

# CITY OF HERCULES PARKS & RECREATION ANALYSIS

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Finance Commission Sub-Committee Report

Prepared by Paul Freese

May 2018

# Budget vs. Actual for FY 2017-18

## Analyze the large Parks & Rec budget “deficit”?


CITY OF HERCULES  
REVENUE AND EXPENDITURE REPORT  
PARKS & RECREATION  
Data as of 4/30/2018

Sum of <b>BUDGET</b> <sup>1</sup>	Fiscal Year		
	2018		
	Revenue	Expenditure	Difference
Grand Total	1,528,595	2,178,093	(649,498)

Sum of <b>ACTUAL</b> <sup>1</sup>	Fiscal Year		
	2018		
	Revenue <sup>2</sup>	Expenditure	Difference
Grand Total	1,421,266	1,474,579	(53,313)

Sum of <b>ACTUAL</b> <sup>1</sup>	Fiscal Year			Fiscal Year		
	2016			2017		
	Revenue	Expenditure	Difference	Revenue	Expenditure	Difference
Grand Total	1,568,730	1,822,841	(254,111)	1,580,242	1,755,054	(174,813)

The Actual “deficit” is much smaller than the Budgeted “deficit”



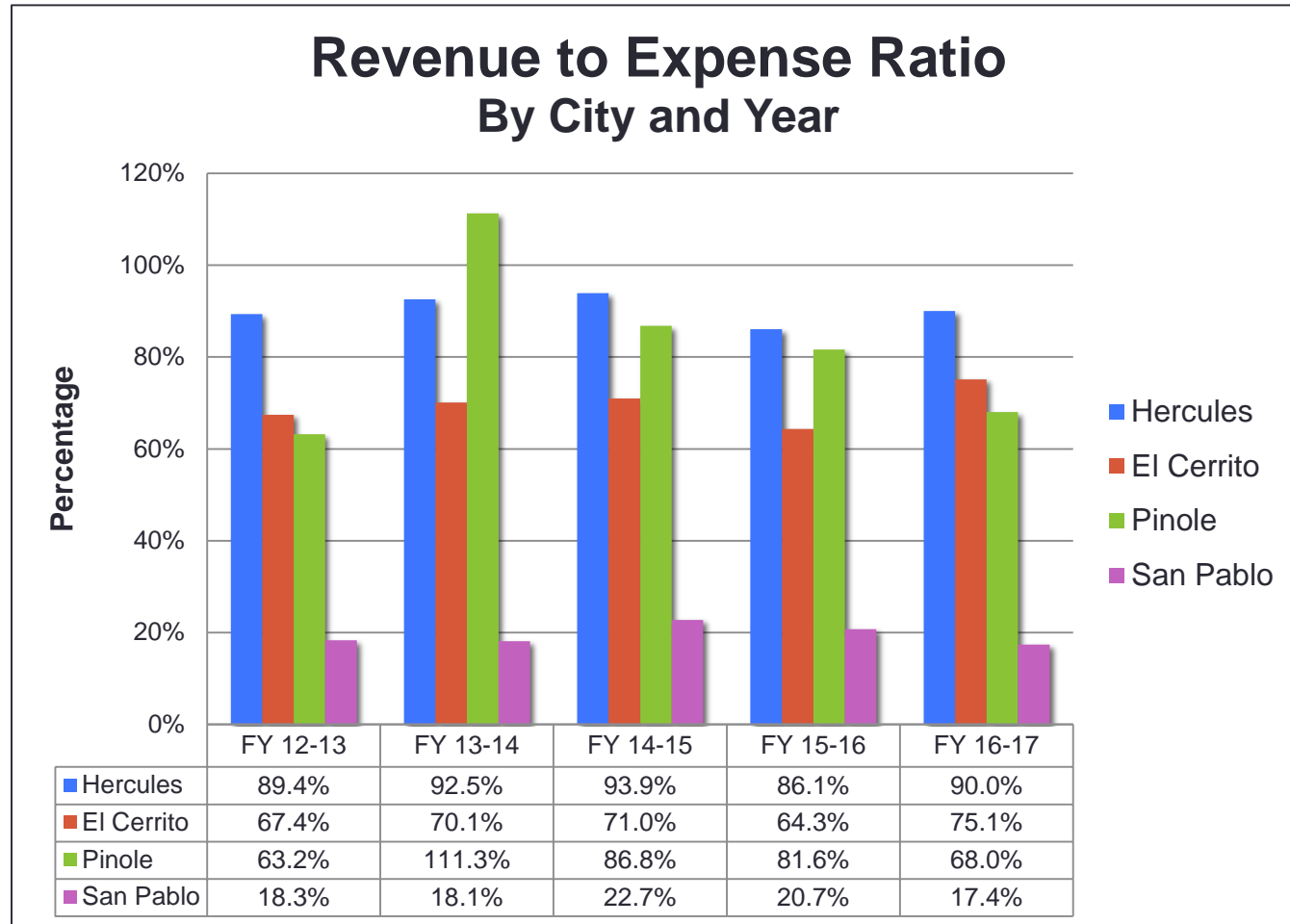
### Notes:

1. Revenue and Expenditures for the Library are excluded from these amounts.
2. FY 2018 Actual Revenue is from the P&R GL “Rec Trac” Report. Revenue on Finance report can lag up to 30 days (see attached work product support files).

# Project Plan

- Finance Commission Sub-Committee
  - J. Yamamoto, Aida Torres and former Commissioner Paul Freese
- Requirements – gather and review information
  - City of Hercules financial data from Finance Director Annie To
  - Parks & Rec information from P&R Director Christopher Roke
  - Parks & Rec information from local cities (EC, Pinole, San Pablo)
- Analysis – review and analyze above data
  - Comparison analysis between cities
  - Deep dive into City of Hercules financials for P&R department
  - Analysis of P&R programs
- Conclusions based upon analysis
- Prepare final report w/ recommendations

# City Comparison – Rev/Exp Ratio



# City Comparison - Programs

Hercules city programs are comparable with other cities, covering:

- Youth (Child/Teen/Before & After School Care, Summer)
- Senior Activities
- Facility Rentals
- Educational Classes
- Sports Programs

Notable differences:

- Pinole has a School of Performing Arts/Theatre Program
- El Cerrito charges a league fee (\$4189 per season) for both a Soccer League and a Youth Baseball League
- El Cerrito child care programs receive significant amount of revenue due to low income status of participants

# City Differences – Fee's

Comparison of City Fee Schedules indicate differences in the following areas and for the following reasons:

- Senior programs – Hercules staffs 1 and utilizes volunteers limits offerings; other cities have higher staffing.
- Swim Center – Hercules is hands-on management of contracts; other cities limited to facility rental
- Facility Rentals – Dated facilities limit rental in Hercules; other cities have higher rates

# Hercules Parks & Rec Recommendations

Review / discussion of Parks & Rec programs shows potential opportunities:

- Increase Revenue by clearing wait lists for Child Care programs – ongoing ebbs and flows of participation
- Inefficiencies with administering Swim Team contracts
- Modernization of 10 year old Teen Center
- Partnering with Chamber of Commerce, local businesses
- Marketing, promoting and managing contract classes
- Activity guide, website, social media, signs, etc.

# Observations / Conclusions

- Hercules P&R revenue/expense ratio is better than other local cities (EC, Pinole, San Pablo)
- Increasing revenues should be a priority
- Director Roke and his team should be commended for their accomplishments this year:
  - Reorganizing Child Care programs to be more efficient with the reduced staff (budget vs. actual)
  - 14% increase in revenue for the first 10 months of the fiscal year over same period prior year
  - Taking a proactive position to make positive changes in the Parks & Rec programs



# Summary

- Services provided by Parks & Rec are essential to maintaining city identity and sense of community
- Actual Parks & Rec financial “deficit” significantly less than the original Budget
- Hercules compares favorably with other local cities
  - Similar P&R programs and services
  - Revenue to Expense ratio
- Fee schedule comparison shows only 3 outliers:
  - Senior Programs
  - Swim Center
  - Facility Rentals
- Current FY Revenue trending higher – 14% increase
- Director Roke has made significant P&R improvements

# Work Product / Support Files

- Parks & Rec Analysis Sub-Committee Report.pdf
- Parks & Rec Analysis Sub-Committee Report.pptx
- Parks & Rec Budget vs. Actual Analysis.xlsx
- Parks & Rec City Fee Schedule Comparison.xlsx
- Parks & Rec City Revenue to Expense Ratio.xlsx
- Parks & Rec FTE.xlsx
- Parks & Rec GL Rec Trac Report 20180430.xlsx
- Parks & Rec Original Project Plan.pdf
- Parks & Rec Participation Report.xlsx
- Recreation Annual Report El Cerrito.pdf
- Recreation Budget Expense San Pablo.pdf
- Recreation Budget Revenue San Pablo.pdf
- Recreation Fee Schedule El Cerrito.pdf
- Recreation Fee Schedule Hercules.xlsx
- Recreation Fee Schedule Pinole.pdf
- Recreation Fee Schedule San Pablo.pdf