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CITY COUNCIL

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ANNE MARIE LANGAN
DEPUTY DIRECTOR
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TO: Alicia C. Minter, Deputy Director
Recreation Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director IJ.

DATE: April 23, 2009

RE: 2009-2010 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2009-2010 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Friday, April 24, 2009 at 2:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Pamela Scales, Budget Department Director
Donna McAlister, Budget Department
Joe Harris, Chief Financial Officer
Arese Robinson, Mayor's Office

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Recreation (39)

FY 2009-10 Budget Analysis by the Fiscal Analysis Division

The Recreation Department is a General Fund agency. The recommended 2009-10 budget is $26.2 million, or $3.94 million (13%) less than the current year's budget. The recommended net tax cost is $23 million, which is $4.1 million (15.28%) less, than the current fiscal year.

The Mayor has recommended a $1 million decrease in the Recreation Department's capital program, decreasing it to zero for FY 2009-10. The decrease involves the elimination of the1 million in funding for Capital Improvements from appropriation 12659 GO Bonds Capital operations in the 2009-10 FY.

The Mayor has recommended the following capital improvement programs for the department:

	2008-09 FY	2009-10 FY
GO Bonds Capital	$ 1,000,000	$ 0
Totals	**$ 1,000,000**	**$ 0**

In the 2009-10 FY, the Recreation Department will receive $5.9 million from the Casino Percentage Payment. The allocation of those funds includes, $1.8 million for capital improvements, $3.98 million for summer employees and $122,000 for miscellaneous expenses. The department's Casino fund allocation was reduced from the current fiscal year's (2008-09) $8 million allocation.

A total of $1.3 million in Block Grant Rehabilitation funds will be allocated to the Recreation Department for Crowell Community Center in the 2009-10 FY.

2008-09 Surplus/(Deficit)

The Administration anticipates a net surplus of $2.75 million for the current fiscal year. The department's projected surplus is due primarily to an appropriation surplus of $2.7 million due to departmental vacancies and lower costs associated with seasonal employees and overtime, in addition to a small revenue surplus of $51,690.

Overtime

The department has a 2008-09 overtime budget of $398,300. As of March 31, 2008, the department has expended $114,300 on overtime. The recommended overtime budget for 2009-10 is $263,300, a $135,000 (28.35%) reduction from the current fiscal year.

Personnel and Turnover Savings

The Mayor recommends 16 net reductions to the overall number of positions.

The 16 net reductions in positions in the 2009-10 FY are the result of 16 layoffs, the elimination of one vacancy, offset by the transferring in of one position from the General Services Department in the 2009-10 FY.

The Mayor recommends no turnover savings in 2009-10.

The following is information by appropriation comparing current FY 2008-09 filled positions, and FY 2009-10 recommended positions, as of March 31, 2009.

Appropriation/Program	Redbook Positions FY 2008-09	Filled Positions 3/31/2009	Mayor's Budget Positions FY 2009-10	Over/(Under) Actual to 08/09 Budget	Mayor's Recommended Turnover
Recreation (39):					
00905 1994-Capital Improvements	**0**	**1**	**0**	**1**	**$ -**
11654 Adult Day Care Grant 2006	**0**	**0**	**0**	**0**	**$ -**
11656 Recreation Management	**12**	**11**	**12**	**(1)**	**$ -**
395155 Butzel Family Center	2	1	1	(1)	$ -
395165 Recreation Camp	0	0	0	0	$ -
395175 Security	0	0	0	0	$ -
395180 Administration Support Unit	2	2	2	0	$ -
395185 Rogell Golf Course	0	0	0	0	$ -
395190 Henderson Marina	5	3	4	(2)	$ -
395192 Henderson Marina Summer Only-M	0	0	0	0	$ -
11657 Business Operations & Support Srvc.	**9**	**6**	**7**	**(3)**	**$ -**
395200 Landscape Design Unit	5	5	6	0	$ -
395210 Strategic Planning & Grants	2	2	1	0	$ -
11658 Planning, Design & Const. Mgmt.	**7**	**7**	**7**	**0**	**$ -**
395300 Buildings & Ground Maintenance	0	0	0	0	$ -
395310 Ground Maintenance	0	0	0	0	$ -
395320 Seasonal Ground Maintenance	0	0	0	0	$ -
395330 Building Repair & Improvements	0	0	0	0	$ -
395333 Forestry	0	0	0	0	$ -
395335 Vacant Lots	0	0	0	0	$ -
395340 Forestry Administration	0	0	0	0	$ -
395360 Nursery	0	0	0	0	$ -
395370 Floriculture	0	0	0	0	$ -
11659 Buildings & Ground Maintenance	**0**	**0**	**0**	**0**	**$ -**
395400 Huber Facility	0	0	0	0	$ -
395410 Huber Storeroom	0	0	0	0	$ -
11660 Huber Facility & Storeroom	**0**	**0**	**0**	**0**	**$ -**
395500 Forestry Operations Administration	0	0	0	0	$ -
395510 Forestry Operations	0	0	0	0	$ -
395520 Nursery	0	0	0	0	$ -
395530 Floriculture	0	0	0	0	$ -
11661 Forestry Operations	**0**	**0**	**0**	**0**	**$ -**
395605 Building Operations	0	0	0	0	$ -
395610 North Building Operations	0	0	0	0	$ -
395620 South Building Operations	0	0	0	0	$ -
395630 East Building Operations	0	0	0	0	$ -

