Board Agenda Item
September 23, 2014

ADMINISTRATIVE – 1

Adoption of Minutes – September 10, 2014, Park Authority Board Meeting

ISSUE:
Approval of the minutes of the September 10, 2014, Park Authority Board meeting.

RECOMMENDATION:
The Park Authority Director recommends approval of the minutes of the September 10, 2014, Park Authority Board meeting.

TIMING:
Board action is requested on September 23, 2014.

FISCAL IMPACT:
None

ENCLOSED DOCUMENTS:
Attachment 1: Minutes of the September 10, 2014, Park Authority Board meeting

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

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Fairfax County Park Authority
Board Meeting
September 10, 2014

The Chairman called the meeting to order at 8 p.m. at 12055 Government Center Parkway, Room 941, Fairfax, Virginia.

Board Members:	**Staff:**
William G. Bouie, Chairman	Kirk W. Kincannon, Director
Ken Quincy, Vice Chair	Sara Baldwin, Deputy Director/COO
Kala Leggett Quintana, Secretary*	Cindy Messinger, Deputy Director/CFO
Frank Vajda, Treasurer	Barbara Gorski
Edward S. Batten, Sr.	Judy Pedersen
Mary Cortina	David Bowden
Linwood Gorham	Todd Johnson
Faisal Khan	Barbara Nugent
Harold L. Strickland	Cindy Walsh
Richard C. Sullivan, Jr.	Deborah Babcock-Daley
Michael Thompson, Jr.	Brian Williams
Anthony J. Vellucci*	John Zeigler
Absent*	Janet Burns
	Mike Baird
	Sousan Tavallai

PUBLIC COMMENT – No speakers were present.

AGENDA CHANGES

Chairman Bouie announced that Action-1 Authorization of Agreement with JLB Dulles Tech LLC Granting Limited Power of Attorney and Indemnification would be added to the agenda as discussed in the Planning and Development Committee meeting.

ADMINISTRATIVE ITEMS

ADMIN-1 Adoption of Minutes, September 10, 2014, Park Authority Board Meeting

Mr. Quincy made a motion to approve the minutes of the July 23, 2014, Park Authority Board meeting; seconded by Mr. Thompson. The motion carried unanimously; Ms. Quintana and Mr. Vellucci were absent.

ACTION ITEM

A-1 Authorization of Agreement with JLB Dulles Tech LLC Granting Limited Power of Attorney and Indemnification

Mr. Thompson made a motion to authorize the Director to executive the limited power of attorney and indemnification agreement with JLB Dulles Tech LLC; seconded by Mr. Vajda. The motion carried unanimously; Ms. Quintana and Mr. Vellucci were absent.

CHAIRMAN'S MATTERS

- Mr. Bouie congratulated 'Delegate' Sullivan on his election to serve as Delegate of the 48th District of Virginia. Mr. Bouie said that while the Park Authority would miss him, it is good to know that it will have a friend in Richmond. The swearing-in ceremony will take place on Friday, September 12.

- Mr. Bouie also congratulated Mr. Strickland, staff, and everyone that participated in the tour of the Sully District on September 6. It was long day, but it was broken up to view athletic opportunities, resource protection, and ended the day with cultural resource management. It was great and well thought out day. He thanked staff and noted that the tour showed the valuable assets within the Park system, however, so uniquely different. Mr. Bouie noted that Mr. Strickland commented throughout the day that people love their parks, which was expressed by their participation at the opening ceremonies. A number of things that were viewed on the tour were things that were not paid for by the public. Mr. Bouie added that he is looking forward to more projects like those at Sully Highlands.

DIRECTOR'S MATTERS:

- Mr. Kincannon announced that the Board of Supervisors approved the carryover on September 9. Carryover included $535,000 related to environmental issues, which includes $150,000 for the IMA program. Some of that money includes $225,000 for lighting retrofits at Park Authority sites, energy efficiency conservation, and LED technology. Another $145,000 of the $535,000 is for the Green Purchasing Program, but also for watershed restoration, and looking at installing smart web meters and irrigation controls at 20 parks sites, and a weather system at Greendale Golf Course.

