



Part 7—Financing

City of Washington & the Borough of East Washington
Comprehensive Parks and Recreation Plan



Inventory

The most difficult issue facing almost every community in its quest to provide safe and aesthetically pleasing parks and a variety of quality programs is finances. Many communities face issues yearly with finding adequate financing needed to provide and maintain facilities and programs for their residents. The funds needed to support facilities and programs generally come from the community's general fund. Since all departments in the community must draw from the general fund to cover operating and capital budgets, it is impossible for each department to be fully funded yearly. In the past and still in some communities today, park and recreation funding has been one of the first areas to be cut when funds are tight. However, many communities are becoming aware of the value of setting funds aside to provide quality facilities and programs. Over a period of time the value of recreation can be recognized through a reduction in crime, increased economic benefits, and improvement in the quality of life of the residents.

City of Washington Budget

Table 7.1 shows a general breakdown of the overall budgeted revenues for the City of Washington from 2008 through 2012.

Revenue	Budgeted 2008	Budgeted 2009	Budgeted 2010	Budgeted 2011	Budgeted 2012
Estimated Fund Balance	589,711	0	0	0	497,875
Anticipated Revenues					
Revenue Receipts	9,012,895	9,188,417	9,075,965	9,157,527	9,064,041
Other Financing Sources	1,237,656	1,394,017	2,639,557	2,680,409	2,728,506
Total Revenues	10,250,551	10,582,434	11,715,523	11,837,936	11,792,574
Total Revenues & Fund Balance	10,840,262	10,582,434	11,715,523	11,837,936	12,290,422

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Table 7.2 shows a general breakdown of the overall budgeted expenditures for the City of Washington from 2008 through 2012.

Expenditures	Budgeted 2008	Budgeted 2009	Budgeted 2010	Budgeted 2011	Budgeted 2012
Anticipated Expenditures					
Department Expenditures	5,534,424	5,012,131	5,168,657	5,491,976	5,490,401
Miscellaneous Expenditures	2,439,929	2,450,798	3,273,012	3,189,597	3,479,765
Interfund Operating Transfers	254,558	208,785	205,873	501,960	641,645
Debt Service	2,611,351	2,910,720	3,067,981	2,654,403	2,678,611
Total Expenditures	10,840,262	10,582,434	11,715,523	11,837,936	12,299,422

Table 7.3 shows the detailed budgeted park revenues for the City of Washington from 2008 through 2012. The budgeted amounts have been fairly consistent, except for 2012 where there is a significant drop in expected revenues primarily due to a projected decrease in park lease revenues.

Revenues	Budgeted 2008	Budgeted 2009	Budgeted 2010	Budgeted 2011	Budgeted 2012
Park Lease Revenues	40,000	35,000	35,000	35,000	25,000
Swimming Pool Fees	40,000	40,000	40,000	40,000	37,000
Park Shelter Fees	30,000	30,000	38,438	40,000	38,000
Tennis Program Fees	7,000	7,000	6,000	6,000	6,000
Park Concessions	900	900	900	900	300
Total Park Revenues	117,900	112,900	120,338	121,900	106,300

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Table 7.4 shows the detailed budgeted park expenditures for the City of Washington from 2008 through 2012. These expenditures have had a slight up and down, but for the most part indicate an increase in expenditures, especially for 2012.

Expenditures	Budgeted 2008	Budgeted 2009	Budgeted 2010	Budgeted 2011	Budgeted 2012
Compensation	141,737	145,832	145,836	148,583	158,193
Materials & Supplies	24,000	24,000	24,000	24,000	26,200
Other Services & Charges	41,500	41,500	39,500	45,500	43,500
Total Exp.	207,237	211,332	209,336	218,083	227,893

Table 7.5 gives a detailed description of the percentage of the budget designated to each major segment of the City of Washington’s budget from 2008 through 2012.

Expenditures	Budgeted 2008	Budgeted 2009	Budgeted 2010	Budgeted 2011	Budgeted 2012
Public Affairs	21%	22%	20%	22%	21%
Accounts & Finance	10%	4%	4%	4%	3%
Public Safety	13%	14%	13%	13%	12%
Public Works	4%	4%	4%	4%	4%
Parks & Buildings*	3%	3%	3%	4%	4%
Miscellaneous	23%	23%	28%	28%	29%
Interfund Operating Transfers	2%	2%	2%	4%	5%
Debt Service	24%	28%	26%	22%	22%
Total	100%	100%	100%	100%	100%
*Parks Alone %	1.71%	1.71%	1.56%	2.04%	2.08%

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In order to obtain a better understanding of the percentage of the budget that is directly related to the parks, the buildings section was removed and the actual percentage for the parks is shown as a separate item. This provides a better understanding of the percentage of the budget going to parks. As can be seen, the City of Washington has only designated a minimal percentage of their budget for maintaining and advancing recreation in the community.

