

MEMORANDUM

TO: Mayor and City Council

FROM: Parks Advisory Commission

DATE: April 16, 2024

RE: Park Advisory Commission Resolution on the Fiscal Year 2025
Proposed Budget Parks and Recreation Services

Attached is the Parks Advisory Commission (PAC) resolution with recommendations for the FY 2025 Parks and Recreation Budget.

PAC reviewed budget information and fee proposals at the April 16, 2024 regular meeting.

Neither the Parks General Fund nor Millage Fund had any required reductions for FY 2025. This meant that staff could continue to focus on right sizing the budget as we move further from the COVID pandemic. This included a few fee adjustments as well increasing some expense to match recent actuals. For FY 2024, a number of fee adjustments were approved, implemented and planned that would see a revenue increase in FY 2025 in preparation of some of the upcoming recommended expenditures.

In the General Fund Revenue Budget for FY 2025, PAC recommends fee increases to the adult hockey leagues, swim teams, swim lessons and a bridge card playing game.

PAC has reviewed the fee proposals and comparative data and finds the proposed fee changes reasonable when considering the length of time that has passed since their last increase and in the context of fees for comparable services in the area. The adjustments to revenue expectations along with fee increases are estimated to generate an additional \$48,500 in FY25.

PAC encourages Parks & Recreation Services to continue to promote the scholarship program for income eligible Ann Arbor resident families. Scholarships are awarded based on need and there is not a limit on the number awarded. The scholarships provide for reduced or free program and admission fees.

Expenditure impacts in the General Fund are a mixture of increases and decreases. An estimated increase of expenditure of \$395,848 in General Fund is budgeted.

This amount includes increasing expense lines for some supplies, such as pool chemical, inventory items, gas, printing, and golf cart lease. Staff will continue to

monitor these operational expenses and reduce where possible. Temporary staff time and full-time overtime budgets were also increased to meet the actual needs of the department. The temporary time is tied to increased staffing associated with the living wage increase done a few years ago. Prior to and during the pandemic, overtime for full time staff was often necessary because of staffing shortage, thus creating new work expectations for full time staff. While these schedules have remained for some facilities, with more temporary staff being hired, the overall overtime should see a decrease in the coming years. Parks have a number of vehicles that need to be replaced. Unfortunately, the cost of replacement vehicles exceeds what funds have been collected for their replacements. An additional full time staff position was also included to support overall the overall parks department by allocating portions of staff salaries for millage work.

The proposed budget plan for Fund 71, the Parks Maintenance and Capital Improvements Millage, is like the existing budget. The two notable impacts are for the increase for fleet vehicles as well as the salary adjustments. These salary adjustments are designed to better identify staff's millage work and develop better consistency with similar full-time roles.

PAC supports the operating budgets as proposed.

PARKS ADVISORY COMMISSION RESOLUTION ON THE FISCAL YEAR 2025
PROPOSED BUDGET

Whereas, a vibrant, extensive, and healthy parks system is part of every great town and city;

Whereas, Ann Arbor residents value their parks, natural areas and recreational facilities and support these amenities through their taxes and patronage;

Whereas, the Parks Advisory Commission (PAC) commends staff for their continued efforts to engage PAC members in the budget process, and in producing a budget draft that follows PAC's recommended budget priorities to sustain facilities and activities for all residents, but especially children, low income residents, and seniors, particularly where these services are not otherwise available;

RESOLVED, That PAC recommends that City Council approve the Administrator's recommended budget for Parks and Recreation Services developed by staff highlighting the following items and noting the following changes from the FY 2025 budget:

1. Increase in revenue of \$48,500 in the General Fund due to increasing various program fees related to hockey, aquatic, and card game programming.
2. Increase in the General Fund in the amount of \$395,848, which is primarily the result of right sizing some operational expenses, increases from fleet replacements, staffing, supplies, and adding of an additional full time staff person.