



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Brian LeBrun, Deputy City Manager-Finance
DATE: May 23, 2016
SUBJECT: Establish Recreation Reserve and Supplemental Appropriation funding

Recommendation

Accept this report recommending that the City Council establish a new Recreation Reserve Fund account for Recreation related expenses and approve the attached resolution authorizing the transfer of \$650,000 from unanticipated FY16 revenues (\$530,000) and unexpended Snow and Ice Control appropriations (\$120,000). This resolution will be retroactively approved for June 30, 2016.

Background

In April the City Council approved a resolution in the amount of \$6,555,000 for the complete renovation of the Heights Community Center (CIP #443), with \$6,355,000 funded from bonds. As a result, the debt service on this new bond will increase costs starting in fiscal year 2018. Along with the new project, there will also be the need for additional staffing and operating costs to support the new facility.

Discussion

Establishing a new Recreation Reserve Fund in conjunction with the new City Wide Community Center project will help support any of the expenses associated with this project and smooth out the increase in expenses over a period of years, instead of all in FY 2018. The initial recommendation is to program the \$650,000 in the proposed transfer to Recreation trust fund over the next three years: \$300,000 in FY 2018, \$225,000 in FY 2019 and the remaining \$125,000 in FY 2020. These amounts may be varied and other expenses can be considered based on the direction of the City Council. Utilizing this approach will help keep the tax rate down over the next few years and gradually build the new expenses into future years' budgets.