



*City of Arts & Innovation*

# City Council Memorandum

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**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: MAY 3, 2016**

**FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT** **WARDS: ALL**

**SUBJECT: BUDGET PRESENTATION FROM THE PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT**

## **ISSUE:**

The issue for City Council consideration is to receive and provide input on a budget presentation from the Parks, Recreation and Community Services Department about 1) current and historical operations; 2) FY 2016/17 recommended reductions; and 3) unfunded challenges for fiscal years (FY) 2016/17 and 2017/18.

## **RECOMMENDATIONS:**

That the City Council receive and provide input on the Parks, Recreation and Community Services Department's budget presentation with particular emphasis on 1) FY 2016/17 recommended reductions; and 2) unfunded challenges for fiscal years FY 2016/17 and FY 2017/18.

## **BACKGROUND:**

### *Department Operations*

The mission of the Parks, Recreation and Community Services Department is to provide innovative recreational experiences and social enrichment opportunities to address the changing needs for people of all ages and cultures, in a variety of attractive parks, trails, landscapes, and facilities. These services are delivered through four divisions, namely:

- Administrative Division – responsible for overall fiscal and personnel oversight and management, clerical support, planning and design services.
- Recreation Division – responsible for sports and leisure programs, City special events and celebrations, community center operations and programs, facility rentals and reservations.
- Community Services Division – responsible for cultural enrichment programs, education, health, gang prevention and intervention, senior center operations and programs, senior and disabled transportation program.
- Parks Division – responsible for maintenance of parks, facilities, open spaces, and sports fields.

A brief overview and profile of the department include the following:

- 58 developed, undeveloped and natural parks
- 17 centers/facilities including 1 Youth Opportunity Center, 3 Senior Centers (1 contracted),

10 Community Centers, 1 Golf Course, 1 Nature Center, 1 Tennis Center (contracted), 1 Childcare Center (licensed)

- 8 swimming pools (1 joint-use)
- 44 playgrounds
- 30 community and/or city-wide special events
- 35 minibuses used for senior and disabled transportation
- 26 active maintenance contracts
- 30,000 park trees

To ensure the services delivered by the Department contribute to making life better for residents and visitors of Riverside, the Department measures and monitors its performance in a variety of ways including enrollment in programs, attendance at events and usage of parks and park amenities, physical appearance and condition of facilities and park spaces, participation of volunteers, timely response to request for information and work orders. Following are examples of some key annual performance indicators:

- 1,800 registered members for pay & play sports
- 1,400 youth sports scholarships processed
- 48,792 participants enrolled in aquatics programs
- 308 reservations at Fairmount Park
- 57,713 meals served during Summer Food Program
- 345 senior programs
- 24 parks using water saving irrigation systems
- 36,000 labor hours performed by alternative sentencing program and volunteers
- 2,600 responses to 311 Service Requests
- 28,300 rounds of golf played at Fairmount Park

A few highlights of accomplishments during the last fiscal year include:

- Recipient of two California Parks and Recreation Society (CPRS) awards in areas of Communication and Facility Design
- “Playful City USA” national recognition 8 consecutive years
- Removed 310,000 sq. ft. of turf and converted to water-wise landscaping to help meet State mandated water reduction targets
- Completed design of Youth Innovation Center at Arlington Park
- Worked with community to enhance Riverside Arts Academy by raising \$90,000 plus in donations
- Obtained Harmony Project affiliation for Riverside Arts Academy
- Improved customer service delivery at Fairmount Park Golf Course by hiring a dedicated coordinator for this program
- Met with residents to effectively prepare Mt. Rubidoux and vulnerable areas for El Niño

