



Board of Directors AGENDA

PLEASANT HILL RECREATION & PARK DISTRICT

MISSION STATEMENT

In order to serve the diverse recreational needs of individuals and families and to enrich the quality of life for all residents, the Pleasant Hill Recreation & Park District is committed to providing park facilities, open space, and programs and activities for all ages.

LOCATION: TELECONFERENCE

Join meeting by PC: <https://zoom.us> Meeting ID 824 0562 5401

Or by Phone 1 (669) 900-9128 Meeting ID: 824 0562 5401

**Budget & Finance Committee Meeting
Tuesday, June 1, 2021- Special Meeting
4:30 P.M.**

IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDERS N-29-20 (MARCH 18, 2020) AND N-33-20 (MARCH 19, 2020) ALL BOARD MEMBERS, STAFF, AND MEMBERS OF THE PUBLIC WILL PARTICIPATE IN THIS MEETING BY TELECONFERENCE TO MITIGATE THE SPREAD OF COVID-19

Members of the public may observe the meeting at the teleconference location above. Members of the public may offer public comment by email to mlacy@pleasanthillrec.com prior to the close of the public comment period for the agenda item on which they would like to comment. Staff will share all such comments with the Board at the meeting (subject to the time limits applicable to public comment) and make them part of the record. Alternatively, members of the public may offer public comment orally during the teleconference. Members of the public are requested, but not required, to send an email to mlacy@pleasanthillrec.com noting their desire to speak on a given agenda item.

Chair: Sandra Bonato
Member: Zac Shess

1. Call to Order/Roll Call
2. Public Comment
Five minutes may be allotted to each speaker and a maximum of twenty (20) minutes to each subject matter. The public may speak regarding agenda items at the time the matter is taken up. Non-agenda items can be addressed under Public Comment.
3. Review and Input Regarding Cost-of-Living Adjustment for Eligible District Employees (Attachment A)
4. Review and Input Regarding Changes to Initial Draft 2021-2023 Operating Budget with Overhead Allocation Formula for Administration and Building Maintenance Costs (Attachment B)

Next Meeting: June 15 at 4:30 pm

Documents that are disclosable public records required to be made available under California Government Code Section 54957.5 (b) (1) and (2) are available to the public for inspection at no charge during business hours at our administrative office located at 147 Gregory Lane, Pleasant Hill, California.

The Pleasant Hill Recreation & Park District will provide reasonable disability-related modification or accommodations to a person who requires such in order to participate in the meeting of the Board of Directors. Please contact Susie Kubota (925) 682-0896 at least 48 hours before the meeting.

STAFF REPORT



Date: June 1, 2021
To: Budget & Finance Committee
From: Michelle Lacy, General Manager
Re: Review and Input Regarding Cost-of-Living Adjustment for Eligible District Employees

BACKGROUND:

Typically, on an annual basis the District typically evaluates its fiscal ability to provide Cost-of-Living-Adjustments (COLAs) for eligible employees. Eligible employees include all full-time permanent employees and Category B, part-time permanent employees that have been employed with the District for at least five years. There are currently 59 employee eligible for a COLA benefit and of those 23 employees or 39% are at the top step of their salary range. COLAs are typically made to counteract the effects of inflation and are typically based upon the percentage of increase in the Consumer Price Index (CPI) over the previous 12 months.

The District uses the Bureau of Labor Statistics CPI for San Francisco/Bay Area April to April which as of April 2021 was 3.8%. Adjusting salaries by the annual CPI assists with keeping salaries competitive to avoid large salary adjustments when the District evaluates its salary structure through its salary survey which is typically conducted every other year.

Below is a table of the COLAs implemented and the corresponding CPI since 2011/12:

	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
COLA	1%	2%	5%	0%	2.4%	3%	3%	3%	2%	0%
CPI	2.8%	2.1%	2.4%	2.8%	2.4%	2.1%	2.1%	3.6%	4%	1.4%

DISCUSSION:

The previous three fiscal years the COLA for employees has been less than the CPI and last fiscal year the District did not implement a COLA due to the uncertainty of the pandemic. The revised draft Operating Budget (Exhibit 1) includes a 3.8% COLA for eligible employees. The cost of 1% COLA is approximately \$33,000 for a total of approximately \$132,300 for a 3.8% COLA. The draft Operating Budget projects a surplus in the five-year projections with the full 3.8% COLA.

