07

BUDGET ASSESSMENT

Little Rock Parks and Recreation, Fiscal Year 2020 General Fund operating budget is $13,770,355 (Includes General Parks, Jim Dailey Fitness and Aquatics Center, Golf, and River Market). The largest portion of the revenues comes from the City general fund, totaling $9,994,977. The department collects $2,559,380 in charges for services. (Source: City of Little Rock 2020 Annual Operating Budget). Capital expenditures are funded through the City of Little Rock 3/8 cent sales tax (2012-2021). The current 3/8 cent sales tax is anticipated to fund 17.284 million in Capital Parks and Recreation area development/ improvements for a 10-year period.

Capital LRPR, Zoo, & Tourism Area Dev/Improvement

$28,284,000

Subtract Zoo & Tourism Dev/Improvements

– *$11,000,000*

Balance for Capital LRPR Area Dev/Improvements

$17,284,000

Source: City of Little Rock 2018 Annual Operating

To draw a better comparison with national benchmarks and other agency benchmarks, for the purpose of this master plan, the River Market expenditures and revenues have been removed from the budget. The River Market is not a recreation facility and the staff at the River Market operates independently of the LRPR. Adjusted total operating funding is $13,770,355 and revenue generation is $2,449,380.

The 2020 NRPA Agency Performance Review, Park and Recreation Agency Performance Benchmarks provide national data on spending levels as well as funding sources for parks and recreation agencies. On average, parks and recreation agencies receive 60% of their total operation funding from the general fund. In the City of Little Rock, the current level of general fund tax supported funding is 72.25% of the total LRPR operations budget. Balance between supported funding and self-generated revenues are necessary to expand programs and services. Currently LRPR is generating only 18.59% of the overall budget which is well below the national average of 24%. **Figure 7.1** below illustrates the national average of sources of operating expenditures.

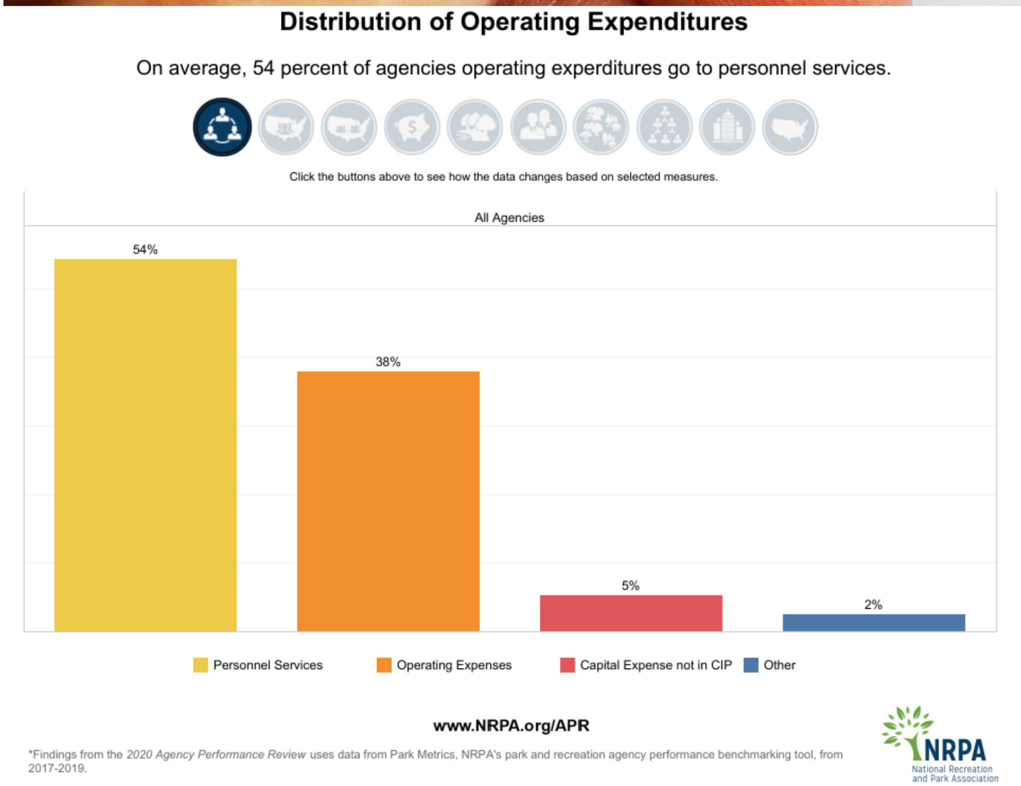

Figure 7.1 NRPA Sources of Operating Expenditures for Parks and Recreation Programs

Source: 2020 NRPA Agency Performance Review,

The average revenue generation of agencies serving a population between 100,000 and 250,000 is $15.44 per capita. In LRPR, that would total $3,080,280 on an annual basis. The department is projecting revenues of $2,449,380 in 2020, or per capita revenue of $12.28 which is roughly 80% of the reported median for self-generated revenues from similar size communities. This indicates the department is dependent on the general fund to a greater degree than other communities and may need to pursue avenues for increased revenue opportunities. A review of methods to generate additional revenues, in addition to the general fund, is strongly recommended.

