

2025-2026 Budget Amendment #2

First Reading

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Prepared by:

Tania Wink, Chief Financial & Administrative Officer

George Schaaf, Parks & Recreation Director

Terry Jungman, District-Wide Capital Improvement Program Manager

John Landergan, Budget Administrator

What We Will Cover Today

01

Section 01 | Amendment #1 Recap

Impacts from the November 2025-2026 Budget Amendment

02

Section 02 | General Fund

2025-2026 Budget Amendment #2 Impacts to General Fund

03

Section 03 | Enterprise Funds

2025-2026 Budget Amendment #2 Impacts to Enterprise Funds

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Section 04 | Capital Fund

Amendments to the Capital Fund

What drove the first amendment (November 2025)?

\$8M Shortfall

General Fund exceeded expenditure budget by ~\$7M; revenue underperformance contributed ~\$8M overall shortfall in 2024.

51 FTEs Frozen or Eliminated

27 vacant positions, 10 voluntary separations, 14 layoffs. Multiple executive and management roles eliminated.

\$5.7M Revenue Cut

General Fund revenue assumptions reduced, primarily driven by \$7M decrease in earned revenues from recreation programs.

COLA Eliminated

2026 cost-of-living adjustment for non-represented staff was removed as part of expenditure controls.

Amendment #1 (Nov 25) Impacts

General Fund (ALL)

Amendment #1 was designed to minimize impacts to the community.
Eliminated positions included:

Amendment #1 Impacts	Vacant Positions	27 FTE
	Voluntary Separations	10 FTE
	Layoffs	14 FTE
	Biennium Revenue Decrease	(\$6M)
	Services & Charges Decrease	(\$2M)

Amendment #1 (November 2025) Impacts

Parks & Recreation

Amendment #1 was designed to minimize impacts to the community. Eliminated positions included a Deputy Director and a Division Manager.

Amendment #1 Impacts	Positions Held Vacant	17 FTE
	Voluntary Separations	5 FTE
	Layoffs	12 FTE
	Biennium Revenue Decrease	(\$7M)
	Services & Charges Decrease	(\$2M)

Amendment #1 (November 2025) Impacts

Parks & Recreation

**Amendment #1
Impacts**

Eliminated the Outdoor Adventures program

Cancelled Utility Audits & Leak Repairs

Reduced Arts, Fitness, and Aquatics offerings

Eliminated all non-essential travel and training departmentwide (excl. Enterprises)

Reduced contributions to Fleet & Equipment replacement

Suspended partnerships with Northwest Youth Corps and Washington Trail Association

Eliminated virtually all professional services from Office of the Recreation Director

Amendment #1 (November 2025) Impacts

Office of the Executive Director and Business, Administration & Planning

Amendment #1 was designed to minimize impacts to the community. Eliminated positions included one Chief and one Officer.

Amendment #1 Impacts	Positions Held Vacant	10 FTE
	Voluntary Separations	5 FTE
	Layoffs	2 FTE
	District-wide Insurance Increase	\$0.5M

Section 02 | General Fund — Why Amendment #2 Is Necessary

The first amendment was built on a flawed foundation.

Unverified Revenue Assumptions

Prior revenue projections were increased to produce a balanced budget without corresponding expense reductions — not grounded in confirmed or recurring sources.

Unrealistic Expectations of Partners

\$2.9M from local government agencies and philanthropy were budgeted without confirmation or commitments.

Corrective Action Taken

This amendment grounds all revenue strictly in verified actuals and aligns expenditures to true funding levels, producing a structurally balanced 2026 budget.

Section 02 | General Fund — Revenue Impacts

\$7.7M

Net Revenue Reduction

-\$6.8M

Flawed revenue projections

Program fees, donations, services, rentals, sponsorships

-\$1.6M

Property tax forecast adjustment

Updated forecast based on verified data

+\$750K

Summer Teen Late Night grant (pass-through)

Offset by equal increase in expenditures — net zero impact

Note: Program eliminations also reduce earned revenues — costs of running these programs exceeded revenues generated, with cost recovery well below policy thresholds.

