

**Hillsdale Swimming Pool Commission
Regular Meeting
February 12, 2020**

Call to Order by Chairman Roe Metz @ 7:31pm

Roll Call: Managing Director Patty Hughes, Roe Metz, Linda Parisi, John Inserra, Dan Sullivan, Liaison to the Mayor and Council Abby Lundy

Absent: Roseann Heytink

Late Arrival:

Early Departure: John Inserra 8:04pm

Council Members:

Approval of Minutes:

January 2020

Motion: Linda

Seconded: Dan

Approved: Aye

June 26, 2019

Motion:

Approved:

Remarks from The Borough Hall:

Chris Tietjen, Borough Administrator:

Presenting status and analysis of the current budget and overall finances as we proceed unto the 2020 budget cycle. Council-woman Lundy is now aware that the pool may not be in a financial condition that the commission believes it was financially. This year, as we begin 2020 the pool will be required to use the remainder of the fund balance in the black and subsequently in the 2021 cycle depending on the revenue earned by the pool may require the borough to step in to provide funding to make the pool even.

Dave Sireci, CMFO:

Abbreviated version of finance meeting.

The budget is presented as was submitted during the first budget meeting.

One rule of accounting that we have to follow is that you cannot anticipate revenue as more than you had the prior year. Auditors had those revenues. That left a shortfall of \$159,000.00. In order to dodge the bullet is that we utilized what was left in surplus for the pool in fund balance to offset that. Then, took into the rate increase at the last meeting which should generate some extra revenue as it has a substantive basis. It is a large variable. Patty identified the next 5 items are additional revenues per contractual services for swim, dive, lounge rental, recreation department, and charging high school students for parking in the winter months. One other big piece is the operating fund called capital outlay which is a cash fund to buy capital items. To make repairs or new items for the pool. Typically, these items would be bonded, we had to take

this out entirely to balance this budget. Two old capital ordinances that exist from many years ago and repurposed for a dome project, everything else is nonspecific pool improvements and equipment. It has to be a 5-year life and a non maintenance item. We would eliminate having to run this through the operating budget. The problem becomes in 2021 the revenues based upon that rule, there is not anymore surplus unless it is generated in 2020. So we continue to build back these rainy day funds or this fund balance.

The fund balance has become a big issue. It goes back to 2003. The budget appropriation to the current fund to send money back to the municipal fund in order to use it as a tax levy. What was happening was by virtue of the municipality swung the budget into a deficit. The first draft of the budget anticipated a \$92,000 excess, somewhere along the line the governing body took money regardless of the surplus. This adds another line to the budget just like salaries and debt, surplus to the general fund which now has to absorb an additional deficit. Had it not been for column 2 being requested, we would not have been in the negatives and depleted our surplus. The pool was no doubt profitable and made it available to be taken. It had to be there to be taken. Over time, they were taking more than what was being regenerated and then in 2016 no money was taken. The council's request was after the fact. Nevertheless, the vision of what the future might come to was missed and when times were good it didn't seem to have that big of an impact at the time. The hope is that 2020 regenerates some of that surplus. We are living for this year's season. There is an option for the town to send the money back to send it back and take it as a revenue. We can only give you what you need to balance the budget if so needed for 2021. Pray for no rain and lots of members.

2021 is the end of the bond series, it is maturing. 2022 you will have 72-73,000 that you have previously needed. The pivotal year will still have the appropriation between the principal and the interest. This year's salaries there is a small blip in regards to the state mandated salaries.

Linda:

1. Going back to other years that looked like we were doing well. How were these numbers chosen for payment to the Borough?
 - a. Some finance meetings previously with the mayor and talk around the table. The mayor at the time wanted that amount.
2. When we were starting to get into this 2015, 2016 area, who would these appropriations who is in charge of watching that and why weren't we told sooner that our funds were depleting?
 - a. The governing body is responsible. The borough administrator and the finance officer. It is most likely my assumption as to where things went wrong.
 - b. There is an audit report generating every year. The pool may did not received a copy of this.

Appropriation Reserves, David Sireci:

It is a municipal accounting as you get as an income, it goes to the fund balance as a revenue from closing entries.

The encumbrances payable. Breaks down the reserve and the balance after it. Encumbrance in the system, other is a reserve - appropriation. They are set aside monies that are known or unknown in the operations statement.

We generated \$50,000 in 2019, we were left with \$13,000. The town didn't take any money but we were in deficit. In 2019 there was no choice but to use surplus to cover the difference. For 2020, the state said no, you have to use everything before you can put the white flag up and say you need some help. We couldn't leave a little for the breathing room, you must use it all.

The \$130,000 can be re appropriated to a new ordinance which basically says pool improvements and equipment which is broad. The commission could go and draft new paperwork to re appropriate this fund within the capital fund. If there is a need for something large in the future, do the bond process. There is no for Stonybrook debt, after 2021. The entire town will only have 2 million dollars in debt. We are in a good position from this standpoint. You have to be able to support the appropriations to anticipate higher amounts.

Chris T said, Hindsight would have been to tell the pool in advance and only took the extra, not the additional funds. We are only going to take what it is. Maybe no one thought of it or cared. 2.4 million was taken out of your rainy-day fund over the course of these years besides the extra it made. The pool was profitable and the town utilized the ability to take it.

