



FAIRFAX COUNTY PARK AUTHORITY



M E M O R A N D U M

TO: Chairman and Members
Park Authority Board

VIA: Kirk W. Kincannon, Director

FROM: Janet Burns, Senior Fiscal Administrator

DATE: September 16, 2015

Agenda

Budget Committee

Monday, September 21, 2015 – 5 p.m.

Boardroom – Herrity Building

Chairman: Mary Cortina

Vice Chair: Ken Quincy

Members: Harold L. Strickland, Michael Thompson, Jr.

1. FY 2016-2018 Financial Management Plan Park Revenue funds 80000 and 80300 – Information*

*Enclosures



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

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Board Agenda Item
September 21, 2015

INFORMATION

Park Revenue Funds Financial Management Plan - FY 2016 – FY 2018

The Park Revenue Funds Financial Management Plan (FMP) is prepared each year following the completion of year end and subsequent to the release of budget direction. The down turn in the economic environment combined with efforts on the Lines of Business (LOBs) exercise, delayed the county's FY 2017 budget development guidance release until July 24, 2015.

Central to the plan are the Financial Management Principles which were revised extensively and approved by the Board on July 23, 2014. No changes were recommended to the principles for FY 2016 and these were sent via a NIP on July 16, 2015. The Financial Management plan contains key assumptions, considerations and operational challenges for upcoming years and will be used in the overall management and administration of the revenue funds. The FY 2016 – FY 2018 Financial Management Plan outlines projections through FY 2018 and is used for short and long range planning and funding decisions for the Park Revenue and Operating Fund, 80000 and Park Improvement Fund, 80300. Additionally, effective with this FMP, fiscal year initiatives are being include and their relationship to strategic initiatives which incorporates elements of the Financial Sustainability Plan into the Financial Management Plan.

ENCLOSED DOCUMENTS:

Attachment 1: Park Revenue Funds Financial Management Plan FY 2016 – FY 2018

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Fairfax County Park Authority

Park Revenue Funds
Financial Management Plan
FY 2016 - FY 2018



October 14, 2015
(To BUDGET COMMITTEE September 21, 2015)

**Fairfax County Park Authority
 Park Revenue Funds Financial Management Plan – FY 2016 – FY 2018
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1.0 Introduction

The Park Revenue Funds Financial Management Plan (FMP) is a key component of the Fairfax County Park Authority's overall financial and business management strategy. The FMP provides financial projections and principles for the management of the Fairfax County Park Authority's two revenue funds and interconnected issues (Fund 80000, Revenue and Operating Fund (ROF) and Fund 80300, Park Improvement Fund). Based on the prior year-end status, the adopted budget, along with a set of revenue and expenditure assumptions, staff formulates a schedule that models revenue and expenditure estimates for three future years. The FMP serves as a projection tool and should typically be completed by May each year to guide the work of the following year's budget development. Difficult economic times, however, have not allowed for normal budget direction to be provided early enough for this document to be approved in advance of the budget submission.

These projections in turn drive short and long-range decisions in fund management. Key to the Park Revenue Funds' management decisions are the eight-point Financial Management Principles which were last reviewed by the Park Authority Board previously and no changes to those are recommended. These guidelines draw on and conform to the county's "Ten Principles of Sound Financial Management." The Plan is also influenced by the Park Facilities Bond Debt Service requirements. Bonds represent a long-term debt obligation to the Authority and, coupled with the Financial Principles, act as the basis for Park Revenue Funds decisions by the Authority.

The FMP's guiding directions are derived from the Authority's Financial Sustainability Plan (FSP) an overarching plan, which was approved by the Park Authority Board in December 2011. Given the overlap between these two documents, over time, they will be melded together as a single document which better links both plans' goals and objectives. Effectively with this iteration of the FMP, the FMP will become the plan guiding the Park Authority's financial goals and actions. To incorporate the best of both plans, the FMP will now include a section on financial sustainability goals which align with the strategic plan initiatives and streamline the presentation of financial management information.

The Park Authority Board approves Fund 80000 and Fund 80300 budget submissions each September. Staff provides a first, second, and third quarter financial status of the Revenue and Operating Fund and the Carryover package at the end of each fiscal year. The annual budgets and FMP are reviewed by the Board's Budget Committee and presented to the Park Authority Board for approval.

Significant fund structure changes occurred in previous years to plan for fiscal sustainability and ongoing support of revenue facilities:

- A specific Grants Match Project was established to use for grant matching dollars. The minimum balance is \$250,000.
- A Catastrophic Events Project was established to draw upon when there are unplanned natural events or disasters and/or when funding may be returned through Risk Management or FEMA and an Emergency Project, a sub-project within General Park Improvements Project was established. The minimum balance is \$250,000.
- Staff and the Park Authority Board implemented the uniform definitions and use for maintenance, infrastructure replacement, upgrades, and renovation projects that will assist the Park Authority in aligning, planning, and assigning funding areas for the future.
- The Revenue Facilities Capital Sinking Fund (RFCSF) was established to provide at least partial funding to address planned revenue facility long- term, life cycle needs.
- The Revenue & Operating Fund Stabilization Reserve was established to ensure fiscal stability.
- The Revenue Fund 80000 was renamed the Revenue and Operating Fund (ROF).
- The Park Capital Improvement Fund 80300 was renamed the Park Improvement Fund 80300.
- The FY 2015 Comprehensive Annual Financial Report (CAFR) will document the restructuring.

These are all substantive efforts to help secure the foundation that will help support the ROF; however, continued commitment to educating and working through the challenges in balancing the Revenue & Operating Fund vs General Fund remains critical to future sustainability. The challenges for the ROF as identified in the FSP and Strategic Plan remain.

“Balancing the use of public funds while managing fee based services and garnering additional resources is vital to

maintaining the public's investment in parks. Persistent challenges with the economy, budget limitations, rising business costs, unforeseen weather events, aging infrastructure, and increased competition must be addressed in order to move forward. Creating a better understanding of the Park Authority's complex funding structure, along with transparent fiscal planning and reporting, will further our stakeholders' willingness to invest in and understand the true value of parks."

The director, Park Authority Board, and staff all remain committed in addressing these issues together.

2.0 Financial Management Principles Park Authority Revenue Funds

The Park Authority Board and staff have fiduciary responsibility for the Park Revenue and Operating Fund. The Financial Management Principles will form the basis for policy decisions affecting the Fund. These principles were reviewed by the Park Authority Board in July of FY 2015 and there are no recommended changes to these principles.

- Financial planning for the Park Revenue and Operating Fund will be consistent with the goals and objectives of the Authority and support the initiatives and strategies as reflected in the Authority's approved plans. Likewise, the Authority's goals and objectives which affect the Park Revenue and Operating Fund will be consistent with fund availability and financial projections.
- The Authority will develop a financial management plan for the Park Revenue and Operating Fund with a minimum of three out-year projections. The Plan will be updated at least annually and will be used as the basis for the development of budgets and revenue/fee schedules.
- The Park Authority budget process will ensure the highest possible accuracy of revenue projections and the review and evaluation of budget expenditure requirements. Annual budget plan submittals will meet all Fairfax County Department of Management and Budget requirements. All efforts will be made to optimize productivity for improved service delivery at the lowest possible cost levels to the fund.
- The annual operating budget will project and produce a positive cash balance for each fiscal year. A cost recovery ratio for the budget-planning year will be developed and integrated into the financial management plan.

