

Consolidation Feasibility Study



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CHAPTER ONE - EXECUTIVE SUMMARY

1.1 FEASIBILITY STUDY GOALS & METHODOLOGY

In January 2016, the County of Sacramento authorized a study to evaluate the feasibility of consolidating the Carmichael Recreation and Park District (CRPD) and the Mission Oaks Recreation and Park District (MORPD) into one District. A key element of the study was to evaluate what cost savings might occur through consolidation and what positive or negative impact might occur in the level of service to existing residents. The report outlines a series of findings and recommendations related to existing operations of each District, as well as costs and benefits of a preliminary plan for service of a Consolidated District.

1.2 STUDY OPTIONS AND ALTERNATIVES EVALUATED

In approaching this feasibility study, the Consultant team identified three options to be evaluated in relation to improving the operational efficiency and cost effectiveness of the Carmichael and Mission Oaks Districts. A key guiding principle in evaluating the options was that service levels for maintenance and programs had to be equal or better for consolidation to be feasible. These three options included the following:

1. Do not consolidate the two Districts and maintain the status quo. **(Not Recommended)**
2. Do not consolidate the two Districts, but make select operational changes to improve efficiency & cost effectiveness of programs, services and maintenance of parks and facilities. **(Recommended)**
3. Consolidate the two Districts by reorganizing & restructuring staffing, merging budgets, and developing a service delivery plan for the combined geographical area and residents of the two dependent districts. **(Preferred Recommendation)**

1.3 EVALUATION OF EXISTING OPERATIONS OF CARMICHAEL & MISSION OAKS

Chapter 2 provides a comparative analysis of both Districts in relation to budget, staffing, revenue and service levels. Additionally, the study compared salaries of Carmichael and Mission Oaks with other larger Recreation and Park Districts in Sacramento County. The study also included benchmark data comparison of Carmichael and Mission Oaks with national standards and averages for recreation and park agencies. Chapters 3 & 4 outline a number of findings and recommendations related to the current operation of both Carmichael and Mission Oaks Districts, as well as the three Divisions operating in each. These findings identify many opportunities to improve operational efficiency and cost effectiveness, even if consolidation is not pursued

1.4 CONSOLIDATION IS RECOMMENDED

Consolidating the Carmichael Recreation and Park District and the Mission Oaks Recreation and Park District is not only feasible, it is a good idea because it creates opportunities to expand or enhance services in a more cost effective manner. Consolidation provides the following public benefits:

1. Creates significant operational savings of approximately \$500,000
2. Reduces the size of the current combined workforce by 13 full time equivalent employees.
3. Provide an ongoing funding source for capital improvements and rehabilitation projects.
4. Improves (Carmichael) and maintains (Mission Oaks) park & facility maintenance.
5. Expands & enhances recreation opportunities for residents, while reducing general fund subsidy.
6. Reduces duplication of services, operational overhead and competition within and between the two Districts.



Chapter 6 of this report outlines in detailed recommendations for reorganization and restructuring of the District's three Divisions: Administration, Parks & Facilities and Recreation. Additionally, Chapter 6 outlines recommendations for reorganization, a new staffing plan, operational cost reductions, and budget increases related to salary and benefit adjustments and new costs that would result from consolidation.

1.5 OPTION 2 DO NOT CONSOLIDATE, BUT MAKE SELECT OPERATIONAL CHANGES WITHIN EACH DISTRICT IS RECOMMENDED

Should the Districts and the County not support the concept of consolidation, it is recommended that both Districts make a number of operational changes to improve staff efficiency, cost effectiveness and optimize return on investment from tax support and user fees. The specific recommendations are outlined for each District. Both Districts would benefit from developing a strategic business plan to improve operational efficiency and effectiveness. Both Districts should consider developing or updating a Maintenance Management Plan.

1.6 SUMMARY

The County of Sacramento should strongly consider developing an action plan to consolidate the Carmichael and Mission Oaks Recreation and Park Districts and pursue the application process with LAFCO.



CHAPTER TWO - PURPOSE AND GUIDING PRINCIPLES

2.1 FEASIBILITY STUDY GOALS

Evaluate the feasibility of consolidating the Carmichael Recreation and Park District (CRPD) and the Mission Oaks Recreation and Park District (MORPD) into one District. The study provides an unbiased operational assessment of the two agencies to determine how feasible consolidation would be, and what if any cost savings could occur by combining the two districts into one. Also, the assessment includes what enhancement in services, if any, could be provided if the two agencies were combined. The study outlines the feasibility, costs and benefits, strengths, weakness and opportunities of the consolidation.

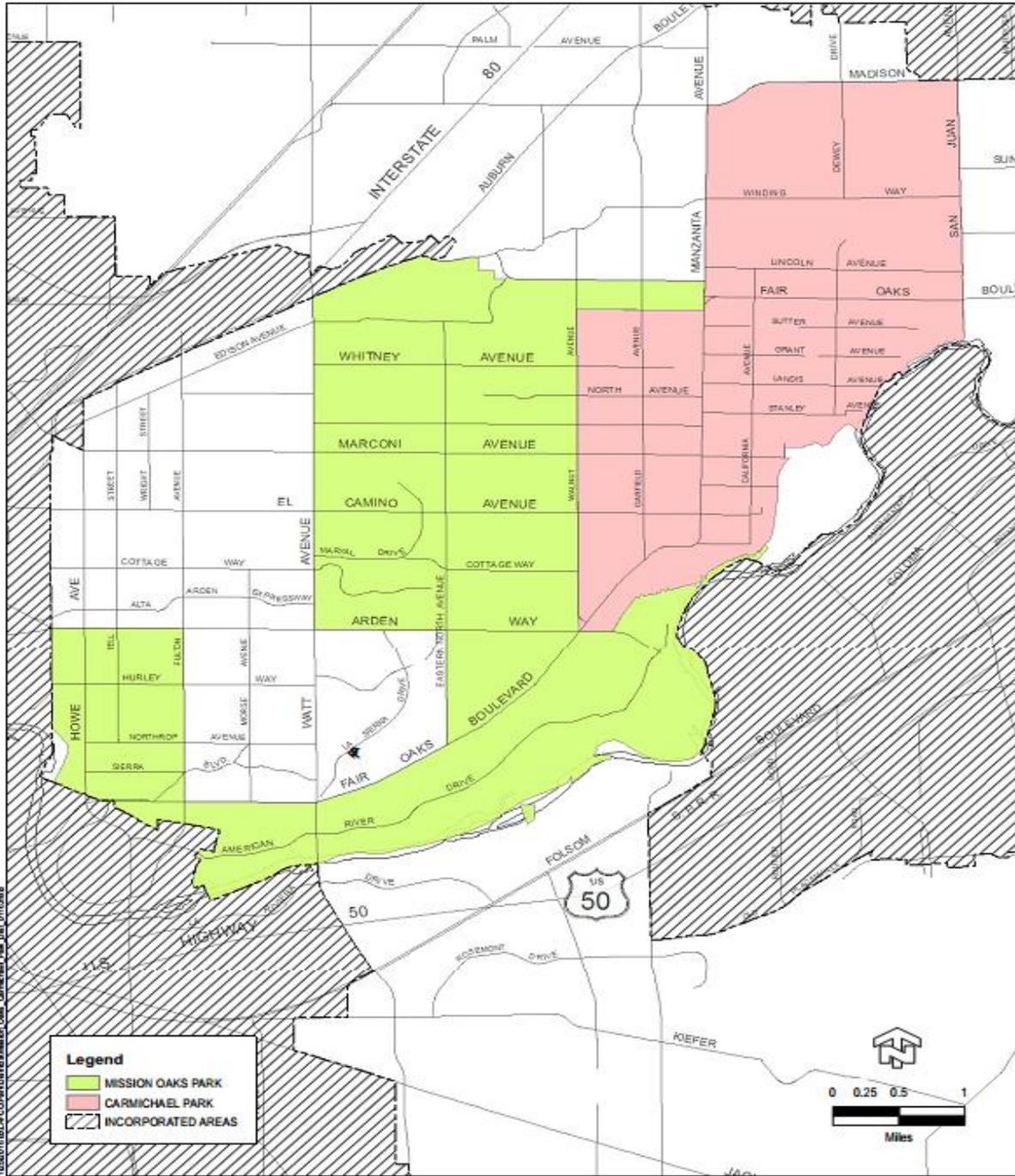
2.2 GUIDING PRINCIPLES

- Maintain service levels that are equal or better than currently provided by separate agencies within the existing tax structure.
- Protect core services
- Plan and deliver “important” and “value added” services in ways that are more self supporting through user fees.
- Consolidate functions to minimize duplication to increase efficiency and cost effectiveness
- Establish and/or refine service levels and standards that are good, appropriate & affordable
- Achieve highest and best use of employees.
- Identify strategies to measure success by achieving measurable cost effective outcomes & results.
- Increase flexibility and cooperation in sharing employees and equipment between the Districts to maintain or enhance service delivery of recreation and parks.
- Eliminate costly duplication of work within each District and between the two Districts in a consolidated scenario.
- Improve control over the cost of services.
- Use of data, information and best practice benchmark standards to improve decision making on cost control, revenue management, and staffing levels.
- Protect the District’s assets and infrastructure through long term funding strategies.

2.3 STUDY OPTIONS AND ALTERNATIVES

- 1) Do not consolidate the two Districts and maintain the status quo.
- 2) Do not consolidate the two Districts, but make select operational changes to improve efficiency & cost effectiveness of programs, services and maintenance of parks and facilities.
- 3) Consolidate the two Districts by reorganizing & restructuring staffing, merging budgets, and developing a service delivery plan for the combined geographical area and residents of the two dependent districts.

2.4 MAP OF CARMICHAEL AND MISSION OAKS RECREATION AND PARK DISTRICTS



CHAPTER THREE - EXISTING RECREATION AND PARK DISTRICT ORGANIZATIONS

3.1 OVERVIEW SIZE AND SCOPE OF DISTRICT OPERATIONS

RECREATION AND PARK DISTRICT OVERVIEW	Carmichael	Mission Oaks
District Population	52,000	61,129
Operating Budget (2014-15 Actual)	\$3,985,159	\$3,761,763
Number of Full Time Employees	18	12
Total Full Time Equivalent Employees (FT & PT)	37	40
Number of Developed Parks	11	16
Total Park and Open Space Acres Managed	178	102*

*Mission Oaks provides park maintenance services at 86.22 acres of District owned property, 1.84 acres of District managed property and 14.2 acres of school property for a total of 102.26

3.1.1 CARMICHAEL RECREATION AND PARK DISTRICT

The Carmichael Recreation and Park District serves 52,000 residents of Carmichael and other unincorporated areas of Sacramento County. The Carmichael Recreation and Park District had an operational budget of approximately \$4 million in 2014-15. The District manages the maintenance and operation of 178 acres of park land which includes 11 developed park sites and 2 undeveloped park sites. The District operates several facilities that include the La Sierra Community Center, the Carmichael Park Clubhouse, and the Veteran's Memorial Hall.

3.1.2 MISSION OAKS RECREATION AND PARK DISTRICT

The Mission Oaks Recreation and Park District serves a population of 61,129. Within the District's boundary, approximately 30% of the population resides in Carmichael and 70% in other unincorporated areas of Sacramento County. The District is currently organized with three divisions: Administration, Recreation and Parks. The Mission Oaks Recreation and Park District had an operational budget of approximately \$3.7 million in 2014-15. The District also has a Maintenance and Improvement Assessment District that contributes nearly \$1 million to fund maintenance and capital improvements of parks and facilities. The District manages the maintenance and operation of 88 acres of park land at 16 developed park sites. Additionally, the District provides park maintenance services at 14 acres located at 4 school sites in the San Juan Unified School District as a part of joint use agreements between the two Districts. The District also operates the Mission Oaks Community Center, the Swanston Community Center, the Mission Station Park Maintenance Yard and the District Office.

3.2 OVERVIEW OF CARMICHAEL RECREATION AND PARK DISTRICT STAFFING

The Carmichael Recreation and Park District is organized into three divisions: Administration, Recreation and Maintenance. The District employs 18 full time employees. Additionally, the District employs a variety of regular and seasonal part time employees who work approximately 39,500 hours annually, which equals 19 FTE.

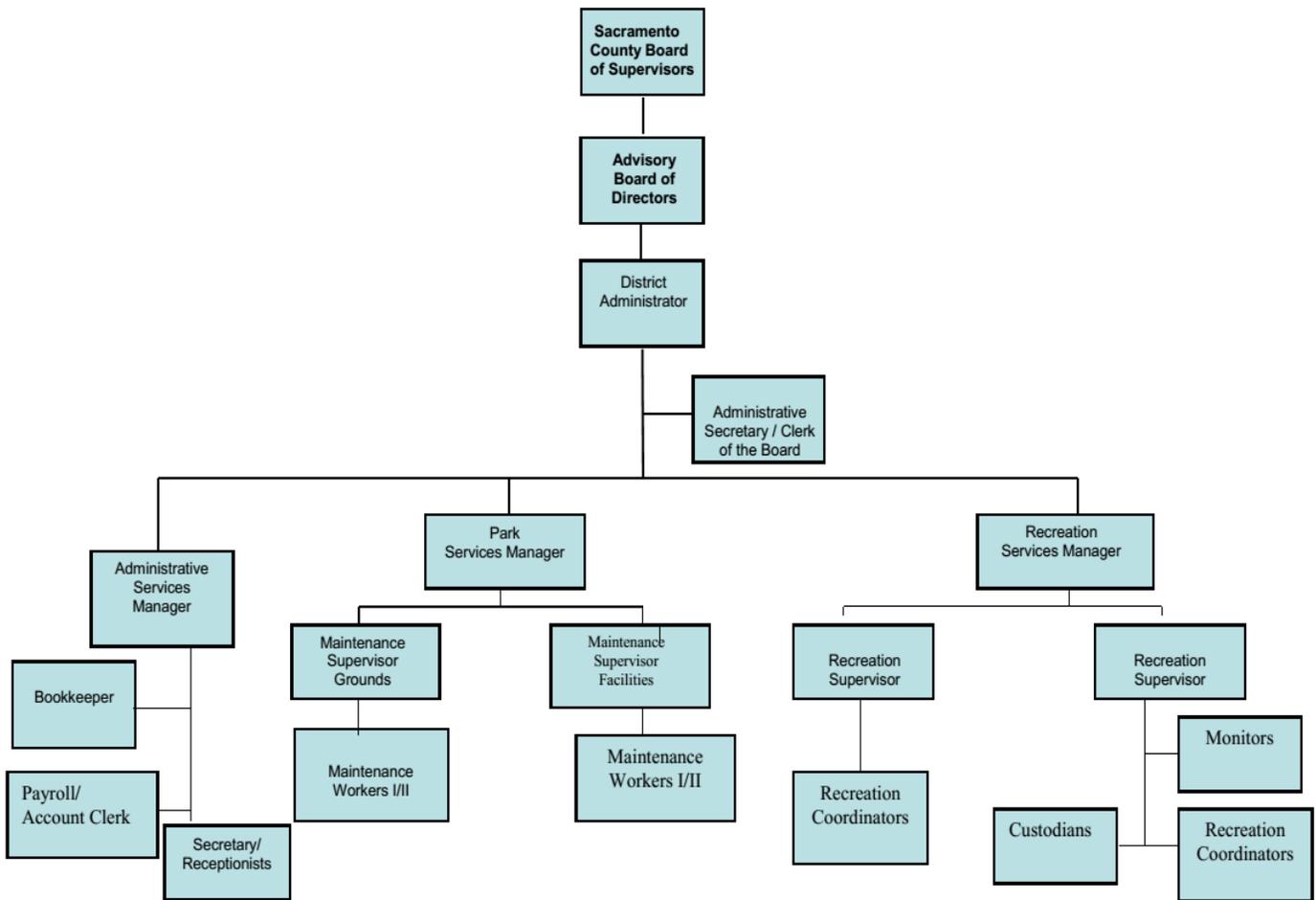
3.2.1 BREAKDOWN OF FULL TIME POSITIONS BY CLASSIFICATIONS AND PART TIME FTE'S

CLASSIFICATION	NUMBER OF POSITIONS
ADMINISTRATION	
District Administrator	1
Administrative Services Manager	1
Administrative Secretary	1 (vacant)
Bookkeeper	1
Payroll/Account Clerk	1
Secretary/Receptionists	2
Total Administration	7
RECREATION DIVISION	
Recreation Services Manager	1
Recreation Supervisors	2
Total Recreation Division	3
MAINTENANCE DIVISION - PARKS & FACILITIES	
Park Services Manager	1
Park Supervisors	2
Park Maintenance Worker	5
Total Maintenance Division	8
TOTAL FULL TIME EMPLOYEES	18
PART TIME REGULAR & SEASONAL	
Administrative Services (0 hours)	0 FTE
Recreation Division (37,965 hours)	18.25 FTE
Parks Division (1,112 hours)	.53FTE
TOTAL PART TIME (39,076 HOURS)	18.78 FTE
TOTAL EMPLOYEES (Full & Part Time)	36.78 FTE

