OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: May 13, 2008 **IBA Report Number:** 08-44

Budget Review Committee Meeting Date: May 14, 2008

Item Number: 1

Discussion of Park and Recreation and Library Budgets as Proposed in the Mayor's Fiscal Year 2009 Proposed Budget

OVERVIEW

The Mayor submitted his FY 2009 Proposed Budget to the City Council on April 14, 2008. On April 30, 2008, a budget hearing was held to discuss the Park and Recreation Department and the Library Department budgets. Included in the FY 2009 Proposed Budget are reductions to Park and Recreation totaling close to $6.5 million along with the elimination of 58.15 full-time equivalents (FTEs). For the Library Department, proposed reductions amount to $2.37 million with the elimination of 21.05 FTEs. Due to the large number of public speakers in attendance at the budget hearing for these departments, additional time has been scheduled for Wednesday, May 14, 2008 to allow for continued discussion by members of the City Council.

In a memoradum dated May 8, 2008 (attached), Budget and Finance Committee Chair Atkins requested additional information from the Mayor's staff related to the costs to restore proposed reductions along with the identification of impacts of specific reductions, in preparation for this meeting. At the request of the Council, the IBA is providing scenarios for consideration for the possible reinstatement of priority programs, in the event resources are identified during

In November 2007, the IBA issued Report No. 07-110 regarding "Benchmarking of the Park and Recreation and Library Departments".

the budget deliberation process. In addition, the IBA has assembled historical budgetary information for both the Park and Recreation and Library Departments.

FISCAL/POLICY DISCUSSION

Possible Restoration Scenario – Park and Recreation

Included in the FY 2009 Proposed Budget are reductions to Park and Recreation totaling close to $6.5 million along with the elimination of 58.15 FTEs. This reduction amounts to a 7.5% cut to the Park and Recreation General Fund Budget. Major impacts from these reductions include:

- Reduction in winter operating hours for 3 pools (Clairemont, Memorial, and Vista Terrace)
- Conversion of skate parks to unsupervised facilities
- Conversion of Kumeyaay Campground (Mission Trails) to day-use only
- Reduction in supervision, administration and clerical support
- Reduction in grounds maintenance workers in Balboa Park and Mission Bay Park
- Elimination of park rangers frozen in the FY 2004 Budget

In the event resources are identified that may permit the restoration of items proposed for reduction in the Park and Recreation Department, the following priority items have been identified for Council consideration, totaling approximately $1 million:

1) Restore all skate park supervision (7.50 FTEs at cost of $450,000)
2) Restore 5.00 (of 10.00) Area Managers (5.00 FTEs at cost of $480,000)
3) Restore 1.00 Grounds Maintenance Supervisor (1.00 FTE at cost of $72,000)

Possible Restoration Scenario – Library

For the Library Department, proposed reductions amount to $2.37 million and the elimination of 21.05 FTEs. Of this amount, 12.50 Library Assistants have been proposed for elimination from the FY 2009 General Fund budget. This reduction amounts to a 6.7% cut to the Library General Fund Budget. An additional 3.90 Library Assistants have been removed from the State Grant fund budget. This will bring the total number of Library Assistants to 28, a reduction of 37%. The cost of each Library Assistant position is approximately $77,040.

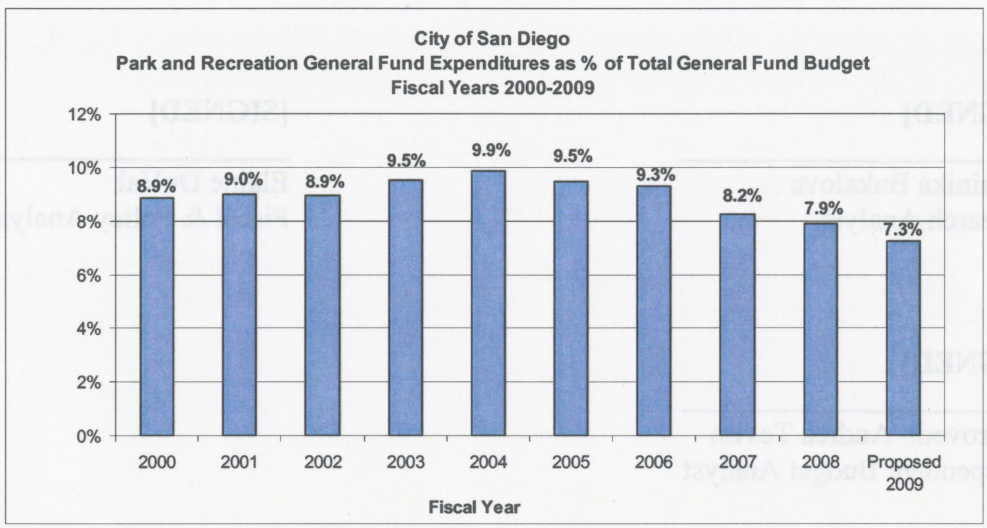
In the event resources are identified that may permit the restoration of items proposed for reduction in the Library Department, the following priority items have been identified for Council consideration, totaling approximately $1 million:

1) Restore Custodian II for Central Library (1.00 FTE at cost of $58,000)
2) Restore all Librarian IIs (3.00 FTEs at cost of $268,000)
3) Restoration of 8.50 (of 16.40) Library Assistants (8.50 FTEs at cost of $654,000)

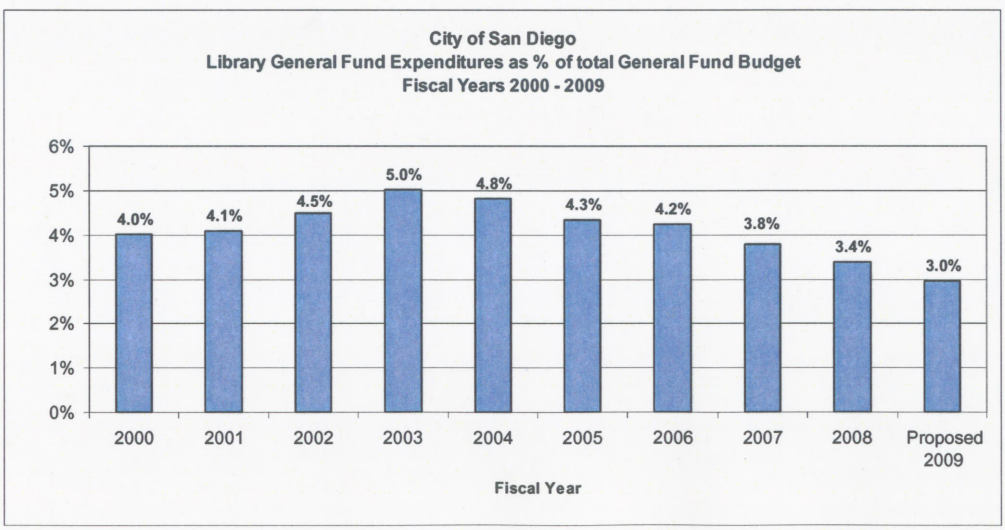
Historical Budgetary Information

In November 2007, the IBA issued report 07-110 entitled "Benchmarking of the Park & Recreation and Library Departments". In this report, comparisons were made with other jurisdictions for typical service levels and performance measures for both departments.

At that time, budgetary data was also summarized, including each department's General Fund budget expressed as a percentage of the City's total General Fund for the last several years. As shown in the chart, the percentage of General Fund resources allocated to the Park and Recreation Department has shown a general and steady decline since Fiscal Year 2004, from a high of 9.9% to the proposed 7.3% for Fiscal Year 2009.



As shown in this chart, General Fund resources allocated to the Library Department expressed as a percentage has also shown a general and steady decline over the past several years, from a high of 5.0% in Fiscal Year 2003 to the proposed 3.0% in Fiscal Year 2009.



CONCLUSION

As discussed in our Review of the Fiscal Year 2009 Proposed Budget (IBA Report No. 08-41), the IBA remains concerned about the revenue projections and related assumptions that provide the basis of the General Fund budget for Fiscal Year 2009. More information related to possible reductions to revenue estimates is expected to be described in the May Revision, which is scheduled for release this week. At this time, the IBA is not recommending the restoration of any particular programs or services for the Park and Recreation and Library Departments, and is awaiting the receipt of additional information regarding possible changes to both revenues and expenditures.

[SIGNED]

Dominika Bukalova
Research Analyst

[SIGNED]

Elaine DuVal
Fiscal & Policy Analyst

[SIGNED]

Approved: Andrea Tevlin
Independent Budget Analyst

Attachment