

Financial Plan
Parks and Recreation Operating Fund/000001451

Category	2017-2018 Actuals	2019-2020 Adopted Budget	2019-2020 Estimated	2021-2022 Projected	2023-2024 Projected	2025-2026 Projected
Beginning Fund Balance	14,789,916	14,677,756	17,583,691	17,761,988	17,761,988	19,556,181
Revenues						
King County Parks Levy Proceeds	69,828,346	37,555,644	78,555,644	89,000,000	99,000,000	54,000,000
Business Revenue	11,847,218	5,882,421	11,382,421	11,165,550	11,389,978	5,780,555
Capital Planning and Administration	2,605,417	1,695,000	3,435,000	3,632,843	3,867,325	2,032,829
Miscellaneous	951,624	515,000	1,043,390	1,097,809	1,155,095	601,916
Total Revenues	85,232,606	45,648,065	94,416,455	104,896,203	115,412,397	62,415,300
Expenditures						
Parks Operations & Maintenance	(77,868,318)	(46,033,770)	(94,137,296)	(103,178,201)	(113,591,658)	(61,174,108)
Capital Planning and Administration	(2,605,417)	(1,695,000)	(3,435,000)	(3,632,843)	(3,867,325)	(2,032,829)
Community Partnerships & Grants	(1,765,096)	(1,004,234)	(1,004,234)	-	-	-
Targeted Equity Grants	-	-	(1,000,000)	(2,000,000)	(2,000,000)	(1,000,000)
WSU Cooperative / 4-H	(200,000)	(100,000)	(200,000)	(207,765)	(218,606)	(113,915)
King County Search and Rescue	-	-	(100,000)	(207,765)	(218,606)	(113,915)
Vacancy Contra	-	339,234	678,468	698,144	718,390	369,612
Total Expenditures	(82,438,831)	(48,493,770)	(99,198,062)	(108,528,431)	(119,177,806)	(64,065,155)
Estimated Underexpenditures		2,424,689	4,959,903	5,426,422	5,958,890	3,203,258
Other Fund Transactions						
Total Other Fund Transactions	-	-	-	-	-	-
Ending Fund Balance	17,583,691	14,256,739	17,761,988	19,556,181	19,955,468	21,109,584
Reserves						
Cash Flow Reserve	(10,304,854)	(12,123,443)	(12,399,758)	(13,566,054)	(14,897,226)	(16,016,289)
Expenditure Contingency Reserve	-	-	(3,967,922)	(4,341,137)	(4,767,112)	(2,562,606)
Levy Stabilization Reserve	-	(1,133,296)	(1,394,307)	(1,648,990)	(291,130)	(2,530,689)
Business Revenue Shortfall Reserve	(1,000,000)	(1,000,000)	-	-	-	-
Total Reserves	(11,304,854)	(14,256,739)	(17,761,988)	(19,556,181)	(19,955,468)	(21,109,584)
Reserve Shortfall	-	-	-	-	-	-
Ending Undesignated Fund Balance	6,278,837	-	-	-	-	-

Financial Plan Notes

2017-2018 Actuals reflects preliminary year-end data for 2018 as reported in the GL-10 report 2/13/2019.

2019-2020 Adopted Budget is a one-year budget; 2019-2020 Estimated includes estimates for a yet to be proposed 2020 supplemental budget.

Outyear revenue and expenditure inflation assumptions are consistent with figures provided by PSB and/or OEFA.

Revenues Notes:

- The 2014-2019 King County Parks Levy expires at the end of 2019. Revenue estimates beyond 2019 are based on a 16.82 cent levy renewal option.
- Business revenue includes user fees and entrepreneurial efforts to support the park system and reduce the burden on taxpayers. Starting in 2020, the target will reset to \$5.5 million and grow one percent annually.
- Capital planning and administration is reimbursement from capital project 1126266 in Parks Capital Fund 3581 for staff and resources that support the capital program in general but are not charged to a specific project. This amount has changed over time as more staff begin to charge their time directly to capital projects to better capture the full cost of the capital program in real time.
- Miscellaneous revenue includes interest earnings, delinquent levy proceeds from the previous levy term, and a levy administration fee. A levy administration fee for 2020-2025 has not yet been determined.

Expenditure Notes:

- Starting in 2020, Community Partnerships and Grants will be funded through the Parks Capital Fund 3581 because the grants mostly fund capital improvements. Targeted Equity Grants will be funded through the operating fund starting in 2020. This is a program through which King County provides monies in order to achieve equitable opportunities and access to public parks and recreation for underserved communities.
- Parks will continue to contribute \$100,000 starting in 2020, on a reimbursement basis, to the Washington State University Cooperative Extension in order to operate the 4-H program in King County. The amount in subsequent years will be inflation-adjusted, based on Seattle CPI-U, as reported by PSB and/or OEFA.
- Starting in 2020, Parks will contribute \$100,000, on a reimbursement basis, to King County Search and Rescue Association. The amount in subsequent years will be inflation-adjusted, based on Seattle CPI-U, as reported by PSB and/or OEFA.
- Office of Performance, Strategy, and Budget adds a vacancy contra to agency budgets to approximate the amount of budget unspent each biennium due to position vacancies.
- The estimated underexpenditure in 2019 is 5% of the total budget based on historical spending patterns and expenditure targets.

Reserve Notes (see next page):

- The Cash Flow Reserve is set to three-months of budgeted expenditures, in compliance with Motion 13764, because the main revenue for this fund is a property tax which is collected in the second quarter of each year. This reserve stabilizes the fund's cash balance from dipping below zero before the property tax payments are made in April and October.
- The Expenditure Contingency Reserve reserves funding for operational costs that may grow faster than the provided outyear growth rates provided by PSB. For example between 2014-2019, Parks' share of central county services has grown faster than average due to the agency taking on a larger scope of work. Central county services includes office space, computer workstations, legal support, and the coordinating financial transactions. This is anticipated to continue in 2020-2025.
- The Levy Stabilization Reserve reserves fund balance for the six-year levy term. A typical levy fund builds fund balance in the first half of the levy, allowing the fund to draw down reserves in the second half.
- The Business Revenue Shortfall Reserve sets aside additional fund balance in the event business revenues do not meet the annual target. This reserve will be discontinued starting in 2020 due to revised assumptions for the business revenue target.

This plan was updated by J Lehman on February 21, 2019.