



CITY OF SANTA BARBARA

PARK AND RECREATION COMMISSION REPORT

AGENDA DATE: April 23, 2008

TO: Park and Recreation Commission

FROM: Business Services, Parks and Recreation Department

SUBJECT: Proposed Parks and Recreation Department Budget for Fiscal Year 2009

RECOMMENDATION: That the Commission hear a report on the proposed Parks and Recreation Department budget for Fiscal Year 2009, and provide comments and direction to staff.

DISCUSSION:

The Parks and Recreation Department presented a Two Year Financial Plan to the Commission in April 2007 for Fiscal Years 2008 and 2009. For the second year of the Financial Plan, FY 2009, changes to the Two Year Financial Plan are minimal and this report will discuss only those changes and any significant issues.

Each budget year, the Department is given a General Fund Subsidy and a Revenue Target (which for the last several years has been 4%). A year ago, the Department submitted a revenue budget for FY 2009 at the target requirement of 4%. With programmatic changes and reviews by staff of fees and charges, the Recreation Division is proposing a revenue budget which is 5.6% higher than the target of 4%. This higher revenue proposal reflects an increase in participation and new programs. New revenue was used to meet department priorities in key programs.

TOTAL DEPARTMENT BUDGET – 3 FUNDS

	General Fund	Creeks	Golf	TOTALS:
Expenditures	\$15,332,580	\$ 2,060,345	\$2,114,186	\$19,507,111
Revenue	\$ 4,255,253	\$ 2,941,947	\$2,691,609	\$ 9,888,809

DEPARTMENT GENERAL FUND BUDGET CHANGES FROM FY 08 TO FY 09

The table below lists the proposed FY 09 General Fund expenditure and revenue budgets and the FY 09 proposed change from the FY 08 Amended budget. Details on these changes are discussed below.

	FY 08 Amended	FY 09 General Fund Subsidy	FY 09 Proposed
Expenditures	\$15,339,296	\$11,318,200	\$15,332,580
Revenue	\$ 3,928,291	\$ 4,077,286	\$ 4,255,253

REQUIRED BUDGET REDUCTIONS

City revenues, although stable, are less than projected. The proposed General Fund numbers in the above table contain reductions from each Department, based on anticipated lower City-wide general fund revenues; concern for possible State of California budget cuts which may affect counties and cities, and a continuing economic downturn. Staff was requested to propose up to 3% contingency budget reductions for FY 2009. The Department's initial reduction target was \$445,261. However, following the analysis of all city-wide submitted reductions and an updated forecast for City general fund revenues, the Parks and Recreation Department's proposed reductions total \$232,948. These reductions are subject to comment and review, not only by the Commission but by the City Council during the budget review process. In the table below, the reductions are split into two areas; those reductions which are one-time for FY 2009, and those which are permanent or on-going. The reductions are:

Program	Description	Amount
One-time Reduction		
Various	New revenue	\$9,637
Various	Travel	\$5,000
Facilities	Reduce equipment non-cap line items	\$13,000
Aquatics	Savings of Los Banos Pool closure during construction	\$28,960
Parks Ops.	Reduce IPM improvement projects by 25%	\$25,000
Forestry	Hold Senior Tree Trimmer permanent position vacant	\$70,007
Sub-total:		\$151,604
On-Going Reduction		
Proj. Mgmt. Team	Eliminate part-time Accounting Technician position	\$37,000
Cultural Arts	Reduce FTE of One-Stop Film Permitting position	\$13,081
Aquatics	Eliminate conversion of hourlies to PPT Lifeguards	\$20,563
Aquatics	Reduce hours at Bathhouse locker/shower facilities	\$4,200
Aquatics	Eliminate underutilized evening lap swim Los Banos Pool	\$6,500
Sub-total:		\$81,344
Total:		\$232,948

The larger reductions are explained in the discussion of program changes below.

POSITION CHANGES

There are 4 new positions being proposed for FY 09 within the Recreation Division. The Department continues to experience significant challenges with recruitment and retention of hourly staff. Key positions continue to be identified for consideration of conversion to permanent status. Another challenge is the limitation of hourly employees to 999 hours each fiscal year.

- .80 PPT Lifeguard in Aquatics
- .50 PPT Lifeguard in Aquatics

When the budget was first proposed, two new PPT Lifeguard positions were requested based on recruitment and retention of qualified pool lifeguard staff becoming increasingly difficult in Santa Barbara. These positions were to be funded with \$50,000 in hourly salaries in Aquatics and \$20,563 in new revenue. However, these positions are now proposed budget reductions; resulting in a net savings of \$20,563. Since the pool will be closed this summer, and that is the critical time when lifeguards are needed, the Department can postpone this request for permanent Lifeguards until future years.

