



FAIRFAX COUNTY PARK AUTHORITY



M E M O R A N D U M

TO: Chairman and Members
Park Authority Board

VIA: Jai Cole, Executive Director

FROM: Mike Peter, Division Director
Business Administration Division

DATE: April 23, 2024

Agenda

**Budget Committee
(Committee of the Whole)
Wednesday, April 24, 2024 – 7:20 pm
Virtual, via Zoom
Chairman: Ken Quincy
Vice Chair: Tim Hackman**

1. FY 2024 Out of Cycle Budget Increase, Fund 80000, Park Revenue and Operating Fund*
(with presentation) – Action

*Enclosures



If accommodations and/or alternative formats are needed, please call (703) 324-8563. TTY (703) 803-3354

Board Agenda Item
April 24, 2024

ACTION

FY 2024 Out of Cycle Budget Increase, Fund 80000, Park Revenue and Operating Fund

ISSUE:

Approval of the FY 2024 out of cycle budget increase submission for the Park Revenue and Operating Fund (Fund 80000).

RECOMMENDATION:

The Park Authority Executive Director recommends approval of an FY 2024 out of cycle budget increase for the Park Revenue and Operating Fund (Fund 80000).

TIMING:

Board action is requested on April 24, 2024. The submission of an FY2024 out of cycle budget increase for the Park Revenue and Operating Fund (Fund 80000).

BACKGROUND:

This out of cycle budget request recommends a decrease in the revenue budget in the amount of (\$1,343,254) and an increase to the expenditure budget in the amount of \$1,084,142. This results in a net decrease of (\$2,427,396) for the fund. The increase in expense is due primarily to an increase in non-merit staff salaries as a result of an increase in the number of staff required to support the spring and summer camps and classes as well as an increase in the hourly wage being paid to non-merit staff. The decrease in revenue is intended to realign our revenue goals in line with current projections, accounting for lower-than-originally anticipated revenue for outdoor activities this spring due to many weather-related closings and reduced operational days.

Board Agenda Item
April 24, 2024

	FY2024	FY2024	FY 2024	FY 2024	FY 2024
800-C80000 - Park Revenue and Operating	Adopted Budget	Revised Budget Amt	Third Quarter Request	Out of Cycle Adjustment	Increase (Decrease)
Revenue					
Park Fees	\$ 51,497,745	\$ 51,497,745	\$ 61,238,088	\$ 59,873,112	\$ (1,364,976)
Interest, Donations, and Other Revenues	\$ 502,255	\$ 502,255	\$ 905,166	\$ 926,888	\$ 21,722
Revenue Total	\$ 52,000,000	\$ 52,000,000	\$ 62,143,254	\$ 60,800,000	\$ (1,343,254)
Expenditures					
Compensation	\$ 32,504,042	\$ 32,504,042	\$ 36,509,488	\$ 37,288,432	\$ 778,944
General Operating	\$ 15,806,823	\$ 16,307,916	\$ 20,343,838	\$ 20,880,990	\$ 537,152
WPFO Accounts	\$ (1,137,952)	\$ (1,137,952)	\$ (622,023)	\$ (635,000)	\$ (12,977)
Capital Equipment	\$ 200,000	\$ 349,856	\$ 349,856	\$ 130,879	\$ (218,977)
Transfer Out	\$ 1,715,547	\$ 1,715,547	\$ 1,715,547	\$ 1,715,547	\$ -
Expenditures Total	\$ 49,088,460	\$ 49,739,409	\$ 58,296,706	\$ 59,380,848	\$ 1,084,142
Net Position	\$ 2,911,540	\$ 2,260,591	\$ 3,846,548	\$ 1,419,152	\$ (2,427,396)

FISCAL IMPACT:

The Park Revenue and Operating Fund (Fund 80000) for FY 2024 Revenue will be adjusted by (\$1,343,254)/(2.16%) bringing the revenue budget down to \$60,800,000 from \$62,143,254 for FY 2024. Expenditures will be adjusted by \$1,084,142/1.86% bringing the expenditure budget up to \$59,380,848 from \$58,296,706 for FY 2024. The Net Position will decrease by (\$2,427,396) to a new projected net of \$1,419,152 as a result of these changes.

