



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 19, 2024

Agenda

**Budget Committee
(Committee of the Whole)
Wednesday, July 24, 2024 – 6:50 pm
Boardroom, Herrity Building
Chairman: Ken Quincy
Vice Chair: Tim Hackman**

1. FY 2024 Carryover and Budget Review and FY 2025 Revised Budget for the Park Revenue and Operating Fund (80000) (with presentation) – Action*
2. FY 2024 Carryover and Budget Review and FY 2025 Revised Budget for the Park Improvement Fund (80300) (with presentation) – Action*

*Enclosures



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

ACTION - 1

FY 2024 Carryover and Budget Review and FY 2025 Revised Budget for the Park Revenue & Operating Fund (80000)

ISSUES:

1. Approval of the FY 2024 Carryover and Budget Review for the Park Revenue & Operating Fund (80000).
2. Approval of the FY 2025 Revised Budget for the Park Revenue & Operating Fund (80000).

RECOMMENDATION:

The Park Authority Executive Director recommends approval of the FY 2024 Carryover and Budget Review and the FY 2025 Revised Budget for the Park Revenue & Operating Fund (80000).

TIMING:

Board action is recommended on July 24, 2024. The submission of the FY 2024 Carryover Review was due to the Department of Management and Budget on July 1, 2024 and was submitted in draft form pending vote by the Park Authority Board.

BACKGROUND:

The total actual Revenue and Operating Fund (80000) revenue for FY 2024 is \$60,742,476, which is \$6,221,602 more than the FY 2023 year-end revenue of \$54,520,874. Total actual expenditures with encumbrances are \$60,356,781 as compared to the FY 2023 year-end expenditure amount of \$52,110,272. The final net revenue for FY 2024 is \$385,696. It should be noted that the FY 2024 Transfers Out line includes a transfer to the Park Improvement Fund (80300) in the amount of \$1,950,012. This was approved by the Park Authority Board as part of the fourth quarter FY 2023 action items on the Revenue Fund. As is the case each year when these transfers are approved, the action is taken in the following budget year. This transfer did impact the year-end net revenue.

As part of the year-end actuals and encumbrances, staff recommend that encumbered balances in the amount of \$512,505 should be carried over into FY 2025. Carryover is the continuation of financial obligations from the current fiscal year ending June 30, 2024 (FY 2024), to the new fiscal year beginning July 1, 2024 (FY 2025). Carryover recognizes current obligations and adjusts the next fiscal year's budget appropriation for the carryover amount. Carryover items include commitments that should have been expended from the FY 2024 budget but cannot be paid until FY 2025.

Board Agenda Item
July 24, 2024

FY 2025 Budget Realignment:

Staff recommend that the FY 2025 budget be adjusted to more closely align with the FY 2024 actuals. As a result, staff propose to increase the FY 2025 Adopted Budget in both revenue and compensation (beyond the encumbered balances of \$512,505 in operating expenses brought forward from FY 2024). The adopted revenue budget is \$59,373,535; staff recommend increasing this to \$60,800,000, which is an increase of \$1,426,465 or 2.40%. The adopted compensation budget is \$36,094,408; staff recommend increasing this to \$37,507,798, which is an increase of \$1,413,390 or 3.92%. The original adopted budget for the Revenue Fund included compensation assumptions based on our best forecasts in October of last year. This revision is now based on our year-end performance and known salary forecasts (including MRA and performance increases) for the upcoming budget year. These actions will reduce the expected net from \$1,596,410 down to \$1,096,980, a difference of \$499,430.

FISCAL IMPACT:

The FY 2025 Revised Revenue Budget will be \$60,800,000. The Revised Expenditure Budget will be \$59,703,020. These increases are due to the FY 2025 budget realignment and the recommended encumbrance carryover. The fund balance will be a positive \$1,096,980 rather than the adopted budget amount of \$1,596,410.

