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HEARING ON THE FISCAL YEAR 2014 EXECUTIVE BUDGET FOR THE

DEPARTMENT OF PARKS AND RECREATION

May 30, 2013

EXECUTIVE BUDGET HIGHLIGHTS

- The Department of Parks and Recreation's budget for Fiscal 2014 totals \$351.9 million, an increase of \$14.3 million when compared to the Fiscal 2013 Adopted Budget of \$337.6 million.
- The proposed budget includes \$32 million in new needs mostly for personal services costs; \$5.5 million in other adjustments, including \$3 million to repair sidewalks damaged by trees; and \$9.4 million in PEG restorations to restore planned layoffs included in the Fiscal 2012 Adopted Budget.
- **Additional Parks Staffing.** The proposed Fiscal 2014 budget includes additional funding of \$26.6 million for 414 new Parks workers. Of the new parks workers, 81 are PEP officers; 207 are city park workers to maintain clean and safe parks; 96 are for equipment maintenance; and 30 are tree pruners and climbers.
- The Executive Budget does not include approximately \$19.2 million provided by the City Council to restore cuts to DPR's budget in Fiscal 2013, including cuts to job training participants, playground associates, and the City pools.
- The Executive Budget does not include \$7.3 million for seasonal workers restored by the Administration in the Fiscal 2013 Adopted Budget for 129 full-time equivalent (FTE) positions.
- The Department plans to collect \$77.6 million in revenue in Fiscal 2014 from various sources, including recreational permits, marina rentals, and concessions operated on Parks property.
- The Capital Commitment Plan for the Department in Fiscal 2014 totals \$457.1 million and includes \$263.5 million in City funds.
- The Capital Commitment Plan for the Department includes \$352.9 million for the long-term reconstruction of beaches, parks and playgrounds damaged by Superstorm Sandy.
- In Fiscal 2014, the Department plans to commit:
 - \$27.1 million for planting of new street and park trees and the construction of Greenstreets Citywide;
 - \$9.8 million for playgrounds reconstruction;
 - \$3.4 million for construction of the Bronx Children's Museum; and
 - \$2 million for flood control at the Willowbrook Park Lake in Staten Island.

FINANCE DIVISION

Preston Niblack, Director
Jeffrey Rodus, First Deputy Director

Nathan Toth, Deputy Director
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DEPARTMENT OF PARKS AND RECREATION OVERVIEW

This report provides an overview of the Department of Parks and Recreation's Fiscal 2014 Budget, a review of the significant initiatives included in the Executive Budget and a summary of the Department's Capital Budget for Fiscal 2014-2017. Appendix 1 outlines actions in the Executive Plan. Appendix 2 reports the changes made to the Fiscal 2013 and Fiscal 2014 Budget since adoption of the Fiscal 2013 Budget. Appendix 3 lists the Council Initiatives. Appendix 4 shows DPR Miscellaneous Revenue. For additional information on the Department's Budget and its various programs, please refer to the "Department of Parks and Recreation's Fiscal 2014 Preliminary Budget Hearing Report" available at: www.council.nyc.gov

	2012	2013		2014	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Exec. Plan	Exec. Plan	2013 - 2014
Personal Services	\$273,512	\$258,955	\$314,399	\$263,449	\$4,494
Other Than Personal Services	87,818	78,641	135,697	88,432	9,791
Agency Total	\$361,329	\$337,595	\$450,096	\$351,880	\$14,285
Budget by Program Area					
Maintenance & Operations- Citywide	\$191,147	\$164,879	\$271,707	\$184,581	\$19,702
Maintenance & Operations- POP Program	35,400	39,978	40,251	24,038	(15,940)
Maintenance & Operations- Zoos	7,064	6,005	6,005	6,005	0
Recreation- Central	4,359	4,637	5,456	4,074	(564)
Recreation- Citywide	19,639	18,291	19,395	17,815	(476)
Urban Park Service	15,354	10,086	15,504	13,815	3,728
Forestry & Horticulture- General	13,610	11,214	15,011	15,694	4,480
PlaNYC 2030	5,551	7,668	6,576	10,202	2,534
Capital	32,052	35,892	30,010	35,587	(305)
Administration- General	28,472	31,107	31,353	31,341	234
Administration- Citywide	8,682	7,837	8,827	8,729	892
TOTAL	\$361,329	\$337,595	\$450,096	\$351,880	\$14,285
Funding					
City Funds		\$255,133	\$265,998	\$285,268	\$30,135
Other Categorical		450	13,729	450	0
Capital- IFA		37,339	34,426	37,385	46
State		0	5,588	0	0
Federal - CD		2,378	3,478	2,378	0
Federal - Other		0	72,570	0	0
Intra City		42,295	54,307	26,398	(15,897)
TOTAL	\$361,329	\$337,595	\$450,095	\$351,880	\$14,285
Positions					
Full-Time Positions	3,095	3,197	3,669	3,762	565
Full-Time Equivalent Positions	3,533	2,547	3,392	1,589	(958)
TOTAL	6,628	5,744	7,061	5,351	(393)

* Difference between FY 2013 Adopted Budget and FY 2014 Executive Budget.

