



PARKS, RECREATION AND ARTS

Quality Services for a Quality Community

MEMORANDUM

TO: George Lahanas, City Manager

FROM: Timothy M. McCaffrey, Director of Parks & Recreation

DATE: December 8, 2017

SUBJECT: Budget Reductions

City of East Lansing
PARKS, RECREATION
AND ARTS
410 Abbot Road
East Lansing, MI 48823

(517) 319-6809
www.cityofeastlansing.com

Attached please find 2 documents;

- 5% and 10% Budget Reductions as suggested by the Director of Parks, Recreation & Arts at your request.
- Preliminary Budget Impacts Associated with closing and/or reducing hours of operation of Parks & Recreation Facilities, Programs and Services. The report was prepared by the Director of Parks, Recreation & Arts at your request.

CITY OF EAST LANSING
DEPARTMENT OF PARKS, RECREATION & ARTS
BUDGET REDUCTION CONSIDERATIONS

Prepared by: Timothy M. McCaffrey, Director of Parks, Recreation & Arts
December 8, 2017

The City Manager requested that staff provide suggestions for consideration of a 5% General Fund Budget Reduction and a 10% General Fund Budget Reduction by Department.

INITIAL ASSUMPTION

The Budget reduction scenario is based on the General Fund Contribution to the Parks & Recreation Fund. The current FY budget is \$4.4 million. The General Fund Contribution to the fund is \$1.94 million. Reductions would take place beginning in January 2019 (savings from the reductions would start being realized in the 2nd half of FY2019 and all of FY2020).

- A 5% General Fund Reduction would be \$97,000
- A 10% General Fund Reduction would be \$194,000

5% Budget Reduction Considerations as suggested by the Director of Parks, Recreation & Arts are as follows (Calculation based on full fiscal year 7/1/2019 – 6/30/2020)

Jazz Festival Cash Support (begin 2019 festival)	\$10,000
Folk Festival Cash Support (begin 2019 festival)	\$15,000
EL Emerging Leaders Program Cash Support (begin 2019)	\$4,000
<u>Dept. Reorganization (eliminate 1 FT Position – effective 1/19)</u>	<u>\$68,000</u>
Total	\$97,000

Comments:

Jazz Festival Cash Support: Eliminating direct cash support of \$10,000 would impact the Festival, however the festival would likely still be able to operate. Not calculated in this consideration is the cash value of the support provided by DPW, regular time on Friday and Overtime on Friday evening and Saturday all day/evening. Police Department support has been increasing annually due to establishing additional preventative measures and cash value is not calculated.

Folk Festival Cash Support. Eliminating direct cash support of \$15,000 would impact the Festival, however, the festival would likely still be able to operate. Overtime and contractual electrician expense for the Festival has been calculated at \$18,200 and would remain in this scenario.

EL Emerging Leaders Program Cash Support. Eliminating direct cash support would likely require eliminating the program

Dept. Reorganization (eliminate 1FT position effective 1/19). The \$68,000 represents a full year savings for FY2020. If position is eliminated effective 1/19, the savings for FY19 would be in the \$20,000 to \$30,000 range for that fiscal year.

10% Budget Reduction Considerations as suggested by the Director of Parks, Recreation & Arts are as follows;

All of the 5% Reduction Considerations Suggested Above	\$97,000
<u>Dept. Reorganization – Eliminate a 2nd FT Position (effective 1/19)</u>	<u>\$100,000</u>
Total	\$197,000

The \$100,000 represents a full year savings for FY2020. If position is eliminated effective 1/19, the savings would be in the \$40,000 to \$50,000 range for that fiscal year.

PRELIMINARY BUDGET IMPACTS ASSOCIATED WITH CLOSING AND/OR REDUCING HOURS OF OPERATION OF PARKS AND RECREATION FACILITIES AND PROGRAMS

Prepared by: Timothy M. McCaffrey, Director of Parks, Recreation & Arts
December 8, 2017

Per your request, this document provides estimated cost savings that would involve closing and/or reducing hours of operation of parks and recreation facilities and programs.

Savings and/or increased cost to COEL have been identified based on the FY2018 approved budget. Actual Revenues and Expenditures will of course vary from the approved budget so these dollar amounts should be considered preliminary. The estimated cost data is based on an entire fiscal year.

An estimate of cost associated with maintaining or demolishing closed buildings and facilities has not been calculated at this time. In the event the decision is made to close facilities, annual maintenance and/or demolition costs will affect the estimated cost savings. In addition, costs associated w/ staff PTO payouts, unemployment compensation, assistance w/ finding other employment, and other employee assistance associated w/ a layoff program of this nature have not been considered.