Section 02 | General Fund — Expenditure Impacts

Parks & Recreation

- 18 full-time layoffs + 13 vacancies unfilled
- 75,000 part-time/seasonal hours reduced
- Contribution to Beyond the Bell, Club B, and Licensed Childcare eliminated
- Power League & Adaptive Sports discontinued
- Events reduced/cancelled
- Spraygrounds: Memorial Day– Labor Day only
- Irrigation reduced by at least 50%

Business Administration & Planning

- 3 full-time layoffs + 6 vacancies unfilled
- Expenditures reduced by over \$2.8M
- 30–50% of select staff salaries reallocated to Bond Funds
- Reductions in travel, supplies, technology & professional services
- Capacity reduced in HR, Finance, IT, Asset Mgmt, Marketing

Office of the Executive Director

- \$685K in expenditure reductions
- Primarily cuts to professional services contracts

Commitment to Core Services

Parks & Recreation

Park & Facility Maintenance

Safety & Security

Regional Events & Attractions

Aquatic Facilities & Programs

Community Centers

Community Recreation Programs

Youth Programs Remaining in Budget

Parks & Recreation

Free Summer Meal Program

Summer Teen Late Night

Summer Camps

Adaptive & Specialized Camps (2026)

Youth Sports

Youth Programs @ Community Centers

Amendment #2 (June 2026) Staff Impacts

Parks & Recreation

Amendment #2 Staff Impacts	Positions Held Vacant	13 FTE
	Layoffs	18 FTE
	Part-Time Hours Reduced	75,000

Office of the Executive Director and Business, Administration & Planning

Amendment #2 Staff Impacts	Positions Held Vacant	6 FTE
	Layoffs	3 FTE

Staff Impacts – Both Amendments

General Fund (ALL)

Full-Time

	Parks & Recreation	Business, Admin & Planning	Office of the Executive Director	Total
Layoffs	30	5	0	35
Voluntary Separations	5	3	2	10
Vacant Positions	30	16	0	46
Total	65	24	2	91

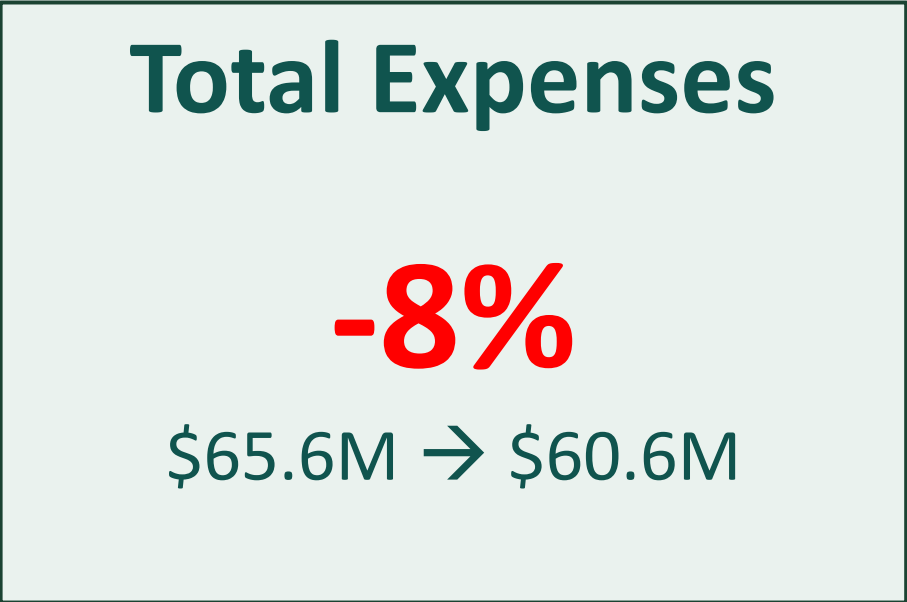
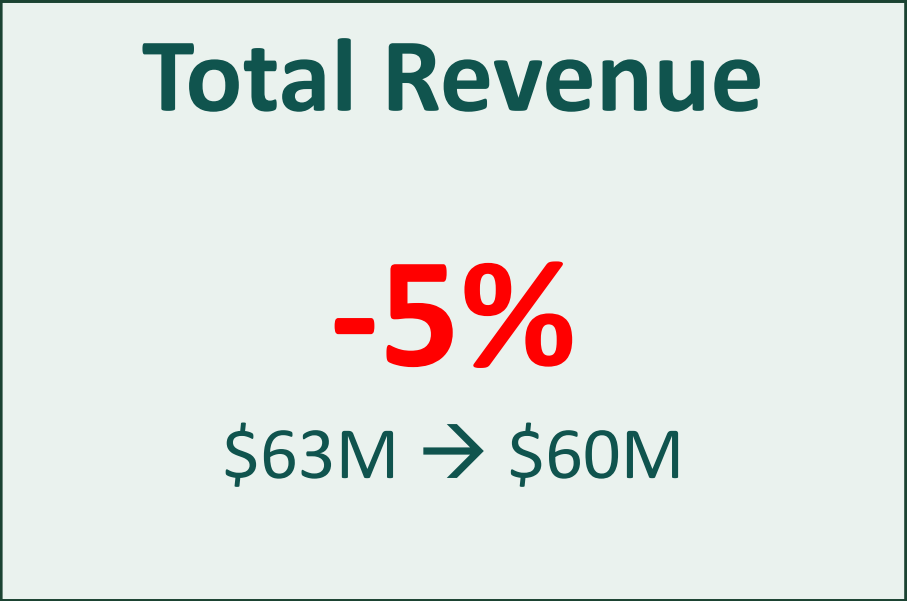
Part-Time

