



FAIRFAX COUNTY PARK AUTHORITY



M E M O R A N D U M

TO: Chairman and Members
Park Authority Board

VIA: Jai Cole, Executive Director

FROM: Mike Peter, Division Director
Business Administration Division

DATE: July 21, 2023

Agenda

**Budget Committee
(Committee of the Whole)
Wednesday, July 26, 2023 – 6:30 pm
Board Room, Herrity Building
Chairman: Ken Quincy
Vice Chair: Tim Hackman**

1. Development of FY 2025 Proposed Budget (with presentation) – Discussion



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

Board Agenda Item
July 26, 2023

DISCUSSION

Development of FY 2025 Proposed Budget

Park Authority staff will present County budget guidance for FY 2025, along with potential options for addressing the impact of the MRA adjustments. Staff will also review and update the FY 2024 year-end results of the Revenue and Operating Fund leading into this discussion. The presentation will be posted and available after the Park Authority Board Meeting on July 26, 2023.

ENCLOSED DOCUMENTS:

None

STAFF:

Jai Cole, Executive Director
Sara Baldwin, Deputy Director/COO
Aimee L. Vosper, Deputy Director/CBD
Michael Peter, Director, Administration Division
Tonya Mills, Senior Fiscal Administrator
Nicole Varnes, Senior Budget Analyst



FY 2025 Budget Development

Park Authority Board Meeting
July 26, 2023



Agenda

- FY25 Budget Development Guidance and Calendar
- Review FY24 Revenue Operating Fund Budget Challenge
 - Impact of BOS-Imposed Costs
 - Need for Net Revenue for Reinvestment
- Review Options to Address Timing of Fee Increases
- Review Immediate Fee Increase Suggestions



Proposed Budget Development Guidance

BOS Directed the County Executive to

- undertake a comprehensive review of rate and fees;
- to review current services and programs to evaluate efficacy; and
- determine further efficiencies or savings that could be achieved.

Any budget requests will only be related to existing programs, no new programs or program expansions.



Additional Budget Development Guidance

Preliminary request to develop department budget reductions totaling 7% of General Fund appropriation. County Executive will consider all options during the development of his Proposed Budget.

Guidance from CEX: “Not every reduction submitted will be incorporated in the proposed FY 2025 Budget, but the process we are undertaking will allow us to step back and evaluate the services we offer as well as the most efficient means of offering them.”

