

5/23/2019 | 8:15 AM

The meeting of the Citizen Financial Review Task Force was called to order at 8:15 a.m. in the Lower Level Meeting Room, located at 3600 Tremont Road by Chairperson Tim Keen

MEMBERS PRESENT: Colin Gawel, Ukeme Awakessien Jeter*, Tim Keen, Matthew J. Kirby, Matthew Rule, Kaz Unalan

MEMBERS ABSENT: Chairperson Ann Gabriel, Jamie Crane, Greg Guy

STAFF PRESENT: Acting City Manager Dan Ralley, Community Affairs Director Emma Speight, Finance Director Brent Lewis, Assistant Finance Director Jon Lindow, Parks & Recreation Director Debbie McLaughlin, and City Clerk Ashley Ellrod

1. Approval of Minutes of May 15 and 16, 2019 Meetings

Mr. Unalan moved, seconded by Mr. Rule, to approve the minutes of the May 15, 2019 Citizen Financial Review Task Force Meeting.

Motion carried.

Mr. Gawel moved, seconded by Mr. Rule, to approve the minutes of the May 16, 2019 Citizen Financial Review Task Force Meeting.

Motion carried.

2. Review/Discuss Existing Service Levels

Mr. Keen asked staff to speak on the surveys the city has administered.

The Community Affairs Director advised this is something the city does every three to four years. The surveys take a broad approach of gathering resident feedback to get a gauge on what residents may be thinking and it can identify areas the city may want to focus on. She went on, there is a high level of satisfaction with safety services, and parks & recreation favored well too. She related once the city started producing the PAFR and mailing that to households, the city saw an increase in resident's positive thoughts about the finances. Mr. Kirby noted satisfaction could correlate to the overall financial stability.

*Ms. Jeter arrived at 8:30 a.m. and was present for all subsequent business.



The Acting City Manager advised when they survey right track and wrong track, there are higher satisfaction rates from younger residents.

Mr. Keen remarked in regards to the discussion of service levels, he thinks this survey is a helpful tool. Mr. Gawel conveyed it appears the solid waste has gone really well.

Mr. Rule questioned if there is a way to increase participation in This Week. Mr. Keen stated it is a Dispatch product. The Community Affairs Director advised as newspapers have declined the city has increased their communication. The city has also worked hard to grow their social media presence.

Mr. Kirby said it appears a lot of the lower satisfaction areas were in the infrastructure maintenance. The Community Affairs Director responded with the CIP, hopefully they will see an increase in satisfaction in the next survey.

Mr. Rule questioned if there were any thoughts as to why the library decreased as a point of satisfaction from 2013 to the 2017 survey. The Finance Director suggested it is possible people are using the library less and the libraries are preparing for that by moving to electronic media.

Mr. Kirby said for the sidewalk program, more communication with the community and giving residents the tools to make decisions is helpful. The Community Affairs Director said the sidewalk maintenance program is in Phase II. Phase I went very well and the feedback on communication was very positive.

Mr. Kirby questioned if public sidewalks are a higher priority, due to the heavy use. The Parks & Recreation Director advised if staff see major issues, they will address those.

Mr. Rule questioned if there is a plan in place to address the indoor recreation/community center. The Community Affairs Director advised Council will be looking at that this summer, and how to go about conducting a feasibility study.

Ms. Jeter questioned if 2013 was the first time the survey was conducted, the Community Affairs Director advised they have been conducted every few years since around 2000.

Ms. Jeter questioned how the survey questions are determined. The Community Affairs Director advised they have been working with the same consultant and they use their methodology and approach so that results can be compared from one survey to the next.

3. Review/ Discuss Parks & Recreation Comprehensive Plan Implementation

Mr. Keen asked the Parks & Recreation Director to provide an overview on the process that led to this report and the report itself.

The Parks & Recreation Director advised the comprehensive plan resulted from various initiatives from her department.

Mr. Keen questioned how it was decided to do this plan. The Parks & Recreation Director advised City Council directed staff to conduct a comprehensive plan before embarking on



major capital improvements. She advised the process started in 2017 with a high level questionnaire. There was also a write in that asked what else residents would like them to discuss during the process, this is how they identified a strong interest in exploring indoor recreation. There were also a variety of focus groups, some targeted specific user groups, and some were open to the public. All the information gathered helped staff work with the consultant team to come up with a statistically valid survey. The survey was launched at the beginning of 2018. There were 2,500 surveys issued with an expectation to receive 350 responses, and they received 650. The same survey was put on the website and they received 700 responses. From that, the consultant conducted assessments on the parks, facilities, and programs.

