



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
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Meeting Date: 5/17/2011

Report Type: Staff/Discussion

Title: Budget Hearing: FY2011/12 Proposed Budget for the Convention, Culture & Leisure Department

Report ID: 2011-00473

Location: Citywide

Recommendation: Adopt an Intent Motion to approve as proposed

Contact: Barbara E. Bonebrake, Director, Director, (916) 808-7733, Convention, Culture and Leisure Department

Presenter: Barbara E. Bonebrake, Director (916) 8080-7733, Convention, Culture and Leisure Department.

Department: Convention Culture & Leisure

Division: CCL Administration

Dept ID: 17001011

Attachments:

- 1-Description/Analysis
- 2-Background 051711 Attachment 1
- 3-Att 2 FY12 Impacts-CCL
- 4-Att 3 CCL CCR 051711.

City Attorney Review

Approved as to Form
Kourtney Burdick
5/12/2011 1:40:57 PM

Approvals/Acknowledgements

Department Director or Designee: Rebecca Bitter - 5/6/2011 10:40:39 AM

Assistant City Manager: Patti Bisharat - 5/12/2011 12:56:18 PM



Description/Analysis

Issue: The Convention, Culture & Leisure (CCL) Department is primarily comprised of funding from the Community Center Fund, Marina Fund, Golf Fund, and General Fund. In Fiscal Year (FY)2011/12, the CCL General Fund budget is proposed to be reduced by \$401,136; this includes \$295,446 allocated throughout the Department, the elimination of 2.0 FTE (one represented, one management), and \$105,690 of the funds allocated to the Arts Stabilization program. Attachment 1 provides a brief background for each of the CCL operations. Attachment 2 depicts the allocation of the reductions within CCL.

The staffing reductions result in the consolidation of management duties at the Center for Sacramento History, Historic Old Sacramento, and the Historic City Cemetery, as well as the redistribution of the Sacramento Metropolitan Arts Commission support and administrative duties.

The remaining reductions result in a reduction of public hours at the Crocker Art Museum, less funding for maintenance and repairs at the Sacramento Zoo and Fairytale Town, reduction of outreach programs at the Discovery Museum Science & Space Center, as well as a stronger reliance on partnerships and volunteers. In addition to the CCL Department reductions, the City's funding of the Arts Stabilization program is also being reduced. This will result in fewer art programs throughout the City and a reduction of the City's contribution to the Cultural Arts Awards.

The FY2011/12 Proposed Budget also includes the completion of the City contracting out of the remaining golf course operations. Currently, all services, except maintenance, are under a long-term contract. While the net General Fund budget has been reduced by \$52,469 in the proposed budget, the actual impact to the General Fund could be as high as \$500,000 if golf course operations are not fully contracted. This is due to the oversaturation of golf courses, a national and regional downward trend in golf rounds, and continuing infrastructure requirements which have caused a fiscal structural imbalance between revenues and expenditures now impacting the City's General Fund. Contracting out golf maintenance will result in an additional reduction of 58.36 budgeted FTE, 38.0 of which are currently filled by career and non-career employees. Upon City Council approval to contract out the remaining golf operations, contract negotiations will ensue with the goal of City Council approval of an operational contract in late fall of 2011. Future City Council reports will include the specific fiscal reductions and FTE impacted by the new contract.

Policy Considerations: After three consecutive years of reductions, the City continues the monumental task of rightsizing the organization. Given the size of the challenge, and the fact that ongoing efforts to align revenues and expenditures have not been able to keep pace with the revenue declines in prior years and significant year-to-year expenditure increases, it is critical that future reduction efforts reflect the need to initiate major permanent changes to ensure long-term fiscal sustainability. Closing the gap will require difficult decisions about program priorities and levels of service, and will require discipline

to ensure that the solutions implemented address the City's long-term financial challenges.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities that will not have a significant effect on the environment, and that do not constitute a "project" as defined by CEQA Guidelines Sections 15061(b)(3); 15378(b)(2).

Sustainability Considerations: Not applicable.

Other: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The severe economic downturn impacting the nation, State, and City require that significant budget reductions be implemented in order to stabilize the City's budget and continue the process of returning the General Fund budget to sustainability.

Financial Considerations: The City must close the \$39 million gap between revenues and expenses in the General Fund to achieve a fiscally sustainable budget. The deficit will persist unless permanent corrective actions are taken to change the City's revenue and cost structures as well as the complement of services delivered in order to create a financially sustainable way to meet the most critical needs of our community.

