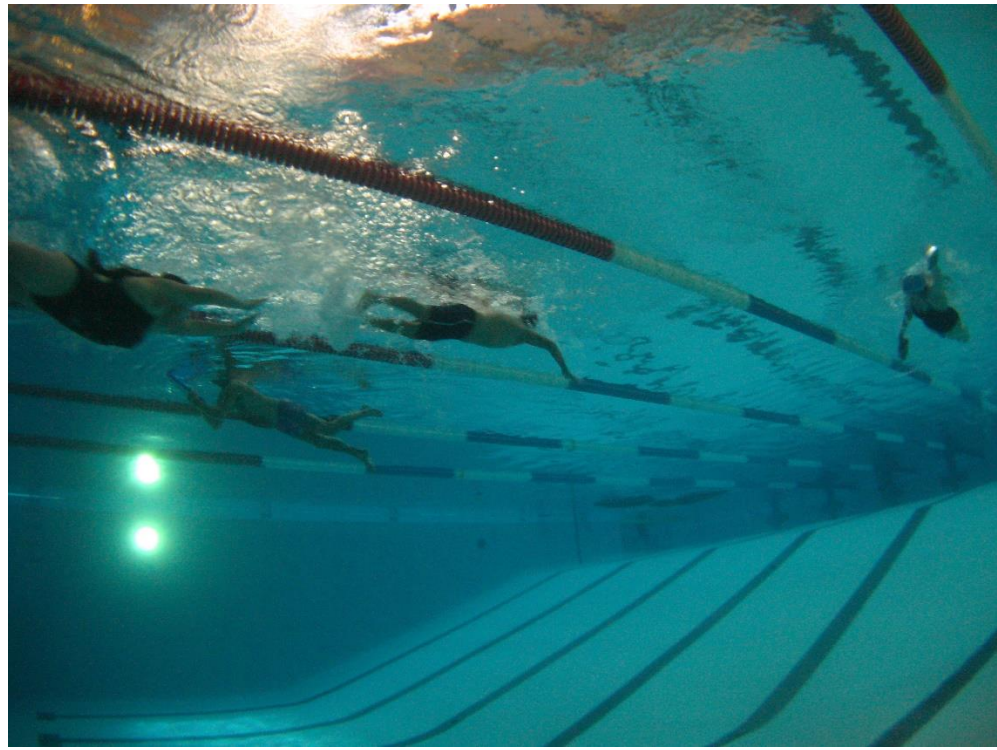


FY2019-2020 Mid-Year Budget Report

Overview

The C. V. Starr Community Center (CVSCC) FY2019-2020 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. This report reflects the CVSCC’s financial activity during the first two quarters of the FY2019-2020 and includes the projections of the budget with anticipation of activity during the last two quarters of the fiscal year.



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CVSCC FY19/20 Midyear Budget Summary

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Description	FY 16/17 Actuals	FY 17/18 Actuals	FY18/19 Actuals	FY19/20 Adopted Budget	Actuals as of 12/31/19	FY19/20 Proposed Adjustments	Variance
Operating Revenue							favorable (unfavorable)
General Admission	\$ 577,372	\$ 587,382	\$ 571,718	\$ 613,763	\$ 263,851	\$ 558,202	\$ (55,561)
Rentals	52,815	54,618	50,241	55,284	23,611	51,050	\$ (4,234)
Registration	57,073	69,151	74,977	69,801	24,422	65,524	\$ (4,277)
Merchandise	8,020	6,999	7,726	7,683	2,399	5,532	\$ (2,151)
Miscellaneous	6,386	24,659	6,745	4,326	4,892	6,228	\$ 1,902
Total Revenue	701,665	742,808	711,407	750,857	319,175	686,537	(64,320)
Operating Expense							
Wages and Benefits	952,744	1,002,953	995,222	1,047,362	463,270	1,057,598	(10,236)
Utilities	254,094	244,671	274,452	287,455	112,333	252,745	34,710
Outreach	27,017	28,152	32,643	38,534	6,953	23,000	15,534
Maintenance	160,140	106,748	145,095	162,981	64,231	151,009	11,972
Operations	154,824	225,335	191,503	208,092	141,231	219,509	(11,417)
Other Expenses	35,687	29,720	29,265	30,206	12,428	30,206	-
Total Operating Expense	1,584,506	1,637,580	1,668,178	1,774,630	800,446	1,734,067	40,563
Non-Operating Revenue/Expenses							
Web Design	4,367	7,259	-	-	-	-	-
Classification/Comp. Plan	7,317	-	-	-	-	-	-
Total Non-Operating Revenue/Expenses	11,684	7,259	-	-	-	-	-
COFB Loan Principle Payment	61,821	-	-	-	-	-	-
COFB Energy Loan Princ. Pmt.	21,360	22,540	-	-	-	-	-
Total Expenses	1,679,371	1,667,379	1,668,178	1,774,630	800,446	1,734,067	40,563
Net Revenue (Expense)	(977,706)	(924,571)	(956,772)	(1,023,773)	(481,271)	(1,047,530)	(23,757)
Enterprise Fund Allocation for Operations	977,706	924,571	956,772	1,023,773	481,271	1,047,530	23,757
Net Operating Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

