

Recreation and Park

Commission Meeting

February 15, 2007



San Francisco Recreation & Parks

Updated Financial Outlook

Revenues

Loss of '05-'06 Starting Balance	(\$99M)
'05-'06 Better Than Expected Balance	\$46M
Carryforward of '06-'07 GF Reserve	\$25M
Carryforward of Other Reserves	\$11M
'06-'07 Revenue Surplus	\$43M
'07-'08 Revenue Growth	\$100M
Revenue Projection	\$126M

Expenditures

MOU Costs	(\$39M)
Health and Dental Costs	(\$26M)
Mandated Spending Requirements	(\$37M)
Other Operating Costs	(\$60M)
Expenditure Projection	(\$162M)

'07-'08 Shortfall Projection **(\$37M)**

Updated '07 – '08 General Fund Budget Challenge

Reduce GF Support by 3%	\$1.2M
Absorb all non-salary cost increases	.7M
Total	1.9M

Mix of Solutions

	'05 – '06	'06 – '07	'07 – '08
	\$4.3M	\$2.0M	\$1.9M
Revenue/One-time Measures	34%	40%	37%
Expenditures	66%	60%	63%

Balancing the Budget

Revenue Enhancements = \$700,000

Increased Garage Revenue \$300,000

Changes to department's fee structures

- New/Enhanced program fees \$50,000
 - Creating fee structures for programs at the intermediate and advanced levels
 - New fees for existing programs including Futsol and Women's Athletics programs (no net revenue benefit)
- Expanded programs \$100,000

Balancing the Budget

Revenue Enhancements (continued)

- Revised permits and reservations fee structure **\$250,000**
 - Revised fee structures for most heavily used sites including Sharon Meadow, Union Square and Civic Center Plaza
 - Creating a new application fee
- New special events **\$75,000**

Balancing the Budget

Expenditure Reductions/Savings = \$1.2 million

- Elimination of VACANT Assistant Recreation Director positions **\$1,000,000**
 - 3280 classification no longer used by the department
 - Recreation division currently has higher staffing levels than park maintenance or structural maintenance
 - Operations division contemplating a reorganization to offer better programming within existing resources
- Savings in Workers' Comp work order **\$160,000**

Additional Budget Changes

- Adding \$200,000 to the budget to cover gardener overtime when leading volunteer work parties
- Adding a mobile gardening crew to deal with emergencies and special projects and reduce reliance upon overtime
- Adding funding for Commissioner stipends

Enhancement Requests

- **Additional Gardeners:**
For each group of 10 gardeners \$740,000
- **Additional Custodians:**
For each group of 5 custodians \$300,000
- **Additional Park Patrol Officers:**
To make current officers full time \$155,000
For each group of 10 officers \$670,000
- **Scholarship Fund Seed Money: \$300,000**

