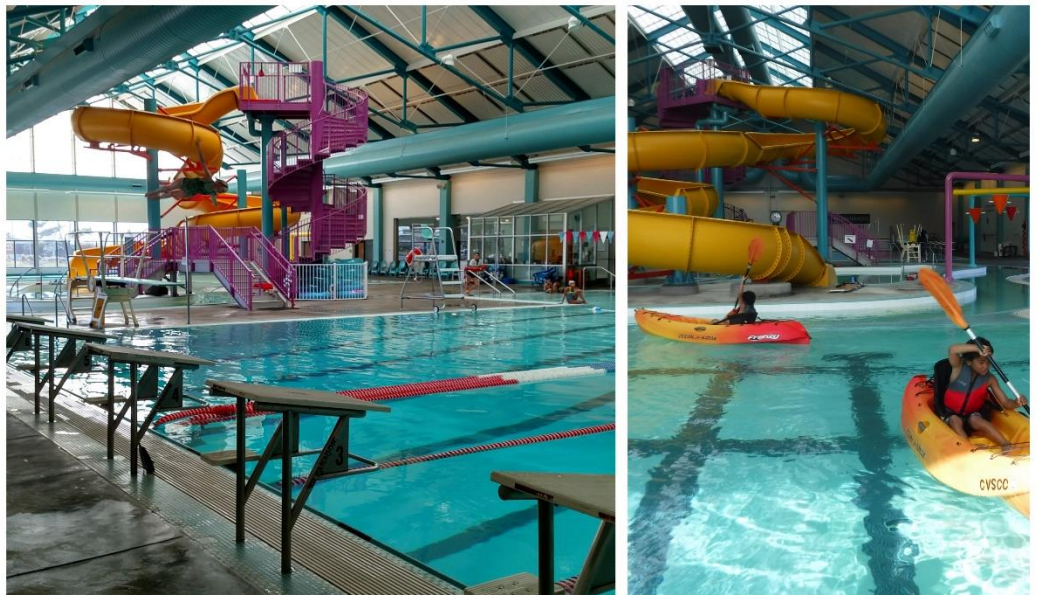


Overview

The C. V. Starr Community Center (CVSCC) FY2018-2019 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 FY2018-2019 and includes the projections of the budget with anticipation of activity during the last two quarters of the fiscal year.

Operating revenues are estimated to end the year at \$710,839, which is \$21,039 over the approved budget. Operating expenses are estimated to end the year over budget by \$15,115.



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CVSCC FY18/19 Midyear Budget Summary

	A	B	C	D	E	F	G	H
Description	FY 16/17 Audited Results	FY 17/18 Audited Results	FY18/19 Adopted Budget	Actuals as of 12/31/18	FY18/19 Proposed Adjustments	Variance		%
Operating Revenue						favorable (unfavorable)		
General Admission	\$ 577,372	\$ 587,382	\$ 558,000	\$ 285,379	\$ 584,550	\$ 26,550		51%
Rentals	52,815	54,618	56,600	20,714	51,785	(4,815)		37%
Registration	57,073	69,151	63,500	30,931	62,612	(888)		49%
Merchandise	8,020	6,999	7,500	4,051	7,500	-		54%
Miscellaneous	6,386	24,659	4,200	2,247	4,392	192		54%
Total Revenue	701,665	742,808	689,800	343,322	710,839	21,039		50%
Operating Expense								
Wages and Benefits	952,744	1,002,953	1,068,238	491,805	1,059,601	8,637		46%
Utilities	254,094	244,671	256,488	142,968	286,082	(29,594)		56%
Outreach	27,017	28,152	37,134	13,823	31,634	5,500		37%
Maintenance	160,140	106,748	127,160	54,548	131,580	(4,420)		43%
Operations	154,824	225,335	203,331	107,719	198,569	4,762		53%
Other Expenses	35,687	29,720	29,382	12,016	29,382	-		41%
Total Operating Expense	1,584,506	1,637,580	1,721,733	822,879	1,736,848	(15,115)		48%
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	1,721,733	822,879	1,736,848	(15,115)		
Net Revenue (Expense)	(977,706)	(924,571)	(1,031,933)	(479,557)	(1,026,009)	5,924		
Enterprise Fund Allocation for Operations	977,706	924,571	1,031,933	479,557	1,026,009	(5,924)		
Net Operating Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