ENCLOSED DOCUMENT:

Attachment 1: Park Revenue & Operating Fund (80000)-Carryover Statement FY 2024

STAFF:

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

FUND STATEMENT

Fund 80000, Park Revenue and Operating Fund

	FY 2024 Estimate	FY 2024 Actual	Increase (Decrease) (Col. 2-1)	FY 2025 Adopted Budget Plan	FY 2025 Revised Budget Plan	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$7,068,899	\$7,068,899	\$0	\$7,454,597	\$7,454,597	\$0
Revenue:						
Park Fees	\$60,184,500	\$59,721,890	(\$462,610)	\$58,758,035	\$60,184,500	\$1,426,465
Interest	145,000	393,027	248,027	145,000	\$145,000	0
Sale of Vehicles and Salvage Equipment	175,000	102,991	(72,009)	175,000	\$175,000	0
Donations and Miscellaneous Revenue	295,500	524,568	229,068	295,500	295,500	0
Total Revenue	\$60,800,000	\$60,742,476	(\$57,524)	\$59,373,535	\$60,800,000	\$1,426,465
Transfers In:						
Park Improvement Fund (80300) ²	\$0	\$0	\$0	\$0	\$0	0
General Fund (10001) ⁴	\$0	\$0	\$0	\$0	\$0	0
Total Transfers In	\$0	\$0	\$0	\$0	\$0	\$0
Total Available	\$67,868,899	\$67,811,375	(\$57,524)	\$66,828,132	\$68,254,597	\$1,426,465
Expenditures:						
Personnel Services	\$37,288,432	\$36,152,306	(\$1,136,126)	\$36,094,408	\$37,507,798	\$1,413,390
Operating Expenses	20,880,990	20,686,020	(194,970)	20,805,426	\$21,317,931	512,505
Recovered Costs	(635,000)	(496,963)	138,037	(1,177,952)	(1,177,952)	0
Capital Equipment	130,879	349,856	218,977	300,000	300,000	0
Subtotal Expenditures	\$57,665,301	\$56,691,219	(\$974,082)	\$56,021,882	\$57,947,777	\$1,925,895
Debt Service:						
Fiscal Agent Fees	\$0	\$0	\$0	\$0	\$0	\$0
Bond Payments ³	0	0	0	0	0	0
Total Expenditures	\$57,665,301	\$56,691,219	(\$974,082)	\$56,021,882	\$57,947,777	\$1,925,895
Transfers Out:						
General Fund (10001) ⁴	\$820,000	\$820,000	\$0	\$820,000	\$820,000	\$0
County Debt Service (20000) ⁵	895,547	895,547	0	935,243	935,243	0
Park Improvement Fund (80300) ⁶	0	1,950,012	1,950,012	0	0	0
Total Transfers Out	\$1,715,547	\$3,665,559	\$1,950,012	\$1,755,243	\$1,755,243	\$0
Total Disbursements	\$59,380,848	\$60,356,778	\$975,930	\$57,777,125	\$59,703,020	\$1,925,895
Ending Balance⁷	\$8,488,051	\$7,454,597	(\$1,033,454)	\$9,051,007	\$8,551,577	(\$499,430)
Revenue and Operating Fund Stabilization Reserve ⁸	\$8,488,051	\$7,454,597	(\$1,033,454)	\$9,051,007	\$8,551,577	(\$499,430)
Donation/Deferred Revenue ⁹	0	0	0	0	0	0
Set Aside Reserve ¹⁰		0	0	0	0	0
Unreserved Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0

¹ use of revenue and stabilization Fund to cover the shortages due to Covid 19.

² Represents a transfer in from Fund 80300, Park Improvement Fund to support Revenue and Operating Fund A activities.

³ Debt service represents principal and interest on Park Revenue Bonds which supported the construction of the Twin Lakes and Oak Marr Golf Courses

⁴ Funding in the amount of \$820,000 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.

⁵ Debt service payments which support the development of the Laurel Hill Golf Club are made from Fund 20000, County Debt Service.

⁶ represents a transfer in Periodically, funding is transferred from Fund 80000, Park Revenue and Operating Fund, to Fund 80300, Park Improvement Fund, to support unplanned and emergency repairs, the purchase of critical equipment and planned, long-term, life-cycle maintenance of revenue facilities.

⁷ The Park Revenue and Operating Fund maintains fund balances at adequate levels relative to projected operation and maintenance expenses. These costs change annually; therefore, funding is carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds.

⁸ 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. Due to Fund shortages as a result of Covid 19, the reserves are used to cover the portion of shortages.

⁹ 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. Park Authority Board approved transfer of Donation Reserve to Fund 80300, PR-000133, FCPA Donation Account to allow staff to more efficiently spend donation dollars.

¹⁰ The Set Aside Reserve is used to fund renovations and repairs at various park facilities as approved by the Park Authority Board.

