



CITY OF SANTA BARBARA

PARKS & RECREATION COMMISSION REPORT

AGENDA DATE: April 23, 2014

TO: Parks and Recreation Commission

FROM: Administration Division, Parks and Recreation Department

SUBJECT: Parks and Recreation Recommended Fiscal Year 2014-2015 Budget

RECOMMENDATION: That the Commission recommends City Council approval of the Recommended Fiscal Year 2014-2015 Parks and Recreation Department Budget, including the General Fund, Creeks Fund, Golf Fund, Capital Program, and Fees and Charges.

DISCUSSION:

On April 22, 2014, the City Administrator presents the Recommended Fiscal Year (FY) 2014-2015 Budget to the City Council and initiates public review. The Recommended Budget will be available later that day at the City Clerk's Office and on the City's website: www.SantaBarbaraCA.gov. During April and May, City departments will present their budgets to City Council with a tentative date of adopting the budget on June 17, 2014. The Parks and Recreation Department is scheduled to present their budget to City Council on Monday, May 19, 3:00pm, in City Council Chambers, City Hall. Recommendations and comments from the Parks and Recreation Commission will be included in the presentation.

Parks and Recreation Department Budget Overview

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. Through a separate fund, Miscellaneous Grants Fund, the Department holds funds from outside organizations that are intended for a specific project or program. In addition, capital project funds are held in a designated Capital Outlay Fund and therefore not reflected in the annual operating budget.

The Creeks Division is a Special Fund, funded through 2% of the Transit Occupancy Tax (TOT) collected by the City. The Golf Division is an Enterprise Fund, funded solely by revenues generated at the Municipal Golf Course. The Golf Course and Creeks Division do not receive General Fund support.

The City of Santa Barbara adopted a two-year fiscal plan last June for fiscal years 2013-2014 and 2014-15. As the FY 2014-2015, or FY 2015, is the second year of the adopted two-year budget, the mid-cycle review focuses primarily on changes to what was originally planned. Including all three funds, the recommended Parks and Recreation budget for FY 2015 is \$21,220,580.

Parks and Recreation Department FY 2015 Recommended Budget

	FY14 Projected	FY15 Original Plan	Recommended Adjustments	FY15 Recommended
CREEKS FUND	\$5,089,688	\$3,921,706	-\$75,741	\$3,845,965
GOLF FUND	\$2,055,002	\$2,008,841	\$82,207	\$2,091,048
GENERAL FUND				
Administration Div.	\$987,836	\$1,031,753	\$101,311	\$1,133,064
Parks Division	\$6,969,687	\$7,153,076	\$469,736	\$7,622,812
Recreation Division	\$6,222,987	\$6,333,006	\$194,685	\$6,527,691
Total General Fund	\$14,180,510	\$14,517,835	\$765,732	\$15,283,567
TOTAL DEPT	\$21,325,200	\$20,448,382	\$772,198	\$21,220,580

General Fund Overview

The Department is recommending a FY 2015 General Fund Operating Budget of \$15,283,567. The proposed budget includes revenue of \$5,297,565, which represents 34.7 percent (%) of the total budget. Total expenditures have adjusted by \$772,198 over the FY 2015 original plan. All program budgets were increased to reflect minor changes in the cost of salaries and benefits, allocated costs and supplies. However, a reflection of improving City revenues, the recommended budget includes \$689,330 in new funding allocations to address several service area needs. New funding appropriations for Parks and Recreation are discussed below in FY 2015 Budget Enhancements. Other than new funding and minor changes reflecting programmatic trends, there were no significant changes to the original FY 2015 plan.

The FY 2015 proposed revenue has increased by \$81,450 over the original plan. This increase includes a 2% allocated increase for all City General Fund revenues, and minor increases in new revenue proposed by the Department. Program and activities fees are largely status quo. A copy of the recommended fees and charges is included with this report, and includes comments on proposed fee changes.

FY 2015 Budget Enhancements

With City revenues exceeding projected numbers, the FY 2015 budget provided the opportunity to address some City departments' funding restoration and service

enhancement priorities. Early in the budget process, departments were asked to submit their highest priority needs for on-going funding. The recommended budget includes just over \$1million dollars in new funding appropriated to General Fund departments. Having experienced some of the greatest reductions during the recession years, Parks and Recreation is very appreciative that \$689,330 in new funding is included in the budget being recommended to City Council.