*Overview of Prior and Current Financials*

<b>PARKS</b>	<b>FY 2013-14 Actuals</b>		<b>FY 2014-15 Actuals</b>		<b>FY 2015-16 Adopted Budget</b>	
<b>Division Operational Expenditures</b>	<b>\$</b>	<b>FTEs</b>	<b>\$</b>	<b>FTEs</b>	<b>\$</b>	<b>FTEs</b>
Administration	\$1,719,757.00	13	\$1,522,704.84	10	\$1,517,743.00	10
Recreation	\$2,834,513.05	56	\$3,799,806.55	75	\$4,165,048.00	77
Janet Goeske Center	\$394,901.79		\$405,787.84		\$403,590.00	
Parks	\$9,300,474.03	42	\$9,475,075.19	37	\$9,904,438.00	37
Community Services	\$3,056,289.22	42	\$2,139,403.83	22	\$1,472,637.00	24
Fairmount Park Golf Course	\$313,100.96		\$548,600.33	7	\$688,855.00	5
<b>General Fund Totals</b>	<b>\$17,619,036.05</b>	<b>152</b>	<b>\$17,891,378.58</b>	<b>152</b>	<b>\$18,152,311.00</b>	<b>153</b>

Above are baseline operational expenditures and personnel FTE information for a three-year term starting with FY 2013/14 and through FY 2015/16. The General Fund totals do not reflect charges out to grant funded projects and other non-general fund programs.

*Departmental Managed Savings and 4% Reduction Measures*

During the development of the FY 2016-2018 two-year budget, the Finance Department estimated the City would have a structural shortfall in the General Fund of approximately \$10 million to \$12 million. To address the issue, each department was asked to reduce their General Fund operational budget by 4%. This amount is in addition to the department's Managed Savings target. A Managed Savings target represents the amount of money the department has historically saved each year. Examples of how managed savings can be achieved include vacancy savings and better pricing on professional services than expected. Typically, departments have been left to manage their respective budgets to determine how these managed savings amounts would be realized; however, given the need to reduce the Department's operating budget by 4%, it is necessary to provide a more detailed plan outlining how the Managed Savings target will be achieved.

**Summary of 4% Reduction and Managed Savings**

In addition to the Managed Savings target, the department was tasked with achieving an additional 4% reduction target of \$828,899. Following are recommended strategies which include a combination of expenditure reduction, efficiencies, and revenue generation strategies that seek to minimize impacts to program and service offerings.

1. Explore Riverside/Activity Guide (\$15,000)
  - a. Approximately 379,000 guides (3 seasons) produced annually. Estimate reducing by 25,000.
  - b. Continue to mail to homes (explore option to mail to previously registered participants only).
  - c. Research and experience show that eliminating hard copies of activity guides result in reduced participation rates and reduced program revenues; therefore it is recommended that this item not be reduced further.
2. La Sierra Fireworks Show (\$27,750) and Mt. Rubidoux Fireworks Show (\$45,000)
  - a. Eliminate La Sierra Fireworks show starting in 2016 and continuing in 2017

- b. Since some costs have been incurred in current FY for 2016 Fireworks shows, proceed with Mt. Rubidoux show (eliminate La Sierra) and achieve full savings in 2017
  - c. Eliminate Mt. Rubidoux Fireworks show starting in 2017
- 3. Fishing Derby (\$11,817)
  - a. Eliminate free one-day Fishing Derby event at Fairmount Park starting in 2016
  - b. The cost alone to stock Lake Evans at Fairmount Park with fish is approximately \$5,000 and can be suspended immediately to assist in closing the current as well as projected budget deficit.
  - c. The lake is a run-off lake and is in moderate healthy conditions with an existing fish population that a few residents and visitors fish for recreation.
- 4. Arlington Pool (\$35,000)
  - a. Close Arlington Pool and redirect residents to other nearby pools
  - b. Hunt Pool and Villegas Pool are within 5 mile radius of Arlington pool
- 5. RCC Aquatics Complex (\$80,000)
  - a. Request release from agreement with RCC
  - b. City pays minimum of \$80,000 annually for 730 hours of usage utilized by various user groups for swim events
  - c. User groups would have to reserve facility directly with RCC and incur cost for usage
- 6. Water (\$367,000)
  - a. Extend water reduction measures at parks (use of weather based technology, reduced watering of passive use areas, turf renovations, water play features remain closed)
  - b. Brown and stressed turf areas may result
- 7. Gas (\$22,500)
  - a. Reduce allocation for gas based on historical usage
  - b. Bulk of gas usage is for heated pools (Sippy Woodhead & Shamel)
  - c. Investing in pool covers using one-time funds can help reduce on-going expenditures
- 8. Janet Goeske Senior Center (\$15,000)
  - a. City funds operation of Janet Goeske Senior Center through an agreement with Janet Goeske Foundation
  - b. Amend agreement to include 4% reduction
  - c. City also provides City sponsorships, CDBG funds, and the department supports the operation by assisting in maintenance and special projects
- 9. Prime Time Program (\$17,000)
  - a. PRCSD staffs and administers PRIME Time program conducted at school sites and provides matching funds for supplies
  - b. Discontinuing this program would avoid direct and indirect costs absorbed by the City
  - c. Schools would be able to seek other agencies to administer this program
- 10. Picnic Shelter Rental Fees (\$8,000)
  - a. Increase picnic shelter fees by 10%

