



**City
Budget
Office**

Portland Parks & Recreation

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INTRODUCTION

The Portland Parks & Recreation (PP&R) FY 2019-20 Requested budget submitted on February 4th, 2019 included a \$6.3 million budget gap between projected revenues and expenses. Since then, the bureau has been working to balance projected expenses with projected revenues by working with internal staff, the PP&R budget advisory committee (BAC), and their Commissioner-in-Charge. During the first week of March, the bureau both finalized its balanced budget and responded to a Direction to Develop to develop a bridge funding package to ease service impacts resulting from the budget reductions.

Given the recency of finalizing these budget decisions, there has been limited time for CBO to analyze the impact of these decisions. CBO generally finds the balancing proposal to align with the goals of protecting core services and equity and minimizing financially unsustainable practices. CBO finds the majority of the bridge funding package to merit consideration by Council, weighing the potential impacts of immediate programmatic reductions against other citywide needs. CBO recommends funding at least \$650,000 of the one-time request due to likely impacts of that funding on the financial sustainability of the overall ongoing reduction proposal.

Background Information

There are several factors that contributed to this budget shortfall, which fundamentally relate to bureau expenditures outpacing actual revenues for the past several years. While the bureau has submitted balanced budgets each year, in two of the past four years the bureau requested additional mid-year General Fund support to prevent estimated year-end over-expenditures; recognizing these shortfalls, Council has allocated \$1.9 million from General Fund contingency in the supplemental budget processes. However, the bureau has in each year been able to close their projected shortfalls either by relying on vacancy savings, meeting revenue targets, reducing expenditures, or implementing one-time methods that allowed the bureau to end the year within its allocated General Fund budget appropriation.

Finance staff within PP&R and the City Budget Office expressed concerns about personnel cost increases and/or non-cost recovering practices in several budget reviews over this timeframe, highlighting to bureau leadership and Council the need to align projected fee revenues with projected spending and/or better define core services to identify where program reductions should occur. Specifically, the addition of General Fund resources and FTE for the Local 483 Arbitration Settlement and the minimum wage required that recreation fees increase to support the reduced flexibility in Parks' business model. Previously recreation staff could reduce or increase seasonal hours in response to demands for classes and programming, but after the transition to permanent positions, there was less flexibility to decrease costs if revenue targets fell short.

PP&R had previously handled structural deficit issues with one-time strategies, but in December 2018 building the FY 2019-20 budget—it became clear that the budget gap was too large to handle with one-time strategies. These budget issues also coincided with transitions in bureau and staff leadership, which led to further complexity in the budget timeline.

CBO Analysis Framework

Due to the magnitude of the funding gap, the bureau was not able to submit a balanced budget with gap-closing solutions until early March. While CBO has not had sufficient time to provide thorough analysis on each proposed adjustment, CBO focused its assessment of the changes on the bureau's ability to achieve three goals CBO finds critical to supporting PP&Rs' long-term fiscal health: (1) retain core services and invest in programs with quantifiable outcomes, (2) continue to invest in equitable services, and (3) minimize fiscally unsustainable practices. The relationship of these goals to the bureau's current and future budget proposals is summarized below.

Retain core services and invest in programs with quantifiable outcomes

In deciding where to allocate limited General Fund resources, it remains important that PP&R continue to define what is considered "core" programming in contrast to services that are no longer part of the bureau's strategic, long-term plans. This process of defining core programming is underway, but unfortunately, final conclusions have not yet been reached. Specifically, currently underway are several key planning documents, the conclusion of which will clarify which areas of PP&R services are essential to planning. These planning efforts include the level of service study, the cost-recovery plan, the long-term financial sustainability plan, and the next vision document – the successor of the 2020 Vision Plan. CBO notes that the bureau received \$450,000 in FY 2018-19 to advance these planning efforts. Additionally, the FY 2017-18 Adopted budget directed Parks to develop a long-term financial sustainability plan.

In addition to investing in core programming, CBO reiterates that performance metrics are essential in understanding whether programs are achieving intended outcomes. Given the scarcity of General Fund resources, it is incumbent that the City invests in those programs for which data supports its effectiveness. To this end, CBO continues to seek performance data that informs these tradeoff decisions and notes areas where there is insufficient data to inform a decision.

Moreover, the most useful performance data will include more than visitation counts, but also include data on the number of unique users, available demographic information, and critically, where users' experiences align the strategic goals of the program. For example, it may not be the best use of scarce resources to continue to invest in a community center that is highly utilized by only a small number of Portlanders for services that offered and can be afforded elsewhere.

Invest in equitable services and outcomes

Given the scarcity of resources, it is critical that General Fund dollars are allocated cost efficiently so that the parks system remains broadly accessible to Portlanders and resources are not used to subsidize programming for a small number of unique users when these resources could be reallocated to expand accessibility. Moreover, understanding the demographic, socio-economic,

and abilities of users is critical in informing whether General Fund subsidies negatively impact underrepresented communities and/or disproportionately benefit users who have the ability to pay higher fees or purchase recreation services elsewhere. PP&R has continued to consider these equity questions through their budget balancing process, but CBO notes that there is often little available data on users, making it difficult to objectively evaluate the impact of these reductions. Where conclusions can be reasonably drawn, CBO has noted these impacts.

A significant amount (\$2.7 million) of the proposed General Fund reallocations come from reductions and realignments to community center programs and offerings. These activities are funded by user fees but nearly all of the programs are also supported by General Fund resources. Depending upon the program, this General Fund subsidy per participant can vary. For the programs which demand a large General Fund subsidy, the bureau should ensure that resources are furthering bureau equity goals.

Minimize fiscally unsustainable practices

To get onto a path of fiscal resiliency, the bureau needs to identify and correct for current practices, programs, and projects that are financially unsustainable. Ultimately, this may require an entire reevaluation of the bureau's business model which is outside of the scope of this year's budget process. In the near term, the bureau should look to improve cost recovery practices and enhance practices that address the bureau's major maintenance and infrastructure backlog.

Ensure adequate cost recovery of fee-based programs

A prominent issue leading to the budget shortfall is the need for fee-based programs to either sufficiently recover costs associated with providing those programs or for Council to approve greater levels of General Fund subsidy. Over the past five years, personnel costs within Recreation Services have increased, increasing the cost of programming and requiring either a corresponding increase in program fees or an additional General Fund subsidy. In the past, fee increases have not kept pace with program costs, resulting in revenues being less than budgeted expenses. Looking forward, PP&R will need to continue to project program costs and determine whether it is feasible to balance outyear costs with expected fee increases or whether the necessitated fee increases will dissuade users from this using this service.

CBO continues to recommend that the bureau's cost-recovery policy sets service goals that align with the pricing/cost recovery targets while also accounting for the price elasticity of low-income residents in the context of the City's overall equity goals. Options to address these cost recovery targets and service goals may include reducing program expenses or increasing fee subsidies via scholarships or other means-tested options, potentially resulting in a more complex fee structure. Notably, in FY 2016-17, Parks received one-time funding for a program manager to implement the updated policy changes to the scholarship program.

Address the major maintenance backlog

According to the latest [Asset Management report](#), PP&R currently requires \$25.8 million in increased funding *annually* to maintain existing assets. Deferred maintenance of these assets creates intergenerational inequity, as future generations will need to pay more to maintain

current assets in good condition or receive less service. Asset managers across the City – and the City’s Planning and Development Directors – have acknowledged that divesting from certain assets is a critical tool in helping the City adequately maintain current service levels.¹ In prior reviews, CBO has noted that nearly all of PP&R’s community centers require major maintenance improvements; some of these centers require significant investments in order to maintain current service levels. CBO has highlighted areas where General Fund resources have been reallocated to programs that are housed in assets which require significant major maintenance investments. While these programs may be viable in FY 2019-20, CBO notes that PP&R will need to continue to evaluate whether these programs are fiscally sustainable over the long-term, given the related major maintenance needs of the programs.

