



Office of the City Auditor

**Report to the City Council
City of San José**

AUDIT OF COMMUNITY CENTER STAFFING

**The Need for Efficient Staffing of
Community Centers Has Never Been
Greater**

**Report 10-05
March 2010**

March 11, 2010

Honorable Mayor and Members
of the City Council
200 East Santa Clara Street
San Jose, CA 95113

Transmitted herewith is *Audit of Community Center Staffing*. This report is in accordance with City Charter Section 805. An Executive Summary is presented on the blue pages in the front of this report. The City Administration's response will be distributed under separate cover.

This report will be presented at the March 18, 2010 meeting of the *Public Safety, Finance & Strategic Support Committee*. If you need any additional information, please let me know. The City Auditor's staff members who participated in the preparation of this report are Steve Hendrickson, Jorge Oseguera, and Avichai Yotam.

Respectfully submitted,

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Table of Contents

Executive Summary	i
Introduction	1
Background	1
Audit Objective, Scope, and Methodology	10
Finding I	
The Need for Efficient Staffing of Community Centers Has Never Been Greater	13
A Variety of Inputs Inform PRNS' Management and Staffing of Community Centers	14
PRNS Lacks Good Data to Assess and Improve Community Center Operations	15
PRNS Has Introduced a Facility Re-use Program but Should Address Program Weaknesses to Achieve Long-term Success	23
Better Use of Its Class Registration Software Could Help PRNS Meet Its Cost-Recovery Goals for Community Centers.....	30
Community Centers are Open Limited Hours on Weekends	34
Administration's Response.....	39
Appendix A	
Definition Of Priority 1, 2, And 3 Audit Recommendations	A-1
Appendix B	
Budgeted Full-Time Equivalent Staff by Community Center	B-1
Appendix C	
Definitions and Notes for Exhibit 6	C-1
Appendix D	
Maps of City of San José Community Centers.....	D-1

Table of Exhibits

Exhibit 1: PRNS Budget by Service Area for 2008-09	2
Exhibit 2: Types of Community Centers	3
Exhibit 3: Changes in Community Center Space Between 2001-02 and 2009-10	5
Exhibit 4: Past and Present Organization Charts for the Community Services Division	8
Exhibit 5: Examples of Mislabeled FMS Data	17
Exhibit 6: Auditor Analysis of Financial and Operational Data for a Sample of Community Centers (2008-09)	20
Exhibit 7: The Expanded Service Area for Hubs Covers Much of the City	22
Exhibit 8: Two CBOs Receive City Funds to Help Achieve Service Levels	25
Exhibit 9: Costs for Proposed Facility Re-use Sites (2008-09)	26
Exhibit 10: A CBO's Subsidized Operation of Washington United Youth Center Appears to be More Costly Than the City's Operation of the Alum Rock Youth Center (2008-09 data)	28
Exhibit 11: City of San Jose – Parks, Recreation, and Neighborhood Services Community Center Website	31
Exhibit 12: Seattle Department of Parks and Recreation Community Center Website	32
Exhibit 13: Analysis of RECS Data on Class Enrollment	33
Exhibit 14: Percentage of Visitors to Library Branches by Day of the Week for Fiscal Year 2008-09	35

Exhibit 15: Analysis of RECS Data by Day of the Week for December 2008 to November 2009	35
Exhibit 16: Hours of Operation for City-Operated Community Centers as of April 2009	36
Exhibit 17: Staff Schedules at Roosevelt Community Center and Gardner Community Center	37

Executive Summary

In accordance with the City Auditor's 2009-10 Audit Workplan, we have completed an *Audit of Community Center Staffing*. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We limited our work to those areas specified in the "Audit Objective, Scope, and Methodology" section of this report.

The City Auditor's Office thanks the Department of Parks, Recreation and Neighborhood Services, the Department of General Services, the City Manager's Office, the Office of Employee Relations, and the City Attorney's Office for giving their time, information, insight, and cooperation during the audit process.

Finding I The Need for Efficient Staffing of Community Centers Has Never Been Greater

Over the last decade, the City has improved public facilities and infrastructure through an expansion of its Capital Improvement Program that has become known as "The Decade of Investment." Unfortunately, shortly after The Decade of Investment began, the City entered into an extended period of projected budget shortfalls. Overcoming one of the worst projected budget shortfalls in recent history in 2010-11 will be a daunting task. The City will have to make difficult decisions to close the projected budget gap and PRNS, as with all City departments, is having to consider ways to reduce its budget, which could include reductions to community center services. With this in mind, PRNS has been actively seeking alternative approaches to managing community center operations including reorganizing the Community Services Division, introducing the facility re-use program, and undertaking efforts to improve its revenue generation.

Building upon PRNS' efforts to improve community center operations, our review of community center staffing has identified several areas where additional improvements can be made. First, a variety of inputs inform PRNS' management and staffing of community centers but we found that PRNS lacks good data to track community center usage. Specifically PRNS should:

- Collect and use better usage and cost data to drive its decision making about which centers to retain;
- Use performance indicators to identify trends and facilitate decision-making; and

- Reexamine its staffing of satellite and neighborhood centers in light of the recent expansion of the service area of hubs.

Second, PRNS can improve its facility re-use program by:

- Clarifying required service levels for re-use service providers with multiple sources of city funding;
- Improving cost monitoring and cost sharing at re-use sites;
- Including Washington United Youth Center in the facility re-use program; and
- Allowing for-profit entities to compete for re-use facilities under a modified re-use arrangement.

Third, PRNS can make additional progress toward its cost-containment and recovery goals for community centers by making greater use of its class registration software to publicize programs at community centers, and to limit staff time devoted to scheduling classes that garner low or no interest at community centers.

Finally, community centers are open limited hours on weekends. Staggering and shifting staff schedules could result in improved hours of operation, or mitigate the impact of further staffing reductions.

RECOMMENDATIONS

We recommend that Parks, Recreation, and Neighborhood Services:

- | | |
|--------------------------|--|
| Recommendation #1 | Enhance data collection methodology to track community center traffic, daily and hourly attendance, and program participation. (Priority 3) |
| Recommendation #2 | Invest in a people counter system to capture more complete and consistent data on community center usage. (Priority 3) |
| Recommendation #3 | Update the community center cost center dictionary and develop controls to ensure staff accurately track individual community center costs, program costs, and staffing costs. (Priority 3) |
| Recommendation #4 | Develop efficiency indicators that enhance management's decision-making ability and identify trends in operations. (Priority 3) |
| Recommendation #5 | Reexamine 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) |

We recommend that Parks, Recreation, and Neighborhood Services:

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

We recommend that the City Administration:

Recommendation #7 Include CBOs with re-use 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)

We recommend that the Department of General Services:

Recommendation #8 Estimate the fair market value of re-use facilities. (Priority 3)

We recommend that Parks, Recreation, and Neighborhood Services:

Recommendation #9 Propose revising the community center re-use policy and/or create a new policy to allow for a tiered approach to cost sharing in re-use contracts. (Priority 3)

Recommendation #10 Include Washington United Youth Center in the facility re-use program or operate it with City staff. (Priority 3)

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

Recommendation #12 Propose revising the community center re-use 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)

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

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

We recommend that Parks, Recreation, and Neighborhood Services:

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

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

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

Introduction

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Background

The Role of the Department

The Department of Parks, Recreation and Neighborhood Services (PRNS) offers a wide range of facilities, programs and services including parks, aquatic programs, recreation classes, senior services, sports leagues, youth enrichment programs, therapeutic programs and special events. PRNS is primarily supported by the City of San Jose's General Fund, at 89 percent of the Department's total operational budget.

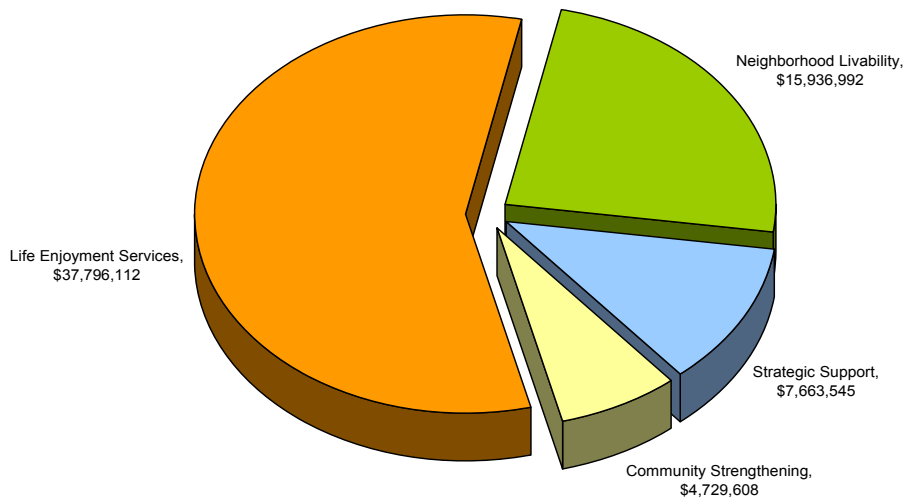
The mission of PRNS is to "support the livability of neighborhoods, offer opportunities for individuals to enjoy life, and strengthen communities of people." The department has three service areas:

- Community strengthening services – Healthy Neighborhoods Venture Fund, San José B.E.S.T., Safe Schools Campus Initiative, San José After School Program, Retired and Senior Volunteer Program, Senior Companion Program, Municipal Health Services, and Adopt a Park.
- Life enjoyment services – Community and Neighborhood Centers, Aging and Therapeutic/Inclusion Services, Gang Intervention and Prevention, Tattoo Removal, Work Experience Program, Sports and Aquatics Programs, Regional Parks and Special Facilities, and Park Ranger Services

- Neighborhood livability services – Anti-Graffiti & Anti-Litter Programs, Civic Grounds and Landscape Maintenance, and Neighborhood Parks Maintenance

The total budget for PRNS during FY 2008-09 was \$66.1 million, which includes 700 full-time equivalent positions, as shown in Exhibit I below.

Exhibit I: PRNS Budget by Service Area for 2008-09



Source: 2008-09 Adopted Operating Budget.

Life Enjoyment Services seeks to provide opportunities for City residents to play, learn, socialize, and receive supportive assistance to live healthy and enriched lifestyles. The total budget for the Life Enjoyment Services during 2008-09 was approximately \$37.8 million with 432 full-time equivalents (FTEs) authorized. According to PRNS, of the \$37.8 million budgeted for Life Enjoyment Services, approximately \$15.1 million are associated with community center costs. The remainder is for Aging and Therapeutic/Inclusion Services, Gang Intervention and Prevention, Youth Employment, City-Wide Sports and Aquatics, and Regional Parks.

Community centers are overseen by PRNS' Community Services Division. As of March 2010, PRNS reports an inventory of 55 community centers ranging in size from about 1,000 to over 50,000 square feet. According to PRNS, the community centers strive to provide quality of life and enhancing recreation opportunities for all residents. Community centers offer an array of recreation

programs and services for residents with emphasis placed on serving all elements of the community including children, youth, seniors and persons with disabilities.

PRNS Planned and Secured Funding to Expand Community Centers Near the Height of an Economic Boom

During the late 1990s, the City of San José experienced an unprecedented economic expansion associated with the development of the area's technology sector. The economic expansion was also accompanied by population growth. In response to increased demands on City services and increasing City revenue, the City engaged in a 20-Year Strategic Plan for Parks, Recreational Facilities and Programs now known as the City's Greenprint. The City of San José began this interdepartmental strategic planning process in January 1999 to identify future needs for parks, community facilities, and recreation programs and neighborhood services. The strategic plan responded to identified community needs and provided an action plan to ensure the most effective use of community resources. The Greenprint, adopted by the City Council in September 2000, serves as a guide for City staff and policy makers in the day-to-day decision-making process to improve resident health and wellness. In December 2009 the City Council adopted an update to the Greenprint. We discuss the update on page 21.

The Greenprint

Included in the Greenprint were plans to improve the City's sports, community centers, private recreation and regional facilities. In assessing the needs of community centers, centers were broken down into the following three classifications: multi-service community centers (hubs); satellite community centers; and neighborhood centers. The Greenprint called for a minimum of one hub per council district with the objective of providing access to recreation programs and community services to residents within a two-mile radius of hubs (each council district includes about 100,000 residents). The 2009 Greenprint update expanded the radius to three miles, among other things. Exhibit 2 provides more information about the types of community centers.

Exhibit 2: Types of Community Centers

Type	Size (square feet)	Greenprint Purpose	Target Population
Hubs	20,000 to 40,000, or larger	Serve as a focal point for program delivery in each council district.	General public (multi-generational)
Satellite community centers	10,000 to 20,000	Augment recreation program and community services when needed to achieve the recommended service radius or meet specialized needs.	General public, senior, or youth
Neighborhood Centers	1,000 to 10,000	In cases of high neighborhood need, provide specific recreation and neighborhood services.	Specific user groups

Source: Information from the Greenprint..

The Greenprint proposed the issuance of General Obligation Bonds to finance the needed improvements. At the time, the City estimated a need to issue approximately \$500 million for parks and recreation and other capital improvements.