- b. Picnic shelters rental rates are market based and have not been adjusted in the past 4 years
- c. The current rate for a standard picnic shelter for a resident is \$75, plus a reservation processing fee of \$25 for a total of \$100 for 8 hours of use.
- d. The proposed new rate for this scenario would be a total of \$108 and would include \$83 for the picnic shelter plus \$25 reservation processing fee.

11. Facility Rental Fees (\$50,000)

- a. Increase facility rental fees by 10%
- b. Facility rental rates are market based and have not been adjusted in the past 4 years
- c. The current rate for a Tier 1 Ballroom for a resident is \$200/hr plus a reservation processing fee of \$25.
- d. The proposed new rate for this scenario would be \$220/hr plus \$25 reservation processing fee.

12. Ball Field Lighting – Youth Leagues (\$90,000)

- a. Increase ball field lighting fees from \$4/hr to \$9/hr (less than 25% cost recovery to 50% cost recovery)
- b. User groups would incur additional costs
- c. Rates in Riverside are competitive compared to adjacent cities

13. Program Fees (\$45,000)

- a. Adjust program fees for Mini Day Camps and various youth sports program within City Council Approved cost recovery rates of 50%
- b. Rates are still very competitive – for example, Mini Day Camp new fee at \$55 per session works out to be less than \$2/hr for service which includes meals, supplies, t-shirt, and an excursion.
- c. Programs are typically filled to capacity with waiting lists
- d. Alternative would be to eliminate program

## Managed Savings

In order to achieve the Department's managed savings target of \$400,000 for the General Fund, the following efficiency measures and areas have been identified:

1. Salary Savings/Vacancy Factor (\$286,000)

- a. Historically, the department has experienced a vacancy factor between 3% and 4%
- b. Current vacancies include 4 full-time benefitted positions and several part-time benefitted positions.
- c. Vacancies will be closely evaluated to determine whether or not they should be filled based on impacts to safety, increased liability, workload, and demand for services.

2. Overtime (\$20,000)

- a. Measures to reduce overtime usage for emergencies only will be implemented
- b. Minor delays in completion of projects and resolution of work orders may occur
- c. Minor inconveniences such as shutting off water supply or electrical supply in areas that would normally be available during normal working hours may occur
- d. Overtime will still be incurred for callout duties, special event work requests such as mobile stage delivery/pick-up, unanticipated urgent repairs