The Department of Parks and Recreation's Fiscal 2014 Executive Budget totals \$351.9 million, which is \$14.3 million greater than the Fiscal 2013 Adopted Budget of \$337.6 million, but \$98.2 million less than

the current modified budget (2013 Exec. Plan). The increase in the Fiscal 2014 budget is due in part to the additional funding for 414 positions, while the increase in the Fiscal 2013 budget is primarily due to the recognition of additional federal and State funding in the Executive Budget. Since the City's fiscal year and the State and federal fiscal years do not coincide, the Department reports only baseline funding and grants that it anticipates from the other two branches of government at the beginning of each year and makes adjustments as additional grant funds become available.

Despite the provisions made for additional staffing, the Department's Fiscal 2014 headcount is projected to be 5,351, a net decrease of 393 positions when compared to the Fiscal 2013 Adopted Budget headcount of 5,744 or a decrease of 1,710 when compared to the projected year-end headcount of 7,061 for Fiscal 2013 (including both full-time and full-time equivalent positions). The majority of the decrease is associated with job training participants (JTPs) and seasonal workers funded by the Council and the Administration in the Fiscal 2013 Adopted Budget that were not baselined and therefore not included in the Fiscal 2014 Executive Budget.

Although the proposed Executive Budget contains no new PEGs for the Department, the proposed Fiscal 2014 Budget reflects the impact of previously imposed PEGs. They include:

- **JTP to WEP Conversion.** First proposed in Fiscal 2012, this action would require DPR to reduce the number of its Job Training Participants (JTPs) positions and increase the number of its Work Experience Program (WEP) positions. In Fiscal 2014, this would impact 845 FTE positions, which translates to approximately 1,747 actual workers. In Fiscal 2013, the Council restored \$16.8 million for the JTP program which was not baselined. Because WEP workers receive less training in the day-to-day maintenance functions of parks when compared to JTPs, implementation of this PEG in Fiscal 2014, could undermine DPR's maintenance and operations efforts.
- **Seasonal Reduction.** The Department's Fiscal 2011 PEG action to reduce the seasonal budget by 16.5 percent continues. For Fiscal 2014, the full impact of this cut to the seasonal budget will be approximately \$10.6 million. For Fiscal 2013, the Council successfully negotiated a \$7.3 million restoration with the Administration, allowing the Department to hire 129 full-time equivalent (FTE) seasonal workers. However, because the Fiscal 2013 funding was not baselined, these positions are in jeopardy in Fiscal 2014. A full restoration of \$10.6 million is needed to bring the Department's seasonal positions back to the Fiscal 2011 level and allow the Department to hire 192 full-time equivalent (FTE) positions in Fiscal 2014.

The Fiscal 2014 Executive Plan increases the Department's budget by \$7.8 million in Fiscal 2014. This is due to a new need of \$4.3 million, including \$2.8 million for the Central Park Conservancy and \$3.5 million in other adjustments.

NEW IN THE EXECUTIVE BUDGET

NEW NEEDS

- **Central Park Conservancy.** To meet its contractual obligations to the Central Park Conservancy (CPC), the Department's budget includes a new need of \$2.8 million in Fiscal 2014. The CPC is a not-for-profit organization founded in 1980 that manages Central Park under a contract with the

Department of Parks and Recreation. The CPC raises money from concessions and its contractual agreement with the City allows it to receive 50 percent of the funds raised in excess of \$6 million annually.

- **Croton Forestry Memorandum of Agreement with Parks.** The Fiscal 2014 Executive Budget includes \$1.5 million in Fiscal 2014 and in Fiscal 2015 for costs related to the Croton filtration forestry program, which is funded through intra-funding agreements (IFAs). IFAs are funding shifts from the capital budget to the expense budget for capital work performed by the Department's staff.

