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# THE CURRENT

## Chautauqua Lake Association Newsletter

The CLA is facing significant cuts in funding which may affect operations for the 2011 season. Please review the program comparison and financial plan in this e-newsletter for more details. Let us know if you have any questions, concerns or suggestions to keep the CLA going at full speed ahead.

### CHAUTAUQUA LAKE ASSOCIATION 2011 PROGRAM COMPARISON OF POSSIBLE OPERATIONAL MODES

CHALLENGED WITH THE REALITY OF DESIGNING A SUMMER SERVICES PROGRAM UNDER SIGNIFICANTLY REDUCED INCOME CONDITIONS, THE CLA'S FINANCE AND EXECUTIVE COMMITTEES ANALYZED THE ANTICIPATED COSTS OF OPERATING WITHIN EACH OF THREE SCENARIOS: (1) A FULL SERVICES PROGRAM SIMILAR TO THAT OFFERED IN 2008, (2) A MODERATELY REDUCED PROGRAM SIMILAR TO THAT OFFERED IN 2010, AND (3) A SUBSTANTIALLY REDUCED PROGRAM SIMILAR TO PROGRAMS OFFERED IN THE 1990s WHICH WOULD OFFER AT LEAST A SINGLE SERVICE PRESENCE IN EACH LAKESIDE COMMUNITY. BELOW IS A CHART WHICH DESCRIBES EACH OF THE THREE SCENARIOS IN TERMS OF 2011 DOLLARS AS CAN BEST BE ESTIMATED.

	(1) FULL SERVICES PROGRAM	(2) REDUCED TO 2010 SERVICES	(3) REDUCED TO 1990s SERVICES
	3 CREWS (NORTH, MIDDLE, SOUTH) 8 HARVESTERS 3 TRANSPORT VESSELS 4 SHORELINE CLEANUP BARGES 1 LAND BASED CLEANUP CREW 4 SECOND SHIFT SHORELINE CLEANUP BARGES ALL SUPPORTED BY 8 TRUCKS AND TOTALING 43 EMPLOYEES	3 CREWS (NORTH, MIDDLE, SOUTH) 6 HARVESTERS 3 TRANSPORT VESSELS 3 SHORELINE CLEANUP BARGES 1 LAND BASED CLEANUP CREW 3 SECOND SHIFT SHORELINE CLEANUP BARGES ALL SUPPORTED BY 8 TRUCKS AND TOTALING 30 EMPLOYEES	2 CREWS (NORTH & SOUTH) 4 HARVESTERS 2 TRANSPORT VESSELS 2 SHORELINE CLEANUP BARGES  ALL SUPPORTED BY 5 TRUCKS AND TOTALING 14 EMPLOYEES
<b>EXPENSES</b>			
SALARIES	350,502	289,302	211,988
PAYROLL TAXES	70,100	57,860	42,398
NON-PAYROLL EXPENSE	<u>114,000</u>	<u>90,000</u>	<u>85,500</u>
TOTAL EXPENSES	534,602	437,162	339,886
<b>INCOME</b>			
CONTRIBUTIONS	150,000	150,000	150,000
GOVT SOURCES	99,850	99,850	99,850
MAINT GRANT	27,000	27,000	27,000
FLARES/OTHER	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>
TOTAL INCOME	289,850	289,850	289,850
<b>NET INCOME (LOSS)</b>	(244,752)	(147,312)	(50,036)

ON FEBRUARY 19, THE EXECUTIVE COMMITTEE UNANIMOUSLY AGREED TO IMPLEMENT OPTION 3 AS THE 2011 SUMMER SERVICE PROGRAM AND TO ACCORDINGLY UNDERTAKE FUND RAISING EFFORTS TO ELIMINATE THE ANTICIPATED SHORTFALL WITH THE UNDERSTANDING THAT THE DECISION WOULD BE REVIEWED MONTHLY FOR FEASIBILITY IN REGARD TO INCOME/EXPENSE REALITIES.

## CASE STATEMENT 2011 FINANCIAL ACTION PLAN

Faced with significantly substantial reductions in governmental funding for lake maintenance services (Chautauqua County reduction of 68% from \$145,000 to \$45,000, not including a 100% reduction of the \$35,000 Racine-Johnson [Cornell University] lake monitoring and research program and a New York State reduction of 100% from \$50,000 to zero), the Chautauqua Lake Association Board of Directors performed a zero-based budget review of the CLA's financial probabilities in order to predict income/expense expectations. A budget was then developed for a service program that could possibly go forward in alignment with the income/expense expectations. The budget is reviewed monthly by either the full board or its Executive Committee and compared to the expectations with the understanding that service program adjustments might need to be implemented if income/expense expectations varied.

In developing the 2011 services program the Board set a goal of having a balanced budget by year end. Various staffing options were considered. It was obvious that significant reductions in services would have to be implemented in order to have a balanced budget. Having operated for a number of years with three crews (South Basin, Mid-Lake, North Basin) and for some years with a second shift shoreline maintenance crew, the board quickly realized that a significant reduction resulting in minimal services would be required for 2011. The income/expense predictions would only fund a single crew. Having lived with such a situation decades ago the board recognized that having only a single crew would be woefully inadequate and would result in many communities not receiving any services. The Board deemed this scenario to be untenable and worked to find alternative options that would at least service each lakeside community once during the 2011 summer. It was determined that two crews could achieve the goal.

Two full crews would result in expenses significantly exceeding income. Crew composition was then analyzed and it was determined that the goal of servicing each community at least once could likely be achieved nonetheless with a crew reduced in size from previous years. Less coverage would result although the goal would be achieved. This scenario was predicted to have expenses exceeding income by \$50,000. The board next committed itself to do everything possible to raise the required additional \$50,000 and directed staff to proceed with a reduced-in-size two crew program. Although the reduced crew included a reduced operating season (14 weeks downsized to 12 weeks), the board recognized that further reductions might result if the monthly review of finances evidences a need for further reductions in order to obtain a balanced budget. The board also committed itself to increas-



*The CLA Board decided to request that the county revisit its 2% bed tax distribution and general fund designations for Chautauqua Lake maintenance to provide for needed full service coverage.*

ing services if income allows for such. The board remained very concerned that should Mother Nature produce a heavy plant growth or storm caused debris laden summer that the two crews would not be able to address the full need.

In order to raise necessary income, in addition to the regular methods the Board decided to implement a number of actions, including: Notify all public officials of the situation and pending reduced program. Be open and up-front with the Association's membership about the situation. Form a Board Committee to undertake specific fund raising activities. Form a Planning Committee to develop recommendations necessary to adapt the organization to work within expected future years' budget challenges. Upgrade its web site and e-mailing capabilities. Request an increase in funding from state, town & village governments. Request that the county revisit its 2% bed tax distribution and general fund designations for Chautauqua Lake maintenance to provide for needed full service coverage. Sponsor the Ice Pick ice-out prediction contest. Approach foundations for funding of a Matching Grant Program to bring new dollars into the Annual Fund Drive. Form a Task Force comprised of Board Members and concerned citizens as a special Annual Fund Drive Committee to raise new funds and to communicate the funding predicament, via the above actions and any new initiatives that the Task Force might develop.

The Board hopes that the above actions will be able to raise the necessary funding so that (1) the two crew scenario can move forward, (2) the two crews might be restored to full strength, (3) a third crew might be reinstated, (4) public awareness of the need will be better evident, and (5) governments might better step up to protect the important community asset and tax base enhancer that is Chautauqua Lake.