Measure P and Community Center Expansion

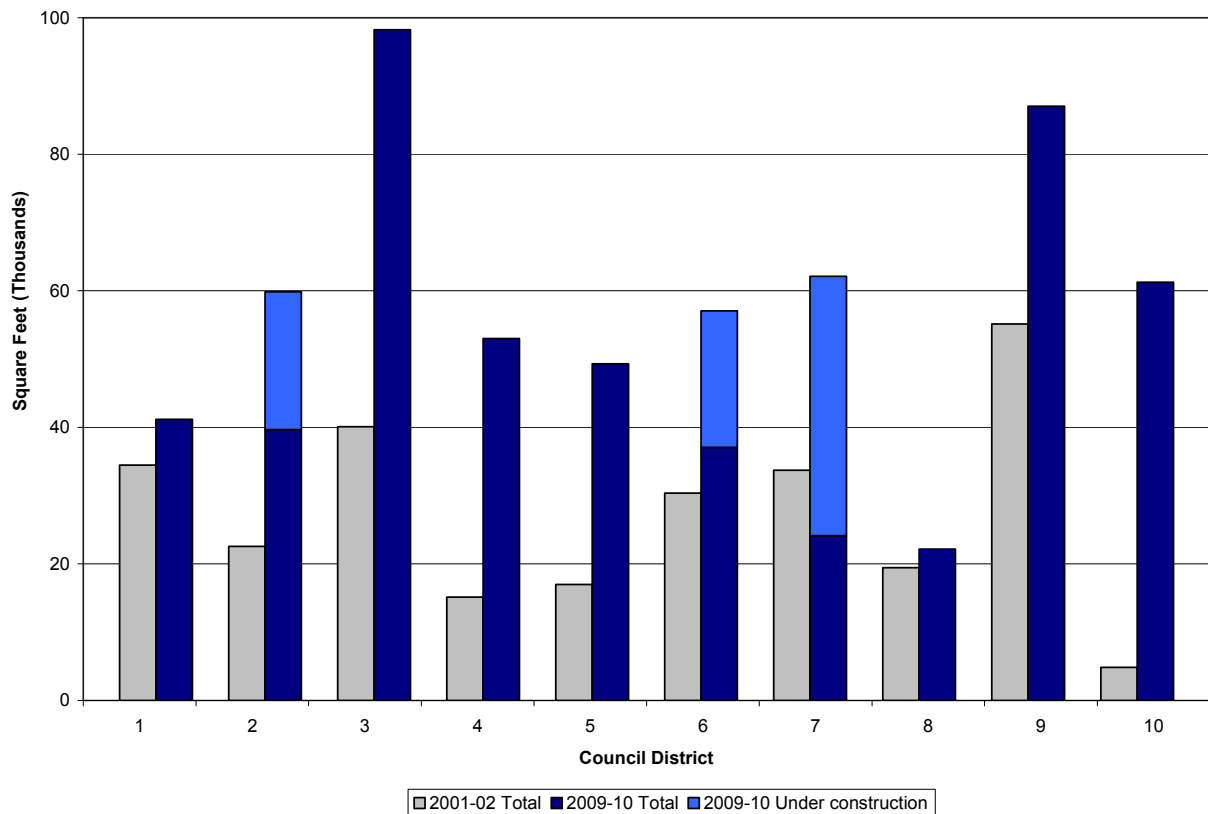
In November 2000, San José voters approved Measures O and P which authorized the issuance of bonds to improve libraries (Measure O-\$211,790,000) and neighborhood parks (Measure P-\$228,030,000). Measure P asked:

To improve San Jose's neighborhood parks' safety and expand recreation opportunities for children, families and seniors, by: installing lighting, reconstructing deteriorating playgrounds and restrooms; preserving open space; constructing trails; constructing new recreational sports facilities; improving Community and Senior Centers; and constructing improvements to regional parks, like Happy Hollow shall the City issue \$228,030,000 in bonds, at the best rates possible, with guaranteed annual audits, a citizen's oversight committee, and no money for parks administrators' salaries?

Since the approval of Measure P, PRNS has been building, improving, and expanding its community center assets and implementing its community center-based multi-service delivery system (the hub model). In fact, according to information from PRNS, its footprint has grown from just under 300,000 square feet of community center space in 2000 to over 500,000 square feet in 2009. PRNS estimates that by 2012, it will have almost 600,000 square feet of facility space. The following exhibit illustrates the increase in square footage by council district between 2000-01 and 2009-10, along with the community center space under construction as of March 2010.¹ A complete listing of community centers is included in Appendix B on page B-1.

¹ The 2009 Greenprint update refers to future community center construction/expansion but provides no definite timetable.

Exhibit 3: Changes in Community Center Space Between 2001-02 and 2009-10



Source: Auditor analysis of information from the Department of Parks, Recreation and Neighborhood Services.

Projected Budgetary Shortfalls

Unfortunately, shortly after the adoption of the City's Greenprint and voter approval of Measures O and P, the City entered into an extended period of projected budget shortfalls. The 2009-10 Manager's Adopted Budget Message stated:

With the 2009-2010 Adopted Budget, the City of San Jose has addressed General Fund budget deficits for eight consecutive years... While the City has a strong record of fiscally conservative budgeting, it has for the last seven years failed to fully meet its own long-standing policy of funding ongoing expenses only with ongoing revenues. While these decisions have been made as part of a conscious effort to ease the impact on the community, the result has been to make each successive year's deficit that much larger. After seven years of using one-time dollars to close the General Fund shortfall, the cumulative effect is an additional \$125 million, which is

more than the current gap we are closing with the actions in this budget. Put another way, the City has been living beyond its means.

In October 2009, the City Manager wrote that, “With the 2010-11 budget, the City of San Jose will be facing its ninth consecutive year of General Fund budget shortfalls.”

Having to close the projected budget gaps year-after-year has inevitably resulted in staffing reductions as well as reductions in services Citywide. Moreover, the City Manager noted that, “In an effort to preserve public safety services, reductions have relied more heavily on the non-Public Safety City Service Areas (CSAs)... [resulting in] increasing pressure to reduce services in the other CSAs, which rely on a shrinking piece of the pie for their General Funds dollars.”

PRNS Has Reduced Staffing and Reorganized Community Center Operations

According to PRNS, prior to the passage of Measure P in 2000 and the economic downturn in 2001, community centers were primarily staffed with a few full-time personnel and supplemented by many part-time recreation staff. PRNS stated this staffing pattern enabled it to manage and operate multiple programs and services at many center sites, including sites co-located on school campuses.

PRNS estimated staffing needs to accommodate the significant expansion of community center operations discussed in the Greenprint using staffing guidelines developed by PRNS in 1998. The staffing guidelines, referenced in the Greenprint, specify 10-11 FTEs for larger multi-service centers (hubs). Additionally, the guidelines called for senior centers to be allocated 5 FTEs, Youth Centers 3.4 FTEs and satellite centers 3 FTEs. The guidelines note that the smaller neighborhood centers should be staffed according to the programs provided at each site. These guidelines were not formally adopted as minimum staffing standards. The 2009 Greenprint update provided new staffing guidelines by type of facility as follows: 15 FTEs for hubs; 5 FTEs for satellite centers; and 3 FTEs for neighborhood centers.

However, in response to budgetary shortfalls, PRNS became more reliant on part-time staff to deliver services. According to PRNS management, to maintain community center services while cutting its staffing, PRNS chose to budget more recreation leaders—often part-time—to work at City centers and fewer full-time recreation program specialists. This decision has meant that program services are delivered more and more by part-time recreation leaders rather than full-time recreation program specialists, who now have greater administrative

responsibilities. According to PRNS management, this change has helped the department maintain services.²

In 2004-05, PRNS began creating a facility re-use program—further detailed below—with the intention of reducing operating costs. The program gave alternate service providers (service providers) such as other government agencies and community-based organizations (CBOs) access to selected community centers in exchange for services primarily benefiting City residents. PRNS also delayed the opening of future centers. In September 2009, the City Manager’s Office estimated a savings of \$344,000 by delaying the opening of the Bascom Community Center and Seven Trees Community Center 2 and 3 months, respectively.

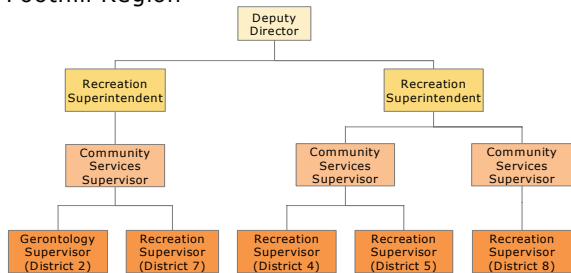
PRNS has also reorganized the Community Services Division several times in the past ten years. According to PRNS, the goal of the reorganizations has been to realize operational efficiencies by grouping like functions and expanding management and supervisor span of control. Exhibit 4 below shows the department’s structure for overseeing community center operations in 2003, 2006, and 2009.

² PRNS also deployed staff for other programs, including the gang intervention program, to community centers. Although these staff do not deliver community center services and are not always available to help residents, their presence helps ensure public and employee safety.

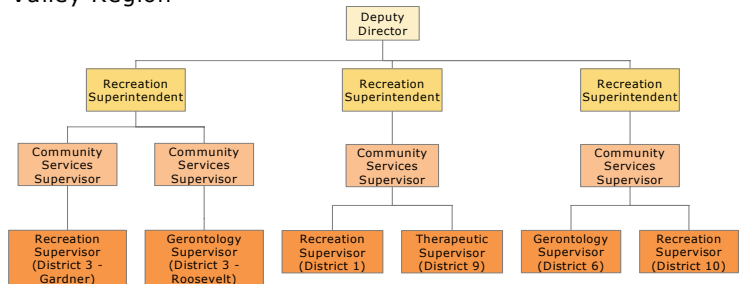
Exhibit 4: Past and Present Organization Charts for the Community Services Division

2003

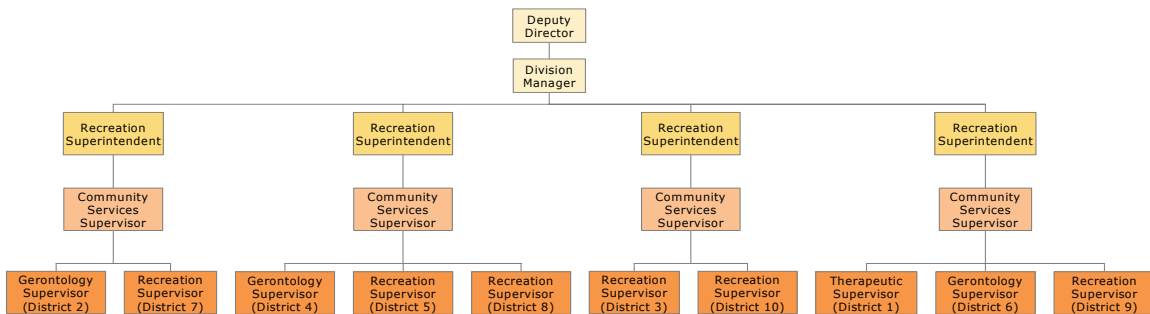
Foothill Region



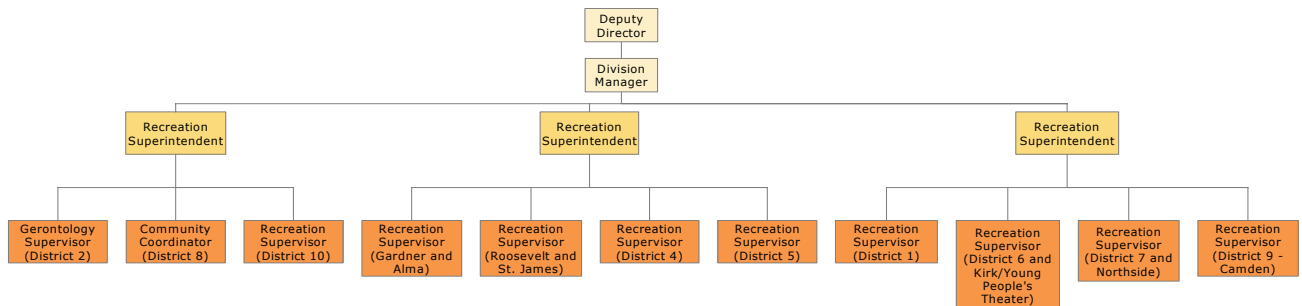
Valley Region



2006



2009



Source: PRNS Organizational Charts.

Recently, PRNS aligned its regions for community services to be the same as for its parks maintenance regions. In the past, management and supervisors for community centers oversaw regions that did not align with those overseen by the Parks Division managers and supervisors. According to PRNS management, the recent alignment of community services and parks maintenance regions offers a potential to not only enhance coordination of PRNS assets for community use within like geographic areas, but also consolidate parks and recreation management functions within the regions. PRNS management indicated that they plan to examine the feasibility of consolidating parks and community services management over the next few years.

PRNS Has Introduced a Facility Re-Use Program

In April 2008, the City Council adopted a facility re-use policy that communicated guidelines for the use of community center re-use sites, and a process for identifying sites and selecting their service providers.³ Under the facility re-use program, PRNS contracts with service providers to operate programs at City facilities. In exchange, the City provides regular maintenance and utilities at the sites. In 2008-09, PRNS conducted a Request for Proposals (RFP) and identified service providers or alternative uses for 16 neighborhood centers.⁴ The 16 neighborhood centers and their selected service providers or alternative uses currently in the re-use program are:

- Almaden Youth Center/The Spot (Silicon Valley All Stars)
- Backesto Neighborhood Center (community group meeting space)
- Bramhall Park Neighborhood Center (Willow Glen Children's Theater)
- Edenvale Youth Center (Boys and Girls Club)
- Fair Youth Center (City After School Program)
- Hamann Park (community group meeting space)
- Hoover Community Center (City Office of Cultural Affairs)
- Houge Park Neighborhood Center (Arab American Cultural Center, San José Astronomical Association, and San José Youth Shakespeare)
- Joseph George Youth Center (Dr. George Castro)
- Meadowfair Community Center (Kidango, Inc. Child Care)
- Old Alviso Community Center (closed because of mold and asbestos contamination)
- Olinder Neighborhood Center (Northside Theater Company, Mexican American Community Services Agency)
- Rainbow Park Neighborhood Center (Friends Outside in Santa Clara County)
- San Tomas Neighborhood Center (Eastern European Services Agency, and Alcoholics Anonymous and Narcotics Anonymous)
- Sherman Oaks Community Center (Korean American Community Services)
- Welch Park Neighborhood Center (Filipino Youth Coalition)

In 2009-10, PRNS proposed six more centers for re-use. According to PRNS management, PRNS found alternative City uses for three of these facilities. It made the remaining three centers, including two satellite centers, available for re-use through a RFP:

- Alma Community Center
- Los Paseos Youth Center
- Northside Community Center

³ http://www.sanjoseca.gov/clerk/cp_manual/CPM_7_12.pdf

⁴ The Old Hillview Library was also on the facility re-use list and East Side Union High School District was identified as a service provider for the site.

PRNS Has Undertaken Efforts to Improve Its Revenue Generation

Revenue generation is important to PRNS because with greater revenue, PRNS can reduce its dependence on the General Fund and retain higher service and staffing levels. In the last few years, PRNS has taken steps to enhance its revenue generation and create “a financially sustainable approach for recreational services and facilities.” Nonetheless, PRNS is still heavily reliant on the General Fund and, according to its documents, must continue efforts to achieve financial sustainability in its community center operations.

Key among recent efforts is the City Council’s June 2009 adoption of a fee pricing policy that allows PRNS to practice differential pricing and target greater cost recovery.⁵ As a result, PRNS can charge different amounts for similar classes depending on the facilities at which they are offered, and target higher cost-recovery for “private service” programs that provide minimal to no benefit to the community, to lessen the burden on the General Fund.⁶ PRNS has also taken the following steps:

- Established a non-profit foundation to compete for and receive grants from other foundations.
- Created a “business unit” focused on the ongoing financial sustainability of the department.
- Implemented a Registration and E-Commerce System (RECS), approved by City Council in December 2007, aimed at automating the fee registration process by streamlining access to programs and services (allowing online registration and payment for classes).