FCPA General Fund Target: \$2,370,600

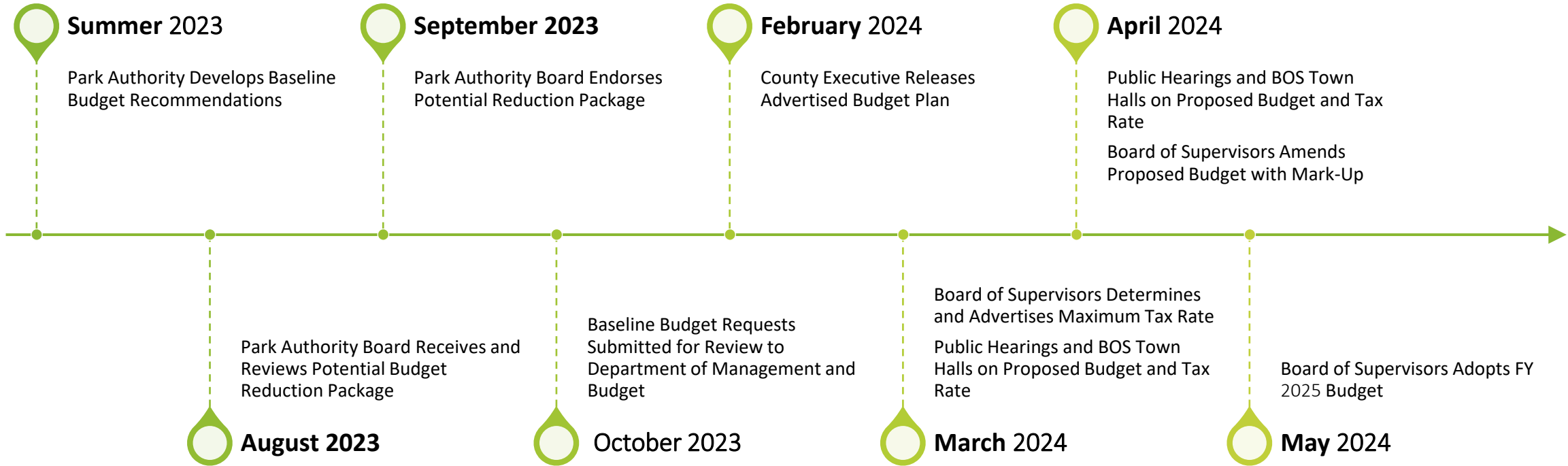


FCPA-Specific Operating Budget Guidance

1. Members of the Park Authority Board are encouraged to coordinate with their District Supervisor in fall 2023 to discuss budget issues in advance of the preparation of the FY 2025 Advertised Budget Plan.
2. Make FCPA operationally whole in future budgets for Forestry and IMA-bamboo mitigation.
3. Work with FCPD to initiate a review of options to expand the presence of law enforcement within our park system, including the proposed park ranger program, and return to the Board with recommendations.



FY 2025 Proposed Budget Development Summary



Revenue Operating Fund - Challenge



FY 2024 Adopted Budget – Revenue Fund

	FY 2023 Actuals		FY 2024 Baseline Proposed	FY 2024 Advertised	FY 2024 Adopted	Changes from Baseline to Adopted
Revenue	\$47,438,062		\$52,000,000	\$52,000,000	\$52,000,000	\$-
Transfer In	3,900,032					
Income Totals	\$51,338,094		\$52,000,000	\$52,000,000	\$52,000,000	\$-
Merit Salaries	\$10,400,217		\$10,610,558	\$11,288,156	\$11,667,115	\$1,056,557
Non-Merit Salaries	11,569,827		12,964,985	13,245,476	13,721,098	756,113
Benefits	6,496,327		7,138,873	7,093,122	7,115,830	(23,043)
Operating/Other Expenditures	16,340,152		17,722,370	17,722,370	17,722,370	-
Recovered Costs	(1,053,316)		(1,137,952)	(1,137,952)	(1,137,952)	-
Total Expenditures	\$43,753,207		\$47,298,834	\$48,211,172	\$49,088,460	\$1,789,627
Net	\$7,584,887		\$4,701,166	\$3,788,828	\$2,911,540	(\$1,789,627)

2% MRA

3.44% MRA +
2% Performance



Revenue Fund: Compensation Impact

Year	Item	Revenue Fund
FY24	Min Wage Increase to \$12 (Full Year)	\$103,750
	MRA and Performance Increases	\$958,089
	<i>Additional MRA/Performance Increases</i>	<i>\$877,288</i>
	Total Benefit Increases	\$424,735.60
	TOTAL	\$2,363,862.6
FY23	Net Impact	\$2,061,786.23
FY24	Net Impact	\$2,363,862.60
	<i>NOT IN BUDGETED FEE REVENUE</i>	<i>\$1,789,626</i>
	<i>+ Salary Compression Review Impact</i>	<i>\$200,000</i>
	<i>NOT BUDGETED</i>	<i>\$1,989,626</i>



Why Do We Need Net Revenue in the ROF?

- Where Do We Adjust?

FY24 Original Goal	For	Requirement	Current Value	What Should We Have?
\$1.5 million	Revenue Stabilization Reserve	Required minimum 10% of expenditures	\$2.3 million	\$6 million
\$1.5 million	Deferred Revenue for Summer Programs	Required build up of deferred revenue for all summer programs (audit finding).	\$2.6 million	\$6.5-\$7 million
\$1 million	Revenue Sinking Fund	For deferred maintenance and reinvestment	\$1 million	\$2-\$3 million Annually



Issue - Unplanned External Expense Increases Impact Net Revenue

- Park Authority targets new revenue (fees) based on net revenue needs and estimated expenses.
- If the County introduces expenses beyond FCPA's planned budget, there is no immediate recourse to raise revenue.
- Reductions in Net Revenue impact FCPA's ability to address significant deferred maintenance needs.

