



C.V. STARR COMMUNITY CENTER

**MIDYEAR BUDGET REPORT
FY2021-2022**

February 16, 2022

C.V. STARR COMMUNITY CENTER

www.mendocoastrec.org

300 S Lincoln Street, Fort Bragg, CA 95437

The C. V. Starr Community Center (CVSCC) FY2021-2022 Midyear 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.

The Center is operating in accordance with the approved FY2021-2022 budget. The proposed FY2021-2022 midyear budget has been developed to provide the most realistic forecast possible, given the information available to staff at the time.



Mendocino Coast Recreation and Park District
Board of Directors and Term Expires:

Barbara Burkey, Board Chair - December 2022
Leslie Bates, Board Vice Chair - December 2022
Angela Dominguez, Board Secretary - December 2024
Bob Bushansky, Board Member - December 2022
John Huff, Board Member - December 2024

TABLE OF CONTENTS

Budget summary _____	4
Operating Revenues _____	5
General Admissions _____	5
Rentals _____	5
Registrations _____	5
Merchandise _____	5
Miscellaneous _____	5
Operating Expenses _____	6
Wages and Benefits _____	6
Utilities _____	7
Outreach _____	8
Maintenance _____	8
Operations _____	8
Other Expenses _____	8
Capital Improvements _____	9
Wattstopper _____	9
AHU Programmer _____	9
Leisure and Competition Pool Boilers _____	9
BECS System _____	9
Domestic Hot Water System _____	9
ADA Door Installation - Natatorium _____	10
Men's Locker Room Flooring _____	10
Four Inch Pipe Replacement - Pool Circulation Pipe _____	10
UV System - Leisure and Competition Pool _____	10
Other Revenues - C.V. Starr Enterprise Fund _____	11
Sales Tax _____	11
Property Tax _____	11
Other Revenue _____	11
Reserves _____	11

BUDGET SUMMARY

Description	FY18/19 Audited Results	FY19/20 Audited Results	FY20/21 Actuals	FY21/22 Adopted Budget	FY20/21 Actuals as of 12/31/2021	% Variance at Mid-year	FY21/22 Projection	Variance FY21/22 Adopted Budget vs. FY21/22 Midyear Projection
Operating Revenue								favorable (unfavorable)
General Admission	\$ 571,718	\$ 391,013	\$ (426)	\$ 375,956	\$ 155,342	41%	\$ 310,685	\$ (65,271)
Rentals	50,241	34,966	(125)	29,423	13,132	45%	34,787	5,364
Registration	74,977	33,443	(156)	33,186	18,881	57%	45,514	12,328
Merchandise	7,726	4,057	-	3,596	2,997	83%	6,130	2,534
Miscellaneous	6,745	2,239	591	2,754	439	16%	2,113	(641)
Total Operating Revenue	711,407	465,718	(116)	444,914	190,791	43%	399,229	(45,686)
Operating Expense								
Wages and Benefits	995,222	858,921	251,264	952,732	370,112	39%	952,732	-
Utilities	274,452	183,177	76,967	271,996	158,318	58%	350,044	(78,048)
Outreach	32,643	12,218	-	22,200	5,545	25%	17,200	5,000
Maintenance	145,095	89,219	34,650	165,525	21,602	13%	161,994	3,531
Operations	191,503	232,543	132,467	210,328	110,452	53%	203,625	6,703
Other Expenses	29,265	24,856	10,000	15,350	6,150	40%	15,350	-
Total Operating Expense	1,668,180	1,400,933	505,348	1,638,131	672,179	41%	1,700,945	(62,814)
Total Expenses	1,668,180	1,400,933	505,348	1,638,131	672,179	41%	1,700,945	(62,814)
Net Revenue (Expense)	(956,773)	(935,215)	(505,464)	(1,193,217)	(481,388)		(1,301,717)	108,500
Enterprise Fund Allocation for Operations	956,773	935,215	505,464	1,193,217	481,388		1,301,717	(108,500)
Net Operating Income	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Capital Improvements								
Capital Improvements CVSCC Managed	12,786	91,234	36,009	-	-		-	-
Total Facility Improvements	12,786	91,234	36,009	-	-		-	-
Enterprise Fund Allocation for Facility Improvements	(12,786)	(91,234)	(36,009)	-	-		-	-
Capital Improvements - COFB Managed	16,735	247,490	-	562,000	-		448,475	113,525
Enterprise Capital Projects - City Managed	(16,735)	(247,490)	-	(562,000)	-		(448,475)	(113,525)
Total Capital Improvements	12,786	91,234	36,009	562,000	-		448,475	113,525