Audit Objective, Scope, and Methodology

The objective of our audit was to determine if the current allocation of staff at community centers is efficient and effective.⁷ Specifically, we evaluated 1) PRNS’s current staff allocation methodology; 2) Staffing distribution per community center for the past five budget cycles; and 3) 2008-09 Performance and activity information for community center operations.

Our audit scope primarily focused on fiscal year 2008-09, but we examined documents dating back to the 1990s. In our review, we gathered and consolidated community center information that included staffing composition, operating costs, size of facility, operating hours, attendance/use information, and

⁵ http://www.sanjoseca.gov/clerk/cp_manual/CPM_1_21.pdf

⁶ Examples of private services include facility rentals, language classes, and golf.

⁷ We did not include Grace Community Center in our analysis because all of its programs are designed specifically for adults with mental disabilities and it is not comparable to other community centers.

facility details for analysis and comparison. We relied primarily on information provided by PRNS for our analysis, including information from the Registration and E-Commerce System, cost center dictionary, and “Investing in Results” performance data worksheets, and the City’s Financial Management System (FMS). To assure ourselves that the information was sufficiently reliable for audit purposes, we documented controls over the systems and validated data to authoritative documents.

We also toured 17 of the City’s 55 community centers and comparable facilities in other jurisdictions. Lastly, we interviewed staff from PRNS and other City departments, staff from the cities of Menlo Park and Sunnyvale, and staff of the Addison-Penzak Jewish Community Center of Silicon Valley in Los Gatos.

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Finding I The Need for Efficient Staffing of Community Centers Has Never Been Greater

Over the last decade, the City has improved public facilities and infrastructure through an expansion of its Capital Improvement Program that has become known as “The Decade of Investment.” Unfortunately, shortly after The Decade of Investment began, the City entered into an extended period of projected budget shortfalls. Overcoming one of the worst projected budget shortfalls in recent history in 2010-11 will be a daunting task. The City will have to make difficult decisions to close the projected budget gap and PRNS, as with all City departments, is having to consider ways to reduce its budget, which could include reductions to community center services. With this in mind, PRNS has been actively seeking alternative approaches to managing community center operations including reorganizing the Community Services Division, introducing the facility re-use program, and undertaking efforts to improve its revenue generation.

Building upon PRNS’ efforts to improve community center operations, our review of community center staffing has identified several areas where additional improvements can be made. First, a variety of inputs inform PRNS’ management and staffing of community centers but we found that PRNS lacks good data to track community center usage. Specifically PRNS should:

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Third, PRNS can make additional progress toward its cost-containment and recovery goals for community centers by making greater use of its class registration software to publicize programs at community centers, and to limit

staff time devoted to scheduling classes that garner low or no interest at community centers.

Finally, community centers are open limited hours on weekends. Staggering and shifting staff schedules could result in improved hours of operation, or mitigate the impact of further staffing reductions.

A Variety of Inputs Inform PRNS' Management and Staffing of Community Centers

The City, through its community centers, offers a wide range of services and programs to the residents it serves. However, the City's declining fiscal outlook has made it increasingly difficult for PRNS to navigate through the variety of inputs it must consider in managing its day-to-day operations. PRNS must keep in mind the demographic diversity of the communities each center serves and balance opinions from multiple interest groups. The needs of these groups often times are different and at times, may be at odds with each other. PRNS management grapples with finding a way to strike a balance between these competing needs while meeting its mission and objectives.

Some of the conflicting expectations PRNS is trying to balance include:

- Expanding community center facilities while preserving adequate programming with fewer resources
- Maintaining or expanding hours of operations with fewer resources
- Reducing staff and costs while meeting increased community demand for services
- Increasing revenue when the community's ability to pay for recreation is in a decline
- Collecting adequate center usage data without the resources or technology to do it well
- Consolidating facilities when the community finds it difficult to reach the alternative location
- Consolidating facilities when the community opposes consolidation
- Closing old or underutilized centers when the communities they serve demand they remain open
- Operating efficiently but keeping open those centers that are costly and inefficient

Allocating staff to community centers involves a complex balancing act between staffing resources, budget, community needs, and seasonal changes. Many of the City facilities are unique and target a specific community need. For example, some facilities target youth services, others target senior programs, while others offer a combination of multiple services. Facilities range in size and may contain a variety of rooms and services such as:

- Class rooms
- Meeting rooms
- Commercial kitchens
- Gymnasiums
- Fitness rooms
- Game rooms
- Computer labs
- Youth centers
- Senior centers
- Multi-purpose rooms

Some facilities stand alone, while others are associated with schools or libraries. Hours of operation vary by day, by facility, and by season. Staffing levels also vary greatly per facility. Some staff are assigned to a single center, while others have responsibilities at multiple centers. In addition, part-time staff tend to have flexible schedules. The variety of facilities, staffing, schedules, and community needs are some of the factors that complicate management of community centers.

PRNS Lacks Good Data to Assess and Improve Community Center Operations

PRNS collects usage data, however the data, as well as PRNS' cost data in FMS, is not as useful as it could be. In our opinion, PRNS could benefit from better data on community center operations to guide its day-to-day decision-making process, and should invest in better management tools and tracking because data is essential to business operations and decision making.

Improved Usage Data for Community Centers

PRNS collects performance data approximating usage of and demand for community center services. These data, reviewed by PRNS management regularly and reported annually by PRNS in aggregate during the City's budget process, include attendance and programming hours at community centers for general operations (e.g., fee classes or rentals), after-school programs, teen programs, senior programs, and special events. PRNS staff collect this information manually by compiling totals from attendance rosters and sign-in sheets.

However, these data could be improved. According to PRNS management, the data do not readily capture foot traffic, phone calls, or other informal community center use and activity. In particular, PRNS management believes the data under-

represent actual activity at larger facilities, such as Mayfair Community Center, based on informal comparisons of sign-in sheets to foot traffic.⁸

Furthermore, PRNS staff do not always track the data by location—sometimes they aggregate and analyze the data only at the regional level—and do not calculate or track numbers by day of the week or time of the day. Not accurately capturing use and traffic hampers management’s ability to make staffing and programming decisions based on actual use.

PRNS management wants and needs better usage and traffic monitoring and should look at successful models based on electronic systems. The San José Library Department has an electronic security/tracking system located at each public entrance. The department’s security gates not only inform Library staff when books or other materials leaving the premises have not been checked out through Library’s circulation system, but also count the number of people coming through the gates. According to Library Department management, staff gather this count each day from the counter so that they have a daily record and can identify trends. Thus, the Library Department can track formal (book check-out/in through the circulation system) and informal (foot traffic through the security gates) usage. With this information, Library Department management can modify branch hours of operation to match known or identified traffic patterns.

The Addison-Penzak Jewish Community Center of Silicon Valley (JCC), in Los Gatos, takes this electronic approach to traffic monitoring a step further by requiring all facility users to swipe an electronic keycard to gain entry to rooms beyond the main entrance.⁹ The JCC in Los Gatos can analyze data from this electronic keycard system to better understand what programs and rooms are in higher demand.

However, Library branches and the JCC in Los Gatos benefit in their data collection from a building feature that few community centers enjoy: controlled access. Controlled access funnels users through a limited number of entry points. Those entry points are then strictly monitored and their usage is tracked using electronic people counters. By having controlled access, both the libraries and the JCC in Los Gatos can better ensure that all participants are accounted for and tracked. Moving towards an electronic system, PRNS may need to identify which facilities are the best candidates for a centralized tracking system. For example, Almaden, Mayfair, and Roosevelt community centers already have centralized points of entry and would be viable candidates for implementing an electronic tracking system. On the other hand, Camden, Kirk, and Southside community

⁸ For 2008-09, PRNS made an adjustment of about 500,000 units to estimate the unaccounted for activity. Because PRNS did not have sufficient support for the adjusted attendance counts, we did not include adjusted figures in our analysis.

⁹ The Tracking system also serves as a control to ensure all users belong at the facility and that the users are paid members.

centers—facilities that were previously schools—have multiple buildings and points of entry, which hampers electronic tracking of community center activity.

Such electronic tracking systems are not inexpensive, but neither are the manual data collection and aggregation PRNS performs, or the lost opportunity from not maximizing use of already-staffed facilities.

As such, we recommend that Parks, Recreation, and Neighborhood Services:

Recommendation #1
Enhance data collection methodology to track community center traffic, daily and hourly attendance, and program participation. (Priority 3)

Recommendation #2
Invest in a people counter system to capture more complete and consistent data on community center usage. (Priority 3)

Improved Cost Information for Community Centers

PRNS also lacks adequate cost information for community centers. PRNS provides community center supervisors a ‘cost center dictionary’ that details personnel and non-personal budgets and staffing allocations by location code, which are loaded into the City’s Financial Management System (FMS). PRNS uses FMS location codes to track actual costs and revenue for community centers. However, some of these FMS location codes capture costs for more than one location and are sometimes mislabeled in FMS. Exhibit 5 provides a few examples of mislabeled FMS data.

Exhibit 5: Examples of Mislabeled FMS Data

Location Code	FMS label	PRNS label
209	SAGE Hiring	Northside Community Center operations
287	SAGE – Alum Rock Jazz Band	Mayfair Senior Center
388	Next Gen Business Academy	Roosevelt Roller Rink

Source: FMS and cost center dictionary data from PRNS.

Mislabeled data makes calculating and tracking the true cost of individual community centers more difficult.

There are similar problems with PRNS' tracking of budgeted staff. PRNS management acknowledge that the staffing information in the cost center dictionary may not reflect the actual allocation of staff to community centers. Nonetheless, the cost center dictionary provides the best available information on staffing allocations to community centers. Appendix B on page B-I provides the 2008-09 staffing allocations for community centers as reflected in the cost center dictionary.

Additionally, PRNS staff also called to our attention that staff sometimes move costs to areas that still have budget room available. Although we were unable to quantify the frequency or pervasiveness of this practice, this type of practice could diminish the accuracy of the information collected.

To enable effective data analysis, codes should reflect costs and revenue for only one location, if possible. By doing so, PRNS would enhance its ability to assess the operating costs of individual community centers.

We recommend that Parks, Recreation, and Neighborhood Services:

Recommendation #3

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

Performance Indicators Would Identify Trends and Facilitate Decision-Making

Data are essential to business operations, so PRNS should invest in better management tools and techniques. PRNS has established a team of analysts within the Community Services Division who analyze community center operations. Better data would enhance the analysis of:

- Staffing to hours of operation, usage, and cost.
- Usage per program hour and hour of operation.
- Cost per unit of service at community centers by location.
 - Per attendance.
 - Per program hour.
 - Per hour of operation.
- Maintenance cost per square foot for facilities.

We compared community centers, by type, across several potential measures of efficiency and effectiveness, such as recorded attendance per hour of operation and cost per unit of attendance. Such measures can focus management attention

to concerning trends in operations, and help identify areas where data collection may need improvement.

For instance, as shown in Exhibit 6, Mayfair Community Center (Mayfair) and Almaden Community Center (Almaden) have the highest and lowest cost per unit of attendance, respectively, of hubs after revenue offsets expenses. Follow-up discussions with PRNS management revealed that the disparity is in part due to Almaden (which serves a more affluent community than Mayfair) generating greater revenue to offset its expenses – thus reducing the net cost per participant. On the other hand, Mayfair provides vital services that are not necessarily revenue generating and, as discussed above, usage data may under-represent actual activity at Mayfair. Thus, it would be unfair to deem Mayfair’s contribution less valuable than that of Almaden, because PRNS has both a business and social objective.

This is the type of discussion that performance information of the type shown here can generate. Examples of these types of indicators are presented in Exhibit 6.¹⁰ Ratios highlighted in yellow fall within the top quartile of comparable facilities, while those highlighted in red fall within the bottom quartile. These are the types of items that would hopefully provoke management discussion and analysis, and better decision making.

¹⁰ Exhibit 6 is based on the best available usage data and cost information from FMS. Appendix C provides definitions and explanations for the data and calculations in the exhibit.

Exhibit 6: Auditor Analysis of Financial and Operational Data for a Sample of Community Centers (2008-09)

Type	Community center	District	PRNS Operational Costs			PRNS Operational Income			Maintenance and custodial cost	PRNS net and custodial cost	Average recorded monthly program hours						
			Square feet	Budgeted FTEs*	Weekly hours of operation	Personal	Non-Personal	Total				Revenue	Grants	Total			
Hub	West San Jose	1	5,760	6.60	40	\$404,172	\$91,696	\$495,868	(\$186,113)	(\$34,976)	(\$221,089)	\$274,779	\$51,127	\$274,779	1,861	266	
	Southside	2	21,821	12.40	43	\$902,362	\$269,875	\$1,172,237	(\$414,673)	(\$195,418)	(\$610,091)	\$562,146	\$116,732	\$562,146	9,797	1,299	
	Roosevelt	3	30,006	8.00	74	\$375,851	\$76,664	\$452,515	(\$75,481)	\$0	(\$75,481)	\$377,034	\$115,172	\$377,034	7,449	997	
	Mayfair	5	21,000	9.30	66	\$487,947	\$62,744	\$550,691	(\$21,037)	\$0	(\$21,037)	\$529,654	\$56,817	\$529,654	4,999	609	
	Willow Glen	6	20,800	7.94	49	\$455,383	\$156,646	\$612,029	(\$40,035)	(\$113,344)	(\$153,379)	\$488,650	\$105,592	\$488,650	8,114	1,074	
	Evergreen	8	15,731	11.93	43	\$921,957	\$366,453	\$1,288,410	(\$630,420)	(\$173,955)	(\$804,375)	\$484,035	\$96,492	\$484,035	8,277	2,070	
	Camden	9	58,678	10.11	72	\$677,642	\$380,374	\$1,058,016	(\$530,282)	\$0	(\$530,282)	\$527,734	\$306,512	\$527,734	8,235	2,065	
	Almaden	10	40,000	15.73	66	\$990,502	\$522,141	\$1,512,643	(\$819,720)	(\$209,696)	(\$1,029,416)	\$483,227	\$116,858	\$483,227	11,293	1,829	
	Satellite	Cypress Senior	1	12,703	4.92	35	\$292,323	\$86,493	\$378,816	(\$11,280)	(\$114,108)	(\$225,388)	\$153,428	\$52,384	\$153,428	5,064	1,669
		Los Paseos Youth	2	14,000	0.75	18	\$43,682	\$383	\$44,065	\$0	\$0	\$0	\$44,065	\$15,285	\$44,065	643	60
Washington United Youth		3	17,000	6.91	52	\$464	\$453,107	\$453,571	\$0	\$0	\$0	\$453,571	\$59,681	\$453,571	5,065	440	
Gardner		3	12,440	11.30	39	\$599,403	\$82,230	\$681,633	(\$28,172)	(\$100,786)	(\$128,958)	\$552,675	\$61,666	\$552,675	6,331	791	
St. James Senior		3	13,771	5.01	39	\$350,923	\$244,869	\$595,792	(\$22,002)	(\$241,798)	(\$263,800)	\$331,982	\$117,941	\$331,982	5,238	631	
Northside		3	15,418	8.70	45	\$519,192	\$129,777	\$648,969	(\$56,039)	(\$122,675)	(\$178,714)	\$470,255	\$68,208	\$470,255	4,517	542	
NC	Hank Lopez	5	9,500	8.35	48	\$522,714	\$169,546	\$692,260	(\$102,286)	(\$202,021)	(\$304,307)	\$387,953	\$89,483	\$387,953	12,881	1,054	
	Alum Rock Youth	5	14,650	3.70	56	\$265,873	\$65,649	\$331,522	(\$45,596)	(\$7,000)	(\$52,596)	\$278,926	\$82,018	\$278,926	4,737	411	
	Kirk	9	19,746	9.98	35	\$653,989	\$162,129	\$816,118	(\$247,931)	(\$151,785)	(\$399,716)	\$416,402	\$62,768	\$416,402	4,905	689	
	Starbird Youth	1	3,840	2.75	18	\$104,346	\$11,781	\$116,127	\$0	\$0	\$0	\$116,127	\$17,106	\$116,127	641	88	
	Sherman Oaks	6	5,900	3.28	50	\$122,004	\$24,280	\$146,284	(\$26,976)	(\$35,770)	(\$64,746)	\$81,538	\$7,337	\$81,538	1,044	89	

