



**City of Santa Barbara
PARKS AND RECREATION DEPARTMENT**

**PARK AND RECREATION COMMISSION
Regular Monthly Meeting**

Thursday, April 30, 2009

Minutes

CALL TO ORDER: The meeting was called to order at 5:32 p.m. at the Ortega Welcome House, 632 E. Ortega Street.

ROLL CALL

Commissioners Present

Commissioner Beebe Longstreet, Chair
Commissioner Daraka Larimore-Hall, Vice-Chair (Arrived at 6:05 pm)
Commissioner Daniel Hochman
Commissioner W. Scott Burns
Intern Diego Torres-Santos

Commissioners Absent

Commissioner Ada Conner

Staff Present

Parks & Recreation Director Nancy Rapp
Asst. Parks & Recreation Director Jill Zachary
Recreation Programs Manager Sarah Hanna
Recreation Programs Manager Judith McCaffrey
Creeks Manager Cameron Benson
Parks Manager Santos Escobar
Parks & Recreation Business Manager Scott McGregor
Golf Manager Mark Reed
Executive Assistant Karla Megill
Finance Director Bob Peirson

PUBLIC COMMENT: No one wished to speak.

1. Proposed Parks and Recreation Department Fiscal Year 2010 Budget – For Discussion

Ms. Zachary highlighted the remodel of the Ortega Welcome House for the Commission.

Ms. Rapp provided the Commission with updated budget document pages for Cultural Arts and Creeks.

Ms. Zachary provided an overview of the FY 2010 - 2015 Proposed Capital Program presentation.

Mr. Benson discussed the Creeks Fund FY 2010 Proposed Capital Program. He then reviewed pending grant opportunities in the amount of \$11.6 million.

Chair Longstreet commented that Creeks should be well-positioned to obtain these grants. Mr. Benson responded saying there are \$170 million in stimulus funds available. He said there were 850 applications, and the Department just received word from California staff that both the Mission Creek Fish Passage at Tallant Road and the Mission Creek Fish Passage at CalTrans Channel projects passed the technical review and scored in the top one-third. Mr. Benson said the decision on whether the grant will be awarded to the City is in the hands of the Regional Directors who will determine the national priorities.

Chair Longstreet asked if there was money for employment. Ms. Rapp said staff is working closely with the County Workforce Investment Board for stimulus funding to fund Youth jobs. She said they have made a commitment of 25 positions specifically for the City's Youth Apprenticeship Program. Ms. Rapp indicated that the Department is seeking additional funds for other youth positions.

Chair Longstreet stressed that youth jobs are important, and stated that she would like to see not only the Youth Apprenticeship Program jobs, but youth jobs like the Summer Camp Counselors. She said that if the youth do not get hired during the summer, many times they do not end up in college. She further said there are many unemployed people who could be working in our parks. Ms. Rapp said that Mr. Pete Leyva is actively working with the County Workforce Investment Board to try and secure as much funding as possible.

Ms. Zachary highlighted the General Fund FY 2010 Capital Projects.

Commissioner Burns asked that staff remind Council that the Department is deferring \$70 million dollars in maintenance, and these projects are the very worst that need to be done and have to be done. He further suggested photos be inserted into the slides that reflect just how bad the facilities are.

Ms. Zachary stated that staff will be advising Council that \$430,000 was taken out of the Department's Capital Program budget this year, and the Department has deferred projects already.

Ms. Rapp interjected that Council will receive a separate presentation on the Six-Year Capital Program on Tuesday, May 5th, where a lot of that discussion will take place. She suggested it is important for the Infrastructure Financing Task Force to be at that meeting and to address that. Ms. Rapp said staff will very briefly talk about it.

Ms. Zachary advised that some of the stimulus funding will trickle down to the Department through the Community Development Block Grant Fund. She highlighted the opportunities and discussed the Redevelopment Agency funded projects. Ms. Zachary then briefly talked about deferred maintenance and annual renewal costs. She reviewed the Infrastructure Task Force project recommendations and said that everything on the list is in the Department's capital program.