In the following pages, we will compare several important LRPR budget facts with both national averages as well as benchmark communities. Historical data will also be provided to illustrate how the LRPR Department budget has changed.

Benchmarking

Benchmarking is a useful tool to examine how other communities are funding their parks and recreation departments. However, because not all departments are responsible for the same programs and maintenance responsibilities, these are not absolute comparisons. Where appropriate, budget numbers for multiple departments were combined in order to most similarly reflect the programming and responsibilities of LRPR.

For example, in the City of Knoxville, the 2020 budget for parks and recreation lists a total of 57 employees. However, there are three additional work groups; Facility Maintenance, Grounds Maintenance, and Urban Forestry and they are in the Public Service Division budget. These three work groups with a total of 73 employees are tasked with all building, grounds and landscape maintenance for the entire city including all park facilities. Knoxville also contracts the operations of their two public golf courses which impacts the overall budget for parks and recreation as well as staff levels. These variables will impact the direct comparison of one agency to the next.

Assessment of Per Capita Expenditures

The per capita expense for parks and recreation is a standard benchmark statistic for comparing and analyzing the level of a community's investment in parks and recreation.

Table 7.1, below, compares LRPR per capita spending for parks and recreation to the selected benchmark communities in the south, as well as the median per capita expenditures as reported in *2020 NRPA Park Metrics*. The operating costs, rather than operating plus capital costs, are used as a comparison. Capital expenditures can include park land development and new equipment or equipment replacement. Capital costs often vary widely from year to year based on the funding of construction and acquisition projects, whereas operations costs typically remain relatively constant from year to year.

Table 7.1 Benchmark Community Populations and Per Capita Operating Expenses for Parks and Recreation, Fiscal Year 2020

COMMUNITY	2020 Population	POPULATION DENSITY PER SQUARE MILE	TOTAL BUDGETED PARKS AND RECREATION EXPENDITURES (2020 OPERATING)	PARKS AND RECREATION PER CAPITA EXPENDITURES (2020 OPERATING)
City of Little Rock	197,371	1644.9	$13,770,355.00	$69.77
Springfield-Greene County Park Board, Missouri	251,478	N/A	$30,233,096.00	$120.22
Grand Prairie, Texas Parks and Recreation	198,442	2746.4	$17,431,391.00	$87.84
Knoxville, Tennessee	191,060	1935.5	$13,296,280.00	$69.59
Mobile, Alabama	186,804	1339.4	$11,887,253.00	$63.63
NRPA National Median for All Agencies	N/A	N/A	N/A	$81.19
NRPA National Median Population Density	N/A	1,501 to 2,500	N/A	$86.88
NRPA National Median Total Population	100k to 250k	N/A	N/A	$74.67
Top 25% Agencies	N/A	1,501 to 2,500	N/A	$148.15

Source: www.worldpopulationreview.com. Base data from online budget documents, FY 2020. 2020 NRPA Agency Performance Review, In its most recent publication, the NRPA reported a median operation expense per capita of $81.19 for the more than 900 agencies profiled. Operating expenses are impacted by several variables including population densities and the overall population of the service area. The NRPA study finds that per capita spending is higher in communities with 1,501 to 2,500 residents per square mile. The City of Little Rock's density is 1644.9 residents per square mile. At this population density, per capita spending nationally rises to $86.88. Overall population also impacts spending with agencies serving 20,000 or fewer residents averaging $96.77 per capita spending and agencies serving over 250,000 residents averaging $51.91 in per capita spending.

If we look at the total budgeted operating expenditures of $69.77 per capita for LRPR from all funding sources and compare per capita spending levels to national levels of spending, LRPR falls below all comparison spending levels, with the exception of the median spending level for Mobile, Alabama and Knoxville, Tennessee.

