



## Legislation Text

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**SUBJECT:** 2024-2025 City Manager's Budget Report

### **REPORT IN BRIEF**

Director Jensen will provide an update on the City Manager's Budget Report.

### **RECOMMENDATION**

Information only-no action required

### **DISCUSSION**

On May 20<sup>th</sup> 2024 City Council held their first public hearing to review the recommended City Managers 24/25 annual budget. Of specific concern to the Recreation & Parks Commission is the Parks & Community Services budget. Increased costs for insurance, workmans compensation, utilities, facility maintenance expenses and minimum wage increases all created a significant shortfall. The department went into budget sessions with a projected \$800,000 deficit.

The Department was tasked with eliminating \$160,000 worth of the deficit. Staff used a two-pronged approach, cutting expenses and increasing revenues. Expenses were cut primarily by reducing planned special events, part time staffing levels and training and travel allocations. In addition, the \$35,000 Boys and Girls Club was reduced by \$10,000.

Revenues were increased primarily through initiating field use fees for McNamara and Nannini Soccer Fields. Historically the City has waived official fees associated with field use to support recreational youth soccer programs ran by non-profits. However, that use has extended over the years into more and more field use and even into supporting adult teams use of fields. This is not a sustainable business model. Each soccer club will be provided one free recreational season each spring but will pay for any use outside of that starting July 1st. Field use rates are comparable to Los Banos, Turlock and other municipalities. The projected revenue from this transition is approximated to be over \$70,000 annually. Currently each club donates between \$6,000 and \$12,000 a year to help offset cost of utilities.

Revenues were also projected to be increased by the development of annual sponsorships through local businesses. Sponsorships will include various levels but will be supported by recognition at City owned recreation and community service facilities such as banners in outfields and sponsorships of exhibits at Applegate Zoo.

The remaining budgetary shortfall of approximately \$350,000 was proposed to be supported through an increased annual general fund allocation to Parks & Community Services. The initial budget projections suggested a 2% increase in expense to be paid for with the general fund and the revised

projection suggests a 12% increase to Parks & Community Services from the General Fund. This will reduce the need to significantly cut anymore programming for the foreseeable future.

In addition, the City Managers budget includes several Park & Recreation facility upgrades. Below is a chart of the proposed Capital Improvements Projects (CIP's).

Recreation and Parks FY 24/25 CIP Request				
		Request	Added to Budget	
Fahrens Park Disc Gold Course Parking Lot	Additional parking and one-way drive way	\$ 50,000.00	100,000	Park Reserve
Joe Herb	Sports Field Renovation	\$300,000.00	300,000	Park Reserve
CP42	Concrete Base for Solid Playground	\$ 50,000.00	-	Additional ARPA allocation to be recommended to City Council
Stephen Leonard	Splash Pad Repairs	\$ 16,600.00	-	Fund in current year with Fund 5000 PTBD
Applegate Park	Basketball Court Renovation		50,000	Park Reserve
Applegate Park	Basketball Court Renovation		50,000	Measure Y-Discretionary
Rahilly Park	Playground Improvements		50,000	Measure Y-Discretionary
Laura Fountain Restoration	Additional funds needed to finish project per Engineering		20,000	Fund in current year with Fund 5000 PTBD
General Vang/Aletha June Park	Park and Playground Design	\$150,000.00		
General Vang/Aletha June Park	Park Construction	\$300,000.00		
		\$450,000.00	450,000	PFFP
		\$866,600.00	\$ 850,000.00	

City Council will host two additional public hearings to review the City Managers budget, scheduled June 3<sup>rd</sup> and June 17<sup>th</sup>. Both will take public comment which could lead to revisions.