



# 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:** Cindy Messinger, Deputy Director/CFO

**DATE:** September 4, 2014

### *Agenda*

**Administration, Management and Budget Committee**  
**Wednesday, September 10, 2014 – 8 p.m.**  
**(or immediately following the Board meeting)**

**Boardroom – Herrity Building**

**Chairman: Ken Quincy**

**Vice Chair: Harold L. Strickland**

**Members: Edward R. Batten, Sr., Richard C. (Rip) Sullivan, Jr., Michael Thompson, Jr.**

1. FY 2016 Budget Submission, Fund 80000, Revenue and Operating Fund – Action\*
2. FY 2016 Budget Submission, Fund 10001, General Fund – Action\*
3. FY 2016 Budget Submission, Fund 30010, General County Construction – Action\*
4. FY 2016 Budget Submission, Fund 30400, Park Authority Bond Construction – Information\*
5. FY 2016 Budget Submission, Fund 80300, Park Improvement Fund – Information\*
6. FY 2015/2016 – 1% and 3% General Fund Budget Reduction Options – Information\*
7. FY 2015-2017 Financial Management Plan Park Revenue funds 80000 and 80300 – Information\*
8. Fairfax County Park Authority Bylaws Revisions - Discussion

\*Enclosures



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Board Agenda Item  
September 23, 2014

## **ACTION**

### FY 2016 Budget Submission, Fund 80000, Park Revenue & Operating Fund

#### ISSUE:

Approval of the FY 2016 Park Revenue & Operating Fund (Fund 80000) Budget Submission to the Department of Management and Budget.

#### RECOMMENDATION:

The Park Authority Director recommends approval of the FY 2016 Park Revenue & Operating Fund (Fund 80000) Budget Submission.

#### TIMING:

Board action is requested on September 23, 2014, and the submission is due to the Department of Management and Budget on September 26, 2014.

#### BACKGROUND:

The FY 2016 budget submission for total revenue is projected at \$46,935,007 as compared to \$46,285,055 in the FY 2015 Adopted Budget Plan, an increase of \$649,952, or 1.4%. This includes reducing Golf Enterprises revenue by \$441,300 to more accurately reflect revenue projections, and anticipated program growth in other cost center areas. FY 2016 reflects a total expenditure submission of \$45,878,820, as compared to \$44,956,023 in the FY 2015 Adopted Budget Plan (including the debt service and indirect costs), an increase of \$922,797, or 2.1%, due to offsetting expenditures resulting from anticipated program growth.

#### Other Possible Adjustments:

- No direction or projections have been provided on any potential employee pay increases. A study convenes this fall to review the salary structure which may result in an increase in pay. Should this occur at an estimated 2%-3%, based on previous year's increases, the Revenue & Operating Fund would have a potential increase in personnel expenses of approximately \$588,598 to \$882,897.
- As a result of the 3% reduction in General Fund expenditures, personnel transfers to the Revenue & Operating Fund may result in ~\$121k in additional personnel expenses for two positions directly related to the management of the Lake Fairfax Water Mine.

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FISCAL IMPACT:

The Park Revenue & Operating Fund (Fund 80000) for FY 2016 will have a Net Revenue of \$1,056,187 resulting from total revenue of \$46,935,007 and total expenditures of \$45,878,820.

ENCLOSED DOCUMENTS:

Attachment 1: FY 2016 Park Revenue & Operating Fund (Fund 80000) Budget  
Request

Attachment 2: Fund Statement

STAFF:

Kirk W. Kincannon, Director

Cindy Messinger, Deputy Director/CFO

Sara Baldwin, Deputy Director/COO

Janet Burns, Senior Fiscal Manager

Michael P. Baird, Manager, Capital and Fiscal Services

Susan Tavallai, Senior Budget Analyst

**FAIRFAX COUNTY PARK AUTHORITY**  
**FY 2016 PARK REVENUE AND OPERATING FUND (Fund 80000)**  
**BUDGET REQUEST**

**AGENCY MISSION:** To set aside public spaces for, and assist citizens in, the protection and enhancement of environmental values, diversity of natural habitats and cultural heritage to guarantee that these resources will be available to both present and future generations; to create and sustain quality facilities and services that offer citizens opportunities for recreation, improvement of their physical and mental well-being and enhancement of their quality of life.

CATEGORY	FY 2014 ACTUAL	FY2015 ADOPTED BUDGET PLAN	FY2015 REVISED BUDGET PLAN	FY2016 REQUEST
<b>POSITION/STAFF YEARS</b>	245/245	245/245	245/245	245/245
<b>REVENUE</b>	<b>\$43,055,114</b>	<b>\$46,285,055</b>	<b>\$46,285,055</b>	<b>\$46,935,007</b>
Personnel Services - Character 20	\$28,157,182	\$28,824,333	\$28,824,333	\$29,429,901
Operating Expenses - Character 30	\$13,708,873	\$14,286,882	14,286,882	\$14,516,920
Capital Equipment - Character 60	\$246,571	\$543,000	543,000	\$605,000
Bond Costs - Character 70	\$180,206	\$809,774	809,774	\$804,321
Bond Costs (Laurel Hill)	\$743,134	\$770,349	\$770,349	\$800,994
Indirect Costs	<u>\$775,000</u>	<u>\$775,000</u>	<u>\$775,000</u>	<u>\$775,000</u>
Subtotal Expenditures	\$43,810,966	\$46,009,338	\$46,009,338	\$46,932,135
Recovered Cost - Character 40	(\$904,380)	(\$1,053,315)	(1,053,315)	(1,053,315)
<b>EXPENDITURES</b>	<b>\$42,906,587</b>	<b>\$44,956,023</b>	<b>\$44,956,023</b>	<b>\$45,878,820</b>
<b>Net Revenue before Reserves and Deferred Revenue</b>	<u><b>\$148,527</b></u>	<u><b>\$1,329,032</b></u>	<u><b>\$1,329,032</b></u>	<u><b>\$1,056,187</b></u>
	FY2014 ACTUAL	FY2015 ADOPTED BUDGET PLAN	FY2015 REVISED BUDGET PLAN	FY2016 REQUEST
<b>REVENUE SUMMARY BY COST CENTER</b>				
Administration	\$857,674	\$786,188	\$786,188	\$871,860
Golf Enterprises	\$10,007,351	\$11,214,905	\$11,214,905	\$10,773,605
REC Activities	\$29,591,897	\$31,759,700	\$31,759,700	\$32,533,124
Resource Management	\$2,598,193	\$2,524,262	\$2,524,262	\$2,756,419
<b>REVENUE</b>	<b>\$43,055,114</b>	<b>\$46,285,055</b>	<b>\$46,285,055</b>	<b>\$46,935,007</b>
<b>EXPENSE SUMMARY BY COST CENTER</b>				
Administration	\$1,360,718	\$1,255,320	\$1,255,320	\$1,458,811
Golf Enterprises	\$9,246,668	\$9,807,457	\$9,807,457	\$9,589,457
REC Activities	\$28,372,377	\$29,361,808	\$29,361,808	\$30,144,210
Resource Management	\$2,228,481	\$2,176,316	\$2,176,316	\$2,306,029
Bond Costs	\$180,206	\$809,774	\$809,774	\$804,321
Bond Costs (Laurel Hill)	\$743,134	\$770,349	\$770,349	\$800,994
Indirect Costs	\$775,000	\$775,000	\$775,000	\$775,000
<b>TOTAL</b>	<b>\$42,906,585</b>	<b>\$44,956,024</b>	<b>\$44,956,023</b>	<b>\$45,878,820</b>
<b>EXCESS INCOME OVER EXPENDITURES</b>				
Administration	(\$2,201,384)	(\$2,824,255)	(\$2,824,255)	(\$2,967,266)
Golf Enterprises	\$760,683	\$1,407,448	\$1,407,448	\$1,184,148
REC Activities	\$1,219,519	\$2,397,892	\$2,397,892	\$2,388,914
Resource Management	\$369,712	\$347,947	\$347,947	\$450,390
<b>Net Revenue before Reserves and Deferred Revenue</b>	<u><b>\$148,529</b></u>	<u><b>\$1,329,032</b></u>	<u><b>\$1,329,032</b></u>	<u><b>\$1,056,187</b></u>

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## FUND STATEMENT

### Fund 80000, Park Revenue and Operating Fund

	FY 2014 Actual	FY 2015 Adopted Budget Plan	FY 2015 Revised Budget Plan	FY 2016 Request
<b>Beginning Balance</b>	\$5,483,245	\$4,112,549	\$4,131,770	\$5,460,802
Revenue:				
Interest on Bond Proceeds	\$39	\$12,497	\$12,497	\$59
Park Fees <sup>1</sup>	42,066,097	45,485,027	45,485,027	45,982,501
Interest	6,621	133,735	133,735	41,824
Sale of Vehicles and Salvage Equipment	50,998	32,459	32,459	32,459
Donations and Miscellaneous Revenue	931,355	621,337	621,337	878,165
<b>Total Revenue</b>	\$43,055,110	\$46,285,055	\$46,285,055	\$46,935,007
<b>Total Available</b>	\$48,538,355	\$50,397,604	\$50,416,825	\$52,395,809
Expenditures:				
Personnel Services	\$28,157,182	\$28,824,333	\$28,824,333	\$29,429,901
Operating Expenses	13,708,872	14,286,882	14,286,882	14,516,920
Recovered Costs	(904,380)	(1,053,315)	(1,053,315)	(1,053,315)
Capital Equipment	246,571	543,000	543,000	605,000
Debt Service:				
Fiscal Agent Fees	\$0	\$3,233	\$3,233	\$3,233
Bond Payments <sup>2</sup>	180,206	806,541	806,541	801,088
<b>Subtotal Expenditures</b>	\$41,388,451	\$43,410,674	\$43,410,674	\$44,302,826
Transfers Out:				
General Fund (10001) <sup>3</sup>	\$775,000	\$775,000	\$775,000	\$775,000
County Debt Service (20000) <sup>4</sup>	743,134	770,349	770,349	800,994
Park Capital Improvement Fund (80300)	1,500,000	0	0	0
<b>Total Transfers Out</b>	\$3,018,134	\$1,545,349	\$1,545,349	\$1,575,994
<b>Total Disbursements</b>	\$44,406,585	\$44,956,023	\$44,956,023	\$45,878,820
<b>Ending Balance<sup>5</sup></b>	\$4,131,770	\$5,441,581	\$5,460,802	\$6,516,989
Debt Service Reserve <sup>4</sup>	\$743,134	\$770,349	\$770,349	\$800,904
Revenue and Operating Fund Stabilization Reserve <sup>6</sup>	2,053,518	2,136,097	2,136,097	2,174,925
Donation/Deferred Revenue <sup>7</sup>	1,246,804	1,246,804	1,350,000	1,350,000
Set Aside Reserve <sup>8</sup>	88,314	1,288,331	1,204,356	2,191,159
<b>Unreserved Ending Balance</b>	\$0	\$0	\$0	\$0

<sup>1</sup> Revenue in FY 2014 was reduced by an amount of \$810,000 based on the Oak Marr RECenter fitness room temporary closure due to renovation/expansion.

<sup>2</sup> Debt service represents principle and interest on Park Revenue Bonds which supported the construction of the Twin Lakes and Oak Marr Golf Courses. In addition, the FY 2014 Estimate amount reflects the actual Debt Service payment required after one-time refunding savings.

<sup>3</sup> Funding in the amount of \$775,000 is transferred to the General Fund to partially offset central support services supported by the General Fund which benefit Fund 80000. These indirect costs include support services such as Human Resources, Purchasing, Budget and other administrative services.

<sup>4</sup> Debt service payments which support the development of the Laurel Hill Golf Club are made from Fund 20000, County Debt Service.

<sup>5</sup> The Park Revenue and Operating Fund maintains fund balances at adequate levels relative to projected operation and maintenance expenses, as well as debt service requirements. These costs change annually; therefore, funding is carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds.

<sup>6</sup> The Revenue and Operating Fund Stabilization Reserve includes set aside cash flow and emergency reserves for operations as a contingency for unanticipated operating expenses or a disruption in the revenue stream.

<sup>7</sup> The Donation/Deferred Revenue Reserve includes donations that the Park Authority is obligated to return to donors in the event the donation cannot be used for its intended purpose. It also includes a set aside to cover any unexpected delay in revenue from sold but unused Park passes.

<sup>8</sup> The Set Aside Reserve is used to fund renovations and repairs at various park facilities as approved by the Park Authority Board.

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September 23, 2014

## **ACTION**

### FY 2016 Budget Submission, Fund 10001, General Fund

#### ISSUE:

Approval of the FY 2016 Annual General Fund (Fund 10001) Budget Submission to the Department of Management and Budget.

#### RECOMMENDATION:

The Park Authority Director recommends approval of the FY 2016 General Fund (Fund 10001) Budget Submission.

#### TIMING:

Board action is requested on September 23, 2014, and the submission is due to the Department of Management and Budget on September 26, 2014.

#### BACKGROUND:

The FY 2016 forecast projects continued weakness for overall county revenues. In accordance with the FY 2016 Budget Guidelines, the FY 2016 General Fund Budget will remain at the FY 2015 Adopted Budget level. The total FY 2016 General Fund budget appropriation is \$23,524,286. Personnel Services are \$22,421,608, Operating Expenditures are \$4,829,283, and Recovered Costs are (\$3,726,605).