A comparison to benchmark communities in Table 7.2 documents that the City of Little Rock's per capita spending of $69.77 lies between spending levels of benchmark communities. Mobile and Knoxville are the only community that is spending at a level below Little Rock. The other benchmark communities are spending at rates higher than LRPD. Both Springfield-Greene County and Grand Prairie are spending at much higher levels which is indicative of the fact that these two agencies are both NRPA Gold Medal winning departments.

Many factors influence funding and expenditures for a parks and recreation agency. Some communities, such as Springfield-Greene County have dedicated funding outside of the general fund dollars that make up a part of their budget. In addition, Springfield-Greene County is a high revenue producing agency. Clearly, the city will have to devote more funding to parks and recreation if the level and quality of facilities and services offered to residents is to improve.

Percentage of Total City Operating Costs

Budgets establish priorities. The percentage of the city's operating expenses allocated for Parks and Recreation also serves as a measure of commitment to Parks and Recreation. Table 7.2 below provides a comparison of the City of Little Rock with the Benchmark communities, in terms of the percent of the parks budget to the overall city budgets. A comparison of the general fund budget and total budget of all funds is provided, due to variations in how community services are funded from one city to the next.

Table 7.2 Percentage of City Budgets for Parks and Recreation, Fiscal Year 2020

	CITY OF LITTLE ROCK	SPRING-FIELD-GREENE COUNTY	GRAND PRAI-RIE, TEXAS	KNOXVILLE, TENNESSEE	MOBILE, ALA-BAMA
General Fund FY20 Budget	**$212,125,253**	**$83,011,220**	**$329,995,619**	**$236,769,920**	**$240,899,482**
Parks and Rec-reation Operat-ing Budget % of General Fund Budget	6.49%	19.21%	12.51%	5.67%	4.49%
Overall FY18 Budget	**$272,515,058**	**$614,644,510**	**$421,407,549**	**$434,892,430**	**$265,007,690**
Parks and Rec-reation Oper-ating Budget % of Overall City Budget	**5.05%**	4.92%	6.11%	3.06%	4.49%

Source: Base data online budget documents, FY 2020

When comparing LRPR's general fund budget, we see that parks and recreation accounts for 6.49% of the city's total expenditures, compared to 5..05% of all funds in the City of Little Rock. Compared to benchmark communities, the City of Little Rock's recreation spending lies between other communities when looking at the total budget. While it is higher than Knoxville and Mobile, it is behind Springfield-Greene County and Grand Prairie. Knox County, Tennessee provides a full-service parks and recreation department in addition to the City of Knoxville. The combined spending would clearly exceed the funding level of LRPD as a percentage of the overall funding. (Source: City of Little Rock 2018 Annual Operating Budget p. 88)

Personnel Budget

Personnel expenditures represent the largest commitment of funding for public parks and recreation agencies across the country. The LRPR 2020 Budget includes a total of $6,202,339 in salaries, health insurance, contract labor, and professional service accounts. **Table 7.3** shows personnel services costs as a total of the benchmark counties' total operating parks and recreation budgets.

The LRPR 2020 personnel budget of 45.04% is lower than the national average of 54% for department operating cost as specified in the 2020 National NRPA Agency Performance Review. In addition to being lower than the national average, it is a lower percentage of cost than the benchmark agencies of Springfield-Greene County and the City of Mobile. Grand Prairie, Texas has a comparable percentage of personnel cost at 44.78%, while Springfield-Greene County is well above the funding level of LRPR at 61.72%.

Table 7.3 Personnel Services Expenditures as a Percentage of Department Operating Budget, Fiscal Year 2020

COMMUNITY	PARKS AND RECREATION PERSONNEL SERVICES EXPENDITURES	PARKS AND RECREATION PERSONAL SERVICES EXPENDITURES AS A % OF DEPARTMENT OPERATING BUDGET
LRPR	**$6,202,339**	**45.04%**
Springfield-Greene County Parks & Recreation	$18,659,867*	61.72%
Grand Prairie, Texas Parks & Recreation	$7,805,440	44.78%
Knoxville, Tennessee	$4,842,300	36.42%
Mobile, Alabama	$8,132,520	68.41%
National Average		**54%**

Source: Base data from online budget documents, FY 2020

2020 NRPA Agency Performance Review,

**Estimated from available information*

Revenue Recovery Rate

Revenues generated for parks and recreation services are expressed as a percentage of the operating costs and reported as the Revenue Recovery Rate. The implementation of financial sustainability practices, in the form of revenue and pricing policies, has risen in importance with parks and recreation agencies across the country. Best practice agencies establish a philosophical basis for revenue recovery rates that vary by program type, service level tier and population served with fees based on the cost of service.

