

DEPARTMENT OF PARKS AND RECREATION (DPR)

Staff: Traci Ratzliff

Budget Summary (\$ in 1,000s)

	2018 Adopted	2019 Proposed	% Change 2018 Adopted to 2019 Proposed	2020 Proposed	% Change 2019 Proposed to 2020 Proposed
Operating & Maintenance (O&M) Appropriations by BSL					
<i>Leadership & Administration</i>	\$30,490	\$32,087	5.2%	\$30,232	(5.8%)
<i>Parks and Open Space Programs</i>	\$26,516	\$24,328	(8.3%)	\$24,748	1.7%
<i>Recreation Facility Programs</i>	\$41,791	\$39,228	(6.1%)	\$39,882	1.7%
<i>Zoo and Aquarium Programs</i>	\$7,093	\$7,109	0.2%	\$7,121	0.2%
<i>Seattle Conservation Corps Programs</i>	\$2,976	\$3,903	31.1%	\$3,911	0.2%
<i>Department Wide Programs</i>	\$7,149	\$6,722	(6.0%)	\$6,777	0.8%
<i>Golf Course Programs</i>	\$11,254	\$11,602	3.1%	\$13,434	16.0%
<i>Cost Center Maintenance Repairs</i>	\$34,292	\$38,068	11%	\$39,668	4.2%
Total O&M Appropriations	\$161,161	\$163,047	1.2%	\$165,773	1.7%
Capital Appropriations by BSL					
<i>2008 Parks Levy</i>	\$5,000	\$0	(100.0%)	\$0	0.0%
<i>Building for the Future</i>	\$32,926	\$25,389	(23.0%)	\$33,291	31.1%
<i>Maintaining Parks and Facilities</i>	\$422	\$330	(22.0%)	\$338	2.4%
<i>Fix It First</i>	\$49,806	\$39,906	(19.9%)	\$45,290	13.5%
<i>Debt and Special Funding</i>	\$4,185	\$6,039	44.3%	\$3,820	(37.0%)
Total Capital Appropriations	\$92,339	\$71,664	(22.4%)	\$82,739	15.5%
Total Spending	\$253,500	\$234,711	(7.4%)	\$248,512	5.9%
Total FTEs	922.2	925.9	0.4%	927.9	0.2%
Revenues					
<i>General Fund</i>	\$107,163	\$101,532	(5.3%)	\$100,648	(0.9%)
<i>Seattle Park District</i>	\$53,106	\$54,557	2.7%	\$52,654	(3.5%)
<i>REET</i>	\$40,750	\$29,679	(27.2%)	\$44,357	49.5%
<i>Other Sources</i>	\$52,881	\$48,943	(7.4%)	\$50,853	3.9%
Total Revenues	\$253,900	\$234,711	(7.6%)	\$248,512	5.9%

All dollar amounts rounded to \$1,000. Percentages calculated on actuals and rounded to nearest 0.1%.

Operating Budget:

The 2019 proposed operating budget for the Department of Parks and Recreation (DPR) is \$163 million, an increase of \$1.9 million (1.2 percent) over the 2018 Adopted Budget. The 2020 proposed operating budget is \$166 million, an increase of \$2.7 million (1.7 percent) over the 2019 Proposed Budget. The table above shows the changes in DPR's budget by Budget Summary Level (BSL).

Below are some of the most significant changes included in the proposed operating budgets for 2019 and 2020. Except where noted, Central Staff has not identified any issues at this point with these changes but provides this for Council’s information.

1. Real Estate Excise Tax (REET) and Seattle Park District (PD) Backfill for General Fund (GF)

Reduction – The Proposed Budget would reduce GF appropriations by \$10 million in 2019 and 2020, and it would add \$10 million in REET in 2019 and 2020 used to backfill the GF. This is facilitated by using REET to fund PD supported capital projects and using the freed-up PD funding to cover the operating costs that were funded with GF. Table 1 below provides a high-level summary of the swaps and Attachment 1 includes a more detailed description of these changes that would occur annually in 2019 and 2020.