The Parks & Recreation Director advised they proceeded to test what they heard and had public meetings to test those findings. It was a little bit over a one year process, which included conversations with the Parks & Recreation Advisory Board and employees.

The Parks & Recreation Director discussed the Parks & Recreation Comprehensive Plan Financial Analysis (attached hereto and incorporated herein by reference as Exhibit A).

Mr. Gawel said it is hard to find indoor space in UA in the winter. He asked if the parks own any gyms or if it is all the schools'. The Parks & Recreation Director advised there are times when the city is able to reserve the gym. Mr. Gawel said he would like to see better what assets they have and asked if there is a way to open communication with the schools and rethink the process. The Parks & Recreation Director said the city does offer a few programs which they operate in the gymnasium. She related the new high school will have an additional gym and that should open up some community availability. She advised something may come from the feasibility study for indoor recreation.

Ms. Jeter advised she is trying understand if there are any inefficiencies with the Senior Center and Cultural Arts Program. She questioned if any thought has been given to improving those recovery costs, the Parks & Recreation Director responded part of those costs are employee costs, and within Cultural Arts some of that is the delivery of a service where there is no fee. She related they try to recoup some costs through sponsorships and they receive some grant funds within Cultural Arts.

The Parks & Recreation Director advised the Senior Center is typically service based. There is a unique situation at the Senior Center, with the Senior Advisory Council. Residents who join as a member of the Senior Center, are paying the Advisory Council. Membership is encouraged, but it is not required. That entity helps support the operation when they have needs for equipment replacement, etc. She advised senior centers often do not recoup all costs. The Parks & Recreation Director noted they have to be sensitive to the fees charged so they do not price people out of the market. She conveyed they have over 2,000 members at the Senior Center.

Ms. Jeter questioned if there are there opportunities in other programs to make up for some of the costs related to the Cultural Arts. The Parks & Recreation advised they look holistically at each division and program. The challenge is sometimes they outgrow program space and have to limit program offerings because of space.



Mr. Gawel asked how many people come to the Senior Center daily. The Parks & Recreation Director advised she would get those numbers.

Mr. Keen questioned if they judge that there are 2,000 members based on how many people have paid the \$15-25 dollar fee, the Parks & Recreation Director advised he is correct. She advised even though the funds go to the non-profit, the Parks Department is provided a list to update the city's database system so they can manage that as part of their program.

Mr. Rule said he would be interested to see if they had any demographics on the seniors. The Parks & Recreation Director related there is approximately 20-25% non-residents with their senior members.

Mr. Keen provide a messages from the Chair. He related Chair Gabriel would like to know if there is any additional information the Committee thinks they need before they begin to deliberate on the preparation of the final report to Council. He advised it is the intent of Chair Gabriel barring a demand for in person, additional presentations associated with their charge that this would be the last information gathering hearing and subsequently they would proceed to their charges and begin to think about putting together their report. Chair Gabriel suggested each Member put together a paragraph, few sentences or bullet points, associated to each charge of the Committee. She would like to collect them in the near future as they go through the process of coming up with a final report.

Mr. Gawel suggested the Parks Department reach out to local choirs, UA Jazz, local music programs, etc. There could be a cost savings and people would love to come out and hear that.

Mr. Gawel said the Parks Department conveyed it is challenging to find seasonal help. He questioned if there are tasks for younger kids in the summer, so the money stays in UA. The Parks & Recreation Director responded they do offer seasonal positions, however, in maintenance they require you be 18 or older. She related they do have various opportunities to volunteer for park clean-up, etc.

4. Review/Discuss Further Privatization and/or Collaboration Opportunities

Mr. Keen advised to follow up on last week's discussion, he thinks it would be helpful to include in the report a complete list of the privatizations and collaborations that have occurred. The Community Affairs Director asked if they want to include what the city has considered but did not go through with, Mr. Keen said yes but under a separate header. Mr. Rule suggested a separate header for the ones that are currently being evaluated, as well.