It is requested the Budget Committee provide feedback on the proposed COLA increase.

STAFF REPORT



Date: June 1, 2021
To: Budget & Finance Committee
From: Michelle Lacy, General Manager
Re: Review and Input Regarding Changes to Initial Draft 2021-2023 Operating Budget with Overhead Allocation Formula for Administration and Building Maintenance Costs

BACKGROUND:

At its meeting on May 4, 2021 the Budget and Finance Committee reviewed and provided feedback on an initial draft 2021-2023 Operating Budget. Attached as Exhibit 1 is the revised proposed 2021/22 and 2022/23 Operating Budget. This version includes the recommended cost-of-living adjustment (based upon the Bureau of Labor Statistics CPI for San Francisco/Bay Area April 2020 to April 2021) for eligible employees and overhead allocations for Administration and Building Maintenance.

OVERVIEW:

The District has used allocation formulas for overhead costs related to Administration and Building Maintenance. The purpose of the allocation of overhead to Department Budgets is to understand the total costs associated with providing service to the community. The previous formulas were based upon revenue received which unfairly weighted the allocations to the Departments which generated the most revenue. Since allocation of expenses is utilized to provide a total cost associated with each service provided by the District we have developed formulas more closely aligned with impact of the service on the allocated expenses.

The overhead expenses in Administration includes District-wide expenses such as payroll and other employee related benefits, billing, PERS annual payments, insurance, legal services, information technology services and equipment, and general governance. Since most of the administration related expenses are employee-driven it is recommended the formula for allocation rely upon the number of employees budgeted in each Department. Each Department has a varying number of employees that work various schedules and the formula used applies a different weight to each category of employee. Full-time employees are counted as 1; PERS PT employees as .5; and PT PARS employees as .25. This weighting system evens out the impact based on year-round employees and does not disproportionately affect programs with large seasonal staff.

The overhead expenses for Building Maintenance includes expenses directly tied to maintenance of buildings. The formula included in the draft budget proposal is based on a percentage of total area (square feet) of space primarily dedicated to the Department budget.

Below is a table of the allocations by Department for the first year of the two-year budget:

Department	Admin Allocation	% of Total Allocation	Bldg. Maint. Allocation	% of Total Allocation
Administration	395,448	20.1%	7,843	4%
Seniors	215,699	11%	72,620	36%
Winslow Center			15,471	8%
Community Center	161,774	8.2%	56,328	28%
Athletics	89,874	4.6%		
Teens	71,899	3.7%	18,628	9%
Preschool/Youth	170,761	8.7%	15,976	8%
Special Events	53,924	2.7%		
Communication	44,937	2.3%		
Child Care	197,724	10%	5,430	3%
Aquatics	215,699	11%	7,843	4%
Park Maintenance	314,561	16%		
Building Maintenance	35,949	1.8%		

The above allocations more closely align with the actual expenses incurred due to services provided in each Department.

In addition to the inclusion of allocated expenses staff revised the following revenue projections:

- Increased 2022/23 Community Center Revenue by \$200,000
- Increased 2022/23 Athletics revenue by \$10,000 in youth sports revenue
- Increased 2021/22 Preschool Revenue projection by \$55,000 to reflect the already committed revenue for the upcoming preschool year
- Increased the 2021/22 Landscape and Lighting Assessment District parcel tax revenue by \$39,000 to reflect the parcel tax collected in fiscal year 2020/21.

Overall expenses increased to accommodate the proposed cost-of-living increase for eligible employees in addition to the added expenses noted above to individual

With the changes outlined above the proposed budget provides for a surplus across the 5-year forecast with a surplus of \$65,828 in fiscal year 2021/22 and a \$323,352 surplus in fiscal year 2022/23.