Enterprise Fund Summary - From City CAFR/Budget

Enterprise Fund	FY18/19 Audited Results	FY19/20 Audited Results	FY20/21 Actuals	FY21/22 Adopted Budget	FY21/22 Projection	Variance
Beginning Unrestricted Net Position	\$ 874,690	\$ 702,390	\$ 306,884	\$ 1,139,627	\$ 1,139,627	\$ -
Operating Revenue	711,205	465,718	(116)	444,914	399,229	(45,686)
Sales Tax Revenue	878,737	944,770	1,099,510	1,001,874	1,001,874	\$ -
Property Tax Revenue	249,499	236,185	262,787	260,000	260,000	\$ -
Non-Operating Revenue	18,024	15,227	11,919	10,000	10,000	\$ -
Other Revenue	-	-	-	-	602,160	\$ 602,160
Operating Expense	(1,993,643)	(1,718,682)	(505,348)	(1,638,131)	(1,700,945)	(62,814)
Non-Operating Expense	(6,601)	-	-	-	-	\$ -
Capital Assets Net of Debt payments	(29,521)	(338,724)	(36,009)	(562,000)	(448,475)	\$ 113,525
Unrestricted Net Position	\$ 702,390	\$ 306,884	\$ 1,139,627	\$ 656,284	\$ 1,263,470	\$ 607,185
Operating Reserve	\$ 411,140	\$ 498,411	\$ 429,671	\$ 126,337	\$ 126,337	\$ -
Capital Repair & Equip Reserve	291,251	(191,526)	709,957	529,947	1,137,133	607,185
Unrestricted Net Position	\$ 702,390	\$ 306,884	\$ 1,139,627	\$ 656,284	\$ 1,263,470	\$ 607,185

OPERATING REVENUES

General Admissions

General admission revenue consists of user fees collected through drop-in visits, the sale of memberships and other admissions. There is a shortage in general admission revenue due to a few factors that have played a role in membership and drop-ins at the Center. The Center opened a few weeks later than projected. COVID-19 precautions including the continued use of masks while in the facility (excluding while in the pool), the closure of the showers to mitigate the time patrons spend in the facility while being unmasked, capacity limits in our Open Swim and Swim Slide Splash times, along with a couple spikes of COVID-19 cases in our community that caused some members hesitancy to utilize the facility. Admissions also dropped early in 2022 when the Leisure Pool closed. As restrictions ease, case numbers fall, and the Leisure Pool is re-opened the Center is expected to increase revenue from General Admissions. General Admissions are expected the end the year with \$310,685, which is \$65,271 less than budgeted.

Rentals

Rental revenue is collected for private rentals of facilities, such as birthday party room rentals or pool rentals by swim teams. The Mendocino Coast Sea Dragons Swim Team, Fort Bragg High School Swim Team, Mendocino High School Swim Team, and Title Waves Swim Team all rent lanes of the Lap Pool during weekday evenings for practice. The Center is also a popular place to have a Birthday Party. This year due to capacity limits we changed the way that Birthday Party Rentals have been offered. Currently, parties occur after the pools have closed to the public allowing the parties private pool use. This has caused the fee for parties to increase, however, the popularity has remained consistent. Rentals are expected to end the year with a favorable difference of \$5,364 for a total of \$34,787.

Registrations

Registration revenue is collected for registered activities, such as enrichment programs or swimming lessons. The Center has found that the community is ready to come back to registered programs. The Center offers as many enrichment programs, such as swim lessons, dance classes, and art classes as staffing allows. Programs fill very quickly once registration is open. Swim lessons have been notorious for filling just minutes after registration opens. The Center will be adding more classes as soon as staffing allows. Registrations are expected to end the year at \$45,514 which is a favorable difference of \$12,328.

Merchandise

Merchandise revenue is collected for the sale of retail items such as goggles, ear plugs, towels, and swim caps. Merchandise sales are expected to end the year at \$6,130. This is a favorable difference of \$2,534 from the approved budget.