Mr. Keen conveyed looking at further privatization and collaboration makes sense. He thinks they have to constantly look at those options.

Mr. Gawel said he understands the Parks Department is trying to organize many sports leagues. He asked if it would be helpful for the Department to have software where everything is accounted for. The Parks & Recreation Director related this year they are exploring a software called Teamup.



Mr. Rule questioned if it is the ultimate intent to make Teamup publicly available. The Parks & Recreation Director advised the challenge they face is how they can make the public aware of what is available and also allow the fields to rest.

In response to Mr. Unalan, the Parks & Recreation Director advised staff is working with Council to initiate a feasibility study. Mr. Keen questioned if those conversations were going to start in the fall. The Acting City Manager advised it may start as early as this summer.

5. Further Discussion of Previous Agenda Items Capital Improvement Program City's Current Financial Status and Outlook Privatization

This item was not discussed.

6. Discussion of Steps to Final Report

Mr. Keen asked the Committee to think about the requests from Chair Gabriel.

7. Public Comment


In response to Mr. Keen's invitation to speak, there were no comments from the public.

The next meeting will be May 30, 2019 at 8:15 a.m. in the Lower Level Meeting Room.

* * *

There being no further business before the Citizen Financial Review Task Force, the meeting was adjourned at 9:51 a.m.


Chairperson

ATTEST: 
City Clerk



CHAPTER SIX – FINANCIAL ANALYSIS

6.1 FINANCIAL ASSESSMENT

This section of the report presents the financial assessment of the Parks & Recreation Department as a part of the strategic plan process. As a key element of the Plan, PROS Consulting reviewed available information to assess the financial situation of the department. The revenues, expenditures and capital funds were analyzed to identify trends and assess the department's financial integrity. The cost recovery for facilities, programs and services at major functional levels has been analyzed to assess the cost of service readiness.

6.1.1 DATA REVIEWED

The PROS Team reviewed the detailed cost and activity information prepared by the staff. Following is a list of the cost and activity data reviewed by PROS:

- Budget Reports for 2011 through 2016
- Comprehensive Annual Financial Report for 2016
- 10-Year Capital Improvement Program

6.1.2 FINANCIAL ANALYSIS

The revenues and expenditures for fiscal years 2011 through 2016 are shown in **Figure 10**.

TOTAL DIVISION						
Division Revenues and Expenditures	2011 Actuals	2012 Actuals	2013 Actual	2014 Actuals	2015 Actuals	2016 Actuals
Revenue	1,632,207	1,720,424	1,765,380	1,783,190	1,779,580	1,878,841
Expenditures	3,608,864	3,597,874	3,494,643	3,498,402	3,485,341	3,807,519
Net Cost	(1,976,657)	(1,877,450)	(1,729,263)	(1,715,212)	(1,705,761)	(1,928,678)
Cost Recovery %	45.2%	47.8%	50.5%	51.0%	51.1%	49.3%

Figure 10 - Revenues, Expenditures, and Cost Recovery

Overall cost recovery is between 45.2% and 51.1% for the study period. The cost recovery has been stable over the analysis period.

PROS anticipates cost recovery for park and recreation activities between 40% to 60%. The department has demonstrated the ability to maintain quality parks and facilities through consistent management of fees and charges.

GENERAL FUND PROGRAMS

The General Fund program revenues and expenditures for fiscal years 2011 through 2016 are shown in **Figure 11**.

The cost recovery is between 27.4% and 38.1% for the study period. The cost recovery been consistent over recent years.

PROS anticipates cost recovery for recreation activities between 40% to 100%. The cost recovery for General Fund programs is less than anticipated.

GENERAL FUND

Revenues and Expenditures	2011 Actuals	2012 Actuals	2013 Actual	2014 Actuals	2015 Actuals	2016 Actuals
Revenue	781,524	863,481	1,004,495	1,011,390	1,060,352	1,103,566
Expenditures	2,848,663	2,815,831	2,743,067	2,732,458	2,785,694	3,177,066
Net Cost	(2,067,139)	(1,952,350)	(1,738,572)	(1,721,068)	(1,725,342)	(2,073,500)
Cost Recovery %	27.4%	30.7%	36.6%	37.0%	38.1%	34.7%

Figure 11 - General Fund Revenues, Expenditures and Cost Recovery

CULTURAL ARTS

The Cultural Arts program revenues and expenditures for fiscal years 2011 through 2016 are shown in **Figure 12**.