- Management of the Park Revenue and Operating Fund for budgeting purposes will be at cost/profit center level so that each program and function is reviewed annually both for revenue projections and expenditure needs. Where possible, each cost center will produce net revenue and keep expenditures to the lowest possible levels.
- A Revenue and Operating Fund Stabilization Reserve will be maintained at a sufficient level to allow for yearly cash flow requirements and for use in addressing any net Revenue and Operating Fund shortfalls. The cash flow portion of the reserve will be a minimum of five percent of the approved annual expenditure budget minus debt with use, in any given year of up to 50% of the balance with Park Authority Board approval. Additional emergency funding will be maintained in the Catastrophic Events project and in General Park Improvement Emergency sub-project. The Revenue and Operating Fund Stabilization Reserve and related Emergency projects shall be adjusted annually at Carryover.
- Net revenue generated from the fiscal year, above that needed to pay debt service requirements and sustain the reserves, will be committed as approved by the Park Authority Board. Funding priority will be given to the repair and renovation requirements of the Park Revenue and Operating Fund's facilities and for support of revenue generating programs. At the Board's direction, all, or a portion of the net revenue, will be appropriated annually to the Park Improvement Fund or Revenue Facilities Capital Sinking Fund for future needs associated with the repair and renovation of Park Revenue and Operating Fund facilities and programs. Funding requirements will be reviewed and updated annually.
- These Financial Management Principles will be reviewed by the Park Authority Board annually.

3.0 Planning Assumptions and Considerations

3.1 Revenue Generation through Fees

Fees generated from the ROF pay for personnel expenses and operating costs at all Park Authority-operated golf courses and RECenters; at lake parks for fee-sustained facilities and program operations; and for rental facilities, programs, and store sales at nature centers, visitor centers, historic sites and other parks. Sustained revenue growth is essential to support the ROF and to offset increases in operating expenses.

Growth is designed to come from multiple sources, including new facility improvements and expansions, program participation growth, new facility

users, cost management, and fee increases. As a matter of practice, comparatively small and regular fee increases are preferred over less frequent, but larger increases. Opportunities for fee increases continue to be stronger for programs than facilities, as consumer demand remains more robust for programs. Approved fee increases for programs, ranging from 1% to 4%, will take effect beginning with the fall quarter of FY 2016. It is anticipated that economic conditions will cause the need to continue to tread lightly with fee increases in the upcoming FY 2016 fee adjustment process for Park Authority Board approved fees. However, facility improvements will provide opportunities for fee increases at the Water Mine, and to a lesser extent with RECenter admissions and pass fees. Marketing and Communication Plan initiatives include increased market awareness to highlight facility expansions and strategic use of daily deal promotions to generate increased overall participation.

3.2 Debt Service

Sufficient revenue must be produced annually to meet long-term debt service obligations for park facility revenue bonds, which are repaid with revenues from user fees. Debt obligations include the Facilities Revenue Bonds Series 1995, Refunding 2013A and the Laurel Hill Public Facilities Projects, Laurel Hill Golf Course note payable to Fairfax County, Refunding Series 2012A. Park Revenue Fund debt payment obligations were/are \$1,576,890 in FY 2015, \$1,602,082 in FY 2016, \$1,631,183 in FY 2017, \$1,659,644 in FY 2018, and \$1,681,313 in FY 2019. With Golf revenue trending downward over the last several years, continuing to make these payments is challenging. With net golf revenue fairly flat, meeting the debt obligation continues to challenge the Park Authority and limit its ability to reinvest in revenue producing facilities so that they yield a greater return and increase self-sufficiency. It is important to note that both the Laurel Hill Public Facilities Project and the Park Facilities Bond have been refunded to take advantage of the historically low rates of 2012 and 2013.

3.3 Business Performance in the Current Economy

General market conditions that will influence future business performance show improvement over last year. A synopsis of key indicators is as follows:

3.3.1 The Washington-Baltimore consumer price index (CPI) shows moderating inflationary growth thus far in calendar year 2015, according to figures from the U.S. Department of Labor available through May. Local CPI has increased 0.6% over the previous two months and 1.6% since the beginning of calendar 2015. Over the last 12 months (since May 2014), CPI has edged up only 0.4%. The Washington-Baltimore region has experienced cumulative CPI growth of 3.1% over the previous two prior years.

3.3.2 Other measures of the current condition of the local economy that are typically noted in this plan include trends in the unemployment rate and sales tax receipts for retail sales. The plan also tracks national confidence in the economy by reporting recent trends in the national consumer confidence index developed by The Conference Board. For the current plan, this data comes from the Fairfax County Economic Indicators Report (June 2015), the Virginia Employment Commission (May 2015 unemployment data), and the Conference Board (June 2015 consumer confidence index).

Unemployment

Fairfax County unemployment ticked upward in May 2015 to 4.0% (from 3.6% in April), following a typical seasonal pattern. The general unemployment trend is favorable, however. Monthly unemployment has averaged 3.8% for the first five months of 2015 compared to a monthly average of 4.1% in 2014 and 4.4% in 2013. Fairfax County's level of unemployment is about middle-of-the-pack for jurisdictions in northern Virginia, where the rate of unemployment for May 2015 ranged from a low of 3.1% in Arlington to a high of 4.6% in Prince William.

Retail Sales

Local retail sales trends, as reflected in sales tax receipts, indicate the following: June 2015 sales tax receipts (for retail purchases made in April) were up 7.5% over last June, and through eleven months of FY 2015 were up 6.9%.

Consumer Confidence

Nationwide consumer confidence, as reflected in the Conference Board's consumer confidence index (CCI), jumped markedly in June 2015, rising 6.8 points after a moderate increase in May. The June index (101.4) rose above the benchmark (1985=100) for the third month this calendar year, representing the first time this has happened since prior to the start of the Great Recession in December 2007. Over the past two months, consumers have grown more optimistic about the state of current economic conditions and the near-term future, the two components that comprise the CCI.

3.3.3 Summary of FY2015 Trends and General Impacts on ROF Business

Golf

Golf rounds played continues to be negatively impacted by the sluggish economy and adverse weather. Both national and regional

rounds played performance has been negative during FY 2015 with Park Authority rounds played at 259,313 down 3.2%. Total operating days for the year was slightly positive; however, Fiscal 2015 finished up with the hottest May and June on record which had a negative impact on rounds played during these peak season months. National Golf Foundation reports in their *Golf Industry Overview 2015 Edition*, average rounds per day open were up in 2014 despite a decrease in overall playable days according to their PGA Performance Trak data collection. This represents an encouraging indicator of demand and utilization for the future. Golfers continue to respond to challenging economic conditions with judicious belt tightening – employing more frequent discount seeking, and shifting play to less expensive courses and off-peak times when possible. Course operators continued to respond with aggressive discounting to fill tee sheets as well as an increased and targeted use of dynamic pricing. National Golf Foundation also reports 2014 as a year where well-funded equity firms became more active in golf course acquisition and reinvestment, actions that indicate a more bullish attitude towards golf for the near future. Fiscal 2016 and 2017 will greatly benefit from golf marketing enhancements driven by the introduction of the new golf management system and the new Golf Marketing Specialist position. In addition, increased targeted programming such as Footgolf and amateur tournaments will help to expand the golfer market.

RECenters

RECenter attendance increased 1.2% in FY 2015, with a larger increase anticipated for FY 2016 as the Oak Marr and Spring Hill RECenter expansions are now complete and we will benefit from a full year of the newly expanded facilities. However, six of the RECenters saw small declines in overall attendance. While overall revenue increased by 4.3%, four sites had small declines. Revenue increases were largely driven by two items – program revenue (up at 7 sites) and rental revenue (up at 6 sites). Pass revenue was up only at the two expanded sites; this performance causes significant concern that prices for membership passes are at or very near market tolerance levels in the current environment.

Resource Management

Stewardship education continues to show steady growth in revenue and participation with an 8% growth in program revenue from FY 2014 to FY 2015. Overall revenue grew by 5.2%, a decline from last year's 8% growth. All revenue categories showed minor growth from the previous year, except for historic site rental decreases

(which is due to the renovations at the Great Falls Grange) and resale (which is a business decision to scale back store sales due to low net performance and limited storage/re-sale space). Other revenue categories (amusements, admissions, etc.) are up as well though not significantly, but continue to enhance the experience for the visitor and support revenue growth in general.

3.4 Benefits

Benefits across the board continue to be on the rise. In FY 2014, the total cost associated with Health Care Benefits for all ROF personnel was \$1,653,051. In FY 2015 that amount had risen to \$1,863,417, an increase of more than 11%. Although not yet formally announced, Health Care Benefits for full-time employees are expected to increase 6.5% in calendar year 2016 resulting in an additional \$121,122 increase in calendar year 2016. Health care increases are expected to continue to outpace the rate of inflation.