  Supervisor Cook put forward $179,000 for an additional study for Lake Accotink Park that will help define some of the issues there. Parks has heard from some people that want to keep the lake there, but have also heard from others that want to know why we continue to fund dredging every couple of years. This is a discussion that will continue with the community.

  Mr. Strickland added that it was good that all the Supervisors supported the environmental initiatives.

  Mr. Kincannon commended the Park Board for the work it has done to get the word out to the Board of Supervisors and to the community as to how important this initiative is.

The general construction contribution for synthetic turf field program of $1.5M has been identified for the school turf fields. The Supervisors are anticipating that Schools will have its funding and will partner with Parks as it has in the past.

Parks is very happy with the Supervisors' action assisting the Park Authority with its immediate needs for its constituents/park users.

Mr. Bouie stated that he understands that as a result of the Supervisors making the change in the synthetic turf along with the proffer money in the Mount Vernon District, it will accelerate the implementation of the fields by a couple of years.

Mr. Kincannon commented that we are not out of the woods yet as far as the recession and the economy, which is moving at a slow pace. Expenses are still out-pacing incoming revenue growth across the board in the Northern Virginia community. We have a lot of tasks ahead. He commended staff for the great job with the FY15 and FY16 presentations and reductions, but we are not done yet. Realistically, given the forecast we may be going through this exercise again in FY17. Parks is following up with some of the ideas that came out staff team meetings and the innovative ideas that came forward as far as looking at other ways to be efficient. The Leadership Team will work to identify the next steps for additional cost savings. Parks will continue to look for efficiencies over the next several years.

- On Tuesday, September 9, Senior Park Planner Anna Bentley attended a Virginia Outdoors Plan Technical Advisory Committee meeting in Richmond on behalf of FCPA. Anna has participated in the TAC for almost three years, assisting with development and publication of the 2013 Virginia Outdoor Plan.

BOARD MATTERS:

- Mr. Khan had nothing to present.

- Mr. Gorham made a request to begin the committee meetings earlier in the day, such as 4 or 4:30 p.m. to avoid the after Board meeting committee meetings.

- Mr. Batten thanked everyone for the well-wishes and for inquiring about his wife who is now doing extremely well.
  Mr. Batten thanked staff for working with Carolyn Banks to establish a Friends group for Banks Park. Mr. Johnson indicated that Parks will meet with her on Friday, September 12, to encourage her to Adopt-a-Park.

- Ms. Cortina reported that she had recently visited the Water Mine and it is so professionally run. People from the local community and Fairfax County return frequently because it's a safe, clean, nice environment. The lifeguards are impressive. They perform a number of surprise exercises.

The Washington Post had a big spread on the front cover of the Living Section, which talks about getting to parks from the Silver Line. Encouraged by the article, she took her bike, her son, and her nephew and performed a little test to see how it actually goes. The wayfinding to get to FCPA parks is difficult, but once you arrive the trails are wonderful. This is something to consider for the future – linking parks to some of these newer amenities like the Silver Line.

Ms. Cortina thanked Ms. Cronauer for putting together a meeting with Mr. Peter Christianson from the Sidewalks and Trails Committee. They covered a list of trails as well as some of the issues. There is a referendum coming up. Ms. Cortina floated an idea to them to think about "Safe Routes to Parks", similar to the "Safe Routes to Schools". Parks' trails staff are already looking at parks and how to get access. She would like to see them elevate that concept to make it safe for kids to get to parks.

With regard to the Virginia Outdoors Plan, a survey came out in June that lists the most needed facilities. The survey is online by locale http://www.dcr.virginia.gov/recreational_planning/vop.shtml. If you select Northern Virginia, the top one is hiking, walking, and biking. The laundry list looks very similar to Parks' list. The federal government is sending funds to the state, and the state will only fund the things that are on this list of most needed facilities. There are opportunities for Parks to get more grants to fund some of these issues, including stewardship education.

Ms. Cortina thanked Ms. Longworth for meeting with her. While the Board will be looking at the Financial Management Plan later in the evening, it looks pretty clear that several years out the revenue operations do not generate the kind of revenue to support all these other things that Parks wants to do. Parks will have to look at the Foundation growth and grants for a lot of other things that are part of Parks' mission.

She thanked Park Authority staff. It was a wonderful summer at the parks.

