Executive Administration (e.g. CEO, CFO), Information Systems, Human Resources, Accounting - Expenses	\$ 3,965,538
B Total Company Expenses	\$ 39,557,329
C Head Office Administration % (A Divided by B)	\$ 0
D Mercer Island Pool Expenses Before Admin	\$ 408,044
E Mercer Island Pool Administration (C X D)	\$ 40,906
2. Mercer Island Pool Grants Administration 6%	\$ 12,000
3. Mercer Island Pool Administration Costs	\$ 52,906



2006 Annual Performance Report
Mercer Island Mary Wayte Pool

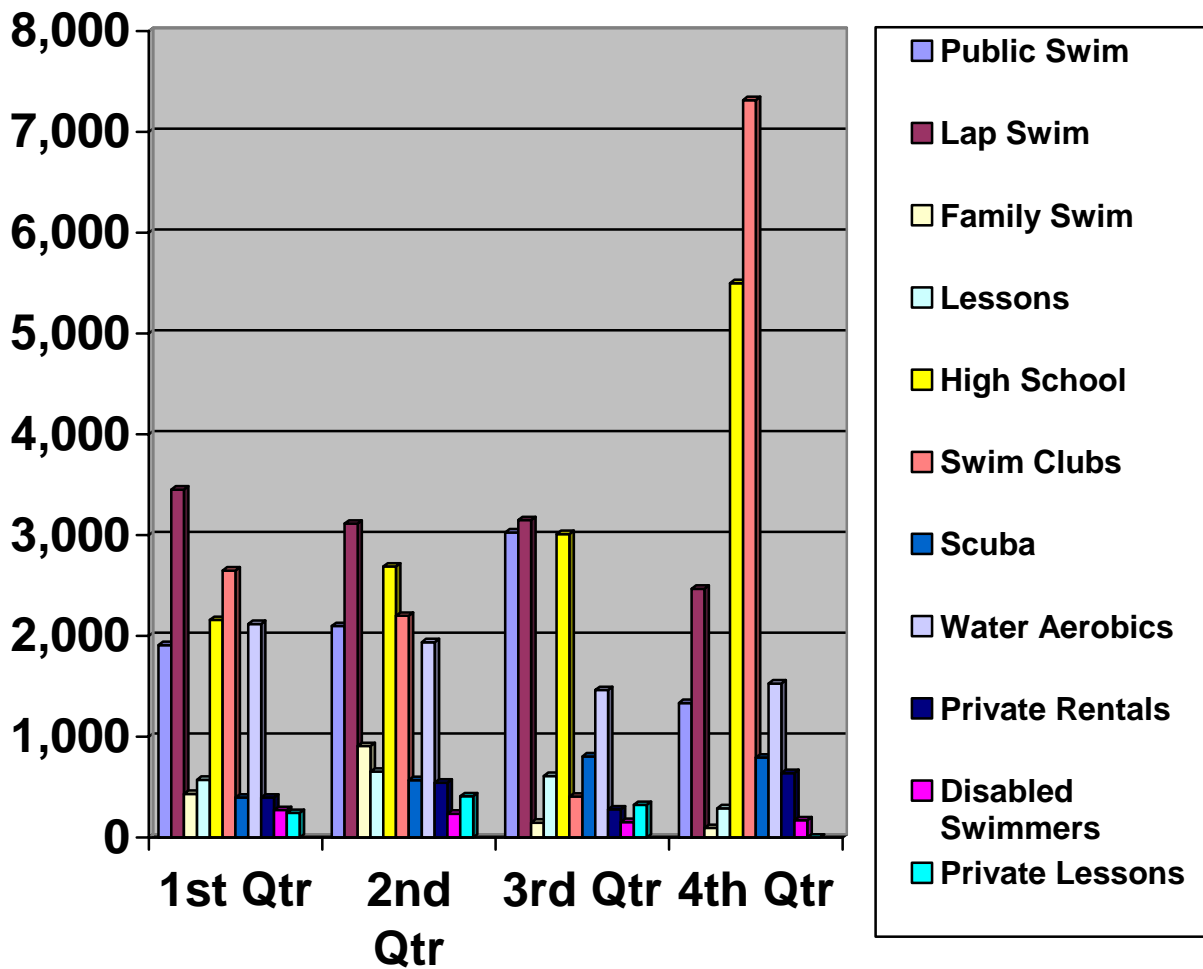
4.1 Fees

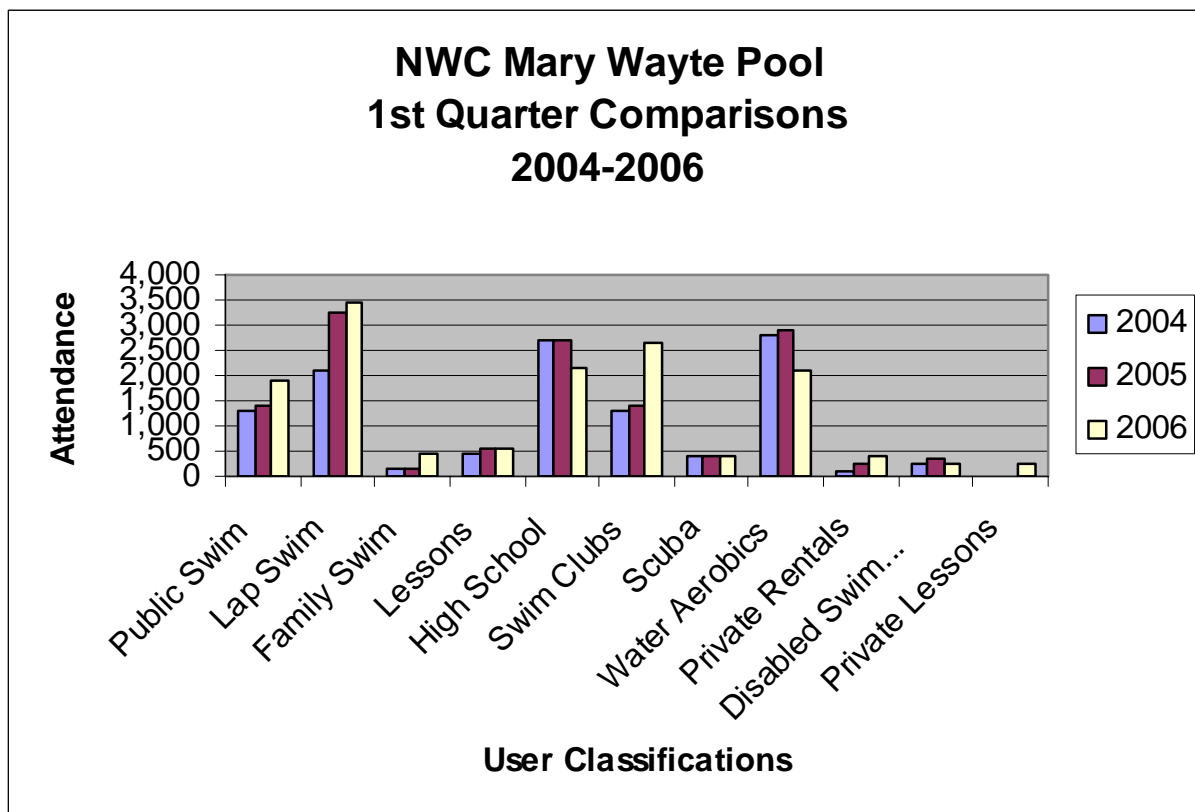
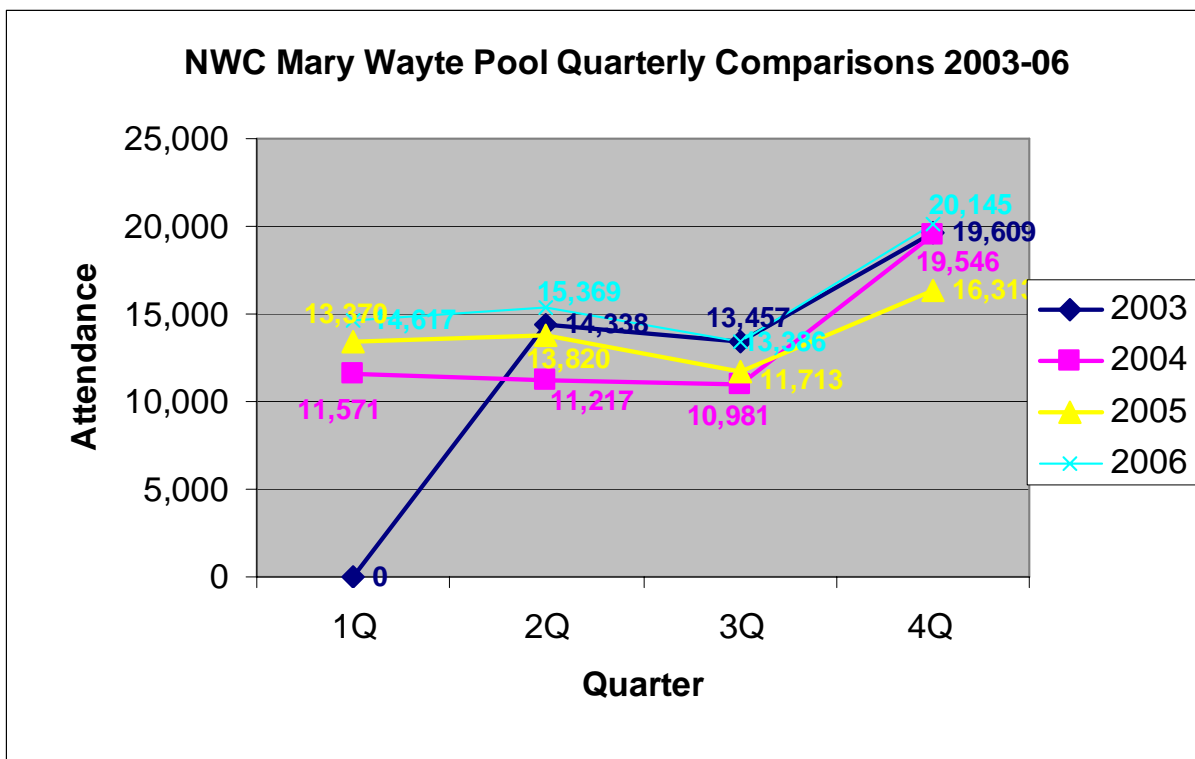
The following reflects the fee schedule effective September 1, 2005.

