

RECREATION COUNCIL WORKING GROUP – OPTIONS MATRIX

3/16/18

Model Description	City of SD Contracting Requirements	Financial Process	Possible Pros	Possible Cons
<p><b>1. <u>Recreation Council Advisory Group</u></b></p> <p>Community based volunteer groups established to advise the Parks &amp; Recreation Department.</p> <p>Under current ISOP. Recreation Councils can provide guidance and support for recreation programs, events, special maintenance projects, and CIPs.</p>	<p>Advisory groups do not have any contractual requirements</p>	<p><b>City</b></p> <ul style="list-style-type: none"> <li>Collects revenue into Recreation Center Fund (RCF)</li> <li>Monitors RCF budget and expenses</li> <li>Provides routine RCF revenue and expense reports to Recreation Council Advisory Group</li> <li>Secures contractors and pays for services, supplies &amp; equipment</li> <li>Prepares and presents annual budget to Recreation Council Advisory Group and City Council</li> </ul> <p><b>Recreation Council</b></p> <ul style="list-style-type: none"> <li>Provides annual budget recommendations in Oct/Nov for following fiscal year (FY)</li> <li>Recommends current FY budget modifications by Nov each year</li> </ul>	<ul style="list-style-type: none"> <li>Costs to Rec Funds – Savings</li> <li>Eliminates the need for RC accountant</li> <li>Eliminates 501c3 requirement</li> <li>Transfers administrative burdens to City</li> <li>No bank statements to reconcile</li> <li>Financial reports / vouchers</li> <li>1099's and other bookkeeping</li> <li>Right-of-entry permits not needed</li> <li>No SUP required</li> <li>No Conflict of Interest reporting requirements</li> <li>Rec Council continues to provide guidance for recreation programs and RCF expenditures</li> <li>City staff ensures that contracts and funds management are in compliance with City Charter, Municipal Code, and other policies &amp; regulations</li> <li>City maintains Activenet on-line registration system</li> <li>Administration of department-wide recreation classes may create more opportunities to expand and diversifying recreation services by using economies of scale, grant opportunities, and program information sharing.</li> <li>City's systems provide strong internal fiscal controls, management and oversight                             <ul style="list-style-type: none"> <li>SAP accounting controls over expenditures (POs, P-cards, invoices, expenditure limits, auditing, etc.)</li> <li>Greater transparency</li> <li>Competitive bidding</li> <li>Purchasing controls</li> <li>Financial Reports</li> </ul> </li> <li>Allowed scheduled use of facilities by advisory group without fees</li> </ul>	<p>City staff required to:</p> <ul style="list-style-type: none"> <li>Ensure compliance with City policies &amp; procedures</li> <li>Mange contracts</li> <li>Monitor expenses</li> <li>Prepare &amp; manage budgets</li> </ul>

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<p><b>2. “Friends of” Non-profit Group (NP)</b></p> <p>Community based volunteer groups established to support the Parks &amp; Recreation Department. These are stand-alone 501c3 groups that raise funds and provide funding for CIPs, events and non-routine maintenance projects.</p> <p>Example: Friends of Balboa Park</p> <p><b>Cannot be the Recreation Council Advisory Group</b></p>	<p>Some activities may require Right-of-Entry permits, lease agreements, and/or Special Use Permits.</p> <p>All projects are at the discretion of the NP group</p>	<p><b>City</b> Assists/facilitates NP effort in getting projects that are funded by the non-profit completed</p> <p>Provides information regarding priority projects</p> <p><b>Non-profit</b> Designates NP funds for specific programs and projects</p> <p>Advises on programing and budget priorities</p> <p>Manages all donations, fund raising, applies for grants, etc.</p>	<p>Costs to Rec Funds – None.</p> <p>Right of Entry Permits - Service contracts using funds independently raised by the NP do not require compliance with most City contracting requirements (Prevailing Wage required). This would include CIPs.</p> <p>Ability to accept donations, conduct fund raising, and apply for grants.</p> <p>Procedures for donations and donated projects to the parks are already in place in the Municipal Code and Council Policies</p> <p>No Conflict of Interest reporting requirements</p> <p>Rec Council Advisory Group continues to provide guidance for recreation programs and RCF expenditures</p> <p>City staff ensures that contracts and funds management are in compliance with City Charter, Municipal Code, and other policies &amp; regulations</p> <p>City maintains Activenet on-line registration system</p> <p>Administration of department-wide recreation classes may create more opportunities to expand and diversifying recreation services by using economies of scale, grant opportunities, and program information sharing.</p> <p>City’s systems provide strong internal fiscal controls, management and oversight                      SAP accounting controls over expenditures (POs, P-cards, invoices, expenditure limits, auditing, etc.)                      Greater transparency                      Competitive bidding                      Purchasing controls                      Financial Reports</p> <p>Co-sponsorship with City allows the scheduled use of facilities by “Friends of” group without fees</p>	<p>City staff required to:                      Ensure compliance with City policies &amp; procedures                      Mange contracts                      Monitor expenses                      Prepare &amp; manage budgets</p> <p>Friends of Group must manage all administrative burdens                      Funds management                      Financial reports / vouchers                      1099’s and other bookkeeping                      Right-of-entry permits                      SUPs                      Manage service contracts                      Pay service providers</p>

