

Parks and Recreation Department

January 16, 2018

Dear Park and Recreation Councilmembers,

I want to express my gratitude for your continued commitment in helping to ensure that that the communities we serve have access to quality recreational events and programs. This communication is intended to provide the next steps required in our transition of recreation council financial activities from recreation council control to City administration and management.

As you know, on December 13, 2017, the City Council passed a resolution to amend the Parks and Recreation Department fee schedule and appropriate recreation council revenues. As of January 1, 2018, the Interim Standard Operating Procedures (ISOP) define our relationship until Council Policy 700-42 is revised. The final ISOP were sent to you on December 28, 2017; the ISOP document is also attached to this correspondence for your convenience.

Part of the transition process for recreation council financial activities is the 2017 calendar year financial reconciliation. **You must submit your year-end budget and financial statements no later than April 1, 2018; this is the same date you have been required to submit your financial statements in the past.** This process is very similar to the process you have completed in prior years; however, in addition to providing a full accounting for recreation council revenue and expenditures for calendar year 2017, you will need to provide the following:

- 1) A spend down plan for remaining funds in your account as of December 31, 2017. This spend down plan should indicate how your funds will be disbursed between January 1, 2018 and June 30, 2018. You can specifically identify the expenditures to be made during the spend-down period or identify broad categories of spending, such as a percentage of the funds to be spent on programming, events, maintenance and/or supplies. Funds not spent before June 30, 2018 will be remitted to the City and placed in the special revenue fund (these will be called Recreation Center Funds or 'RCF's' moving forward) which corresponds to the recreation council area.
- 2) The dollar amount, if any, of funds donated to the recreation council or related to the recreation council's fund raising and documentation supporting the amounts to remain in the recreation council's non-profit bank account. Examples of acceptable documentation would include grant applications and awards, copies of checks showing the donation to the recreation council, or other similar documentation. This documentation will be reviewed and you will receive written confirmation of the City's acceptance of your documentation of donations and fund raising revenue which may be kept by the non-profit organization. Please note that any organization that does not have a current federal and state non-profit designation will not be permitted to retain donated funds and may either spend down those funds or remit them to the City for deposit in the Recreation Center Fund (RCF).

- 3) Identification of your spending priorities to help develop the Fiscal Year 2019 (July 1, 2018 through June 30, 2019) budget for your RCF. Your Recreation Center Director will provide the recreation council with a budget in February 2018, which identifies the major categories of spending and recommended expenditures for Fiscal Year 2019. These recommendations will be based on the recreation council's past expenditures and revenues, and the draft budget will include spending for programming, events, supplies, and maintenance.

Please use the enclosed template to assist you in completing your 2017 year-end financials, and reporting revenue and expenditures from January 1 to December 31, 2017. Staff is also available to assist you in this process, as they have done previously. Staff will also assist in the purchase of supplies, payment of contractors, and with other financial processes, as they have done in the past, until the end of June 2018, when recreation council funds will be remitted to the City.

Rather than providing a detailed spend down plan and donation documentation (if applicable) if the recreation council would prefer to turn over funds prior to June 30, 2018, the recreation council may do so, and simply write a check to the City Treasurer. The check should identify your recreation council and RCF on the memo line. The check can be given to your Recreation Center Director for deposit in the appropriate account.

Through December 2017 and the beginning of this year, our Department has been working to ensure that we have the appropriate internal mechanisms to make timely payment for the expenses that your recreation council has committed for programs and events. We have established the RCF for each recreation council to ensure that funds raised in your community can only be spent in your community. These funds will continue to be accessible for programs, events, enhanced maintenance and other recreation council priorities that you identify. If the recreation council would like to allocate any funds to a capital improvement project, please notify your Area Manager for further guidance.

Additionally, as you may be aware, the Department has been working on a variety of processes that will ensure that in the immediate transition we are able to contract directly with existing instructors and service providers. We have notified all instructors and service providers currently contracted by recreation councils, and hosted three (3) meetings to provide information about the transition and the options they have to continue providing services in your community. We recognize the value of the unique programs and services offered by these contractors and want to ensure that we preserve the experience that park users have come to expect.

You are a vital community partner, and I want to reiterate that the entire Parks and Recreation Department appreciates all of the work that recreation council members do to make our park system exceptional. I hope that the members of your recreation council will continue to serve the community: you are needed and valued and will be a critical part of a successful transition process. If you have any questions about information in this letter, please do not hesitate to contact me, your Division Deputy Director, or any of our staff.

Sincerely,



Herman D. Parker
Director, Parks and Recreation Department

Attachments:

1. Interim Standard Operating Procedures
2. Year-End Financials Template

cc. Honorable Mayor Kevin L. Faulconer
Honorable City Attorney Mara Elliott
Honorable Council President Myrtle Cole
Honorable Council President Pro Tempore Mark Kersey
Honorable City Council Members
Members of the Park and Recreation Board
Stacey LoMedico, Assistant Chief Operating Officer
David Graham, Deputy Chief Operating Officer, Neighborhood Services
Marshall Anderson, Director of Council Affairs, Office of the Mayor
Jen Lebron, Director of Public Safety and Neighborhood Services Policy, Office
of the Mayor
Parks and Recreation Department Management Team
Parks and Recreation Department Staff