PP&R’S BALANCING PLAN

To balance the projected \$6.3 million gap between revenues and expenses, PP&R has submitted 26 adjustments that would reduce, realign, and eliminate expenditures throughout operations in four of the five bureau Divisions including: Assets & Development; Operations & Strategies; Land Stewardship; and Recreation Services. PP&R’s combined balancing package primarily reduces expenditures by eliminating 56.06 net Full-Time Equivalent (FTE) positions and by reallocating General Fund resources of \$2.6 million. Within these reductions and reallocations, community center closures and transitions are the largest component, accounting for \$2.7 million of the \$6.3 million gap.

The Recreation Services division is structured to receive 50% of its resources from fee revenues. As a result of costs continuing to outpace fee revenues, the Recreation Services has a projected gap of \$4.5 million in its \$32.8 million annual budget, representing 71% of the bureau’s total identified budget shortfall. As a result, PP&R is proposing major program realignments and expense reductions in this division. The proportion of the revenue gap associated with regional community centers signals the critical need for updated programmatic changes. Proposed changes are underscored by a number of bridge funding requests to support planning efforts and management work to determine more effective operations. As these efforts progress, the Recreation Division must also balance affordability with access.

The bureau determined that it would approach balancing by maintaining core services by reallocating \$813,000 from other programs into these core programs. Prioritized programs include Inclusion Services, programs for Seniors and people with disabilities, PP&R-run SUN schools, Outdoor Pools & aquatics administration, Summer Free for All (SFFA), and athletic administration and Fields. In addition, PP&R will continue current service levels and St. Johns Community Center, Woodstock Community Center.

PP&R approached this budget proposal using the values of equity, safety, and maintenance. At its March 6th BAC meeting, the bureau stated that it approached the reductions through a lens of looking at the impact on communities of color, refugees, and other vulnerable communities and

¹ 2018 City Infrastructure and Investment Needs presentation; Citywide Asset Report update.
<https://www.portlandoregon.gov/cbo/article/714613>

determined service reductions based on BAC discussions and priorities and Division managers. In addition, the bureau considered safety when reallocating resources away from maintenance needs.

An overview of the balancing plan is provided below.

Package Description	Expense	Revenue	Net FTE Change	Total Savings
Eliminate Planner Position	\$ (125,696)		-1	\$ 125,696
Eliminate Engineering Assistant Position	\$ (57,629)		-1	\$ 57,629
SUBTOTAL Assets & Development	\$ (183,325)		-2	\$ 183,325
Reduce Partner Pass-Throughs by 5%	\$ (69,149)		0	\$ 69,149
Eliminate Financial Analyst Position	\$ (131,600)		-1	\$ 131,600
Eliminate Customer Service Representative Position	\$ (63,835)		-1	\$ 63,835
Reduce Ranger Program Staffing	\$ (315,943)		-2	\$ 315,943
Realign Analyst Position	\$ (115,884)		-1	\$ 115,884
One-time Use of Innovation Trust Fund	\$ (128,000)		0	\$ 128,000
Reduce Property External M&S	\$ (14,361)		0	\$ 14,361
Recover Indirect Funding from Interagency Agreements	\$ (117,500)		0	\$ 117,500
Eliminate Equity & Inclusion Coordinator Position	\$ (118,291)		-1	\$ 118,291
SUBTOTAL Operations and Strategies	\$ (1,074,563)		-6	\$ 1,074,563
New Interagency Agreement for Natural Area Maintenance	\$ 117,500	\$ 367,500	0	\$ 250,000
Eliminate Transit Mall Planter Maintenance	\$ (136,121)		-1	\$ 136,121
Reduce Mowing of Non-Athletic Fields	\$ (99,676)		-1	\$ 99,676
Reduce Support for Training, Sustainable Landscapes, M&S	\$ (81,450)		0	\$ 81,450
Increase Revenue Projection for Parking		\$ 35,000	0	\$ 35,000
SUBTOTAL Land Stewardship	\$ (199,747)	\$ 402,500	-2	\$ 602,247
One-time Funding for Columbia Pool	\$ -	\$ 453,428	0	\$ 453,428
Realign Teen Services and Montavilla Community Center	\$ (649,467)	\$ (51,976)	-2.5	\$ 597,491
Close Laurelhurst Dance Studio	\$ (137,646)	\$ (58,734)	-1	\$ 78,912
Partnership Transition at Community Music Center	\$ (18,978)	\$ 47,199	-1	\$ 66,177
Transition Funding for Multnomah Arts Center		\$ 531,257	0	\$ 531,257
Realign Urban Parks Programming	\$ (150,797)		-1	\$ 150,797
Model Change/Closure for Small Community Centers	\$ (1,380,811)	\$ (911,236)	-11.5	\$ 469,575
Realign Large Community Centers	\$ (2,106,774)	\$ (790,049)	-24.56	\$ 1,316,725
Reduce Support for Peninsula Park Community Center	\$ (35,351)		-1	\$ 35,351
Reduce Relay Resources (Janitorial) Contract	\$ (158,396)		0	\$ 158,396
Consolidate Citywide Recreation and Recreation Support Systems	\$ (640,756)		-3.5	\$ 640,756
SUBTOTAL Recreation	\$ (5,278,976)	\$ (780,111)	-46.06	\$ 4,498,865
UF - Technical Adjustment	\$ 56,122			\$ (56,122)
SUBTOTAL Urban Forestry	\$ 56,122	\$ -	0	\$ -
BUREAU TOTAL	\$ (6,680,489)	\$ (377,611)	-56.06	\$ 6,359,000

Figure 1: The PP&R Reduction Proposals for FY 2019-20 Requested Budget

The balancing package submitted by PP&R assumes one-time General Fund discretionary resources, totaling \$984,685, to backfill costs for Columbia Pool and for Multnomah Arts Center as requested in its balancing package. Should these funds not be approved, the bureau will need to immediately find alternative funding sources or discontinue services.

CBO ANALYSIS

PP&R approached this budget shortfall by identifying areas to lower expenses in addition to

realigning General Fund resources from one program to support the continuation of current service levels in other areas. This is primarily done through reducing offerings in the Recreation Services division and the bureau, consolidating staff, reducing programming, and slightly increasing revenues. This approach makes sense to alleviate the immediate need to correct for the structural deficit.

However, CBO notes that there remains a need in the near future for additional solutions which will solve the underlying causes. Simply funding current service levels with savings from elsewhere in the bureau is insufficient: as costs increase for fee-backed programs in future years, Parks again will face structural deficits. Resolving the larger issue requires a fundamental reevaluation of current business models and the bureau must answer how programs will be funded by fee revenues over the long-term. To the degree that the bureau is unable to transition to new business models over the next year and this question remains unanswered, there is increased risk that Parks will face budget shortfalls in future years. CBO acknowledges that identifying these reductions has been a harrowing task, and that there are no 'easy' reductions. The bureau has submitted reduction option packages for several years in a row and the task has always required challenging conversations and decisions amongst bureau staff, leaders, and community members.

