

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 12/19/05		Item Number: <u>A-1</u>	
AGENDA ITEM: Approval a Budget Amendment Appropriating \$50,000 to Fund the Payment of Contract Instructors for the Enrichment Class Budget (Account #10132500.619800) of the Parks, Recreation and Community Services Department.			
Contact Person/Dept.: Marty Nicholson		Phone Number: (310) 253-6662	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Parks and Recreation Commission (12/14/05); Contract Instructors (12/14/05); Master Notification List (12/15/05)			
Department Approval: William La Pointe; Director of Parks, Recreation and Community Services (12/8/05)		CAO Approval: Martin Cole for Jerry Fulwood 12/12/05	
City Controller Approval: Marlee Chang 12/14/05			
<u>RECOMMENDATION:</u> Staff recommends the City Council appropriate \$50,000 from the General Fund to Account #10132500.619800 to fund the services of contract instructors to provide enrichment class programs to participants. This item requires a 4/5th vote for adoption. <u>BACKGROUND:</u> The Recreation Division offers a wide variety of recreational programs, and one of the eleven sections is the Enrichment Class section. This section plans and implements a comprehensive offering of recreational and educational classes for residents on a quarterly basis. The classes are offered for a fee that is collected prior to participation in the class. The fee charged for a particular class is determined by the Contract Instructor and the Recreation Coordinator in charge of the Enrichment Class section based upon market trends. Each Enrichment Class Instructor enters into a contract with the City on a percentage basis. The current percentage the City uses is a 70/30 split. The instructor provides all the supplies and materials for the class along with instruction and receives 70% of all fees collected. The City provides the facility to hold the class, registration services and advertises the class in its quarterly brochure and receives 30% of all fees collected. Most Enrichment Class Instructors provide class			

City of Culver City, California
City Council Agenda Item Report

instruction on a limited basis as a second occupation, and their compensation is dependent upon participation.

DISCUSSION:

At the April 4, 2005 City Council meeting, Council approved a budget amendment to increase the Enrichment Class budget in the amount of \$50,000 in order to offer residents additional enrichment class programs. Programs were increased as a result of high demand for classes and additional classes now offered at Culver West Richard Alexander Park. Attachment 1 provides a copy of the Council report. Attachment 2 provides a copy of the minutes of the meeting.

The Fiscal Year 2004-05 approved budget expenditures for contract instructors was \$190,000. Attachment 3 provides a copy of the Expenditures and Appropriations by Object of Expense for Fiscal Year 2004-05 for Enrichment Classes Account #10132500. As a result of the Council action on April 4, 2005 approving an additional \$50,000 for contract instructors, the total amended budget allocation for the Enrichment Class Section, Account #10132500.619800 was \$240,000.

During the Fiscal Year 05-06 budget process, staff received a Budget Appropriation Request, 2005-06 "Maintenance of Effort" for contract instructors in the amount of \$199,000. Staff submitted a budget enhancement request to add the \$50,000 back to the Enrichment Class Budget which had already been approved by City Council on April 4, 2005. Attachment 4 provides a copy of the Budget Appropriation Request for the Enrichment Class budget with the enhancement request. The requested budget enhancement was not recommended and not allocated in the 2005-06 adopted budget leaving the Enrichment Class Budget short of funds. Staff did notify the contracted Department Director at that time of the discrepancy during the budget process. However due to transition issues with the former contracted Director and a new Director who had not yet been appointed, this item may not have been relayed to the Budget Office in a timely manner.

FISCAL ANALYSIS:

Staff is requesting that the City allocate the requested enhancement of \$50,000 to Account #10132500.619800. Currently \$199,000 has been allocated to the Enrichment Class Budget. Attachment 5 provides a copy of the Expenditures and Appropriations by Object of Expense, Fiscal Year 2005-06.

Estimated revenues for Fiscal Year 2005-06 were budgeted for contract classes at \$350,000. Based upon the estimate of \$350,000 in revenues, the contract instructor expense would be approximately \$245,000 or 70% of \$350,000. However, only

City of Culver City, California
City Council Agenda Item Report

\$199,000 were recommended and approved for Fiscal Year 2005-06. This has left a shortfall of approximately \$50,000 to pay for Contract Instructors.

Revenues of \$133,209 have been received to date for the Enrichment Class Account #10132500. Since registration for Winter class registrations begins on December 19, 2005, the \$133,209 (38% of total revenues) only reflects one class registration period out of four. The following is a chart of registration periods in Fiscal Year 2005-06 and associated revenues:

Registration Period	Revenue	Description
September 6, 2005	\$133,209	Actual Revenues to Date
December 19, 2005	\$90,000	Estimates based on actual revenues received 04-05
March 27, 2006	\$100,088	Estimates based on actual revenues received 04-05
June 5, 2006	\$43,000	Estimates based on actual revenues received 04-05
TOTAL REVENUES:	\$366,297	Four registration periods

Based upon last year's revenue performance and revenues received to date, the estimated revenues of \$350,000 projected for the Enrichment Class Budget should be realized. However, since the revenues have already been placed in the Fiscal Year 2005-06 Adopted Budget, there will be no additional revenues to offset the approval of the allocation of \$50,000.

ATTACHMENTS:

1. Agenda item dated April 4, 2005 entitled, "Consideration to Approve a Budget Amendment Appropriating \$50,000 to Fund the Payment of Contract Instructors for the Enrichment Class Program of the Parks, Recreation and Community Services Department."
2. Minutes of the April 4, 2005 City Council Meeting.
3. Expenditures and Appropriations by Object of Expense for Fiscal Year 2004-05 for Enrichment Classes.
4. Budget Appropriation Request for the Enrichment Class budget.
5. Expenditures and Appropriations by Object of Expense, Fiscal Year 2005-06.

City of Culver City, California
City Council Agenda Item Report

MOTION:

That the City Council:

Approve the recommendation to increase the appropriation in the Enrichment Class Section - Other Contractual Services, Account #10132500.619800 in the amount of \$50,000.

This item requires a 4/5th vote for adoption.