1. New Parkway and Median Maintenance Program (\$383,454) - Historically, the maintenance of street medians and parkways has been split with the Public Works Streets Division and Parks and Recreation Parks Division. The fiscal year 2015 recommended budget shifts full responsibility of median maintenance to the Parks and Recreation Department, and consolidates all existing parkway and median maintenance costs into a new program called Medians, Parkways, and Contract Maintenance. The new program will include the maintenance of all City-maintained parkways and medians and administration of the contracts for maintenance of the Sheffield Open Space and State Street sidewalks. Of the total \$383,454 in additional funding, \$50,000 will be funded from the transfer of utility users' tax revenues in the Streets Fund. The consolidation of responsibility for all medians and parkways into a single program, along with the additional funding proposed, will result in a significant improvement to the look and quality of these highly visible infrastructure elements. New funding combined with existing Parks Division funding will fund an additional Park Supervisor position, supplemental hourly staff and contract dollars.
2. Increase to Water Budget (\$100,000) – Due to the dry conditions and increased cost of water, several department programs exceeded their water budgets in FY 2014 (Parks Division \$80,000, Recreation Division \$20,000). The Department has been allocated \$100,000 to augment their budget for water costs. In response to continuing drought conditions, the Department will be enhancing their water conservation efforts in parks and facilities.
3. Staff support for Inclusion Program (\$25,000) – In the last three years, participants in the federally-mandated Inclusion Program have increased from 39 to 101. Although FY 2014 funding was increased by \$40,000, costs to date are above budget by \$15,600.
4. Restoration of Service Counter (\$31,160) – One of the areas that was cut during the recession was the hourly staffing of the front counter in the Parks and Recreation Department offices located on Laguna Street. This has impacted customer services for those residents that come to the offices for assistance. The additional funds will go towards hourly staff to man the counter full-time.
5. Staff support for Special Event Planning (\$15,783) – Community special events have increased from 90 to 118 over the last five years. This increase is exacerbated by the changes to permitting criteria. Additional hourly staff are

needed to work with community organizers to ensure all permits are secured and that the events are successful.

6. Increased funding for Facilities Maintenance (\$60,000) – There is a backlog of maintenance needs in City recreation facilities. The more the work is deferred, the more expensive the maintenance becomes. The additional funding will help address the backlog of work needed at various facilities.
7. Staff Support for Neighborhood & Outreach Services (\$15,580) – Additional hourly staffing at the Westside Neighborhood Center will help support expanded programming.
8. Staff Support for Carrillo Recreation Programs (\$13,065) – Hourly staff will support revenue generating programs, rental events, and the Arts & Crafts Show.
9. Staff Support for Afterschool Programs (\$10,000) – Over the last four years, participation in the free youth afterschool sports program which operates on 10 elementary school campuses has increased 26%, from 890 to 1,119 youth. Additional coaches and referees are needed.
10. Restoration of Youth Programming at Skate Park (\$9,000) – These funds will be used to restore supervised Youth Only Skate hours by offering clinic programming on Saturdays from 10:00 AM to noon.
11. Park Volunteer Program (\$25,000) – These funds will be used to create a Park Volunteer Program and hire a part-time Volunteer Coordinator.
12. Mitigate Revenue Loss at Franklin Center (\$10,288) – Last year the Police Department began using a portion of the Franklin Center to increase their presence in the eastside where concerns exist over gang-related violence. The space was previously revenue generating. These funds will offset the revenue loss.

General Fund Capital Program

The recommended FY 2015 capital program budget includes \$1.038 million. This is an increase of \$643,000 from the original FY 2015 plan, largely due to improved City revenues and the new Council adopted policy dedicating fifty percent of year-end surplus funds to capital. Again this year, proposed capital funds represent a significant increase over recent years and a return to investment in City facilities and infrastructure. The focus of the Department's capital program continues to be on addressing park safety and infrastructure needs, deferred maintenance, and responding to community priorities.

	Original Plan	New Funding	Total FY 15
Cabrillo Ballfield	\$155,000	\$183,000	\$338,000
Kids World Renovation		\$250,000	\$250,000
1000 Steps		\$200,000	\$200,000
Stevens Park Playground		\$80,000	\$80,000
Park Infrastructure Safety Program	\$100,000		\$100,000
Park Signage Program	\$50,000		\$50,000
Neighborhood Enhancement Program	\$20,000		\$20,000
Pool ADA Improvements	\$70,000	-\$70,000	\$0
	\$395,000	\$643,000	\$1,038,000

Opportunity for Additional General Fund Funding

The recommended City budget includes approximately \$1 million in additional surplus funds that City Council may consider to further enhance services, fund additional capital projects, or add to reserves. A number of Parks and Recreation priorities will be included in the list of possible funding opportunities that Council may consider. Unless stated otherwise all funding would on-going.

Programs

- Additional park maintenance resources
 - Increase contract maintenance – high priority parks (\$65,000+)
 - Renovation of landscape beds to reduce water and maintenance (\$50,000+)
- Expansion of the youth jobs program (\$90,574)
- Expansion of the Summer Fun Drop-In hours to include a free breakfast program (\$15,824)
- Restoration of summer camp scholarships (\$10,000)
- Implementation of the Urban Forest Management Plan
 - Comprehensive Update to Street Tree Master Plan (\$85,000/one-time funding)
 - Community Outreach and Education (\$25,000)
- Restoration of the Community Kitchen Manager at the Westside Neighborhood Center (\$20,550)

Capital

- La Mesa Park or East Beach playground replacement (\$100,000)
- Park irrigation system renovation (\$100,000 - \$200,000)
- Public facility water systems modifications (\$TBD)

Creeks Fund

The recommended Creeks Restoration and Water Quality Division (Creeks Division) FY 2015 budget is \$3,845,965. The FY 2015 budget includes \$2,370,965 for operating expenses and \$1,475,000 for the capital program. Projected Measure B, interest, and other revenues will fund \$3,625,652 of the FY 2015 budget, and \$220,313 will be funded through the Creeks Fund reserve. The most significant change from the FY 2014 budget is the \$200,000 decrease in the capital outlay transfer.

