



## Service Area Package Development Strategy Summaries PP&R FY 2018-19

### DIRECTOR'S GUIDANCE

The Mayor's budget guidance required General Fund bureaus to provide 5% budget cuts. For Portland Parks and Recreation that is approximately \$3.27 Million. The Mayor's instructions included the following guidance for budget reductions:

- Maintain mission-critical programs
- Identify efficiencies
- Reduce or eliminate non-core services or services that do not scale well
- Eliminate City-imposed mandates that have not resulted in demonstrable benefits
- Reduce indirect costs and administration that do not harm front-line services.
- Revenue generating discretionary revenue (i.e. property taxes, utility license fees, franchise fees, etc.) programs held harmless. Programs that generate revenue as part of a cost recovery approach are not held harmless (this includes all of PP&R revenue generating programs).

In order to work towards the required cut level, we needed to reach above that amount in order to weigh options both internally and at the Budget Advisory Committee (BAC). Following was the general guidance in our development of the packages:

- Directed Service Areas to develop cut packages that exceeded 5% to review. After management review, achieved a total of 6.4% cuts for BAC consideration.
- Instructed staff to consider relationship to Mayor priorities, potential unintended consequences, and disproportionate impact on equity goals.
- Requested staff avoid packages that were simply "thinning the soup" and attempting to do the same work with less resources.
- Recognized that after years of cuts, it is impossible to reach the cut target needed without violating goals and values. Attempted to avoid those packages that appear to be an extreme violation of values.

Through this process, we created a list of 32 packages for your consideration that total approximately 6.4%, or \$920,000 above the required cut target. This provides some room for the BAC to review the packages, spend some time asking questions at our meeting and then prioritize which packages should move forward as part of our cut packages and which should be removed from our list of potential cuts.

## **SERVICE AREA A: ASSETS & DEVELOPMENT**

Delivers and takes care of Park assets. Primary responsibility for capital projects from origin as an idea, through construction and maintenance. Our work teams include:

- MASTERPLAN (Planning Team)
- DESIGN (Design & Development Team)
- CONSTRUCT (Contracting & Construction Team)
- MAINTAIN (Central Services Team)
- MANAGE LONG TERM DISPOSITION (Asset Mgmt. Team)

84% of the funding for this work comes from the Parks Bond, Systems Development Charges or the Capital Improvement Fund. The general fund is used to take care of built structures.

We did not propose to reduce staffing of the planning, design and construction teams because it would affect our ability to deliver on the goal of providing equitable services and programs to all members of our community. Priorities for our work include:

- Long-term strategic planning (2030 Vision)
- Implementation of the 2017-2020 Year Strategic Plan
- Level of Service Planning
- Implementation of the ADA Transition Plan
- Managing and maintaining aging buildings and structures
- Work with and support partners who leverage additional resources (Bridge Over Burnside, Cully Park)

A large portion of General Fund revenues supports our major maintenance of facilities, but due to the significant backlog of deferred maintenance it was determined by management that these funds could not be further reduced. Therefore, the proposed cuts include staffing reductions to our Assets Management and Central Services programs. We considered technological efficiencies that could result in workload reduction, which allows for one of the cuts. The other cuts proposed would impact capacity for maintenance and asset management.

## **SERVICE AREA A: OPERATIONS & STRATEGIES DIVISION**

The Operations & Strategies Division provides bureau-wide services to PP&R projects, programs and initiatives through:

- Collaboration and coordination with local and regional partners
- Providing policy direction to the bureau
- Engaging the public in decision making processes, volunteerism, partnerships, and fundraising
- Leading marketing and communications
- Providing customer service and park security
- Managing bureau finances - including budget development, financial reporting and oversight, system development charge program, and grants
- Managing workforce development and bureau-wide training,
- Overseeing emergency management
- Guiding performance and analysis
- Administering property management and acquisition
- Leading business development

As our division is the bureau-wide operating arm for the bureau, our approach to developing budget packages looked both internal and external to the division - within our division for possible programmatic cuts and externally aligning with other divisions' cut packages.

- Part I - The managers in this division met and discussed feedback we've heard both internally and externally on what's most important/valued and needed in the community. Our first blush at creating a list included looking at programs or services we (O&S) solely control and discussed those impacts. We recognized that any of the cuts we make will likely be thinning the soup.
- Part II - We also recognized that since we support all the external service delivery divisions, we also needed to react to their packages and see if there were complementary cuts that we could make. PP&R did not receive any indirect Operations and Maintenance (O&M) this fiscal year for additional parks capacity that was added to the system. The indirect O&M would have been the funding that would have been allocated to this division to help provide support for the increased work. Because we did not receive funding last year to address increased work load, any cuts would further diminish our ability to respond to work generated from other divisions. After receiving packages from the other divisions, our management team met again to discuss all packages and complete our final O&S cut list.

