

JCRC 2025 BUDGET COMMITTEE REPORT

MEMBERS:

ANTHONY HALL, JEREMY BROOKS, ED MCENTIRE, GLENN ROSS

Committee Requirements

- ▣ Develop Budget for FY 2025
- ▣ Prepare and brief Recommendations for Board of Directors in July for:
 - Rates
 - Discounts
 - Special Memberships
- ▣ Present Draft Budget to Membership NLT August Membership meeting

Methodology

- ▣ **Determine Costs**
 - Examine 2023 expenditures
 - Request Officer/Event Manager inputs
 - Request Supplier inputs/anticipated increases
- ▣ **Determine Assumptions, Constraints**
 - Numbers of memberships, rate of loss and replacement
 - Renewal behaviour
 - Inflation
- ▣ **Balanced vs Deficit vs Surplus Budget**
- ▣ **Determine Sources of Revenue**
 - Membership dues
 - Events
 - Donations
- ▣ **Develop Courses of Action** (distinct, different budget scenarios)
 - Based on each membership dues rate option presented to Board
- ▣ **Recommend Budget Scenario with Reasons**
 - To Board
 - To Membership

Determine Costs (Expenses)

Expenses were based on the following inputs:

- ▣ **2023 Expenditures**
 - Mowing - 22 Mowings per year
 - Sanitation - Monthly
 - Utilities - Monthly
 - Web Host/Internet Access/Domain Name Service - Monthly
 - Events - per event and includes work days as events
 - Charter Expenses (AMA/State Charter Fees) - once per year in Spring
 - Capital Accrual - paid to Capital Accrual Account Annually
- ▣ **Officer/Event Manager Inputs (All were asked; These responded)**
 - VP
 - Secretary
 - Event Coordinator
 - Learn To Fly Event Manager
- ▣ **Anticipated Increases**
 - Inflation - 10% increase
 - Supplier inputs
 - ▣ Porta Potty - project 10% increase
 - ▣ Electric Service - project 20% increase

Expenses

Annual Operations and Maintenance (O&M),	\$5,960.00
Annual Events , - incl. work day costs	\$2,867.00
Annual Community Outreach	\$0.00
Annual Advertising	\$100.00
Flight School	\$50.00
Research and Development/New Technology	\$0.00
Annual Discretionary	\$150.00
Capital Projects - Accrual for Runway Sealing	\$1,000.00

Total: \$10,127

Assumptions and Constraints

▣ Assumptions

■ **Memberships**, as of 1 June 2024

- 72 Adult
- 8 Family
- 2 Park
- 2 Minor

■ **Rate of Loss** - Expect 10 % loss of the Adult and Family Memberships - consistent with the last three years

■ **Replacement** - Expect 10 % new members in 2025 - consistent with the last three years

■ **Renewal Behaviour**

- 50 % will renew before the 31 December deadline - consistent with the last three years
- For The Past Three Years, Early Renewal Discount Has Not Enticed More Members To Renew Early or Even Before The 31 December Deadline

■ **Inflation** - 10%

■ **For Past Three Years, Membership Dues Have Made Up 75% of Our Revenue**

▣ Constraints

■ **Revenue Must Equal or Exceed Expenses**

■ **No/Uncertain “Kitty” to Dip Into to Cover Revenue Shortfall**

■ **Must Collect At Least 25% of Required Budget Prior to 31 Dec 2024**

Budget Type

- ▣ **Type Budget**
 - **Balanced - Income Exactly Covers Expenses**
 - **Surplus - Income Exceeds Expenses**
 - **Deficit – Income Fails to Cover our Obligations**
- ▣ **2024 Financial Projection** - As of 1 June 2024 We Project Finishing the Year With :
 - ▣ \$5K in a CD
 - ▣ \$3K in the Runway Seal Accrual Account
 - ▣ \$1K Uncommitted Funds
- ▣ **History**
 - ▣ For Past Six Years We Have Relied on A \$10K Surplus to Fund Projects and Cover Operating Shortfalls
 - ▣ Have not Raised Rates or had Special Assessment since 2011
 - ▣ Applied in 2023 for First AMA Grant, which covered 25% of one Capital Improvement Project that cost \$8K

Based on the 2024 Surplus Uncertainty, Committee Decided to Develop Only Scenarios that Would Produce a Surplus Budget

Revenue Development

▣ Sources of Revenue

▣ Membership Dues

- ▣ As of 1 June 2024 memberships are as follows:
- ▣ 72 adult memberships
- ▣ 8 Family memberships
- ▣ 2 Park Memberships
- ▣ 2 Youth Memberships
- ▣ Expect 10 % membership loss of the Adult and Family Memberships for the year, which is consistent with the last three years - Expect to gain 10 new(replacement) members
- ▣ 84 Total memberships for planning purposes

▣ Events

- ▣ Two Indoor fly ins
- ▣ Spring Fun Fly
- ▣ National Model Avn .Day
- ▣ SPA
- ▣ Learn to Fly Day
- ▣ Halloween
- ▣ New Years Day First Fly