While revenues collected by communities for parks and recreation services are not typically applied directly to the parks and recreation budget, they are viewed as an offset to the cost of operating the parks and recreation agency. The 2020 NRPA Park Metrics Agency Performance Review states that the typical agency recovers 25.9% of its operating expenditures from non-tax revenues. Revenue generation based on population densities for communities with population densities between 1,501 and 2,500 residents per square mile increases to a median rate of 29.5% and for the upper 25% of reporting agencies it increases to 44.1%.

The following **Table 7.4** illustrates the revenue recovery rates for LRPR and the benchmark departments in 2020. LRPR anticipated revenues for FY 2020 are $2,559,380.

Table 7.4 Recovery Rates for Benchmark Departments Based on 2020 Budgeted Expenses and Revenues

COMMUNITY	REVENUE RECOVERY RATE AS A % OF OPERATIONS
LRPR	**18.59%**
Springfield-Greene County Park Board	39.04%
Grand Prairie, Texas Parks and Recreation	24.44%
Knoxville, Tennessee	4.02%
Mobile, Alabama	1.14%
National Average All Agencies	**25.9%**
National Average Population Density 1,501 to 2,500	**29.5%**

Source: Base data from online budget documents, FY 2020.

2020 NRPA Agency Performance Review

LRPR's revenue recovery is significantly lower than the national averages and benchmark communities. Only Mobile and Knoxville have lower revenue recovery rate than LRPR. Springfield-Greene County and Grand Prairie Parks and Recreation are both generating revenue at a higher rate than LRPR. This illustrates how higher achieving departments are generating a much greater portion of their overall budget and thus providing the ability to offer expanded programs and activities. LRPR should consider ways to increase revenue production to offset the cost of providing a higher level of service to the community.

Income levels are an indicator of the ability to pay. The median household income levels, as documented in the study's Community Profile and included in **Table 7.5** below, comparing the City of Little Rock to the benchmark communities demonstrates that the City of Little Rock has a higher median household income than all the benchmark communities except Grand Prairie. This would indicate that residents should generally have disposable income to participate in recreation programs at a reasonable charge.

Although average income levels are higher in the city, it is important to note that many individuals do not have the ability to pay for programming. In these instances, it is recommended that LRPR explore the opportunity to work with groups to provide scholarship funds to support recreation programming for lower income or senior populations. For example, Gwinnett County started a scholarship program in 2001, later taken over by the Gwinnett Parks Foundation, to assist children and seniors who are unable to pay for camps and programming. Funding for the program is from corporate and community sponsorships and eligibility is income-based.

Table 7.5 Median Household Income

COMMUNITY	MEDIAN HOUSEHOLD INCOME*
City of Little Rock	**$49,957**
Springfield-Greene County, MO	$43,771
Grand Prairie, TX	$55,336
Knoxville, TN	$37,703
Mobile, AL	$40,588

Source: www.worldpopulationreview.com, www,bestplaces,.net and www.datausa.io

Historical Perspective

A historical perspective is also important in evaluating a department's position. An examination of the City of Little Rock funding levels from FY15 to the current fiscal year shows the operating budget for each year and percent change from the prior fiscal year. We also examined the per capita spending levels for those same years.

Table 7.6 City of Little Rock LRPR. Department Operating Budget and Per Capita Expenditures, FY13 to FY17

	OPERATING AND PER CAPITA EXPENDITURES	% CHANGE FROM PRIOR YEAR	PER CAPITA EXPEN-DITURE
FY15 Actual	$19,897,290		$100.44
FY16 Adopted	$19,729,931	-0.85%	$99.30
FY17 Approved	$20,066,682	1.68%	$101.14
FY18 Approved	$15,143,507	-32.51%	$76.52
FY19 Amended	$13,919,238	-8.80%	$70.44
FY20 Approved	$13,770,355	-1.08%	$69.76
NRPA Median (All Agencies)			$81.19
NRPA Median (Populations of 100k to 250k)			$74.67

Source: City of Little Rock FY10, FY15, FY16 and FY17 Budget Documents. Includes River Market.

As illustrated in Table 7.6 above, the department is operating at a financial level less than in 2015, although it has acquired additional properties and park facilities since that time, and the number of residents being served has not decreased significantly. The per capita expenditure comparing 2015 expenditures to current operating expenditures shows a consistent decrease in per capita spending, and a current rate that is $30.68 per capita less than 2015 rates. These numbers are not adjusted for inflation. When compared to NRPA median spending levels, LRPR is $11.43 less than the reported median per capita spending for all reporting agencies and $4.91 less than the median spending of agencies serving populations between 150,000 and 250,000 people. These numbers illustrate a trend of decreased funding. If unaddressed, the funding levels will impact service delivery across the parks and recreation system.