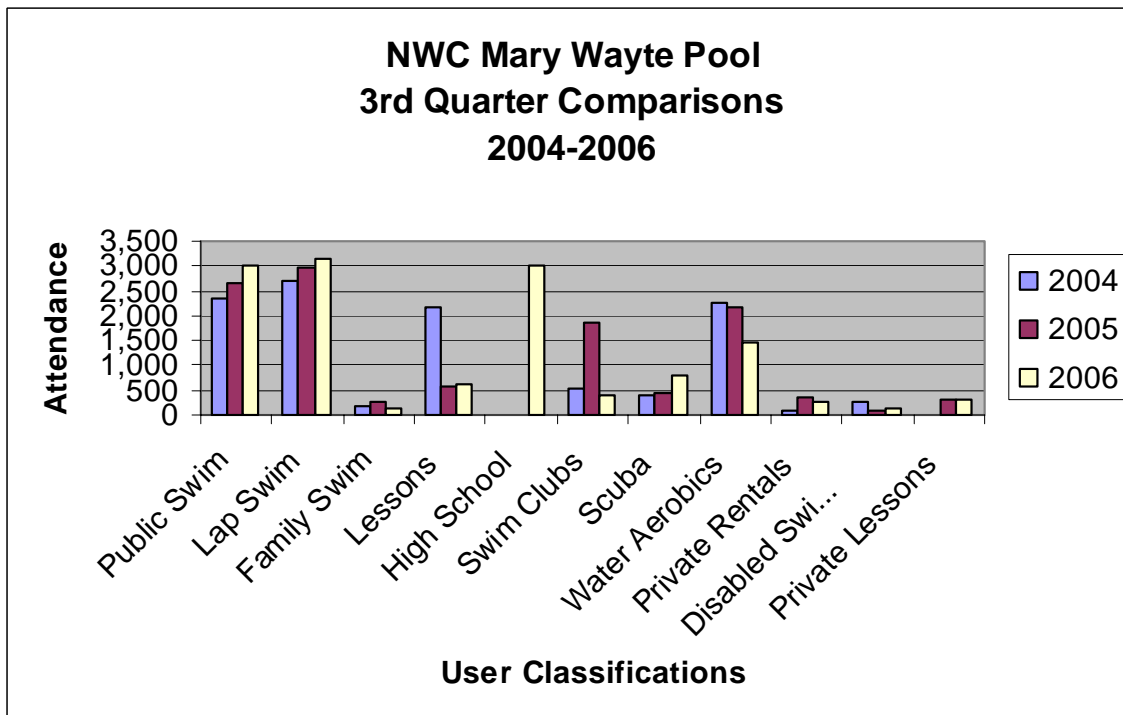
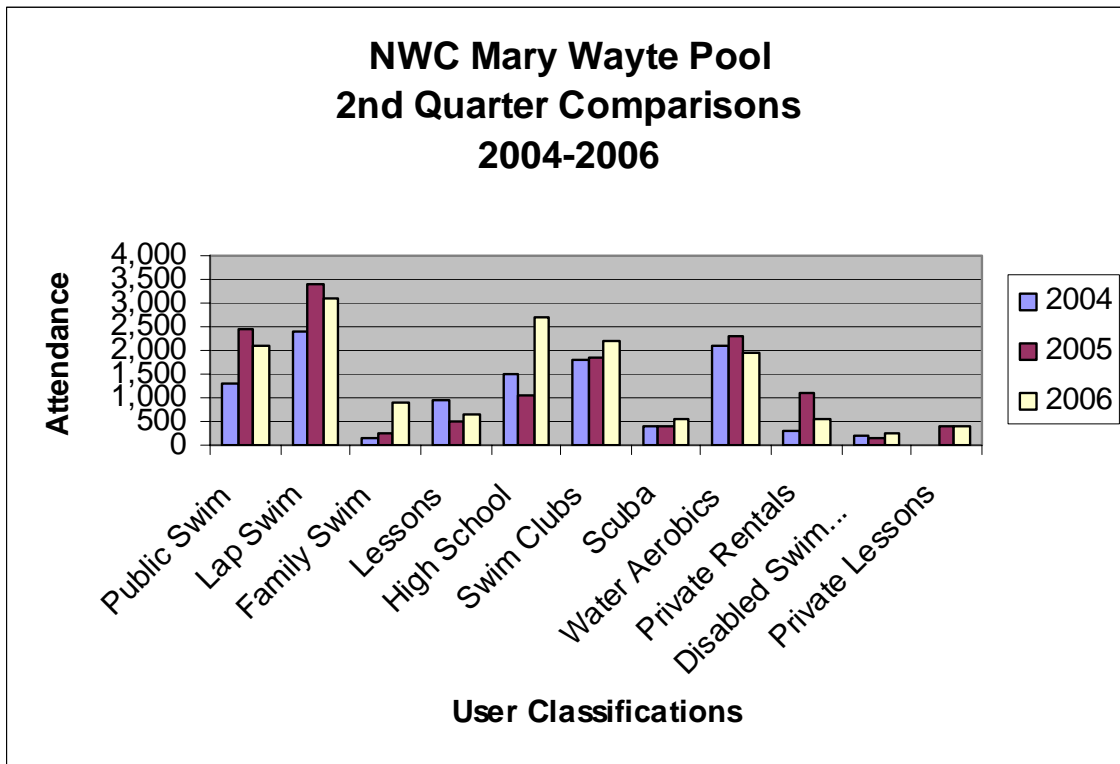
FEE COMPARISON