395640 West Building Operations	0	0	0	0	$	-
395650 Roving Cleaning Crew	0	0	0	0	$	-
11662 Building Operations	**0**	**0**	**0**	**0**	**$**	**-**
395700 Recreation Operations Administration	7	5	6	(2)	$	-
395705 Recreation Operations	143	195	132	52	$	-
395707 Rec Operations-Summer Only-Motto	0	0	0	0	$	-
395710 North Recreation Operations	0	0	0	0	$	-
395720 South Recreation Operations	0	0	0	0	$	-
395730 East Recreation Operations	0	0	0	0	$	-
395740 West Recreation Operations	0	0	0	0	$	-
11163 Recreation Operations	**150**	**200**	**138**	**50**	**$**	**-**
395800 Special Programs	0	0	0	0	$	-
395810 Special Services	0	0	0	0	$	-
395820 Physically Challenged Program	0	0	0	0	$	-
395830 Athletic Office	0	0	0	0	$	-
395840 After School Program	0	0	0	0	$	-
11164 Programming	**0**	**0**	**0**	**0**	**$**	**-**
395900 Belle Isle Operations Administration	7	5	7	(2)	$	-
395910 Forestry Operations	0	0	0	0	$	-
395920 Ground Maintenance	0	0	0	0	$	-
395930 Seasonal Ground Maintenance	0	0	0	0	$	-
395940 Building Operations	0	0	0	0	$	-
395950 Recreation Operations	4	1	4	(3)	$	-
395957 BI Rec Oper-Summer Only-Motor City	0	0	0	0	$	-
395960 Detroit Boat Club	0	0	0	0	$	-
11665 Belle Isle Operations	**11**	**6**	**11**	**(5)**	**$**	**-**
11166 Youth	**1**	**1**	**1**	**0**	**$**	**-**
11167 Eastern Market	**0**	**0**	**0**	**0**	**$**	**-**
12141 Historic Fort Wayne	**2**	**2**	**2**	**0**	**$**	**-**
12147 Senior Citizens Advocacy	**0**	**0**	**0**	**0**	**$**	**-**
12149 Outreach & Assistance	**0**	**0**	**0**	**0**	$	-
12150 Consumer Advocacy	**0**	**0**	**0**	**0**	$	-
12659 GO Bonds Capital Operations 08-09	**2**	**0**	**0**	**(2)**	**$**	**-**
39XXXX PART-TIME EMPLOYEES	**0**	**0**	**0**	**0**	**$**	**-**
12915 Recreation Block Grant 2010	**0**	**0**	**0**	**0**	**$**	**-**
39XXXX Leave of Absence	0	5	0	5	$	-
39XXXX Worker's Comp.	0	(3)	0	(3)	$	-
39XXXX Unmatched Positions	0	7	0	7	$	-
TOTAL	**194**	**243**	**178**	**49**	**$**	**-**

Significant Funding by Appropriation

Appro.	Program	
11656	Recreation Management	This appropriation decreases by $101,817 (7%) in the 2009-10 FY. This is due primarily to an $85,398 decrease in salaries & wages, a $8,919 decrease in benefits and a $7,500 reduction in training–tuition reimbursement in 2009-10 FY.

