

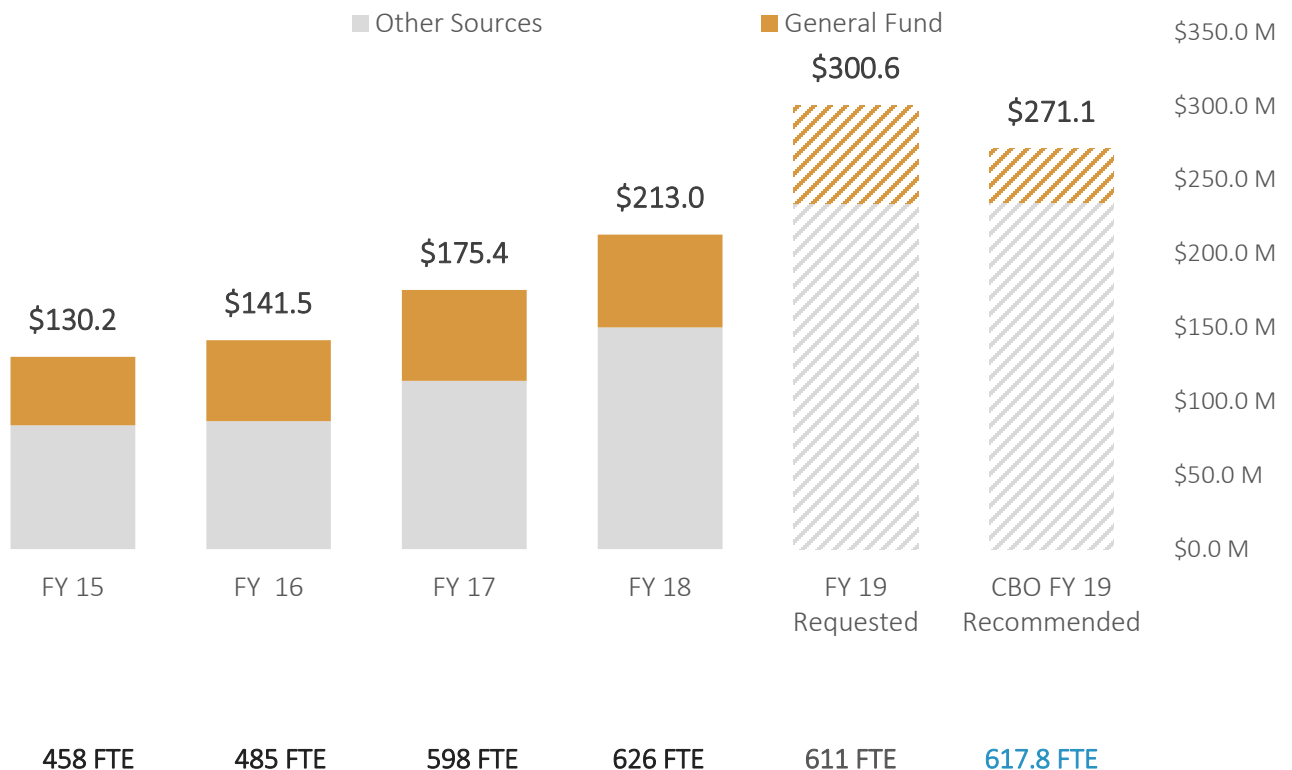


**City
Budget
Office**

Portland Parks & Recreation

Analysis by Ryan Kinsella and Asha BellDuboset

Adopted Budget Revenues - 5-Year Lookback



INTRODUCTION

Portland Parks & Recreation (Parks) is proposing revenue offsets, closing community centers, shifting the costs of decorative fountains to the Water Bureau, and other administrative reductions to meet the required cut target of 5% (\$3.3 million total). CBO is recommending funding for the operations and maintenance of new parks, major maintenance needs, and addressing the issue of perception of safety, while also critically analyzing whether proposed revenue increases will significantly impact core offerings and adversely impact underserved communities. CBO does not recommend, due to resource constraints, funding for a central scholarship program and ongoing subsidy for the preschool program.

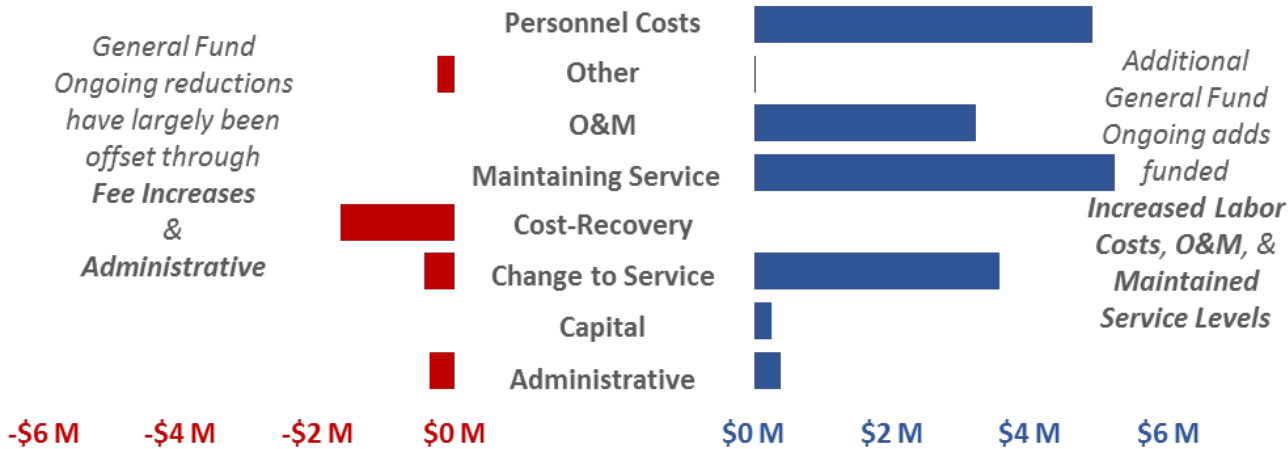
KEY ISSUES

The challenges facing Portland Parks & Recreation that were discussed in last year’s CBO review remain. Deterioration of assets threatens the usability of the parks system for future users. Meanwhile the continued collection of large amounts of system development charges (SDCs) allows for substantial expansion without dedicated resources to fund operation and maintenance costs. The City Budget Office (CBO) also highlights two emerging issues: the perceived safety of park users, particularly in light of City’s homelessness challenges, and continued pressure to offset General Fund reductions with fee increases.

The bureau is acutely aware of these issues and informs both current planning processes and the bureau’s budget requests. Over the next few years, several planning processes currently in place will be critical for defining Parks’ core services and for mapping sustainable service levels. These efforts include a revised cost-recovery plan, a long-term financial plan, a level of service plan, and an update to capital design specifications. Council’s direction in response to these planning processes will be critical for setting the bureau on a course that is not only fiscally sustainable, but one that ensures that future generations enjoy the same gold medal park system as today’s Portlanders.

The FY 2018-19 budget requests – both proposed reductions and additions – are consistent with prior year budget decisions. This chart highlights several key factors on how Parks’ budget has changed over the past five years:

5 Year Historical Lookback of General Fund



- In recent years, Parks has been able to avoid making significant reductions to services to meet cut targets. During the recession, when cuts were greatest, Parks made cuts with service changes, including reductions to park maintenance and community center staffing. In recent years, rather than service reductions, Parks has proposed – and Council accepted – cutting the bureau’s General Fund allocation by cutting administration, increasing fee

revenues for various programs, and decreasing pass-through funding (\$2.0 million net reduction in General Fund resources).

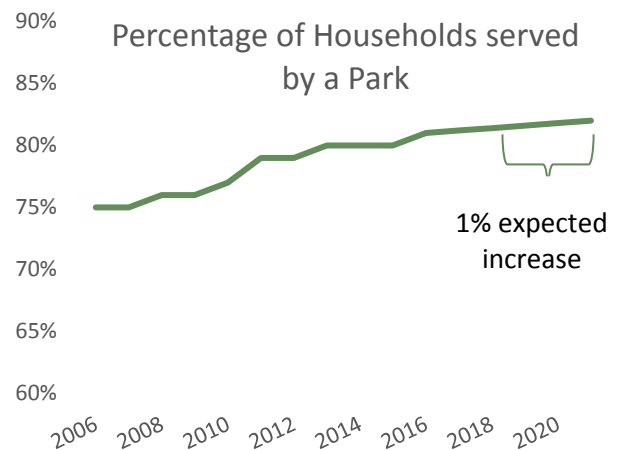
- Changes to service in recent years have included the funding of the Teen Program in FY 2015-16 and increases of the Ranger Program (\$3.1 million net increase).
- Additional General Fund resources have primarily been used for operations and maintenance costs of new parks and Labor costs. The Arbitration Settlement with Local 483 converted 101.25 seasonal FTE into permanent positions. Beginning in FY 2018-19, Parks will receive \$800,000 in General Fund discretionary to cover the increased wages of Recreation Support Staff (\$3.2 million increase for operations and maintenance costs, and \$4.2 million in increased labor costs, outside of regular cost-of-living increases, PERS costs).
- Over this period, Parks has received \$8.0 million in one-time funding for major maintenance (not shown in graph); however, Parks' ongoing General Fund major maintenance funding remains at \$1.7 million.

To summarize: Parks budget has increased primarily due to increased labor costs and funding for operations and maintenance, while reductions have been offset by revenue increases – a strategy which will not be fiscally sustainable over the long-term and will eventually impact access to services.

Parks is currently engaged in an update to its cost-recovery practices and policies. Cost-recovery policies are a central component of the bureau's ability to meet long-term financial sustainability goals. The updated cost recovery policy will address the tradeoffs Parks faces in improving equitable access to services while still meeting financial sustainability targets.

System Development Charge Resources: Opportunities and Liabilities

Due to the economic recovery over the past four years, the bureau has experienced a steady increase in System Development Charge (SDC) revenues. In FY 2016-17, SDC revenues exceeded the revised budget of \$22.6 million by \$11.0 million (for a total of \$33.6 million), primarily driven by the collection of residential SDCs. This marks the largest SDC revenue growth following the economic recovery and continues a trend over the past three years, during which SDC revenues have exceeded \$20.0 million per year.