SUMMARY

<u>Summary Description of Activity</u>	<u>Est. Annual Savings</u>
Close EL Hannah Community Center (effective 07/2019)	\$1,010,905
EL Hannah Community Center Open Weekends Only (effective 07/2019)	\$388,845
EL Hannah Community Center Close Swim Pool (effective 07/2019)	\$34,720*
Close EL Family Aquatic Center (effective 10/2018)	\$48,050
Close EL Soccer Complex (effective 12/2018)	\$107,720
Close Softball Complex, Patriarche Ball fields & Dog Park (effective 12/2018)	\$115,765
Eliminate Comm. Events, Festival Support & Farmers Market (effective 01/2019)	\$90,055
Eliminate Cash Support & Overtime Support to Folk Festival	\$33,200
Eliminate DPW Overtime Expense Support to Art Festival	\$6,000
Eliminate Cash Support to Jazz Festival (effective 01/2019)	\$10,000
Eliminate Cash Support to Helping Hands Respite (effective 07/2019)	\$10,000
Eliminate Park Stewardship Program (effective 01/2019)	\$43,260
Eliminate Before/After Care, Break Care & Summer Camp (effective 07/2019)	(\$150,000)

*Savings would increase to \$54,720 if full-time staff person is laid-off

A brief description for the above identified budget reductions in pages 2 through 6 of this document.

BRIEF DESCRIPTION FOR IDENTIFIED BUDGET REDUCTIONS

CLOSE EL HANNAH COMMUNITY CENTER

Suggested Effective Date: July, 2019

**Staff Reduction: 9 Full Time Staff
62 Part Time Staff (24,078 hours)**

Includes but is not limited to Prime Time (Senior Program), Recreation and Arts Offerings, Youth Athletics (EL City Sponsored Basketball, EL Basketball Club, Children’s Theater (AECT), Indoor Swim Pool, Albert A. White Theater, Fitness Center, Public Art Gallery, and EL High School Transitions Classroom.

<u>Further Budget Description</u>	<u>Earned Income</u>	<u>Annual Expense</u>
Guest Services	\$507,500	\$543,190
ELHCC Building Operations	\$0	\$587,455
Recreation & Arts Offerings	\$156,000	\$231,390
Children’s Theater (AECT)	\$112,200	\$131,055
ELHCC Swim Pool	\$73,900*	\$160,120
Prime Time (Seniors Program)	\$170,315	\$377,610
Total	\$1,019,915	\$2,030,820

*Admission pass income (daily, punch pass, 6 month and annual) is included in Guest Services income.

Estimated Annual Savings; \$1,010,905

EL HANNAH COMMUNITY CENTER OPERATE ON WEEKENDS ONLY

Suggested effective date: July, 2019

**Staff Reduction: 7 Full Time Staff
60 Part Time Staff (22,142)**

For purposes of this report service levels include completely closing the fitness center, swim pool, recreation & arts offerings, children’s theater (AECT) and the Prime Time (Seniors Program). The budget assumptions include retaining 2 full time and 2 part time staff to operate the EL Hannah Community Center as a weekend only facility.

<u>Budget Forecast (Weekends Only)</u>	<u>Earned Income</u>	<u>Annual Expense</u>
Guest Services	\$70,000	\$345,480
ELHCC Building Operations	\$0	\$346,580
Recreation & Arts Offerings	\$0	\$0
Children’s Theater (AECT)	\$0	\$0
ELHCC Swim Pool	\$0	\$0
Prime Time Seniors Program	\$0	\$0
Total	\$70,000	\$692,060

Estimated Annual Cost; \$622,060

Savings as Compared to Existing 7 day/week; \$388,845*

*\$1,010,905 - \$622,060 = \$388,845

CLOSE ELHCC SWIM POOL ONLY

Suggested effective date: July, 2019

**Staff Reduction: .25 Full Time Staff
27 Part Time Staff (9,408 hours)**

Since ELHCC pass holders have the opportunity to use the swim pool, fitness center and gymnasiums, all income is bundled together and assigned to ELHCC Guest Services Budget, Admission Revenue. For purposes of this report, we have estimated swim pool daily and multiple visit pass income to be \$31,500.

Adding \$31,500 to other ELHCC swim pool earned income increases swim pool income to \$105,400. Annual Expense for swim pool operation is budgeted at \$160,120 however this includes a portion of 1 full-time staff person. If the full-time staff person is retained the estimated savings would be \$34,720. If the full-time staff person is laid-off, the estimated savings would be \$54,720.