CCL's budget as proposed will be reduced by \$295,446 and 2.0 FTE; and the Arts Stabilization program will be reduced by \$105,690.

By midyear FY2011/12, CCL will be reduced by an additional 58.26 positions due to the contracting out of golf maintenance operations. The net General Fund for FY2010/11 is \$52,469; however, the actual impact to the General Fund is anticipated to be as high as \$500,000 due to an ongoing structural imbalance between revenues and expenses based on downward golf trends, aging facilities, and cost of operation.

Text corrections to the FY2011/12 Proposed Budget, pertaining to the Sacramento Marina, will be made and included in the Approved Budget. The corrections are related to the proposed fee adjustment, the text of which correlates with the table on page 39 of the Proposed Budget.

Page 24 – first sentence of the Marina section in the Enterprise Funds table will read, "Berth rental rates for the Marina Fund are proposed to increase three percent for Fiscal Year 2011/12 and Fiscal Year 2012/13 with a six percent annual increase thereafter."

Page 38 – second sentence of third paragraph will read, "Berth fees reflect a three percent increase in Fiscal Year 2011/12 and Fiscal Year 2012/13 with a six percent annual increase thereafter."

Emerging Small Business Development (ESBD): No goods or services are being purchased.



Background

Below is a brief description of the General Fund supported operations within the Convention, Culture & Leisure Department:

Center for Sacramento History (Archives)

- Mandated service as the official repository for the City and County records and historical collections.
- Consolidated management responsibilities with Historic Old Sacramento, Sacramento History Museum, and the Historic City Cemetery in 2011.
- Relies heavily on volunteer support.

Historic Old Sacramento

- Supported primarily by revenue generated within Old Sacramento.
- Consolidated management responsibilities with Historic City Cemetery, Sacramento History Museum, and the Center for Sacramento History.
- Relies on Historic Old Sacramento Foundation and Old Sacramento Business Association to improve Old Sacramento District.
- Consolidated garbage service to improve alleyways, implemented in 2011.

Historic City Cemetery

- Mandated land-use (as a public cemetery) defined by California Health and Safety Code.
- Non-profit began staffing Visitor Center at Cemetery in Fiscal Year FY2010/11.
- Consolidated management responsibilities with Historic Old Sacramento, Sacramento History Museum, and the Center for Sacramento History.
- Maintains 32-acres with one maintenance position, relying heavily on volunteers and Sheriff work crew for the ground maintenance.
- Untapped opportunity to explore Sacramento history.

Sacramento History Museum

- Began the overwhelmingly successful underground tours in Old Sacramento.
- Consolidated management responsibilities with the Center for Sacramento History, Historic City Cemetery, and Historic Old Sacramento.
- Leverages City's commitment with \$500,000 non-profit operating budget.

Crocker Art Museum

- Mandated service under Margaret Crocker's 1885 Deed of Gift in Trust.
- Opened \$100 million expanded facility in October 2010, funded by major gifts to the institution.

- Co-Trustee to manage the Crocker estate with the Crocker Art Museum Association (CAMA).
- Leverages City's commitment with non-profit's \$7.7 million annual operating budget.

Discovery Museum Science & Space Center

- Served 55,000 children annually in the area of math and science.
- Scheduled to break ground in the fall of 2011, development agreement in process with the City for the new Powerhouse Science Center.
- Operates one of four California NASA sponsored Challenger Centers.
- Leverages City's commitment with \$645,000 non-profit operating budget.

Sacramento Zoo

- In 1997, the City developed an operating agreement with the Sacramento Zoological Society (SZS) to transfer operating responsibility to the SZS.
- Nationally, Zoos receive an average of 19% of their annual budget from general government support. The proposed budget includes a City commitment of 9% of the SZS's budget.
- Relies on volunteers and strong SZS partnership.
- Leverages City commitment with \$5.27 million non-profit annual budget.
- Closure of the Zoo would take three to five years to relocate, and it would cost the City significantly more than the current annual commitment.

Fairytale Town

- Focused on children's literacy in the Sacramento community.
- Served approximately 120,000 young children annually.
- Leverages City's \$10,000 commitment with \$1.2 million non-profit operating budget.

Sacramento Metropolitan Arts Commission (SMAC)

- SMAC provides valued technical assistance to artists, arts education, and oversees a successful Art in Public Places program.
- When the Transient Occupancy Tax (TOT) rate increased from 10% to 12% in 1992, the City Council committed (and subsequent Council budgets approved) 0.50% of TOT collections to be used for Arts in the Sacramento community (Arts Stabilization).
- The current amount allocated for Arts Stabilization is approximately 0.25% of TOT collections, after three years of reductions.
- SMAC is a joint City / County Commission which also relies on County funding.