3.2.2 EXISTING ORGANIZATIONAL CHART



Carmichael Recreation & Park District
Full Time Employee Organizational Chart



Updated 07/1/2014

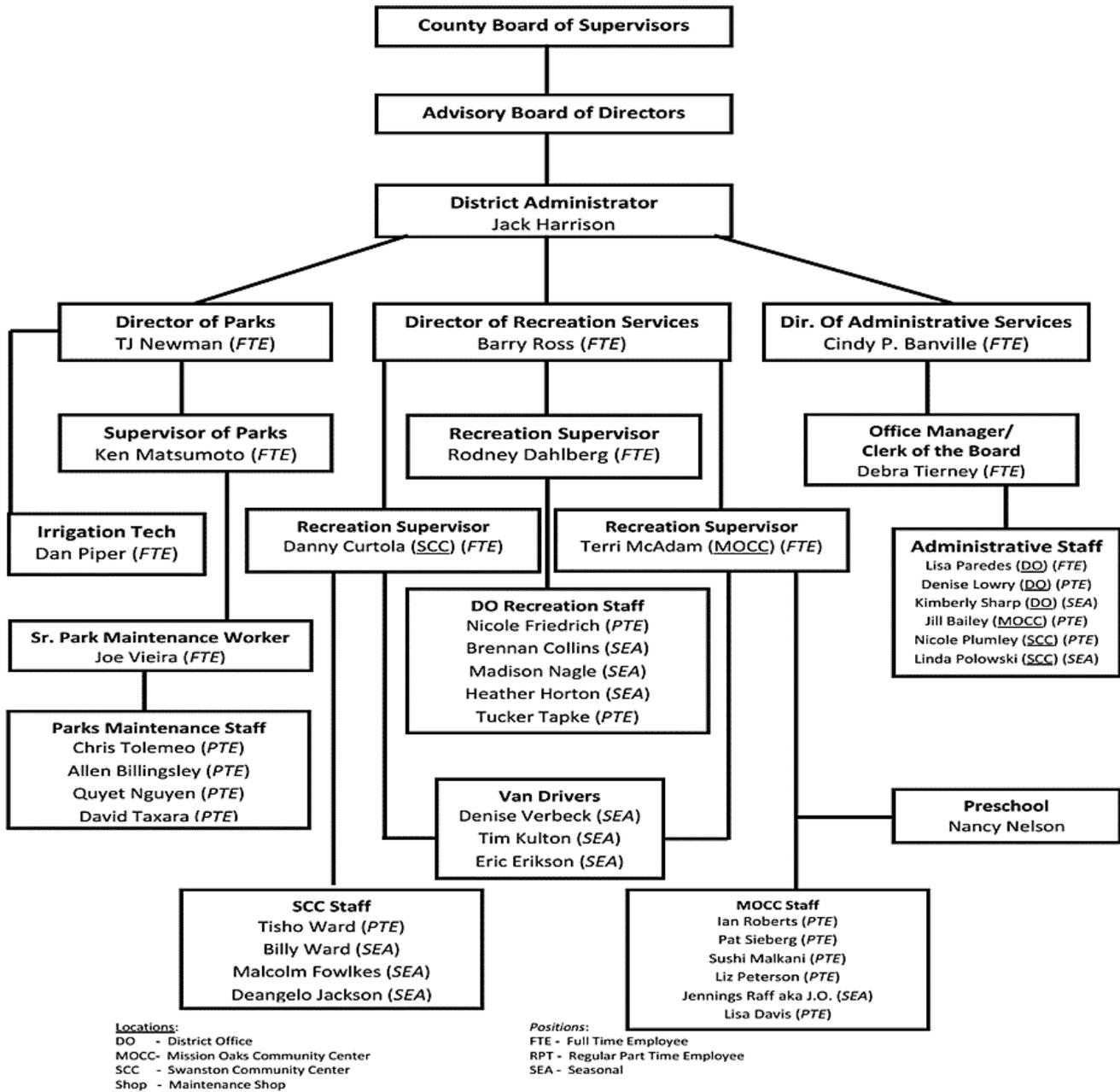
3.3 OVERVIEW OF MISSION OAKS RECREATION AND PARK DISTRICT

The Mission Oaks Recreation and Park District is organized into three divisions: Administrative Services, Parks and Recreation Services. The District employs 12 full time employees. Additionally, the District employs a variety of regular and seasonal part time employees who work approximately 59,000 hours annually, which equals 29 full time equivalent employees (2,080 hours = 1 FTE).

3.3.1 BREAKDOWN OF FULL TIME POSITIONS BY CLASSIFICATION & PART TIME FTE'S

CLASSIFICATION	NUMBER OF POSITIONS
ADMINISTRATION	
District Administrator	1
Director of Administrative Services	1
Office Manager	1
Office Assistant	1
Total Administration	4
RECREATION DIVISION	
Director of Recreation Services	1
Recreation Supervisors	3
Total Recreation Division	4
PARKS & FACILITIES DIVISION	
Director of Parks	1
Supervisor of Parks	1
Senior Park Maintenance Worker	1
Irrigation Technician	1
Total Maintenance Division	4
TOTAL FULL TIME EMPLOYEES	12
PART TIME REGULAR & SEASONAL	
Administrative Services (5,772 hours)	2.78 FTE
Recreation Division (46,423 hours)	22.32FTE
Parks Division (9,620 hours)	4.63 FTE
Total Part Time Employees	29.73 FTE
TOTAL DISTRICT EMPLOYEES (Full & Part Time)	41.73

3.3.2 MISSION OAKS EXISTING ORGANIZATIONAL CHART OF FULL AND PARK TIME EMPLOYEES



3.4 FULL TIME SALARY COMPARISON WITH COMPARABLE SPECIAL DISTRICTS

Salaries are based on top step of salary schedule per the 2015-16 adopted budgets without longevity pay.

ORGANIZATION	Carmichael Recreation and Park District	Mission Oaks Recreation and Park District	Sunrise Recreation and Park District	Cordova Recreation and Park District	Southgate Recreation and Park District
District Population	52,000	61,129	165,036	103,000	120,000
Operating Budget (2014-15 Actual)	\$ 3,985,159	\$ 3,761,763	\$ 7,800,000	\$ 9,500,000	\$ 18,920,630
Number of Full Time Employees	18	12	26	22	47
Total Full Time Equivalent Employees (FT & PT)	37	40		43	61
Number of Developed Parks	11	12	43	30	49
Total Park and Open Space Acres Managed	178	102	489	442	739
EMPLOYEE SALARY BY FULL TIME PERMANENT CLASSIFICATION	ANNUAL SALARY	ANNUAL SALARY	ANNUAL SALARY	ANNUAL SALARY	ANNUAL SALARY
ADMINISTRATION					
District Administrator/Executive Director	\$ 108,708	\$ 100,860	\$ 144,912	\$ 174,312	\$ 169,464
Administrative Services Manager/Director	\$ 83,724	\$ 89,736	\$ 78,072	\$ 94,992	\$ 99,504
Office Manager/Finance Manager	NA	\$ 70,476	\$ 67,692	\$ 104,484	NA
Administrative Secretary	\$ 47,028	NA	NA	NA	NA
Payroll/Account Clerk/Bookkeeper	\$ 47,028	NA	\$ 56,292	\$ 66,828	\$ 52,344
CSR/Office/Admin. Assistant II/Receptionist	\$ 42,648	NA	\$ 46,080	Part Time	\$ 50,940
CSR/Office/Admin. Assistant I/Receptionist	NA	\$ 45,468	\$ 38,952	Part Time	\$ 37,572
RECREATION DIVISION					
Rec. Svcs. Mg./Dir. Rec. Svcs./Rec. Supt.	\$ 83,724	\$ 89,736	\$101,640 (vacant)	\$ 94,992	\$ 93,334
Recreation Supervisor	\$ 62,016	\$ 74,748	\$ 82,236	\$ 75,996	\$ 59,160
Recreation Supervisor I	NA	NA	NA	\$ 60,072	\$ 47,784
Recreation Coordinator	PT Regular	PT Regular	PT Intermittent	\$ 49,752	NA
MAINTENANCE DIVISION					
Park Services Mgr./Dir. of Parks/Parks Supt.	\$ 83,724	\$ 89,736	\$ 101,640	\$ 94,992	\$ 93,336
Park Supervisor	\$ 57,312	\$ 71,232	\$ 67,116	\$ 60,072	\$ 72,300
Park Analyst	NA	NA	\$ 96,684	NA	NA
Senior Park Maintenance Worker	NA	\$ 47,232	NA	NA	NA
Irrigation Technician	NA	\$ 54,816	NA	NA	NA
Park Maintenance Worker I	NA	NA	\$ 47,580	\$ 41,112	\$ 47,784
Park Maintenance Worker II	\$ 47,580	NA	\$ 58,692	\$ 52,236	\$ 59,160
LONGEVITY PAY COMPENSATION BENEFIT	5% step increase @ 10, 15, 20, and 25 years of service	5% step increases at 10 and 15 years of service	5% step increase every 5 years starting in year 11	1% step increase per year after year 10 for 5 years	No Longevity Pay

3.5 OVERVIEW OF BUDGET

3.5.1 DISTRICTS EXPENDITURES FY 14-15 ACTUALS

DISTRICT EXPENSES ACTUAL FY14-15	SALARIES BENEFITS	SERVICES & SUPPLIES	INTEREST & ASSESSMENTS	FIXED ASSETS/ CIP'S	CONTIN- GENCIES	OTHER	TOTAL
CARMICHAEL							
Administration	662,147	675,368	328,041	147,239	307,904	0	2,120,699
Recreation	809,121	230,808	0	0	0	0	1,039,929
Parks and Facilities Maintenance	846,653	125,117	0	0	0	0	971,770
TOTAL CRPD	2,317,921	1,031,293	328,041	147,239	307,904	0	4,142,398
MISSION OAKS							
Administration	587,858	259,584	0	0	58,600	1,838	907,880
Recreation	1,167,737	388,736	0	0	0	0	1,556,473
Parks & Facilities Maintenance	585,481	281,063	0	800,000	0	0	1,666,544
Maint. Improvement Assessment District	0	518,959	0	472,903	0	0	991,862
TOTAL MORPD	2,321,076	1,380,249	0	1,272,903	58,600	1,838	5,034,666
TOTAL EXPENDITURES COMBINED DISTRICTS	4,638,997	2,411,542	328,041	1420,142	366,504	1,838	9,167,064

3.5.2 DISTRICTS REVENUE SOURCES 2014-15 ACTUAL

DISTRICT REVENUES ACTUAL 2014-15	FUND BALANCE	RESERVE RELEASE	PROPERTY TAX	USE OF MONEY OR PROPERTY (RENTALS)	INTER-GOVERNMENTAL REVENUES (PARK FEES)	CHARGES SERVICES OR RECREATION USER FEES	MISC. REVENUE & ASSESSMENTS	TOTAL
CARMICHAEL REC. & PARK DISTRICT GENERAL FUND	411,105	0	1,661,212	1,284,222	31,557	689,578	46,456	4,124,140
MISSION OAKS REC. & PARK DISTRICT GENERAL FUND	855,043	514,688	2,218,582	69,828	465,499	603,079	64,368	4,791,087
MAINTENANCE & IMPROVEMENT DISTRICT	875,311	433,689	0	4,070	42,016	54,862	946,628	2,356,576
TOTAL MISSION OAKS	1,730,354	948,377	2,218,582	73,898	507,515	657,941	1,010,996	7,147,663
TOTAL REVENUES COMBINED DISTRICTS	2,141,459	948,377	3,879,794	1,358,120	539,072	1,347,519	1,057,452	8,181,957

3.5.3 COMPARISON OF DISTRICT BENCHMARK DATA WITH NRPA AVERAGES/PROS BENCHMARKS

BENCHMARK UNIT	CARMICHAEL	MISSION OAKS	NRPA -PROS AVERAGES
POPULATION	52,000	62,129	National Averages for similar size agencies if combined
TOTAL BUDGET (2014-15 Actual)	\$4,124,030	\$7,147,663	\$8,637,720
TOTAL OPERATING EXPENDITURES (2014-15 Actual)	\$3,985,159	\$3,761,763	\$7,746,922
TOTAL OPERATING EXPENDITURES PER CAPITA	\$76.63	\$60.55	\$76.44
ANNUAL OPERATING EXPENDITURES PER EMPLOYEE	\$108,351	\$90,145	\$96,055
FULL TIME EQUIVALENT EMPLOYEES PER 10,000 RESIDENTS	7.1	6.7	7.4
PERSONNEL COSTS AS A PERCENTAGE OF OPERATING BUDGET	56%	62%	55%
CAPITAL IMPROVEMENT EXPENDITURES PER CAPITA	\$2.83	\$7.61	\$3.82*
PROPERTY TAXES & ASSESSMENTS PER CAPITA	\$32.82	\$51.77	\$39.52*
REVENUE AS A PERCENTAGE OF OPERATING EXPENDITURES	51%	26%	29%
NON TAX/ASSESSMENT REVENUE PER CAPITA	\$49.26	\$20.89	\$48.92*
ADMINISTRATION EXPENDITURES PER CAPITA	\$40.78**	\$14.41	\$10.28*
PARK EXPENDITURES PER CAPITA	\$18.69	\$30.40	\$27.42*
PARK EXPENDITURES PER DEVELOPED ACRE ANNUALLY	\$6,159	\$10,000+***	\$6,476
RECREATION EXPENDITURES PER CAPITA	\$20.00	\$ 25.46	\$20.56*
RECREATION REVENUE PER CAPITA	\$14.07	\$14.73	\$18.22
RECREATION COST RECOVERY PERCENTAGE (EXCLUDING BRIDGES)	57.6%	46%	73%*
FACILITY RENTAL INCOME PER CAPITA	\$24.93	\$1.20	\$3.42*

Note: * Indicates PROS Consulting national benchmark data versus NRPA Field Report

**Administration in Carmichael includes all District utility costs, which makes budget larger than average.

***Mission Oaks also provides maintenance at 4 school sites with 14 acres of turf.

CHAPTER FOUR - PRELIMINARY FINDINGS RELATED TO CARMICHAEL RECREATION AND PARK DISTRICT ORGANIZATION AND OPERATIONS

4.1 ADMINISTRATION DIVISION - CARMICHAEL

4.1.1 ADMINISTRATION BUDGET IS DISPROPORTIONALLY HIGH

The current annual operating budget of \$2,120,699 for the Administration Division comprises over 50% of the entire District budget. Typical Administration budgets parks and recreation departments and public agencies are generally 20% of the total operating costs of the agency. Carmichael’s current budget practice of including all District utility costs within the Administration Division budget is unusual and accounts for some of the higher cost.