In addition, the Guidelines require that all agencies identify reductions totaling 3% of the FY 2015 annual General Fund budget which equates to \$705,000 for the Park Authority. The Park Authority Board's Committee of the Whole discussed the initial proposed reduction items on August 20, 2014. The 1% and 3% General Fund Budget Reduction Item is also included on the Administration, Management and Budget Agenda for September 10, 2014.

As a part of the budget process, the Park Authority is requesting additional funding of \$124,173 of which \$85,673 is personnel expenses funding for a Heritage Resource Specialist IV position which will manage the program, and \$38,500 in operating expenses for facilities preparations funding. This funding request supports the Board of Supervisor initiative, Resident Curator Program. This new initiative will preserve historic buildings and sites by allowing individuals or other entities to "lease" and care for the properties under the supervision /guidance of the program manager.

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FISCAL IMPACT:

The total FY 2016 General Fund revenue budget is \$1,467,166. Total expenditures of \$23,648,459 are expected with a net cost to the county of \$22,181,293.

ENCLOSED DOCUMENTS:

Attachment 1: FY 2016 General Fund (10001) Budget Request Summary

STAFF:

Kirk W. Kincannon, Director

Cindy Messinger, Deputy Director/CFO

Sara Baldwin, Deputy Director/COO

Janet Burns, Senior Fiscal Manager

Michael P. Baird, Manager, Capital and Fiscal Services

Susan Tavallai, Senior Budget Analyst

**Fairfax County Park Authority  
FY 2016 GENERAL FUND (10001)  
BUDGET REQUEST SUMMARY**

**AGENCY MISSION:**

To set aside public spaces for and assist citizens in the protection and enhancement of environmental values, diversity of natural habitats and cultural heritage to guarantee that these resources will be available to both present and future generations. To create and sustain quality facilities and services that offer citizens opportunities for recreation, improvement of their physical and mental well-being and enhancement of their quality of life.

CATEGORY	FY 2014 ACTUAL	FY 2015 ADOPTED	FY 2016 Request
<b>POSITION/STAFF YEARS</b>	<b>355/353</b>	<b>355/353</b>	<b>356/354</b>
PERSONNEL SERVICES	\$20,718,392	\$22,421,608	\$22,507,281
OPERATING EXPENSES	\$5,539,180	\$4,829,283	\$4,867,783
CAPITAL EQUIPMENT	\$0	\$0	\$0
<b>SUBTOTAL</b>	<b>\$26,257,572</b>	<b>\$27,250,891</b>	<b>\$27,375,064</b>
RECOVERED COSTS	(\$3,220,825)	(\$3,726,605)	(\$3,726,605)
<b>TOTAL EXPENDITURES</b>	<b>\$23,036,747</b>	<b>\$23,524,286</b>	<b>\$23,648,459</b>
<b>REVENUE</b>	<b>\$1,314,874</b>	<b>\$1,467,166</b>	<b>\$1,467,166</b>
<b>Net Cost to the County</b>	<b>\$21,721,873</b>	<b>\$22,057,120</b>	<b>\$22,181,293</b>

CATEGORY	FY 2014 ACTUAL	FY 2015 ADOPTED	FY 2016 Request
<b>SUMMARY BY COST CENTER</b>			
Administration	\$5,066,564	\$4,357,348	\$4,357,348
Area Management	\$4,972,124	\$5,782,004	\$5,782,004
Facility & Equipment Maintenance	\$3,097,424	\$3,343,180	\$3,343,180
Planning & Development	\$1,347,058	\$1,166,573	\$1,166,573
REC Activities	\$3,890,195	\$4,220,523	\$4,220,523
Resource Management	\$4,663,381	\$4,654,658	\$4,778,831
<b>TOTAL EXPENDITURES</b>	<b>\$23,036,747</b>	<b>\$23,524,286</b>	<b>\$23,648,459</b>

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## **ACTION**

### FY 2016 Budget Submission, Fund 30010, General County Construction Fund

#### ISSUE:

Approval of the FY 2016 General County Construction Fund (Fund 30010) Budget Submission to the Department of Management and Budget.

#### RECOMMENDATION:

The Park Authority Director recommends approval of the FY 2016 General County Construction Fund (Fund 30010) Budget Submission.

#### TIMING:

Board action is requested on September 23, 2014; the submission is due to the Department of Management and Budget on September 26, 2014.

#### BACKGROUND:

The FY 2016 Budget submission for Fund 30010 is \$11,292,149 as compared to the FY 2015 Adopted Budget Plan of \$9,939,534, an increase of \$1,352,615. The FY 2016 request includes the following:

##### Non-Recurring Projects:

- \$625,000 for the Critical Repair and Stabilization Project to support major repairs and maintenance of aging properties.
- \$1,840,000 for the ADA Retrofit Project to primarily address the Department of Justice (DOJ) "red" violations.

##### Recurring Projects:

- \$1,117,076 for the Park Grounds Maintenance Project, an increase of \$330,000 over the FY 2015 Adopted Budget Plan. Of the requested increase, \$175,000 is targeted towards arboreal services in addressing citizen complaints regarding fallen trees, dead trees and/or trees leaning over their properties from park owned land as well as Park Authority general arboreal maintenance needs, and \$155,000 for contract services such as mowing and landscape care at community parks to reinstate funding that was reduced in FY 2010 as a result of a budget reduction.

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- \$470,000 for Park Facility Equipment/Maintenance, with no increase from the FY 2015 Adopted Budget Plan, to support both the repair and maintenance of buildings/support systems as well as equipment repairs.
- \$319,735 for the Laurel Hill Project with an increase of \$22,615 from the FY 2015 Adopted Budget Plan. This increase will support required maintenance at the newly completed equestrian center and address market rate adjustments for two Planning and Development that have not been granted in this project.
- \$860,338 for Park Maintenance at FCPS Athletic Fields, with no increase from the FY 2015 Adopted Budget Plan, to provide safe athletic fields at all FCPS elementary and middle schools and community centers. These services are currently provided at 173 sites and over 450 fields.
- \$2,700,000 for Athletic Field Maintenance, with no increase from the FY 2015 Adopted Budget Plan, is needed to maintain minimum maintenance standards at 277 Park Authority-owned athletic fields, and address rising utility and equipment costs.
- \$1,000,000 for Athletic Services Fee-Field Maintenance, with no increase from the FY 2015 Adopted Budget Plan, for required maintenance on athletic fields at all elementary and middle schools.
- \$200,000 for Synthetic Turf Field Development with no increase from FY 2015 Adopted Budget Plan.
- \$2,160,000 for Synthetic Turf Field Replacement with \$910,000 increase from FY 2015 Adopted Budget Plan. This will fully fund the replacement program to resurface the fields every 10 years based on generally accepted practice as identified in the Synthetic Task Force report dated July 2013.

FISCAL IMPACT:

Requested is an allocation for Fund 30010 of \$11,292,149 for FY 2016 as compared to the FY 2015 Adopted Budget Plan of \$9,939,534, an increase of \$1,352,615.

ENCLOSED DOCUMENTS:

Attachment 1: Fund 30010, FY 2016 Budget Request Summary

STAFF:

Kirk W. Kincannon, Director  
Cindy Messinger, Deputy Director/CFO  
Sara Baldwin, Deputy Director/COO  
Janet Burns, Senior Fiscal Manager  
Michael P. Baird, Manager, Capital and Fiscal Services  
Susan Tavallai, Senior Budget Analyst

**Fairfax County Park Authority  
Fund 30010  
FY 2016 Budget Request Summary**

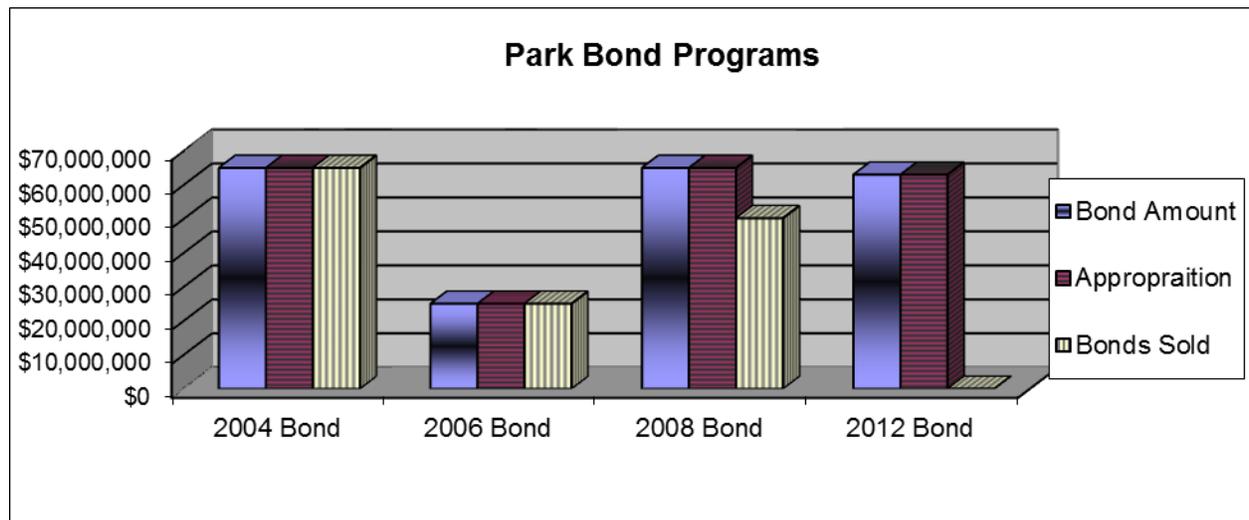
		<b>FY 14 Actual</b>	<b>FY 15 Adopted</b>	<b>FY 16 Request</b>	<b>Var from ABP</b>
PR-000083	American w/Disability Act Retrofit for DOJ audit (yellow, green, and red)	\$1,212,491	\$1,950,000	\$1,840,000	(\$110,000)
2G51-005-000	Parks- General Maintenance	\$357,275	\$425,000	\$625,000	\$200,000
		<b>\$1,569,766</b>	<b>\$2,375,000</b>	<b>\$2,465,000</b>	<b>\$90,000</b>
2G51-006-000	Parks-Ground Maintenance	\$716,650	\$787,076	\$1,117,076	\$330,000
2G51-007-000	Parks-Facility Equipment/Maintenance	\$499,188	\$470,000	\$470,000	\$0
2G51-008-000	Laurel Hill	\$302,710	\$297,120	\$319,735	\$22,615
2G51-001-000	Park Maintenance at FCPS Athletic Fields	\$694,916	\$860,338	\$860,338	\$0
2G51-002-000	Athletic Field Maintenance	\$2,435,673	\$2,700,000	\$2,700,000	\$0
2G51-003-000	Athletic Services Fee - Field Maintenance (Expanded Maintenance Program)	\$798,125	\$1,000,000	\$1,000,000	\$0
PR-000080	Synthetic Turf Field Development Fund	\$41,314	\$200,000	\$200,000	\$0
PR-000097	Synthetic Turf Field Replacement Fund	\$606,009	\$1,250,000	\$2,160,000	\$910,000
		<b>\$6,094,585</b>	<b>\$7,564,534</b>	<b>\$8,827,149</b>	<b>\$1,262,615</b>
		<b>\$7,664,351</b>	<b>\$9,939,534</b>	<b>\$11,292,149</b>	<b>\$1,352,615</b>

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## INFORMATION

### FY 2016 Budget Submission, Fund 30400, Park Authority Bond Construction

The Park Authority had a total of \$65,000,000 authorized as part of the 2004 Bond Program, and \$25,000,000 authorized as part of the fall 2006 Bond Program in Fund 30400 for park land acquisition and development. All bonds associated with the 2004 and 2006 program have been sold. A \$65,000,000 park bond was approved as part of the fall 2008 Bond Referendum. As part of FY 2014 Bond Sale, \$11,360,900 from the fall 2008 program was sold, leaving a balance of \$14,812,100 associated with the fall 2008 program. (A total of \$38,827,000 in FY 2014 bonds was sold during prior fiscal years). In addition, a \$63,000,000 park bond was approved as part of the fall 2012 Bond Referendum. The full complement of \$63,000,000 from the 2012 program was appropriated as part of the FY 2013 Third Quarter; no bonds from this program have been sold.



The Park Authority had a balance of \$1,745,920 at the conclusion of FY 2014 in Fund 30400, Park Authority Bond Construction. Based on revised beginning balance of \$1,745,920 and bond sales in the amount of \$77,812,100, the total for FY 2015 is \$79,558,020 to expend in the Capital Improvement Program for parkland acquisition, stewardship, development and renovation for Fund 30400, Park Authority Bond Construction. These funds represent the full appropriation of funds from the 2004, 2006, 2008, and 2012 Park Bond Program.

The Park Authority submission of the FY 2016 Park Authority Bond Construction Fund

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to the Department of Management and Budget will reflect the current FY 2015 appropriation. No new funding is requested since all authorized park bond funds have been appropriated.

FISCAL IMPACT:

The FY 2014 Carryover appropriation request for Fund 30400, Park Authority Bond Construction is \$79,558,020.

