

CITY OF WARRENSBURG

April 17, 2019

Honorable Mayor and
Members of the City Council
City of Warrensburg, Missouri

Dear Mayor and Council Members:

SUBJECT: Midwest Pool Management Salary Increase Proposal

BACKGROUND:

The Parks and Recreation Department currently contracts out the pool management services to Midwest Pool Management (MPM). MPM manages both the indoor pool at the Community Center and the outdoor pool, Nassif Aquatic Center. MPM is responsible for the following: hiring, training, and supervising staff, conducting safety audits, managing the chemistry of the water, daily cleaning, and keeping the pool safe for all patrons. They have been managing the pool for the past 10 years.

The minimum wage increase will impact the salary schedule that was initially provided to us from MPM. The minimum wage in 2018 was \$7.85 and was increased on January 1, 2019 to \$8.60. From 2020 – 2023, it will increase 85 cents each year until it reaches \$12.00 per hour. This is a 9.55 percent increase in 2019 and 9.88 percent increase in 2020, which were not accounted for in the salary proposal.

Our contract year runs from April 1 to March 31. This is due to when the contract was bid out and approved.

This chart shows the original bid proposal.

	04/1/2018 – 03/31/2019	04/1/2019 – 03/31/2020	04/01/2020 – 03/31/2021
Salary Amount Not To Exceed	\$244,032.00	\$246,227.00	\$248,442.00
Management Fee	\$70,354.00	\$70,987.00	\$71,626.00
Total Annual Fee	\$314,368.00	\$317,214.00	\$320,068.00

This chart shows the proposed salary increase projections.

	04/1/2018 – 03/31/2019	04/1/2019 – 03/31/2020	04/01/2020 – 03/31/2021
Salary Amount Not To Exceed	\$244,032.00	\$255,783.00	\$269,596.00
Management Fee	\$70,354.00	\$70,987.00	\$71,626.00
Total Annual Fee	\$314,368.00	\$326,770.00	\$341,222

ISSUE:

Give staff approval to increase the proposed salary amount not to exceed to accommodate for the minimum wage impact.

STRATEGIC PLAN:

N/A

FISCAL IMPACT:

This salary increase will have an impact of \$9,556 for 2019 and \$21,1154 for 2020 in the amount not to exceed. Because of the difference in our fiscal year and our contract with them, we won't see the full impact of that amount this fiscal year. However, we do need to consider the impact for the remaining portion of the 2019 contract and all of 2020.

We typically receive a refund at the end of the contract year for the portion of the salary fee that was not used. The estimated refund this for 2018 – 2019 is \$4,784.68. This will help offset the increase for the remainder of this fiscal year.

Taking the refund into account, we should see a minimal increase for the remainder of the fiscal year, depending on our staffing needs at the pools. The biggest impact will be in years to come, with an almost \$27,000 increase from 2018 to 2020.

ECONOMIC BENEFITS/IMPACT:

N/A

RECOMMENDATION:

Approve a budget increase for the 2019 – 2020 and 2020 – 2021 contract years with Midwest Pool Management for minimum wage impact.

Sincerely,
Danielle Fesler
Director of Parks and Recreation

cc: City Manager
Attachments: Proposal from Midwest Pool Management