- Mr. Quincy seconded the compliments made regarding the Sully District tour provided by Hal and staff. It was outstanding. As Mr. Bouie indicated, there is such diversity within that one district; it exemplifies what Parks has all over the county.

  On September 4, Mr. Quincy attended the School board meeting in which they introduced new business, such as the no-smoking effort for fields and playgrounds. Parks has been working with Schools as a collaborative effort. Schools will take action on this effort on September 11. Parks received kudos for its collaboration.

Mr. Quincy reported that he and Mr. Khan attended the Oak Marr RECenter open house following the Sully tour. The RECenter was packed with a lot of happy people. He extended kudos to Ms. Nugent, front office staff, and Oak Marr staff. It's a beautiful facility.

National Public Lands Day is being held on Saturday, September 27. A 'Take Back the Forest' event will take place at Nottoway Park, which is a major IMA project. Mr. Quincy asked everyone to come out at 10 a.m., wearing old clothes and gloves, and get ready to pull some invasives.

- Ms. Leggett Quintana was absent.

- Mr. Vajda reported that Mason District had a very successful and enjoyable summer concert series at Mason District Park and at Ossian Hall Park. He is sure other board members had equally successful concert series in their respective districts. He is sure they would join him in extending a great thank-you to Sousan Frankeberger who does the scheduling for the series. She did an absolutely fabulous job.

- Mr. Thompson thanked Mr. Khan for inviting him to attend a cricket match at Oak Marr Park.

  He thanked staff for the work they did on the budget.

  Mr. Thompson echoed the appreciation to Mr. Strickland and staff for the Sully District tour. But, he really wants to thank Mr. Strickland and Supervisor Frey because what they saw was 20+ years in the making that they have been doing proactively. The pubic-private partnerships don't magically happen. Those opportunities happened because of their forward thinking nature. Not only did Mr. Thompson thank them for Saturday, but thanked them for the 20 years that led to making Saturday what it was.

- Mr. Vellucci was absent.

- Mr. Sullivan thanked everyone in the room and thanked Mr. Bouie for his comments regarding his election. It was a remarkable experience and he appreciates all the support and encouragement he received from his Park Authority family.

  The County Attorney is currently looking into whether or not he can legally stay on the Park Board. It may actually be legal for him to stay on the Board; however, it may not be physically possible. Once he hears from the County Attorney he will better know his situation.

  He apologized for missing some recent meetings and for missing the tour on Saturday. He understands from his fellow Board members that it was a terrific day.

Mr. Sullivan asked everyone to mark October 5 on their calendars, which is the McLean ArtFest at McLean Central Park. This is always a terrific event. This is a jewelry/art show and there are great things to buy and to do. It's a great event for the young and old and has become, in his opinion, McLean premier gathering arena.

- Mr. Strickland thanked everyone for the kind words. He stated that he enjoyed the tour. It went well because the staff prepared exactly what was needed and made a great presentation. The hand-out materials were really good. Mr. Strickland indicated that he shared with the Board his email back to staff and asked that it be included as part of the record. (The email follows his remarks.)

  Mr. Strickland welcomed the Board members that attended to Sully sauna. It was a truly hot day, but some of the sites were air-conditioned.

  The Foundation members, Messrs. Osborn, Brooks, Walsh, and Foundation volunteer Mr. Albers, were so attentive and interested in what we were doing and how it was going it was quite uplifting. Mr. Strickland expressed his appreciation to them for showing the interest they did. They asked for additional information throughout the day, which really pleased him. If all the Foundation Board members are similar to these, they have a fantastic Board.

  Mr. Batten expressed appreciation for Mr. Strickland's comments and added that he would share those comments at the next Foundation Board meeting on September 16. They truly are a great Board and they are still looking for others to add to the Board. Mr. Fay will be added to the Foundation Board.

  Mr. Strickland apologized to two very important staff members that he failed to recognized in his email message – Ms. Nugent and Ms. Henry, manager of Cub Run RECenter. They did a great job!

  "-----Original Message-----
  From: Harold Strickland
  To: Barbara.Gorski
  Sent: Wed, Sep 10, 2014 10:28 am
  Subject: Fwd: Sully Tour Invitation - Reminder from Hal Strickland
  Barbara,
  Please share this with the our Board members -- with the following note --

  I also thanked Barbara Nugent and Doreen Henry (Cub Run ReCtr. manager) for hosting us at lunch time.

