

RESOLUTION NO. 4100-2018

RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING THE FY 2018/19 C.V. STARR COMMUNITY CENTER OPERATING AND CAPITAL IMPROVEMENT BUDGET AND FY 2018/19 FEE SCHEDULE

WHEREAS, the C.V. Starr Community Center ("CVSCC") is a public facility serving residents and visitors of Fort Bragg and the Mendocino Coast and its ongoing operation is consistent with the Council's goal of promoting healthy lifestyles through the provision of active recreational facilities; and

WHEREAS, on May 21, 2018, the City Council (Council) and the Mendocino Coast Recreation & Parks District (District) conducted a joint FY 2018/19 Budget Workshop for the CVSCC; and

WHEREAS, in accordance with the Operating Agreement between the City and the District which governs operation of the CVSCC, the District Board reviewed and approved the FY 2018/19 Budget at a regular meeting on May 16, 2018; and

WHEREAS, based on all the evidence presented, the City Council finds as follows:

1. The FY 2018/19 Budget for the CVSCC adequately appropriates funds for expenditures associated with operation, maintenance and capital improvements at the CVSCC; and
2. The FY 2018/19 Budget was developed with most likely assumptions about CVSCC fee revenues and reasonable assumption about expenditures.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Fort Bragg does hereby adopt the FY 2018/19 Budget ("Exhibit A") and FY 2018/19 Facility Fee Schedule, ("Exhibit B"), as submitted; and

BE IT FURTHER RESOLVED that copies of the FY 2018/19 budget for the CVSCC will be on file in the offices of the City Clerk and City Finance Director/Treasurer and shall be considered a part of the Resolution.

The above and foregoing Resolution was introduced by Councilmember Norvell, seconded by Councilmember Turner, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 11th day of June, 2018, by the following vote:

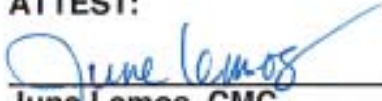
AYES: Councilmembers Cimolino, Lee, Norvell, Turner and Mayor Peters.
NOES: None.
ABSENT: None.

ABSTAIN: None.
RECUSED: None.



LINDY PETERS
Mayor

ATTEST:



June Lemos, CMC
City Clerk

FY 2018-2019 Budget Report

The C. V. Starr Community Center (CVSCC or Center) FY 2018/2019 Budget Report is prepared for the Fort Bragg City Council and Mendocino Coast Recreation & Park District (MCRPD) Board in accordance with the operating agreement between the two associated entities. This report includes the CVSCC’s financial activity for FY 2016/2017, projected activity for FY 2017/2018 and a proposed budget for FY 2018/2019.

The Center is operating in accordance with the approved FY 2017/2018 budget, as amended. The proposed FY 2018/2019 budget has been developed to provide for the continued operation of the Center with an emphasis on the following; capital improvement projects, preventative maintenance, improving security, program development, enhanced outreach, as well as providing for superior customer satisfaction.

Variances from the previous year’s budget are the result of an effort to provide revenue and expense projections with an even higher degree of accuracy utilizing accounting history actuals. Budget development continues to be a team approach, which helps improve the operational vetting process while increasing financial accountability. Cost allocation is being utilized to maximize operational efficiency throughout the MCRPD agency and CVSCC.

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Summary of Revenues and Expenditures

