

Queens Forest Swim and Tennis Club

FY 2018 Proposed Budget - - Summary of Changes and Considerations

The enclosed FY 2018 proposed Operating Budget (April 2017 to March 2018) of \$36,000 represents an increase of \$3,000.00 (9.09%) from the operating budget adopted for FY 2017 (\$33,000). Savings of approximately \$7,000 were attributable to the decision to forego the employment of lifeguards for FY 2017. The proposed budget is submitted with a continuation of the full-time SAYOR operating mode. The level of funding needed to address both the number and criticality of deferred maintenance needs, as addressed in this past summer's annual meeting, suggest that the "no lifeguards" mode of operation remain in effect for FY 2018. Although there was a decrease in membership registrations from the previous year, pool use did not decrease as a result of the adoption of the "no lifeguard/full-time SAYOR" operating model. The same level of overall useage suggests that there were registered members from the previous year who probably did not make use of the pool although they had a membership. Interestingly enough, outside memberships significantly increased from the previous year. Consideration was given to weekend lifeguards with hours to coincide with usage statistics. However, the difficulty in competing with other area facilities for the hiring of available lifeguards was not seen as something we could overcome. Simply stated, summer lifeguards will be looking for more hours and pay than we can provide. We don't want to make a promise of lifeguards that we may not be able to deliver on.

Budget Line Items Add ons (highlight color corresponds with the highlights in the enclosed budget document):

- 1) Cleaning - \$500 per year: The cost may be higher if at some point we have to hire a cleaning service. This line item was added inasmuch as the previous "employed lifeguards" model had basically taken care of cleaning issues in the past. The current plan is to have cleaning on a once per week basis from May to September and two cleanings in the month of October.
- 2) Security System – \$1,200 per year: Just like any other infrastructure asset, breakdowns will occur over time and maintenance will be needed. The amount requested also takes into account the cost to relocate or reinstall the existing security cameras should the pergola be taken down or reconstructed. Besides cameras, the security system includes the card readers for the gates and the computer hardware inside the office.

Budget Increases:

- 1) Pool chemicals – a 7% increase is recommended to account for the rise in chemical prices in FY 2017.
- 2) Electricity – a 5% increase is recommended to account for the rise in cost experienced in FY 2017.
- 3) Water – a 5% increase is recommended to account for the rise in cost experienced in FY 2017.
- 4) Insurance – a 5.8% increase is recommended to account for the rise in cost experienced in FY 2017

In FY 2017, to date, there have been budget savings on the pool and tennis court repair and maintenance needs line items. However, no budget reduction is requested inasmuch as there are pump room issues that need to be addressed 9money available from the tennis line item (no anticopated maintenance for tennis since we will have new courts, nets, windscreens, backboard, etc.), to include:

- 1) Repair or replacement of the overhead lighting.
- 2) Replacement of the doors/threshold and installation of a locking mechanism to keep people out of the pump room.

- 3) Install an outside timer-based light switch for the in-pool lights to prevent the lights from being left on.
- 4) Replace the 2" pipe from the pump room to the split of the pipes going around the pool to increase water circulation. Note: This may or may not bring us to the required pre-10/1/1999 standards, but there is uniform agreement by two professionals (Pool Haus and Aquatic Renovations) that increased circulation will be achieved for a nominal expenditure compared to the cost of a full replumbing. Additional circulation should have a positive impact on water quality.

Additional maintenance that needs to be addressed are replacement of the two (2) deep end lights and the wall anchors to secure the rope partition between the deep and shallow ends. If we are able to replaster in the spring of 2017, the lights would cost less to be replaced because a diver would not be needed.

Proposed other income:

Line items for Community Events and Snack sales were zeroed out.

With respect to Community Events, the \$1,600 anticipated level of income for FY 2017, which had been projected based on FY 2016, was not realized. The committee from FY 2016 fell apart and there was no interest in reformulating the committee. Additionally, the difficulty in securing lifeguards also adds to the degree of difficulty in sponsoring such events. The \$200 line item for Advertising was retained, and the notes should probably be changed to be more generic, deleting a direct reference to movie nights.

Snack sales for FY 2017 have been negligible. However, at this point, the availability to purchase a snack at the pool is seen as a cost of doing business. It doesn't attract customers or memberships, but there is perhaps a general expectation that snacks be available. Should the future cost of stocking and maintaining the vending machines exceed the proceeds they produce, we may need to rethink the efficacy of continuing to provide vending machines.

Pool rentals in FY 2017 accounted for additional income of \$700. Although we've budgeted for an anticipated income level of \$800, the ability to provide lifeguards may result in further decreases rather than increases in pool rental income.

On the plus side, outside memberships accounted for revenues of \$1,135. There is no way to determine whether the gains achieved this year will be matched or exceeded in FY 2018.

We will see how this develops, but I had a lengthy discussion with the Hunters Creek Tennis Coach, Tom Reygadas. He expressed a general interest in building a mutually beneficial relationship with us to handle Hunter Creek's overflow and to hold clinics at our facility to spur tennis usage. He further commented that any of their courts are not in very good shape, some worse than ours are now, and their situation at Hunters Creek is similar to ours in that the condition and operation of the pool facility is their main source of concern.