## **SERVICE AREA B: LAND STEWARDSHIP**

Manages more than 260 developed parks, natural areas, and gardens. We provide safe walking paths, places to sit and places to play. Our activities can be best understood when thinking about two core activities: ***Living Asset Management*** and ***Clean & Safe Parks***.

### Living Asset Management

- Horticulturists have a portfolio of 10-15 parks each. They are responsible for all tree and plant care.
- Turf/Irrigation crew. Large, unprogrammed lawns and high-use athletic fields.
- 11 Botanic Technicians/Stewardship coordinators that take care of work with partner groups on a range of stewardship activities that focus on habitat goals including removing invasive species.
- Horticulture General Services (plant procurement/special projects, transit mall pots)

### Clean & Safe Parks

- Park Techs/Utility Workers--each maintain about 7 parks every day (restrooms, garbage, playground inspection, hazards, light trade work, etc.)
- 3 soft-surface trails staff maintain more than 120 miles of trail and 100 wooden bridges and boardwalks
- Seasonal Maintenance Workers to help with general support and vacation coverage

Budget cuts will require us to eliminate some general services. Eliminating these general services below their current level while increasing population/use is the beginning of dismantling park stewardship, the deterioration of living assets, and parks that are less clean and safe.

Parks are free and open to the public on a “drop in” basis. General park maintenance is essentially 100% General Fund.

The following concepts and values were used to guide our budget decisions:

- Where are we spending time and money and does this align with the public interest?
- Are our parks used for rentals and exclusive uses that required General Fund dollars to support these paid-for uses in parks?
- Are our staff resources dispersed equitably throughout the city?
- Do we have programs that could be cut without cutting our service to Living Assets and Clean & Safe Parks?

The answers to these questions led us to the packages we are proposing.

## **SERVICE AREA B: URBAN FORESTRY DIVISION**

Portland Parks and Recreation Urban Forestry's (UF) mission is to manage and ensure Portland's urban forest infrastructure for current and future generations.

To create packages for fiscal year 18-19, the UF Manager/ City Forester and UF supervisors together looked for internal efficiencies and realignments to improve effectiveness of services and reduce costs (this is a quarterly process); reviewed the Mayor's Directive, bureau direction and BAC values; reviewed other City responsibilities including Title 11 Trees, the Mayor's Fast Track Pilot Program, and the recent Title 11 Implementation Audit Report; and reviewed input from the BAC. The City Forester also solicited budget input from the UFC, which included:

- have other bureaus pay for more of UF's services to those bureaus;
- put costs for storm response in public roads on private property owners;
- eliminate Dutch Elm Disease management, allow elms to die, and remove dying trees only;
- consolidate and centralize things that whole bureau must do, e.g., Equity. Also look for consolidation between City bureaus; and
- recognize that trees are a "health pill" and we should communicate that more and better.

## **SERVICE AREA C: RECREATION SERVICES**

We facilitate and guide physical, artistic, social, athletic, cultural and enrichment activities and skill building through direct services to the community.

Recreation has a \$33M operating budget that includes over \$15M in fee revenue.- These revenues are an essential component of our basic operating budget. (These numbers do not include Golf and PIR—which are enterprise funds.) Maintaining \$15M/year in ongoing revenue requires ongoing investment in program and staff quality, excellent customer service, marketing and R&D. The critical need to offer culturally responsive programs in a rapidly changing community is woven throughout this ongoing investment.

In general, Recreation General Fund resources are prioritized for serving vulnerable or underserved communities and focus on providing services that are broadly available to the largest community (eg. Swim Lessons and Summer Free for All). Programs and facilities in more affluent neighborhoods or provide more individualized benefit are expected to cover a much higher percentage of their costs with fee revenue.

Several financial realities underlie our approach to this budget cycle:

- Council action has recognized the value of recreation workers, the impact of rapid increases in the cost of living in Portland, and the long-term impacts of a “least-cost” model of recreation staffing. The cost of providing recreation services has significantly increased as we transition to a fundamentally different staffing model for our services.
- We know that revenue generation requirements continue to present a barrier to service for many Portlanders, and that simply offsetting General Fund reductions with increased fees will only worsen these challenges. In the FY 17-18 budget, nearly \$800K of ongoing General Fund for Recreation was eliminated, to be replaced by fee increases – in arts, music, drop in fees, rental fees, and most significantly, educational preschool.
- The bureau’s current project to update the cost recovery policy will provide a framework for improved decision-making regarding the relationship between fee revenue and General Fund subsidy for these and other services.
- Recreation Services is organized into functional departments but these departments fit together to deliver an integrated system (relying on support from Land Stewardship, Assets and Development, and Operations & Strategies). There is a significant fixed cost to operating busy centers and programs, upon which are layered thousands of activities and services. This means that singling out a few types of services to discontinue often has more impact on revenue than on operating costs. The bureau has identified that significant reductions in General Fund requirements typically require closure or conversion of entire facilities.