

Livermore Area Recreation and Park District

Staff Report

TO: Chair Boswell and Board of Directors

FROM: Mathew Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Business Services Manager
Julie Dreher, Financial Officer

DATE: March 8, 2023

SUBJECT: **FY22-23 Mid-Year Operating Budget Update and
CIP Plan for FY22-23 through FY23-24**

COMMITTEES: Informational Review: Finance Committee on February 13, 2023, and
Capital Improvement Program Review: Facilities Committee on March 2, 2023
Board Budget Workshop immediately prior to the March 8, 2023 Board Meeting

RECOMMENDATION: that the Board of Directors accept the District's proposed Mid-Year Budget Update to the District's FY22-23 Operating Budget and the District's Capital Improvement Program (CIP) Budget for FY22-23 through FY23-24, and provide guidance as to the District's proposed allocation and potential use of Reserve Funds.

BACKGROUND: At mid-year, the District reassesses its Approved Operating and CIP budgets and presents proposed revisions to the Board of Directors on an informational basis, unless the proposed changes exceed the General Manager's approval authority (1). Before reviewing with the Board, proposed revisions are reviewed by the Finance Committee (operating and CIP budgets), though this year's Committee calendar did not allow for a detailed review of the Mid-Year Updates as work was in progress when the Committee met on February 13th (high level assumptions were discussed), and the Facilities Committee (which met on March 2nd to review the CIP Budget included in the attachment), whose guidance is then reflected in a subsequent review with the Board at a Budget Workshop and Board of Directors meeting, which are scheduled for March 10, 2021. In the case of CIP, a separate workshop is slated for March 31, 2021. Per the District's Budget Policy, budget updates must be concluded by the end of March each year.

THE ATTACHED BUDGET PRESENTATION: The attached Budget presentation provides a comprehensive view of the District's Mid-Year Operating and CIP Budgets and includes a view of the District's Reserves that is intended to spur a conversation with the Board about the potential allocation, and use of, favorable net Operating results from FY21-22 and FY22-23.

In developing its Mid-Year FY22-23 Operating Budget update, the District has relied on actual results through December, 2022 and projected results from January, 2023 through June, 2023. Thus, the

updated FY22-23 Operating Budget reflects the favorable financial results that have been achieved year-to-date relative to the Original Budget approved in June, 2022.

While the District has complete a detailed, first pass at a Preliminary Operating Budget for FY23-24, Staff will continue to refine that view that will culminate in presentations to the Finance Committee in May and at the Board Budget Workshop that will be conducted in June, 2023.

- (1) From the Board-approved Budget Policy (revised June, 2019): The District formally revisits its annual Operating and multi-year CIP budgets as necessitated by changes in priorities and/or underlying business conditions during its annual, mid-year Budget Update process, which must be completed by March 31st. No action is required by the Board if the District's Mid-Year Budget Update calls for no increase to the annual appropriation and/or the multi-year CIP budget, except for line-item-specific changes that exceed \$250,000 in total initial year commitments (combined capital and annual operating expenses).

Attachment : FY22-23 Mid-Year Operating Budget Update and CIP Plan for FY22-23 through FY23-24



Livermore Area Recreation and Park District
Board Of Directors Meeting
March 8, 2023

**FY22-23 Mid-Year Operating Budget Update and
CIP Plan for FY22-23 through FY23-24**

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FY22-23 FINAL Operating Budget – Highlights

- 1. Final Net Operating Budget** for FY22-23, as updated at mid-year, is \$1,190,848, or \$69,914 (6%) better than the Original Budget approved in June, 2022.
- 2. Revenues** are \$22,553,463, or \$562,245 better than the original Budget, as Revenues from Operations are \$510,733 (7%) better than the Original Budget.
- 3. Salaries and Benefits** are \$260,896 (2%) below the Original Budget.
- 4. Services and Supplies** are \$668,562 (9%) above the Original Budget. Budget increases are needed for Water (\$171,518, or 12%), Gas/Electricity (\$231,982, or 67%), Maintenance of Structures and Grounds (\$95,733, or 11% for a variety of specific projects), and Legal (\$50,000 placeholder for EBRPD work – more expected in FY23-24). Additional spend for Instructors (\$88,150, or 36%) is driven by favorable revenues/activity in Recreation.