4.1.2 ADMINISTRATION STAFFING IS SLIGHTLY HIGH

The staffing of Administration includes seven full time positions. These positions include the District Administrator, Administrative Services Manager, Administrative Secretary, Bookkeeper, Payroll/Account Clerk, and Secretary/Receptionist (2). It is important to note that the Administrative Secretary Position is currently vacant.

4.1.3 ADMINISTRATION BUDGET INCLUDES ALL DISTRICT UTILITIES

The current budgetary practice of including all utility costs within the Administration budget is unusual, and creates an unrealistic picture of the true costs of maintaining and operating parks and facilities. Utility costs should be assigned to the Parks/Facilities Division and the Recreation Division as appropriate and proportional. Utility costs of the District office should be assigned to Administration.

4.2 MAINTENANCE DIVISION – CARMICHAEL

4.2.1 BUDGET FOR PARK & FACILITY MAINTENANCE IS COMPARATIVELY LOW

The Maintenance Division budget of \$971,770 is low for a District with the size and scope of parks and facilities as Carmichael. The Park Division Manager estimated the cost of maintaining and operating “parks” versus “facilities” in the table below. Based on this estimate, the District is spending \$6,159 per acre per year for maintaining developed and undeveloped parks, including utility costs. Best practice costs for park maintenance range from \$7,500-\$10,000 per acre per year. The lower cost of \$7,500 per acre per year is through the use of contract maintenance, and the higher cost of \$10,000 is through the use of public employees. It should be noted that the costs below for services and supplies do not include utilities for either parks or facilities. Additionally, it is estimated that the utility costs for electricity, water, sewer and natural gas for parks is approximately \$200,000 and \$150,000 annually for utilities at the La Sierra Community Center.

Unit	Expense	Parks/Grounds Division	Facilities Division
Salaries and benefits	\$846,653	\$582,443	\$264,209
Services & supplies:	\$125,117	\$42,955	\$82,161
Utilities (in Admin budget)	\$350,000	\$200,000	\$150,000
Total	\$1,321,770	\$825,399	\$496,370

4.2.2 FULL TIME STAFFING LEVELS FOR MAINTENANCE IS LOW & INADEQUATE TO MAINTAIN DISTRICT PARKS, GROUNDS AND FACILITIES WITHOUT SUPPLEMENTAL RESOURCES

The District currently has eight full time employees assigned to park/grounds and facility maintenance. These employees include a Manager, 2 Supervisors and 5 Park Maintenance Workers. Of this group of employees, 1 Park Maintenance Supervisor and 4 Park Maintenance Workers are assigned to maintaining the District's 14 developed and undeveloped parks. One Park Maintenance Supervisor and 1 Park Maintenance Worker are assigned to maintenance of District facilities, including the Las Sierra Community Center, Carmichael Clubhouse and the Veteran's Hall. Best practices in park maintenance suggest that 1 Park Maintenance Worker can maintain 15-18 acres per year at a good level. Based on this standard, Carmichael should have 7-8 Park Maintenance Workers.

4.2.3 PART TIME MAINTENANCE STAFFING VERY LOW

The District also utilizes approximately 1,100 hours or .53 FTE of part time maintenance workers to supplement the full time employees with maintenance of buildings, grounds and facilities. Most park and recreation agencies either use significantly more part time employees or contract employees to supplement the full time maintenance staff, especially during the growing and busy season for public parks between the months of March through October.

4.2.4 PARK MAINTENANCE SERVICE LEVELS LOW

Through interviews with the Park Maintenance Manager and through park inspections, it is apparent that the maintenance staff struggles to keep up with adequate service levels due to lack of staffing and/or budget funds to augment District staff with contract labor. The Manager has indicated that District staff only achieves a Level 5 Lower Level of Maintenance. Core tasks are completed, but with less frequency. Litter is commonly found in the parks, and is picked up less frequently. Restrooms are not consistently serviced on a daily basis and seldom deep cleaned. Safety and playground inspections are completed with less frequency and are occasionally deferred. Turf is mowed weekly and edged every other week but may be frequently deferred. Turf conditions are in decline and weeds in shrub beds and borders are common. Irrigation systems are checked when obvious problems arise, adjustments and repairs are made as time and staffing allow. Vandalism and Graffiti are remediated as time and staffing allow. There is a regular decline in park infrastructure and playing fields which leads to safety and liability issues as well as increased customer complaints.

4.2.5 BUILDING MAINTENANCE SERVICE LEVELS LOW

The Park Services Manager has indicated that building maintenance only achieves a Level 5 Lower Level of Maintenance as well. This lower level is due to a combination of lack of adequate staffing and a significantly high amount of square footage of buildings to be cleaned and maintained. These facilities include the La Sierra Community Center, the Carmichael Clubhouse, the Veteran's Hall and numerous park restroom buildings. Maintenance at this level is below the standard. All core tasks are completed with less frequency. Floors are only swept and mopped when obvious conditions or problems arise. Floors are seldom buffed and refinished only when absolutely necessary. Restrooms are not consistently serviced on a daily basis and seldom deep cleaned. Safety inspections are completed with less frequency. Vandalism, graffiti and safety issues are remediated as time and staffing allows. There is very little preventive maintenance. Equipment and HVAC systems are serviced annually or when problems arise. Nuisance items such as litter and burned out light bulbs are more prevalent. Work requests remain uncompleted for extended periods. Sidewalks and entryways are

not consistently blown off. There is a noticeable decline in building infrastructure which leads to safety and liability issues. Deferred maintenance is common. There is a substantial increase in customer complaints.

4.2.6 EXCLUSIVE USE OF DISTRICT EMPLOYEES VS. CONTRACT EMPLOYEES FOR PARKS AND GROUNDS MAINTENANCE IS NOT COST EFFECTIVE

Carmichael historically used District employees to maintain its park system and facilities. This maintenance management practice tends to be more expensive for the District in comparison to cities and special district that use a combination of public employee and maintenance contracts to maintain their park system. Generally, the salary and benefit cost of using public employees exclusively for park and facility maintenance is approximately 20-30% higher due to higher salary and benefit costs. Additionally, use of district employees is less flexible in responding to fluctuations in work load demands related to seasons, special projects and program & facility utilization. Contracting maintenance at some parks or with some maintenance functions would allow the Carmichael to achieve equal or better maintenance results less expensively and faster.

4.2.7 TECHNICAL CAPABILITIES OF MAINTENANCE PERSONNEL STRONG & DIVERSE

The employees within the Maintenance Division regularly perform maintenance functions that are more specialized and require trade skills not typical to Park Maintenance Supervisors and Workers. These functions include maintenance and repair of vehicle and equipment, HVAC, plumbing, roofing, lighting & electrical, carpentry, painting, masonry, welding and pest control. The District should consider updating its job classifications/descriptions and/or reclassify some employees who regularly perform duties “out of class” in comparison to the classification of their positions.

4.2.8 BACKLOG OF DEFERRED MAINTENANCE IS A SIGNIFICANT LIABILITY

Carmichael has a significant challenge in deferred maintenance projects and unfunded liabilities in aging infrastructure within the District’s parks and buildings. According to a report provided by the District, the park system has identified over \$6 million unfunded needed or desired capital improvement projects. This list included over \$3 million in renovation and rehabilitation projects within the existing parks and buildings maintained by the District. This list also includes new additions and improvements needed or desired within Carmichael Park and the La Sierra Community Center. The District has approximately \$1.9 million available to fund these improvements. The lack of financial resources to fund repair, renovation and rehabilitation of the District parks and buildings can lead to problems related to increased ongoing maintenance & repair costs, loss of use by the public due closures and/or increased risk and liability issues due to accidents.

4.3 RECREATION DIVISION – CARMICHAEL

4.3.1 COST RECOVERY OF RECREATION PROGRAMS IS SLIGHTLY LOW AT 58.6%

Carmichael’s Recreation Division achieves an overall cost recovery of 58.6% for its programs, services and facilities. Adult & Senior Recreation, Youth Recreation, Bridges After-School Program and Teen Recreation generate revenue that offsets over 100% direct program costs. Direct program costs do not include Program Coordinator staff time or the proportional/percentage cost of the Recreation Supervisors who oversee those programs. Good cost recovery of Recreation would be approximately 75%, including the direct and indirect costs. It appears that the District pricing strategy for programs is to offset direct program costs, but not the hourly cost of Coordinators and time percentage cost of Supervisor time.

	Total Expenses	Revenue	Net GF Subsidy	Cost Recovery
Recreation Division	\$874,630	\$504,106	\$370,524	57.6%
Bridges Child Care (ASES)	\$165,299	\$185,472	<\$20,173>	112%
Total	1,039,929	\$689,578	\$350,351	58.6%

4.3.2 HIGHEST RECREATION PROGRAM SUBSIDY IS FOR SPECIAL EVENTS

District special events are the most highly subsidized program that the Recreation Division of the District provides. The District achieves a 55% cost recovery of special events for the direct cost, excluding Supervisor time. The District allocates approximately 50% of a Recreation Supervisors work program to planning and providing special events. Assuming a salary and benefit cost of \$80,000, the value of the Supervisors time for planning and directing special events is approximately \$40,000. The total subsidized cost of special events is over \$75,000 annually.

4.3.3 BRIDGES AFTERSCHOOL CHILD CARE PROGRAM FUNDED BY ASES GRANT SKEWS COST RECOVERY OF RECREATION DIVISION BUDGET

Carmichael provides the Bridges afterschool child program funded by State of California through the San Juan Unified School District through the Afterschool Education and Safety Program (ASES) grant. Carmichael receives approximately \$185,500 from the State of California to fund this program and expends approximately \$165,000 in direct costs for part time salaries and materials to staff this program. It is important to note that the District and the Recreation Division would not provide the Bridges afterschool program without the State Grant Reimbursement. A breakdown of Bridges revenue and expenses is as follows:

Program Revenue	\$185,472	(State ASES grant reimbursement)
Direct Expense	\$165,299	(part time salaries, materials & supplies including Bridges Coordinator)
Net Income	\$20,173	(offsets Recreation admin overhead & marketing)

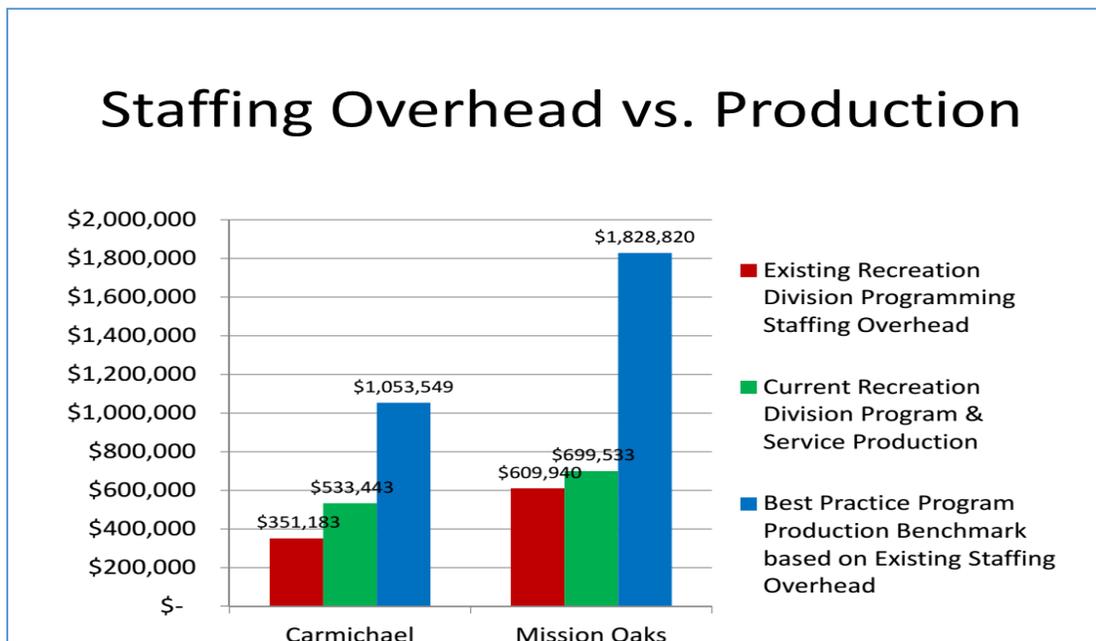
4.3.4 RECREATION COORDINATOR USE AND TIME

The Recreation Division utilizes part time Recreation Coordinators to assist the Recreation Supervisors in programming and on site supervision of programs. The District uses over 2.5 full time equivalent employees as Recreation Coordinators. The breakdown of Coordinator hours by program areas is as follows:

Program	Annual Hours	Hourly Rate	Annual Cost
Adult & Senior Recreation	944	15.52	\$14,651
Youth Recreation	3,570	15.52	\$55,406
Bridges (ASES Grant)	549	15.52	\$8,521
Teen Recreation	303	15.52	\$4,703
TOTAL	5,367	15.52	\$83,296

4.3.5 STAFFING OVERHEAD IN RELATION TO PROGRAM PRODUCTION IS HIGH

The Carmichael District expends approximately \$350,000 and 11,600 hours in Recreation Manager, Supervisors and Coordinator overhead staffing to produce \$530,000 in programs and services. This calculates to \$1 overhead expense to produce \$1.50 in program and services. Overhead of Managers, Supervisors and Coordinators is approximately 65% of the cost of providing actual recreation programs and services. Best practices in recreation administration is to create at 3:1 ratio of program production to overhead. The overhead of planning, supervising and marketing recreation programs should be 33% of costs. Using this standard, Carmichael should be able to produce nearly \$1 million in actual programs and services for an overhead expense of \$350,000. Alternatively, the District should reduce its overhead costs to improve its overhead to production ratio.



