

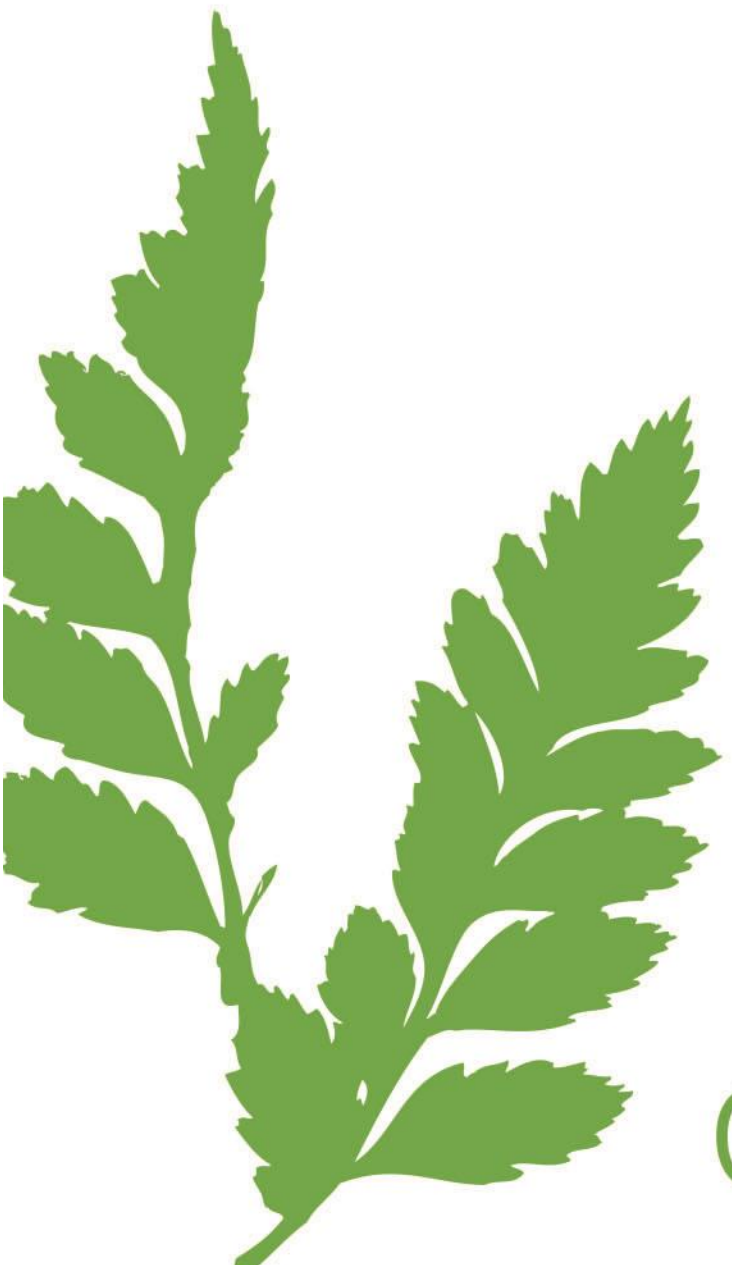
2021-2026 Revenue Forecast

Statewide Park and Recreation COVID-19 Coordination Call- July 16, 2020

Originally presented to MPT Executive Cabinet- Budget Workshop July 9, 2020

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CREATING HEALTHY OPPORTUNITIES TO PLAY, LEARN AND GROW.

OBJECTIVES

- State of the Economy in the new biennium.
- Introduce initial revenue drivers and expenditure assumptions.
- Present preliminary 6-year revenue forecast.