EXHIBITS:

Exhibit 1: Revised Draft Proposed 2021/22 and 2022/23 Operating Budget Summary

General Fund Projection
Fiscal Years Ending June 30, 2021-2026

	FY 2020/21	FY 2020/21	FY 2020/21	FY 2021/22	FY2022/23	FY 2023/24	FY 2024/25	FY 2025/26
	Adopted	Amended	Estimated Year End	Proposed Budget Year-1	Proposed Budget Year-2	Year-3 Forecast	Year-4 Forecast	Year-5 Forecast
Revenue								
Administration	\$ (4,254,440)	\$ (4,280,000)	\$ (4,731,286)	\$ (4,873,225)	\$ (5,019,422)	\$ (5,119,810)	\$ (5,222,206)	\$ (5,326,651)
Seniors	(731,500)	(611,500)	(120,368)	(406,100)	(572,500)	(583,950)	(595,629)	(607,542)
Winslow Center	(52,020)	(16,000)	(50)	(12,500)	(25,000)	(25,500)	(26,010)	(26,530)
Community Center	(770,000)	(600,000)	(20,925)	(200,000)	(600,000)	(612,000)	(624,240)	(636,725)
School House	0	(5,400)	0	0	0	0	0	0
Rodgers Ranch	0	0	(376)	(376)	(376)	(384)	(391)	(399)
Adult Services	(138,280)	(57,400)	(1,842)	(5,000)	(10,000)	(10,200)	(10,404)	(10,612)
Athletics	(502,300)	(358,500)	(143,073)	(268,500)	(353,500)	(360,570)	(367,781)	(375,137)
Teens	(358,900)	(341,500)	(93,660)	(200,100)	(286,200)	(291,924)	(297,762)	(303,718)
Preschool/Youth	(924,000)	(676,500)	(365,206)	(835,500)	(922,000)	(940,440)	(959,249)	(978,434)
Special Events	(92,000)	(59,500)	565	(47,000)	(92,000)	(93,840)	(95,717)	(97,631)
Child Care	(511,000)	(47,000)	(316,593)	(467,500)	(510,000)	(520,200)	(530,604)	(541,216)
Aquatics	(367,510)	(202,300)	(252,656)	(327,790)	(356,800)	(363,936)	(371,215)	(378,639)
Park Maintenance	(812,000)	(735,000)	(739,499)	(810,000)	(810,000)	(826,200)	(842,724)	(859,578)
Total Operating Revenue	(9,513,950)	(7,990,600)	(6,784,969)	(8,453,591)	(9,557,798)	(9,748,954)	(9,943,933)	(10,142,812)

Expense								
Administration	421,174	178,372	78,357	395,448	414,970	427,419	440,241	453,449
Seniors	1,533,944	1,478,488	974,581	1,244,924	1,456,873	1,500,579	1,545,596	1,591,964
Winslow Center	90,106	103,224	97,560	78,312	94,773	97,617	100,545	103,562
Community Center	1,050,121	1,011,908	650,155	740,965	929,790	957,684	986,414	1,016,007
School House	2,540	2,985	1,612	1,660	2,884	2,971	3,060	3,151
Rodgers Ranch	12,690	7,358	8,297	8,546	8,709	8,971	9,240	9,517
Adult Services	141,202	62,153	29,328	31,926	32,863	33,849	34,864	35,910
Athletics	731,580	619,089	341,697	476,679	567,529	584,555	602,092	620,155
Teens	607,106	586,853	426,539	465,037	533,789	549,802	566,296	583,285
Preschool/Youth	898,642	819,856	645,509	743,914	830,557	855,473	881,137	907,572
Special Events	254,140	175,299	77,973	211,920	228,823	235,688	242,758	250,041
Communications	397,122	356,990	284,607	377,138	404,230	416,357	428,848	441,714
Child Care	466,978	526,053	672,886	551,883	575,904	593,181	610,976	629,305
Aquatics	842,701	704,742	621,942	870,214	906,756	933,959	961,977	990,837
Park Maintenance	1,564,382	1,352,725	1,335,823	1,720,637	1,769,925	1,823,023	1,877,714	1,934,045
Building Maintenance	0	0	(0)	0	0	0	0	0
Long Term Debt	405,670	309,725	300,940	468,561	476,071	490,353	505,064	520,215
Total Operating Expenses	9,420,098	8,295,820	6,547,806	8,387,763	9,234,446	9,511,479	9,796,824	10,090,728

Net (Surplus) Deficit	(93,852)	305,220	(237,163)	(65,828)	(323,352)	(237,475)	(147,109)	(52,083)
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