



REQUEST FOR BOARD ACTION
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MEETING DATE: December 16, 2021
PREPARED BY: Chuck Stifter, Director of Parks and Recreation
AGENDA ITEM: 2022 Parks and Recreation Park Fund Budget and Enterprise Budgets

PREVIOUS ACTIONS:

The preliminary 2022 Parks and Recreation Budget was presented to the Park Board on July 22, 2021.

The preliminary 2022 Community Center and Sports Dome Enterprise Budgets were presented to the Park Board on October 21, 2021.

The Board at their November 18, 2021 meeting approve the modifications to the Community Resource Fund accounting to direct revenue streams to specific business units within the Park General Fund and Community Center Enterprise Fund to be managed by the Parks and Recreation Department.

RECOMMENDED PARK BOARD ACTION:

Motion by _____ to approve the 2022 Parks and Recreation Park Fund Budget.

Motion by _____ to approve the 2022 Community Center Enterprise Budget

Motion by _____ to approve the 2022 Sports Dome Enterprise Budget

COMMENTS:

City accounting practices have always defined the Parks and Recreation General Fund Budget as the Park Fund which included both General Fund and Special Revenue Fund programs. Going forward the department budget will include the expanded special revenue funds as approved by the Board in November 2021. The attached Parks and Recreation Budget Summary includes the breakdown of each of the funds managed by the department – General Fund, Recreation Participation Fund, Music Consortium, Farmers Market and Age Friendly along with the Community Center and Sports Dome Enterprise Funds.

Park Fund Budget

The City Council held a public hearing on the 2022 City General Fund Budget at their December 6, 2021 meeting. The overall city budget has a proposed increase of 2.68% over 2021 for a total budget of

\$44,048,400. The Parks and Recreation budget has a proposed increase of 2.56% for a total budget of \$5,579,000 which is under the historic average of 3.32% over the last 10 years.

In July the Board reviewed a preliminary budget for 2022. At the time the budget was not fully vetted by the Finance Director and final requests were still being considered. Following a full review of the city budget and some further negotiations with the Finance Director and City Administrator, a final budget for the department was established. The final budget presented this evening represents modifications to full time personnel and association benefits foregoing a request to add a project coordinator position and the eliminating backfill of the Bookkeeper position, a reduction in the recreation brochure printing costs, reductions in the ground maintenance allocation and reductions in the part-time salary request resulting in a total reduction of \$194,934 from the previously reviewed preliminary budget. Staff agrees and recommends the final budget as proposed.

The special revenue fund programs included in the Park Fund are the Recreation fee-based programs. Historically, the Board reviewed the Recreation Budget Division 103-104 associated with all fee-based programs. You will notice on the attached Parks and Recreation Budget Summary the addition of the new divisions; Music Consortium - Div 106, Farmers Market - Div 107 and Age Friendly - Div 108 budgets which have been moved from the Community Resource Fund to the Parks and Recreation Park Fund. This transition was approved by the Board at their November 18, 2021 meeting. Each of these divisions will manage revenues for their specific division use and may maintain a fund balance.

Community Center Enterprise Budget

In October the Park Board reviewed a preliminary budget for the Community Center enterprise. The proposed budget assumes a full operation in 2022 and reflects the fee adjustments presented to the Board in May and again this evening. Both the facility fee schedule and the new catering policy are anticipated to positively effect revenue outcome for 2022. The Community Center budget is reflected in the 2022 City General Fund Budget which includes a planned transfer of \$855,700 to subsidize the 2022 operation. The transfer is about 3.72% more than 2021 but is 0.73% less than 2020 and 3.62% less than 2019. The 2022 City General Fund Budget was approved by City Council on December 6, 2021.

Sports Dome Enterprise Budget

In October the Park Board reviewed a preliminary budget for the Sports Dome enterprise. The proposed budget assumes a full operation in 2022 projecting a positive balance of \$7,545. This is up slightly from 2021 but down from the last full year in 2019 when the year ended with a \$37,982 balance. Expenses are rising due to the unpredictable cost to assemble and disassemble the dome every year.

Following a positive review by the Board the 2022 General Fund and Enterprise Budgets will be confirmed and implemented as proposed.

ATTACHMENTS:

Attachment A: 2022 Parks and Recreation Budget Summary