

Mayor's Report- Aquatic Center Financials 8/10/2015

I recently received a letter from one of our citizens who had some questions regarding extending the operating season for the pool. With the summer season in full swing, we are finally getting some solid data on pool operating costs for 2015, and can hopefully provide some answers. Our local transit system has been bringing in customers from the surrounding communities, so the higher degree of utilization gives us some idea of where we need to go from here. In this report, I would like to address three items: pool operating costs, the economics of covering the pool, and the economics of extending the pool operating season.

When the pool is operating during the summer, the cost of chemicals, electricity, personnel and other incidentals is around \$1,246 per day. This year, the average income for the pool has been around \$843 per day, giving us a net loss of \$403 per day. Assuming that all other numbers stay the same, the gap can be made up in one of three ways: increased charges per customer (this would essentially triple the present rates), increased number of customers per day (from 144 to 450) or by subsidizing operations and maintenance through grant money or general fund dollars. At present, those monies come from the Town's general fund. Even if we dramatically increased the usage fees or the attendance, the pool would only break even during the summer months, since our customer base decreases dramatically as soon as school starts.

To lower cost, some have suggested building a cover over the pool. Unfortunately, the pool wasn't designed to incorporate a cover. Also, initial cost isn't the only factor here: temperature control and dehumidification can be quite expensive. Depending upon the structure, initial costs could range from 1.2 million to 1.8 million, with ongoing operations and maintenance running at least \$100,000 per year.

Another suggestion has been to extend the pool's operating season: since the Town spends \$233 each day the pool is closed and \$1,246 each day it is open, merely extending the season without raising the cost of admission or increasing attendance would be financially irresponsible.

Even though our staff has cut the operating costs in half, the general fund still subsidizes the pool to the tune of \$137,000 per year, money which could be used to repair our roads or lower the monthly sewer and water bills for our residents. In order to reduce the strain on the general fund, the Town has refinanced the wastewater treatment plant and is in the process of attempting to purchase the Prescott water distribution system that lies within the Town's boundaries. We will also be pursuing grant monies specifically targeted towards pool operation and maintenance costs.

In short, the Chino Valley Town Council and Staff will continue to seek ways to maintain the amenities that we as a community have come to love without neglecting our financial responsibilities.

Chris Marley, Mayor of Chino Valley