Sample average by Type in Fiscal Year 2008-09

Hub	Average center	26,725	10.25	56	\$651,977	\$240,824	\$892,801	(\$339,720)	(\$90,924)	(\$430,644)	\$462,157	\$120,663	\$462,157	7,503	1,276
Satellite	Average center	14,359	6.62	41	\$360,951	\$154,909	\$515,861	(\$68,145)	(\$104,464)	(\$172,609)	\$343,252	\$66,604	\$343,252	5,487	699
NC	Average center	4,870	3.02	34	\$113,175	\$18,031	\$131,206	(\$14,488)	(\$17,885)	(\$32,373)	\$98,833	\$12,222	\$98,833	842	88

Type	Community center	District	Staffing			Usage			Potential Efficiency Ratios			Cost					
			Budgeted staff per hour of operation	Monthly program hours per budgeted FTE	Monthly attendance per budgeted FTE	Square feet per hour	Program hours per operation	Attendance per hour of operation	PRNS cost per hour of operation	PRNS cost per program hour	PRNS cost per hour of operation	PRNS net cost per hour of operation	PRNS net cost per program hour	PRNS net cost per hour of operation	PRNS net cost per program hour	Maintenance and custodial cost per square foot	
Hub	West San Jose	1	6.60	40	282	873	7.00	7.00	11	\$22.20	\$155	\$248	\$12.30	\$86	\$137	\$6.88	
	Southside	2	11.67	105	790	1,870	7.34	7.54	55	\$9.97	\$75	\$552	\$4.78	\$36	\$265	\$5.35	
	Roosevelt	3	4.32	125	931	6,939	3.23	7.47	24	\$10.12	\$76	\$245	\$8.44	\$63	\$204	\$3.84	
	Mayfair	5	5.64	65	538	3,726	2.21	8.21	18	\$22.03	\$181	\$401	\$21.19	\$174	\$385	\$2.71	
	Willow Glen	6	6.48	135	1,022	3,209	5.26	7.56	40	\$6.29	\$48	\$250	\$4.71	\$36	\$187	\$5.08	
	Evergreen	8	11.23	173	694	1,401	11.69	4.00	47	\$12.97	\$52	\$606	\$4.87	\$19	\$228	\$6.13	
	Camden	9	5.66	204	815	10,375	6.93	3.99	28	\$10.71	\$43	\$296	\$5.34	\$21	\$148	\$5.22	
	Almaden	10	9.53	116	718	4,196	6.65	6.18	41	\$11.16	\$69	\$458	\$3.57	\$22	\$146	\$2.92	
	Satellite	Cypress Senior	1	5.62	339	1,029	2,259	11.44	3.03	35	\$6.23	\$19	\$216	\$2.52	\$8	\$88	\$4.12
		Los Paseos Youth	2	1.71	80	857	8,167	0.82	10.78	9	\$5.71	\$62	\$50	\$5.71	\$62	\$50	\$1.09
Washington United Youth		3	5.32	64	733	3,198	2.03	11.51	23	\$7.46	\$86	\$174	\$7.46	\$86	\$174	\$3.51	
Gardner		3	11.59	70	560	1,073	4.87	8.01	39	\$8.97	\$72	\$350	\$7.27	\$58	\$283	\$4.96	
St. James Senior		3	5.14	126	1,045	2,680	3.88	8.30	32	\$9.48	\$79	\$306	\$5.28	\$44	\$170	\$8.56	
Northside		3	7.73	62	519	1,994	2.89	8.33	24	\$11.97	\$100	\$288	\$8.68	\$72	\$209	\$3.78	
Hank Lopez		5	7.03	126	1,543	1,351	5.32	12.22	65	\$4.48	\$55	\$291	\$2.51	\$31	\$163	\$9.42	
Alum Rock Youth		5	2.64	111	1,280	5,543	1.76	11.52	20	\$5.83	\$67	\$118	\$4.91	\$57	\$100	\$5.60	
Kirk		9	11.41	69	492	1,731	4.73	7.12	34	\$13.86	\$99	\$466	\$7.07	\$50	\$238	\$3.18	
NC	Starbird Youth	1	6.29	32	233	611	1.20	7.31	9	\$15.11	\$110	\$133	\$15.11	\$110	\$133	\$4.45	
	Sherman Oaks	6	2.62	27	318	2,248	0.43	11.75	5	\$11.67	\$137	\$59	\$6.51	\$76	\$33	\$1.24	

Sample average by Type in Fiscal Year 2008-09

Hub	Average center	7.64	121	724	4,073	5.61	6.49	33.00	\$13.18	\$87	\$382	\$8.15	\$57	\$212.50	\$5.02
Satellite	Average center	6.47	116	895	3,111	4.19	8.98	31.25	\$8.22	\$71	\$251	\$5.71	\$52	\$164.01	\$4.91
NC	Average center	4.45	29	276	1,430	0.81	9.53	6.90	\$13.39	\$124	\$96	\$10.81	\$93	\$82.67	\$2.85

Top quartile by type Bottom quartile by type

Sources: Revenue and expense, "Investing in Results," and other data from the departments of Parks, Recreation and Neighborhood Services, and General Services.

Reviewing community center information in this objective and consistent manner would encourage discussion, better decision making, and can also help PRNS management consider trade-offs between efficiency and its social mission (effectiveness).

We recommend that Parks, Recreation, and Neighborhood Services:

Recommendation #4

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

PRNS may be staffing satellite and neighborhood centers that are no longer needed to meet desired service levels

The original Greenprint, adopted by the City Council in September 2000, called for community centers to be within two miles of each resident. Under the Greenprint, satellite centers augmented recreation program and community services provided at hubs when needed to achieve the recommended service radius or meet specialized needs. The Greenprint said neighborhood centers would provide specific recreation and neighborhood services in cases of high neighborhood need. Since PRNS created the Greenprint in 2000, major changes to the City's facilities, policies, and fiscal outlook motivated PRNS to reevaluate the original Greenprint.

According to PRNS:

Since 2000, there have been a number of changes in the City environment, leading to the need for an update of the original Greenprint. These changes include new policies, a new fiscal reality, and the completion of hundreds of projects. The new policies such as the Green Vision, Facility Re-Use Policy and Urban Environmental Accords have had significant impact on parks and recreation priorities since the completion of the original Greenprint. The original Greenprint helped to implement many changes, including completion of nearly 400 projects. However, as a result of all these new policies, the current fiscal reality and new projects, the original Greenprint is no longer a useful tool for the setting of park and recreation priorities for the City.

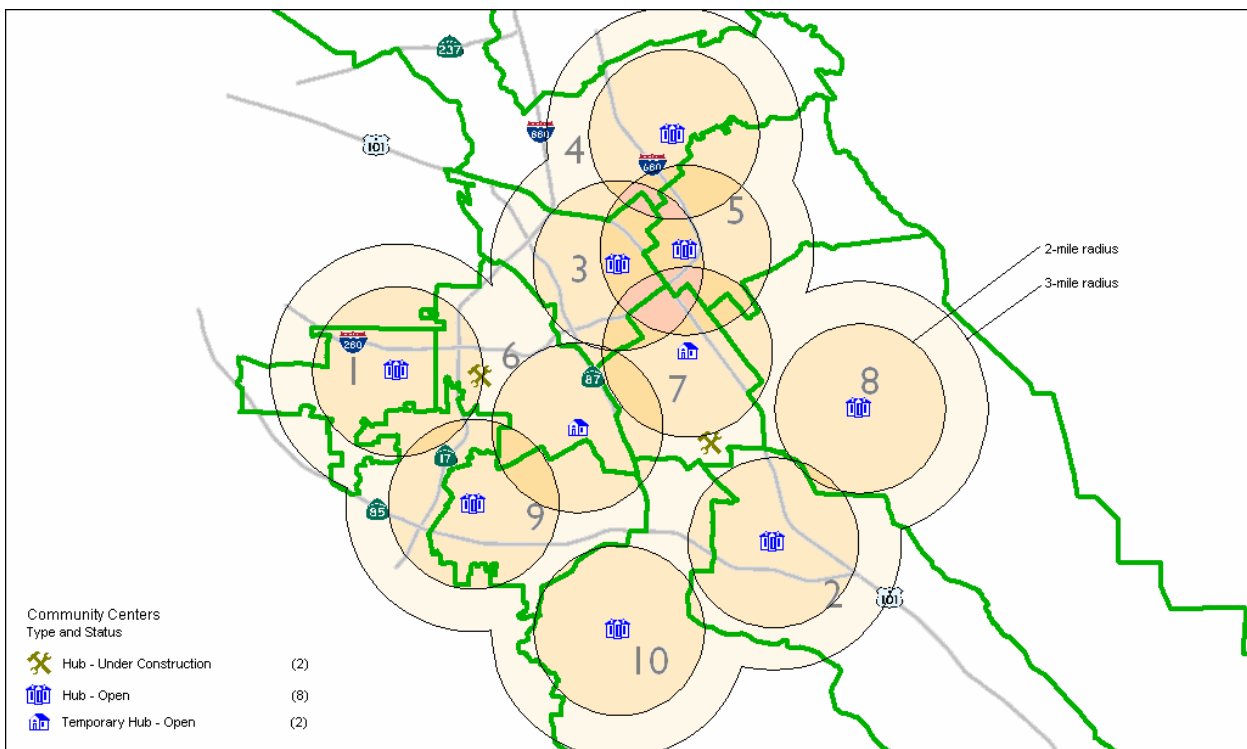
In December 2009, PRNS updated the Greenprint and the City Council adopted the update.

One key change impacting planning for community centers was the expansion of the service area for hubs. Specifically, the update to the Greenprint expanded the service area of hubs to three miles. PRNS explained the rationale for the expanded service area as follows:

- As part of the Greenprint Update, a telephone survey was performed, which indicated that 70 percent of residents surveyed were willing to travel up to 10 minutes to a recreational facility, which is approximately three driving miles on a straight line map.
- Analysis of Fall 2009 community center sign ups shows approximately 50 percent of the users at four community centers analyzed live more than two miles away from the facility.

Exhibit 7 shows the expansion of the service area for hubs (now operating or under construction) to three miles. Exhibit 7 also illustrates that hubs now serve a contiguous area that covers most of the City. In the past there were areas of the City that were not within the 2-mile hub service area. As a result, PRNS may be staffing satellite and neighborhood centers that are no longer needed to meet desired service levels.

Exhibit 7: The Expanded Service Area for Hubs Covers Much of the City



Source: Auditor analysis of information from PRNS and the Department of Planning, Building, and Code Enforcement.

The Greenprint update provides PRNS an opportunity to reexamine its staffing of satellite and neighborhood centers because achieving the recommended service area is now a less prominent issue. Appendix D on page D-1 shows the following items, in successive maps, in relation to hubs and the area they service: (a) satellite and neighborhood centers operated by PRNS in fiscal year 2008-09 or under construction; (b) facility re-use sites and facilities for other uses; and (c) San José Library Department branches. This geographic analysis of community center distribution indicates that most satellite and neighborhood centers fall

within the expanded service area for hubs. San José libraries are also distributed across the City and can provide certain services to the community. For instance, most San José libraries have a community or program room where some services are offered.

In April 2005, PRNS estimated cost-savings of \$3 million by shifting staff from smaller centers to hubs. In an era of diminished resources, it is incumbent on PRNS to consider the availability and distribution of all City community facilities when determining where it should staff satellite and neighborhood centers. Additionally, according to the 2009 Greenprint update, “All of the facilities should be evaluated to maximize cost recovery efforts to realize longterm financial sustainability.” PRNS should also consider the results of its analyses of community center usage to determine where its staff can make the greatest impact. Facilities located within the hub service area could be considered for inclusion in the facility re-use program, which allows CBOs and other service providers to operate satellite and neighborhood facilities where demands for services are not fully met by hubs.

We recommend that Parks, Recreation, and Neighborhood Services:

Recommendation #5

Reexamine 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)

PRNS Has Introduced a Facility Re-use Program but Should Address Program Weaknesses to Achieve Long-term Success

As part of the 2004-05 budget process, PRNS proposed the adoption of the multi-service delivery system (hub model), and later recommended that the City’s inventory of community centers be “right-sized” to include no more than 10 to 17 centers by 2010. However, the City Council decided not to close old facilities in large part because of community interest in keeping neighborhood-based centers. Therefore, as a means to keep the smaller community centers open, consolidate staff, and achieve cost-savings, PRNS created the facility re-use program.

As initially formulated, the re-use program was to bring in service providers to operate community centers and have them fully fund operations, maintenance, and utilities. Because of CBO concerns about the affordability of facility maintenance and utilities costs, the City ultimately agreed to fund these costs in exchange for services at the sites. The re-use program was adopted by the City Council in April 2008.

With the Council Policy in place, PRNS conducted a Request for Proposals in 2008-09 and identified service providers or alternative uses for 16 neighborhood centers. The City entered into one-year contracts with selected service providers for the fiscal year beginning July 2009, and intends to enter into multi-year agreements with service providers in the future.