FINAL CIP Budget – Highlights for FY22-23

- 1. Relative to the Original Budget for FY22-23, the use of the general fund is essentially unchanged at **\$2,129,522 (\$32k below the Original Budget)**. Savings of \$87k for the Rodeo Stadium Improvements allowed for the onset of the RLAC Scoreboard replacement (\$92k).**
- 2. AB1600 spending is now \$411,514 for FY22-23, down \$815,486 from the Original Budget of \$1,227,000.** The Bike Pump Track is now slated for Fall, 2023 (\$806k in balance of project spend moved from FY22023 to FY23-24, and the Sycamore Grove Restroom project is now projected at \$205k, down \$145k from the Original Budget. The Mocho Community Garden is now included in the Final Budget at \$90k (was not in the Original Budget).

FINAL CIP Budget – Highlights for FY23-24 and Beyond

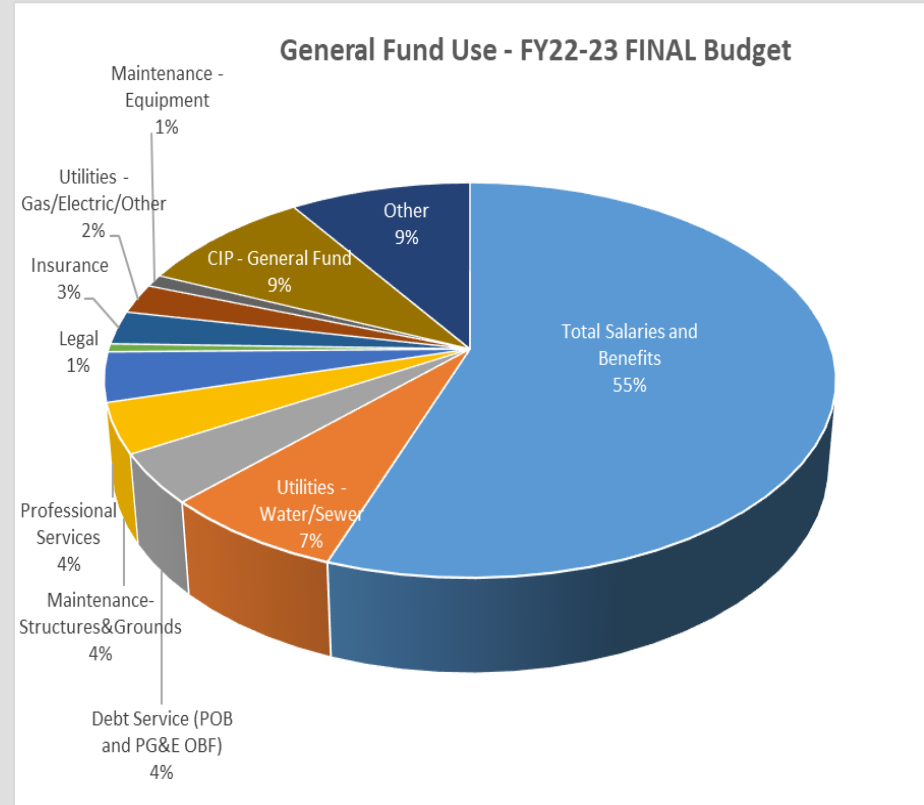
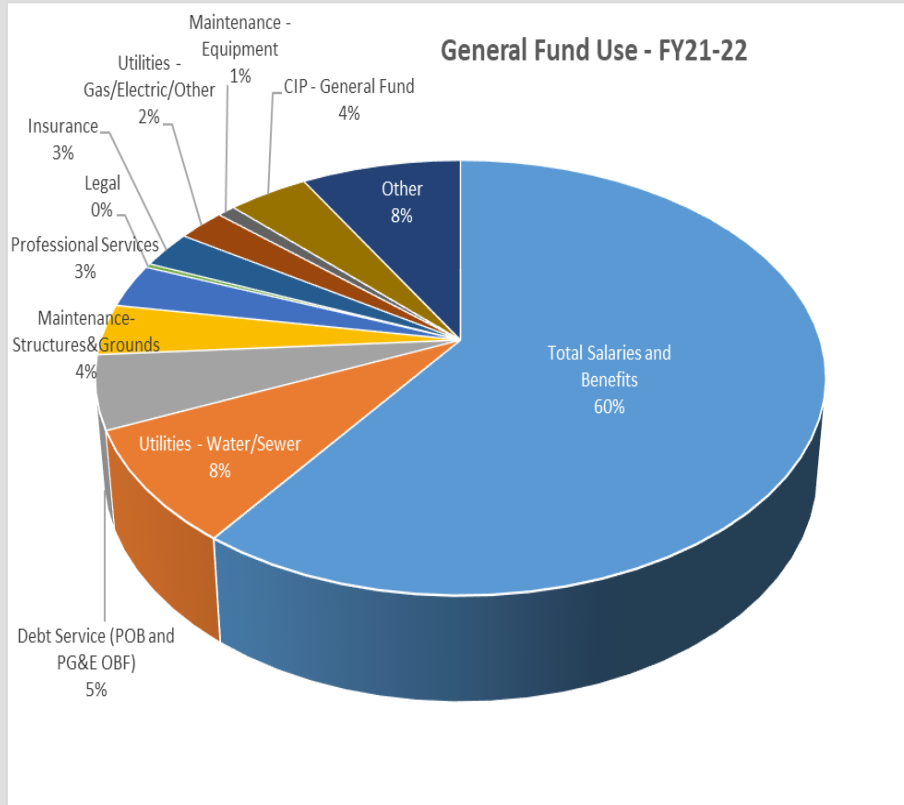
- 1. CIP Schedule now highlights preliminary plans to use Board-approved Reserves to fund deferred maintenance projects.** At present, these plans include 2 playgrounds a year and the replacement of the synthetic turf field at Cayetano (in FY24-25).
- 2. In FY23-24, the CIP Budget begins to reflect the use of Restricted Reserves** (\$83k for Bill Clark Park playground replacement, combined w \$117k of AB1600 funds for accessibility enhancements).
- 3. The Sycamore Grove Amphitheater** (\$300k, AB1600 funded) is planned for FY23-24, as are several deferred maintenance projects.
- 4. The Bike Pump Track** (AB1600) will be completed in FY23-24.
- 5. Beginning in FY23-24, staff have included \$1million to \$2million per year for “Park Capacity Enhancements”** that will rely on AB1600 funds, fulfilling a requirement to communicate LARPD’s AB1600 needs to the City through FY27-28.

