

Council/Agency Meeting Held: _____	City Clerk's Signature
Deferred/Continued to: _____	
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: June 20, 2005	Department ID Number: CS05-018

**CITY OF HUNTINGTON BEACH
REQUEST FOR COUNCIL ACTION**

SUBMITTED TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

SUBMITTED BY: *Penelope Culbreth Graft* PENELOPE CULBRETH-GRAFT, City Administrator *JPE*

PREPARED BY: JIM B. ENGLE, Director, Community Services *JBE*

SUBJECT: **APPROVE INSTRUCTIONAL CLASS BUDGET AMENDMENT**

2005 JUN -8 A 11:27
 HUNTINGTON BEACH, CA
 CITY CLERK
 CITY OF

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: A budget amendment is necessary due to projected increased revenues and associated expenses for instructional recreational classes.

Funding Source: General Fund Unappropriated, Unencumbered Fund Balance in the amount of \$303,000. Expenditures will be offset by \$433,000 in projected new revenue generated by instructional classes.

Recommended Action: Authorize the appropriation of \$303,000 from the General Fund Unappropriated, Unencumbered Fund Balance into Instructional Classes-Other Contract Services Account #10045406.69450 to pay recreation class instructors.

Alternative Action(s): Cancel classes and refund revenues to participants.

Analysis: The Instructional Recreational Classes Program has shown consistent growth for the past decade. As of the end of March 2005, class revenues were greater than the same period last year, thereby creating reciprocal expenses. Since the city's peak registration period is the upcoming summer season, it is anticipated that this current trend will continue throughout the summer. With the addition of classes at the Seniors' Center and the City Gym and Pool, and upward growth at Edison and Murdy Community Centers, revenues for instructional classes are estimated to exceed projections by approximately \$433,000. Since contract instructors receive 70% of the class revenue, an additional \$303,000 is needed to pay instructors. If the public does not register for classes at the rate projected, it would not be necessary to pay out the full amount to contract instructors and the excess funds would be returned to the General Fund at the end of the fiscal year.

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REQUEST FOR COUNCIL ACTION

MEETING DATE: June 20, 2005

DEPARTMENT ID NUMBER: CS05-018

Council Policy regarding Requests for Appropriation of Funds: As adopted by City Council in March 1998, all requests for appropriation of funds must meet one of the following criteria: (1) the request is for an unanticipated emergency, (2) the request is required to implement labor negotiations, or (3) the request will be offset by related new revenues. The new appropriation being requested will be offset by related new revenues from the participation fees charged to the public for recreational classes.

In summary, the City receives 30% of the total instructional class revenue; instructors are paid 70% of the class fees. Expenses are projected to be \$303,000 with \$433,000 in new revenue.

Environmental Status: N/A

Attachment(s):

City Clerk's Page Number	No.	Description
3	1.	FIS

RCA Author: JBE:JL:cr

E-3A

E-3.3

ATTACHMENT #1



CITY OF HUNTINGTON BEACH
INTERDEPARTMENTAL COMMUNICATION

TO: PENELOPE CULBRETH-GRAFT, DPA, CITY ADMINISTRATOR
FROM: DAN T. VILLELLA, CPA, FINANCE OFFICER
SUBJECT: FIS 2005 – 20: APPROVE INSTRUCTIONAL CLASS BUDGET AMENDMENT
DATE: JUNE 7, 2005

As required by Resolution 4832, this Fiscal Impact Statement has been prepared for
"Approve Instructional Class Budget Amendment"

If the City Council approves this action (total appropriation \$303,000) there will be no
effect on the General Fund Balance because the new appropriation will be offset by
corresponding additional revenue..

A handwritten signature in cursive script, appearing to read "Dan Vilella".

Dan Vilella,
Finance Officer

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