Clarifying Required Service Levels for Re-Use Service Providers with Multiple Funding Sources

The re-use policy states:

In exchange for providing a minimum level of [free, low-cost, fee-for-service, sliding scale, or cost reimbursement programs, services, and activities that primarily benefit San José residents], the property use agreement shall not require the Service Provider to pay facility use fees (such as hourly room fees), and shall also provide that the City shall pay for the cost of routine building maintenance, major systems repair, and normal utility use for the facility.

However, when we compared the selected re-use contracts to some of the other City grant awards the service providers had received, we found the re-use contracts were unclear whether performance levels stipulated under the re-use agreement were meant to be *in addition to* or *the same as* those stipulated in other agreements. For example, several CBOs selected to provide services at a facility re-use site receive City funds to help achieve the very same service levels required under re-use contracts. Exhibit 8 describes two of these cases.

Exhibit 8: Two CBOs Receive City Funds to Help Achieve Service Levels

	Activity	Facility re-use contract service level (participants)	City grant service level (participants) ¹¹			Potential minimum participants to satisfy contracts
			HNVF	BEST	CDBG	
1	The CBO provides after-school programs and summer camps for youth impacted by familial incarceration	34 in after-school program	34 in after-school program ¹²			34 in after-school program
		60 in summer camps		60 in summer camps		60 in summer camps
2	The CBO provides a day care program for youth from families who are working during after-school hours	25 in day care program at community center			24 in day care program at community center	25 in day care program at community center

Source: Auditor’s analysis of facility re-use contracts and grant agreements from the City Clerk’s Office.

Absent clear language in the re-use contracts, a service provider could receive multiple payments to provide the same services – similar to the practice we identified in *An Audit Of The Agreements Between The City And The Filipino American Senior Opportunities Development Council (Fil-Am SODC)* published in June 2005. This practice would offset the City’s benefit derived from the re-use agreement and the actual cost savings realized, and appears contrary to the ‘exchange of services’ philosophy discussed in the Council Policy.

We recommend that Parks, Recreation, and Neighborhood Services:

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

Improving Cost Monitoring and Cost Sharing at Re-Use Sites

Although the City originally expected facility re-use to be cost neutral, the City eventually agreed to pay for maintenance and utilities costs for the sites. Exhibit 9 shows the cost of maintenance and utilities, where available, for community centers offered in the 2010 RFP for the re-use program. Because

¹¹ HNVF and BEST are PRNS’ Healthy Neighborhoods Venture Fund (HNVF) and Bringing Everyone’s Strengths Together (BEST) grant programs, respectively. CDBG is the Housing Department’s Community Development Block Grant program.

¹² The CBO’s HNVF and BEST contracts state that the participants identified therein are to be the total of both HNVF/BEST funds and matching funds.

PRNS often budgets and tracks expenses for multiple sites in a single expense code, we could not identify utility costs for most re-use sites.

Exhibit 9: Costs for Proposed Facility Re-use Sites (2008-09)

Center	Type of Center	Utilities	Maintenance and Custodial Services	Total cost
Northside Community Center	Satellite	\$59,000	\$58,000	\$117,000
Los Paseos Youth Center	Satellite	-	15,000	15,000
Alma Community Center	Neighborhood	32,000	63,000	95,000

Source: Financial information from PRNS and the Department of General Services.

In June 2009, the City Council adopted a fee pricing policy that allows PRNS to target greater cost recovery. PRNS plans to increase its cost recovery to offset the General Fund cost of community center programs. Given the department’s push to make City-operated community centers cost neutral, PRNS should consider a similar policy for CBO-operated re-use sites. For example, service providers could be asked to pay for utilities, which would also give them an incentive to be cognizant of their energy use.

In our review, we found that the City has not reported funding for facility re-use service providers in its Nonprofit Strategic Engagement Platform. The Nonprofit Strategic Engagement Platform is the City’s effort to enhance the accountability and impact of the tens of millions of dollars provided to hundreds of CBOs. As part of this program, the City periodically updates and reports a list of all grant funding and recipients to the City Council. If the re-use facility service providers were to lease facilities in the private market, they would probably have to pay for utilities and custodial services, as well as rent. Therefore, it seems reasonable for the City to track these costs and include them in Citywide grant funding lists. Furthermore, during the course of our review we learned that the Department of General Services has not estimated the fair market value of re-use facilities.

Moreover, PRNS may also be losing out on potential rental income by granting free use of the re-use facility—especially as it expands the re-use program to include newer and larger facilities. As indicated above, PRNS has identified three additional community centers to offer under the re-use program in 2010-11, including satellite centers like the Northside Community Center—a 15,000 square foot facility with a large multi-purpose room, commercial kitchen, and several classrooms.¹³ Compared to neighborhood centers, which were the only type of community center in the first round of re-use, satellite centers are generally much larger and are intended to provide a far broader array of programs and services than neighborhood centers.

¹³ PRNS proposed three additional community centers for re-use, but found alternative City uses for those facilities.

If Council Policy is revised, PRNS could build some level of cost sharing into facility re-use contracts – perhaps a tiered approach ranging from ‘free’ to paying ‘full value.’

We recommend that the City Administration:

Recommendation #7

Include CBOs with re-use 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)

We recommend that the Department of General Services:

Recommendation #8

Estimate the fair market value of re-use facilities. (Priority 3)

We recommend that Parks, Recreation, and Neighborhood Services:

Recommendation #9

Propose revising the community center re-use policy and/or create a new policy to allow for a tiered approach to cost sharing in re-use contracts. (Priority 3)

Including Washington United Youth Center in the Facility Re-use Program

Washington United Youth Center (Washington United) is a City satellite center that offers leadership and support services for youth, family support services, recreational programs like sports leagues, cultural programming, and education and technology programs. It is currently being operated by a CBO. Although it is operated by a CBO, Washington United was not part of the 2005 re-use program. According to PRNS, Washington United is the only CBO-operated City-owned community center that receives an operational subsidy from PRNS. PRNS provided an operational grant of \$425,000 to the CBO in fiscal year 2008-09, and spent nearly \$24,000 on utilities for the site.¹⁴ If PRNS placed Washington United on the re-use list and found a service provider for the site, the City would no longer provide this operational subsidy.

¹⁴ The CBO also received BEST grant funds from PRNS that may have further subsidized programs and activities at Washington United.

In addition, when we compared the City’s cost to subsidize the operations of Washington United to the City’s cost to staff a like facility, we found that the City’s cost may be cheaper. Specifically, PRNS data show that it spent less than \$332,000 to operate a facility—Alum Rock Youth Center—comparable in size and programs and services to Washington United. Exhibit 10 compares the CBO’s subsidized operation of Washington United to the City’s operation of Alum Rock Youth Center.

Exhibit 10: A CBO’s Subsidized Operation of Washington United Youth Center Appears to be More Costly Than the City’s Operation of the Alum Rock Youth Center (2008-09 data)

	Washington United Youth Center (CBO Operated)¹⁵	Alum Rock Youth Center (City Operated)
Square feet	17,000	14,650
Amenities (material differences)	Washington United has a fitness room and a larger multi-purpose room	
Weekly hours of operation	52 per 2008-09 contract	56 per August 2009 facility guide
Cost to PRNS ¹⁶	\$453,571	\$331,522
Revenue to PRNS (classes and rentals)	\$0	\$52,596
Net cost to PRNS ¹⁷	\$453,571	\$278,926
Average monthly attendance ¹⁸	5,065	4,737
Average monthly program hours	440	411
Budgeted staff (in FTEs)	6.91	3.70
Ratios		
Budgeted staff per hour of operation	5.32	2.64
Attendance per program hour	11.51	11.52
Attendance per hour of operation	23	20
Cost to PRNS per unit attendance	\$7.46	\$5.83
Net cost to PRNS per unit attendance	\$7.46	\$4.91

Source: Auditor’s analysis of information from the Department of Parks, Recreation and Neighborhood Services.

Moreover, when PRNS generates revenue by operating community centers like Alum Rock Youth Center, the revenue stays with the City. On the other hand, if Washington United generates operating revenue, the City does not receive any portion of those funds per its contract with the CBO operator. Instead, the CBO is allowed to keep those funds and use them to enhance its services.

¹⁵ The CBO was required to provide about \$91,000 in matching funds to supplement the operational grant.

¹⁶ Washington United cost is the 2008-09 contract amount plus PRNS non-personal cost from the City’s Financial Management System (FMS). Alum Rock cost is PRNS personal and non-personal cost from FMS. Both exclude departmental oversight costs: Washington United does not include cost of contract management and Alum Rock does not include cost of recreation superintendent or department support staff.

¹⁷ Net cost to PRNS is the cost to PRNS less revenue to PRNS.

¹⁸ Attendance and program hours based on performance reports from the CBO and Investing in Results reports from PRNS.

We recommend that Parks, Recreation, and Neighborhood Services:

Recommendation #10

Include Washington United Youth Center in the facility re-use program or operate it with City staff. (Priority 3)

Recommendation #11

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

Allowing For-Profit Entities to Compete for Re-Use Facilities Under a Modified Re-Use Arrangement

PRNS currently uses some vendors to provide specific classes and services at community centers (for example, vendors provide sports camps and dance lessons, among other things, at community centers). To date, the City has not allowed private, for-profit companies to participate in the request for proposals to operate community facilities.

Some cities and organizations use for-profit operators to reduce the cost of operations and to generate income. For instance, the cities of Sunnyvale and Menlo Park contract with private, for-profit entities to operate aquatics facilities. Sunnyvale receives a portion of the operator's profit and Menlo Park receives reimbursement for facility maintenance and utilities.

In another example, Jewish Community Centers throughout the bay area use a for-profit operator to run their fitness facilities to great effect. According to the management of the Addison-Penzak Jewish Community Center of Silicon Valley (JCC), a non-profit organization in Los Gatos, the contractual arrangement—the JCC pays a management fee for the for-profit operator's management services and staff—subsidizes about half of the JCC's operational costs, including programs that would otherwise go unfunded. They noted that the relationship with the for-profit operator has helped the organization withstand the recent economic decline.

The JCC example demonstrates that for-profit operators have experience in fields, such as fitness, and can have market knowledge on how to efficiently operate such functions. By employing their services, even if on a temporary basis, PRNS may be able to enhance services, increase facility hours, and/or generate funds needed to deliver services at community centers. In order to allow for-profit entities to participate in the City's re-use program, the re-use policy would need to be revised. Under a modified re-use arrangement, the City could enter into contracts with for-profit entities to provide specified community services

using terms that benefit the City. For instance, the arrangement could include provisions for the City's receipt of rent or a percentage of profit.

We recommend that Parks, Recreation, and Neighborhood Services:

Recommendation #12

Propose revising the community center re-use 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)

Better Use of Its Class Registration Software Could Help PRNS Meet Its Cost-Recovery Goals for Community Centers

Community center websites keep the public informed of events, programs and classes. Websites that are thoughtfully laid out may help increase community center use and revenue. In 2008, PRNS implemented a Registration and E-Commerce System (RECS) that allowed for the electronic registration of fee classes and programs. RECS has already made registering for classes simpler by allowing the public to electronically register for classes and programs instead of relying exclusively on a paper application system. According to PRNS management, PRNS has seen increased registrations during the first year of RECS implementation, when compared to prior years resulting in greater revenue generation. Despite the improvement in the public's ability to register for classes, it appears that the system can be further enhanced to improve user friendliness and continue to improve PRNS' ability to recover costs.

In our review of community center websites at other cities, we noticed several features we believe would improve the public's experience accessing community center information. For example, the City of Seattle utilizes maps to orient the user to facility locations, lists directions to Seattle's facilities, and links events and programs to a sortable and searchable events calendar.

The City's current RECS interface has many desirable features but assumes the user knows what facility he or she wants to use and the location of facilities. Furthermore, if the user decides to first visit the site of his or her local facility, the facility website does not currently have a link to the online registration system. Exhibits 11 and 12 show a comparison between the City's community center website and Seattle's community center website.

**Exhibit I I: City of San Jose – Parks, Recreation, and Neighborhood Services
Community Center Website**

The screenshot shows the City of San Jose website for the Department of Parks, Recreation & Neighborhood Services (PRNS). The page is titled "Community, Senior and Youth Centers" and includes a note that the center website pages are under development. A list of community centers is provided with their addresses and phone numbers.

Community Center	Address	Phone Number
Almaden Community Center	6445 Camden Ave 95120	408-268-1133
Alviso Community Center	5040 North 1st Street 95002	408-586-7624
Berryessa Community Center	3050 Berryessa Rd 95132	408-251-6392
Camden Community Center	3369 Union Avenue 95124	408-559-8553
Evergreen Community Center	4860 San Felipe Road 95135	408-270-2220
Gardner Community Center	520 West Virginia Street 95125	408-270-1488

Source: PRNS website.

Exhibit 12: Seattle Department of Parks and Recreation Community Center Website

The screenshot shows the website's navigation menu with categories: **Parks**, **Centers & Pools**, **Activities**, **Reservations & Permits**, **Projects & Planning**, and **A - Z Index**. The **Centers & Pools** section is expanded, listing options like SPARC - Online Registration, Community Centers, Pools, Environmental Learning Centers, Performing Arts Center, Boating Centers, Tennis Center, and Computer Technology Learning Centers.

The **Community Centers** section features a grid of images and a list of 20 centers, each with contact information and a "Map It" link. The list includes: Alki, Ballard, Bitter Lake, Delridge, Garfield, Green Lake, Hiawatha, High Point, International District/Chinatown, Jefferson, Langston Hughes Performing Arts, Laurelhurst, Loyal Heights, Magnolia, Magnuson, Meadowbrook, and Miller Community Centers.

Other sections include:

- EVENTS CALENDAR**: A calendar for January 2010 with a note: "Events Calendar with Activities linked into the dates."
- CLASSES & PROGRAMS**: Promotes online registration via SPARC with a note: "Access to online registration system."
- LEVY PROGRAM**: Information about the 1991 Community Centers and Seattle Center Levy, with a note: "Facility Rental Guide."
- RESERVATIONS & RENTALS**: Details on renting pools, kitchens, gyms, etc., with a note: "Directions to desired community Center."
- CENTER FINDER MAP**: A map of Seattle with center locations marked, with a note: "Map of Centers, linking user to center web site."

Source: Seattle Department of Parks and Recreation website.

Features such as the ones illustrated above will help improve the public's experience navigating City services, and may result in increased revenue generation.