Summary Level View: General Fund FY21-22 - FY22-23:

	FY21-22 Audited Result	FY22-23 Proposed Mid- Year Budget	Total
Net Operating Results	\$2,798,009	\$1,190,848	\$3,988,857
CIP General Fund	\$828,211	\$2,129,522	\$2,957,733
Net Increase/(Decrease)	\$1,969,798	(\$938,674)	\$1,031,124

Proposed use of General Fund Increase:

	FY22-23
Budget Contingency Reserve	\$531,124
Deferred Maintenance Reserve	\$500,000
Total	\$1,031,124



Use of General Fund - Expenses by Type	FY21-22	% of Total
Total Salaries and Benefits	\$11,859,789	60%
Utilities - Water/Sewer	\$1,663,320	8%
Debt Service (POB and PG&E OBF)	\$1,078,579	5%
Maintenance-Structures&Grounds	\$747,927	4%
Professional Services	\$650,132	3%
Legal	\$61,000	0%
Insurance	\$549,317	3%
Utilities - Gas/Electric/Other	\$483,946	2%
Maintenance - Equipment	\$184,492	1%
CIP - General Fund	\$828,211	4%
Other	\$1,648,735	8%
	\$19,755,449	100%

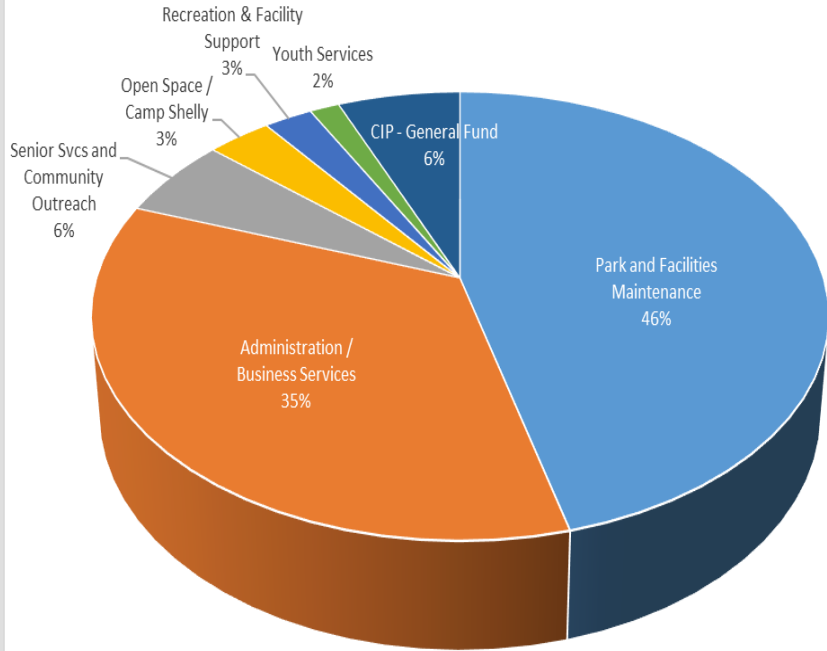
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Use of General Fund - Expenses by Type	FY22-23 FINAL	% of Total
Total Salaries and Benefits	\$13,026,450	55%
Utilities - Water/Sewer	\$1,656,468	7%
Debt Service (POB and PG&E OBF)	\$964,614	4%
Maintenance-Structures&Grounds	\$959,733	4%
Professional Services	\$956,467	4%
Legal	\$156,000	1%
Insurance	\$643,719	3%
Utilities - Gas/Electric/Other	\$575,782	2%
Maintenance - Equipment	\$238,205	1%
CIP - General Fund	\$2,129,522	9%
Other	\$2,185,176	9%
	\$23,492,137	100%

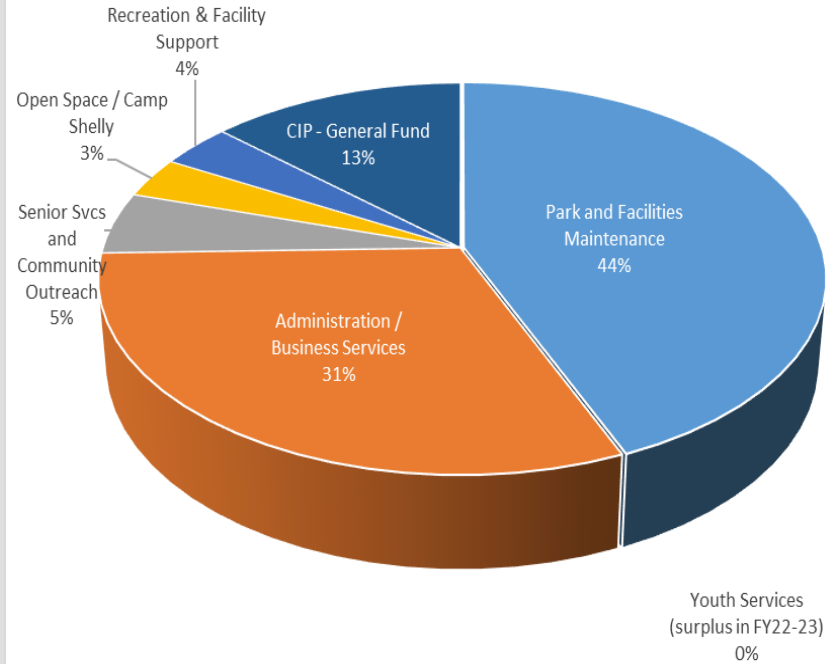
LIVERMORE AREA RECREATION AND PARK DISTRICT (LARP)
Summary View: FY22-23 Final Budget