A	B	C	D	E	F	G	
Description	FY 16/17 Audited Results	FY 17/18 Audited Results	FY18/19 Actuals	FY19/20 Adopted Budget	Actuals as of 12/31/19	FY19/20 Proposed Adjustments	Variance
Capital Improvements							favorable (unfavorable)
Prior Year Capital Improvements	38,400	66,405	29,521	-	-	-	-
Wattstopper	-	-	-	-	11,701	11,701	(11,701)
UV System 1	-	-	-	-	-	12,716	(12,716)
UV System 2	-	-	-	-	-	12,716	(12,716)
Sump Pump	-	-	-	-	-	8,371	(8,371)
IT System Update	-	-	-	17,760	-	17,760	-
Matrix Ascent Trainer	-	-	-	5,847	6,777	6,777	(930)
Emergency Lighting System Battery Replacement	-	-	-	16,000	14,106	14,106	1,894
Floor Cleaning Machine	-	-	-	6,510	7,087	7,087	(577)
Total Facility Improvements	38,400	66,405	29,521	46,117	39,671	91,234	(45,117)
Enterprise Fund Allocation for Facility Improvements	(38,400)	(66,405)	(29,521)	(46,117)	(39,671)	(91,234)	45,117
Floor Drains Project	113,661	56,695	-	-	-	-	-
Pool Basin Resurfacing	-	-	-	350,000	247,490	247,490	102,510
Enterprise Capital Projects - City Managed	(113,661)	(56,695)	-	(350,000)	(247,490)	(247,490)	102,510
Total Capital Improvements	152,061	123,100	29,521	396,117	287,161	338,724	57,393

Enterprise Fund Summary - From City CAFR/Budget						
Enterprise Fund	FY 16/17 Audited Results	FY 17/18 Audited Results	FY18/19 Actuals	FY19/20 Adopted Budget	FY19/20 Estimate at Year End	Variance
Beginning Unrestricted Net Position	\$ 686,110	\$ 735,611	\$ 874,690	\$ 702,390	\$ 702,390	\$ -
Operating Revenue	695,552	742,808	711,205	750,857	686,537	(64,320)
Sales Tax Revenue	880,985	915,239	878,737	955,175	963,059	7,884
Property Tax Revenue	234,006	236,035	249,499	261,770	255,813	(5,957)
Non-Operating Revenue	7,095	4,944	18,024	10,000	18,019	8,019
Operating Expense	(1,589,387)	(1,644,558)	(1,993,643)	(1,774,630)	(1,734,067)	40,563
Non-Operating Expense	(1,630)	(169)	(6,601)	-	-	-
Capital Assets Net of Depreciation expense	(177,120)	(115,220)	(29,521)	(396,117)	(338,724)	57,393
Unrestricted Net Position	\$ 735,611	\$ 874,690	\$ 702,390	\$ 509,445	\$ 553,026	\$ 43,581
Operating Reserve	\$ 388,893	\$ 397,347	\$ 411,140	\$ 498,411	\$ 443,658	\$ (54,753)
Capital Repair & Equip Reserve	346,719	477,344	291,251	11,035	109,369	98,334
Unrestricted Net Position	\$ 735,611	\$ 874,690	\$ 702,390	\$ 509,445	\$ 553,026	\$ 43,581

