

**COUNCIL AUDITOR'S OFFICE  
COMMENTS AND RECOMMENDATIONS  
MAYOR'S PROPOSED FY 2013/14 BUDGET  
PARKS AND RECREATION  
GENERAL FUND (011)**

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**BACKGROUND**

The Parks and Recreation Department consists of three divisions: Office of the Director, Recreation and Community Programming, and Waterfront Management and Programming. The Office of the Director includes Administration, the Cooperative Extension Office, and Grant Compliance. The Parks and Recreation Department is responsible for city parks, preserves, entertainment venues, pools, marinas, waterfront facilities, and programs administered through partnerships, liaisons and city staff. The department also oversees the park maintenance activities of the City.

During FY 2012/13, SMG was awarded a facilities management contract for the Ritz Theatre, which was previously under the Parks and Recreation Department. The facilities management contract is managed by the Office of Economic Development. All revenues and expenditures related to the Ritz Theatre are budgeted in subfund 4H0 in FY 2013/14.

**REVENUE**

1. Charges for Services

- The net decrease of \$166,000 is primarily due to decreases of \$131,000 in revenues attributable to the Ritz Theatre, \$27,000 in organized event charges within Playgrounds and Centers, and \$10,500 in summer camps.

2. Miscellaneous Revenue

- The net increase of \$10,500 is due to an increase of \$50,000 in overtime reimbursement charges due to the City now billing the Jacksonville Landing for parks maintenance at that location. This increase is offset by the elimination of \$39,500 in Ritz Theatre miscellaneous revenues.

**EXPENDITURES**

1. Salaries

- The net decrease of \$1,336,107 is primarily due to the elimination of 32 positions for FY 2013/14 and a decrease of \$440,232 in part time salaries. These decreases are due to reductions in programs and services.

2. Employer Provided Benefits

- The increase of \$36,258 is primarily due to an increase of \$270,695 in pension contributions, which is partially offset by decreases of \$127,819 in workers' compensation, \$88,418 in group hospitalization insurance, and \$15,841 in medicare.

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3. Internal Service Charges

- The net increase of \$826,607 is primarily due to increases of \$793,282 in fleet allocation charges associated with the transfer of park maintenance vehicles from Public Works and \$111,943 in OGC legal allocation charges that are being reallocated from the Special Services Department. These increases were somewhat offset by decreases of \$61,054 in ITD charges, and \$17,479 in copier consolidation charges.

4. Utilities and Building Maintenance Allocations

- The Administration is proposing to remove and replace two Public Works allocations with internal service charges for Building Maintenance and Utilities. These proposed internal service charges are intended to reflect the costs for utility consumption, applicable debt service, and building maintenance in the individual City Departments' budgets.

5. Other Operating Expenses

- Other Operating Expenses are decreasing by \$29,400. However, contractual services are increasing by \$467,208 due to the transfer of contracts for parks restroom janitorial service and limb disposal from the Public Works Department. This increase is offset by decreases in expenditures related to reductions in programs and services.

6. Extraordinary Lapse

- The extraordinary lapse of \$500,000 represents a reduction in order to meet the Department's budget reduction target for FY 2013/14.

**SERVICE LEVEL CHANGES:**

Service level changes and proposed reductions are summarized on the attached handout.

**FOOD AND BEVERAGE EXPENDITURES:**

Indexcode	Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
RPCM011PG	\$600	Spring Play Day	Spring camp playday for approx. 700 children
RPCM011PG	\$600	Club Rec Open House	700 children and their families
RPCM011PG	\$2,500	Fall Festival (19 sites)	Fall playday and festival, open to the public at each staffed community center
RPCM011PG	\$2,500	Joseph Lee Day	Summer playday for approx. 1,200 kids
RPOD011CEXT	\$3,000	Family & Consumer Sciences program & Food & Nutrition program	All items are used in educational programming for teaching purposes only.

