

**Overview and Initial Issues Identification  
DEPARTMENT OF PARKS AND RECREATION**

Staff: Moorehead, Whitson, Clifthorne, Belz, Ratzliff and Bauhs, Council Staff  
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**Table 1: Expenditures/Revenues**

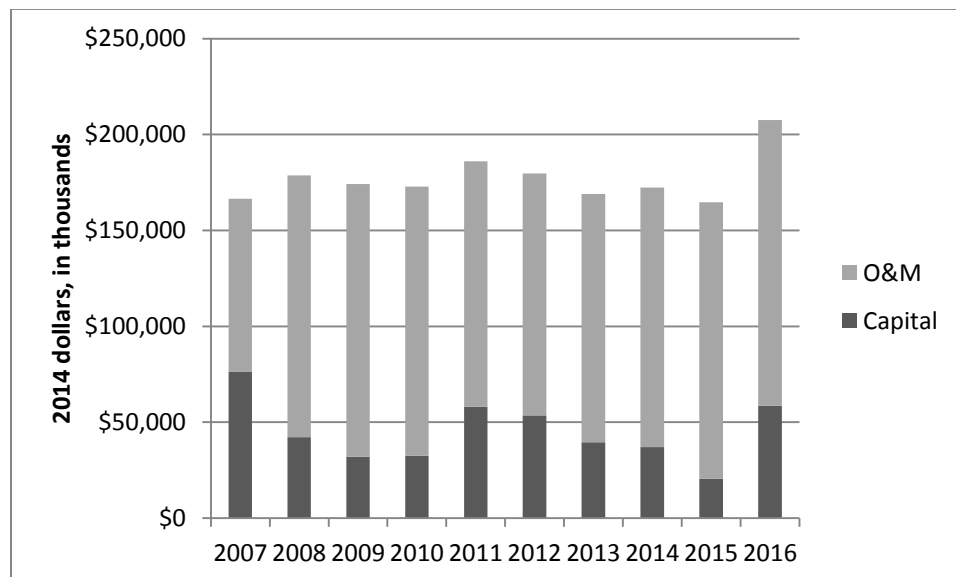
<b>EXPENDITURES</b> <i>rounded to nearest thousand</i>	<b>2014 Adopted</b>	<b>2015 Proposed</b>	<b>% diff</b>	<b>2016 Proposed</b>	<b>% diff</b>
<b>Operations &amp; Maintenance (O&amp;M) Spending by Budget Control Level (BCL)</b>					
Environmental Learning & Programs	\$1,483,000	\$1,115,000	-24.8%	\$1,132,000	1.5%
Facility and Structure Maintenance	\$15,357,000	\$16,878,000	9.9%	\$17,969,000	6.5%
Finance and Administration	\$8,427,000	\$10,320,000	22.5%	\$12,430,000	20.4%
Golf	\$10,238,000	\$11,561,000	12.9%	\$11,904,000	3.0%
Judgment and Claims	\$652,000	\$387,000	-40.6%	\$711,000	83.7%
Natural Resources Management	\$7,321,000	\$8,573,000	17.1%	\$9,210,000	7.4%
Park Cleaning, Landscaping & Restoration	\$30,811,000	\$31,963,000	3.7%	\$32,665,000	2.2%
Planning, Development & Acquisition	\$6,195,000	\$6,927,000	11.8%	\$6,970,000	0.6%
Policy Direction and Leadership	\$7,576,000	\$4,010,000	-47.1%	\$4,115,000	2.6%
Recreation Facilities and Programs	\$23,918,000	\$27,581,000	15.3%	\$28,686,000	4.0%
Regional Parks & Strategic Outreach	\$0	\$4,400,000	-	\$5,349,000	21.6%
Seattle Aquarium	\$3,227,000	\$2,588,000	-19.8%	\$3,391,000	31.0%
Seattle Conservation Corps	\$4,021,000	\$4,124,000	2.6%	\$4,171,000	1.1%
Swimming, Boating, and Aquatics	\$9,285,000	\$9,687,000	4.3%	\$9,822,000	1.4%
Woodland Park Zoo	\$6,820,000	\$6,963,000	2.1%	\$7,123,000	2.3%
<b>O&amp;M Total</b>	<b>\$135,332,000</b>	<b>\$147,075,000</b>	<b>8.7%</b>	<b>\$155,649,000</b>	<b>5.8%</b>
<b>Capital Spending</b>	<b>\$37,026,000</b>	<b>\$21,061,000</b>	<b>-43.1%</b>	<b>\$61,179,000</b>	<b>190.5%</b>
<b>TOTAL SPENDING</b>	<b>\$172,358,000</b>	<b>\$168,136,000</b>	<b>-2.4%</b>	<b>\$216,828,000</b>	<b>29.0%</b>
<b>Full-Time Equivalent Staff (FTE)</b>	<b>877.45</b>	<b>933.35</b>	<b>6.4%</b>	<b>944.35</b>	<b>1.2%</b>
<b>REVENUE</b>					
General Subfund (GSF)	\$88,977,000	\$93,321,000	4.9%	\$96,470,000	3.4%
Real Estate Excise Tax (REET)	\$18,021,000	\$11,790,000	-34.6%	\$11,841,000	0.4%
Park District	\$0	\$10,009,000	-	\$47,799,000	377.6%
Other	\$65,360,000	\$53,016,000	-18.9%	\$60,718,000	14.5%
<b>TOTAL REVENUE</b>	<b>\$172,358,000</b>	<b>\$168,136,000</b>	<b>-2.4%</b>	<b>\$216,828,000</b>	<b>29.0%</b>

## INTRODUCTION

The Seattle Department of Parks and Recreation (DPR) manages 6,200 acres and provides a wide range of park and recreation services including athletic fields and courts, natural areas, recreation programs, trails, community centers, pools and much more.