	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23		Variance	
	Actual	Actual	Actual	Actual	FINAL BUDGET	ORIGINAL BUDGET	\$	%
Revenue								
Taxes	\$12,109,084	\$12,887,481	\$13,242,722	\$13,855,920	\$14,835,112	\$14,783,600	\$51,512	0%
CA Covid Relief	\$0	\$0	\$0	\$1,223,460	\$0	\$0	\$0	-
From Operations	\$10,459,970	\$7,285,085	\$4,214,530	\$6,645,867	\$7,718,351	\$7,207,618	\$510,733	7%
Total Revenue	\$22,569,054	\$20,172,566	\$17,457,252	\$21,725,247	\$22,553,463	\$21,991,218	\$562,245	3%
Salary and Benefits	\$14,733,868	\$14,947,217	\$11,848,622	\$11,859,789	\$13,026,450	\$13,287,346	\$260,896	2%
Services and Supplies	\$6,210,830	\$6,420,868	\$5,300,010	\$7,047,121	\$8,251,530	\$7,582,938	(\$668,592)	(9%)
Capital	\$318,780	\$39,128	\$8,795	\$20,328	\$84,634	\$0	(\$84,634)	0%
Sub-total, Expenses	\$21,263,478	\$21,407,213	\$17,157,426	\$18,927,238	\$21,362,615	\$20,870,284	(\$492,331)	(2%)
Net Operating Results	\$1,305,576	(\$1,234,647)	\$299,826	\$2,798,009	\$1,190,848	\$1,120,934	\$69,914	6%

Use of LARPD Tax Funds by Operating Unit - FY21-22



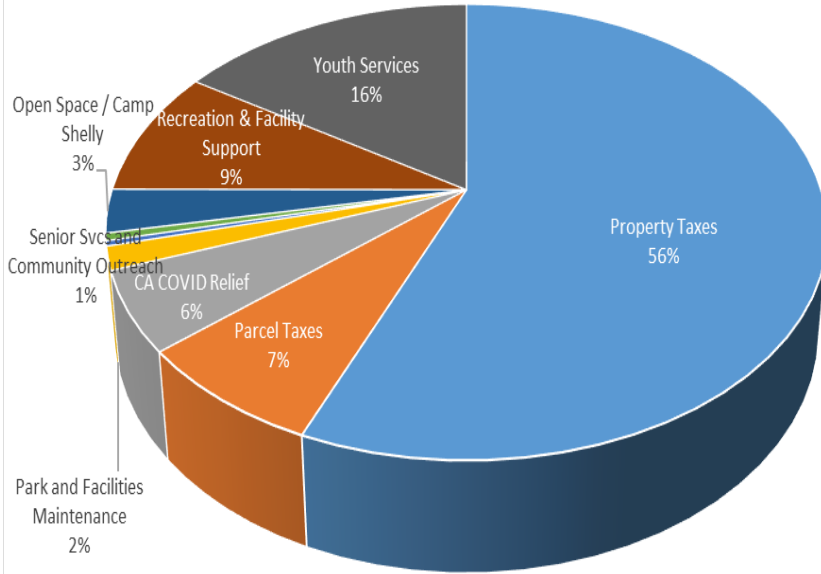
Use of LARPD Tax Funds by Operating Unit - FY22-23 FINAL Budget



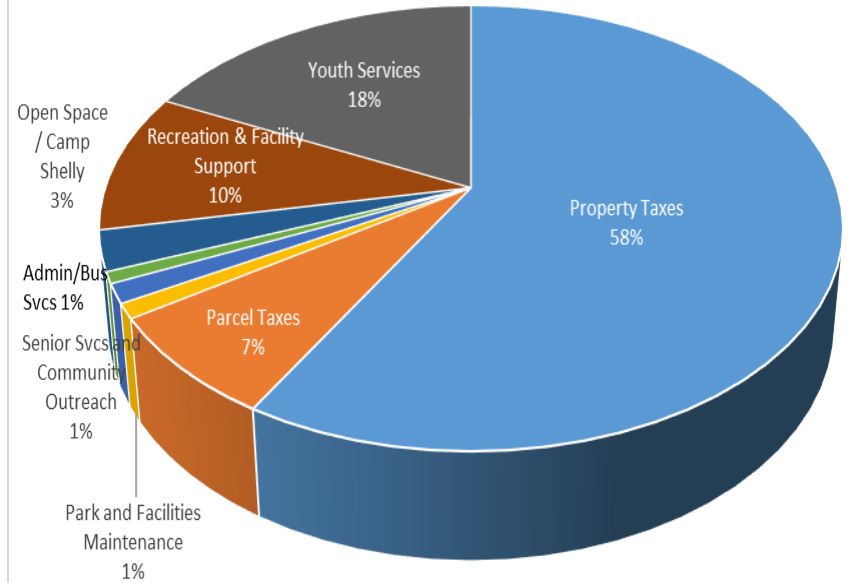
Use of Taxes - Outflows by Operating Unit	FY21-22	% of Total
Park and Facilities Maintenance	(\$6,021,089)	46%
Administration / Business Services	(\$4,530,682)	35%
Senior Svcs and Community Outreach	(\$767,376)	6%
Open Space / Camp Shelly	(\$432,555)	3%
Recreation & Facility Support	(\$328,711)	3%
Youth Services	(\$200,957)	2%
CIP - General Fund	(\$828,211)	6%
Total	(\$13,109,582)	100%

