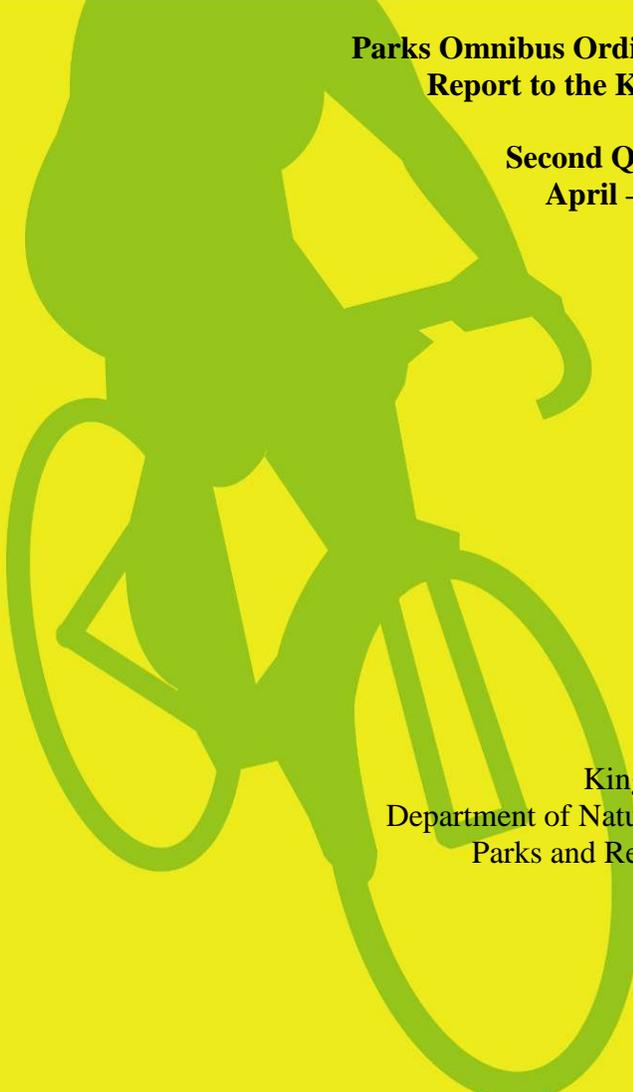


King County Parks **Your**  King County
Big Backyard

Parks Omnibus Ordinance (Ordinance 14509)
Report to the King County Council

Second Quarter Report
April – June 2014



King County
Department of Natural Resources and Parks
Parks and Recreation Division

WE'RE AT WORK SO YOU CAN PLAY

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I. Executive Summary

Overall, the Parks and Recreation Division's business revenues for the second quarter of 2014 are down compared to the same period in 2013, when Cirque du Soleil last appeared at Marymoor Park. Cirque du Soleil is a significant event that has been appearing at Marymoor every other year. It is not unusual for business revenues to be lower in an "off" year like.

Similar to the 2014 first quarter, revenue from ballfields continues to grow. This is primarily because of the Division's ongoing work to upgrade ballfields to synthetic turf. Unlike dirt or grass fields, these fields serve multiple sports, command higher rental fees, remain open during wet weather, and can be scheduled for year-round use. Revenues from camping increased significantly over the same period in 2013, because Tolt-MacDonald Park did not experience any flooding events during the second quarter of 2014.

The Division experienced a busy spring, hosting or participating in a variety of events, including the GoGreen Conference, the Women in Trades Fair, Bike to Work Month, Washington Brewers Festival, the Big Backyard 5K run/walk, and organizing more than sixty volunteer events.

II. Summary of Revenues and Expenditures

Parks and Recreation Division Revenues

	Revenues	Expenditures
2014 Adopted	\$37,604,113	\$36,048,864
2014 Revised	\$38,262,021	\$36,048,864
2014 Estimated	\$38,262,021	\$36,048,864
2013 Actual	\$29,064,404	\$30,616,131

Business Revenues¹ and Expenditures through June 2014

	Actual Business Revenues	Actual Total Expenditures
January 1 – June 30, 2014	\$2,289,637	\$14,616,991
January 1 – June 30, 2013	\$2,685,607	\$14,618,163

Business Revenues

Business revenues are budgeted at \$5.2 million in the 2014 Adopted Budget and comprise about 14 percent of the Division's budgeted revenues.² The Division's year-to-date business revenues through June are about 44 percent of its annual business revenue target. Year-to-date business revenues are down compared to 2013, when Cirque du Soleil last appeared at Marymoor Park. For comparison, Cirque did not appear at Marymoor in 2012, and business revenues received to date in 2014 (\$2.29 million) are slightly higher than those received through the second quarter of 2012 (\$2.21 million).