Miscellaneous

Miscellaneous revenue includes items such as vending machine commissions and other revenue that does not fall into any of the previous categories. Miscellaneous revenues are expected to end the year at \$2,113 which is a \$641 decrease from the adopted budget.

OPERATING EXPENSES

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 projected FY2021-2022 wages and benefits are \$952,732, which does not deviate from the adopted budget. During the first six periods of the FY2021-2022, July 2021 - December 2021 staff has averaged approximately 15.81 FTE's. However, though this amount compared to the desired 16.84 FTE's seems like the Center is well staffed, the department that is lacking employees is still struggling to have adequate staffing employs many part time employees.

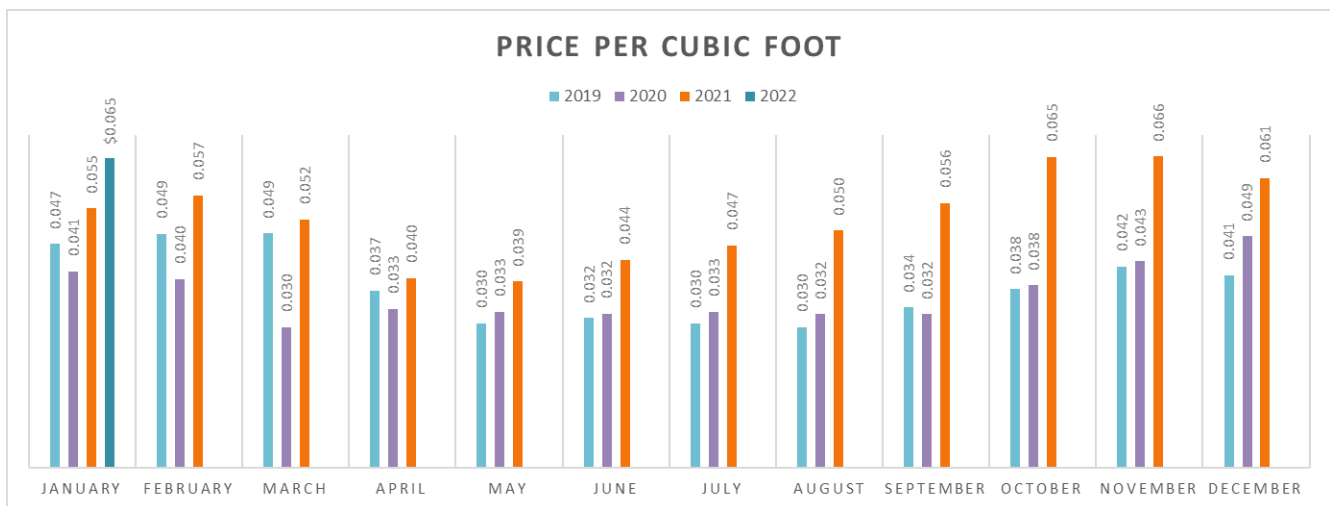
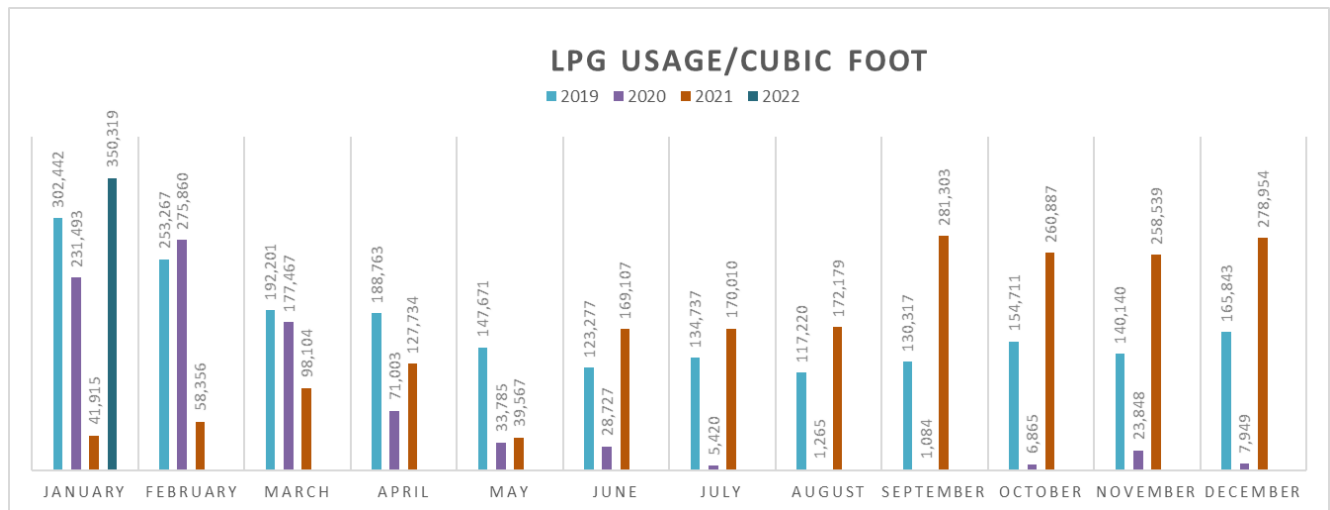
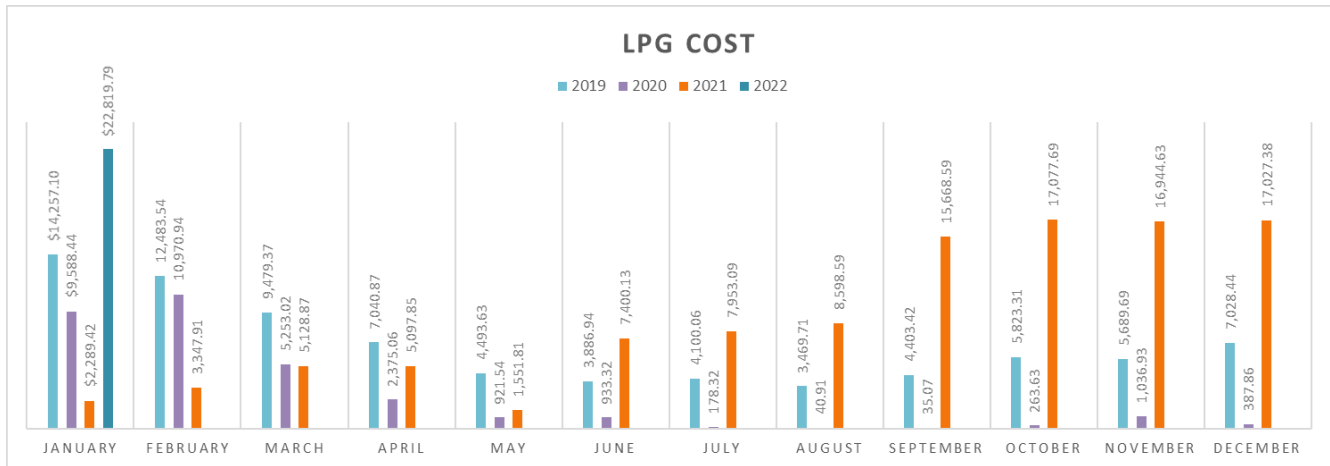
MCRPD and CVSCC staff allocate their time following the chart below:

MCRPD & CVSCC	CVSCC FTE	MCRPD FTE	TOTAL FTE
Finance Officer	0.50	0.50	1.00
District Administrator	0.50	0.50	1.00
Administrative Services Supervisor	0.50	0.50	1.00
Administrative Assistant	1.20	0.30	1.50
Administrative Coordinator	0.50	0.50	1.00
Senior Administrative Assistant	0.80	0.20	1.00
Fitness Instructor	1.05	0.05	1.10
Recreation Instructor I & II	0.50	0.50	1.00
Recreation Leader	0.02	0.88	0.90
Recreation Supervisor	0.50	0.50	1.00
Head Lifeguard	1.00	0.00	1.00
Lifeguard	3.40	0.02	3.42
Recreation Coordinator	0.80	0.20	1.00
Senior Lifeguard	1.00	0.00	1.00
Recreation Score/Time Keeper	0.00	0.20	0.20
Senior Recreation Leader	0.00	0.53	0.53
Custodian	1.25	0.00	1.25
Maintenance Coordinator	0.80	0.20	1.00
Maintenance Supervisor	0.80	0.20	1.00
Maintenance Worker	1.20	0.20	1.40
Fitness Equipment Technician	0.02	0.00	0.02
Total	16.84	6.48	23.32

During the first six periods of the FY2021-2022, July 2021 - December 2021 staff has averaged approximately 15.81 FTEs. However, though this amount compared to the desired 16.84 FTEs seems like the Center is well staffed, there are still shortages. The aquatics department still needs at least 1.03 FTE to allow for the management staff that oversees that department to then to spend less time on the pool deck. This will allow recreation staff to continue programming throughout the rest of the District. Recruitment has been at the forefront of the focus, and it is hoped that the second half of the year that shortcoming can be fulfilled.

Utilities

Utilities include propane, electricity, water, and sewer service. The proposed FY2021-2022 budget amount for utility expense is expected to be \$350,044, which is a significant increase from the adopted budget of \$158,318. The spike in utilities is stemming from the Center’s propane bill. Staff have been working with the propane company to investigate the substantial increase but have yet to come up with an explanation. This matter is a top priority to get resolved.



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 FY2021-2022 is \$17,200, a \$5,000 decrease from the adopted budget.

Maintenance

Maintenance includes pool chemicals, repair parts, grounds keeping, tools, equipment and other maintenance related supplies and services. The six-month actuals are significantly lower but are expected to increase the second part of the year. This is due to the City of Fort Bragg now managing CVSCC contracts and projects. These contracts and projects are paid by the City of Fort Bragg and then the CVSCC is billed as a reimbursement. The projected maintenance expense for FY2021-2022 is \$161,994 which is a decrease from the adopted budget of \$165,525 by \$3,531.

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 FY2021-2022 is \$203,625 which is a decrease from the adopted budget of \$210,328 by \$6,703.

Other Expenses

Other expenses include interest payments, property tax administration, LAFCO, (Local Agency Formation Commission), and COFB administration fee in the amount of \$10,000. For FY2021-2022, the projected amount is \$15,350 which has no change from the adopted budget.

CAPITAL IMPROVEMENTS

The Center currently requires an array of projects to be completed that is expected to cost \$448,475. This is a decrease of \$113,525 from the approved FY2021-2022 budget. Listed below are the capital improvements for the FY2021-2022 budget cycle. Following that is the Capital Improvement Schedule through FY2025-2026.

Wattstopper

The existing wattstopper unit serves as a master lighting control for the entire facility. The current wattstopper is at the end of its dependable life expectancy. There are no longer any replacement parts available, nor any IT support offered for the system in place. The projected expense for a new, up to date, wattstopper is \$60,000.

AHU Programmer

The Air Handling Unit Programmer has been replaced and this project has been completed. The AHU programmer controls the heating and cooling of each room and programs as well as ventilation. This completed project cost \$14,375.

Leisure and Competition Pool Boilers

Both the leisure pool and competition boilers were installed in 2017. After speaking with several technicians, the issue seems to stem from environmental factors; chlorine and salt air are the worst conditions for any type of propane combustion chamber.

Recently, the leisure pool boiler had a catastrophic failure and has been shut down since January. A replacement leisure pool boiler has been ordered and expected to arrive and be installed sometime in March 2022. The anticipated cost of a replacement leisure pool boiler is \$22,000.

Since the leisure pool and competition pool boilers were purchased at the same time, pursuit of a replacement competition pool boiler is also in effect. Due to the long time it takes to order and receive boilers and the shortness of life they have at the facility; the replacement schedule will be more frequent in coming years. Ideally, ordering and replacing them more often will mitigate having to shut down either one of the pools entirely. A replacement competition pool boiler is expected to cost \$30,000.

BECS System

The BECS System automates the pool chemistry by adjusting chlorine levels and pH levels. It also keeps track of the flow rate and temperature. Without it, the water chemistry would become unbalance and staff would have to resort to manually adjusting the chemicals to balance the proper pool chemistry. The system is starting to show signs of decline and needs to be replaced before it completely fails. The new system is expected to cost \$24,000.

Domestic Hot Water System

The domestic hot water system consists of two domestic hot water boilers and a 500-gallon storage tank. Both boilers have reached their life expectancy and the storage tank is also showing signs of corrosion. The steel tank will be replaced with a stainless-steel tank to avoid this problem in the future.