Over the next five years, the bureau plans to allocate \$71.8 million of the

unallocated balance and forecasted revenues in order to fund the development of new parks and facilities. Of this total, \$13.8 million will be allocated for property acquisition, leaving \$55.7 million that has no planned or allocated project. A strategy the bureau is using to spend these revenues is to expand current projects. For example, the bureau recently decided to increase the scope of the Leach Garden project from an original cost of \$2.15 million to \$9.9 million including \$1.25 million in donations).¹

SDC-funded projects are intended to add capacity to the park system by acquiring property, developing new parks to meet service level gaps, and expanding park capacity at currently developed parks. As a result of the forecasted SDC investment, an estimated 1% or 2,661 additional households will be within ½ mile of a park or natural area by 2020 (increasing from 80.6% to 81.6%) in addition to increasing capacity and some current parks. Park development will primarily occur in areas of the city that are least served; for example, access in East Portland is expected to increase by 2% as a result of the SDC-funded development.

This cohort of new assets requires both operations and maintenance (O&M) costs but will also have major maintenance needs. The projected investment of \$141.3 million in new assets will increase the total estimated value of the Parks system by 10% (totalling \$1.59 billion in 2023). Based on the current plan, an additional \$3.2 in ongoing General Fund resources will be required over the next five years to adequately fund the operations and maintenance --- an increase of \$1.8 million from last year's estimates due to the significant increase in SDC revenues. In addition, funding for the annualized major maintenance and replacement is estimated to be at least \$500,000.

To limit the ongoing costs of new parks, the following options should be considered:

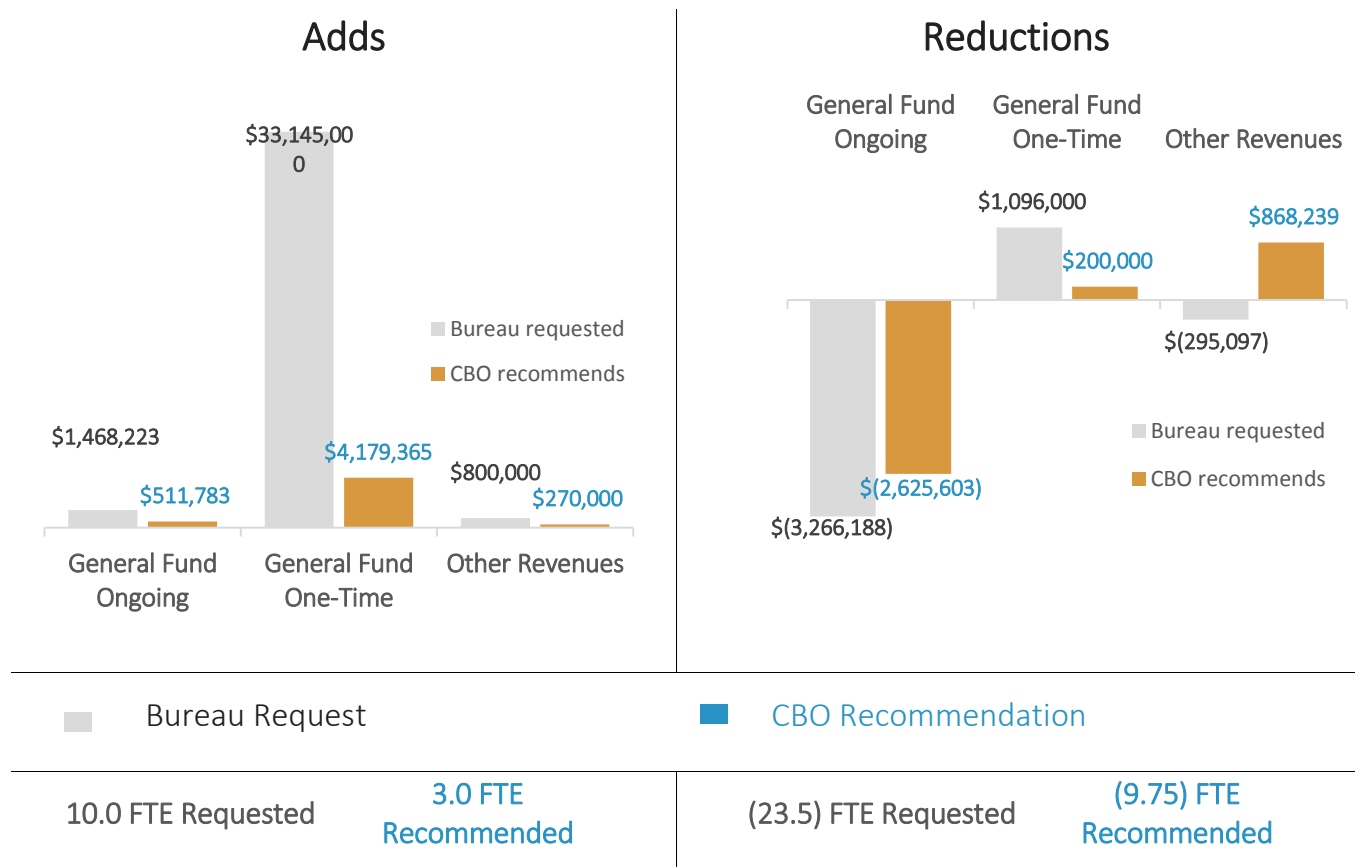
- Design parks and community centers to minimize O&M and major maintenance costs. This may also include building assets with sustainable landscapes or assets that provide services with cost recovery, such as community centers or public-private partnerships. The bureau should continue to consider this strategy.
- Allocate an amount of General Fund available for O&M over the next five years. Council could then direct that Parks be designed to meet funding constraints.
- Decrease the scale of the SDC capital plan, thereby lessening the O&M needed to fund new projects. This strategy could be accomplished by either delaying projects and/or decreasing the amount of SDC's collected via a reduction in fees. Fewer parks and community centers would be available

¹ Previously the bureau received \$157,000 for the operations and maintenance costs of Leach Garden beginning in FY 2017-18; expanded operations and maintenance costs of this project have not been requested

as the population increases, shifting capacity onto current assets. This would result in reduced service levels, limited expansion of parks in underserved neighborhoods, potentially increased O&M needs at current parks, and increased number and frequency of major maintenance projects.

SDCs continue to provide both an opportunity and a liability. With access to recreation centers and parks being proportionally less in East Portland, SDC resources provide an opportunity to build assets that will serve a greater portion of Portlanders and also positively impacting the City's equity goals. However, the expansion of parks services will necessarily require the reprioritization of resources internally or rebalance the overall allocation of General Fund resources away from other City priorities, such as public safety and housing, in order to fund the operations and maintenance of new park facilities. The City must take into account the negative impact of investing less in these other services relative to parks investments – along with the equity impact this may have on specific communities – when making decisions about expanding Parks' services.

DECISION PACKAGE ANALYSIS AND RECOMMENDATIONS

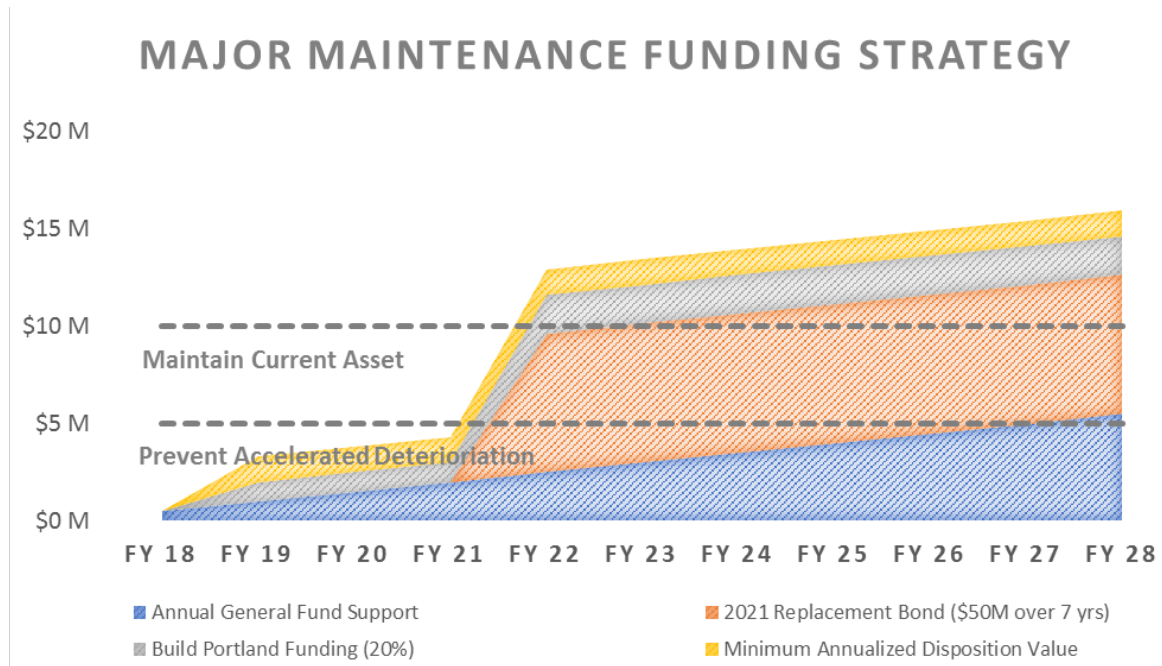


Preserving Assets for Future Park Users

Even with the recent approval of the \$68.0 million Parks Replacement Bond and the \$1.8 million annual major maintenance appropriation, Parks faces a significant gap in major maintenance funding. To sustain the current condition of all assets, which is estimated at approximately 50% in fair or better condition, an additional \$10 to \$15 million dollars per year would be needed. Given the limited resources and the vast infrastructure needs of the City, it is incumbent upon the bureau to develop a major maintenance and replacement funding plan and adopt sustainable service levels with the explicit goal of operating and maintaining a park system that can be maintained indefinitely within the resources allocated. The principal strategy is clear: increase resources and/or decrease service levels until future park users can anticipate the same level of service as current park users.

