



**MEMORANDUM**

Community Services Department

**DATE:** June 10, 2020

**TO:** Parks and Recreation Commission

**FROM:** Brady Ruebusch, Senior Management Analyst  
John R. Marchant, Community Services Director

**SUBJECT:** **Community Services Department Proposed Budget Requests for Fiscal Year 2020-21**

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**RECOMMENDATION**

Review and provide input on the Community Services Department's proposed budget for Fiscal Year 2020-21.

**BACKGROUND**

The Community Services Department (CSD) provides an annual update to the Parks and Recreation Commission (PRC) in May on the department's proposed budget for the following fiscal year. In addition, the PRC has a recurring item on their Annual Work Plan to review the department's budget requests in December, in order to be able to provide input earlier in the City's budget process. Staff provided a midyear update at the December 11, 2019 meeting with the items that staff intended to request through the budget process for Fiscal Year 2020-21.

Due to the COVID-19 situation and shelter-in-place order, the City amended its normal annual budget process. A Narrative Budget Report was not created nor reviewed by the City Council this year. This document projects the revenue and expenditures for the following fiscal year while incorporating each department's recommended budget requests. It is typically reviewed in April by the City Council. Based on the projections and recommendations from this budget document, staff provides the department's requests to the PRC in May. Because this budget document was not created due to the global pandemic, staff is presenting the department's budget in June, the day after the Proposed Budget has been taken to the City Council.

Therefore, this memorandum focuses on the requests that are being recommended by the City Manager and Finance staff for next fiscal year's budget given the financial

impacts and uncertainty caused by COVID-19. The Fiscal Year 2020-21 Proposed Budget is very similar to the current year's budget with some exceptions for limited-period, critical operating needs and resources to respond to community and organizational priorities. This memorandum will address how this affected requests presented in December versus what is being recommended for next fiscal year given the COVID-19 situation.

## ANALYSIS

### **City Budget**

On May 5, 2020, the City Council received a Fiscal Year 2019-20 General Operating Fund (GOF) Budget Status Report on the Impacts of COVID-19 and provided direction on how the City would move forward with the Fiscal Year 2020-21 Budget. Attachment 1 to this memo is the Council report from May 5, 2020 to provide a better understanding of the overall impact and uncertainty caused by COVID-19. In short, the City forecasts the General Operating Fund will finish the current year with a positive ending balance with projected revenue and expenditures both being below the Adopted Budget and midyear forecast.

The May 5 update also forecasts that the City will have enough revenue to cover the current year's operational expenditures if next year's budget is kept similar to the current year. This assumption is based on the shelter-in-place order ending by June 30, 2020, followed by a transition period for businesses to reopen. With this level of uncertainty, the City plans to utilize the Midyear Budget Report as an opportunity to make additional recommendations when the financial impact of COVID-19 is better understood as well as the necessary services and programs in order to recover from the global pandemic.

In addition, the City Council's Major Goals Work Plan will be reviewed on June 9, 2020 to better determine the feasibility and needed resources to accomplish the items listed on the work plan.

It is important to note that this information is based on the May 5, 2020 Council report (Attachment 1) and updated information and forecasts will be provided at the June 9, 2020 City Council meeting that will be reflected in staff's presentation to the PRC.

## Department Budget

All City departments were provided direction that budget requests be limited to those of:

- Highest priorities for each respective department;
- Based on current and projected long-term workload;
- Furthering a Council goal;
- Need for new regulations;
- Safety; and
- Providing operational efficiencies.

With the COVID-19 situation, the priorities were shifted to:

- Essential service delivery;
- COVID-19 response and recovery;
- Economic development and business recovery;
- Engagement and community-building; and
- Strategic planning for the future.

