

Park and Recreation Department

Anticipated Changes to Recreation Council Operations

Park and Recreation Board Meeting
September 21, 2017



Charter Conflict

Management of City Funds

- This determination means that the current relationship between the City and recreation councils is in conflict with City Charter and Municipal Code.
- The City Charter governs methods by which City funds are received and expended.
- For example, the expenditure of City funds are subject to state and local conflict of interest laws. See Cal. Gov't Code § 1090; Cal. Gov't Code § 87100. When contracting for goods and services paid for with City funds, recreation councils are required to comply with the provisions of the Charter and Municipal Code governing competitive procurement (San Diego Charter § 94; SDMC § 22.3203), the City's Equal Employment Opportunity Program (SDMC §§ 22.2701-22.2708); and the Equal Benefits Ordinance (SDMC §§ 22.4301-22.4308).



Recreation Councils

Historical Background

- Originally established advisory role in 1950s
- Financial partner with the Department since 1978
- Recreation Councils started to accept revenues and pay for programs
- Council Policy 700-42 (created 1981, last modified 2005) – provides indemnification to Recreation Councils
- There are 52 Recreation Councils and 46 have 501(c)(3) non-profit status



Current Functions

Programs/Events/Improvements

- Promote recreational activities in the community (CP 700-42)
- Provide support for operations, classes and events that the Department does not offer (CP 700-42)
 - ✓ Manage Independent Contractor Agreements
 - ✓ Co-sponsor special events that are free or low-cost
- Fund enhanced maintenance projects
- Provide funding to capital improvement projects
- Advise City of public input for park projects, placement of wireless facilities, and decorations (CP 600-33, 200-14, 700-06, 700-36)
- Work with user groups to identify field usage and permitting strategy (DI 8.3)



Revenue Sources

Rec Council Funds

- Surcharges authorized in the Department Fee Schedule for activities, classes, permits, etc.
- Recreation Council-approved contractual program surcharge (may vary by community)
- Special agreements and permits for City facility use in which funds are paid to Recreation Councils
- Fund raising and donations

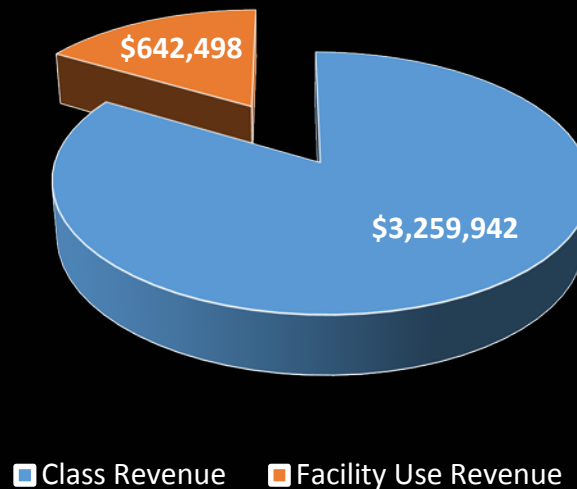




Funds Generated by Recreation Councils

- \$3,902,440 total revenue in FY2016
- \$642,498 revenue from permits
- \$3,259,942 revenue from classes
- Recreation Councils expended \$3,569,627 in 2015

FY2016 Recreation Council Revenue



Potential Changes

Advisory & Fundraising

- Revenue from permit surcharges will be deposited into a City Special Revenue Fund
- Funds raised through Special Interest Classes will be deposited into Special Revenue Funds
- Recreation Councils will be able to operate as a Recreation Advisory Group that is separate from the existing Recreation Councils
- Recreation Councils with 501(c)(3) status will be able to operate as independent boards to raise funds and partner with the City



Recreation Advisory Group

Advantages to Rec Councils

- Ability to proceed with minor capital improvement projects
- Majority of funds remains in the community
- Improved internal controls
- Continued free access to facilities for Recreation Council meetings and events
- Continue to provide recommendations regarding programs, events, maintenance and capital projects in their community
- Reduction of risk for Recreation Advisory Group members
- Freedom to operate as an independent non-profit
- Improved functionality of registration software (public benefit)



Centralized Recreation

One SD; One SD Rec

- Centralizes management of recreation programming
- Creates opportunity for consistent programming throughout the City
- Improved ability to deliver citywide programs: Parks Fit San Diego, Kids to Canyons, Summer Lunch, Youth Sports
- Improved ability to integrate arts, music and culture programming at Centers throughout San Diego
- Contracting with the City creates opportunity for increased scope for existing contractors
- Centralized contract management will attract additional Special Interest Instructors and help generate additional revenue from recreation programming



Plan of Action

Steps to Implementation

- **City Council action in October:**
 1. Park and Recreation Fee Schedule: redirect surcharge to Special Revenue Funds
 2. Annual Appropriation Ordinance: establish expenditure authority
- **City Departments action to amend:**
 1. Park and Rec to modify operating procedures