Mr. Peirson, Finance Director, provided an overview of City Interfund Loans. He said that the transfer of non-General Fund funds to the General Fund is not allowed. Mr. Peirson then talked about loans between funds. He said money can be loaned from Enterprise Funds to the General Fund as long as it is at the market rate of interest and it can be justified that the market rate of interest is comparable to what the Enterprise Fund would be earning on their money in the absence of that loan, if invested in their own investment activities. Mr. Peirson said it is not true to say that what the General Fund can do for Enterprise Funds, Enterprise Funds can do for the General Fund. He said General Funds are taxpayer monies, and the City Council has the authority to use those funds for any lawful purpose. Mr. Peirson said the same is not true on the reverse; there are legal, constitutional, and contractual commitments the City has on the Enterprise Funds that precludes it; for example, the City is precluded under Federal Law to transfer Airport Funds to the General Fund. He further explained that under the State Constitution of the Tidelands Trust (Waterfront), all money generated with the Tidelands Trust (Waterfront) must be spent within the Tidelands Trust, it cannot be transferred to the General Fund. Mr. Peirson said that what is permitted, and what staff is proposing to do is to transfer costs that are expended within the Tidelands Trust, but have traditionally been paid by the General Fund, to the Waterfront Department. He said staff is also proposing to transfer \$200,000 of the \$770,000 of the Downtown Organization contract to Downtown Parking.

Chair Longstreet commented that when Teen Programs was first started, \$50,000 was taken from the Golf Course fund. Mr. Peirson said he recalls that and said that two of the City's Enterprise Funds do not follow the general rule: Golf Course and Downtown Parking. He said that both could legitimately and legally be part of the General Fund. Mr. Peirson said the Golf Course is accounted for as an Enterprise Fund as a convenience for tracking costs and revenues. He said this is why staff is able to make a link to transfer some of the Downtown Organization contract costs to Downtown Parking.

Commissioner Burns commented that the Infrastructure Task Force looked at bonding future gas revenue and then decided against it; he asked if it was still off the table. Mr. Peirson said it was still off the table. He said he has never been in favor of it because it is like taking future taxpayers money to do the work today, and, twice in the last fiscal year, the State has frozen the City's gas tax payments. He said that, if the City had bonded against the gas tax money, the City would be making the bond payments out of the limited General Fund monies awaiting payment from the State.

Commissioner Burns asked whether the City has a backup plan if the ballot measures do not pass. Mr. Peirson said the City does not need one; cities' primary tax revenues

are now constitutionally protected. He said the State can borrow them, but only for a limited time, and they must pay them back with interest. Mr. Peirson further said that the State took money from the Redevelopment Agency as part of their adopted budget, and for the City it amounted to \$1.4 million. He said the California Redevelopment Association challenged it in court in Sacramento as being unconstitutional, and he received notice today that the judge agreed and declared the transfer unconstitutional, so for now the payments do not have to be made.

Commissioner Larimore-Hall asked why the City should not take out a loan to recoup some of the benefits. Mr. Peirson said that he believes that is the strategy that put the State in the current budget situation. He stated that a budget problem is not solved by borrowing money, but by balancing expenses with revenue.

Commissioner Larimore-Hall agreed, but said there are very limited options for raising revenue. He said that one of the major expenses on the table to be reduced is some very grave and difficult concessions put forth by SEIU. Mr. Larimore-Hall said he does not see why the City does not break the taboo of borrowing in order to make sure we get the million dollars that is being put on the table that is coming out of the pockets of hardworking City employees.

Mr. Peirson stated that is a policy decision that Council is free to make if staff could justify that the interest rate is in a range is that is low. He expressed that it would not be wise, as he believes there is another major budget crisis headed our way in a couple of years. Mr. Peirson stated that he foresees retirement costs increasing dramatically because of all of the investment losses sustained by PERS in the last 18 – 24 months; PERS is already sending out warning notices advising agencies. He said the cost could be from \$4 to \$6 million per year to the General Fund alone, and he fears if the City pushes out the problem by borrowing money now, there will not be a window to pay off the loans.

Commissioner Larimore-Hall commented that the City is looking at layoffs, and it is layoffs and unemployment that is driving the recession and will keep the recession going, more than borrowing or the kind of fiscal policy the City is forced into because of restrictions like legal protections around Enterprise Funds. He said it strains the budgeting process and is unrealistic about how cities work. Mr. Larimore-Hall commented that City-wide bargaining unit wants to save the City money, and there are chunks of it that gets repelled because there is the idea that certain parts of the City have to be run in the free market. He expressed frustration because the Department is looking at a reduction in services, layoffs, and is not hiring positions, and that is why this is going to take more than 15 months to turn around. He said he strongly encourages the City to recoup all of the savings into the General Fund.

