



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: Parks and Recreation Fiscal Year 2013 Budget Preview

RECOMMENDATION: That the Commission receives preliminary information related to the Parks and Recreation Department's Fiscal Year 2013 budget.

DISCUSSION:

Parks and Recreation Department staff has been working under direction from the City Administrator to develop the proposed Fiscal Year (FY) 2013 annual budget which will be presented to City Council on April 17, 2012. After three years of adopting a one-year fiscal plan in response to unsettling economic times, last June, City Council returned to adopting a two-year financial plan which included FY 2012 and FY 2013. Typically at mid-cycle, the second year of the two-year budget is reviewed for necessary changes or modifications and is generally a less involved budget process compared to the first year of the cycle.

As City revenues have continued to do better with the improving economy, FY 2013 General Fund budgets are being developed at "status quo" levels, meaning departments have not been asked to plan for reductions in subsidy levels, mandated budget cuts or service reductions. The improving economy has contributed to increases in Parks and Recreation revenues as well. As a result, the Department is projecting that revenues in FY 2013 will be higher than originally budgeted. The increased revenue provides the Department the opportunity to increase expenditure budgets to address some of its unfunded needs.

A series of budget review meetings will be held over the following weeks before Council adopts the final budget on June 19, 2012. The Parks and Recreation Department proposed FY 2013 budget will be presented to the Parks and Recreation Commission at the regular meeting of April 25, 2012.

Parks and Recreation Budget Public Review Schedule

The schedule below outlines some key dates related to review and recommendations related to the FY 2013 Parks and Recreation budget.

Wednesday, April 11	Golf Fund budget presented to Golf Advisory Committee with recommendations to the Parks and Recreation Commission
Wednesday, April 18	Creeks Fund budget presented to Creeks Advisory Committee with recommendations to the Parks and Recreation Commission
Wednesday, April 25	Parks and Recreation Department Budget presented to the Parks and Recreation Commission
Monday, May 14 (6PM)	Parks and Recreation Department Budget presented to the City Council
Wednesday, May 23	Parks and Recreation Commission develops budget recommendations for the City Council

City Council is anticipated to adopt the FY 2013 budget at their regular meeting of June 19, 2012.

General Fund Priorities and Considerations

Although the Parks and Recreation Department has weathered a difficult series of budget reductions over the last few years, there are cumulative impacts throughout the Department. This is particularly the case with the three primary divisions supported by the General Fund: Administration, Parks, and Recreation. Since 2008, General Fund support of Parks and Recreation declined 28.4%. Many services were reduced, eliminated, or transferred to community partners. The workforce for the three General Fund divisions is nearly 26% smaller than it was four years ago, including permanent and hourly staff.

With all of the changes, staff has been reviewing operations to determine whether the best resources are in the right place to ensure that the Department is positioned to provide safe, good quality programs and services for the longer term. In addition to staffing challenges, the Department has identified the need to address equipment replacement and maintenance or improvements to parks and facilities that were postponed as a result of prior budget reductions. Many of these areas may lead to

revenue impacts if not addressed in a timely manner. Good business management practices drive the Department to address current unmet needs before any discussion of funding new efforts or restoring services that have been reduced or eliminated.

Funding Priorities

In developing the FY 2013 General Fund budget, the Department has been working to identify, evaluate, and prioritize needs which fall into five key areas: Staffing, Equipment, Program, Deferred Maintenance, and Facility Improvements. A funding priorities list has been created which will serve as a working tool for categorizing funding needs and priorities particularly for the next few years. Items are listed by program, description, justification, estimated annual cost, whether the cost is one time or on-going and priority (1- High, 2 - Medium, 3 - Low).

