

Recreation and Park

Commission Meeting

February 16, 2006



San Francisco Recreation & Parks

Two Year Budget Process

1. New management team complete only since November
2. Planning to undertake a thorough review of operations
3. Will address Budget Analyst management audit recommendations in the next 24 months:
 - focusing on core functions
 - meeting changing operating and capital needs
 - implementing enhanced management systems
 - increasing and diversifying revenue sources
4. Operations changes and BA recommendations likely have budget impacts

Updated '06 – '07 General Fund Budget Challenge

| | |
|--|----------------|
| Absorb half the cost of the resumed 7.5% employee contribution | \$1.00M |
| Replace loss of one-time revenue | \$.10M |
| Absorb increased non-salary costs | \$.90M |
| Propose on-going 3% GF reduction | \$1.40M |
| Total | \$3.40M |

Mix of Solutions

| | '04 – '05 \$3.7M | '05 – '06 \$4.3M | '06 – '07 \$2.0M |
|---------------------------|---------------------|---------------------|---------------------|
| Revenue/One-time Measures | 15% | 34% | 40% |
| Expenditures | 85% | 66% | 60% |

Budget Balancing Measures

Target: \$2.0 Million

Revenue Changes **\$800,000**

- Increased fees: \$800,000

Expenditure Changes **\$1.2 million**

- Adjustments to salary budget: \$700,000
- Overhead reductions: \$500,000

Balancing the Budget

Revenue Enhancements

New Fee Structures: \$35,000

- **Camp Mather Senior Weeks: \$30,000**
 - Tie senior rate to standard weekly rate, pro-rate for 4 days; Charge for bus service
- **Young Peoples' Teen Musical Theater: \$5,000**
 - Codify Summer fees

Balancing the Budget

Revenue Enhancements

Increased Fees: \$730,000

- **Japanese Tea Garden: \$50,000**
 - Increase entrance fee by 50 cents
 - Reduce free hours from 14/week to 3/week
- **Coit Tower: \$140,000**
 - Increase elevator fee by 75 cents
- **Permits and Reservations: \$110,000**
 - Revise fee schedule, focusing on special events
 - Also looking at license fees for Kezar and Boxer
- **Parking Garages: \$400,000**
 - Determined by MTA
- **Kezar Parking Lot: \$30,000**

Balancing the Budget

Expenditure Reductions

Proposal: \$500,000 in General Fund savings in cost allocation plan

Direct Service Impact: None

Proposal: \$500,000 reduction to temporary salaries

Direct Service Impact: None. Reducing use of as-needed staff.

Proposal: \$200,000 reduction to vacant, funded positions.

Direct Service Impact: None. Eliminating 2.5 vacant Recreation Director positions.

3% General Fund Reduction

3% = \$1.4 million budget cut

- Looking at revenue proposals including developing audio tours of Coit Tower and Tea Garden
- May have to propose staff reductions

\$1.4 Million in One Time Uses

- Development of audio tours
- Technology enhancements
 - Increasing the connectivity of field staff through options such as blackberries, laptops and blue tooth technology
- Irrigation repairs and improvements
 - Funding much-needed irrigation repair projects