The City of Washington has supported recreation through taxes for many years. However, the major part of the expense is for the swimming pool. While a portion of tax dollars have been spent to improve the pavilions, more needs done in that area. Most of the playgrounds are in desperate need of upgrades to make them compliant to today's standards and to make them ADA accessible. Over the past five years the only tax dollars that have been applied to providing recreation programming sponsored by the City has been the 4th of July Celebration Fireworks.

Table 7.6 indicates other funds in the budget that are specific to the parks. It also indicates special funds designated for capital improvements in the park and expenditures for compensation and supplies for the Director.

Other	2008	2009	2010	2011	2012
General Reserve Fund Park Capital Improvements	0	0	0	0	0
Washington Park Development Fund Balance	11,186	7,825	10,780	25,500	67,826
Capital Improvement Fund – Park Capital Improvements	0	0	53,000	53,000	20,000
Director of Parks Compensation & Supplies	7,250	7,250	7,250	7,250	7,250
Park Pavilion Updates Grant Fund	0	0	5,005	3,656	3,451
PA DCED Grant	0	0	0	10,000	10,000
Park Capital Improvement Renovation Project	0	0	0	50,000	50,000

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Borough of East Washington Budget

Table 7.7 shows the overall budgeted revenues for the Borough of East Washington from 2008 through 2011.

Revenues	2008	2009	2010	2011
Total	697,040	766,007	790,350	706,750

Table 7.8 shows the detailed line item budgeted expenditures by department for the Borough of East Washington from 2008 through 2011.

Expenditures	2008	2009	2010	2011
Culture & Recreation*	15,600	22,000	22,000	22,000
Employee Benefits	92,400	37,700	63,464	48,600
General Government	72,825	98,110	70,427	81,500
Health & Human Services	2,050	1,950	1,950	1,950
Highways & Streets	129,200	167,700	126,709	119,750
Insurance	20,200	20,900	17,100	17,300
Other Financing Uses	500	8,700	500	1,000
Public Works & Sanitation	88,525	95,000	107,000	115,000
Public Safety	272,875	280,947	287,200	299,650
Total	694,175	766,007	696,350	706,750
*Parks Only	400	5,000	5,000	5,000
Parks % Budget	.06%	.65%	.72%	.71%

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Culture and recreation are included as one line item. At the bottom of the table, the actual amount designated to the parks is shown along with the percentage of the budget that is represented by that amount. In all cases it is significantly less than 1%.

Washington Area Tax Support Philosophies

The City of Washington realized the value of recreation years ago and provided a dedicated millage for recreation. Since 2008 that millage rate has increased slightly with the combined land and building millage going from 4.22 mills in 2008 to 4.46 mills in 2012. This provides some tax support for the parks, but does not provide enough to do all of the work needed to fully maintain, improve and develop the parks. The tax payer dollars currently being spent to maintain the park areas and facilities indicates the City's ongoing support for recreation.

The Borough of East Washington designates \$5,000 annually for recreation. These tax dollars, along with occasional donation, are used to improve the Borough Park. A donation from Coen Oil made it possible to construct the pavilion in the park. The percentage of tax dollar set aside for 2011 was only 0.71%. This is a very low percentage of the overall budget.

Washington Area Expenditure Comparisons

Municipal operating budget expenditures vary significantly from community to community. Municipalities in western Pennsylvania with comparable populations of the City of Washington and East Washington Borough were used for comparison.

Table 7.9 compares the City of Washington population and recreation expenditures to communities or other regional recreation providers that would be somewhat similar. The City's operating budget expenditures for recreation at \$16.68 per capita placing them a little above the average for recreation expenditures. If the cost of operating the swimming pool is removed, since most communities do not have a pool, the per capita spent on recreation is \$13.49, placing Washington under the average expenditure for recreation. Perhaps the best comparison is between the City of Butler and the City of Washington. When comparing these two communities the City of Washington is spending \$8.22 less per capita on recreation than the City of Butler.