The Division is optimistic about meeting its 2014 business revenue target, as there are many special events, such as the Marymoor Park Concerts, Timber! Music Festival, and races and sports tournaments, planned for summer and fall.

Expenditures

The Division's expenditures through the second quarter were about 40 percent of the 2014 adopted annual budget, which is in line with historical spending patterns.

The Division intends to spend the maximum amount of its expenditure authority on maintaining parks, open space, and trails, as called for in the 2014-2019 Parks, Trails and Open Space Replacement Levy, while achieving the target year-end fund balance. Appendix A summarizes the financial plan for the Parks operating fund.

¹ Business revenues include user fees as well as enterprise and entrepreneurial revenues. Levy funds, interest earnings, interfund transfers, and similar revenues that are not within the control of the Division are excluded from this total.

² Additional revenues come from the 2014-2019 Parks, Trails and Open Space Replacement Levy, which accounts for about 80 percent of operating revenues, as well as from interfund transfers, which account for about six percent.

III. Revenues by Key Business Units

Marymoor Park

	2014 thru Q2	2013 thru Q2	Change (\$)	Change (%)
Revenues:				
Rev - Facilities	\$68,303	\$105,275	(\$36,972)	(35%)
Rev - Ballfields	\$404,020	\$379,773	\$24,247	6%
Rev - Parking	\$353,126	\$336,186	\$16,940	5%
Rev - Concerts	\$11,244	\$0	\$11,244	--
Rev - Cirque du Soleil*	\$0	\$756,373	(\$756,373)	--
Rev - Cavalia	\$339,116	\$0	\$339,116	--
Total Revenues (rounded)	\$1,176,000	\$1,578,000	(\$402,000)	(25%)

*For the past several years, Cirque du Soleil has appeared at Marymoor Park every two years and is currently in negotiation to return in 2015.

Overall revenues for Marymoor Park are down 25 percent compared to the same period in 2013. This is largely due to the intermittent nature of special events at the park, such as Cirque du Soleil, which appeared in 2013 and generated significant revenue. Marymoor Park hosted Cavalia's *Odyseo* during the first quarter of 2014. It was a successful run, but is a much smaller production than Cirque, and thus does not generate the same level of revenue for the Division.

The Washington Brewers Festival returned to Marymoor in June for the second year and had a successful event with more than 20,000 people attending. Revenue from this event was received after the second quarter and will be reflected in the third quarter report, which in part accounts for the 35 percent reduction in facility revenue from last year. Other factors that contributed to the decline include concert venue renovations, which limited early picnic shelter reservations, and the continued closure of the Clise Mansion for maintenance and repairs.

Weyerhaeuser King County Aquatic Center (WKCAC)

	2014 thru Q2	2013 thru Q2	Change (\$)	Change (%)
Revenues:				
Rev - Facilities	\$462,103	\$479,980	(\$17,877)	(4%)
Rev - Courses	\$68,430	\$75,933	(\$7,503)	(10%)
Rev - Drop in	\$18,580	\$18,630	(\$50)	0%
Rev - Conference center	\$8,633	\$8,971	(\$338)	(4%)
Total Revenues (rounded)	\$558,000	\$584,000	(\$26,000)	(4%)

While the second quarter 2014 business revenues at WKCAC appear lower than the same period in 2013, this comparison is misleading because WKCAC facility revenue is reported when bookings are finalized (not necessarily when events took place or when revenue was received). The Division expects that revenues through the second quarter will be comparable to those in 2013, as WKCAC's schedule thus far was similar to the same period in 2013.



In addition to the annual returning events, WKCAC hosted the USA Synchronized Swimming Age Group Nationals during the second quarter, where 975 athletes from around the country participated in this ten-day championship.

Revenue remains steady from drop-in programs. The reduction in lesson revenue is the result of the timing of registration dates; attendance in the instruction programs is slightly higher than 2013.