  Once again our staff did an outstanding job of preparing for the Sully Tour, as well as, the two dedications.
  I continue to be amazed but not surprised,
  Hal
  Harold Strickland

-----Original Message-----
From: Harold Strickland
To: Kirk.Kincannon; Sara.Baldwin; Cynthia.Messinger; David.Bowden; Todd.Johnson; Cynthia.Walsh; judith.pedersen; Kevin.Williams; Carol.McDonnell; john.shafer; sandra.stallman; patricia.rosend
Cc: bill.bouie
Sent: Mon, Sep 8, 2014 9:10 am
Subject: Fwd: Sully Tour Invitation - Reminder from Hal Strickland
Good Morning "Great" Staff,

I received many kind words from Foundation members, our Board members and others (similar to the attached) expressing how enjoyable and informative your well prepared handout material was and the clarity of presentations for the Sully Tour Saturday.

Supervisor Frey was very impressed and ask me to pass alone his appreciation and thank you for a job well done. As you can see from John's note he was also very pleased.
The expressed support and turn-out by CYA folks at the Sully Highlands dedication show their appreciation for what Park's facilities mean to their programs. And as always, the Sully Historical site volunteers and Sully Foundation members attending the Visitor Information facility opening expressed their pleasure. Chairperson Bulova told me she was delighted to be a part of the dedications for these added facilities serving the citizens of Fairfax county -- "Parks just do a fantastic job working with the citizens to improve their quality of life". Her words with out my prompting.
My response -- "The citizens love their Parks".

I add my thanks to all for a wonderful experience provided our guest -- and the great effort by all --

With Warmest Regards,
Hal
Harold Strickland

-----Original Message-----
From: Harold Strickland
To: John.Litzenberger
Sent: Sun, Sep 7, 2014 8:38 am
Subject: Re: Sully Tour Invitation - Reminder from Hal Strickland
Thanks for the kind words -- we do have a great staff.
Hal
Harold Strickland

-----Original Message-----
From: Litzenberger, John
To: Harold Strickland
Sent: Sun, Sep 7, 2014 7:33 am
Subject: RE: Sully Tour Invitation - Reminder from Hal Strickland
Absolutely fantastic job yesterday Hal by you and your fine staff. It was a
pleasure to be a part of this. Thanks for inviting me.

John”

- Mr. Thompson reminder the Board that the matching grant challenge of up to $3,000 from the Park Foundation is still open, and closes that day. The grant will match Park Authority Board contributions to the Park Foundation.

ADJOURNMENT

At 8:33 p.m. Mr. Bouie called the meeting to a close without objection.

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Kala Leggett Quintana
Secretary

Minutes Approved at Meeting
on September 23, 2014

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Kirk W. Kincannon, Director

Park Authority Board Minutes prepared by

____

Barbara J. Gorski, Administrative Assistant

Board Agenda Item
September 23, 2014

ACTION – 1

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

RECOMMENDATION:
The Park Authority Director recommends approval of the FY 2016 Park Revenue and Operating Fund (Fund 80000) Budget Submission, as presented to and reviewed by the Administration, Management and Budget Committee on September 10, 2014.

ACTION – 2

FY 2016 Budget Submission, Fund 10001, General Fund

RECOMMENATION:
The Park Authority Director recommends approval of the FY 2016 General Fund (Fund 10001) Budget Submission, as presented to and reviewed by the Administration, Management and Budget Committee on September 10, 2014.

ACTION – 3

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

RECOMMENDATION:
The Park Authority Director recommends approval of the FY 2016 General County Construction Fund (Fund 30010) Budget Submission, as presented to and reviewed by the Administration, Management and Budget Committee on September 10, 2014.

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ACTION – 4

Scope Approval – Trail Signs for Stream Valley Trails

RECOMMENDATION:
The Park Authority Director recommends approval of the project scope to provide way-finding signs for trails in stream valley parks, as presented to and reviewed by the Planning and Development Committee on September 10, 2014.