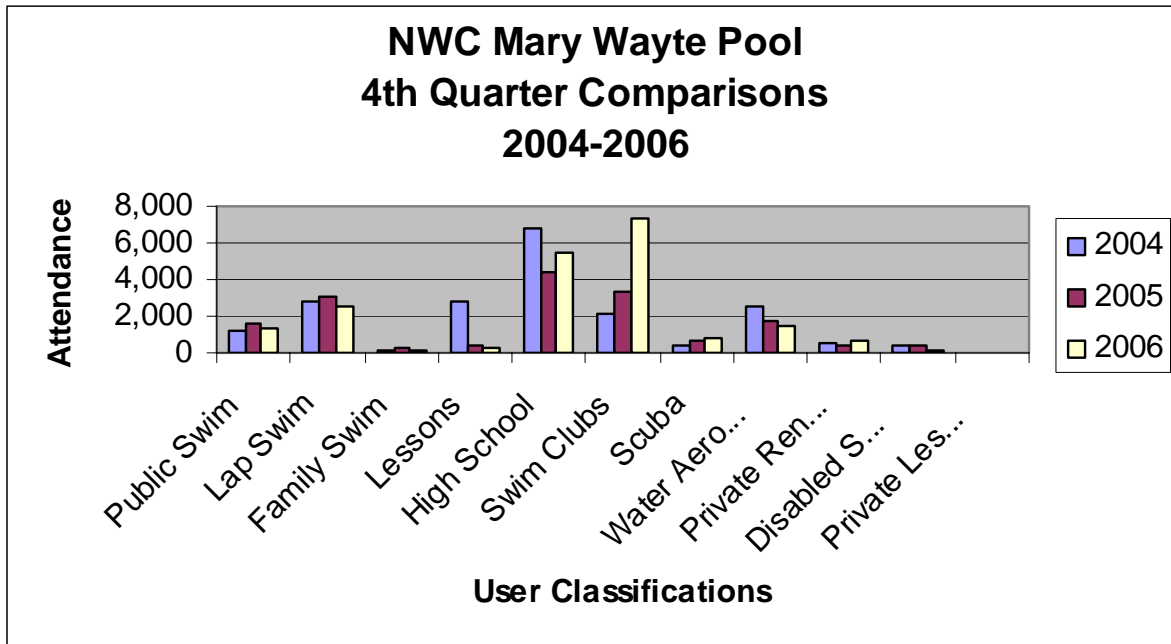
Public Swim	NWC	King County	NWC	King County	NWC	King County
	Youth	\$ 3.50	\$ 3.25			
Adult	\$ 3.50	\$ 3.25				
Senior	\$ 3.25	\$ 3.25				
Person w/disability	\$ 2.25	\$ 2.50				
Family Swim						
Youth	\$ 3.50	\$ 3.25				
Adult	\$ 3.50	\$ 3.25				
Senior	\$ 3.25	\$ 3.25				
Person w/disability	\$ 2.25	\$ 2.50				
Lap Swim						
Youth	\$ 3.25	\$ 5.00				
Adult	\$ 5.00	\$ 5.00				
Senior	\$ 3.25	\$ 3.50				
Person w/disability	\$ 2.25	\$ 3.50				
Water Exercise						
	<i>Single Class</i>	<i>Single Class</i>	<i>10 Visit Punch</i>	<i>10 Visit Punch</i>	<i>30 Punch</i>	
Adult- 1hr	\$ 6.25	\$ 6.25	\$ 58.00	\$ 61.50	\$ 165.00	
Senior- 1hr	\$ 4.25	\$ 4.75	\$ 40.00	\$ 42.00	\$ 110.00	
Adult- 1/2hr	\$ 4.25	n/a	\$ 37.50	n/a		
Senior- 1/2hr	\$ 3.75	n/a	\$ 32.50	n/a		
Deep Water	\$ 6.25	n/a	\$ 55.00	n/a		
Promotional Swim	\$ 1.00	\$ 3.00				
Shower Only	\$ 2.00	\$ 3.25				
Pass Fees						
	<i>3 months</i>	<i>3 months</i>	<i>6 months</i>	<i>6 months</i>	<i>12 months</i>	<i>12 months</i>
Youth	\$ 100.00	\$ 107.25	\$ 165.50	n/a	\$ 245.00	\$ 312.00
Adult	\$ 160.00	\$ 156.75	\$ 220.00	n/a	\$ 390.00	\$ 456.00
Senior	\$ 100.00	\$ 107.50	\$ 150.00	n/a	\$ 220.00	\$ 273.00
Person w/disability	\$ 100.00	\$ 82.50	\$ 150.00	n/a	\$ 220.00	\$ 260.00
Family	\$ 260.00	\$ 275.00	\$ 340.00	n/a	\$ 590.00	\$ 650.00
Private Rentals						
	<i>per hour</i>					
1-25	\$ 92.00	\$ 100.00				
26-60	\$ 130.00	\$ 130.00				
61-90	\$ 176.00	\$ 160.00				
91-120	\$ 220.00	\$ 200.00				
121 or more	\$ 250.00	\$ 240.00				
Party Room	\$ 48.00	\$ 45.00				
Swim Lessons						
	NWC					
	Class Size					
	4	6	8			
