

**City Manager's Report**  
**January 25, 2011 City Council Meeting**  
**Prepared by: Steve Youel, Director of Community Services**  
**Dave Warren, Director of Finance**



**Item #:**

**Subject:** Acknowledge and file the status report on the Fiscal Year 2010/2011 Aquatics Program Budget and provide staff with direction in proceeding forward with the reopening of the Aquatics Center for the 2011 season

**Background:**

The initial draft Fiscal Year 2010/2011 General Fund Budget began with a forecasted \$217,873 deficit. In order to balance the budget, the City pursued new revenue generating opportunities, made numerous line item cuts, continued the early retirement incentive program, cut janitorial services costs, and assumed the indefinite closure of the Placerville Aquatics Center (PAC) as of September 2010. As part of the Fiscal Year 2010/2011 Budget adoption, the City Council directed staff to return to the Council with a report on the actual budget performance of the Aquatics Program and any new ideas for avoiding the assumed closure of the PAC. Tonight, staff will present an update on the Fiscal Year 2010/2011 PAC budget and receive input from the Council in proceeding forward with the reopening of the PAC for the 2011 season.

**Discussion:**

The aquatics programs offered at the PAC performed well this past summer. For example, program revenue exceeded budget by \$2,094 or 4.10%. Direct program expenditures were \$42,172 or 34.98% less than budget. The \$42,172 in program expenditures savings was primarily due to a \$38,715 reduction in personnel costs. Combined, the \$2,094 in additional revenue and \$42,172 savings in direct program costs have resulted in an overall savings of \$44,267. Below is a summary of the aquatics program budget as of December 31, 2010:

Description	Adopted Budget	Actual as of 12/31/10	\$ Under/(Over) Budget	% Under/(Over) Budget
<b>Revenues</b>				
General Aquatics	\$ 37,800	\$ 40,338	\$ (2,538)	-6.71%
Swim Lessons	12,500	12,227	274	2.19%
Pool Rentals	830.0	660.0	170.0	20.48%
	<u>\$ 51,130</u>	<u>\$ 53,224</u>	<u>\$ (2,094)</u>	<u>-4.10%</u>
<b>Expenditures</b>				
Personnel Costs	111,796	73,081	38,715	34.63%
Recreation Contracts	2,250	1,908	342	15.20%
Conference, Training, & Travel	300	-	300	100.00%
Certifications	300	-	300	100.00%
Facility Lease/Rental	3,900	3,090	810	20.77%
Athletic Supplies	1,500	189	1,311	87.38%
Aquatic Supplies	500	105	395	79.00%
Total Expenditures	<u>120,546</u>	<u>78,374</u>	<u>42,172</u>	<u>34.98%</u>
<b>Revenues vs. Expenditures</b>	<u><b>\$ (69,416)</b></u>	<u><b>\$ (25,149)</b></u>	<u><b>\$ (44,267)</b></u>	

Last summer, staff forecasted the cost of reopening the PAC between May and June 2011, to be \$32,556. As you can see, the \$44,267 in aggregate budget savings experienced by the Aquatics Program so far this year will well offset the \$32,556 forecasted cost to reopen the PAC between May and June 2011 (everything held constant). With this good news and the aquatic season rapidly approaching, staff has begun its preliminary work in reopening the PAC such as advertising for seasonal aquatics positions, developing the spring activity guide, etc.

There is one caveat to this good news and that is the overall condition of the General Fund as forecasted at mid-year. The City's sales tax receipts, which are 48% of all General Fund revenue has shown signs of a weak economic recovery between March 1 to September 30, 2010. Also, the cost of petroleum based chemicals and fuel (propane) are on the rise. Staff tentatively plans on presenting the mid-year budget report at the first City Council meeting in February. If the General Fund is forecasted to have a significant budget deficit at mid-year, staff may request the Council to revisit the reopening of the PAC or provide input on other ways of balancing the General Fund budget. Tonight, staff respectfully requests preliminary direction from the Council in reopening the PAC.

**Cost:**

The forecasted cost of reopening the PAC between May and June 2011 is \$32,556.

**Budget Impact:**

The \$44,267 in aggregate budget savings from the summer operations of the aquatics program will more than offset the \$32,556 forecasted cost to reopen the PAC between May and June 2011.

**Recommendation:**

Acknowledge and file the status report on the Fiscal Year 2010/2011 Aquatics Program Budget and provide staff with direction in proceeding forward with the reopening of the Aquatics Center for the 2011 season

---

**M. Cleve Morris, City Manager**

---

**Steve Youel, Director of Community Services**

---

**Dave Warren, Director of Finance**