Table 1. REET and Park District Backfill and Swap

Fund Source	Operating Budget	Capital Budget	Net Change
General Fund	-\$10 million		-10 million
Seattle Park District	+\$10 million	-\$10 million	\$0
REET		+\$10 million	+\$10 million

The proposal to fund some PD capital projects with REET is consistent with both State law restrictions on REET and the City’s existing financial policies. The GF operating costs shifted to the PD are consistent with PD funded operating initiatives, except for zoo operations, which has not previously been funded by the PD. This funding proposal implies either (a) an ongoing allocation of REET in future years, (b) a cut to DPR spending in future years, or (c) the allocation of some other revenue(s) to continue DPR spending at proposed levels. Over the last 10 years, the City has, on average, received \$57 million in REET. The lowest level in recent history was \$22 million in 2009.

The Adopted Interlocal Agreement between the City and the Seattle Park District requires GF support be maintained at a specific annual level that is adjusted for inflation every year. In 2019, the required GF level is \$99 million. The Proposed 2019 Budget allocates \$101.5 million or \$2.6 million more than the GF required support level, and thus the proposed funding swap would not conflict with the Adopted Interlocal Agreement.

2. Tenant Improvements at New DPR Office Space - The Proposed Budget would appropriate \$1.7 million in 2019 to support tenant improvements (TIs) at the new DPR office space at 6th Ave. and Wall St. One hundred thirteen DPR employees would be relocated in 2019 from the DPR’s current leased space in the RDA building in the International District to the new office space. The RDA building lease ends in 2019 and DPR was not able to reach agreement on a new lease. DPR worked with the Finance and Administrative Services Department to secure new office space.

The Proposed Budget would use the following revenues to support the TIs: \$700,000 in unexpended interest earnings on PD funds; \$500,000 in unexpended, unreserved PD operating fund balance; and \$477,000 of PD Major Maintenance Backlog and Asset Management program funds (backfilled with unallocated King County Trails Levy funds). In addition, the landlord will be contributing \$2.5 million towards the TIs. DPR indicates that additional City funds likely will

be needed in 2019 to complete the TIs. If necessary, this can be addressed in a 2019 supplemental budget when final costs are determined. Authorization of the lease agreement will be considered along with adoption of the budget.

- 3. Utility Costs** - In addition to and separate from the shifts discussed above in Item #1, the Proposed Budget would shift \$1.5 million in 2019 and 2020 in General Fund appropriations for DPR's utility expenses to PD funding. Reserved fund balance for PD programs is available to use for this purpose over the next two-year period. This proposal creates a new expenditure for the PD that will need to be addressed as part of the next MPD six-year spending plan.
- 4. Increased Utility Costs** - The Proposed Budget would increase General Fund appropriations by \$580,000 in 2019 and \$1.2 million in 2020 for expected increases in utility costs. Utilities include sewer, drainage, water, electricity, gas and recycling. DPR's utility expenses totaled \$12.5 million in 2018.
- 5. Tree Maintenance Realignment** - The Proposed Budget would reduce GF appropriations for tree maintenance by \$881,000 in 2019 and \$892,240 in 2020 and provides \$1.4 million in PD capital funding from the Saving Our Forests Initiative to support this activity. This funding would support increased tree maintenance activities required due to the accelerated rate at which reforestation has occurred. To date 1,500 acres of the targeted 2,500 acres of urban forest have been restored. Seven additional FTEs will be hired to carry out this additional preventative and ongoing maintenance work associated with the reforested areas. Funding for the Green Seattle Partnership is not impacted by this proposal.
- 6. New Facilities Costs and Maintenance of New PD Funded Parks** - The Proposed Budget would appropriate \$1.2 million in 2019 and \$1.7 million in 2020 in General Fund and PD funding to support the operations and maintenance of new trails, green spaces, and parks. Seven FTEs would be added in 2019 and two additional FTEs in 2020 to carry out this proposal. Five parks will open by the end of 2019, and six additional parks will be open by the end of 2020. The development of these parks is funded by PD capital funds. In addition, \$167,000 of the appropriation in 2019 and 2020 would support the security, utilities and maintenance costs for Fort Lawton Redevelopment area.
- 7. Staffing Efficiencies** - The Proposed Budget would reduce appropriations by \$1.2 million annually in 2019 and 2020 by eliminating funding for staff in several different program areas, including volunteer coordination, activating greenways, gardening, and park maintenance. A total of 13.6 FTEs is proposed to be abrogated. Of these, 9 FTEs are vacant, and 4.6 FTEs are filled. Of the filled positions, it is anticipated that three will result in actual lay-offs. DPR indicates that there will be no direct service impacts to the public from these staff reductions.
- 8. Closure of Belltown Community Center** – The Proposed Budget would reduce appropriations by \$134,941 in 2019 and \$135,984 in 2020 and abrogate two 0.5 FTEs with the planned closure of the Belltown Community Center at the end of 2018. Low utilization of this community center led to DPR's decision to close this facility. DPR staff are working with community

