

Park and Recreation Commission

City of Arts & Innovation

TO: HONORABLE COMMISSIONERS **DATE: MAY 18, 2026**
FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT
SUBJECT: BUDGET PRESENTATION FOR FISCAL YEARS 2026-2027 AND 2027-2028

ISSUE:

The issue before the Park and Recreation Commission is a budget presentation for Fiscal Years 2026-2027 and 2027-2028.

RECOMMENDATION:

That the Park and Recreation Commission provide input as appropriate and make a motion to receive the report for file.

BACKGROUND:

Per City Charter, Section 809, there shall be a Park and Recreation Commission which shall have the power and duty to: (a) Act in an advisory capacity to the City Council in all matters pertaining to parks, recreation, parkways and street trees. (b) Consider the annual budget for parks, recreation, parkways and street tree purposes during the process of its preparation and make recommendations with respect thereto to the City Council and the City Manager. (c) Assist in the planning of parks and recreation programs for the inhabitants of the City, promote and stimulate public interest therein, and to that end solicit to the fullest extent possible the cooperation of school authorities and other public and private agencies interested therein. (d) Establish policies for the acquisition, development and improvement of parks and playgrounds and for the planting, care and removal of trees and shrubs in all parks, playgrounds and streets, subject to the rights and powers of the City Council.

The proposed budget for the Parks, Recreation and Community Services Department (PRCSD) will be presented to City Council, on Tuesday May 19, 2026, and will be submitted for City Council adoption on Tuesday June 23, 2026.

DISCUSSION:

The PRCSD employs an average of 130 full-time and 400 part-time positions organized into seven sections to provide innovative recreation experiences and social enrichment opportunities to people of all ages and cultures, in a variety of safe and attractive parks, trails, landscapes, and facilities.

The PRCSO administers programs in eight funds. Most of the department's funding is from the General Fund. Other funds that contribute to the department's budget are Special Transportation, Entertainment, Special Capital Improvement (CIP), Cheech Marin Center, Measure Z, Riverwalk LMD and Special District funds. The total department baseline expenditure budget for Fiscal Year 2026-2027 is \$54.44 million and \$55.84 million for Fiscal Year 2027/2028, representing an increase of approximately \$1.40 million, or 2.6%.

FISCAL YEAR 2026-2027

Measure Z Funds

Measure Z funds received by the Recreation Division support ongoing programs for seniors and people with disabilities, including the full cost of a Recreation Services Coordinator for Adaptive/Therapeutic Programming.

The Parks Division receives \$250,000 annually to support a tree trimming grid schedule. Additionally, a new reduced total of \$2.0 million in Measure Z funds were approved for deferred maintenance projects, to be prioritized at the Department's discretion.

Special District Funds

Special District Funds are generated through property tax assessments. These funds are used for landscape maintenance in the Loving Homes and Village at Canyon Crest.

Riverwalk LMD

These Funds are generated through property tax assessments. These funds are used for landscape maintenance in the Riverwalk area.

Special Capital Improvement Fund

The Special Capital Improvement Fund is used to pay debt service on previously issued capital project bonds. If user fees are insufficient to cover the debt service, the General Fund must contribute the necessary amount.

Special Transit Fund

The Special Transit Fund totals \$6.82 million in FY 2026-27 and \$7.19 million in FY 2027-28. It is supported by a partnership with the Riverside Transportation Authority to provide municipal transit services to Riverside residents, 60 years of age and older, and persons with disabilities. The Special Transportation Program is entirely funded through federal, and state grants and has no negative impact to the General Fund.

Entertainment

These funds cover the insurance, maintenance and utilities at the Fox Theater, Game Lab, The Box and the Riverside Municipal Auditorium.

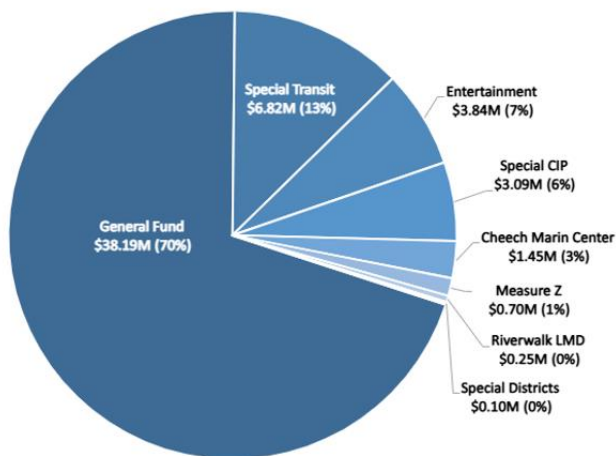
Cheech Marin Center

These funds cover the insurance, maintenance and utilities and maintenance to the building as

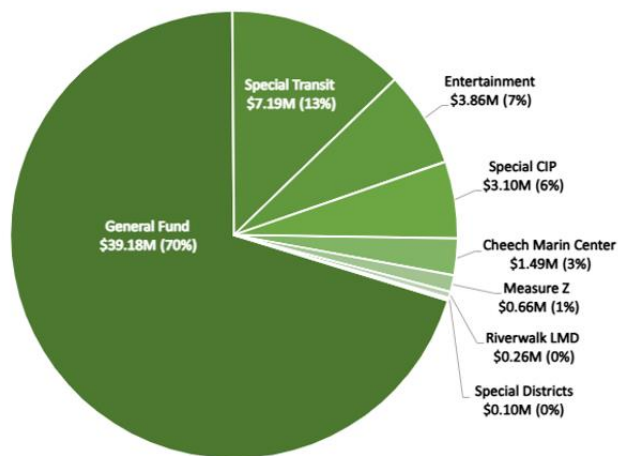
needed at the Cheech Marin Center.