Mr. Peirson said he appreciates the efforts SEIU Local 620 has made to be part of the solution, and the willingness of the employees to sacrifice in order to help out their fellow workers.

Mr. McGregor provided additional information regarding the change in service hours at the Administrative Office front desk. He said that staff conducted a review of telephone records and determined that twice as many people call the front desk between the hours of 8:00 and 9:00 a.m. than between 5:00 and 6:00 p.m. He further said that in talking to the staff who work at the front desk he found that most parents found it to be more convenient to stop and register their children for activities or afterschool programs when they were taking them to school in the morning. Mr. McGregor said staff is looking at a ways to provide the service to people who come in between 5:00 and 6:00 p.m. at a different time. Ms. Rapp interjected that Commissioner Burns suggested the front desk stay open later one day per week, and staff will evaluate that further. She further said that the Department is also looking at shifting some of what is done at the front desk to the other facilities. Ms. Rapp said the biggest concern is the Latino moms coming in with their children registering them for activities or reserving parks, and staff is looking at ways to accommodate that service.

Ms. Hanna advised that staff has evaluated Parks and Recreation facilities for new lease opportunities. She said that because of the Carrillo Recreation Center Renovation, the Department has limited space, and the only building available is the MacKenzie Youth Building, which is no longer in the Department's inventory. She said that with the cost to renovate the facility for occupancy to include the American with Disabilities Act accessibility requirements is approximately \$410,000. Ms. Hanna said that when the Carrillo Recreation Center reopens, there are two offices (formerly the Alley) at the rear of the facility that may be available as leased space. She said, however, that as space becomes available, it is filled.

Commissioner Burns asked whether it would be feasible to lease the MacKenzie Youth Building to a non-profit or other agency for 10 years or so and have them renovate the facility. Ms. Rapp said she would not want to encourage a long-term lease on that building until a decision is made on the Army Reserve and the renovation of MacKenzie Park, because if a field is added, the building would need to be moved or demolished.

Chair Longstreet asked about rentals in various parks. Ms. Rapp provided that information.

Ms. McCaffrey discussed FY 2010 Revenues, Expenditures, and Fees and Charges.

Commissioner Hochman asked what revenue is generated by Administration. Ms. Zachary responded saying that revenue is generated by the Project Management Team.

Commissioner Hochman said asked whether when Ms. Rapp talked about 46% of the City's General Fund facilities, are they all Parks and Recreation buildings. Ms. Rapp said they are. Commissioner Hochman said he is trying to figure out where the disparity is, or is it just the committed costs. Ms. Rapp said that the Parks and Recreation Department is the third largest department but overall a small percent of the General Fund, yet it maintains nearly half of the facilities, and the correlation is that more than half of the budget is spent on maintaining those facilities.

Chair Longstreet suggested slide 14 be changed to reflect Parks/Facilities.

Commissioner Hochman commented that it is reasonable that a Parks and Recreation Department would have that number of facilities. He said that maybe the point that makes it is when we look at what budget is available to cut, what is the percentage of things that are available to cut, for example, the Department has been asked to cut 9.9%, but really what is being cut is 20% of the available expenses.

Ms. Zachary said that the Department does maintain landscapes around non-Parks and Recreation facilities and 102 street medians. She said it is not a big part of the Department budget, but the Department does maintain the landscape around the Library, Community Development, and City Hall, etc., but they are General Fund properties.

Commissioner Hochman commented that realistically they are somebody else's properties (SEPs). He said there are reasons for Parks and Recreation to do those projects, but suggested the Department charge out for the work.

Chair Longstreet commented that they are part of the General Fund, and that would not be solving the all encompassing problem. She said the buildings and parklands are not going away and need to be maintained; they serve the community well and are a large part of what the Department does.

Ms. Rapp said that people look at the Parks and Recreation Department budget and think it is pretty big and there are ways to cut it more. She highlighted the General Fund FY 2010 Expenditure by Category.