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**EMPLOYEE CAP CHANGES:**

Thirty-two (32) positions are proposed to be eliminated: twenty six (26) positions within Playgrounds and Centers, five (5) within the Ritz Theatre, and one (1) within Waterfront Parks. Of the five positions eliminated within the Ritz Theatre, two employees were absorbed by SMG, two were transferred to other departments, and one position was vacant.

The position within Waterfront Parks was eliminated in error by the Budget Office. The position is currently filled. The Administration has not identified a funding source to restore this position, which is budgeted at approximately \$68,126.

**DIVISION CHANGES:**

- The decrease in the Office of the Director is mostly due to a reduction of \$848,103 attributable to moving the budget for the Ritz Theatre to subfund 4H0 in FY 2013/14. This decrease was partially offset by the addition of utilities and building maintenance allocations of \$448,418.
- The increase in Recreation and Community Programming is mostly due to the addition of utilities and building maintenance allocations (\$4,636,832), fleet internal service charges for parks maintenance vehicles (\$791,911), and contractual services for parks janitorial services (\$467,208). These increases were partially offset by a decrease in salaries (\$1,001,751) and an extraordinary lapse (\$500,000).
- The decrease in Waterfront Management and Programming is due to a decrease in salaries from the elimination of one position (\$47,250), which was partially offset by increases in utilities and building maintenance allocations (\$20,358) and civil defense – guard service (\$20,276).

**RECOMMENDATIONS:**

1. We recommend eliminating 4,400 part time hours budgeted within the Ritz Theatre. The Ritz Theatre is now budgeted under subfund 4H0. This will have no impact on Special Council Contingency.
2. We recommend reducing part time hours within Aquatics by 62,477 and also within Playgrounds and Centers by 22,990 hours due to proposed service reductions.
3. The revenues as budgeted do not take into account the proposed service reductions. If funding for the summer camp program is eliminated, Summer Camps revenue should be reduced by \$107,500. This will have a negative impact of \$107,500 on Special Council Contingency.

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4. We recommend reducing overtime reimbursement revenue by \$50,000. The City's current contract with the Jacksonville Landing does not allow the City to bill that location for park maintenance. Given that an amendment to the contract has not been approved, we recommend that this revenue be eliminated. This will have a negative impact of \$50,000 on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE  
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 13.88% REDUCTION  
 PARKS & RECREATION (011)**

**Reductions in Controllable Costs from Mayor's Tentative Budget to Proposed Budget:**

<b>FY2013/14 - Controllable Costs Only</b>			
<b>Mayor's Tentative Budget</b>	<b>Mayor's Proposed Budget</b>	<b>Increase / (Decrease) in Controllable Costs</b>	
		<b>Dollar</b>	<b>%</b>
15,768,530	13,608,572	(2,159,958)	-13.70%

Based on the table above, the Department did essentially meet the 13.88% cut.

**13.88% Reductions as Represented by the Department/Budget Office:**

<b>Reductions*</b>		
<b>Dollar impact</b>	<b>Ranking</b>	<b>Description</b>
\$ 17,207	4	Eliminate Contract for Technical Assistance for Waterfront Management
35,000	4	Reduce Repairs and Maintenance Supplies for Parks Maintenance
10,907	4	Reduce Other Operating Supplies for Parks Maintenance
40,000	4	Reduce Repairs and Maintenance for Parks Maintenance
40,000	4	Reduce Contractual Services for Parks Maintenance
500,000	3	Close 50% of outdoor (16) pools and their associated activities.
150,016	2	Elimination of Summer Night Lights which keeps lights on at select parks until midnight during the summer
98,003	2	Reduce Summer Camp Programs
1,303,214	2	Close 72% of staffed Community Centers, eliminate after school, spring break, and holiday blast programs.
50,000	1	Bill Landing for Park Maintenance. (Revenue)
<u>\$ 2,244,347</u>		

\*The reductions list was prepared by the Department and Budget Office. We received the listing from the Budget Office and summarized it for simplicity. The rankings are per the Department with one being the least impact to service levels.

**Recommendations Related to Mayor's Reductions:**

We recommend that the City Council review the above reductions to determine whether any or all of the above items should be funded in FY 2013/14.