



# Memorandum

**TO:** SHARON ERICKSON  
CITY AUDITOR

**FROM:** Albert Balagso

**SUBJECT:** RESPONSE TO "AUDIT OF  
COMMUNITY CENTER STAFFING"

**DATE:** March 10, 2010

Approved

Date

3-11-10

## BACKGROUND

The City Auditor's Office conducted a thorough audit of the Department of Parks, Recreation and Neighborhood Service's (PRNS) Division of Recreation and Community Services (RCS). The objective of the audit was to determine if the current allocation of staffing at community centers is efficient and effective. The City Auditor evaluated the following:

- ◆ PRNS' current staffing allocation methodology,
- ◆ Staffing distribution per community center for the past five budget cycles, and
- ◆ 2008-2009 performance and activity information for community center operations.

The City of San José has faced nine consecutive years of budget shortfalls, which has led to changes in staffing, the delivery of recreation programs and services, and community center operations. Meanwhile, the economic downturn forced PRNS to decrease community center staffing by 21.2% (from 148.92 FTE in FY 2000-2001 to 117.35 FTE in FY 2008-2009). Additionally, bond-funded projects produced several large community centers that approximately doubled the total square footage (268,280 square feet in FY 2000-2001 to 520,569 square feet in FY 2008-2009) managed by PRNS; minimal staffing was added to support the expansion. The City Auditor's recommendations are timely and tie to the current goals that the Division is pursuing which include:

- ◆ Advancing a new Financial Sustainability Plan by increasing its cost recovery to help offset the General Fund costs of community center programs and operations.
- ◆ Maximizing Hub sites that have the capacity to:
  - Support multi-generational programming for customers of all ages,
  - Offer a wide array of programs and services for youth, adults, seniors, families, persons with disabilities, volunteers, and community groups, and
  - Provide essential components for neighborhood safety, community engagement and quality of life.

PRNS thanks the City Auditor's Office for its comprehensive study with regards to community center staffing and operations. We believe the audit fairly represents the efforts PRNS has been making to improve operations and deliver more efficient services in light of several years of budget reductions. Furthermore, many of the recommendations put forth by the Audit validate the management philosophy adopted by PRNS, and will be helpful in implementing these ideas with both community and staff.

PRNS remains committed to delivering high quality, affordable, recreation opportunities to the residents of San José. These services will continue to be focused in four key areas which include:

- ◆ Recreation and Community Safety
- ◆ Recreation and Healthy Lifestyles
- ◆ Recreation and Lifelong Learning
- ◆ Recreation and Play

PRNS believes implementation of the City Auditor's recommendations will help the Department continue to meet its goals and provide services in the most efficient manner possible. It should be noted that several recommendations require expenditures that may be difficult in light of the City's current economic challenges; however, the Department will make every effort to identify resources or partners to achieve these ends.

## **RECOMMENDATIONS AND RESPONSE**

<p><b>1. Enhance data collection methodology to track community center traffic, daily and hourly attendance and program participation. (Priority 3)</b></p>
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**Response:** PRNS agrees with this recommendation. The current data collection process will be modified to collect program information by site per the Auditor's recommendation, rather than regionally beginning FY 2010-2011. The Recreation Superintendents will ensure compliance with this recommendation for all sites within their Council districts. Staff believes hourly attendance data would be extremely useful, however the labor time required to capture this data would be prohibitive unless an automated people counter system were purchased by the City (see Audit Recommendation #2).

<p><b>2. Invest in a people counter system to capture more complete and consistent data on community center usage. (Priority 3)</b></p>
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**Response:** PRNS agrees with this recommendation; however, current budget conditions may not enable the short-term implementation of this audit recommendation. While an automated people counter system would significantly reduce staff time required for performance measures data and

would produce a more accurate and detailed picture of community center foot traffic, the cost-benefit of this recommendation will need to be weighed against other existing priorities that require funding as well. RCS has been investigating the possibility of incorporating such a system within the Division at the recently opened Roosevelt and Mayfair facilities. In these examples, people-counter systems at these two sites could be purchased with existing funds for furniture, fixtures and equipment.