The cost recovery is between 20.2% and 43.0% for the study period.

PROS anticipates cost recovery for recreation activities between 40% to 60%. The cost recovery for Cultural Arts programs is less than anticipated except for Fiscal Year Ending 2014.

GENERAL FUND - Cultural Arts

Revenues and Expenditures	2011 Actuals	2012 Actuals	2013 Actual	2014 Actuals	2015 Actuals	2016 Actuals
Revenue	44,779	55,597	72,354	84,113	78,960	76,314
Expenditures	221,600	210,124	214,332	195,542	212,759	273,358
Net Cost	(176,821)	(154,527)	(141,978)	(111,429)	(133,799)	(197,044)
Cost Recovery %	20.2%	26.5%	33.8%	43.0%	37.1%	27.9%

Figure 12 - Cultural Arts Revenues, Expenditures, and Cost Recovery

PARKS & FORESTRY

The Parks & Forestry program revenues and expenditures for fiscal years 2011 through 2016 are shown in **Figure 13**.

PROS anticipates the cost recovery for parks and forestry operations between 0% to 40%. The cost recovery for Parks & Forestry programs recovery is between 0.2% and 0.6% for the study period.

Park and forestry cost recovery is generally limited.

GENERAL FUND - Parks & Forestry

Revenues and Expenditures	2011 Actuals	2012 Actuals	2013 Actual	2014 Actuals	2015 Actuals	2016 Actuals
Revenue	7,856	2,430	5,530	1,311	1,525	3,565
Expenditures	1,328,562	1,263,838	1,180,348	1,141,714	1,227,778	1,346,856
Net Cost	(1,320,706)	(1,261,408)	(1,174,818)	(1,140,403)	(1,226,253)	(1,343,291)
Cost Recovery %	0.6%	0.2%	0.5%	0.1%	0.1%	0.3%

Figure 13 - Parks & Forestry Revenues, Expenditures and Cost Recovery

RECREATION

The Recreation program revenues and expenditures for fiscal years 2011 through 2016 are shown in **Figure 14**. This program budget includes Barn and Shelter revenue beginning in 2011 and expenses beginning in 2016.

The cost recovery is between 95.9% and 123.1% for the study period.

PROS anticipates cost recovery for recreation activities between 40% to 100%. The cost recovery for Recreation programs is strong for study period. The funds from cost recovery over 100% may be used by the department to fund discounts and scholarships for other programs and activities.

GENERAL FUND - Recreation

Revenues and Expenditures	2011 Actuals	2012 Actuals	2013 Actual	2014 Actuals	2015 Actuals	2016 Actuals
Revenue	526,336	591,915	690,210	679,969	716,064	730,063
Expenditures	548,765	576,709	560,551	558,519	612,253	760,654
Net Cost	(22,429)	15,206	129,659	121,450	103,811	(30,591)
Cost Recovery %	95.9%	102.6%	123.1%	121.7%	117.0%	96.0%

Figure 14 - Recreation Revenues, Expenditures and Cost Recovery

ADMINISTRATION

The Administration revenues and expenditures for fiscal years 2011 through 2016 are shown in **Figure 15**.

Administration service does not generally have cost recovery goals.

GENERAL FUND - Administration

Revenues and Expenditures	2011 Actuals	2012 Actuals	2013 Actual	2014 Actuals	2015 Actuals	2016 Actuals
Revenue	0	0	0	0	0	0
Expenditures	238,053	276,212	291,649	331,651	220,144	230,120
Net Cost	(238,053)	(276,212)	(291,649)	(331,651)	(220,144)	(230,120)
Cost Recovery %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Figure 15 - Administration Revenues, Expenditures and Cost Recovery

SENIOR CENTER

The Senior Center program revenues and expenditures for fiscal years ending 2011 through 2016 are shown in **Figure 16**.

The cost recovery is between 25.7% and 43.8% for the study period.

PROS anticipates cost recovery for senior activities between 20% to 100%. The cost recovery for Senior Center programs is like other agencies. Senior Center fees and charges are usually structured based on the economic capacities of the citizen served.