3. Training and Travel (\$2,000)
  - a. Attendance at industry conferences (e.g. CPRS) and seminars will be curtailed
  - b. Training and travel will be reserved mostly for mandatory type trainings
4. Marketing (\$25,000)
  - a. Design, print, distribution of marketing brochures and flyers will be curtailed
  - b. Existing designs will be re-used with minor updates and fewer flyers and brochures will be printed
  - c. Department will leverage off partnership with RUSD for most effective distribution of flyers in students' back packs in limited circumstances
  - d. Use of web-page and social network tools such a Facebook will be maximized instead of traditional flyers and brochures
  - e. Attendance may drop off a bit among certain user groups who rely more heavily upon traditional methods of flyers and brochures to receive information
5. Recreation Supplies (\$15,000)
  - a. Reduce supplies at Community Centers, Senior Centers, and across all programs
6. Live Steamers (\$3,000)
  - a. Anticipate reduction of expenditures for Live Steamers due to recent equipment replacement
7. Golf Cart Replacement (\$5,000)
  - a. Put off replacement of golf carts at Fairmount Park golf course (19 carts are in operation and will need to be replaced eventually)
8. Mariachi Festival (\$3,000)
  - a. Reduce advertising or other expenditures for Mariachi Festival
  - b. Continue to seek sponsorship for this as well as other events and programs
9. Contracted Services (\$41,000)
  - a. Closely manage change order authority on existing contracts to avoid additional costs and minimize use of contingencies
  - b. Whenever feasible use in-house staff to perform extra required work beyond scope of contract
  - c. This will result in delays in completing work orders and special projects

*Critical Unfunded Needs - see Attachment 4*

Priority Level	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/2021
Highest	\$886,500	\$450,000	\$400,000	\$400,000	\$400,000
High	232,000	691,000	67,500		
Important	323,691	272,946	2,403	(100,000)	
<b>Grand Total</b>	<b>\$1,442,191</b>	<b>\$1,413,946</b>	<b>\$469,903</b>	<b>\$300,000</b>	<b>\$400,000</b>

Approximately 190 acres of parkland were developed and 93,000 square feet of programmable building space added since FY 07/08. Yet, staffing levels in the Department are lower today than they were in FY 07/08 prior to the expansion undertaken during the Renaissance. The Department has been doing more with less. Spending on a per-acre or per-sq. ft. basis today is significantly less compared to FY 07/08. This is not sustainable. As a result, the deferred maintenance load,

quality of customer service, staffing levels and training, equipment replacement, and master plan update are among some of the critical unfunded needs and top challenges that need to be addressed.

The top ten challenges and most critical foreseeable needs include the following:

- 1) **\$200,000** one-time funding in FY 16/17 to **update Master Plan**. (Riverside 2.0 Goal #2 – Update Park Master Plan and Recreation Needs Assessment) The Parks Master Plan element of the General Plan is severely outdated and overdue for an update. Many new parks have been constructed over the past several years and it is now time to survey the community, conduct a thorough needs assessment and update the Master Plan in order to prepare a road map for the next 10 years to provide a long range vision for the City's park system and to provide a decision making tool for the City and the public. This will also move the Department toward a direction where it would be better able to seek grant funds and accreditation of the City's park system. (Note: Regional Park Funds are available relieving this burden from General Fund)
- 2) **\$400,000** starting in FY 16/17 and increasing by same amount for next five years to **reduce deferred maintenance of Parks and Community Centers**. (Riverside 2.0 Goal #1 – Reduce Deferred Maintenance Liability and Goal #5 – Identify and Implement, Park and Facility Asset Maintenance Software System) The Department has identified a list of unfunded capital needs totaling more than \$170 million of which over \$38 million is classified as Deferred Maintenance/Refurbishment or Renovation/Replacement projects such as playground equipment and surface replacement; replacement of major Community Center components such as HVAC systems, roofs, pool filters and heaters, etc. The Parks and Facilities Refurbishment accounts have gone unfunded for the past three years limiting the Department's ability to complete deferred maintenance projects to avoid critical failure and ensure that parks and facilities remain in very good to excellent condition for years to come. Addressing deferred maintenance is critical to protecting the City's investments during the capital build out phase. Left unattended, playgrounds and facilities will begin to deteriorate beyond repair and usefulness and will be more costly to maintain and replace.
- 3) **\$436,500** on-going funding for **Personnel Cost Corrections/Upgrades of existing positions** as follows (Riverside 2.0 Goal #8 – Formalize a Professional Development & Retention Program):
  - a. \$48,000 to upgrade 3.0 existing General Service Workers currently funded as under-fills of authorized Park Maintenance Worker II positions, potentially causing employees to be working out-of-class.
  - b. \$118,500 to fully fund 6.0 FTE existing half-time benefitted Assistant Recreation Coordinators (ARCs). Employees in these positions work 29 hrs./week; however, the budget system costs them out at only 20 hrs./week. The Department has historically absorbed the shortfall, however with imposed managed savings, this will be more difficult to do.
  - c. \$66,000 to fully fund 4.25 FTE three-quarter time benefitted ARCs. Employees in these positions work 39 hrs/week; however, the budget system costs them out at only 30 hrs/week. The Department has historically absorbed the shortfall, however with imposed managed savings, this will be more difficult to do.
  - d. \$84,000 to upgrade 2.50 FTE half-time benefitted ARCs to three-quarter time benefitted ARCs to improve facility and program coverage in Community Services Division and to help ensure that a benefitted and more experienced staff person is available during opening and closing times.