Arts Stabilization

- Program to support arts organizations who are direct service providers.
- Arts grants reach over 200,000 residents and visitors annually.
- Each re-granting dollar is leveraged with arts organizations and their operating budgets.

Miller Park Boat Ramp

- Coordinates federally permitted dredging of Miller Park boat ramp.
- Mandated dredging due to State Grant financing of launch ramp.
- Dredging will be accomplished with fee revenue collected.

Golf (Special Revenue Fund)

- Public golf courses are an important aspect to the community, providing accessible golf and disabled, senior, and youth programs.
- The City owns and operates the maintenance of Haggin Oaks (two courses), Bing Maloney (1.5 courses), Bartley Cavanaugh (one course), and under contract for William Land (one-half course).
- There is an oversaturation of golf courses in the Sacramento region.
- The number of rounds played annually is approximately 245,000.
- Golf Fund revenue has decreased \$1.2 million in last four years.
- Golf Division currently operates on a marginal budget to sustain customer satisfaction and encourage return play.

Below is a brief description of the two enterprise funds within the Convention, Culture & Leisure Department:

Sacramento Convention Center Complex – Community Center Fund (6010)

- Includes Memorial Auditorium, Community Center Theater, and the Sacramento Convention Center.
- Supports local performing arts.
- Stimulates economy / economic generator for the downtown area.
- Serves 800,000 attendees annually.
- Continues to repay the inter-fund loan from 1997; payments will continue for the next 15 years.
- After two years of negative TOT growth, the FY2010/11 TOT is anticipated to attain a 6% growth from FY2009/10.

Sacramento Marina Fund (6009)

- Marina has been heavily impacted by downturn in economy.
- Historic low of 54% occupancy average in FY2010/11 to date; forecast assumes occupancy will be 54% for FY2011/12 and increase to 75% by FY2015/16.

- Pursuing restructuring of loan with Department of Boating and Waterways for the renovation of the South Basin docks.

Convention, Culture and Leisure

Center for Sacramento History

Reduction Net General Fund savings of \$117,498 and the elimination of 1.0 FTE (management).

Impact The reduction of the Center for Sacramento History's History and Science Manager will result in redistribution of management duties by consolidating the management of Old Sacramento Historic District and the Center for Sacramento History.

Crocker Art Museum

Reduction Net General Fund savings of \$64,696.

Impact A reduction to the City's support to the Crocker Art Museum will result in the reduction of public hours.

Operation of City Golf Courses

Reduction: Net General Fund savings of approximately \$500,000 annually will be achieved with the implementation of fully contracting out Golf Course operations. Currently, all services, except maintenance, are under a long-term contract. The oversaturation of golf courses, national and regional downward trend in golf, and the continuing infrastructure requirements have caused a fiscal structural imbalance now impacting the City's General Fund by upwards of \$500,000 to fill the gap of reduced golf revenue. Contracting out golf maintenance will result in a loss of 58.36 FTE, 38.0 of which are filled by career and non-career employees.

Impact: While the Net General Fund Budget is \$52,469, the actual impact to the General Fund may be as high as \$500,000. Contracting out Golf maintenance will result in a loss of 58.36 budgeted FTE and a reduction in reliance on the City's General Fund of \$500,000. Upon City Council approval of contracting out the remaining portions of Golf operations, contract negotiations will ensue with the goal of City Council approval of an operational contract in late fall 2011. The fall City Council report will include the specific fiscal reductions and FTE impacted by the new contract.

Sacramento Zoo

Reduction Net General Fund savings of \$28,475.

Impact A reduction in the City's support to the Sacramento Zoo will limit the resources for facility maintenance and repairs at the Zoo. If the Zoo is not well maintained, this could have a negative effect on the 2012 accreditation inspection from the Association of Zoos and Aquariums.

Sacramento Metropolitan Arts Commission

Reduction Net General Fund savings of \$15,000 and the elimination of 1.0 FTE (represented).

Impact Reductions to the Metropolitan Arts division's administrative support will result in the redistribution of Commission support and other administrative functions.

Miller Park Boat Ramp Dredging

Reduction Net General Fund savings of \$10,000.