members to identify resources and other opportunities to provide recreation activities in the Belltown neighborhood.

9. Smith Cove Park Funding – The Proposed Budget would make two separate changes regarding the funding of this project:

A. Additional Use of PD Reserved Fund Balance - The Proposed Budget would authorize DPR to use \$1.25 million in 2019 in available PD reserved fund balance to support construction of Phase I of Smith Cove Park. This is in addition to a total of \$2.7 million borrowed from the PD in 2016 and 2018 for this project. Annual PD revenues of \$697,000 designated for this project from 2020 through 2025 will be used to repay the PD. Total project costs for Phase I are \$6.7 million, funded by the PD (\$6.5 million), State Capital Budget (\$250,000) and City REET funding (\$30,000).

B. Reprogram Operating Funds to Capital - The Proposed Budget would reprogram \$221,000 of PD operating funds designated for maintenance of the new Smith Cove Park to the PD Smith Cove Park Capital Program to support the construction of Phase I of Smith Cove Park. Maintenance funds are not yet needed as the construction of Phase I of Smith Cove Park will not occur until 2020, thus allowing these funds to be used for project construction.

10. Youth Scholarship Funding – The Proposed Budget would increase annual appropriations by \$150,000 in 2019 and 2020 to support funding for youth recreation scholarships. The Sweetened Beverage Tax is the funding source for this proposed appropriation. The base budget includes \$400,000 a year funded by the PD for recreation scholarships. Scholarship funds were fully expended in 2017.

11. South Park Community Center Operating Hours – The Proposed Budget would increase annual appropriations by \$91,000 in 2019 and 2020 to support continuation of the Saturday Late Night Program for youth and eight additional public operating hours on Sundays that were implemented as a pilot at this community center in 2018.

12. Maintenance Costs for Ballard Commons Bathroom – The Proposed Budget would increase appropriations by \$99,000 in 2019 and \$44,000 in 2020 to provide maintenance services for a new public bathroom that will be built in the Ballard Commons Park in 2019. The 2019 proposed appropriation includes \$70,000 for the one-time purchase of a vehicle. Annual maintenance costs, excluding the vehicle purchase, are estimated at \$80,000 a year. The baseline budget in 2019 and 2020 includes \$36,000 for this activity.

It is not clear that the purchase of an additional vehicle is required for the cleaning of one new bathroom. Original plans were to install two new bathrooms – one in Ballard and one in the University District. The University District bathroom installation is delayed due to construction in the area. Therefore, only one bathroom will require maintenance over the next year or two.

Capital Budget:

DPR's proposed capital budget is \$72 million in 2019, a decrease of \$20 million (22 percent) compared to the 2018 Adopted Budget; and the proposed capital budget is \$83 million in 2020, an increase of \$11 million (16 percent) over the 2019 proposed budget.

Below are some of the most significant changes included in the proposed capital budgets for 2019 and 2020. Except where noted, Central Staff has not identified any issues at this point with these changes but provides this for Council's information.