CLOSE EL FAMILY AQUATIC CENTER

Suggested Effective Date: October, 2018

**Staff Reduction: .25 Full Time Staff
55 Part Time Staff (16,579 hours)**

The EL Family Aquatic Center was opened in 2001. In 17 years of operation, the ELFAC has operated with a positive variance (revenue to expenditure ratio) in 9 years and with a negative variance in 8 years. In very good years the income has exceeded expense by as much as \$130,059 (FY2012). Very good years are of course offset by poorer performing years. In some cases (FY2008 and FY2014) the cause for a significant negative variance is either an equipment replacement or a capital improvement project. **(Please see Attachment A for 17 year budget performance history).**

For FY2018, a \$48,050 budget deficit was budgeted/forecast, \$415,250 in operating income and \$463,300 in operating expense.

In the event the determination is made to close the EL Family Aquatic Center. Demolition of the facility is recommended in a very timely manner. If closed in October, 2018, it is recommended that demolition be scheduled for spring 2019 and budgeted in the FY2019 budget. Again, demolition costs have not been calculated in the cost data.

Other considerations short of closing the Aquatic Center could include increasing admission rates (a modest increase is scheduled for the 2018 season) and/or reducing hours by opening 1 hour later or closing 1 hour earlier each day. Delaying opening by 1 hour per day could save \$18,000 (\$200/hour for staffing times 90 days).

CLOSE EL SOCCER COMPLEX

Suggested Effective Date: December, 2018

Staff Reduction: 3 Part Time Staff (1,933 hours)

The FY2018 budget identifies \$52,000 in operating income and \$159,720 in operating expenses. On the surface, this represents a potential savings opportunity of \$107,720/year.

We do have contractual obligations w/ East Lansing Public Schools through a Joint Recreation Zone Agreement. We would need to renegotiate our agreement with East Lansing Public Schools. The Joint Recreation Zone Agreement actually affects not only the Soccer Complex, but the Softball Complex property. The outcome of these negotiations would likely result in a reduction in the amount of savings that COEL might think is available.

There may be interest from private or non-profit entities in the community to enter in to a lease arrangement for the use and operation of the EL Soccer Complex. Caution is advised in considering or pursuing any relationship of this nature. We have long standing relationships w/ the East Lansing Public Schools, the East Lansing Soccer Club, Capital City Athletic Premier Soccer Club, Capital Area Soccer League, Lansing United (NPSL/Semi-Professional) Men's Soccer Team and (Women's Team beginning in 2018). In addition, we are in the 2nd year of a 5 year turf maintenance agreement w/ Hundred Acre Woods, Inc. for the maintenance of the Soccer Complex. The maintenance agreement is renewed annually and is schedule for renewal in the immediate future.

CLOSE EL SOFTBALL COMPLEX, PATRIARCHE BALLFIELDS AND DOG PARK

Suggested effective date: December 2018

**Staff Reduction: .50 Full Time Staff
2 Part Time Staff (934 hours)**

The FY2018 Athletics budget identifies \$202,250 in income and \$321,015 in expenses tied to our city sponsored athletic leagues (youth baseball and softball, adult softball, McDonald Middle School Interscholastic Athletics) and rental/reservation use (for example, EL Baseball Club, EL Softball Club, EL High School, CA Athletic Soccer Club, youth baseball tournament and youth softball tournament rentals and Senior Softball USA rental). On the surface, this represents a potential savings opportunity of \$115,765.

Of the \$321,015 in expenses, \$131,850 are DPW maintenance charges (Salary/Wage Work Order, \$69,850, and Motor Vehicle/Equipment Charge, \$62,000). So, in order to achieve \$115,765 in overall savings, \$131,850 would need to be removed from the DPW/Parks Operating Budget in the General Fund. In addition, similar to the EL Soccer Complex, we have contractual obligations w/ the East Lansing Public Schools through a Joint Recreation Zone Agreement. We would need to renegotiate our agreement w/ East Lansing Public Schools. The outcome of these negotiations would likely result in a reduction in the amount of savings that COEL might think is available. As with the EL Soccer Complex, there may be interest from private or non-profit entities in the community to enter in to a lease arrangement for the use and operation of the Softball Complex. Again, caution is advised in pursuing any relationship of this nature.

ELIMINATE COMMUNITY EVENTS (including FARMERS MARKET)

Suggested effective date: January, 2019

Staff Reduction: .50 Full Time Staff

1 Part Time Staff (400 hours)

The FY2018 Budget identifies \$17,800 in income and \$107,055 in expenses tied our Community Events (Winter Glow, Children's Concert Series, Play in the Park, Summer Concert Series, Moonlight Film Festival, Emerging Leaders, Crystal Awards, and EL Welcomes the World. These events are coordinated and implemented by 1 full time position (50% assigned to Community Events and 50% assigned to Park Stewardship). Eliminating the Community Events offerings represents a potential savings of \$90,055.