State of the Economy

- Metro Parks Tacoma is faced with approaching budget development for the 2021-22 biennium with tremendous uncertainty.
- COVID-19 Pandemic presents challenges to ensure we provide a safe environment.
- Heightened importance of social distancing is gatherings, classes, programming, activities, attractions, and events will dictate economic impact.
- COVID-19 continues to negatively impact local, state and federal economies at levels never been seen or experienced before.
- Public agencies who depend on certain taxes and earnings generated by discretionary spending are being challenged in its approach to future budgeting.
- According to finance scholars, we are in for a “Perfect Fiscal Storm”.
- Record-breaking job losses and unemployment claims continues
- There is no certainty for future financial aid from the state and/or federal governments.
- Municipalities are enduring an economic crisis 3X deeper than they faced during the Great Recession of 2008.....and in half the time!

State of the Economy – Looking Ahead.....

Despite it all, MPT still has to produce a budget for the next two years, and unlike the federal government, our budget needs to balance. In order to weather the storm, MPT should strongly consider these four important guidance as we plan for the future:

- **Make strategic budget cuts.** A typical way to save money is to ask for across-the-board budget cuts of a certain percentage from every department. Instead, let's identify what each department spends and earns on each activity they provide. This will allow lower-priority programming and services be identified for cuts and higher priorities can be spared.
- **Rethink budget forecasting.** Revenue forecasts are typically based on past experiences — with how real estate values or sales tax receipts, for example, and how they've changed over time. For our next biennium budget, historical data may not have any significance in projecting the future. Identify what are new drivers and assumptions need to be.
- **Ask community members what they need.** In this environment, engaging the community is more important than ever in a time of austerity. The community can help identify or confirm priorities for which programs and services be shielded from budget cuts and help design effective programs that can add value to quality of life.
- **Look for opportunities to transform the future.** MPT needs to actively pursue every opportunity to **innovate** and **transform** the programs and services we offer and provide. Based on the 'new-normal' we face, MPT needs to develop a safe environment to innovate and continued assessment of the effectiveness of how we currently operate.



Revenue Drivers & Expenditure Assumptions

Revenue Drivers: 2021-2020

REVENUE TYPE	ASSUMPTIONS	
	Fiscal Year 2021	Fiscal Year 2022
Property Tax	1%	1.5%
Sales Tax	10% reduction from 2019 actuals	2019 actual level
Earned Revenue – Parks & Rec	50% reduction from 2019 actuals	25% reduction from 2019 actuals
Earned Revenue – ZEED	10% reduction from 2019 actuals	2019 actual level
Earned Revenue –PD Marina	2019 Actual Level	2% of 2021
Earned Revenue – Meadow Park GC	2019 Actual Level	2% of 2021
Corporate Sponsorships/Marketing (Resource Development)	\$298,500	\$420,000
Grants/Major Giving (Resource Development)	\$260,000	\$280,000

Revenue Drivers: 2023 - 2026

REVENUE TYPE	ASSUMPTIONS
	2023 - 2026
Property Tax	2%
Sales Tax	4%
Earned Revenue – Parks & Rec	3%
Earned Revenue – ZEED	3%
Earned Revenue –PD Marina	3%
Earned Revenue – Meadow Park GC	3%
Corporate Sponsorships – Resource Development	3%
Grants/Major Giving – Resource Development	3%