- 1. Lake City Community Center** – The Proposed Budget would appropriate \$4 million of REET in 2020 to complete the comprehensive site plan and design for construction of a new Lake City Community Center. This funding is in addition to the \$5 million allocated in the 2018 budget for this project, bringing the City's total funding to \$9 million. The State has also allocated \$2 million for this project. The total cost of the new community center is estimated at up to \$25 million. It is anticipated that the additional funds needed to complete this project will be considered for inclusion in the 2021-2027 Park District spending plan.
- 2. West Queen Anne Turf Replacement** – The Proposed Budget would appropriate \$3 million in 2020 to convert the West Queen Anne Playfield from grass to synthetic turf. In addition, lights will be replaced, and paths will be repaved to improve accessibility. This allocation funds approximately half of the total project cost. DPR will work in 2019 to identify a funding strategy for the remainder of the conversion costs.
- 3. Synthetic Turf Replacements** – The Proposed Budget would appropriate \$5 million in 2019 and \$5.2 million in 2020 of combined REET and PD funding for replacement of synthetic turf. The expected life of a turf field is 10 years. There are nineteen synthetic turf fields and four baseball fields (with synthetic infields) in the City. Most of the synthetic turf fields (16 of 23) were installed between 2008 and 2010 and will need to be replaced in the coming years. Replacement of turf fields costs approximately \$1.6 to \$2 million per field. Given the number of fields and cost of replacement, DPR plans to use REET and PD funds to replace two to three fields per year in the coming years. Parks is currently conducting condition assessments of all fields reaching the 10 or 11 years of age mark in 2019 and 2020. These assessments will help to prioritize which fields will be selected for replacement.
- 4. Americans with Disabilities Act (ADA) Improvements** – The Proposed Budget appropriates \$2 million in 2019 and \$1 million in 2020 to comply with Department of Justice-mandated ADA Compliance Improvements at DPR facilities including community centers, pools, and parks. Of the 13,000 deficiencies identified City-wide, more than 7,000 were in parks and parks facilities. Several ongoing DPR capital programs would be reduced in 2019 and 2020 to provide funding for this effort.
- 5. Aquarium Expansion** – The Proposed Budget appropriates \$2.3 million in 2019 and \$12 million in 2020 for the Aquarium Expansion project, including a new Ocean Pavilion, which is expected to begin construction in 2021. The Memorandum of Understanding (MOU) between the City and the Seattle Aquarium Society (SEAS) approved by [Ordinance 125630](#) increased the

maximum amount of City funding for engineering, design and consultant services for the Ocean Pavilion project from \$1.8 million to \$4.7 million. This money is to reimburse up to 50 percent of eligible project-related costs for the Ocean Pavilion project. In the MOU, funding for the Ocean Pavilion Project (an estimated \$110 million) is anticipated to come from private and public sources, including \$34 million in City funds as described in the [City's Adopted 2018-2023 CIP](#). [The Proposed 2019-2024 CIP](#) continues the City's commitment "to provide up to \$34 million to SEAS for design and construction, contingent upon provision of a detailed funding plan for review by the City ..." The Proposed CIP appropriations through 2020 would bring the City's contribution to about \$17.5 million.

- 6. Golf Program Debt Service Payment** – The 2019 Proposed Budget would appropriate \$1.5 million for the debt service payment for the golf program. 2014 King County (KC) Levy dollars would be reallocated from other ongoing CIP programs (Play Area Renovations and Comfort Station Renovations) to fund this proposal. PD and REET funding would be used to provide full or partial backfill of KC Levy funds. This proposal would allow payment of the golf program's debt service in 2019.

The 2020 Proposed Budget assumes revenues from the golf program will be sufficient to pay the debt service. DPR is in the middle of a comprehensive review of the golf program to examine and address ongoing issues with the financial performance of the golf program. Recommendations from this review are expected in early 2019.