BUDGET OVERVIEW

FY 2026/27 EXPENDITURES



FY 2027/28 EXPENDITURES



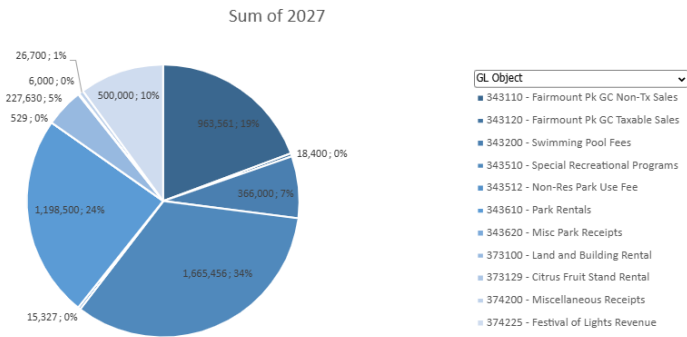
Revenue

The Parks, Recreation and Community Services Department continues to generate revenue to help offset its impact on the General Fund. However, revenue levels have not fully returned to pre-pandemic (2019) levels due to the lasting impacts of COVID-19, rising operational costs, and continued economic challenges affecting residents’ discretionary spending.

Additionally, annual City Council-approved Fees and Charges adjustments tied to the Consumer Price Index (CPI) have also impacted revenue generation. While these increases are necessary to address rising operational and service delivery costs, higher program and facility fees have contributed to decreased or minimal participation in certain discretionary classes, programs, and activities, resulting in reduced revenue in some areas.

Despite these challenges, PRCSD remains committed to providing accessible recreational opportunities for the community. The Department actively seeks opportunities to offer scholarships and financial assistance to residents in need to ensure programs and services remain available to all members of the community. While these efforts may reduce potential revenue generation, they align with the Department’s mission to promote equitable access to recreation, enrichment, and community services throughout the City.

DEPARTMENT REVENUE		
GL Object	Sum of 2027	Sum of 2028
343110 - Fairmount Pk GC Non-Tx Sales	963,561	1,011,195
343120 - Fairmount Pk GC Taxable Sales	18,400	18,400
343200 - Swimming Pool Fees	366,000	377,000
343510 - Special Recreational Programs	1,665,456	1,748,364
343512 - Non-Res Park Use Fee	15,327	15,617
343610 - Park Rentals	1,198,500	1,222,500
343620 - Misc Park Receipts	529	539
373100 - Land and Building Rental	227,630	231,763
373129 - Citrus Fruit Stand Rental	6,000	6,000
374200 - Miscellaneous Receipts	26,700	26,700
374225 - Festival of Lights Revenue	500,000	500,000
Grand Total	4,988,103	5,158,078



Reductions

To align with the City’s conservative budget approach and ensure fiscal responsibility, the Parks, Recreation and Community Services Department (PRCSD) implemented approximately \$2.7 million in budget reductions for Fiscal Year 2026-2027. These adjustments reflect the Department’s continued commitment to managing resources efficiently while striving to maintain essential programs, services, and operations for the community.

The reductions will result in immediate impacts and delays in certain services, programs, maintenance activities, and operational enhancements. However, the Department will continue working closely with the City’s Budget Team to evaluate current budget conditions and identify opportunities for future funding reallocations as revenues improve. At this time, these reductions are necessary to support the City’s overall fiscal stability while economic conditions and tax revenues recover.

Impacts are as follows:

1. Maintain Vacant Positions – 1 Park Supervisor and 1 Senior Project Manager
2. Reduce Security Services at community centers
3. Eliminate Latin Festival
4. Reduce Employee Mileage Reimbursement
5. Reduce Office Supply Budget
6. Extend Computer Replacement Cycle
7. Reduce Programming at YOC
8. Reduce Recreation Programming & Part-time Staffing
9. Reduce Capital Outlay Funding
10. Reduce Deferred Maintenance Funding
11. Reduce Pool Maintenance fund at RCC
12. Reduce Arts & Culture Advertising
13. Reduce Arts & Culture Programming
14. Reduce Arts & Culture Local Artist Program
15. Reduce Arts & Culture Ward-specific Events

Critical Needs

To fulfill the Council-approved agreement transferring management of the Festival of Lights to the Riverside Arts Council, an additional \$400,000 was allocated to the Department.

FISCAL YEAR 2027-2028

For Fiscal Year 2027-2028, the Department's baseline expenditure budget is projected at approximately \$55.84 million, representing an increase of approximately \$1.40 million, or 2.6%, from the Fiscal Year 2026-27 budget of \$54.44 million. While the proposed budget is anticipated to be adopted as presented, PRCSD will continue to closely monitor economic conditions, revenue trends, operational costs, and community needs to ensure services remain sustainable and responsive. Ongoing mid-year budget reviews, along with changing local, national, and global economic conditions, may impact future revenue projections, operational costs, and funding availability. The Department will continue working collaboratively with the City's Budget Team and City leadership to evaluate financial conditions and identify opportunities to restore services, address critical maintenance needs, and support community programming as fiscal conditions improve.

FISCAL IMPACT:

There is no fiscal impact associated with receiving this report to file.

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Attachment: PowerPoint Presentation