



MEMORANDUM

TO: Board of Park Commissioners

FROM: Tony Piasecki, Interim Executive Director

SUBJECT: Responding to Budget Questions & Concerns

DATE: June 3, 2026

Following the May 18th Public Hearing about the budget, Board members submitted numerous questions, concerns, and ideas related to the upcoming budget amendment. This memo is designed to respond to those inquiries. Please let us know if any of this material is not clear or needs additional detail.

Partial budget amendment - Can we make the cuts that we are certain of by the end of May (i.e. excluding the youth activities), and then take advantage of the extra time in June before the school year ends to urgently search for alternatives for Beyond the Bell?

To some degree, yes. Rather than implement all cuts at the end of May as originally envisioned, we shifted to enable all school-based programs to complete the school year, which ends in mid-June, or in some cases to complete certain summer programming. Going beyond that timeline, however, creates significant financial risk.

Maintaining our fund balance within Board policy is necessary to protect the District's overall financial stability. If we delay implementing reductions, we significantly increase the likelihood that the fund balance will fall below the 5 percent threshold. Falling below this level not only weakens our financial position but also creates a situation in which the District would fail to present a balanced budget for the rest of the year.

In addition, any deterioration in our fund balance or inability to show a balanced financial plan would directly affect our ability to market and issue the voter-approved 2026 UTGO bond beginning later this summer. Bond rating agencies closely scrutinize our reserves and fiscal management practices. Entering the market with a diminished fund balance or an unbalanced budget would increase borrowing costs, reduce investor confidence, and could ultimately delay the issuance.

For these reasons, we recommend doing these things simultaneously:

- Continue working with community partners to identify and evaluate after-school programming possibilities for the fall and beyond.
- Implement spending reductions at a level that ensures compliance with fiscal policy and enables the District to preserve critical system assets by proceeding with the 2026 UTGO bond issuance as planned.

Can we ask TPS to reconsider consolidation of Beyond the Bell/Club B/Teen Late Night sites? Preserving even 3 to 5 Beyond the Bell sites in our most disadvantaged neighborhoods would be preferable from an equity perspective than total elimination. Have we run the numbers on what a corrective fee structure could look like, and how many sites it would take to be solvent? I understand that this would still be counting on anticipated revenue that we can't guarantee, but I think we need to at least push for consolidation and a better fee structure before giving up.

Yes, PRD staff developed eight different scenarios to change the model for BtB, including updated fee structures, different staffing models, and reducing the number of sites. The proposal shared with TPS in early May would have leveraged the TPS-managed \$1 million in MacKenzie Scott Foundation funding with \$500,000 from a combination of increased fee revenue and Parks Tacoma property tax revenue to operate an estimated 10-12 sites. However, the Park District and TPS have been unable to reach agreement. TPS is concerned that it would only serve one-third of the schools and that many families can't afford to pay for the service. It should be noted that the Park District made this offer at a time when we understood our budget reduction target was around \$7 million. As the internal analysis of the problem continued, the reduction target increased to more than \$9 million, so a \$500,000 contribution this year would be very challenging.

As we have shared previously, BtB and Club B operate under an unusual arrangement. TPS controls access and fees, while the Park District has incurred most of the operating expense. Our intention is to continue participating in talks that explore alternatives.

This is all happening very quickly, and I am concerned it could cost even more money to restart the after-school programs in a few years. Can we take another look at fundraising and partnership alternatives, including with the Tacoma Parks Foundation and Tacoma Public Schools? Any semblance of keeping this alive, in any form, would be welcome by the community and the commissioners.

Beyond the Bell and Club B have been a top priority for Tacoma Parks Foundation (TPF) fundraising for several years, and we are confident that TPF has done everything in its power to seek funding for these programs. Nevertheless, TPF has shared that it is difficult to secure fundraising for after-school programs and recreation activities.

TPF has noted that the fundraising landscape is changing as a result of federal budget cuts, with donors increasingly focused on essential needs like housing, food security, and mental health. As a result, the program was largely subsidized by the Park District's

General Fund (fund balance), which cannot be sustained any further. The Park District and TPF want to have further conversations about how to assess priorities and opportunities for a successful partnership.

Regarding other government partnerships, TPS and Parks Tacoma have had conversations with the City in recent months about the potential for funding from the Tacoma Creates program, which has not resulted in additional support. Those conversations will continue, including one to be hosted by the Mayor in late June.

Regarding the revenue numbers, did you look at the six months, June 1 - Dec. 31 actuals for 2024 and 2025 to decide what the end-of-year 2026 revenues will be accounted for in order to do the adjustments from that point? Do you have accurate Jan. 1 - April 30 actuals and estimates for May? I realize the expense reduction numbers need to account for the full 2026 year.

The revenue figures used in the current working draft of the 2026 budget are based on the actuals and estimates we have previously shared with the Board. To clarify the methodology:

- We used verified actuals from January 1 through April 30.
- We incorporated updated May revenue estimates based on historical patterns and current-year activity.
- We then applied these trends to project June–December revenues for 2026, consistent with the approach used in prior budget cycles.