Impact A reduction to the Miller Park Boat Ramp Dredging budget will result in the City relying on annual user fees collected and the balance in the CIP for annual dredging to keep the boat ramp open to the public.

Discovery Museum Science and Space Center

Reduction Net General Fund savings of \$5,308.

Impact A reduction in the City’s support to the Discovery Museum Science and Space Center will result in the reduction of outreach programs for underserved schools.

Fairytale Town

Reduction Net General Fund savings of \$2,000.

Impact A reduction in the City’s support to Fairytale Town will limit the resources for facility repairs at Fairytale Town.

Arts Stabilization

Reduction Net General Fund savings of \$105,690.

Impact Support of the City’s partners was reduced by 20%. There will be a reduction of \$41,366 (balance of the TCIII position, remainder is reduced in the Sacramento Metropolitan Arts Commission budget) currently used to offset the operating support of the Sacramento Metropolitan Arts Commission, which will limit the Commission’s ability to provide art programs throughout the City; and a reduction of \$64,324 to the City’s contribution to the Cultural Arts Awards (CAA) which will limit support to local arts organizations, leaving \$285,676 for the CAA program.



Convention, Culture and Leisure

	FY2010/11	FY2011/12	
	Amended	Proposed	Change
Accounting Technician	1.00	1.00	-
Administrative Analyst	3.00	3.00	-
Administrative Assistant	1.00	1.00	-
Administrative Officer	5.00	5.00	-
Administrative Technician	1.00	1.00	-
Archivist	2.00	2.00	-
Art Museum Registrar	1.00	1.00	-
Arts Administrator	1.00	1.00	-
Arts in Public Places Spec	2.00	2.00	-
Arts Program Assistant	2.00	2.00	-
Arts Program Coordinator	2.00	2.00	-
Assistant Box Office Supv	1.50	1.50	-
Assistant Greenskeeper	13.35	13.35	-
Associate Curator of Art	1.00	1.00	-
Booking Coordinator	2.00	2.00	-
Community Center Attendant I	19.10	19.10	-
Community Center Attendant II	7.00	7.00	-
Convention Center General Mgr	1.00	1.00	-
Cultural Facilities Attendant	1.00	1.00	-
Curator of Art	1.00	1.00	-
Curator of Education	1.00	1.00	-
Curator of History	1.00	1.00	-
Customer Service Specialist	3.00	3.00	-
Deputy Convntn Ctr General Mgr	1.00	1.00	-
Director of CC&L	1.00	1.00	-
Events Coordinator	1.25	1.25	-
Events Duty Person	2.00	2.00	-
Events Services Manager	2.00	2.00	-
Events Services Supervisor	6.00	6.00	-
Events Usher	12.00	12.00	-
General Repair Worker	4.00	4.00	-
Golf Course Supervisor	4.00	4.00	-
Golf Manager	1.00	1.00	-
Golf Marshal/Player Assistant	7.01	7.01	-
Golf Superintendent	3.00	3.00	-
Greenskeeper	24.00	24.00	-
Historic District Manager	1.00	1.00	-
History & Science Manager	1.00	-	(1.00)
Irrigation Technician	1.00	1.00	-
IT Support Specialist I	2.00	2.00	-
Marina Aide	3.20	3.20	-
Marina/Boating Facilities Attd	2.00	2.00	-
Mechanical Maintenance Supv	1.00	1.00	-

Convention, Culture and Leisure *(continued)*

	FY2010/11	FY2011/12	
	Amended	Proposed	Change
Metropolitan Arts Manager	1.00	1.00	-
Museum Security Supervisor	1.00	1.00	-
Park Maintenance Worker I	2.00	2.00	-
Park Maintenance Worker II	3.00	3.00	-
Parks Supervisor	1.00	1.00	-
Principal Systems Engineer	1.00	1.00	-
Program Manager	2.00	2.00	-
Senior Personnel Trans Coord	1.00	1.00	-
Staff Aide (Management)	1.00	1.00	-
Stagehand I	4.00	4.00	-
Stagehand II	1.00	1.00	-
Stationary Engineer	5.00	5.00	-
Supervising Community Ctr Attd	3.00	3.00	-
Ticket Seller	0.70	0.70	-
Ticket Seller (Exempt)	6.60	6.60	-
Typist Clerk II	1.00	1.00	-
Typist Clerk III	3.00	2.00	(1.00)
Utility Worker	0.43	0.43	-
Zoo Attendant I	4.00	4.00	-
Zoo Attendant II	2.00	2.00	-
Operating Unit	196.14	194.14	(2.00)