**Do we not address deferred maintenance through net revenue
OR do we increase fees to make up the difference?**



Potential Fee Changes for Consideration (August PAB Meeting)

Programmatic Fee Considerations:

- Summer Camps (2024) - 10% Increase = \$1 Million
- Classes - 5% Increase = \$293k

Park Authority Board Approved Fee Considerations:

Category	Fee Type	Current Fee	New Fee	Increase	Est. Revenue
Golf Greens Fees	Oak Marr	\$25	\$27	\$2	\$52k
	Twin Lakes	\$62	\$65	\$3	\$203k
	Jefferson	\$30	\$32	\$2	\$82k
Golf Cart Fees	Cart Fees	\$18	\$20	\$2	\$126k
Campgrounds	Campgrounds	\$52	\$55	\$3	\$41k
Court Rentals	Court Rentals	\$10	\$12	\$2	\$36k
Estimated Value					\$540k

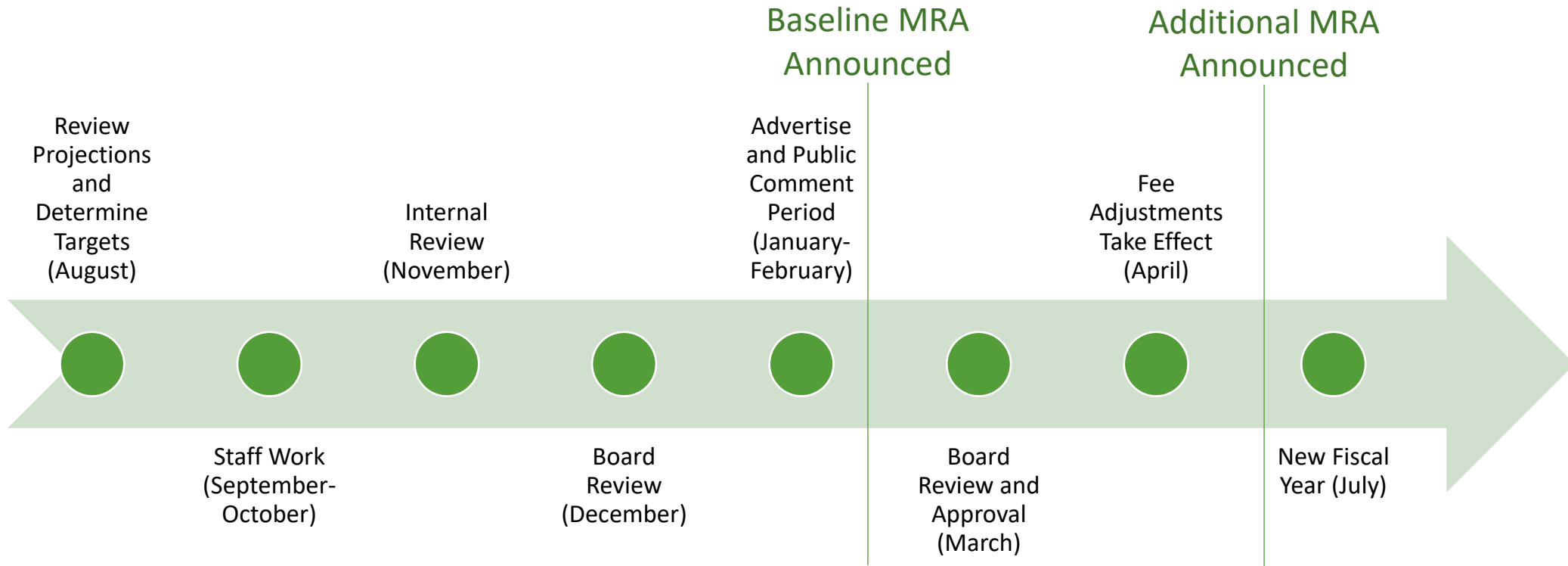


Fee Development Process Changes

How can we adjust fee development to align with
BOS budget development?