ACTION – 5

Approval – Greenbriar Commons Park Master Plan (Springfield District)

RECOMMENDATION:
The Park Authority Director recommends approval of the Greenbriar Commons Park Master Plan, as presented to and reviewed by the Planning and Development Committee on September 10, 2014.

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Board Agenda Item
September 23, 2014

INFORMATION – 1

FY 2015-2017 Financial Management Plan Park Revenue Funds 80000 and 80300

The Park Revenue Funds Financial Management Plan was shared at the September 9, 2014, Administration, Management and Budget Committee. Since that time, three changes were made.

1. The county's budget time line was released and Attachment A-2 FY 2015 PAB Financial Schedule has been updated to reflect those changes.

2. A new section (3.10) under the Summary of FY2014 Trends and General Impacts on ROF Business was added related to recent Capital Equipment findings by Park Operations/Tririga System entries which reveal that 67% of the Revenue Facilities related grounds equipment is beyond its lifecycle. This presents continued challenges and consequences as holding the purchase of equipment has been a necessary strategy used in the past to ensure 100% cost recovery.

3. A math calculation in the first column under the Realization of the FSP Net Revenue Projections for Development Projects was corrected to $840,000.

Projections for the FY 2015 – FY2017 Financial Management Plan were not impacted and remain as originally stated.

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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Attachment 1

Fairfax County Park Authority

Park Revenue Funds
Financial Management Plan
FY 2015 - FY 2017

September 23, 2014

(Reviewed by the AMB Committee September 10, 2014)

Fairfax County Park Authority
Park Revenue Funds Financial Management Plan – FY 2015–FY 2017
TABLE OF CONTENTS

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 3rd 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 Capital Equipment

In the past, (especially in difficult economic times) based upon the requirement to insure 100% cost recovery in the ROF, the agency made the decision to hold or delay some capital equipment replacement. RECenters, golf courses, nature sites, lake fronts and historic sites have a variety of equipment they rely upon to maintain the facilities and also assist in programs and services directly tied to revenue generation. Management has used a discretionary application of this rule depending on the year to help fund items related to critical needs or in emergency situations. Recent data captured in the Agency's Tririga Asset Management System indicates that 67% of the existing grounds related capital equipment is beyond its life expectancy. (This includes items such as mowers, aerators, rakes, tractors, trailers, sprayers, sweepers, and utility vehicles). “Maintenance equipment at all facilities” is listed in the National Golf Foundation final report’s top ten priorities noted to meet its projections. Further, it is the NGF Consulting team’s belief that continued non-replacement will jeopardize course conditions impacting overall service and eroding golf revenues by an amount even greater than the expense reduction savings. This strategy can no longer be relied upon to balance the budget. The agency must determine the next steps to begin the transition towards creating a replacement cycle for required capital equipment and consider all avenues of revenue stream for this implementation program.

3.11 Realization of Bond Projects - FSP Core Business initiatives

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

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

Oak Marr RECenter 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 Projections for Development Projects-

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

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.

- 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

Park	Project Description	Fund	Targeted Completion
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 camera capability at RECenters	800-C80300	FY15
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
	Inflation Factors	Program Growth	Inflation Factors
REVENUE FACTORS			
REC ACTIVITIES			
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			
GOLF			
PASSES	1.02	1.02	1.02
GREENS FEES	1.01	1.01	1.01
OTHER	1.01	1.01	1.01
SUBTOTAL			
ADMINISTRATION	1	1	1
RESOURCE MANAGEMENT			
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
EXPENDITURE FACTORS			
REC ACTIVITIES			
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
SUBTOTAL			

REVENUE FACTORS	FY 2016 PROJ Inflation Factors	FY 2017 PROJ Program Growth	FY 2018 PROJ Inflation Factors
GOLF COURSES			
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
SUBTOTAL			
ADMINISTRATION			
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
SUBTOTAL			
RESOURCE MANAGEMENT			
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
SUBTOTAL			

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. General timing for the fee approval process can in attachment A-2.