A	B	C	D	E	F	G	H
Description	FY 16/17 Audited Results	FY 17/18 Audited Results	FY18/19 Adopted Budget	Actuals as of 12/31/18	FY18/19 Proposed Adjustments	Variance	
Capital Improvements						favorable (unfavorable)	
Leisure Pool Boiler	18,500	-	-	-	-	-	
Competition Pool Boiler	19,900	-	-	-	-	-	
Hydronic Boiler 1	-	18,000	-	-	-	-	
Hydronic Boiler 2	-	18,360	-	-	-	-	
Wattstopper	-	-	21,000	-	21,000	-	
Spin Room Lighting	-	3,023	-	-	-	-	
Sign Project	-	4,936	-	-	-	-	
Fitness Room Equipment	-	22,086	-	-	-	-	
Pulsar Tubs	-	-	26,000	16,735	16,735	9,265	64%
Security System	-	-	8,500	12,786	12,786	(4,286)	150%
Total Facility Improvements	38,400	66,405	55,500	29,521	50,521	4,979	91%
Enterprise Fund Allocation for Facility Improvements	(38,400)	(66,405)	(55,500)	(29,521)	(50,521)	(4,979)	
Floor Drains Project	113,661	56,695	-	-	-	-	
Pool Basin Resurfacing	-	-	180,000	-	-	180,000	
Enterprise Capital Projects - City Managed	(113,661)	(56,695)	(180,000)	-	-	180,000	
Total Capital Improvements	152,061	123,100	235,500	29,521	50,521	184,979	

Enterprise Fund Summary - From City CAFR/Budget						
Enterprise Fund	FY 16/17 Audited Results	FY 17/18 Audited Results	FY18/19 Adopted Budget	FY18/19 Estimate at Year End	Variance	
Beginning Unrestricted Net Position	\$ 686,110	\$ 735,611	\$ 874,690	\$ 874,690	\$ -	
Operating Revenue	695,552	742,808	689,800	710,839	\$ 21,039	
Sales Tax Revenue	880,985	915,239	928,120	932,336	\$ 4,216	
Property Tax Revenue	234,006	236,035	246,376	253,162	\$ 6,786	
Non-Operating Revenue	7,095	4,944	2,000	10,000	\$ 8,000	
Operating Expense	(1,589,387)	(1,644,558)	(1,721,733)	(1,736,848)	\$ (15,115)	
Non-Operating Expense	(1,630)	(169)	-	-	\$ -	
Capital Assets Net of Debt payments	(177,120)	(115,220)	(235,500)	(50,521)	\$ 184,979	
Unrestricted Net Position	\$ 735,611	\$ 874,690	\$ 783,753	\$ 993,659	\$ 209,905	
Operating Reserve	\$ 388,893	\$ 397,347	\$ 411,140	\$ 411,140	\$ -	
Capital Repair & Equip Reserve	346,719	477,344	372,614	582,519	\$ 209,905	
Unrestricted Net Position	\$ 735,611	\$ 874,690	\$ 783,753	\$ 993,659	\$ 209,905	

Operating Revenues and Proposed Adjustments

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 \$689,800. The proposed adjusted budget is \$710,839, which will end the FY2018-2019 over budget by \$21,039. The main contributing factor to this significant increase in revenue is the postponement of the Pool Basin Resurfacing Project, which had a projected pool closure and loss of revenue during the project timeline. However, the project will not be completed during the FY2018-2019 budget cycle.

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 FY2018-2019 budget was approved at \$558,000. End of year general admission revenue projections are \$584,550 which is an increase of \$26,500. This can be attributed to the Pool Basin Resurfacing Project being postponed as well as a modest fee increase that was implemented in January 2019.

Rentals

Rental revenue is collected for private rentals of facilities, such as birthday party room rentals or pool rentals by swim teams. Rental revenue for FY2018-2019 was approved at \$56,600. It is anticipated that Rental revenue will decrease by \$4,815 for a total of \$51,785. This can be attributed to the swim team taking more breaks during this year, as well as other organizations requesting fewer trips to the pool.