	Parks & Recreation
Part-Time Hours Reduced	75,000

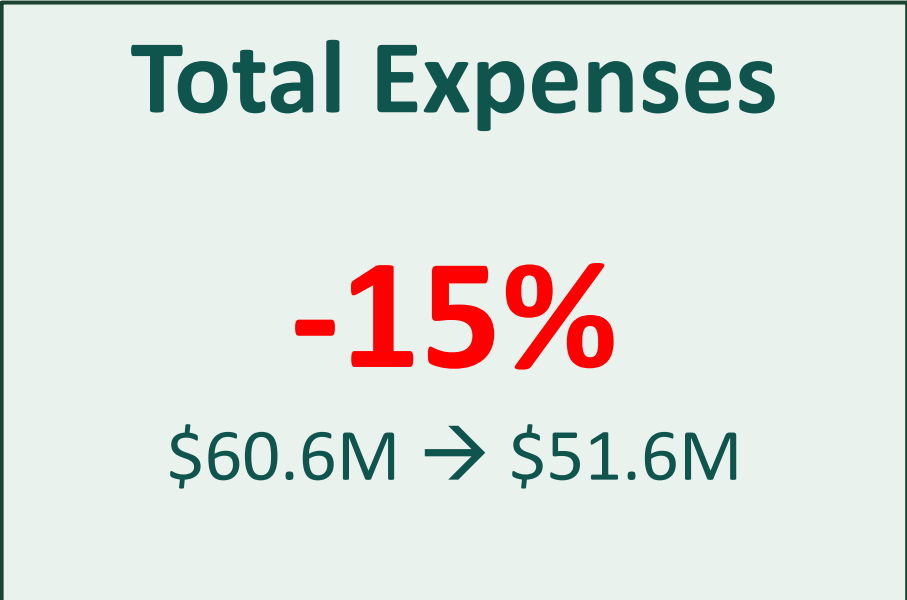
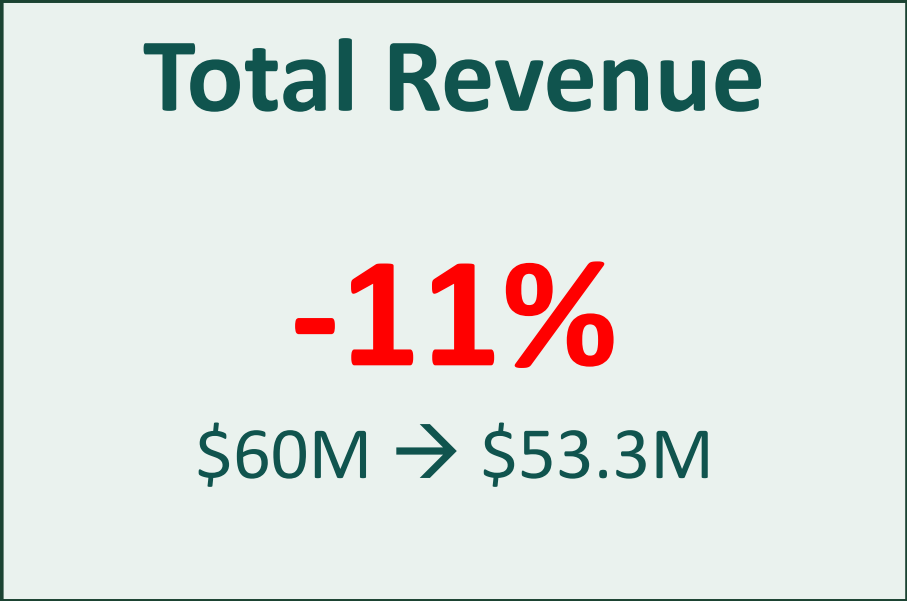
Amendment #2 at a Glance – General Fund