Revenue Policy

Revenue policies define tiered service levels such as basic services, supplemental services, and special facilities with fees set to recover a specified percentage of the cost to deliver the service. Most parks agencies use a three- or four-tier system for program fees. Each tier defines a type of service level expectation that the community desires for specific recreation services. In developing the tier system, staff will need to work together to establish the programs and facilities that should be provided as part of the core program offerings, the programs that should be offered primarily as revenue centers for the agency and all the programs that fall between these two categories.

As an example, tier-one programs are provided to the public at no or low cost and are not required to produce revenue to cover the full cost of their basic services. These are the basic programs that the community feels should be

provided. Examples include: community events, open gyms, youth and senior group activities and activities that bring families to the park (e.g. outdoor movies or summer concerts). These programs normally cover 0-25% of their cost.

Tier-two programs are expected to cover 25-50% of their cost. These programs are also part of the core programs and facilities that provide basic services to the community. Programs that some communities place in this category are: group classes geared at seniors and youth, dances, special holiday programs, family programs or special events. While operating these activities involves more staff time, they are not specialized activities that require a higher degree of organization and highly-skilled staff members to execute.

Tier-three programs cover 50-75% of their cost and are for reserved for expanded programs, reaching beyond the basic services the department supplies the community. These include: some youth sports programs and camps, classes that require more one-on-one time with the instructor (such as painting and pottery), youth field trips, senior wellness programs, water aerobics, swim teams, adult programs and other special programs that serve specific user groups and demographics in the community.

Tier four is for revenue centers and these are facilities and programs that should cover 75-100% of their cost. Programs that fall into this category include all wellness and fitness training classes for adults; specialized trips and travel programs; all adult sports programs; and all field, pool and shelter rentals. Other programs in this group include: dance classes, music classes of all types, any program with a special permit (or where alcohol is served) and any type of one–on-one sports or fitness training. For example, a rental of the gym would fall into this category, as would the rental of ballfield(s) by a group hosting a tournament.

Fees and Charges Policy

In order to develop a solid fees and charges policy, LRPR must start by defining the programs in each category. Historical data on program cost recovery is a good place to start. Another recommendation is to collect several other agencies' fees and charges policies to see how they designate programs. Once a basic distribution of programs is established, a cost allocation standard for all facilities and programs will need to be developed. Cost allocation includes a square-foot cost for all buildings or fields that include all utility and maintenance costs. Maintenance costs include all in-house and contract labor for general upkeep, service contracts on mechanical systems, and trash collection and/or janitorial services. Staffing costs involved in marketing the program and facility, staff costs for conducting and organizing the program and any overtime or holiday time paid to staff for working outside normal business hours should also be calculated. All materials and supplies necessary to operate the program must be included. All direct costs—such as the instructor cost—and all indirect cost—such as marketing and administrative costs—must be compiled for every program. Then, fees for programs, rentals and sports leagues can be set. Once a fees and charges policy has been established, it should be updated on an annual basis based upon expense fluctuations. (SGCPB's 2018-2019 Approved Fees and Charges is included in the References Book)

Developing a solid, Fees and Charges Policy and a review of how current programs are being operated should be a top priority for LRPR in the next 12 months.

Expanding program offerings, especially in the area of wellness/fitness and sports programs, will also increase the potential for more revenue generation. Promoting the community centers and establishing a rental fee for pavilions would also be a good starting point for increased revenue generation.

Other Revenue Opportunities

It is in the department's best interest to explore all funding opportunities and strategies available in order to generate funds. A variety of funding alternatives exist to generate revenue funds. Consideration should be given to not sunset all taxes that might be considered but put forth for a public vote. Any tax initiative of any type must be clearly explained, whether it be for capital development and/or operating purposes.

Tax Increment Financing

Tax Increment Financing (TIF) is a public financing method that is used as a subsidy for redevelopment, infrastructure, and other community improvement projects in many countries and the United States. (Source: Wikipedia) The City of Little Rock has used this type of financing for various city projects. It's recommended that LRPR continue to use this type financing tool to support large capital department projects in the coming years.

