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DATE: May 18, 2004
TO: Budget Committee
FROM: Lee Tuneberg, Finance Director
RE: School Grounds Landscaping Care

At the May 6 Budget Committee meeting we discussed the opportunities and challenges for the Parks Commission to do another year of landscape maintenance for Ashland School District. Suggestions ranged from do nothing to sharing the cost to the City paying Parks to do it to Parks eating into fund balance to provide the services. Parks, Schools and City staff have met to discuss the options in levels of care, other services already being provided and how the costs could be structured.

Two things are important for the Committee to understand.

First, the projected fund balance for the Parks and Recreation Fund will not be as good as was reported on Page 4-66. The correct projected carry forward is \$347,804 less than input due to a misunderstanding of the numbers submitted. This reduction in anticipated carry forward changes the Parks Total Fund increase reported on Page 1-11 to 5.45% (similar to the City's portion) and not the 10.1% reported.

Second, Park's budget already includes the ongoing maintenance of School sports fields and playground areas beyond what is paid to them. The FY 2004-05 budget includes Parks spending approximately \$63,248 in time and materials for this work and Schools is budgeted to only pay \$48,248. The costs include \$16,000 for mowing large fields, \$27,420 to maintain the middle school sports field irrigation systems & mowing, \$4,228 Walker fields maintenance and approximately \$15,000 in un-reimbursed playground maintenance. Parks has indicated that these numbers may not include all overhead costs (supervision and complaint resolution) or direct costs like equipment repair done on an infrequent basis.

Thus, the proposed additional amount to be budgeted is to maintain School Administration Areas, not playgrounds and sports fields.

Parks has reviewed the expected costs to maintain the areas around buildings (primarily lawns and flower beds) at a level to keep from losing valuable work done in the last two one-year programs. They



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estimate the amount to be \$130,000. Please note that this does not make improvements in other areas of need.

Discussions between the three parties did not result in a simple solution that met all agencies' needs. This result caused the Parks and City to propose the following options:

1. Do nothing more than the \$63,248 work that Parks is already doing at the reduced payment amount of \$48,248 by Schools. Adjust Parks budget to reflect no revenue and no expense for the Admin areas.
2. Provide a reduced level of support to Schools by giving them \$60,000 with the agreement that it will be spent on the Admin areas in question.
3. Prepare an agreement between Schools, Parks and the City that the \$130,000 level of School Admin areas will be done with each agency participating at 1/3 or \$43,333. This would require Schools and the City paying Parks their portion and Parks budgeting \$86,667 in revenues and \$130,000 in expenses.

Staff recommends option #3 in that it minimizes any erosion of the level of work provided in the past and recognizes the participation of all three agencies. It also mitigates the impact on Parks in that there is considerable costs for management overhead of keeping School's property presentable in the way of supervising the work done and responding to School complaints. This overhead and the ongoing equipment support does not get reimbursed under the options above so it is another means of support by Parks to Schools.

Options 2 & 3 require funding within the Parks and City budgets. These could be accomplished by cutting programs or staff or raising revenue. Rather than any of those staff is recommending that we utilize some of the savings from reduced health care costs to fund City and Parks shares. This action will reduce the amount hoped to be set aside for the coming year(s) PERS increases. Staff would attempt to restore that set aside during FY 2004-05 through savings in holding vacant positions open a little longer than normal and potentially through other savings in deferred expenditures yet to be identified.

This, of course, is an action plan to provide this service one more year but a responsibility and funding plan will need to be agreed upon by FY 2005-06.