Changes related to previously evaluated reduction packages

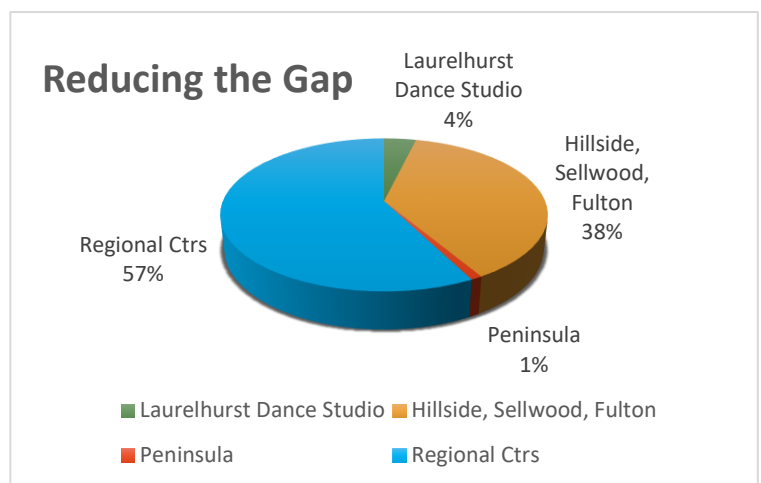
Several of the adjustments that PP&R is proposing have been analyzed by CBO and considered by Council in the past. The following section summarizes past findings and new changes in these previously considered proposals. Many of the reduction proposals were previously recommended by CBO. Generally, CBO recommends these proposals as they mostly align with one or more of the aforementioned goals of (1) retaining core services and investing in programs with quantifiable outcomes, (2) continuing to invest in equitable services, (3) minimizing fiscally unsustainable practices.

CBO does highlight concerns around potential longer-term cost implications of reducing the sustainable landscapes initiative.

Community Center Closures, Transfers and Realignments, (\$3.7 million)

A significant part of PP&R's proposed solution includes the closure or transfer of three small community centers, Laurelhurst Dance Studio, and Columbia pool as well as a realignment of programming and operations

of several larger centers. In FY 2018-19, PP&R proposed the closure of four similar centers (& Laurelhurst Dance Studio); CBO recommended this reduction for all sites except Sellwood Community Center, primarily due to the unfunded major maintenance



requirements at the Centers over the next five years. However, Fulton, Laurelhurst, and Hillside, are proposed to be leased or rented to partner or and community organizations, the bureau will pursue lease agreements. Sellwood and Columbia Pool are slated for closure after a period of transition.

With respect to Sellwood Community Center, prior CBO analysis ([found here](#)) notes that, “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

Proposed Closures	
Laurelhurst Dance Studio	Discontinue programming July 2019. Pursue lease agreements
Hillside	Discontinue programming. Pursue lease agreements
Fulton	Discontinue staff support. Existing lease agreement.
Sellwood	Discontinue programming and close facility.

operations costs could be internally reallocated to their highest needs.”

By discontinuing services at these centers, the bureau aims to focus on the bureau’s five larger, regional community centers, reduce specialized course offerings, and better coordinate staffing levels and operations. While these packages will result in service level reductions, CBO finds that these proposals notably strive to minimize fiscally unsustainable practices.

Hillside Community Center

The proposal to close Hillside Community Center would reduce 4.5 FTE positions and 3,013 casual staff hours, yielding a potential General Fund savings of \$243,690. Hillside is primarily programmed for preschool, and in prior years, afterschool programs. The bureau notes recent declines in after school program attendance over the last two years. FY 2018-19 marks the first year in which afterschool programming was dropped because of low attendance due to an afterschool program opening up at Chapman, which has proved more convenient for users. Although programs operating out of this center are well attended, other options exist outside of these offerings, and Hillside is currently operating at a deficit.

PP&R proposes leasing this facility to community organizations beginning September 2019. Concerns regarding the level of demand for leasing and potential continued costs.

A key consideration for Hillside is 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. Prior CBO analysis of Hillside Community Center closure can be found [here](#).

Fulton Park Community Center

Fulton currently provides limited access to community groups and houses the operations of a private French language immersion school. PP&R, under a revised operating model, would enter into a triple net lease with a partner that would be responsible for managing the current

community uses. Fulton is currently staffed by 0.5 FTE, and although approximately 33 hours of casual labor is budgeted, those resources are not used. This proposal would generate a total of \$95,929 in saving that the bureau is proposing to reallocate. An additional reduction of \$15,846 in recreation administrative support would be realized if the center were closed.

The bureau has contemplated closing the community center in prior years due to significant damage to the building's roof during the Winter 2017 storm which required repairs in excess of \$1.6 million. As a result of a budget reduction in FY 2012-13, Fulton Park Community Center was transitioned from being a regular neighborhood community center to a rental-only facility. Currently, the Center is primarily leased to L'Etoile French Immersion School for school and summer programs.

PP&R is pursuing a lease with the current tenant slated to begin June 30, 2019. This is highly dependent on the terms of the lease and whether the agreement will be signed. Notable considerations for this package include the significant deferred maintenance needs as well as ADA access challenges. CBO analyzed Fulton Community Center closure in the FY 2017-18 budget review, which can be found on CBO's website [here](#).

Sellwood Community Center

PP&R proposes closing Sellwood Community Center in September of 2019 which would eliminate 6.25 FTE positions and approximately 10,842 casual staff hours, yielding a potential savings of \$298,761. Sellwood's current revenue projection is \$395,921 and current General Fund allocation is \$232,630 which the bureau is proposing to reallocate. The direct cost recovery rate for Sellwood is 55.8%, which does not include bureau overhead costs.

Prior CBO analysis concluded that - considering the large subsidy per participant and the looming capital costs - this is the right time to consider divestment. A key concern is the service demand for afterschool and preschool programming as well as summer camp coordination. The bureau already planned to discontinue some of the summer camp service offerings in FY 2019-20, which will help to mitigate the service impact of closure.

The Sellwood community center has been considered for closure a total of five times: FY14, FY16, FY17, FY19 and this year. In FY 2018-19 Sellwood Community Center received visits from 2,192 unique users and 39,559 total visitations (these figures do not include drop-ins). In relation to other neighborhood community centers considered for closure, Sellwood receives a large volume of annual visitations, however, the number of unique users indicates this service is used regularly by a small proportion of the City's population. The average per user subsidy was \$106/user in FY 2017-18.

Laurelhurst Dance Studio

Due to declining enrollment and rising personnel costs, PP&R will eliminate its dance program at the Laurelhurst Dance Studio in July of 2019. This closure follows a realignment of the studio to a rental facility in the current fiscal year. The FY 2018-19 realignment shifted \$72,628 in ongoing General Fund resources and 0.5 FTE to another recreation site, reducing course offerings, and modifying class schedules to reduce costs and increase revenues. However, the studio is

projected to have an operating deficit of \$68,866 in FY 2019-20. Further, the bureau notes that there is not currently a workable organizational setting for the program in which a department head directly supervises front line staff within current resource constraints.

Laurelhurst is PP&R's only specialized dance studio. In FY 2017-18 the studio served 1,285 registrants who attended an average of two classes. In FY 2018-19 the studio is projected to have 1,100 registrations and approximately 13,000 visits. While the studio is projected to recover about \$58,700 in revenue, the annual operating expenses are more than twice that at \$137,000. To that end, PP&R is proposing to make the space available for lease by another dance organization so that would provide affordable dance programs and mitigate some of the impacts to the community. The bureau also put out a 'request for information' and plans to proceed pending action on this proposal. CBO's FY 2018-19 analysis on the prior package can be found on CBO's website [here](#).

Peninsula Park Community Center

This package proposes a 1.0 FTE Recreation Leader-Generalist position and would realign half of the savings from eliminating the position to Recreation support staff that cover front desk duties and reduce the center's General Fund resource allocation by \$35,351 or fill 1% of the Division's budget gap. This reduction is not expected to impact service levels; however, it will allow the bureau to better align available resources with operating needs.