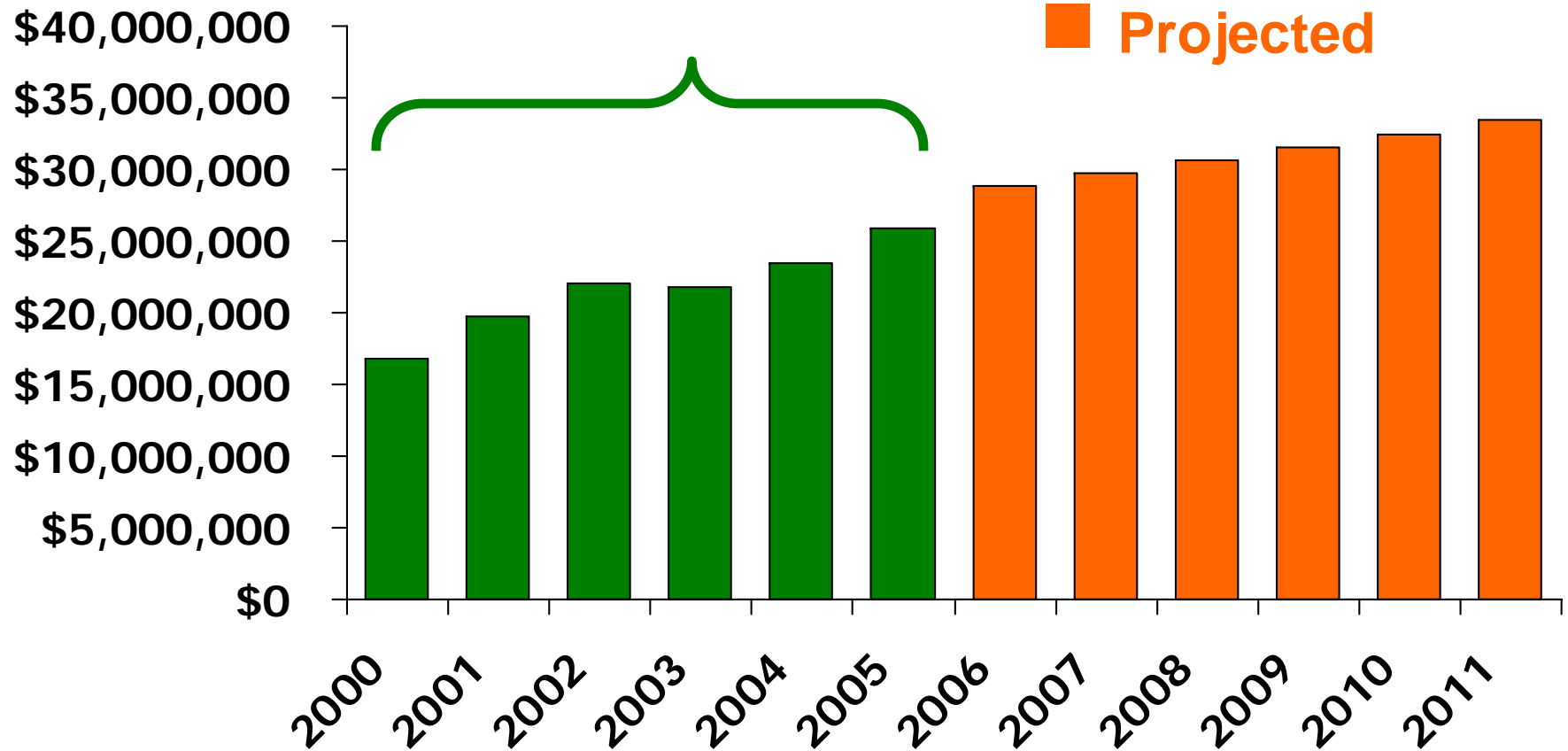
Open Space Fund Property Tax Growth