Operating Revenues and Proposed Adjustments

Description	FY 16/17 Actuals	FY 17/18 Actuals	FY18/19 Actuals	FY19/20 Adopted Budget	Actuals as of 12/31/19	FY19/20 Proposed Adjustments	Variance
Operating Revenue							favorable (unfavorable)
General Admission	\$ 577,372	\$ 587,382	\$ 571,718	\$ 613,763	\$ 263,851	\$ 558,202	\$ (55,561)
Rentals	52,815	54,618	50,241	55,284	23,611	51,050	\$ (4,234)
Registration	57,073	69,151	74,977	69,801	24,422	65,524	\$ (4,277)
Merchandise	8,020	6,999	7,726	7,683	2,399	5,532	\$ (2,151)
Miscellaneous	6,386	24,659	6,745	4,326	4,892	6,228	\$ 1,902
Total Revenue	701,665	742,808	711,407	750,857	319,175	686,537	(64,320)

Revenue generated from operating the CVSCC is collected through general admissions, facility rentals, program registration, sale of merchandise, and miscellaneous sources. The revenue in the adopted budget is \$750,857. The proposed adjusted budget is \$686,537, which will end the FY2019-2020 under budget by \$64,320. The main contributing factor to this significant decrease in revenue was due to the Pool Basin Resurfacing Project occurring, which had not been reflected in the adopted FY2019-2020 budget. At the time of budget development, the timeline for the project was unclear and therefore the lost revenue was not accounted for. The shortage is consistent with the approximately one month of revenues, which ties with the project timeline. Another factor is the nearly weeklong unexpected power outage forcing the Center to keep its doors closed.

General Admission

General admission revenue consists of user fees collected through drop-in visits, the sale of memberships and other admissions. General admission revenue for the FY2019-2020 budget was approved at \$613,763. End of year general admission revenue projections are \$558,202 which is a decrease of \$55,561.

Rentals

Rental revenue is collected from private rentals of facilities, such as birthday party room rentals or pool rentals by swim teams. Rental revenue for FY2019-2020 was approved at \$55,284. It is anticipated that Rental revenue will decrease by \$4,234 for a total of \$51,050.

Registration

Registration revenue is collected for registered activities, such as enrichment programs or swimming lessons. Registration revenues for FY2019-2020 were budgeted at \$69,801. The end of year projection is \$65,524 which is a revenue decrease of \$4,277.

Merchandise

Merchandise revenue is collected for the sale of retail items or extra staff uniforms. Merchandise revenue for the FY2019-2020 budget was approved in the amount of \$7,683. The end of year projection is \$5,532 which is a revenue decrease of \$2,151.

Miscellaneous

Miscellaneous revenue includes items such as vending machine commissions and other revenue that does not fall into any of the previous categories. Miscellaneous revenue for the FY2019-2020 budget is approved in the amount of \$4,326. End of year estimates projections indicate this number will increase by \$1,902 for a total of \$6,228. This can be attributed to the sale of some used spin bikes that were sold as surplus.

Operating Expenditures and Proposed Adjustments

Description	FY 16/17 Actuals	FY 17/18 Actuals	FY18/19 Actuals	FY19/20 Adopted Budget	Actuals as of 12/31/19	FY19/20 Proposed Adjustments	Variance
Operating Expense							
Wages and Benefits	952,744	1,002,953	995,222	1,047,362	463,270	1,057,598	(10,236)
Utilities	254,094	244,671	274,452	287,455	112,333	252,745	34,710
Outreach	27,017	28,152	32,643	38,534	6,953	23,000	15,534
Maintenance	160,140	106,748	145,095	162,981	64,231	151,009	11,972
Operations	154,824	225,335	191,503	208,092	141,231	219,509	(11,417)
Other Expenses	35,687	29,720	29,265	30,206	12,428	30,206	-
Total Operating Expense	1,584,506	1,637,580	1,668,178	1,774,630	800,446	1,734,067	40,563

Operating expenditures are costs directly related to the operation of the Center. Operating expenditures for the FY2019-2020 budget were approved in the amount of \$1,774,630. The anticipated end of year projections for this line item is expected to be \$40,563 less than budgeted for a total of \$1,734,067.

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 FY2019-2020 wages and benefits were approved at \$1,047,362. The end of year projection has a \$10,236 increase for a total of \$1,057,598. This increase can be attributed to an unforeseen increase in workers compensation insurance.

Utilities

Utilities include propane, electricity, water, and sewer service. The FY2019-2020 budget amount for utility expense was approved at \$287,455 and it is anticipated this expense will end the year at \$34,710 less than budgeted for a total of \$252,745. This significant decrease can be attributed to projecting cautiously during budget development due to a water leak and solar array malfunction in the FY2018-2019.