4.3.6 RECREATION SUPERVISOR STAFFING LEVELS AND WORK PROGRAMS ARE APPROPRIATE

The size and scope of the work program and corresponding budget responsibilities for District's two Recreation Supervisors is appropriate. Best practices for Recreation Supervisors is to manage programs that are approximately 3-5 times the value of their salary and benefits. The two Recreation Supervisors at Carmichael manage programs with expenses of over \$800,000.

4.3.7 NEED TO IMPROVE MARKETING, ADVERTISING AND PUBLIC INFORMATION

To adequately achieve program participation, use of parks and facilities and generate revenue to offset the cost of recreation and facilities, the Districts should expand and enhance marketing. Additional resources are needed to manage the District's website, develop marketing & promotional materials and to track customer needs and satisfaction.

CHAPTER FIVE - PRELIMINARY FINDINGS RELATED TO THE MISSION OAKS RECREATION AND PARK DISTRICT ORGANIZATION AND OPERATIONS

5.1 ADMINISTRATION DIVISION – MISSION OAKS

5.1.1 BUDGET FOR ADMINISTRATION DIVISION IS APPROPRIATE

The current annual operating budget of \$819,787 for the Administration Division comprises approximately 19% of the entire District’s operating budget. Typical Administration budgets parks and recreation departments and public agencies are generally 20% of the total operating costs of the agency.

5.1.2 FULL TIME STAFFING LEVELS FOR ADMINISTRATION SOMEWHAT LOW

The District’s full time staffing of four full time employees for Administration is somewhat lean. These staff positions include the General Manager, Director of Administrative Services, Office Manager, and Office Assistant. Administrative Services oversees the revenue collection and facility rentals at the District Office and at the two community centers.

5.1.3 PART TIME STAFFING LEVELS FOR ADMINISTRATION IS SIGNIFICANT

The District additionally utilizes a significant number of hours of regular and season part time positions to augment the full time administration staff at the District Office. These part time positions provide administrative services at the Mission Oaks and Swanston Community Centers. These part time Administration positions account for 8,092 hours or 3.9 FTE’s. The practice of using regular part time positions on an ongoing basis is problematic for both the employees and the District. Despite the fact that several employees work nearly full time at over 1,900 hours annually, they do not receive the same benefits as full time employees. The District should consider converting these employees to full time.

5.2 PARKS DIVISION – MISSION OAKS

5.2.1 BUDGET FOR PARKS DIVISION IS HIGH

The estimated budget of nearly \$1.4 million for maintenance of District parks and District facilities is high. This higher budget is a result of the Maintenance and Improvement Assessment District that contributes nearly \$1 million annually to fund maintenance contracts, services & supplies for maintenance and capital improvements. This amount of funding per acre is higher than most cities and districts expend for park maintenance.

PARK DIVISION EXPENSES ACTUAL FY14-15	SALARIES & BENEFITS	SERVICES & SUPPLIES	FIXED ASSETS/CIP'S	TOTAL
Parks Division	585,481	281,063	800,000	1,666,544
Maintenance Improvement Assessment District	0	518,959	472,903	991,862
Total	585,481	800,022	\$1,272,903	2,658,406

5.2.2 EXPENDITURES FOR PARK MAINTENANCE IS VERY HIGH

The District expends approximately \$1.1 million to maintain 88 acres of District owned and managed park property and 14.2 acres of school property. This expenditure amounts to approximately \$10,800 per acre per year. This amount of funding per acre per year is significantly higher than most cities and districts expend per acre for park maintenance, even at a very high maintenance standard. Best practices in park maintenance indicate that the District should expend \$8,000-\$9,000 per acre per year to accomplish a very high standard (Level 2) of neighborhood park maintenance. Consequently, the District is over expending for park maintenance by approximately \$100,000-\$200,000 annually. It is important to note that the District expends approximately \$150,000 annually to maintain school property via joint use agreements.

5.2.3 EXPENDITURES FOR BUILDING MAINTENANCE IS APPROPRIATE & COST EFFECTIVE

The District expends approximately \$315,000 annually to maintain the Mission Oaks Community Center, Swanston Community Center and the District office. The District utilizes contracts for custodial services and other building maintenance and repairs. These building maintenance expenditures are appropriate and cost effective.

5.2.4 FULL TIME STAFFING LEVELS FOR PARKS DIVISION IS EFFICIENT AND COST EFFECTIVE DUE TO THE USE OF CONTRACT MAINTENANCE OF PARKS

The District currently has four full time employees assigned to park/grounds and facility maintenance. These employees include a Director of Parks, a Supervisor of Parks, a Senior Park Maintenance Worker and an Irrigation Technician. This staffing approach is very cost effective.

5.2.5 PART TIME MAINTENANCE STAFFING NOT COST EFFECTIVE

The District also utilizes approximately 7,669 hours or 3.7 FTE of regular part time maintenance workers. These regular part time employees work an average of 37 hours per week to perform specific “hand on” maintenance tasks that the District prefers to be done with employees versus contract labor. These functions include park safety & playground inspections, minor repairs, non-technical tree care and other high touch tasks. The District also employs 2,080 hours of seasonal extra help workers during the growing season. The District should consider converting some of these regular part time maintenance workers to either seasonal part time status, full time and/or expand contract maintenance services to perform some of these functions. Best practices in park maintenance indicate that 1 full time employee should be able to maintain 15-18 acres of park land per year at a good to very good level. According to this standard, the District would need 7 full time employees to maintain its 105 acres. However, Mission Oaks primarily uses maintenance contracts to perform general park maintenance & custodial services. Consequently, the additional 7 FTE of full and part time employees to supplement these maintenance contracts is not necessary to maintain the existing high service level and is not cost effective.

5.2.6 PARK MAINTENANCE SERVICE LEVELS HIGH

Through interviews with the Director of Parks and through park inspections, it is apparent that the parks and facilities in Mission Oaks are consistently well maintained. The Parks Division is able to meet or exceed the Performance Criteria outlined in the Landscape Management Performance Specifications included in Section 5 of the Mission Oaks Recreation and Park District Master Plan.

5.2.7 USE OF CONTRACT MAINTENANCE FOR PARKS & FACILITIES MAINTENANCE IS EFFECTIVE

The use of contract maintenance to provide basic and ongoing maintenance of the District’s neighborhood parks is very cost effective. The role of Director of Parks in managing these contracts and for quality assurance has allowed the District to provide a high level of maintenance. In addition to savings in labor costs, the use of contract maintenance reduces vehicle and equipment maintenance costs and replacement.

5.2.8 FIXED ASSETS AND CIP FUNDING

The annual funding of nearly \$473,000 for new and reinvestment in the Mission Oaks park system infrastructure through the Maintenance and Improvement District is a significant benefit. The ability to enhance the park system with new furnishings & equipment and replace or rehabilitate old, worn or outdated equipment is necessary to keep parks and facilities “safe, clean and green.” Additionally, the capability of the Director of Parks to plan and develop various park improvement projects is a great “in house capability.” Funds provided for fixed assets and CIP’s through the Assessment District are also used to renovate and improve the District’s community centers.

5.2.9 DEFERRED MAINTENANCE AND ONGOING PARK & FACILITY IMPROVEMENTS

The District has a great funding resource through the Maintenance and Improvement Assessment District to repair, replace and enhance the infrastructure with the park system. The Assessment District contributes nearly \$.5 million annually to fund capital improvement projects throughout the parks and with buildings. The District has a 5 year capital improvement plan of rehabilitation and replacement projects within the District’s park system. This plan, combined with ongoing funding allows Mission Oaks to address most deferred maintenance issues and ongoing rehabilitation and replacement of old or worn assets.

5.3 RECREATION DIVISION – MISSION OAKS

5.3.1 BUDGET FOR RECREATION IS SOMEWHAT HIGH

The current operating budget of over \$1.5 million for the Recreation Services and Marketing Division is somewhat high in comparison to many District's serving a population of similar size and demographic to the Mission Oaks Recreation and Park District. In analyzing expenditures, the direct cost of providing programs and services and operating facilities is good. However, the cost of full and part time employees who serve as Recreation Supervisors, Program Coordinators and Recreation Specialists contributes greatly to the overhead costs of planning, administering and supervising programs and facilities.

5.3.2 REVENUE AND COST RECOVERY FOR THE RECREATION DIVISION IS LOW

The Recreation Division's annual revenue is \$879,706, which offsets 56% of the \$1,556,473 cost of providing recreation programs for the District. The cost to run the Bridges grant program is approximately \$247,000 in direct expenditures for part time salaries and materials, indirect expenditures of approximately \$20,000, which represent 20% of a Recreation Supervisor time to oversee the program. The District is reimbursed approximately \$276,000 to provide the program through the annual grant. Excluding Bridges, the cost recovery of the Recreation Division is 46%. Most recreation and park districts and City departments similar in size and demographics to Mission Oaks typically achieve a cost recovery of 50-75% of operating costs. It is important to note that the cost recovery would even be lower if the District's Administration Division did not fund the cost of Office Assistants to staff the front counters at the Swanston and Mission Oaks Community Centers. Additionally, the Parks Division funds the cost of utilities at the District's Community Centers.

	Total Expenses	Revenue	Net GF Subsidy	Cost Recovery
Recreation Division	1,309,473	603,079	706,394	46%
Bridges Child Care (ASES)	247,000	276,627	<29,627>	112%
Total	1,556,473	879,706	676,767	56%

5.3.3 FULL TIME RECREATION SUPERVISOR AND MANAGER STAFFING SLIGHTLY HIGH

Best practices in planning, delivering and supervising recreation programs suggests that Recreation Supervisors should be able to manage programs with operating budgets that are worth 3-5 times the cost of their salary and benefits. In other words, a Recreation Supervisor with an annual salary and benefit cost of \$100,000 should be able to manage work programs with budgets of \$500,000-\$700,000 each. Using this benchmark, the number of full time Recreation Supervisor staff of Mission Oaks is slightly high in relation to operating expense and revenue generation.

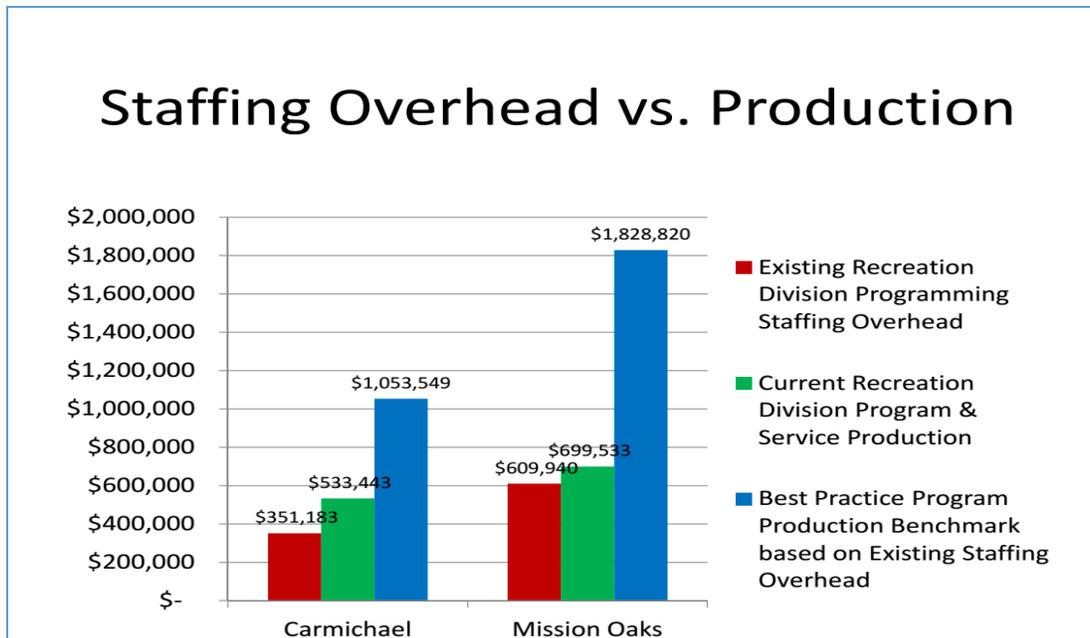
5.3.4 STAFFING & HOURS FOR PART TIME COORDINATORS AND SPECIALISTS VERY HIGH

The District employs an extraordinarily high number of regular and seasonal part time Recreation Coordinators and Recreation & Marketing Specialists. The total cost of these part time employees is over \$215,000 each year, including salary and benefit cost. These employees assist the Recreation Supervisors and the Recreation Manager is planning and supervising District programs. In fact, each Supervisor has 2 or more Coordinators and Specialists to assist them with their duties and responsibilities. The number of hours of these Coordinators or Specialists is over 14,000 hours annually or equal to 6.2 full time employees. It would be far more efficient and cost effective to convert several of these Specialist and Coordinator positions to full time employees, but also reduce the number of regular part time positions and hours. There is substantial duplication of effort in staffing with 4 Coordinators & Specialists working on Events and 3 Specialists on Marketing.

Site	Title	Hours	Rate	Cost	Duties
MOCC	Specialist	1,980	\$14.02	\$27,760	Classes, clubs, events
MOCC	Specialist	1,660	\$16.49	\$27,370	Marketing, events
MOCC	Coordinator	1,100	\$12.52	\$14,770	Senior meals on wheels
SCC	Specialist	1,300	\$14.02	\$18,230	Events, classes, SCIP, marketing
SCC	Coordinator	1,440	\$11.14	\$16,030	After school program, Camps, SCIP
SCC	Coordinator	1,150	\$11.14	\$12,800	Camps, Afterschool Adventures
DO	Specialist	1,980	\$14.63	\$28,970	Marketing, events, camps, sports
DO	Coordinator	1,500	\$12.27	\$18,410	Youth sports
DO	Coordinator	1,000	\$12.27	\$12,270	Bridges
		14,110		\$187,720	

5.3.5 STAFFING OVERHEAD IN RELATION TO PROGRAM PRODUCTION IS VERY HIGH

The Mission Oaks District expends approximately \$610,000 and 22,400 hours in Recreation Manager, Supervisor, Coordinator and Specialist staffing to produce \$700,000 in programs and services. This calculates to \$1 overhead expense to produce only \$1.15 in program and services. Overhead of Managers, Supervisors and part time Coordinators and Specialists is approximately 87% of the cost of providing actual recreation programs and services. It is important to note that Mission Oaks uses nearly double the overhead staffing hours (22,430 vs. 11,607) in comparison to Carmichael to produce only 31% more programs and services (\$700,000 vs. \$534,000) Best practices in recreation administration is to create a 3:1 ratio of program production to overhead. The overhead of planning, supervising and marketing programs should be 33% of costs. Using this standard, Mission Oaks should be able to produce nearly \$1.8 million in actual programs and services for an overhead expense of \$610,000. Alternatively, the District should reduce its overhead costs to improve its overhead to production ratio.