OTHER ADJUSTMENTS

- **Fleet Consolidation.** Due to the City's on-going fleet consolidation, the Department anticipates a fleet service savings of \$201,000 in Fiscal 2014 and in the outyears.
- **Fuel.** Due to re-estimates, the Department anticipates a decrease of \$1.2 million in Fiscal 2013 and \$773,000 in Fiscal 2014 and in the outyears for fuel costs.
- **Gasoline.** Due to re-estimates, the Department anticipates a decrease of \$204,000 in Fiscal 2013 and \$75,000 in Fiscal 2014 and in the outyears for gasoline costs.
- **Heat, Light and Power.** Due to re-estimates, the Department anticipates a decrease of \$911,000 in Fiscal 2013 and \$241,000 in Fiscal 2014 and in the outyears in heat, light and power costs.
- **Renewal of Croton and PlaNYC Funding.** The Fiscal 2014 Executive Budget includes \$4.3 million in Fiscal 2014 for expenses associated with a PlaNYC initiative for the Croton filtration forestry program funded through intra-funding agreements (IFAs).

MAJOR DEPARTMENT OF PARKS AND RECREATIONS ISSUES

COUNCIL INITIATIVES

The Fiscal 2013 Adopted Budget includes \$19.2 million provided by the City Council to restore cuts to DPR's budget. The restoration includes \$16.8 million for the Parks Job Training Participants (JTPs) program, \$1 million for playground associates and \$1.4 million to prevent pool closures and the shortening of the pool season. In the Fiscal 2014 Executive Budget, no restoration has been proposed for any of these cuts. These cuts, if not restored, will displace approximately 1,777 seasonal workers including 1,747 JTPs, a key component of the Department's workforce responsible for park maintenance, cleanliness, and supervised recreation.

- **Parks Job Training Participants.** First proposed as a PEG in Fiscal 2011, this cut, if not restored will force the Department to reduce the number of Job Training Participants (JTP) in the Parks Opportunity Program (POP) by approximately 850 full-time equivalent positions in Fiscal 2014. In the Fiscal 2013 Adopted Budget, to minimize the full impact of this cut to park maintenance, the Council provided a full restoration of \$16.8 million for the JTP program. In Fiscal 2011 and 2012, the Council provided a partial restoration of \$2.9 million each year for the JTP program.
- **Playground Associates.** The Council provided \$1 million to support 30 FTE playground associates. These positions provide supervised recreation in local parks and playgrounds. Because the Fiscal 2013 funding was not baselined, these positions are in jeopardy in Fiscal 2014.
- **Close Four Pools and Shorten the Outdoor Pool Season.** To save \$1.4 million annually, the Department proposed to eliminate outdoor pool operations in the final two weeks of the pool season and close four pools the entire season. At the time of writing this report, the four pools are yet to be determined. However, in Fiscal 2013, Wagner Pool in Manhattan, Howard Pool in Brooklyn, Fort Totten Pool in Queens, and Faber Pool in Staten Island were selected to be closed but due to the Council's funding of \$1.4 million, the planned closures were averted.

CAPITAL PROGRAM

The Executive 2014 Capital Commitment Plan (May Plan) includes \$2.4 billion in Fiscal 2013-2017 for the Department of Parks and Recreation (including City and Non-City funds). This represents approximately 5.4 percent of the City's total \$44.5 billion Executive Plan for Fiscal 2013-2017. The agency's Executive Commitment Plan for Fiscal 2013-2017 is 12.7 percent greater than the \$2.1 billion scheduled in the Preliminary Commitment Plan, an increase of \$267.3 million.

The majority of capital projects span multiple fiscal years, and it is, therefore common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal Year 2012, the Department of Parks and Recreation committed \$290.4 million or 28 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2013 Capital Plan will be rolled into Fiscal 2014. Since adoption last June, the City-wide total Capital Commitment Plan for Fiscal 2013 has decreased from \$17.9 billion in the September Capital Commitment Plan to \$16.6 billion in the Executive Capital Commitment Plan, a decrease of \$1.3 billion or 7.3 percent.