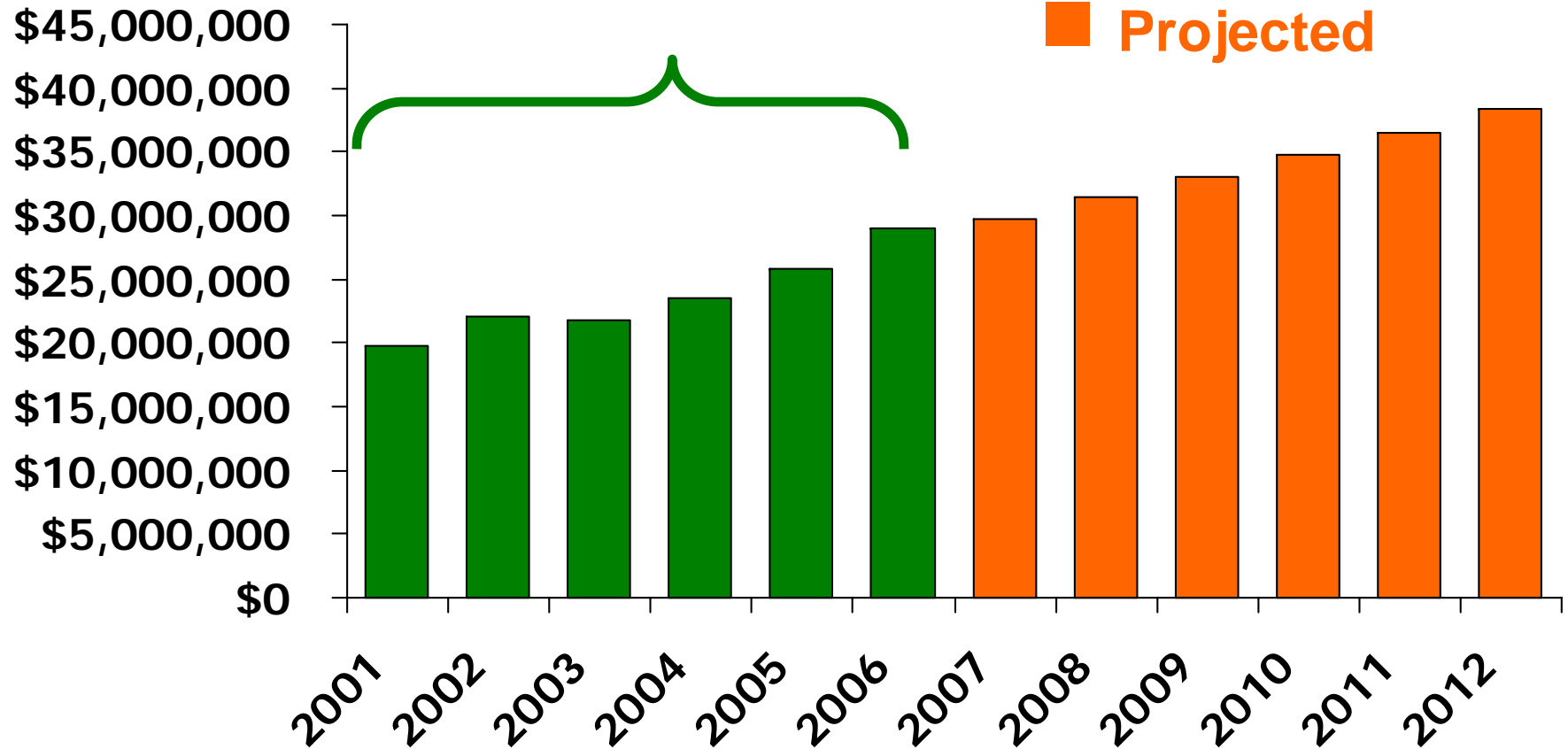
Open Space Fund Property Tax Growth



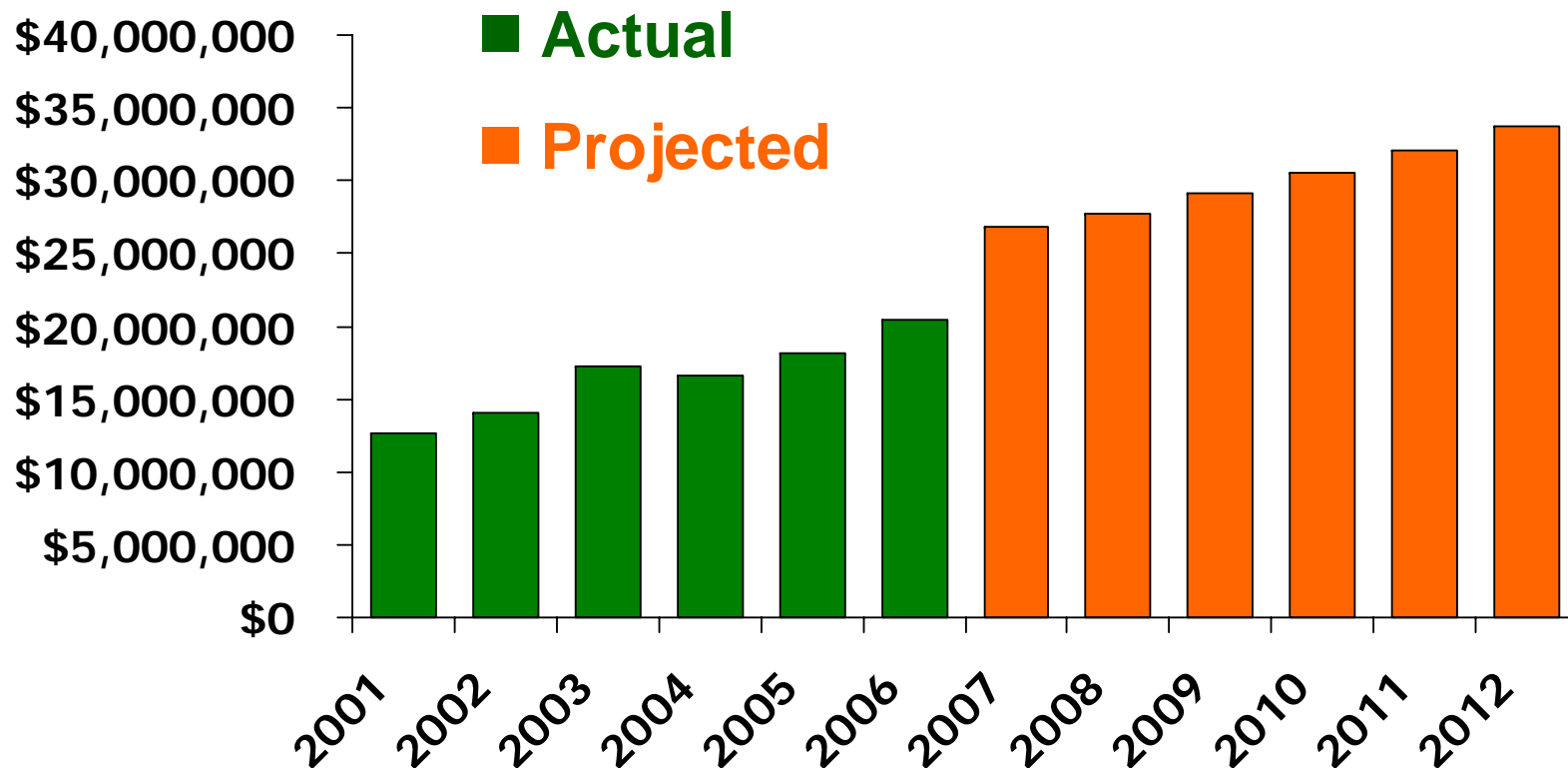
San Francisco Recreation & Parks

47% Growth

■ Actual
■ Projected



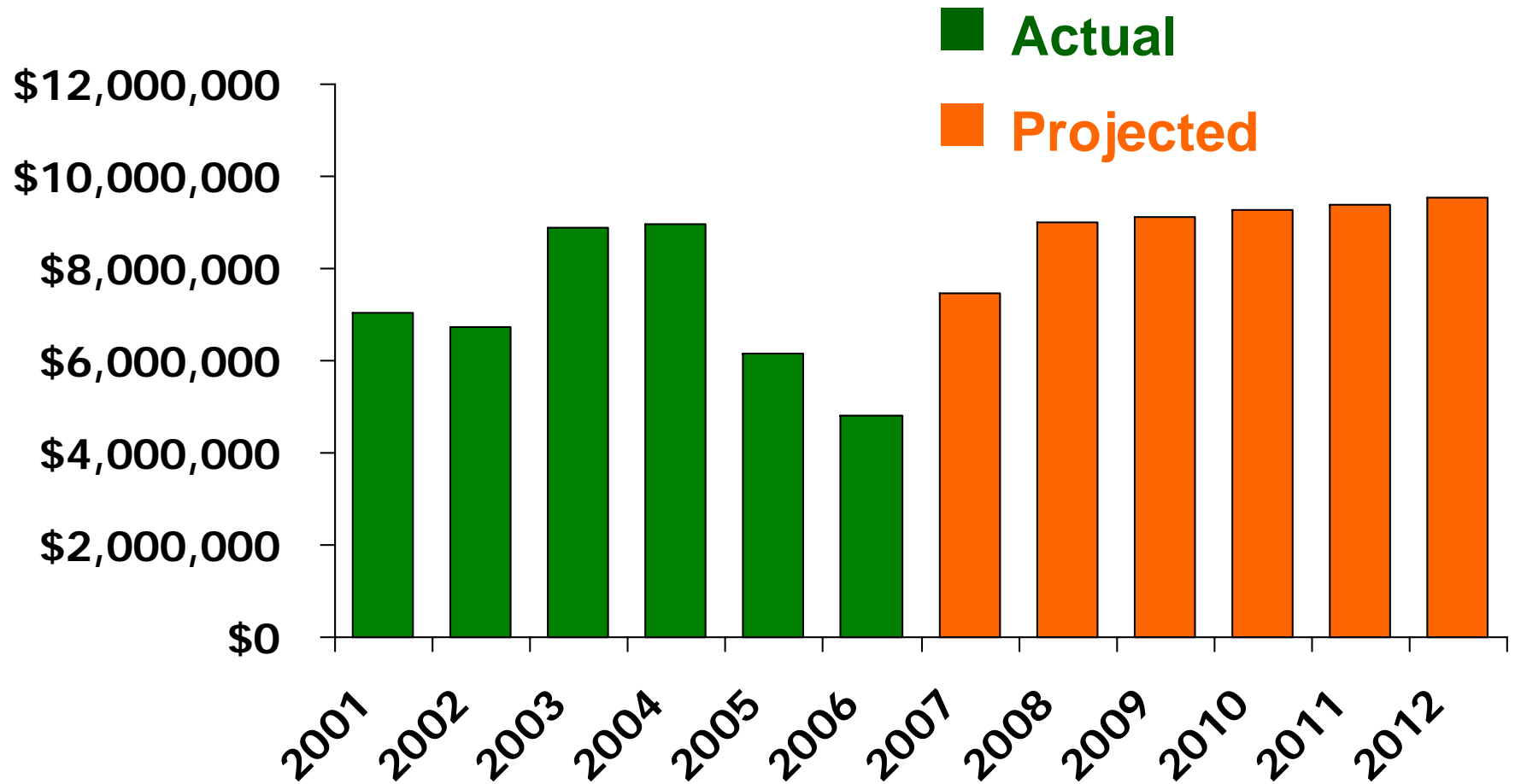
Open Space Fund Operating Budget



Open Space Fund Capital Spending



San Francisco Recreation & Parks



Open Space Fund

- Controller projecting good news on revenue in current fiscal year
- Controller projecting 6 percent growth for '07 – '08
- Salary and fringe benefit costs increasing
- Expect to sell second round of revenue bonds in summer 2007 - \$4 million in debt service budgeted for '07 – '08

