



MEMORANDUM

Resolution 23-047(S) follow up Re: Strategic Financial Plan and Services Vision for Parks and Recreational Facilities and Services within the City of Homer

Item Type: Informational Memorandum

Prepared For: Mayor Castner and Homer City Council

Date: November 16, 2023

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Through: Rob Dumouchel, City Manager

Introduction

There is a lot of community interest related to the expansion of recreational opportunities in the City of Homer that revolve around programming, parks, and facilities. There is also a considerable gap in funding and staffing between our current operation and a desired future state. In May of this year, City Council adopted Resolution 23-047(S) which asked staff to develop a 10-year plan for parks and recreation. The resolution included a request for the plan to include three components and for a recommendation from the Parks, Art, Recreation and Culture Commission:

1. Full maintenance projections for existing parks and recreation facilities,
2. Two paths to a Parks and Recreation Department one of which should include a new community center,
3. An evaluation of the new Parks staffing from the 2023 summer season operations.

The staff analysis finds that there is potential for a Parks and Recreation Department to exist and create value for the City and the public, however, it is going to take some time to build up sufficient financial and human resources to get to that point.

Process

Council requested the plan be presented by November, 2023. A team of City staff met with the City Manager to work on these council directives over several months: Mike Illg, Community Recreation Manager, Chad Felice, Parks Maintenance Coordinator, Matt Steffy, Parks and Trails Planner, Julie Engebretsen, Economic Development Manager.

Staff approached the first two tasks by creating a table with three scenarios; current conditions with staffing and budget, a “Homer Adequate” scenario with improved parks and staffing, and a future department and recreation facility. Budgets and staffing from other Peninsula cities are included as an attachment. Staff made a presentation to the Parks, Art Recreation and Culture Advisory Commission at their October 19, 2023 meeting. Comments of the Commission are included as an attachment to this memo and they supported the creation of a Parks and Recreation Department in the next budget cycle.

Parks and Recreation Staffing and Budget Scenarios

	Homer Current	Homer Adequate	Homer Adequate + Facility
Parks			
Staff FTE	2	2.5	
Budget	\$440,000	\$490,000	\$490,000
Community Rec			
Staff FTE	1.75	2.75	3.5 +
Facility O&M			\$130K (based on library)
Budget	\$265,000	\$335,000	\$660,000
Total Staff	3.75	5.25	6 +
Total Budget	\$705,000	\$825,000	\$1,150,000
Difference staff	NA	1.5	2.25 +
Difference Budget	NA	\$120,000	\$445,000 +
Budget Timeline	2024-2025	2026-2027	?
Potential Department Timeline		Possible	Desirable

Component 1: Full maintenance projections for existing parks and recreation facilities

“Homer Adequate” scenario

Parks Budget

Estimate: a 20% budget increase or about \$90,000 would significantly increase the City’s ability to adequately staff and maintain parks and trails facilities. HART Funds could be used for \$50,000 of these additional expenses.

Discussion

Staff found there is generally adequate funding in the Parks budget for materials but not enough allocated for labor, however, the City Manager’s redistribution of Parks-related tasks (i.e., camping, restroom cleaning, park planning, volunteer coordination, etc.) has led to increased productivity related to parks maintenance and the current maintenance coordinator will be experimenting with new models for the use of seasonal employees.

Staff estimates the Parks budget needs to increase by about \$90,000; this would include two seasonal trail maintenance crew, to be funded out of HART (\$50,000 existing funds) as well as approximately \$40,000 in additional parks maintenance budget. This is a reflection of the variability in costs – if the City can hire labor for tasks like mowing and peony bed maintenance, the cost will be lower than \$40,000. If the city has to hire a contractor, the costs are higher. Either way, the ball fields, cemetery and City grounds need to be mowed. To adequately staff parks and trails year round, additional staffing may be needed. The winter of 2023-24 will be a test of staffing levels and the ability to maintain trails and parks through the snow and ice season.

Funding sources available: \$50,000 from HART Trails could be used to pay for existing and increased trails work. While voters approved using HART for maintenance and operations in 2017, very little to no funding has been budgeted into the Parks budget for doing this work. This could be amended at any time by Council.

Remaining funding gap: \$40,000. New revenues, or more funding from the general fund is needed. This funding could be added over time as budget allows, or through a new revenue source.

Timeframe: HART funding could be added to the budget at any time. New revenues or new funding sources will take longer (discussion continued later in this memo).

Community Recreation Budget

Estimate: a 30% budget increase, 1 FTE at \$80,000 (includes overhead and benefits) would adequately staff the current Community Recreation Program.

Discussion

Classes and programming will continue to be offered through non-city employees via volunteers or contracted instructors. However, volunteers and contracted instructors do not provide administrative support and are not always consistent for providing the level of supervision (and safety). One additional full time recreation employee would provide immediate improvement of services, customer service and safety for Community Recreation programs and special events. The presence of paid staff providing direct supervision instead relying on the challenging efforts to recruit and sustain volunteers to oversee programs will vastly improve the overall experience of the consumer and will decrease potential liable situations especially when operating in non-city owned facilities. The additional staff will also lead to an increase program offerings and allow for the Recreation Manager to focus on the broad administrative responsibilities relating to running municipal recreation services.

