

BUDGET COMMITTEE MINUTES

1. Call to Order: Paula Beck called the online Budget Committee meeting via Google Meet to order at 7:10 pm.

1.1 Roll Call:

Board of Directors (BOD):

Paula Beck, Board Vice-President Chair (PB)

Teresa Steinbock, Board Treasurer (TS)

Rick Gano, Board Secretary (RG)

Claire Ferlan, Board Member (CF)

Staff:

Melissa Georgesen, Aquatic Director (MG)

Jenniffer Swink, Recording Secretary (JS)

Debbie Rabidue, Bookkeeper (DR)

Budget Committee:

Hendy Appleton, Committee Chair (HA)

Geri Monroe (GM)

Sue Gee (SG)

Nancy Kylo (NK)

Absent:

Neal Lucht, Board President Chair (NL)

2. 2020-2021 Budget

2.1 Budget Committee Public Meeting: On May 16, 2020 the 2020-2021 Proposed Budget was uploaded to the MAC website and emailed to the Budget Committee and MAD BOD. It was included in the Board Packet, which was emailed the Friday prior to the Board Meeting.

Hendy Appleton (HA), the Budget Committee Chair, presented the 2020-2021 Proposed Budget. MG read out loud the Budget Message. MG also pointed out there are highlights about the programs on the "Year in Review" pages.

HA reviewed the budget page by page asking for comments or questions through the process. On page 1 of 4, HA asked why line 4, admission fees dropped and lines 5 and 6 rentals increased. MG explained her calculations for line 4 included conservative figures including the consideration of the closure and future restrictions on numbers of patrons and staff due to COVID-19. As for lines 5 and 6, "Rentals", MG believes the numbers will go up because of the inflatables and the party packages MAC had recently rolled out. She further explained although the rentals were budgeted at \$2,400 and \$7,300 last year, the actual amount logged before COVID-19 was \$20,000. CF asked if lines 5, 6 and 10 in the column labeled "First Preceding Year 2018-2019" are actual amounts or budgeted amounts. MG explained those columns are budget amounts. MG further explained line 10, "Concessions" didn't get started in 2018-2019 like she had hoped and she is unsure moving forward how soon concessions will be able to open or what restrictions will be placed on concessions. SG asked MG to explain line 12, "Local Government Investment Pool Dividend (LGIP)". Line 12 is interest money MAC receives, usually about \$1,000 interest each month, based on the balance in the account.

On page 2 of 4, "General Funds" there was a discussion on salaries. On line 8, "Water Safety Instructors (WSI)" the budget has increased. It is based on eight people receiving a higher rate because

the BOD felt it was important they receive a higher rate than lifeguards. The WSI have more training and certifications. On line 10, "Water Fitness Instructors (WFI)" the budget was increased because we exceeded the budget last year. This is based on four instructors who are paid at a contract rate. CF asked MG to explain the difference between WSI and WFI. WSI teach swimming lessons; whereas, WFI lead fitness classes. On line 6, "Receptionists/ Admins" this increase was calculated based on the previous year's figures which were at \$46,000 in the third quarter. The front desk staff average about 87 hours per week, plus there additional duties recently added such as party planning activities. MG informed the committee she will not discuss individual employee salaries at the Budget Committee Meeting. She also mentioned there may be some cost savings in the personnel department because of the COVID-19 closure and future restrictions. HA pointed out that Line 10 is used twice for two different items and this will be corrected. On Line 10, "Payroll Taxes" MG explained this figure includes both the Aquatic Director's payroll taxes as well as the rest of the MAC staff.

On Page 2 of 4, "Materials and Services" the first question was about the increase on line 15, "Professional Services/IT". MG explained that this is due to the recent audit expense, which was never factored in on the first or second budgets. This budget amount will include previous audits needed to get MAC up to date. Going forward this will be a more accurate amount in the budget. HA pointed out the decrease in Line 18, "Pool Equip Repair/Maintenance." MG explained that this year MAC had an unanticipated repair which should now last for 10 or more years. HA also pointed out Lines 23 & 24, "Natural Gas Fees and Electricity" cost went down. MG explained she had 10-11 months of real numbers to use in the budget. MG was asked about Line 19, "Grounds/Landscaping" that had increased. She explained that we have a wonderful volunteer that does a lot of the grounds and landscaping, but he is not as available at this time. MG hired a landscaping company that did additional work initially. Now the work is standard, so she is working with the company to adjust the cost. SG asked about the increase for Line 25, "Water/Sewer". Does it reflect the actual cost? HA explained the city raised sewer and water rates considerably last year. CF asked about the increase for Line 26, "Garbage/Recycle". MG told the BOD that MAC initially had a 35 gallon garbage can, which was too small. Both HA and RG agreed as they have worked as lifeguards emptying garbage at the end of a shift. MG worked with B&B Leasing to get the best fit for MAC which is a 95 gallon garbage can which MAC would accommodate having about 1,500 people at the facility per month. MG was also asked about the increase on Line 16, "Bookkeeping/Payroll Services". MG said MAC used more hours with the bookkeeper than they initially expected. PB asked if that included working on the audits. MG said, "yes" and with the first audit she had the bookkeeper at the facility during those hours when the audit was being accomplished. Currently MG and DR are meeting on a weekly basis, but hope in the future to meet twice a month.

