

**TOWNSHIP OF MAHWAH
BUDGET WORK SESSION MEETING AGENDA
MONDAY, MARCH 2, 2015**

**Council Chambers – Richard J. Martel Municipal Center
475 Corporate Drive, Mahwah, New Jersey**

8:00PM

COUNCIL PRESIDENT’S STATEMENT

MOMENT OF SILENCE FOR VETERANS AND THOSE SERVING IN THE MILITARY

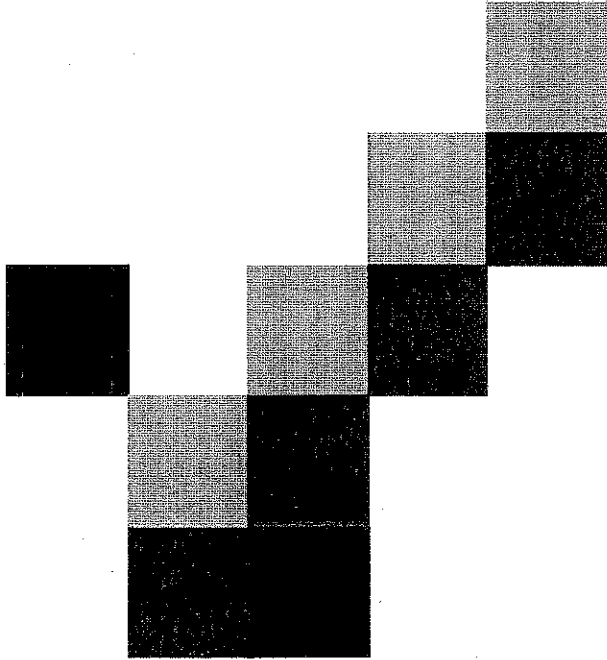
**ROLL CALL: _____ AMOROSO; _____ ARIEMMA _____ DiGIULIO; _____ HERMANSEN;
_____ ROTH; _____ SBARRA; _____ WONG**

PUBLIC PORTION: Each speaker shall be limited to 5 minutes. The Public Portion shall be a maximum of 30 minutes.

MUNICIPAL POOL

ADJOURNMENT

THIS AGENDA IS SUBJECT TO CHANGE.



Mahwah Township

Funding Proposal for Pool Enhancements

March 2, 2015



Agenda

- Project Summary
- Measuring Success
- Progress To Date
- Financials
 - Budget Comparisons
 - Revenue Projections
- Membership Trends
- Propose Fee Schedule
- Recommendations / Summary
- Questions



Project Summary

- June 2014 Mayor and Council commission the Pool Committee to “investigate, discuss and formulate answers that will lead to a vision and definition of a successful Mahwah Municipal Pool”.
- July 2014-December 2014: The Pool Committee conducts its Mission.
- December 2014: The Pool Committee completes its Mission and delivers a 60 page report recommending an immediate \$1,025,000 renovation and a subsequent creation of a “Mahwah Recreation Facility” that would expand the footprint of the pool grounds and create a link to the assets of the upper area.

Capital Improvements \$940,000

- | | |
|---------------------------------------|------------------------------------|
| ■ Pool Revitalization: \$490,000 | ■ Renovate Restrooms \$100,000 |
| ■ Splash Zone / Water Slide | ■ De-humidify Restrooms \$20,000 |
| ■ Kiddie & Intermediate Pool Redesign | ■ Install Family Restroom \$60,000 |
| ■ Renovate kitchen: \$80,000 | ■ Improve Drainage \$135,000 |
| ■ Lighting: \$20,000 | ■ Install Power Stations \$20,000 |
| ■ Wire for sound projection \$15,000 | |

2015 Operating Budget \$65,000

- | | |
|-------------------------------|----------------------------|
| ■ Heat Main Pool \$40,000 | ■ Install Wi-Fi. \$10,000 |
| ■ Purchase Activities \$5,000 | ■ Paint Buildings \$10,000 |



Measuring Success

- Creation of a Family Aquatic center
- A return to positive growth in membership.
- To be an attractive, exciting, safe and quality leisure experience that restores pride in the facility and positions the Municipal Pool as an asset to the community.
- To become financially self supporting
- To satisfy a broad range of aquatic interests for all ages
- The initiation of a broad range of activities for the entire community to enjoy, such as movie nights and special events.
- Recognition of the Municipal as a destination center for Mahwah families



Progress to Date:

- Nomination and approval of seven (7) member Pool Commission and Council Liaison.
- Hired a Pool Director: 18 years as Municipal Pool Director, first-hand experience in the renovation of the Woodcliff Lake Pool, New Jersey Pool Managers Association - Board Member
 - The Pool Commission meets to discuss organizational plans and assess the individual strengths of its 7 members.
 - Election of Pool Commission officers and to organize into sub-committees to oversee and assist the Pool Director in critical areas of operation, including Renovations, Ground Maintenance, Kitchen, Swim Team, Budgets, Marketing, Personnel, Membership and Activities. Each Commissioner will chair at least 1 committee and co-chair another.
 - Completed analysis of historical membership rates and comparison to pool rates in surrounding communities.
 - The Commission reviews and approves a competitive and streamlined fee schedule for submission and approval by the Council.
 - Completed analysis of to determine the heating requirements and associated costs for the Town Pool.
 - Met with Verizon to devise a plan to implement Wi-Fi to cover the footprint of the pool facility
 - Meetings held with Wade Associates and Boswell Engineering to discuss needs for the heater and the renovations presented to Council. These meetings have been crucial to our financial presentation.
 - Initiated plans to create new social media to enhance marketing and create electronic applications inclusive if a Web page dedicated to Town Pool activities.
 - Began review of the personnel records to formulate plans for 2015 staffing.
 - Completed initial assessment of buildings to determine costs for painting and repair.
 - Analyzed past and current pool budgets and identified opportunities fore self funding.
 - Development of facility activity calendar.

Budget Comparison

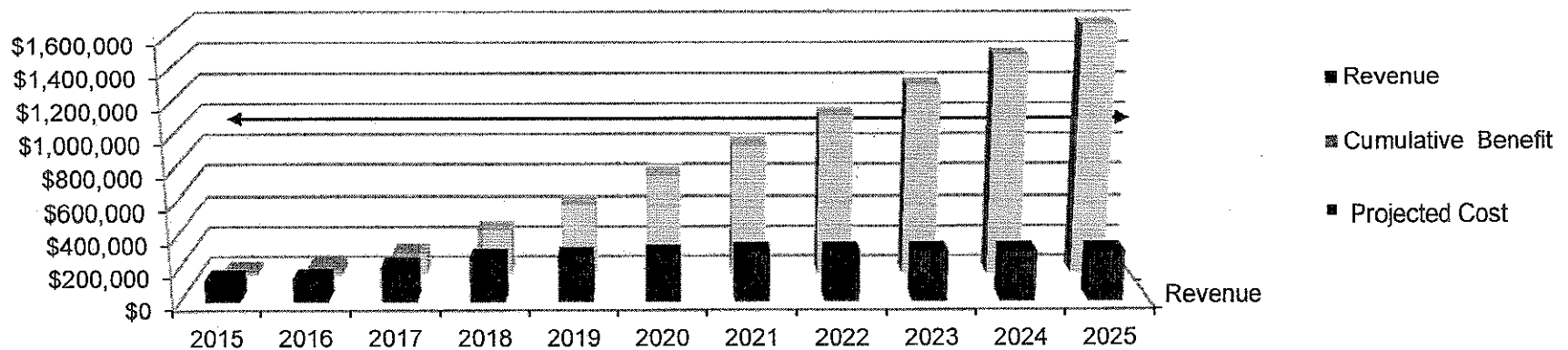
- Revenue continued to trend down, decreasing 21% since 2010.
- Memberships decreased 21% last year and 28% since 2010 and 21%
- Expenses have increased at an average moderate rate of approx 3.7% per year
- Expectation that delivery of 2015 Business Plan will increase revenue by 15%