CVSCC FY10/19 Budget Summary

	A	B	C	D	E	G	H	I	J
Description	FY 16/17 Adopted Budget	FY 16/17 Revised Budget	FY 16/17 Audited Results	FY 17/18 Adopted Budget	FY 17/18 Revised Budget	FY18/19 Proposed	Variance favorable (unfavorable)		% F/G
Operating Revenue									
General Admission	\$ 588,600	\$ 575,136	\$ 591,777	\$ 589,000	\$ 588,400	\$ 578,800	\$ (9,600)		-2%
Discounts	(22,600)	(13,441)	(14,405)	(18,800)	(20,510)	(20,800)	(290)		1%
Rentals	51,300	45,471	52,815	48,670	40,670	56,600	7,930		16%
Registration	64,400	32,798	57,073	56,300	57,300	63,500	6,200		11%
Merchandise	6,900	7,608	8,000	8,550	8,450	7,500	(950)		-11%
Miscellaneous	3,800	3,800	6,266	4,900	4,941	4,200	(741)		-15%
Total Revenue	672,300	699,362	701,466	688,540	687,254	689,800	2,546		0%
Operating Expense									
Wages and Benefits	945,085	925,860	932,744	1,043,621	1,043,621	1,068,338	(24,717)		0%
Militia	211,100	221,102	281,251	228,915	228,199	289,189	(60,274)		2%
Contract	31,880	26,990	27,617	34,080	34,122	37,424	(3,342)		4%
Maintenance	113,828	133,511	160,140	131,142	133,396	127,160	6,226		-5%
Operations	196,174	190,889	154,834	208,059	217,794	203,331	14,728		-2%
Other Expenses	31,741	31,741	35,687	36,300	34,400	29,382	(6,918)		22%
Total Operating Expense	1,590,778	1,542,354	1,584,356	1,706,178	1,711,629	1,711,733	(19,604)		1%
Non-Operating Revenue/Expenses									
Web Design	12,000	5,500	4,367	3,500	7,259	-	(7,259)		-100%
Classification/Comp. Plan	3,288	7,317	7,317	-	-	-	-		-
Total Non-Operating Revenue/Expenses	15,288	12,817	11,684	3,500	7,259	-	(7,259)		-100%
COFB Loan Principle Payment	61,821	60,327	61,821	-	-	-	-		-
COFB Energy Loan Princ. Pmt.	21,360	21,360	21,360	22,540	22,540	-	-		-100%
Total Expenses	1,649,247	1,626,858	1,677,371	1,732,218	1,731,628	1,711,733	6,885		-4%
Net Revenue (Expense)	(977,947)	(920,486)	(977,706)	(1,043,678)	(1,044,374)	(1,031,933)	12,441		-1%
Enterprise Fund Allocation for Operations	977,947	920,486	977,706	1,043,678	1,044,374	1,031,933	(12,441)		-1%
Net Operating Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		-

Description	FY 16/17 Adopted Budget	FY 16/17 Revised Budget	FY 16/17 Audited Results	FY 17/18 Adopted Budget	FY 17/18 Revised Budget	FY18/19 Proposed	Variance favorable (unfavorable)
Capital Improvements							
Leisure Pool Boiler	-	18,900	18,900	-	-	-	-
Competition Pool Boiler	-	19,900	19,900	-	-	-	-
Hydronic Boiler 1	-	-	-	16,000	18,000	-	18,000
Hydronic Boiler 2	-	-	-	-	18,000	-	18,000
Wetstopper	-	-	-	21,000	-	21,000	(21,000)
Spin Room Lighting	-	-	-	3,000	3,000	-	3,000
Sign Project	-	-	-	6,500	6,500	-	6,500
Fitness Room Equipment	-	-	-	21,000	22,000	-	22,000
Pulsar Tube	-	-	-	-	-	26,000	(26,000)
Security System	-	-	-	-	-	8,500	18,900
Total Facility Improvements	-	38,800	38,800	67,500	67,500	55,500	12,000
Enterprise Fund Allocation for Facility Improvements							
	-	(38,400)	(38,400)	(67,500)	(67,500)	(55,500)	(12,000)
Floor Drains Project	110,000	107,100	113,661	56,695	48,707	-	48,707
Pool Basin Resurfacing	-	-	-	-	-	180,000	(180,000)
Enterprise Capital Projects - City Managed	(110,000)	(107,100)	(113,661)	(56,695)	(48,707)	(180,000)	(131,293)
Total Capital Improvements	-	148,900	182,061	134,195	118,293	228,933	(119,207)

Enterprise Fund		FY 16/17 Audited Results	FY 17/18 Revised Budget	FY18/19 Proposed
Beginning Unrestricted Net Position	\$	686,110	725,611	725,306
Operating Revenue	\$	695,563	687,254	689,800
Sales Tax Revenue	\$	800,985	900,962	828,120
Property Tax Revenue	\$	234,006	236,940	248,376
Non-Operating Revenue	\$	7,005	4,300	2,800
Operating Expense	\$	(1,889,387)	(1,701,829)	(1,711,731)
Non-Operating Expense	\$	(1,630)	(7,259)	-
Capital Assets Net of Debt payments	\$	(177,120)	(136,833)	(216,900)
Unrestricted Net Position	\$	725,611	725,306	634,266
Operating Reserve	\$	388,893	387,347	425,457
Capital Repair & Equip Reserve	\$	346,719	327,459	208,811
Unrestricted Net Position	\$	725,611	725,306	634,266

Operating Revenues

Revenue generated from operating the Center is collected through general admissions, facility rentals, program registration, sale of merchandise, and miscellaneous sources. Proposed revenue projections for FY 2018/2019, are \$689,800, which is an increase of \$2,546 and includes the projected six-week aquatic closure in November/December.