5.3.6 BRIDGES AFTERSCHOOL CHILD CARE PROGRAM FUNDED BY ASES GRANT

Mission Oaks provides the Bridges afterschool program funded by State of California through the San Juan Unified School District through the Afterschool Education and Safety Program (ASES) grant. Mission Oaks receives approximately \$275,000 from the State of California to fund this program and expends approximately \$250,000 in direct costs for part time salaries and materials to staff this program. While the expense for Bridges is within the Recreation Division budget, the ASES Grant Reimbursement revenue is accounted for within the District’s State Aid and Other Misc. Funding Revenue Fund. It is important to note that the District and the Recreation Division would not provide the Bridges afterschool program without Grant Reimbursement. A breakdown of Bridges revenue and expenses is as follows:

Program Revenue	\$276,627	(State ASES grant reimbursement)
Direct Expense	\$227,000	(part time salaries, materials & supplies incl. 1,290 Rec.Coord. hours/cost)
Indirect Expense	\$20,000	(20% of Recreation Supervisor salary & benefit cost)
Total Expense	\$247,000	
Net Income	\$29,627	(offsets Recreation admin overhead & marketing)
Cost Recovery	112%	

5.3.7 SILOS

The current organizational structure of the District does not optimize interdependent and collaborative programming. The District’s programming is somewhat “centric” around the work location of each of the three Supervisors. This approach can create “silos” that inhibit creativity, collaboration and cooperation. In evaluating the program offerings, there appears to be some degree of duplication of efforts or gaps with programs and services from a broader District wide perspective.

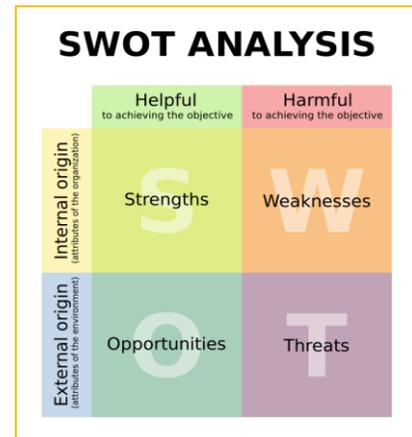
5.3.8 NEED TO IMPROVE MARKETING AND ADVERTISING

To adequately achieve program participation, use of parks and facilities and generate revenue to offset the cost of recreation and facilities, the Districts should expand and enhance marketing. Additional resources are needed to manage the District’s website, develop marketing & promotional materials and to track customer needs and satisfaction. The fact that the District does not mail the activity guide to residents create a circumstance where new residents may be unaware of the programs and services offered by the District.

CHAPTER SIX - SWOT ANALYSIS OF CONSOLIDATION FEASIBILITY

6.1 INTRODUCTION

As part of the process for the Feasibility Assessment, the consulting team conducted a SWOT Analysis with key leadership staff. Additionally, the consultant interviewed the Chairperson for each District's Board of Directors to solicit their input on the positive and negative aspects of consolidation, as well as the opportunities and challenges that would arise from consolidation. This process of the SWOT Analysis helps establish priorities for the future improvement and direction of management and planning for the proposed merger. This analysis identifies the internal and external factors that are favorable and unfavorable to achieve the objectives outlined in the feasibility study.



6.1.1 STRENGTHS-POSITIVE BENEFITS OF CONSOLIDATION

Positive Benefits of Consolidation)

- Economies of scale will produce cost savings.
- Less duplication or minimizing of services by combining resources
- Cost savings in administration and management
- Shared and expanded expertise of staff in a larger agency
- Expanded access to indoor and outdoor parks & facilities for residents to use and staff to program.
- More focused responsibilities and duties of staff should improve productivity & quality.
- Improved level of service for park and facility maintenance due to larger combined budget, especially in the parks and facilities in the current Carmichael District.
- More growth for career opportunities and the ability to increase moral of employees
- Ability to hire a full time marketing person to increase program & facility utilization & cost recovery
- Ability to expanded and enhance program offerings due to a larger customer/resident base.
- Less duplication of efforts and reduced competition between the two agencies for customers.
- Improved program development through collaboration and larger talent pool of staff.
- For the same amount of tax support, residents will receive expanded programs and facilities to use.
- Ability to provide programs and maintain parks & facilities at an equal or better service level with same level of tax support.
- Ability to hire full time Recreation Coordinators will improve consistency and be more cost effective,
- Improve cost recovery of recreation programs.
- Ability to create and contribute to a capital improvement fund for rehabilitation of existing parks & facilities, new park improvements and acquisition of park land.
- Bigger talent pool of staff to share expertise, experience, ideas and time.

6.1.2 WEAKNESSES-NEGATIVE CONSEQUENCES OF CONSOLIDATION

Negative Consequences of Consolidation

- Reduction in force, if implemented through layoffs of existing employees, will hurt morale.
- Reduction in hours of regular and seasonal part time Coordinators, Specialists and Park Maintenance Workers will have a negative effect on those employees and their supervisors.
- Increased workload and employee stress associated with intended and unintended consequences of consolidation.
- Disparity between the better maintenance service levels for parks and facilities within the Mission Oaks Maintenance Assessment District and the rest of the Consolidated District may be misunderstood or may cause resentment.
- A consolidated Board of Directors will require some existing Board members to be eliminated.
- Creating a new culture will be uncomfortable for many staff.
- Efficiency challenges will exist in the two agencies if management can't control the changes desired
- Loss of key employee position and institutional memory could occur.
- Increase pressure and stress on Recreation staff to work with less support from the reduced number of hours for Coordinators & Specialists.
- Loss of control and influence of stakeholder groups, partners, clubs and other constituents.
- Increase of fees that are required to align with classification of service cost recovery goals.
- New job responsibilities of existing staff can be stressful and result in temporary loss of productivity.

6.1.3 OPPORTUNITIES-POTENTIAL NEW OUTCOMES AND RESULTS

New Opportunities of District Consolidation

- A reinvented and reinvigorated sense of vision, mission and values for the consolidated district can energize staff and create a stronger sense of community
- Better and bigger general funding source to draw upon to fund new capital improvements and renovation and rehabilitation projects.
- Improved fee structure, pricing policies and cost recovery.
- Better public engagement and awareness of programs and facilities through expanded and enhanced marketing, public information, branding and promotions.
- Reorganization and new or expanded job responsibilities will provide growth opportunities for staff.
- Cost recovery levels could improve with an updated fee policy and cost of service analysis.
- New and expanded programs for residents - especially youth programs, youth sports, and adult and senior health and wellness programs due to the broader capabilities of the Mission Oaks Community Center and the indoor and outdoor sport facilities at La Sierra.
- Ability to enhance and improve indoor recreation facilities will improve programs & rentals.
- Improved participation in programs, park & facility utilization and enhanced quality of service.
- Able to provide programs to under-served populations (teens) and areas of the community based on social and geographic equity.
- Improved ability to attract and retain quality employees through improved salaries, larger agencies, and professional growth opportunities.
- Better ability to solicit sponsorships, partnerships and strategic alliances.
- Improved ability to apply for grants and other funding sources.
- No strong sense of affiliation of belonging or sense of loyalty to the Districts from residents.

6.1.4 THREATS, CHALLENGES OR OBSTACLES

Challenges or Obstacles to Consolidation

- Negative public perception of salary adjustments required for managing a larger agency that are benchmarked with the Sunrise Recreation and Park District.
- Merger of District policies, procedures, regulations, software systems and technology could be a time consuming challenge and added expense during transition.
- Consolidating may require updating employee job titles, classifications, job descriptions.
- Reclassification of existing employees may be difficult and resisted.
- New or higher expectations of job responsibilities and duties will be a challenge and opportunity.
- Loss of part time Coordinator and Specialist hours will put more pressure on Supervisors to perform.
- Creating measureable outcomes to share efficiency and productivity will be stressful.
- Fees policies based on best practices & benchmarks versus individual staff judgment.
- Requirements of Affordable Care Act on a consolidated agency with more than 50FTE.
- The perception that Mission Oaks will lose its SCIP program presence in the community
- Public and staff perception that quality of maintenance and service will degrade in the Mission Oaks area.
- Senior community has a strong identity linked to the Mission Oaks Community Center that needs to be maintained.
- Loss of unique culture and sense of team of the two districts.
- Fear of the unknown will make some staff uncomfortable in their work environment
- Fear of loss of programs that may not be needed but have high staff ownership

CHAPTER SEVEN – RECOMMENDED CONSOLIDATION PLAN FOR SERVICE

7.1 CONSOLIDATED ADMINISTRATION

- Eliminate 1 District Administrator position to oversee a consolidated district.
- Create the following sections within Administration: Office of the District Administrator, Finance, Human Resources, Business Services and Planning & Development.
- Reclassify and divide responsibilities of the two existing positions of Administrative Services Director/Managers to Finance Manager and Human Resources Manager.
- Reclassify existing Office Manager/Clerk of the Board position at Mission Oaks to Administrative Assistant, who would also serve as Clerk of the Board.
- Create a Planning and Development Section within Administration to oversee the planning and development of new park facilities, rehabilitation of existing parks and facilities, minor construction projects and administration of District capital improvement budgets.
- Reclassify one existing Parks Director/Manager position to serve as Planning & Development Manager.
- Move personnel allocations and associated costs for support staff positions working at the Carmichael Clubhouse, Mission Oaks Community Center, Swanston Community Center and La Sierra Community Center to the Recreation Division.
- Reclassify these front desk support staff positions from Receptionist (Carmichael) and Office Assistant (Mission Oaks) to Customer Service Representative.
- Eliminate the existing vacant Secretary position within the Carmichael District.
- Designate the Carmichael Clubhouse, La Sierra Community Center, Mission Oaks Community Center and Swanston Community Center as District sites for program registration and reservation of facilities.
- Move all Carmichael District Utility Costs to the new Parks and Facilities Division (should be done without consolidation)

7.2 CONSOLIDATED MAINTENANCE MANAGEMENT DIVISION FOR PARKS AND FACILITIES

- Create two sections within the existing Park Division for Parks & Landscape Maintenance and Facilities Maintenance.
- Move Carmichael’s utility costs to either the Parks & Landscape Maintenance Section or Facilities Section as appropriate. (should be done with or without consolidation)
- Create two geographic areas for Parks and Landscape Maintenance. The first area would include parks and facilities within the Mission Oaks Maintenance Improvement District and the other area would include parks and facilities within the consolidated district not within the Mission Oaks Assessment District.
- Utilize maintenance contracts to perform basic park maintenance of neighborhood park sites within the existing Carmichael District parks and Mission Oaks.
- Utilize existing Park Maintenance Workers to perform District wide maintenance functions within the consolidated district that are related to “high touch functions” or “high profile parks and facilities.”
- Reduce 7,696 hours of regular part time maintenance workers within Mission Oaks and Carmichael and utilize remaining 2,000 hours for seasonal positions to augment full time staff during busy park season.

- Expand existing Mission Oaks custodial maintenance contracts to provide service at the Carmichael Clubhouse, Veteran’s Memorial Building and the La Sierra Community Center.
- Allocate 5% of the salary and benefit cost of the parks and facilities maintenance administration and supervision to the Mission Oaks Maintenance and Improvement Assessment District to offset the cost of managing the District’s capital improvement program and maintenance activities within the portion of the District encompassed by the Assessment District.
- Utilize existing full time Park Maintenance staff from Carmichael to provide specialized maintenance services throughout the Consolidated District’s parks and facilities.

7.3 CONSOLIDATED RECREATION DIVISION

- Create two teams of supervisor & coordinator staff to be responsible for functional groupings of programs: 1) Youth Programs & Activities and 2) Adult Programs & community Activities.
- Create a Facility Operations Section to manage the scheduling, programming and rental of community centers, picnic areas and other reservation areas within the District.
- Reduce the number of positions and hours of part time Recreation/Program Coordinator and Recreation/Marketing Specialists by approximately 10,000 hours. (should be done with or without consolidation)
- Convert 4,160 hours of regular part time Coordinator/Specialist hours to 2 full time Program Coordinator positions. (should be done with or without consolidation)
- Move \$30,000 of part time salary cost to fund a contract Marketing Specialist position.
- Reclassify the 4 existing full time support staff positions to 4 Customer Service Representative positions to be assigned to the Recreation Division budget for the front desk operations at the Carmichael Clubhouse, Mission Oaks Community Center, Swanston Community Center and La Sierra Community Center. (should be done with or without consolidation)
- Augment the full time Customer Service Representatives at each Center with 3,000-4,000 hours of part time Customer Service Representatives positions to be used during prime time hours or busy seasonal periods as necessary.
- Create a “Community Events Team” from a combination of existing Recreation Supervisors and future full time Program Coordinators.
- Reduce allocation of recreation supervisors from 5 positions to 4 positions.
- Develop a comprehensive cost recovery and pricing policy to reflect appropriate level of cost recovery and general fund subsidy based on level of benefit and category of service: core, important and value added.
- Increase cost recovery goal of Recreation Division to 75% for programs, services, and operation/rental of District’s community centers. Analyze and adjust existing fees and charges to achieve a 75% cost recovery over the next 18 months. Increasing cost recovery to 75% would generate an additional \$275,000 in revenue from programs, excluding bridges reimbursement general fund savings: \$275
- Create a Business Services Section within the Division to oversee operational revenue and expenditures, quality assurance, public information and marketing.

7.4 RECOMMENDED RECREATION REVENUE COST RECOVERY TARGETS BY BROAD PROGRAM AREAS:

The Consolidated District should be able to achieve a 75% cost recovery of both direct and indirect expenses for Recreation by achieving the minimum cost recovery targets outlined in the table below. Direct expenses include staffing and material costs for programs. Indirect expenses include the salary and benefit cost of Recreation Supervisors and Recreation Coordinators based on percentage of time allocated to each program.