To fully implement this audit recommendation, PRNS would need to identify funds to cover the cost of installing people counter systems into current locations. Furthermore, as noted, some community centers such as Camden and Southside would not be ideal candidates for people counter systems due to the multiple points of entry at these locations. PRNS is in agreement to move forward with the installation of people counters systems at the six most feasible Hub community centers (e.g., Roosevelt, Berryessa, Mayfair, Seven Trees, Evergreen, and Almaden) based on number of entry points and foot traffic based on available funding. A cost to purchase and install people counter systems is estimated at \$60,000 for each of the six recommended hubs. The installation and the timing would be contingent on available funding and staffing.

Further installations at the remaining Hubs, satellite, and neighborhood centers would be evaluated based on the availability of technology to deal with multiple entry points, the foot traffic at the location, and the estimated cost effectiveness of the data captured.

**3. Update the community center cost center dictionary and develop controls to ensure staff accurately tracks individual community center costs, program costs, and staffing costs. (Priority 3)**

**Response:** PRNS agrees with this recommendation and will address it as capacity allows. PRNS has experienced significant analytical and administrative support staff reductions over the last five years as a result of City budget reductions. As a result, fiscal code maintenance was deferred for more critical tasks such as revenue generation initiatives, center operations, performance measure data, purchasing, and the payment of invoices. While all codes cited in the audit were being used accurately by the field staff, the incorrect titling of account codes in the Financial Management System (FMS) was often confusing.

As a result of the audit process, a review of all community center codes in FMS has been initiated to ensure that titles and code background structures accurately reflect their current use. PRNS currently anticipates that code updates will be completed by June 2010. Additionally, the use of shared codes has been eliminated. Each site has been assigned a unique FMS location code number and a site-specific title to more accurately identify costs and revenues by center.

**4. Develop efficiency indicators that enhance management's decision-making ability and identify trends in operations. (Priority 3)**

**Response:** PRNS agrees with this recommendation. A cross-sectional team will develop appropriate tools to assist management in evaluating the operational performance of each location and overall programmatic trends.

As multiple changes to PRNS programs are currently being considered as part of the City budget process, PRNS will begin the development of new evaluation tools in July 2010 when impacts to community center operations are fully known.

**5. Re-examine its staffing of satellite and neighborhood centers in light of the recently expanded service areas for hubs and the potential for on-going budget reductions. (Priority 3)**

**Response:** PRNS agrees with this recommendation. As part of the FY 2010-2011 budget process, PRNS is contemplating a proposal to consolidate all staffing into the HUB locations to reduce costs and increase staff efficiency. Satellite and neighborhood centers would be recommended for conversion to the Facility Reuse Program which would allow Santa Clara County-based nonprofits, neighborhood associations, school districts, and other government agencies or community service providers access to these older facilities in return for providing services that benefit San Jose residents. In the proposal, the City would continue to provide major facility repairs, maintenance, and utilities in return for the provider's low or no-cost services to the community.

If this proposal is not approved as part of the budget process, PRNS will evaluate the cost-benefit of staffing and participant usage at each satellite and neighborhood location to determine if individual sites should continue to be operated by City staff.

**6. Clarify whether the Reuse service levels are above and beyond those stipulated in, and other agreements require service providers to disclose their funding sources for services provided under Reuse contracts. (Priority 3)**

**Response:** PRNS agrees with this recommendation. Staff will develop administrative guidelines that will clarify allowable uses of space, require service providers to identify all funding sources, and require the submission of semi-annual performance reports.