General Admission

General admission revenue consists of user fees collected through drop-in visits, the sale of memberships and other admissions. Proposed general admission revenues for FY 2018/2019 are \$578,800. The \$9,600 decrease in revenue is due to the forecasted pool closure slated to take place starting in late November with an anticipated project timeline of 45 days. The proposed budget also includes a modest increase in fees, with a planned implementation of January 1, 2019. The closure is to complete the capital improvement project of relining both pools.

Discounts

Revenue discounts account for promotions and the employee membership benefit. This also includes free swim passes for 2nd graders who complete the 2nd grade learn to swim program administered by MCRPD. FY 2018/2019, discounts are budgeted at \$20,800. This is a \$290 increase from the previous year's budget. The increase is due to more staff utilizing their memberships.

Rentals

Rental revenue is collected for private rentals of facilities, such as birthday party room rentals or pool rentals by swim teams. The proposed amount for the FY 2018/2019 Rental Revenue is \$56,600 which is a 16% increase from the previous year. The projected increase is based on trends and adding new party rental packages such as Zumba for kids.

Registration

Registration revenue is collected for registered activities, such as enrichment programs or swimming lessons. The proposed FY 2018/2019 budget amount for registration revenue is \$63,500. The proposed 11% increase is based on new programs offered as well as being fully staffed in aquatics.

Merchandise

Merchandise revenue is collected for the sale of retail items or extra staff uniforms. Proposed merchandise revenues for the FY 2018/2019 budget are \$7,500 which is an 11% decrease from the previous year. This decrease in revenue is due to the pool closure as most of merchandise is aquatic based.

Miscellaneous

Miscellaneous revenue includes items such as vending machine commission and other revenue that does not fall into any of the previous categories. Proposed miscellaneous revenues for the FY 2018/2019 are \$4,200 which is a 15% decrease.

Operating Expenses

Operating expenditures are costs directly related to the operation of the Center. Operating expenditures for the FY 2018/2019 budget are proposed at \$1,721,733. This is an increase of \$19,904 (1%).

Wages and Benefits

Wages and benefits account for the monetary compensation paid to employees, healthcare benefits, workers compensation insurance, state unemployment insurance, state employment training tax, federal insurance contribution act tax (FICA), and federal Medicare tax. The proposed FY 2018/2019 wages and benefits are \$1,068,238 which is an increase of \$4,617 from the previous year. This includes a cost of living increase of 2%. Healthcare benefits contributions were increased but budgeted with actual costs and opt out amounts.

Utilities

Utilities include propane, electricity, water, and sewer service. The proposed budget number is based on utility usage history, trending utility costs and cost allocation to MCRPD. The FY 2018/2019 budget amount for utility expense is \$256,488. This expense is anticipated to experience an increase of \$17,992. A significant portion of the increase is from re-filling both pools after the basin re-plastering project has been completed.

Outreach

Outreach expenditures are for the marketing of the Center, such as advertisements in local publications brochure production, and community sponsorships. The proposed outreach expense for FY 2018/2019 is \$37,134, which is an increase of \$3,012 from FY2017/2018. This supports increased costs related to newspaper/publication advertising, brochure production, online presence and a more aggressive marketing strategy with an emphasis on targeting tourism dollars and corporate memberships.

Maintenance

Maintenance includes pool chemicals, repair parts, grounds keeping, tools and other maintenance related supplies and services. The proposed maintenance expense for FY 2018/2019 is \$127,160. This is a decrease in maintenance costs of \$6,236. The decrease can be attributed to equipment upgrades and replacement, as well as the aquatic closure.

Operations

Operations account for attorney services, engineering services, bank fees, communications, janitorial supplies, insurance, laundry service, office supplies, permits, postage/shipping, program supplies, recruitment, training and uniforms. Operation expenses for FY 2018/2019 are budgeted at \$203,331 which is a decrease of 20% from the previous year.

Other Expenses

Other expenses include interest payments, property tax administration, LAFCO, (Local Agency Formation Commission), MCRPD administration and COFB administration. For FY 2018/2019, the proposed budget is \$29,382. The 20% increase is due to an anticipated increase in LAFCO fees.

Capital Improvements

Wattstopper

The existing wattstopper unit serves as a master lighting control for the entire facility. The existing wattstopper is nearing the end of its dependable life expectancy and needs to be replaced for an expense of \$21,000. Funding for the replacement of this unit was approved in the FY 2017-2018 budget. As a result of the remaining original hydronic boiler reaching critical operating status, staff is requested to use existing wattstopper project funds to be reallocated towards the immediate replacement of the remaining initial hydronic boiler and to move forward with rescheduling the replacement of the wattstopper for FY 2018-2019. The remaining hydronic boiler can be replaced in an amount not to exceed \$20,000.

