



Date: January 8, 2009

To: Recreation and Park Commission

From: Katie Petrucione, Director of Administration and Finance

Re: Approval of the 2009 – 2010 Capital Budget Submission

### **Agenda Item Wording**

Discussion and possible action to approve the Recreation and Park Department capital budget for fiscal year 2009 – 2010.

### **Background**

The Mayor's budget instructions require the department to submit its capital budget request to the City Administrator's Office (CAO) on January 20, 2009. The request must include all proposed capital projects regardless of funding source. Projects must conform to the city's Ten Year Capital Plan and all projects must be categorized as

- Facility Renewal: investments in maintenance designed to extend the useful life of the facility or infrastructure;
- Enhancement: large-scale, multi-year projects such as renovations, additions and new facilities;
- Facility Maintenance: routine maintenance.

### **Budget Request**

The city's limited capital resources coupled with the department's significant capital needs compel the department to submit a targeted capital budget request. The '09 – '10 request focuses on immediate capital needs including health and safety and protecting those department assets at highest risk of deterioration.

This \$106.6 million budget request incorporates all possible Recreation and Park Department (RPD) capital funding sources, including the General Fund, the Open Space Fund, 2000 General Obligation Bond interest, the second sale of the 2008 General Obligation Bond, the Harding Park maintenance fund and Marina Yacht Harbor maintenance. \$28.9 million of the request is General Fund and \$84.3 million is from other funding sources.

Following are the highlights of the capital budget request. The spreadsheet outlining the entire capital budget request is attached.

### ***Facility Renewal – Total Request = \$9.7 million***

The department's renewal requests focus on meeting legal requirements such as ADA compliance and addressing health and safety concerns such as the need to replace compromised retaining walls. In addition, the request seeks funding to continue the court resurfacing program and to replace the track at



Kezar Stadium. The Kezar track project has risen to the top of capital requests this fiscal year as it is nearing the end of its useful life and a delay in replacing it will increase the cost to do so.

- General Fund projects include ADA compliance (\$1.0 million), security and lighting (\$500,000), court resurfacing (\$1.6 million), erosion control (\$364,000) and Kezar track replacement (\$1.0 million).
- Open Space projects include park renovations (\$500,000) and community gardens (\$150,000).

***Enhancements – Total Request = \$ 93.8 million***

The department's General Fund enhancement request includes large scale projects to repair or replace systems and facilities, including irrigation systems, the Camp Mather water tanks and play structures needing hazardous material remediation. In addition the General Fund request includes a city match for a Trust for Public Land grant to renovate the Hayes Valley Playground. The enhancement category also includes the Open Space charter set-asides and 2008 GO Bond projects.

- General Fund projects include Civic Center Plaza, a mayoral priority (\$750,000), irrigation system renewal (\$9.5 million), play structure hazardous material remediation (\$750,000), Hayes Valley Playground (\$1.0 million), Waller Street Skatepark (\$2.0 million) and Camp Mather (\$1.0 million).
- Open Space projects include acquisitions (\$1.7 million), contingency (\$1.1 million) and capital program management (\$1.5 million).
- 2008 GO Bond projects (\$72.0 million) include construction funding for projects such as Mission Playground, Palega Playground, Cayuga Playground, Dolores Park and Kimbell Playground, as well as the restroom, forestry, trail and community opportunity fund programs.

***Facility Maintenance – Total Request = \$3.1 million***

Due to the budget crisis, the CAO will not accept requests for additional General Fund facility maintenance funding in '09 – '10. The department will receive the same amount of funding in '09 – '10 appropriated in '08 – '09. According to the CAO, departments may receive a five percent increase for inflation in facility maintenance if the budget allows.

- General Fund projects include the stadium (\$1.75 million), general facility maintenance (\$600,000), field rehabilitation (\$75,000), and Camp Mather (\$200,000).
- Marina Yacht Harbor facility maintenance (\$430,000) is also included.

Once RPD submits its capital request to the City Administrator's Office, staff will begin to negotiate with the CAO and the Mayor's Office regarding the amount of funding allocated to the department. RPD staff will provide analysis and supporting documentation for all of its funding requests and will advocate for the department's capital budget with the Mayor and the Board of Supervisors. Given the city's limited capital resources however, the department will not receive full funding of its General Fund requests. In this event, the department will work to ensure that its most pressing capital needs receive funding.

Please note that the budget request for Open Space Fund acquisitions and contingency is an estimate and will change later in the budget process once the Controller's Office finalizes the Open Space Fund revenue estimates.