



Memorandum

TO: NEIGHBORHOOD SERVICES &
EDUCATION COMMITTEE

FROM: Jon Cicirelli

SUBJECT: 2018 COMMUNITY IMPACT REPORT **DATE:** February 25, 2019

Approved

Date

3-5-2019

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Accept the Parks, Recreation and Neighborhood Services 2018 Community Impact Report.

OUTCOME

Inform the Neighborhood Services and Education Committee of the Department of Parks, Recreation and Neighborhood Services 2018 performance, accomplishments, and results in achieving its cost-recovery goals.

BACKGROUND

The Department's mission is to build healthy communities through people, parks, and programs. The Department offers 11 "hub" community centers, 39 re-use centers, 195 neighborhood parks, nine regional parks and more than 60 miles of trails. Additionally, the Department is committed to providing a wide range of quality programs and services for all ages, cultures, and abilities, as well as creating and activating community spaces. Meeting the diverse needs of the San José community and ensuring access and inclusion for all is a Department priority.

The Department continues to provide creative programming and innovative events to meet Council's direction to pursue financially sustainable programming. On June 16, 2009, Council approved the Pricing and Revenue Policy¹ (Council Policy 1-21) to establish a financially sustainable approach to delivering services while retaining the department's vision and mission. This policy is a mechanism for allocating the use of public funds; creating a cost-recovery approach for various types of recreational activities and facilities; maximizing the use of programs and facilities; and ensuring affordable access to programs and services. The Policy and cost recovery goals represent the Parks, Recreation and Neighborhood Services section of the City of San José's Fees and Charges document. The City Council approves the Department's cost recovery through the annual budget process. In addition, the Policy requires the Department

1. <http://www.sanjoseca.gov/DocumentCenter/View/3850>

to publish an annual report on these goals. That report is now titled the Community Impact Report.

ANALYSIS

2018 Community Impact Report

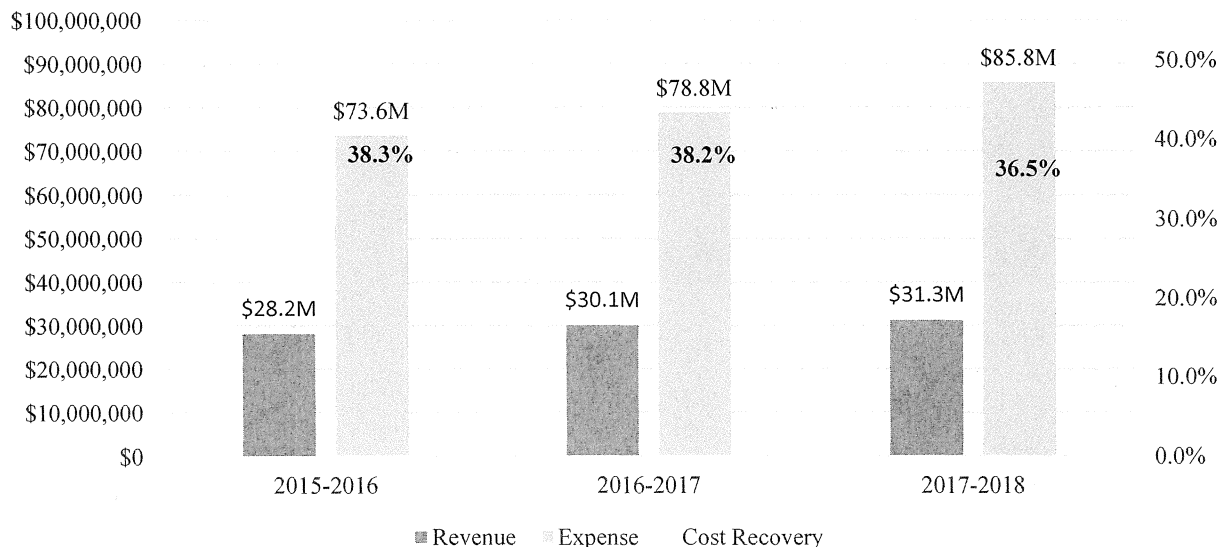
The 2018 Community Impact Report provides an overview of the Department's diverse programs and services, its advancement towards financial sustainability and access for all, and the past year's milestones and accomplishments. The full report can be viewed at:

<http://sanjoseca.gov/DocumentCenter/View/82843>.