Pool Basin Resurfacing

The pool basins are in very poor condition and have been patched for the past five years. The process of removing the old lining and re-lining the pools with plaster, will take approximately 6 weeks, the closure is planned for late November/December when it will have the least amount of impact on the community and the CV Starr budget. The proposed capital expenditure for this project is \$180,000.

Pulsar Tubs

The Pulsar system provides consistent chlorination for keeping the pool water sanitized. The pulsar tubs have reached their maximum life and need replacing. The proposed expenditure for the replacement is \$26,000.

Security System

Provides an enhancement for public and staff safety within the facility.

CVSCC Enterprise Fund

The City of Fort Bragg (City) maintains an "Enterprise Fund" to account for the activity related to the CVSCC. The Enterprise Fund is an account to record the revenue and expense of CVSCC and maintain the activity of the CVSCC separately from other City activities. The fund is named the C. V. Starr Center Enterprise Fund.

The CVSCC Enterprise Fund accounts for operations of the CVSCC, the receipt of the special half cent sales tax revenues received from the State Board of Equalization and property taxes received from the Mendocino County Tax Collector under the Property Tax Exchange Agreement between the City and MCRPD. All proceeds from the sales tax are dedicated to operation, maintenance, and capital improvements at the C. V. Starr Community Center in compliance with the Fort Bragg Municipal Code Chapter 3.11 (Ordinance No. 902, passed 03-06-2012). Pursuant to the Property Tax Exchange Agreement between the City and the MCRPD property tax revenues are to be used solely for parks and recreation purposes with the City (including CVSCC).

Given the proposed FY18/19 operating budget and estimated tax revenue, the CVSCC Enterprise Fund is projected to end the year with a net asset balance of \$634,368

The Funds are separated as follows; Operating Reserve, is 25% of the prior year projected operating expenditures, and the Capital Reserve which absorbs any excess amount above what goes into the Operating Reserve.

C. V. STARR COMMUNITY CENTER FEE SCHEDULE REC GUIDE ADVERTIZING		
	General Fee	
Brochure Advertisement (1 x Rate)		
Single Page		\$510.00
Single Page - Inside Front Cover		\$765.00
Single Page - Inside Back Cover		\$765.00
Single Page - Back Cover		\$1,020.00
Two-Page Spread		\$995.00
1/2 Page		\$285.00
1/4 Page		\$160.00
Brochure Advertisement (Annual Contract, 3 x Rate)		
Single Page		\$1,305.00
Single Page - Inside Front Cover		\$1,955.00
Single Page - Inside Back Cover		\$1,955.00
Single Page - Back Cover		\$2,605.00
Two-Page Spread		\$2,540.00
1/2 Page		\$730.00
1/4 Page		\$410.00
Brochure Advertisement, Preferred Rate (1 x Rate)		
Single Page		\$255.00
Single Page - Inside Front Cover		NA
Single Page - Inside Back Cover		NA
Single Page - Back Cover		NA
Two-Page Spread		\$500.00
1/2 Page		\$145.00
1/4 Page		\$85.00
C. V. STARR COMMUNITY CENTER FEE SCHEDULE MERCHANDISE		
	General Fee	
MERCHANDISE		
General Resale Items	200% of purchase cost (rounded up to nearest \$1.00)	
Uniform Parts	100% of purchase cost (rounded up to nearest \$1.00)	
C. V. STARR COMMUNITY CENTER FEE SCHEDULE – FACILITY RENTALS		
	(per hour)	(per day)
ROOM RENTALS		
Small Multi-Purpose Room (room 1 or 2)	\$35.00	\$160.00
Combined Multi-Purpose Room (room 1 and 2)	\$60.00	\$250.00
Aerobics Studio	\$70.00	NA
Spin Room	\$70.00	NA

POOL RENTALS		
All Aquatic Facilities	\$410.00	NA
Leisure/Activity Pool (no water park features)	\$110.00	NA
Water Slide & Lazy River	\$160.00	NA
Competition Pool	\$110.00	NA
Lane Rental for swim team use	\$8.00	NA
Lane Rental for non-swim team use (proposed to start 1/1/19)	\$16.00	N/A
OUTDOOR FACILITIES		
Special Event Permit	\$25.00	\$110.00
STAFF		
Staff Time	\$20.00	NA
SWIMMING PARTY		
Up to 15 people	\$125.00	NA
Each additional person (25 max)	\$5.00	NA
Up to 30 people total	\$225.00	NA
Each additional person (50 max)	\$5.00	NA
ZUMBA PARTY		
Up to 15 people	\$125.00	NA
Each additional person (25 max)	\$5.00	NA
Up to 30 people total	\$225.00	NA
Each additional person (50 max)	\$5.00	NA

