

## Budget Message

I am pleased to present the Molalla Aquatic District's 2024/25 Fiscal Year (FY) budget message. This budget is based on the previous two years of actual fiscal history and projections from the current 2023/24 FY. I hereby submit the proposed 2024/25 FY annual budget as required by ORS 294.331.

### **Budget Priorities:**

The proposed 2024/25 FY budget is designed to maintain the goals and priorities set forth by the Board of Directors, while also allowing for continued growth and exploration of new opportunities. Overall, the proposed budget aims to continue to focus on what the District has historically done best, which includes consistency in staffing, program offerings, patron services, and affordable recreational opportunities. Priorities in this budget include the following:

- To ensure the long-term financial stability of the District.
- Continued growth of program offerings, while maintaining a safe and consistent experience for our patrons.
- Retention of existing staff, both in order to maintain current program levels and allow for additional program development.
- Acquisition of adjacent land parcels to allow for long-term growth opportunities.

### **Highlights of new investments, transfers, and reductions:**

- \$100,000 towards the purchase of adjacent property parcels, in addition to an estimated \$70,000 in yearly Principal and Interest towards debt service.
- An increase in Lifeguard Wages to reflect a rise in programs and services offered by the District.
- Reduction in Capital Outlay and Future Expenditure to reflect an increase in Total Personnel Services.
- Increase in Water & Sewer to reflect City billing changes.
- Reduction of Available Cash on Hand due to previous facility expenditures.

## General Fund Resources and Appropriations

You will find that the proposed amount to fund the FY 2024/25 General Fund budget is 1,414,915. This marks a 10% decrease from the 2024/25 FY budget. This change is attributable to a decrease in the Available Cash on Hand.

### **General Fund Resources**

#### *Property Tax Revenue*

Expected Property Tax to be Received is \$639,915. This marks a roughly \$20,000 increase from the previous FY budget.

#### *Programs & Registrations*

Programs were up across the board for 23-24 FY and have been reflected in this budget. This category includes general admissions, facility rentals, swimming lessons and various organizational events and programming. We are expecting continued growth in this sector, with all of our programs seeing increases in enrollment and participation in the current FY.

General Admissions, which includes daily and monthly passes, has seen an uptick. The 24/25 FY budget is an increase over the previous year due to the continued success of the programs. Likewise, Private Facility Rentals have also seen an increase in popularity resulting in an 80% increase.

Both Learn to Swim and Private Swimming lessons have seen increased enrollment. Those projections have also been increased for the next FY budget, with increases of 21% and 42%.

### **General Fund Expenditures**

#### *Personnel Services*

Overall increase due to adjusted lifeguard wages, which stems from increased programming and reflects historical trends of part-time staff members. This FY budget reflects a 20% increase from last FY budget, but should provide us with an accurate portrayal of staffing costs. The budget assumes a 3-5 % increase in salaries, for both full-time and part-time staff.

### *Material and Services*

The total combined materials and services portion of the budget is \$344,700 and represents an increase of 11% from last year's adopted budget. These expenses make up our building and pool maintenance, chemical supplies, janitorial, office supplies, utilities, and staff education and training among several other smaller categories.

The main change from the previous budget cycle is the Water/Sewer. The budget for that line item has increased \$13,000 due to rate increases. Janitorial & Safety has also increased, due to increased programs and events.

### *Capital Outlay*

Capital Outlay includes \$112,000 for the pool plaster project. It was originally budgeted for last FY, but has been moved to the current FY. The accepted bid came in at \$92,000, with potential add ons increasing the total to closer to \$100,000.

### *Special Payments*

This includes \$100,000 that will be applied to the purchase price of the land parcels once the transaction is executed.

### *Debt Service*

The fiscal total for Principal and Interest for our 10-year note for the property purchase is estimated to be \$70,000. This includes a principal payment of \$40,000 and two interest payments estimated at \$15,000 each per FY.

### *Contingency*

The requested capital improvements will address repairs and upgrades to our facility. However, there remains the possibility of unanticipated financial needs. Total contingencies are \$85,000.

### *Unappropriated Ending Fund Balance and Reserve for Future Expenditure*

The total of the Ending Fund Balance is \$40,000. Reserve funds have been designated at \$10,000. The reserve funds have not been designated towards any specific project.

### **District Challenges**

The most significant issue facing the District is the reduction of Available Cash on Hand. In comparison to last year, the Available Cash on Hand has been reduced by 42%. The recent inflationary period in conjunction with much needed, but high-cost facility projects has led

to this decrease. The challenge will be to stabilize or increase the Available Cash on Hand, while also addressing additional long-term facility projects including the pool plaster project, the land purchase and unforeseen facility needs. Compounding this issue has been a rise in personnel costs, mainly due to increased programming. Although the additional programming has led to an increase in revenue, the District will need to continue to examine programs to ensure that they are financially viable in the wake of lower Available Cash on Hand.

### **Summary**

As the Superintendent, I am excited to enter my first full fiscal year of working for such an incredible organization that directly benefits the lives of our patrons. I am hopeful that with the consistency in leadership, support of the Molalla Aquatic District Board of Directors, and continued support from the community, the 2024/25 FY will lead to the ongoing success of our organization.

In closing, I want to thank our talented staff, including Julie Harris and Jayme Logan, who have done an outstanding job assisting me in the budget process. I also greatly appreciate the entire staff, who have worked tirelessly in the recent months to ensure a seamless transition in leadership.

Sincerely,

Landon Bright  
Superintendent  
Molalla Aquatic District