The next two positions will move forward in the budget process:

- .80 PPT Recreation Program Leader in Sports
- .80 PPT Recreation Program Leader in Youth Activities (RAP Afterschool Program Coordinator)

The proposed positions for Sports and RAP will eliminate the 999 hour annual restriction which generally occurs each spring when the labor pool of qualified replacements is very small, thus creating program leadership disruption and the inconsistency and lower quality brought on by changing staff. The successful conversion of the A-OK Coordinator position approved in FY 08 has demonstrated the effectiveness of transitioning key positions to hourly.

The new PPT Recreation Program Leader in Sports is proposed at 0.80 FTE (+\$43,377), funded with \$25,000 in hourly salary reductions in Sports and an additional \$18,377 in new revenue. New programs have been developed and existing programs have been revitalized with new ideas and increased participation. As a result, revenue for Sports has been on a steady increase. Currently, the Sports program has one full-time Supervisor, approximately 20 hourly staff (coaches, officials, field monitors) and shares an Office Specialist II with the Aquatics program. Sports has grown to the point where the addition of a permanent part-time staff person, with the consistency and knowledge and experience they would bring to the position, is necessary for the Sport's program to continue its growth in revenue and program offerings.

The Recreation Program Leader for the RAP Afterschool program (+\$43,377) will be funded through new revenue from the RAP program (\$34,701) and the conversion of hourly salaries (\$8,676) in the Youth Activities budget. This position works closely with school district employees, and oversees the work of approximately 20 staff. Over the last three years, program participation has increased from 156 to over 340. As the program size grows, so does the workload and greater need for staff consistency and leadership.

PROPOSED EXPENDITURE AND REVENUE CHANGES BY DIVISION IN THE GENERAL FUND:

Administration:

The main decrease in expenditures is a result of the elimination of the Accounting Technician position (-\$37,000) in the Project Management Team budget due to the retirement of the employee. This was a 20 hour per week position and the job duties have been re-distributed throughout the clerical support staff in the department. The elimination of this position was one of the ways the Department met its reduction goal.

Recreation:

Recreation Administration: Through Adapted programs, the Tri-County Regional Center contracts with the City to provide inclusion support services and reimburses the applicable expenditures in hourly salaries in this budget. For FY 09, \$13,000 in related expenditures and revenues are now budgeted.

Facilities and Registration Services: Expenditures were increased for an upgrade of a position, which occurred in mid-FY 08. \$13,000 in equipment non-cap expenses will be cut due to budget reductions. Staff reviewed future equipment purchases and believe the impact of this loss of funding will be minimal in FY 09.

Revenue is proposed to increase by \$36,354 over FY 08. Increases are almost in every fee category to meet revenue target and are based on demand and market studies.

Cultural Arts: No changes in programs. The FTE for the new One-Stop Film Permitting position implemented in FY 08 from 1.0 to .80 was part of the budget reduction. No impact as this position was originally intended to be .80, but was budgeted incorrectly.

The revenue increased by \$51,225 over FY 08. Since facility fees for the Cabrillo Pavilion Arts Center, Chase Palm Park Center and Casa Las Palmas were significantly increased in FY 08 (25%, 15% and 10% respectively), a smaller increase has been proposed in FY 09. Proposed increases include a 5% increase to the Cabrillo Pavilion Arts Center and Chase Palm Park Center, and a 28% increase (+\$10) to the non-profit

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rate at Casa Las Palmas to bring it in line with similar facilities. These increases are competitive with the market.

There is no increase proposed for the Arts and Crafts Show fees. Two construction projects that will affect the show, the East Cabrillo Sidewalk Replacement project and the Mission Bridge Replacement project, will occur in the next year. In addition, participation has dropped over the last few years due to the economy and poor sales.

Youth Activities: There is an increase in expenditures in this budget to accommodate the new .80 FTE Recreation Afterschool Program (RAP) Coordinator discussed above. This position will also oversee coordination and staff of the new mobile recreation van program (Fun on the Run – funded by the General Fund), which begins in July 2008. For FY 09, the entire afterschool budgets (A-OK, RAP and Jr. High) will be transferred from the Miscellaneous Grants budgets to the General Fund budgets for ease of administration by staff.

Teen Programs: No program changes. Revenue is being increased by \$924 due to an increase in the annual teen center membership from \$15 to \$20, proposed by the Teen Center Committee. Through scholarship support, no impact to participation is expected and no teen will be turned away due to lack of ability to pay.

Active Adults and Classes: The proposed FY 09 budget reflects expenditure and revenue associated with increased participation in contract programs: new non-contractual expenditures of \$15,000 and revenue down by \$11,928 attributed to elimination of a few unsuccessful programs.