	District Resident 2018	District Resident 2019	Non-Resident 2018	Non-Resident 2019
DAILY DROP-IN FEE				
Youth (5 to 17), Seniors (62+), and Disabled Adults	\$5	\$6	\$9	\$10
Adult (18 to 61)	\$7	\$8	\$11	\$12
Family (see definition below)	\$18	\$20	\$30	\$33
Each additional family member	\$4	\$5	\$7	\$8
Groups of 20 or more	\$1 off/person	\$1 off/person	\$1 off/person	\$1 off/person
10-Visit Pass				
Advance payment in full is required. Passes do not expire				
Youth (5 to 17), Seniors (62+), and Disabled Adults	\$45	\$54	10 visit pass fee for 2019 was calculated by 10 times the drop	
Adult (18 to 61)	\$60	\$72		

Family (see definition below)	\$160	\$180	in rate for the pass category and then less 10%
1 MONTH MEMBERSHIP			
Advance payment in full is required			
Advance payment in full is required	\$35	\$36	1 Month Memberships will increase by 2% in 2019 and rounded be to the nearest dollar.
Adult (18 to 61)	\$50	\$51	
Couples (2 persons, same household)	\$100	\$102	
Family (see definition below)	\$125	\$128	
Each additional family member	\$15	\$15	
MONTHLY RECURRING MEMBERSHIP - 6 Month Minimum Required			
Automatic debit/credit payment required - 30 days' notice required to cancel.			
Youth (5 to 17), Seniors (62+), and Disabled Adults	\$30	\$31	Monthly Recurring Memberships will increase by 2% in 2019 and be rounded to the nearest dollar.
Adult (18 to 61)	\$50	\$51	
Couples (2 persons, same household)	\$100	\$102	
Family (see definition below)	\$125	\$128	
Each additional family member	\$15	\$15	
12-MONTH MEMBERSHIP			
10% Discount on Monthly Pass rate applies to 12-Month Passes - Advance payment in full is required.			
Youth (5 to 17), Seniors (62+), and Disabled Adults	\$324	\$330	12 Month Memberships are calculated by the Monthly Recurring rate times 12 and less 10%
Adult (18 to 61)	\$540	\$551	
Couples (2 persons, same household)	\$864	\$881	
Family (see definition below)	\$1134	\$1157	
Each additional family member	\$108	\$110	

"Corporate" accounts Cont.

Employers offering monthly passes through payroll deductions or benefit programs will receive a 10% discount on the Monthly Pass rate and are subject to the same minimum term and notice requirements

Youth (5 to 17), Seniors (62+), and Disabled Adults	\$27	\$28	Corporate Memberships are calculated by taking 10% off the Monthly Recurring Membership rates and rounding to the nearest whole dollar.
Adult (18 to 61)	\$45	\$46	
Couples (2 persons, same household)	\$72	\$74	
Family (see definition below)	\$94.50	\$96	
Each additional family member	\$9	\$9	

FREE ADMISSION VOUCHERS

50 free admission vouchers per fiscal year for marketing

300 free admission vouchers per fiscal year for low-income qualifying children

Age Groups and Participant Classifications:

Children age 4 and under are free

Youth: At least 5, but less than 18

Adult: At least 18, but less than 62

Family: 1-2 adults with minor, dependent children residing in same household (5 person maximum)

Couple: Any two persons living in the same household

Senior: At least 62

Disabled: Any person with a disability according to the Americans with Disabilities Act (ADA)

C. V. STARR COMMUNITY CENTER FEE SCHEDULE PROGRAMS

	General Fee
GROUP ACTIVITY (per 30 minutes)	
Group Swim Lesson (cost per lesson)	\$5.00
Enrichment Activity	Fees will be established by the Director or Director's designee; and at a minimum cover direct activity costs at an enrollment level one below the set minimum enrollment level for the given activity.
EXCLUSIVE ACTIVITY (per 30 minutes, unless noted otherwise)	
Private Swim Lesson (1 student)	\$25.00
Semi-Private Swim Lesson (per student)	\$15.00
Personal Training Session (per person, 1 hour)	\$40.00