In response to Federal health care legislation, the Park Revenue and Operating Fund began absorbing health care benefit costs for eligible exempt limited term employees in FY 2012. The cost of this benefit in FY 2014 was \$80,805 and \$159,486 in FY 2015. The large increase in FY 2015 was due to a significant increase in the number of employees taking advantage of the health care option.

Other Post-Employment Benefits (OPEB) costs for ROF employees were transferred from the county to the Park Authority in FY 2011 (\$631,555). In FY 2014 the charge was \$751,439, in FY 2015 the charge dropped to \$590,977. The reduction is due to the way the county calculates this long-term cost. The FY 2016 impact is \$598,197.

3.5 Employee Compensation - Market Adjustment Rate

An FY 2015 Market Rate Adjustment and salary increase totaling 2.29 percent was given to all employees in the August 9, 2014, paycheck. The impact to the Revenue & Operating Fund was \$602,138. In FY 2016, based on the Board of Supervisors approval of a new compensation plan for employees, funding was included for performance increases and a 1.1 percent market rate adjustment (MRA); the average compensation increase will be 3.6 percent. The impact to Fund 80000 is \$659,400, including \$298,180 for the 1.1 percent MRA for all employees and \$361,220 performance-based and longevity increases, both effective July 2015. As part of the Budget Guidance for FY 2016 and FY 2017, the County Executive was directed to fully fund the MRA in his FY 2017 Advertised Budget.

3.6 Leave Payouts

The Authority, as well as the general county, will be facing an increased number of retirements as baby boomers prepare to exit the work force. In FY 2016 the Authority will have 100 Merit employees eligible for retirement, 36 of those are in the Revenue Fund. An additional 19 employees become eligible in FY 2017, seven of which are in the Revenue Fund. When an employee retires from merit service, the employee is paid for the balance of their annual leave, and any compensatory time up to 240 hours. The Revenue Fund incurred \$160,421 in leave payouts in FY 2015. The estimated DROP payout for FY 2016 is projected at \$70,643, \$67,531 in FY 2017, and \$27,335 in FY 2018.

3.7 Fairfax County Public Schools Initiatives

Monday's schedule change

June 2014 the Fairfax County Public Schools (FCPS) announced a schedule change increasing the long-time shortened Monday schedule to a full-day schedule. Over the years, county residents have counted on and have taken advantage of utilizing Park Authority programs at centers and sites to provide services to their children. Staff has developed afternoon programs to fulfill the needs of working parents. This change of schedule negatively impacted FY 2015 gross revenue by \$140,000 (\$122,000 in class revenue and \$18,000 for related aquatics rentals).

SLEEP initiative

For several years the FCPS has researched the impacts of a later school start time for children. Options were identified and beginning September 2015 high school start times were moved up to 50 minutes later than the previous school year. This change will shift schools' use of the RECenters closer into the prime time of the indoor pools for high school swim team practice and competition. Aquatic class schedules, pass holders, and general admission users will be directly impacted for an estimated reduction in gross revenue of \$84,489.

\$1 Per Participant Fee Increase

January 2014 the Park Authority received notice that the FCPS will be raising their per participant fee for use of schools by another \$1. The fee increase resulted in an additional expense for the Park Authority of \$16,759 in FY 2015.

3.8 Indirect Costs

FY 2015 Actual Net Revenue was \$510,125. FY 2016 Revised Net Revenue based on Carryover is currently budgeted at \$250,373. Factors impacting FY 2016 net revenue include Indirect Cost charges (applied from the county for provision of legal, HR, and other centralized services) increasing to

\$820,000 from \$775,000, the resumption of a BOS approved compensation plan discussed in the employee compensation section, and the Carryover of \$94,194 of critical capital equipment. The primary use of net revenue is for reinvestment into projects such as Revenue Facilities Capital Sinking Fund that provides support for planned, long-term, life-cycle maintenance of revenue facilities, ParkNet, and General Park Improvements. The FY 2017 net projection was submitted as \$811,578.

3.9 General Fund Budget Cuts Continue

Based on FY 2017 Budget Development Guidance, the county is currently projecting a deficit for the county's General Fund of approximately \$96 million. In addition, the Schools are projecting a deficit of \$80 million after accounting for their projected requirements and a 3% increase in the county transfer. However, while it is likely that some level of reductions will be necessary, Management and Budget is not requiring that reductions be submitted with the budget, but warn that they may be required at a later date. Since FY 2008, Park Authority reductions have resulted in over a 29% loss of General Fund support and 55 positions, yet park acreage, facilities, and amenities, population, competition, and public expectations continue to increase. Park conditions continue to worsen and citizen complaints are on the rise; finding reoccurring program cuts without furthering impacts is virtually impossible. Following the last several years of additional General Fund costs being moved to the ROF, staff and the Park Authority Board have been extremely cautious in opening that door as an option to help with reductions as net dollars are sorely needed to reinvest into revenue facilities and/or cushion uncontrollable costs coming from the county. As part of the required FY 2016 required 3% budget reductions, two positions that have primary responsibility to manage the Lake Fairfax Water Mine (a ROF facility) and have been on the park records as General Fund positions since their creation have been offered as a part of the reduction. This decision was made primarily due to the expansion and increased revenue recovery potential. Work Performed for Others (WPFO) has been offered to be charged to the ROF in FY 2016 for \$120,781 and the county will continue to pay for the related benefits. This proposed reduction contributes to the \$705,000 General Fund requirement but represents a direct hit to the ROF net which was planned to be reinvested into facilities and services. This is also an area of uncertainty and will have to be monitored closely with poor economic times continuing.

3.10 Capital Equipment

In the past, (especially in difficult economic times) based upon the requirement to insure 100% cost recovery in the ROF, the agency made the decision to hold or delay some capital equipment replacement. RECenters, golf courses, nature sites, lake fronts, and historic sites have a variety of

equipment they rely upon to maintain the facilities and also assist in programs and services directly tied to revenue generation. Management has used a discretionary application of this rule depending on the year to help fund items related to critical needs or in emergency situations. Recent data captured in the agency's Tririga Asset Management System indicates that 67% of the existing grounds related capital equipment is beyond its life expectancy. (This includes items such as mowers, aerators, rakes, tractors, trailers, sprayers, sweepers, and utility vehicles). "Maintenance equipment at all facilities" is listed in the National Golf Foundation final report's top ten priorities noted to meet its projections. Further, it is the NGF Consulting team's belief that continued non-replacement will jeopardize course conditions impacting overall service and eroding golf revenues by an amount even greater than the expense reduction savings. This strategy can no longer be relied upon to balance the budget. The agency must determine the next steps to begin the transition towards creating a replacement cycle for required capital equipment and consider all avenues of revenue stream for this implementation program. In FY 2015, it should be noted, the Park Authority purchased \$139,701 of capital equipment and has an additional \$94,194 encumbered in the ROF. The Park Authority also purchased \$69,044 worth of capital equipment in the General Fund, with an additional \$198,770 encumbered. As part of Carryover, the Authority transferred \$100,000 to General Park Improvements to allow the purchase of critical capital equipment that was not purchased in FY 2015 due to concerns as noted above related to cost recovery. With FY 2016 projected to be another difficult year, the Authority will again be challenged in purchasing needed, critical capital equipment, while also ensuring positive net revenue.

3.11 Realization of Bond Projects - FSP Core Business initiatives

Four out of the five planned facility expansions to increase revenue will be coming to fruition during this planning time frame.

Twin Lake Oaks Room expansion was completed in May of 2014. Originally revenue projections were decreased for FY 2014 and FY 2015 to allow for ramp up opportunity.

Oak Marr RECenter (OMRC is fully opened)

Spring Hill RECenter (SHRC is fully opened)

Water Mine. Although targeted for opening in late summer 2015 (FY 2016) full realization of all the amenities will not occur until the summer of FY 2016. Since the seasonal nature of this facility, the first fully operational year will be FY 2017. The Water Mine is fully opened – August 1, 2015).