It is encouraged from the administrator not to harp on what happened, move forward and think about all the ways this year you could make revenue to not need municipal support in 2021. If you have any more questions Dave and I can answer any more. Everyone could be more cognizant of what to do moving forward. It is my perspective that utilities stand alone for a purpose.

We hope to be transparent moving forward. It is not my intention to take from the pool and operate for themselves. We can generate reports with actual and predicted forms. It just didn't put enough back in with lean times to cover problems now. Reigning in the spending at the end of the year does help.

Patty:

The last few years our operating expenses and budget, we have underspent every year.

This past year we had the sewer backups which cost more than anticipated, we still did well with spending.

Correspondence:

None at this time

Topics Discussion:

Pool Finances:

See the above section.

Advertising 2020:

Newspaper Ads. to target local towns with swim club issues:

- Ridgewood - preseason startup issues
- Bergenfield Closed
- NJPMA - Township and Westwood have been talking about closing
- Washington Township owes \$\$\$\$ on the tax sale list and bonds to members of over 20 years

Expand Our Zones for Money Mailers:

- Zone 6
 - Closter, Harrington Park, Norwood, Haworth, Northvale, Old Tappan, River Vale
- Zone 5
 - Hillsdale, Westwood, Twp. of Washington, Emerson
- Expand into - Zones; 9, 11, 12, 3

Look into Valpak

Look into Rockland County Advertising

- We have many Pearl River families, lets advertise there as well

Multiple Promotions:

Potential: 3-hour Hillsdale only, come to the pool preseason sign up that day and receive a special price just that day.

Hand out the 10% off coupon at the opening day HBSA March 28, 2020

No Swimming - Open House: Sunday May 17, 2020 10am-3pm

Memorial Day Parade, Monday, May 25, 2020 (decorate the float during the open house)

Open House 3-7pm Friday, June 19, 2020 with swimming

First Day of Summer Promotional Discount June 20, 2020

Revenue Ideas:

Lounge Chair Rentals

Umbrella Rentals

Tent Rentals (Shade)

Ideas we have seen:

BYOB night and pay extra on that night (concerning for liabilities and safety) Borough is not for alcohol

Teen sections 13-18-year old's in other pools so they would have music and games, not a large money maker

Project Graduation could attend there and bring in entertainment

Drop in revenue is from all out of town memberships, target the out of towners

- Other towns never took nonresidents, each town is taking them now
- The highest club \$ wise, people were going elsewhere where it was less \$

- Our fees are in line with other clubs in the area
- People age out, kids → teens (new membership types)
 - Fees in categories are now different and lower

Welcome Packet for the Borough

Mail to all new residents in apartment buildings in Hillsdale

Offer besides the discount throw in a Stonybrook free gift with membership purchase.

Revenue Ideas:

Dive Team Rental - Pike Dive Academy

Out of Twp. Washington diving USANJ Accredited and looking to rent July 6- and diving on one board from 9am-12pm giving approximately \$5,000 revenue for the pool. The dive team would use a board and camp on the other. Promotion for membership as well and possible joint camp.

Scuba/Snorkeling Lessons - Early evening or morning time

Teach how to snorkel with a bit of scuba. Accredited with insurance. We would have to supply the pool and the pavilion to do class for certification. We could get a cut of it and it would be held while we are open. Pricing will be determined in a later discussion with Managing director Patty Hughes.

Fitness Camp – One- or Two-week camp, kids and separate one for adults. Details to be worked out.

Parking Situation -

Ordinance for parking through mayor and council. High School parking, 1-time fee for the year, around \$100 per car and a second sticker for another registered car is \$5.00, they would fill out a form, get a sticker for the car and get information for record. Re-Register through community pass each year. No permit, no parking. The cars will be ticketed if they are not registered and paid for.

Commercial Vehicles such as PSEG vehicles should be charged to use the parking lot. Per vehicle per day. No commercial vehicles get a pass. \$ will be priced out for outside use per vehicle.

Remarks from Citizens: Janetta Trochimiuk, Zoltan Horvath

Pools do well in poor economies, not now with a good economy.

The rental of the concession stand, how much money is brought in on that?

\$23,000.

Have you considered running it?

Yes. It would increase our budget tremendously with special permits, and additional funds. For 6 years in a row, and had a luau, it was not enough. There is also movie night, 5pm-10pm and the concession stand is open.

How about a parade of food trucks?

It would compete with the concession stand; it would make us 100-200 \$
Once we stay open past 8pm, it costs more money for staffing, etc. It could be looked into
Do we use Social Media? – We use Facebook, Twitter
End of year parties were suggested, which is something we already do preseason
Fire departments, Ambulance corps and private parties come
Birthday/family parties are held daily

Liaison to the Mayor and Council: Abby Lundy
None at this time.

Meeting Adjourned: 9:05pm
Motion: Roe
Seconded: Dan

**The following meeting of the Hillsdale Swimming Pool Commission will be held on
Wednesday, March 11, 2020 at 7:30pm at Borough Hall.
Respectfully Submitted by,
Erica Rose Cohen
Hillsdale Swimming Pool Commission Secretary**