In 2015 DPR proposes to spend \$4.2 million less than adopted for 2014, reflecting the expiration of the 2008 Parks Levy and a slow ramp-up of new Seattle Park District services. However in 2016 when Park District property tax collection begins, DPR's proposed budget is \$44.5 million higher than in 2014 with 66.9 more FTE. The proposed budget stabilizes and increases DPR's funding after a period during the recession when its budgets did not keep up expanding service responsibilities (Figure 1).

Figure 1. DPR Budgets – 2007-2014 Adopted, 2015-2016 Proposed



## ISSUES

### 1. Park District Spending Plan Including Performance Evaluation (Moorehead)

The Park District spending plan in the interlocal agreement between the City and Park District includes \$10 million in 2015 and \$47.8 million in 2016. The interlocal agreement also commits the City to providing at least \$89 million of GSF to DPR each year. The proposed DPR budget includes \$93 million of GSF in 2015 and \$96 million in 2016. The budget also is mostly consistent with the District spending plan, with notable changes:

- **Aquarium Major Maintenance.** The District spending plan allocated \$300,000 in 2015 and \$1.1 million in 2016 in the capital program for Aquarium Major Maintenance. The proposed budget instead budgets the District dollars in the

Aquarium operating BCL. The change allows the Aquarium to use the funds for either maintenance or to backfill revenue lost due to attendance declines during waterfront construction.

- **Performance Monitoring and Strategic Management.** When approving the Park District interlocal agreement and ballot measure, the Council strengthened the Performance Monitoring and Strategic Management Initiative, including adding a 2015 consultant-assisted evaluation of DPR financial and service provision practices. The Council intended the 2015 performance monitoring and strategic management work to be a foundation for measuring and reporting service delivery as DPR takes on Park District responsibilities. Council policy direction included \$879,000 in 2015 for the work but the District spending plan inadvertently reduced the amount to \$400,000. The Council could restore 2015 funding in the proposed budget to Council-endorsed levels. To accommodate the change without increasing total DPR appropriations, other activities that have a slow 2015 ramp-up (such as Community Center Rehabilitation) could be reduced by an equivalent amount. The Council also could consider placing a proviso on DPR funding for the consultant-assisted evaluation of DPR financial and service provision practices. The proviso could provide more specific Council direction about the scope of work and whether the contract should be managed by the Council or City Budget Office (CBO) to ensure objectivity.

Options:

- A. Increase the 2015 performance monitoring and strategic management funding to Council-endorsed levels and reduce other activities by an equivalent amount, resulting in no net increase in DPR appropriations. Impose a proviso on funds for a 2015 performance review consultant.
- B. Do not change proposed performance monitoring and strategic management funding amounts, resulting in a project scope that does not fully implement earlier Council policy direction.

**2. Green Lake Alum (Whitson)**

In September 2014, DPR closed Green Lake to public swimming because of toxic algae. The proposed Capital Improvement Program (CIP) includes \$1.5 million in 2016 for alum treatment to reduce algae in the lake. Green Lake was successfully treated with alum to reduce algae in 1991 and 2004. Water quality improved for several years following treatment on both occasions. To help avoid further closures, the Council could explore ways to move some or all of this work to 2015.

Options:

1. Consider moving some or all of the Green Lake alum treatment from 2016 into 2015. Identify other DPR projects that could be reduced or delayed to free up dollars for the 2015 Green Lake efforts.
2. Implement Green Lake alum treatment in 2016 as shown in the proposed CIP.

**3. Smith Cove Park (Moorehead)**

The Smith Cove Park capital project will develop 4.9 acres of Elliott Bay waterfront west of Pier 91. It also will improve upland park areas currently used as sports fields. The project is funded with Limited-Tax General Obligation (LTGO) bond proceeds repaid with Park District funds. Park design and development are scheduled to begin in 2016. However availability of design dollars in 2015 might create opportunities to better integrate park features with an adjacent King County combined sewer overflow facility currently under construction. To take advantage of opportunities, the Council could add design dollars to the Smith Cove Park project from a non-Park-District source (such as REET) and reduce or delay another DPR capital project by an equivalent amount.

Options:

- A. Add REET funding to the Smith Cove Park Development capital project for design in 2015, and reduce or delay another DPR capital project (such as the Landscape Restoration project) by an equivalent amount.
- B. Begin Smith Cove Park design and development in 2016 as shown in the Park District spending plan.