No single option will solve this steep challenge. Rather, multiple funding strategies will be needed, including (1) regular, periodic General Obligation Bonds (e.g. 2014 Replacement Bond), (2) divestment of assets, (3) regular increases in the ongoing General Fund major maintenance allocation until it meets the regularly scheduled needs of the assets, and lastly, (4) periodic one-time General Fund resources, such as capital set-aside and Build Portland funds, for large replacement projects. The chart illustrates how these strategies could close the bureau’s major maintenance

gap at various investment levels. With an estimated additional \$5 million per year, Parks could avoid an accelerated deterioration rate of their assets. An additional \$10 to \$15 million per year would maintain the current condition of assets. A much more greater annual investment would be needed to address service and capacity gaps, including ADA improvements.



Increase Ongoing Major Maintenance Funding

PK_25, \$625,000, 0.00 FTE, PK_36, \$500,000, 0.00 FTE, PK_39, \$300,000, 0.00 FTE

In FY 2018-19, Parks has requested additional ongoing funding of \$625,000 for the major maintenance fund. This is strongly recommended by CBO; however, due to limited availability new resources, CBO recommends \$450,000 in ongoing funding. In addition, CBO recommends regular increases of \$500,000 to \$1.0 million per year for Parks’ major maintenance needs, funded either within current resources or with new General Fund discretionary, until reaching a level that provides a financially sustainable asset management plan where resources are used efficiently to maintain the assets most critical to Parks’ core offerings. To this end, CBO recommends a budget note that directs the increase of Parks’ Current Appropriation Level target to its Capital Improvement Program Fund by \$500,000 per year over the next five years. Funding for these appropriation levels will need to be identified in each budget process and could potentially result from a realignment of Parks operating resources.

Within the first year of funding, CBO recommends that two of the bureau’s related one-time requests be funded with these resources: the demolition and removal of hazardous structures (PK_39) and a portion of the estimated costs for a seismic needs assessment (PK_36).

Divestiture: Continued Evaluation and Prioritization

Parks and the Commissioner's Office are currently creating a disposition policy, the aim of which will be to reduce major maintenance liability on underutilized assets and reduce the number of properties that do not serve system needs. This work will be done within the context of the long-term sustainability of the bureau and shared with Council along with the financial plan and updated cost recovery policy. Currently, a list of candidate properties and assets are being identified for the near-term disposition in addition to candidates for more in-depth evaluation. This list of potential divestitures would avoid \$13.0 million in near-term major maintenance costs. Some of the properties may have market value, yielding sale proceeds, which would help to offset demolition and removal costs for dispositions, which are roughly estimated at \$25 to \$50 per square foot.

This divestiture strategy is exemplified in two of Parks' requests, both of which are recommended by CBO (PK_39 and PK_09). In addition, Parks has also proposed the closure of four community centers, all of which have major maintenance needs (PK_14, PK_16, and PK_17).

Periodic One-Time Funding: Capital Set-Aside and Build Portland Resources

PK_24, \$29,800,000, 0.00 FTE

Since FY 2011-12, Parks has received \$8.0 million in one-time funding for major maintenance. Serial one-time investments are unpredictable and lead to an asset management approach where assets on the verge of failure are funded first while preventive work that reduces long term costs goes unfunded. While these sources are effectively used to address pressing needs, this funding approach to asset management is not most cost efficient. In the current year, Parks requested \$29.8 million in General Fund one-time resources from the capital set-aside to fund 17 major maintenance projects.

Of the \$29.8 million requested, CBO recommends \$3.7 million. This includes funding of \$500,000 for the Washington Park stairs, the bureau's highest ranked project by the validation committee (6th of 36 projects). This project will improve the staircase from the parking lot on Burnside Ave. to Washington Park. Due to potential life and safety risks, the very poor condition, and large number of visitors to the park, this was Parks' highest ranked project on the capital set-aside list.

In addition, CBO recommends funding of \$3,242,511 towards the repair and replacement Forest Park culverts, which ranked 7th on the list of capital set-aside projects. Addressing these issues will help to maintain access to trails throughout Forest Park while also avoiding potential environmental damages due to blown culverts and landslides within the park.

In addition to these capital set-aside resources, \$1.1 million in sale proceeds from Tabor Annex was allocated to Parks' capital fund with the explicit intent that it would be used for the FEMA match of the December 2016 storm, a large portion of which was culvert repair totaling approximately \$5.0 million. (Parks has decided

to use \$400,000 of this funding for the maintenance facility in Gabriel, thus significantly lessening the FEMA match for storm repairs.) The Bureau of Environmental Services (BES) has committed an additional \$800,000 for culvert repair. In total, Parks stands to invest over \$10 million in culvert repair over the next few years.

CBO also highlights several other key projects included in Parks' capital set-aside requests, but were not funded due to the limited availability of one-time resources:

- ADA Improvements. Parks, along with other bureaus and most notably PBOT, face significant costs related to ADA improvements. These improvements are not only needed to equitably improve services, but have legal risk with noncompliance. Parks' long-term financial plan should include a funding strategy to address these ADA needs.
- Peninsula Park Community Center roof. Roof repairs are costly but result in other more costly major maintenance issues if not addressed. Peninsula Park Community Center serves a proportionally more diverse population and provides a variety of programming services. CBO notes this project as a critical next need for the bureau.

CBO Recommendation: \$4,242,511 | 0.00 FTE

Revenue Offsets: Increasing External Revenues

PK_02, (\$400,000), 0.00 FTE, PK_03, (\$100,000), \$150,000, 0.00 FTE, PK_04, (\$200,000), \$100,000, 0.00 FTE, PK_05, (\$90,000), 0.00 FTE, PK_06, (\$193,500), 0.00 FTE, PK_33 \$770,000, 3.00 FTE

Parks is currently engaging in a process to update its cost recovery policy that will set service level goals for Parks' revenue generating services. Setting explicit total and direct cost-recovery targets will facilitate improved decision-making and increase the transparency of Parks' service delivery costs.

In FY 2018-19, Parks submitted five revenue generating packages. Cost recovery packages include charging higher fees to recover more of the cost of staff time, site inspections, equipment, maintenance and rental use.

Recover Costs for Emergency Tree Removal

The Urban Forestry division provides 24/7 emergency response to clear tree failures in rights-of-way citywide. This package proposes a \$400,000 ongoing reduction in General Fund resources by charging fees for emergency tree removal at PBOT, ODOT and Tri-Met sites. Between the three agencies, tree removal services would be split proportionally to the number of emergency incidents on right-of-way managed by each agency. The bureau notes that the vast majority of emergency tree response occurs on PBOT managed right-of-way.

CBO recommends drafting agreements with these agencies with the cost of service in mind. Parks has an existing interagency agreement for tree services with PBOT that does not include tree removal. Parks does not have a formal, intergovernmental agreement with Tri-Met, so a coordinated process between the agencies would need to be established. An existing agreement between ODOT and Parks would have to be updated to include emergency tree removal services and approved by Council. Parks estimates that establishing agreements with ODOT and Tri-Met would take a minimum of six months, but in time for next year's storm season.

CBO recommends updating existing agreements to include these costs and formalizing agreements between ODOT and Tri-Met to achieve greater cost recovery. This package will move Urban Forestry closer to full cost recovery; CBO recommends this General Fund reduction and offsetting fee increases.

Strategic Parking Assessment & Revenue Study

Parks implemented a "pay to park" system at Washington Park in January of 2014 after a 2012 parking feasibility study proposed a comprehensive paid parking access program specifically designed for Washington Park. Revenues from parking fees (about \$2.7 million dollars per year), solely support improvements in and around Washington Park as well as incentivizing reduced driving trips in a parking constrained environment. Following the effectiveness of this program, Parks is proposing implementing parking fees in other locations to generate revenues to facilitate maintenance and improvements in other locations.

The package proposes funding a strategic parking assessment that would first identify sites with a large number of cars or boat trailers, estimate the potential revenues revenue generated, and then determine the most effective use of revenue to maintain each site. Given that parking rates are released in January, this proposal requests one-time resources of \$150,000 to support a parking assessment consultant and fill an expected revenue gap during FY 2018-19 while the revenue study is underway.

CBO notes that there are concerns about the equity impacts as 'pay-to-park' could preclude some residents from accessing Park services, and that these factors should be considered as part of the assessment. CBO recommends this reduction in ongoing General Fund resources and \$100,000 of the requested one-time General Fund allocation as the proposal is in line with FY 2018-19 budget guidance and does not impact level of service provision.

Cost Recovery for Private Use of Parks Facilities

The package reduces Parks' General Fund resources by \$200,000 which is offset by increasing fees for private use permits and requests \$100,000 in bridge funding.²

² The new fees would go into effect January of 2019 and allow increased revenues for the remainder of the fiscal year, the bridge funding is to address the gap between July and January.

Private uses of Parks facilities: community gardens, Waterfront Park rentals, stadium field rentals, film permits, and picnic site rentals. Parks has identified a price increase for each category of private use:

- **Community Gardens Demand Pricing, \$8,000.** This change reduces General Fund subsidy from 59% to 43% at nine of the 53 community gardens Parks currently operates. This will impact 475 gardeners.³
- **Waterfront Park rentals, \$15,500.** This change would result in a 57% increase in annual total fees, from \$27,110 to \$42,610. The increased costs will cover irrigation repairs and irrigation well maintenance.
- **Stadium field rentals, \$75,000.** Stadiums (Walker, Delta, Erv Lind, Skavone) are only used by renters and not by the general public for park recreation.
- **Permit fees for Film Permits, \$49,000.** Current permit fees cover 0% of staff time needed to review permits and to provide necessary site inspections conducted during and after the rental use.
- **Picnic Site Rental Fees, \$82,500:** General Fund resources currently subsidize inspection and cleaning services.

Permit fees for private uses of Parks' facilities should aim for full cost recovery without adversely impacting access to services, especially in consideration of the City's equity goals. The proposed fee increases generate partial cost recovery so as not to create a barrier for service users.

Although the majority of private users are commercial patrons, private and special use permittees can overlap. As such, CBO cautions raising fees to the extent that services become inaccessible in an inequitable manner. CBO recommends this revenue-generating package as requested.

Increase Fees for Special Use Permits

This proposal decreases Parks' General Fund discretionary resource by \$90,000 by increasing fees for special use permits above the average annual 3%-5% increase. Special use permit fees are charged to support private use of sports fields, picnic shelters, and other park facilities. Cost recovery for Special Use permits vary by fee category, the 2016 recovery rates for special use permits were: 40% for weddings, 43% for picnics, 72% for special events, and 133% for the 'other' uses. In general, special use permit fees increase each year, staying in line with cost of living adjustments. Since fee increases occur in January each year this fee increase will produce General Fund savings for half of fiscal year 2018-19.