Commissioner Hochman asked how the Street Tree Program is revenue neutral. Ms. Rapp said the Street Tree Maintenance Program is 100% funded by the Utility User Tax (UUT).

Ms. McCaffrey provided a breakdown of the General Fund Program Costs, saying that 29% are fully subsidized, 33% are partially funded, and 38% are revenue generating.

Commissioner Hochman asked whether it is a policy decision to give programs away free and asked how often it gets looked at, and further, which programs to fully subsidize and which programs not to. Ms. Rapp said that is within the purview of the Commission to look at that. She said that what is being done now is what has been done historically.

Ms. McCaffrey interjected that when looking at which programs will be subsidized the demographic being served is considered, and some of the groups being served do not have the funds to pay for the programs. She said that if the programs were not subsidized, there would be no participants.

Chair Longstreet said that has been a large part of it, but what does a City provide to be a safe healthy city, and part of that is afterschool programming; giving children a safe place to go. Commissioner Hochman said the YMCA also subsidizes programs. Chair Longstreet said the YMCA also has a membership fee; the City is here for people who do not have other options.

Ms. McCaffrey commented that a good example of a partially subsidized program is Recreation Swim at Los Baños. She said Los Baños is a facility with huge allocated costs and there is no way to charge enough to cover the costs to run the pool.

Commissioner Hochman asked if when talking about the programs at Los Baños, are they included in the “partially funded” and the “Facilities M & O” areas of the chart on slide 14. Ms. Rapp said they are separated out. Commissioner Hochman commented that in reality the maintenance and operating costs are more than 53%. Ms. Rapp said that if Los Baños pool was open, the assumption is that there would be someone at the front counter, but anything that was a program was added on.

Ms. McCaffrey reviewed General Fund revenue for FY 2004 thru FY 2010, Parks Division revenue for FY 1999 thru 2010, Recreation Division revenue for FY 1999 thru FY 2010. She then discussed General Fund FY 2010 Recreation revenue, General Fund FY 2010 Recreation expenditures. Ms. McCaffrey provided a overview of General Fund Cost Recovery by Division for FY 2005 thru FY 2010, and reviewed the FY 2009 projected Recreation Cost Recovery and proposed FY 2010 Recreation Cost Recovery.

Ms. Rapp said staff is trying to show that the Department has steadily been increasing its revenue and percentage of cost recovery. She said she anticipates staff will be asked why fees are not being raised more. Ms. Rapp said the challenge is that if programs are priced out of the market, which the Department has done in the past, revenue will not be achieved. Ms. McCaffrey interjected that the Department needs to keep prices competitive to increase participation. She further said that staff has worked very hard the past five years to increase marketing, which has resulted in a steady increase in participation.

Commissioner Hochman asked whether staff go into the schools or other places where it might be more synergistic for people to sign up for programs. Ms. McCaffrey said the schools allow the Department to distribute flyers to the students for programs based on school campuses, but nothing beyond that. Commissioner Hochman clarified that he is talking about putting people in various places to sign people up. Ms. Hanna said staff could do that. Ms. Rapp said staff goes where the parents are to inform them about the programs that are available, for example, PTA meetings. Ms. Hanna said that everyone who signs up for programs and provides their email address gets an E-newsletter periodically informing them of the available programs.

Commissioner Hochman asked whether if the Department is pricing its programs at market value, and other organizations either break even or turn a profit on classes, then why isn't the Department breaking even on classes. Ms. Rapp said the Department does; most of the contracts for the instructors are a 65/35 split. Ms. McCaffrey said the

Department takes 35% and the instructor takes 65%, but many of the active adult programs and the youth activity programs are subsidized.

Commissioner Larimore-Hall asked whether in cases where there is a contract, under the 65/35 split, the contractor takes home all of the money. Ms. Rapp said that the Department collects all the money, the Department pays a portion to the contractor so it shows in expenditures, and then the Department nets the revenue.

Ms. McCaffrey called the Commission's attention to the Proposed FY 2009 – 2010 Schedule of Fees and Charges. She commented that there are approximately 260 fees, and approximately 17 fees were proposed for an increase of 1 – 10 percent and 20 fees proposed for an increase of above 10 percent.