GENERAL FUND - Senior Center

Revenues and Expenditures	2011 Actuals	2012 Actuals	2013 Actual	2014 Actuals	2015 Actuals	2016 Actuals
Revenue	110,637	130,920	149,136	160,641	177,075	200,269
Expenditures	429,929	405,461	412,004	419,536	417,895	457,457
Net Cost	(319,292)	(274,541)	(262,868)	(258,895)	(240,820)	(257,188)
Cost Recovery %	25.7%	32.3%	36.2%	38.3%	42.4%	43.8%

Figure 16 - Senior Center Revenues, Expenditures and Cost Recovery

TENNIS

The Tennis program revenues and expenditures for fiscal years 2011 through 2016 are shown in **Figure 17**. The expenses for Tennis do not include water until 2015 when Tremont Pool closed and staff could identify actual water expenses for tennis operations. Additionally, none of the Aquatic & Tennis Manager position expenses were charged to this budget until 2018.

The cost recovery is between 85.9% and 112.4% for the study period.

PROS anticipates cost recovery for tennis programs to be 100%. The cost recovery for Tennis programs is lower than anticipated since 2013. The cost recovery has decreased each year since 2013.

GENERAL FUND - Tennis

Revenues and Expenditures	2011 Actuals	2012 Actuals	2013 Actual	2014 Actuals	2015 Actuals	2016 Actuals
Revenue	91,916	82,619	87,265	85,356	86,728	93,355
Expenditures	81,754	83,487	84,183	85,496	94,865	108,621
Net Cost	10,162	(868)	3,082	(140)	(8,137)	(15,266)
Cost Recovery %	112.4%	99.0%	103.7%	99.8%	91.4%	85.9%

Figure 17 - Tennis Revenues, Expenditures and Cost Recovery

PROGRAMS IN OTHER FUNDS

The Life Long Learning and Leisure Fund and the Tree Planting Fund use Special Revenue Fund accounting and the Swimming Pool Fund uses Enterprise Fund accounting. These funds have their own Balance Sheets.

FINANCIAL STRENGTH

Cash balances, shown in **Figure 18**, provide flexibility with respect to managing programs, maintaining assets and meeting the changing needs of the department.

Assets and Deferred Outflows to Liabilities Ratio and Deferred Inflows reflect the funds' ability to operating flexibility (don't understand what this is trying to say? Seems like a word is missing?). Any ratio above 1.5X (times) is strong.

Cash to Total Liabilities and Deferred Inflows reflects the funds' ability to cover debts. Any ratio above 1.25X is strong.

Fiscal Years Ending:	Life Long Learning and Leisure Fund	Tree Planting Fund	Swimming Pool Fund
Cash and Investments	\$112,700	\$75,913	\$509,658
Non-Current Assets	\$0	\$0	\$4,729,188
Total Assets	\$112,700	\$75,913	\$5,238,846
Deferred Outflows	\$0	\$0	\$54,975
Current Liabilities	\$4,966	\$494	\$1,419
Long-term Liabilities	\$0	\$0	\$69,111
Total Liabilities	\$4,966	\$494	\$70,530
Deferred Inflows	\$0	\$0	\$181,523
Unrestricted Net Assets	\$107,734	\$75,419	\$411,796
Net Investment in Assets	\$0	\$0	\$4,629,972
Net Position	\$107,734	\$75,419	\$5,041,768
Assets and Deferred Outflows to Liabilities Ratio and Deferred Inflows	23 X	154 X	21 X
Cash to Total Liabilities and Deferred Inflows	23 X	154 X	2 X

Figure 18 - Selected Financial Statement Balances

The department has maintained adequate cash balances in the Special Revenue and Enterprise funds shown in **Figure 19**. A strong cash balance provides flexibility with respect to managing programs, maintaining assets, and meeting the changing needs of the community. PROS recommends a range of cash and investments between two-to-three months to cover unexpected revenue drops and unusual or emergency expenditures. The Special Revenue and Enterprise funds show strong cash balances to meet the needs of the respective programs.