This proposal increases revenues and brings the permitting department closer to

³ The gardens are in these neighborhoods: Buckman, Kerns, Sunnyside, Hosford-Abernathy, Grant Park, Mt. Tabor & Sellwood.

direct cost recovery which is in accord with FY 2018-19 stated budget priorities. To that end, CBO recommends increasing fees for special use permits to reduce the General Fund subsidy.

Utility Cost Shift

Currently, Parks pays the utility costs for Pittock Mansion, the Children’s Museum, and Pioneer Courthouse Square in varying degrees. This reduction package transfers the responsibility for utilities costs to the organizations that manage these properties. Parks estimates that shifting utility costs would generate an ongoing reduction of their General Fund resources by \$193,500.

Parks is currently renegotiating its agreement with Pittock Mansion, a partnership that has been in place since the property was donated to the City in 1997. Based on the average cost of utilities over the past three fiscal years, shifting costs for utility usage back to Pittock Mansion creates a corresponding budget reduction of \$43,500. If this cost is passed onto paying visitors, a 50-cent increase to entry-fees would be required.

The Children’s Museum has a generous 30-year lease agreement that includes a one-time rental payment of \$10, City-funded utilities, and a five-year program subsidy of \$517,000. In 2011, this agreement was updated to cap the level of subsidy Parks pays for the Children’s Museum’s utilities. Although the 30-year agreement does not expire until 2031, Parks recommends shifting roughly \$120,000 in utility costs to the Museum.

Finally, Parks estimates that the bulk of the \$30,000 in utility costs it pays for Pioneer Courthouse Square are due to the water usage of an onsite Starbucks. There is no agreement in place for Parks to shift utility costs to Pioneer Courthouse Square.

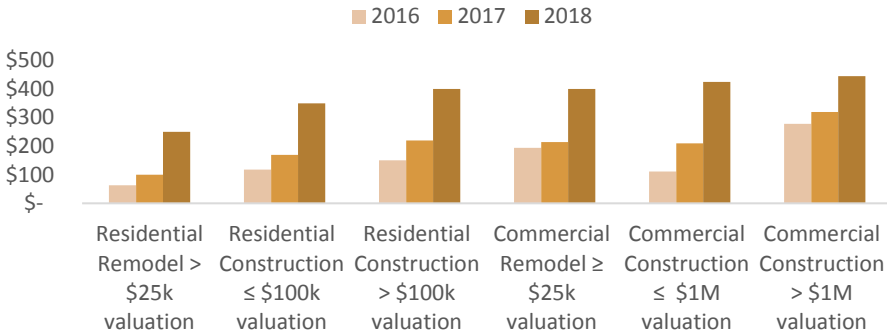
Whether these organizations will absorb these costs or pass the costs onto customers has not been determined. CBO recommends that Parks continue to work towards full cost-recovery of its leases, including utility and major maintenance costs. To the degree that the City intends to subsidize partner organizations, these decisions should be made intentionally and in consideration of how the subsidy impacts other core programming and complements its long-term strategic service goals. CBO recommends shifting utility costs to partner organizations as providing these subsidies is a noncore activity.

Fee Increases – Enhanced Tree Permitting Service

This package is intended to expedite development permitting and increase service levels following the direction from the Mayor after the April 2017 GATR session on improving permitting timelines.⁴ Parks is proposing increasing fees for development permits to create a General Fund offset of \$770,000 and support

⁴ <https://www.portlandoregon.gov/cbo/72474>

Street Trees Development Review Fees



nine FTE. This package expands the Urban Forestry (UF) program through an increase in development permit fees, which apply to permits required for property development activities. Development fee cost recovery is expected to increase from the current rate of 44% to approximately 84%, which the bureau states would bring development fee cost

recovery in line with other bureaus like BES, BDS and PBOT. Non-development permit fees will remain at the current, 13% cost recovery. The proposed changes would increase permit fees by \$100-\$250, depending on permit type. For example, a permit for Residential Construction valued over \$100,000 will increase from \$220 to \$400. The bureau states that these revenues will allow Urban Forestry realign its organizational structure, enforce the Tree Code and improve service provision. While Urban Forestry’s response time goal is to respond to an initial permit applicant within two weeks, in FY 2016-17 permit response time ranged from four to five weeks. At the same time, development permit volume increased from 1,461 to 2,216 in 2017.

In its 2015 Tree Planting Compliance study, compliance rates were 63% for trees in development. Further, UF is currently not staffed to conduct compliance checks on street trees in development situations. The requested positions will allow UF to reduce response times and begin conducting compliance checks on street trees. To that end, this package requests nine full-time positions including: three tree inspectors, four arborists, a lead tree tech and administrative support. These positions will be fully funded by rates and completely dependent on development permit revenues. If revenues were to decrease, the bureau states that it would reduce expenditures or increase fees to reach revenue targets.

In FY 2017-18, the General Fund subsidy for the permitting portion of the UF program was \$1,974,708 or 32%.⁵ This request will not reduce the programs General Fund subsidy or bring it to full cost recovery, it aims to increase the compliance and effectiveness of the Tree Code.

CBO recommends this package and position authority for three FTE to implement Council direction and expedite development permitting, as requested.

⁵ This includes development and non-development permitting, TRACS, customer service for all permit inquiries, inter-bureau requirements, emergency response, and tree permit policy and code development assistance.

CBO Recommendation: (\$483,500), \$200,000 | 3.00 FTE

Impact of Homelessness on Parks and Perceptions of Safety

PK_32 \$750,000, 6.00 FTE, PK_34, \$98,000, 0.00 FTE, PK_40, \$136,854, 0.00 FTE, PK_20, (\$88,000), 0.00 FTE

As part of the FY 2018-19 requested budget, the bureau has requested \$450,000 in ongoing resources and \$500,000 in one-time resources to address issues of homelessness, primarily directed to issues along the waterfront: Vera Katz Eastbank Esplanade Maintenance Reboot, Hazardous and Abandoned Boat Enforcement, Maintain Campsite Cleanup at PP&R Properties.

Concerns about safety in parks seem to be increasing, a notion supported by several performance indicators. Specifically, the Auditor's Community Survey previously asked residents about their perceived safety of parks during the day and at night. Over the past five years, until the recent discontinuation of the survey, perceptions of safety remained relatively unchanged; however, 2016 data highlighted two key issues. First, perception of safety decreased by 5% during the day and 2% at night as compared to the prior year. Second, perceptions of safety greatly differed in East Portland as compared to the rest of the city.

A recent bureau survey asked residents about barriers to participation and "concerns for safety" was the second highest rated barrier identified as the key barrier by 30% of citywide respondents. Similarly, the number of calls for Parks Ranger services has increased from 2,201 in 2015 to 3,533 in 2017. The proportion of calls related to drugs/alcohol, property issues, and safety issues to total calls remained level or decreased in the past three years, but the proportion of calls for camping related issues in parks has increased by 14% from 40% of all calls to 53% of calls in 2017.

Addressing issues of parks safety can be mitigated through a variety of policy mechanisms (e.g., increased police presence, changes to park design), but CBO notes that the Park Ranger program has increased considerably over the past ten years, a primary task of which is cultivating a sense of safety in parks. The Ranger program has experienced large personnel increases, notably a 50% increase in FTE between FY 13-14 and FY 17-18. Moving forward, the bureau and City will need to evaluate which policy tools most effectively and efficiently address these issues.

Hazardous and Abandoned Boat Enforcement

This package would increase ongoing General Fund discretionary resources by \$68,000 to fund an agreement for patrol services by the Multnomah County Sheriff's Department along the docks at Riverplace marina in addition to docks owned by Parks. The Riverplace Business Association will donate \$30,000 to offset costs in the first year, reducing the amount of General Fund need in FY 2018-19.

Council previously approved the agreement with the Multnomah County Sheriff's Office in December 2014 (Ordinance 186921), which included funding \$50,000 for

costs associated with towing and storage of abandoned and derelict vessels, and \$48,000 for 600 hours of service. In FY 2015-16, costs of the agreement were \$112,500, exceeding the budgeted amounts, which provided 1,200-1,300 hours of sheriff services for 200—225 incidents, averaging 5-6 hours per incident. Ranger Program incident data for adjacent parks does not specify whether the issue was dock related, making it challenging to determine the actual demand for service. Due to the limitation of ongoing resources, CBO does not recommend funding this request. As an alternative, Council could direct the bureau to reallocate funding within the Ranger Program budget to fund the cost of the agreement.

Maintain Campsite Cleanup at PP&R Properties

This package would increase the bureau's ongoing General Fund resources by \$136,854 to fund an interagency agreement with OMF for bureau-requested cleanup services at Parks properties impacted by camping and homelessness. Parks previously received \$247,410 in FY 2017-18 for its portion of costs, however, Parks' costs for the program have increased substantially as a result of the bureau being allocated a greater proportion of costs relative to other bureaus.

CBO recommends one-time funding to continue this service into FY 2018-19. For a full discussion of this issue, please see CBO's recommendation for MF_53 Funding for Immediate Response Clean-ups.

Vera Katz Eastbank Esplanade Maintenance Reboot

Parks requests \$500,000 in one-time General Fund discretionary resources to fund four positions to maintain and improve conditions at the Vera Katz Eastbank Esplanade, including replacement of existing lighting with vandal resistant fixtures and other restoration and mitigation measures. Additionally, the request includes \$250,000 in ongoing resources to support two additional Rangers to patrol the area, improve safety conditions, and reduce camping.

CBO is not recommending funding for this package, but recommends that Council consider this request within the broader spectrum of campsite cleanups and maintenance resource allocation.

Reduce Frequency of Downtown Restroom Cleaning

This package would reduce funding for the regular cleaning of eleven public restrooms in the downtown core from twice per day to once per day. Parks manages three other downtown restrooms at Director Park, The Fields Park, and Wallace Park, which would retain their regular cleaning schedules regardless of this cut. Other publicly-accessible downtown restrooms include those located in public buildings, such as City Hall and the Portland State University building in addition to restrooms in Union State, Bud Clark Commons, and the Portland Rescue Mission.