'07 – '08 Golf Fund

Revenue	\$11.30M
Expense	\$12.80M
Shortfall	(\$1.50M)

'07 – '08 Golf Fund
Expenditures = \$12.80 million

Salary & Fringe Benefits	\$4.20M
Non Personal Services	\$4.60M
City and Department Overhead	\$1.60M
Materials & Supplies	\$.40M
Services of Other Departments	\$.30M
Payment to Open Space Fund	\$1.40M
Harding Capital Fund	\$.25M



Golf Fund

- Preparing a status quo budget
- As of today, anticipate need for \$1.5 million General Fund subsidy to Golf
- Outcome of discussion regarding golf course management will have an impact on budget

Legislation to Follow

- ❖ Program Fee Restructure
- ❖ Futsol
- ❖ Women's Athletics
- ❖ Permits and Reservations
- ❖ Athletic Fields
- ❖ Class Administrative Fees

What Happens Next?

March – May: Negotiate with Mayor's Office regarding changes and additional reductions

March – May: Board of Supervisors' Budget Committee likely to hold initial hearing on department's budget

June 1st: Mayor submits budget to Board of Supervisors

June – July: Board of Supervisors' Finance Committee reviews department budgets

July 1st: New fiscal year begins

July 31st: Last possible day for Board of Supervisors' approval of the 2007-2008 budget

Thank You



San Francisco Recreation & Parks