(Table below references “Fiscal Years Ending” but there are no years included)

Fiscal Years Ending:	Life Long		
	Learning and Leisure Fund	Tree Planting Fund	Swimming Pool Fund
Expenditures	\$157,141	\$13,759	\$456,988
Cash and Investments	\$112,700	\$75,913	\$509,658
Cash as a Percent of Expenditures	72%	552%	112%
Expenditure Coverage (months)	8.6	66.2	13.4

Figure 19 - Cash Sufficiency

LIFELONG LEARNING AND LEISURE FUND

The LifeLong Learning and Leisure Fund is a Special Revenue Fund for adult recreation programs. The revenues and expenditures for fiscal years ending 2011 through 2016 are shown in **Figure 20**. The cost recovery is between 101.4% and 128.5% for the study period.

PROS anticipates cost recovery for leisure activities between 80% to 100%. The cost recovery for the fund is above anticipated recovery. The healthy cost recovery will enable the department to maintain quality programming and services.

LIFE LONG LEARNING AND LEISURE FUND

Revenues and Expenditures	2011 Actuals	2012 Actuals	2013 Actual	2014 Actuals	2015 Actuals	2016 Actuals
Revenue	188,296	198,387	159,008	178,721	160,705	159,358
Expenditures	180,115	154,438	142,255	165,961	147,307	157,141
Net Cost	8,181	43,949	16,753	12,760	13,398	2,217
Cost Recovery %	104.5%	128.5%	111.8%	107.7%	109.1%	101.4%

Figure 20 - Life Long Learning and Leisure Fund

TREE PLANTING FUND

The Tree Planting Fund is a Special Revenue Fund. The program revenues and expenditures for fiscal years 2011 through 2016 are shown in **Figure 21**. The cost recovery is between 116.7% and 162.4% for the study period. This fund is utilized for resident cost-sharing programs for trees in the rights-of-way and commemorative tree/bench programs. The City arbor program is budgeted in the Parks & Forestry Division.

The department cost recovery goal for arbor activities between 90% to 100%. These activities are usually funded through donations and grants. The cost recovery for this fund is greater than anticipated. The strong cost recovery provides funds to maintain and enlarge arbor program over a long period of time.

TREE PLANTING FUND

Revenues and Expenditures	2011 Actuals	2012 Actuals	2013 Actual	2014 Actuals	2015 Actuals	2016 Actuals
Revenue	24,386	13,500	13,500	27,160	17,514	16,061
Expenditures	15,014	13,389	9,230	19,029	14,601	13,759
Net Cost	9,372	111	4,270	8,131	2,913	2,302
Cost Recovery %	162.4%	100.8%	146.3%	142.7%	120.0%	116.7%

Figure 21 - Tree Planting Fund

6.1.3 SWIMMING POOL FUND

The Swimming Pool Fund is an Enterprise Fund. The program revenues and expenditures for fiscal years 2011 through 2016 are shown in **Figure 22**. The cost recovery is between 97.4% and 131.3% for the study period.

PROS anticipates cost recovery for aquatic activities between 60% to 100%. The cost recovery for this fund is slightly higher than anticipated. The budget activity is for the operations of three pools in 2011-2014, and two pools in 2015 & 2016; all expenses for the Aquatics & Tennis Manager have been charged to this fund until 2018. Some pool capital expenses have been charged to this fund. The good cost recovery will enable the fund to maintain the facilities and provide quality programming.

SWIMMING POOL FUND

Revenues and Expenditures	2011 Actuals	2012 Actuals	2013 Actual	2014 Actuals	2015 Actuals	2016 Actuals
Revenue	638,001	645,056	588,377	565,919	541,009	599,856
Expenditures	565,072	614,216	600,091	580,954	537,739	456,988
Net Cost	72,929	30,840	(11,714)	(15,035)	3,270	142,868
Cost Recovery %	112.9%	105.0%	98.0%	97.4%	100.6%	131.3%

Figure 22 - Swimming Pool Fund

6.1.4 STAFFING

Staffing, shown **Figure 23**, demonstrates consistent strength to operate and maintain facilities.

Fiscal Years Ending:	2011	2012	2013	2014	2015	2016
Parks and Recreation Division						
Full Time	20.00	20.00	19.00	19.00	19.00	21.00
Part Time	31.80	31.80	36.10	36.10	35.40	34.08
Total FTEs	51.80	51.80	55.10	55.10	54.40	55.08

Figure 23 - Staffing

Nationally, municipal park operations have experienced a significant decrease in personnel due to economic conditions. The department demonstrates commitment to parks facilities by maintaining a commitment to staffing.