Staffing (~\$180K on-going) – To avoid layoffs and minimize impacts to department personnel, most position reductions came from vacancies that developed over the three years. Often, divisions, work groups or programs were re-structured or reorganized in an effort to achieve savings while maintaining service levels to the public. As a result, some work groups do not have adequate staffing to insure efficient and effective work production over the longer term. Some examples include:

- Increasing the Pool Maintenance Technician from .50 FTE to .80 FTE, with the goal to fully restore this position to full-time status. This position maintains the pools and wading pools. (Priority 1, on-going, \$18K)
- Add 600 hourly staff hours in Parks for an Equipment Operator to restore turf maintenance program (Priority 1, on-going, \$15K)

Equipment (~\$220K, one-time) – Equipment budgets were eliminated or reduced, with many equipment purchases being delayed to achieve budget savings in the short term. The Department has to address this in the next couple of years to avoid equipment break downs which negatively affect operations, create safety concerns, or result in loss of revenue in rental facilities due to deteriorating conditions. Although most equipment purchases are one-time purchases, the Department has several programs with planned equipment replacement accounts in Parks, Tennis, Aquatics, and rental facilities. These accounts have been reduced or tapped for savings over the recent years and need to be replenished to appropriate funding levels to sustain operations over time. Equipment examples include:

- Replace 250 chairs in the Cabrillo Pavilion Arts Center (Priority 1, one-time, \$25K)
- Install ADA Compliant Pool Ramps to comply with new federal regulations (Priority 1, one-time, \$12K)
- Replace Tennant Sweeper, used by staff to clean walkways and parking lots, increasing staff efficiency and reducing labor hours (Priority 1, one-time, \$65K)

Program (~\$95K on-going) – This category includes programs such as contract services for park maintenance, summer camp scholarships, and recreation programs. Although this list includes some restoration of services which have been reduced or eliminated, the first priority is resources to maintain current service levels. This list is not intended to be comprehensive of all services which have been reduced or eliminated since 2008. Examples:

- Restore contract park maintenance funding for the Bird Refuge, removal of tules and restoration maintenance (Priority 1, on-going, \$45K)
- Design and renovation of planter beds at Alice Keck Park Memorial Garden (Priority 1, one-time, \$60K)
- Restore funding for summer camp scholarships (Priority 1, on-going, \$10K)

Deferred Maintenance (~\$200K one-time) – The City's Six-Year Capital program identifies millions of dollars for addressing the deteriorating conditions in many parks and recreation facilities. The Deferred Maintenance items are of immediate need, and are generally the types of projects funded through the Department's annual operating budget, not the Capital Program. Some examples are:

- Replace backstop fence at Pershing Park softball field #2 (Priority 1, one-time, 10K)
- Replace 52 year old irrigation system at Willowglen Park (Priority 1, one-time, \$65K)

Facility Improvements (~\$300K one-time) – By no means a complete list, these identified improvements generally enhance services and potential revenue generation, improve safety for park/facility users, or increase work effort efficiencies. Some examples include:

- Install irrigation system at Ambassador Park, currently irrigated by hand (labor impact) (Priority 1, one-time, \$28K)
- Install security lighting at Municipal Tennis Center parking lot for safety and deterrent to vandalism (Priority 1, one-time, \$35K)

Funding Strategy

The Department is reviewing FY 2012 revenue and expense budgets carefully to identify opportunities to fund as many of the unfunded needs as possible in the current year's budget. At the Department's request, the City Administrator has authorized on a one-time basis the use of accrued savings in Salaries and Benefits to offset over expense in Supplies and Services budgets, which is normally not permitted. This will allow the Department to address some one-time expenses. Additionally, the Department is projecting approximately \$45,000 in revenue above budget for FY 2012. With Council approval, these funds will also be available for one-time purchases/expenses in the current year.

In developing the FY 2013 budget, the Department looked at projected revenue above budget (over \$100,000), reprioritization of planned expenses, and any potential savings that could be redirected to unfunded priorities. There has been some discussion with City Administration about setting aside a portion of General Fund Capital funding to help departments such as Parks and Recreation catch up with deferred equipment replacement and maintenance.

PREPARED AND

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