ENCLOSED DOCUMENTS:

Attachment 1: Fund Statement

STAFF:

Jai Cole, Executive Director
Sara Baldwin, Deputy Director/COO
Aimee Vosper, Deputy Director/CBD
Michael Peter, Division Director, Business Administration
Tonya Mills, Senior Fiscal Administrator
Nicole Varnes, Budget, Capital and Financial Reporting Manager

FUND STATEMENT

Fund 80000, Park Revenue and Operating Fund

	FY 2023 Actual	FY 2024 Adopted Budget Plan	FY 2024 Revised Budget Plan	FY 2024 Third Quarter Estimate	FY 2024 Out of Cycle Adjustment	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$4,658,297	\$4,500,381	\$6,822,458	\$6,822,458	\$6,822,458	\$0
Revenue:						
Park Fees	\$53,420,981	\$51,497,745	\$51,497,745	\$61,238,088	\$59,873,112	(\$1,364,976)
Interest	247,314	17,466	17,466	319,684	369,011	\$49,327
Sale of Vehicles and Salvage Equipment	145,037	179,771	179,771	172,978	119,563	(\$53,415)
Donations and Miscellaneous Revenue	452,542	305,018	305,018	412,504	438,314	\$25,810
Total Revenue¹	\$54,265,874	\$52,000,000	\$52,000,000	\$62,143,254	\$60,800,000	(\$1,343,254)
Transfers In:						
General Fund (10001)	\$255,000	\$0	\$0	\$0	\$0	\$0
Total Transfers In	\$255,000	\$0	\$0	\$0	\$0	\$0
Total Available	\$59,179,171	\$56,500,381	\$58,822,458	\$68,965,712	\$67,622,458	(\$1,343,254)
Expenditures:						
Personnel Services	\$31,615,067	\$32,504,042	\$32,504,042	\$36,509,488	\$37,288,432	\$778,944
Operating Expenses ¹	18,087,002	15,806,823	16,307,916	20,343,838	20,880,990	\$537,152
Recovered Costs	(772,363)	(1,137,952)	(1,137,952)	(622,023)	(635,000)	(\$12,977)
Capital Equipment	362,195	200,000	349,856	349,856	130,879	(\$218,977)
Subtotal Expenditures	\$49,291,901	\$47,372,913	\$48,023,862	\$56,581,159	\$57,665,301	\$1,084,142
Debt Service:						
Fiscal Agent Fee	\$0	\$0	\$0	\$0	\$0	\$0
Bond Payments ³	0	0	0	0	0	0
Total Expenditures	\$49,291,901	\$47,372,913	\$48,023,862	\$56,581,159	\$57,665,301	\$1,084,142
Transfers Out:						
General Fund (10001) ⁴	\$820,000	\$820,000	\$820,000	\$820,000	\$820,000	\$0
County Debt Service (20000) ⁵	1,008,862	895,547	895,547	895,547	895,547	\$0
Park Improvement Fund (80300) ⁶	1,235,950		1,950,012	1,950,012	1,950,012	\$0
Total Transfers Out	\$3,064,812	\$1,715,547	\$3,665,559	\$3,665,559	\$3,665,559	\$0
Total Disbursements	\$52,356,713	\$49,088,460	\$51,689,421	\$60,246,718	\$61,330,860	\$1,084,142
Ending Balance⁷	\$6,822,458	\$7,411,921	\$7,133,037	\$8,718,994	\$6,291,598	(\$2,427,396)
Revenue and Operating Fund	\$4,372,446	\$4,658,297	\$4,658,297	\$4,658,297	\$4,658,297	\$0
Stabilization and Other Reserves ⁸						
Donation/Deferred Revenue ⁹	500,000	0	0	0	0	0
Set Aside Reserve ¹⁰	1,950,012	0	0	0	0	0
Unreserved Ending Balance	\$0	\$2,753,624	\$2,474,740	\$4,060,697	\$1,633,301	(\$2,427,396)