ENCLOSED DOCUMENTS:

Attachment 1: FY 2016 Fund Statement of Capital Projects - Fund 30400, Park Authority Bond Construction

STAFF:

Kirk W. Kincannon, Director  
Cindy Messinger, Deputy Director/CFO  
Sara Baldwin, Deputy Director/COO  
Janet Burns, Senior Fiscal Administrator  
Michael Baird, Capital and Fiscal Services

# FY 2016 FUND STATEMENT

# Attachment I

## Fund 30400, Park Authority Bond Construction

	FY 2014 Actual	FY 2015 Adopted Budget Plan	FY 2015 Revised Budget Plan	FY 2016 Advertised Budget Plan
<b>Beginning Balance</b>	<b>\$7,325,999</b>	<b>\$0</b>	<b>\$1,745,920</b>	<b>\$0</b>
Revenue:				
Sale of Bonds <sup>(1)</sup>	\$11,360,900	\$0	\$77,812,100	\$0
Bond Premium <sup>(1)</sup>	\$1,639,100	\$0	\$0	\$0
Grant <sup>(2)</sup>	\$37,500		\$0	\$0
<b>Total Revenue</b>	<b>\$13,037,500</b>	<b>\$0</b>	<b>\$77,812,100</b>	<b>\$0</b>
<b>Total Available</b>	<b>\$20,363,499</b>	<b>\$0</b>	<b>\$79,558,020</b>	<b>\$0</b>
<b>Total Expenditures</b>	<b>\$18,617,579</b>	<b>\$0</b>	<b>\$79,558,020</b>	
<b>Total Disbursements</b>	<b>\$18,617,579</b>	<b>\$0</b>	<b>\$79,558,020</b>	<b>\$0</b>
<b>Ending Balance <sup>(3)</sup></b>	<b>\$1,745,920</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

1. The sale of bonds is presented here for planning purposes only. Actual bond sales are based on cash needs in accordance with Board policy. On November 4, 2008, the voters approved a \$65 million Park Authority Bond Referendum to continue land acquisition, park development, parks and building renovation and stewardship. An amount of \$11.36 million was sold in January 2014. In addition, \$1,639,100 has been applied to the fund in bond premium associated with the January 2014 sale. In addition, on November 6, 2012 the voters approved a \$63 million Park Bond Referendum. Including prior sales, a total of \$77.812 million remains in authorized but unissued bonds for this fund.

2. Funding in the amount of \$37,500 received in FY 2014 from the National Trust for Historic Preservation will be used as a contribution toward the cost of the restoration of Colvin Run Mill.

3. Capital Projects are budgeted based on total project cost. Most projects span multiple years, from design to construction completion. Therefore, funding for capital projects is carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds.

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## INFORMATION

### FY 2016 Budget Submission, Fund 80300, Park Improvement Fund

Fund 80300, Park Improvement Fund, is the fund for money received from grants, right-of-way fees, easements, proffers, donations, lease payments, and interest on pooled investments. These funds can be used for capital improvements and development or expanding of revenue facilities and park sites where grants, proffers and donations have been received for specific park improvements.

The Park Authority Fund 80300 had a balance of \$24,033,860 at the conclusion of FY 2014. With the required reserve set aside for the Golf Revenue Bond in the amount of \$700,000, and the Lawrence Trust Reserve in the amount of \$1,507,926, the available balance for expenditure from the Park Improvement Fund is \$21,825,934. This amount is based on the FY 2014 Carryover approval by the Board of Supervisors on September 9, 2014.

• FY 2014 Remaining Balance	\$24,033,860
• Capital Reserve for Golf Courses	(700,000)
• Lawrence Trust Reserve	<u>(1,507,926)</u>
 FY 2015 Total Available	 \$21,825,934

The Park Authority submission of the FY 2016 Capital Budget to the Department of Management and Budget will reflect the current FY 2015 appropriation and not request additional funds for FY 2016. Fund 80300 receives its appropriation at the end of the fiscal year as part of the Carryover Review. Any funds received during the current fiscal year will be appropriated during the next Carryover Review in September 2015.

#### FISCAL IMPACT:

The FY 2014 Carryover appropriation request for Fund 80300, Park Improvement Fund is \$21,825,934. Funds received during FY 2015 will be appropriated as part of the FY 2015 Carryover Review. Therefore, no additional funds will be requested to be appropriated in FY 2016.

#### ENCLOSED DOCUMENTS:

Attachment 1: FY 2015 Fund Statement - Fund 80300, Park Improvement Fund

Board Agenda Item  
September 23, 2014

STAFF:

Kirk W. Kincannon, Director  
Cindy Messinger, Deputy Director/CFO  
Sara Baldwin, Deputy Director/COO  
Janet Burns, Senior Fiscal Administrator  
Michael Baird, Capital and Fiscal Services

# FY 2016 FUND STATEMENT

# Attachment I

## Fund 80300, Park Improvement Fund

	FY 2014 Actual	FY 2015 Adopted Budget Plan	FY 2015 Revised Budget Plan	FY 2016 Advertised Budget Plan
<b>Beginning Balance</b>	<b>\$28,696,358</b>	<b>\$4,780,337</b>	<b>\$24,033,860</b>	<b>\$2,207,926</b>
Revenue:				
Interest	\$23,855	\$0	\$0	\$0
Other Revenue <sup>1</sup>	\$2,229,695	\$0	\$0	\$0
<b>Total Revenue</b>	<b>\$2,253,550</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Transfers In:				
Park Revenue Fund (170) <sup>2</sup>	\$1,500,000	\$0	\$0	\$0
<b>Total Transfers In</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Available</b>	<b>\$32,449,908</b>	<b>\$4,780,337</b>	<b>\$24,033,860</b>	<b>\$2,207,926</b>
Total Expenditures	\$7,131,048	\$0	\$21,825,934	\$0
Transfers Out:				
General County Construction Fund (30010) <sup>3</sup>	\$1,285,000	\$0	\$0	\$0
<b>Total Disbursements</b>	<b>\$8,416,048</b>	<b>\$0</b>	<b>\$21,825,934</b>	<b>\$0</b>
<b>Ending Balance <sup>4</sup></b>	<b>\$24,033,860</b>	<b>\$4,780,337</b>	<b>\$2,207,926</b>	<b>\$2,207,926</b>
Lawrence Trust Reserve <sup>5</sup>	\$1,507,926	\$1,507,926	\$1,507,926	\$1,507,926
Repair and Replacement Reserve <sup>6</sup>	\$700,000	\$700,000	\$700,000	\$700,000
Facilities and Services Reserve <sup>7</sup>	\$2,572,411	\$2,572,411	\$0	\$0
<b>Unreserved Ending Balance</b>	<b>\$19,253,523</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> Other revenue reflects easements, donations, monopole revenue, and proffer revenue.

<sup>2</sup> As part of the FY 2013 Carryover, an amount of \$1,500,000 was transferred from Fund 80000, Park Revenue and Operating Fund for General Park Improvements.

<sup>3</sup> In lieu of General Fund support, a transfer of \$1,085,000 from Fund 80300, Park Capital Improvement Fund, to Fund 30010, General County Construction, will support PR-000083, Americans with Disabilities Act in FY 2014. Funding will provide for the continuation of improvements required as part of the Department of Justice (DOJ) audit and identified in the settlement signed by the Board of Supervisors on January 28, 2011. Moreover, an amount of \$200,000 was also transferred to Fund 30010, in order to support Project 2G51-006-000, Parks Grounds Maintenance for tennis and basketball court maintenance.

<sup>4</sup> Capital Projects are budgeted based on total project cost. Most projects span multiple years, from design to construction completion. Therefore, funding for capital projects is carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds.

<sup>5</sup> This reserve separately accounts for the Ellanor C. Lawrence monies received for maintenance and renovation to this site. In accordance with the FCPA Board, the principal amount of \$1,507,926 received from the donation will remain intact, and any interest earned will be used according to the terms of the Trust.

<sup>6</sup> The Golf Revenue Bond Indenture requires that a security reserve and capital repair reserve be maintained in the Park Improvement Plan for repairs to park facilities.

<sup>7</sup> In FY 2001, the Park Authority created a Reserve for the maintenance and renovation of revenue-generating facilities. As part of the FY 2014 Carryover Review, the balance of the Facilities and Services Reserve is reallocated to project PR-000101, Revenue Facilities Sinking Fund. This new project was established with Park Authority Board approval on July 9, 2014 based on the recommendations of the Fairfax County Infrastructure Finance Committee to allow the Park Authority to provide support for planned, long-term, life-cycle maintenance of revenue facilities.

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Board Agenda Item  
September 23, 2014

## **INFORMATION**

### FY 2015/FY 2016 – 1% and 3% General Fund Budget Reduction Options

On July 2, 2014, Ed Long, County Executive issued a Budget Strategy and Development memorandum which requests that each agency identify a prioritized list of reductions totaling 1% for FY 2015 and a prioritized listing for reductions totally 3% for FY 2016. In addition, it discloses that the County is again implementing a multi-year budget process and also advised that a Lines of Business Exercise will be developed for FY 2017.

On August 20, 2014 the director, along with the Committee of the Whole reviewed the options staff had assembled for consideration. The committee concurred with the approach and asked staff to continue with providing the necessary information to the Department of Management and Budget. FY 2015 Reduction items were due the Department of Management and Budget on September 1, 2014, and the FY 2015 Budget Reduction Options are due on September 26, 2014, along with the budget submissions.

### ENCLOSED DOCUMENTS:

Attachment 1: FY 2015 1% Budget Reduction Option Listing  
Attachment 2: FY 2016 3% Budget Reduction Option Listing

### STAFF:

Kirk Kincannon, Director  
Cindy Messinger, Deputy Director/CFO  
Sara Baldwin, Deputy Director/COO  
Todd Johnson, Director, Park Operations Division  
Barbara Nugent, Director, Park Services Division  
David Bowden, Director, Planning & Development Division  
Cindy Walsh, Director, Resource Management, Division  
Janet Burns, Senior Fiscal Administrator  
Michael Baird, Capital and Fiscal Services  
Susan Tavallai, Senior Budget Analyst

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### FY 2015 General Fund Budget Reduction Recommendations

As of September 10, 2014

FY 2015 cut: 1% = \$235,000

FY 2016 Ranking = least difficult to most difficult impact								
Priority	Reduction Proposed	Amounts	# positions	SYE	Brief Description of Reduction/Impact	District	Pending Bond Projects	Strategic Plan
1	Increase vacancy management over the annual appropriation	\$225,000	0	0	Management staff to exercise controls to hold vacated positions an additional length of time before filling to achieve savings. Additionally, other positions may also be frozen for longer periods of time.	CW	No	Yes
2	Reduction of Office supply spending at Herrity	\$10,000	0	0	Office Supply expenses for the Admin Cost Center (which supports PIO, FMB, HR, ASB and the Director's Office) has typically been \$67K annually. This was a targeted reduction in FY 2010. A concentrated effort will be made on reducing paper along with a focus on	CW	No	No
	Total	\$235,000	0.0	0.0				

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### FY 2016 General Fund Budget Reduction Recommendations

As of September 10, 2014

FY 2016 cut: 3% = \$705,000

FY 2016								
Ranking = least difficult to most difficult impact								
Priority	Reduction Proposed	Amounts	# positions	SYE	Brief Description of Reduction/Impact	District	Pending Bond Projects	Strategic Plan
1	Reduction of Office supply spending at Herrity	\$15,000	0	0	Office Supply expenses for the Admin Cost Center (which supports PIO, FMB, HR, ASB and the Director's Office) has typically been \$67K annually. This was a targeted reduction in FY 2010. A concentrated effort will be made on reducing paper along with a focus on reuse and sharing of pooled supplies to extend their life.	CW	No	No
2	Reduction in uniforms replacement budget for the Park Operations Division staff.	\$20,000	0	0	The uniform budget for the Maintenance & Trades staff will be reduced by \$20,000 which will align with prior year expenditures.	CW	No	No
3	Savings through RecPAC efficiencies	\$10,000	0	0	Next summer's RecPAC sites with very low attendance will merge with other low attendance and/or high attendance sites to achieve better and more efficient service delivery. As a result, program supplies, materials and staff funding needs will be reduced.	CW	No	No
4	WPFO administrative related charges associated with the Easement program	\$22,900	0	0	WPFO a percentage of GF salaries for Planning and Development Division administrative costs associated with the Easement Program (includes parts of the Division Director, Admin III, and Management Analyst II). This is above the Easement coordinator's position and could impact the existing fees.	CW	No	No
5	WPFO administrative related charges related to the Telecommunications program	\$20,000	0	0	WPFO a percentage of GF salaries for Planning and Development Division administrative costs associated with the Telecommunications Program (includes parts of the Division Director, Admin III, and Management Analyst II). This will impact the available dollars for countywide Natural and Cultural projects and districtwide work as per the new policy.	CW	No	No
6	WPFO Engineer III salary	\$93,491	0	0	WPFO an Engineer III Project Manager salary (that works with Park Operations and Planning and Development) to related Bond projects and Park Improvement Fund projects. This will impact available dollars for projects.	CW	Yes	No
7	WPFO the Water Mine Manager and Assistant Water Mine Manager salaries at Lake Fairfax Park to the ROF	\$120,781	0	0	WPFO two staff salaries to the ROF. These two staff positions were originally developed in the GF provided to Lake Fairfax Park prior to the establishment of the Water Mine. Net revenue capacity in the ROF, with the addition at the Water Mine, will be realized and can cover the cost of these salaries. The benefits for these two water mine staff will continue to be paid for by the county. Consideration for permanently moving these two positions to the ROF could be made following the first full year of operation with the improvements (FY 2017). This will impact the ROF available net revenue as identified in the FSP for reinvestment into the facilities.	HM	Yes	No
8	Eliminate a vacant Exempt limited term position in the Financial Management Branch	\$24,482	0.5	0.5	Eliminate exempt limited position that supports capital assets and financial reporting functions. Result is increased compensation time for existing staff members.	CW	No	No
9	Eliminate a vacant Volunteer Coordinator I position	\$61,561	1	1	A central position was established to manage the Agency's volunteer program several years ago; however, the decision not to fill it was based on GF reductions. The Deputy Director/COO has been facilitating a Volunteer Team effort that is developing an Agency Volunteer Manual and will be implementing the County Volunteer software shortly. It is envisioned that the team approach will continue to address Volunteer management.	CW	No	Yes