One more full time staff member is needed to adequately staff this program at a cost of about \$80,000 (includes benefits, additional office costs, etc). This would need to be funded from new revenue. Some options:

Funding Sources Available:

1. Dedicate a percentage of on-line sales tax to recreation. This is a growing revenue stream and could be used to fund increases in recreation programming. Timeframe: Consideration for next budget cycle.
2. When the HART program is up for renewal, ask voters if the tax revenue split between roads and trails should be changed from 90/10 to 80/20, and if the trails portion should also cover parks maintenance and all parks and recreation related staffing. The City might consider asking voters to make the program permanent at the same time, as with HAWSP. Timeframe: The current HART authorization expires in 2027.
3. **User fees will also likely play a role.** The new Community Recreation Software is planned for launch for the second half of FY 24. That data will provide information on realistic revenue projects with current usage and fees. Staff expects at least \$45,000 in user fee revenues for FY 24 – this is existing revenue, not new revenue. With software implementation and newly adopted fees, staff expects this amount to gradually increase. Timeframe for increased revenue: Happening now with the newly adopted fees, and software implementation. Fees and policies can be fine-tuned prior to the next budget cycle.

Component #2: Two paths to a Parks and Recreation Department one of which should include a new community center.

Path 1: *With increased budget and internal staff coordination, a Parks and Recreation Department could be a consideration for the FY26/27 budget cycle.
(Homer Adequate Scenario)*

The two components to move to a Parks and Recreation Department are budget and staff capacity building. The discussion of this component relies on reaching “Homer Adequate” funding levels. Beyond funding, staff had lengthy discussions about what it would take to function as a department. Staff agreed that the first step was additional labor. Without more hands to do the work, existing staff does not have time to work toward the larger goal of a combined department. Budget increase is the first step to easing this bottleneck. The second step to a department is spending the time to figure out how to work in a new department. Some of this work could occur over FY 24 if this is the direction Council wants staff to work on.

There are also some underlying tasks that also need work; the City has few Council adopted policies about parks and recreation facilities (other than basic code) and community recreation. In contrast, the library has extensive Council adopted policies (89 pages) that outline both facility and services policies. Working toward Council – approved policies for the HERC and its eventual replacement as well as general user policies are tasks that should be on the horizon.

A functional Parks and Recreation Department could begin to take shape for the next budget cycle if staff is able to focus on how the internal operations would work, and working with PARCAC and Council to have sufficient adopted policies in place.

Path 2: *New Facility + Parks and Recreation Department
(Homer Adequate + Facility Budget Scenario)*

Discussion of a recreation facility is ongoing and the subject of Council work sessions. The timing of Parks and Recreation or Community Recreation Department did not have consensus among staff, however, all agreed that if a new facility is constructed, at minimum Community Recreation should be elevated to a department by that time.

Funding: Significant new funding would be required to achieve this goal. Use of HART trails funds, a portion of online sales tax revenue, and new additional sales tax revenue would be required to cover the cost of a new facility. Timeframe: Council is beginning to seriously explore site selection for a new facility, and a bond measure could go to voters in two years or less, based on Council decisions.

Component #3: How did the 2023 season go?

The 2023 camping and parks maintenance season had significant changes from prior years. First, the Port and Harbor took over operations of the Spit Campgrounds. The Port ramped up staffing and fee collections, and was able to offer camping to the public as has been offered in prior summers. Spit camping generated \$195,000 in revenue and there were significantly fewer management problems.

Second, Hornaday campground was closed for the 2023 camping season. Some complaints were received by Parks staff while they were at the park from Little League participants from out of town who expected to camp at the park for the weekend. City resident comments were split 50/50 on campground closure. The City is in the process of updating the park master plan and actively taking comment on whether offing camping is a land use the community would like to see continued.

Chad Felice comments:

With the transition of Matt Steffy moving over to Economic Development and then the Parks Maintenance position opening up as well as campgrounds going to the Harbor this this past summer, as all new things and changes there were a little bumps along the way. Overall I believe the summer was a success, the Parks Division got to do some ball field work along with all the other normal stuff we do. I have felt that working with the Public Works crew on some projects has helped the Parks Department out. With working in the summers the past 4 years, it has been nice to be able to work on some deferred maintenance things. I think we are one or two more seasonal staff members away from really being able to keep up on everything and start in on new projects within a timely manner.

Matt Steffy comments:

The temporary staffing arrangement for 2023 had a few interesting impacts on Parks operations. The transfer of geographic responsibility out to the Spit for Harbor Staff allowed the limited Parks Staff to focus on a few areas that had been neglected previously. Combined with the contracting of some turf maintenance and beautification, staff were able to get a lot of work done on ballfields, fences, and some special projects.

My time was partially absorbed in the transition process in bringing PW, P&H, and Economic Development up to speed on many tasks that were once in my wheelhouse. As the second half of the season continued, we all began to find a bit of a groove, though there is still some shuffling to do.

Mike Illg comments:

Community Recreation also had significant changes over the summer and into the fall. A half time, permanent employee was approved in the FY 24/25 budget, as well as registration software. The addition of a half time staff member allowed for immediate improved services by providing direct supervision/coordination for some of the regularly scheduled programs as well as providing the much needed point of contact time and communication for Community Recreation special events. Over the

winter, this additional staffing will allow for new programmatic opportunities specifically focused on youth and family related opportunities.

The software will allow Community Recreation staff to better collect fees and statistics about revenues, patron usage, trends, feedback, and assist with reservations, registration and scheduling. The majority of the improvements brought by the staffing increase and software implementation will be visible to the public in 2024, through greater program capacity and data to aid with long term financial and operational planning for the recreation program.

Current Conditions

FY 24/25 brought significant changes to staffing and operations for Community Recreation and Parks. Staff consensus is at least a budget year is needed to see how this works out and where changes are needed with the exception of more trails labor (discussion continues in this memo).

RECOMMENDATION

1. Hold discussion on budget options and provide direction to administration
2. Consider a HART trails budget adjustment in mid-biennium adjustment in the spring

ATTACHMENTS

PARCAC Memo

Resolution 23-047(s)

Peninsula Recreation Budget

Memo from Harbormaster Clark on summer 2023 campground operations