Financial Action Item

Michael Peter

Park Authority Board Budget Committee

April 24, 2024



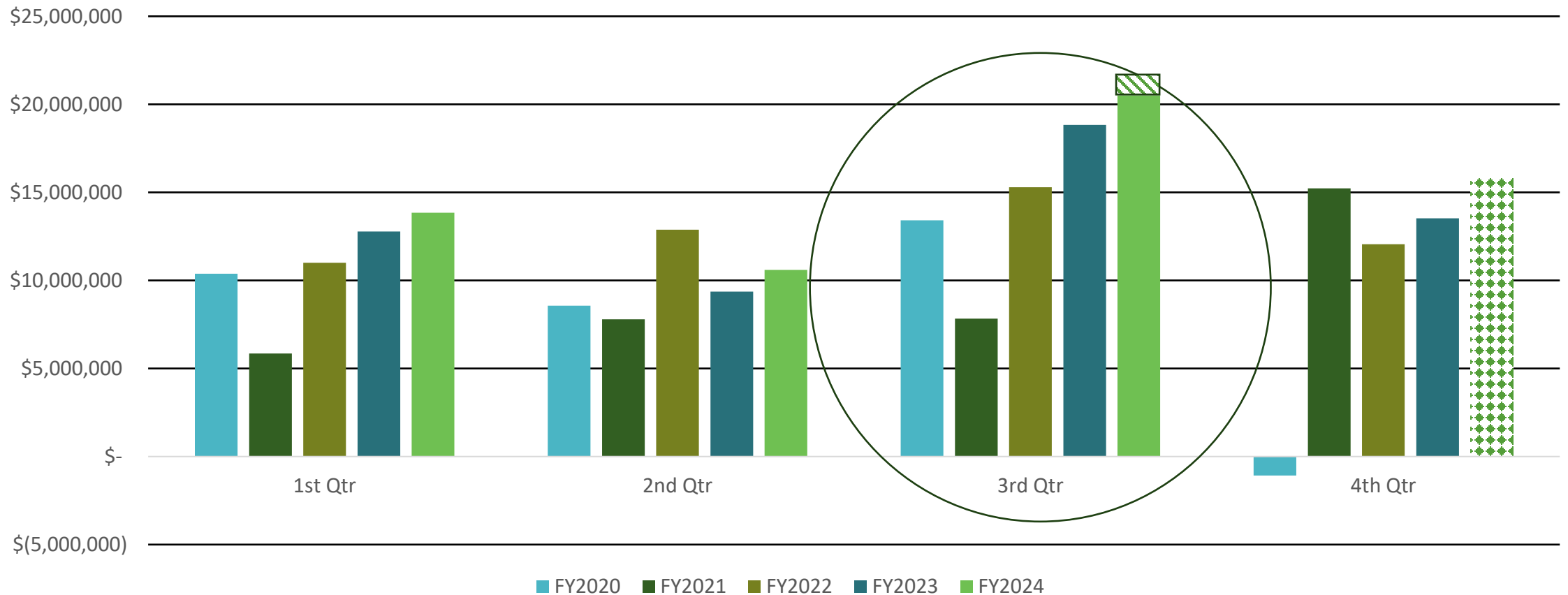
Fourth Quarter Budget Adjustment

- Third Quarter Revenue Estimate Decreased by \$1.3 Million (6%)
 - Lower Than Anticipated
 - Predictions Based on January Actuals
- Expenditure Authority Increased by \$1.1 Million
 - Merit and Seasonal Staff Increased Costs
 - Increased Staffing for Overall Increased Volume
- Decrease Estimated Net Revenue by \$2.4 Million