We recommend that Parks, Recreation, and Neighborhood Services:

Recommendation #13

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

Better Use of Its Class Registration Software Could Help Limit Staff Time Devoted to Scheduling Unproductive Classes at Community Centers

RECS also provides data to PRNS in far greater detail than previously available. Regular analysis of class registration data from RECS can help PRNS identify high demand classes and pursue differential pricing as allowed by the Council's fee pricing policy. For instance, PRNS has the capability of evaluating which classes are well-attended and are more likely to achieve minimum registration, as shown in Exhibit 13.

Exhibit 13: Analysis of RECS Data on Class Enrollment¹⁹

Class Category	Cancelled Classes	Successful Classes	Total Classes	% Successful	Number Enrolled in Successful Classes	Average Enrolled
Aquatics	286	1,383	1,669	83%	6,985	5.05
Arts & Crafts	263	163	426	38%	1,337	8.20
Camps	180	471	651	72%	8,622	18.31
Dance	454	296	750	39%	2,782	9.40
Drop-In Programs	20	33	53	62%	1,053	31.91
Early Childhood Recreation	140	318	458	69%	4,077	12.82
Enrichment/Education	174	84	258	33%	484	5.76
Field Trip	-	25	25	100%	795	31.80
Health & Fitness	283	189	472	40%	1,442	7.63
Music & Theater Arts	193	309	502	62%	2,173	7.03
Senior Programs/Classes	23	63	86	73%	1,221	19.38
Senior Special Events	142	5	147	3%	135	27.00
Special Events	112	35	147	24%	604	17.26
Specialty	127	73	200	37%	523	7.16
Sport Leagues	83	128	211	61%	2,576	20.13
Sports	280	504	784	64%	5,398	10.71
Therapeutic Services	74	102	176	58%	1,115	10.93
Other	43	19	62	31%	110	5.79
Total	2,877	4,200	7,077	60%	41,432	9.86

Source: Auditor analysis of RECS data.

¹⁹ RECS data includes fee programs and services that are not associated with community center operations.

By better understanding which classes contribute the greatest revenue, PRNS can adjust its classes and enhance revenue generation, and as a result, better cover the cost to staff centers. PRNS could also use RECS information to evaluate whether non-resident surcharges or the current pricing strategy are meeting their desired effect. PRNS staff indicated they have only scratched the surface of RECS capabilities.

We recommend that Parks, Recreation, and Neighborhood Services:

Recommendation #14

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

As shown in Exhibit 13, of the 7,077 classes offered, only 60 percent experienced sufficient registration. Reducing or eliminating the planning and scheduling of classes that garner low or no interest would likely result in significant gains towards more efficient class planning and scheduling. Gains in efficient planning and scheduling would be realized by allowing the staff to focus primarily on the classes or programs that have a history of successful attendance. If scheduling is improved, PRNS may also be able to reduce or redeploy staff currently dedicated to this function to another area of need. In fiscal year 2008-09, PRNS deployed to community centers 7 full-time recreation program specialists at a projected cost of \$560,000 to identify and plan fee classes.

We recommend that Parks, Recreation, and Neighborhood Services:

Recommendation #15

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

Community Centers are Open Limited Hours on Weekends

To maximize public usage, centers need to be open when the public recreates. However, few City community centers are open on the weekend. Currently, the City only offers limited weekend hours of operation at 10 community centers even though available data suggest weekends are a desirable time for San José residents to recreate. As shown in Exhibit 14, Library Department data show that Saturday has the third highest attendance during the six days branches operate.

Exhibit I4: Percentage of Visitors to Library Branches by Day of the Week for Fiscal Year 2008-09

	Su	M	Tu	W	Th	F	Sa	Total
Hours of operation	Closed ²⁰	2pm-7pm	11am-8pm	11am-8pm	10am-6pm	10am-6pm	10am-6pm	
Percentage of weekly visitors ²¹		14.4%	19.3%	18.1%	15.8%	14.9%	17.5%	100%

Source: Unaudited Library Department gate count data and branch schedules.

Data from PRNS further support the demand for extending hours of operation into the weekends as shown in Exhibit I5.

Exhibit I5: Analysis of RECS Data by Day of the Week for December 2008 to November 2009

	Su	M	Tu	W	Th	F	Sa	Total
Successful classes	3	259	299	293	297	197	528	1,876
Cancelled classes	7	291	344	341	314	283	456	2,036
% of offerings with enrollment	30%	47%	47%	46%	49%	41%	54%	48%
Enrollees	215	1,765	2,720	2,404	3,312	1,556	6,533	18,505
Enrolled per class	71.67	6.81	9.10	8.20	11.15	7.90	12.37	9.86

Source: Auditor's analysis of unaudited Registration and E-Commerce System data from PRNS.²²

Specifically, information from the first year of RECS implementation (December 2008 to November 2009) shows that, for classes offered one day of the week only, Saturday classes had the highest average attendance and the greatest proportion of class offerings with enrollment.²³ Additionally, PRNS staff analyzed fee class registration for the winter months in 2005 and reached a similar conclusion.

Although the above information shows that weekend operations have been successful, Exhibit I6 highlights the limited weekend hours of operation.

²⁰ Besides King, only one branch (Tully) is open on Sunday.

²¹ We excluded the Dr. Martin Luther King, Jr. (King) branch from our analysis because its traffic patterns are affected by the Library Department's partnership with San Jose State University.

²² We excluded Family Camp registrations from our analysis.

²³ Saturday's higher attendance is due in part to sports leagues and activities. It is important to note that classes spanning multiple days had higher total attendance. Data for those classes do not strongly favor Saturday programming over other days, possibly because few classes spanning multiple days include Saturday sessions.

Exhibit 16: Hours of Operation for City-Operated Community Centers as of April 2009

District	Community Center	M	Tu	W	Th	F	Sa	Su	Subtotals ²⁴		
									M-F	Sa-Su	
1	West San José	9a-5p	9a-5p	9a-5p	9a-5p	9a-5p			40	0	
1	Stardbird Youth	2:30-6p	2:30-6p	2:30-6p	2:30-6p	2:30-6p			17.5	0	
1	Cypress Senior	9a-4p	9a-4p	9a-4p	9a-4p	9a-4p			35	0	
2	Southside	8:30a-5p	8:30a-5p	8:30a-5p	8:30a-5p	8:30a-5p			42.5	0	
2	Los Paseos Youth	3-6:30p	3-6:30p	3-6:30p	3-6:30p	3-6:30p			17.5	0	
3	St. James	9a-4p	9a-4p	9a-4p	9a-4p	9a-4p	10a-2p		35	4	
3	Roosevelt	6a-8p	6a-8p	6a-8p	6a-8p	6a-8p	9a-1p		70	4	
3	Northside	9a-5:30p	9a-5:30p	9a-5:30p	9a-5:30p	2:30-5:30p		9a-5p	37	8	
3	Gardner		10a-6p	10a-6p	10a-6p	10a-6p	9a-4p		32	7	
4	Berryessa	8:30a-7p	8:30a-7p	8:30a-7p	8:30a-7p	8:30a-5p	9a-1p		50.5	4	
4	Berryessa Youth	8:30a-5p	8:30a-5p	8:30a-5p	8:30a-5p	8:30a-5p			42.5	0	
4	Alviso Youth	2-8p	2-8p	2-8p	2-8p	2-8p			30	0	
5	Mayfair	8a-8p	8a-8p	8a-8p	8a-8p	8a-8p	9a-3p		60	6	
5	Alum Rock Youth	8:30a-6p	8:30a-6p	8:30a-6p	8:30a-6p	8:30a-6p	8:30a-5p		47.5	8.5	
5	Hank Lopez	8:30a-6p	8:30a-6p	8:30a-6p	8:30a-6p	8:30a-6p			47.5	0	
6	Willow Glen	8:30a-5:30p	8:30a-5:30p	8:30a-5:30p	8:30a-5:30p	8:30a-5:30p	9a-1p		45	4	
7	Shirakawa	9a-5p	9a-5p	9a-5p	9a-5p	9a-5p			40	0	
7	Alma	9a-5p	9a-5p	9a-5p	9a-5p	9a-5p			40	0	
8	Evergreen	8:30a-5p	8:30a-5p	8:30a-5p	8:30a-5p	8:30a-5p			42.5	0	
9	Camden	6:30a-8p	6:30a-8p	6:30a-8p	6:30a-8p	6:30a-8p	9a-1p		67.5	4	
9	Kirk	Under construction								n/a	n/a
10	Almaden	8a-9p	8a-9p	8a-9p	8a-9p	8a-6p	9a-1p		62	4	

Source: August 2009 Facility Guide from the Department of Parks, Recreation, and Neighborhood Services.

According to PRNS management, if centers only operate Monday to Friday, they miss out on a large portion of the population. With continued budget reductions, there is an even greater need to maximize usage by opening community centers on the highest use days and during the most desirable hours of operation.

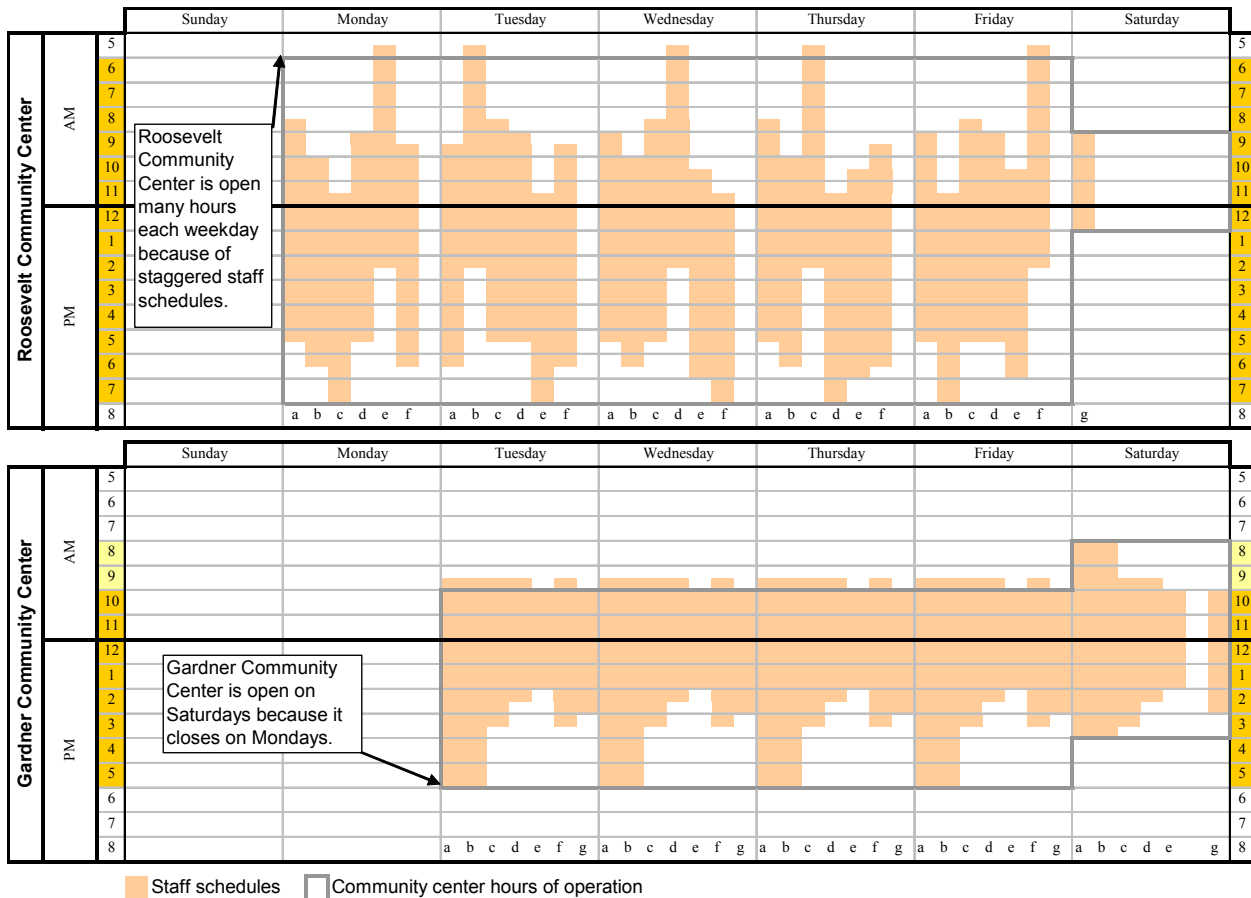
Staggering and Shifting Staff Schedules Could Result in Improved Hours of Operation

Staff schedules vary dramatically by community center. Staff at some centers, like Roosevelt Community Center, have staggered schedules which allow for longer hours of operations. Other centers, like the Gardner Community Center, limit weekday hours of operations to allow for weekend services. For Roosevelt Community Center, at least one staff member is at the facility at 5:45 am and at least one staff member is present at 8 pm. For Gardner Community Center, most staff have Monday off in exchange for working on Saturday. Exhibit 17

²⁴ Weekend hours of operation do not include availability for facility rental use.

shows how two different approaches to scheduling staff result in achieving the desired service days.

Exhibit I7: Staff Schedules at Roosevelt Community Center and Gardner Community Center



Source: PRNS staff schedules.²⁵

By identifying which are the most desirable and used operating times by center, PRNS can modify staffing schedules to more effectively meet the demands on services.

²⁵ For Roosevelt Community Center (a) is the recreation supervisor, (b) is the recreation program specialist (fitness), (c) is the therapeutics specialist, (d) is the recreation program specialist (youth), (e) is the recreation program specialist (fee classes), (f) is the office specialist, and (g) is one of the prior staff on rotation. For Gardner Community Center (a) is the recreation supervisor, (b) is the recreation program specialist, (c) is the food service coordinator, (d) is the cook, (e) is the kitchen aide, and (f) and (g) are recreation leaders. Gardner staff member (f) also works on Monday when the center is closed.

We recommend that Parks, Recreation, and Neighborhood Services:

Recommendation #16

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

Recommendation #17

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

APPENDIX A

DEFINITIONS OF PRIORITY 1, 2, AND 3 AUDIT RECOMMENDATIONS

The City of San Jose's City Policy Manual (6.1.2) defines the classification scheme applicable to audit recommendations and the appropriate corrective actions as follows:

Priority Class¹	Description	Implementation Category	Implementation Action³
1	Fraud or serious violations are being committed, significant fiscal or equivalent non-fiscal losses are occurring. ²	Priority	Immediate
2	A potential for incurring significant fiscal or equivalent fiscal or equivalent non-fiscal losses exists. ²	Priority	Within 60 days
3	Operation or administrative process will be improved.	General	60 days to one year

¹ The City Auditor is responsible for assigning audit recommendation priority class numbers. A recommendation which clearly fits the description for more than one priority class shall be assigned the higher number.

