



City of Arts & Innovation

Park and Recreation Commission

TO: HONORABLE COMMISSIONERS **DATE: MAY 20, 2019**

FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT

SUBJECT: MID CYCLE BUDGET REVIEW FOR FISCAL YEARS 2018-2019 AND 2019-2020

ISSUE:

Receive an update and provide feedback on mid-cycle budget review for Fiscal Years 2018-2019 and 2019-2020.

RECOMMENDATION:

That the Park and Recreation Commission receive an update and provide feedback on the mid-year budget review for fiscal years 2018-2019 and 2019-2020.

BACKGROUND:

On May 21, 2018 the Parks, Recreation and Community Services Department (PRCSD) presented an update on the biennial budget process, as per City Charter. The biennial budget was presented to the City Council on May 1, 2018, and May 8, 2018, following a series of public meetings and internal actions. City Council adopted the Fiscal Year 2018-20 Two-Year Budget on June 12, 2018. On March 7, 2019 all City Department's received instruction to complete a mid-cycle budget review to be completed and presented to the Park and Recreation Commission per City Charter.

DISCUSSION:

FY 2018-19 PROJECTIONS

The PRCSD is projecting significant salary savings as a result of current and anticipated vacancies. Vacancies contributing to salary savings are two Recreation Supervisors, one Park Superintendent, one Recreation Services Coordinator and various part time staff positions. Charging personnel time to grant and capital projects also contributes to additional salary savings for the General Fund. Across non-personnel and capital purchases accounts, less than a 1% overage is projected resulting in a net overall significant savings to the City. However, the surplus will not be carried forward to FY 2019-2020. It will go back into the general fund to assist in offsetting the CalPERS unfunded liability. Below is a table summarizing the projected FY 2018-2019 budget surplus projections.

Parks, Recreation, and Community Services Department FY 2018-2019 Budget Projections				
Expense Category	Original Budget	Revised Budget	Projected Expenditures	Surplus/- Deficit
Personnel	9,706,651	9,745,085	9,561,808	\$186,277
Non-Personnel	9,828,053	10,323,109	10,360,028	\$-36,919
Grants & Capital Projects	20,000	1,930,407	1,930,407	\$0
Special Programs	82,000	147,837	147,837	\$0
Capital Purchases	43,212	43,212	43,849	\$-637
Debt Service	3,029,762	3,029,762	3,029,762	\$0
Charges From Others	6,384,219	6,373,677	6,373,677	\$0
Charges to Others	-808,832	-2,331,495	-2,569,348	\$237,853
Total	\$28,285,065	\$29,264,594	\$28,878,021	\$386,573

Revenue earned is expected to be slightly above target for the PRCSD. Revenue for golf fees were lower than expected due to high winds blowing down netting at the driving range, making the driving range temporarily inoperable. Expected surplus from other revenue items will make up for the golf fees deficit. Projected earned revenue for FY 2018-19 is as follows:

Parks, Recreation, and Community Services Department FY 2018-2019 Revenue Projections		
Revenue Type	Budgeted Revenue	Projected Revenue
Fairmount Golf Course	\$461,250	\$406,251
Swimming Pool Fees	\$330,680	\$333,997
Special Recreational Programs	\$1,496,108	\$1,531,872
Non-Residential Park Use Fees	\$11,000	\$12,033
Park Rentals	\$1,184,148	\$1,238,912
Total	\$3,483,544	\$3,523,065

FY 2019-20 Budgets

During the mid-cycle budget review no adjustments to the budget will be requested. Future adjustments will be requested separate from the mid-cycle review process. Below is the FY 2019 - 2020 PRCSD General Fund budget organized by expenditure category.

Parks, Recreation, and Community Services Department FY 2019-2020 Budget	
Personnel	\$10,483,557
Non Personnel	\$9,676,734
Special Projects	\$460,590
Equipment	\$43,558
Charges from Others	\$6,757,796
Charges to Others	\$-1,845,800
Total	\$25,576,435

Below is the FY 2019 - 2020 PRCSD General Fund budget organized by division.

Parks, Recreation, and Community Services Department FY 2019-2020 Budget	
Administration	\$2,258,439
Recreation	\$5,573,515
Parks	\$11,457,646
Golf Course	\$851,337
Community Services	\$2,042,379
Janet Goeske Center	\$435,754
Debt Service	\$2,957,365
Total	\$25,576,435

The PRCSO targeted revenue for FY 2019-20 is as follows:

Parks, Recreation, and Community Services Department FY 2019-2020 Revenue	
Fairmount Park Golf Course	\$472,781
Swimming Pool Fees	\$338,947
Special Recreational Programs	\$1,533,878
Non-Residential Park Use Fee	\$12,100
Park Rentals	\$1,213,752
Total	\$3,571,458

Future Budget Adjustments

Two future budget adjustments will be requested separately from the mid cycle budget review process. The first is a request for Measure Z funds allocated to construction to be reallocated to operations for the first year of the Youth Innovation Center (YIC) at Arlington Park. The second is a comprehensive fees and charges revision.

Measure Z funds in the amount of \$426,454 previously allocated to the construction costs of the YIC are being requested to fund operating costs for the first year of the YIC. Community Facilities District 2006-1 (CFD) funds are available for construction and will allow previously allocated Measure Z funds to be re-allocated to operational costs for the Fiscal Year 2019-2020. Measure Z funds will be used for personnel and non-personnel and positions will be added to the budget to operate the YIC. PRCSO will go to Council in April for approval of use of the Measure Z funds for operations of the YIC for FY 2019-2020.

A comprehensive fees and charges study has been completed by PRCSO staff to align existing and new fees with current market and costs. The fee revision will be presented in a separate report. Fee revisions will be presented to Council in a city wide budget update by the Finance Department.

FISCAL IMPACT

There is no fiscal impact associated with this report.

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