**7. Include CBOs with Reuse agreements in discussions of the Nonprofit Strategic Engagement Platform and when preparing citywide grant listings. Include the value of utilities, maintenance and custodial services, and fair market lease value of these agreements as these values become available. (Priority 3)**

**Response:** PRNS agrees with this recommendation. Staff will provide the Nonprofit Strategic Engagement Platform data related to the value of: utilities, maintenance and custodial services. The determination of assessing fair market value is labor intensive and requires lead assistance from the General Services (GS) Department. Staff will coordinate with GS and identify a means to make this data available. The ability to comply with this recommendation is dependent on availability of staff resources and should be consistent with the overall asset management principles going forward.

**8. Estimate the fair market value of Reuse facilities. (Priority 3)**

**Response:** PRNS agrees with this recommendation. Reuse staff will work in conjunction with GSD on an annual basis to determine and establish fair market lease values of Reuse facilities. The first assessments will begin July 2010 and will be used as a baseline. This timeline is dependent on available staff resources in light of pending budget reductions and the asset management work process underway.

**9. Propose revising the community center Reuse Policy and/or create a new policy to allow for a tiered approach to cost-sharing in reuse contracts. (Priority 3)**

**Response:** PRNS agrees with this recommendation. The current Reuse Policy, as adopted by Council is based on providing facility access at no cost to service providers in exchange for the delivery of programs and services that primarily benefit City of San Jose residents. Additionally, feedback received from the community, philanthropic, and nonprofit organizations that went into the development of the policy indicated that this was not economically feasible for the majority of agencies that would be interested in utilizing reuse facilities. The economic conditions that led to the development of the City's Reuse Policy (e.g., a Service Provider's inability to cover facility costs) not only still exist, but have grown exponentially. PRNS will consider enacting a new policy or revising the Reuse Policy if existing policies do not provide an adequate mechanism.

**10. Include Washington United Youth Center (WUYC) in the Facility Facility Reuse Program or operate it with City staff. (Priority 3)**

**Response:** PRNS agrees with the Facility Reuse portion of this recommendation and notes that this is an issue for the City Council to consider during its budget deliberations for FY 2010-2011. PRNS will prepare a budget proposal to include Washington United Youth Center in the Reuse program and subject it to the same RFP process as other Reuse facilities. This proposal would better align the facility under the same rules and regulations as other Reuse facilities within the City. Due to budget reductions, the City is not in a position to operate the facility with City staff.

**11. Periodically review the City's cost for Re-use facilities, and assess the continued value of Reuse sites. (Priority 3)**

**Response:** PRNS agrees with this recommendation. As the Reuse staff works with the GS to determine fair market lease value for Reuse facilities, a schedule will be developed that will assist PRNS' ability to assess and capture the current lease value for Reuse sites. Prior to this, staff will consult with the City Auditor's Office in order to develop and define parameters that will ensure accurate data is being collected and reported. Market value is only one element of what PRNS believes the Auditor is attempting to address. It will be important to clearly identify a definition for the term "value" prior to initiating this recommendation.

**12. Propose revising the community center Reuse Policy and/or create a new policy to allow for the participation of for-profit organizations, and allow them to compete in new RFPs for all or part of a facility under a modified Re-use arrangement. (Priority 3)**

**Response:** Reuse staff will assess the impacts of accommodating this recommendation. As part of this assessment, staff will work with the City Attorney, other City departments, and community stakeholders to consider the participation of for-profit organizations for all or part of a facility in the regular Reuse Program's RFP cycle. The assessment of incorporating for-profit organizations into a new or modified Reuse Policy will be conducted by winter 2011.

**13. Enhance the community center website with features such as maps, directions, links to the RECS system to improve user interface. (Priority 3)**

**Response:** PRNS agrees with this recommendation. PRNS staff is currently developing a six month work plan to address the need to have a more functional and user-friendly website. The Registration & E-Commerce System (RECS) Program Manager and the PRNS Communications Manager will work in tandem to implement the updates to the website which will include a link to the RECS system. Staff is currently working with the City Manager's Office on a project that will allow a virtual tour of program sites to be posted on the web. Staff will continue to seek opportunities to provide these enhanced features to our customers, and will seek avenues to collect data to determine the success of the improved website. PRNS anticipates going live in September 2010 with the additional website features.