FY 2016 Ranking = least difficult to most difficult impact								
Priority	Reduction Proposed	Amounts	# positions	SYE	Brief Description of Reduction/Impact	District	Pending Bond Projects	Strategic Plan
10	Convert a vacant Telecom Analyst I position in the Automated Services Branch to an exempt limited term (seasonal) General Fund position	\$48,500	1	1	This position provides support to front line field staff to include information technology problem identification, diagnosis and resolution. Reduction will increase remaining staff workload and expand wait times for problem resolution which may impact external customers.	HM	No	No
11	Eliminate the Management Analyst IV Strategic Manager in the Director's Office	\$68,183	1	1	This position primarily supports the agency's accreditation, Strategic Planning efforts, and Legislative representation. The current incumbent is in the drop program through October 2016. The annual salary is \$125,680. Factoring in 4 mos. salary and lv payout, there will be \$68,183 in savings for the balance of FY 2016. The full salary will be realized in FY 2017. Elimination of the position will increase the workload of the Director and Deputies and various Division staff to complete essential responsibilities.	CW	No	Yes
12	Reduce exempt limited salaries (seasonal) at Frying Pan Farm Park and Green Spring Gardens	\$22,415	0	0	Reduce FPPF and Green Springs Gardens seasonal staff and use existing staff, volunteers or seek alternative funding. This reduction will increase the workload of existing staff and may effect the cleanliness of facilities which may result in customer complaints.	CW	No	No
13	Increase vacancy management over the annual appropriation	\$139,000	0	0	Management staff to exercise controls to hold vacated positions an additional length of time before filling to achieve savings. Additionally, other positions may also be frozen for longer periods of time.	CW	No	Yes
14	Convert two merit Night Guard positions to exempt limited term (seasonal) General Fund positions	\$38,769	2	2	Eliminate the two remaining full-time night guard positions at Burke Lake Park and Lake Fairfax at a cost of \$77,538 and replace them with seasonal positions reducing expenses by 50%. These position are primarily needed to oversee the campgrounds. One of the existing positions has been vacant since 3/4/14 and seasonal staff have been used to fulfill the responsibilities. The other position is currently filled.	CW	No	No
	Total	\$705,082	5.5	5.5	(Two out of the 5.5 positions are currently filled)			

GF= General Fund

ROF=Revenue and Operations Fund

Anything highlighted in yellow indicates it impacts the ROF

Board Agenda Item  
September 23, 2014

## **INFORMATION**

### Park Revenue Funds Financial Management Plan - FY 2015 – FY 2017

The Park Revenue Funds Financial Management Plan should be prepared early each spring for the following fiscal year and provide guidance in the budget preparation due early each fall. The down turn in the economic environment continues to present challenges and delayed the county's budget development guidance release until July 8, 2014.

Central to the plan are the Financial Management Principles which were reviewed and approved separately by the board on July 23, 2014, to reflect the recent changes in funding names and structures. 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 2015 – FY 2017 Financial Management Plan outlines projections through FY 2017 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. Projections developed in the FY 2015 – FY2017 Financial Management Plan show moderate growth in gross revenue and favorable net revenue projections through FY 2017.

### ENCLOSED DOCUMENTS:

Attachment 1: Park Revenue Funds Financial Management Plan FY 2015 – FY 2017

### STAFF:

Kirk Kincannon, Director  
Cindy Messinger, Deputy Director/CFO  
Sara Baldwin, Deputy Director/COO  
Barbara Nugent, Director, Park Services  
Cindy Walsh, Director, Resource Management  
Peter Furey, Manager, Golf Enterprises  
Janet Burns, Senior Fiscal Administrator

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Fairfax County Park Authority

Park Revenue Funds  
Financial Management Plan  
FY 2015 - FY 2017



September 23, 2014  
(To AMB Committee September 10, 2014)

**Fairfax County Park Authority  
 Park Revenue Funds Financial Management Plan – FY 2015–FY 2017  
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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 adopted by the Park Authority Board on July 23, 2014, with changes from the recent fund and reserve name changes and restructuring. 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. The purpose of the FSP is to create a 'road map' to enable the Authority to stabilize its operations and position itself to better serve and meet the needs of the citizens of Fairfax County through a business model that will improve financial sustainability. Several of the key FSP Core Services initiatives related to bond projects will be coming to fruition over the upcoming two years. Careful evaluation of the revenue impact of these initiatives will be needed as the Needs Assessment is completed and the work on the Total Cost of Ownership is defined. The FSP will be rewritten under the guidance of the new Deputy Director/Chief of Business and Development. That work along with the budget forecasts will form the basis for changes to upcoming Financial Management Plans.

As with any large successful business operation, analysis is conducted regularly at multiple levels to assess the status of the ROF, a sustainable \$43 million dollar quasi-business providing recreational and leisure opportunities to the residents of

the county beyond the General Fund support as currently provided. A cross-divisional team made up of a variety of levels of staff from both the Financial Management Branch and revenue operating divisions meets regularly to review the Authority's revenue funds financial position. The team works collaboratively to review budget targets, discuss cost containment actions and potential revenue opportunities, and derive the overall net revenue year-end strategy.

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 prepared at the staff level, reviewed by senior staff and the Board's Administration, Management and Budget Committee and presented to the Park Authority Board for approval.

Over the last year, staff and the Park Authority Board have worked together with support of the county to build upon the existing financial foundation established over the years for the two Revenue Funds (80000 and 80300.) These changes will provide additional clarity, transparency, and enhanced management safeguards to ensure fluidity in the case of emergencies, and/or uncontrollable bad weather conditions, and extraordinary economic challenges. As identified in the Financial Sustainability Plan Initiatives and the FY 2014 Strategic Plan implementation, several financial items were completed.

- A thorough review of the funding available for use in the newly named Park Improvement Fund was completed, clarifying the misperception brought on by the 2012 Board of Supervisors' Auditor's report that the Park Authority was sitting on uncommitted dollars. As a result of the review process several outcomes occurred, including a new Telecommunications annual allocation and policy which was adopted by the Park Authority Board that will provide some additional support to the natural and cultural needs countywide.
- The Park Authority Board eliminated the old Park Contingency Project, a source of the majority of the misperceptions, and established a specific Grants Match Project for use as matching grant dollars. In addition a specific 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. Minimum balances, specific approval protocol and replenishment guidelines were also provided for each.

- Related funding transfers as a result of the approvals above also occurred with carryover to insure what used to be perceived as uncommitted dollars were moved to appropriately named funds, reserves, and projects.
- Staff and the Park Authority Board adopted 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 Park Authority Board approved renaming the existing Facilities and Services Reserve, to Revenue Facilities Capital Sinking Fund (RFCSF) to align with the Infrastructure Financing Committee (IFC) Task Force report recommendation that will support revenue facilities. The newly named Revenue Facilities Capital Sinking Fund will align with the goals and objectives set forth by the county and ideally will provide at least partial funding to address planned revenue facility long- term, life cycle needs. These goals also align with the original intent behind the establishment of the FSP.
- The Park Authority Board also renamed the existing Managed Reserve, to the Revenue & Operating Fund Stabilization Reserve to align similarly with the County's General Fund Revenue Stabilization Reserve, for the Park Authority's Fund 80000. The newly named Revenue & Operating Fund Stabilization Reserve will be used similar to the County's General Fund Stabilization Reserve to support Fund 80000 operations, ensuring fiscal stability by reserving a set balance of 5% of budgeted expenses with use of up to 50% of the balance in a given year. Approval of use will be made by the Park Authority Board following a request by the director following 3<sup>rd</sup> quarter report evaluation and year-end projections. Upon approval, by request from the Director, DMB would then move funding at year-end to balance Fund 80000. Replenishment would be prioritized and come from future net revenue; interest earned and/or balances from remaining Fund 80300 projects.
- Lastly the Park Authority Board approved the renaming of the Revenue Fund 80000 to the Revenue and Operating Fund and also renamed the Park Capital Improvement Fund 80300 to Park Improvement Fund 80300 to avoid confusion with the Park

Capital Improvement Plan and items typically funded by bond dollars (Fund 30400).

- The Comprehensive Annual Financial Report (CAFR) will serve as the documentation source that will contain official record of these changes and provide appropriate definitions and guidelines of use of all of the Park Authority Funds, reserves, project, and debt service requirements.

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 Fund vs General Fund remains paramount to future sustainability. This is an FY 2015 Strategic Plan Initiative that is targeted to begin after the first of the calendar year. 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 increase 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 and look forward to the upcoming workshops with the Board of Supervisors.

## **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 approved by the Park Authority Board on July 23, 2014, and reflect the new fund and reserve names and criteria for use as approved on July 9, 2014.

- 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 2% to 4%, will take effect beginning with the fall quarter of FY 2014. It is anticipated that economic conditions will cause the need to continue to tread lightly with fee increases in the upcoming FY 2015 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 limited 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 (expires 2021) and the Laurel Hill Public Facilities Projects, Laurel Hill Golf Course note payable to Fairfax County, Refunding Series 2012A (expires 2032). Park Revenue Fund debt payment obligations were \$923,340 (due to one-time savings associated

with the 2013A Refunding of the Facilities Revenue Bond Series 1995) in FY 2014, and \$1,576,890 in FY 2015, \$1,602,082 in FY 2016, \$1,631,183 in FY 2017, and \$1,659,644 in FY 2018. It is important to note that both the Laurel Hill Public Facilities Project and the Park Facilities Bond have both 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 are mixed. A synopsis of key indicators is as follows:

**3.3.1** Modest inflationary growth continues in 2014, according to figures from the U.S. Department of Labor. July 2014 data shows that the Washington-Baltimore consumer price index (CPI) grew 2.2% in the first five months of calendar 2014 compared to the same time period the previous year. The Washington-Baltimore region has experienced cumulative CPI growth of 3.7% over the 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 (July 2014), the Virginia Employment Commission and the Conference Board.

#### **Unemployment**

The local unemployment trend inched upward slightly in May 2014 compared to the previous May (4.3% vs. 4.2%), reportedly due to the influx of new graduates in the job market. Virginia Employment Commission data for the Northern Virginia area shows that Fairfax County's level of unemployment is about middle-of-the-pack for jurisdictions in the area, where the rate of unemployment ranges from a low of 3.6% in Arlington to a high of 4.8% in Prince William.

#### **Retail Sales**

Local retail sales, as reflected in sales tax receipts, declined 0.9% for FY 2014 compared to the prior year. The decline is attributable to several impacts including severe weather. More recent results look better with monthly sales tax receipts in May up 5.2%; the largest monthly gain since last December.

### **Consumer Confidence**

Recently released findings from the June 2014 Conference Board consumer confidence survey show that consumer confidence continues to improve, generally trending upward since last November. The index currently rests at its highest level since January 2008, largely due to the public's positive perceptions of the current business environment.

### **3.3.3 Summary of FY2014 Trends and General Impacts on ROF Business**

#### **Golf**

Of the primary Park Authority revenue businesses, golf rounds played continues to be negatively impacted by the sluggish economy and a continued reduction in operating days due to adverse weather. Both national and regional rounds played performance has been negative during FY 2014 with Park Authority rounds played at 268,151 down 3.1% largely due to an 11.8% reduction of operating days primarily due to the unusually adverse winter. (Total operating days for Park Authority courses in FY 2014 decreased by 293 days collectively.) 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.

#### **RECenters**

RECenter attendance declined 6% in FY14, with declines experienced at eight of the nine RECenters. While overall revenue only declined 1% (largely due to the year-long fitness center closure at Oak Marr) pass sale revenue declined at six of nine sites, and program revenue decreased at four of nine sites. This recent performance causes significant concern that prices for both membership passes and programs are at or very near market tolerance levels in the current environment. In the near term, RECenter revenue will increase due to facility expansions at Oak Marr and Spring Hill which will be realized later in FY 2015 and adding more off-site program offerings where possible, but growth will likely not come from fee increases.

#### **Resource Management**

Growth in the Division's stewardship education programs continues. Revenue in programming grew 9.8% from FY13 to FY14. Overall

revenue growth was up 8% with all revenue categories showing some growth especially programming. Rentals and marina operations were also up although not significant. Amusements (carousel, wagon rides, etc.) and shelter rentals continue to be services that attract visitors and also support other revenue categories such as concessions, store and vending sales.

### **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. Although not yet formally announced, Health Care Benefits for full-time employees are expected to increase 7.5% in calendar year 2015 resulting in an additional \$128,662 and up to a 10% increase in calendar year 2016 for another \$184,416.

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 estimated cost of this benefit in FY 2013 was \$63,000 and \$110,000 in FY 2014.