Alternative service reductions to the restrooms were considered, including peak season and peak day cleaning in addition to concentrating cleaning services to

fewer restrooms. The bureau proposed this reduction option as it is expected to have the least harmful impact on the homeless population.

By directing the restroom needs of the homeless population to certain facilities and by focusing clean-up services to the highest used parks and restrooms, CBO believes that this reduction could be taken without significantly impacting downtown Park users, including the homeless community. CBO recommends this reduction in order to realign these savings to other City needs.

CBO Recommendation: \$48,854 | 0.00 FTE

Community Center Closures

PK_14, (\$75,415), (1.00) FTE, PK_16, (\$582,182), (6.75) FTE, PK_17, (\$477,943), (4.75) FTE

Parks has proposed the reduction of Woodstock, Sellwood, Fulton and Hillside Community Centers to meet the 5% cut requirement. Assessing the specific service impacts of closures and the degree to which these closures could be mitigated by nearby private/nonprofit or Parks offerings are key considerations. Moreover, the total percentage of persons of color and percentage of persons experiencing poverty is less than the city average in these service areas, suggesting that the closures would not disproportionately impact historically underrepresented communities. However, the bureau does not collect demographic information on all unique participants (race/ethnicity, age) or income information, and so specific impacts on persons of color and lower income visitors are unknown. Persons with disabilities live throughout the community and would be affected by these closures.

In addition, CBO notes that these centers have major maintenance requirements over the next five years which would need to be addressed if they are to remain open over the long-term. Closing these centers would avoid these future costs; keeping the centers open assumes that there will be sufficient resources to fund the major maintenance costs over the long-term⁶.

Lastly, CBO notes that this reduction exemplifies the continual need to assess the asset and service delivery portfolio and realign effort to achieve a sustainable system over the long-term.

Sellwood Community Center. Sellwood Community Center is primarily used for preschool and afterschool programming in addition to various dance, art, and fitness classes. Other out-of-school programs are provided at Sellwood, including summer camps, break camps, and late start coverage. The number of unique users to center in FY 2016-17 was estimated to be 1,339, resulting in an average annual subsidy of \$150/visitor. An estimated additional savings of \$61,500 in maintenance costs, \$12,000 in utility costs and \$231,000 in administrative support costs would

⁶ Estimated major maintenance costs over the next five years for all centers is \$6.0 million, and total lifecycle costs for each center are estimated to be \$10.0 million.

be realized if the center were closed. (These savings are not reflected in the proposed reduction.) Community centers within a 3-mile radius – the service level standard, established in the Parks 2020 vision plan – include Fulton Park Community Center (2.3 miles away; 8 min drive and 30 minutes by bus), Woodstock Community Center (2.6 miles; 10 min drive, 27 minutes by bus).

A key consideration for Sellwood Community Center is the afterschool program, which serves approximately 100 students from neighboring elementary schools (Llewellyn, Duniway and Ardenwald) and Sellwood Middle School. After school programs are available at the school, but are scheduled for shorter hours and have limited availability.

The major maintenance needs for Sellwood Community Center are substantial, estimated at \$3.0 million in the next five years, and thus making it a prime candidate for disposition. However, CBO has not recommended this reduction due to the expected impact on services, and specifically, out-of-school youth programming. CBO supports the eventual closure Sellwood so long as there is a plan in place that helps mitigate the service disruptions. If this decision to close Sellwood is made outside of the budget process – which is an option available to the bureau – savings from operations costs could be internally reallocated to their highest needs, which could include “buying back” budget reductions or investing in other high priority requests.

Woodstock Community Center. Woodstock is primarily used as a preschool facility in addition to various dance, art, and fitness classes. Woodstock also offers rental space for community groups. The number of unique visitors to center in FY 2016-17 was estimated to be 265, resulting in an average annual subsidy of \$322/visitor. An additional savings of \$7,100 in maintenance costs and \$22,000 in administrative support costs would be realized if the center were to close. (These savings are not reflected in the proposed reduction.)

Community centers within a 3-mile radius include Brentwood-Darlington (1.5 miles away; 8 min drive and 20 minutes by bus), Mt Scott Community Center (1.9 miles; 8 min, 18 minutes by bus), and Sellwood Community Center (2.6 miles; 10 min drive, 27 minutes by bus). Notably, the Community Music Center is within 2 miles, and the Sellwood-Moreland library offers a meeting space for community meetings in addition to several other nonprofit organizations.

CBO does not recommend this closing Woodstock at this time, but notes that the bureau should continue to reevaluate the need for this center in future budget processes as internal resources are prioritized and reallocated.

Hillside Community Center. Hillside Community Center is primarily used for preschool and afterschool programming in addition to offering various dance, art, and fitness classes. The number of unique visitors to center in FY 2016-17 was estimated to be 471, resulting in an average annual subsidy of \$815/visitor. An estimated additional savings of \$40,000 in maintenance costs, \$21,000 in utility

costs and \$144,000 in administrative support costs would be realized if the center were closed. (These savings are not reflected in the proposed reduction total). Over the next five years, Hillside is expected to need approximately \$300,000 in annualized major maintenance costs (\$1.5 million over five years), but there are not specific major maintenance needs at this time. There are no community centers within a 3-mile radius of Hillside Community Center.

It should be noted that as part of the acquisition of Hillside Community Center from the nonprofit Hillside Community and Recreation Center, Inc., the City agreed to use the space for “park purposes” (Ord. 138057). In order to comply with this agreement, the proposed reduction would transfer the service delivery option to a partner organization. Transferring operations to a private partner will avoid daily operations costs; however, CBO also recommends that the bureau reach an agreement that recovers funding for the regular and major maintenance costs of the center.

Due to high subsidy per participant, the upcoming large maintenance costs, and expected proportionally lower impact on historically underserved communities, CBO recommends this reduction.

Fulton Park Community Center. After being closed as a regular neighborhood community center as a result of a budget reduction in FY 2012-13, Fulton Park Community Center is currently a rental-only facility, with a primary lease to L’Etoile French Immersion School for school in addition to some Parks’ summer programs. The facility is also used as a rental space in the evenings and over the weekends. Recently Fulton Park Community Center was damaged due to excess rains, resulting in required repairs in excess of \$1.6 million. An additional savings of \$37,000 in maintenance costs, \$13,000 in utility costs and \$30,000 in administrative support would be realized if the center were closed.

Due to the significant major maintenance needs and because the City is effectively subsidizing a private school, CBO recommends this reduction and that the bureau take the next steps in the surplus property process.

CBO Recommendation: (\$477,943) | (4.75) FTE

Outdoor Water Use Reduction

PK_01, (\$200,000), 0.00 FTE

This package reduces water usage for irrigated park spaces to achieve an ongoing General Fund reduction of \$200,000. To achieve this reduction, Portland Parks & Recreation will cut irrigation water usage on non-sports field turf areas by 10%, which includes: reducing the operating hours for splashpads by two hours per day and shortening the operating window by one month, making irrigation improvements, efficiency improvements, and reducing water use on irrigation systems controlled by parks staff.

Parks' 10% reduction in irrigation watering will generate an ongoing \$50,000 in savings. Parks' reduction in splash pad usage will generate an ongoing savings of \$75,000. Irrigation improvements, including, connecting eight more parks to the Central Irrigation Control System (CICS), using Golf course groundwater, and completing irrigation tune-ups to achieve ongoing savings Parks will achieve ongoing savings of \$35,000. An additional \$40,000 in savings will come from changes to irrigation systems directly controlled Zone staff.

The impact of reducing water usage by 10% may cause minor aesthetic changes in some Parks and more dependency on seasonal precipitation levels, but no long-term deterioration of green infrastructure is anticipated. In years with less rainfall there is a possibility that aesthetic changes could change the percentage of residents rating the quality of Parks as 'good' or 'very good,' which was approximately 84% of residents according to the Auditor's Community Surveys between FY 2011-12 and FY 2016-17.

Given that this reduction package identifies a system-wide efficiency, as directed in the Mayor's FY 2018-19 budget guidance, and that the proposed reductions will have minimal service level impacts, the CBO recommends this reduction.

CBO Recommendation: (\$200,000) | 0.00 FTE

Laurelhurst Dance Studio Realignment

PK_07, (\$72,628), (0.50) FTE

This package is put forth as a voluntary realignment, shifting \$72,628 in ongoing resources and 0.50 FTE from the Laurelhurst Dance Studio to another recreation site due to low cost recovery and ongoing homelessness issues at Laurelhurst Park and related safety concerns. The Laurelhurst Dance Studio had a 65% direct cost recovery and 38% total cost recovery (including bureau overhead) in fiscal year 2015-16. Of the three recreation centers offering City Arts programming, the Laurelhurst Dance Studio generated the lowest cost recovery.

While the Laurelhurst Dance Studio has unique amenities like a specialized dance floor and instruction in a variety of dance genres for youth and adults, revenue and course registrations have steadily declined over the last four years. This realignment package will discontinue Parks use of Laurelhurst Dance Studio, which will have the largest impact on girls and women who are 86% of the studio's registrants. In FY 2017-18, the center served 1,285 individual registrants who signed up for an average of 2 classes per year for a total of 2,685 registrations. The bureau did not provide information with regards to a disposition plan.

This package is in accord with FY 2018-19 budget guidance which directed bureaus to identify efficiencies and realign resources to address priorities.

CBO Recommendation: (\$72,628) | (0.50) FTE

Fountain Elimination

PK_08, (\$220,000), (4.00) FTE

This package reduces \$620,000 in General Fund resources for operations and maintenance of 19 decorative fountains, and includes the reduction of 4.0 FTE and one seasonal maintenance worker. If this reduction is approved, Parks would continue to operate splash pads in City parks but turn off six interactive fountains that are used for recreation. Although the number of visitors to the fountains is unknown due to their central locations within the City, it is reasonable to assume that a large number of residents would be impacted if the fountains were to be shut-off.

The bureau has explored alternative operating models, but concluded that four full-time positions are required to operate and maintain the fountains year-round, including those fountains that are only operational between March through October. As such, a “highest priority” model may not yield substantial savings. The bureau also believes that cutting any or all of the staffing for the fountains would result in irreparable damage and eventually require the fountains to be permanently closed.