Realization of the FSP Net Revenue Projections for Development Projects-

	FY 2015 Original Projection	FY 2015 Revised Projection	FY 2016 Original Projection	FY 2017 Original Projection
Twin Lakes	\$275,000	\$200,000	\$ 350,000	\$ 350,000
Oak Marr	\$150,000	\$150,000	\$ 400,000	\$ 550,000
Spring Hill	\$340,000	\$340,000	\$ 730,000	\$ 950,000
Water Mine	\$ 75,000	\$ 0	\$ 125,000	\$ 350,000
Totals	\$840,000	\$690,000	\$1,650,000	\$2,200,000

4.0 Management Strategies

4.1 FY 2016 Management/Operations Strategies

In order to maintain financial stability and meet ROF goals and targets, many of the prior year business management philosophies in managing costs as well as new initiatives for FY 2015 will be implemented.

4.1.1 General (For all areas) :

- Staffing resources will continue to be evaluated and reallocated/reassigned as positions become vacant. DROP and retirement attrition at Golf Courses, Lakefronts, and RECenters will be closely reviewed before proceeding to fill. New staffing models will continue to be defined as necessary and appropriate. (Project identified as an FY 2015 Strategic Plan Implementation.)
- Vacant Merit positions will be carefully reviewed before filling and delayed hiring options exercised if needed.
- Restructuring options and redeployment of staff in off seasons to gain efficiencies and maximize vacancy management savings potential, including movement away from merit positions where warranted, will continue to be considered.
- The sustainable model will be applied to all program services and offerings that do not have a minimum of \$0 net revenue.

4.1.2 Golf Enterprises

Golf Enterprises will continue to incorporate initiatives and strategies identified in the FSP, implement reinvestments as supported by the Park Improvement Fund and Bond, as well as implement items identified in the Golf System Operational Analysis conducted by National Golf Foundation Consulting (NGF Consulting). FY 2016 Strategies will include:

FY 2016 Management Strategies: Golf Enterprises

Management Strategy	Strategic Goal Relationship	Success Measurement
Review all merit position hires	Achieve a net revenue in Golf of \$1,034,148 in FY16.	<ul style="list-style-type: none"> • Reduced total merit staff salaries
Seasonal staff hour reviews conducted quarterly	Achieve a net revenue in Golf of \$1,034,148 in FY16.	<ul style="list-style-type: none"> • Reduce seasonal staff hours
Hire Golf Enterprise Marketing Specialist	Achieve a net revenue in Golf of \$1,034,148 in FY16. AND Outperform by 1 % the NGF Golf Rounds for the Baltimore/ Washington Metro area golf course.	<ul style="list-style-type: none"> • Position hired • Increased rounds per operating hour • Increased net revenue*
Convert from Parknet POS to new Golf Specific POS Management system	Achieve a net revenue in Golf of \$1,034,148 in FY16. AND Outperform by 1 % the NGF Golf Rounds for the Baltimore/ Washington Metro area golf course.	<ul style="list-style-type: none"> • New POS initiated • Increased rounds per operating hour • Increased net revenue*
Initiate newly contracted Golf Instruction & Learning Academy @ Twin Lakes	Achieve a net revenue in Golf of \$1,034,148 in FY16.	<ul style="list-style-type: none"> • Increased net revenue*
Initiate partnership with First Tee of Washington DC	Outperform by 1 % the NGF Golf Rounds for the Baltimore/ Washington Metro area golf course.	<ul style="list-style-type: none"> • Implementation of First Tee Program
Continue programming expansion of Foot Golf	Achieve a net revenue in Golf of \$1,034,148 in FY16. AND Outperform by 1 % the NGF Golf Rounds for the Baltimore/ Washington Metro area golf course.	<ul style="list-style-type: none"> • Increased net revenue* • Increased participation of Foot Golf
Develop and initiate Golfer Loyalty Program	Achieve a net revenue in Golf of \$1,034,148 in FY16.	<ul style="list-style-type: none"> • Implementation of loyalty program

Management Strategy	Strategic Goal Relationship	Success Measurement
	AND Outperform by 1 % the NGF Golf Rounds for the Baltimore/ Washington Metro area golf course.	<ul style="list-style-type: none"> • Increased rounds per operating hour • Increased net revenue • Participation rates in golf loyalty program
Explore additional Golf Enterprise membership opportunities	Achieve a net revenue in Golf of \$1,034,148 in FY16. AND Outperform by 1 % the NGF Golf Rounds for the Baltimore/ Washington Metro area golf course.	<ul style="list-style-type: none"> • Increased rounds per operating hour • Increased net revenue*

* Net revenue adjusted for capital equipment purchases well beyond life expectancy

FY 2017 Management Strategies: Golf Enterprises

Initiate countywide amateur golf tournament to increase engagement and loyalty
Continue to grow golf-specific email database segmented by interest and participation
Increase Golf Outing rounds and facility rentals
Expand First Tee participation
Maximize participation in First Tee school program

FY 2018 Management Strategies: Golf Enterprises

Continue to grow golf-specific email database segmented by interest and participation
Expand First Tee participation

4.1.3 Resource Management Division

FY 2016 Management Strategies: Resource Management Division

Management Strategy	Strategic Goal Relationship	Success Measurement
Evaluate evening programming potential and begin pilot programming at nature centers (e.g. family, scouts, and campfires).	Increase enrollment in coded programs by 3% in FY16.	<ul style="list-style-type: none"> • Increased attendance • Increased revenue • Increased programs
Expand Meaningful Watershed Experiences (MWEE) MWEE will be offered at school in the afternoons and November to March time frame.	Engage FCPS schools in the new 4 th grade invasive MWEE program, linking to green school initiative.	<ul style="list-style-type: none"> • Increased attendance • Increased revenue • Increased programs
Equestrian revenue is on the decline due to the industry cost of exhibiting and participating in horse shows. Therefore, a program evaluation will be conducted of equestrian activities at Frying Pan with intended outcomes that raise revenue through potential stall rentals, increased fees, etc.	Explore feasibility and identify potential opportunities for leasing/leveraging parkland and facilities and develop the appropriate policy to support the initiative.	<ul style="list-style-type: none"> • Increased revenue • Potential new public service
Continued growth of scout and school programs is expected as this line of business continues to provide increased participation and revenue due to the high level of need in the community.	Increase enrollment in coded programs by 3% in FY16.	<ul style="list-style-type: none"> • Increased attendance • Increased revenue • Increased programs
Capitalize on new volunteer benefits by bringing in more volunteers to help	Increase FCPA volunteer hours by 2% to 184,254 which will result in a total	<ul style="list-style-type: none"> • Increased marketing efforts to attract volunteers

Management Strategy	Strategic Goal Relationship	Success Measurement
with cost containment SP initiative to increase volunteer hours.	cost avoidance of \$4,587,945 cost avoidance.	<ul style="list-style-type: none"> • Increased # of volunteer hours Decrease in seasonal hours/\$
Riverbend Park expanded boating group programming and is expected to generate an additional \$6,000 per year.	Increase enrollment in coded programs by 3% in FY16.	<ul style="list-style-type: none"> • Increased attendance • Increased revenue • Increased programs

FY 2017 Management Strategies: Resource Management Division

Evaluate effectiveness and efficiency of holding several merit positions vs hiring seasonal staff for increasing programs and revenue.
Increase programming and rentals at new shelters at Riverbend and Hidden Pond

FY 2018 Management Strategies: Resource Management Division

Explore RMD sites VIP/membership program (benefits, costs, risks, etc.)
Develop a full cost analysis on the existing Green Spring garden plot program vs new community managed gardens to determine future of the program

4.1.4 Park Services Division

FY 2016 Management Strategies: Park Services Division

Management Strategy	Strategic Goal Relationship	Success Measurement
Investigate child care options at RECenters undergoing renovation/expansions	Achieve a 53% retention rate for RECenter passholders.	<ul style="list-style-type: none"> • Increase in passholders at sites with child care
Retool Business Office to	Begin discussion and	<ul style="list-style-type: none"> • Increased rentals

