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# Investing in Parks & Recreation

Manheim Township has a budget philosophy rooted in a deep sense of responsibility to the taxpayers and a strong commitment to excellent public service. The Township supports parks and recreation in accordance with the community's identity as "A Healthy Community". The purpose of the financing assessment is to review how the financial aspects of parks and recreation are supported, managed, and directed toward meeting community goals and with respect to the Township's resources as well as support from alternative means such as fees and charges, rentals, grants, gifts, donations and so on.

## Financing: Operating Budget and Capital Improvement Budget

The two major areas to be considered in financing are operations and capital improvements.

- The *operating budget* supports the daily operation of parks and recreation. The largest category is personnel covering salaries, wages, and benefits. Manheim Township's operations budget is funded through taxes, user fees & charges, grants, gifts, donations, partnerships, and sponsorships.
- The *capital improvement budget* is used for improvements that cost more than \$10,000 and last more than five years. Such improvements include park and recreation facility development, purchase of major equipment such as trucks, or the rehabilitation of existing facilities. It also includes land acquisition. Ways to fund capital improvements include municipal funds, grants and gifts, fundraising, donations, bond issues, partnerships, mandatory dedication of parkland, and loans.

### Operating Budget

The operating budget includes both revenues and expenditures as reported in Tables 9-1 and 9-2 according to the Barn, Custodial Fees, Parks and Recreation.

Table 9 - 1 Manheim Township Parks and Recreation Expenditures 2008 through 2011 Budget					
	2008	2009	2010	2010	2011
Barn	50,950	56,934	75,832	69,500	70,450
Custodial	218,509	220,723	248,912	251,619	251,449
<b>PARKS</b>					
Parks - General Park Maintenance	1,008,343	913,515	913,448	998,039	970,104
Stauffer Park	55,697	37,935	57,198	51,600	54,400
Skyline Pool - Park	45,132	39,251	53,556	66,775	74,732
Overlook Pool - Park	71,399	71,155	76,050	80,395	83,443
Overlook Activities Center	74,200	55,489	66,694	82,400	83,600
Miniature Golf Park	6,172	3,628	4,335	4,200	4,450
Sandtrap at Overlook	29,900	4,988	9,666	7,550	8,500
Boettcher House - Park	1,371	13,560	21,027	25,570	24,820
Community Park	57	7,455	16,219	4,800	7,300
Landis Woods Park	84	3,620	2,343	3,750	3,850
Municipal Park	0	4,434	4,239	3,200	3,400
Neffsville Square Park	0	490	2,000	3,700	3,700
	1,292,355	1,155,520	1,226,775	1,331,979	1,322,299
<b>Recreation</b>					
Leisure	435,484	491,051	529,433	533,221	573,740
Stauffer Park - Recreation	181,646	249,717	295,056	288,614	304,215
Skyline Pool - Recreation	94,186	97,245	114,556	136,092	135,125
Overlook Pool - Recreation	145,899	191,602	191,425	185,162	199,095
Overlook Activities Center - Recreation	77,400	78,309	95,860	91,568	101,972
Miniature Golf - Recreation	23,513	21,370	18,589	20,701	20,901
TOTAL RECREATION	958,128	1,129,294	1,244,919	1,255,358	1,335,048
TOTAL					
Barn	50,950	56,934	75,832	69,500	70,450
Custodial	218,509	220,723	248,912	251,619	251,449
Parks	1,292,355	1,155,520	1,226,775	1,331,979	1,322,299
Recreation	958,128	1,129,294	1,244,919	1,255,358	1,335,048
TOTAL	2,519,942	2,562,471	2,796,438	2,908,456	<b>2,979,246</b>

**Table 9-2** presents the revenues for Manheim Township’s parks and recreation system for fiscal years 2008 through 2011 as budgeted. The Township derives revenues from the municipal taxes, program fees, contributions, concessions, and rentals. The Township generates funds for capital improvements through bonds.

**Table 9- 2 Manheim Township  
Department of Recreation Revenues 2008 through 2011 Budget**

	<b>2008 actual</b>	<b>2009 actual</b>	<b>2010 actual</b>	<b>2010 budgeted</b>	<b>2011 estimated</b>
<b>RENTS &amp; RELATED INCOME</b>					
Barn Revenue	\$14,947	\$5,281	\$4,071	1,000	\$1,000
Recreation Revenue	456,133	468,579	405,470	\$492,000	493,200
Skyline Pool Revenue	110,604	100,958	134,072	201,500	143,000
Overlook Pool Revenue	252,543	306,053	323,570	293,500	331,000
OAC Rink Revenue	111,144	122,363	137,407	148,000	169,500
Boettcher House Revenue	1,385	2,766	2,761	3,300	3,500
Miniature Golf Revenue	33,628	31,286	31,304	36,000	32,500
<b>TOTAL DEPARTMENTAL INCOME</b>	<b>\$980,384</b>	<b>\$1,037,286</b>	<b>\$1,038,655</b>	<b>\$1,175,300</b>	<b>\$1,173,700</b>

## Capital Budget

Manheim Township invests in parks and recreation improvements annually. In addition to major projects such as the Manheim Township Athletic Complex, the Township upgrades facilities and undertakes cyclic repairs to keep the facilities safe, attractive and fun.