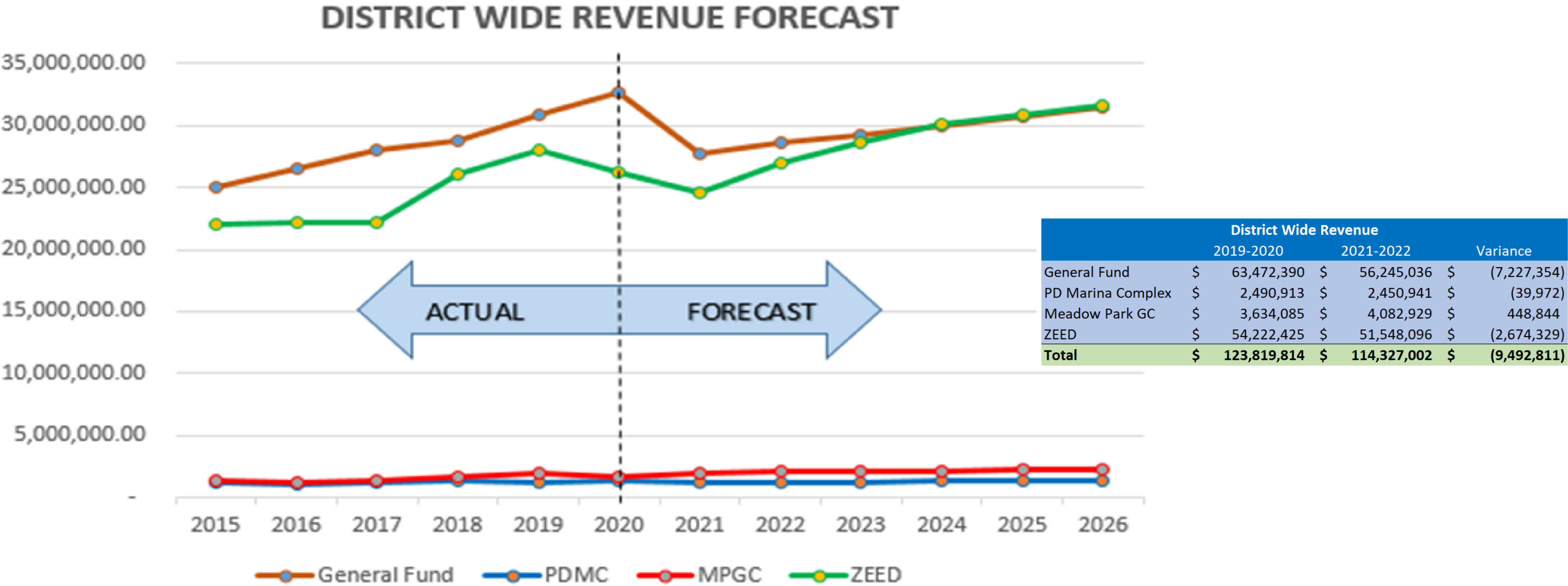
Expenditure Assumptions:

EXPENDITURE TYPES	ASSUMPTIONS	
	Fiscal Year 2021	Fiscal Year 2022
COLA – Non-Represented Staff ¹	3%	3%
COLA + Step Increases – Represented Staff ²	3%	3%
Minimum Wage Increases ³	CPI-W	CPI-W
Medical Benefits Changes	TBD	TBD
Department of Retirement System Changes	TBD	TBD
L&I Worker’s Compensation Changes	TBD	TBD
General Inflation – Supplies, materials, contracts, etc. ⁴	2.5%	2.5%



Revenue Forecast

Revenue Forecast – District Wide Revenue



DISTRICT WIDE 6-YR REVENUE FORECAST	ACTUAL					BUDGET 2020	FORECAST					
	2015	2016	2017	2018	2019		2021	2022	2023	2024	2025	2026
General Fund	24,992,563.28	26,566,652.69	28,040,121.63	28,740,391.03	30,804,172.92	32,668,217.00	27,671,715.96	28,573,319.94	29,299,415.39	30,019,456.03	30,783,992.97	31,543,594.47
PDMC	1,254,431.09	1,022,450.39	1,272,283.00	1,326,524.15	1,189,946.44	1,300,967.00	1,213,356.92	1,237,584.05	1,274,711.58	1,312,952.92	1,352,341.51	1,392,911.76
MPGC	1,345,199.51	1,276,651.70	1,338,398.68	1,630,870.84	1,983,085.43	1,651,000.00	2,021,747.14	2,061,182.08	2,071,517.54	2,133,663.07	2,197,672.96	2,263,603.15
ZEED	22,038,049.10	22,112,667.63	22,210,240.33	26,023,040.74	28,035,008.78	26,187,416.01	24,521,423.56	27,026,672.57	28,667,188.31	30,149,123.58	30,853,201.58	31,555,938.42
District Wide Total	49,630,242.98	50,978,422.41	52,861,043.64	57,720,826.76	62,012,213.57	61,807,600.01	55,428,243.58	58,898,758.64	61,312,832.83	63,615,195.61	65,187,209.02	66,756,047.80