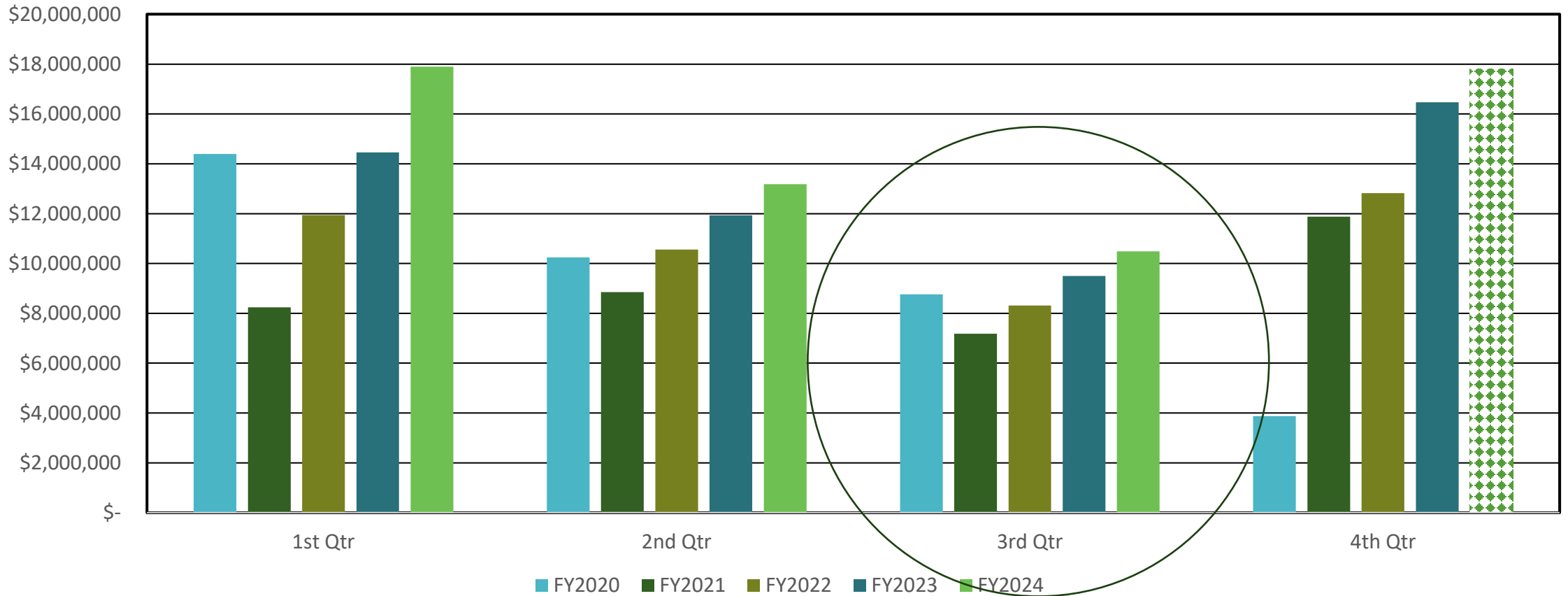
FY 2024 Actual Revenue – Revenue Fund

Actual Revenue Trends



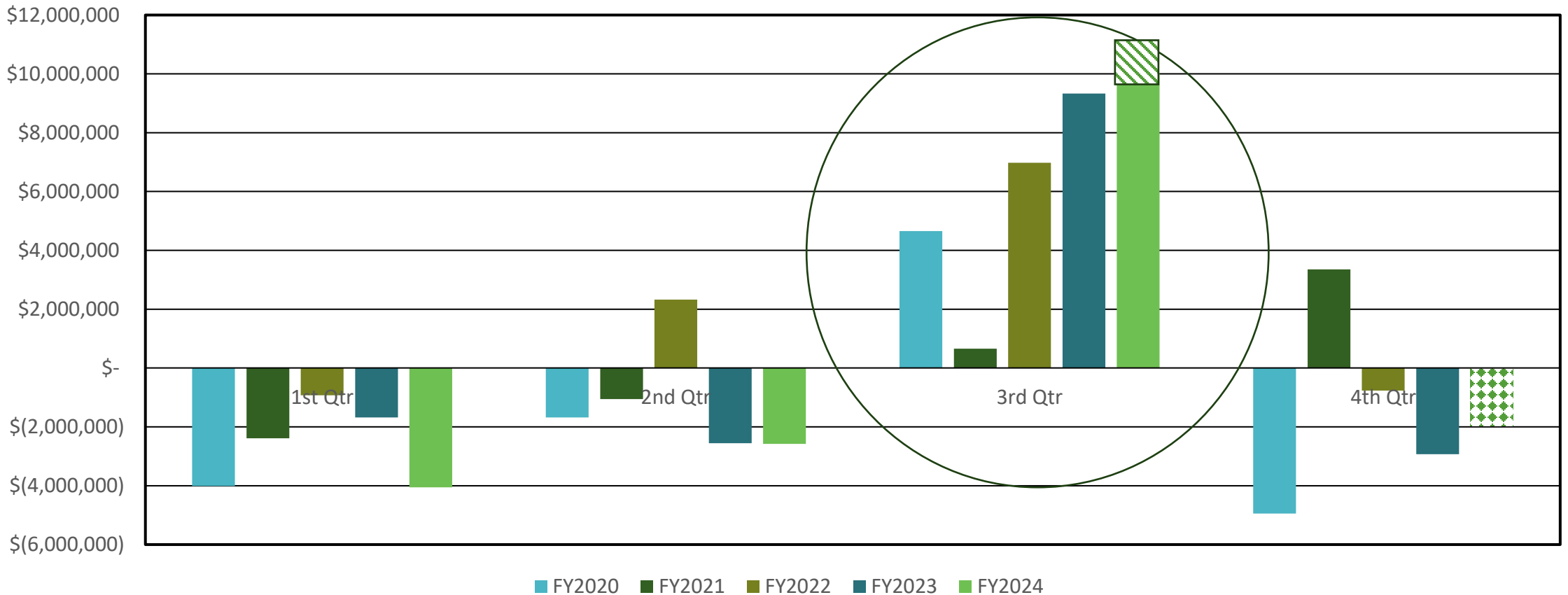
FY 2024 Actual Expenditures – Revenue Fund

Actual Expenditure Trends



FY 2024 Net Revenue – Revenue Fund

Net Revenue Trends



Reasons for Expenditure Adjustments

- Hourly Rate Increase for Non-Merit Staff – Avg 9%
- Increased Hours to Accommodate Increased Demand
 - Increase Year over Year in Rec Center Memberships – 6%
 - Increase Year over Year in Program Participation – 2%



Hourly Increases – Seasonal Staff

Seasonal Staff	FY 2023	FY 2024	% Change
Average	\$17.12	\$18.69	9.17%
Water Mine	\$14.78	\$21.77	47.3%
Rec Centers	\$17.76	\$19.07	7.38%
Managed Parks	\$15.59	\$16.80	7.76%

Increase of \$1.3 Million Over FY23
Necessary to Keep Facilities Open and to be Competitive in Hiring



Seasonal Staff – Number of Hours

Rec Centers



FY 2024 Fourth Quarter Adjustments – Revenue Fund

	FY 2024 Original	FY 2024 Current	FY 2024 Proposed	Adjustments to Current
Revenue	\$52,000,000	\$62,143,254	\$60,800,000	(\$1,343,254)