Management Strategy	Strategic Goal Relationship	Success Measurement
address additional management opportunities to include vending, park permits, rentals	identify an approach with Leadership Team about the organizational alignment and building capacity.	
Monitor the increase in vendor camps and determine if FCPA can provide similar services	Associated with: Achieve net revenue goals in FY16 by capitalizing on facility expansions for: Oak Marr RECenter - \$400,000, Spring Hill - \$450,000 and \$125,000 Water Mine. Increase households participating in revenue programs by 2,000 in FY16 over the current number of 64,600.	<ul style="list-style-type: none"> • Increased net revenue for camps
Create a staffing model for RECenters	Begin discussion and identify an approach with Leadership Team about the organizational alignment and building capacity.	<ul style="list-style-type: none"> • Reduced staffing expenses
Create a pilot program to expand Water Mine season	Complete development of the Water Mine to achieve an additional \$125k net revenue in FY16	<ul style="list-style-type: none"> • Increased net revenue at Water Mine
Identify building room plan for RECenters undergoing renovation/expansion	Achieve net revenue goals in FY16 by capitalizing on facility expansions for: Oak Marr RECenter - \$400,000, Spring Hill - \$450,000 and \$125,000 Water Mine. Increase households participating in revenue programs by 2,000 in FY16 over the current number of 64,600.	<ul style="list-style-type: none"> • Increased program offerings
Determine more optimum	Begin discussion and	<ul style="list-style-type: none"> • Reduced staffing

Management Strategy	Strategic Goal Relationship	Success Measurement
number of E and G positions	identify an approach with Leadership Team about the organizational alignment and building capacity.	expenses
More aggressively address the aquatic waiting list issue	Increase enrollment in coded programs by 3% in FY16	<ul style="list-style-type: none"> • Increase aquatics net revenue
Complete branding study	Award contract to vendor to perform Signage and Branding study for the Park Authority.	<ul style="list-style-type: none"> • Increased visitation at revenue sites
Expand advertising investments to increase awareness for RECenter passes	Implement Marketing and Communications plan and increase marketing resources in support of marketing plan initiatives	<ul style="list-style-type: none"> • Increased number of RECenter passholders
Update email marketing capabilities	Increase households participating in revenue programs by 2,000 in FY16 AND Implement Marketing and Communications plan and increase marketing resources in support of marketing plan initiatives	<ul style="list-style-type: none"> • Increased net revenue
Implement electronic fund transfers (EFT)	Begin Implementation of selected Recreation Management system in FY16.	<ul style="list-style-type: none"> • Utilization rate for EFT
Promote opening of new Water Mine facilities	Complete development of the Water Mine to achieve an additional \$125k in net revenue in FY16. AND Implement Marketing and Communications plan and increase marketing	<ul style="list-style-type: none"> • Increased Water Mine net revenue • Increased attendance at Water Mine

Management Strategy	Strategic Goal Relationship	Success Measurement
	resources in support of marketing plan initiatives	
Continue data collection to use to selectively adjust fees	Related to Stabilize Funding Objective Address the continued instability in the Park Authority funding environment by optimizing various funding sources to accomplish targeted financial and service goals.	<ul style="list-style-type: none"> • Increased net revenue
Expand outdoor recreation program offerings	Increase enrollment in coded programs by 3% in FY16.	<ul style="list-style-type: none"> • Increased programming net revenue
Develop partnerships to expand community health and fitness	Develop a plan to expand partnerships with user groups and other public and private agencies.	<ul style="list-style-type: none"> • Increased partnerships

FY 2017 Management Strategies: Park Services Division

Continue to manage vacancy rates in the revenue fund
Determine appropriate seasonal staffing pattern at lakefront parks
Implement a new process for awarding scholarships

FY 2018 Management Strategies: Park Services Division

Continue to explore consolidation of services within the Business Office
Continue to replace merit positions with seasonal staff where appropriate
Identify new camp programs to increase revenue at lakefront parks

4.2 FY 2016 – FY 2017 Planned Capital, Repair & Service Improvement Strategies for Revenue Generating Facilities

A revised marketing plan component of the FCPA marketing and communications plan is currently nearing completion and contains strategies for the two-year period FY 2016-17. Selected ROF-related marketing plan focus areas for FY 2016-17 include the following:

- Overall. (1) Complete branding study, the overall end product of which is an update of the primary FCPA identity and will also address primary sub-brand identities for golf and RECenters leading to installation of upgraded entrance signage these facilities in FY 2018 per the Financial Sustainability Plan. (2) Increase marketing investment, primarily in RECenters and golf, to increase community awareness and purchases. Strategic Plan: Inform and Engage, Stabilize Funding
Metrics: see below
- RECenter passes. (1) Expand advertising investment to increase awareness. (2) Update email marketing capabilities (ParkNet replacement dependent). (2) Incorporate Internet marketing into the advertising mix. (3) Implement electronic fund transfer for pass sales to reduce price point for young adults (ParkNet replacement dependent). Adopt REACH mobile app to provide relevant content/engage pass holders. (4) Expand emphasis on pass holder retention. Strategic Plan: Inform and Engage, Stabilize Funding
Metrics: # passes sold, pass revenue, pass holder retention rate
- Golf. (1) Build a larger golf customer database (after installation of the new golf info system), allowing expanded electronic marketing. (2) Update/expand the annual frequent player pass sale. (3) Research/ implement a golfer loyalty program. (4) Grow the number of golf outings/events and associated revenue. (5) Implement a program to effectively transition lesson takers into regular rounds purchasers. (6) Hire golf marketing specialist and properly resource the golf marketing function. (7) Leverage new golf info system to update golf marketing systems, tools and tactics. Strategic Plan: Stabilize Funding
Metrics: # rounds played, # passes sold, # golf outings/events, total golf revenue
- Programs. (1) Continue data-based approach to selectively adjust fees. (2) Build program awareness and enrollment via development of annual outreach calendar, upgrading on-site promotional materials, expanding subscription levels (Parktakes and ResOURces), and piloted use of digital

marketing. (3) Develop partnerships to expand community health and fitness programming, and expand programs in niche markets. (4) Expand outdoor recreation program offerings.

Strategic Plan: Optimize Programs and Services, Stabilize Funding

Metrics: program enrollment, program revenue, Parktakes/ResOURces subscriptions

- Water Mine. Promote opening of expanded facility.

Strategic Plan: Stabilize Funding

Metrics: total attendance, total revenue

4.3 FY 2015 – FY 2018 Capital, Repair and Service Enhancement Strategies

As the Authority becomes increasingly reliant on revenue generation and cost recovery to sustain its overall mission and operations, the county's allocation of capital and bond dollars will play a critical role in how that is accomplished.

The entire county continues to face challenges brought about by a continuing sluggish local economy. Maintaining aging infrastructure continues to be a source of concern. In February 2014, the Board of Supervisor's Infrastructure Financing Committee (IFC) distributed a report which outlines key maintenance, infrastructure replacement and upgrades, renovations and new construction definitions which will be standardized throughout the county, schools, and parks. This long-awaited strategic approach is intended to begin to address the backlog of infrastructure replacement, upgrades, renovation, and capital need throughout the county. Continued diligence and advocacy in ensuring some county funding is also provided for ROF facilities will be critical. Difficult economic times may not allow funding to be appropriated yet; however, the County Executive is committed to the program.

Meanwhile the Park Authority Board recognizes that reinvestment responsibility must be shared with the ROF facilities and at FY 2015 Carryover approved \$668,235 of Telecommunications (monopole) dollars to go towards facility maintenance and repairs and service enhancements for all park facilities. Staff remains dedicated to spending appropriate proffer dollars and General Park Improvement Funds for repairs, maintenance, and improved services.

The following projects are continuing and have been approved with the FY 2016 Planning and Development Work Plan and/or with the FY 2015 Carryover Budget in July 2015 by the Park Authority Board and will assist in

repairs, development, and service enhancements which in the long run impacts customer satisfaction and revenue production.