PARKS & RECREATION DEPARTMENT PROGRAM, ACTIVITY OR SERVICE	MINIMUM % COST RECOVERY	FUNDING SOURCE PRIMARY/SECONDARY
YOUTH PROGRAMS AND ACTIVITIES		
Sherriff’s Community Impact Program (SCIP)	0	Non Profit Funding/General Fund
Preschool Classes	100	User Fees
Youth Summer & School Break Camps	100	User Fees
Youth Special Interest Classes	100	User Fees
Elementary & Middle School Sports Leagues	50	User Fees & General Fund
Youth Sports & Fitness Programs	100	User Fees
Junior Leader Program	50	User Fees & General Fund
Bridges After School Program (ASES)	100	ASES State Grant Funded
Youth Special Events	50	Sponsorships & General Fund
ADULT & SENIOR PROGRAMS AND SERVICES		
Adult & Senior Special Interest Classes	100	User Fees
Adult & Senior Sports Programs-BB, VB, SB, PB	100	User Fees
Adult Drop In Sports @ LS, SCC, MOCC	50	User Fees/General Fund
Community Center Special Events & Dances	50	User Fees/Sponsors/General Fund
Adult/Senior Trips and Tours, Van Tours	100	User Fees
Senior Nutrition/Meals on Wheels	100	Area on Aging
Staff Support to Clubs Providing Programs	0	General Fund
Community Center Information & Referral	0	General Fund
COMMUNITY & SPECIAL EVENTS		
Community Wide Special Events	50	Sponsors & General Fund
Family Events, Concerts, Movies in the Park etc	50	Sponsors & General Fund

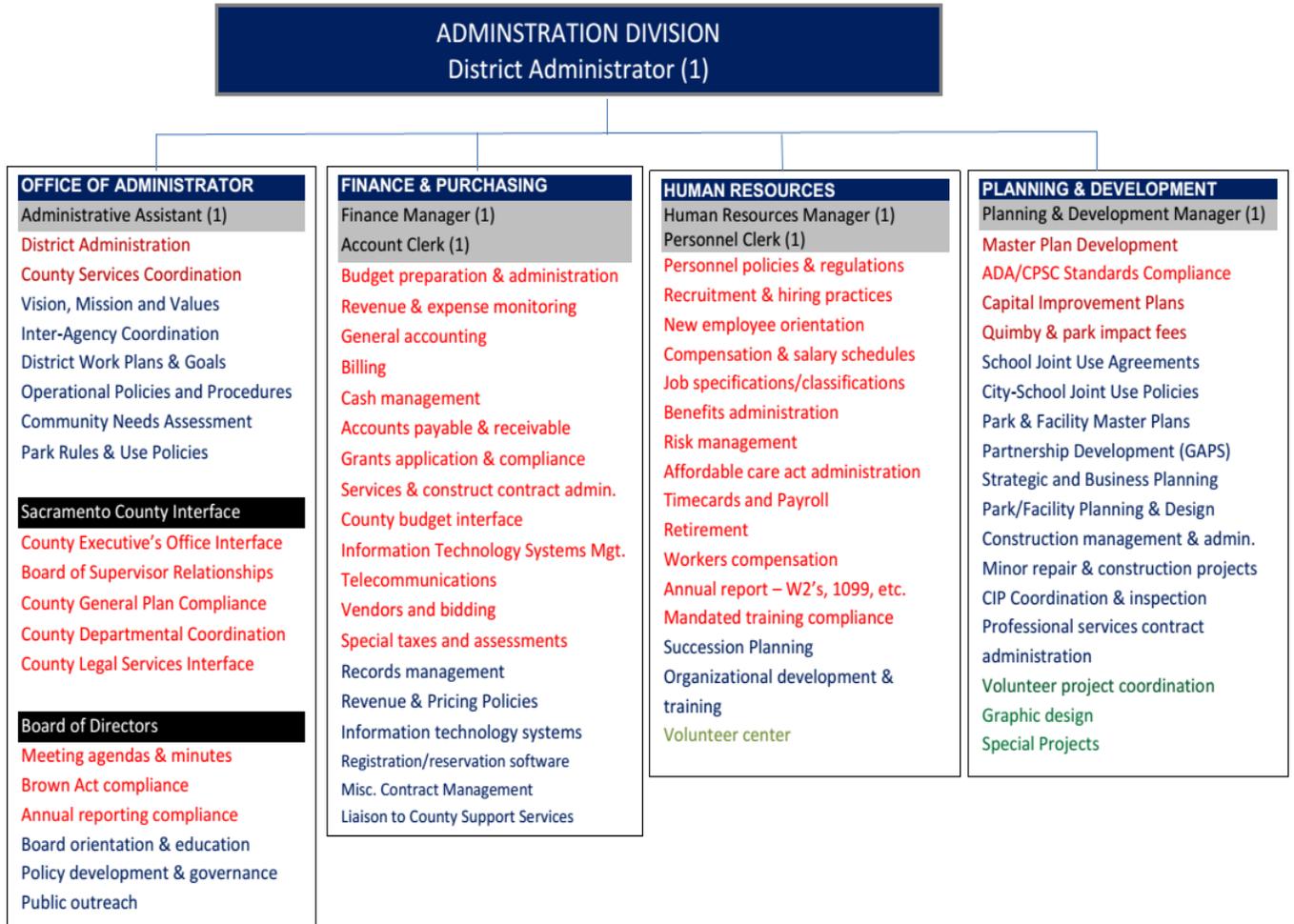
7.5 CATEGORIZING DISTRICT OPERATIONAL FUNCTIONS IN CORE, IMPORTANT AND VALUE ADDED

Service Category	Description	Cost-Recovery Expectations
Core	Services the combined District MUST provide to meet its mission, and statutory and/or regulatory obligations; maintains valuable assets and infrastructure investments; essential to protect visitor safety; preserves the integrity of natural and cultural resources; reasonably expected and supported (or demanded) by visitors and park maintenance	Largely supported by taxes and assessments with little or no cost-recovery
Important	Services the combined District SHOULD provide to effectively serve visitors; may expand or enhance provision of core services; broadly supported and utilized by visitors, although support may be conditional upon the perceived benefit, quality, and pricing of the services	Supported by a balance of taxes & earned income or revenues from user fees and rental revenues
Value Added	Services the District MAY provide when they are fiscally sustainable through visitor support; add value above and beyond what is required or expected of the combined agency’s core functions; are easy opportunities to integrate alternative providers and operators into providing services at one or more sites	Substantially or fully supported by earned income or revenues from user fees and rental revenues

7.6 CONSOLIDATED & CATEGORIZED FUNCTIONAL ORGANIZATIONAL CHARTS

The following functional organizational charts for the three major divisions of the consolidated District categorize operational functions, program and services into core, important and value added. Core functions are highlighted in red, important functions in blue and value added functions are highlighted in green.

Categorized Functional Organizational Chart – Administration Division



Categorized Functional Organizational Chart - Parks & Facilities Maintenance Division

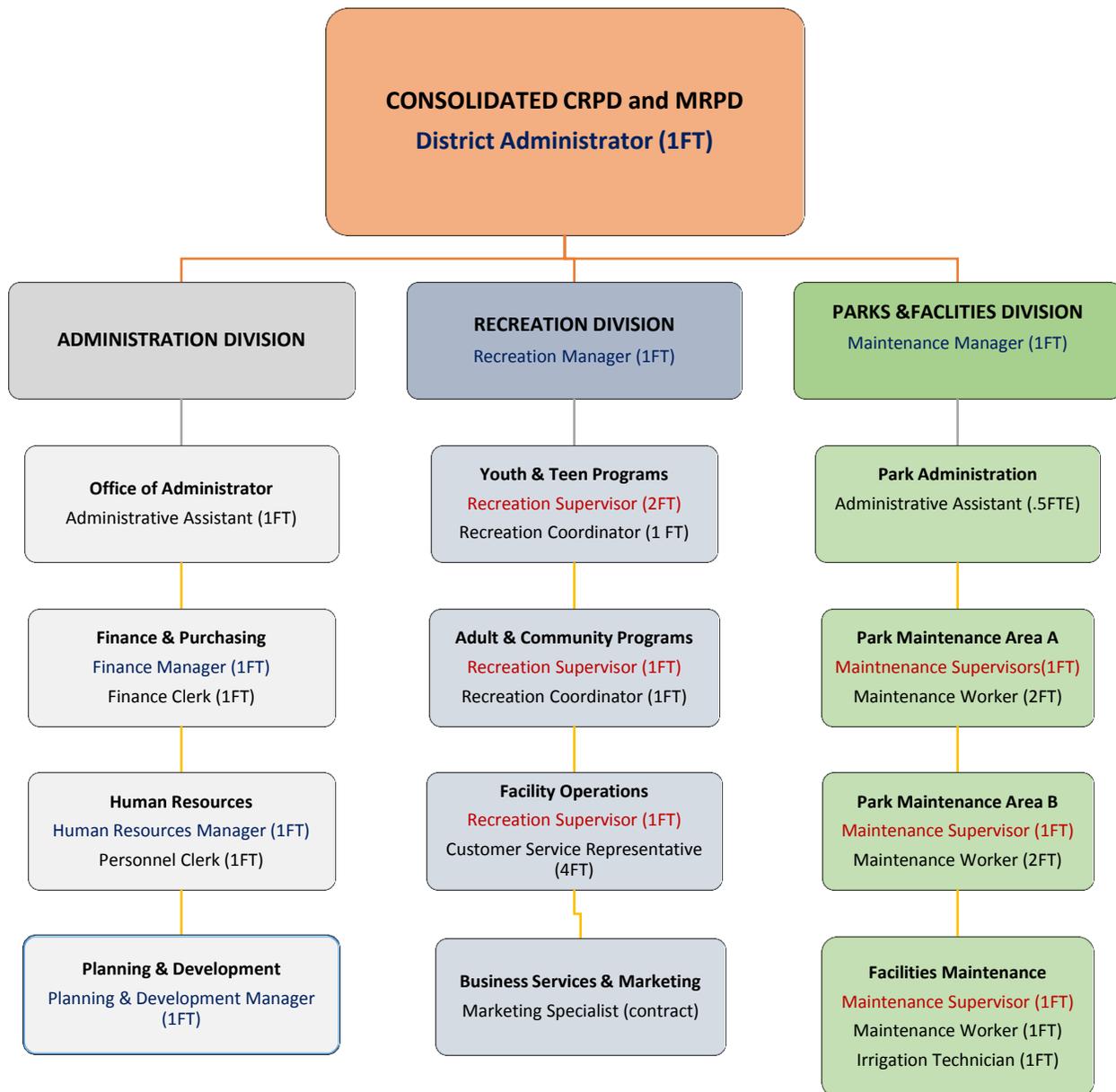
Parks and Facilities Division
Parks and Facilities Maintenance Manager (1)

PARK MAINTENANCE AREA A	PARK MAINTENANCE AREA B ASSESSMENT DISTRICT AREA	FACILITIES MAINTENANCE	PARK ADMINISTRATION
Maintenance Supervisor Maintenance Worker (2)	Maintenance Supervisor Maintenance Worker (2)	Maintenance Supervisor (1) Irrigation Technician (1) Maintenance Worker (1)	Administrative Assistant (PT)
<p>Park Maintenance (13 parks) </p> <p>12 Parks maintained via contract</p> <p>Maintenance contract inspections</p> <p>Schweitzer Grove Nature Area</p> <p>Littler Trash Removal</p> <p>Vandalism & Safety Repair</p> <p>Playground Safety Inspections</p> <p>Safety repairs/mitigation</p> <p>Integrated Pest Management (District)</p> <p>Athletic Field Maintenance</p> <p>Park amenity repair and replacement</p> <p>Weed Control</p> <p>Mowing</p> <p>Recycling and green waste</p> <p>Leaf & Debris Removal</p> <p>Season Color Changes</p> <p>Fertilizing & Mulching</p>	<p>Park maintenance (16 parks)</p> <p>12 Parks maintained via contract</p> <p>Maintenance contract inspections</p> <p>Park & grounds maintenance contracts</p> <p>Litter & trash removal</p> <p>Vandalism and safety repair</p> <p>Safety inspections/mitigation</p> <p>Tree safety pruning/removals</p> <p>Urban forestry management (District)</p> <p>Park amenity repair and replacement</p> <p>Weed Control</p> <p>Mowing</p> <p>Recycling and green waste</p> <p>Leaf & Debris Removal</p> <p>Season Color Changes</p> <p>Fertilizing & Mulching</p> <p>Picnic reservation service</p> <p>Non technical Tree Trimming/Pruning</p>	<p>Custodial Contracts– District Buildings</p> <p>Custodial Contracts– Park Restrooms</p> <p>Building Systems Maintenance</p> <p>Minor building repair & remodel</p> <p>Building Lessee M&O Coordination</p> <p>Specialty Trade Contractor Administration</p> <p>Automobile & fleet maintenance</p> <p>Mower upkeep & repair</p> <p>Minor equipment repair & maintenance</p> <p>Tool repair and maintenance</p> <p>Facilities utility management</p> <p>Park utility management</p> <p>Water Management (District Wide)</p> <p>Irrigation system maintenance (District)</p>	<p>Park Division Administration</p> <p>Assessment District Administration</p> <p>Maintenance Contract Administration</p> <p>Budget Administration</p> <p>Park Security</p> <p>Employee safety education & training</p> <p>Risk management safety inspections</p> <p>Technical Training</p> <p>Quality Assurance Inspections</p> <p>Coordination with Recreation & Admin.</p> <p>Maintenance management system</p> <p>Picnic reservation coordination & service</p>

Categorized Functional Organizational Chart - Recreation Division

RECREATION DIVISION
Recreation Manager (1 Full Time)

YOUTH PROGRAMS & SERVICES	ADULT & COMMUNITY PROGRAMS	FACILITY OPERATIONS	BUSINESS SERVICES
Recreation Supervisor (2 Full Time) Recreation Coordinator (1 Full Time)	Recreation Supervisor (1 Full Time) Recreation Coordinator (1 Full Time)	Recreation Supervisor (1 Full Time) Customer Svc. Rep. (4 Full Time) Office Assistant (PT – 2 FTE) Building Monitors (Seasonal PT)	Marketing Specialist (contract)
YOUTH RECREATION	ADULT & SENIOR ACTIVITIES	RECREATION & FACILITY OPERATIONS	
Sherriff's Community Impact Program Bridges After-School Program (ASES) Youth Sports: FF, BB, VB, TF Incredible Adventures Program Summer Day Camps Tennis Lessons Youth Special Interest Classes Youth Special Events School Break Camps Sports & Specialty Camps Preschool Classes After School Programs Kidz Love Soccer Pee Wee Sports Programs Preschool/Tiny Tot Classes Tennis Program	Adult Health, Tax, Finance Assist. Meals on Wheels - Lunch Program Senior Social Service Support Services Special Interest Classes Van Trips Contract Trips and Tours Older Adult Special Events Wellness Classes & Services Senior Dances & Events Adult/Senior Club Support Adult Sports Leagues: VB, BB, PB Open Gym Drop In Tennis Lessons Senior Citizens Club	Program Registration @ 4 Centers Centers & Buildings Rentals Building & Facilities Scheduling Group Picnic Area Rentals Pavilion Rentals Building monitors scheduling Program registration Customer service Community Centers rentals Sport Fields Rentals & Scheduling Partnership Agreements Facility Use Permits Non-profit facility use	School Joint Use Agreements Revenue & Expense Tracking Attendance & Registration Customer Satisfaction Audits Performance Measurements Contracts Administration Grants Applications Telecommunication Systems. Information Technology Systems Joint Use Agreement Compliance Business Planning Revenue & Pricing Policies Quality Assurance Processes Productivity/ Space Utilization Productivity of Programs/Utilization Facility Lease Management Youth Sports Athletic Field Use Volunteer Program
TEEN RECREATION	COMMUNITY EVENTS		Marketing & Public Information
Sherriff's Community Impact Program Middle School Sports: Football, Volleyball, Basketball, Track & Field Wrestling Teen Led Homework Tutor Program Junior Leader Program Special Interest Classes Trips & Excursions High School Summer Sports Camps	4 th of July Fireworks Community Parades & Festivals Carmichael Founders Day Family Oriented Special Events Concerts in the Park Holiday Special Events Movies in the Park Faire & Festivals Holiday Night Lights Boutiques & Craft Fairs Farmer's Markets in the Park		Website Management Marketing Strategic Plan District branding campaign Logos, style guide Signage & graphic design Media liaison & press releases Grants Partnerships & Sponsorships Social Media Recreation Guide Production Newsletters & flyers Email advertising & marketing