Use of Taxes - Outflows by Operating Unit	FY22-23 FINAL	% of Total
Park and Facilities Maintenance	(\$7,036,080)	44%
Administration / Business Services	(\$4,973,040)	31%
Senior Svcs and Community Outreach	(\$826,637)	5%
Open Space / Camp Shelly	(\$545,347)	3%
Recreation & Facility Support	(\$593,105)	4%
Youth Services (surplus in FY22-23)	\$0	0%
CIP - General Fund	(\$2,129,522)	13%
Total	(\$16,103,730)	100%

Revenue By Source - FY21-22



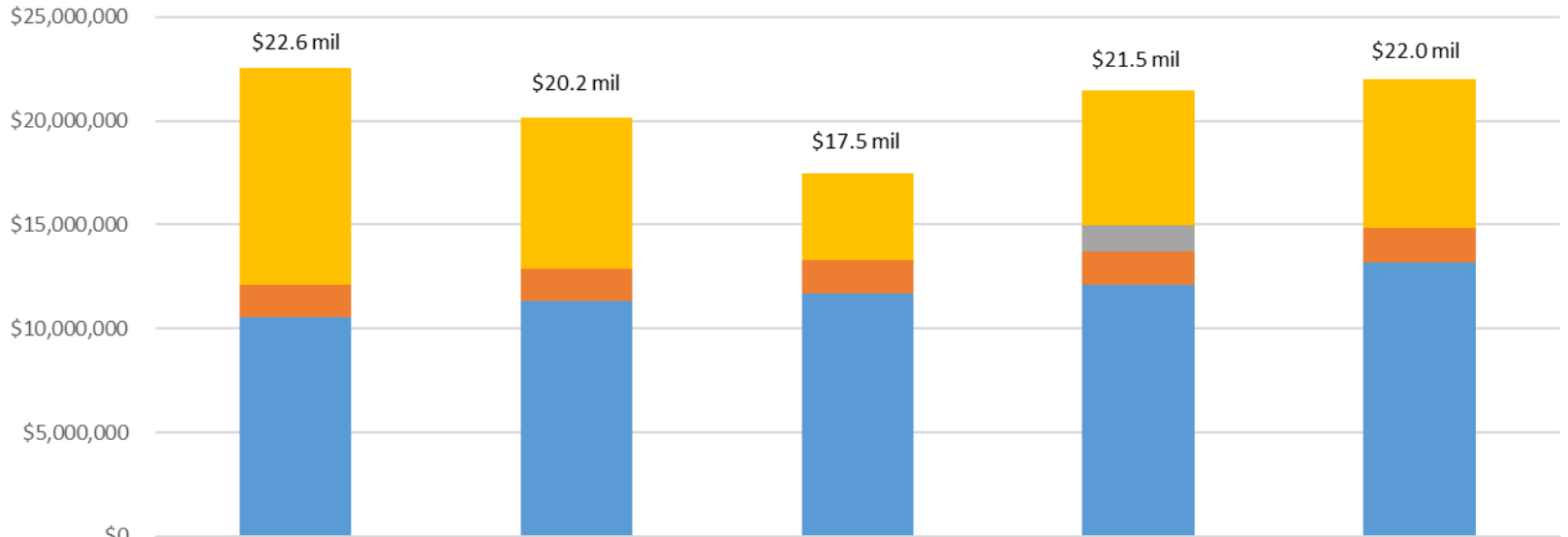
Revenue By Source - FY22-23 FINAL Budget