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<p><b>3. Non-Profit Contractor (NP)</b> Independently operated non-profit contractor</p> <p>Services to include services historically authorized under rec councils:                      Manage class registration                      Collect registration fees                      Secure subcontractors to provide services                      Coordinate special events                      Ensure subcontractors comply with City regulations, rules, and policies</p> <p>Example: YMCA contract</p> <p><i>City must collect Rec Fund permit fees and pay contractor for planned projects</i></p> <p><i>Cannot be the Recreation Council Advisory Group</i></p>	<p>All contracts must comply with City contract terms &amp; provisions including, but not limited to:</p> <ul style="list-style-type: none"> <li>Living Wage</li> <li>Prevailing Wage</li> <li>Insure/indemnify the City</li> <li>Conflict of Interest compliance</li> <li>Ensures subcontractors meet City contracting requirements</li> <li>Subject to EOC compliance investigations</li> </ul>	<p><b>City</b>                      Collects RCF revenue for buildings &amp; field use                      Monitors RCF budget and expenses</p> <p>Submit routine revenue and expense reports to Recreation Council Advisory Group</p> <p>Prepares and presents annual budget to City Council</p> <p>Issues contract to Non-Profit and pays invoices ~30 days after receipt</p> <p><b>Non-profit Contractor</b>                      Collects class registration fees                      Submits reimbursement requests upon completion of work                      Pays contractors                      Ensures that all subcontracts operate in accordance with City regulations                      Conducts all work in accordance with contract requirements</p>	<p>Contractor initiates, plans, and manages contractual recreation programs historically authorized under Recreation Councils</p> <p>Recreation Center Directors freed from managing contractual classes can focus on developing and running low-cost City staff run programs.  <i>Note: City-staff operated programs take precedence over other uses for buildings and fields.</i></p>	<p>Additional costs to RCF                      Contractor staff required to:                      Ensures compliance with City policies &amp; procedures                      Manage contracts                      Manage class registration programs                      Manage class registration funds                      Monitor expenses                      Prepare &amp; manage budgets                      Reconcile bank statements                      Provide financial reports / vouchers                      Prepare 1099's                      Pay service providers</p> <p>City staff required to:                      Ensure contractor compliance with City policies &amp; procedures                      Ensure contract requirements met                      Monitor expenses                      Prepare &amp; manage RCF budgets</p> <p>Activenet cannot be used to collect NP funds for class registration. Management of class registration by multiple contractors may negatively impact customer services and class participation</p> <p>Contracting Out Meet &amp; Confer with Labor Unions – City Charter, section 117 (c)</p> <p>Competitive bidding required by City Charter - Section 94.</p> <p>May require a lease contract which would also require competitive bidding</p> <p>Limited Recreation Council or City staff guidance or involvement in day-to-day operations of NP, specific recreation programs or facility use. May result in conflict between the service provider and the advisory group</p>

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<p><b>4. Non-Profit Contractor (NP) District Model</b>                      Independently operated non-profit contractor to services under an Operating Agreement, SUP or Lease.</p> <p>Services to include services historically authorized under rec councils:                      Manage class registration                      Collect registration fees                      Secure subcontractors to provide services                      Coordinate special events                      Ensure subcontractors comply with City regulations, rules, and policies</p> <p>Example: BID or MAD type service agreement</p> <p><i>City must collect Rec Fund permit fees and pay contractor for planned projects</i></p> <p><i>Cannot be the Recreation Council Advisory Group</i></p>	<p><b>All contracts must comply with City contract terms &amp; provisions including, but not limited to:</b>                      Living Wage                      Prevailing Wage                      Insure/indemnify the City                      Conflict of Interest compliance                      Ensure subcontractors meet City contracting requirements                      Subject to EOC compliance investigations</p>	<p><b>City</b>                      Collects revenue for buildings &amp; field use                      Monitors budget and expenses                      Prepares and presents annual budget to City Council                      Issues contract to Non-Profit and pays invoices ~30 days after receipt</p> <p><b>Non-profit Contractor</b>                      Collects class registration fees                      Submits reimbursement requests and annual budget requests                      Pays contractors                      Ensues that all subcontracts operate in accordance with City regulations                      Conducts all work in accordance with contract requirements</p> <p>Note: City Charter section 93 does not allow temporary advance of funds for service contractors. Only authorized for tax-supported funds, bonds or CIPs</p>	<p>Contractor initiates, plans, and manages contractual recreation programs historically authorized under Recreation Councils</p> <p>Recreation Center Directors freed from managing contractual classes can focus on developing and running low-cost City staff run programs.  <i>Note: City-staff operated programs take precedence over other uses for buildings and fields.</i></p>	<p>Additional costs to RCF                      Contractor staff required to:                      Ensure compliance with City policies &amp; procedures                      Manage class registration programs                      Manage contracts                      Manage class registration funds                      Monitor expenses                      Prepare &amp; manage budgets                      Reconcile bank statements                      Provide financial reports / vouchers                      Pay service providers                      Prepare 1099's                      Independent annual audit</p> <p>City staff required to:                      Ensure contractor compliance with City policies &amp; procedures                      Ensure contract requirements met                      Monitor expenses                      Prepare &amp; manage RCF budgets</p> <p>Activenet cannot be used to collect NP funds for class registration. Management of class registration by multiple contractors may negatively impact customer services and class participation</p> <p>Contracting Out Meet &amp; Confer with Labor Unions – City Charter, section 117 (c)</p> <p>Competitive bidding required by City Charter - Section 94.</p> <p>May require a lease contract which would also require competitive bidding</p> <p>Possible SDMC revision required</p> <p>Limited Recreation Council or City staff guidance or involvement in day-to-day operations of NP, specific recreation programs or facility use. May result in conflict between the service provider and the advisory group</p>