



REPORT

THE CITY OF SAN DIEGO TO THE PARKS AND RECREATION BOARD

DATE ISSUED: 05/08/2024

REPORT NO.:201

ATTENTION: Parks and Recreation Board
Agenda of May 16, 2024

SUBJECT: Fiscal Year 2025 Recreation Center Fund Budgets, Opportunity Fund
Budget and 2024 Recreation Equity Report

SUMMARY

Issue

Should the Parks and Recreation Board recommend approval of:

- 1) Creation of two new recreation center funds, one each for Bay Terraces Recreation Center and East Village Green Recreation Center
- 2) Close fund 200754 for Dusty Rhodes and transfer fund balance to fund 200773, Ocean Beach
- 3) Fiscal Year 2025 Recreation Center Funds as detailed in Attachment A: Proposed Fiscal Year 2025 Recreation Center Fund Budgets
- 4) Transfer Opportunity Fund into the identified Recreation Center Funds for Fiscal Year 2025 as detailed in Attachment B: Proposed Opportunity Fund Allocations
- 5) Expend Recreation Center Funds generated from permit fees, that fall within one of the exceptions to Proposition 26, in any geographic area regardless of where collected to promote equity in Parks and Recreation Department-wide recreation programs.

Department Recommendation

Recommend approval of all items listed above.

Other Recommendations

The following groups reviewed the Fiscal Year 2025 proposed RCF and OF budgets as outlined in the Interim Standard Operating Procedures and Council Policy 700-48:

- Community Recreation Groups (CRG)- Fall 2023 and Winter 2024
- Joint Area Committee - April 17, 2024

Fiscal Impact

This action would support the appropriation of the RCFs in Fiscal Year 2025 as detailed in Attachment A: Proposed Fiscal Year 2025 Recreation Center Funds Budgets.

There is no impact to the General Fund with this action.

Water and Energy Conservation Status – N/A

Climate Action Plan (CAP) Impact

Improving equitable access to parks and creating additional recreational programs has beneficially addressed CAP goals, including:

1. Measure 3.5: Climate-Focused Land Use: Support expansion of urban greenspace including park access, open space, and wildlife corridors where appropriate, along streets to encourage outdoor activity, walking, and increase pedestrian access to parks in Communities of Concern.

Strategic/Tactical Equity Plan Impact

Strategic Plan Priority Area: Protect and Enrich Every Neighborhood – Connecting communities to safe public spaces that offer opportunities to learn, grow and thrive. Strategies:

1. Create additional value for visitors and patrons through improved resource coordination and collaboration.
2. Increase access to recreational amenities.
3. Provide access to high-quality programming, events, and shared activities.

Tactical Equity Plan Goals and Objectives:

1. Access to enjoyable fulfilling recreation opportunities for all by reducing impediments to program participation, expanding program offerings, increase awareness of programs through new marketing efforts, and reduce gaps in services between recreation facilities.

Environmental

This activity is not a “project” per the California Environmental Quality Act (CEQA) Statute Section 21065 and CEQA Guidelines Sections 15378(b)(4) and (5) as the approval of the Fiscal Year 2025 Recreation Center Fund Budgets, Opportunity Fund Budget, and 2024 Recreation Equity Report constitute the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and it is also an administrative activity of government that will not result in direct or indirect physical changes in the environment. Thus, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3). The future projects associated with this item will be subject to CEQA review at a future date pursuant to CEQA Guidelines Section 15004, which provides direction to lead agencies on the appropriate timing for environmental review.

BACKGROUND

On December 13, 2017, the City Council approved modifications to Recreation Council and Parks and Recreation Department (Department) operations to comply with City Charter and San Diego Municipal Code requirements. The Chief Operating Officer established 58 special revenue funds known as RCFs, for the collection of program and permit fees and support

recreation programs, events and maintenance. Two new RCFs were established following this resolution to increase the total to 60 RCFs. CRGs were established independent of Recreation Councils to provide advisory input on park operations to Department staff in accordance with interim standard operating procedures.

To support expanded and equitable programming in Communities of Concern, the Department established an OF in 2022 governed by Council Policy 700-48, which allows the Department to allocate the OF monies collected in the fiscal year prior and distribute to RCFs with low available balances. The OF collects permit revenues from park use permits as defined in the Department Fee Schedule adopted by City Council on February 14, 2022 (R-313898).

DISCUSSION

The Department has 60 RCFs, one for each of the 59 recreation centers and one for Therapeutic Recreation and Age Well Services. The Department is seeking two new RCFs for Fiscal Year 2025, for Bay Terraces Recreation Center which opened in 2022 and East Village Green Recreation Center anticipated to open in 2025.

The RCF budget development process begins in the Fall with Department staff preparing a draft budget, presenting the draft budget to the designated CRG for input and recommendations, and finalizing the draft budget in preparation for City Council approval. Attachment A contains the proposed Fiscal Year 2025 RCF budgets. RCFs generally consist of two primary revenue sources – class registration fees and facility use permit fees. Overall, class registration fees make up the majority of these funds, while park and building permit fees make up the remaining balance. Additionally, RCFs in Communities of Concern will grow from a third revenue source, the Opportunity Fund.

