

2011 Council Study Issue

DCS 11-01 Revisit City Policy Governing the Community Recreation Fund

Lead Department Community Services

History 1 year ago None 2 years ago None

1. What are the key elements of the issue? What precipitated it?

The Community Recreation Fund was originally established in FY 1991/1992 as an Enterprise Fund. The fund contains City arts and recreation classes and activities for pre-school aged children through seniors; community and health services through the Senior Center; public access to arts and recreational facilities and open space; the two City-operated golf courses and the tennis center at Las Palmas Park. The original intent of the fund was to be self-sufficient, but over time this goal was determined to be unrealistic. Lessons learned over the years have reinforced this fact. Since its creation, many of the priority programs and activities provided by the Community Recreation Fund have required support from the City's General Fund—a reflection of the fact that despite its attempts to generate revenue, the Fund still rests on a policy foundation heavily geared toward social service as opposed to commercial enterprise.

Management of the Fund has become increasingly complex and time-consuming, and it has become difficult for the layperson to digest it. Staff spend a significant amount of time each year monitoring the Fund, including the tracking and analyzing of various expenditure and revenue streams, some of which have no relationship to the provision of recreational services (for example, the revenue from cell phone providers leasing tower space in parks). This study would address the following questions:

- Do the Council policies related to the Community Recreation Fund warrant revision?
- Could the framework of the Community Recreation Fund be improved upon?
- Could the goals and objectives of the Community Recreation Fund be accomplished in a more efficient or effective manner?

2. How does this relate to the General Plan or existing City Policy?

All of the Fiscal Policies related to the creation and purpose of the Community Recreation Fund will be reviewed in the course of the study. The following are from the Fiscal Sub-Element:

I.2: Community Recreation Fund Policies

I.2a: Fund Management

- I.2a.1** The General Fund subsidy received by the Community Recreation Fund shall be fixed at the FY 2006/2007 level as the base year and increased annually by the inflation factor included in the recommended budget for the upcoming year.
- I.2a.2** Any increase in service levels by City Council not covered by an increase in revenues will result in a corresponding increase to the General Fund subsidy.
- I.2a.3** Any action by City Council to decrease revenues of the Community Recreation Fund not covered by a decrease in operating costs will result in a corresponding

increase to the General Fund subsidy.

1.2a.4 The infrastructure rehabilitation and replacement of all facilities on park land, including the golf courses and tennis center will be funded first through the Park Dedication Fund if funds are available.

1.2a.5 A Fee Waiver system should be provided to allow persons who are economically disadvantaged to participate in and utilize programs, facilities, and services provided by the Community Recreation Fund. The criteria for eligibility in this system shall be established by Council policy.

1.2b: User Fees

1.2b.1 Golf fees shall be set annually utilizing market-based comparisons and included in the City's Annual Fee Schedule adopted by Council resolution.

1.2b.2 User fees for recreation services shall be set administratively by the Director of Parks and Recreation in accordance with a documented methodology that depicts a relationship to cost recovery, market forces, and adjustments based on such factors as:

- Perceived benefit to the community
- Pricing which favors Sunnyvale residents over non-residents
- Target populations
- Promotional and marketing considerations

1.2b.3 The fees established administratively by the Director of Parks and Recreation shall be published at least twice a year.

1.2c: Reserves

1.2c.1 The Community Recreation Fund shall maintain a Twenty-Year Resource Allocation Plan Reserve to stabilize economic cycles and maintain service levels over the long term.

1.2c.2 Any fund balance remaining in the Community Recreation Fund shall remain in the Fund for use in subsequent years.

1.2c.3 The Community Recreation Fund will maintain a Co-op Sports Reserve to administer the after school intra-mural sports league programs at Sunnyvale Middle School and Columbia Middle School as required by agreement with the Sunnyvale School District.

3. Origin of issue

City Staff Community Services Department

4. Staff effort required to conduct study Moderate

5. Multiple Year Project? No **Planned Completion Year** 2011

6. Expected participation involved in the study issue process?

Does Council need to approve a work plan? No

Does this issue require review by a Board/Commission? Yes

If so, which? Arts Commission, Parks and Recreation Commission

Is a Council Study Session anticipated? No

7. Briefly explain cost of study, including consultant hours, impacted budget program, required budget modifications, etc. and amounts if known.

None. The cost for this study is limited to a moderate amount of existing staff hours (estimated at 100 to 300 hours) which can be covered by existing resources.

8. Briefly explain potential fiscal impact of implementing study results (consider capital and operating costs, as well as potential revenue).

This study would not, in itself, increase or decrease the cost of providing recreational programming. Rather, it would explore different frameworks for monitoring and evaluating the revenues and expenditures associated with providing recreational services. There is the possibility that implementing the results of the study would create a cost savings associated with reduced administration of the Fund. Any fiscal impact associated with implementing the results of this study would be identified in the Report to Council.

9. Staff Recommendation

Staff Recommendation For Study

If 'For Study' or 'Against Study', explain

Staff believe that a study of the Community Recreation Fund could result in a more efficient, effective model for managing the expenditures and revenues associated with the provision of recreational services.

Reviewed by



Department Director

10-26-10

Date

Approved by



City Manager

10-29-10

Date