2013-2017 Commitment Plan: Preliminary and Executive Budget

Dollars in Thousands

	FY13	FY14	FY15	FY16	FY17	Total
Prelim						
Total Capital Plan	\$1,383,211	\$364,595	\$244,721	\$64,049	\$55,986	\$2,112,562
Exec						
Total Capital Plan	\$1,539,876	\$457,123	\$251,791	\$70,049	\$60,986	\$2,379,825
Change						
Level	\$156,665	\$92,528	\$7,070	\$6,000	\$5,000	\$267,263
Percentage	11.33%	25.38%	2.89%	9.37%	8.93%	12.65%

MAJOR CAPITAL PROJECTS & EXECUTIVE BUDGET HIGHLIGHTS

The Fiscal 2014 Capital Commitment Plan for the Department totals \$457.1 million, of which \$263.5 million is City funds. Because the City Council has routinely provided Capital funds for various parks improvement projects, City Council capital funding provides a large portion of DPR's annual City-funded Capital commitments. These additional funds are generally reflected in the Adopted Budget. Funding and changes for major Department of Parks and Recreation projects in the Capital Plan for Fiscal 2013-2017 includes:

- Planned commitments totaling \$385.8 million in Fiscal 2014-2015, with an additional \$327.7 million included in Fiscal 2013 for projects associated with Superstorm Sandy;
- Planned commitments totaling \$364.9 million in Fiscal 2014-2017 for the reconstruction of Large, Major and Regional Parks, including \$131.7 million for costs associated with Superstorm Sandy damage, \$48.6 million for the acquisition of the Bayside site at Bushwick Inlet Park in Brooklyn, and \$9.4 million for the construction of North Park at Fresh Kills in Staten Island;
- Planned commitments of \$108.1 million for land acquisition and tree planting, including \$83.9 million provided as part of PlaNYC 2030 and \$6 million for Goodhue Woods Park acquisition;

- Planned commitments of \$52.3 million for the reconstruction and rehabilitation of specialized and youth-oriented major recreational facilities, including indoor recreation centers, pools, tennis courts, and playing fields. Of that amount, \$32.9 million is for projects associated with Superstorm Sandy;
- Planned commitments of \$28.7 million for the reconstruction of beaches and boardwalks, of which \$24.7 million is in Fiscal 2013;
- Planned commitments of \$284.5 million for neighborhood parks and playgrounds in Fiscal 2014-2017 including \$94 million for parks and playgrounds damaged by Superstorm Sandy; and
- Planned commitments of \$50.2 million for vehicles and equipment, of which \$25.3 million is in Fiscal 2013.

APPENDIX 1: BUDGET ACTIONS IN THE EXECUTIVE PLAN

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of the Preliminary 2013 Plan	\$268,368	\$182,668	\$451,036	\$283,243	\$60,838	\$344,081
New Needs						
Central Park Conservancy	\$0	\$0	\$0	\$2,810	\$0	\$2,810
Croton Forestry Agreement with Parks	0	0	0	0	1,454	1,454
TOTAL, New Needs	\$0	\$0	\$0	\$2,810	\$1,454	\$4,264
Other Adjustments						
Fleet Consolidation	\$0	\$0	\$0	(\$201)	\$0	(\$201)
Fuel	(1,241)	0	(1,241)	(773)	0	(773)
Gasoline	(204)	0	(204)	(75)	0	(75)
Heat, Light and Power	(911)	0	(911)	(241)	0	(241)
Hudson River Park PEP	0	2,411	2,411	0	0	0
Hurricane Sandy FEMA Funding	0	(5,320)	(5,320)	0	0	0
IFA PS Surplus	0	(2,277)	(2,277)	0	0	0
Lease Adjustment	0	0	0	476	0	476
Parks (JBRC) - Sandy MOU	0	1,482	1,482	0	0	0
Renewal of Croton & PlaNYC Funding	0	0	0	0	4,319	4,319
Shape Up NYC	0	0	0	30	0	30
Misc. City Adjustments	(14)	0	(14)	0	0	0
Intra-City Adjustments	0	1,329	1,329	0		0
State Grants and Adjustments	0	915	915	0	0	0
Federal Grants and Adjustments	0	812	812	0	0	0
Other Categorical Grants and Adjustments	0	2,079	2,079	0	0	0
TOTAL, Other Adjustments	(\$2,370)	\$1,431	(\$939)	(\$784)	\$4,319	\$3,535
TOTAL, All Changes	(\$2,370)	\$1,431	(\$939)	\$2,026	\$5,773	\$7,799
Agency Budget as of the Executive 2014 Plan	\$265,998	\$184,099	\$450,097	\$285,269	\$66,611	\$351,880