With those two frameworks, this memorandum addresses the budget requests presented in December versus what is now being recommended for Fiscal Year 20-21, focusing on the Forestry & Roadway Division, Parks and Open Space Division, Recreation Division, and Shoreline Division. While the Center for the Performing Arts and Shoreline Golf Links are under the Community Services Department as well, they each have their own advisory body, the Performing Arts Committee and Advisory Greens Committee, respectively.

CSD is expected to receive \$138,100 in non-discretionary, ongoing increases with \$8,300 coming from the Shoreline Fund and \$129,800 coming from the General Operating Fund. Of this total, the Parks and Open Space Division is receiving \$77,500 from the

General Operating Fund for utilities, supplies, and water increases that are needed for the renovation of McKelvey Park being completed and four other parks expected to come online in Fiscal Year 2020-21: Wyandotte, Pyramid, Fayette, and Mora Parks. In addition, \$8,300 from the Shoreline Fund and \$37,800 from the General Fund are being requested to cover potential increases for the janitorial service provider for the City. The City is expected to go out to bid for its janitorial services with a new contract starting November 1, 2020. Lastly, CSD is receiving \$14,500 to cover new parcel taxes for the property that the City uses but is owned by the San Francisco Public Utilities Commission (SFPUC). The janitorial increases and parcel tax requests were not brought to PRC in December because the agreement with SFPUC was not completed yet, so CSD did not know about the parcel tax request. The City was also determining the bid process for the janitorial services provider and, therefore, CSD was not ready to include a janitorial request. Also, staff was still determining whether Facilities or CSD would make the official request through the budget process for janitorial services.

At the December PRC Meeting, staff also presented non-discretionary, ongoing increases for the contractual increases for flail mowing and increased costs being incurred by switching to organic pesticides and away from glyphosate-based pesticides. Staff removed the flail mowing request from the CSD final submittal because the increased costs were able to be covered from savings in other line items for the upcoming fiscal year. Staff plans to reassess the costs of mowing in the next budget cycle along with other services such as testing of the Sailing Lake in order to make a comprehensive environmental services request for Fiscal Year 2021-22. The increase for supplies and materials due to switching to organic pesticides is being recommended as a limited-period request so that staff can use another complete year of using organic pesticides to better determine the need and cost. Table 1.1 illustrates these requests.

<b>Table 1.1 – Non-Discretionary, Ongoing Requests</b>			
<b>Requests</b>	<b>Dollar Amount</b>	<b>Fund</b>	<b>Action</b>
Water, Electricity, Supplies for Parks (Parks and Open Space)	\$77,500	General	Recommended
Janitorial Services Contract Increase (Recreation and Shoreline)	\$37,800 \$8,300	General Shoreline	Recommended
SFPUC Parcel Tax (Parks and Open Space)	\$14,500	General	Recommended
Flail Mowing Contract Increase (Shoreline)	\$18,300	Shoreline	Deferred
Increase Cost Organic Pesticides (Forestry & Roadway)	\$10,000	General	Moved to Limited-Period

With COVID-19 providing so much uncertainty regarding the City’s budget for Fiscal Year 2020-21, all discretionary, ongoing requests were put on hold. The City plans to reassess these requests over the next year and potentially recommend them Mid-Fiscal Year 2020-21 as a better understanding of the impacts to the budget are known. With that said, staff presented the two types of discretionary, ongoing requests at the December PRC meeting that have either been put on hold or changed to limited-period requests. The first set of requests were personnel requests, including one Parks Maintenance Worker (PMW) I/II for each of the South Parks Crew, North Parks Crew, and Shoreline Crew, as well as a Parks Maintenance Worker (PMW) III dedicated to athletic field preparation and maintenance. All of these positions have been put on hold and will be assessed throughout next fiscal year.