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Table 7.9: Comparison of Park & Recreation Expenditures - City of Washington

Small Communities	County	Population	Operating Budget	Budget per Resident	Capital Budget	Capital Per Capita
Butler Township	Butler	17,185	\$82,018	\$4.77	\$67,675	\$3.94
Center Township	Beaver	10,724	\$102,700	\$9.56	\$30,000	\$2.80
City of Butler	Butler	15,121	\$376,588	\$24.90	-	-
City of Washington	Washington	13,633	\$227,893	\$16.68	-	-
*Clarion Region	Clarion	13,996	\$78,949	\$6.03	-	-
City of Aliquippa	Beaver	13,374	\$85,000	\$6.35	-	-
*Greenville Area	Mercer	17,500	\$445,780	\$25.47	-	-
Lower Burrell	Westmoreland	12,251	\$108,591	\$8.86	\$19,175	\$1.56
Peters Township	Washington	16,790	\$490,883	\$29.23	\$649,200	\$38.66
Slippery Rock	Butler	8,000	\$222,618	\$27.82	\$23,858	\$2.07
Swissvale Borough	Allegheny	10,637	\$35,000	\$3.29	-	-
Titusville Leisure	Crawford	16,373	\$320,000	\$19.54	-	-
West Deer Township	Allegheny	11,371	\$55,360	\$4.86	-	-
*Westmont-Hilltop	Cambria	13,639	\$220,000	\$16.13	-	-

* indicates communities that are served through a regional recreation initiative.

As shown in Table 7.10, East Washington Borough’s operating budget expenditures for recreation at \$2.24 per capita is the second lowest per capita of any communities listed. Showing a wider range in populations indicates that size doesn’t always mean the amount spent on recreation is proportionate to the population. However, East Washington is unique in the sense that it is almost a completely residential community, with the exception of Washington and Jefferson College. Most of the other boroughs listed have commercial cores. When comparing East Washington to the four communities with smaller populations, the average per capita expenditure is \$5.69. This indicates that East Washington’s expenditure on recreation is still only 39% of the average for these five communities.

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Table 7.10: Comparison of Park & Recreation Expenditures – East Washington

Community	County	Population	Operating Budget	Budget Per Resident	Capital Budget	Budget Per Resident
Benner Township	Centre	5,085	\$31,050	\$6.11	\$20,000	\$3.93
Blairsville Borough	Indiana	3,600	\$88,000	\$24.44	\$5,000	\$1.39
Clarion Borough	Clarion	6,185	\$78,949	\$12.76	-	-
Donora Borough	Washington	5,653	\$13,050	\$2.31	\$8,000	\$1.41
East Butler Borough	Butler	635	\$4,000	\$6.30	-	-
East Washington Borough	Washington	2,234	\$5,000	\$2.24		
New Stanton Borough	Westmoreland	1,906	\$30,160	\$15.82	-	-
Strattanville Borough	Clarion	540	\$1,000	\$1.85	-	-

Source: 2009 Pennsylvania Recreation and Park Society's (PRPS) Membership Directory. These figures are from a survey conducted by PRPS in (or about) the year 2002. Capital budget figures were not available for each community.

Capital budget expenditures vary significantly between municipalities and can change considerably from year to year in each community. This is primarily due to the projects proposed for that specific year and may be significantly impacted by grants that are awarded to the community or major construction projects. Neither Washington nor East Washington have a proposed capital budget, therefore the comparisons are shown only to indicate how capital budgets can vary and that many communities do not have a capital budget every year.

Budgeting Process

The City of Washington budgeting process consists of the Park Director researching the previous year's expenditures and revenues. A line item budget, which mostly stays the same, for the upcoming year is then created. The Mayor and Council then determine the actual budget that is finally approved.

East Washington Borough's budget process follows a similar path with the council park representative determining the budget. The budget is then presented to the full council, who together makes the final decision and approves the budget.

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To properly develop a good budget, it is imperative to analyze the previous year's revenues and expenditures, which is currently being done; take into account the economic conditions at the time; and seek employee input. Budget expenditure considerations include: (1) proposed program expenses; (2) administrative expenses; (3) staff expenses; and (4) park expenses: such as utilities, maintenances supplies, and equipment. Budget revenues are projected for the fees collected from various sources. After collecting the required information a participant recreation budget, an operating budget, and a capital budget should be generated for the upcoming year.

Recreation-Generated Revenue

The City of Washington has several sources of income utilized in the operation of their parks. The main sources budgeted for 2012 include:

· Park Lease Revenues	\$ 25,000
· Swimming Pool Fees	\$ 37,000
· Park Shelter Fees	\$ 38,000
· Tennis Program Fees	\$ 6,000
· Park Concessions	<u>\$ 300</u>
Total	\$106,300

Other revenues generated each year consist of various donations, fundraising revenues, and sponsorships. Grants of various types have been used in the past to provide additional funds. Currently, the City charges the same rental fee for use by both residents and non-residents. The City is contemplating using naming right to generate revenues to improve the parks. All other monies used to operate the parks come from tax dollars.