Outreach

Outreach expenditures are for the marketing of the Center, such as advertisements in local publications, flyer production and social media advertisement. The approved outreach expense for FY2019-2020 is \$38,534 and end of year projections are \$23,000, which is a decrease \$15,534. This decrease is due to revamping our marketing strategy by doing all the advertisement in-house rather than using an outside vendor for brochure production. In addition, changes have been made to distributing more focused information to different target groups.

Maintenance

Maintenance includes pool chemicals, repair parts, grounds keeping, tools and other maintenance related supplies and services. The approved maintenance expense for FY2019-2020 was approved at \$162,981. The end of year estimates is decreased by \$11,972 for a total of \$151,009. This decrease is due to having to make emergency repairs and purchases to the UV systems for both pools, as well as obtaining a sump pump. Those items are considered capital improvements and so the funding has been transferred from the operational expense category to capital improvements.

Operations

Operations account for attorney services, auditor services, bank fees, communications, janitorial supplies, insurance, interest expenses, laundry service, office supplies, permits, postage/shipping, program supplies, recruitment, training and uniforms. Operation expenses for FY2019-2020 are expected to be \$11,417 over budget for a total of \$219,509. This increase is due to higher than expected IT costs in addition to paper costs from printing all outreach information in-house.

Other Expenses

Other expenses include administration fees due to MCRPD and the City of Fort Bragg. For FY2019-2020 other expenses were approved in the amount of \$30,206. The end of year projection does not anticipate any changes.

Capital Improvements – Managed by MCRPD

Description	FY 16/17 Audited Results	FY 17/18 Audited Results	FY18/19 Actuals	FY19/20 Adopted Budget	Actuals as of 12/31/19	FY19/20 Proposed Adjustments	Variance
Capital Improvements							favorable (unfavorable)
Prior Year Capital Improvements	38,400	66,405	29,521	-			
Wattstopper	-	-	-	-	11,701	11,701	(11,701)
UV System 1	-	-	-	-	-	12,716	(12,716)
UV System 2	-	-	-	-	-	12,716	(12,716)
Sump Pump	-	-	-	-	-	8,371	(8,371)
IT System Update	-	-	-	17,760	-	17,760	-
Matrix Ascent Trainer	-	-	-	5,847	6,777	6,777	(930)
Emergency Lighting System Battery Replacement				16,000	14,106	14,106	1,894
Floor Cleaning Machine	-	-	-	6,510	7,087	7,087	(577)
Total Facility Improvements	38,400	66,405	29,521	46,117	39,671	91,234	(45,117)
Enterprise Fund Allocation for Facility Improvements	(38,400)	(66,405)	(29,521)	(46,117)	(39,671)	(91,234)	45,117

Wattstopper

The wattstopper unit serves as a master lighting control for the entire facility. The wattstopper had reached the end of its dependable life and either needed to be repaired or replaced. The work had been budgeted and scheduled to take place in FY2018-2019 but was delayed for a variety of technical reasons. During the fall of 2019 after much more research was conducted, repairs were made to the system which promised to temporarily stabilize the lighting control system until a complete replacement could take place. Quotes for a complete replacement are being obtained for the FY 2020-2021 budget cycle. Project cost: \$11,701.

UV System 1 & 2

There is an ultra-violet light disinfection system for both the competition pool and the leisure pool, as well as chlorination disinfection system. In the UV disinfection process, water is purified as it runs through a stainless-steel chamber (also called a “reactor”) that contains a special UV- producing lamp. As the water flows past the lamp, the microbes in the water receive a lethal dose of UV. The water is then safe to drink or swim in. The leisure pool UV system suddenly began to fail this last fall, quickly followed by a failure of the UV system for the competition pool. In both cases the UV chambers needed to be rebuilt and a valve referred to as priority valve had to be replaced. Project cost: \$12,716 each; for a total of \$25,432.

Sump Pump

The Center has two submersible pumps both of which are located in a ten-foot deep well in the natatorium. The purpose of the sump pump system is twofold, with the first being to promote the flow of discharged water from the backwashing and draining process to the City’s septic system, while the second objective is to help control problems related to a high water table related in the surrounding surface soil. The pump to be replaced began its useful life in the fall of 2009 and by all professional accounts, submersible pumps generally last 5 to 15 years. The anticipated project cost is: \$8,371.