Registration

Registration revenue is collected for registered activities, such as enrichment programs or swimming lessons. Registration revenues for FY2018-2019 were budgeted at \$63,500. The end of year projection is \$62,612 which is a revenue decrease of \$888.

Merchandise

Merchandise revenue is collected for the sale of retail items or extra staff uniforms. Merchandise revenue for the FY2018-2019 budget was approved in the amount of \$7,500. End of year projections suggest there will be no change.

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 FY2018-2019 budget is approved in the amount of \$4,200. End of year estimates projections indicate this number will increase by \$192 for a total of \$2,247.

Operating Expenditures and Proposed Adjustments

Operating expenditures are costs directly related to the operation of the Center. Operating expenditures for the FY2018-2019 budget were approved in the amount of \$1,721,733. The anticipated end of year projections for this line item is expected to be \$15,115 more than budgeted for a total of \$1,736,848.

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 FY2018-2019 wages and benefits were approved at \$1,068,238. The end of year projection has a \$8,637 decrease for a total of \$1,059,601. This decrease can be attributed to staff vacancies during the first half of the year.

Utilities

Utilities include propane, electricity, water, and sewer service. The FY2018-2019 budget amount for utility expense was approved at \$256,488 and it is anticipated this expense will end the year at \$29,594 more than budgeted for a total of \$286,082. This significant increase can be attributed to two main factors:

- **Electrical:** During the first quarter of the FY2018-2019 the solar array panels located on the roof of the facility were found to not be functioning. Measure are being taken to remedy this situation by reaching out to the original manufacturer as well as trying to secure new vendors in hopes of developing a long-term solution.
- **Water/Sewer:** The Centers water consumption is up significantly from last year. Staff has been working with City Staff closely to identify the problem.

Outreach

Outreach expenditures are for the marketing of the Center, such as advertisements in local publications and brochure production. The approved outreach expense for FY2018-2019 is \$37,134 and end of year projections are \$31,634, which is a decrease \$5,500. This decrease can be attributed to staff tightening up their budgets in an attempt to offset the high utilities expenses.

Maintenance

Maintenance includes pool chemicals, repair parts, grounds keeping, tools and other maintenance related supplies and services. The approved maintenance expense for FY2018-2019 was approved at \$127,160. The end of year estimates is increased by \$4,420 for a total of \$131,580. This increase is due to the immediate replacement of the ADA pool-side chair lift, and the installation and replacement of a hydration station.

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 FY2018-2019 are expected to be \$4,762 under budget for a total of \$198,569. This decrease, as with the Outreach line item, can be attributed to staff attempting to offset the high utility costs.

Other Expenses

Other expenses include interest payments, property tax administration, LAFCO, MCRPD administration and COFB administration. For FY2018-2019 other expenses were approved in the amount of \$29,382. The end of year projection does not anticipate any changes.

Capital Improvements – Managed by MCRPD

Wattstopper

The existing wattstopper unit serves as a master lighting control for the entire facility. The current wattstopper is nearing the end of its dependable life expectancy and needs to be replaced for an expense of \$21,000 which is reflected in the approved FY2018-2019 budget. This item has not been replaced yet, therefore no change at this time.

Pulsar Tubs

The Pulsar system provides consistent chlorination for keeping the pool water sanitized. The pulsar tubs have been purchased and the cost was significantly lower than projected by \$9,265, for a total cost of \$16,735. The new tubs are working well.

Security System

A new Security Camera System and Panic Button System have been installed to improve staff and patron safety. The total cost exceeded the original budget amount by \$4,286 for a total project cost of \$12,786. After a number of recent incidents, the Security System has proved to be highly beneficial.

Capital Improvements – Managed by the City of Fort Bragg

Pool Basin Resurfacing

The pool basins are in very poor condition and have been patched for the past six years. The process of removing the old lining and re-lining the pools with plaster, will take approximately six weeks, during which time the pool area will need to be closed. Due to difficulties in finding a contractor to perform this work during the FY18/19, the project is now being postponed until the FY2019-2020 budget cycle, which will allow for a more comprehensive bid process.

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 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 FY2018-2019 CVSCC budget was projected to end the year with an unrestricted net position of \$783,753. With the proposed FY2018-2019 mid-year adjustments, the CVSCC Enterprise Fund is projected to end the FY2018-2019 \$209,905 more than budgeted for a total of \$993,659.