Revenues by Source	FY21-22	% of Total
Property Taxes	\$12,227,873	56%
Parcel Taxes	\$1,628,047	7%
CA COVID Relief	\$1,223,460	6%
Park and Facilities Maintenance	\$359,687	2%
Administration / Business Services	\$79,228	0%
Senior Svcs and Community Outreach	\$113,619	1%
Open Space / Camp Shelly	\$672,785	3%
Recreation & Facility Support	\$1,965,054	9%
Youth Services	\$3,455,495	16%
	\$21,725,247	100%

Revenues by Source	FY22-23 FINAL	% of Total
Property Taxes	\$13,166,335	58%
Parcel Taxes	\$1,668,777	7%
CA COVID Relief	\$0	0%
Park and Facilities Maintenance	\$240,728	1%
Administration / Business Services	\$312,602	1%
Senior Svcs and Community Outreach	\$185,810	1%
Open Space / Camp Shelly	\$655,703	3%
Recreation & Facility Support	\$2,296,256	10%
Youth Services	\$4,027,252	18%
	\$22,553,463	100%

Operating Revenue Trend



	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23 FINAL
■ Earned Income	\$10,459,970	\$7,285,085	\$4,169,158	\$6,526,967	\$7,163,618
■ CA COVID Relief	\$0	0	0	\$1,223,460	\$0
■ Parcel Taxes	\$1,548,789	\$1,585,718	\$1,616,370	\$1,603,591	\$1,658,000
■ Property Taxes	\$10,560,295	\$11,301,762	\$11,671,724	\$12,120,858	\$13,169,600

CIP Project Financials - Project Spending View: FY22-23 and FY23-24, with preliminary projections for FY24-25 through FY27-28

Actual Results through January 3, 2022 (schedule updated 3/3/22)

includes ALL projects that have spending in FY22-23 and/or that will be completed in FY22-23 or beyond

Project #	Project Name	Status	Project Funding Source	6-Year Projections			
				FY22-23 Final Budget	FY23-24 Preliminary Budget	FY24-25 Projection	FY25-28 Projection
			AB1600	411,514	2,283,117	2,060,000	\$6,180,000
			Restricted Fund	\$0	\$82,800	\$0	\$0
			General Fund	\$2,129,522	\$160,000	\$0	\$0
			Reserve Funds	\$0	\$500,000	\$1,300,000	\$2,000,000
			Total Spend	2,541,036	3,025,917	3,360,000	8,180,000
tbd	Park Capacity Enhancements	Not Yet Begun	AB1600	\$0	\$1,000,000	\$2,000,000	\$6,000,000
tbd	Amphitheater for Sycamore Grove - Arroyo side	Not Yet Begun	AB1600	\$0	\$300,000		
455	Shade Structures/Various Parks	Not Yet Begun	AB1600	\$60,000	\$60,000	\$60,000	\$180,000
tbd	Bill Clark Park Playground (Equipment/accessibility)	Not Yet Begun	AB1600	\$0	\$117,200	\$0	\$0
tbd	Bill Clark Park Playground (Equipment/accessibility)	Not Yet Begun	Restricted Fund	\$0	\$82,800	\$0	\$0
tbd	Aquatics Score Board	Not Yet Begun	General Fund	\$92,000	\$0		
tbd	Cresta Blanca floor	Not Yet Begun	General Fund	\$0	\$95,000	\$0	\$0
023	Roof at Trevarno	Not Yet Begun	General Fund	\$0	\$65,000	\$0	\$0
025	ESS Buildings - remodel (3 buildings interior mostly - ADA)	Not Yet Begun	General Fund	\$100,000	\$0	\$0	\$0
tbd	Park Equipment Replacement - Ida Holm	Not Yet Begun	Reserve Funds	\$0	\$250,000		
tbd	Park Equipment Replacement - Jack Williams	Not Yet Begun	Reserve Funds	\$0	\$250,000		
tbd	Park Equipment Replacement - Tex Spruiell	Not Yet Begun	Reserve Funds	\$0	\$0	\$250,000	
tbd	Park Equipment Replacement - Mocho	Not Yet Begun	Reserve Funds	\$0	\$0	\$250,000	
tbd	Park Equipment Replacement - El Padro	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Park Equipment Replacement - Lester J Knott	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Park Equipment Replacement - Hagemann	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Park Equipment Replacement - Altamont Creek	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Park Equipment Replacement - Christensen	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Park Equipment Replacement - Al Caffodio	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Park Equipment Replacement - Bruno Canziani	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Park Equipment Replacement - Maitland R Henry	Not Yet Begun	Reserve Funds	\$0	\$0		\$250,000
tbd	Synthetic Turf Replacement - Cayetano	Not Yet Begun	Reserve Funds	\$0	\$0	\$800,000	
006	Restroom at Sycamore Picnic Area (for picnics and programs)	In Progress	AB1600	\$204,760	\$0	\$0	\$0
451	Bike Pump Track - Sunken Gardens	In progress	AB1600	\$5,214	\$805,917	\$0	\$0
723	Patterson Ranch Trail	In progress	AB1600	\$44,495	\$0	\$0	\$0
tbd	Mocho Community Garden	In Progress	AB1600	\$90,000	\$0	\$0	\$0
017	Trevarno Road Water/Sewer Assessment District	In Progress	General Fund	\$49,515	\$0	\$0	\$0
024	HVAC at Trevarno/Little House	in Progress	General Fund	\$35,000	\$0	\$0	\$0
730	Rodeo Stadium Infrastructure Improvements	In Progress	General Fund	\$248,392	\$0	\$0	\$0
902	Joe Michell Building	Completed	AB1600	\$7,045	\$0	\$0	\$0
018	Synthetic Turf - Robertson (2 fields)	Completed	General Fund	\$1,604,615	\$0	\$0	\$0

