

**Appendix K – Aquatic/Racquetball Facility**

The City of Boulder City adopted a revenue ordinance related to the aquatic/racquetball facility in 2001. At that time, the city was subsidizing the aquatic/racquetball facility about \$250,000 from the general fund, an amount considered politically acceptable. Budget data was provided by the City of Boulder City and analyzed to see if the percentage rate of subsidy was the same today. Table 1 shows the total cost and revenue generated by the aquatic/racquetball facility. The difference is the amount the facility was subsidized by the general fund. Fiscal years 06/07 and 07/08 are projected data. All other years are actual data.

**Table 1: Aquatic/Racquetball Facility Data**

	Budget Year							
	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
<b>Total Cost</b>	\$ 340,062	\$408,090	\$389,582	\$396,493	\$442,778	\$491,206	\$549,034	\$558,910
<b>Revenue</b>	\$ 131,668	\$129,275	\$141,306	\$149,070	\$144,176	\$155,898	\$167,000	\$102,564
<b>Subsidy</b>	\$ 208,394	\$278,815	\$248,276	\$247,423	\$298,602	\$335,308	\$382,034	\$456,346

Figure 1 shows the percentage of total costs recovered by the revenue generated at the facility for each fiscal year. The percentage has been slowly declining as the cost to operate the facility has increased over time and the revenue generated has stayed fairly level.

The acceptable amount of subsidy in early 2001 was about 35 percent. Clearly with the current fee schedule and the total costs for operation of the facility increasing the rate of revenue recovery does not provide the same percentage of subsidy as was originally considered when the ordinance was put in place. Two scenarios should be considered, a plan to reduce the total cost of operation and the increase of specific fees related to the aquatic/racquetball facility.

**Figure 1: Aquatics/Racquetball Complex**