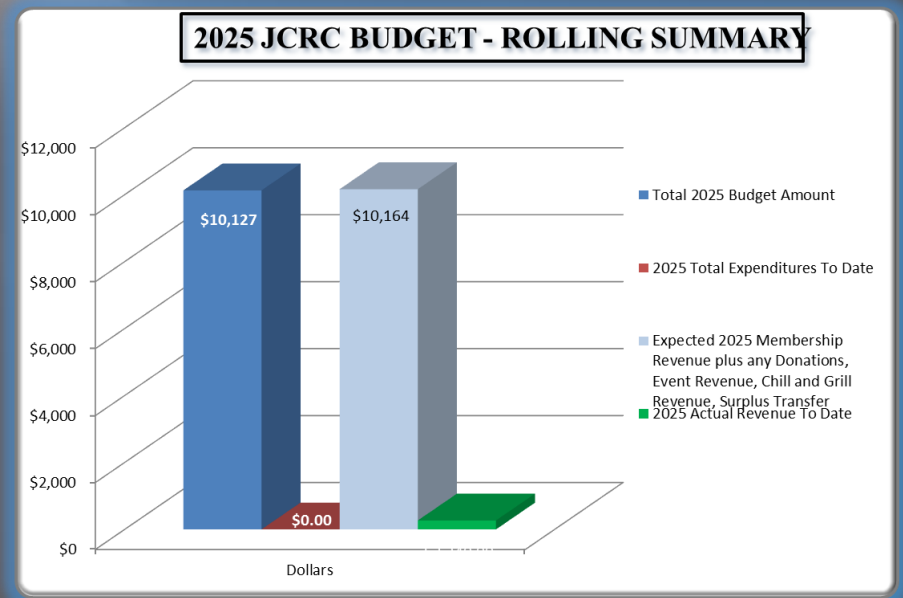
▣ Donations - Unpredictable. Based on previous years' occurrences

▣ Raffles - Unpredictable. Based on previous years' occurrences

▣ Product Sales - New Territory. Guess based on activity (Shirts & Mugs) so far this year

Courses of Action

- ▣ # 1 - No Rate Increase, No Early Renewal Discount, No Late Fee
 - Surplus - Income Exceeds Expenses
 - Pros:
 - Current Rates Unchanged
 - Encourages On Time Renewal
 - If All Projections Occur, Generates Surplus (\$37.00) to Replenish Drained Coffers
 - Cons
 - Dues (\$8,050) Do Not Cover Expenses (\$10,127)
 - If Other Sources of Revenue are Short Will Require Mid Year Special Assessment



Courses of Action, cont.

▣ # 2 - \$ 10.00 Rate Increase, With \$10 Renewal Discount, No Late Fee

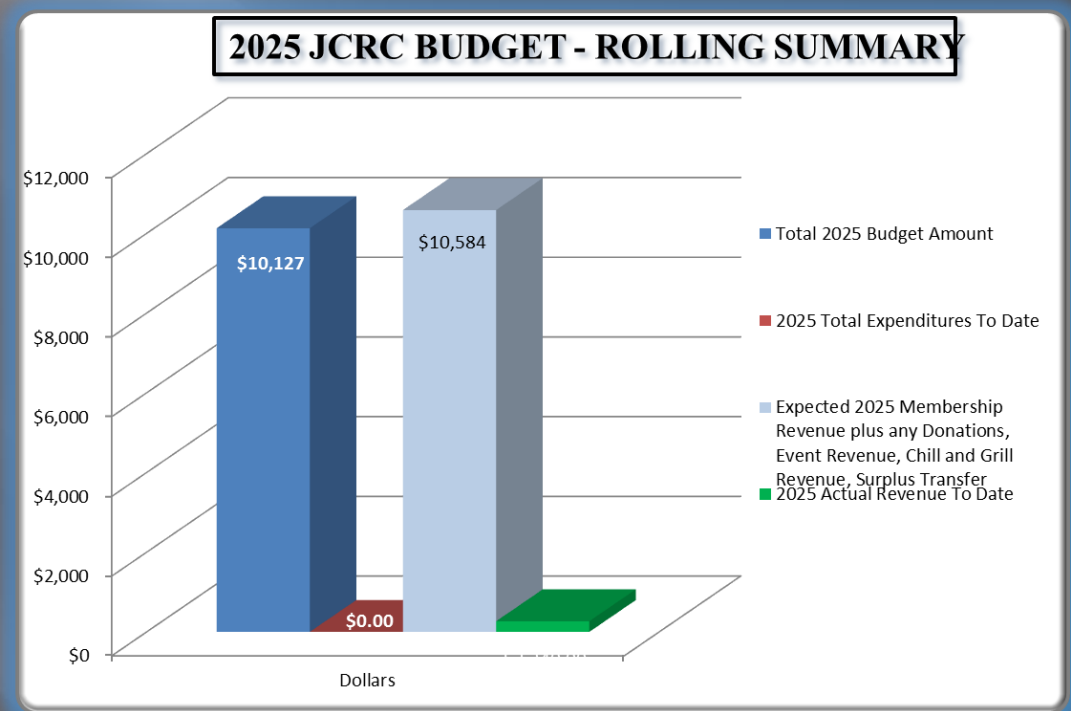
▣ Surplus - Income Exceeds Expenses

▣ Pros:

- Encourages Early Renewal
- If All Projections Occur, Generates Surplus (\$457.00) to Replenish Drained Coffers

▣ Cons

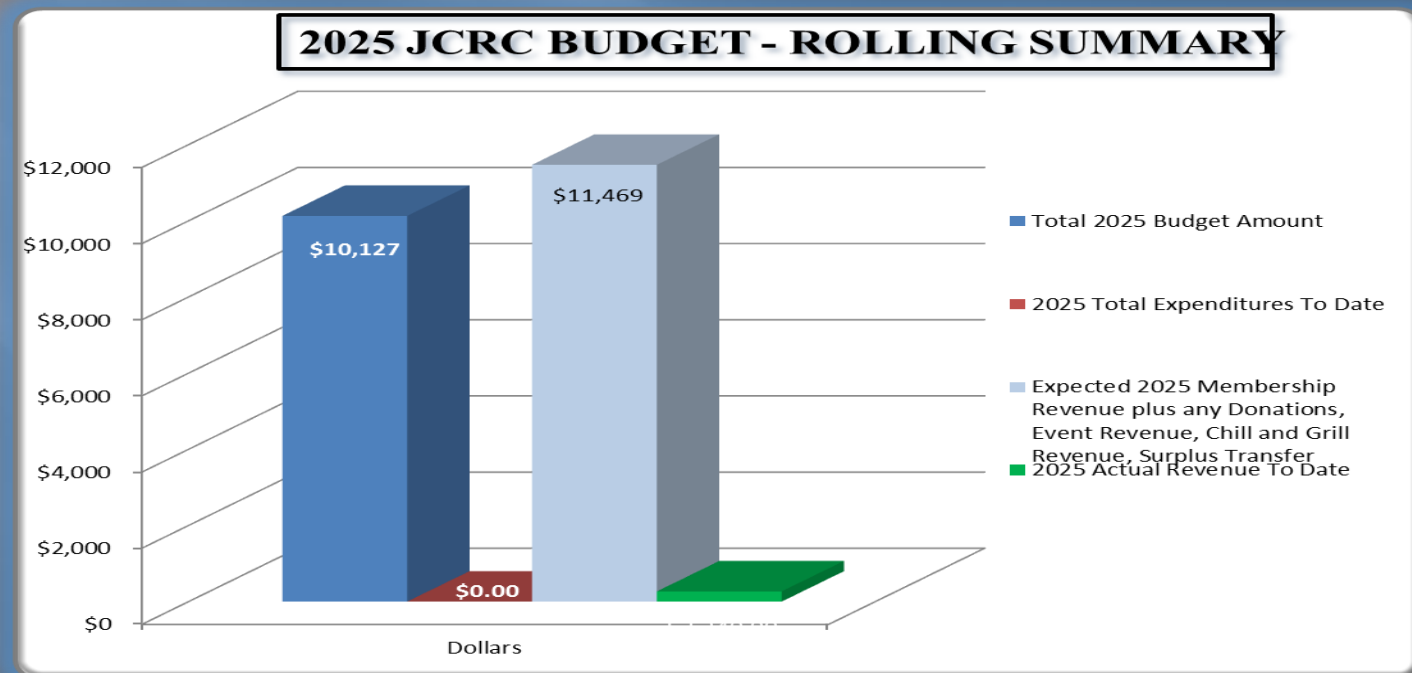
- Rate Increase
- Does Not Encourage On Time Renewal
- Dues (\$8,470) Do Not Cover Expenses (\$10,127)
- If Other Sources of Revenue are Short Will Require Mid Year Special Assessment



Courses of Action, concl.

▣ # 3 - \$ 25.00 Rate Increase, With \$15.00 Renewal Discount, No Late Fee

- **Surplus - Income Exceeds Expenses**
- **Pros:**
 - Encourages On Time Renewal
 - If All Projections Occur, Generates Surplus (\$1,342) to Replenish Drained Coffers
 - If Other Sources of Revenue are Short Will Require Smaller Special Assessment
 - Encourages Early Renewal
- **Cons**
 - Rate Increase
 - Dues (\$9,322) do not Cover Expenses (\$10,127)



Recommendation To Members

- ▣ **Approve Course of Action Budget Number 3**
 - Reasoning:
 - ▣ First Rate Increase in 13 Years
 - ▣ Dues Come Closest to Covering Basic Expenses
 - ▣ Best Course to Assure Replenishment of Surplus

- ▣ **Approve Current VIP and Emeritus Members**
 - VIP = Ed Ritsko (JC Heating and Air) and Jason Miles (Johnson City Public Works Director)
 - Emeritus = Bob Barrett (Owner, Hobby Town)