This method aligns with the revenue and expenditure data previously provided to the Board.

It is important to note that the revenue projections in prior budgets were not based on confirmed or recurring revenue sources. Instead, revenue assumptions were increased in order to produce a balanced budget in the absence of corresponding expense reductions. This approach occurred because thorough expenditure-side adjustments were not completed at the time.

Additionally, the revenue estimates incorporated information that later proved inaccurate, including anticipated partner contributions that did not materialize. For example, earlier projections assumed \$1 million in support from Pierce County for Beyond the Bell, \$1.2 million from TPF through philanthropic work (this was budgeted without the foundation's knowledge), and an additional \$700,000 from Tacoma Creates. None of those commitments ultimately came through, leaving a gap between the projected and actual revenues.

Our current work has been focused on correcting that approach by basing revenues strictly on verified sources, aligning expenses to actual funding levels, and ensuring the 2026 budget reflects a structurally balanced and accurate financial plan.

I understand we don't have detailed accounting for specific programs as the general ledger (GL) codes have changed year to year. Have we responded to TPF's request for financial data from April 21 so they can reimburse the District for expenses?

You are correct that the transition between general ledgers (GL) over the past several years has created inconsistency in how revenues and expenses are captured for specific programs. This is something we have acknowledged in previous Board updates, and we have been working to align GL usage and reconcile previous coding inconsistencies so that we are able to provide accurate program-level detail going forward.

On the Parks Foundation reimbursement request: TPF's inquiry dated April 21 requires specific documentation tied to individual grants. We recognize that these funds are important. Staff have been working through the GL cleanup and source documentation needed for the Foundation to meet donor stewardship requirements.

Intergenerational / volunteer deployment - there was a genuine desire from community to help save BtB, including going beyond giving money to giving of their time. I know this would be a giant change, but have we asked the parks staff who have been thinking about intergenerational programming for Beyond the Bell/senior hubs to see if this is an opportunity for innovation born out of necessity?

Yes, we can review that as part of the alternatives assessment. Volunteers are an important component of the work that is accomplished each year at Parks Tacoma. In 2025, volunteers provided over 63,000 hours of volunteer support to our systems in a variety of our spaces, predominantly at PDZA, NW Trek and in the maintenance of parks and places with Parks and Recreation.

Supporting a program like BtB and Club B across more than 45 sites requires a great deal of coordination and commitment from all parties working/volunteering to provide consistent care and support for the children and families in the program. We must ensure that all staff and volunteers meet the background and skills requirement to perform the work. It would be an extraordinary commitment for the number of volunteers needed to consistently staff the program across all the sites. Innovation is necessary in all times, but especially times like these and we will consider all options to support future programs. Full-time staff would be needed to coordinate and monitor these efforts and we simply don't have the budget at this time to keep these programs running at their current levels or with the increased requirements needed if using volunteers.

Can we invite the community to organize things like the Mosaic festival, and can we expand volunteerism in other ways?

Regarding Mosaic, a community group reached out and is working on producing its own event that weekend. We will continue supporting community-led arts and culture events through the Mosaic Community Connections Program and opening our facilities and parks for these events year-round.

We have active volunteer programs that focus on a variety of maintenance and support programs throughout the district, and we will work with our Managers and Volunteer Coordinators to advertise for and find the skills and backgrounds needed for the available opportunities.

Can we do less irrigation?

Last week we announced plans to reduce water use for irrigation by at least 50 percent. The reasons are twofold: as a cost-savings measure to address the budget shortfall and to move toward a sustainability goal in our Climate Action Plan to reduce overall water consumption. This will save an estimated \$365,000 just for the remainder of 2026.

Some areas will continue to maintain regular watering amounts, like programmed athletic fields, lawns that support events and special use permits, and lawns or fields where day camps and grant-funded summer lunch programs are held. Irrigation schedules in outlying areas and parks designed for passive recreation may experience reduced irrigation or complete shutdowns, resulting in additional utility savings but increased turf dormancy, browning during dry periods, and potential turf loss.

Staff have a detailed plan for how much water and how frequently shrubs, annuals, newly planted trees and mature trees need to be watered. Trees will also be closely monitored by staff to watch for signs of stress, including dropping leaves, excessive wilting and bark splitting.

Parks Tacoma spends more than \$1 million annually to water more than 80 properties and the cost continues to rise. Adding to the complexity of the problem, the District is charged a special rate class by Tacoma Water, which is double the residential rate for water. Those rates increased 6.5% in 2025 and 6.3% this year. We have indicated to TPU that we would like to have further conversations about this.

Mowing only playfields & leaving the leaves - Several advocates proposed reducing mowing and leaf raking (also, discontinuing pesticide use). I don't know how much money these options would actually save, but it speaks to an underlying question I

have: Can we pursue *more* cost-saving conservation methods that go beyond cutting irrigation?

