



DATE: June 1, 2015

AGENDA ITEM # 1

TO: Senior Commission

FROM: Candace Avina, Staff Liaison

SUBJECT: Recreation and Community Services Department Budget Review

RECOMMENDATION:

Receive information regarding the Recreation and Community Services Department Budget

BACKGROUND

The total 2013/14 City of Los Altos budget, including all funds, is \$39,958,690, with \$29,739,350 in General Fund operating expenditures. Of the general fund operating budget \$2,164,960 is dedicated to quality of life standards in the offering of recreation programs and community events. Recreation and Community Services department recovers 97% of its Fee-Based Programs and nearly 70% when combined with Community Programs (seniors, teens and community events) that are primarily provided as a service to the community and are offered free of charge or at significantly reduced rates. The Recreation and Community Services Department is expected to bring in 1,817,100 in revenue for FY13/14.

The City of Los Altos presents a biennial budget for City Council approval that includes the operating budget and capital plan. City Council has established cost recovery objectives for the Recreation & Community Services Department that are reflected in the approved budget.

DISCUSSION

The City of Los Altos Recreation and Community Services Department Senior Program proposed expenditures for fiscal year 2013/14 were \$186,010. Senior Programs are split into two areas, Senior Activities and Senior Operations. Senior Activities is categorized as a Fee-Based Program. Senior Operations is categorized as a Community Program. By Council resolution, the financial objective of the Senior Activities is to recover 100% of program costs. Senior Operations has an objective of 40% recovery. (See Appendix-A1)

The overall department cost recovery percentage was 81% at the time of the analysis. The cost recovery national average for recreation departments is 34%. Eight other area cities were used for benchmarking purposes and cost recovery ranged from 18% to 80%. In recent years the Senior Operations budget has steadily increased from \$135,000 to \$164,000 while Senior Activities has remained steady at ~\$23,000. The cost recovery for Senior Operations has fallen since the 2009 analysis. Senior Activities cost recovery has increased and now reflects the 100% objective.



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AGENDA REPORT

Attachments:

- A. City of Los Altos Financial Plan – Expenditures by Fund Type (p. 23)
- B. City of Los Altos Financial Plan – Department Budgets: Recreation (p. 48)
- C. Recreation Department Cost Recovery Analysis – Performance (p. 4-6)
- D. Recreation Department Cost Recovery Analysis – Appendix (p. A1)

Full Documents can be found at the following website locations:

- A. FY 13/14 Adopted Budget
http://www.losaltosca.gov/sites/default/files/fileattachments/Finance%20and%20Technology/page/641/fy13-14_adopted_budget.pdf
- B. Recreation Program Cost Recovery Report Agenda Report, May 12, 2009
http://los-altos.granicus.com/Viewer.php?view_id=4&clip_id=112&meta_id=6826
- C. Cost Allocation and Fee Study, Agenda Report, June 4, 2013
http://los-altos.granicus.com/Viewer.php?view_id=4&clip_id=658&meta_id=34348
- D. 2009/2010 Fee schedule
http://los-altos.granicus.com/Viewer.php?view_id=4&clip_id=116&meta_id=7203