Preschool	\$ 9.25	\$ 7.50	\$ 6.50			
Youth	\$ 9.25	\$ 7.50	\$ 6.50			
Adult	\$ 9.25	\$ 7.50	\$ 6.50			
Parent Tot	\$ 5.25					
Pre-competitive	\$8.75-11.00					
Private Lesson (1:1 1/2 hr)	\$ 25.00					
Semi-Private Lesson (1:2- 1/2hr)	\$20 per person					

4.2 Quarterly Program Attendance
 As reported by NW Center









5.0 CITY’S RESPONSIBILITY

In consideration of Northwest Center’s agreement to operate and maintain the pool, the City agreed to pay NWC \$100,000 in equal monthly installments for 2004. In addition, the City committed to assist NWC in obtaining annual funding of at least \$100,000 in 2005, 2006 and 2007 although any future allocation from the City would be subject to City Council approval. NWC and the City agreed to work cooperatively in obtaining future funding, whether through a future City Council voted budget allocation, through voter approved financing, or from private sources.

6.0 SUMMARY

Quarterly performance reports have been submitted to the City that outline attendance, revenues, expenses, capital improvements, fee schedules, and program schedules. In 2003 NWC altered the pool fee schedule and program schedule to address revenue goals, marketability and customer preferences. Fee schedules were increased slightly at the start of 2005 and also effective 9/1/05. Staff is not aware of any concerns regarding access, program limitations, fees or use restrictions of the facility under NWC ownership.

After analyzing the quarterly reports submitted to the Parks and Recreation Department and review of the Agreement, it is concluded that Northwest Center has complied with the Agreement in 2006.