Board Agenda Item
July 24, 2024

ACTION - 2

FY 2024 Carryover and Budget Review and FY 2025 Revised Budget for the Park Improvement Fund (80300)

ISSUE:

1. Approval of the FY 2024 Carryover and Budget Review for the Park Revenue & Operating Fund (80300).
2. Approval of the FY 2025 Revised Budget for the Park Revenue & Operating Fund (80300).

RECOMMENDATION:

The Park Authority Executive Director recommends approval of the FY 2024 Carryover and Budget Review and the FY 2025 Revised Budget for the Park Improvement Fund (80300).

TIMING:

Board action is recommended on July 24, 2024. The submission of the FY 2024 Carryover Review was due to the Department of Management and Budget on July 1, 2024 and was submitted as draft until approval by the Park Authority Board.

BACKGROUND:

Carryover is the continuation of financial obligations from the current fiscal year ending June 30, 2024 (FY 2024), to the new fiscal year beginning July 1, 2024 (FY 2025). In FY 2024, there was \$6,560,689 in revenue in the Park Improvement Fund, along with the transfer of \$1,950,012 transfer from the Park Revenue and Operating Fund. FY 2024 expenditures totaled \$5,624,189. Carryover recognizes current obligations and adjusts the next fiscal year budget appropriation for the carryover amount. Carryover for the Park Improvement Fund includes all available balances as funded projects carry forward year over year.

FISCAL IMPACT:

FY 2025 Revised Disbursement Budget will be \$35,766,353. This is prior to the inclusion of any potential transfers from the Park Revenue & Operating Fund (80000).

ENCLOSED DOCUMENT:

Attachment 1: Park Improvement Fund (80300) - Fund Statement FY 2024

STAFF:

Board Agenda Item
July 24, 2024

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

FUND STATEMENT

Fund 80300, Park Improvement Fund

	FY 2024 Estimate	FY 2024 Actual	Increase (Decrease) (Col. 2-1)	FY 2025 Adopted Budget Plan	FY 2025 Revised Budget Plan	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$34,387,767	\$34,387,767	\$0	\$1,507,926	\$37,274,279	\$35,766,353
Revenue:						
Interest	\$0	\$834,688	\$834,688	\$0	\$0	\$0
Other Revenue ¹	0	5,726,001	5,726,001	0	0	0
Total Revenue	\$0	\$6,560,689	\$6,560,689	\$0	\$0	\$0
Transfers In:						
(80000)	\$1,950,012	\$1,950,012	\$0	\$0	\$0	\$0
Total Transfers In	\$1,950,012	\$1,950,012	\$0	\$0	\$0	\$0
Total Available	\$36,337,779	\$42,898,468	\$6,560,689	\$1,507,926	\$37,274,279	\$35,766,353
Total Expenditures	\$34,829,853	\$5,624,189	(\$29,205,664)	\$0	\$35,766,353	\$35,766,353
Transfer Out:						
Park Revenue and Operating Fund						
(80000)	\$0	\$0	\$0	\$0	\$0	\$0
Total Transfer Out:	\$0	\$0	\$0	\$0	\$0	\$0
Total Disbursements	\$34,829,853	\$5,624,189	(\$29,205,664)	\$0	\$35,766,353	\$35,766,353
Ending Balance²	\$1,507,926	\$37,274,279	\$35,766,353	\$1,507,926	\$1,507,926	\$0
Lawrence Trust Reserve ³	\$1,507,926	\$1,507,926	\$1,507,926	\$1,507,926	\$1,507,926	\$0
Repair and Replacement Reserve ⁴	0	0	0	0	0	0
Unreserved Ending Balance	\$0	\$35,766,353	\$34,258,427	\$0	\$0	\$0

1) Other revenue reflects easements, donations, monopole revenue, and proffer revenue.

2) 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.

Park Authority 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.

4) The Golf Revenue Bond Indenture required that a repair and replacement security reserve be maintained in the Park Improvement Fund associated with the debt for Twin Lakes and Oak Marr Golf courses. This reserve is no longer required as the debt has been paid in full.