IT System Update

Provided for the purchase and installation of a new VM Host & UPS to replace existing the ESXi Host (server) for the CV Starr Center’s computer system. A server is a computer program or a device that provides functionality for other programs or devices, called "clients". This architecture is called the client–server model, and a single overall computation is distributed across multiple processes or devices. This scheduled replacement is a means to help ensure the CVSCC’s ability to provide uninterrupted technical service. The replacement schedule for this system has been recommended by KLH, the District’s contracted IT Service provider. The replacement server is projected to cost \$17,760.

Matrix Ascent Trainer

The elliptical machine had reached end of useful life and was no longer functional, as replacement parts have been discontinued. Staff replaced this piece of fitness equipment with an Ascent Trainer from Matrix. An Ascent Trainer is similar to an Elliptical machine but includes an incline function. Users operate the machines in a standing position. Project cost: \$6,777.

Emergency Lighting System Battery Replacement

This project called for the purchase and installation of (24) replacement Myers OEM batteries 12-volt 105 AH, DC Capacitor 1000 MF @ 200 VDC, new combo control – interface and backplane for the facilities ten-year-old emergency lighting system. Project cost: \$14,106.

Floor Cleaning Machine

Provided for the purchase of a floor maintenance machine, referred to as a Viper Fang Auto Scrubber with a 215 AH Battery and 20HD charger. The purchase and implementation of this floor cleaning machine has proven quite effective in assisting staff with keeping the hard surface floors clean, while reducing associated labor. Project cost: \$7,087.

Capital Improvements – Managed by the City of Fort Bragg

Description	FY 16/17 Audited Results	FY 17/18 Audited Results	FY18/19 Actuals	FY19/20 Adopted Budget	Actuals as of 12/31/19	FY19/20 Proposed Adjustments	Variance
Floor Drains Project	113,661	56,695	-	-	-	-	-
Pool Basin Resurfacing	-	-	-	350,000	247,490	247,490	102,510
Enterprise Capital Projects - City Managed	(113,661)	(56,695)	-	(350,000)	(247,490)	(247,490)	102,510

Pool Basin Resurfacing

The competition and leisure pool basins had been in very poor condition for a number of years and were extensively patched. The process of removing the old lining and re-lining the pools with plaster took approximately three weeks with the project starting on November 22, 2019 and successfully completed by December 15, 2019. The capital expenditure for this project was budgeted for \$350,00, while the actual project costs were \$247,490.

CVSCC Enterprise Fund

Enterprise Fund	Enterprise Fund Summary - From City CAFR/Budget					
	FY 16/17 Audited Results	FY 17/18 Audited Results	FY18/19 Actuals	FY19/20 Adopted Budget	FY19/20 Estimate at Year End	Variance
Beginning Unrestricted Net Position	\$ 686,110	\$ 735,611	\$ 874,690	\$ 702,390	\$ 702,390	\$ -
Operating Revenue	695,552	742,808	711,205	750,857	686,537	(64,320)
Sales Tax Revenue	880,985	915,239	878,737	955,175	963,059	7,884
Property Tax Revenue	234,006	236,035	249,499	261,770	255,813	(5,957)
Non-Operating Revenue	7,095	4,944	18,024	10,000	18,019	8,019
Operating Expense	(1,589,387)	(1,644,558)	(1,993,643)	(1,774,630)	(1,734,067)	40,563
Non-Operating Expense	(1,630)	(169)	(6,601)	-	-	-
Capital Assets Net of Depreciation expense	(177,120)	(115,220)	(29,521)	(396,117)	(338,724)	57,393
Unrestricted Net Position	\$ 735,611	\$ 874,690	\$ 702,390	\$ 509,445	\$ 553,026	\$ 43,581
Operating Reserve	\$ 388,893	\$ 397,347	\$ 411,140	\$ 498,411	\$ 443,658	\$ (54,753)
Capital Repair & Equip Reserve	346,719	477,344	291,251	11,035	109,369	98,334
Unrestricted Net Position	\$ 735,611	\$ 874,690	\$ 702,390	\$ 509,445	\$ 553,026	\$ 43,581

The City of Fort Bragg (City) maintains an “Enterprise Fund” to account for the activity related to the CVSCC. The Enterprise Fund is a set of self-balancing accounts to record the revenue and expense of CVSCC and maintain the activity of the CVSCC separate and apart 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).

The approved FY2019-2020 CVSCC budget was projected to end the year with an unrestricted net position of \$509,445. With the proposed FY2019-2020 mid-year adjustments, the CVSCC Enterprise Fund is projected to end the FY2019-2020 at \$553,026 which is an increase of \$43,581.