In 2018, the Department found new ways to live out its motto, "Building Community Through FUN." The values of connecting people to nature, places, history, partnerships, service, and each other play vital roles in the services and programs the Department provides. The theme of the Community Impact Report is "look back to move forward".

The Department continues to demonstrate financial stewardship each year, generating more than \$31.3 million in Fiscal Year 2017-2018 to offset the Department's costs in the General Fund (36.5 percent cost recovery). This was an increase of \$1.2 million (4.1 percent) from the previous fiscal year. Expenses have also increased over the past few fiscal years. In Fiscal Year 2017-2018, Department expenses increased by \$7 million (9 percent), in line with City Council approved budgets.

Revenues, Expenses and Cost Recovery for 2015-2016 to 2017-2018



Revenue

Key revenue factors driving 2017-2018 fiscal performance included:

- Happy Hollow Park & Zoo admissions totaled more than 500,000 participants, an increase of 8 percent compared to last year's participation of 470,813 guests. This increase in participation is reflected in Happy Hollow's 2017-2018 revenue of \$7.8 million, which was 12 percent higher than the previous fiscal year's revenue of \$6.9 million.
- Recreation of City Kids (R.O.C.K.) after school program participation was 1,654 in the 2017-2018 school year, an increase of 10 percent compared to 1,502 participants in 2016-2017. This increase generated \$2.4 million in 2017-2018, a 19 percent increase from \$2 million in 2016-2017.
- Lake Cunningham Action Sports Park visitation grew from 8,651 visitors in 2017 to 14,792 in 2018, a 71 percent increase. Similarly, revenue increased to \$254,263, an increase of 23 percent in Fiscal Year 2017-2018 in comparison to the prior fiscal year revenue of \$206,361.

Expenses

Key expense factors driving 2017-2018 fiscal performance included:

- Overall Department expenses increased due to General Wage Increases and Living Wage Adjustments.
- Park maintenance budget increased in 2017-2018, to account for increases in water costs and the addition of 9.0 park maintenance positions.²

Scholarships and Access

The Department is committed to promoting affordable access through scholarship programs. In 2018, the Department provided more than \$884,000 in scholarship funding which served more than 8,800 scholarship participants. With the community's need for scholarships, the Department continues to build the scholarship program through the budget process and by developing partnerships. The 2018-2019 Adopted Operating Budget added \$100,000 in ongoing funding to the scholarship fund. In addition, the Department continues to pursue created income (sponsorships, grants, and foundations) opportunities to promote affordable access with other public, private, and non-profit organizations. For example, in 2018-2019, the Department secured a partnership with the Citizens Equity First Credit Union (CEFCU), through which that organization will provide \$41,000 towards scholarships over the course of three years in exchange for the City's recognition of CEFCU's sponsorship. The Department has also developed a partnership with Santa Clara County to provide up to \$250,000 in youth and therapeutic scholarships for the 2019 summer season.

2. Item d5 on the March 14, 2019 Neighborhood Services and Education Committee agenda discusses Parks Maintenance.

As the Department continues to create financially sustainable programs to offset costs, overall participation continues to grow, demonstrating that the programs and services offered are valued by the community.

EVALUATION AND FOLLOW-UP

The Community Impact Report will be shared with the Neighborhood Services and Education Committee and the Parks and Recreation Commission annually.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the March 14, 2019 Neighborhood Services and Education Committee.

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

A presentation on the Department's Community Impact Report will be made to the Parks and Recreation Commission on Wednesday, March 6, 2019. Feedback from the Parks and Recreation Commission will be shared at the Neighborhood Services and Education Committee Meeting on March 14, 2019.

CEQA

Not a project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City Action.

/s/

JON CICIRELLI

Acting Director of Parks,

Recreation and Neighborhood Services

For questions, please contact Carolina Camarena, Public Information Manager, at (408) 793-5519.