FY 2024 Carryover and Financial Updates

Park Authority Board Meeting
July 24, 2024



Action Item 1

FY 2024 Carryover and Budget Review FY 2025 Budget Revision

Fund 80000 – Revenue and Operating Fund



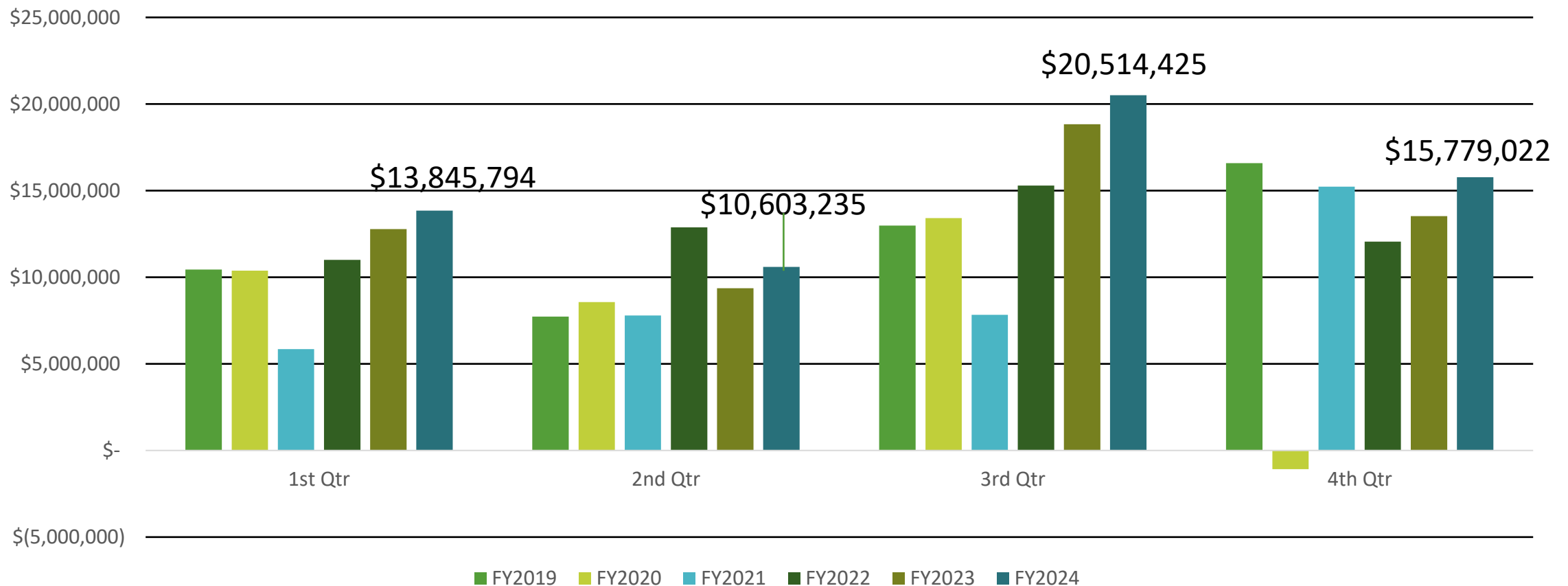
FY 2024 Fourth Quarter Review – Revenue Fund

	Rec Activities	Rec Centers	RMD	Golf	Admin	TOTALS
Revenue/Transfers In	\$6,678,716	\$31,952,409	\$3,707,500	\$17,828,569	\$575,283	\$60,742,477
Merit Salaries	\$1,527,929	\$5,284,928	246,181	\$3,948,336	\$1,500,903	\$12,508,277
Non-Merit Salaries	1,470,020	9,915,203	1,461,601	2,627,642	183,745	15,658,211
Benefits	871,437	3,685,923	341,719	2,328,049	758,691	7,985,819
Operating/Capital Exp	1,875,994	12,978,683	822,775	4,809,769	548,656	21,035,877
Recovered Costs	-	2,184	(46,574)	(120,222)	(332,350)	(496,962)
County Debt Service	-	-	-	-	895,547	895,547
Transfer to General Fund	-	-	-	-	820,000	820,000
Transfer to Park Improvement Fund	-	-	-	-	1,950,012	1,950,012
Total Expenditures	\$5,745,380	\$31,866,921	\$2,825,702	\$13,593,574	\$6,325,204	\$60,356,781
Total Net Revenue						\$385,696