Dedicated Parks Sales Tax

Consider a future Parks sales tax designated for both capital development and for ongoing operations and maintenance for the Little Rock Parks and Recreation Department. Example: Springfield-Greene County Park Board has passed (two) 1/4 cent sales taxes over the past two decades; 1/8 for park capital development and 1/8 cent for ongoing operations and maintenance for the perpetuity of the life of the park system. LRPR needs a dedicated Park Sales Tax to improve current parks, fields, and facilities, as well as to build new sports complexes, sports fields, and other sports facilities. Large capital equipment and fleet vehicles could also be a part of the dedicated sales tax.

Alcohol Permits and Sales

Alcohol permits and sales-consider continuing to expand the locations and special events that alcohol sales are permitted by the Little Rock Parks and Recreation Department. Along with the alcohol permitting process the Little Rock Parks and Recreation Department should collect a "percentage of sales" for all events held on city park properties. This is an additional way to increase park revenues in the future.

Special Event Vendor Sales

Many special events sponsored by the city or through the parks and recreation department draw vendors to the event. While it is often viewed as a public service to encourage vendor participation, it is also an opportunity to collect revenue. For example, if a food truck event is held in a park or public space, the vendors are taking advantage of the opportunity to sell a product. The city or LRPR is tasked with all the security, setup, and ongoing maintenance of the space. LRPR should establish a fee policy that is either a flat rate fee or a percentage-based fee to offset the cost to the city for these special events and ongoing maintenance of the special event spaces.

Parks and Recreation Foundation

Many communities work with parks and recreation foundations to support parks and recreation depart-ments through fundraising, providing awareness of parks and recreation needs, cultivating relationships in the community, and providing monetary support to further develop parks and recreation opportunities for individuals of their community. While this group has not been active for some time, it is recommended that the LRPR reach out to this group to determine how to re-engage the organization with the Parks and Recreation Department in the City of Little Rock. This group should work with LRPR to identify high priority projects that need private funding to augment city funding. Clear goals for fundraising campaigns should be developed as well as match funding that would be provided should fundraising goals be met.

Fundraising Opportunities

Local fundraising is a mechanism that works effectively in communities across the country. Although a strong local effort is involved, this mechanism typically generates a vast amount of support and publicity. Local businesses, organizations and private individuals can pledge funding over a specific period of time. For

LRPR, developing mutual trust in the community will be important for many reasons. If a community member makes a donation for a specific park, the money needs to go directly for that park to promote a high level of trust and appreciation for all donors. This simple act should encourage other donors across the City of Little Rock to assist LRPR.

The Parks and Recreation Commission has 11 members, with three-year terms of service. The purpose of each commissioner is: "To review, consult, and advise the City on matters concerning the operation and maintenance of the Parks and Recreation department and on matters pertaining to the implementation of the Master Parks Plan, and significant issues involving or affecting these matters shall be referred to and considered by the Commission prior to consideration by the Little Rock City Board of Directors."

Source: https://www.littlerock.gov/city-administration/city-boards-and-commissions/parks-and-recreation-commission/

In most communities, a recreation and parks advisory board or commission plays an active role in fundraising for their department. The LRPR Commission members could be proactive by initiating a variety of fundraising tasks, such as collaborating with current and any future "Friends of Parks" groups to promoting sponsorship of programs, seeking in-kind donations, hosting special events (e.g., golf tournaments, fundraiser dinners, events to honor volunteers, silent auctions and themed socials) and soliciting charitable donations of money and lands. These are excellent examples of fundraising opportunities, as models for future revenue.

Naming Rights

Naming rights became prominent in the 1990s, when larger sports venues and cultural spaces were named after a company or individual. Many examples of successful ventures are known today, like Dick's Sporting Goods Park in Denver (home of the Colorado Rapids

Public naming rights have been growing due to tighter agency budgets.

soccer team), or the American Airlines Arena in Miami (home of the Miami Heat NBA team). For Springfield-Greene County Park Board, Mediacom Tennis Stadium, in Springfield, Missouri (home of the Springfield Lasers World Tennis Team, Professional Tennis Team and other state, national, and international events). Mediacom paid $50,000 per year for stadium naming rights, over a ten-year period. Plus, they added $150,000 per year for facility naming rights of the Mediacom Ice Park for a total of $2 million in facility naming rights over a ten-year period.

Public naming rights have been growing due to tighter agency budgets. The attraction of public venues is the varied tiers of naming rights that can be allowed. In a large sports complex for example, agencies can solicit naming rights for the entire facility for a prescribed amount of money or tailor it towards naming a locker room within the facility for a lesser fee. Other agencies allow companies naming rights to trails or gymnasiums.