Regional Community Center Realignment

PP&R's regional community centers are the largest example of personnel costs growing at a much faster pace than revenues. These five centers: Southwest Community Center (SWCC), East Portland (EPCC), Mt. Scott (MSCC), Matt Dishman (MDCC), and Charles Jordan Community Center (CJCC), are heavily dependent on revenues to fund operations which has led to a projected \$2.1 million General Fund gap across the five centers. This proposal reduces the gap by eliminating 24.75 net permanent FTE positions (21.0 FTE, 13.0 PT), 4,784 seasonal hours and consolidating operations as well as eliminating 3.0 FTE staff positions in Citywide Recreation Admin.

Most of the revenue gap in the Recreation Services division can be linked to Southwest Community Center, largely associated with personnel costs due to the allocation of recreation arbitration positions to the SWCC funds center. Reducing personnel costs generates a \$1.3 million General Fund savings. In addition to reductions, the bureau will realign General Fund savings from other recreation services to fill the gap at these five regional centers.

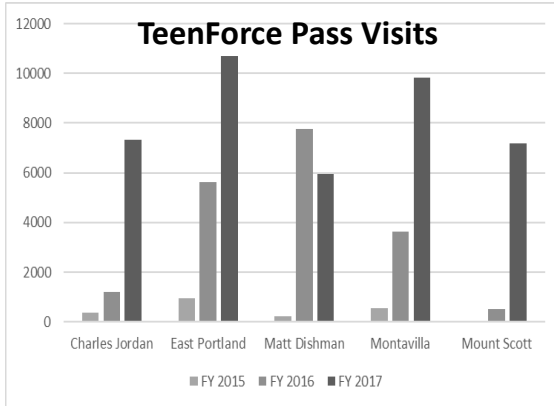
To solve for this issue, the bureau proposes employing a "Base Operations Plus Core" model. This Base Model includes programming and support for drop-in use of gyms, fitness facilities, pools, rentals, educational preschool and front desk operations. The Core Program Model includes programs identified as core to the PP&R mission and are cost-effective. Thus, the Base Operations plus Core Program Model reflects a combination of basic operations augmented by identified core programming including: swimming lessons, youth sports programs, youth camps, select arts programs and preschool programs.

The success of implementing this new operating model will be contingent on how well the

bureau monitors the performance of each center and how responsive the model is to unanticipated external factors and potential programming changes.

Teen Program Reduction

The teen program budget in FY 2018-19 was \$1.7 million, with the majority of program expenses consisting personnel costs of \$1.0 million and external materials and services costs of \$645,000,



which includes grants, contracts for outreach workers, and program supplies. Cumulative daily attendance of teen service programs in FY 2017-18 was 40,970, with daily attendance ranging from 50 – 250 across all centers (Montavilla, East Portland, Mt. Scott, Matt Dishman, and Charles Jordan Community Center. Additional information about the teen services programs can be found in the 2018 program report [here](#).

Proposed programmatic changes to the Teen Force program would reduce days of operation at East

Portland, Mt Scott, Matt Dishman, and Charles Jordan community centers from 7-days to 5-days per week and reduce program hours from 3-9PM to 3-7PM.

Teen programming operations would continue at Montavilla Community Center, which currently provides teen and preschool programming. General program staff at Montavilla Community Center will be reduced by 2.5 FTE (one Recreation Coordinator I and one Recreation Leader) to lower expenditures and teen program staff will give priority to youth services and assist with direct operations during teen program hours. At each of the four teen program sites other than Montavilla, program staff will be 1.0 FTE Recreation Coordinator and 1.0 FTE Recreation Leader with an additional limited budget to schedule part-time staff. Finally, this proposal includes a \$150,000 funding reduction for associated contracted outreach services and for grants to other youth-oriented organizations as well as eliminating the Park Squad summer intern program. In FY 2017-18 TeenForce provided seven \$50,000 program grants (total of \$350,000) to partner organizations (Boys & Girls club, IRCO, Latino Network, NAYA, POIC, REAP, and SEI). Pass-through organizations focus on related outcomes of leadership development and job training.

The impact of this reduction and realignment package will be fewer specific enrichment activities, less funding for passthrough organizations, and a reversion back to the original staffing levels for the gang outreach program from four to two contracted outreach workers.

Teen Programming was funded in FY 2015-16 with \$2.0 million in ongoing General Fund resources with the goal of mitigating the impact of gang violence by providing positive alternatives for teens and creating civic-minded teen communities. As part of the programming Montavilla Community Center functioned as a year-round teen center with dedicated programs and staffing. This reduction maintains the initial program goals and is structured in a way that will minimize impacts on youth participants.

Land Stewardship Division Changes, (\$602,247)

Similar to prior requested budget reductions, PP&R is proposing a discontinuation of planting and maintenance of downtown transit mall planters and reduced mowing on non-athletic fields. PP&R is also proposing a reduction to its Sustainable Landscape Initiative's materials and services budget and the collection new revenue via a new interagency agreement (IAA) with the Bureau of Environmental Services (BES).

Land Stewardship maintains and manages grounds at developed parks and natural areas and is divided into three units: Westside group, Eastside group, and a central land services group that oversees environmental education, community gardens, turf, irrigation, and horticultural services. In terms of scope, this Division includes the Natural Areas Maintenance and Park Maintenance Programs. The Natural Areas program consists of 21.2 FTE that manage 73 natural areas and 8,000 acres of forests, wetlands, meadows, and other natural landscapes. Natural Areas is almost entirely funded through the General Fund, with a total FY 2019-20 base budget of \$3.4 million. Expenses for this program are primarily personnel and equipment materials costs. Park Maintenance oversees 146 parks and approximately 3,500 acres across Portland and is entirely funded through the General Fund. The program budget of \$18.6 million includes 110.8 FTE, expenses are 65% personnel services and 35% materials and services (mostly vehicles, supplies, and landscape equipment).

Enhanced Transit Mall Upkeep. The Transit Mall is defined as encompassing 5th and 6th Avenues in downtown Portland from the north line of NW Irving Street to the south line of SW Jackson Street, inclusive of the light rail trackway, roadway, and sidewalks. Transit mall upkeep is governed by an IGA between the City/PBOT and Tri-Met. As part of the agreement, Parks is obligated to provide an enhanced level of care beyond the base agreement. The enhanced agreement will expire at the end of FY 2018-19 and pending no amendments, PP&R plans to reduce planting and maintenance activities to base levels beginning FY 2019-20.

In the FY 2018-19 Parks budget review, CBO recommended reducing General Fund discretionary resources to fund these maintenance costs. CBO found that 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. This package was not adopted in part due to the IGA; CBO's analysis of that package can be found [here](#) (page 21).

Reduced Mowing on non-athletic fields. Parks is proposing a reduction in services that would generate \$99,676 in General Fund savings. This proposal reduces trim mowing, which accounts for the finishing in park areas immediately around trees and areas larger mowers cannot reach. Currently, eight trim routes are run daily and all developed parks receive some trim mowing weekly with all areas completed every two weeks. This proposal will reduce mowing, turf repair, and leaf collection by 8%, and trim mowing specifically by 13%, potentially resulting in parks looking less maintained. Prior CBO analysis recommended this reduction based upon the fact that the position had been vacant for some time. Given the tradeoffs facing the bureau, CBO

continues to support this reduction as it minimizes direct core service level reductions. Prior CBO analysis can be found [here](#) (page 23).

Reduced Support for Training, Sustainable Landscapes Initiative. The sustainable landscapes initiative converts parks sites into sustainable landscapes, eliminating mowing and irrigation. In FY 2017-18, the bureau proposed - and CBO recommended - the new Sustainable Landscapes Initiative which saved money by reducing the maintenance of more costly landscapes and replacing with a new program focused on ecologically sustainable landscapes. This reduction would yield \$81,845 in General Fund savings. Prior CBO analysis can be found [here](#).