FY 2024 Actual Revenue – Revenue Fund

Actual Revenue Trends

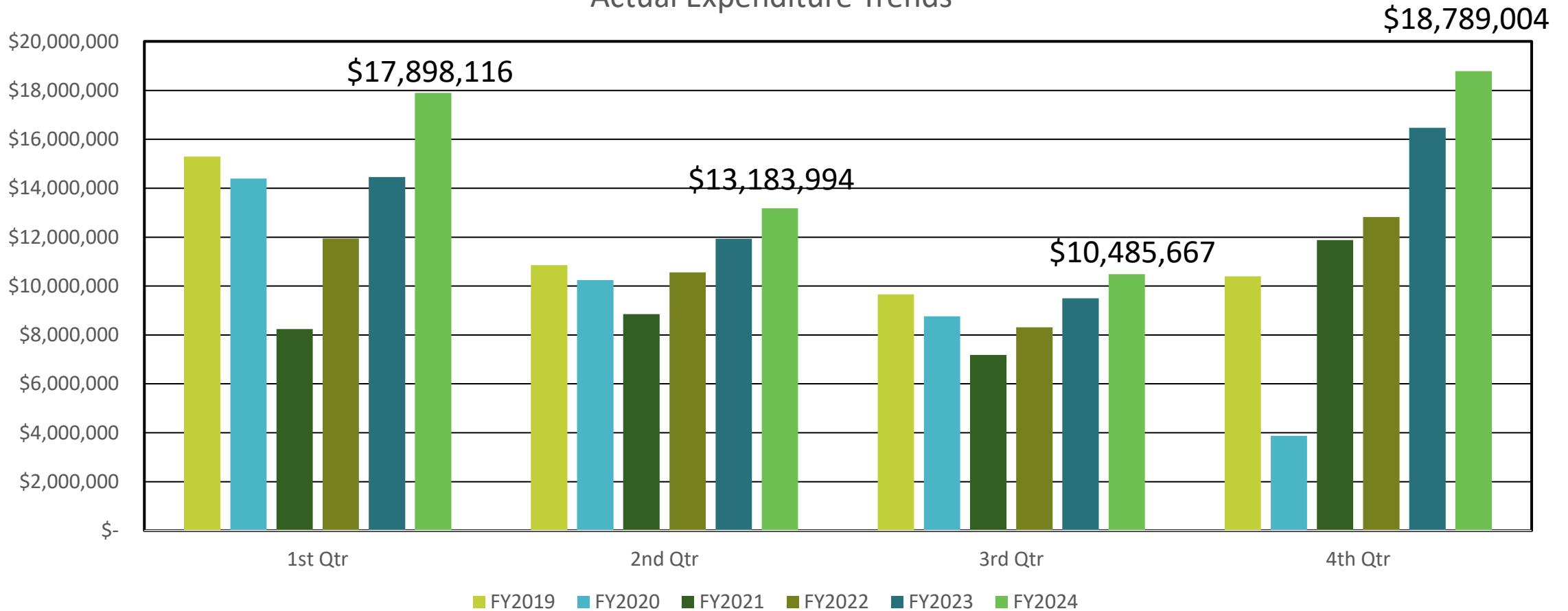


Revenue Fund: Revenue

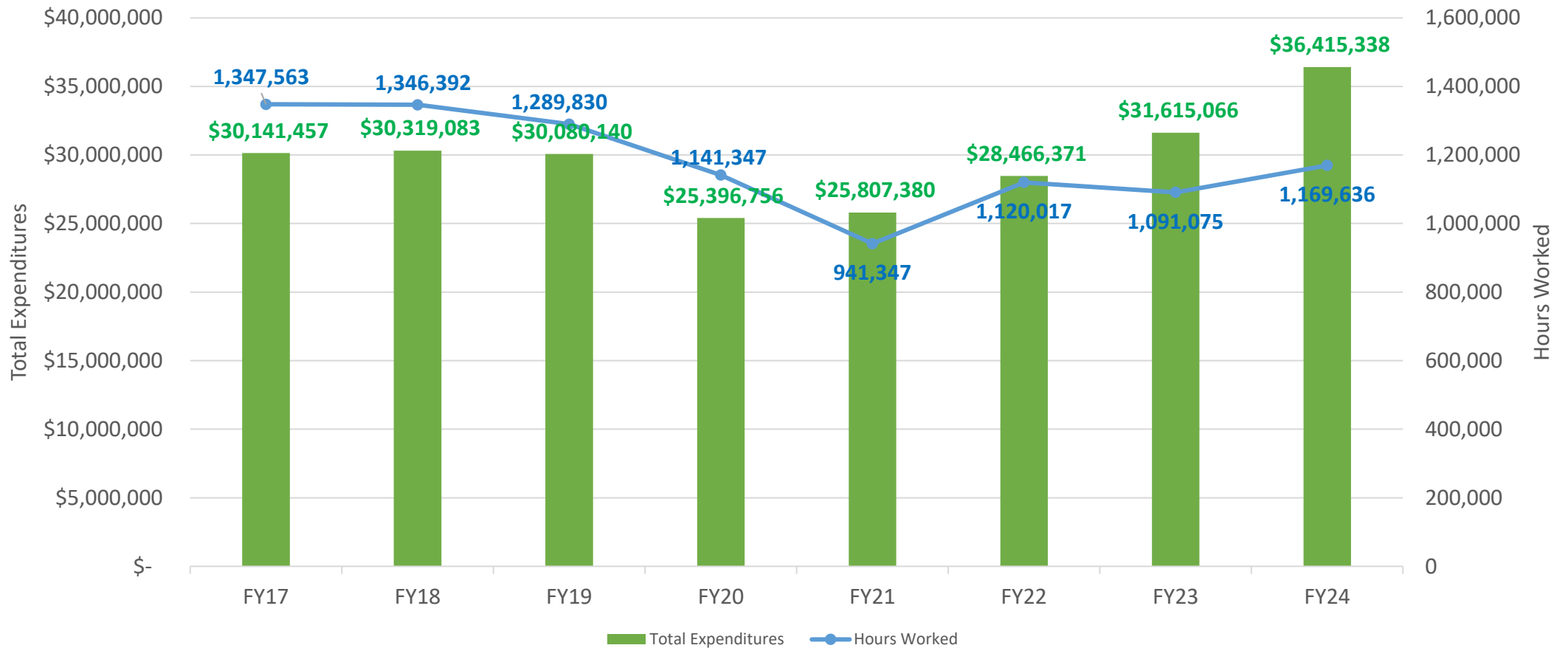


FY 2024 Actual Expenditures – Revenue Fund

Actual Expenditure Trends



Revenue Fund: Salary and Benefit Expenditures

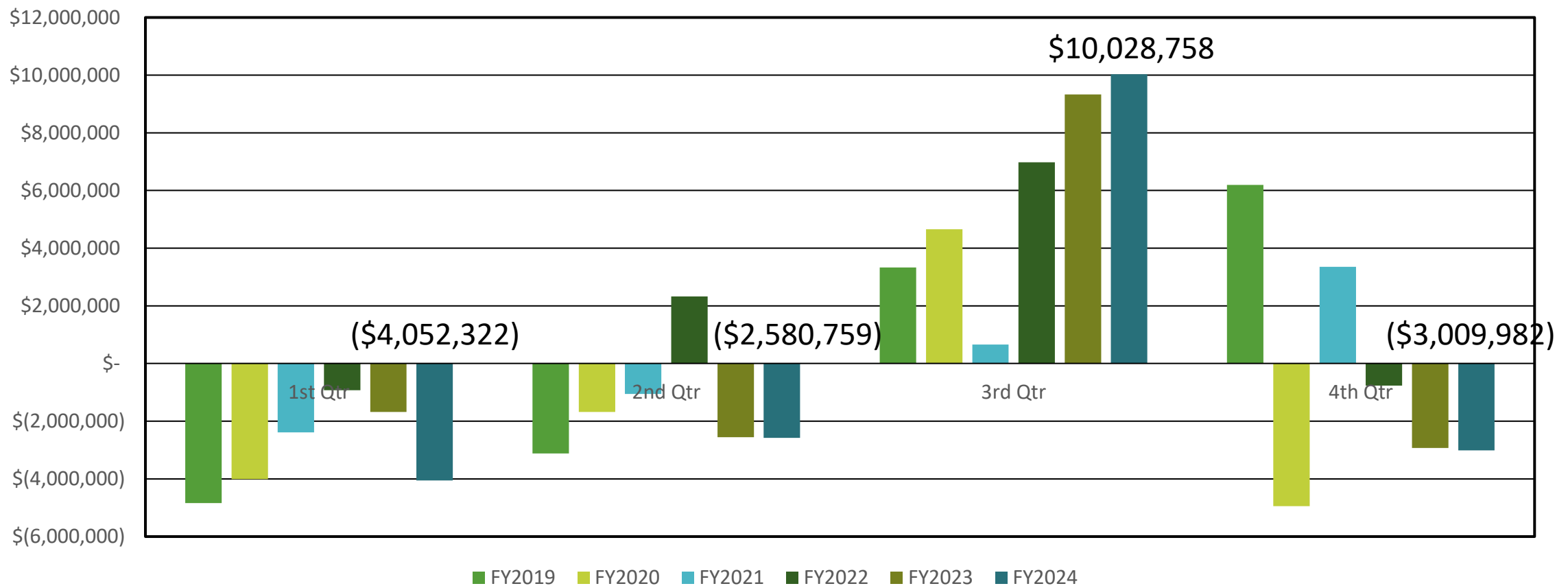


Revenue Fund: General Operating Expenditures



FY 2024 Net Revenue – Revenue Fund

Net Revenue Trends



FY 2024 Actuals and Carryover – Revenue Fund

	FY 2024			FY 2025		
	Final PAB Approved Budget	Actuals + Encumbrances	Difference	Adopted Budget	<i>Proposed</i> Revised Budget	Difference
Revenue	\$60,800,000	\$60,742,477	(\$57,523)	\$59,373,535	\$60,800,000	\$1,426,465
Total Revenue	\$60,800,000	\$60,742,477	(\$57,523)	\$59,373,535	\$60,800,000	\$1,426,465
Personnel Services	\$37,288,432	\$36,152,307	(\$1,136,125)	\$36,094,408	\$37,507,798	\$1,413,390
Operating Expenditures	20,880,990	20,686,021	(194,969)	20,805,426	21,317,931	512,505
Capital Equipment	130,879	349,856	218,977	300,000	300,000	-
Recovered Costs	(635,000)	(496,962)	138,038	(1,177,952)	(1,177,952)	-