The second type of discretionary, ongoing requests that were presented in December were pilot programs proposed to be funded on an ongoing basis in the CSD Budget. This included adding additional funds to the downtown pressure washing contract for increased service, ongoing funding for the Day Porter at the Community Center, and making Thursday Night Live a six-consecutive-week event instead by adding two nights to the existing four-night, every-other-week event. The additional pressure washing service increase has been put on hold to be reassessed along with the overall use of downtown, including using the streets for seating for restaurants. The Day Porter at the Community Center and Thursday Night Live requests were continued as Limited-Period requests for another year due to going to bid for janitorial services and to better understand the state of our special events with COVID-19. Table 1.2 illustrates these requests.

<b>Requests</b>	<b>Dollar Amount</b>	<b>Fund</b>	<b>Action</b>
Additional Pressure Washing Services (Forestry & Roadway)	\$52,000	General	Deferred
PMW I/II – Environmental and Trails (Shoreline)	\$152,500	Shoreline	Deferred
Two PMW I/II – North and South Parks Crews (Parks)	\$305,000	General	Deferred
PMW III – Athletic Fields Specialist (Parks)	\$305,000	General	Deferred
Thursday Night Live – Two Additional Nights (Recreation)	\$12,300	General	Moved to Limited-Period
Day Porter Service (Recreation)	\$58,800	Shoreline	Moved to Limited-Period

In addition to the \$81,100 in requests for switching to organic pesticides, increased Thursday Night Live nights, and Day Porter Service at the Community Center all being moved to limited-period requests, CSD is also expected to receive \$172,900 in discretionary, limited-period funding for the Recreation and Shoreline Divisions. For the Recreation Division, \$100,600 is for a pilot program for janitorial service at both the City's pool facilities. This is being conducted as a pilot program since the Rengstorff Park Aquatics complex is expected to go under construction in the future and will not need janitorial service for the period of construction. It is also being done to better determine the level of janitorial service that is needed for locker rooms, restrooms, and lobbies. This is currently done by hourly pool staff at the end of their shifts. The Recreation Division is also being recommended to receive \$12,300 for the biannual Multicultural Festival that the Community Services Department assists the Human Relations Commission to implement. This request is expected to be offset with \$2,000 in sponsorship revenue.

The Shoreline Division is receiving \$60,000 in order to conduct the consolidation of current habitat and preservation documents for Shoreline at Mountain View into one comprehensive Habitat Management Plan. This plan is an item on the Council Goals Work Plan and the limited-period funding will be for a consultant to create the report. Lastly, the Recreation Division was recommended to purchase the upgrades to Senior Center furniture in the current year using salary savings. Therefore, staff is in the process of encumbering those funds to purchase that equipment in Fiscal Year 2019-20.

**Table 1.3 – Discretionary, Limited-Period Requests**

<b>Requests</b>	<b>Dollar Amount</b>	<b>Fund</b>	<b>Action</b>
Janitorial Services at Pool Buildings (Recreation)	\$100,600	General	Recommended
Biannual Multicultural Festival (Recreation)	\$12,300	General	Recommended
Habitat Management Plan (Shoreline)	\$60,000	Shoreline	Recommended
Thursday Night Live – two Additional Nights (Recreation)	\$12,300	General	Moved from Discretionary
Day Porter Service (Recreation)	\$58,800	General	Moved from Discretionary
Increase Cost Organic Pesticides (Forestry & Roadway)	\$10,000	General	Moved from Non-Discretionary
Senior Center Furniture Replacement (Recreation)	\$63,600	General	Purchase FY19-20 with Salary Savings

In summary, the Community Services Department is receiving \$138,100 in non-discretionary funding, \$254,000 in limited-period funding, and \$0 for discretionary, ongoing funding due to the effects of COVID-19. The budget requests that were deferred will be reassessed throughout Fiscal Year 2020-21 as the City gains a better grasp of the effects of COVID-19.