Capital Projects in Support of Revenue Generating Facilities

Park	Project Description	Fund	Targeted Completion
Colvin Run Mill	The restoration of non-functioning mill components	300-C30400	Completed FY 15
Audrey Moore RECenter	Repair the west natatorium wall	300-C30400 800-C80300	Completed FY15
Great Falls Grange ADA	Design and construct ADA repairs for the building and site	300-C30010	Completed FY15
Twin Lakes – Oaks Course	Bunker renovation & practice putting green addition	800-C80300	Completed FY15
Greendale Golf Course	Drainage Improvements	300-C30400	Completed FY15
Lake Fairfax	Replace campground sewer line to increase capacity	800-C80300	Completed FY15
Lake Fairfax	Repairs to roadways	800-C80300	Completed FY15
RECenters and Golf Courses	Provide Wi-Fi capability for all customers and enhance security camera capability at RECenters	800-C80300	FY15
Agencywide	Internal Employee Survey	800-C80300	FY15
Lake Fairfax Park	Water Mine Expansion	300-C30400	FY16
Oak Marr and Twin Lakes Golf Course	Upgrade current token based ball dispensing	800-C80300	FY16
Burke Lake and Lake Accotink	Infrastructure Replacement	300-C30400	FY16
Providence RECenter	Improve Natatorium Exterior, Sun deck area	800-C80300	FY16
Agencywide	Customer Service Satisfaction Survey	800-C80300	FY16
Providence, South Run	Design ADA repairs for RECenters	300-C30010	FY16
Riverbend Park	Outdoor Education Shelter	300-C30400	FY16
Jefferson, Greendale and Twin Lakes Golf Course	Install equipment wash station for grounds maintenance equipment	800-C80300	FY16
Greendale Golf Course	Golf Course Irrigation System Replacement	300-C30400	FY16
George	Update lighting & sky light	800-C80300	FY16

Park	Project Description	Fund	Targeted Completion
Washington			
Agencywide	Needs Assessment	300-C30400	FY16
Agencywide	Branding Study – FSP Initiative with dollars to support RECenter signage replacement	300-C30400	FY16
Oak Marr Golf Course	Driving Range Improvements	300-C30400	FY17
Oak Marr Golf Course	Upgrade driving range lighting	800-C80300	FY17
Riverbend	Infrastructure Replacement	300-C30400	FY17
Mount Vernon, and Lee RECenter	Design ADA repairs for RECenters	300-C30010	FY17
Burke Lake Club House	Replacement	300-C30400	FY18
Lee District	Carousel Installation at Chessie's Big Back Yard	300-C30400	FY18
Burke Lake Golf Course	Driving Range Expansion	300-C30400	FY18
Hidden Pond	Parking lot expansion and new outdoor shelter	300-C30400	FY18

5.0 Schedules

5.1 Base Assumptions for FY 2017 – FY 2019

	FY 2017 PROJ	FY 2018 PROJ	FY 2019 PROJ
REVENUE FACTORS			
REC ACTIVITIES			
CLASSES	1.05	1.02	1.02
PASSES	1.02	1.02	1.02
ADMISSION	1.00	1.00	1.00
OTHER	1.03	1.02	1.02
PARKS	1.10	1.02	1.02
SUBTOTAL			
GOLF			
PASSES	1.00	1.01	1.00
GREENS FEES	1.00	1.01	1.00
OTHER	1.00	1.01	1.00
SUBTOTAL			

	FY 2017 PROJ	FY 2018 PROJ	FY 2019 PROJ
ADMINISTRATION	1.00	1.00	1.00
RESOURCE MANAGEMENT			
Programs	1.12	1.06	1.06
Rental	1.00	1.05	1.05
Resale	1.00	1.01	1.01
Other	1.00	1.01	1.01
<hr/>			
EXPENDITURE FACTORS			
REC ACTIVITIES			
FULL-TIME SALARIES	1.00	1.03	1.03
LIMITED-TERM SALARIES	1.02	1.02	1.03
OPERATING EXPENSES	1.09	1.03	1.03
CAPITAL EQUIPMENT	1.00	1.00	1.00
SUBTOTAL			
GOLF COURSES			
FULL-TIME SALARIES	1.00	1.03	1.03
LIMITED-TERM SALARIES	1.00	1.02	1.03
OPERATING EXPENSES	1.00	1.01	1.01
CAPITAL EQUIPMENT	1.00	1.00	1.00
SUBTOTAL			
ADMINISTRATION			
FULL-TIME SALARIES	1.00	1.03	1.03
LIMITED-TERM SALARIES	1.00	1.03	1.03
OPERATING EXPENSES	1.00	1.00	1.00
CAPITAL EQUIPMENT	1.00	1.00	1.00
SUBTOTAL			
RESOURCE MANAGEMENT			
FULL-TIME SALARIES	1.05	1.03	1.03
LIMITED-TERM SALARIES	1.04	1.02	1.03
OPERATING EXPENSES	1.08	1.03	1.03
CAPITAL EQUIPMENT	1.00	1.00	1.00
SUBTOTAL			

Notes:

- FY 2017 is considered the baseline.
- Based on the past couple years of actual performance Golf passes and greens fees revenue assumptions have been reduced. The National Golf Foundation is

reporting some positive news, so staff anticipates that the Park Authority courses will see improvement going forward.

- Full-Time and Limited-Term salary projections are based on assumptions from the County's Compensation Team, but the actual percentage will be based on increases approved by the BOS.
- It is estimated that due to the continued economic situation there will be a very conservative fee package presented for FY 2016 and FY 2017. General timing for the fee approval process can in attachment A-2.

5.2 Revenue/Expenditures – Summary

	<i>FY2013</i> ACTUAL	<i>FY2014</i> ACTUAL	<i>FY2015</i> ACTUAL	<i>FY2016</i> REVISED	<i>FY2017</i> SUBMISSION	<i>FY2018</i> PROJ	<i>FY2019</i> PROJ
OPERATING REVENUE	\$42,957,894	\$43,055,113	\$44,678,597	\$46,935,007	\$48,377,877	\$49,273,499	\$50,084,228
EXPENDITURES:							
PERSONNEL SERVICES	\$26,544,817	\$27,252,802	\$27,695,078	\$29,043,205	\$29,196,560	\$29,947,080	\$30,845,492
OPERATING EXPENSES	12,924,528	13,708,873	13,978,786	14,517,762	15,460,324	\$15,835,058	16,220,412
CAPITAL EQUIPMENT	257,013	246,571	139,701	699,050	455,000	455,000	455,000
TOTAL EXPENDITURES	\$39,726,358	\$41,208,246	\$41,813,565	\$44,260,017	\$45,111,884	\$46,237,138	\$47,520,905
NET REVENUE BEFORE DEBT	\$3,231,536	\$1,846,867	\$2,865,032	\$2,674,990	\$3,265,993	\$3,036,361	\$2,563,323
DEBT SERVICE	\$1,516,766	\$923,340	\$1,579,890	\$1,605,315	\$1,634,416	\$1,634,416	\$1,634,416
INDIRECT COST	\$0	\$775,000	\$775,000	\$820,000	\$820,000	\$820,000	\$820,000
NET REVENUE AFTER DEBT	\$1,714,770	\$148,527	\$510,142	\$249,675	\$811,579	\$581,945	\$108,907
1/ DEBT SERVICE RATIO	2.13	2.00	1.81	1.67	2.00	1.86	1.57
2/ COST RECOVERY	1.081	1.045	1.069	1.060	1.072	1.066	1.054
3/ COST RECOVERY - includes Bond Interest & Debt Service	1.042	1.022	1.030	1.023	1.035	1.029	1.019

3/ \$345,013 for Providence and \$565,000 FY 02 approved carryover.

1/ Debt Service Ratio is calculated by dividing Net Revenue Before Debt by Debt Service

2/ Cost Recovery is calculated by dividing Operating Revenue (not including Bond Interest) by Total Expenditures (not including Debt Service).

3/ Cost Recovery-including Bond Interest and Debt Service is calculated by dividing Total Revenue (Including Bond Interest) by Total Expenditures plus Debt Service.