Natural Area Maintenance. This proposal will yield \$250,000 in General Fund reallocation by offsetting resources through an IAA with BES. The IAA will redirect City Nature East staff to manage properties where BES has made a capital investment in acquisition and/or restoration.

CBO supports this proposal as it generates General Fund savings and creates positive cross-bureau coordination while providing a net benefit for both bureaus.

Reduce Ranger Program Staffing, (\$315,943)

Over the last several years, Council has considered and approved significant increases to the Ranger Program – growing from 2.0 FTE to 25.0 FTE (plus three supervisors) in between FY 2010-11 to FY 2018-19. The FY 2017-18 adopted budget included the expansion of the program by 9.0 FTE Park Ranger positions with \$510,000 General Fund ongoing resources. A portion of those resources and positions (5.0 FTE and \$152,148 ongoing General Fund) were for conversions of contracted security services to PP&R Rangers. In FY 2018-19, the bureau received 250,000 ongoing and 2.0 FTE Park Rangers to fund dedicated programming along the Vera Katz Eastbank Esplanade. According to PP&R's FY 2019-20 Requested budget, the current year budget for the program totals \$3.2 million.

PP&R is eliminating 1.0 FTE park ranger and 1.0 FTE ranger supervisor position in addition to a reduction of seasonal ranger capacity, creating General Fund savings of \$315,943. The bureau has stated that the elimination of the Park Ranger Supervisor position would change oversight of the program. The bureau anticipates a direct service reduction in East Portland as capacity limitations would prevent patrols due to the large geographic area. CBO notes that the bureau could reduce ranger services in other areas of the city in order to meet Council's expectations and the bureau's equity goals. Reducing the seasonal ranger budget will reduce the availability of security services for specific programs within the bureau, like the SFFA program would need to begin programming the costs of security services into their budget.

Given the current fiscal constraints, the bureau considers the ranger program as being a relatively new and scalable program. This reduction is consistent with proposed reductions in prior years. CBO analysis of PP&R's Ranger Programming requests from FY 2017-18 can be found [here](#) and analysis of FY 2018-19 Park Ranger funding can be found [here](#) (page 23). With the recent programmatic growth and the less core nature of this work, CBO recommends this reduction. CBO notes that, given the majority of calls for service related to camping, this program appears to be strongly correlated with the need for homeless services and the appropriate funding level

should be considered by Council in concert with other efforts to meet community needs around homelessness.

Eliminate Customer Service Representative Position, (\$63,835)

The Customer Service Center (CSC) is responsible for providing direct customer service online, by phone, and to walk-in customers requesting information or wishing to purchase services with the City of Portland Parks & Recreation. The CSC is currently staffed with 17.0 FTE. PP&R is proposing the elimination of a vacant 1.0 FTE Customer Service Representative position that would yield a General Fund savings of \$63,835. These staff respond to inquiries for park ranger services, facilitate reservations, and are the primary call-takers for PP&R services. The elimination of this position reduces the frontline employee staff team from 11 to 10 members, a 9% reduction in capacity, and could impact increase response times. However, eliminating this vacant position is unlikely to have significant service impact in the short-term. In addition, the bureau reports that the CSC will continue to cover Ranger primary service calls and process permits.

In FY 2018-19 the bureau proposed the reduction of one weekend customer service center representative to meet the 5% CAL Target reduction direction which reduced General Fund allocation by \$56,562. CBO recommended the reduction given that Parks identified this reduction package as a noncore service and impacts to service provision would be low. CBO analysis of the FY 2018-19 Requested budget reduction can be found [here](#).

New Changes to Generate Savings

The bureau is also proposing several adjustments that have not been previously evaluated by CBO and Council. These include:

- Multnomah Art Center Transitions, \$531,257 one-time General Fund
- Urban Park Programming, (\$150,797)
- Eliminate Financial Analyst and Realign Analyst Position, (\$247,484)
- One-time Use of Innovation Trust Fund, (\$128,000)
- Recover Indirect Funding from Interagency Agreements, (\$117,500)
- Eliminate Equity & Inclusion Coordinator Position, (\$118,291)
- Eliminate Planner and Engineering Assistant positions, (\$183,325)
- Reduce pass through funding, (\$69,149)

CBO finds many of these proposals align with at least one of the aforementioned goals of (1) retaining core services and investing in programs with quantifiable outcomes, (2) continuing to invest in equitable services, and (3) minimizing fiscally unsustainable practices.

However, while the vast majority of the gap solutions proposed by the bureau appropriately seek to address the ongoing nature of the funding gap, the proposal to use \$128,000 in innovation trust fund dollars appears to provide a one-time solution that may simply delay the need for an

ongoing reduction until next year.

CBO notes that the elimination of an Equity and Inclusion Coordinator position, and the reduction of pass-through funding have the potential to negatively impact the ability of the bureau to continue investing in equitable services. However, these proposed reductions marginally reduce currently funded efforts and may be absorbed with minimal impacts to larger equity goals: the reduction of the equity position retains a total of 4.0 dedicated FTE to equity management work in the bureau and pass through funding is being reduced by 5% per organization. More detailed information on these proposals is provided below.

CBO also notes that the bureau has an urgent need to continue work to identify and implement longer-term financial resiliency in the bureau and recommends that the bureau ensure the financial analyst is not needed in the short term to ensure the future financial stability of the bureau.

Additional information on each request is provided below.

Transition Funding for Multnomah Arts Center, \$531,257

Recreation Services programming for Arts and Music is operating at a deficit at both of the Multnomah Arts Center and the Community Music Center. In FY 2019-20, projected expenses are expected to exceed projected revenues by \$380,733. PP&R is proposing a transition in operations from direct bureau management to 'arms-length' management through related non-profit interest groups that support these centers.

The requested funds would transition the Community Music Center (CMC) and Multnomah Arts Center (MAC) to sustain service models where existing partner agreements will be updated or new partnerships will be created while General Fund support will be reduced or reallocated toward other recreation services.

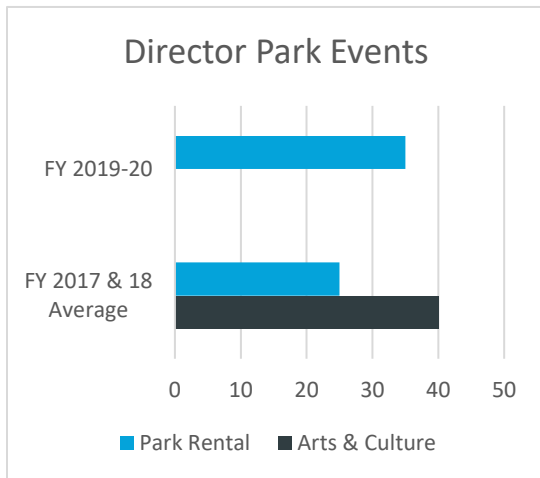
Community Music Center (CMC). PP&R successfully determined a one-time resolution for the projected FY 2019-20 revenue gap through an updated partnership agreement with CMC Inc. and reducing 1.0 FTE. The CMC programs about 361 annual events, receives an annual average of 1,018 unique visitors and has 35,000 annual visits.

Multnomah Arts Center (MAC). In FY 2019-20 MAC has a projected budget is \$1.7 million with a projected deficit of \$245,733, which includes \$163,520 in General Fund resources. PP&R proposes finding new partnerships and eliminating ongoing General Fund support. The MAC is the largest multidisciplinary service provider in the PP&R portfolio and has rental tenants that include 17+ neighborhood organizations, and 12 arts organizations.