Fields and Facilities Business Unit

	2014 thru Q2	2013 thru Q2	Change (\$)	Change (%)
Revenues:				
Rev - Ballfields	\$297,849	\$248,979	\$48,870	20%
Rev - Facilities	\$113,965	\$135,516	(\$21,551)	(16%)
Rev - Camping	\$76,996	\$33,006	\$43,990	133%
Total Revenues (rounded)	\$489,000	\$418,000	\$71,000	17%

Revenue from ballfields continues to increase as a result of the conversion of sand fields to synthetic turf. These fields command higher fees, can be played on year-round, and experience fewer rainouts, all of which contribute to the growth in revenue in this category.

Facility revenue dropped slightly, but is expected to increase throughout the summer. Trail events, picnic shelter reservations, and weddings at Preston Community Center continue to be popular.

Revenue from camping increased significantly over the same period of 2013. Unlike in past years, Tolt-MacDonald Park experienced no major flood events. That, coupled with a few large groups that booked most of the campground, has contributed to the increase. Special events in and around the park, as well as media attention on the cargo camping container, have attracted campers to the park.

Revenue – Other Sources

The SCOTT Cougar Mountain Trail Run Series returned for a twelfth season to Cougar Mountain Regional Wildland Park in May. The 2014 series, which is co-produced by Northwest Trail Runs and the Seattle Running Club and runs from May to October, will offer a wider variety of race options ranging from 5 kilometers to 50 kilometers across five dates. The series has raised \$126,000 in revenue for the Division since its inception and Seattle Running Club volunteers have contributed hundreds of hours of volunteer service taking care of the trails at Cougar Mountain.



IV. Agreements with Other Organizations and Jurisdictions

Community Partnerships and Grants (CPG) Program

Phase Three of development at the Preston Athletic Fields and Community Park began during the second quarter. A partnership with the Eastside Football Club and Preston Community Club, this project will result in a new lighted, synthetic turf athletic field.

In partnership with Friends of Maury Island Marine Park, the CPG Program is constructing a new picnic shelter at the park. The design is being finalized, and installation is planned for mid-August.

A partnership with the Northshore Little League, the Northshore Athletic Fields improvement project has completed the replacement of old, temporary storage structures with a new storage building to house the league's equipment securely. Other elements of the project are advancing through the permitting process, including a synthetic turf athletic field, new restroom, concession stand and related infrastructure.

Transferring Division Assets

The transfer of East Norway Hill Park to the City of Bothell was completed during the second quarter of 2014 as part of a larger annexation transaction between the County and City pursuant to Ordinance 17645.

V. Community Outreach and Involvement

Volunteer Program

In addition to individual service hours, approximately 1,990 volunteers participated in 69 scheduled events and contributed about 15,100 hours of service during the second quarter of 2014. The highlight of the quarter was Earth Week in April, when more than 700 volunteers helped at fifteen events at nine different work sites.

The Outdoor Academy's horticulture class and seventh graders from Tahoma School District volunteered on several natural resource projects, which included potting 3,700 native plants and shrubs at the King County Greenhouse and Nursery, maintaining trails, and removing invasive species, such as blackberries and English Ivy.

In the second quarter of 2014, a team of AmeriCorps National Civilian Conservation Corps volunteers worked with the Division, removing more than 75 cubic yards of invasive plants (English Ivy, blackberries, Scot's Broom, etc.), potting plants at the King County Greenhouse and Nursery, working on trails at O'Grady Natural Area and Gold Creek Park, and providing support for nine volunteer events during their six-week period of service. The Division has received volunteers from this program numerous times over the past five years. These crews have been a valuable asset to the Division, which plans to continue hosting these volunteers in the future.

Community Outreach

The Division's ongoing public outreach during the second quarter of 2014 included hosting informational booths at the GoGreen Conference, Women in Trades Fair, and the Fifth Annual Evergreen Mountain Bike Festival at Duthie Hill Park.

The annual Bike to Work Month took place in May, and the Division set up an outreach booth at Logboom Park along the Burke-Gilman Trail to interact with cyclists and encourage use of the Division's 175-mile Regional Trails System.

The fifth annual Big Backyard 5K Run/Walk presented by Group Health took place on June 1 at Marymoor Park. The proceeds from this charitable event go to support the Division. More than 1,200 runners and walkers participated, and Bert the Salmon was there to run with the little ones in the Kids Dash!