5.3 Projected Revenue by Cost Center

	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 REVISED	FY2017 SUBMISSION	FY2018 PROJ	FY2019 PROJ
REC ACTIVITIES							
CLASSES	13,880,905	13,468,403	16,505,770	15,430,983	16,271,208	16,596,632	16,928,565
PASSES	6,747,261	5,995,988	8,050,545	7,144,641	7,298,067	7,444,028	7,592,909
ADMISSION	1,874,564	1,757,003	1,735,434	1,970,000	1,981,250	1,981,250	1,981,250
OTHER	3,781,057	4,922,814	1,181,579	4,125,500	4,250,400	4,335,408	4,422,116
PARKS	3,190,397	3,447,689	3,734,632	3,862,000	4,300,428	4,386,437	4,474,165
SUBTOTAL	\$29,474,184	\$29,591,897	\$31,207,960	\$32,533,124	\$34,101,353	\$34,743,755	\$35,399,005
GOLF							
PASSES	1,493,859	1,497,368	893,453	1,497,100	1,447,100	1,461,571	1,461,571
GREENS FEES	4,959,922	4,740,797	4,547,963	5,117,600	5,027,600	5,077,876	5,077,876
OTHER *	3,688,463	3,769,186	4,394,125	4,158,905	4,148,905	4,190,394	4,190,394
SUBTOTAL	\$10,142,244	\$10,007,351	\$9,835,541	\$10,773,605	\$10,623,605	\$10,729,841	\$10,729,841
ADMINISTRATION	\$961,188	\$857,672	893,353	871,860	871,860	871,860	871,860
RESOURCE MANAGEMENT							
Programs	\$1,598,090	\$1,770,965	1,994,877	1,881,138	2,135,020	2,263,121	2,398,908
Rental	\$393,099	\$447,658	442,381	474,917	310,547	326,074	342,378
Resale	\$265,516	\$245,818	229,307	260,788	248,018	250,498	253,003
Other	\$123,573	\$133,752	75,178	139,575	87,474	88,349	89,232
SUBTOTAL	\$2,380,278	\$2,598,193	2,741,743	2,756,418	2,781,059	2,928,042	3,083,522
TOTAL	\$42,957,894	\$43,055,113	\$44,678,597	\$46,935,007	\$48,377,877	\$49,273,499	\$50,084,228

5.4 Projected Expenditures by Cost Center

	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 ACTUAL	FY2016 REVISED	FY2017 SUBMISSION	FY2018 PROJ	FY2019 PROJ
REC ACTIVITIES							
FULL-TIME SALARIES/BENEFITS	9,233,813	9,574,211	9,519,101	10,225,290	10,175,290	10,480,549	10,794,965
LIMITED-TERM SALARIES	9,212,472	9,377,159	9,913,436	10,209,286	10,421,667	10,630,100	10,949,003
OPERATING EXPENSES	8,562,698	9,372,318	9,725,927	9,932,246	10,910,387	11,237,699	11,574,830
CAPITAL EQUIPMENT	165,207	48,690	27,257	380,000	280,000	280,000	280,000
SUBTOTAL	\$27,174,190	\$28,372,378	\$29,185,721	\$30,746,822	\$31,787,344	\$32,628,348	\$33,598,798
GOLF COURSES							
FULL-TIME SALARIES/BENEFITS	4,663,806	4,848,068	4,645,018	5,104,646	5,104,646	5,257,785	5,415,519
LIMITED-TERM SALARIES	1,467,168	1,416,689	1,491,181	1,329,772	1,329,772	1,356,367	1,397,058
OPERATING EXPENSES	3,090,932	2,837,113	3,062,504	3,105,890	3,105,800	3,136,858	3,168,227
CAPITAL EQUIPMENT	72,261	144,797	105,318	278,162	175,000	175,000	175,000
SUBTOTAL	\$9,294,167	\$9,246,667	\$9,304,021	\$9,818,470	\$9,715,218	\$9,926,011	\$10,155,804
ADMINISTRATION (excluding debt)							
FULL-TIME SALARIES/BENEFITS	326,056	248,546	298,734	352,737	297,204	306,120	315,304
LIMITED-TERM SALARIES	161,584	122,160	107,176	175,312	135,312	139,371	143,553
OPERATING EXPENSES	768,091	956,510	635,494	974,566	898,664	898,664	898,664
CAPITAL EQUIPMENT	0	33,504	5,708	0	0	0	0
SUBTOTAL	\$1,255,731	\$1,360,720	\$1,047,112	\$1,502,615	\$1,331,180	\$1,344,155	\$1,357,520
INDIRECT COST		775,000	775,000	820,000	820,000	820,000	820,000
SUBTOTAL	\$1,255,731	\$2,135,720	\$1,822,112	\$2,322,615	\$2,151,180	\$2,164,155	\$2,177,520
RESOURCE MANAGEMENT							
FULL-TIME SALARIES/BENEFITS	793,798	829,133	805,349	894,610	946,425	974,818	1,004,062
LIMITED-TERM SALARIES	686,120	836,836	915,083	751,552	786,244	801,969	826,028
OPERATING EXPENSES	502,807	542,932	554,861	505,060	545,473	561,837	578,692
CAPITAL EQUIPMENT	19,545	19,580	1,418	40,888	0	0	0
SUBTOTAL	\$2,002,270	\$2,228,481	\$2,276,711	\$2,192,110	\$2,278,142	\$2,338,624	\$2,408,783
TOTAL	\$39,726,358	\$41,983,246	\$42,588,565	\$45,080,017	\$45,931,884	\$47,057,138	\$48,340,905

5.5 Fund Statement – Fund 80000

	FY 2013 ACTUAL	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 REVISED	FY 2017 SUBMISSION
Beginning Balance	\$7,419,898	\$5,483,245	\$4,117,571	\$4,627,696	\$3,707,720
Revenue:					
Interest on Bond Proceeds	\$8,331	\$39	\$21	\$0	\$0
Park Fees ¹	42,196,499	42,067,143	43,637,737	\$45,956,683	\$47,639,370
Interest	32,381	5,427	7,583	\$46,137	\$41,883
Sale of Vehicles and Salvage					
Equipment		50,999	39,876	\$32,459	\$32,459
Donations and Miscellaneous					
Revenue	720,682	931,505	993,479	899,728	664,165
Total Revenue	\$42,957,893	\$43,055,113	\$44,678,696	\$46,935,007	\$48,377,877
Total Available	\$50,377,791	\$48,538,358	\$48,796,267	\$51,562,703	\$52,085,597
Expenditures:					
Personnel Services	\$27,304,950	\$28,157,182	\$28,555,680	\$30,096,520	\$30,249,875
Operating Expenses	12,924,528	13,708,873	13,978,786	\$14,516,920	\$15,460,324
Recovered Costs	(760,030)	(904,380)	(860,486)	(\$1,053,315)	(\$1,053,315)
Capital Equipment ¹	257,012	246,571	139,701	\$699,194	\$455,000
Subtotal	39,726,460	41,208,246	41,813,681	44,259,319	45,111,884
Debt Service:					
Fiscal Agent Fee	\$3,233	\$0	\$0	\$3,233	\$3,233
Bond Interest Payable ²	2,854,169	180,206	809,541	801,088	801,884
Subtotal Expenditures	\$42,583,862	\$41,388,452	\$42,623,222	\$45,063,640	\$45,917,001
Transfers Out:					
General Fund (10001) ²	0	775,000	775,000	820,000	820,000
County Debt Service (20000) ⁴	453,169	743,134	770,349	800,994	829,299
Park Capital Improvement Fund					
(80300)	1,849,882	1,500,000	0	1,170,349	0
Total Transfers Out	\$2,303,051	\$3,018,134	\$1,545,349	\$2,791,343	\$1,649,299
Total Disbursements	\$44,886,913	\$44,406,586	\$44,168,571	\$47,854,983	\$47,566,300
Ending Balance⁵	\$5,490,878	\$4,131,772	\$4,627,696	\$3,707,720	\$4,519,297
Debt Service Reserve ³	\$735,211	\$743,134	\$770,349	\$0	\$0
Revenue and Operating Fund					
Stabilization Reserve ⁴	2,017,969	2,053,518	2,136,097	2,212,966	2,255,594
Donation/Deferred Revenue ⁵	1,246,804	1,246,804	1,350,000	1,350,000	1,350,000
Set Aside Reserve ⁶	1,490,895	88,316	371,250	144,754	913,703
Unreserved Ending Balance	\$0	\$0	\$0	\$0	\$0