The new boilers have an internal combustion chamber that should help combat corrosive issues as well. Both these improvements should provide longevity and efficiency. The domestic boilers are expected to be \$30,000 each and the stainless-steel water tank \$5,000 for a total of \$65,000 to repair the system.

ADA Door Installation – Natatorium

A smaller, but very important project is installing push plate ADA doors leading to the natatorium. We have finally obtained quotes. The ease of opening these doors will greatly benefit some of our patrons that have difficulty opening the heavy facility doors. This facility improvement should cost \$6,000.

Men’s Locker Room Flooring

The men’s locker room floor has been chipping and losing its nonskid texture. The original floors did not have a moisture barrier. The new flooring that will be installed at the end of February will have a coat of moisture sealant applied as well as a colored textured paint to prevent slips. This should hold up longer than the last floor. The cost is expected to be \$50,000.

Four Inch Pipe Replacement – Pool Circulation Pipe

When the Center was built, there was a section of 4-inch pipe that ran to 8-inch pipe on the pool circulation pump. This is causing pressure and erosion to the smaller 4-inch pipe. The 4-inch pipe will be replaced with 8-inch piping to alleviate this unneeded pressure. The anticipated cost is \$16,500.

UV System – Leisure and Competition Pool

The UV Systems are responsible for disinfecting the pool water. The UV bulbs kill any unwanted contaminants that it meets. Both the leisure and competition pool UV systems are original with the building and are much more inefficient than the modern models. The replacement parts are becoming scarce for the aging units and before it becomes impossible to find parts, the units need to be replaced. This project is expected to cost \$160,600.

CV STARR COMMUNITY CENTER CAPITAL IMPROVEMENTS - APPROVED FY2021-2022	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
CURRENT PROJECTS	448,475.00				
VFD REPLACEMENT		18,200.00			
WOMENS LOCKER ROOM FLOORING		50,000.00			
AIR INTAKE PROJECT		345,000.00			
FACILITY ROOF REPAIR - FLAT ROOF		150,000.00			
PARKING LOTS SEAL COAT			25,000.00		
LAUNDRY WASHER			7,840.00		
LAUNDRY DRYER			4,750.00		
FIRE PROGRAMMER BOX			20,800.00		
SKYLIGHTS			250,000.00		
SUMP PUMP				8,000.00	
WATER SLIDE STAIRCASE				150,000.00	
LEISURE POOL BOILER				22,000.00	
COMPETITION POOL BOILER				30,000.00	
FRONT DESK MODIFICATION					150,000.00
TOTAL	448,475.00	563,200.00	308,390.00	210,000.00	150,000.00

OTHER REVENUES – C.V. STARR ENTERPRISE FUND

Sales Tax

The CVSCC receives from the State Board of Equalization a voter approved half-cent sales tax that is held by the City of Fort Bragg in the C.V. Starr Enterprise Fund, per the operating agreement between MCRPD and the City. 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). Sales tax revenues are estimated to end the FY2021-2022 at \$1,001,874.

Property Tax

Pursuant to the Property Tax Exchange Agreement between the MCRPD and the City of Fort Bragg, property taxes received from the Mendocino County Tax Collector with 45% of the District's allocable share being entitled to the City to be used solely for Parks and Recreation purposes with the City (including CVSCC). The property tax revenue is expected to come in at \$260,000 for FY2021-2022.

Other Revenue

The Mendocino Coast Recreation and Park District was able to secure \$602,160 in COVID-19 Relief Funds for Special Districts on the behalf of the C.V. Starr Community Center. This funding was obtained through the State of California from an allocation of \$100 Million to Independent Special District Relief Funds. The only requirement was that the districts had to be able to demonstrate the fiscal impact that was suffered due to the COVID-19 Public Health Emergency. The funds were applied for on behalf of the C.V. Starr Community Center, because MCRPD operates the CVSCC, and the CVSCC revenue is where we show the biggest fiscal impact.

Reserves

Given the proposed FY2021-2022 operating budget, capital improvements and estimated tax revenue, the CVSCC Enterprise Fund is projected to end the year with an unrestricted net position of \$1,263,470. This is a favorable increase over what was in the adopted budget by \$607,185. 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.