7.7 PROPOSED ORGANIZATIONAL CHART – FULL TIME STAFFING

7.8 COMPARISON OF PROPOSED CLASSIFICATION OF EMPLOYEES BY POSITION

CLASSIFICATION	CURRENT # CARMICHAEL ALLOCATIONS	CURRENT # MISSION OAKS ALLOCATIONS	CURRENT # SUNRISE ALLOCATIONS	PROPOSED # CONSOLIDATED ALLOCATIONS
ADMINISTRATION				
District Administrator	1	1	1	1
Administrative Services Mgr/Director	1	1	1	0
Planning & Development Manager	0	0	0	1
Finance Manager	0	0	1	1
Human Resources Manager	0	0	0	1
Account Clerk	0	0	1	1
Personnel Clerk	0	0	0	1
Administrative Assistant	0	0	0	1
Administrative Secretary	1	0	0	0
Office Manager	0	1	0	0
Bookkeeper	1	0	0	0
Payroll/Account Clerk	1	0	0	0
Secretary Receptionists	2	0	0	0
Office Assistant/Customer Service Representative	0	1	2	0
Total Administration	7	4	7	7
RECREATION DIVISION				
Recreation Services Manager/Director/Superintendent	1	1	0	1
Recreation Supervisor	2	3	3	4
Recreation Coordinator	0	0	0	2
Customer Service Representative	0	0	0	4
Total Recreation Division	3	4	6	11
PARKS DIVISION				
Parks & Facilities Manager/Director/Superintendent	1	1	1	1
Maintenance Supervisor	2	1	5	3
Irrigation Technician	0	1	0	1
Vehicle Equipment Maintenance Specialist	0	0	1	0
Park Maintenance Worker	5	0	1	5
Total Maintenance Division	8	4	8	10
TOTAL FULL TIME EMPLOYEES	18	12	21	28
PART TIME POSITIONS REGULAR & SEASONAL (2,080 HOURS = 1 FTE)				
Administrative Services	0 FTE	2.78 FTE	4 FTE	1 FTE
Recreation Division	18.25FTE	22.32 FTE	58 FTE	35 FTE
Parks Division	.53 FTE	4.63 FTE	25 FTE	1.5 FTE
TOTAL PART TIME FTE	18.78FTE	29.73	87 FTE	37.5
TOTAL EMPLOYEES (FT & PT FTE)	36.78FTE	41.73 FTE	98 FTE	65.5 FTE

7.9 RECOMMENDED SALARY ADJUSTMENTS WITH CONSOLIDATION

The following table outlines the proposed salaries of full time positions for the new consolidated district. The table includes current top step salaries of the Sunrise Recreation and Park District. Sunrise is the other dependent special district serving a population similar in size to the consolidated district. The proposed salary adjustments are aligned with the Sunrise Recreation and Park District.

ORGANIZATION	Carmichael Recreation and Park District	Mission Oaks Recreation and Park District	Sunrise Recreation and Park District	Consolidated District
District Population	52,000	61,129	165,036	113,129
Total Budget	4,132,398	5,122,759	\$7,800,000	9,255,157
Number of Full Time Employees	18	12	26	31
Total Full Time Equivalent Employees	37	40		77
Number of Developed Parks	13	16	43	29
Total Park Acres Managed	134	102	489	236
EMPLOYEE SALARY BY CLASSIFICATION	ANNUAL SALARY	ANNUAL SALARY	ANNUAL SALARY	PROPOSED SALARY
ADMINISTRATION				
District Administrator (2)	\$ 108,708	\$ 100,860	\$ 144,912	\$ 144,000
Planning & Development Manager (reclassified)	NA	NA	\$ 96,684	\$ 101,640
Finance Manager (reclassified)				\$ 89,736
Human Resources Manager (reclassified)				\$ 89,736
Administrative Assistant (reclassified)	\$ 47,028	NA	NA	\$ 56,000
Account Clerk/Bookkeeper	\$ 47,028	NA	\$ 56,292	\$ 56,000
Personnel/Payroll Clerk	\$ 47,028	NA	\$ 56,292	\$ 56,000
RECREATION DIVISION				
Recreation Services Manager/Director/Supt.	\$ 83,724	\$ 89,736	\$101,640*	\$ 101,640
Recreation Supervisor/Rec. Service Mgr.III	\$ 62,016	\$ 74,748	\$ 82,236	\$ 74,748
Recreation Coordinator (new-full time)	PT Regular	PT Regular	PT Seasonal	\$ 52,000
Customer Service Rep./Adm. Assist/Receptionist	\$ 42,648	NA	\$ 46,080	\$ 47,000
<i>*SRPD Recreation Supt. currently vacant</i>				
MAINTENANCE DIVISION				
Maintenance Services Manager/Director/Supt.	\$ 83,724	\$ 89,736	\$ 101,640	\$ 101,640
Maintenance Supervisor	\$ 57,312	\$ 71,232	\$ 67,116	\$ 67,116
Irrigation Technician	NA	\$ 54,816	NA	\$ 54,816
Maintenance Worker	\$ 47,580	NA	\$ 58,692	\$ 52,236
Note: Annual salary is based on top step of a 5 step scale³⁷ without longevity step bonus				

CHAPTER EIGHT OPTIONS AND ALTERNATIVES

8.1 OPTION #1: DO NOT CONSOLIDATE AND MAINTAIN THE STATUS QUO

Maintaining the status quo is not recommended. The findings and operational analysis of the Carmichael and Mission Oaks identified a number of issues that contribute to operational inefficiency and cost ineffectiveness. Additionally, there are significant level of service challenges for the Carmichael Recreation and Park District related to park and facility maintenance due to lack of financial resources combined with being understaffed due to their complete reliance of District staffing for park and facility maintenance. The Mission Oaks District is overstaffed in relation to the volume and complexity of the Recreation Division's work program. The Division expends approximately \$590,000 for 12 people (10 FTE) to plan, promote and supervise a recreation work program of approximately \$750,000, excluding Bridges. Both the Carmichael and Mission Oaks Districts are underperforming in cost recovery of its recreation programs and community center rentals.

8.2 OPTION #2: DO NOT CONSOLIDATE, BUT MAKE SELECT OPERATIONAL CHANGES TO IMPROVE EFFICIENCY & COST EFFECTIVENESS OF OPERATIONS.

Maintaining two separate Districts, but making operational changes to improve efficiency and cost effectiveness is a **better alternative than maintaining the status quo**, but does not achieve the cost savings, new revenue opportunities and service level improvements that consolidation should. The findings outlined in Chapters 3 and 4 of this report outline specific problem and opportunities for each District to improve.

Addressing these findings through reorganization, reduction in force and improved cost recovery could be made to improve cost effectiveness and operational efficiency without consolidation. Additionally, there are a number of recommendations within Chapter Six that are noted that should be done with or without consolidation.

8.2.1 CARMICHAEL RECREATION AND PARK DISTRICT

- Utilize maintenance contracts to maintain neighborhood parks and provide custodial services at facilities versus full time park maintenance workers.
- Add additional funding for contract maintenance through budget savings realized with the payoff of the La Sierra loan from Mission Oaks and through savings from reduction in force of full time employees through attrition.
- Expand and revise the work program of the Recreation Manager to focus on facility operations, marketing and the other functions identified in the Business Services section of Administration in the consolidated functional organizational chart.
- Increase marketing, reduce overhead of part time Coordinators and update fees to achieve an overall cost recovery of 75% of the Recreation Division over three years.
- Eliminate the Secretary classification that is currently vacant and apply savings to fund improved service levels in Park Maintenance.
- Move District utility costs to the Parks and Facilities Division to reflect the true cost of maintaining and operating parks and facilities.
- Partner and jointly program with MORPD to provide expanded programs for seniors and older adults at the Mission Oaks Community Center and with youth & adult sports, drop in sports & fitness at La Sierra.

- Develop a maintenance management plan for parks and facilities to identify budgets, standards, staffing plan, equipment and utilization of contracts to improve maintenance levels at an appropriate funding level.
- Develop a strategic business plan for the Recreation Division to improve operational efficiency, cost effectiveness and return on investment of tax support and user fees.

8.2.2 MISSION OAKS RECREATION AND PARK DISTRICT

- Reduce 9,000-10,000 hours of regular part time Recreation Coordinators and Specialists. This will provide approximately \$200,000 in savings that could be used to provide actual programs.
- Utilize savings from reduction in hours from Recreation Coordinators and Specialists to fund free programs for youth such as summer park playground programs, school break drop in camps, teen activities and improved marketing and advertising.
- Utilize overhead savings to fund a Youth Program Scholarship fund to provide financial assistance to low income youth to participate in fee based recreation programs for free or a reduced cost.
- Convert 2,080 of Recreation Specialist hours to a full time Marketing Specialist to provide District wide marketing and public information services.
- Convert 2,080 hours of a Program Coordinator to a full time Recreation Coordinator to assist Recreation Supervisors with youth programs and special events.
- Reduce 5,000 hours of regular part time Park Maintenance Workers. Hire seasonal PMW with remaining hours. Utilize savings from reduced regular part time maintenance worker hours to fund additional capital improvements projects for District parks and buildings.
- Move budget allocation of support staff personnel operating at the Swanston and Mission Oaks Community Centers to the Recreation Division budget to reflect true cost of Center operations.
- Expand and revise the work program of the Recreation Director to focus on facility operations, marketing and the other functions identified in the Business Services section in the consolidated functional organizational chart.
- Increase marketing, reduce overhead of part time Coordinators/Specialists and update fees to achieve an overall cost recovery of 75% of the Recreation Division over three years.
- Jointly program indoor sports leagues, drop in sports and specialty camps with the Carmichael Recreation District. The joint programs should be for both youth and adults.
- Jointly program older adult programs with the Carmichael Recreation and Park District to encourage expanded use of the Mission Oaks Community Center by seniors from CRPD.
- Develop a strategic business plan to improve operational efficiency, cost effectiveness and return on investment of tax support and user fees.

8.2.3 COST BENEFIT ANALYSIS OF OPTION 2 – NO CONSOLIDATION OF DISTRICTS BUT OPERATIONAL EFFICIENCY RESTRUCTURING

Carmichael Recreation and Park District

Addressing the findings of operational inefficiencies through reorganization, reduction in force and improved cost recovery has the possibility of generating 150,000+- in savings and new revenue for the Carmichael Recreation and Park District. Savings would be associated with the elimination of the existing Secretary classification (\$60,000). Improving cost recovery of the Recreation Division to 75% of expenditures has the

potential to generate an additional \$100,000+ over time with increased program participation and program fees. Additionally, the Carmichael District will benefit from an additional \$300,000 general fund revenues each year due to the retirement of the loan payment to Mission Oaks for the renovation of the La Sierra Community Center. This additional general fund money will occur with or without consolidation and should be used to fund increased maintenance service levels and the remediation of a substantial backlog of deferred maintenance projects within parks and facilities.

Mission Oaks Recreation and Park District

Addressing the findings of operational inefficiencies through reorganization, reduction in force and improved cost recovery has the possibility of generating \$450,000+- in savings and new revenue for the Mission Oaks Recreation and Park District. Savings of approximately \$265,000 would be realized with the elimination of 10,000 hours of regular part time Coordinators & Specialists and 5,000 hours of regular part time Maintenance Workers. Improving cost recovery of the Recreation Division to 75% of expenditures has the potential to generate an additional \$100,000+ over time with increased program participation and program fees. Savings associated with reduced hours for regular part time Maintenance Workers should be allocated to increasing the funds available for capital improvements and upgrades to parks and facilities. Savings from the Recreation Division should be used to fund free or low cost programs for youth and teens, particularly in the low income or underserved areas of the District. Converting 4,160 hours of regular part time Coordinator hours to full time will allow the District hire full time employees to improve marketing and special events.

8.2.4 ADDED GENERAL FUND REVENUE BENEFITS TO BOTH DISTRICTS

It is recommended that any savings or new revenues generated be used by the District's general fund to augment park & facility maintenance service levels and/or fund the capital improvement investment and rehabilitation fund. Both Carmichael and Mission Oaks have ongoing needs and liabilities in deferred maintenance of existing parks and facilities, although Carmichael's needs are substantially unfunded. According to a report provided by the Carmichael District, the park system has identified over \$6 million unfunded needed or desired capital improvement projects. This list included over \$3 million in renovation and rehabilitation projects within the existing parks and buildings maintained by the District. This list also includes new additions and improvements needed or desired within Carmichael Park and the La Sierra Community Center. Mission Oaks also has a five year capital improvement program to upgrade and improve District parks and facilities that is substantially funded through the Maintenance Improvement Assessment District.

In Mission Oaks, overhead savings in the Recreation Division would produce new general fund monies that should be used to fund actual programs such as low cost of free youth summer playground programs, day camps, teen activities and scholarships to voucher youth and teens from low income families into fee based programs

8.3 OPTION #3: CONSOLIDATE THE CARMICHAEL AND MISSION OAKS RECREATION AND PARK DISTRICTS

Consolidating the Carmichael and Mission Oaks Recreation and Park Districts is the preferred option. Consolidation will allow the Districts to operate more efficiently and effectively and expand and enhance services to the residents that they serve. The benefits of Option 3 are as follows:

1. Net general fund savings of \$500,000+ through the proposed reorganization and staffing plan.
2. Improve the maintenance levels of parks and facilities, especially in Carmichael.
3. Cost savings can fund a capital improvement investment and rehabilitation fund to be used for remediating a substantial and expensive backlog of deferred maintenance projects.
4. Provide expanded and enhanced program offerings and facility use opportunities for district residents.
5. Better marketing, public information and awareness of District programs & facilities.
6. Increased utilization and customer satisfaction by residents of District programs, services & facilities
7. Decreased duplication of programs and services.
8. Improved cost recovery of Recreation will allow expansion of programs and services throughout the District with less tax subsidy.

8.3.1 POTENTIAL GENERAL FUND COST SAVINGS ASSOCIATED WITH CONSOLIDATION \$900,000

- Consolidation of the Carmichael and Mission Oaks Recreation and Park District should create over \$.5 million in operational costs savings to the District associated with the strategies outlined below.
- Economies of scale in operation related to sharing of employees, equipment, purchasing, maintenance contracts, CIP's
- Reduction in salary costs associated with elimination of 14 FTE of positions & non-essential regular part time positions.
- Increasing Recreation program and facility utilization & participation by residents and improved cost recovery to achieve 75% revenue to expense ratio.
- Allocating administrative overhead to the Mission Oaks Assessment District as provided for in formation documents.

