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DEPARTMENT OF PARKS
AND COMMUNITY SERVICES

CITY OF SACRAMENTO
CALIFORNIA

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February 23, 1987

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ASSISTANT DIRECTOR

DIVISIONS:

CROCKER ART MUSEUM
GOLF
METROPOLITAN ARTS
MUSEUM & HISTORY
PARKS
RECREATION
ZOO

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Revenue from Concession Operations in William Land Park

SUMMARY

This report provides information on revenue deposited in the Fairytale Town Fund and recommends adoption of a policy for the use of these funds. An amendment to the FY 1986-87 City budget is required for improvements to Fairytale Town and the surrounding area.

BACKGROUND INFORMATION

William Land Park is the most heavily used park in the City system. Annual attendance and participation in the multitude of available recreational opportunities is estimated at 3.5 million user days. Fairytale Town, the amusement and pony rides, the Zoo and surrounding parklands have all provided entertainment to several generations of park visitors. In order to continue this tradition of providing quality family recreational opportunities, there is a critical need to reinvest money in William Land Park. Failure to do so could result in an eventual irreversible deterioration of this area.

Fairytale Town has operated as a special fund since FY 1982-83. The Fairytale Town Special Fund provides for the receipt of revenues and the expenditures of funds related to the operation of Fairytale Town and the surrounding area. The special fund approach has enabled Fairytale Town to become 100% operationally self-supporting. Furthermore, as all revenue generated by this facility is utilized to support, market and improve the area, increased attendance and the resultant increase in revenue during the past two years can be attributed to the special fund approach. Included in the revenue deposited in the special fund is the revenue received from the Fairytale Town food and gifts operation.

In recognition of the need to re-invest in William Land Park, the City Council approved, on January 15, 1985, the depositing of revenue from the amusement rides concession into the Fairytale Town Special Fund for this purpose. On April 15, 1986, the depositing of revenue from the pony rides concession into this fund likewise received Council approval. Following these Council actions, Parks and Community Services staff, together with Finance Department staff, developed a plan on the use of this additional revenue to the Fairytale Town Fund, including a hierarchy of uses, fund projections over a five-year period, and a five-year plan for re-investment of revenue into William Land Park.

The basic premise of the hierarchy of uses was that revenue deposited to the Fairytale Town Fund should first be used to support the operations of Fairytale Town (both direct and indirect costs). Previously, revenue deposited in the Fairytale Town Fund was sufficient to cover only the direct costs associated with Fairytale Town. With the addition of the amusement and pony rides concessions revenue to the Fairytale Town Fund, it is now possible to recover all costs associated with Fairytale Town, a practice which is consistent with the accounting principles associated with establishing a special revenue fund. Secondly, the funds will be used for upkeep and enhancement of Fairytale Town, the Zoo and surrounding parklands including the concessions area. The hierarchy of uses of the Fairytale Town fund is further detailed in Attachment A.

The FY 1985-86 Fairytale Town Fund balance was \$191,007 due to the fact that revenue from the amusement and pony rides concessions (\$105,984) was allowed to accumulate pending the development of an expenditure plan. Implementation of the plan, which provides for the recovery of all Fairytale Town indirect costs and for the re-investment of funds into the surrounding area during FY 1986-87 will prevent such a large accumulation of funds in the future while simultaneously maintaining a minimum fund balance. Attachment B details the Fairytale Town Fund projections for the next five fiscal years.

A five year plan for re-investment of revenue into William Land Park has been developed (Attachment C). This plan proposes improvements to Fairytale Town, the Zoo and surrounding area at a funding level consistent with the revenue projections and includes such projects as handicapped access to the concessions, renovation of the duck and boat lakes, and planting at the corner of Land Park Drive and Sutterville Road. Additional projects include landscaping and design of the Japanese gardens in Fairytale Town, correction of potential safety hazards in Fairytale Town, upgrading of the picnic areas, amphitheater and soccer field, and demolition of the old chimp cage. Proposed projects within this plan will be adjusted annually to reflect actual available funds.