Staff from the maintenance divisions have been asked to find cost saving mechanisms that could result in assisting with today's budget shortfall *without creating additional expenses in the future* to return these spaces to align with community expectations.

Here is why that's important: The District learned a painful lesson from the Covid-19 pandemic era, when lawns were largely left untended and unmanaged. The District has incurred significant costs in the years since the pandemic to return sports fields and turfed parks to our adopted level of service standards. In this context, it is important to note that when turfgrass is maintained at specified levels, the costs of labor and material inputs are minimized while still meeting the service and safety standards expected by the community.

Fertilizer and Herbicide Elimination

- Selective herbicide use and targeted application can control invasive species before they set seed, especially in high-risk areas.
- Reduced herbicide use would support the agency's transition toward organic and environmentally focused landscape practices which already has quite a few pesticide-free parks.
- Long-term impacts may include declining turf quality and increased weed presence in high-use areas, potentially requiring future restoration investments.
- Organic invasive and non-native weed removal requires more labor hours.

Leaf and Debris Management Changes

- Allowing organic material on site to decompose may provide soil health and moisture retention benefits in naturalized areas but would have to be considered on a park-by-park basis.
- Allowing leaves and selected organic debris to decompose can create safety concerns around slips and falls, as well as compromise the ability of grass to withstand heavy use.
- Parks Tacoma repurposes the majority of leaves collected during the fall season into compost and mulch, which are then utilized throughout its gardens and landscape beds to help suppress weeds and create good soil health.
- Debris removal would still be required in some circumstances:
 - Fire hazards
 - ADA accessibility requirements
 - Public safety concerns

- Maintaining curated landscapes and other areas that are managed to high standards for intense use or aesthetics.

Have we considered *voluntary* or mandatory furloughs for the highest paid staff?

The District is reviewing the potential impacts of voluntary or mandatory furloughs. Any furlough program must be able to clearly articulate goals and outcomes. As a relatively small agency, focusing only on high wage earners would likely generate little in meaningful savings, particularly since the Executive Cabinet was reduced by four positions during last fall's budget cuts and a fifth position in April. Additionally, my recommendation at this time is to keep the BAP director position open – after it's vacated on July 1 – until a new executive director is selected and can make a final decision on that role.

Financial Reporting – can you clarify which audits had not been completed when the current CFAO started?

When the current chief financial and administrative officer arrived in 2022, we learned the District had a backlog of un-audited financial statements dating back to 2018. It is equally important to recognize the significant progress made since then. Within a two-year period, the new CFAO's team successfully completed four fiscal year financial statement audits: 2019, 2020, 2021, and 2022. This represents a substantial effort and demonstrates a clear commitment to improving accuracy, transparency, and accountability in our financial reporting.

It is also important to clarify that the financial position presented in the audited financial statements does not fully capture the budgetary challenges the District has been managing. Government-wide financial statements and the District's operating budget serve two very different purposes within public sector finance.

Government-wide financial statements provide a long-term, accrual-based view of the District's assets, liabilities, and net position. They reflect the financial condition of the organization as a whole, but they do not measure short-term operating pressures or the year-to-year resource constraints we experience in managing programs and delivering services.

By contrast, the budget is a legally adopted, annual spending plan that focuses on cash resources, fund balance, and the District's ability to sustain operations within available revenues. It is within the budget (rather than the government-wide statements) where issues such as structural deficits, insufficient reserves, or emerging expenditure pressures become most visible.

Because these two reporting frameworks measure different things, the government-wide financial statements do not (and cannot) fully communicate the operational and budgetary challenges the District has been facing over the past several years. That analysis comes through the budgeting process, which is why strengthening our financial planning, aligning expenses to actual revenues, and maintaining appropriate fund balance levels remain critical.

Is contracting with a private security company a good use of parks funds? What functions are they performing that can't be done by Parks staff? Or is this designed to address the community's perception of safety by providing more visibility? Perhaps this is an opportunity to utilize park guides, maintenance staff, and a community watch program instead.

Allied Universal, our contracted security firm, serves a few essential functions for the district:

- They provide incident response via dispatch 24 hours a day, 7 days a week, 365 days a year.
- They provide dedicated patrol for proactive site monitoring and pooled patrol support.
- They provide daily gate and restroom closure for 92 assets (56 gates and 36 restrooms, some of which are seasonal), with a service expectation of closing all of those assets within 3.5 hours or less after sunset.

As part of this budget amendment process, PRD reviewed the cost of a number of alternative approaches to gate and restroom closures, including assigning maintenance staff and Park Guides. When the cost of salary, benefits, fuel, vehicles, and insurance were included, the outcomes range from an extremely modest savings of less than \$5,500 for a full year to actually creating a cost increase.

Factoring the additional administrative tasks of managing late shifts, hiring, and the increased strain on already limited staffing resources, Parks Tacoma identified that there was limited to no value in implementing those changes at this time and recommends continuing with Allied.

Should you have questions or need clarification on the information presented in this memo please reach out directly to me tony.piasecki@parkstacoma.gov or 253-439-0864.