BREAKDOWN OF SAVINGS THROUGH REDUCTION IN FORCE (APPROXIMATE)

• Eliminate 1 District Administrator Allocation:	\$150,000
• Eliminate 1 Recreation Manager Allocation:	\$125,500+
• Eliminate 1 Recreation Supervisor Allocation:	\$95,000+
• Eliminate 1 Senior Park Maintenance Worker	\$78,000
• Eliminate 1 Secretary Allocation (currently vacant)	\$73,000
• Reduce 7,540 part-time maintenance worker hours:	\$150,000
• Reduce 10,400 hours of PT Recreation Coordinator and Specialist positions:	\$200,000
• Allocate 5% Administrative Overhead to the Mission Oaks Assessment District:	<u>\$50,000</u>
	\$921,000

8.3.2 POTENTIAL NEW COSTS ASSOCIATED WITH CONSOLIDATION PLAN – 380,000+-

The recommended reorganization plan for Consolidation will require some additional operational expenses. These expenses relate to salary adjustment required to achieve parity between similar classifications and pay scales within the Carmichael and Mission Oaks Recreation and Park Districts. Additionally, salary adjustments are appropriate to achieve parity with the Sunrise Recreation and Park District, which operates a similarly

sized dependent special district to the proposed consolidated CRPD/MORPD District. There will also be additional salary and benefit costs associated with converting 2FTE of regular Recreation Coordinators to full time and one Office Assistant to a full time Customer Service Representative. Consolidating the Districts will require current Mission Oaks employees to contribute to social security. Consolidating the Districts will cause the total FTE of the consolidated district to exceed 50FTE and trigger mandatory compliance with the Affordable Care Act. There will also be costs associated with staff time to merge administrative policies, procedures, software and technology systems.

BREAKDOWN OF ADDITIONAL COSTS ASSOCIATED WITH CONSOLIDATION

• Approximate cost of proposed salary adjustments:	\$100,000+-
• Additional Social Security costs for Mission Oaks employees:	\$ 100,000+-
• Added health care cost associated with ACA compliance with 50+FTE’s	\$100,000+-
• Convert 4,160 regular part time Coordinator/Specialist hours to Full Time	\$ 55,000+-
• Convert 2,080 regular part time Office Assistant hours to a Full Time C.S.R.	<u>\$ 25,000+-</u>
	\$380,000+-

8.3.3 NET GENERAL FUND SAVINGS ASSOCIATED WITH CONSOLIDATION: \$500,000+-

The proposed consolidation plan can achieve at least \$500,000 in savings while achieving or exceeding service levels in all aspects of operation. These general fund savings will provide an ongoing source of new general fund monies to be invested in improved maintenance of parks and facilities and in contributing annually to a desperately needed capital improvement fund to mitigate the backlog of deferred maintenance projects in the existing Carmichael District.

8.3.4 REDUCTION IN NUMBER OF THE PERSONNEL – 13 FULL TIME EQUIVALENTS

The proposed consolidation plan achieves a reduction of 13 FTE’s. Currently the two Districts employ approximately 78.5 FTE’s, while the consolidated district will employ approximately 65.5. The staffing plan for the consolidated district also reduces the number of full time employees by 2 from 30 to 28. It is recommended that the District achieve the proposed reduction in force of full time employees and the new staffing plan through natural or incentivized attrition versus layoffs.

8.3.5 POTENTIAL NEW REVENUE FROM RECREATION RELATED TO IMPROVED COST RECOVERY AND PROGRAM EXPANSION: \$100,000 - 250,000 OVER 3+ YEARS

Consolidating the two Districts will double the population base for the combined District to market and promote programs to. Additionally, the consolidated District will have the benefit of expanded and enhanced facilities that will be utilized for programs for youth, adults and seniors. The proposed reorganization plan should allow the Recreation Division to be more effective in programming and be able to achieve a 75% cost recovery of both direct and indirect programming costs. Achieving a 75% cost recovery could generate from \$100,000-\$250,000 of additional revenue to offset the general fund subsidy of Recreation. This improved revenue generation will likely take several years of program expansion, improved marketing and select fee modifications to be achieved.

8.4 POTENTIAL LEVEL OF SERVICE BENEFITS ASSOCIATED WITH CONSOLIDATION

Administration

Consolidating the Administration Divisions of the two Districts will enhance or expand service and improve operational efficiency and cost effectiveness in the following ways:

- One District Administrator managing a larger consolidated District will not only be more cost effective, but improve the efficiency of the District in managing operations for a larger community of Carmichael and Sacramento with similar socio-economic demographic.
- Creating the Finance and Human Resources Division should improve the efficiency and cost effectiveness of these two very specialized and important administrative support functions. Current laws and regulations make it difficult for one Administrative Services Manager to have a good handle on all the legal requirements, policies and procedures of finance, purchasing, public bidding law, employment law, benefits, insurance, risk management etc.
- Moving Planning and Development to Administration will allow the Consolidated District to develop a capital improvement plan to invest and reinvest in parks and facilities to improve the appearance, functionality and safety of District facilities.
- Salary adjustments will make the consolidated District more competitive in attracting and retaining employees and are commensurate with managing a larger agency with increased responsibilities. The proposed salary adjustments were benchmarked with the Sunrise Recreation and Park District.

Recreation

Consolidating the two Recreation Divisions will enhance or expand services and improve operational efficiency and cost effectiveness in the following ways.

- A larger population of 110,000+ customers within a consolidated district to draw from and serve should increase program attendance, park & facility utilization and satisfaction.
- Creation of a Business Services section within Recreation will greatly expand capabilities in marketing programs & facilities, pricing & cost recovery control, operational quality assurance in service delivery and new earned income opportunities through partnerships and sponsorships.
- Improved marketing capabilities should improve program participation, participation and cost recovery.
- The reorganization model of “teams of recreation staff” working on “groups of programs” will improve the quality, consistency and number of program offerings. Joint programming improves synergy, creativity and sharing of resources.
- Reorganizing the Recreation teams into Youth & Teens, Adults & Community and Facility Operations will allow Supervisor and Coordinator staff to have better focus and expertise in operations.
- Consolidating will allow the District to hire 2 full time Recreation Coordinators. Full time Coordinators will be able to create a more stable and professional workforce to be shared throughout the District and expand and enhance capabilities in programming and front line supervision.

- Moving the existing 2 CRPD full time Secretary/Receptionist positions and MORPD Office Assistant positions from the Administration Division to the Recreation Division to serve as Customer Service Representatives at the four community center sites to register the public for programs, reserve facilities and to provide support services for the operation of centers and recreation programs.
- The ability to share and program for unique and complementary facilities such as the Mission Oaks Community Center and the La Sierra Community Center will expand and enhance program capabilities. For example, older adults will be able to use both community centers for health, wellness and fitness programs with an expanded client base.
- The Recreation Division should expand or enhance program offerings in the following areas to attract new customers, increase program attendance and facility utilization by residents and customers:
 - Adult & senior sport leagues, health & fitness programs,
 - Drop in Sports at La Sierra
 - Adult special interest classes
 - Teen programs and activities
 - Family programs
 - Rental of Community Centers for business/community meetings, social activities and receptions

Parks & Facilities

It is recommended the consolidated District allocate the majority of cost savings and increased revenue to fund the improved maintenance of parks and facilities. The greatest benefit of consolidating the two existing Districts will be improved maintenance and upkeep of parks and facilities. In particular, the Carmichael Recreation and Park District has struggled in recent years to maintain parks and facilities at a consistently good level due to the lack of personnel and financial resources. The following are some of the benefits of consolidation to park and facility maintenance and operation.

MOST COST EFFECTIVE APPROACH TO MAINTENANCE USING DISTRICT EMPLOYEES & CONTRACTS

The proposed staffing plan for the Consolidated District assumes a combination of District employees and Contract Maintenance. In this maintenance management plan, District employees would be responsible for maintenance of high profile community parks and facilities and high touch functions like irrigation, playground safety inspections, building maintenance and light construction. The District would perform the majority of neighborhood park maintenance and custodial services of facilities through maintenance contracts. Utilizing this approach will enable the District to achieve a higher and more consistent level of maintenance and facility upkeep at a reduced cost per acre.

PARK MAINTENANCE SERVICE LEVELS TO BE ACHIEVED THROUGH CONSOLIDATION

An additional \$500,000+- of new general fund monies associated with the cost savings and new revenues outlined in this report will allow the District to achieve a good level of service in parks and facilities within the current area of the Carmichael District and maintain a very high level of service within the current area of the Mission Oaks District. A higher level of service will be maintained for those parks and facilities within the current Mission Oaks Maintenance and Improvement District due to additional funding provided by the Assessment District. Core park maintenance services include: Mowing; Automated Irrigation Programming; Irrigation Inspection (restroom cleaning, waste pick-up and removal, playground monitoring, inspection for hazards and vandalism, etc.) Discretionary and value added services include such tasks as fertilization, turf renovation, athletic field preparation, etc. The following are the maintenance service levels that should be

achievable with increased funding. The service levels are taken from the Carmichael District's maintenance standards.

- **Level 1 Park Maintenance Service Standard (Parks with MO Maintenance and Improvement District)** Maintenance at this level frequently exceeds the standard. Parks are consistently clean, mowed and edged. Flowers are planted seasonally in Community and Regional Parks. Litter is rarely seen. Restrooms are serviced twice daily and deep cleaned multiple times per week. Safety and playground inspections are performed weekly. Turf is great condition, mowed twice per week and maintained consistently throughout the year so that brown spots, weeds, and wet areas are greatly reduced. Irrigation systems are checked and adjusted weekly. Staff or contract maintenance workers are more visible in parks and readily accessible to provide customer service to the park patrons, safety issues like vandalism and graffiti remediated within hours and have little impact on the public. Customer complaints are uncommon and resolved promptly.
- **Level 2 Park Maintenance Service Standard (Parks currently within CRPD).** Maintenance at this level is adequate and appropriate for all park areas. Park conditions are improved due to the increased frequency of core tasks. Litter picked up with greater frequency. Restrooms are serviced twice daily and deep cleaned once per week. Safety inspections are performed monthly and playgrounds are inspected weekly. Turf is mowed and edged weekly, sports turf twice a week. Turf is in good condition with very few brown spots. Flowers are more regularly planted in regional and community parks. Weeds are occasionally found but are not common. Irrigation systems are checked and adjusted every two weeks. Vandalism and graffiti are remediated the day of discovery. Customer complaints are occasional and resolved quickly.

FACILITY MAINTENANCE SERVICE LEVELS TO BE ACHIEVED THROUGH CONSOLIDATION

An additional \$500,000+- of new general fund monies associated with the cost savings and new revenues outlined in this report will allow the District to achieve a good level of service in parks and facilities within the current area of the Carmichael District and maintain a very high level of service within the current area of the Mission Oaks District. A higher level of service will be maintained for those parks and facilities within the current Mission Oaks Maintenance and Improvement District due to additional funding provided by the Assessment District.

- **Level 1 Facility Maintenance Service Standard (Facilities within the MO Maintenance & Improvement District)** Maintenance at this level frequently exceeds the standard. Buildings consistently look well maintained. Floors are swept, mopped and buffed daily. Floors are refinished quarterly. Restrooms are serviced twice daily and deep cleaned a minimum of twice per week. Safety inspections are performed weekly. Vandalism, graffiti and safety issues are remediated within hours of discovery. A detailed preventive maintenance plan is in effect and seldom deviated from. Equipment and HVAC systems are inspected and serviced quarterly. Sidewalks and entryways are blown off daily. Litter is rarely seen. Work requests are prioritized and completed more quickly. There is rarely any deferred maintenance. Customer complaints are rare and are resolved quickly.
- **Level 2 Facility Maintenance Service Standard: (Facilities currently within CRPD).** Maintenance at this level is acceptable and appropriate service standard. Building conditions are improved due to the increased frequency of core tasks. Floors are swept and mopped daily and buffed when necessary. Floors are refinished semiannually. Restrooms are serviced twice daily and deep cleaned once per week. Safety inspections are performed monthly. Vandalism, graffiti and safety issues are remediated the same day of discovery. A preventive maintenance plan is in effect. Equipment and HVAC systems

are inspected, serviced and filters changed semi-annually. Sidewalks and entryways are blown off three times per week. Litter is seldom seen. Work requests are prioritized and scheduled for completion. There is seldom any deferred maintenance. Customer complaints are infrequent and are resolved.

ADDITIONAL FUNDS FOR REMEDIATION OF DEFERRED MAINTENANCE & NEW INVESTMENT IN PARKS AND FACILITIES

Both the Mission Oaks and Carmichael Recreation and Park Districts have a backlog of necessary capital improvements and rehabilitation projects related to deferred maintenance and upgrades to existing parks and facilities. These lists total several million dollars of needed improvements. The additional funding provided by cost savings and new revenues associated with consolidation should be set aside each year for ongoing renovation, rehabilitation and enhancement to all existing parks and facilities. The Mission Oaks Maintenance and Improvement District does provide ongoing funding for nearly \$500,000 in capital improvements to parks and facilities within the Assessment District. It is suggested that at least 5% of the consolidated District's general fund budget be set aside for an investment, replacement and rehabilitation fund for District parks and facilities to supplement the Assessment District funding.

COMBINATION OF DISTRICT MAINTENANCE PERSONNEL AND CONTRACT PARK MAINTENANCE WILL IMPROVE COST EFFECTIVENESS

Utilizing maintenance contracts for basic neighborhood park maintenance and custodial services at District facilities should be approximately 20-30% more cost effective than providing these services with District employees. These savings are associated with lower labor costs, avoiding equipment purchase & maintenance costs and the greater flexibility of expanding or contracting the workforce throughout the year and seasonal demand changes in maintenance. Leaving a core group of District maintenance personnel for park and facility maintenance will still provide "in house" capability and expertise for high touch functions and high profile community parks and facilities. High touch functions would include responsibilities as water management & irrigation, playground safety inspections, park safety inspections, light park & facility construction projects & repairs and monitoring and upkeep of building systems. High profile facilities would include the maintenance of buildings and grounds at the District office, community centers and community park facilities such as competitive sport fields.

ECONOMIES OF SCALE BENEFITS FOR PURCHASING & MAINTENANCE CONTRACTS

A larger District should provide some cost savings related to economies of scale in purchasing of equipment, supplies and in bidding contracts for park and custodial maintenance. More competitive bids and annual lower annual fees for contract services typically realized with larger number of acres, park sites, and building square footage to be maintained.

8.4.2 CONCLUSION

Consolidating the Carmichael Recreation and Park District and the Mission Oaks Recreation and Park District is not only feasible, it is a good idea. Consolidation provides the following public benefits:

1. Creates significant operational savings of approximately \$500,000.
2. Improves cost effectiveness of staffing levels by reduces the size of the combined workforce by 13 full time equivalent positions.
3. Provides a funding source for needed CIP's and rehabilitation projects.
4. Improves park & facility maintenance in CRPD & maintains service levels in MORPD.
5. Expands & enhances recreation opportunities for residents.
6. Reduces unnecessary general fund subsidy of many recreation programs.
7. Reduces duplication of services and operational overhead.
8. Eliminates competition between the two Districts.
9. Creates a larger and interdependent talent pool of employees.
10. Provides an opportunity to energize and focus the vision and culture on a new & bigger District.

IMPLEMENTATION OPTIONS

The consolidation plan in this report outlines organizational changes and restructuring designed to save money, improve staffing cost effectiveness while maintaining or enhancing service levels in both recreation and parks. The Districts could consider modifying the recommendations and/or adopt a transitional implementation plan to lessen the real and perceived negative impacts to existing employees and service levels.

Should the Carmichael Recreation and Park District and the Mission Oaks Recreation and Park District decide not to recommend consolidation, it is recommended that each District develop a strategic business plan to improve operational efficiency, cost effectiveness and return on investment of tax support and user fees.