FINANCIAL DATA

The Fairytale Town Special Fund, which has operated since FY 1982-83, provides for the receipt of revenue and the expenditures of funds related to Fairytale Town and the surrounding area. The special fund approach has enabled Fairytale

Town to become 100% operationally self-sufficient. Depositing of the revenue from the amusement rides and pony rides concessions in the Fairytale Town Fund provided an additional \$105,111 in revenue in FY 1985-86 and \$56,601 during the first six months of the current fiscal year.

Implementation of the proposed plan detailing the hierarchy of uses for this concession revenue will ensure that revenue deposited to the Fairytale Town Fund is henceforth used to offset both the direct and indirect costs associated with Fairytale Town operations. Indirect costs, previously paid by the General Fund, total \$23,920 for FY 1986-87 and include Zoo Division administrative costs, Administrative Division costs for concession contract administration and Parks Division maintenance costs for the concession areas. Accordingly, this plan will result in an annual savings to the General Fund ranging from \$23,290 in FY 1986-87 up to a projected \$29,226 in FY 1990-91.

The proposed plan allocates funds from the Fairytale Town Special Fund for improvements to Fairytale Town and surrounding area at a level determined by funds available after all Fairytale Town direct and indirect costs are recovered and an appropriate funding balance is retained. In accordance with the plan, FY 1986-87 projects include \$30,000 in capital improvements and \$12,000 in facility maintenance projects for a total of \$42,000.

A detailed listing of the projects follows.

FY 1986-87 Capital Improvement Projects

Automatic sprinklers in Fairytale Town	\$ 5,000
Duck lake renovation (perimeter path and shoreline area collapsing	15,000
Demolition of old chimp exhibit	<u>10,000</u>
Total:	\$30,000

FY 1986-87 Facility Maintenance Project

New rubber mats in Fairytale Town	<u>\$12,000</u>
Total:	\$12,000

An amendment to the FY 1986-87 City budgets are necessary to appropriate funds in the amount of \$42,000 from the Fairytale Town Special Fund.

No General Funds are required.

RECOMMENDATION


It is recommended that the Budget and Finance Committee approve this report and refer it to the full City Council for action. Further, it is recommended that the City Council, by resolution:

1. Approve the plan detailing the hierarchy of uses of Fairytale Town funds (Attachment A);
2. Authorize the transfer of \$30,000 from the Fairytale Town Fund for the improvements to William Land Park; and
3. Authorize the transfer of \$12,000 from the Fairytale Town Fund for maintenance in William Land Park.

Respectfully submitted,

for - G. Erling Luzzigi
ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:


JACK R. CRIST
Deputy City Manager

RPT:ja

March 3, 1987
District No. 4

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AMENDING THE FY 1986-87 CITY BUDGET FOR THE DEPARTMENT OF PARKS AND COMMUNITY SERVICES (FAIRYTALE TOWN SPECIAL FUND)

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The plan detailing the hierarchy of uses of Fairytale Town Special Fund revenue is hereby approved.
2. The FY 1986-87 capital improvement projects and facility maintenance projects are hereby approved as follows:

Capital Improvement Projects

Automatic sprinklers in Fairytale Town	\$ 5,000
Duck lake renovation (perimeter path and shoreline area collapsing)	15,000
Demolition of old chimp exhibit	<u>10,000</u>
Total:	\$30,000

Facility Maintenance Project

New rubber mats in Fairytale Town	<u>\$12,000</u>
Total:	\$12,000

3. The FY 1986-87 City budgets are hereby amended for the purpose stated in paragraph two above as follows:

Fairytale Town Special Fund	589-710-7012-4999	[\$42,000]
Duck lake renovation	589-500-L059-4820	15,000
Chimp exhibit demolition	589-500-NA07-4817	10,000
Fairytale Town sprinklers	589-500-N004-4933	5,000
Fairytale Town rubber mats	589-190-1936-4222	<u>12,000</u>
Total:		\$42,000

4. That \$23,920 shall be transferred to the General Fund to offset fiscal year 1986-87 administrative costs.

MAYOR

ATTEST:

CITY CLERK

HIERARCHY OF USES OF THE FAIRYTALE TOWN
SPECIAL REVEUNE FUND

1. Non-personnel operating costs
 - a. Includes all services and supplies, facility maintenance and equipment
2. Direct Fairytale Town personnel costs
3. Direct costs of Zoo personnel for time spent in Fairytale Town
4. Zoo administrative overhead costs
 - a. Zoo Superintendent, Administrative Assistant, Typist Clerk based upon percent of budget
5. Administration Division cost for administration of concession contracts.
6. Parks Division cost for maintenance of amusement area grounds and the grounds immediately surrounding Fairytale Town.
7. Improvements in Land Park in the area encompassing Fairytale Town, the amusement and pony rides concessions, the Zoo, and surrounding parklands.