Agencies are creative in selling not only spaces but placing products within the department to generate new revenues. In 2002, Los Angeles city lifeguards sported Izod swimsuits as the "official swimwear of the Los Angeles City Beach Lifeguards" and the Skokie (IL) Park District collected $150,000 annually from Pepsi for it being its "exclusive soft drink provider."

Exclusive Beverage Rights

Many communities leverage the right to be the sole beverage supplier to a city or to the parks and recreation department by soliciting annual payments for soft drink suppliers. These sole supplier agreements usually cover a five-year period to allow the supplier to make a good return on their investment. Some of these agreements also include advertising rights. Springfield-Greene County Park Board has had, for several decades, an exclusive beverage rights agreement with Coca-Cola/ Dr. Pepper Bottling companies, inclusive of events and advertising rights.

Corporate Partner Grant Programs

Many corporations around the country offer grants to contribute to parks, recreation and cultural programming. Companies such as LL Bean, Purina, KEEN, Walmart, and PlayCore have a history of such grant programming. Also, consider the numerous grant offerings put forth by National Recreation and Parks Association.

Key Observations and Summary Recommendations

Based on a review of financial documents, staff interviews, best practices from other top performing agencies and the planning teams' experience, specific recommendations have been made to improve the overall performance of LRPR. These recommendations will require city leadership to restructure current funding practices and operational policies if the department is to move beyond reactionary management strategies and become a proactive agency with a clear mission and a plan to achieve that mission. Many of these recommendations are specific to issues that were observed by the planning team that are not consistent with high performing recreation agencies across the country.

- **Director** - Establish a strong relationship with the Little Rock Parks Foundation. The foundation needs to be a crucial partner in helping the director identify and raise funds for critically needed projects.
- **Director** - City of LR 2018 Annual Operating Budget (p. 159) - Mayor's 2018 Department Goals associated with LRPR include: 1) Develop a plan for a soccer complex with LRPR Commission, 2) Develop a plan to extend bike trail, 3) Continue work on marketing plan for the city, 4) Finalize the Arkansas River Trail Design, 5) Acquire land for Little Rock Port, 6) Create a LR Brand and social media presence for recruiting efforts, 7) Renovate the toddler play area at Riverfront Park by installing new features, renovate park space and improve playground surfacing, and 8) Continue to operate an eight week Summer Playground Program at eight sites around the City for youth between the ages of six and fifteen LRPR should monitor the progress of the Mayor's 2018 Department Goals and offer assistance if needed.
- **Director** - City of LR 2018 Annual Operating Budget (p. 217) - Housing and Neighborhood Programs 2018 Department Goals: 1) Community Development Block Grant, 2) Update Department brochures in English and Spanish, and 3) Continue the "Love Your Block" recognition programs. LRPR should participate as a collaborative partner with the Housing and Neighborhood Department.
- **Director and Administration** - Deliberate the pros and cons of *Naming Rights*. Review the *Naming Rights* policies from SGCPB and Springfield Public Schools included in the References Book. Project revenue possibilities for LRPR and other factors that might impact this important decision.
- **Director and Administration** - Require the submission of all division goals and objectives for the budgeting process. All budget requests should be based on goals and objectives for that division and should not be approved, unless they are aligned.
- **Director and Administration** - Consider a citywide sales tax, dedicated property tax or other sustainable funding sources for Fleet Management. LRPR has a 20-year average age on their fleet and it is impacting service delivery
- **Director and Administration** - Build a case that dedicated funding is the most responsible way to insure delivery of recreation programs and facilities that will transform the department ability to offer quality programs and facilities.
- **Administration** - Develop a Revenue Policy based on the cost of service with a multi-tiered service level system and a phased approach to move toward a more self-sustaining system.
- **Administration** - Establish a scholarship program to assist individuals who are unable to pay

for camps and programming. Find ways to work with other organizations to help with funding the program.

