



## PARKS AND RECREATION BOARD MEMORANDUM

**FROM:** The Office of the City Manager   **DATE:** August 5, 2024  
**SUBJECT:** Park and Recreation Facilities Development Corporation  
Revised FY2024 and Proposed FY2025 Operating Budgets  
**PRESENTER:** Adrien Pekurney, Parks and Recreation Director

### **SUMMARY:**

Staff will provide a summary of the Revised Fiscal Year 2023/2024 and Proposed FY 2024/2025 Park and Recreation Facilities Development Corporation (PRFDC) Operating Budget.

### **GENERAL DESCRIPTION:**

The Corporation was established following voter approval in January 1992 for a half-cent sales tax to fund the development and maintenance of parks and recreational facilities for the community. The Corporation meets annually to review and approve the Parks and Recreation Facility Development Capital Improvement Program budget.

The PRFDC operating budget includes maintenance and operations of facilities and parks that were developed by the ½ cent sales tax. The Corporation Board is comprised of four City Council members and three Parks and Recreation Board members. Park Board members are appointed by the City Council. The three appointed Parks and Recreation Board members to PRFDC are: Tracye Lewis, Feliciano C. Delaney and Sean Nutt.

Accomplishments since the ½-cent sales tax inception in 1992 include 528 acres of parkland acquired, offering the following parks and recreational services to our citizens:

- 30 miles of multi-use trails creating a network of trails throughout the city
- 7 community parks
- 13 neighborhood parks
- 9 linear parks
- Richland Tennis Center
- NRH<sub>2</sub>O Family Water Park (initial construction in 1995)
- Tipps Canine Hollow Dog Park
- Davis Emerald Pocket Park
- Stormy Plaza
- Dolce Plaza
- NRH Senior Center
- Common Ground NRH Community Garden



The Corporation also provided partial funding for the development of the NRH Centre, completed in April 2012, providing state-of-the-art indoor recreation, senior and banquet/meeting facilities for the community.

State law requires that the Corporation Board hold a public hearing prior to the adoption of the budget. The Corporation Board Meeting and the public hearing for the FY2023/2024 Revised Budget will be held Monday, August 12, 2024, at approximately 6:00 p.m. The Corporation Board Meeting and the public hearing for the FY2024/2025 Proposed Budgets will be held Thursday, September 5, at 5:30 p.m.

The Park Board presentation of the FY2023/2024 Revised Operating Budget and the FY2024/2025 Proposed Operating Budget will provide an overview for informational purposes. The following is a summary of each budget:

The revised revenues for FY2023/2024 are \$12,450,065. This is \$328,879 or 2.7% above the FY2023/2024 Adopted Budget. Below are the revenue highlights.

- (\$25,105) decrease in Sales tax based on year-to-date actual collections.
- \$208,739 increase in Other Income mostly from higher interest income based on the city's investment earnings.
- \$53,780 increase in NRH Centre revenues based on year-to-date actual collections for fitness, catering and investment income.

The revised expenditures for FY2023/2024 are \$2,450,065. This is \$328,879 or 2.7% above the FY2023/2024

Adopted Budget. Below are the expenditure highlights.

- (\$68,691) decrease in Athletic Program Services from cancellation of an in-house softball tournament, impacting supply needs.
- \$91,650 increase in expenses for the Tennis Center Operations due to higher costs of contract labor, increases to part time labor costs, and incentive pay.
- \$207,919 increase to the Planned Contribution to Fund Balance which has been allocated due to lower-than-projected expenditures this period.
- \$48,659 increase to expenses in the NRH Centre mainly due to higher costs of credit card service fees, equipment repair and maintenance, and special services.

The revised budget for FY 2023/2024 is presented with an ending balance of \$0.

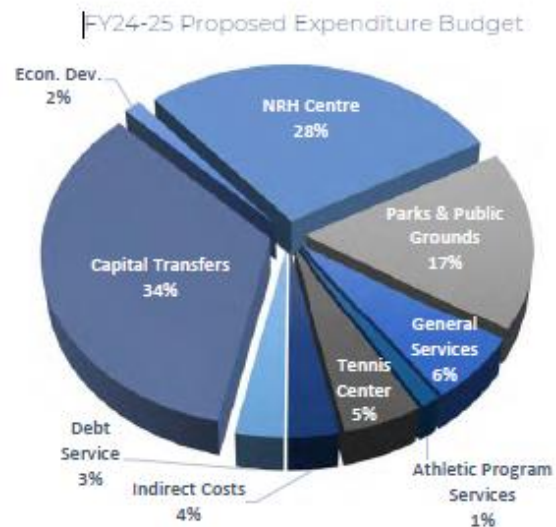
The FY2024/2025 proposed revenues in the Parks and Recreation Facilities Development Fund are \$13,567,865. This is an increase from the FY2023/2024 Adopted Budget of \$1,446,679 or 11.9%. Below are the revenue highlights.

- \$185,071 increase in Sales tax due to forecasting a 2% higher collection trend in the coming year.
- \$201,450 increase in Other Income mostly from higher interest income based on the city's investment earnings.
- \$13,433 increase in projected NRH Centre revenues for member-based programming.

- (\$308,364) decrease in Appropriation of NRH Centre Fund Balance due to there not being any capital projects proposed in FY 2024/2025 Proposed Capital Budget that necessitate the use of these reserves.
- \$1,369,214 increase in Appropriation of Sales Tax Reserves to fund various capital projects slated for FY 2024/2025.

The FY2024/2025 proposed expenditures in the Parks and Recreation Facilities Development Fund are \$13,517,896. This is an increase of \$1,396,710 or 11.5% above the FY2023/2024 Adopted Budget. Below are the expenditure highlights.

- \$129,478 in expenses for the NRH Centre to staff the center to meet programming demand forecasted in the next fiscal year.
- \$1,177,200 increased transfer to Parks Capital Projects for FY 2024/2025.
- (\$1,811,588) decrease to the Planned Contribution to Fund Balance as no contribution is planned.
- \$4,627 increase to the Economic Development Transfer in direct proportion to the increase in Sales Tax revenue estimated for FY 2024/2025.
- Inflationary pressures have significantly impacted the City's FY2024/2025 budget across multiple departments. A detailed breakdown follows: Parks & Recreation Inflationary increase for annual mowing and landscaping contract renewal of \$18,443



The following items are proposed additions for City Council consideration of the FY2024/225 budget:

- \$120,524 increase in compensation for General Government Employees including a 2% range adjustment and 4% market increase in Park Fund 125.
- \$41,342 increase in compensation for General Government Employees including a 2% range adjustment and 4% market increase in Park Fund 126.
- \$2,103 for Lean Six Sigma Efficiency training, a data-driven approach to improving efficiency and customer satisfaction.

The proposed budget for FY2024/2025 is presented with an ending balance of \$0.

The City Council will take formal action at the City Council Meeting on adoption of the proposed Parks and Recreation and Facilities Development Corporation budget. The selected date for this adoption is anticipated to take place on Monday, September 9, 2024.