5.6 Fund Statement – Fund 80300

	FY 2013 ACTUAL	FY 2014 ACTUAL	FY 2015 ACTUAL	FY 2016 REVISED	FY 2017 SUBMISSION
Beginning Balance	\$25,275,611	\$28,696,358	\$24,033,860	\$20,103,027	\$2,207,926
Revenue:					
Interest	\$83,260	\$23,855	\$22,590	\$0	\$0
Capital Grants and Contributions	\$0	\$0	\$0	\$0	\$0
VDOT Revenue	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$5,111,131	\$2,229,695	\$1,590,147	\$0	\$0
Total Revenue	\$5,194,391	\$2,253,550	\$1,612,737	\$0	\$0
Transfers In:					
Park Revenue and Operating Fund	\$1,849,882	\$1,500,000	\$0	\$1,170,349	\$0
Total Transfer In	\$1,849,882	\$1,500,000	\$0	\$1,170,349	\$0
Total Available	\$32,319,884	\$32,449,908	\$25,646,597	\$21,273,376	\$2,207,926
Expenditures:	\$3,620,918	\$7,131,048	\$5,543,570	\$19,065,450	\$0
Transfers Out:					
General County Construction	\$0	\$1,285,000	\$0	\$0	\$0
Total Disbursements	\$3,620,918	\$8,416,048	\$5,543,570	\$19,065,450	\$0
Ending Balance	\$28,698,966	\$24,033,860	\$20,103,027	\$2,207,926	\$2,207,926
Lawrence Trust Reserve	\$1,507,926	\$1,507,926	\$1,507,926	\$1,507,926	\$1,507,926
Repair and Replace Reserve	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000
ROF Capital Sinking Fund	\$2,565,983	\$2,572,411	\$0	\$0	\$0
Unreserved Ending Balance	\$23,925,057	\$19,253,523	\$17,895,101	\$0	\$0

Attachments

A-1 Budget Guidelines and Revenue Funds Brief Descriptions

- **FY 2017 Budget Guidelines**

At this stage in the FY 2017 budget development, the county is projecting a General Fund deficit of approximately \$96 million. In addition, Schools is projecting a deficit of \$80 million after accounting for their projected requirements and a 3 percent increase in the county transfer. As a result, direction is to keep the budget at the FY 2016 adopted budget levels. Additionally, there may be a future determination of cuts in FY 2017 as actual data for FY 2016 unfolds.
- **FY 2016 The Lines of Business (LOBs) exercise**

The FY 2016 LOBs exercise is anticipated to be the first year of a multi-year process to shape the county's strategic direction and validate county priorities. LOBs will provide a comprehensive inventory of county services to help educate the newly elected Board of Supervisors, and the community, about what programs the county provides, how we provide those services, and how well we provide them. Completed LOBs documents will be presented to the Board of Supervisors in February 2016. Initially, LOBs are anticipated to be used for education purposes and to begin discussions at the Board and community level regarding which programs/services should be more closely evaluated. Ultimately, the Board of Supervisors will approve a sustainable financial plan to invest in the county's future success based, in part, on the discussions that will begin as a result of LOBs.
- **FY 2015 Carryover –**
 - a. Any new funding requests for General Fund agencies must be of a critical nature, and will require appropriate justification. Additionally, a memo or email from the agency director (optional) may be used to identify any significant issues impacting your agency in FY 2015 and/or FY 2016.
 - b. To be approved by Board of Supervisors on September 22, 2015.
- **Brief Description of Park Authority Revenue Funds**
 - **Park Revenue and Operating Fund (80000)** Revenues come from user fees and charges such as general admissions, passes, retail sales, equipment and facility rentals, classes and events at RECenters, Golf Courses, Lakefronts, Historic Sites, and Nature Centers. Fees are generally applied in areas serving an *individual's benefit*. Expenditures include personnel, operating, and capital equipment. The Park Board has fiduciary control over this fund. The fund is guided by the Financial Management Principles which are found in the annual Financial Management Plan. The Park Revenue and Operating Fund must operate

on a cost recovery basis and currently does not provide for capitalization costs.

- **Park Improvement Fund (80300) is** used to finance repairs, renovations or development of revenue generating facilities and programs. It receives revenue from year-end transfers from the Park Revenue and Operating Fund net, donations, telecommunications, and proffers, and is considered a special fund to be appropriated and expended solely by the Authority. These funds are either designated and restricted for specific use or managed by project that the Park Board approves and aren't generally used for day-to-day operating expenses unless specifically designated. Since these funds are mostly used for capital projects which typically span multiple years, funding is carried forward each fiscal year and ending balances may fluctuate depending upon Carryover.

*For more Financial/Budget related information please see the Comprehensive Annual Financial Report for additional definitions and debt service requirements or the quarterly financial reports prepared for the Park Authority board to monitor current year budget goal progress.

A-2 FY 2016 PAB Financial Schedule

FY 2016 Financial Calendar

July 1, 2015, FY 2016 Budget Year begins

<u>July 08</u>	Budget Committee reviews: FY 2015 Carryover Budget Review for 10001, 30010, 30400, 80000, and 80300;
<u>July 22</u>	PAB approves FY 2015 Carryover items and changes to the Purchasing Resolution
<u>July 28</u>	BOS shares the FY 2015 Carryover package with the public
<u>September</u>	BOS approves FY 2015 Carryover and dollars become available
<u>September 9</u>	BUDGET COMMITTEE reviews the FY 2017 Budget Submissions, FY 2016-FY 2018 Financial Management Plan and any FY 2016/2017 Budget Impacts
<u>September 21</u>	PAB approves FY 2017 Budgets and FMP
<u>October 14</u>	PAB Reviews 2016 Fee Calendar; Planning and Development Committee reviews the FY 2017-FY 2021 Capital Improvement Program
<u>October 28</u>	Fee Calendar is provided to the PAB

<u>November 4</u>	BUDGET COMMITTEE reviews First Quarter updates and potential fee adjustments for FY 2016
<u>November 10</u>	PAB receives First Quarter updates
<u>December 9</u>	BUDGET COMMITTEE reviews the Advertised Fee Proposal Package for FY2016 and confirms the public meeting date (typically late January);
<u>January 13, 2016</u>	PAB receives the Annual Financial Report (CAFR) as of June 30, 2015, and Presentation of the Certificate of Achievement for Excellence in Financial Reporting (tentative, depends on receipt timing from GFOA)
<u>January 20, 2016</u>	Public comment meeting on fees at Herrity Building
<u>February 10</u>	County Executive presents the FY 2017 Proposed Budget and CIP; Funding Policy & Bond (FPB) discussions begin with the PAB on the 2017 Bond
<u>February 24</u>	BUDGET COMMITTEE reviews Second Quarter updates and Third Quarter Budget items and approval of the FY 2016 Fee Adjustment Package
<u>March 9</u>	PAB reviews the Second Quarter updates, Third Quarter Budget items and the FY2016 Fee Adjustment Packages March Planning Commission hearings on FY 2017 – FY 2021 CIP March BOS meeting – Third Quarter Budget discussion PAB receives the FY 2016 Advertised Budget Plan Memorandum and approves the FY2016 Fee Adjustments
<u>April</u>	Fee adjustments take effect (April 1 st) BOS Public hearings on proposed FY 2017 Budget BOS FY2016 Third Quarter approved, FY 2017 Budget Mark up BOS Formal Adoption of the FY2017 Budget
<u>May</u>	Budget Committee reviews any policy changes if needed, FY2017 Adopted Budgets, FY2016 Third Quarter Updates, preparation for FY 2018 budget
<u>June 30</u>	FY 2016 closes; FY 2017 Financial Calendar is distributed