- **Administration** - Citizens should be able to make online donations and purchase gift cards with ease. This process should be marketed to the public as part of the Outreach Program. Staff members who work the front desks at the community centers should have a sign posted with this information included on it.
- **Administration** - With the assistance of the City of Little Rock's City Attorney, "Continue to review, research and draft contracts for City departments and commissions" (2018 Annual Operating Budget, p. 177). Every MOU and/or agreement needs to be reviewed with the City Attorney for appropriate Fees and Charges. If the MOU's and/or agreements are not within an acceptable range of charges, then they need to be renegotiated. One example is the University of Arkansas at Little Rock rents space for $1. If the space and the fee are mutually beneficial, then the City Attorney will deem the MOU and/or agreement as satisfactory. If it is deemed unsatisfactory, the City Attorney needs to renegotiate.
- **Administration** - City of LR 2018 Annual Operating Budget (p. 193) -<u>Finance 2017 Finance Department Priorities:</u> 1) include leasing plans for creative financing that will lessen the strain on the Fleet Budget, 2) Continue the grant training program on grant management and writing for all City Departments, and 3) perform random cash counts.
- **Operations** - Continue the LED light installation program that began in 2018 with any new revenue from *Fees and Charges*.
- **Recreation and Special Events** – It is very important to create and/or expand programming opportunities for fee generation. A specific example of a revenue producing program is Pickleball.
- **Recreation and Special Events** -Take steps to increase programming and rentals at indoor facilities, such as community centers.
- **Recreation and Special Events** - Explore opportunities for alternative funding to decrease dependence on the general fund.
- **Recreation and Special Events** - With the implementation of the new Active.com System, all classes should be available for online registration and payment (see SGCPB Online Registration of Classes Example in the References Book).
- **Recreation and Special Events** - Review the projected revenue budget for the community centers through the Prevention, Intervention and Treatment funding. Historically, with the budget decreasing yearly, alternative funding should be sought. NOTES: Each community center was receiving $250,000, then decreased to $250,000 overall, and this year decreased to $220,000 overall.
- **Recreation, Special Events and Administration** - Understanding that LRPR's *Fees and Charges* are half of what is charged in surrounding areas due to very limited fee increases in 21 years, review LRPR's fees and charges and create a phased plan for getting closer to the national average for *Fees and Charges*. The phased plan should include how the additional revenue will assist in both expanding recreation opportunities and generating more operating revenue.
- **Recreation, Special Events and Administration** - Study the comparable agencies for their hourly rates for class instructors; currently, LRPR pays $16.29 per hour and LA Fitness and Planet Fitness pay $25 per hour. Consider, with approval through the City Finance Department, offering instructors a percentage for their classes above their hourly rate to encourage them to promote their classes. SGCPB splits the fee 25%/75% and Benton pays 40%/60%.
- **Recreation and Special Events** - At each community center, post a sign: "All registrants will be

given a receipt by staff and if not, please ask the staff for a receipt." With the addition of Active.com, LRPR will be able to conduct daily audits and key financial information that should be continuously analyzed.

- **Recreation and Special Events** - Stop deficit maintenance practices. One example is in the Aquatic budget, pool chemicals are never fully funded. However, it is easy to identify how much is spent, each year, on chemicals. Intentional deficit spending is not a good accounting practice. An additional area of concern is the parking lot surfacing issues that exist at many LRPR facilities. The City of Little Rock, in conjunction with the Public Works Department and LRPR, need to identify, prioritize, and make a financial commitment to fix the parking lots and potholes to eliminate safety concerns. One parking lot at the University Park Tennis Center has been neglected so long it had to be closed.
- **Recreation and Special Events** - A recent reduction in fees at the Jim Dailey Fitness & Aquatic Center by $20 and $30 was made to be more competitive with the surrounding private clubs. Closely monitor the participation numbers, with results being analyzed monthly for a year, and then make a conjecture as to whether the reduction in fees was offset by an increase in participation to maintain overall revenue production. If there was not increase in participation, then increase fees to maintain past revenue production.
- **Recreation and Special Events** - Consider raising the lowest hourly rate for staff at the community centers to $10.00-$10.50 to be more competitive with the private sector and to retain better staff.
- **Recreation and Special Events** – Create a tiered salary system for contract tennis professionals based on their skill level and participation numbers. Higher performing contract professionals should receive higher compensation for their efforts**.**
- **Recreation and Special Events** - Lease all golf carts on a three-year rotation with a highly rated golf cart company. Work with the City of Little Rock legal and finance departments to secure the lease at a competitive price. Add a clause to the contract that LRPR has the first right of purchase for the used golf carts.
- **Recreation and Special Events** – Increase programing and associated revenue production by hiring PGA qualified golf pros for each course. Structure the compensation so that the pros have a base salary and receive a percentage of revenues for golf programs and lessons they develop. This is an industry standard practice and should lead to improved performance for golf operations.
- **Recreation and Special Events** - Purchase golf equipment such as ball washers, bunker rakes, club washers, and flags that are used and are replaceable.
- **Recreation, Special Events and Administration** - Allow renting of facility spaces online, once a user account is established. Allow the user to view the availability of all rentable spaces, using a calendar format. (SGCPB's format is included in the References Book).