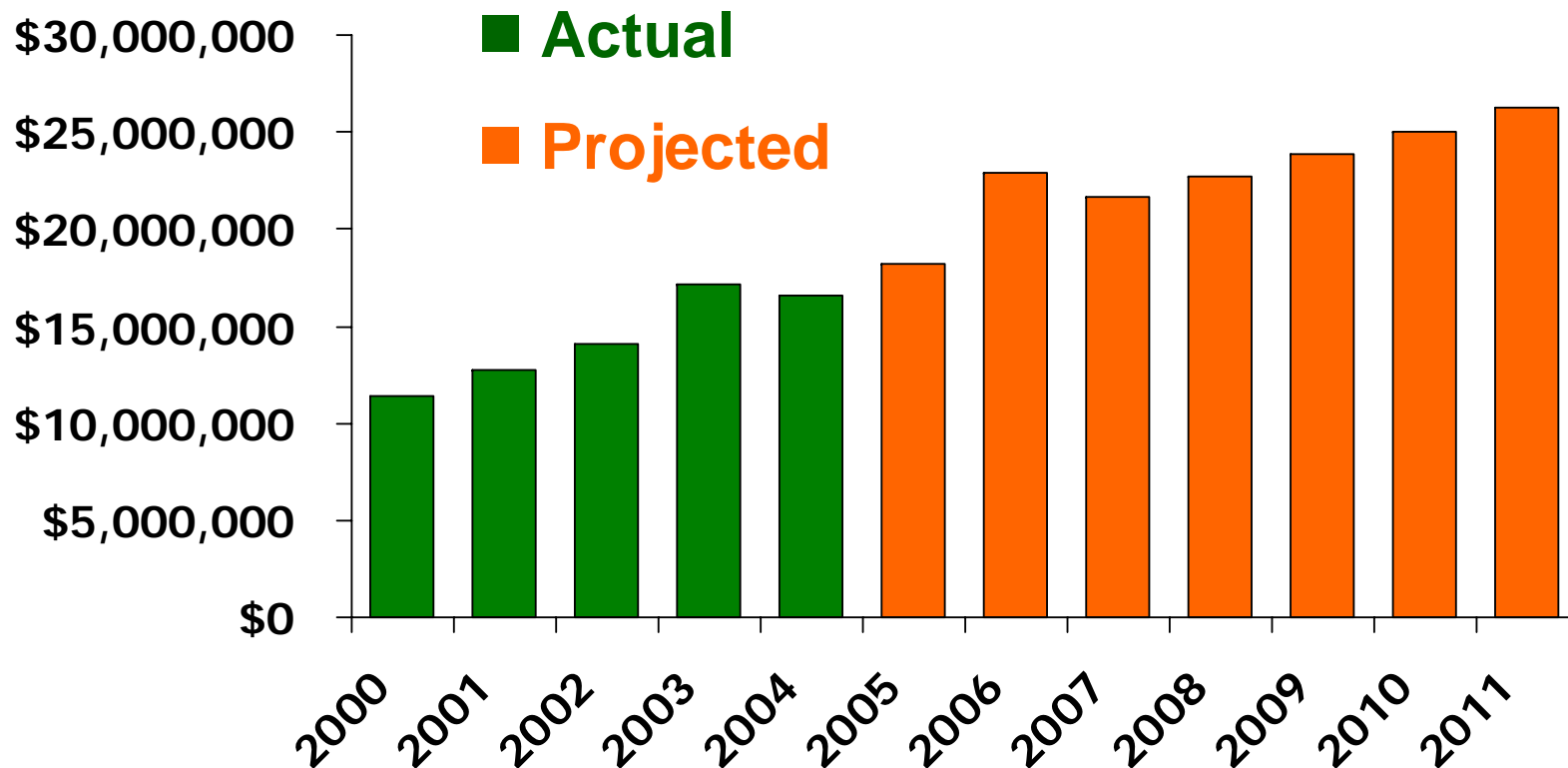
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54% Growth