6.1.5 FINANCIAL POLICIES

The department should consider developing an overarching set of department financial policies, including:

- Cost Recovery
- Donation Policy: Donations, Promotions, Gifts, Bequests
- Grant Policy
- Establishing Fees and Charges Policy

COST RECOVERY POLICIES

Cost Recovery Policies will enhance the City Financial Policies for programs and services that are not set at full cost recovery. Fees and Charges policies define the process for setting fees and charges based on criteria related to public and private benefits. The policy may also establish non-resident and member pricing structures.

The Cost Recovery guidelines provide priorities for price setting and general categories for cost recovery.

DONATION POLICY

A Donation Policy provides the department with a framework for making donations from the department. The policy provides guidelines for the promotion of the facilities. General guidelines include framework for gifts and bequests, passes and certificates, exchange for services or goods to the department.

GRANT POLICY

A Grant Policy provides the department with a framework review of requirements, application and implementation of grants.

PARTNERSHIP AND SPONSORSHIP POLICY

A Partnership and Sponsorship Policy establishes criteria for participation and the process for implementing partnerships and sponsorships.

6.1.6 FINANCIAL ASSESSMENT SUMMARY

The department has a good cost recovery structure based on PROS experience with similar agencies. Some cost recovery rates decreased in recent years, indicating a need to review associated fees and charges.

The Cultural Arts area showed a lower than anticipated cost recovery for similar programs. The other programs demonstrate cost recovery rates that are like those of similar agencies.

The Special Revenue and Enterprise Funds are strong with regards to cash and net position.

The department should seek to document specific Capital Improvement Program funding sources.

The department has modified placement of revenue and expenses to division budgets to more accurately document fiscal activity.

PROS also recommends the department consider the establishment of department financial policies and specific overall cost recovery goals for each activity and program type.



6.2 CAPITAL IMPROVEMENT PLAN

The Capital Improvement Program for parks reflects community needs identified in the staff and stakeholder meetings, the public input process, household survey, demographics, prioritized facility and program needs analysis, and physical analysis. The Capital Improvement Program focuses on two specific types of capital costs: new parks and recreation facilities needed to satisfy recommended Levels of Service; and renovation or improvements to existing parks and facilities. A summary of the Capital Improvement Program is in Figure 24.

In addition to providing information associated with the budgetary capital costs, this program also provides priorities based on the statistically valid community survey results and from consultant evaluation using demographics and trend data, community focus groups, and public meetings. This information is presented along with recommendations for current and future capital fund allocations. As part of this, there has been public discussion and survey questions surrounding the need to renovate the existing Senior Center and the need for multi-generational indoor programming space. Since it is the desire of the City to vet these two capital projects further before ultimately making the decision on which direction to move forward with, the Capital Improvement Program does not include costs to address either the Senior Center or a multi-generational indoor facility. However, the feasibility study to help the City get a deeper understanding is included in the City's operating budget for 2019.

Project Category	Estimated Total Project Costs	Year 1	Year 2	Year 3	Year 4	Year 5
Critical	\$ 1,205,000	\$ 885,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Sustainable	\$ 6,530,000	\$ 535,000	\$ 555,000	\$ 80,000	\$ 180,000	\$ 1,280,000
Visionary	\$ 5,540,000	\$ 210,000	\$ -	\$ 1,875,000	\$ 1,895,000	\$ 850,000
Total	\$ 13,275,000	\$ 1,630,000	\$ 635,000	\$ 2,035,000	\$ 2,155,000	\$ 2,210,000

Project Category	Estimated Total Project Costs	Year 6	Year 7	Year 8	Year 9	Year 10
Critical	\$ 1,205,000	\$ -	\$ -	\$ -	\$ -	\$ -
Sustainable	\$ 6,530,000	\$ 1,485,000	\$ 840,000	\$ 865,000	\$ 405,000	\$ 305,000
Visionary	\$ 5,540,000	\$ 120,000	\$ 400,000	\$ 70,000	\$ 100,000	\$ 20,000
Total	\$ 13,275,000	\$ 1,605,000	\$ 1,240,000	\$ 935,000	\$ 505,000	\$ 325,000

Figure 24 - Capital Improvement Plan Summary