The amount of funds available for RCF-funded recreation programs varies greatly based on whether the programs are provided by staff or by contractors, whether patrons are willing to pay the full cost to participate in special interest contract services, and the number of paying program participants. Staff-run programs are not designed to be fully cost recoverable, while programs offered by contractors are intended to be fully cost recoverable. The fee collected for a contractual program is utilized to pay the recreation service contractor and support that program. This is an important concept to note when reviewing and evaluating the Fiscal Year 2025 Proposed RCF budgets, as RCF budgets primarily include expenditures related to staff and contractual programs, seasonal special events, and enhanced maintenance of highly used facilities.

The City Strategic Plan, Parks Master Plan, Recreation Equity Audit, and Recreation Equity Report brought attention to significant inequities across the Department. As a result, the Department has actively sought opportunities to build resources to support equitable programming and reduce barriers to program participation in Communities of Concern as outlined in the updated Recreation Equity Report 2024 (Attachment C).

Since reopening recreation centers and pools following the COVID-19 pandemic in July 2021, the Department has received just over \$5 million in combined funding from the City, County,

and philanthropy to support expanded programs, events, and maintenance in historically disadvantaged Communities of Concern as outlined in the 2021 Climate Equity Index. These funds have been used to support over 1,455 free or low-cost classes and camps at recreation centers and pools in communities of concern. The Department has also expanded community events by adding movies in the park, Parks After Dark, and teen night events.

Additional efforts include the creation of the OF, a mechanism to provide an on-going funding source to support programs and events at recreation centers with little funding resources. This year the OF is projected to receive less funding than its inaugural year at \$375,000. With that, staff is proposing to reduce the allocation baseline amount from \$84,000 last year to \$50,000 this year to allow more RCFs to benefit from the extra funding. All sites will undergo a review process each fiscal year, and allocated funds will be adjusted accordingly to accommodate the funding changes for each site and community needs.

As part of the OF allocation process, the Department held public meetings to develop a proposed budget for use of the OF in Fiscal Year 2025. An evaluation committee was formed, which included six Department staff, to review the proposals and the objective scoring system. The objective scoring system is a tool used to rank RCFs based on fund balance, proposed budget, and location of recreation center. The higher the score, the greater the need for OF allocations. The evaluation committee reviewed Council Policy 700-48, as well as FY24 OF allocations and recommended two changes to the allocation model for FY25. Those changes included providing points to the objective scoring matrix for RCFs that have pool facilities within their boundaries and to reduce the allocation baseline from \$84,000 in FY24 to \$50,000 in FY25. The evaluation committee presented the Director with a recommendation to allocate the projected \$375,000 OF balance to eleven RCFs as identified in the table below and further detailed in Attachment B.

Site name	Council District	OF Score	Carry over Funds	Proposed FY25 Budget		OF Funds Allocated	FY25 Budget Outlook
Azalea	9	40	\$1,745	\$4,029	+	\$45,971	\$50,000
Bay Terraces*	4	40	\$0	\$22,900	+	\$27,100	\$50,000
Cesar Solis	8	40	\$2,567	\$897	+	\$49,103	\$50,000
Stockton	9	40	\$977	\$400	+	\$49,600	\$50,000
Willie Henderson	4	38	\$17,144	\$26,383	+	\$23,617	\$50,000
Mountain View	4	36	\$24,728	\$5,169	+	\$44,831	\$50,000
Colina del Sol	9	35	\$44,250	\$26,300	+	\$23,700	\$50,000
Park De La Cruz	9	35	\$9,375	\$6,255	+	\$43,745	\$50,000
Skyline Hills	4	34	\$35,311	\$24,500	+	\$25,500	\$50,000
Southcrest	8	34	\$35,201	\$10,500	+	\$39,500	\$50,000
City Heights	9	33	\$54,501	\$19,226	+	\$2,333	\$21,559**
TOTAL OPPORTUNITY FUNDS ALLOCATED						\$375,000	

*Bay Terrace is a newly established RCF in FY25 with a startup fund of \$19,000 from Paradise Hills.

**City Heights received the remaining Opportunity Funds available.

Unless otherwise noted in Attachment B, each eligible RCF will receive an OF amount that will provide up to a \$50,000 budget for recreation programs, events, and enhanced maintenance services.

The Department remains committed to expanding its network of partners and funding opportunities to further promote and support equitable programming, youth training, employment opportunities, and access to public facilities. While the Department has made progress, much work remains to be done, and staff appreciates the continued support of the City Council in helping to make recreation equitable for all San Diegans.

ALTERNATIVES

The alternate option is not to approve the Fiscal Year 2025 Recreation Center Fund and Opportunity Fund budgets.

Respectfully submitted,



Sarah Erazo
Deputy Director
Citywide Recreation Services Division

SE/ab

Attachment(s):

- A. Fiscal Year 2025 Proposed Recreation Center Fund Budgets
- B. Fiscal Year 2025 Proposed Opportunity Fund Budget
- C. Fiscal Year 2024 Recreation Equity Report

cc: Council District Office 1
Council District Office 1
Council District Office 2
Council District Office 3
Council District Office 4
Council District Office 5
Council District Office 6
Council District Office 7
Council District Office 8
Council District Office 9