Aquatics: Besides the discussion above regarding the elimination of the proposed permanent part-time lifeguards utilizing hourly salaries; there are 3 other proposed budget reductions:

- Savings due to the closure of Los Banos Pool and West Beach Wading Pool during construction this summer. Service levels impacted slightly; 4 hours of programming will move to Santa Barbara High School pool and youth recreation swim activities will move to the beach. Oak Park Wading Pool staffing will increase based on higher attendance.
- Reduced service hours at Bathhouse locker/shower facilities (October-March). Negligible impact; low usage during this time period.
- Eliminate underutilized evening lap swim at Los Banos Pool. Only 10-12 swimmers participate during this time; which is a low use compared to other times of the day.

One other program change is a reduction in non-contractual expenditures of \$16,000 due to a decrease in participation in the Volleyball program, resulting in lower payments to instructor. Revenue increased by \$24,400 over FY 08 due to increases in participation.

Sports: The only program change in this budget is the new position of Recreation Program Leader discussed above. Revenue increased by \$30,320 over FY 08. Additional camps and clinics will be offered in FY 09. Participation in youth and adult sports programs has dramatically increased in the last year as has the resulting revenue.

Tennis: Professional services expenditures were increased in several areas due to more participation in group lessons, and that results in increases to payments to tennis professionals teaching the classes. Revenue increased by \$10,460 over FY 08, with the largest revenue increases with youth and adult group lessons, due to increased participation from the efforts of the current group of professional tennis instructors.

Community Services: No program changes. Revenue increased by \$12,145 over FY 08, mainly due to the percentage increase in rents for the facilities. No increases in rental fees are recommended for Franklin Center to attract and increase frequency of rental groups.

Fees and Charges Schedule:

The Fees and Charges Schedules undergoes extensive analysis and change annually. The Schedule has 224 fees/charges for the Recreation Division programs and activities.

- 120 fees have no changes
- 10 fees/programs are being deleted
- 46 fees have an increase of between 1 and 4%

30 fees categories have an increase of between 5 and 10%; here are several examples:

- Senior month swim pass (\$33 up to \$35 – 6%)
- Beach Volleyball classes (\$60 up to \$65 – 8%)
- Outrigger Paddling (\$110 up to \$115 – 5%)
- Children's Ceramics (\$10.50 up to \$11.50 per class hour – 9%)
- Cabrillo Arts Center facility rentals (Main Room - \$105 up to \$110 per hour weekdays – 5%)
- Chase Palm Park facility rentals (Meeting Room - \$73 up to \$76 per hour weekdays – 5%)

There are 18 fee categories have a proposed increase of higher than 10%; here are several examples:

- American Rhythm, Latin & International Ballroom Dance lessons (\$54 up to \$67 – 24%). New instructor with new dance styles – matches other dance class price structure.
- Bathhouse locker rental rate (\$10 up to \$14 per month – 40%). High frequency of monthly renters use locker as a storage unit.

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- Casa Las Palmas facility rentals for non-profits (\$36 up to \$46 per hour weekdays – 28%). Lowers the differential between non-profit and private rates; most facilities have 25% differential.
- Ortega Welcome House facility rentals (\$40 up to \$45 per hour – 13%). No increase since FY 05.
- School District Soccer field rentals for adults (\$18 up to \$20 per hour – 11%). Increased electrical costs.
- Softball Field rentals for lights use (\$22 up to \$25 per hour – 14%). Increased electrical costs.
- Special Events: Sporting Events for 8 hours use up to 150 people and Special Events: Public Events for up to 150 people (\$150 up to \$175 – 16%). Fee has not increased since FY 06 and FY 07 respectively.

Parks:

There are no program changes in the Parks Division other than the reduction in the vacant Senior Tree Trimmer position (listed above), on a one-time basis, which has a light impact. A significant amount of contract tree trimming work is being accomplished in FY 08 due to the large amount of salary savings from two vacant positions. In addition, IPM improvement projects are proposed to be reduced from \$100,000 to \$75,000, equal to the elimination of IPM modifications at one City park.

There are no revenue changes to the Parks Division in FY 09.

GOLF DIVISION:

The golf course budget for FY 09 was prepared with a continuing conservative approach to projecting revenue. Fees are being increased to reflect market rates, but the overall revenue received from greens fees is being lowered due to the recent trend in fewer rounds being played, not only at the Santa Barbara Golf Club, but across the country.

Golf rounds are down nationally and regionally for the first six months of the fiscal year (data provided by the National Golf Foundation) as follows:

Area	Rounds Change from Previous Year
Santa Barbara Golf Club	-2.9%
California	-2.1%
Southwest	-2.6%

Twilight rounds are exceptionally affected and staff is proposing (discussion below) a reduction in fees in this area to attract golfers.

Revenue:

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The golf course revenue budget is composed of three categories:

Interest - The interest funding is increased from \$20,000 to \$35,000 based on the interest earned in FY 08.