Other Post-Employment Benefits (OPEB) costs for ROF employees was transferred from the county to the Park Authority in FY 2011 (\$631,555). In FY2014, the charge was \$751,439, up \$9,302 from FY 2013.

### **3.5 Employee Compensation - Market Adjustment Rate**

Employee compensation was originally frozen in FY 2014; however the Board of Supervisors approved a one-time discretionary bonus given on September 10, 2014, that impacted the ROF by \$224,181. An FY 2015 Market Rate Adjustment of 2.29% was given to all employees in the August 9, 2014, paycheck resulting in an impact to the ROF of \$602,138. To date, budget guidance for FY 2016 does not include any direction on compensation increases; however, a work team is studying the compensation package for general county employees which may be considered later this year. At the time of the development of this report, numbers have been mentioned to be as high as 3% which could impact the ROF by an additional \$660,000.

### **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 2015 the Authority will have 65 Merit employees eligible for retirement, 22 of those are in the Revenue Fund. An additional 17 employees become eligible in FY 2016, 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 \$94,000 in leave payouts in FY 2014 and that amount is expected to increase in the coming years. The estimated DROP payout for FY 2015 is projected at \$165,313, \$196,037 in FY 2016, and \$201,465 in FY 2017.

### **3.7 Fairfax County Public Schools Initiatives**

#### **Monday's schedule change**

June 2014 the Fairfax County Public Schools (FCOS) 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 fulfil the needs of working parents. This change of schedule is estimated to impact gross revenue by approximately \$191,000 (\$173,000 Aquatics classes 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 at the time of this report it appears schools will be looking to shift high school schedules back by up to 30 minutes to begin September 2015. 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 \$168,500.

#### **\$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. This will result in an estimated \$19,000 per year increase of which \$7,000 would be applied to the ROF revenue loss.

### **3.8 Indirect Costs**

Following an Office of Financial and Program Audit report which the Board of Supervisors accepted in the fall of 2012, the Department of Management and Budget was charged with reviewing General Fund cost allocations to agencies with special revenue and enterprise funds for centralized services to help ensure full cost recovery of the General Fund. In FY 2014 the county began charging for indirect or centralized services and the ROF was hit with \$775,000 which minimized net revenue opportunity. These are dollars that the FSP had identified for reinvestment in ROF facilities. Originally, indirect cost goals were set higher; however, DMB was sensitive to the ROF challenges and possibilities of those costs being passed along to

the residents through fee increases. The same amount was applied to the FY 2015 budget. This is an area of uncertainty and will have to be monitored closely with poor economic times continuing.

### **3.9 General Fund Budget Cuts Continue**

Unfortunately, the poor economic picture continues and again all agencies have been asked for reductions (see Attachment A-1 for details). Since FY 2008, Park Authority reductions have resulted in over a 25% loss of General Fund support and 45 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. In preparing the FY 2015, 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 FY 2016 3% reduction. This decision was made primarily due to the upcoming expansion and increased revenue recovery potential. Work Performed For Others (WPFO) has been offered to be charged to the ROF in FY 2016 as a part of the FY 2016 required 3% budget reduction 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 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** expansion is on schedule and will officially be opened to the public October 18, 2014.

**Spring Hill RECenter** is underway and will have a phased opening - Locker rooms, September 2014; Facility changing rooms, October 2014; Gymnasium and Fitness center, December 1, 2014; and renovated existing multipurpose room space by February 1, 2015.

**Water Mine** – This summer bids came back high for this development and the schedule has slightly changed. 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.

**Realization of the FSP Net Revenue Development Projects-**

	<b>FY 2015 Original</b>	<b>FY 2015 Revised</b>	<b>FY 2016</b>	<b>FY 2017</b>
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
<b>Totals</b>	<b>\$765,000</b>	<b>\$690,000</b>	<b>\$1,650,000</b>	<b>\$2,200,000</b>

**3.11 Cost Recovery**

FY 2014 Actual Net Revenue was \$148,527 with no transfer to the Park Improvement Fund. Factors decreasing the budgeted net for FY 2014 are categorized as “uncontrolled” and included a colder than normal winter which limited outdoor revenue production, revenue was adjusted down by \$810,000 for Oak Marr RECenter expansion due to construction limitations. Expenditures were also adjusted down by \$874,847 to reflect the Twin Lakes debt refinancing. The primary use of net revenue is for reinvestment into projects such as ParkNet and Golf system replacements, Park Improvement Fund, and the county endorsed Revenue and Operating Capital Sinking Fund. FY 2015 Revised Net Revenue is currently budgeted at \$1,329,032 and based on the current model projections, FY 2016 net is projected at \$1,056,187. This number was revised and adjusted due to the patterns recently experienced in RECenter passes and admissions and Golf passes. It does not however, include the pending scenarios for schools (\$366,000), possible compensation increases (\$660,000) and potential reductions from GF salary transfers of (\$120,000) for a total of \$1.28M (“uncontrolled” costs). If these items are realized, it will present serious challenges for cost recovery and/or for the second year in a row, the potential for no net dollars being transferred to the Revenue and Operating Capital Sinking Fund as planned through the FSP. Continued staff and Park Authority Board diligence and advocacy will be needed to monitor the fund closely throughout the year and to inform and educate DMB and the Board of Supervisors on the increasing challenges related to managing the General Fund vs. Revenue Fund dilemma while balancing its ability to meet the needs of county residents especially in these economic realities.

## 4.0 Management Strategies

### 4.1 FY 2015 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.
- Budgeted Capital Equipment expenditures will be monitored carefully and held to ensure cost recovery.
- 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

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 2015 Strategies will include:

- All full-time hires will be reviewed within the NGF Consulting recommendations with emphasis on reallocation or leveling of personnel throughout the golf system.
- Continued reduction of seasonal staff hours during the shoulder seasons at all courses as appropriate.
- The addition of a golf-specific Marketing Specialist position that reports directly to the Golf Enterprise Manager will be filled in the second half of FY 2015 and a plan will be developed to increase participation and revenue.

- Anticipate selection and start-up of golf-oriented POS and customer management system with robust marketing capabilities in the second half of FY 2015.
- Increased partnering with the lessons program provider to transition those new to the game of golf to increased range use as well as golf course utilization.
- Continue to expand and refine golf retail program at all courses.
- Continue to monitor the results of third party partnering with Golf Now at Laurel Hill, Greendale, and Twin Lakes.
- Maximize penetration into the 55+ year-old golfer demographic through promotional fees and specials.
- Continue programming expansion to include “foot-golf” and other youth friendly initiatives at select sites.
- Refine and increase emphasize on golf instructional programs at Laurel Hill and Twin Lakes.
- Develop and refine robust and targeted dynamic pricing options to increase greens fee revenues.
- Initiate partnership with Washington First Tee Program to bring youth development and enrichment opportunities to Park Authority Golf Courses.
- The expansion of the Twin Lakes Oaks Room, renovation of the Oaks Course bunkers, the addition of a new putting green and renovation of the chipping green as well as irrigation replacement at Pinecrest Golf Course will enhance use and revenue production in the future.

#### **4.1.3 Resource Management Division**

Will continue to build on the growth in stewardship education and services and will continue to capitalize on the success of current programs by:

- Expanding tours, programs, events, and camps at unmanaged parks using staff from managed parks and roving interpreters.
- Expanding stewardship programming and events at lakefront parks.
- Expanding programming in alternative sites (HPRS facilities and lakefronts) as well as increases in outdoor classrooms/shelters.
- Continuing countywide expansion of the scout program based on the surge of interest and identification of new groups.
- Regularly evaluating new and existing programs to ensure they are cost effective.
- Recent service expansions will also increase programming opportunity which includes a new classroom at Green Spring Gardens, outdoor education/picnic shelters at Huntley Meadows Park and Hidden Oaks and interpretive train rides and wagon

rides at alternative sites across the county, including lakefront and RECenter parks.

- Sully Visitors Center will add additional program space, improved admissions area, and room for store expansion as well as free up space for new programs in the existing visitor center.

#### **4.1.4 Park Services – Division Marketing and Communications Plan**

Primary ROF-related marketing and communications plan focus areas for FY 2015 include the following:

- RECenter passes – experiment with judicious use of ‘daily deal’ promotions to increase consumer awareness and introductory use; focus on pass holder retention; expand voice of the customer survey to twice per year as a part of retention strategy.
- Golf – continue to support and grow spring pass sale initiative; hire golf marketing specialist; (develop site-specific marketing plans and promotional efforts; focus on growth of golf member database in conjunction with implementation of new information system; utilize enhanced e-marketing capabilities of new golf information system; develop golfer loyalty program.
- Programs – support continued program growth through further growth in Parktakes subscriptions; implementation of four-color Parktakes and new advertising rates; expansion of Camp Guide.
- Facility expansions – promote opening of new facility expansions at Oak Marr and Spring Hill RECenters.

#### **4.2 FY 2015 – FY 2017 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, allocation of capital and net dollars will play a critical role in how that is accomplished. And while general obligation bonds have traditionally funded major revenue facility construction and renovations, those dollars are also becoming scarcer especially as our assets age.

The entire county continues to be challenged. 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. In July 2014, the Park Authority Board approved the renaming of the Facility and Services Reserve to the ROF Capital Sinking Fund to align with the county's goals. 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 2014 Carryover approved \$405,000 of Telecommunications (monopole) dollars to go towards ROF facility maintenance and repairs and service enhancements. 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 2015 Planning and Development Work Plan and/or with the FY 2014 Carryover Budget in July 2014 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**

<b>Park</b>	<b>Project Description</b>	<b>Fund</b>	<b>Targeted Completion</b>
Oak Marr RECenter	Fitness Expansion	300-C30400	FY15
Spring Hill RECenter	Fitness & Gymnasium Expansion	300-C30400	FY15
Burke Lake Club House	Replacement	300-C30400	TBD
Lake Fairfax Park	Water Mine Expansion	300-C30400	FY17
Colvin Run Mill	The restoration of non-functioning mill components	300-C30400	FY15
Oak Marr and Twin Lakes Golf Course	Upgrade current token based ball dispensing	800-C80300	FY15
Oak Marr Golf Course	Upgrade driving range lighting	800-C80300	FY16
Providence RECenter	Improve Natatorium Exterior, Sun deck area	800-C80300	FY16
RECenters and Golf Courses	Provide Wi-Fi capability for all customers and enhance security	800-C80300	FY15

	camera capability at RECenters		
Agencywide	Customer Service Satisfaction Survey	800-C80300	FY16
Agencywide	Internal Employee Survey	800-C80300	FY15
Providence, South Run Mount Vernon, and Lee RECenter	Design ADA repairs for four RECenters	300-C30010	FY15  FY16
Audrey Moore RECenter	Repair the west natatorium wall	300-C30400 800-C80300	FY15
Riverbend Park	Outdoor Education Shelter	300-C30400	FY15
Great Falls Grange ADA	Design and construct ADA repairs for the building and site	300-C30010	FY15
Twin Lakes – Oaks Course	Bunker renovation & practice putting green addition	800-C80300	FY15
Jefferson, Greendale and Twin Lakes Golf Course	Install equipment wash station for grounds maintenance equipment	800-C80300	FY16
Agencywide	Needs Assessment	300-C30400	FY16
Agencywide	Branding Study – FSP Initiative with dollars to support RECenter signage replacement	300-C30400	FY16

## 5.0 Schedules

### 5.1 Base Assumptions for FY 2016 – FY 2018 Projections

	FY 2016 PROJ	FY 2017 PROJ	FY 2018 PROJ
<b>REVENUE FACTORS</b>	<b>Inflation Factors</b>	<b>Program Growth</b>	<b>Inflation Factors</b>
<b>REC ACTIVITIES</b>			
CLASSES	1.02	1.02	1.02
PASSES	1.01	1.02	1.02
ADMISSION	1	1	1
OTHER	1.02	1.02	1.02
PARKS	1.04	1.02	1.02
SUBTOTAL			
<b>GOLF</b>			
PASSES	1.02	1.02	1.02
GREENS FEES	1.01	1.01	1.01
OTHER	1.01	1.01	1.01
SUBTOTAL			

	FY 2016 PROJ Inflation Factors	FY 2017 PROJ Program Growth	FY 2018 PROJ Inflation Factors
<b>REVENUE FACTORS</b>			
<b>ADMINISTRATION</b>	1	1	1
<b>RESOURCE MANAGEMENT</b>			
Programs	1.08	1.06	1.06
Rental	1.08	1.06	1.06
Resale	1.01	1.01	1.01
Other	1.01	1.01	1.01

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## EXPENDITURE FACTORS

<b>REC ACTIVITIES</b>			
FULL-TIME SALARIES	1.03	1.03	1.03
LIMITED-TERM SALARIES	1.03	1.02	1.03
OPERATING EXPENSES	1.03	1.03	1.03
CAPITAL EQUIPMENT	1	1	1
<b>SUBTOTAL</b>			
<b>GOLF COURSES</b>			
FULL-TIME SALARIES	1.03	1.03	1.03
LIMITED-TERM SALARIES	1.03	1.02	1.03
OPERATING EXPENSES	1.03	1.03	1.03
CAPITAL EQUIPMENT	1	1	1
<b>SUBTOTAL</b>			
<b>ADMINISTRATION</b>			
FULL-TIME SALARIES	1.03	1.03	1.03
LIMITED-TERM SALARIES	1.03	1.03	1.03
OPERATING EXPENSES	1	1	1
CAPITAL EQUIPMENT	1	1	1
<b>SUBTOTAL</b>			
<b>RESOURCE MANAGEMENT</b>			
FULL-TIME SALARIES	1.03	1.03	1.03
LIMITED-TERM SALARIES	1.03	1.02	1.03
OPERATING EXPENSES	1.03	1.03	1.03
CAPITAL EQUIPMENT	1	1	1
<b>SUBTOTAL</b>			

### Notes:

- FY 2016 is considered the baseline.