Urban Parks Programming, (\$150,797)

Parks will reduce General Fund resources for Urban Parks programming by \$150,797, 1.0 FTE, and approximately 10 seasonal positions. This proposal would eliminate onsite staff coverage and free arts and culture programming at Director Park and reduce General Fund for Urban Parks programming to \$250,000. Programming at Gateway Discovery Park would be modified but not reduced, while programming at Holladay Park would be modified to function with less staff and

generate income for expenses. The bureau is currently negotiating with the Holladay Park Partnership, collect rental revenue, and shift programming from special events toward “out of the box” activities.



In FY 2016-17 and FY 2017-18, the average amount of Arts & Culture events at Director Park was 40, PP&R projects that this change will result in zero Arts & Culture events in FY 2019-20. For Park Rentals, the bureau averaged 25 over the same two-year period and projects that under the proposed changes there will be 35 Park rentals in FY 2019-20, an increase of 40%. The final proposed change in PP&R programmed events at Director Park will be a projected 46% reduction from 65 to 35.

CBO notes that this proposal is put forth contingent upon PP&R’s ability to move all revenue for Director Park to the Director Park budget including rentals and the building lease for Travel Portland. If successful, the bureau will maintain programming at Holladay Park with partner support.

Eliminate Financial Analyst Position, (\$131,600)

The finance team in the Director’s Office coordinates annual budget submission and performs many bureau-wide finance functions. The bureau is proposing the elimination of 1.0 FTE financial analyst position, generating \$131,600 in General Fund savings. The bureau would mitigate this reduction by distributing the work of this position across the finance team and the bureau does expect this to have an impact on financial sustainability efforts. Given the current financial state of the bureau, CBO notes that there is increased risk in reducing the capacity of the finance team. Given limited time to evaluate this request, CBO cannot speak to whether this reduction would negatively impact the bureau’s ability to manage its day-to-day finance or implement a long-term financial sustainability plan.

Equity Coordinator, (\$118,291)

CBO notes that the bureau may have updated this reduction since this information was provided. The bureau created the Equity, Inclusion & Community Engagement in FY 2016-17 with 1.0 FTE. Since then, the program has grown to 5.0 permanent FTE. PP&R proposes reducing 1.0 FTE from the team and generating General Fund savings of \$118,291. As a result of eliminating this position, to the bureau will reduce for support multicultural events through the City for example, facilitating Delta Park Pow Wow, Tribal Summit, Native American Day, administrative support for Parks for New Portlanders, Tongan Festival, Muslim Festival, World Cup Soccer, Stand With Refugee and Immigrants, and Walk with Refugee and Immigrants. The bureau notes that some of these events may even be cancelled. This position is also lead for Title II and works as a liaison with OEHR, and so these responsibilities would need to be reallocated to other staff.

One-time Use of Innovation Trust Fund, (\$128,000)

CBO notes that the bureau may have updated this package since this information was provided.

Block J is a parking lot with approximately 65 pay-to-park spaces located near Naito Parkway. Parks uses the space to generate revenue and to store equipment and vehicles. This package proposes shifting the remaining \$128,000 of Innovation Fund resources from the Parks Memorial Fund to close the gap on a one-time basis.

Assets & Development - Eliminate Planner and Engineering Assistant positions, (\$183,325)

The Assets & Development Division receives most of its funding through PP&R's Capital program funds, but the General Fund represents \$10.2 million, or 14% of total resources in the Division. PP&R is proposing the elimination of 2.0 FTE positions, which would produce approximately \$186,000 General Fund savings and reduce a portion of the \$6.3 million projected revenue gap, yielding a total General Fund reduction of \$186,583 estimated.

Engineering Associate. The engineering associate position is currently vacant but represents 14.2% of the staff capacity within the Division. The General Fund reduction from eliminating the engineering associate position is \$57,546. This position is responsible for project management and major maintenance capital projects, including emergency major maintenance capital projects.

In terms of how this reduction would impact the current workload, it is unclear. Parks is likely to need additional staffing to meet the capital work required to implement SDC-funded portion of Parks capital plan and major maintenance work that is funded from its current ongoing major maintenance allocation. However, Asset Division staffing should be scaled to meet this demand as the capital program grows and contracts. Moreover, personnel costs of projects should be budgeted within the project budget and funded within the project resources. Using ongoing General Resources within the bureau's base budget is not the most effective way to fund this position, and CBO supports this reduction.

Planner II. The Planning group plays an integral role in capital projects by creating Master Plans for parks, natural areas, and open spaces. The planner II position is responsible for contributing to PP&R's strategic planning efforts like the 2035 Vision Plan Update and provides liaison support related to code, land use, and park use expertise to the Land Stewardship division. The General Fund reduction from eliminating this position is \$125,554. Eliminating this position would have a service impact in the long-term as this position represents 20% of the staff capacity in the Planning Program; however, this position has been vacant since September of 2017. PP&R had planned to fill the position with a permanent staff person to work on the Vision Plan.

Reduce Pass Through Funding (\$69,149)

PP&R is proposing a 5% reduction of pass-through funding for community partner organizations. These reductions are expected to yield \$69,149 in General Fund savings; individual organizational impact varies between \$2,230 and \$33,747. In the bureau's FY 2019-20 Requested budget submission, total ongoing funding for these passthrough expenses were nearly \$2.0 million.

Given the variation in the sizes of the pass-through organizations budget, intended outcome

goals, population of service provision, and type of service provided, it is difficult to determine the impact of these reductions on all services.

CBO recommends that pass-through funding be annually evaluated in terms of whether these programs meet the bureaus service goals and remain core bureau offerings. The bureau notes that a majority of the Property program's time is spent on existing legacy partnerships, which limits the programs' ability to make new partnerships that could better reflect the community being served today. To that end, PP&R may consider other programmatic models that allow for a more effective and equitable allocation of resources.

REQUESTS FOR BRIDGE FUNDING

Direction Language

In FY 2019-20 PP&R received a direction to develop requesting all funds necessary to bridge the remaining funding gap resulting from efforts to balance the \$6.3 million gap which are not able to be implemented by the end of FY 2018-19. Complete language direction can be found [here](#).

Although the direction to develop was submitted on February 13, 2018, PP&R did not provide the details of the package until March 2018. Details of the package are therefore absent from the request. What follows is a synopsis of the 11 items included in the \$3.2 million total request.

CBO Analysis

PP&R requesting bridge funding totaling \$3.2 million in one-time General Fund resources for program extensions, one-time transition costs, gap backfills, and planning resources. PP&R's package is divided into \$2.5 million to temporarily fund items that have been eliminated in its base budget (including planning and transition costs) and just under \$750,000 for summer bridge funding and Columbia Pool programming. This request equates to about half of the total identified gap between revenues and expenses in Parks' base budget. Of the \$3.2 million requested, approximately 22% of these funds would support summer programming at Sellwood, Hillside, and Montavilla community centers. CBO notes that summer registration for all programs was opened February 25th, well after Parks identified its budget gap.

Part I. Transition, Planning, and Revenue Stabilization Bridges

PP&R requests \$2.5 million in one-time General Fund resources to support seven requests related to transitioning operations, closing community centers, stabilizing revenue under the new operating model, and for operational uncertainties.

Multnomah Arts Center Revenue Stabilization and Transition Plan

PP&R is requesting bridge funding to continue programming at current service levels at the Multnomah Arts Center (MAC) through FY 2019-20. In the FY 2019-20 base budget, MAC is projected to have a funding gap of \$245,733. This is largely due to increased personnel costs, a lower level of drop-in revenues, and a lower level of General Fund support. To address the ongoing budget deficit, PP&R proposes finding new partnerships and eliminating ongoing General Fund support. The MAC is the largest multidisciplinary service provider in the PP&R portfolio and has rental tenants that include six long-term tenants, and 12 short-term rentals associated with

arts organizations.

