
PARKS & RECREATION

Budget Office Report

This report summarizes a due diligence review with departments of line item compliance with budget guidelines. Budget amounts submitted by departments have been revised based upon negotiations between the department and the Budget Office.

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Department Summary

Summary	FY 2002a	FY2003r	FY 2004b	FY 2005b
Gross Revenues	\$4,076,628	\$4,237,578	\$3,861,059	\$3,861,059
Gross Expenditures	\$13,357,660	\$14,371,247	\$13,908,016	\$13,924,380
Net Cost	\$9,281,032	\$10,133,669	\$10,046,957	\$10,063,321

The increase of \$765,925 in the net cost from the FY 2002 actuals level to the FY 2004 budget is due to:

- 1) Reduction in department revenues of \$215,569.
- 2) Increase in department expenditures of \$550,356.

Revenues

Revenues	FY 2002a	FY2003r	FY 2004b	FY 2005b
Other Licenses and Permits	\$263,399	\$362,890	\$162,119	\$162,119
External User Fees	\$3,513,016	\$3,614,032	\$3,550,002	\$3,550,002
Internal Fees	\$172	\$0	\$0	\$0
Develop Fees – Const Permits	\$425	\$250	\$250	\$250
Grants	\$299,616	\$260,406	\$148,688	\$148,688
Total Revenues	\$4,076,625	\$4,237,578	\$3,861,059	\$3,861,059

The decline of revenues from the FY 2002 actuals level to the FY 2004 budget is due to:

- 1) A \$75,000 one-time allocation by Council from the Solid Waste fund for trash collection that is not included in the two-year budget.
- 2) The FY 2003 Revised budget has included in it a \$100,000 unfunded contingency for the Golf Course that is not reflected in the FY 2004 and FY 2005 budget.
- 3) The Department of Education grant for \$101,690 is included in the FY 2003 revised but will not be received in FY 2004 or FY 2005.
- 4) The FY 2004 and FY 2005 budget in the external user fees category reflects a modest 1% increase over the FY 2002 actuals level. However, the department is projecting a loss of \$76,000 in swimming pool revenues that is not reflected in the user fee projection of \$3.55 million.

Issues:

Parks & Recreation staff completed a study projecting revenues for the swimming pools in FY 2004 and concluded that they would experience a shortfall of approximately \$76,000 below the amount shown. This issue is the number 1 priority Parks & Recreation BBA.

Personnel Costs

As of May 2003, Parks and Recreation had 140.83 approved FTE's.

Personnel	FY 2002a	FY2003r	FY 2004b	FY 2005b
Salaries – 511101	\$4,717,612	\$5,103,734	\$5,063,807	\$5,063,807
Overtime - 513001	\$94,309	\$50,768	\$46,300	\$46,300
Temp Wages - 516001	\$1,410,872	\$1,538,203	\$1,517,068	\$1,518,497
Other Personnel Costs	\$1,921,473	\$1,983,249	\$2,011,740	\$2,019,771
Total Personnel Costs	\$8,144,266	\$8,675,954	\$8,638,915	\$8,648,375

Key Personnel Accounts:

- 1) Salaries – The significant increase from FY 2002 actuals to the FY 2003 Revised budget is due primarily to the numerous reclassifications of Parks & Recreation positions. This phenomenon was addressed in the interim reclassification policy that was approved by City Council in FY 2003.
- 2) Temp Wages – This increase is due to the increased number of sites that Parks has to maintain in the FY 2004 and FY 2005 budgets. Temporary positions are utilized for many functions that the Parks department is asked to perform.

Other Notes:

- ✓ New life and long-term disability plan effective May 2003 will result in annual savings of approximately \$15,561.
- ✓ An increase in the health insurance rates has an impact of approximately \$83,694 on BPR's FY 2004 and FY 2005 budget.
- ✓ The FY 2004 and FY 2005 budget reflects the addition of the Depot Manager and the HCHY coordinator, which were transferred from the Mayor's Office.

M&O

M&O	FY 2002a	FY2003r	FY 2004b	FY 2005b
532001 –Special Dept Sup	\$222,443	\$265,055	\$236,199	\$236,199
534001 – Minor Equipment	\$69,688	\$78,005	\$78,361	\$78,361
535001 – Motor Fuels	\$89,811	\$98,940	\$98,940	\$98,940
541001 – Contract Labor	\$509,778	\$552,821	\$599,998	\$599,998
542014 – Professional Serv	\$86,870	\$110,185	\$96,599	\$96,599
547001 - Travel/Mtgs	\$30,066	\$39,658	\$39,697	\$39,697
553001 – Trans/mtgs	\$9,859	\$19,878	\$11,427	\$11,427
559001 – R/M Bldgs/Gr	\$422,744	\$514,296	\$453,396	\$453,396
Other M&O	\$3,113,432	\$3,462,871	\$3,140,011	\$3,174,425
Total M&O	\$4,554,691	\$5,141,709	\$4,754,628	\$4,789,042

The \$199,937 increase of expenditures from the FY 2002 actuals level to the FY 2004 budget is due to:

- 1) The transfer of the HCHY and Depot service units from the Mayor's office has an \$115,000 impact on the department.
- 2) Increased insurance costs of \$35,040.
- 3) Increased workers compensation charges of \$7,195.
- 4) Increased computer services allocation from IT of \$78,575.

Other changes in M&O net to a \$35,873 reduction.

Issues:

- 1) Parks & Recreation has asked for an additional \$78,000 in additional M&O funds to maintain new facilities that were completed in FY 2002 and FY 2003. This is the department's number 2 priority BBA.

Equipment

Parks & Recreation has prepared a 6-Year Equipment plan. Planned replacements of equipment in the 6-year cycle are for replacement of existing equipment only. There are no requests for "new" equipment in the FY 2004 and FY 2005 budget.

Equipment	FY 2002a	FY2003r	FY 2004b	FY 2005b
Furniture and Office Equipment	\$14,354	\$8,300	\$8,000	\$20,309
Computer Equipment	\$128,796	\$152,808	\$100,173	\$91,000
Auto Equipment	\$189,198	\$99,750	\$45,900	\$35,000
Heavy Equipment	\$0	\$74,188	\$138,450	\$223,254
Other Equipment	\$326,355	\$218,538	\$221,950	\$117,400
Total Equipment	\$658,703	\$553,584	\$514,473	\$486,963

Issues:

1) Department equipment is replaced based on the useful life and the amount of wear and tear. The assigned useful life varies depending on the type of equipment. BPR has found that surplussed equipment has little salvage value. The equipment itself is either badly worn or obsolete at the time of replacement. Occasionally new equipment is required to meet expansion or additional needs within the department for technological innovation, legal restructuring, or new types of service. New equipment requests are included in the Budget Balancing Alternatives as enhancements to current operations.

Warm Springs Golf Course equipment is not included within BPR's target amount. The equipment necessary for golf course operations is funded from the net revenue of operations. Equipment is only purchased if funding becomes available.