Current Timeline



Why The Existing Timeline?

- Extended Process - 8 Month Timeline
 - Including Public Process
- Seasonal Structure- Ensuring Consistent Fees for Customers
 - Many outdoor services begin in April/May, running through the Fall. Current timeline allows for a consistent fee throughout the season.
- New Fees Already In Effect Prior to New Fiscal Year
- Fee Package and Targets Based Off Submitted/Upcoming Budget

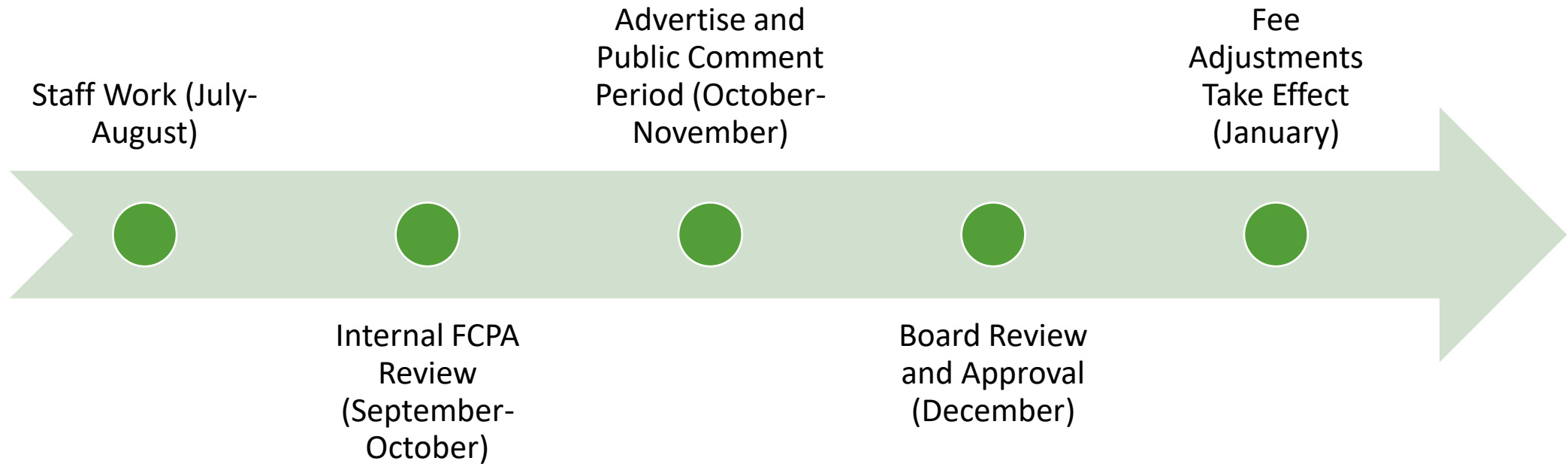


Option: Change Timeline and Add Opportunity to Adjust Based on BOS-Imposed Costs

- Shrink/Condense Fee Process Timeline
 - Streamline Public Process
 - Adjust Board Schedule and Approvals Required
- Move Timeline and Implementation of Fees to January
- Bring all Fees into Same Annual Schedule (e.g. Camps, Classes, Facility/Amenity Use, Rentals)
- Adding Conditional Approvals Allows PAB to Address MRA or Other Increases Approved by BOS During Budget Process



Potential January Timeline - Fee Package



Potential Conditional Approval Approach

- As part of the annual fee process, the Park Authority can identify additional fees for consideration that would be triggered with a more significant BOS directed costs.
- Specific Fees Would Be Identified through Regular Fee Process and Conditional Parameters would be identified (i.e. if expenses goes up 1% beyond assumptions, Fee A would kick in).
- Park Authority Board would vote and approve the conditional fees through Regular Fee Process.
- Staff can implement conditional fees effective July 1.





FY 2025 Budget Development

Park Authority Board Meeting
July 26, 2023