Transfers Out	1,715,547	3,665,559	1,950,012	1,755,243	1,755,243	
Total Expenditures	\$59,380,848	\$60,356,781	\$975,933	\$57,777,125	\$59,703,020	\$1,925,895
Net Position	\$1,419,152	\$385,696	(\$1,033,456)	\$1,596,410	\$1,096,980	(\$499,430)



Net Revenue Goals

Purpose	Requirement	Current Value	What Should We Have?	Proposed Carryover Amounts
Revenue Stabilization Reserve	Required minimum 10% of expenditures	\$7.1 Million (Incl \$1M in lease balance)	\$6 Million	
Deferred Revenue for Summer Programs	Required build up of deferred revenue for all summer programs (audit finding).	\$8.6 Million	\$12 - \$14 Million (Dependent on Fee Value)	
Revenue Sinking Fund	For deferred maintenance and reinvestment	\$500K	\$2 - \$5 Million Annually	\$385,696



Committee Action Items

1. Approval of the FY 2024 Carryover and Budget Review for the Park Revenue & Operating Fund (80000).
2. Approval of the FY 2025 Revised Budget for the Park Revenue & Operating Fund (80000).



Action Item 2

FY 2024 Carryover Budget Review FY 2025 Budget Revision

Fund 80300 – Park Improvement Fund



FY 2024 Actuals and Carryover – Park Improvement Fund