- e. \$50,000 to upgrade 1.50 FTE half-time benefitted ARCs to three-quarter time benefitted ARCs to improve facility and program coverage in Recreation Division and to help ensure that a benefitted and more experienced staff person is available during opening and closing times.
  - f. \$28,000 to add .50 FTE half-time benefitted Outreach Worker and upgrade three existing non-benefitted employees to benefitted status for gang prevention and suppression programs. To meet demand for services, three part-time non-benefitted Outreach Worker employees have worked sufficient hours making them “PERSable” and therefore they were converted to part-time benefitted status. Offset by CDBG grant funds.
  - g. \$22,000 to upgrade one of two existing Account Tech to a Sr. Account Tech to create a lead position within the Department who will be able to handle more complex transactions and analyses without working out of class.
  - h. \$20,000 to upgrade an existing part-time non-benefitted ARC to half-time benefitted to be able to have existing employee become “PERSable” and work 29 hrs./week instead of 20 hrs./week to meet workload demands in Contract Class section. Offset by contract class revenues.
- 4) **\$500,500** over two years for **new staffing to improve customer service and meet workload demands** as follows: (Riverside 2.0 Goal #1 – Reduce Deferred Maintenance Liability, Goal #3 – Enhance the Operations of Riverside Arts Academy, and Goal #8 – Formalize a Professional Development and Retention Program):
- a. \$100,000 to add a total of 2.0 FTE Office Specialists to improve customer service at front counter. Add 1.0 in year one, and 1.0 in year two. The Department only has one full-time staff to cover its front counter. Part-time staff and temp agencies are used to assist but the quality of customer service suffers due to high rotation. During Summers the number of registrations, request for refunds and for information about facility rentals, etc. become overwhelming for staff. At one point, there were 4.0 full-time positions assigned to the front counter but staffing levels were cut during recession and have not been restored thus far. Last year, there were 20,473 incoming phone calls, 4,211 walk-in customers and 8,303 transactions in Active Net handled by front desk staff.
  - b. \$112,000 to fully fund an existing authorized 1.0 FTE Administrative Analyst. Although the Department has an authorized Administrative Analyst FTE, it is currently under-filled with an Account Tech. Funding is needed for the Administrative Analyst position and authorization is needed for the Account Tech position. Both positions are needed. The Administrative Analyst is needed to support Department wide efforts to prepare grant funding, track and analyze expenditures, research best practices, etc.
  - c. \$110,000 for 1.0 FTE Park Planner in year two to support Master Plan Update and to help to complete capital renovation/replacement projects. Offset 50% by charges to project funds.
  - d. \$95,500 for 1.0 FTE Recreation Supervisor in year two to assist with oversight and management of Riverside Arts Academy and Arlington Youth Innovation Center as well as other programs.
  - e. \$83,000 for 1.0 FTE Parks Maintenance Specialist in year two to handle maintenance-related workload associated with additional facility square footage as well as deferred maintenance.
- 5) **A. \$335,000** starting in FY 17/18 for core **maintenance and operational needs for the Arlington Youth Innovation Center (AYIC)** slated for completion winter of 2017. (Riverside 2.0 Goal #4 – Build, Open and Fund the Arlington Youth Innovation Center)