The fountains remain Portland Water Bureau assets and until FY 2013-14 were operated and maintained by the bureau. The 2017 ruling by Multnomah County Judge Bushong determined that water rates could be used to fund the costs of these fountains. As such, CBO recommends realigning the funding for these fountains to Water Bureau to generate General Fund savings. As to which bureau is best positioned to operate and maintain the fountains, it is inconclusive. Water is more uniquely qualified to maintain critical plumbing infrastructure, and as the asset owners, they developed a long-term asset management plan. The operational decision of what bureau would operate the fountains would need to be made if Council chooses to realign funding from the General Fund to water rates.

CBO Recommendation: \$620,000 | 0.00 FTE

Eliminate Service to Non-core properties

PK_09, (\$6,191), 0.00 FTE

This package would eliminate the maintenance of undeveloped properties and properties owned by other bureaus. This reduction will result in minimal savings, but this package also reflects the operational decision of realigning seasonal maintenance staff toward higher priority projects – a practice strongly supported by CBO.

CBO notes that some of these properties were originally acquired for land banking purposes with the intent of using the property as developed park space. The bureau is continuing to assess the value of underutilized properties for future park needs while developing a list of properties for disposition. The one-time resources

generated by any surplus property sales may provide funding for other bureau needs, such as major maintenance costs. A similar disposition process recently occurred when the Tabor Annex was sold to the Portland Housing Bureau, the proceeds were then applied as match funding for FEMA grants.

CBO recommends that the bureau continue to prioritize resources to core functions and also look for opportunities to save in maintenance costs. Recommended as requested.

CBO Recommendation: (\$6,191) | 0.00 FTE

Discontinue Planting and Maintenance of Downtown Transit

PK_10, (\$100,000), (1.00) FTE

This package would eliminate funding for the costs associated with servicing the 300 planters at the downtown transit mall (SW Yamhill, SW Morrison, SW 5th, and SW 6th Avenues). Planters are typically watered and cleaned for trash, needles and biohazards twice per week. To decrease planting and maintenance costs, planters have gradually been converted from more expensive “annual” flower pots to “permanent” pots containing grasses, perennials, and shrubs.

The Portland Bureau of Transportation (PBOT) owns the right-of-way and the planters, and has an agreement with Tri-Met to maintain the planters. However, there is no agreement between PBOT and Parks that requires the bureau to maintain the planters nor does PBOT reimburse Parks for this service.

CBO recommends reducing General Fund discretionary resources to fund these maintenance costs. PBOT, as the asset owner, should pay for Parks’ horticultural services via an interagency agreement and charge Tri-Met for the City’s maintenance of the service. This approach allows the asset owners and key stakeholders to define the service level for planter maintenance, while retaining the opportunity for Parks to provide the service if they offer the most cost efficient option at the desired level of service.

CBO Recommendation: (\$100,000) | (1.00) FTE

Reduce Capacity for Operational Support

PK_11, (\$70,000), 0.00 FTE

This package would reduce funding within the Finance division that has been previously used to fund temporary staff during budget development and special projects. Most recently these funds provided funding for a temporary staff member to coordinate the relocation of Parks’ staff out of the Portland Building.

CBO recognizes that having flexible funding can be useful for effectively and efficiently addressing ad hoc projects. However, the bureau has no specific plans for these funds in FY 2018-19, although the bureau notes that the funding would be used to support the cost-recovery and financial sustainability planning efforts.

As such, this reduction can be taken with minimal immediate impact.
Recommended as requested.

CBO Recommendation: (\$70,000) | 0.00 FTE

Reduce capacity for Data Systems Development

PK_12, (\$98,416), 0.00 FTE

This package would reduce funding for an interagency agreement with BTS by \$98,416 that supports various Parks applications, some of which are central to the business of Parks' programs, including the work order system (MicroMain), program registration (Active Net), and the Teen Force App. In addition, this agreement provides support for new projects prioritized by bureau management. In the short-term, projects include a system to track vendor contracts and allocated project funding, an ADA database, conversion of all parts Central Stores inventory to a digital bar-code (scanning) system, and online pesticide application management.

If this reduction is taken, current applications would continue to receive support, but support for new projects and applications would be eliminated. This would likely impact Parks' ability to move forward with the pilot of the Enterprise Asset Management module – a system which will be key for more effective work order management and asset maintenance planning.

In the past three years, this \$200,000 interagency agreement has been underspent by between \$15,000 to \$37,000, indicating Parks' is utilizing nearly all of the funding for this service. Given the continued need to support key bureau applications, the regular emergence of application needs, and the continued need for supporting bureau data systems, CBO does not recommend this reduction.

CBO Recommendation: \$0 | 0.00 FTE

Work Order Efficiency

PK_13, (\$70,000), \$100,000, 0.00 FTE

This package proposes an improvement to the maintenance work order process. The current system includes a mixture of paper and electronic processing procedures that make the work order process time-intensive and necessitates considerable administrative support.

This proposal will reduce \$70,000 in ongoing General Fund resources by eliminating a currently vacant full-time staff position, which is not expected to be needed after streamlining the logging and tracking of work orders to completely electronic process. To implement these work order efficiencies, Parks requests \$100,000 in one-time general fund. This one-time investment will allow the Parks to retain the administrative position (\$55,000) while training (\$45,000) occurs so that maintenance staff experience a smooth transition to the MicroMain mobile

work order system.

This package is in accord with FY 2018-19 budget guidance which directed bureaus to identify efficiencies and realign resources to address priorities. CBO recommends the ongoing reduction portion of this package but recommends that Parks use savings within Central Services and Asset Management in FY 2017-18 to fund the temporary administrative position.

CBO Recommendation: (\$70,000), \$0 | 0.00 FTE

Reduce Weekend Coverage at Customer Service Center

PK_15, (\$56,562), (1.00) FTE

This proposal reduces one FTE Customer Service Center position, effectively eliminating weekend Ranger call coverage at the center. Weekend staff field Parks Ranger calls for service as well as administrative projects. However, the volume of Park Ranger calls for service on weekend days averages half of the calls for service volume on weekdays.

Direct impacts would result in weekend Ranger calls going to voicemail. Rangers would need to implement a new practice to retrieve calls over the weekend. Capacity would also be reduced for database management and other tasks that were possible with the reduced volume of walk-ins and phone customers. Additionally, responses to customer inquiries would be delay until the following Monday.

Given that Parks identified this reduction package as a noncore service, in alignment with stated budget priorities, and impacts to service provision will be low, CBO recommends this reduction.

CBO Recommendation: (\$56,562) | (1.00) FTE

Reduce Park and Facility Maintenance Capacity

PK_18, (\$270,000), (3.00) FTE

This package would reduce General Fund resources by \$252,372 and eliminate one full-time Automotive Equipment Operator I position from the Heavy Equipment group, a Plumber from Central Services, and a Maintenance Mechanic from the playgrounds and park amenities maintenance group. The loss of the Automotive Equipment Operator will extend the tall-grass mowing cycle, extend the 'deep' garbage can collection cycle, and decrease brush removal.

There is demand for all three positions in terms of both preventative and urgent work. The estimated backlog of work orders is estimated at being three to nine months. Moreover, a key finding of the 2013 audit of Parks' maintenance identified the need for preventative maintenance; the elimination of three central services staffing positions would further limit the bureau's ability to efficiently maintain parks.

Parks has offered these reductions in previous years, not because their responsibilities or tasks were least valued within Central Services, but because these positions were vacant. The Automotive Equipment Operator position has been vacant since October 2016, the Maintenance Mechanic has been vacant since April 2017, and the Plumber has been vacant since July 2017 but is currently under active recruitment. Eliminating vacant positions allows for less staff disruption, and does not result in immediate impacts. However, eliminating these positions may have long-term impacts on preventative maintenance work. CBO has not recommended this reduction in the past because the maintenance of parks is a core function for the bureau and because Central Services play a critical role in maximizing the life of bureau assets.

Given that these positions have been vacant for prolonged periods and due to the need to identify General Fund savings, CBO recommends a reduction of \$113,092. CBO recommends that the bureau identify which position will result in the least impact to service levels and asset preservation. In terms of work order backlog, the elimination of the Automotive Equipment Operator I, which has been vacant for over a year, may have a lower impact.

CBO Recommendation: (\$113,092), (1.00) FTE

Regional Trails Service Reduction

PK_19, (\$52,000), 0.00 FTE

This package would reduce basic maintenance services to regional trails from occurring biweekly to monthly. Park Technicians and seasonal maintenance workers address basic maintenance needs of the trails (graffiti and litter removal, vegetation trimming) along the Springwater Trail, Columbia Slough Trail, Willamette Greenway Trail, and Waud Bluff Trail.

Whether this reduction will impact the public's perception of these trails is unknown. CBO notes that the Springwater Trail and Columbia Slough Trail have been impacted by homelessness over the past few years, and that a reduction to trash removal may have a more noticeable impact. Following the clean-up of the Springwater Corridor last year, an increase Ranger presence and the centrally coordinated clean-up services have helped to mitigate the establishment of new campsites, but those enhanced services do not address basic trail maintenance.

Despite the need for regular maintenance of these regional trails, CBO recommends this reduction in order to realign these savings to other City needs.

CBO Recommendation: (\$52,000) | 0.00 FTE

Eliminate Support for Removing Invasive Species

PK_21 (\$200,000), (2.00) FTE

Parks proposes eliminating the Protect the Best program, which would result in

ongoing General Fund savings of \$200,000 and the elimination of 2.0 FTE. The short-term impacts (3-5 years) of eliminating this program are minimal, however, the long-term impacts could be substantial and Citywide. The Protect the Best Program began in 2007 as part of the City's Grey to Green Initiative, which had the goal of preventing small patches of invasive plants from spreading in Park's natural areas. Currently, there are no other programs in the City that serve the function of protecting green infrastructure in natural areas. Performance measures impacted by this reduction include the number of acres annually treated for invasive weeds, which has remained constant at 2,000 since FY 2016-17 after decreasing from 2,173 in FY 2015-16.

Invasive species removal preserves the health and resiliency of Parks' green infrastructure. Given the Citywide impacts of eliminating the Protect the Best program, CBO does not recommend this reduction package. However, to balance with other Citywide priorities CBO is recommending a slight reduction of \$50,000, which rather than eliminating the program may require realignment.