	FY 2024 Budget	FY 2024 Actuals	FY 2025 Adopted	FY 2025 Revised
Beginning Balance	\$34,387,767	\$34,387,767	\$1,507,926	\$37,274,279
Revenue	-	6,560,689	-	-
Transfers In	1,950,012	1,950,012	-	-
Total Available	\$36,337,779	\$42,898,468	\$1,507,926	\$37,274,279
Total Disbursements	\$34,829,853	\$5,624,189	\$-	\$35,766,353
Ending Balance	\$1,507,926	\$37,274,279	\$1,507,926	\$1,507,926
Lawrence Trust Reserve	\$1,507,926	\$1,507,926	\$1,507,926	\$1,507,926



Park Improvement Fund - \$6,560,689 Revenue

- Telecom Revenue - \$978,276
- FCPA Donations - \$2,394,181
- General Park Improvements - \$2,179
- Grants - \$5,800
- Open Space Preservation Fund - \$15,699
- Park Easements - \$1,058,473
- Proffers - \$920,398
- VDOT Takings - \$370,487
- Revenue Sinking Fund - \$784,062*
- Sully Historic Site - \$31,134



Committee Action Items

1. Approval of the FY 2024 Carryover and Budget Review for the Park Improvement Fund (80300).
2. Approval of the FY 2025 Revised Budget for the the Park Improvement Fund (80300).





FY 2024 Carryover and Financial Updates

Park Authority Board Meeting
July 24, 2024

