



London Breed, Mayor
Philip A. Ginsburg, General Manager

Date: February 7, 2019

To: Recreation and Park Commission
Operations Committee

Through: Philip A. Ginsburg, General Manager
Derek L. Chu, Director of Administration and Finance

From: Tiffany Wong, Budget Manager, Administration and Finance

Subject: Overview of Current Year and FY19-20 and FY20-21 Budgets

Agenda Wording

Presentation and discussion only of the Recreation and Park Department's budget for fiscal years 2019-20 and 2020-2021

Strategic Plan

Strategy 1: Inspire Public Space
Strategy 2: Inspire Play
Strategy 3: Inspire Investment
Strategy 4: Inspire Stewardship
Strategy 5: Inspire Our Team

Background

Recreation and Park Department (department) staff is preparing the department's proposed FY19-20 and FY20-21 budget. The following provides updates on the department's budget projection and projected revenue estimates for FY19-20 and FY20-21.



Current Year Budget in Context

The department's current FY18-19 budget is \$230.9 million, comprised of \$173.4 million in the operating budget and \$57.5 million in the capital budget. The budget includes 947 budgeted and funded positions.

Budget

The department will use the Commission approved Strategic Plan, Operational Plan, and Capital Plan, as well as the Equity Lens and Metrics to guide the development of the department's budget. The Strategic Plan outlines the strategies and objectives, the Operational Plan sets the annual initiatives, and the Capital Plan addresses the development, renovation, replacement and maintenance of capital assets, and the acquisition of real property. The Equity Lens will be applied to specifically address department work in disadvantaged neighborhoods to ensure park users throughout the City have access to clean, safe, and fun parks and programs.

The preliminary analysis of the department's FY19-20 and FY20-21 budgets shows a surplus in the first year of \$1.3M, and a surplus in the second year of \$1M.

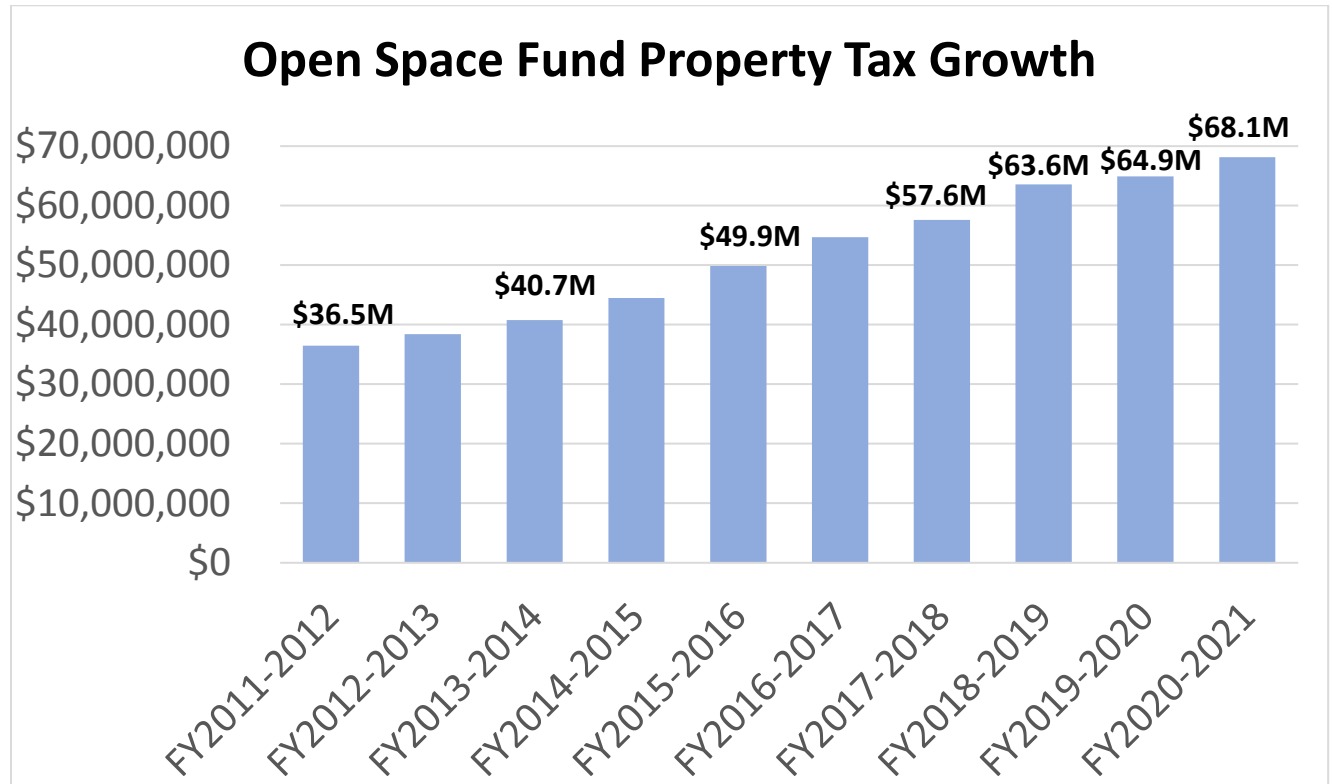
Budget Update	FY 2019-20	FY 2020-21
Revenue - Increases		
Earned Revenue Adjustments	\$2.0 million	\$3.7 million
Open Space Revenue	\$1.3 million	\$3.2 million
Subtotal	\$3.3 million	\$6.9 million
Expenditure Increases		
Capital	\$0	(\$3.0 million)
Equipment	(\$1.0 million)	(\$1.0 million)
Work Order Increases	(\$0.4 million)	(\$0.6 million)
Other Increases	(\$0.6 million)	(\$1.3 million)
Subtotal	(\$2.0 million)	(\$5.9 million)
Total Surplus / (Deficit)	\$1.3 million	\$1.0 million

The budget continues to change. Since the January update the Department received mostly good news about revenue. The revenue corrections are primarily related to increases in Property Management, Permits & Reservations, and recreation programming.

Budget Solutions

Department staff continues to analyze revenue leveraging opportunities to fund enhancements and maintain funding for existing programs. Preliminary analysis suggests that there will be growth in the Open Space Fund and in lease and concession revenue as highlighted below.

Open Space Fund Property Tax Growth



The department relies on Open Space Fund to continue to provide a stable, growing source of revenue to support operations and services. Between FY11-12 and FY17-18 revenue in the fund increased by \$21M, about \$3.5M growth per year.

Estimated Revenue Growth Highlights

- Leases, Concessions, Rentals, Garages \$410,000
- Recreation Programming \$790,000
- Golf \$800,000

Potential Budget Initiatives

Clean and Safe Parks

Increase community-based Park Ranger coverage

Park Stop Program

Increase Camp Abatement and Environmental Services

Equity Programs and Services

Tennis Learning Center

Equity Outreach and Impact Analysis

Workforce Development

Expand Pre-Apprentice and Apprentice Programs

Expand TAY and Youth Employment Programs

Budget Outreach

Two community budget meetings

Staff brown bag lunch

R&P Commission meetings

PROSAC meeting

Park advocate meetings as requested

Staff Recommendation / Next Steps

Department staff will continue to work with the General Manager and the executive management team to craft the proposed FY19-20 and FY20-21 budgets. Department staff will present the proposal to the Commission at the February 21st Commission meeting.

Attachments

Presentation