- 7. South Park Campus Improvements** – The Proposed Budget would appropriate \$1.8 million in 2019 for the South Park Campus Improvement project. This project will include a new play area and spray park, conversion of the grass playfield to turf, and lighting. Total project costs are \$9.8 million. Funding from community partners and other sources are expected to fill the financing gap for this project.
- 8. Bitter Lake Play Area Renovation Project** – The Proposed Budget would appropriate \$1 million in 2020 for the Bitter Lake Park Play Area Renovation project. This project will include replacement of play equipment, access improvements and other related work at the existing Bitter Lake Play Area.
- 9. North Rainier Park Development** – The Proposed Budget would appropriation \$1.3 million in 2020 for the North Rainier Park development, one of the 14 land banked parks funded by the PD. The City was able to acquire additional parcels of land and to provide more open space at this park than originally envisioned in the PD spending plan. These scope changes increased the project's cost by \$1.3 million; the estimated total project cost is now \$2.1 million.
- 10. Greenlake Community Center and Pool** – The Proposed Budget would appropriate \$500,000 annually in 2019 and 2020 for DPR to conduct planning and schematic design work for a new Greenlake Community Center and Pool. It is anticipated that the additional funds needed for construction of this project will be considered for inclusion in the 2021-2027 Park District spending plan.

11. Yesler Crescent Area Funding – The Proposed Budget would appropriate \$500,000 in 2019 to support DPR’s planning and design work associated with the Yesler Crescent area that includes City Hall Park, Prefontaine Plaza and Fountain, Fortson Square, the Plaza at Washington and 2nd Avenue, and other areas along 2nd and 1st Avenues. The planning and design process is intended to be community led. The design process will build on previous studies (Fortson Square CPTED study and the Pioneer Square Parks and Gateways Concept Plan) completed to date. DPR, DON, SDOT, other appropriate City departments and community organizations will participate in this effort.

Council will consider imposing a proviso that requires DPR to submit a spending plan to Council prior to expenditure of the \$500,000 to ensure funds are expended consistent with Council’s desired uses.

Budget Legislation:

1. Parks Fee Ordinance – This ordinance would adopt the 2019 -2020 Fee Schedule for the use of park properties and other park and recreation facilities and services. The proposed fee increases will cover expected cost increases for labor, supplies, etc. in the coming two years. It includes fee increases for: the Japanese Garden (meeting rooms and non-resident admission), Amy Yee Tennis Center, aquatics facilities, athletic fields, event scheduling fees at indoor facility rentals, picnic reservations, use permits, and room rental fees at community centers and other park facilities. Proposed fee increases would generate \$857,000 in 2019 and \$1.5 million in 2020.

DPR proposes to use \$15,000 in revenues generated from aquatics fees to fund a new program to offer free swim lessons for low-income youth at select pools. It is estimated that 400 young people will benefit from this initiative.

2. New Office Space Lease Agreement – This ordinance would authorize the Superintendent of DPR to execute a 15-year lease for office space to house 113 DPR staff who are currently located in the RDA building in the International District. The lease can be extended for two, additional 5-year terms. The annual lease rate is \$924,000 including operating costs in year one. The lease rate is adjusted in future years by \$1 a square foot a year plus a proportionate share in any increases in operating costs. The new 28,000 square feet of office space is located blocks away from DPR’s main office building at Denny Park and has additional space available to relocate other DPR staff, if warranted in the future.

3. Modifications to the City and Seattle Park District (PD) Interlocal Agreement – This ordinance and companion PD Resolution recognizes interest earnings generated from PD funds as revenues to the PD, and it excludes them from determination of whether adjustments to the next year’s property tax rate must be made to account from revenues in excess of the PD spending plan. When the PD was adopted, interest earnings were not anticipated to be generated and were not included in the six-year spending plan. If passed as proposed, these revenues would be included in the six-year spending plan along with anticipated expenditure of such funds consistent with PD programs.