CBO Recommendation: (\$50,000) | 0.00 FTE

Reduction of Public Involvement Position

PK_22, \$69,924, 0.00 FTE

This package would eliminate one Senior Community Outreach & Information Representative within the Public Involvement team which specifically supports public outreach for large projects and is the lead staff on groundbreaking and dedication events. This proposal realigns remaining Public Involvement staff funding directly to the projects and programs they support. Last year approximately \$80,000 in costs were budgeted to be allocated for public involvement costs of capital projects.

CBO supports this realignment, seeing that the demand for public involvement should be scoped to program and project needs. Due to the increased availability of Parks' SDC resources, it is largely expected that there will be continued need for public involvement in park design, which can be funded within the project budgets.

Related to the position elimination, while the role of this position is important in supporting the bureau's relationship to the community, the elimination of the position will not directly impact services. Given the need to identify General Fund savings in order to fund other Council priorities, CBO recommends this reduction.

CBO Recommendation: (\$69,924) | 0.00 FTE

Preschool Scholarships

PK_26 \$80,000, 0.00 FTE

This decision package requests \$80,000 in ongoing General Fund resources to

provide scholarships for Parks preschool participants. Educational preschool programs provide pre-literacy, socialization, structure, familiarity with the classroom setting, and many other experiences that benefit children throughout their education. Offering scholarships will ensure that low-income families have access to these services.

During FY 2017-18, Council issued a budget note directing Parks to achieve full cost recovery in its Preschool programming. Prior to the fiscal year 2016-17 arbitration agreement settlement, the cost of administering the preschool program rose by \$750,000 per year. During the 2017-18 school year scholarships were provided across 14 sites to 530 participants, Parks approved 60 (11.3% of total attendees) scholarships averaging \$712, for a total cost of \$42,700. As such, Parks has increased the fees to provide these services by 28% to achieve direct cost recovery. If Parks were to include these scholarships in their cost recovery model, an estimated 43% systemwide price increase would be necessary.

CBO does not recommend supporting these scholarships with ongoing General Fund discretionary in light of limited resources. To the degree that a scholarship program is built into the cost recovery plan for the program, Parks should assess what the impact would be on the demand for the service at the increased cost.

CBO Recommendation: \$0 | 0.00 FTE

Long Range Plan

PK_27 \$575,000, 0.00 FTE

Parks requests \$575,000 in one-time funding to renew the Parks Vision 2020 Long Range Plan. Parks plans to use the funding to initiate a public engagement process, update its vision to be more responsive to an increasingly diverse population addressing key issues that have emerged over the last 10-12 years. Parks is currently operating under the strategic guidance of its 2020 Vision Plan.

CBO recognizes that bureaus need comprehensive and long-term, strategic plans that guide them toward bureau and citywide goals. However, given the FY 2018-19 stated priorities and competing Citywide needs, CBO does not recommend funding for the Parks 2020 Long Range Plan at this time. Moreover, given the limited availability of expected one-time resources in future budget processes, CBO recommends that the bureau consider performing this strategic planning process with existing staff and other internal resources, and what would be the trade-offs of this internal reallocation of resources.

CBO Recommendation: \$0 | (0.00) FTE

Implement Cost-Recovery and Financial Sustainability Plans

PK_28, \$150,000, 0.00 FTE

This package would provide funding for consultant services that would assist with

the implementation of the Long-term Financial Plan and the Cost-Recovery Plan. CBO notes that both of these plans mark significant endeavors for the bureau and the effective implementation will be critical in setting the bureau on a fiscally sustainable path. However, significant progress needs to be made all both of these plans, including recommendations for next steps, prior to implementation. Absent this information, it cannot be determined whether additional resources are needed or whether these changes can be implemented within current resources.

Following the finalization of these plans and Council sign-off, CBO recommends that the bureau reassess whether additional resources are needed and what would be the trade-offs of funding the implementation within current funding.

CBO Recommendation: \$0 | (0.00) FTE

Financial Assistance for Low Income Residents

PK_29 \$600,000, 0.00 FTE

This package requests funding for the Parks scholarship program and proposes allocating \$600,000 of one-time General Fund Resources to establish a dedicated pool of funds for providing low-income populations access to fee-supported recreation programs. The scholarship program is the bureau's primary mechanism for ensuring access to programs for low-income youth and families. Parks does not currently budget scholarships; they are absorbed within the bureau's existing General Fund allocation and offered to customers through fee reductions. Fee reductions are currently provided at the behest of Recreation Coordinators and Recreation Supervisors at each community center in a non-centralized non-standard manner.

In the FY 2016-17 Budget, a one-time General Fund allocation of \$100,000 was provided to support a limited-term Scholarship Coordinator to support transition to a revised policy and practice for recreation scholarships. A key adjustment to the proposed policy is shifting to an annual award (\$200 maximum in most cases) value for qualifying individuals, eliminating the need to apply multiple times per year and at individual sites.

To enable the bureau to shift from its current underfunded, informal and off-budget approach, Parks is requesting that scholarship funds be provided by City Council to explicitly support scholarships. It is expected that over time the bureau will have demographic data to identify populations most impacted by the scholarship program.

During the FY 2017-18 Supplemental Budget process a recommendation was put forward for Parks to reallocate General Fund discretionary resources from Recreation Services to a separate fund, an internally sourced dedicated pool of scholarship funds. Since the Supplemental Budget process, Parks, CBO and Accounting have had several discussions on implementing the appropriate budget and accounting mechanisms. However, there has not been an agreed upon

approach.

CBO maintains that the scholarship program is a necessary tool for ensuring equitable access to Parks' programming, and whichever budget mechanism is used to account for scholarship funding, the goal should remain that scholarships are well-utilized and accessible. Parks should establish parameters for tracking demographic data (age, race/ethnicity, income), and a monitoring component to allow reporting on program performance. Moreover, CBO notes that the bureau may be able to fully fund the cost of program by shifting the resources used to fund the currently decentralized system to a centrally administered budget.

Given these concerns and limited available one-time resources, CBO does not recommend this request.

CBO Recommendation: \$0 | 0.00 FTE

Develop Culturally Responsive Communication

PK_30, \$150,000, 0.00 FTE

Parks has not updated its graphics and communications practices and standards during the last 14 years, since 2004. This proposal seeks funding to support an update to Park's communications and design practices and protocols. This one-time add package provides funding to hire consultants with specialized skills to update and redevelop the bureau's graphic standards

While CBO recognizes the need for communication and marketing materials that appeal to Parks' target audience, this request is not urgent and would not immediately or directly impact services. CBO also believes that, if planned appropriately and scaled to include the key components, could be absorbed within the bureau's current appropriation. As such, CBO does not recommend this request for \$150,000 in one-time General Fund resources.

CBO Recommendation: \$0 | 0.00 FTE

Operations and Maintenance

PK_31, \$178,369, 1.00 FTE

The bureau requests \$178,369 in General Fund ongoing resources and 1.0 FTE to support the estimated operations and maintenance of two projects (Lynchwood Community Garden and a new natural area near the recently completed Sellwood Bridge). Contracts for these parks have already been approved by Council or are scheduled for Council's agenda in the coming months. CBO recommends the direct operation and maintenance funding for these parks.

The City's financial procedure (FIN 2.03.02) intends to ensure that there is sufficient operations and maintenance funding while also giving Council the flexibility to provide direction on projects during the budget process and prior to approval of construction contracts. Last year CBO recommended funding for direct

O&M of new parks, but that the bureau separately request funding for related administrative costs rather than assuming a proportional amount of funding is needed. Included with this request is \$116,586 to fund the bureau's next most pressing administrative need, an Organizational Management/Personnel Administrator, intended to address the administrative demands of the Workforce Development group.

Parks has had a significant increase in the number of regular and limited term employees over the five years: total FTE has increased from 420 in FY 2012-13 to 695 in FY 2017-18. The increases are due to a number of factors, including the conversion of seasonal employees to 101.25 FTE in FY 2016-17 due to an arbitration settlement with Local 483. Parks has also increased operations and maintenance positions as a result of SDC-funded projects, in addition to an expansion of the Ranger program and the Asset and Development team following the implementation of the bond program. The increase in positions has also increased the demand of supporting a larger workforce. However, during this same period, Workforce Development has grown by a greater proportional amount: from three positions in FY 2013-14 to six positions in FY 2017-18.

CBO recognizes the increased burden on Parks' administrative staff and that as Parks' system grows and programming expands, there will need to be a commensurate increase in administrative staff to support direct service providers. Given the limited available ongoing resources, CBO does not recommend funding at this time. CBO notes that Parks currently has many vacant positions, potentially exacerbating the workload demands of Workforce Development staff, limiting their ability to implement process improvements like developing recruitment strategies, simplifying the application process and developing recruitment and hiring practices to build a culturally competent and diverse staff. However, given the large number of vacancies, CBO also has concerns about creating new positions when it is possible that the next most pressing need for the bureau may be to realign a vacant position into the requested management analyst.

CBO does not recommend the position included in this request. Moreover, CBO directs the bureau to include only costs directly related to O&M in decision packages associated with FIN 2.03.02. Administrative and support staff should be requested separately as those needs are identified.

CBO recommends the portion of this package associated with the O&M for parks that are expected to be contracted or constructed over the next year.

CBO Recommendation: \$61,783 | 0.00 FTE

Portland Parks Foundation

PK_35, \$100,000, 0.00 FTE

This package would add \$100,000 in General Fund ongoing resources to support to the Portland Parks Foundation. Since 2009, the City of Portland has provided the

Foundation with \$80,500 in funding in addition to another \$75,000 in the current fiscal year, contingent upon the availability of Parks' underspending (per 188669). As noted in the request, Portland Parks Foundation has provided significant fundraising and volunteer resources that benefit the parks system.

Portland Parks Foundation had annual operating expenses of approximately \$400,000, including administrative costs of \$75,000, funded through contributions and grants. In this past year, fundraising efforts yielded \$1.3 million to support a footbridge over Burnside, in addition to smaller costs associated with the Cully Park project, the Summer Free for All.

Due to the limited availability of funding and because Portland Parks Foundation has been previously successful in fundraising efforts to support administrative costs, CBO does not recommend funding.