On page 3 of 4, "Materials and Services" NK asked MG if there will be a need for additional cleaning supplies due to COVID-19 for Line 33, "Janitorial & Safety Supplies". MG explained that MAC already uses EPA approved disinfectants, so she is confident the cost in the budget is accurate. She also shared that there are grants available to cover additional expenses that are due to COVID-19. RG asked about the increase for Line 39, "Liability Insurance (Auto, Fire, etc)". CF pointed out the school district used to cover parts of this insurance coverage because they owned the property and building. MG also shared that Special Districts Association of Oregon (SDAO) is scheduled for a 15% increase on insurance. SG asked what is included in Line 42, "Dues, Fees, Registrations". MG said it includes dues for Oregon Recreation and Park Association (ORPA), Association of Aquatics Professionals (AOAP) and a movie license so MAC can show movies in the pool. On line 44, "Credit Card Usage Fees" what is this expense? MG explained MAC pays about \$167 per month for credit card fees. With our Max Galaxy software patrons are able to go online to purchase products and register for classes using their credit card. We factored in a 4% credit card fee to cover these transactions. Our credit cards are processed through World Pay, which charges different fees for different kinds of transactions. There is one fee if the customer makes their purchase online and a different fee if the customer calls the front desk and we have to run the credit card manually. JM asked why 2018-2019 was so high at \$5,400. MG doesn't recall. In her notes she shows she proposed to the budget committee \$1,200, but the committee

recommended \$5,400. Line 51, UV Upgrades + Pool Blankets was budgeted last year, but never purchased. HA wants to know if the UV will be upgraded and the pool blankets purchased this year. MG explained she had Oregon Energy Trust (OET) out for a sight visit this month. She learned MAC can put in for incentives through OET, which could be a significant amount and would include both the UV project and pool blankets. MG thought it would be worth waiting before moving forward until this coming budget year and to see what kind of incentive MAC will qualify to receive. For Line 55, "Contingency", HA indicated that since there is so much we don't know, having a large contingency is wise. RG, CF and the rest of the committee agreed. Line 58, "Unappropriated Ending Fund Balance" is the same across the years.

On page 4 of 4, Line 61, "Reserve for Future Expenditure" was increased because the BOD had requested to have a larger reserve. MG feels the budget figures are spot on, so there was a little more to put in the contingency and a lot more for the Reserve for Future Expenditures. Next fiscal year we will have a little more than \$500,000 in the account. HA asked why the BOD requested an increase in the reserve for Reserve for Future Expenditure. MG listed all the equipment needed and used to run the pool along with the building itself. She pointed out the HVAC system dehumidifier itself is \$500,000. The BOD is looking at what is the biggest equipment that would fail and that we will have the funds in the bank account to cover replacing it. We are building funds to maintain the facility over time. HA asked if MAD has a master plan, since the facility is 17 years old. In 5-10 years MAD may need to replace some equipment. MG wants to be pro-active to replace equipment before it fails. The BOD is working on a master plan.

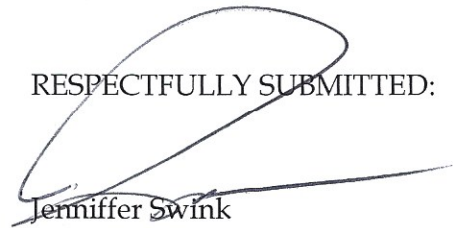
HA called for a motion to vote on passing the budget on to the BOD. CF moved to accept the 2020-2021 Budget as presented. SG seconded. Motion carried, unanimously, 8-0.

6. Upcoming Meeting

6.1 Next Board Meeting is our Budget Meeting on June 23, 7:00 pm. Due to Governor Kate Brown's Executive Order 20-16 the meeting will be held via Google Meet online. JS will post the details including a link to join the meeting on MAC's website.

8. **Adjournment** - HA moved to adjourn the meeting at 8:00 p.m. GM seconded. Motion carried, unanimously, 8-0.

RESPECTFULLY SUBMITTED:



Jennifer Swink
Recording Secretary



Rick Gano
Board Secretary