



Legislation Text

File #: 24-483, Version: 1

Report Prepared by: Michelle Reid, Recreation Supervisor, Parks and Recreation

SUBJECT: Approval of Request for a Supplemental Appropriation in the Amount of \$26,233 from the Building Rental and Cost Recovery Revenue to Cover Budget Shortages in Utilities and Other Costs Incurred by the Department

REPORT IN BRIEF

Considers approving a request for a supplemental appropriation in the amount of \$26,233 from the Building Rental and Cost Recovery Revenue to cover budget shortages in utilities and other costs incurred by the department.

RECOMMENDATION

City Council - Adopt a motion increasing revenue in the amount of \$26,233 and appropriating the same in Fund 1018 for utilities and services to cover budget shortages.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for consideration of specific items (specific items to be addressed in the motion); or,
5. Continue to future meeting (date and time to be specified in motion).

AUTHORITY

Charter of the City of Merced, Section 200 and 1105.

CITY COUNCIL PRIORITIES

As provided for in the 2023-24 Adopted Budget.

DISCUSSION

This fiscal year the Parks and Community Services Department has seen an increase in building rental revenue due to Council's approval of a new fee schedule, as well additional rentals of City properties. As a result, Building Rental revenues have exceeded the amount originally budgeted. Staff is requesting increasing building rental revenue by \$5,580, with more revenue expected to come in before the end of the fiscal year and appropriating it for utility and senior center cleaning services.

The Parks and Community Services Department operates multiple facilities throughout the

community and partners with local Community Based Organizations to provide recreational opportunities to youth and adults at various sites. Recently the department replaced the light fixtures at the McNamara Park soccer fields and the adjoining skate park. The benefit of scheduling the light use to preserve energy has been convenient but has yet to reduce costs at the park. When originally installed, the grass field lights were linked to the skate park, resulting in additional operational costs until recently when the sites were separated. Rate increases from PG&E, along with the need to run extra lights in order to illuminate the skate park have resulted in a significant shortfall in the utilities account for the turf and grass fields. The original budget for the site is \$22,800, but charges are expected to exceed \$35,000 this fiscal year. The City and local soccer groups, who are primary users of the fields, participate in a cost recovery arrangement in which the City covers the initial \$10,000 in charges and the soccer clubs pay the difference. It is estimated the city will collect an additional \$20,653 from the YSO's for utility costs. Staff is requesting an increase in cost recovery revenue in the amount of \$20,653 and appropriating it to cover current the expected utility costs through the end of the fiscal year.

The appropriation of the requested funds from Building Rental and Cost Recovery Revenue to:

ORG	OBJECT	DESCRIPTION	AMOUNT
10184020	511001	Utilities	\$2,000
10184020	511013	Senior Center Cleaning Services after rentals	\$2,870
10184030	511001	Utilities	\$710
10184040	511001	Utilities	\$20,653
TOTAL			\$26,233

IMPACT ON CITY RESOURCES

No impact, revenue is in excess of budgeted expenditure.

ATTACHMENTS

None.