² For an audit recommendation to be considered related to a significant fiscal loss, it will usually be necessary for an actual loss of \$50,000 or more to be involved or for a potential loss (including unrealized revenue increases) of \$100,000 to be involved. Equivalent non-fiscal losses would include, but not be limited to, omission or commission of acts by or on behalf of the City which would be likely to expose the City to adverse criticism in the eyes of its citizens.

³ The implementation time frame indicated for each priority class is intended as a guideline for establishing implementation target dates. While prioritizing recommendations is the responsibility of the City Auditor, determining implementation dates is the responsibility of the City Administration.

APPENDIX B

Budgeted Full-Time Equivalent Staff by Community Center

Community center	2009-10 Status	Square Foot	District	2008-09 budgeted staff complement by position type (full-time equivalents)										Total budgeted FTEs	PRNS' estimated staff on site		
				Supervisor	Specialist				Recreation		Support	Nutrition					
				Recreation/ Gerontology/ Therapeutic	Recreation program	Gerontology	Therapeutic	Office	Senior	Part- time	Account clerk	Food services coordinator	Kitchen aide			Cook	
Hubs																	
1 Almaden	Open	40,000	10	1.00	2.90	1.00		1.00			7.58		0.75	0.50	0.50	15.23	10.71
2 Bascom	Construction	20,000	6														
3 Berryessa	Open	13,700	4	1.00	1.90	1.00		1.00	0.75	5.73			0.82	0.75	0.75	13.70	9.42
4 Camden	Open	58,678	9	1.00	2.40				1.05	4.66	1.00					10.11	10.11
5 Evergreen	Open	15,731	8	1.00	1.90	1.00		1.00		4.71			0.82	0.75	0.75	11.93	8.67
6 Mayfair	Open	21,000	5	1.00	2.00	1.00	1.00	1.00	1.00	2.30						9.30	9.30
7 Roosevelt	Open	30,006	3	1.00	2.00		1.00	1.00	2.50		0.50					8.00	8.00
8 Seven Trees/Solar*	Construction	38,000	7	1.00	1.85			1.00		4.35						8.20	4.74
9 Shirakawa	Open	15,840	7			1.00				0.75			0.63	0.50		2.88	2.88
10 Southside	Open	21,821	2	1.00	1.90	1.00		1.00		5.24			0.82	0.69	0.75	12.40	8.43
11 West San Jose	Open	5,760	1	1.00	1.60					4.00						6.60	3.14
12 Willow Glen	Open	20,800	6	1.00	1.00			1.00		2.44			0.75	1.06	0.69	7.94	7.94
Hub subtotal		301,336		10.00	19.45	6.00	2.00	8.00	2.80	44.26	1.50		4.59	4.25	3.44	106.29	83.34
Satellite centers																	
13 Almaden Winery	Other	15,000	10														
14 Alum Rock Youth	Open	14,650	5	1.00	1.10				0.75	0.85						3.70	0.20
15 Alviso	Open	17,000	4							1.24						1.24	0.00
16 Berryessa Youth Center	Open	20,000	4														
17 Cypress	Open	12,703	1	*		1.00		1.00		0.79			0.75	0.63	0.75	4.92	4.92
18 Edenvale	Construction	20,190	2														
19 Gardner	Open	12,440	3	1.00	3.10				0.75	4.70			0.75	0.50	0.50	11.30	8.54
35 Hank Lopez	Open	9,500	5		1.00	1.00		1.00		3.98			0.87	0.50		8.35	5.89
20 Kirk	Open	19,746	9		2.00	1.00				5.73			0.75	0.50		9.98	5.75
21 Los Paseos	Open	14,000	2						0.75							0.75	0.75
22 Northside	Open	15,418	3	1.00		1.00		1.00	1.00	3.20			0.50	0.50	0.50	8.70	8.70
23 St. James	Open	13,771	3	*	1.00			1.00		0.01			0.75	1.50	0.75	5.01	5.01
24 Washington**	Contractor	17,000	3													6.91	6.91
Satellite center subtotal		201,418		3.00	8.20	4.00		4.00	3.25	20.50			4.37	4.13	2.50	53.95	39.76
Neighborhood centers																	
25 Alma	Open	6,372	7		1.00	1.00				1.65			0.82	0.75	0.75	5.97	5.45
26 Almaden Youth Center	Reuse	2,072	10														
27 Backesto	Reuse	665	3														
28 Bramhall Park	Reuse	1,392	6														
29 Calabazas	Other	1,816	1														
30 Capitol Park/Goss	Open	2,160	5							0.50						0.50	0.50
31 Edenvale Youth Center	Reuse	3,840	2														
32 Erickson	Other	960	9														
33 Fair	Reuse	1,920	7														
34 Hamann Park	Reuse	1,466	6														
36 Hoffman/Via Monte	Open	1,920	10														
37 Hoover	Reuse	6,684	6		0.10					0.83						0.93	0.93
38 Houge Park	Reuse	6,132	9														
39 Joseph George	Reuse	2,000	5														
40 McKinley	Open	2,700	3														
41 Meadowfair	Reuse	1,942	8														
42 Millbrook	Open	3,700	8														
43 Noble House	Other	1,411	4														
44 Noble Modular	Open	900	4														
45 Olinger	Reuse	6,251	3														
46 Paul Moore	Open	1,500	9														
47 Rainbow	Reuse	1,664	1														
48 River Glen Park	Other	832	6														
49 San Tomas	Reuse	1,734	1														
50 Sherman Oaks	Reuse	5,900	6		1.00					2.28						3.28	0.02
51 Starbird	Open	3,840	1						1.00	1.75						2.75	2.75
52 Vista Park	Open	2,280	10							0.50						0.50	0.50
53 Welch Park	Reuse	800	8														
Neighborhood center subtotal		74,853			2.10	1.00			1.00	7.51			0.82	0.75	0.75	13.93	10.15
Other																	
54 Moreland	Other	13,655	1														
55 Old Alviso Library	Reuse	849	4														
55 Watson	Other	6,240	3														
Total City FTEs		598,351		13.00	29.75	11.00	2.00	12.00	7.05	72.27	1.50		9.78	9.13	6.69	174.17	133.25

Source: Department of Parks, Recreation, and Neighborhood Services budget data.

Note: PRNS has deployed other staff to community centers who are not captured in the table, including gang intervention staff. Table Reflects FTE amounts per PRNS budget information, but may not reflect actual deployment, active programs, or employee types.

* During construction staff redeployed to Shirakawa.

** Staffed by contractor and thus excluded from total.

APPENDIX C

Definitions and notes for data and calculations in Exhibit 6 on page 19.

Definitions:	
Square feet	Space operated by the Department of Parks, Recreation and Neighborhood Services (PRNS) community center staff.
Budgeted FTEs	Number of full-time equivalents according to PRNS fiscal year 2008-09 cost center dictionary. Include staff associated with the senior nutrition and San Jose after school programs.
Weekly hours of operation	Weekly number of hours a center was open as of April 2009.
PRNS operational cost	<p>Cost to PRNS for running a center (or multiple centers) according to the City's Financial Management System (FMS).</p> <p>PRNS notes these costs do not include costs for departmental management above the Recreation Supervisor level and certain support functions such as the PRNS Administrative Services Division; costs paid by some capital and special funds; costs for land or cell phones; costs for therapeutics, aging and certain senior programming, and Citywide sports and aquatics, all of which are tracked centrally; and costs for landscaping and outdoor maintenance included in the Parks Division budget.</p> <p>PRNS further notes that costs for some centers include neighboring centers as well.</p>
PRNS operational income	<p>Revenue raised by PRNS through fee classes and expenses paid by sources other than the General Fund (including the Healthy Neighborhoods Venture Fund and Santa Clara County) according to FMS.</p> <p>PRNS notes operational income does not include donations, or reimbursements from the US Department of Agriculture for the nutrition programs.</p>
PRNS net operational cost	PRNS operational cost minus PRNS revenue/grants
Maintenance and custodial costs	<p>Cost related to a community center including custodial, general maintenance work orders, and elevator and HVAC maintenance.</p> <p>The General Services Department notes these costs may not include all administrative and overhead expenses or graffiti abatement costs, and are subject to human error.</p>
Average recorded monthly attendance	Total attendance at a center (or multiple centers), according to PRNS Investing in Results data collection, divided by the number of months a center (or multiple centers) was open.

APPENDIX C

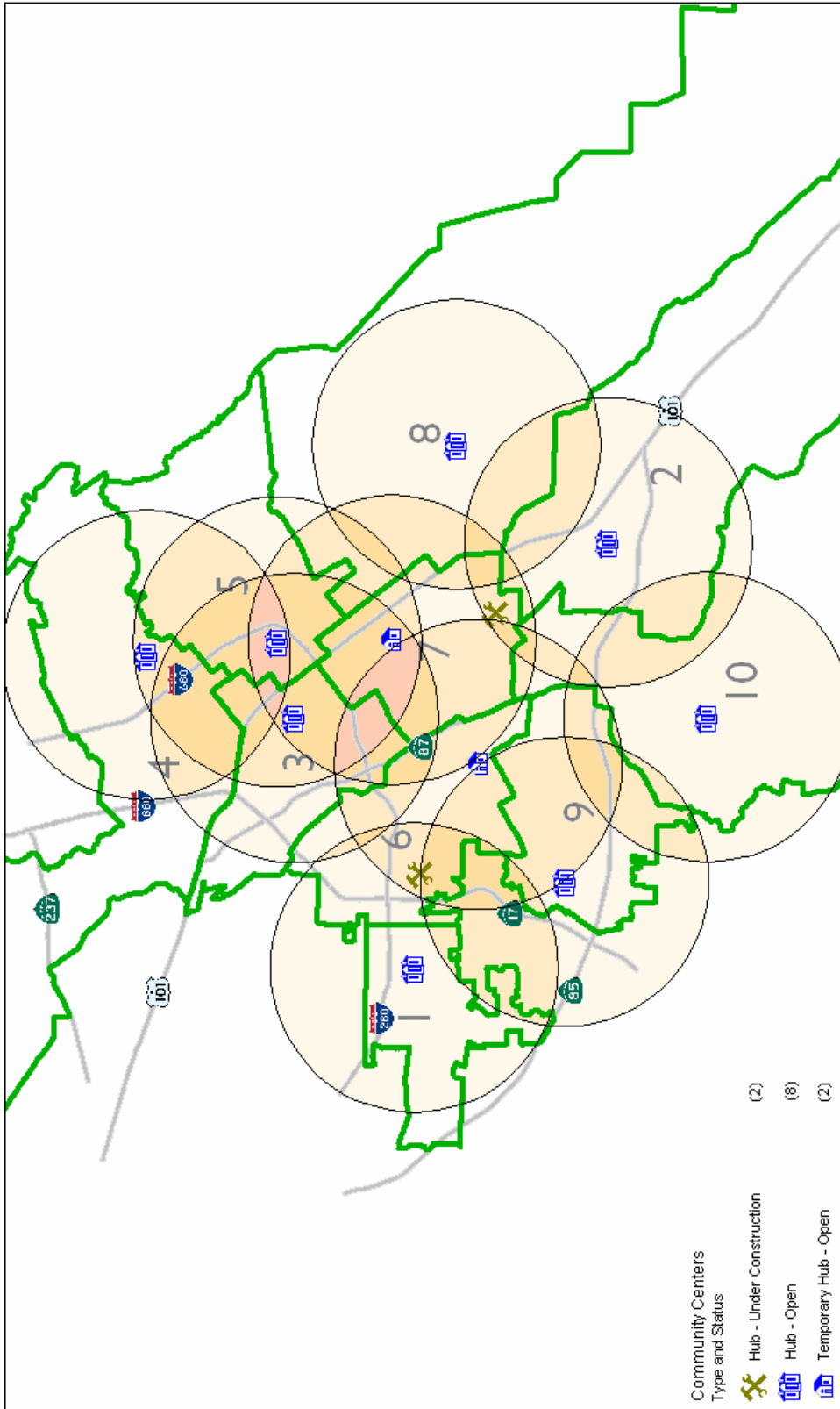
Definitions:	
Average recorded monthly program hours	Total program hours at a center (or multiple centers), according to PRNS Investing in Results data collection, divided by the number of months a center (or multiple centers) was open.

Notes:

- Because of rounding some ratios may not reflect data as presented.
- Data do not include all community centers because PRNS tracking of cost and usage data did not allow for consistent analysis of some sites' operations.
- Roosevelt and Mayfair opened in December 2008 and January 2009, respectively. Certain ratios are adjusted accordingly.
- Evergreen includes Millbrook activity and minimal Meadowfair activity information.
- Almaden includes Hoffman-Via Monte and Almaden Winery activity, and Vista Park staff, activity, and cost information.
- Washington United is operated by a contractor.
- Alum Rock includes Joseph George activity information.