Finally, in addition to its robust social media presence, the Division uses GovDelivery to send electronic newsletters and alerts directly to subscribers. The Division now has 3,200 subscribers to a monthly Parks E-Newsletter, has created several park-specific project listservs, and will continue to promote this tool as a way to connect with the public.

Appendix A
2014 Parks and Recreation Division Financial Plan (Parks Levy Subfund 1451)

	2013 Actual ¹	2014 Adopted ²	2014 Revised ³	2014 Estimated
Beginning Fund Balance	\$ 6,615,832	4,000,435	5,064,105	5,064,105
Revenues				
Levy Proceeds ⁴	20,697,106	30,002,465	30,616,385	30,616,385
Interest ⁵	(6,129)	11,201	21,053	21,053
Business Revenues ⁶	5,630,901	5,192,835	5,190,631	5,190,631
Levy Administration Fee ⁷	207,122	237,600	273,946	273,946
CIP ⁸	2,535,403	2,160,012	2,160,006	2,160,006
Total Revenues	29,064,404	37,604,113	38,262,021	38,262,021
Expenditures				
Parks Operations & Maintenance		(33,310,642)	(33,310,642)	(33,310,642)
Regional/Rural Expenditures	(26,335,581)			
Urban Growth Area (UGA) Expenditures	(1,386,083)			
CIP/Land Management Expenditures ⁸	(2,535,403)	(2,160,012)	(2,160,012)	(2,160,012)
CPG Expenditures ⁹	(282,274)	(789,210)	(789,210)	(789,210)
WSU Cooperative Extension ¹⁰	(76,790)	(100,000)	(100,000)	(100,000)
Vacancy Contra ¹¹	-	311,000	311,000	311,000
Total Expenditures	(30,616,131)	(36,048,864)	(36,048,864)	(36,048,864)
Estimated Underexpenditures ¹²	-	925,235	925,235	925,235
Other Fund Transactions				
Total Other Fund Transactions	-	-	-	-
Ending Fund Balance	5,064,105	6,480,919	8,202,497	8,202,497
Reserves				
Rainy Day Reserve ¹³	(2,551,344)	(9,012,216)	(9,012,216)	(9,012,216)
Reserve Shortfall ¹³	-	2,531,297	809,719	809,719

Financial Plan Notes:

¹ 2013 Actuals are based on the 2013 General Ledger. 2013 Actual categorical assignments will be updated as the Division prepares its annual Citizen Oversight Board report.

² 2014 Adopted is taken from Budget Ordinance 17695.

³ 2014 Revised Revenues are based on updated data as of the March 2014 Office of Economic and Financial Analysis (OEFA) forecast.

⁴ Levy Proceeds and Delinquent Levy Collections forecast by OEFA through 2014.

⁵ Interest Income is calculated at 0.4% in 2014 OEFA projections, with 12 basis point investment service fee deducted.

⁶ Business Revenues assume 3% annual growth. It includes entrepreneurial efforts, as well as user fees.

⁷ The Levy Administration Fee is in accordance with the OEFA revenue projections found in sub-fund 1452 for 2013, and sub-fund 1453 going forward.

⁸ CIP Revenues include transfers from Parks CIP Funds 3160, 3490 and 3581 to support Capital & Land Management/Business Planning. A portion of CIP/Land Management/Business Planning Expenditures is associated with UGA.

⁹ Partial funding of the Community Partnerships and Grants (CPG) program. Additional CPG funds are in the Parks CIP.

¹⁰ This reflects support by King County to the WSU Cooperative Extension to support the 4-H program.

¹¹ Starting in 2014, the proposed budget includes an assumption for an offset to expenditures (vacancy contra) reflecting a "natural vacancy rate" as directed by the Office of Performance, Strategy and Budget.

¹² Starting in 2014, the estimated underexpenditures assumes 3.4% of Total Expenditures net the vacancy contra.

¹³ The Rainy Day Reserve for the 2008-2013 levy equals one-month of budgeted expenditures. The Rainy Day Reserve will equal three-months of budgeted expenditures by the end of the 2014-2019 Levy, in compliance with Motion 13764. The Parks and Recreation Division increased its under-expenditure assumption in the 2014 Budget to ensure meeting this requirement by the end of the levy period.