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 BEORE 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
REC ACTIVITIES							
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
GOLF							
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
ADMINISTRATION	$849,595	$961,188	857,672	786,188	871,860	871,860	871,860
RESOURCE MANAGEMENT							
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
TOTAL	$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
REC ACTIVITIES							
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
SUBTOTAL	$26,174,697	$27,174,190	$28,372,378	$29,361,807	$30,144,210	$30,936,247	$31,852,934
GOLF COURSES							
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
SUBTOTAL	$8,950,608	$9,294,167	$9,246,667	$9,807,457	$9,589,457	$9,857,238	$10,146,205
ADMINISTRATION (excluding debt)							
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
SUBTOTAL	$1,211,243	$1,255,731	$1,360,720	$1,255,320	$1,458,811	$1,473,312	$1,488,248
INDIRECT COST			775,000	775,000	775,000	775,000	775,000
SUBTOTAL	$1,211,243	$1,255,731	$2,135,720	$2,030,320	$2,233,811	$2,248,312	$2,263,248
RESOURCE MANAGEMENT							
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
SUBTOTAL	$1,966,769	$2,002,270	$2,228,481	$2,176,316	$2,306,029	$2,367,641	$2,438,670
TOTAL	$38,303,317	$39,726,358	$41,983,246	$43,375,900	$44,273,507	$45,409,437	$46,701,057

5.5 Fund Statement – Fund 80000

	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 ACTUAL	FY 2015 REVISED	FY 2016 SUBMISSION
Beginning Balance	$5,174,181	$7,419,898	$5,483,245	$4,131,772	$5,460,804
Revenue:					
Interest on Bond Proceeds	$15,465	$8,331	$39	$12,497	$12,497
Park Fees[1]	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
Total Revenue	$42,469,859	$42,957,893	$43,055,113	$46,285,055	$46,935,007
Total Available	$47,644,040	$50,377,791	$48,538,358	$50,416,827	$52,395,811
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
Subtotal	38,223,202	39,726,460	41,208,246	42,600,900	43,498,507
Debt Service:					
Fiscal Agent Fee	$3,233	$3,232	$0	$3,233	$3,233
Bond Interest Payable[2]	1,059,428	2,854,169	180,206	806,541	801,088
Subtotal Expenditures	$39,285,863	$42,583,861	$41,388,452	$43,410,674	$44,302,828
Transfers Out:					
General Fund (10001)[3]	0	0	775,000	775,000	775,000
County Debt Service (20000)[4]	853,313	453,169	743,134	770,349	800,994
Park Capital Improvement Fund (80300)	0	1,849,882	1,500,000	0	0
Total Transfers Out	$853,313	$2,303,051	$3,018,134	$1,545,349	$1,575,994
Total Disbursements	$40,139,176	$44,886,912	$44,406,586	$44,956,023	$45,878,822
Ending Balance[5]	$7,504,864	$5,490,879	$4,131,772	$5,460,804	$6,516,989
Debt Service Reserve[2]	$1,915,974	$735,211	$743,134	$770,349	$800,994
Revenue and Operating Fund Stabilization Reserve[6]	1,957,666	2,017,969	2,053,518	2,136,097	2,174,925
Donation/Deferred Revenue[7]	1,246,804	1,246,804	1,246,804	1,350,000	1,350,000
Set Aside Reserve[8]	53,737	1,490,895	88,316	1,204,358	2,191,070
Unreserved Ending Balance	$2,330,683	$0	$0	$0	$0

5.6 Fund Statement – Fund 80300

	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 ACTUAL	FY 2015 REVISED	FY 2016 SUBMISSION
Beginning Balance	**$25,479,593**	**$25,275,611**	**$28,696,358**	**$24,033,860**	**$2,207,926**
Revenue:					
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
Total Revenue	$2,405,763	$5,194,391	$2,253,550	$0	$0
Transfers In:					
Park Revenue and Operating Fund	$0	$1,849,882	$1,500,000	$0	$0
Total Transfer In	$0	$1,849,882	$1,500,000	$0	$0
Total Available	$27,885,356	$32,319,884	$32,449,908	$24,033,860	$2,207,926
Expenditures:	$2,704,415	$3,620,918	$7,131,048	$21,825,934	$0
Transfers Out:					
General County Construction	$0	$0	$1,285,000	$0	$0
Total Disbursements	$2,704,415	$3,620,918	$8,416,048	$21,825,934	$0
Ending Balance	**$25,180,941**	**$28,698,966**	**$24,033,860**	**$2,207,926**	**$2,207,926**
Lawrence Trust Reserve	$1,507,926	$1,507,926	$1,507,926	$1,507,926	$1,507,926
Repair and Replace Reserve	$700,000	$700,000	$700,000	$700,000	$700,000
ROF Capital Sinking Fund	$2,153,576	$2,565,983	$2,572,411	$0	$0
Unreserved Ending Balance	**$20,819,438**	**$23,925,057**	**$19,253,523**	**$0**	**$0**

