



MEMO

Date: November 2, 2009
 To: Bob Jean, City Manager
 From: Steven Buter, ICMA Fellow
 Subject: Core Level Recreation Services

The following analysis outlines a core level Recreation Program based on the assumptions you provided me pursuant to the Mayor's request.

Reducing the service level to include the provision of only 1) senior services, 2) youth sports, and 3) the community/senior center will result in significant expenditure and revenue reductions. Based on 2009 data, revenue would be reduced from \$341,052 to \$171,300. Expenditures would be reduced from \$591,858 to \$298,871, not including management and administration costs. **This would leave the Recreation Program with a shortfall of \$127,571.**

| CORE Level Recreation Services | | | | | | |
|--------------------------------|-----------------|--------------------|----------------------|--|------------------|---------------------------|
| | Staffing (FTEs) | Staff Compensation | Program Expenditures | Program Cost (salaries + expenditures) | Program Revenues | 2009 General Fund Subsidy |
| Senior Services | 0.3 | \$25,515 | \$17,500 | \$43,015 | \$4,500 | \$38,515 |
| Youth Sports | 1 | \$81,349 | \$113,750 | \$195,099 | \$157,300 | \$37,799 |
| Community / Senior Center | 0.35 | \$29,223 | \$31,534 | \$60,757 | \$9,500 | \$51,257 |
| CORE Program Totals | 1.65 | \$136,087 | \$162,784 | \$298,871 | \$171,300 | \$127,571 |

note: based on most recent 2009 data

Based on information from Human Resources, the proposed changes related to the Council salary and benefits would result in City savings of \$109,669. The changes are a fifty percent salary reduction for newly elected officials and a reduction in medical coverage for add-ons (spouses and dependants), adjusting this coverage to eighty percent. Under the proposal, Councilmembers would continue to receive medical coverage at 100 percent and the estimates are based on the current officeholders' plans.

| Proposed Council Salary and Benefits | | | | |
|--|-------------------------------|-----------------------------------|------------------|---------------------|
| Including a Salary Reduction, Council 100% Medical Coverage and 80/20 Coverage for Add-ons | | | | |
| Council Members | City Paid Insurance per month | Employee Paid Insurance per month | Salary per month | Total Compensation |
| Mayor (E+S+1) | \$1,389.71 | \$163.46 | \$875.00 | \$2,264.71 |
| Mayor Pro Tem (E) | \$626.67 | \$0.00 | \$1,476.00 | \$2,102.67 |
| Council Member (E+S) | \$1,121.99 | \$111.58 | \$750.00 | \$1,871.99 |
| Council Member (E) | \$626.67 | \$0.00 | \$1,367.00 | \$1,993.67 |
| Council Member (E) | \$675.68 | \$0.00 | \$750.00 | \$1,425.68 |
| Council Member (E+S) | \$1,121.99 | \$111.58 | \$1,367.00 | \$2,488.99 |
| Council Member (E) | \$735.87 | \$0.00 | \$750.00 | \$1,485.87 |
| Monthly Total | \$6,298.58 | | \$7,335.00 | \$13,633.58 |
| 2010 Total including Proposed Revisions | \$75,582.96 | | \$88,020.00 | \$163,602.96 |
| 2010 Estimate under Current Ordinance | | | | \$273,271.56 |
| Projected Annual Savings | | | | \$109,668.60 |

If the General Fund contribution to recreation were capped at \$110,000, or if the shortfall were covered from the reduced Council salary and benefits savings, that would leave a remaining shortfall of \$17,902 to cover the recreation expenses. In order to cover the remaining shortfall through recreation fees and charges, it would require an increase of 10.46 percent, assuming that user rates remain the same.

| | Revenues w/ 10.46% increase | 2009 General Fund Subsidy |
|----------------------------|-----------------------------|---------------------------|
| Senior Services | \$4,971 | \$38,044 |
| Youth Sports | \$173,754 | \$21,346 |
| Community / Senior Center | \$10,494 | \$50,263 |
| CORE Program Totals | \$189,218 | \$109,653 |