**14. Develop a RECS-based analysis tool that assists management in assessing the success of the classes and programs offered. (Priority 3)**

**Response:** PRNS agrees with this recommendation. Staff is in the process of gathering information for each of the past seasons beginning with the fall 2009 season. The current data from the RECS system is downloaded into an Excel spreadsheet; however, it has been determined by staff that a new tool needs to be developed in order to track trends in the classes offered versus class cancellations and lower attended classes. A new tool is in development which will allow

management to assess class trends, participation and class cancellation rates. The tool will also allow staff to determine successes and areas of improvement. The timeline to have the new tool developed is June 2010.

**15. Substantially reduce the number of classes offered with no attendance. (Priority 3)**

**Response:** PRNS agrees with this recommendation. PRNS staff recently attended the Learning Resource Network (LERN) Conference, the leading authority in the delivery of lifelong learning programs. The Department is in the process of instituting LERN best practices. As there is a six month lead time for publication of the City-wide Activity Guide, the initial impacts of the LERN improvement efforts will likely be realized in the Fall 2010 classes.

As staff begins to track trends of class offerings and cancellations, classes identified as having low or no attendance will be substantially reduced, modified, or eliminated. A determination of class closure will be made on a case-by-case basis by Recreation Supervisors and Superintendents and will be regularly monitored by PRNS senior management.

**16. Identify community centers where staffing schedules can be modified to allow for weekend operations. (Priority 3)**

**Response:** PRNS agrees with this recommendation. Over the last year, PRNS has piloted several alternative staffing models in an attempt to meet customer needs and reduce part-time labor and non-personnel costs. Among the most effective models implemented was the Tuesday through Saturday schedule piloted at the Gardner Community Center. The full-day Saturday operation nearly doubled the attendance from the former Monday operation. Additionally, the Saturday hours expanded the nutrition and fitness opportunities to low income working adults, increased usage of Biebrach Park due to the availability of center restrooms, reduced part-time labor costs for Saturday special events, and reduced custodial costs for rentals by shifting Monday cleanings to Saturday night.

Sunday operations were piloted at the Northside Community Center. Senior programs were the primary offering with the most successful of the programs being the ballroom dance class, which attracted approximately 125 participants per Sunday. While this program brought in a higher number of participants than the typical offering at Northside during the week, the limited scope of the program and the specific population targeted makes it difficult to predict whether Sunday operations at other locations would be successful.

PRNS will review the current staffing schedules at HUB sites to determine if alternative days/hours of operations would be cost effective and benefit participants. Where possible, full-time staffing schedules will be modified to expand weekend operations.

**17. Identify community centers where staff schedules could be further staggered to increase community center staffing efficiency. (Priority 3)**

**Response:** PRNS agrees with this recommendation; however it is suggested that any analysis of community center staffing schedules occur after the impacts of the FY 2010-2011 budget process are known. There are several budget proposals under consideration that may result in alterations to the current community center staffing levels that still require the City Council consideration and approval. Once the budget impacts are known, PRNS management will consider alternative staffing patterns including shifting full-time schedules, reducing operation hours between class sessions, and reducing Fall/Winter hours to maximize hours in the peak Spring/Summer season.

### **CONCLUSION**

PRNS appreciates the efforts of the City Auditor's Office in preparing this report. PRNS has benefited from its collaboration with members of the Auditor's Office on variety of issues and recommendations. These collaborative efforts have resulted in improvements and day-to-day operations and efficiencies.

### **COORDINATION**

This memorandum has been coordinated with the General Services Department, City Attorney's Office, and City Manager's Office.

  
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Neighborhood Services

For questions please contact Dan Wax, Division Manager, at 535-3572.