The Borough of East Washington's only revenue source for operating their park comes from tax dollars. The only facility that East Washington Borough has that could be used for rentals is their pavilion; however, they do not charge residents to reserve it. On occasion donations have been received for park improvements.

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Analysis & Recommendations

Goal #3: Build capacity to improve the administration of parks and recreation.

The responsibility to finance parks and recreation falls on the shoulders of the City and Borough Councils and corresponding staff. As such, the recommendations for financing are a continuation of the strategies found in Part 4—Administration under the above goal.

Strategy 3.5: Develop a plan to raise funds for recreation improvements.

There are many strategies that can be instituted by municipalities to increase funding for parks and recreation. The following funding strategies are recommended for the City and Borough:

1. Provide additional tax dollar funds to improve the parks.
2. Develop a detailed line item budget.
3. Host more recreation events that generate revenues.
4. Sponsor programs that generate revenue through user fees.
5. Develop a written revenue policy. A written revenue policy should be developed by the municipal Councils to establish a framework for setting fees and charges for both the programs and facilities. If they City and Borough form a Parks and Recreation Board, they can assist the Councils in developing this policy.
6. Develop a “Friends of Washington Park” charitable (501c3) organization to help raise money and solicit donations.
7. Organize a capital campaign to help raise money for the renovation of the Main Pavilion.
8. Solicit memorial funds.
9. Consider using “naming rights” to generate additional revenues.

More information on each strategy is provided on the following pages.

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Budgeting

Recreation budgeting for both communities, when applicable, should be broken into two specific sections: (1) Participant recreation which covers everything dealing with programming, and (2) Parks which covers everything concerning the maintenance and development of the parks. This will provide more accurate information concerning all aspects of parks and allow for greater detail in projecting budget needs for future development and maintenance of park areas and facilities. The section on participant recreation budgeting should cover recreation programs and events and should be sub-coded for each program offered. This will provide easy access to detailed information concerning revenues and expenditures for each program offered. Both the participant recreation section and the parks section of the budget should be broken down into more detail line items. This will provide greater information and insight into the expenditures and revenues. It may be a little more work initially, but it will provide a greater understanding of the overall budget and make each year's budget process easier.

A capital budget should be incorporated into the overall budgeting process. The capital budget should include four distinct line items: (1) Capital purchases for participant recreation; (2) Capital purchases for parks; (3) Capital equipment purchases; and (4) Capital park projects. Currently, neither community has a capital budget.

Revenue Generation

The City of Washington should continue to explore and expand the utilization of revenue generating resource opportunities including rentals, field usage fees, grants, foundations, etc. Most communities are able to charge user fees to finance recreation programs on at least a break-even basis. Through fees, those participating in the programs or utilizing the facilities are supporting the recreational opportunities rather than using tax dollars. The fees charged for a program should cover both the direct and indirect costs of that program and preferably provide for a profit. Since neither community offers any municipally-sponsored programs, the following information is provided only as a guide if programs would be offered in the future.

Appendix G-1 provides a sample of the types of indoor and outdoor programs that could be offered and the potential revenues they could generate. These programs and the information provided represent actual data from programs in other communities. Most of the instructor fees are based on a 75% - 25% split; however, a few show other percentages that may be agreed upon with the instructors. Other options may also be used that could potentially increase revenues, such as paying the instructor a flat rate, using volunteers to conduct a program, or using municipal staff for the program.

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The important factor is the number of participants, which will affect the bottom line. The program matrix shown in Appendix G-1 indicates a reasonable number of participants that could be expected in a specific program. However, numbers for each program will vary from one community to another. A minimum number of participants should be established for each program. This will generate enough revenue to cover all costs. Sometimes it may be necessary, especially with new programs, to follow through at a break even point just to get the program started, with the hope that it will increase in numbers during the next session.

Most municipalities charge a slightly higher non-resident fee which can increase revenues and helps offset tax dollars that are not collected from these participants. Program fees and the number of participants may vary significantly from one community to another based on their demographics. Some of the variables that should be considered include economic conditions; in-house staffing vs. instructor staffing; materials needed; location of the program; and income of area residents.

The following fees could be charged for use of courts and fields that are currently available or may be in the future (see Part 6—Master Site Plans) in the City of Washington. Again, these are only examples and the City should develop a specific fee schedule for use of such facilities as they are developed and in accordance to an established revenue policy.