How the 2026 budget has changed from Original & Amendment #1

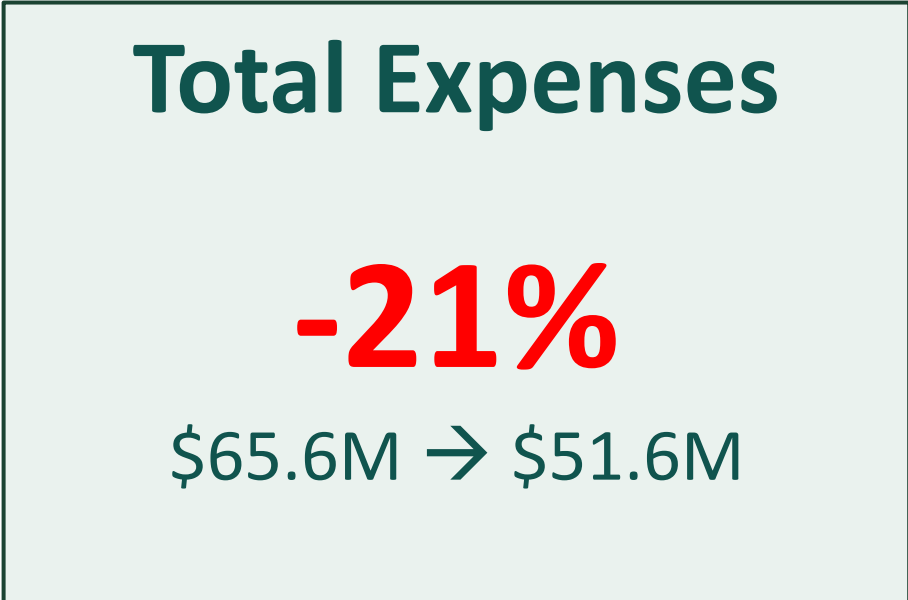
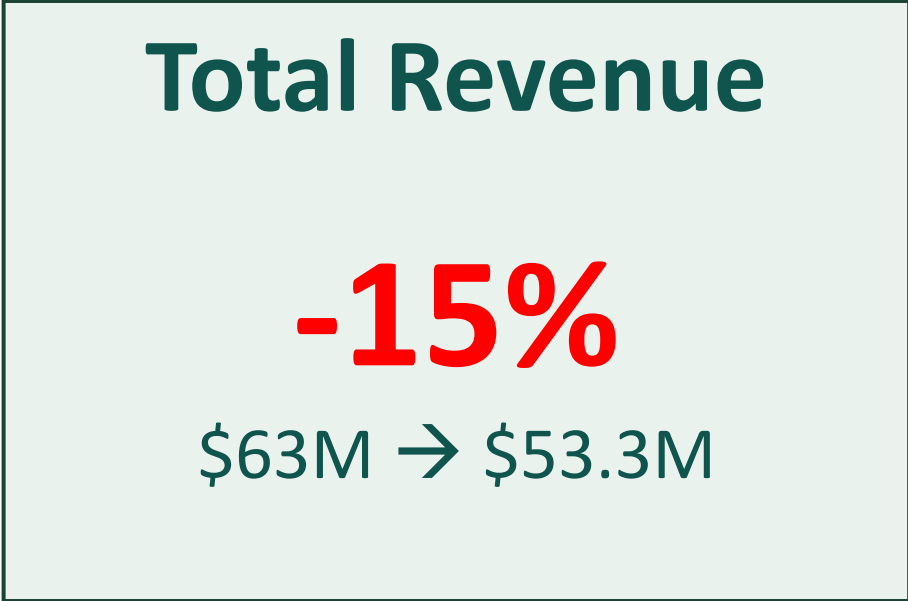
Original vs. Amendment #1



