



City of Lawrence

PARKS AND RECREATION

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TO: Dave Corliss, City Manager

FROM: Ernie Shaw, Interim Director, Parks and Recreation Department

Date: April 17, 2009

RE: 2009 Budget Transmittal Memo

Despite current budget woes, Lawrence Parks and Recreation Department continues to be optimistic in its delivery of services to the community. Having such far reaching contact with every age demographic within the community, we continue to stretch our budget as far as it can go, continuing to seek cost-cutting initiatives to be more efficient and effective in our delivery. However, in some areas we feel it is necessary to protect line items from further cuts because we feel it would have an adverse effect to the overall health and vitality of the department. The following outlines our 2010 budget request.

General Fund

The submitted operating budget for the general fund is a source of concern for the department. Within these budget lines are located the funds for maintenance of all parks and most of the funding for maintaining recreation facilities and athletic fields in the community. The increasing cost of electric and gas utilities to operate these facilities make it difficult to maintain a zero growth budget and it basically is impossible with a 5% reduction budget. The submitted budget eliminates a permanent part-time Admin Support position to cover some of these increases.

Looking forward, the main concern is the lack of flexibility remaining in the general fund operating budget. Over the past 2-3 years, we have increased fuel costs, utility costs and vehicle maintenance costs, which has resulted in the elimination of full-time staff in all areas of maintenance. This, combined with increasing facility and program demand (see below), creates the real potential for maintenance needs not being able to keep up with programmed use of the facilities.

Currently, the only way we are able to maintain our facilities is by covering nearly all maintenance and repair projects out of the 212 (sales tax reserve) or the 216 (special recreation) budgets. If either of these funding sources are diminished or eliminated, we will not have the resources to maintain the park and recreation infrastructure that has been built by and for the community.

Recreation Division

The recreation division continues to set high goals for programs, facilities, aquatic operations and continue to surpass expectations in enrollment, as well as the revenue production from activity fees yearly. Over the past few years, enrollment numbers have continued to increase at an average of 3% per year. Participant numbers are at all time highs and customer satisfaction ratings stand at 85%, ranking in the top 10% nationwide of all parks and recreation programs.



The expectations for the 2010 budget year are even higher. Demands for our services continue to grow as citizens' needs continue to focus locally in a recessionary economy. While holding the line on 2009 program operational expenses from tax revenues, the division will be able to see growth, cover minimum wage increases, take on some additional expenses (if tax dollars decrease) and help meet the community demands by expansion of programs. The increase of \$118,756 in operational expenses will be offset by the projections for activity user fee revenues.

We are adding a number of activities in our 2010 budget, including the Douglas County Amateur Baseball Association leagues and the Developmental Girls Fast Pitch Softball league. We will also be increasing popular programs such as sprint cycling; gymnastics; numerous fitness programs and aquatic learn-to swim-classes. These additions, along with a number of other special events, birthday party packages, trips and classes, will continue to show growth and variety in our recreational offerings. We will continue to maximize every resource available by constantly evaluating our programs to make sure we are operating in the most efficient manner possible and use all opportunities to partner with the school district and other organizations to maximize facility usage.

Because the community continues to express a high need for recreational services, shown by the record enrollments, record revenue generated over the past few years and what we heard at the public forum, the community sees parks and recreation as an essential function. We want to reiterate the need for additional facilities as soon as the economy allows. We are beyond the point that our current facilities are considered adequate. They continue to limit the number of citizens that can attend many indoor and outdoor programs. We need to ensure we position ourselves for better times, have community input and master plans for improvements ready when the time is right to respond. Funding limitations in the general fund also affect the recreation division due to the direct tie between the maintenance of facilities and our ability to program them at the highest level. All of the facilities we program have all, or a portion of the maintenance and utilities paid from the general fund. The 2010 Recreation budget has anticipated additional expenses in staffing, utility bills and revenue transfers to help pay expenses that have historically been funded through the General Fund/Liquor Tax. If the current trend continues, the recreation division will have to start limiting activities and participation in order to mirror the support available through the general fund, which will also limit the division's ability to grow programs, revenues and meet the public's demands.

Golf Course

We continue to see stability in Eagle Bend with revenues surpassing the operational expenditures, which is very encouraging in a recessionary economy. The minimum wage increases have been one of the most challenging for staff to manage. They have made adjustments to seasonal staffing and clubhouse service areas to maximize staffing, staying within budget, yet continuing to provide the great customer service and course maintenance that Eagle Bend is known to provide.

The 2010 budget has been built like previous budgets, which takes into account the monitoring of expenses and making adjustments to meet projected revenues throughout the year. History tells us weather has the greatest impact on revenue and also being the greatest unknown, a percentage of the operating budget is put into contingency and monitored monthly, which allows us to compensate for revenue shortfalls should they occur.

The annual pass program that was started in March of 2008 has been very popular in its first full year, and we expect that 2009 - 2010 will be even better. We are marketing the course a little more in 2009 and are setting more monthly and holiday specials to entice citizens to play "a round at the Bend." We will continue to encourage youth to get involved in the game by allowing children age 11 and under to play free with a paying adult and continue course improvements when finances allow.

We have not recommend any increase to fees for 2010 but will continue to monitor the economy's impact on the rounds played at Eagle Bend in 2009 and before the start of 2010 season make recommendations

to the Commission on potential pricing increases if appropriate. Prices at Eagle Bend have not been raised since 2005 and given the current economic condition we feel a wait and see approach is still the best course of action. We feel we are currently at the correct pricing levels for what we offer at Eagle Bend Golf Course and Learning Center in comparison to the competition. We want to continue to develop our relationships with patrons who enjoy playing "a round at the Bend."