11657	Business Operations & Support Services	This appropriation is decreases by $1,205,722 in the 2009-10 FY. The decrease is due primarily to a $912,516 decrease in org 395280 Administration Support Unit, a $152,699 reduction due to the elimination of org 395191 Special Events-Support, a $101,298 (42.25%) decrease in org 395155 Butzel Family Center, offset by slight increases in other orgs.
11667	Eastern Market	This appropriation of $162,914 increases by $19,076 in the 2009-10 FY.
12701	Recreation-Northwest Activity Center	This appropriation of $220,000 decreases by $55,000 in the 2009-10 FY, to $165,000.
11658	Planning, Design & Construction	This appropriation increases slightly by $2,640 in the 2009-10 FY.
11663	Recreation Operations	This appropriation decreases by $2.987 million in the 2009-10 FY. The decrease is due primarily to a $2.23 million reduction in org 395700 Recreation Operations Administration, comprised primarily of a $2.23 million reduction in Major Repairs-buildings and the loss of one position; a $672,634 reduction in org 395705 Recreation Operations, due primarily to salary, wages and benefit decreases due to the loss of 11 positions; and a $83,370 reduction in org 395707 Rec Operations-Summer Only.
11666	Youth	This appropriation decreases by $11,592 in the 2009-10 FY, to $115,685.
12809	2009-10 Dreaming While Achieving	This grant appropriation is renamed for accounting purposes from 12554 2008-09 Dreaming While Achieving and is budgeted at $215,000 in 2009-10.
12810	2009-10 S.A.F.E.T.Y. Organization	This grant appropriation is renamed for accounting purposes from 12555 2008-09 SAFETY Organization and budgeted at $152,725 in 2009-10.
12811	2009-10 S.A.F.E.T.Y. Local	This grant appropriation is renamed for accounting purposes from 12556 2008-09 SAFETY Local and budgeted at $16,969 in 2009-10 FY.
12806	2009-10 Mini Grant Administration	This grant appropriation renamed for accounting purposes from 12550 2008-09 Mini Grant Adm and budgeted at $18,200 in 2009-10.

12808	Minigrants Program	This grant appropriation is renamed for accounting purposes from 12551 Minigrants Program and budgeted at $61,400 in 2009-10.
12552	2008-09 City Arts Grants Program	This grant appropriation is eliminated in 2008-09.
12553	2008-09 National Arts	This grant appropriation is `also eliminated in 2008-09.
11665	Belle Isle Operations	This appropriation increases by $49,293 in the 2009-10 FY.
12141	Historic Fort Wayne	This appropriation budgeted at $376,879 in the 2008-09 FY, decreases by $61,754 to $315,125 due primarily to the elimination of the $63,000 cost for utilities-steam, offset by slight benefits increases.
12659	GO Bonds Capital Operations	The Mayor elected not to accommodate all of the department's capital bond requests to control the level of bond sales city wide in 2009-10, this was decreased by $1 million overall from the previous fiscal year, to zero in 2009-10 FY.

Significant Revenue Changes by Appropriation and Source

Appro.	Program	
11656	Recreation Management	This revenue of $632,916 in the 2009-10 FY increases slightly by $1,920 from the 2008-09 FY.
11657	Business Operations & Support Services	This revenue appropriation decreases by $179,000, due to anticipated reductions in Henderson Marina revenue of $100,000, Butzel Family Center revenue of 84,000 (50%), the elimination of $20,000 in Special Events-Support revenue, offset by an anticipated $25,000 increase in Chene Park revenue.
11663	Recreation Operations	This revenue of $70,000 in the current fiscal year decreases by $10,000, to $60,000 in 2009-10.

Recreation Department (39)

Budgeted Professional and Contractual Services by Activity	FY 2008-09 Budget	FY 2009-10 Recommended	Increase (Decrease)
Administration	$ 60,000	$ 60,000	$ -
Business Operations	296,220	256,500	(39,720)
Planning, Design & Construction	-	-	-
Recreation Operations	200,000	125,000	(75,000)
Youth Services	322,357	384,694	62,337
Programming	73,000	79,600	6,600
Belle Isle Operations	82,000	72,000	(10,000)
Historic Fort Wayne	-	-	-
Capital Projects-Bonds	134,928	-	(134,928)
Total	**$ 1,168,505**	**$ 977,794**	**$ (190,711)**

Professional and contractual services for the Recreation Department decrease by $190,711 (16.3%) in the 2009-10 fiscal year. The $190,711 decrease is due primarily to the elimination of $134,928 for the cost of Capital Projects-Bonds, a $75,000 decrease in Recreation Operations, a $39,700 decrease in Business Operations, a $10,000 decrease in Belle Isle Operations, offset by increases of $62,337 in Youth Services and $6,600 in Programming.