**4. Open Space Opportunity Fund (Clifthorne)**

City departments at times encounter community opposition to the sale or development of surplus City property because the property is highly valued as a neighborhood open space. Often these open spaces also can help meet other City goals, such as those in the Urban Forest Stewardship Plan and the Seattle Climate Action Plan, even though they may not meet specific DPR acquisition criteria.

To address these challenges, the City could create and allocate funding for an Open Space Opportunity Fund (OSOF) to help purchase surplus property from City departments in cooperation with community members or organizations. OSOF implementation guidelines could be developed by DPR in cooperation with other departments and approved by Council. Guidelines could address issues such as operation of the OSOF, who would manage purchased properties, and coordination of this fund with existing DPR Open Space acquisition activities.

Options:

- A. Appropriate GSF in the Finance General Reserves BCL for Open Space Opportunity Fund Support. The initial GSF amount could be small pending development of guidelines for the operation of the fund. Development of guidelines could be requested through a Statement of Legislative Intent (SLI).
- B. Approve the budget as proposed without the OSOF.

**5. CBO Park Capital Fund Ordinance -- C.B. 118235 (Moorehead)**

DPR's budget has a permanent operating fund that receives revenues from various sources. But up to now DPR has had only temporary capital funds designed to receive revenues from time-limited levies. Capital revenues from ongoing sources such as the Park District require creation by ordinance of a permanent capital fund. This ordinance creates that fund.

Recommendation: Pass C.B. 118235.

**6. DPR Park District Interfund Loan Ordinance (Moorehead)**

Under state law, a special district must be established before August 1 to begin collecting taxes in the following year. Because voter approval of the Seattle Park District was not certified until mid-August 2014, District property taxes can't be collected until 2016. The adopted District spending plan relies on a \$10 million interfund loan from the City Consolidated Cash Pool to ramp-up District-funded services in 2015. The loan would be repaid over 8 years with Park District revenues. This ordinance authorizes the interfund loan. Companion legislation outlining District obligations to repay the loan will be considered by the Seattle Park District Board in its November meeting. Both the City ordinance and the companion District resolution are required to implement the 2015-2016 budget. The ordinance is expected to be transmitted to Council on October 28.

Recommendation: No recommendation pending Council receipt of the legislation.

**7. DPR 2015-2016 Fees and Charges Ordinance – C.B. XXXXX (Belz)**

This legislation establishes DPR's fee schedule for 2015 and 2016. No changes to athletic field fees are proposed for 2015 or 2016. Minor changes to the fee schedule are proposed including:

- Establish United States Tennis Association league fees at Amy Yee Tennis Center that are consistent with charges at tennis centers that are not managed by DPR;
- Reduce the rental fees charged for the use of certain DPR facilities in order to increase their marketability;

- Shift the rental fees for certain DPR facilities from a daily rate structure to an hourly rate structure; and
- Implement various technical amendments in order to clarify fee descriptions, remove duplicative or obsolete fees, and make other administrative changes to DPR's existing fee schedule.

Recommendation: Pass C.B. XXXXX.

**8. DPR Golf Interfund Loan Ordinance – C.B. 118232 (Ratzliff)**

The 2014 budget authorized \$5.6 million for a new driving range at Jackson Park golf course, a new clubhouse and driving range improvements at Jefferson golf course and a new West Seattle mini golf course. An added \$2 million for these projects was needed and appropriated in the 2014 First Quarter Supplemental. The initial \$5.6 million was included in the 2014 LTGO bond sale. The added \$2 million is included in the proposed 2015 LTGO bond ordinance. If approved, the bond sale would not occur until first quarter 2015; however, funds are needed to continue and complete work on the golf projects. The proposed ordinance authorizes the Director of Finance to loan up to \$2 million from the City's Consolidated Cash Pool to finance the continuation and completion of these golf projects. The entire loan (principal and interest) will be repaid with proceeds from the 2015 LTGO bonds. Golf program revenues are sufficient to pay the debt service on the financing for these projects.

Recommendation: Pass C.B. 118232.

**ADDITIONAL INFORMATION NEEDED FROM DEPARTMENT**

**9. Amy Yee Tennis Center – Improvements and Operations (Belz)**

DPR recently hired a consultant to develop a business plan for the Amy Yee Tennis Center that includes a capital improvement component. The consultant expects to complete the business plan in March 2015. Upon reviewing the consultant's recommendations, Councilmembers may want to explore options for directing additional capital funding to the facility and/or adjusting its operational model. DPR's proposed capital program for 2015-2020 does not include funding for major maintenance or improvements to the Amy Yee Tennis Center. The building is both owned and operated by DPR.

**10. Burke Gilman Trail Improvements (Bauhs)**

The Burke Gilman Trail is a multi-use trail that is managed by DPR from Ballard to the City's northern boundary at NE 145<sup>th</sup> Street. Recent improvements to the section north of Seattle – called the Sammamish River Trail – have highlighted poor pavement conditions on Seattle's portion of the trail. There may be interest in adding funds for resurfacing the Burke Gilman trail and including more pedestrian improvements in the near future.