



REPORT

THE CITY OF SAN DIEGO TO THE PARKS AND RECREATION BOARD

DATE ISSUED: April 14, 2022

REPORT NO.: 103

ATTENTION: Parks and Recreation Board
Agenda of April 21, 2022

SUBJECT: Fiscal Year 2023 Recreation Center Fund Budgets and Recreation Equity
Report 2022

SUMMARY

Issue - Should the Park and Recreation Board recommend approval of the Fiscal Year 2023 Recreation Center Fund Budgets (RCF)

Director's Recommendation - Recommend approval of the proposed Fiscal Year 2023 Recreation Center Fund Budgets

Other Recommendations - Staff presented the Fiscal Year 2023 proposed budgets for the RCFs to the appropriate community recreation groups as outlined in the Interim Standard Operating Procedures. The proposed budgets are presented in this report for Park and Recreation Board approval.

Fiscal Impact - This action would support the appropriation of the Recreation Center Funds in Fiscal Year 2023 as detailed on Attachment A: Proposed Fiscal year 2023 Recreation Center Funds Budgets.

While the revenue has increased by 84% between Fiscal Year 2022 and Fiscal Year 2021, revenue remains 50% less than the last comparable pre-COVID period in Fiscal Year 2020. Expenses have also lowered with a 71% reduction from Fiscal Year 2020. The Department is closely monitoring the financial impacts of the COVID-19 pandemic to ensure that expenses do not exceed available funds.

Water and Energy Conservation Status - N/A

Environmental - N/A

BACKGROUND

On December 13, 2017, the City Council approved Resolution R-311478 to modify recreation council and Parks and Recreation Department (Department) operations to comply with City Charter and San Diego Municipal Code (SDMC) requirements. Upon approval of Resolution R-311478, the Department implemented changes to the City of San Diego's (City) relationship with recreation councils; addressed City Charter and SDMC requirements; and continued holding recreation programs, maintenance, and events previously sponsored by recreation councils uninterrupted. Since that time, community recreation groups (CRG) were

established independent of recreation councils to provide advisory input on park operations to Department staff in accordance with interim standard operating procedures, and contractual programs previously offered by the recreation councils are now procured via City processes.

DISCUSSION

The Department has 60 Recreation Center Funds (RCFs), one for each of the 59 recreation centers and one for Therapeutic Recreation Services. The budget development process begins in the fall with Department staff preparing a draft budget, presenting the draft budget to the CRG for input and recommendations, and finalizing the draft budget in preparation for City Council approval.

Attachment A contains the proposed RCF budgets. RCFs generally consist of two primary revenue sources – class registration fees and facility use permit fees. Overall, class registration fees make up 78% of these funds, while park and building permit fees make up the remaining 22%. RCFs in communities of concern will grow from a third revenue source once the Opportunity Fund starts to collect fees after July 1, 2022, per the fee schedule adopted by City Council on February 14, 2022, per Resolution R-313898 RCFs that serve communities of concern will have funding added from the Opportunity Fund. Later this year, staff plans to bring forward a policy for Council consideration related to the use of the Opportunity Fund, which will augment recreation activities and programs in communities of concern. While Attachment A does not include allocations from the Opportunity Fund in the RCF revenues, staff will update the Council on the status of the Opportunity Fund when the policy draft is ready for Council consideration. Attachment B, the annual recreation equity report, contains additional information about the Opportunity Fund.

The amount of funds available for RCF-funded recreation programs varies greatly based on whether the programs are provided by staff or by contractors, whether patrons are willing to pay the full cost to participate in special-interest contract services, and the number of paying program participants. Staff-run programs are not designed to be fully cost recoverable, while programs offered by contractors are intended to be fully cost recoverable. The fee collected for a contractual program is utilized to pay the recreation service contractor and support that program. This is an important concept to note when reviewing and evaluating the Fiscal Year 2023 Proposed RCF budgets, as RCF budgets primarily include expenditures related to staff and contractual programs, seasonal special events, and enhanced maintenance of highly used facilities.

COVID-19 Impacts

Due to the COVID-19 pandemic, facilities closed in March 2020 and remained closed until summer 2021. As facilities reopened, Department staff were required to navigate continuous changes to COVID-19 protocols as it related to operating facilities and managing public safety. In addition, the Department experienced a significant attrition during the COVID-19 pandemic, resulting in high levels of turn over and vacancies. With the COVID-19 protocols and low staffing levels, many facilities opened with limited operating hours resulting in less structured programming. Facilities opened their doors for open play activities like badminton, pickleball, and basketball as well as summer camps. Many of the staff and contractual led classes previously offered prior to the pandemic did not initially return due to

the uncertainty of the pandemic and the staffing levels. As such, RCFs have seen a significant reduction in revenue for Fiscal Year 2022 and equally reduced expenditures due to the limited programming and modified events.

Equity in Recreation

The City Strategic Plan, Parks Master Plan, Recreation Equity Audit, and 2019 Recreation Equity Report brought attention to significant inequities across the Department. As a result, the Department began actively seeking opportunities to build resources to support equitable programming and reduce barriers to program participation in communities of concern as outlined in the updated 2022 Recreation Equity Report (see Attachment B).

In Fiscal Year 2022, the Department received an unprecedented amount of funding to support this effort. With over \$1.4 million in combined funding from the City, County, and philanthropy, the Department was able to expand programming, events, and recruitment efforts at 21 recreation centers and aquatic centers in historically disadvantaged communities of concern as outlined in the 2019 Climate Equity Index.

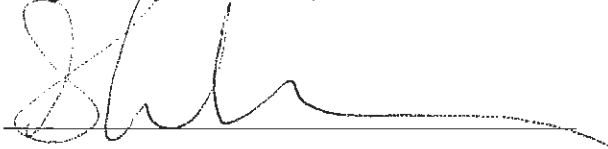
Additional efforts include ongoing revisions to the Low Income Fee Waiver program, which is intended to make accessibility to programs easier and less cumbersome for families. Revisions include the expansion of income verification documents and reducing the application process to once per year per household program with a future implementation of ID.me as a paperless verification process.

The Department remains committed to expanding its network of partners and funding opportunities to further promote and support equitable programming, youth training, employment opportunities, and access to public facilities. While the Department has made progress, much work remains to be done, and staff appreciates the continued support of the City Council in helping to make recreation equitable for all San Diegans.

ALTERNATIVES

The alternate option is not to approve the Fiscal Year 2023 Recreation Center Fund budgets.

Respectfully submitted,



Sarah Erazo
Program Manager, Administrative Division



Approved by: Andy Field
Director

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Attachment(s):

- A. Fiscal Year 2023 Recreation Center Fund Budgets
- B. Recreation Equity Report 2022

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