Transfer In	-			
Income Totals	\$52,000,000	\$62,143,254	\$60,800,000	(\$1,343,254)
Merit Salaries	\$11,469,156	12,745,454	\$12,689,993	(\$55,461)
Non-Merit Salaries	13,579,674	15,114,197	15,709,159	594,962
Benefits	7,455,212	8,649,837	8,889,280	239,443
Operating and Other Expenditures	17,722,370	22,409,241	22,727,416	318,175
Recovered Costs	(1,137,952)	(622,023)	(635,000)	(12,977)
Total Expenditures	\$49,088,460	\$58,296,706	\$59,380,848	\$1,084,142
Net	\$2,911,540	\$3,846,548	\$1,419,152	(\$2,427,396)



Net Revenue Distribution Impact

Purpose	Requirement	Current Value	What Should We Have?
Revenue Stabilization Reserve	Required minimum 10% of expenditures	\$4.7 Million	\$6 Million
Deferred Revenue for Summer Programs	Required build up of deferred revenue for all summer programs (audit finding).	\$3.1 Million	\$7.5 - \$8 Million
Revenue Sinking Fund	For deferred maintenance and reinvestment	\$3.4 Million	\$2 - \$5 Million Annually





Financial Action Item

Michael Peter

Park Authority Board Budget Committee

April 24, 2024