APPENDIX 2: BUDGET ACTIONS IN THE NOVEMBER, PRELIMINARY AND EXECUTIVE PLANS

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of the Adopted 2013 Plan	\$255,133	\$82,462	\$337,595	\$244,175	\$60,792	\$304,967
New Needs						
Central Park Conservancy	\$524	\$0	\$524	\$2,810	\$0	\$2,810
Flushing Meadows Corona Pool	1,840	0	1,840	1,500	0	1,500
Parks Staffing	6,561	0	6,561	26,243	0	26,243
Croton Forestry Agreement with Parks	0	0	0	0	1,454	1,454
TOTAL, New Needs	\$8,924	\$0	\$8,924	\$30,553	\$1,454	\$32,007
Other Adjustments						
DEP Fleet Transfer	\$451		\$451	\$558		\$558
IFA Forestry Staffing		176	176		351	351
Pelham Bay	0		0	1293		1,293
AIP Fringe	0	0	0	(3,269)	0	(3,269)
Battery Park	0	1,085	1,085	0	0	0
Disaster NEG Intra-city w Parks	0	7,456	7,456	0	0	0
EDC Managed Sandy Expense	0	1,000	1,000	0	0	0
Hurricane Sandy/Irene FEMA Funding	0	68,696	68,696	0	0	0
Lease Adjustment	367	0	367	0	0	0
Shape Up NYC	0	155	155	30	0	30
Sidewalks	3,305	(305)	3,000	3,305	(305)	3,000
Cedar Grove	0	1,129	1,129	0	0	0
Fleet Consolidation	0	0	0	(201)	0	(201)
Fuel	(1,241)	0	(1,241)	(773)	0	(773)
Gasoline	(204)	0	(204)	(75)	0	(75)
Heat, Light and Power	(911)	0	(911)	(241)	0	(241)
Hudson River Park PEP	0	2,411	2,411	0	0	0
IFA PS Surplus	0	(2,277)	(2,277)	0	0	0
Lease Adjustment	0	0	0	476	0	476
Parks (JBRC) - Sandy MOU	0	1,482	1,482	0	0	0
Renewal of Croton & PlaNYC Funding	0	0	0	0	4,319	4,319
Misc. City Adjustments	174	0	174	1	0	1
Intra-City Adjustments	0	3,074	3,074	0	0	0
State Grants and Adjustments	0	5,588	5,588	0	0	0
Federal Grants and Adjustments	0	3,467	3,467	0	0	0
Other Categorical Grants and Adjustments	0	8,500	8,500	0	0	0
TOTAL, Other Adjustments	\$1,941	\$101,637	\$103,578	\$1,104	\$4,365	\$5,469
PEG Restorations and Substitutions (PRS)						
Attrition Incentive Program (AIP)	\$0	\$0	\$0	\$9,437	\$0	\$9,437
TOTAL, PRS	\$0	\$0	\$0	\$9,437	\$0	\$9,437
TOTAL, All Changes	\$10,865	\$101,637	\$112,502	\$41,094	\$5,819	\$46,913
Agency Budget as of the Executive 2014 Plan	\$265,998	\$184,099	\$450,097	\$285,269	\$66,611	\$351,880

APPENDIX 3: COUNCIL INITIATIVES

FY 2013 Council Changes at Adoption

Dollars in Thousands

Council Restorations	
Parks Job Training Participants Program	\$16,783
Pools – Restoration of Pool Closures	546
Pools – Maintain full Pool Season	891
Playground Associates	1,000
Subtotal	\$19,220
Local Initiatives	\$1,219
TOTAL	\$20,439

APPENDIX 4: DPR MISCELLANEOUS REVENUE BUDGET

Agency Revenue Projections

Dollars in Thousands

DPR Miscellaneous Revenue Sources	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Recreational Facility Permits	\$5,627	\$5,627	\$5,627	\$5,627	\$5,627
Park Concessions	43,810	43,810	43,810	43,810	43,810
Recreation Service Fees	4,700	8,822	8,822	8,822	8,822
Camp and Play School Fees	817	817	817	817	817
Reimburse OT and Wenger Wagon	500	500	500	500	500
Event Fees	4,000	4,400	4,400	4,400	4,400
79th Street Boat Basin Rent	1,140	1,140	1,140	1,140	1,140
World's Fair Marina	1,131	1,131	1,131	1,131	1,131
Sheepshead Bay Marina	200	200	200	200	200
Yankee Stadium Rent	1,400	1,400	1,400	1,400	1,400
Shea Stadium Rent	155	400	400	400	400
Brooklyn Minor League Stadium	350	350	350	350	350
Inspection and Maintenance Fees	90	90	90	90	90
Revenue Initiative	7,000	7,000	7,000	7,000	7,000
Randall's Island	1,420	1,420	1,420	420	420
Tree Restitution	1,600	500	500	500	500
Total	\$73,940	\$77,607	\$77,607	\$76,607	\$76,607