- Based on the past couple years of actual performance and capacity, RECenter passes, admissions, and classes projections were reduced from last year's percentages. Golf passes and greens fees were also reduced. It is estimated that due to the continued economic situation there will be a very conservative fee package presented for FY 2015 and FY 2016.

## 5.2 Revenue/Expenditures – Summary

	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 ACTUAL	FY 2015 REVISED	FY 2016 SUBMISSION	FY 2017 PROJ	FY 2018 PROJ
OPERATING REVENUE	\$42,465,008	\$42,957,894	\$43,055,113	\$46,285,055	\$46,935,007	\$47,814,343	\$48,715,953
EXPENDITURES:							
PERSONNEL SERVICES	\$25,036,827	\$26,544,817	\$27,252,802	\$27,771,018	\$28,376,587	\$29,106,273	\$29,979,461
OPERATING EXPENSES	13,112,259	12,924,528	13,708,873	14,286,882	14,516,920	14,923,164	15,341,596
CAPITAL EQUIPMENT	154,231	257,013	246,571	543,000	605,000	605,000	605,000
TOTAL EXPENDITURES	\$38,303,317	\$39,726,358	\$41,208,246	\$42,600,900	\$43,498,507	\$44,634,437	\$45,926,057
NET REVENUE BEFORE DEBT	\$4,161,691	\$3,231,536	\$1,846,867	\$3,684,155	\$3,436,500	\$3,179,907	\$2,789,897
DEBT SERVICE	\$1,915,973	\$1,516,766	\$923,340	\$1,580,123	\$1,605,315	\$1,634,416	\$1,634,416
INDIRECT COST	\$0	\$0	\$775,000	\$775,000	\$775,000	\$775,000	\$775,000
NET REVENUE AFTER DEBT	\$2,245,718	\$1,714,770	\$148,527	\$1,329,032	\$1,056,187	\$770,491	\$380,481
1/ DEBT SERVICE RATIO	2.17	2.13	2.00	2.33	2.14	1.95	1.71
2/ COST RECOVERY	1.109	1.081	1.045	1.086	1.079	1.071	1.061
3/ COST RECOVERY - includes Bond Interest & Debt Service	1.056	1.042	1.022	1.048	1.041	1.033	1.024

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

	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 REVISED	FY2016 SUBMISSION	FY2017 PROJ	FY2018 PROJ
<b>REC ACTIVITIES</b>							
CLASSES	13,210,668	13,880,905	14,053,260	15,050,000	15,430,983	15,739,603	16,054,395
PASSES	6,596,446	6,747,261	6,365,691	7,370,000	7,144,641	7,287,534	7,433,284
ADMISSION	1,945,960	1,874,564	1,735,434	2,063,000	1,970,000	1,970,000	1,970,000
OTHER	3,694,080	3,781,057	3,989,823	3,923,000	4,125,500	4,208,010	4,292,170
PARKS	3,332,554	3,190,397	3,447,689	3,353,700	3,862,000	3,939,240	4,018,025
SUBTOTAL	\$28,779,708	\$29,474,184	\$29,591,897	\$31,759,700	\$32,533,124	\$33,144,386	\$33,767,874
<b>GOLF</b>							
PASSES	1,442,078	1,493,859	1,497,368	1,537,100	1,497,100	1,527,042	1,557,583
GREENS FEES	5,331,668	4,959,922	4,740,797	5,565,200	5,117,600	5,168,776	5,220,464
OTHER *	3,817,073	3,688,463	3,769,186	4,112,605	4,158,905	4,200,494	4,242,499
SUBTOTAL	\$10,590,819	\$10,142,244	\$10,007,351	\$11,214,905	\$10,773,605	\$10,896,312	\$11,020,546
<b>ADMINISTRATION</b>	\$849,595	\$961,188	857,672	786,188	871,860	871,860	871,860
<b>RESOURCE MANAGEMENT</b>							
Programs	\$1,473,092	\$1,598,090	1,770,965	1,698,718	1,881,138	1,994,006	2,113,647
Rental	\$364,177	\$393,099	447,658	441,610	474,917	503,412	533,617
Resale	\$278,259	\$265,516	245,818	252,861	260,788	263,396	266,030
Other	\$129,358	\$123,573	133,752	131,073	139,575	140,971	142,380
SUBTOTAL	\$2,244,886	\$2,380,278	2,598,193	2,524,262	2,756,418	2,901,785	3,055,674
<b>TOTAL</b>	\$42,465,008	\$42,957,894	\$43,055,113	\$46,285,055	\$46,935,007	\$47,814,343	\$48,715,953

## 5.4 Projected Expenditures by Cost Center

	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 ACTUAL	FY2015 REVISED	FY2016 SUBMISSION	FY2017 PROJ	FY2018 PROJ
<b>REC ACTIVITIES</b>							
FULL-TIME SALARIES/BENEFITS	8,651,162	9,233,813	9,574,211	9,704,163	9,778,188	10,071,534	10,373,680
LIMITED-TERM SALARIES	8,648,575	9,212,472	9,377,159	9,747,604	10,088,962	10,290,741	10,599,463
OPERATING EXPENSES	8,854,254	8,562,698	9,372,318	9,630,040	9,897,060	10,193,972	10,499,791
CAPITAL EQUIPMENT	20,706	165,207	48,690	280,000	380,000	380,000	380,000
<b>SUBTOTAL</b>	<b>\$26,174,697</b>	<b>\$27,174,190</b>	<b>\$28,372,378</b>	<b>\$29,361,807</b>	<b>\$30,144,210</b>	<b>\$30,936,247</b>	<b>\$31,852,934</b>
<b>GOLF COURSES</b>							
FULL-TIME SALARIES/BENEFITS	4,587,500	4,663,806	4,848,068	4,948,352	4,948,352	5,096,803	5,249,707
LIMITED-TERM SALARIES	1,270,888	1,467,168	1,416,689	1,315,305	1,315,305	1,341,611	1,381,859
OPERATING EXPENSES	2,971,285	3,090,932	2,837,113	3,280,800	3,100,800	3,193,824	3,289,639
CAPITAL EQUIPMENT	120,935	72,261	144,797	263,000	225,000	225,000	225,000
<b>SUBTOTAL</b>	<b>\$8,950,608</b>	<b>\$9,294,167</b>	<b>\$9,246,667</b>	<b>\$9,807,457</b>	<b>\$9,589,457</b>	<b>\$9,857,238</b>	<b>\$10,146,205</b>
<b>ADMINISTRATION (excluding debt)</b>							
FULL-TIME SALARIES/BENEFITS	293,193	326,056	248,546	206,053	309,967	319,266	328,844
LIMITED-TERM SALARIES	161,441	161,584	122,160	173,823	173,400	178,602	183,960
OPERATING EXPENSES	756,609	768,091	956,510	875,444	975,444	975,444	975,444
CAPITAL EQUIPMENT	0	0	33,504	0	0	0	0
<b>SUBTOTAL</b>	<b>\$1,211,243</b>	<b>\$1,255,731</b>	<b>\$1,360,720</b>	<b>\$1,255,320</b>	<b>\$1,458,811</b>	<b>\$1,473,312</b>	<b>\$1,488,248</b>
INDIRECT COST			775,000	775,000	775,000	775,000	775,000
<b>SUBTOTAL</b>	<b>\$1,211,243</b>	<b>\$1,255,731</b>	<b>\$2,135,720</b>	<b>\$2,030,320</b>	<b>\$2,233,811</b>	<b>\$2,248,312</b>	<b>\$2,263,248</b>
<b>RESOURCE MANAGEMENT</b>							
FULL-TIME SALARIES/BENEFITS	703,438	793,798	829,133	974,115	1,005,479	1,035,643	1,066,713
LIMITED-TERM SALARIES	720,630	686,120	836,836	701,603	756,934	772,073	795,235
OPERATING EXPENSES	530,111	502,807	542,932	500,598	543,616	559,924	576,722
CAPITAL EQUIPMENT	12,590	19,545	19,580	0	0	0	0
<b>SUBTOTAL</b>	<b>\$1,966,769</b>	<b>\$2,002,270</b>	<b>\$2,228,481</b>	<b>\$2,176,316</b>	<b>\$2,306,029</b>	<b>\$2,367,641</b>	<b>\$2,438,670</b>
<b>TOTAL</b>	<b>\$38,303,317</b>	<b>\$39,726,358</b>	<b>\$41,983,246</b>	<b>\$43,375,900</b>	<b>\$44,273,507</b>	<b>\$45,409,437</b>	<b>\$46,701,057</b>

## 5.5 Fund Statement – Fund 80000

	<b>FY 2012 ACTUAL</b>	<b>FY 2013 ACTUAL</b>	<b>FY 2014 ACTUAL</b>	<b>FY 2015 REVISED</b>	<b>FY 2016 SUBMISSION</b>
<b>Beginning Balance</b>	<b>\$5,174,181</b>	<b>\$7,419,898</b>	<b>\$5,483,245</b>	<b>\$4,131,772</b>	<b>\$5,460,804</b>
Revenue:					
Interest on Bond Proceeds	\$15,465	\$8,331	\$39	\$12,497	\$12,497
Park Fees <sup>1</sup>	41,625,541	42,196,499	42,067,143	45,485,027	46,134,979
Interest	26,469	32,381	5,427	133,735	133,735
Sale of Vehicles and Salvage Equipment		0	50,999	32,459	32,459
Donations and Miscellaneous Revenue	802,384	720,682	931,505	621,337	621,337
<b>Total Revenue</b>	<b>\$42,469,859</b>	<b>\$42,957,893</b>	<b>\$43,055,113</b>	<b>\$46,285,055</b>	<b>\$46,935,007</b>
<b>Total Available</b>	<b>\$47,644,040</b>	<b>\$50,377,791</b>	<b>\$48,538,358</b>	<b>\$50,416,827</b>	<b>\$52,395,811</b>
Expenditures:					
Personnel Services	\$25,985,902	\$27,304,950	\$28,157,182	\$28,824,333	\$29,429,902
Operating Expenses	13,038,009	12,924,528	13,708,873	\$14,286,882	\$14,516,920
Recovered Costs	(948,850)	(760,030)	(904,380)	(\$1,053,315)	(\$1,053,315)
Capital Equipment	148,141	257,012	246,571	\$543,000	\$605,000
<b>Subtotal</b>	<b>38,223,202</b>	<b>39,726,460</b>	<b>41,208,246</b>	<b>42,600,900</b>	<b>43,498,507</b>
Debt Service:					
Fiscal Agent Fee	\$3,233	\$3,232	\$0	\$3,233	\$3,233
Bond Interest Payable <sup>2</sup>	1,059,428	2,854,169	180,206	806,541	801,088
<b>Subtotal Expenditures</b>	<b>\$39,285,863</b>	<b>\$42,583,861</b>	<b>\$41,388,452</b>	<b>\$43,410,674</b>	<b>\$44,302,828</b>
Transfers Out:					
General Fund (10001) <sup>3</sup>	0	0	775,000	775,000	775,000
County Debt Service (20000) <sup>4</sup>	853,313	453,169	743,134	770,349	800,994
Park Capital Improvement Fund (80300)	0	1,849,882	1,500,000	0	0
<b>Total Transfers Out</b>	<b>\$853,313</b>	<b>\$2,303,051</b>	<b>\$3,018,134</b>	<b>\$1,545,349</b>	<b>\$1,575,994</b>
<b>Total Disbursements</b>	<b>\$40,139,176</b>	<b>\$44,886,912</b>	<b>\$44,406,586</b>	<b>\$44,956,023</b>	<b>\$45,878,822</b>
<b>Ending Balance<sup>5</sup></b>	<b>\$7,504,864</b>	<b>\$5,490,879</b>	<b>\$4,131,772</b>	<b>\$5,460,804</b>	<b>\$6,516,989</b>
Debt Service Reserve <sup>2</sup>	\$1,915,974	\$735,211	\$743,134	\$770,349	\$800,994
Revenue and Operating Fund Stabilization Reserve <sup>6</sup>	1,957,666	2,017,969	2,053,518	2,136,097	2,174,925
Donation/Deferred Revenue <sup>7</sup>	1,246,804	1,246,804	1,246,804	1,350,000	1,350,000
Set Aside Reserve <sup>8</sup>	53,737	1,490,895	88,316	1,204,358	2,191,070
<b>Unreserved Ending Balance</b>	<b>\$2,330,683</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## 5.6 Fund Statement – Fund 80300