The proposed capital budget for 2012 is \$245,550. Improvements will include improvements to the mechanical systems in the pools, the purchase of tracts for Overlook Golf Course, kitchen improvements in Community Park, and a waterline at Overlook Park. The Township operates with a five year Capital Improvement Program

## Debt Service

Township is paying debt service for the Manheim Township Athletic Complex property. They payment for 2012 will be \$688,020. The debt will be retired in 2023.

## Analysis

### Strengths

Manheim Township supports the quality of life in this community in part through its excellent recreation, park, open space and greenway system. The Recreation Department strives to recover the cost of its recreation programs and services so that the township leverages its tax dollars with non-tax sources.

### Per Capita Investment

Based upon a population estimate of 38,133 and the 2011 parks and recreation budget, Manheim Township is spending about \$78.13 per capita.

The national average is \$65. Manheim Township as a premier system would be expected to have a higher than average investment in parks and recreation. The budget also includes about \$132,000 annually from the Stauffer Trust. This amount varies as it is investment income. Trusts are unusual sources of revenue in public parks and recreation departments.

### **Ratio of Parks and Recreation to the Township Budget**

Manheim Township's 2011 operating budget of \$18,960,247 includes \$2,979,246 for parks and recreation equating to about 15 percent of the operating budget.

### **Cost Recovery**

The Recreation Department recovers 88 percent of its operating costs through fees, charges, and rental. This is nearly double than the national average of about 45 percent.

### **Maintenance Investment**

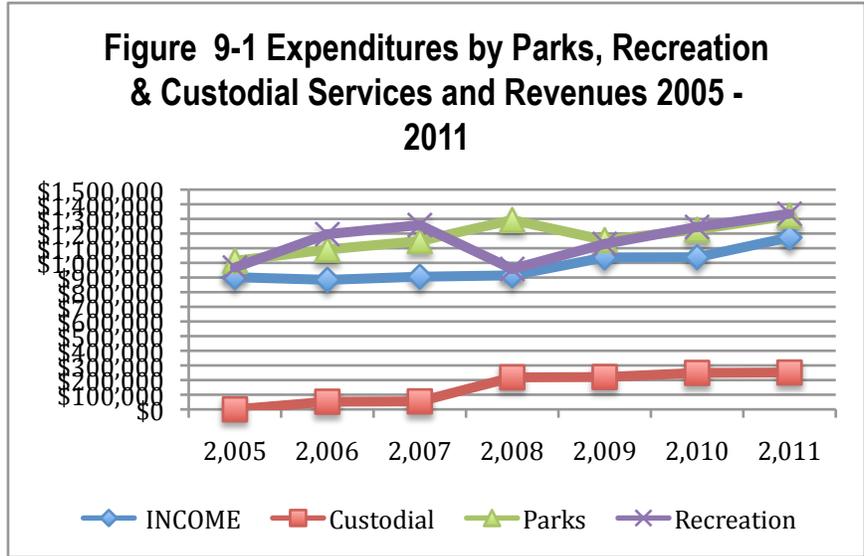
Maintenance investment is averaging about \$2,353 per acre. This falls somewhat above average in the typical range of \$1500 - \$3,000 per acre for maintenance in Pennsylvania's suburban communities.

### **Challenges**

Parks and Recreation provide important public economic, social, environmental and health benefits. Investing in parks and recreation enhances the quality of life in the community of Manheim Township. Nevertheless, these are difficult economic times. The public and private sectors are facing major budgetary challenges. The challenges for Manheim Township include the following: Revenue that will not grow without tax and fee rate increases and expenses that grow based upon the economic forces of inflation, infrastructure aging, personnel costs and service expectations.

Figure 9-1 presents the expenditures for Parks, Recreation & Custodial Services along with Revenues for 2005 – 2011. This figure shows that while expenditures have been increasing for parks, recreation and custodial services, income has been increasing at a higher rate; expenditures increased by 18 percent while income grew by 21.4 percent from 2005 to 2011. It is important to note that the increase in Recreation Department expenditures is offset significantly by the increasing revenues that the Department generates through fees and charges, sales, grants, gifts and other non-tax sources. Programs recover 88 percent of their cost. The chart also shows that the Township did not experience the expected decrease in costs after Parks was transferred from the Parks and Recreation Department to Public Works; the maintenance budget increased. Expenditures for park maintenance increased even after the elimination of three fulltime positions in Parks including the Parks Superintendent eliminated in 2009, a Park Maintenance worker eliminated in 2008 and the Facilities Secretary eliminated in 2007.

The current method of planning for capital improvements does not include planning for long-term maintenance costs, alternatives for traditional maintenance with township work force or partners. There is no workload cost tracking to determine the value of the service or facility costs on which to base fees and charges.



**Opportunities**

Continuing the Township’s strategy of holding the line on costs, increasing outside revenue sources and ensuring that recreation programs continue to recover costs is a winning formula. Ways to help enhance this include the following recommendations.

**Recommendations**

- Establish a fees and charges policy with cost recovery measures that include administrative, facility and advertising costs in addition to direct costs of instructors, materials and supplies. Make provisions for citizens in need of financial assistance.
- Develop a workload cost tracking system for maintenance. Assess software to support this function.
- Incorporate maintenance planning in all major capital improvement projects. Use the Management Impact Statement Tool presented in Chapter 3 Recommendations.