**Livermore Area Recreation and Park District
Reserves Trend through June, 2024**

	Balance as of 6/30/22 (audited)	Adds/(Uses) of Funds to date in FY22-23	Balance as of 2/28/23	Adds/(Uses) of Funds Proposed for Balance of FY22-23	Projected Balance as of 6/30/23	Adds/(Uses) of Funds in FY23-24	Projected Balance as of 6/30/24
Restricted							
Buckley Trust (Ravenswood)	\$294,846		\$296,412	\$5,035	\$301,447	\$13,848	\$315,296
Ponderosa Homes (Ida Holm)	\$30,000		\$30,074	\$568	\$30,643	(\$30,643)	\$0
Signature Homes (Bill Clark Park)	\$82,800		\$83,006	\$1,568	\$84,574	(\$84,574)	\$0
Schurman Trust (Senior Services)		\$40,000	\$40,099	\$758	\$40,857	\$1,877	\$42,734
Total, Restricted Funds	\$407,646	\$40,000	\$449,591	\$7,929	\$457,520	(\$99,491)	\$358,029
				(interest)			
Committed Funds							
Annual Debt Service - POBs	\$800,000	\$0	\$800,000	\$0	\$800,000	\$0	\$800,000
Annual Debt Service - PG&E OBF	\$158,000	\$0	\$158,000	\$0	\$158,000	\$0	\$158,000
Total, Debt Service	\$958,000	\$0	\$958,000	\$0	\$958,000	\$0	\$958,000
Deferred Maintenance	\$1,132,000	\$0	\$1,132,000	\$500,000	\$1,632,000	\$0	\$1,632,000
Assigned Reserves							
Budget Contingency	\$1,500,000	\$0	\$1,500,000	\$531,124	\$2,031,124	\$192,894	\$2,224,018
Total, Assigned Reserves	\$1,500,000	\$0	\$1,500,000	\$531,124	\$2,031,124	\$192,894	\$2,224,018
Impact of Operating Results (Net Operating Contribution)							
FY21-22 - Audited Results		\$1,969,798					
Projected FY22-23 - Operating Results		\$1,190,848					
Preliminary FY23-24 - Operating Results						\$352,894	
Use of General Fund for CIP		(\$2,129,522)				(\$160,000)	
NET Increase/(Decrease) to General Fund		\$1,031,124				\$192,894	
Proposed add to Deferred Maintenance Reserve Fund		\$500,000				\$0	
Proposed add to Operating Reserve Fund		\$531,124				\$192,894	



Thank You