	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 ACTUAL	FY 2015 REVISED	FY 2016 SUBMISSION
<b>Beginning Balance</b>	<b>\$25,479,593</b>	<b>\$25,275,611</b>	<b>\$28,696,358</b>	<b>\$24,033,860</b>	<b>\$2,207,926</b>
<b>Revenue:</b>					
Interest	\$87,378	\$83,260	\$23,855	\$0	\$0
Capital Grants and Contributions	\$0	\$0	\$0	\$0	\$0
VDOT Revenue	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$2,318,385	\$5,111,131	\$2,229,695	\$0	\$0
<b>Total Revenue</b>	<b>\$2,405,763</b>	<b>\$5,194,391</b>	<b>\$2,253,550</b>	<b>\$0</b>	<b>\$0</b>
<b>Transfers In:</b>					
Park Revenue and Operating Fund	\$0	\$1,849,882	\$1,500,000	\$0	\$0
<b>Total Transfer In</b>	<b>\$0</b>	<b>\$1,849,882</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Available</b>	<b>\$27,885,356</b>	<b>\$32,319,884</b>	<b>\$32,449,908</b>	<b>\$24,033,860</b>	<b>\$2,207,926</b>
<b>Expenditures:</b>	<b>\$2,704,415</b>	<b>\$3,620,918</b>	<b>\$7,131,048</b>	<b>\$21,825,934</b>	<b>\$0</b>
<b>Transfers Out:</b>					
General County Construction	\$0	\$0	\$1,285,000	\$0	\$0
<b>Total Disbursements</b>	<b>\$2,704,415</b>	<b>\$3,620,918</b>	<b>\$8,416,048</b>	<b>\$21,825,934</b>	<b>\$0</b>
<b>Ending Balance</b>	<b>\$25,180,941</b>	<b>\$28,698,966</b>	<b>\$24,033,860</b>	<b>\$2,207,926</b>	<b>\$2,207,926</b>
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	\$2,153,576	\$2,565,983	\$2,572,411	\$0	\$0
<b>Unreserved Ending Balance</b>	<b>\$20,819,438</b>	<b>\$23,925,057</b>	<b>\$19,253,523</b>	<b>\$0</b>	<b>\$0</b>

## Attachments

### A-1 Budget Guidelines and Revenue Funds Brief Descriptions

- **FY 2016 Budget Guidelines**  
The county's current forecast for FY 2016 projects that expenditure requirements will exceed available revenues. The county's FY 2016 Budget Development Guidelines for the General Fund include:
- **FY 2014 Carryover** – DMB is looking extremely carefully at only the critical, high-priority items to be held in reserves to offset potential budget shortfalls. Two strategies in place: (1) To free up as much as possible in preparation; (2) To save - to apply to those commitments and investments (capital sinking funds, police and fire five-year plan, employee compensation, etc.). Approvals will focus on what we can do now that will help us in FY 2016 or FY 2017. (Example of the voter machines for upcoming Presidential Elections). To be approved by Board of Supervisors on September 9, 2014.
- **FY 2015** – Each Agency to identify 1% in savings or cuts that should avoid significant program or service reduction but can be identified through savings base on position management, (i.e. holding positions vacant longer than average) reduction in supplies, contract or operating expenses, deferral of Capital Equipment purchases, etc. Funding will be taken at third quarter and pooled for County use. These cuts cannot include filled merit personnel elimination.
- **FY 2016** – Taking a 3-step approach – (1) Agencies to identify 3% in savings or cuts that are programmatic and prioritized; (2) A staff team representing all levels of the organization will be formed to look at evaluating cost savings opportunities and/or efficiency measures that will reduce costs without reductions to County Service levels; (3) DMB will be reviewing centrally managed or budgeted accounts including fringe benefits, to determine if reductions in budgeted funds are appropriate based on prior year spending levels (IT, DVS charges, personnel charges, benefits, etc.) No Washington Monuments or resubmission of a previous cut suggestion without additional justification.
- **FY 2017** – A newly elected Board of Supervisors will start in January 2018. A **Lines of Business** exercise will be completed; the focus will be on evaluating what we do, how we do it, how effective it is – demonstrating with metrics and comparing bench marks to other organizations and communities. A programmatic review and evaluation of all county services will provide the framework for analysis on the effectiveness of each county

program as well as how closely services impact the Board of Supervisors goals and priorities. Instructions are still to come, most likely to start fall 2014 and during the fourth quarter of FY 2015 agencies will meet with their County Deputy and DMB staff to ensure the preliminary work is in line with goals and objectives. Information will include evaluative data, program resources, customers, outcomes, unit costs, performance measures, and challenges/constraints.

- **Brief Description of Park Authority Revenue Funds**

- **Park Revenue and Operating Fund (80000)** Annual funds received 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*. Funds 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. Note: The fund name was changed July 9, 2014, as a part of an effort of a comprehensive review to provide clarity and align with the county.
- **Park Improvement Fund (80300) Funds** used to finance repairs, renovations or development of revenue generating facilities and programs. It can receive 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.  
Note: The fund name was changed July 9, 2014, as a part of an effort of a comprehensive review to provide clarity and align with the county.

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\*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 2015 PAB Financial Schedule**

**July 1, 2014**

### **FY 2015 Budget Year begins**

July 9

Administration, Management and Budget Committee (AMB) reviews: FY 2014 Carryover Budget Review for 10001, 30010, 30400, 80000, 80300; Park Authority Board approves Funding and Project Name Changes, Reserve restructuring and related transfers

July 23

Park Authority Board approves FY 2014 Carryover items and changes to the Purchasing Resolution; Funding, Policy and Bond Committee (FPB) reviews the FY 2014 Financial Sustainability Plan Initiatives update and IFC/Park Authority Definitions; AMB reviews the Financial Management Principle Revisions and is provided the FY 2015 Financial Calendar

July 29

Board of Supervisors shares the FY 2014 Carryover package with the public

August 20

Committee of the Whole meeting to discuss budget reduction exercise

September 9

Board of Supervisors approves FY 2014 Carryover and dollars become available

September 10

AMB reviews the FY 2016 Budget Submissions, FY 2016-FY 2018 Financial Management Plan, and any FY 2015/2016 Proposed Budget Reductions

September 23

Park Authority Board approves FY 2016 Budget Submissions, the FMP, and the FY 2015 and FY 2016 Reductions

October 8

Park Authority Board Reviews 2015 Fee Calendar; Planning and Development Committee reviews the FY 2016-FY 2020 Capital Improvement Program

November 5

AMB reviews First Quarter updates and has initial discussion on the potential fee adjustments for FY 2015

November 12

Park Authority Board receives First Quarter updates

December 3

AMB reviews the Advertised Fee Proposal Package for FY 2015 and confirms the public meeting date (typically late January);

January 7, 2015	Park Authority Board reviews the Advertised Fee Proposal Package and approves the Public Meeting date for fees (January 28 proposed), receives the Annual Financial Report (CAFR) as of June 30, 2014, and Presentation of the Certificate of Achievement for Excellence in Financial Reporting
February	County Executive presents the FY 2016 Proposed Budget and CIP; FPB discussions begin with the PAB on the 2016 Bond
February 26	AMB reviews Second Quarter updates and Third Quarter Budget items and the FY 2015 Fee Adjustment Package
March 11	Park Authority Board reviews the Second Quarter updates, Third Quarter Budget items and the FY2015 Fee Adjustment Packages
March	Planning Commission hearings on FY 2016 – FY 2020 CIP
March	Board of Supervisors meeting - Third Quarter Budget discussion, PAB receives the FY 2015 Advertised Budget Plan Memorandum and approves the FY2015 Fee Adjustments
April	Board of Supervisors Public hearings on proposed FY 2016 Budget
April	Board of Supervisors FY2015 Third Quarter approved, FY 2016 Budget Mark up
April	Board of Supervisors Formal Adoption of the FY2016 Budget
May	AMB reviews any policy changes if needed, FY 2016 Adopted Budgets, FY 2015 Third Quarter Updates and the Draft FY 2016 – FY 2018 Financial Management Plan
June 30	FY 2015 Closes

Committee Agenda Item  
September 10, 2014

## **DISCUSSION**

### Fairfax County Park Authority Bylaws Revision

The second working revisions draft has been modified as per discussions at the July 9 and July 23 committee meetings and from information received to date. The third working revisions draft will be reviewed at the September 10, 2014, meeting. If Committee concurrence is gained following the discussion, the draft will be forwarded to the County Attorney's Office for their official review.

The County Attorney's office has committed to completing the review and will attend the November 5, 2014, Administration, Management and Budget Committee meeting to review any changes or issues and answer board members' questions.

Following the November 5 meeting, a final draft will be revised. A ten-day advertisement will be placed as per the bylaws and the final version will come back to the full board for approval on December 10, 2014.

### FISCAL IMPACT:

None

### ENCLOSED DOCUMENTS:

Attachment 1: Third Working Revision as of September 3, 2014

### STAFF:

Kirk W. Kincannon, Director  
Cindy Messinger, Deputy Director/CFO  
Sara Baldwin, Deputy Director/COO  
Barbara Gorski, Administrative Assistant

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**Third Working Revision Draft as of September 3, 2014  
Park Authority Bylaws**

**BYLAWS GOVERNING THE FAIRFAX COUNTY PARK AUTHORITY  
OF FAIRFAX COUNTY, VIRGINIA**

AS REVISED AND ADOPTED ~~May 14, 2008~~

Be it resolved by the Fairfax County Park Authority of Fairfax County, Virginia, that the Bylaws of said Authority be, and the same are, as follows:

**Article I – Name**

**The name of this organization is the Fairfax County Park Authority, hereinafter referred to as the “Authority”**

**Comment [MC1]:** Added the Name of the Organization

**Article II – Source of Authority**

**The Fairfax County Park Authority derives authority from the state of Virginia and the Fairfax County Government as described in the Virginia State Code, §15.2-5700-5714, known as the Park Authorities Act and the Park Authority Ordinance passed by the Fairfax County Board of Supervisors establishing the Fairfax County Park Authority on December 6, 1950.**

**Comment [MC2]:** Moved up the Source of Authority

**Article III – Purpose**

**The Fairfax County Park Authority (Authority) was established by the Board of Supervisors of Fairfax County, Virginia (Board of Supervisors), pursuant to Virginia law for the following purpose:**

**Comment [MC3]:** Reinserted original wording directly from statute language

- (1) To examine the need for park facilities and the availability of desirable park sites in the County of Fairfax.**
- (2) To acquire, maintain and operate parks and park facilities in the County of Fairfax.**
- (3) To arrange for the maintenance and operation of parks and park facilities in the County of Fairfax by the State of Virginia, the United States Government or any park Authority or park Commission with which it may agree.**

**Article IV – Membership and Term of Office**

**The Park Authority shall be governed by a Board, hereinafter referred to as the “Board.” Membership or appointments to the Board shall be as determined by the Board of Supervisors, and members shall serve for such term or terms as established by the Board of Supervisors. In the event a member cannot serve or resigns from office, the chairperson, the clerk or the secretary, or the county staff coordinator shall advise the Clerk to the Board of Supervisors of the vacancy in writing. In the event a member completes his or her term of office, remains qualified to serve as a member, and the Board of Supervisors has not reappointed that member to another term or appointed a successor member, then that person may continue to serve as a member until such time as the member is reappointed or a successor member is appointed.**

**Comment [MC4]:** Included statute language to help clarify between the terms “Authority” and “Board”

Article I – Officers **and Their Duties**

Section I 1.- Terms of Office of Officers

The officers of the ~~Fairfax County Park Authority of Fairfax County, Virginia, (“the Authority”)~~ **Board** shall be Chairman, Vice Chairman, Secretary, and Treasurer, who shall be elected by the members at a regular meeting in January of each year, or at such other time as there may be a vacancy. The offices of Secretary and Treasurer may be combined, **and then the duties of such shall also be combined.** All of the foregoing officers shall be Members of the Authority and shall hold office until the next annual election.

**Comment [MC5]:** Moved up the last line (Section 4.) and combined

Section II 2.- Duties of the Chairman

~~The Chairman shall be the executive officer of the Authority.~~ The Chairman shall convey to the Director all policy decisions of the Authority **Board** and will cause these policies to be administered by the Director. The Chairman shall be the official representative of the Authority **Board** at all functions unless representation is specifically delegated to another member. The Chairman shall preside at all meetings of the Authority **Board** and shall be an ex-officio member of all standing and special committees. ~~established by the Authority.~~ Except as may be limited by Virginia conflict of interests laws, the Chairman may vote on all issues at any meeting of the Authority **Board**.

Section III 3.- Duties of the Vice Chairman

The Vice Chairman, in the absence of the Chairman, shall be vested with all the powers and perform all the duties of the Chairman.

Section IV 4.- Duties of the Secretary and Treasurer

The Secretary ~~Treasurer~~ shall be responsible for ensuring that due notice is given of all Authority **Board** meetings and that proper records are kept of all proceedings of the Authority.

**Comment [MC6]:** Outlined roles for each of the two officers as recommended

~~The Treasurer shall have custody of the corporate seal and shall attest and affix the seal to all instruments requiring such action when authorized by the Authority **Board**.~~ **ensure that the Board receives timely, periodic reports as to the status of the Authority’s finances and accounts.**

**Comment [MC7]:** Added general language to illustrate broad responsibilities

~~If the offices of Secretary and Treasurer are combined, then the duties of such shall also be combined.~~

**Comment [MC8]:** Moved up the second half of this sentence to Section I where it is first mentioned.

Article II - Administration

Section I - Director

~~The Director shall be responsible to the Authority for the administration, acquisition, planning, development, maintenance, and operation of all property under the jurisdiction of the Fairfax County Park Authority. The Director shall evaluate properties under consideration for acquisition by the Authority and make recommendations to the Authority concerning their disposition. The Director may delegate authority to responsible subordinates but shall be held ultimately responsible for these actions.~~

**Comment [MC9]:** Eliminated as agreed upon in committee discussion. Roles and responsibilities of the director is covered in a multitude of other documents and is not needed here.