■ Actual
■ Projected



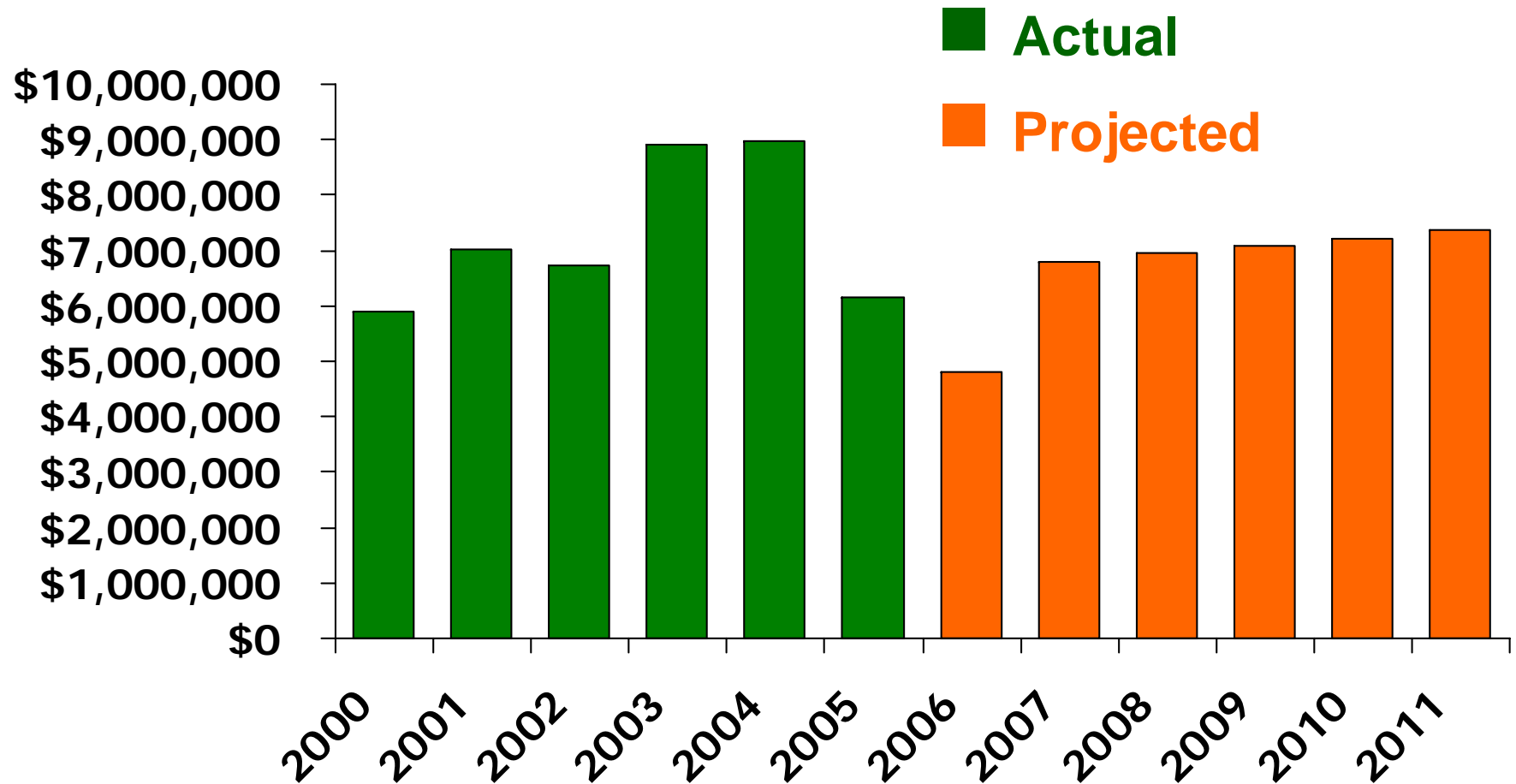
Open Space Fund Operating Budget



Open Space Fund Capital Spending



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Open Space Fund

- Will see good news on revenue in current fiscal year
- Controller projecting 5.5 percent growth for '06 – '07
- Salary and fringe benefit costs increasing, not yet sure by how much
- Overhead likely to increase
- Expect to sell revenue bond in current fiscal year: \$2 million in debt service budgeted for '06 – '07

'06 – '07 Golf Fund \$12.20 million

| | |
|-------------------------------|---------|
| Salary & Fringe Benefits | \$4.10M |
| Non Personal Services | \$4.20M |
| City and Department Overhead | \$1.50M |
| Materials & Supplies | \$.40M |
| Services of Other Departments | \$.30M |
| Payment to Open Space Fund | \$1.40M |
| Harding Capital Fund | \$.25M |



Golf Fund Challenges

- Open Space payment of \$1.4 million
- Salary and fringe benefit costs increasing, not yet sure by how much
- Overhead likely to increase
- Likely to come to Commission in April with proposals to change the Harding fee structure

Harding Clubhouse

- Prior to clubhouse opening, averaged \$20,000/month in food and beverage
- Since clubhouse opening, averaging \$50,000/month in food and beverage
- Clubhouse expected to gross \$810,000 this fiscal year
- '06 – '07 budget estimates \$976,000
- City nets approximately 17 percent = \$166,000 in '06 – '07

Harding Clubhouse

Kemper working to expand the business:

Catering

Corporate training meetings

Wedding rehearsal dinners

Holiday brunches

Tournaments

Using:

Promotional materials including “Here Come the Guide”

Expanded presence for the clubhouse on the Harding website

Events for wedding and event planners

Establishing relationships with small hotels

Participation in Chamber of Commerce mini forum

Legislation to Follow

- ❖ Japanese Tea Garden Entrance Fee
- ❖ Coit Tower Elevator Fee
- ❖ Camp Mather
- ❖ Women's Athletics
- ❖ YPTMT
- ❖ Permits and Reservations
- ❖ Kezar Parking
- ❖ Tennis

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 2006-2007 budget

Thank You



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