<b>Table 1.4 – Ongoing and Limited-Period Requests</b>	
Nondiscretionary Requests:	\$138,100
Discretionary Requests:	\$0
Limited-Period Requests:	\$254,000
Offsets:	\$12,000
<b>Net Request:</b>	<b>\$380,100</b>

### Capital Outlay

At the December PRC meeting, staff presented six Capital Outlay requests:

- F-350 truck;
- Mobile stage for special events;
- Parking Lot Sweeper;
- Utility vehicle for Shoreline at Mountain View; and
- Two SUVs for staff vehicles.

From these requests, the parking lot sweeper and utility vehicle for Shoreline at Mountain View are being recommended to move forward, and the mobile stage request has been modified but recommended to move forward.

The utility vehicle for Shoreline at Mountain View will be used by staff to replace an old golf cart that is not on the equipment replacement list and is not suitable for the terrain and trips that staff need to use it for around Shoreline at Mountain View. The Parking Lot Sweeper is for the Forestry & Roadway Division to help with maintenance downtown. The piece of equipment actually costs \$91,200. However, staff plan to use equipment from the equipment replacement list to offset the cost of the piece of equipment by \$53,000. Therefore, the \$31,000 showing in Table 2.1 is reflective of the actual additional budget being requested.

Staff requested a mobile stage to replace the current one because it requires a lot of staff and time for set-up and tear-down. Also, the stage has reached its useful life and is not ADA-accessible. Therefore, staff reviewed options for a new mobile stage and provided two options. The first option was for \$150,500 and provided a fully automatic stage that would require the least amount of staff and time to set up and tear down. However, the automatic stage runs on a heavy hydraulic system, which makes the stage weigh too much to be able to use it on the City Hall Plaza. The second option was a similar stage as the current one but with ADA access. This stage costs approximately \$30,000. This type of stage takes more staff and time to set up and tear down, but can be used on the City Hall Plaza and for all other Department special events. Due to the COVID-19 situation, it was determined that the second option was the preferred mobile stage at this time.

From the midyear update, there were three items that were not recommended for Capital Outlay funding. One request was an F-350 truck that was deferred because it was for the Parks Maintenance Worker III position request that was deferred. The two other requests were vehicles for staff – one for the Recreation Division and one for the Forestry & Roadway Manager. These were both deferred and may be revisited in the future after some further analysis of need and will be reassessed in the future.

<b>Requests</b>	<b>Dollar Amount</b>	<b>Action</b>
Utility Vehicle (Shoreline)	\$15,000	Recommended
Mobile Stage for Special Events (Recreation)	\$30,000	Recommended
Parking Lot Sweeper (Forestry & Roadway)	\$31,000	Recommended
Truck for PMW III Request (Parks and Open Space)	\$45,800	Deferred
SUV Staff Shared Vehicle (Recreation)	\$36,000	Deferred
SUV Manager’s Vehicle (Forestry & Roadway)	\$36,000	Deferred

### **Fee Modifications**

For Fiscal Year 2019-20, CSD did not have any fee modifications other than for Shoreline Golf Links. With the Community Center Renovation, creation of Latham Community Garden, and minimum wage increases for staff, the Recreation Division has made a number of significant fee modifications in the last few years and did not feel a need to change or increase any fees for Fiscal Year 2020-21. Keeping fees the same was further encouraged with the COVID-19 situation providing an uncertain landscape for programming, costs, and budget in the next year. The Parks, Forestry, and Shoreline



Divisions do not have cost recovery goals and significantly less fees than the Recreation Division. However, they are not recommending any fee modifications either.

## **NEXT STEPS**

CSD's budget requests will be taken to Council on Tuesday, June 9, 2020, as part of the Proposed Budget. Staff will present any changes recommended by Council at the PRC meeting on Wednesday, June 10, 2020. The second hearing for the budget is expected to be on June 23, 2020, where the proposed budget requests for next year are anticipated to be adopted.

JRM-BR/1/CSD  
240-06-10-20M

Attachment: 1. Council Report from May 5, 2020: Fiscal Year 2019-20 General Operating Fund (GOF) Budget Status Update Report on the Impacts of COVID-19