



## CITY OF SANTA BARBARA

### PARKS AND RECREATION COMMISSION REPORT

**AGENDA DATE:** March 28, 2012

**TO:** Parks and Recreation Commission

**FROM:** Administration Division, Parks and Recreation Department

**SUBJECT:** 2008 City Infrastructure Financing Taskforce Report

**RECOMMENDATION:** That the Commission review the 2008 City Infrastructure Financing Taskforce Report and Recommendations in the context of Parks and Recreation aging infrastructure, parks and facility needs; and, as appropriate, forward comments or recommendations to City Council for consideration.

#### **DISCUSSION:**

##### Infrastructure Financing Taskforce

During the Fiscal Year (FY) 2008 budget review process two workshops were held to discuss the City's Six-Year Capital Improvement Program (CIP). At the workshops, staff expressed concern regarding the large number of identified unfunded projects, totaling nearly \$150 million. On August 7, 2007, the Council approved the formation of an Infrastructure Financing Taskforce, and on January 15, 2008, the Infrastructure Financing Taskforce was established. Seven community advisors were appointed to serve on the taskforce; one of whom is current Parks and Recreation Commissioner Scott Burns.

The duties of the Taskforce included:

- Review current capital planning process and recommend steps for improvement;
- Review identified capital needs to ensure that they accurately reflect the needs of the community;
- Review the City's overall financial situation and make recommendations for improvements;
- Review City budgetary practices, reserve policies, and capital financing strategies and make recommendations for improvements; and
- Recommend specific steps to the Council on how to best meet the current and future capital financing needs of the City.

The Taskforce presented their final report and recommendations on how to best meet the future capital financing needs to City Council on October 21, 2008. The report,

*Keeping Santa Barbara in Shape*, concluded with twelve financing recommendations and nine management and policy recommendations that the City should consider in addressing its infrastructure challenges over the long term. Recommendations ranged from establishing an annual General Fund capital allocation dedicated to infrastructure, changing City fiscal policies, to using tax and bond measures, and restructuring certain General Fund and Enterprise Funds operations (i.e., Parks and Recreation/Waterfront departments).

Council forwarded the report to the Finance Committee for review and recommendations. The Parks and Recreation Commission received copies of the report as part of a discussion of the Parks and Recreation Department capital program at the November 19, 2008, Commission meeting. The Finance Committee addressed the report in two meetings, November 11, 2008, and March 3, 2009.

Unfortunately, the development of formal recommendations was suspended as the City was then in the midst of responding to changes in the national economy, a recession which resulted in several years of difficult budget reductions.

### **Parks and Recreation Capital Improvement Program – General Fund**

The Department prepares a Six-Year Capital Improvement Program (CIP) as part of every two-year budget cycle. Developed by a staff team, the CIP for FY 2012-2017 includes projects already underway that need additional funds, ongoing capital programs such as playground replacement, and new projects and programs. Although included as part of the Parks and Recreation Department, Creeks and Golf projects are addressed separately due to their funding base.

The table below summarizes Parks and Recreation General Fund CIP projects. Some facility improvements are also included under the Public Works/Inter-City Services (ICS) Fund and the Neighborhood Improvement Taskforce sections of the City's CIP document. They are included below just to show the breadth of identified needs.

<b>Fund</b>	<b>Projects</b>	<b>Total</b>
Parks & Recreation General Fund	28	\$44,986,000
Public Works/ICS	1	\$382,000
Neighborhood Improvement Taskforce	4	\$775,500
	<b>33</b>	<b>\$46,143,500</b>

### **Funding Outlook**

As the Commission is aware, General Fund capital funding has eroded due to budget reductions over the past several years. Funding for ten Parks and Recreation projects was either reduced or eliminated since 2008. Another factor affecting department projects is the recent loss of Redevelopment Agency (RDA) funding which had been a

strong source of funding over the years. The RDA had been identified as a funding source for several key upcoming projects. Although the department has had relatively good success in the past with securing grant funds, it has become more challenging as funding opportunities from federal and state agencies as well as private foundations have significantly reduced. State grant opportunities which have funded a number of department projects over the last ten years are not likely to improve in the next few years given the State budget challenges. Foundation opportunities are likely to improve as the economy rebounds.

### **Summary**

The City's 2012-2017 Capital Improvement Program has identified over \$111million in unfunded General Fund capital needs. Not surprising since the Department manages 46% of all General Fund facilities, projects in parks and recreation facilities total over \$46 million – and nearly all of that unfunded. In the past, the General Fund has struggled to fund City infrastructure needs at an adequate level, as documented by the taskforce report. With the economy and City revenues beginning to improve, perhaps it is timely to revisit recommendations by the Infrastructure Financing Taskforce.

### **ATTACHMENT(S):**

1. October 21, 2008 City Council Report, Infrastructure Financing Taskforce Report and Final Recommendations
2. March 3, 2009, City Finance Committee Report, Infrastructure Financing Task Force Recommendations – Review of Financial and Reserve Policies
3. *Keeping Santa Barbara in Shape*, Infrastructure Financing Report for the City of Santa Barbara, October 2008
4. List of Parks and Recreation General Fund projects, City of Santa Barbara 2012-2017 Capital Improvement Program

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