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 09	Admin, Management and Budget Committee (AMB) reviews: FY 2014 Carryover Budget Review for 10001, 30010, 30400, 80000, 80300; PAB approves Funding and Project Name Changes, Reserve restructuring and related financial transfers
July 23	PAB approves FY 2014 Carryover items and changes to the Purchasing Resolution; Funding, Policy and Bond Committee (FPB) reviews the FY2014 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	BOS shares the FY 2014 Carryover package with the public
Late August	Committee of the Whole meeting to discuss budget reduction exercise (8/20)
September 09	BOS approves FY 2014 Carryover and dollars become available
September 10	PAB AMB reviews the FY 2016 Budget Submissions, FY 2016-FY 2018 Financial Management Plan and any FY 2015/2016 Budget Impacts
September 23	PAB meeting - FY 2016 Budget submissions, FMP, Budget impacts
October 8	PAB Reviews 2015 Fee Calendar; Planning and Development Committee reviews the FY 2016-FY2020 Capital Improvement Program
October 24	Director presents PA CIP plan to the County Exec
November 5	PAB AMB, reviews First Quarter updates and has initial discussion on the potential fee adjustments for FY 2015
November 12	PAB receives First Quarter updates
December 3	PAB AMB reviews the Advertised Fee Proposal Package for FY2015 and confirms the public meeting date (typically late January);
December 10	PAB reviews the Advertised Fee Proposal Package and approves the Public Meeting date for fees (January 21 proposed),

January 7, 2015	PAB receives the Annual Financial Report (CAFR) as of June 30, 2014, and Presentation of the Certificate of Achievement for Excellence in Financial Reporting
February 24	County Executive presents the FY 2016 Proposed Budget and CIP; FPB discussions begin with the PAB on the 2016 Bond
February 26	PAB AMB reviews Second Quarter updates and Third Quarter Budget items and the FY 2015 Fee Adjustment Package
February 27	BOS Budget Committee meeting
March 3	BOS Meeting – Advertise Tax Rate and Budget
March 10	BOS Budget Committee meeting
March 11	PAB AMB reviews the Second Quarter updates, Third Quarter Budget items and the FY2015 Fee Adjustment Packages
March 17	BOS Budget Committee meeting
March	Planning Commission hearings on FY 2016 – FY 2020 CIP
April 1	2015 Fees are effective
April 7, 8 &9	BOS Public hearings on proposed FY 2016 Budget
April 13-15	BOS Chairman meets with BOS members on budget individually
April 20	BOS Budget Committee – Pre-mark-up discussion
April 21	BOS Meeting –FY 2016 Budget Mark up
April 28	BOS Formal Adoption of the FY2016 Budget
May	PAB AMB reviews any policy changes if needed, FY2016 Adopted Budgets, FY2015 Third Quarter Updates and the Draft FY 2016 – FY 2018 Financial Management Plan
June 30	FY 2015 Closes

INFORMATION – 2

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

As presented to and reviewed by the Administration, Management and Budget Committee on September 10, 2014.

INFORMATION – 3

FY 2016 Budget Submission, Fund 80300, Park Improvement Fund

As presented to and reviewed by the Administration, Management and Budget Committee on September 10, 2014.

INFORMATION – 4

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

As presented to and reviewed by the Administration, Management and Budget Committee on September 10, 2014.

INFORMATION – 5

Old Colchester Park and Preserve Draft Master Plan for Public Comment (Mount Vernon District)

As presented to and reviewed by the Planning and Development Committee on September 10, 2014.

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Board Agenda Item
September 23, 2014

INFORMATION – 6

Needs Assessment Update

As presented to and reviewed by the Planning and Development Committee on September 10, 2014.

INFORMATION – 7

Quarterly Project Status Report

As presented to and reviewed by the Planning and Development Committee on September 10, 2014.

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