

Recreation and Park

Operations Committee

January 4, 2006



San Francisco Recreation & Parks

City's Financial Outlook Is Improving

Revenues

'04-'05 Fund Balance Surplus	\$19M
Loss of '05-'06 Starting Balance	(\$109M)
'05-'06 Revenue Surplus	\$92M
'06-'07 Revenue Growth	\$120M
Rainy Day and Baseline Requirements	(\$65M)
Revenue Projection	\$57M

Expenditures

Annualized MOU Costs	(\$50M)
Health and Dental Costs	(\$20M)
Resumption of 7.5% Retirement Pick-Up	(\$34M)
Employer Retirement Contribution	(\$21M)
Non-salary Costs	(\$12M)
Expenditure Projection	(\$137M)
'06-'07 Shortfall Projection	(\$80M)



Prior Year Deficits

	'03-'04	'04-'05	'05-'06
Projected Shortfalls	(\$320M)	(\$307M)	(\$130M)



Mayor's Budget Instructions

- Absorb half of the resumed 7.5% employee retirement contribution - **\$990,000**
- Propose additional on-going General Fund savings equal to 3% of the department's GF subsidy - **\$1.4 million**
- Propose one-time uses equal to that \$1.4 million
- Prioritize direct services

'06 – '07 General Fund Budget Challenge

Absorb half the cost of the resumed 7.5% employee contribution	\$.990M
Replace loss of one-time revenue	\$.2M
Propose on-going 3% GF reduction	\$1.4M
Total	\$2.6M

Current Year Budget Overview

- Total General Fund Budget: \$73.1 million
- Balanced the budget by holding positions vacant: attrition increased from \$3.6 million in '04-'05 to \$5.3 million in '05-'06
- Since July have backfilled vacancies as they occur, including hiring 19 gardeners, 6 recreation staff and 7 structural maintenance staff
- Implementing new organizational structure

'05 –'06 Budget Timeline

January 4	Operations Committee
January 19	Initial budget presentation to full Commission
Late January	Public Budget Meeting
February 7	PROSAC
February 16	Commission approves budget
February 21	Budget due to Mayor's Office
June 1	Budget submitted to Board of Supervisors

Thank You



San Francisco Recreation & Parks