ELIMINATE CASH SUPPORT AND OVERTIME SUPPORT TO FOLK FESTIVAL

Suggested effective date: January, 2019

COEL provides \$15,000 in cash support and an estimated \$18,200 in DPW overtime staffing and a contractual electrician to support the GLFF. Eliminating this support would represent a potential savings of \$33,200.

ELIMINATE DPW OVERTIME EXPENSE SUPPORT TO ART FESTIVAL

Suggested effective date: January 2019

COEL Provides \$6,000 in DPW Overtime Expense Support to the Art Festival. Eliminating this support would represent a potential savings of \$6,000.

ELIMINATE CASH SUPPORT TO JAZZ FESTIVAL

Suggested effective date: January 2019

COEL provides \$10,000 in cash support to the SSJF. Eliminating the cash support represents a potential savings of \$10,000.

ELIMINATE CASH SUPPORT TO HELPING HANDS RESPITE CARE

Suggested effective date: July, 2019

COEL provides \$10,000 in cash support to Helping Hands Respite Care. Eliminating the cash support represents potential savings of \$10,000.

ELIMINATE PARK STEWARDSHIP PROGRAM

Suggested effective date: January, 2019

Staff Reduction: .50 Full Time Staff

The FY2018 Budget identifies \$8,000 in income and \$51,260 in expenses tied to our park stewardship program. This program involves facilitating volunteer park stewardship efforts facilitated by full time staff. Examples of projects include the removal of invasive species in Henry Fine Park, Harrison Meadows Park, and Albert A. White Park, maintenance of the native plant garden in Harrison Meadows Park, and tree planting. The park stewardship program is coordinated and administered by 1 full time position (50% park stewardship and 50% Community Events). Eliminating the park stewardship program would represent a potential savings of \$43,260.

ELIMINATE SCHOOL AGE CHILDCARE (BEFORE/AFTER CARE, BREAK CARE & SUMMER CAMP)

Suggested effective date: July, 2019

Staff Reduction: 2 Full Time Staff

36 Part Time Staff (28,020 hours)

The FY2018 Budget identifies \$703,500 in income and \$557,650 in expenses tied to our school age childcare (before/after care, break care and summer camp) program. COEL serves as the service provider through a contract with East Lansing Public Schools. Approximately 350 families and 400 children are provided before/after care each school year. Eliminating the school age childcare program would cost COEL an estimated \$150,000+ per year.

East Lansing Family Aquatic Center
17-Year History Report

ATTACHMENT A

	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017 *</u>
Revenue	\$ 196,575	\$ 444,892	\$ 427,478	\$ 463,749	\$ 397,597	\$ 417,184	\$ 475,018	\$ 415,864	\$ 486,328	\$ 366,173	\$ 449,340	\$ 553,351	\$ 414,894	\$ 413,219	\$ 335,038	\$ 492,174	\$ 409,974
Personnel Service								\$ 175,136	\$ 175,367	\$ 158,020	\$ 185,421	\$ 194,891	\$ 184,412	\$ 175,329	\$ 173,702	\$ 195,546	\$ 210,127
Operating Expense	\$ 181,228	\$ 423,333	\$ 485,183	\$ 432,224	\$ 388,829	\$ 452,431	\$ 411,511	\$ 222,999	\$ 237,767	\$ 248,025	\$ 189,309	\$ 212,292	\$ 215,141	\$ 244,963	\$ 220,260	\$ 259,613	\$ 235,776
Capital Expense	\$ 11,491	\$ 6,114	\$ 38,813	\$ -	\$ 51,100	\$ 39,273	\$ 17,882	\$ 253,781	\$ 32,909	\$ 23,551	\$ 11,043	\$ 16,109	\$ 4,936	\$ 108,704	\$ 15,178	\$ 7,230	\$ -
Total Expense	\$ 192,719	\$ 429,447	\$ 523,996	\$ 432,224	\$ 439,929	\$ 491,704	\$ 429,393	\$ 651,915	\$ 446,043	\$ 429,596	\$ 385,773	\$ 423,292	\$ 404,489	\$ 528,996	\$ 409,140	\$ 462,389	\$ 445,903
Variance (+/-)	\$ 3,856	\$ 15,445	\$ (96,518)	\$ 31,525	\$ (42,332)	\$ (74,520)	\$ 45,625	\$ (236,051)	\$ 40,285	\$ (63,423)	\$ 63,567	\$ 130,059	\$ 10,405	\$ (115,777)	\$ (74,102)	\$ 29,785	\$ (35,929)
Attendance by Season	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
	61,934	55,641	48,469	42,210	58,719	53,147	51,874	53,880	46,004	54,865	57,005	58,728	43,616	40,045	39,262	48,015	41,330

* FY17 The City replaced the boiler at the Aquatic Center in FY17. The total cost of \$131,500 was paid from the City's Capital Improvement Fund.