Golf Concessionaires – FY 2009 increased from \$277,000 to \$285,000. The restaurant concession continues to perform well.

There is a definite unknown for the golf concession revenue for FY 09 due to the retirement of the existing Director of Golf, Richard Chavez on December 1. Staff has engaged a consultant to perform a market study for golf concession contracts in southern California and the revenue from the golf concession could change significantly in FY 09. Staff anticipates a new golf concession contract will in place by October 2008.

Greens Fees –Greens fees are the main source of revenue for the golf course and historically fees have been increased annually to cover the budgeted costs.

Greens fees are proposed to increase by \$1 for residents and \$3 for non-residents. Resident fees have averaged a \$1 increase per year for several years and the non-resident fees will support a larger increase of \$3 since the non-resident (those golfers who live outside the County of Santa Barbara) generally believe the fees are extremely reasonable and non-resident play has not been affected by larger fee increases in the past.

There is a category where staff is recommending a decrease in greens fees - Twilight – Resident. After extensive review and comments from the public, it is recommended to decrease Twilight fees for residents by \$3. The increases in the Twilight rate over the last 5 – 7 years has put SBGC in the position of having much higher Twilight fees than competitive courses to the south in Ventura County. In FY 07, the Twilight rounds at SBGC decreased by 32% for weekdays over FY 06.

Capital Improvement:

There are no changes to the capital improvement program for FY 09. The golf course is embarking on the second year of Phase III of the golf course safety improvements.

CREEKS DIVISION:

Total FY 09 proposed revenue is \$2,941,947, which includes Measure B revenue and interest. Although these revised revenues are \$111,240 less than originally proposed a year ago, and the proposed FY 2009 expenditures of \$2,060,345 are \$17,866 more than submitted in the two-year plan, the Creeks Division budget remains balanced and includes a surplus.

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The Creeks Division proposes the following FY 2009 modifications:

Salaries and Benefits – \$862,560. Decreased by \$19,673 over proposed FY 2009

- Increasing hourly salaries and benefits by \$27,909 to match projected FY 2008 expenditures. The increase will provide necessary funding for 1) part-time hourly staff to provide coverage for permanent staff on extended leave, 2) part-time hourly student interns from local colleges and universities, 3) part-time hourly interns from the City's Youth Apprentice Program, and 4) compensating for a potential programmed shortfall in permanent full-time staff salaries.

Non-Contractual Services - \$451,500. Increased by \$35,000 over proposed FY 2009

- Increasing funding by \$25,000 for contracted creek clean-ups and waste management to increase the frequency and efficiency of litter and waste removal from City creeks.
- Increasing funding by \$10,000 to implement training program for the City's new Technical Guidance Manual for Post Construction Storm Water Management.

Capital Outlay - \$870,000. Transfer existing funds to new project.

- This funding will be used for a Low Impact Development (LID) demonstration project, or projects, on City-owned property in FY 09 that will be designed to improve creek and ocean water quality. Concepts will be developed by Creeks Division staff with input from the Creeks Advisory Committee, other City Departments and Divisions, and the public.

CHANGES TO FY 09 CAPITAL BUDGET:

The Capital Budget for Fiscal Year 2009 for Parks and Recreation contains a project for Parma Park Staging Area. This project, in the amount of \$287,000 for FY 2009 should be deleted as the scope of work is currently being revised and a new budget prepared. Staff will go to Council by the end of calendar year 2008 with a revised project and appropriation.

FY 2009 P3 CHANGES:

Based on the changes to revenue, which are, in many cases, attributable to participation or facility rental increases; many of the targets for the Measurable Objectives and Other Performance Measures are being changed for FY 09. Examples:

- Facility revenue for outdoor rentals increases from \$190,000 to \$240,000
- Facility revenue for Chase Palm Park increases from \$167,200 to \$199,000
- Increased participation in youth sports programs from 55 to 1,078
- Increased hours of tennis lessons from 800 to 1,500
- Increased minimum of volunteer hours in Recreation from 34,000 to 35,000
- Increased importation of compost at golf course from 160 to 175 yards for the purpose of top dressing turf and amending the soil.

A number of programs added Project Objectives. Examples:

- Recreation will work with community leaders to develop and implement a strategic plan to improve outcomes for youth and families.
- Recreation will submit 3 grant applications to fund programs
- Project Management Team to complete design of Cabrillo Pavilion Bathhouse Restrooms by June 2009
- Creeks Division will conduct dissolved oxygen study for steelhead habitat assessment in Mission Creek.
- Forestry will develop the structure of an Urban Forest Management Plan by June 2009.

ATTACHMENTS:

1. Spreadsheet – FY 09 Proposed Budget by Program
2. FY 2009 P3's
3. FY 2009 Fees and Charges Schedule

SUBMITTED BY: Nancy Woods, Business Services Manager

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