Issues and Questions

The Mayor has recommended $1.3 million in Block Grant Rehabilitation funds to be allocated to the Recreation Department for Crowell Community Center in 2009-10.

- What are the specific plans for this project and what is the anticipated completion date?

Pg 39-3 PLANNING FOR THE FUTURE FOR FY 2009-10 and BEYOND

The department states it will continue to use annual Casino funding to pay for seasonal employees and capital/maintenance projects.

The Recreation Department's Casino fund share is reduced from $8 million in the current fiscal year to $5.9 million, a reduction of $2.1 million (26%).

- What was the Administration's rationale for this decision and how will it impact the department in the 2009-10 FY?

- The new Farwell Recreation Center has opened without a pool or a gym. The department has indicated that plans to include a pool and gym are coming with another phase of construction. What are the department's plans in regard to adding these amenities to Farwell? Can the Casino funds be used for this project?

Pg 39-11 PLANNING, DESIGN & CONSTRUCTION MANAGEMENT DIVISION

- The Administration has scaled back capital funding for the Recreation Department from $16.35 million in 2006-07, to $4.085 million in 2007-08, to $1 million in 2008-09, to zero in the upcoming 2009-10 FY. Will the Administration use reprogrammed Capital funds from past years to complete projects in Recreation in the 2009-10 FY?

Pg 39-16 PLANNING FOR THE FUTURE FOR FY 2009-10, 2010-11 and BEYOND

- This section indicates that the 2008-9 FY budget includes $8 million in funding for summer seasonal staff and capital/maintenance projects at the recreation centers. What specific capital projects were included in this particular capital/maintenance allocation for the current fiscal year? How many were completed and how many are yet to be finished?

Pg 39-17 RECREATION OPERATIONS MEASURES AND TARGETS

- The number of positions in Recreation Operations is targeted to decrease by 12 in the upcoming fiscal year. What is the anticipated impact of these position losses to daily recreation activities?

Fiscal Year Number of budgeted positions	2006-07 Actual	2007-08 Actual	2008-09 Projected	2009-10 Target
Budgeted in Recreation Operations	149	148	150	**138**

- The Recreation has moved its administrative offices from the Cadillac Tower to the Norwest Activities Center as a cost savings measure. Has the department realized an annual cost savings? If so, how much? If not, why?

Recreation Department's Strategic Master Plan

The Strategic Master Plan included condition and capacity reports for both the Recreation Department's parks and recreation centers. Of the department's 308 parks, 153 are in fair condition (49.7%), 124 are in poor condition (40.2%) and 33 are in good condition (10.7%). In addition, a majority of the parks do not have sufficient improvements for their park classification and recreation function. In regard to the Recreation Centers, the department reported that of its 21 open recreation centers nine (9) were closed in January 2006), nine (9) are open and in good condition (42.9%), five (5) are in fair condition (23.8%), and seven (7) are in poor condition (33%)

- How have these conditions changed since the release of this report?

- In past years the department has stated it will "re-evaluate" its closed centers to determine the feasibility of reopening some of them. How many of the department's closed recreation centers may be slated to potentially reopen within the foreseeable future?

Please provide a list of all fees and charges made by the Recreation Department. Include the amount of the current fee or charge. Indicate when the fee or charge was last changed, and the amount of the change. Indicate if the fee or charge was reviewed as part of the city-wide fee study conducted by Maximus. If the fee was included in the study what was the recommendation? Has the recommendation been implemented? If not provide an explanation of why the recommendation was not implemented?

Is the department involved in any activities that are not recorded as part of the city's financial reporting system? If so, identify what the activities are. Example, the Mayor's Office has established a non-profit organization in connection with Next Detroit Neighborhood Initiative Program.

- It appears the Recreation Department's "Partners" accounts may fit the category indicated above. Is this correct? If so, please indicate how many of these accounts exist and please describe these accounts in detail.

Does the department use any automated or electronic systems not directly linked to the financial reporting system, DRMS? Is so, identify what the systems are, and what the plans and timetable is to incorporate the system into DRMS. Example, the Recreation Department has a Recreation Activity Fund whose financial records are maintained separately from the DRMS system.

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