APPENDIX D Maps of City of San José Community Centers

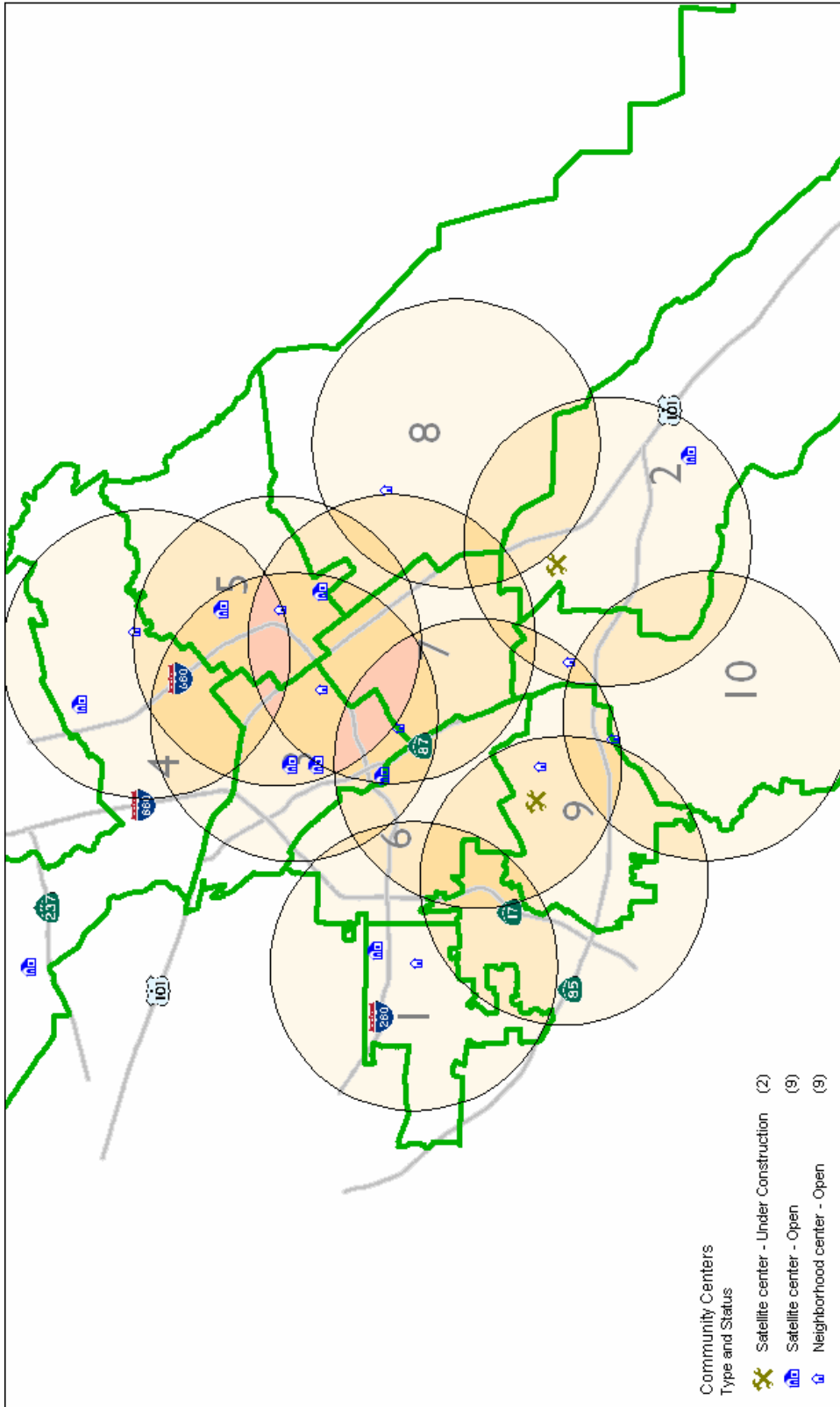
Map 1: Multi-service community centers (hubs) and their 3-mile service area



APPENDIX D

Maps of City of San José Community Centers

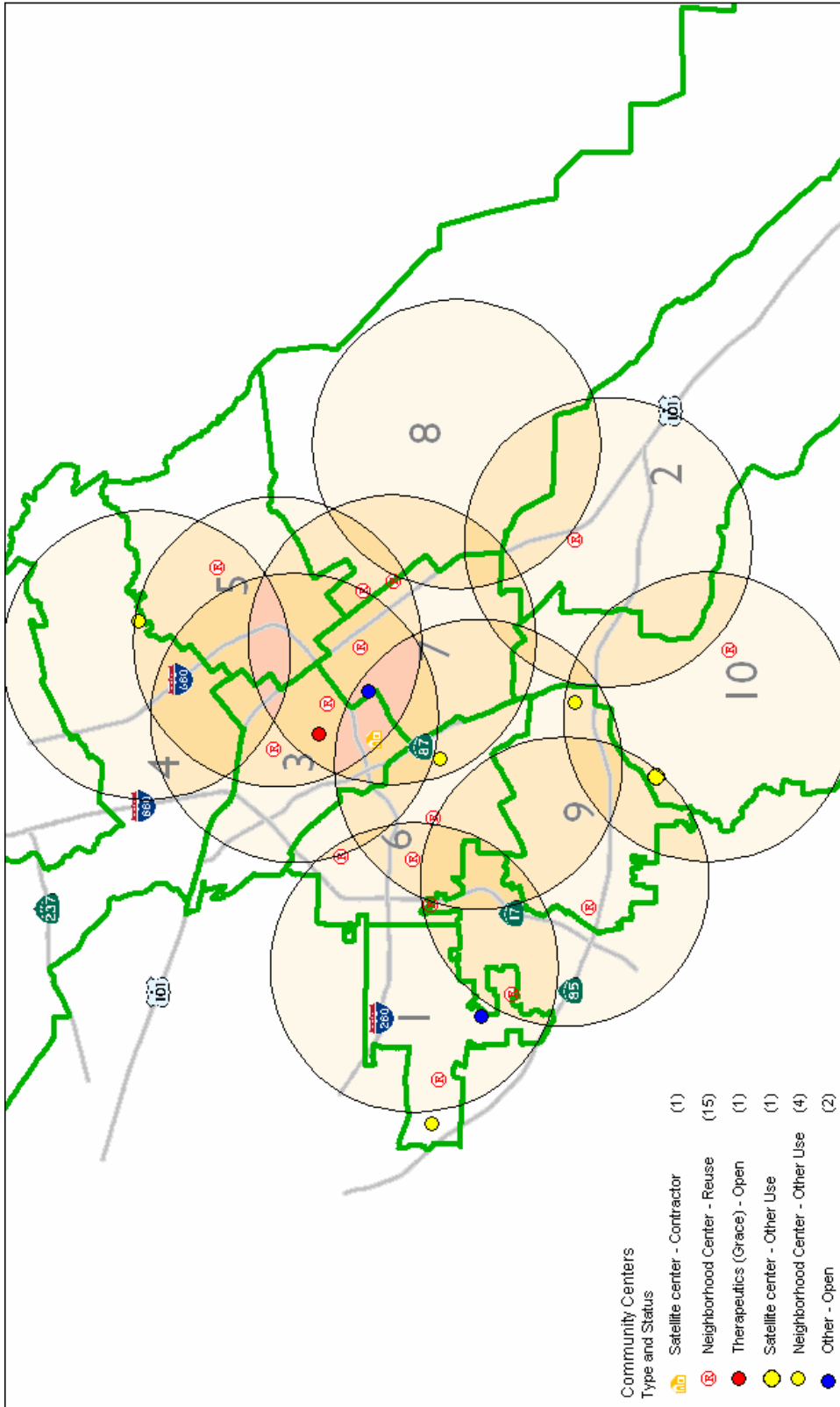
Map 2: City-operated satellite and neighborhood centers mapped onto hub service areas



APPENDIX D

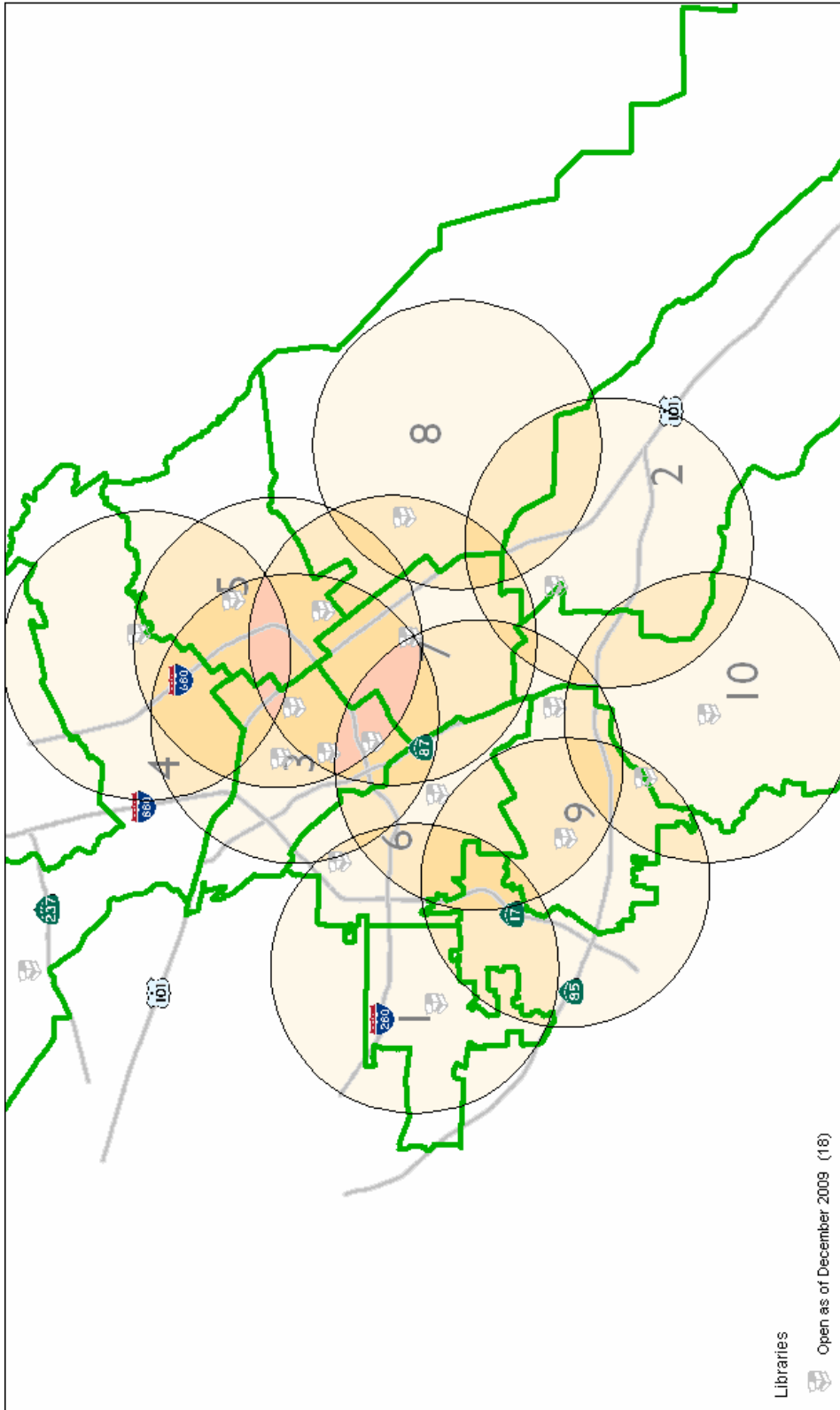
Maps of City of San José Community Centers

Map 3: Facility re-use and other sites mapped onto hub service areas



APPENDIX D
Maps of City of San José Community Centers

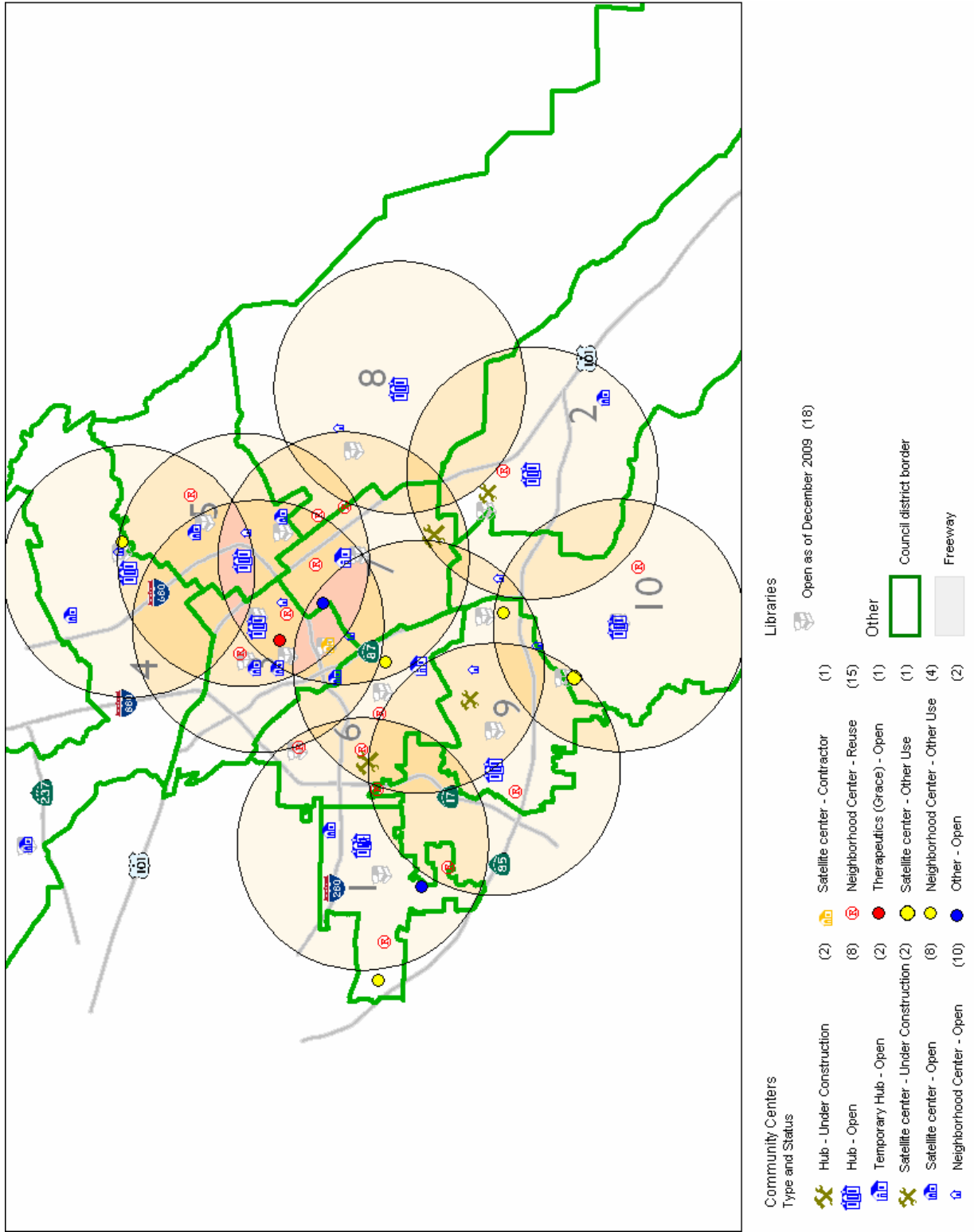
Map 4: San José Library Department branches mapped onto hub service areas

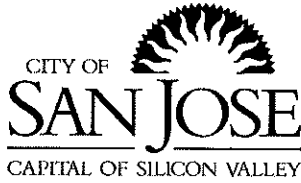


APPENDIX D

Maps of City of San José Community Centers

Map 5: All City of San José community centers and Library branches mapped onto hub service areas





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>1. Enhance data collection methodology to track community center traffic, daily and hourly attendance and program participation. (Priority 3)</p>

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>2. Invest in a people counter system to capture more complete and consistent data on community center usage. (Priority 3)</p>

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)

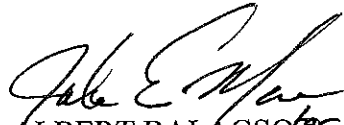
Response: PRNS agrees with this recommendation; however it is suggested that any analysis of community center staffing schedules occur after the impacts of the FY 2010-2011 budget process are known. There are several budget proposals under consideration that may result in alterations to the current community 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.


ALBERT BALAGSO
Director of Parks, Recreation and
Neighborhood Services

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