Chair Longstreet commented that she was confused about the K1 -12 Basketball Clinic going to fee-based. She said previously the school district kids were not charged; it was part of the afterschool program. Ms. McCaffrey said the Little Biddy Basketball Program was always different than the afterschool program, because there were only a couple different locations, and when the Department tried to make it part of the afterschool program there were no participants. She said staff is trying to market it back to what it was originally.

Chair Longstreet said she is concerned with a couple of the programs that gets the kids who could not afford to pay AYSO fees; the afterschool programs at McKinley School. She said those are the programs that get the kids whose parents are not going to be able to get them into AYSO or the Basketball League. Ms. McCaffrey said that the fee is for participants other than from the 10 Santa Barbara School District Elementary Schools.

Chair Longstreet expressed support for the lack of increases in fees and hopefully keeping rentals and participation up.

Ms. McCaffrey advised the Commission that a new structure for for-profit events, for example, AVP, West Beach Music Festival, Amgen Tour of California will pay 15% - 20% more than what they are currently paying.

Ms. McCaffrey reviewed Department rental bookings for indoor and outdoor facilities for FY 2005 through FY 2009 and Beachfront Facility revenue for FY 2005 thru FY 2009. She said that Beachfront Facility revenue for FY 2009 has dramatically decreased.

Ms. McCaffrey highlighted Recreation Camp and Class registrations for 2003 thru 2008.

Commissioner Hochman asked whether staff anticipates there will be a drop in participation for 2009. Ms. McCaffrey said no. Ms. Hanna said the fact the fees are holding steady and some of the competition is dropping off, leaves staff hopeful that participation levels will remain steady.

Commission Questions/Comments:

Commissioner Burns suggested it would be profitable to have the Arts and Craft Show when the large cruise boats are docked here. Ms. McCaffrey indicated that the Show dates are set by the Municipal Code. Commissioner Burns it would be good to have flexibility to be able to have a Show when boats are in town.

Chair Longstreet said she would like to recommend to Council that P3 reports be done twice a year or maybe three times of year. She expressed that having to do the P3 reports four times a year is a waste of staff time and money as we cut back. Ms. Zachary said that at this point the P3 reports have been tailored to the data that needs to be collected, and the process has been streamlined. Ms. Rapp interjected that if the reports were done twice a year, staff would be going back and reviewing six months of records to prepare the reports. She said the goal of the program is to demonstrate the work that gets done with the money funded to the Department and to hold people accountable. Ms. Rapp said less information could be included in the P3's, but for some program owners, that is where they have started to collect the data they use to look at to analyze their programs. She said it is the program owner's choice in terms of the depth of the P3 reports.

Chair Longstreet commented that another underserved group is seniors. She asked whether that would be another program the Department would want to make sure services are delivered to. Ms. Hanna responded saying that is an area where more collaborations could be added and bring them to the Community Centers to fill out the day. Chair Longstreet stated that a pretty specific group is reached at the Carrillo Recreation Center, but there are many people on the East and West side that need more specific outreach. Ms. Hanna stated that staff has tried to link up with those people through the free food distribution program and free lunch program with other enrichment activities for seniors.

Commissioner Hochman asked whether there are programs that are bilingual and aimed at parents and teens together. He said that has been identified as a necessary step for combating gang activity. Commissioner Hochman said allot of times when the parents do not speak English there is a disconnect between the parent and the teen.

Ms. Rapp said that is one of the priorities of the South Coast Gang Task Force. She said that what they heard from the parents is that they needed more support, they needed to know where they could go to get support, so there is more a of a focus of the community organization for who is doing that and where can more of that be done. Ms. Rapp said that is one of the things that has been identified with the Neighborhood and Outreach Services; really focusing on the needs of the families.

Ms. Rapp said she attended a meeting last week, coordinated through the Nonprofit Support Center, where a number of different Foundations were represented, and one of the activities they are considering is a Resource Fair where there will be representatives present for all the programs for youth, but the target audience is the parents and the teachers.

Ms. Rapp reviewed the upcoming budget meeting schedule.

ADJOURNMENT

At 8:04 p.m. with no further business to come before the Commission,

Commissioner Hochman moved, seconded by Commissioner Burns, and passed 4/0 to adjourn.

Respectfully submitted,

Nancy L. Rapp
Parks and Recreation Director