

**CITY OF SANTA BARBARA****PARKS AND RECREATION COMMISSION REPORT**

DATE: April 22, 2010

TO: Parks and Recreation Commission

FROM: Nancy L. Rapp, Parks and Recreation Director

SUBJECT: Parks and Recreation Proposed Fiscal Year 2011 Budget – Overview for Budget Worksession

On April 20th, the City Administrator presented the Recommended Fiscal Year 2011 Budget to City Council and initiated public review of the budget. The Recommended Budget is available at the City Clerk's Office and on the City's website at: www.SantaBarbaraCA.gov. During April and May, each department budget will be presented with an overview of revenues, expenses, budget balancing strategy, service impacts, and proposed work plan for the upcoming year. The City Council will adopt a budget by June 30, 2010.

The Parks and Recreation Department will formally present the Department's proposed Fiscal Year 2011 budget to the Parks and Recreation Commission at their regular meeting of Wednesday, April 28, 2010. The budget item will be scheduled time-certain for 5:00 p.m. On Monday, May 10, 2010, the Department will present the Parks and Recreation proposed budget to City Council at a Special Budget Worksession in Council Chambers at 6:00 p.m. The Commission will make final recommendations on the proposed budget to City Council at a Special Meeting scheduled for Wednesday, May 19, 2010. Those recommendations will be forwarded to City Council so that they may be considered prior to final Council budget deliberations.

Parks and Recreation Fiscal Year 2011 Budget – 3 Funds

The Parks and Recreation Department has five divisions: Administration, Parks, Recreation, Creeks, and Golf. Three of the five divisions are funded through the City's General Fund: Administration, Parks and Recreation. The Creeks Division is a Special Fund, funded through a portion of the Measure B Transit Occupancy Tax (TOT). The Golf Division is an Enterprise Fund, funded solely on revenues generated at the Municipal Golf Course. The Golf Course and Creeks Program do not receive General Fund support. The Department budget presentation will include all 3 funds.

Response to Economic Crisis

The City continues to face difficult challenges related to the downturn economy and the affect on General Fund revenues. A shortfall of \$9.8 million dollars was identified early in the budget development process, representing approximately 10% of the General Fund operating budget.

The City's proposed budget strategy involves the following measures:

- 1) Department budget adjustments
- 2) Increases in various fees and charges
- 3) Citywide labor measures
- 4) Structural budget changes
- 5) Delays to capital improvements

General Fund departments were directed to submit budget savings options equal to 10% (Police, Fire) or 12% (all others, including Parks and Recreation) of their budget. For Parks and Recreation, this amount was roughly \$1.6 million dollars. (Last year the Department reduced its General Fund budget by approximately \$1.5 million dollars.) The Department identified 21 different reductions involving reduction or elimination of programs and services, elimination of positions, new revenues, and the transition of certain facilities or programs to other community organizations.

Over the last few weeks, as the budget development process drew to a close, the City Administrator selected a number of proposed reductions from the various departments to include in his proposed budget. Of the 21 options submitted by Parks and Recreation, 10 were included in the budget that will go to City Council on April 20, 2010, totaling \$643,382. Another 7 reduction options totaling \$311,425 are being forwarded to City Council for consideration as they work to balance the budget. Four remaining options were removed from consideration on the assumption that labor concessions and other identified measures will fill the remaining \$9.8 million dollar shortfall.

Department Budget Balancing Strategy

The Parks and Recreation General Fund 12% reduction target was \$1,594,049. In developing the budget reduction options, careful consideration was given to:

- Taking advantage of vacancies to restructure while insuring the organization retains sufficient resources to provide quality programs and services.
- Increasing funding by organizations that use City parks and facilities to offset General Fund maintenance expense.
- Transferring facilities/services to other service providers where possible with the goal that services to the public would be continued.
- Protecting critical public services that are either not provided elsewhere in the community or that are less accessible to the underprivileged or low-income.
- Protecting park and facility resources to the greatest degree possible, above programs where needed, so that the community continues to have access to recreational spaces.

Schedule of Budget Related Meetings

A copy of budget hearings and work sessions that are related to the Parks and Recreation Department is attached for your reference, including the Parks and Recreation Commission, City Council and Finance Committee. Note that schedules may change as the process moves forward.

- ATTACHMENTS:**
1. FY 2011 City Administrator Budget Message
 2. FY 2011 Recommended Parks and Recreation Budget
 3. FY 2011 Proposed Fees and Charges Schedule
 4. Upcoming FY 2011 Budget Related Meetings
 5. 2011 – 2016 Capital Improvement Program, March 2010