PP&R requests \$531,257 in one-time funding to fill the General Fund gap for 18 months and an additional \$265,629 for an additional 6 months (total, \$796,886) so that operations can continue at current service levels while partnerships and funding agreements are formed. In FY 2017-18, MAC had 4,992 unique visitors and 60,346 visits.

A key concern here is that these packages base transition planning on locating partnerships. In addition, both centers have significant deferred maintenance costs, and a wide variety of stakeholders that find significant value in the specialized programs offered at these centers.

MAC is one of PP&R's older assets, built in 1919 as school complex. A recent condition assessment has not been completed but based on known conditions and a low-confidence estimate from the bureau, the deferred maintenance requirement for the MAC is between \$20.0 - \$50.0 million, which includes completing the seismic retrofit which started with the 2014 Parks Replacement Bond; clay tile roof replacement, plumbing, painting, and other health and safety needs. In addition to catching up on deferred maintenance, an estimated *annual major* maintenance cost for a facility this size is \$125,000 per year for asset sustainment. CBO notes that even if the short-term funding gap is addressed, significant additional investment in major maintenance funding for MAC will be required in order to sustain programming. Given the level of investment required, CBO recommends that Parks evaluate whether MAC programming can be transitioned to other community centers, whether MAC programming will be prioritized and supported as a core PP&R service, or whether PP&R should begin planning for discontinuing services at MAC in the coming years.

In terms of cost recovery, the MAC currently has \$163,520 General Fund discretionary allocated in the request budget compared to \$1.6 million in revenue. Approximately 80% of direct program costs are supported by fees, and the average General Fund subsidy per participant is \$32.75, which is a relatively lesser amount compared to the subsidization of costs of program. With regular fee increases and under new business models, it is reasonable that the direct costs of MAC programming could become financially sustainable.

However, CBO does have concerns about the low number of unique users of MAC programming relative to participation in other Parks' programs. Moreover, CBO has requested demographic data on current users, but this information is not available. Absent this data, whether these services are equitably distributed cannot be determined. The bureau notes that it was routine to collect demographic data in prior years but due to the political climate and reported discomfort by service users, they have since stopped collecting data. PP&R has stated that it is currently working on an initiative to update this information. CBO also has concerns with continuing to invest in programming, which is housed in an asset that is underfunded, potentially unsafe in the near-term and for which there is no financial plan to address the major maintenance issues. Should bridge funding be provided, CBO recommends that the bureau determine both the immediate and long-term asset maintenance funding plan before finalizing any long-term operational partnerships.

Community Music Center Transition Plan

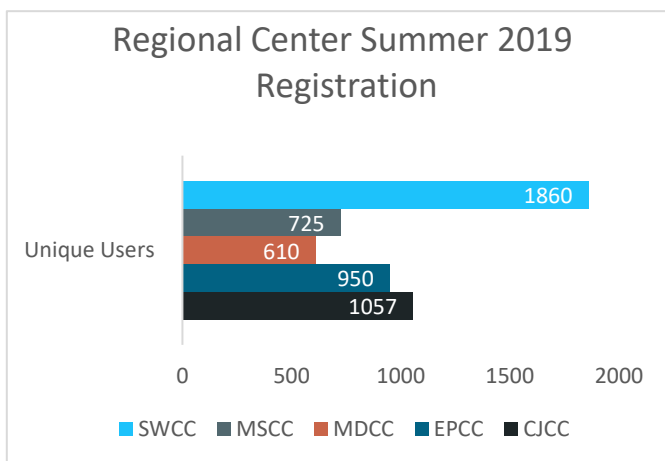
At approximately 8,000 square feet, the 1912 Community Music Center (CMC) started as a firehouse and has been renovated (including a partial seismic retrofit), repurposed, and extensively programmed over the decades. PP&R has not recently assessed the condition of the asset but relying on a recent seismic evaluation and low-confidence estimates of backlogged known conditions, including a need for a significant roof project, CBO estimates the asset has \$2.0 million to \$5.0 million in deferred major maintenance cost needs. A generic major maintenance cost estimate for a facility this size is approximately \$16,000 per year for asset sustainment.

The projected FY 2019-20 deficit for the CMC is \$135,000. PP&R successfully determined a one-time resolution for the projected FY 2019-20 revenue gap through an updated partnership agreement with CMC Inc. and by reducing 1.0 FTE. However, the bureau requests \$300,000 for MAC and CMC transition planning resources to support project management and community engagement as the facilities are transitioned to new operating models. Prior to providing transition funding, CBO recommends that the bureau define a clear framework and timeline for completing these plans. Additionally, as mentioned above, CBO recommends that developing a sustainable asset maintenance funding plan be incorporated into planning efforts.

Regional Recreation Transition Plan

The bureau is requesting \$650,000 in resources for summer camp bridge funding at Charles Jordan, East Portland, Matt Dishman, Mt. Scott, and Southwest community centers, to cover short term revenue loss and additional expenses related to transitioning to the new operating model through September.

The bureau anticipates potential revenue loss due to reductions in offered services and due to the uncertainty around service provision as a result of budget cuts. Recognizing the need to develop a systemwide approach to regional center operations, as part of the proposing funding gap solution, the bureau has developed a coordinated staffing and programming model for the regional community centers called the Base Operations plus Core Program Model. This model includes programming and support for drop-in use of gyms, fitness facilities, pools, rentals, educational preschool and front desk operations. The Core Program Model includes programs identified as core to the PP&R mission and are cost-effective. Thus, the Base Operations plus Core Program Model reflects a combination of basic operations augmented by identified core



programming including: swimming lessons, youth sports programs, youth camps, select arts programs and preschool programs. The Base Operation plus Core Program Model excludes higher cost activities which require specialized staff, facility space, and staff resources which did not align with the consolidated staffing model. PP&R worked to retain core programming in lieu of the following reductions: select registered activities, enrichment courses, drop-in child

care at SWCC, morning preschool swim classes, and the Parks Stars Sports League.

Figure 2 These figures do not include Flexible Registrations or summer swim lessons.

The chart shows summer programming sign-up volume as of March 13 for summer camps,

classes and other activities. These numbers do not include FlexReg data or summer swim lesson registration which has not yet started. These numbers indicate that Southwest Community Center and Charles Jordan Community Center would be most impacted by cancellation of summer programming.

Given current registrations and the fast approaching summer season, not providing bridge funding for these programs would be highly disruptive, and potentially impact the bureau's ability to successfully transition to the future, more sustainable funding model. As a result, CBO recommends funding this request.

Columbia Pool, Hillside, & Laurelhurst Transition Plan Resources, \$150,000

PP&R is requesting \$150,000 in one-time resources to support a Recreation Coordinator II position in recreation support systems to ensure that PP&R is maximizing revenue through transitions and planning efforts. These funds would be used to identify partnerships and ensure revenue stabilization and enhancement strategies are meeting their intended goals.

Contingency, \$500,000

Finally, the bureau requests \$500,000 in one-time funds to allow for operational uncertainty. CBO notes that PP&R has experienced notable revenue fluctuation in recent years, and the level of uncertainty in the FY 2019-20 requested budget certainly merits consideration of a dedicated pool of contingency funds. However, CBO recommends the bureau submit a request for additional resources once it becomes certain that the funds are needed. To provide additional security for Parks, Council could choose to 'set aside' a portion of existing annual unrestricted contingency for allocation – if needed – to the Parks bureau in the Spring BMP. If Parks does not require the funds, then the resources may be reprioritized towards other urgent City needs.