- 4. 2018 PD Supplemental Resolution to Pay Off Interfund Loan** - This PD resolution would authorize the use of \$5.7 million in PD reserved fund balance to pay off the City cash pool Interfund loan that was used to support early start-up costs for the PD in 2015. The loan was originally scheduled to be repaid in 2023. The PD currently has reserved fund balance sufficient to pay off the loan early. This will save the PD \$551,000 in interest costs. Annual PD revenues of \$1.5 million designated for repayment of the loan through 2023 will be used to repay the PD over the next five years.

Issue Identification:

In the adoption of the Seattle Park District Interlocal Agreement and first six-year spending plan, the Council set aside \$342,000 to complete several in-depth performance reviews of selected DPR program areas. This was done in response to concerns raised by the public about DPR's efficiency and effectiveness in delivering services. Two consultant studies have been completed: 1) Parks maintenance activities; and 2) Recreation programs. Both studies have yielded recommendations for improving the effectiveness and efficiency of DPR operations. Funds allocated for these performance reviews are fully expended.

Capital planning and development is another area that would benefit from a performance review. Approximately 70 percent of the PD funding is allocated to capital projects, including major park developments, such as Smith Cove, Pier 62/63, as well as smaller capital projects, such as roof replacements, play area renovations, athletic field developments, and pool renovations. PD cash balances, primarily from capital programs, have been growing, raising questions about the way in which capital projects are planned, designed, and constructed. An evaluation could help understand the factors that impact the delivery of DPR's capital projects and whether improvements could be made to streamline this process. The cost of such a performance evaluation would be approximately \$150,000.

Budget Actions Proposed by Councilmembers as of October 10, 2018:

- 1. Increased Staffing at Magnuson Park Community Center (MPCC) (Councilmember Johnson)** – This proposal would add \$140,000 in ongoing funding to provide increased staffing (Assistant Recreation Coordinator, Recreation Leader, and Recreation Attendant) to plan and coordinate recreation programs and to monitor and supervise youth at the MPCC. The funding would increase public operating hours at MPCC from an average of 46 to 57 hours per week. Council provided one-time funding in the 2018 Adopted Budget for this effort. Funding was not included in the Mayor's Proposed 2019 and 2020 Budget.
- 2. Funding for Daily Operation of Wading Pools (Councilmember Johnson)** – This proposal would add \$490,000 in ongoing funding to support the daily operation of 22 wading pools in the City. The Proposed 2019 and 2020 Budget includes funding for 15 pools to operate late June to early September, with four open daily (Green Lake, Lincoln, Van Asselt, and Volunteer Park) and 11 open between two and four days a week, for a total of 597 days of scheduled operation. Funding is not included in the Mayor's Proposed 2019 and 2020 Budget to continue operation of seven wading pools funded by the Council in the 2018 budget. This proposal would restore

funding to open the seven wading pools and provide funds for all 22 wading pools to open on a daily basis.

- 3. Open Colman Pool for One Additional Month in Summertime (Councilmember Herbold) –**
This proposal would add \$60,000 in ongoing funding to support opening Colman Pool for one more month in the summer. Currently the pool is budgeted to operate for approximately 14 weeks (between late May and early September).
- 4. Winterize Cabins at Camp Long (Councilmember Herbold) –** This proposal would add one-time funding to winterize the cabins at Camp Long to facilitate year-round use. Central Staff will continue to work with CM Herbold to determine the level of resources required to implement this proposal.
- 5. Enhance Trail Access Points on South West Brandon Street (Councilmember Herbold) –** This proposal would add \$50,000 in one-time funding for a community planning process examining enhancements to trail access points along South West Brandon Street in West Seattle, as recommended in the North Delridge Action Plan. Central Staff will continue to work with CM Herbold to determine the level of resources required to implement this proposal.
- 6. Lake City Community Center Funding (Councilmember Juarez) –** This proposal would amend the 2019-2024 Capital Improvement Plan to add \$5 million in Park District Funds in 2021 for the new Lake City Community Center. It is anticipated that additional funds needed for this project will be considered for inclusion in the 2021-2027 Park District spending plan that will be adopted in 2020.

Attachments:

1. Proposed Annual REET/PD Backfill and Swap