Amendment #1 vs Amend #2



Original vs Amendment #2



Amendment #2 – Parks & Recreation Department

How the 2026 budget has changed from Original & Amendment #1

Original vs. Amendment #1

Total Revenue

-7%

\$47.4M → \$44M

Total Expenses

-10%

\$47.4M → \$42.8M

Amendment #1 vs
Amendment #2

Total Revenue

-14%

\$44M → \$37.7M

Total Expenses

-15%

\$42.8M → \$36.4M

Original vs Amendment #2

Total Revenue

-21%

\$47.4M → \$37.7M

Total Expenses

-23%

\$47.4M → \$36.4M

Amendment #2 – Business Administration & Planning Department*

How the 2026 budget has changed from Original & Amendment #1

Original vs. Amendment #1

Total Revenue

3%

\$13.1M → \$13.4M

Amendment #1 vs Amend #2

Total Revenue

-2%

\$13.4M → \$13.2M

Original vs Amendment #2

Total Revenue

1%

\$13.1M → \$13.2M

Total Expenses

4%

\$14.9M → \$15.4M

Total Expenses

-12%

\$15.4M → \$13.5M

Total Expenses

-9%

\$14.9M → \$13.5M

*Reflects transfer of Parks and Recreation Finance, Human Resources, IT, and Marketing staff to Business Administration & Planning

Amendment #2 – Office of the Executive Director

How the 2026 budget has changed from Original & Amendment #1

Original vs. Amendment #1

Total Revenue

0%

\$2.6M → \$2.6M

Total Expenses

-29%

\$3.3M → \$2.4M

Amendment #1 vs
Amendment #2

Total Revenue

-4%

\$2.6M → 2.5\$M

Total Expenses

-30%

\$2.4M → \$1.7M

Original vs Amendment #2

Total Revenue

-4%

\$2.6M → \$2.5M

Total Expenses

-50%

\$3.3M → \$1.7M

Section 02 | General Fund — Indirect Cost Rate Correction

The prior 2% indirect rate was insufficient to recover true General Fund overhead costs.

\$2.2M+

WCIA Insurance

\$1.8M+

IT Network & Applications

\$150K+

Financial Audits

Under Governmental Accounting Standards Board (GASB) principles and Washington State Auditor's Office guidance, costs incurred by the General Fund on behalf of Enterprise Fund operations should be identified and allocated using a reasonable and consistently applied cost allocation methodology.

Meadow Park Golf Course

Recovery of 4 years of indirect costs never charged at the appropriate rate. Ensures the General Fund is made whole for overhead services provided but never reimbursed.

