



Portland Parks & Recreation's Budget: Five Year Summary

Portland Parks & Recreation's General Fund Budget increased by \$13.7 million in ongoing resources over the past five years. These General Fund resources have funded the following *new* programs and services:

1. Increased labor costs associated with new labor contracts approved by Council,
2. Program growth with the expanded Teen and expanded Ranger Programs,
3. Operation and maintenance funding (O&M) for capital projects funded by system development charges.

At the same time, Parks' ongoing General Fund allocation for *existing* programs and services was reduced \$4.5 million. This increase and reductions result in a net increase of approximately \$9.2 million in ongoing General Fund resources, outside of the typical inflationary increases. Reductions have been absorbed primarily through fee increases, some service reductions, and reductions in support services.

Discussed below is further details on the changes to the budget over the past five years.

Reductions

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 that reduced services including reductions to park maintenance and community center staffing. In recent years, reductions have been absorbed by increasing fee revenues and reducing support services, some reduction to services also took place.

Administration

1120 SW 5th Avenue, Suite 1302
Portland, OR 97204
Tel: 503-823-PLAY (7529) | Fax: 503-823-6007

PORTLANDPARKS.ORG
Nick Fish, Commissioner
Kia Selley, Interim Director



Offsetting Fee Increases: \$2.8 million of \$4.5 million in total reductions.

Fee increases include increasing parking rates in several Parks-owned lots, increasing lease and licensing opportunities in Parks' spaces, fee increases for Arts and Music programming, park permit fees, and various fee increases across community centers. Most recently (following a Council Budget Note), the preschool program has pivoted towards full cost-recovery, resulting in a General Fund reduction of \$620,000. Bridge funding from the Portland Park Levy mitigated the impact of increasing fees for this program.

Prior to FY 2014-15, Parks increased fees by \$500,000 to offset General Fund cuts in the FY 2013-14 budget.

Fee increases above inflationary adjustments will not be fiscally sustainable over the long-term as prices begin to exceed customer's willingness to pay, and equally important, fee increases will continue to limit access for lower income residents.

Reductions in Support Services: \$700,000. These reductions include administrative support in the Director's Office, reductions to the bureau's unemployment reserve, and reductions to staffing in the customer service center. Reductions in water use at splash pads and in watering turf fields yielded savings of \$200,000 per year and automating bathroom lock-ups (rather than having rangers conduct lock-ups) generated \$80,000 in savings. In total, support service reductions and efficiencies account for \$700,000 of Parks' total ongoing reductions.

Service Reductions: \$400,000. Service reductions include the closure of Buckman Pool, reducing the Lands Stewardship seasonal worker budget (\$65,000), delaying the hiring of seasonal maintenance workers (\$98,000), eliminating maintenance at Ladd Circle Rose Garden (\$97,000), and eliminating weekend coverage at the Customer Service Center (\$56,000).

It is important to note that a five-year analysis does not reflect substantial reductions made during the City's fiscal downturn during the Great Recession, prior to FY 2014-15. In FY 2012-13 \$900,000 in positions were cut in planning, marketing, human resources, sponsorship and volunteer programs. Again, at the same time the bureau is making reductions in one

area the bureau has grown in complexity (expanded scope) and size (regular FTE increase over 50%). Investments of new funding do not restore areas of past reductions. For example, reductions taken in maintenance to developed parks taken in FY 2012-13 and prior have not been restored.

Additions

Increases to Parks' ongoing budget has been significant over the past five-years, totaling \$13.7 million. These resources have primarily funded increased labor costs associated with new labor contracts approved by Council, the operations and maintenance of new parks, the Teen Program, the Ranger Program, and a variety of transfers and program improvements.

Increase Labor Costs: \$5.2 million of the \$13.7 million total increase in ongoing General Fund resources. A significant portion of additional General Fund resources have funded increased labor costs. The Arbitration Settlement with Local 483 converted 101.25 seasonal FTE into permanent positions in FY 2016-17, and as a result, Parks received \$4.4 million in new ongoing resources. Replacing the seasonal positions with permanent positions has posed a challenge: whereas previously Recreation staff could reduce or increase seasonal hours in responses to demands for classes and programming, permanent positions limit the flexibility to decrease costs if revenue targets fall short.

Additionally, beginning in FY 2018-19, Parks will receive \$800,000 in General Fund discretionary to cover the increased wages of Recreation Support Staff as part of the agreement to achieve and accelerated \$15/hr minimum wage.

Service Expansion: \$3.5 million. The expansion of the Teen Program under Mayor Hales accounts for the majority of funding for new and enhanced services, which received \$2.0 million in FY 2016-17. Additionally, the expansion of the Ranger Program has been funded by \$1.4 million in General Fund resources.

Funding for additional programming includes the implementation of the Tree Code program (\$400,000 in FY 2015-16) and the Health, Safety and

Environment Program (\$200,000 in FY 2017-18). Parks also received one-time funding for non-capital: Parks for New Portlanders pilot (\$250,000), and Summer Free for All funding gap (\$130,000).

Operations and Maintenance of SDC-funded Parks: \$2.8 million. Funding for the operations and maintenance of new Parks has also increased by \$2.7 million over the past five-years. Based on the current System Development Charge (SDC) Capital Plan, an additional \$3.0 million approximately in ongoing General Fund resources will be required over the next five years to adequately fund the operations and maintenance of these new parks.

Transfers and Other Increases: \$80,000. Parks has also received funding as a result transferring services to the bureau in addition to funding for pass-throughs. These include the \$120,000 (Portland loos) and \$740,000 for the SUN School and Aging Services pass-through in FY 2014-15.

Major maintenance funding: \$14.7 million in one-time resources; \$625,000 in ongoing General Fund. Over this period, Parks has received \$14.7 million in one-time funding for major maintenance. Additionally, Parks' ongoing General Fund major maintenance funding has increased to \$2.4 million per year. 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.

Looking Forward

Looking forward, Parks faces several key challenges that will require new resources or internal reprioritization. The deterioration of assets threatens the usability of the parks system for future users. With inadequate staffing to respond to maintenance requests as well as provide sufficient preventative maintenance the quality of assets will continue to decline. 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. Safety is an increasing concern among park users, especially in relations to the City's homelessness challenges. Additionally, as developed parks and amenities have grown, and use increases as density increases, staffing for

maintenance is lower than it was 10 years ago. Continued pressure to achieve revenue targets and potential barriers to participation for low-income community members are recent emerging issues resulting from the offset of General Fund reductions with fee increases.

As the 2020 Vision Plan sunsets, several planning processes currently under way are creating the foundation for the next Vision Plan. These efforts 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 (natural areas, developed parks and community centers), and an update to capital design specifications. Council's direction in response to these planning processes will be critical for prioritizing resources and 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.