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Budget
Revenue						
Memberships	\$109,034	\$101,331	\$108,800	\$99,125	\$77,970	\$89,666
Gate Receipts/Guest Passes	\$13,997	\$15,604	\$16,451	\$15,235	\$18,504	\$21,280
Instruction & Swim team	\$17,336	\$22,325	\$18,897	\$14,184	\$14,265	\$16,405
Concessions	\$9,982	\$11,341	\$10,516	\$7,821	\$7,467	\$8,587
Total	\$150,349	\$150,601	\$154,664	\$136,365	\$118,206	\$135,937
YOY Change		0.17%	2.70%	-11.83%	-13.32%	
Expenses						
Salaries & Wages	\$115,714	\$106,799	\$115,219	\$107,317	\$108,636	\$116,000
Materials & Supplies (Chemicals)	\$8,277	\$11,722	\$10,807	\$7,849	\$7,283	\$14,000
Equipment	\$550	\$15,303	\$0	\$801	\$14,637	\$45,000
Repairs & Maintenance	\$32,794	\$32,922	\$42,439	\$76,237	\$30,204	\$35,000
Professional Services	\$795	\$795	\$895	\$895	\$13,420	\$5,000
Training	\$50	\$0	\$427	\$935	\$1,015	\$2,000
Dues & Subscriptions	\$2,430	\$1,435	\$1,050	\$1,090	\$500	\$2,500
Uniforms	\$3,798	\$3,801	\$3,480	\$3,119	\$3,108	\$4,500
Concession & Pharmacy	\$8,846	\$8,395	\$8,233	\$6,927	\$7,457	\$9,500
Water Testing	\$1,535	\$1,535	\$1,585	\$1,635	\$1,655	\$1,800
Rental & Maintenance Agreements	\$2,772	\$3,179	\$2,924	\$3,067	\$3,549	\$4,000
Print & Postage (1)	\$3,052	\$2,938	\$2,741	\$2,842	\$2,891	\$4,500
Utilities (1)	\$18,177	\$18,000	\$14,829	\$17,456	\$18,737	\$20,250
Total	\$198,789	\$206,824	\$204,629	\$230,170	\$213,092	\$264,050
YOY Change		4.04%	-1.06%	12.48%	-7.42%	23.91%

Note (1) Budget/Costs reside in Central Accounts

Revenue Projections

- Anticipate significant revenue growth as a result of capital improvements
- We expect a reversal of revenue trend in 2015 as a result of work to be done in Spring 2015
- Seven (7) year payback on capital investment
- Annual incremental revenue of \$205k in 5 years
- Ten (10) year cumulative benefit of \$1.8m
- Deliver profitability by 2017



Membership Trend

- Pool membership has decreased in 8 of the last 12 years.
- 2014 membership levels continued downward trend.
- Significant drop off in Family memberships.

Categories	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Residents												
Individual	169	74	74	77	55	49	34	30	38	34	37	29
Family of 2		76	55	57	66	33	36	33	19	16	12	12
Family of 3 or more	449	452	368	368	360	347	333	305	239	223	206	149
Senior Citizen - Individual	98	110	72	98	107	113	84	58	54	57	97	88
Non Residents												
Individual	40	11	19	9	9	16	8	9	4	4	5	5
Family of 3 or more	17	21	10	13	9	16	9	5	42	53	55	43
EMS Cards	331	271	215	220	218	312	224	161	177	211	167	168
Totals	1104	1015	813	842	824	886	728	601	573	598	579	494
Percentage Change		-8%	-20%	4%	-2%	8%	-18%	-17%	-5%	4%	-3%	-15%



Recommendations / Summary

Recommendations

- Approve the original Capital Plan of \$940,000 as requested in December.
- Proceed with 2015 improvement plans to allow for installation of the pool heater for completion prior to the start of the 2015 season.
- To accommodate the necessary addition of \$42,000 operating costs, reduce the pool operating budget by \$15,000 as follows:
 - \$10,000 based on revised estimates for the pool heater and WiFi installation. (Line 202, Equipment)
 - \$5,000 based on revised estimates for building repairs/maintenance. (Line 203, Repairs & Maintenance)
- Approve proposed 2015 Fee Schedule.

Summary

- The Pool Commission is fully engaged and properly organized to successfully execute the tasks discussed tonight. We believe that this comprehensive plan of marketing, creation of an active and fun environment and long overdue renovations can produce the results we projected.
- There are community benefits that cannot be measured by profitability alone. Investments in community assets such as the Senior Center, Recreation Department, a new Town Hall and Library, and CSP have enhanced the value and desirability of Mahwah and raised property values. None of these investments are held to profit goals, yet their value is never questioned.
- The new Mahwah Municipal Pool can be the only Municipal asset that provides the service of a Senior Center, the family fun of a Recreation Department and a profit center.
- The Commission agrees with the findings of the Pool Committee and endorses their definition of success as stated in the final report



Questions?



Appendix



Alternative Funding Approach

If required, the project could be divided across two broad themes:

- Grounds - \$645k
- Buildings - \$295k

However, there are risks associated with this approach:

- Excess costs associated with executing project over a two year period - estimated between 10 -20%
- Negative impact on revenue , \$300k over 10 years and delay in profitability by one year.
- Interest rate risk / more expensive funding
- Risk of not completing the project – new approvals required
- Not meeting residents expectations / addressed concerns raised