FAIRYTALE TOWN FUND PROJECTIONS

	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	Index Factors
Beginning Fund Balance	\$144,537	\$191,007	\$156,895	\$120,109	\$ 80,605	\$ 47,836	
Revenue	237,264	295,000	309,750	325,238	341,499	358,574	5.00%
Requirements:							
Base Operating:							
Personnel	159,310	208,003	218,403	229,323	240,789	252,829	5.00%
Services & Supplies	29,704	53,689	56,910	60,325	63,944	67,781	6.00%
Equipment	1,780	1,500	1,575	1,654	1,736	1,823	5.00%
Facility Maintenance		5,000	7,500	10,000	5,000	0	
Administrative Overhead/1		19,320	20,286	21,300	22,365	23,484	5.00%
Contract Administration/2		1,400	1,470	1,544	1,621	1,702	5.00%
Land Maintenance/3		3,200	3,392	3,596	3,811	4,040	6.00%
Land Park Improvements		37,000	37,000	37,000	35,000	10,000	
Subtotal	\$190,794	\$329,112	\$346,536	\$364,741	\$374,268	\$361,659	
Ending Fund Balance	\$191,007	\$156,895	\$120,109	\$ 80,605	\$ 47,836	\$ 44,752	

1/ 15% of Zoo Superintendent, Administrative Assistant and Typist Clerk personnel costs representing the administrative overhead costs.

2/ Administrative Division cost for administration of concession contracts.

3/ Parks Division cost for maintenance of amusement area grounds and for grounds immediately surrounding Fairytale Town.

Land Park Improvement Plan Utilizing Concession RevenueFY 1986-87

<u>Action</u>	<u>Cost</u>
Duck lake renovation (perimeter path and shoreline area collapsing)	\$15,000
New rubber mats in Fairytale Town	12,000
Demolition of old chimp exhibit	10,000
Automatic sprinklers in Fairytale Town	<u>5,000</u>
	\$42,000

FY 1987-88

Concessions - wheelchair access, extension and new fence	\$ 8,000
Shed for maintenance in Fairytale Town	5,000
Tables (9) with umbrellas in Zoo	4,500
Automatic sprinklers in Fairytale Town	5,000
Planting at corner of Land Park Drive and Sutterville Road	19,000
Cement rig enclosure (drain) in Fairytale Town	<u>3,000</u>
	\$44,500

FY 1988-89

Landscape and design pool (Japanese gardens) in Fairytale Town	\$10,000
Perimeter planting and resurfacing of all paths in Fairytale Town	6,000
Park benches (15) in Fairytale Town	4,500
Renovate barn slide and tree slide in Fairytale Town	5,000
Boat lake renovation	<u>21,500</u>
	\$47,000

FY 1989-90

Relocate goat pen away from front entrance in Fairytale Town	\$ 7,500
Upgrade picnic area by Fairytale Town (Phase I)	17,500
Tables for concession area	5,000
Graphics for rare feline center	<u>10,000</u>
	\$40,000

FY 1990-91

<u>Action</u>	<u>Cost</u>
Remove blue coating on moat and mill stream in Fairytale Town and replace with a natural looking surface	\$ 10,000 \$ 10,000

Future Improvements

Phase II picnic area upgrade	\$ 22,000
Graphics for rare feline center - Phase II	5,000
Graphics for snapping turtle exhibit - Phase I	10,000
Purchase new tin soldier trash cans for Fairytale Town	5,000
Graphics for snapping turtle exhibit (Phase II) and graphics for reptile house	15,000
Upgrade amphitheater to include replacement of seats	25,000
Upgrade soccer field including bleachers and picnic tables	25,000
Identification and labeling of entire botanical collection in Zoo	<u>20,000</u>
	\$127,000