ZEED Enterprise Fund

Additional 1% indirect charge applied. Recognizing ZEED's budget was built on balanced revenues/expenditures, the District is not charging full overhead — full cost will be incorporated into future cost allocation models.

2026 General Fund Budget — Post Amendment #2

\$53.3M

Total
Revenues

\$51.6M

Total
Expenditures

\$1.7M

Surplus/Addition
to Fund Balance

5% Met ✓

Fund Balance
Reserve Policy

The second amendment adopts a total General Fund budget of \$53.3 million in revenues and \$51.6 million in expenditures, which equates to a \$1.7 million surplus and addition to the District's Fund balance. This meets minimum policy reserves at 5 percent.

Amendment #2 Impacts

Zoological & Environmental Education Department (ZEED)

- Positive net-impact of amendment to NWT Foundation agreement
- Recognized revenue from Trek overnight rentals
- Include Dambo Troll exhibit revenue and associated expenses
- Rehire previously frozen Trek keeper position
- Recognize spending of previously received grant funds

Amendment #2 Impacts	Revenue Increase	\$0.5M
	Expense Increase	\$0.5M

ZEED Total Budget: \$34.2M Revenues | \$34.5M Expenditures | \$390K Planned Use of Working Capital

2025-2026
Capital Improvement Plan (CIP)
Budget Amendment



New Projects

- Headquarters Server Room HVAC
- Fort Nisqually Sales Shop & Kitchen
- Gault School Property Acquisition
- Ruston Way / Foss Waterway
- PDZA Pumphouse Repairs
- PDZA Admin Crawlspace
- PDZA Roofing Replacements
- PDZA Asia Hallway Flooring
- NWT Generator
- ZEED Site Painting



Additional Funding

- South Park Sprayground - Insurance Proceeds
- Titlow Park North Hidden Beach Bridge
 - RCO Grant - ALEA Program
 - RCO Grant - WWRP Water Access
- Peck Sports Field Lighting
 - RCO Grant - YAF
- Wapato Playground
 - RCO Grant - WWRP Local Parks
- Gault School Property Acquisition
 - RCO Grant - WWRP Local Parks
- Fort Nisqually Kitchen/Sale Shop
 - WSHS Grant and Donation



Adjusted Funding/Spending

- Reimagine Meadow Park Golf Course
- Project Management and Administration
- Swan Creek Probst Property Acquisition
- Norpoint Park Improvements
- Portland Avenue Park Phase 1
- Peck Community Sports Park Phase 2
- Playground Projects
 - Cloverdale
 - Alderwood
 - North Slope Historic
 - Lincoln Heights



2025-2026 CAPITAL FUND TOTAL BUDGET SUMMARY

Major Category	Planned Funding Distribution		Biennium	
	2014 Bond	Foundations, Partnerships, Donations, Grants & Other	FY 2025	FY 2026
North Pacific Aquarium & Exhibits	3,585,061	4,018,609	818,208	6,785,462
Regional Parks	5,849,147	5,866,180	6,678,175	5,037,152
Waterfront Parks & Facilities	2,016,981	1,727,758	1,367,337	2,377,401
Historical & Cultural Landmarks	2,143,588	1,125,235	1,676,305	1,592,518
Community Parks	1,837,422	1,306,651	867,601	2,276,473
Neighborhood Parks & Recreation Small Capital Improvement	3,739,778	855,800	989,997	3,605,581
Sports Complexes & Athletic Field Renovations	2,048,926	5,564,550	820,561	6,792,914
Community Centers	279,857	620,784	27,199	873,443
Open Space, Trails, & Natural Areas	646,705	95,290	-	741,995
System Efficiencies	5,479,232	1,481,299	1,633,758	5,326,773
TOTAL	27,626,697	22,662,156	14,879,141	35,409,712
% Distribution of Planned Funding	54.9%	45.1%	Biennium Total	50,288,853

Thank you

PARKS
TACOMA