



REPORT

THE CITY OF SAN DIEGO TO THE PARKS AND RECREATION BOARD

DATE ISSUED: May 8, 2023

REPORT NO.: 101

ATTENTION: Parks and Recreation Board
Agenda of May 18, 2023

SUBJECT: Fiscal Year 2024 Recreation Center Fund Budgets, Fiscal Year 2024 Opportunity Fund Budget, and Recreation Equity Report 2023

SUMMARY

Issue - Should the Parks and Recreation Board recommend approval of the Fiscal Year 2024 Recreation Center Fund Budgets (RCF) and Opportunity Fund Budget

Director's Recommendation - Recommend approval of the proposed Fiscal Year 2024 Recreation Center Fund Budgets and Opportunity Fund Budgets

Other Recommendations - Staff presented the Fiscal Year 2024 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 Parks and Recreation Board approval.

Fiscal Impact - This action would support the appropriation of the Recreation Center Funds and Opportunity Funds in Fiscal Year 2024 as detailed on Attachment A: Proposed Fiscal year 2024 Recreation Center Funds Budgets and Attachment B: Fiscal Year 2024 Opportunity Fund Allocation Memo.

Water and Energy Conservation Status - N/A

Climate Action Plan (CAP) Impact - Improving equitable access to parks and creating additional recreational programs has beneficially address CAP goals, including:

- Measure 3.5: Climate-Focused Land Use: Support expansion of urban greenspace including park access, open space, and wildlife corridors where appropriate, along streets to encourage outdoor activity, walking, and increase pedestrian access to parks in Communities of Concern.

Strategic/Tactical Equity Plan Impact - Priority Area: Protect and Enrich Every Neighborhood - Connecting communities to safe public spaces that offer opportunities to learn, grow and thrive.

Strategies:

- Create additional value for visitors and patrons through improved resource coordination and collaboration
- Increase access to recreational amenities
- Provide access to high-quality programming, events, and shared activities

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 the majority of these funds, while park and building permit fees make up the remaining balance. Additionally, RCFs in communities of concern will grow from a third revenue source, the Opportunity Fund (OF), per the fee schedule adopted by City Council on February 14, 2022, Resolution R-313898. In April 2023, City Council adopted Council Policy 700-48 the Opportunity Fund Council Policy, which provides guidelines on OF uses and allocations. The OF is intended to support expanded recreation programs and services at recreation centers and parks in underserved communities.

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 2024 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.

The City Strategic Plan, Parks Master Plan, Recreation Equity Audit, and Recreation Equity Report brought attention to significant inequities across the Department. As a result, the Department has actively sought opportunities to build resources to support equitable programming and reduce barriers to program participation in communities of concern as outlined in the updated 2023 Recreation Equity Report (Attachment C).

Since reopening recreation centers and pools following the pandemic in July 2021, the Department has received just under \$4 million in combined funding from the City, County, and philanthropy to support expanded programs, events, and maintenance in historically disadvantaged communities of concern as outlined in the Climate Equity Index. These funds have been used to support over 700 free or low-cost classes and camps at recreation centers and pools in communities of concern. Additionally, the Department has expanded community events adding 60 movies in the park, 96 Parks After Dark events, and 240 teen night events.

Additional efforts include the creation of the Opportunity Fund, a mechanism to provide an on-going funding source to support programs and events at recreation centers with little funding resources. The Opportunity Fund has been collecting revenue from park use permits since July 1, 2022 as defined in the Fiscal Year 2023 Department Fee Schedule. While the fund did not achieve the target year-end balance of \$1 million. Due to several factors including winter rains and youth league concerns with fee calculation methodology, the Opportunity Fund is projected to collect around \$400,000. Reductions in the target balance are a result from Fee Schedule modifications made back in October 2022, which reduced the impact of the OF fee to permitted youth organizations and non-profits groups, as well as an unprecedented amount of permit refunds due to winter and spring storms.

As part of the OF allocation process outlined in CP700-48, the Department held public meetings to develop a proposed budget for use of the OFs. An evaluation committee was formed, which included six Department staff, to review the proposals and the objective scoring system. The evaluation committee presented the Director with a recommendation to allocate the projected \$400,000 OF balance to six RCFs which include Azalea (CD9), Cesar Solis (CD8), Mountain View (CD4), Penn Athletic Field (CD4), Stockton (CD9), and Skyline Hills (CD4). Unless otherwise noted in Attachment B, each eligible RCF will receive an OF amount that will provide an \$84,000 budget for recreation programs, events, and enhanced maintenance services.

There are three RCFs which include Cesar Solis, Stockton, and Penn Athletic Field that will be just shy of meeting the \$84,000 baseline that was set as the benchmark, but still will receive an adequate budget to support programs, special events, and enhanced maintenance. Cesar Solis doesn't have a recreation center building or neighborhood parks; therefore, programming is limited to outdoor park space. Stockton is a small recreation center with limited access to the adjacent joint use field. Penn Athletic Field was allocated the remaining Opportunity Funds available bringing its budget to \$74,700. All sites will undergo a review process each fiscal year, and allocated funds will be adjusted accordingly to accommodate the funding changes for each site and community needs.

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.

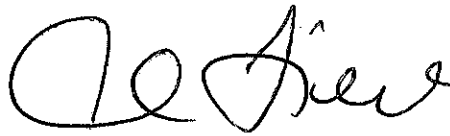
ALTERNATIVES

The alternate option is not to approve the Fiscal Year 2024 Recreation Center Fund budgets and Fiscal Year 2024 Opportunity Fund budget.

Respectfully submitted,



Sarah Erazo
Deputy Director, Citywide Recreation Services



Approved by: Andy Field
Director, Parks and Recreation

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Attachment(s):

- A. Fiscal Year 2024 Proposed Recreation Center Fund Budgets
- B. Fiscal Year 2024 Proposed Opportunity Fund budget
- C. Fiscal Year 2023 Recreation Equity Report

cc: All Council District Offices
Kristina Peralta, Deputy Chief Operating Officer
Chris Ackerman-Avila, Policy Adviser
Tom Tomlinson, Assistant Director
Gina Dulay, Deputy Director
Ericka Ferreira, Deputy Director
Steve Palle, Deputy Director
Mike Tully, Deputy Director
Salome Martinez, Program Manager