

C.V. Starr Community Center



Sigrid & Harry Spath Aquatic Facility



Mid-Year BUDGET REPORT FY2022-2023

March 22, 2023

C.V. STARR COMMUNITY CENTER

www.mendocoastrec.org

300 S Lincoln Street, Fort Bragg, CA 95437

The C. V. Starr Community Center (CVSCC) FY2022-2023 Annual 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 FY2022-2023 budget. The proposed Mid-Year FY2022-2023 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 2026
Bob Bushansky, Board Vice Chair - December 2026
Kylie Felicich, Board Secretary - December 2026
Angela Dominguez, Board Member - December 2024
John Huff, Board Member - December 2024

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BUDGET SUMMARY

CV STARR ENTERPRISE							
	Amended Budget	Pro Rated Budget as of 12/31/2022	YTD Actual 12/31/2022	Mid-Year Variance %	Variance Budget vs. Actual	Estimated Year End	Forecast Surplus/ (Shortfall)
Operating Revenue	\$ 578,882	\$ 289,441	\$ 302,861	52%	\$ 13,420	\$ 578,882	\$ -
Sales Tax	1,257,000	628,500	609,098	48%	(19,402)	1,257,000	-
Property Tax	272,625	136,312	169,765	62%	33,452	272,625	-
Other Income	20,000	10,000	383	2%	(9,617)	20,000	-
Total Revenue	2,128,507	1,064,253	1,082,107	51%	17,853	2,128,507	-
Personnel Costs	1,182,621	591,310	574,152	49%	(17,158)	1,052,351	130,270
Operations	325,683	162,842	56,502	17%	(106,340)	236,536	89,147
Repairs & maintenance	125,635	62,818	27,344	22%	(35,474)	76,132	49,503
Capital Improvements	435,359	217,680	38,920	9%	(178,760)	277,000	158,359
Utilities	373,100	186,550	186,406	50%	(144)	373,100	-
Professional Services	52,399	26,200	17,910	34%	(8,289)	35,696	16,703
Insurance	65,836	32,918	29,621	45%	(3,297)	65,836	-
Total Expenditures	2,560,633	1,280,316	930,854	36%	(349,462)	2,116,651	443,982
Net Revenue/(Expense)	\$ (432,126)	\$ (216,063)	\$ 151,252	-35%	\$ 367,315	\$ 11,856	443,982

REVENUES

Operating Revenue

Operating Revenue consists of three main categories. General admission, Rentals and Registrations. End of FY 2022-2023 Operating Revenue is estimated at \$578,882. Operating Revenue is expected to increase by approximately \$179,000 over the last fiscal year. This is Great news, as it means the Center is getting closer to its pre-pandemic levels.

General admission revenue consists of user fees collected through drop-in visits, the sale of memberships and other admissions. As the year moves forward and winter sets in, we are seeing a steady increase in both drop-ins and memberships. We were also able to add two new spin-instructors whose classes are increasingly filling up. Beginning April 7, 2023, the Center will be opening up on Friday's with limited hours on the gym side. By adding Friday's, we have also been able to add three more fitness classes. This should help with bringing in more members and make our existing members very happy.

Rental revenue is collected for private rentals of facilities, such as birthday party room rentals and pool rentals. The Mendocino Coast Sea Dragons Swim Team, Fort Bragg High School Swim Team, Mendocino High School Swim Team, and Tidal Waves (Special Olympics) Swim Team all rent lanes in the Lap Pool during weekday evenings for practice. Other schools and clubs, some from out of the area, rent the leisure pool by the hour. The Center is also a popular place to have a Birthday Party.

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 many enrichment programs, such as: swim lessons, dance classes, kayaking in the pool, kids' night out, and art classes as staffing allows. Programs fill very quickly once registration is open. Swim lessons have been notorious for filling in minutes after registration opens.

Other income

Other income revenue is collected for the sale of retail items such as goggles, ear plugs, towels, and swim caps. Other income also includes items such as vending machine commissions and other miscellaneous revenue. Other Income is expected to end the year at \$20,000.

EXPENSES

Personnel Costs

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 FY2022-2023 wages and benefits are \$1,052,351.

Operations

Operations includes all items and services needed for the day-to-day operation and upkeep of the facility. These items include pool supplies and chemicals, janitorial supplies, office supplies, permits, postage/shipping, program supplies, recruitment, training, uniforms, and other miscellaneous costs as needed. Marketing and outreach also fall under this category. Operations are forecasted to end the fiscal year at \$236,536. This is a decrease in cost from first anticipated.

Repairs & Maintenance

Repairs and maintenance include: repair parts, ground keeping, small tools, equipment and other maintenance related supplies and services. Repairs and maintenance are expected to be \$76,132.

Utilities

Utilities include propane, electricity, telephone, water, and sewer service. The proposed FY2022-2023 budget and mid-year adjustment amount for utility expense is expected to be \$373,100. The cost of utilities has in some instances doubled in price.

Professional Services

These expenses include interest payments, consultants, legal fees, property tax administration, LAFCO, (Local Agency Formation Commission), and COFB administration fee. These expenses for the end of FY2022-2023, are estimated at \$35,696.

CAPITAL IMPROVEMENTS

The Center currently requires an array of projects to be completed that is expected to cost \$259,632. Listed below are the capital improvements for the FY2022-2023 budget cycle. Following that is the Capital Improvement Schedule through FY2025-2026.

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 \$67,500 each and the stainless-steel water tank \$5,000 for a total of \$140,000 to repair the system.

UV System – Leisure and Competition Pool

The UV Systems are responsible for disinfecting the pool water. The UV bulbs kill any unwanted contaminants that come in contact with them. Both the leisure and competition pool UV systems were installed with the inception of the facility, roughly 14 years ago. Newer models are far more efficient than the originally installed systems we currently have. The replacement parts are becoming sparse for the aging units and before it becomes impossible to find parts, the units need to be replaced. This project is expected to cost \$100,000.

VFD Replacement

There are two Variable Frequency Drives (VFD's). One on the north and one on the south end of the facility. Both desperately need to be upgraded. The VFD's have been ordered, unfortunately the expected delivery is 20-25 weeks. The cost is \$19,632.00.

CV STARR COMMUNITY CENTER CAPITAL IMPROVEMENTS -	FY 22-23	FY 23-24	FY 24-25	FY 25-26
DOMESTIC HOT WATER 1	67,500.00			
DOMESTIC HOT WATER 2	67,500.00			
HOT WATER STORAGE TANK	5,000.00			
UV SYSTEM - COMP AND LEISURE	100,000.00			
VFD REPLACEMENT	19,632.00			
WOMENS LOCKER ROOM FLOORING			50,000.00	
FACILITY ROOF REPAIR - FLAT ROOF		187,500.00		
AIR INTAKE PROJECT		1,300,000.00		
PARKING LOTS SEAL COAT		25,000.00		
FIRE PROGRAMMER BOX		20,800.00		
SKYLIGHTS			250,000.00	
SUMP PUMP			8,000.00	
WATER SLIDE STAIRCASE			300,000.00	
LEISURE POOL BOILER				80,000.00
COMPETITION POOL BOILER				80,000.00
SOLAR SYSTEM CONVERSRION - POOL HEATER				250,000.00
TOTAL	259,632.00	1,533,300.00	608,000.00	410,000.00

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 FY2022-2023 at \$1,257,000.

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 \$272,625 for FY2022-2023.

Net Revenue/(Expense)

Given the proposed Mid-Year FY2022-2023 budget, operating revenues, expenditures, capital improvements and estimated tax revenue, the CV Starr is expected to end the fiscal year with a net revenue of \$11,856.00.