- ⌘ Ball fields – could be rented out to adult leagues, when not in use by associations, between \$200 to \$800 per year per team.
- ⌘ Basketball courts – could be rented out to leagues on specified evenings each week. The fee could be between \$100 to \$500 per year/team.
- ⌘ Volleyball courts, especially sand volleyball, – can be rented out similarly for between \$100 to \$500 per year/league.
- ⌘ Tennis courts – can be rented to leagues on specified evenings for between \$50 to \$200 per year/league.
- ⌘ Football/multipurpose fields – can also be rented to various groups for between \$200 to \$800 per year/team.

Daily rates for each of these facilities should be set at anywhere from \$20 to \$100 per day for event groups, i.e. Ultimate Frisbee, Volleyball Tournaments, etc., that may request use of the facilities. Home School groups may also want to rent these facilities for their Physical Education classes. This could be a one day or a season rental.

Various instructors, i.e. baseball, football, soccer, tennis, volleyball, flag football, etc., may want to offer clinics at these facilities. They may offer one week camps or extend them over several

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weeks. Generally 10% to 30% of the instructor's fee per person or a minimum of \$5/per person, whichever is larger is the revenue provided to the park.

The various associations, such as: baseball, softball, football and soccer leagues using the fields should be reimbursing the park a portion of the registration fees to cover general field maintenance. This can be a flat fee (\$1,000/year), a percentage of the registration fee (10% of each registration fee), or a fee based on the number of acres used by the association (\$1000/acre/year). These fees help offset the maintenance of the fields and other facilities associated with each sport. Some or all of these fees could be offset by improvements made to the facilities by the associations.

Other sources of revenue can be generated at concession stands, vending machines or video games. These areas can provide some revenues, but generally not large amounts and can require some effort on the part of the park. If the park provides areas for these items, they need to be located in a visible location to deter vandalism.

Grants

Grants are perhaps one of the best sources of obtaining alternative funding for parks and recreation to supplement the monies needed to improve park and recreation opportunities in the community. It does take time to research the various grants and foundations, and a thorough knowledge of your project is necessary to write a successful grant. Many foundations establish specific types of projects they will fund, and specified locations as to where the project must be located. It is recommended that the person responsible for writing grants attend grant seminars and workshops that are offered in western Pennsylvania. The format of some of the grants changes yearly requiring a continual update through the workshops offered. Appendix G-2: Funding Sources contains a list of potential grant and foundation opportunities that should be explored.

Sponsorships

Sponsorships are another excellent way to obtain additional monetary funds to enhance programs. Many businesses look for an opportunity to get their name in front of people, get involved in the community and create a positive image. In order to obtain these sponsorships an enticing program must be put together in a professional manner and be properly presented. It does take some time and effort to develop a quality brochure that readily explains the program they will be sponsoring, the benefits to sponsoring the program, the visibility of their sponsorship, and how it will improve their image. Some businesses will buy into this at a high level right away, while others will start at the lower levels and increase to higher levels as they see the benefits paying off.

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Donations

Seeking donations is a part of almost every recreation endeavor. It can be time consuming, but it can also be rewarding. Whether it is monetary donations, gifts, supplies, or some other type of donation, it provides additional value to the program. It is a benefit to the businesses by providing a tax advantage and providing a positive public image. Seeking donations will always be a part of recreation; however, by utilizing volunteers to help locate donations, staff can devote more time to other more productive areas. The City of Washington currently receives donations from several sources to help defray some costs.

Fundraising

Fundraising can generate additional funds for projects or programs. There are many different types of fundraisers to consider, but first the community needs to determine what is to be accomplished and what will work. Fundraisers take considerable time and planning to be successful, but it can be very rewarding by providing a community event and generating money for the recreation programs or facilities.

Friends of the Park is an organization that can be formed to help generate revenues and provide additional volunteers. As a 501-C3 organization, they can seek tax deductible contributions; raise money for all aspects of recreation; and deposit it into an individual bank account earmarked for specific expenses. Since they are not a government agency they can avoid red tape and make things happen quickly. It is advantageous to develop such an organization, but it does take some time and funds to initially establish the organization. A possible incentive for these groups helping the park may be receiving a percentage off of the fee charged for programs they participate in throughout the year or for rental of the facilities in the park.

School Specialty is a resource for purchasing over 100,000 products that can be used in providing recreation programs. Even though they are predominately for schools, purchases can be made for recreation programming. School Specialty works with Donor's and Adopt-a-Classroom to collect donations on your behalf and facilitate the process of getting materials. Utilizing this opportunity on your own or in partnership with the school districts could provide materials needed for various programs.