~~The Director shall formulate regulations and procedures as deemed necessary for proper administration of the organization and its holdings so long as these regulations and procedures are consistent with the policies established by the Authority. The Director shall represent the Authority at the executive level at meetings and as otherwise appropriate in relationship to other~~

official agencies, citizens' organizations, and individuals, and establish close liaison with other departments of the County and the State.

The Director shall be responsible for all administrative activities of the Authority including, but not limited to, preparing agendas for meetings, ensuring adequate records are kept and preparation and submission of annual operating and capital improvement budgets for approval of the Authority and will conform with budgets as approved. The Director shall carry out the capital improvement projects in accordance with the approved budgets of the Authority.

The Director shall perform such other duties as the Authority may require.

#### Section II – Other Employees

Other personnel may be employed in accordance with the approved annual operating budgets. Such employees shall be responsible to the Director or designated staff and shall perform duties and functions as may be assigned them.

### Article VI – Meetings

Comment [MC10]: Inserted the entire wording related to VFOIA for clarity and full transparency

**All meetings shall be conducted in accordance with the Virginia Freedom of Information Act, Virginia Code §§ 2.2-3700 through -3714, as amended (“VFOIA”), and except for closed sessions, all meetings shall be open to the public. Pursuant to Virginia Code § 2.2-3701, “meeting” or “meetings” mean the meetings including work sessions, when sitting physically, or through telephone or video equipment pursuant to § 2.2-3708 or § 2.2-3708.1 as a body or entity, or an informal assemblage of (i) as many as three members or (ii) a quorum, if less than three, of the constituent membership, wherever held, with or without minutes being taken, whether or not votes are cast, or any public body.**

**All meetings shall be preceded by a notice stating the date, time, and location of its meetings, and except for emergency meetings, notice of a meeting shall be given at least three working days prior to the meeting. Notice, reasonable under the circumstances of emergency meetings, shall be given contemporaneously with the notice provided to members. Notices of all meetings shall be provided to the Office of Public Affairs for posting at the Government Center and on the County Internet site. Also, notices for all meetings shall be placed at a prominent public location by the Park Authority Director. All meetings shall be conducted in places that are accessible to persons with disabilities, and all meetings shall be conducted in public buildings whenever practical.**

**Except as otherwise provided by Virginia law or by these bylaws, all meetings shall be conducted in accordance with Robert’s Rules of Order, Newly Revised, and except as specifically authorized by VFOIA, no meeting shall be conducted through telephonic, video, electronic, or other communication means where the members are not all physically assembled to discuss or transact public business.**

**At any meeting, at least one copy of the agenda and, unless exempt under VFOIA, all materials furnished to members shall be made available for public inspection at the same time such documents are furnished to the members. Any person may photograph, film, record, or otherwise reproduce any portion of a meeting required to be open, but no person broadcasting, photographing, filming, or recording any open meeting may interfere with any of the proceedings.**

**The Authority shall keep minutes of the Board’s meetings, and those minutes shall include: (1) the date, time, and location of each meeting; (2) the members present and**

**absent; (3) a summary of the discussion on matters proposed, deliberated, or decided; and (4) a record of any votes taken. Such minutes are public records and subject to inspection and copying by citizens of the Commonwealth or by members of the news media.**

**Section II 1. Special Meetings**

Special meetings of the Authority **Board** shall be called by the Chairman or at the request in writing of any three members of the Authority **Board**. Notice shall be given the members of the Authority **Board** prior to such meeting in accordance with ~~Section I of Article IV VI~~.

**Section III 2. Quorums**

A majority of the members present of the Authority **Board** shall constitute a quorum for the transaction of business at all meetings, including any public hearing required by Virginia law. The vote of a majority of such quorum shall be necessary for any action taken by the Authority **Board**.

**Article VII – Voting**

**A majority of the members of the Board shall constitute a quorum, and the vote of a majority of the quorum shall be necessary for any action taken. All votes of members shall be taken during a public meeting, and no vote shall be taken by secret or written ballot or by proxy. All members who are present at the meeting, including the chairperson, may vote at any meeting.**

**Comment [MC11]:** Reinserted original wording referencing a majority and took out wording related to 2/3.

**Article III VIII - Committees**

**Section I – Appointment**

**Standing and special committees shall be created by the (Board or the Chairman). Appointments to all such committees shall be made by the Chairman, who shall be an ex-officio member of all committees. All meetings of any such committees shall comply with the notice and other requirements of VFOIA. To the extent that is practicable, any such committees shall be composed of at least four members excluding the ex-officio. A majority of the committee members present shall constitute a quorum at meetings of Standing and Special Committees.** for business requiring a vote.

**Comment [BJG12]:** It is actually the Board that creates a committee. No formal action was ever taken by the PAB to give the Chairman this authority. If the Board chooses to delegate that responsibility to the Chairman, it needs to be done via a formal resolution. Discussion for September 10, an action item can then follow on 9/23 if determined.

**Comment [MC13]:** Added clarification for committee quorums; committees do not vote, but move items forward by consensus

**Section II – Standing and Special Committees**

Standing Committees shall be appointed for a term of one year at the first meeting following the election of officers in January. **Special Committees shall be composed of such number of members as are deemed necessary to accomplish their purpose.** The duties of all such committees shall be defined by the Authority **Chairman** and actions of such committees shall be reported to the Authority **Board**.

**Comment [MC14]:** Eliminated section reference but kept same language.

**Standing Committees shall be:**

**Administration, Management, and Budget**

**The purpose of the Administration, Management & Budget Committee is to address administrative matters requiring Board decision, including the Park Policy Manual, Park Regulations, Park Board Bylaws, and the Purchasing Resolution. The Committee is also**

**Comment [MC15]:** Inserted the listing of existing standing committees and purpose description

responsible for establishing Board budget priorities, approval of budget submissions, and quarterly modifications to the budget for all operating funds, as well as capital funding reviews and approvals. On an annual basis, the Committee reviews and establishes fees for use of facilities.

The Administration, Management, and Budget Committee will consider administrative matters on an “as needed” basis, but at least once annually, and financial management and budget issues in accordance with the annual Budget calendar.

#### Diversity and Succession

The purpose of the Diversity and Succession Committee is to provide oversight to ongoing policy matters related to workforce readiness and diversity. The Committee periodically reviews accomplishments in meeting succession management goals, and provides guidance on strategies to ensure succession and diversity goals are met. Serves as advocate to Park Authority Board to obtain needed support for policies and resources needed to achieve outcomes.

The Diversity and Succession Committee meets semi-annually each fall/winter, following the agency talent management cycle.

#### Park Authority Board Awards

The purpose of the Park Authority Board Awards Committee is to promote the solicitation of award nominees, evaluate all applications that are received, and select award honorees and recipients for awards granted by the Park Authority Board (i.e., Elly Doyle Park Service Award, Sally B. Ormsby Environmental Stewardship Award, and Mayo Stuntz Cultural Stewardship Award). The Committee also works with the staff committee to establish thematic direction related to the volunteer recognition awards program.

The Committee meets approximately four times per year.

#### Executive Committee

The purpose of the Executive Committee is to provide overall strategic continuity and direction for the Park Authority. The Executive Committee shall meet with the Director for an exchange of information, and act as a sounding board for the Park Authority Director. In Conjunction with the full Board, the Executive Committee oversees the selection of the Park Authority Director and evaluates the Director’s performance on an annual basis. The Executive Committee oversees the activities of the Standing Committees of the Board, works on special projects of the Board, and receives quarterly monthly reports from the Park Foundation.

The Executive Committee meets on an as needed basis as called by the Chairman.

#### Funding Policy and Bond

The purpose of the Funding Policy and Bond Committee is to recommend policies and guidelines for the comprehensive management of the Park Authority’s financial structure, as well as recommend the timing and amount of bond issuances. The Committee considers and links financial management matters, including the Comprehensive Annual Financial Report, Comprehensive Fund Management Projection Model, and Comprehensive Fund Management plan, as well as policies and strategies related to the development and support of the park bond program and Revenue and Operating Fund. The Committee reviews the total fund structure at least annually to include all sources of revenue and debt obligations.

**The Funding Policy and Bond Committee meets on an "as needed" basis during periods of bond activity when more frequent meetings may be necessary to address prevailing issues.**

**Park Operations**

**The purpose of the Park Operations Committee is to enable and interpret policy regarding park use issues, provide Board-level direction to the Park Authority's maintenance and life cycle programs, and provide Board-level decisions on issues impacting the Park Operations Division and its management of the non-staffed parks.**

**The Park Operations Committee meets on an "as needed" basis.**

**Park Services**

**The purpose of the Park Services Committee is to establish and review policies regarding the provision of services by the Park Services Division; approve new service initiatives that require an increase in funding; review findings of trend research, market surveys, and customer service surveys; and remain abreast of promotions marketing efforts.**

**The Park Services Committee meets on an "as needed" basis.**

**Planning and Development**

**The purpose of the Planning and Development Committee is to provide oversight of the long-range and site-specific planning activities, recommendations on capital improvement program funding allocations, and monitoring of the implementation of the project work plan. The Committee is responsible for review of contract awards, scope approvals, and land acquisition matters.**

**The Planning and Development Committee meets on a monthly basis, typically the first meeting of the month.**

**Resource Management**

**The purpose of the Resource Management Committee is to remain abreast of Resource Management Division activities, including significant programs, services, renovations, and new facilities; remain apprised of implementation of the Natural Resource Management Plan and Cultural Resource Management Plan; review and recommend resource management programs and projects to the full Park Authority Board; recommend new policies or changes to policies affecting resource management-related issues; and provide endorsement and support of the Park Authority's stewardship initiatives.**

**The Resource Management Committee meets on an "as needed" basis.**

**Strategic Planning and Initiatives**

**The purpose of the Strategic Planning and Initiatives Committee is to provide policy direction for the agency's strategic plan, provide oversight to the agency's strategic objectives, approve implementation of strategic initiatives, remain abreast of agency activities that are a part of the agency strategic plan, and remain engaged in measuring progress towards meeting the agency's strategic goals including annual review of the Park Authority's Balanced Scorecard. The Committee serves as advocate to the park Authority Board to obtain needed support for policies and resources needed to achieve desired outcomes.**

**The Strategic Planning and Initiatives Committee meets on a quarterly basis, semi-annually at a minimum.**

Article IV – Meetings

**Comment [MC16]:** Moved up as already noted however strikeout allows the reader to know the change from the 2008 bylaws.

Section I – Regular Meetings

All meetings shall be preceded by a notice stating the date, time, and location of the meeting, and except for emergency meetings, notice of a meeting shall be given at least three working days prior to the meeting. Notice, reasonable under the circumstance, of special or emergency meetings shall be given contemporaneously with the notice provided to members of the Authority.

Section II – Special Meetings

Special meetings of the Authority shall be called by the Chairman or at the request in writing of any three members of the Authority. Notice shall be given the members of the Authority prior to such meeting in accordance with Section I of Article IV.

Section III – Quorums

A majority of the members of the Authority shall constitute a quorum for the transaction of business at all meetings, including any public hearing required by Virginia law. The vote of a majority of such quorum shall be necessary for any action taken by the Authority. A majority of the members present shall constitute a quorum at meetings of Standing and Special Committees for business requiring a vote.

Section IV – Voting

The yeas and nays shall be taken upon passing any resolution and upon any proposals which create any liability, or for the appropriation of expenditure of funds, and in all cases when requested by any member. Resolutions or other actions requiring a ye and nay vote shall be recorded in the written minutes. All members present shall be recorded as a ye, nay or abstention.

Article V IX - Fiscal Year

The fiscal year of the Authority shall coincide with that of the Fairfax County Government.

Article VI – Parliamentary Authority

**Comment [MC17]:** Eliminated the Article, no longer needed as it is covered in the newly revised Article VI Meeting section

Except as otherwise provided by Virginia law or these Bylaws, the rules contained in *Robert's Rules of Order, Newly Revised* shall govern the Authority in all cases to which they are applicable.

Article VII X - Statutory Responsibilities Compliance with Law and County Policy

**Comment [MC18]:** Clarified title and inserted standard language

**The Board and its members shall comply with all Virginia laws, including, but not limited to, VFOIA, and the Virginia State and Local Government Conflict of Interests Act, Virginia Code §§ 2.2-3100 through -3131, as amended, with all County ordinances, and with all County policies concerning the activities of its boards, authorities, and commissions.**

The Park Authority operates under a contract with the Board of Supervisors. The provisions of the contract shall not be construed as limiting the Park Authority's statutory responsibility for the control of its trust funds and the discharge of its nondelegable duties.

Article VIII ~~XI~~ - Amendment of the Bylaws

Any article of the Bylaws may be amended or repealed, and any new article may be incorporated therein by vote of the majority of the Authority's members after all members of the Authority have been notified in writing of the proposed changes at least ten days before the meeting at which the changes are considered.

Adopted and approved by the Fairfax County Park Authority this ~~fourteenth day of May, 2008~~.

/s/ Harold L. Strickland  
Chairman

ATTEST: /s/ Harrison Glasgow  
Secretary

*Revised and approved May 14, 2008*