CBO Recommendation: \$0 | 0.00 FTE

Utility Efficiencies

PK_37, \$500,000, 0.00 FTE

This package requests \$500,000 in one-time General Fund discretionary to fund positions (Turf and Irrigation tech and Facility Maintenance Tech) in addition to contract costs. Changes implemented by these positions will result in increased efficiencies in systemwide irrigation in addition to more optimally using the system that manages the lighting, heating, cooling, and ventilation of Parks facilities. Ultimately, utility savings are expected to offset the ongoing cost of these positions. This request also includes funding for the initial contract costs for an Energy Savings Performance Contract (ESPC), in which construction costs of energy retrofits are financed by utility savings.

Consistent with the Mayor's guidance, the intent of this package is to find efficiencies and focus one-time requests on investments that decrease the City's long-term costs. However, given the limited availability of one-time resources, CBO does not recommend General Fund resources. Rather, CBO recommends that the bureau pursue the project through another financing method. Any savings could be used for future Parks' needs or be offered as a future reduction package.

CBO Recommendation: \$0 | 0.00 FTE

SUMMARY OF REQUESTS AND RECOMMENDATIONS

Below is a summary of Portland Parks & Recreation's total budget.

	FY 2017-18	Base (A)	Decision Packages (B)	Recommended Adjustments (C)	Recommended Revised (A+B+C)
Resources					
Budgeted Beginning Fund Balance	\$ 95,768,253	\$134,922,938	\$ -	\$ -	\$134,922,938
Taxes	2,076	-	-	-	-
Licenses & Permits	1,120,328	1,325,328	55,000	-	1,380,328
Charges for Services	44,278,108	46,386,461	(52,725)	543,336	46,877,072
Intergovernmental Revenues	345,199	2,253,673	-	-	2,253,673
Interagency Revenue	2,544,223	2,005,530	400,000	620,000	3,025,530
Fund Transfers - Revenue	2,825,093	2,053,672	31,225,000	(27,032,489)	6,246,183
Bond and Note Proceeds	-	10,740,000	-	-	10,740,000
Miscellaneous Sources	3,298,334	2,493,164	30,000	(30,000)	2,493,164
General Fund Discretionary	62,786,007	65,570,795	1,218,035	(3,445,001)	63,343,829
Total Resources	\$212,967,621	\$267,751,561	\$32,875,310	\$ (29,344,154)	\$271,282,717
Requirements					
Personnel Services	\$ 69,425,892	\$ 71,984,002	\$ (917,101)	\$ 211,243	\$ 71,278,144
External Materials and Services	30,714,436	55,893,238	33,754,902	(29,654,742)	59,993,398
Internal Materials and Services	11,988,586	13,394,478	37,509	99,345	13,531,332
Capital Outlay	58,927,767	57,110,712	-	-	57,110,712
Debt Service	673,698	758,827	-	-	758,827
Fund Transfers - Expense	1,745,289	1,241,807	-	-	1,241,807
Contingency	39,329,261	67,202,756	-	-	67,202,756
Unappropriated Fund Balance	162,692	165,741	-	-	165,741
Total Requirements	\$212,967,621	\$267,751,561	\$32,875,310	\$ (29,344,154)	\$271,282,717

City of Portland
Decision Package Recommendations
(Includes Contingency and Ending Balance)

	Bureau Priority	Bureau Requested					CBO Analyst Recommendations				
		FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
Portland Parks & Recreation											
<u>Adds</u>											
PK_25 - Increase Support for Capital Major Mainten	01	0.00	625,000	0	0	625,000	0.00	450,000	(450,000)	0	0
PK_26 - Scholarships for Preschool	02	0.00	80,000	0	0	80,000	0.00	0	0	0	0
PK_27 - Long Range Vision Plan	03	0.00	0	575,000	0	575,000	0.00	0	0	0	0
PK_28 - Implement Cost Recovery/Financial Sustainat	04	0.00	0	150,000	0	150,000	0.00	0	0	0	0
PK_29 - Financial Assistance for Low Income Residen	05	0.00	0	600,000	0	600,000	0.00	0	0	0	0
PK_30 - Develop Culturally Responsive Communicatio	06	0.00	0	150,000	0	150,000	0.00	0	0	0	0
PK_31 - Operations and Maintenance	07	1.00	178,369	0	0	178,369	0.00	61,783	0	0	61,783
PK_40 - Maintain Campsite Cleanup at PP&R Properti	08	0.00	136,854	0	0	136,854	0.00	0	136,854	0	136,854
PK_32 - Vera Katz Eastbank Esplanade Maintenance	09	6.00	250,000	500,000	0	750,000	0.00	0	0	0	0
PK_33 - Fee Increases -Enhanced Tree Permitting Sei	10	3.00	0	0	770,000	770,000	3.00	0	0	770,000	770,000
PK_34 - Hazardous and Abandoned Boat Enforcemen	11	0.00	98,000	(30,000)	30,000	98,000	0.00	0	0	0	0
PK_35 - Portland Parks Foundation	12	0.00	100,000	0	0	100,000	0.00	0	0	0	0
PK_36 - Seismic Needs Assessment- PP&R Facilities	13	0.00	0	500,000	0	500,000	0.00	0	200,000	0	200,000
PK_37 - Utility Efficiencies	14	0.00	0	500,000	0	500,000	0.00	0	0	0	0
PK_38 - Fire Threats of Forested Areas Risk Assessm	15	0.00	0	100,000	0	100,000	0.00	0	0	0	0
PK_39 - Demolitions and Removal of Hazardous Struc	16	0.00	0	300,000	0	300,000	0.00	0	250,000	0	250,000
PK_24 - PP&R Priority Major Maintenance Capital Proj	17	0.00	0	29,800,000	0	29,800,000	0.00	0	3,742,511	0	3,742,511
Total Adds		10.00	1,468,223	33,145,000	800,000	35,413,223	3.00	511,783	3,879,365	770,000	5,161,148
<u>Reductions</u>											
PK_01 - Outdoor Water Use Reduction - Splash Pad/T	01	0.00	(200,000)	0	0	(200,000)	0.00	(200,000)	0	0	(200,000)
PK_02 - Recover Costs for Emergency Tree Removal	02	0.00	(400,000)	0	400,000	0	0.00	(400,000)	0	400,000	0
PK_03 - Strategic Parking Assessment & Revenue Stu	03	0.00	(100,000)	150,000	0	50,000	0.00	(100,000)	100,000	0	0
PK_04 - Inc Cost Recovery of Private Uses of Park Fa	04	0.00	(200,000)	100,000	100,000	0	0.00	(200,000)	100,000	100,000	0
PK_05 - Increase Fees for Special Use Permits	05	0.00	(90,000)	0	90,000	0	0.00	(90,000)	0	90,000	0
PK_06 - Transfer Utility Costs to Partner Organizations	06	0.00	(193,500)	0	0	(193,500)	0.00	(193,500)	0	0	(193,500)
PK_08 - Fountains Elimination	07	(4.00)	(620,000)	400,000	0	(220,000)	0.00	(620,000)	0	620,000	0
PK_09 - Eliminate Service to Non-Core Properties - La	08	0.00	(6,191)	0	0	(6,191)	0.00	(6,191)	0	0	(6,191)
PK_10 - Discontinue Planting&Maint of Downtown Trar	09	(1.00)	(100,000)	0	0	(100,000)	(1.00)	(100,000)	0	0	(100,000)
PK_11 - Reduce capacity for Operational Support	10	0.00	(70,000)	0	0	(70,000)	0.00	(70,000)	0	0	(70,000)

City of Portland
Decision Package Recommendations
(Includes Contingency and Ending Balance)

	Bureau Priority	Bureau Requested					CBO Analyst Recommendations				
		FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses	FTE	Gen Fund Ongoing	Gen Fund 1-Time	Other Revenues	Total Expenses
Portland Parks & Recreation											
<i>Reductions</i>											
PK_12 - Reduce capacity for Data Systems Devel & S	11	0.00	(98,416)	0	0	(98,416)	0.00	0	0	0	0
PK_13 - Efficiency to PP&R's Work Order System	12	0.00	(70,000)	100,000	0	30,000	(1.00)	(70,000)	0	0	(70,000)
PK_14 - Close Woodstock Community Center	13	(1.00)	(35,000)	10,000	(50,415)	(75,415)	0.00	0	0	0	0
PK_15 - Reduce weekend coverage at Customer Svc	14	(1.00)	(56,562)	0	0	(56,562)	(1.00)	(56,562)	0	0	(56,562)
PK_16 - Close Sellwood Community Center	15	(6.75)	(200,261)	111,000	(492,921)	(582,182)	0.00	0	0	0	0
PK_17 - Close Fulton & Hillside Community Centers	16	(4.75)	(136,182)	75,000	(341,761)	(402,943)	(4.75)	(136,182)	0	(341,761)	(477,943)
PK_18 - Reduce Park and Facility Maintenance Capac	17	(3.00)	(270,000)	0	0	(270,000)	(1.00)	(113,092)	0	0	(113,092)
PK_19 - Regional Trails Service Reduction	18	0.00	(52,000)	0	0	(52,000)	0.00	(52,000)	0	0	(52,000)
PK_20 - Reduce Frequency of Downtown Restroom Cl	19	0.00	(88,000)	0	0	(88,000)	0.00	(88,000)	0	0	(88,000)
PK_21 - Eliminate Support for Removing Invasive Spe	20	(2.00)	(200,000)	0	0	(200,000)	0.00	(50,000)	0	0	(50,000)
PK_22 - Reduction of Public Involvement Position	21	0.00	(80,076)	150,000	0	69,924	(1.00)	(80,076)	0	0	(80,076)
<i>Total Reductions</i>		(23.50)	(3,266,188)	1,096,000	(295,097)	(2,465,285)	(9.75)	(2,625,603)	200,000	868,239	(1,557,364)
<i>Realignments</i>											
PK_07 - Laurelhurst Dance Studio Realignment	01	(0.50)	0	0	(72,628)	(72,628)	(0.50)	0	0	(72,628)	(72,628)
PK_23 - Realignment of Outreach Position	02	0.00	0	0	0	0	0.00	0	0	0	0
<i>Total Realignments</i>		(0.50)	0	0	(72,628)	(72,628)	(0.50)	0	0	(72,628)	(72,628)
Total Portland Parks & Recreation		(14.00)	(1,797,965)	34,241,000	432,275	32,875,310	(7.25)	(2,113,820)	4,079,365	1,565,611	3,531,156