- a. \$250,000 for 1.0 FTE Coordinator; 0.75 FTE ARC; 3.0 FTE part-time Instructors; 3.0 FTE part-time Recreation Leaders; recreation and office supplies; computer lab equipment and supplies; to be able to deliver programming at AYIC.
  - b. \$85,000 for maintenance and utilities for new facility.
- B. \$167,337** phased in starting in FY 17/18 to establish a **gang intervention program operation at Arlington Youth Innovation Center (AYIC)** slated for completion winter of 2017. (Riverside 2.0 Goal #4 – Build, Open and Fund the Arlington Youth Innovation Center)
- a. \$61,043 for 1.0 FTE Lead Outreach Worker to assist youth with job skills development and job placement at AYIC.
  - b. \$71,294 for 2.0 FTE (four half-time benefitted) Outreach Workers to assist with gang intervention and mentoring programs at AYIC
  - c. \$35,000 for vehicle purchase
- 6) **\$255,000** phased in over three-year period (\$120,000 in FY 16/17; \$67,500 in FY 17/18; \$67,500 in FY 18/19) to move away from ad-hoc tree trimming and gradually **establish a 5-year rotating tree-trimming schedule**. (Riverside 2.0 Goal #6 – Increase Stewardship of Natural Resources) There are approximately 30,000 trees in our park system that cost approximately \$50 per tree to trim. Only \$45,000 is currently available in the operating budget. A 5-year trimming cycle would require \$300,000 to be budgeted annually.
- 7) **\$56,268** phased in over three-year period (\$18,756 starting in FY 16/17 through FY 18/19) for **employee training including: core supervisory and management skills, customer service, succession planning, attendance at CPRS and NRPA and other industry conferences**. (Riverside 2.0 Goal #8 – Formalize a Professional Development and Retention Program) Currently there is \$33,850 for travel and training. Training is done on an ad hoc basis and is limited to safety (e.g. OSHA standards, equipment certification, certified playground inspector certification), HR mandated trainings (e.g., sexual harassment prevention), Lifesaving skills for Aquatics staff (lifeguard basics, first aid), with occasional and limited opportunities for attendance at CPRS and NRPA conferences. With over 200 FTEs, half of whom are full-time, and a wide range of program and service offerings, the goal is to budget \$500 per FTE to establish a robust professional development program that will emphasize customer service, core supervisory and management competencies and skills development, and succession planning. According to Harvard Business Review, top fortune 500 companies and high performance organizations on average spend more than \$1,000 annually per FTE for professional development and training.
- 8) **\$200,000** (one-time in each of two years, starting in FY 16/17) for **expansion of smart water conservation technology throughout park system**. (Riverside 2.0 Goal #6 – Increase Stewardship of Natural Resources) Staff has converted 7 acres of turf areas to drought tolerant landscaping and water-wise technology has been implemented at 25 locations by aggressively seeking rebates available from utility agencies. More than 20 parks remain to be converted. Given the long-term outlook for water conservation and anticipated rate increases, it is prudent to continue investing in installation of water-wise technology. This request would fund 10 additional parks to be converted or upgraded to water-wise technology in each of the next two years. Staff will continue to seek offsets through rebate programs.
- 9) **\$175,000** (combination one-time/on-going) for **replacement of vehicles and equipment** as follows:

- a. \$50,000 on-going to establish equipment repair/replacement fund for equipment at Community and Senior Centers such as fitness equipment; audio-visual components such as speakers, screens, mics; ice machines; stoves, refrigerators; etc.
  - b. \$50,000 one-time to replace stake bed truck originally purchased in 1994 – used to haul debris, sports equipment, special event equipment.
  - c. \$75,000 one-time to replace tractor used for weed abatement, debris removal, loading trash into dumpsters, etc.
- 10) **\$250,435** on-going and phased in over multiple years for **program enhancements** as follows (Riverside 2.0 Goal #7 – Advance Health and Wellness Initiatives and Goal #9 – Enhance Programming and Services at Fairmount Park):
- a. \$34,000 of which \$14,000 would be on-going to implement automated point of sale system and on-line scheduling system for Fairmount Park Golf Course. In accordance with audit recommendations.
  - b. \$118,135 ongoing for additional part-time staff and supplies to expand a variety of programs to meet demand including: extending summer camp to accommodate school summer schedule; add portable toilets at Ryan Bonamino park for 4<sup>th</sup> of July; extending Summer Concert Series by adding Battle of Bands element and two additional concerts making it an 8-week series; expanding contract class programming; hiring paid instructor for boxing program instead of relying on volunteers; adding staff for events at Fairmount Park to address customer service issues and resident complaints; enhancing Winter Wonderland special event by adding additional elements; increasing excursion offerings for mini camps. Offset by program fees and revenues.
  - c. \$40,000 to expand janitorial contract scope of work to include regular deep cleaning of banquet tables & chairs and center upholstered furniture.
  - d. \$12,300 to translate existing marketing brochures into Spanish language and enhance marketing efforts to Hispanic community. Offset by program fees and revenues.
  - e. \$46,000 to place defibrillator devices at all 7 pool sites and 13 community centers.