Creeks Fund Capital Program

As in FY 2014, the largest expenditure in the proposed FY 2015 budget is the capital outlay transfer. The proposed FY 2015 capital transfer is \$1,475,000, representing a \$200,000 decrease from the FY 2014 budget. Proposed capital program funding will be used for project grant matches, planning, design, and construction. All of the projects included in the FY 2015 capital program have received funding in prior budget years. Some of the projects have also received grant funding.

As shown in the table on the following page, the Creeks FY 2015 capital program proposed funds include:

Creeks Capital Fund Projects

Project	FY 2015
Las Positas Valley Restoration Project	\$300,000
Storm Water Treatment Retrofit Projects	\$150,000
Bacterial Reduction Program	\$50,000
Upper Arroyo Burro Watershed Restoration Project	\$250,000
Lower Arroyo Burro Restoration	\$300,000
Capital Replacement for Water Quality Facilities	\$25,000
Mission Creek Restoration at Oak Park	\$50,000
Laguna Channel/Mission Lagoon Restoration	\$200,000
André Clark Bird Refuge	\$150,000
Total	\$1,475,000

Creeks Advisory Committee Recommendation

Each year the Creeks Advisory Committee reviews the Creeks Division budget and makes recommendations to the Parks and Recreation Commission and the City Council. The Committee also has a Budget Subcommittee that meets prior to budget development and after the proposed budget is prepared for public review. The Budget Subcommittee met March 17, 2014 to review and discuss the proposed budget. There was general consensus at the meeting that the proposed budget was acceptable. The

full Committee will hear the proposed Creeks Division budget presentation at its meeting on April 23, 2014. The Committee's recommendations will be forwarded to the Parks and Recreation Commission following that meeting.

Golf Fund

Development of the proposed FY 2015 Golf Fund budget was based on a number of factors. Golf rounds and revenues have been relatively stable over the last two years, and FY 2015 is projected to remain consistent with this trend. While the abnormally dry weather was a boon to golfers and led to increased play, the lack of water has been, and continues to be, a maintenance and budget challenge.

The recommended FY 2015 Revenue budget is \$4,039 higher than the original plan for FY 2015. It builds upon the increased customer base and play seen in FY 2014 at 'Muni' but cannot ignore the general trends in golf across the country. Golf supply is still greater than demand and that is putting pressure on revenues. Given the local competition, annualization of the Ocean Meadows closure, national golf trends and a proposed \$1 increase in fees, staff project that play will be flat in FY 2015 in comparison to a strong FY 2014. Potential drought impacts are unknown, but could affect play and revenues significantly going forward. In the last major drought, golf rounds at Muni declined over 25%. For that reason, staff recommends that the FY 2015 \$1 increase to fees be delayed to January 1, 2015.

On the Expenditure side, the recommended FY 2015 budget is \$82,207 greater than what was originally planned for FY 2015. Higher than expected water and labor costs are the primary factors. To help offset increased water costs due to dry weather and pricing, \$57,600 budgeted for future equipment purchases in the FY 2015 original plan is proposed to remain in the operating fund. Again, potential drought impacts are unknown. Although the course would likely be using less water, the cost of that water will likely be higher. Staff are currently in the process of identifying the priorities and cost of irrigation modifications which will increase water conservation efforts and generate cost savings. The Golf Course will be conserving as much water as practicable, while still maintaining an attractive environment for the golfing public. Finding the right balance between conservation, cost containment, and preservation of rounds will be a challenge, and this budget will need to be monitored carefully throughout the year.

Strategic decisions in marketing, pricing, refinancing debt and cost reductions over the last few years have been successful in providing a greater financial stability for the golf course. This has also positioned the course to begin restoring Golf Fund reserves to policy level and to address deferred maintenance and capital needs in a more comprehensive way over the coming years. Golf course conditions have continued to garner positive comments from golfers, which is key to attracting and retaining golfers to the Santa Barbara Golf Club.

Fee Changes

Most golf fees are proposed to increase \$1 in FY 2015 (exceptions are Players Course Improvement Fee, Juniors and Tournaments greens fees, and the Rewards Card). Due to anticipated challenges with dry conditions that will likely affect play, the increase is delayed to January 1, 2015.

Golf Fund Capital Program

The \$110,727 Capital Transfer Outlay for FY 2015 includes \$50,000 in additional funding for the Golf Course Infrastructure Improvement Program and \$60,727 for Players' Course Improvement Fund.

Golf Advisory Committee Recommendation

At their regular meeting of April 9, 2014, the Golf Advisory Committee voted to recommend the proposed FY 2015 operating and capital budgets and proposed fee increases for the Golf Fund.

ATTACHMENT: 1. Parks & Recreation Department Budget Pages
2. Recommended FY 2015 Fees and Charges Schedule

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