Part II. Short-term Program Extensions

Funding for program extensions through FY 2019-20 represents 22% of the total bridge funding proposal. PP&R is requesting \$728,453 to extend programs at Columbia Pool, Hillside Community Center, Sellwood Community Center, and Montavilla Community Center.

Columbia Pool, \$453,428 one-time request

This request is for \$453,428 in one-time resources to support operations at current service levels through FY 2019-20, closing the facility in July of 2020. Should Council not approve these funds the bureau will need to take immediate action to find alternative revenue sources or discontinue services. The bureau will work with community groups and partner organizations to determine alternative options for high-priority uses. The bureau believes this time will allow the bureau to research alternative solutions while preserving the service for the dedicated users.

A recent feasibility study done in anticipation of an energy retrofit investment revealed the need

for a new roof over the pool area, new pool filter, HVAC repairs, ADA upgrades and other facility components beyond useful life. According to PP&R, the estimate of major maintenance is \$2.0 million - \$5.0 million from a generic major maintenance cost estimate for a facility this size equates and an estimated \$90,000 per year is required for asset sustainment once in good condition.

In FY 2017-18 Columbia Pool had 2,642 unique users who visited a total of 58,560 times or an average of 22 times per user. Columbia Pool is used for competitive practice and swim meets by the Portland Interscholastic League (PIL), Roosevelt High School swim team, the Portland Aquatic Club (PAC) rents out the lap pool, and Rosa Parks Elementary School, in partnership with Portland public Schools (PPS) and PIL Athletics, also has swim lessons for their 3rd, 4th and 5th graders throughout the school year. Although there are alternative facilities in the area, Matt Dishman Community Center pool is 4 miles away, Pier pool is 3.4 miles away and Peninsula pool is 2.1 miles away, the bureau is concerned that they cannot meet the demand for service. These funds are requested to support efforts to identify partners to reroute service users in the short term.

Short-term cost saving options include implementing a lower level of service that would reduce expenses such as closing the pool on Sundays as considered in FY 2016-17 or increasing fees to match service levels.

The bureau has long-term plans of developing pool programming at the nearby Charles Jordan Community Center but the timeline for planning, design, and implementation would be more than 5 years. Without identified alternatives, the proposal to close the pool would need significant community engagement efforts to smoothly transition the pool out of service.

Sellwood, Hillside, and Montavilla Community Centers

PP&R is requesting a total of \$205,025 in General Fund one-time resources to continue providing currently planned summer programming at Hillside (\$94,835), Sellwood (\$90,190), and Montavilla (\$20,000) community centers.

Current summer volume of registrants is based on Flexible Registration, or Flex-Reg, which allows campers to select the parts of a camp they want to attend. Approximately 415 regular registrants have signed up for camps and 6,013 FlexReg users have signed up. Since signups can vary in frequency and duration it is difficult to determine the exact number.

- **Sellwood.** Parks requests \$90,190 for summer programming bridge funds for Sellwood Community Center, which would support ongoing operations for programs that have registrants. Currently, the majority of summer registrants among these three facilities are registered for programming at Sellwood. So far, Sellwood has 361 regular signups and 5,222 FlexReg signups for programming in summer of FY 2019-20.
- **Montavilla.** Parks requests \$20,000 for summer programming at Montavilla Community Center. Most recent numbers (from March 13, 2018) indicate 45 regular signups and 688 FlexReg signups for summer programming at Montavilla.

- **Hillside.** PP&R requests \$94,835 for summer programming bridge funding at Hillside Community Center. Most recent figures show 9 regular registrations and 103 FlexReg signups at Hillside for summer programming.

If this request is not funded, summer programming at Hillside, Sellwood, and Montavilla would be cancelled for summer 2019. Further, that the timing of budget decisions would mean that cancellations would happen late in the Spring.

Given current registrations and the fast approaching summer season, not providing bridge funding for these programs could be highly disruptive for those who have registered and made plans for camps and classes. Council will need to weigh these factors, given the competing demands for one-time resources in this years' requested budgets.

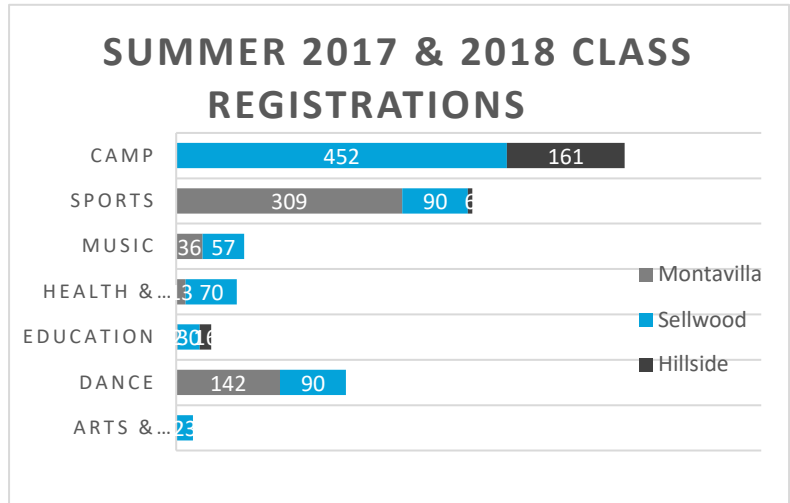


Figure 3 These figures do not include Flexible Registrations.

Bridge Funding Recommendation Summary

This year, CBO has only recommended allocating additional resources for those requests that CBO finds to be absolutely essential to the City's financial sustainability. These are requests where CBO has concluded that 1) should the request not be funded, the City will incur a direct and significant financial or legal cost; 2) the bureau is not able to absorb the cost within its existing appropriation without significantly jeopardizing the provision of core City services; and 3) the City's General Fund is the most appropriate resource - and the FY 2019-20 budget is the most appropriate time - to fund the request.

The Parks & Recreation Bureau, with limited time, has proposed significant reductions to their ongoing General Fund allocation in a thoughtful manner; prioritizing cost effectiveness, equity, and core bureau services. In proposing these sudden reductions, however, there is an intertwined need for some level of bridge funding to ensure a smooth and successful transition off the General Fund resources. Of these requests, the \$650,000 in funding for the Regional Recreational Transition Plan meets CBO's strict criteria to warrant CBO recommending the allocation of one-time funds to protect the financial sustainability of the City via the bureau's longer-term efforts.

CBO retains some questions regarding the long-term sustainability of the newly proposed MAC and CMC operational plan, given asset major maintenance needs, and notes that the precise work of the proposed revenue generating Recreational Coordinator position is as of yet undefined. However, CBO believes that the remaining \$1.35 million in transition plan bridge funds warrant consideration for Council funding, as they support the bureaus plan to reach a more financially sustainable future.

With regards to the short-term program extension requests, CBO has concerns with providing limited one-time resources without a precise plan for the eventual programmatic elimination. However, CBO notes that not providing these one-time resources will result in significant, sudden disruptions for a few thousand highly-dedicated service users and the time allowed by one-time funding may enable a more stable and inclusive solution. Council must weigh the tradeoffs of the proposed benefit of these investments with other requests for limited one-time resources.

Finally, CBO recommends that the bureau's request for \$500,000 in one-time resources for a Parks contingency be treated consistently with needs for Citywide unrestricted contingency: funds are held in a central account until costs are clearly needed. Council may elect to 'set aside' a certain amount of the City's existing central unrestricted contingency amount specifically for Parks appropriation, if needed, in the Spring BMP.

CBO Recommendation: \$650,000 one-time; 0 FTE