Not prioritized above are inflationary cost adjustments. Rate studies are underway and increases in utility costs are anticipated to be as much as 5%. Increases in minimum/prevaling wage, health benefits and employment rules are impacting vendors that are providing contracted services and these increased labor costs are anticipated to be passed through to the Department for janitorial, landscape maintenance, pool maintenance, and other contracted services. A conservative 2% inflationary cost adjustment applied to the Department's non-personnel baseline would add \$200,000 to the bottom-line each year.

Also not included in the critical needs/priorities listed above and summarized below are any cost adjustments associated with PERS and negotiated salary adjustments since these are typically provided as budget target adjustments.

*Unfunded Needs - Capital Improvement Program; see Attachment 5*

Unfunded Capital Needs by Category	FY 2016/17	FY 2017/18	FY 2018/19 Through FY 2020/21	Total CIP Unfunded 5-Year Plan	Total CIP Unfunded Long Term CIP Needs (Beyond 5 Years)	Grand Total CIP Unfunded Needs
Add Value/Increase Efficiency	\$ -	\$ -	\$ -	\$ -	\$177,622,100	\$177,622,100
Cost Reduction	-	-	-	-	12,260,500	12,260,500
Enhancement /Beautification	-	-	-	-	41,266,000	41,266,000
Health and Safety	400,000	400,000	1,200,000	2,000,000	7,674,000	9,674,000
Legal Mandate	-	-	-	-	554,500	554,500
<b>Grand Total</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$1,200,000</b>	<b>\$2,000,000</b>	<b>\$239,377,100</b>	<b>\$241,377,100</b>

From 2006-2011, the Riverside Renaissance added over \$100M of public infrastructure projects to the existing Parks system. However, the city did not consider long-term maintenance and operation of over 190 acres of additional developed parkland and over 93,000 square feet of programmable building space. Despite the robust capital expansion of the parks system, the operating budget has not expanded at the same pace. Department-wide, PRCSD continues to operate with reduced FTEs, while supporting a larger burden of public infrastructure.

PRCSD identified unfunded deferred maintenance projects throughout all wards. In order to maintain the safety and integrity of Riverside's current parks system, in the 5-year plan, PRCSD aims to accomplish a deferred maintenance program which addresses the on-going maintenance needs of the aging parks system including delayed maintenance projects within the parks facilities such as roofing, plumbing, heating, air conditioning, electrical systems, pool chlorination systems, playground safety surfacing, etc.

**FISCAL IMPACT:**

There is no direct fiscal impact associated with this report; however, as stated above the two-year budget process will include necessary deliberation on the proposed measures to meet both 4% reductions and managed savings targets. Moreover, the unfunded needs discussed above represent fiscal challenges above and beyond these reduction targets.

Prepared by: Adolfo Cruz, Parks, Recreation and Community Services Director  
 Certified as to availability of funds: Scott Miller, Interim Finance Director/Treasurer  
 Approved by: Alex Nguyen, Assistant City Manager  
 Approved as to form: Gary G. Geuss, City Attorney

**Attachments:**

1. Presentation
2. Department Organization Chart
3. Financial Summaries
4. Unfunded Needs