

Attachment 2

FY2020 Parks & Recreation Budget

Parks & Recreation Fund



 City of East Lansing 
PARKS AND RECREATION FUND

City of East Lansing

PARKS AND RECREATION FUND

Revenues, Expenditures, & Changes in Fund Balance

	FY2018	FY2019	FY2020
Revenues & Financing Sources:	Actual	Amended Budget	Budget Request
Intergovernmental Revenue	\$ 54,952	\$ 21,600	\$ 24,000
Charges for Services	1,753,070	1,770,940	1,790,750
Rental Income	425,871	402,750	415,835
Community Support	188,472	174,700	179,200
Other Miscellaneous Revenue	-	-	-
Interest Income	1,496	1,100	1,500
Other Financing Sources	1,996,970	2,048,195	2,113,740
Total Revenues & Financing Sources	4,420,831	4,419,285	4,525,025
 Expenditures & Financing Sources:			
Personnel Services	2,017,675	2,021,385	2,097,885
Operating Costs	2,359,177	2,360,200	2,380,140
Capital Outlay	44,700	8,000	40,000
Transfers Out	7,000	7,000	7,000
Replenish Fund Balance	-	22,700	-
Total Expenditures & Financing Sources	4,428,552	4,419,285	4,525,025
Operating Surplus (Deficit)	\$ (7,721)	\$ -	\$ -
 Statement of Fund Balance:			
Fund Balance as of June 30, 2018 <i>(per audited financial statements)</i>			\$ 67,450
Anticipated Operating Surplus (Deficit) for year ended June 30, 2019			10,820
Estimated Available Fund Balance as of June 30, 2019			78,270
Anticipated Operating Surplus (Deficit) for year ended June 30, 2020			(8,700)
Estimated Available Fund Balance as of June 30, 2020			\$ 69,570
FY2020 Estimated Fund Balance as a Percentage of Operating Expenditures			1.5%

PARKS AND RECREATION FUND

Estimated Revenues

EXPLANATORY INFORMATION

The FY2020 Parks and Recreation Fund is budgeted at \$4,525,025, which represents an increase of \$105,740 from the FY2019 amended budget. Revenue for this fund is derived from earned income (charges for services, rental/reservation income, and community support) of \$2,385,785, General Fund transfers of \$2,105,040, intergovernmental revenue of \$24,000, interest income of \$1,500, and \$8,700 of reappropriated fund balance.

The FY2018 year-end fund balance, per audited financial statements, was \$67,450, or 1.5%, of the annual budget. An increase of \$10,820 in fund balance is projected at this time for FY2019. A decrease of \$8,700 is projected for FY2020 year-end, bringing the fund balance to \$69,570 based on the proposed budget. This represents an estimated decrease to fund balance of 11.1%, from FY2019 to FY2020, resulting from various changes to fees and program offerings, as noted throughout the Explanatory Information below.

Close to thirty revisions were made to the fee schedule for various programs in the FY2019 adopted budget. For FY2020, only two fee schedule rate changes are proposed, which include the following:

- Decrease the Adult Softball Team fee for the 18 Game Schedule from \$660 to \$575, effective the 2019 season.
- Decrease the Adult Softball Team fee for the 14 Game Schedule from \$530 to \$475, effective the 2019 season.

Information regarding each division and its activity is described in further detail later in this narrative, however, a few noteworthy items are included here:

- The Summer Solstice Jazz Festival (SSJF) experienced a \$36,158 operating deficit in FY2017. Several adjustments to the festival event and administrative structure were initiated and resulted in a year-end positive variance of \$20,650 in FY2018. The FY2018 positive variance was able to replenish the Parks and Recreation Fund for a portion of the prior year shortfall. A positive variance for the SSJF is proposed again in the FY2020 budget request.
- General Fund transfers include \$2,065,040 for operating, representing an increase of \$42,680, or 2.1%, from the FY2019 amended budget. The \$10,000 transfer, to support the SSJF, will remain flat for this budget. There is an additional one-time transfer of \$30,000 in FY2020, to support maintenance on the Hannah Building.
- The Prime Time program pays rental/reservation fees to the Parks and Recreation Fund for a small percentage of the program's facility use. Overall, in FY2018, Prime Time paid \$14,325 in rental/reservation use of the Community Center. Of the \$14,325 that was paid, the Parks and Recreation Fund reimburses Prime Time \$7,000, via a transfer, for a net rental/reservation payment of \$7,325. The \$7,325 paid by Prime Time in represents less than 1.8% of their FY2018 operating expenditures of \$407,512.

City of East Lansing

PARKS AND RECREATION FUND

Estimated Revenues (Continued)

EXPLANATORY INFORMATION (Continued)

The following schedule breaks out revenue by division, which makes it easier to understand what makes up the total revenues for this fund.

	FY2018	FY2019	FY2020
	Actual	Amended Budget	Budget Request
<u>Parks & Recreation Divisions:</u>			
Park Stewardship	\$ 2,545	\$ 3,000	\$ 3,000
Soccer Complex	80,247	65,150	95,000
Aquatic Center	383,828	405,250	410,250
ELHCC - Guest Services	512,668	495,500	516,500
ELHCC - Swim Pool	76,191	83,900	77,900
ELHCC - Building	-	-	30,000
Summer Solstice Jazz Festival	138,323	125,600	133,350
Arts Planning and Administration	2,652	4,000	3,500
Community Events	55,658	23,000	23,735
School Age Childcare	693,020	703,500	683,400
Recreation and Arts	167,893	151,800	179,200
Athletics and Softball Complex	173,794	188,750	161,750
All-of-Us Express Children's Theatre	146,091	130,540	132,200
Interest Income	1,496	1,100	1,500
Reappropriated Equity	-	15,835	8,700
Transfer from General Fund for General Operations	1,986,425	2,022,360	2,065,040
Total Revenues & Financing Sources	<u>\$ 4,420,831</u>	<u>\$ 4,419,285</u>	<u>\$ 4,525,025</u>

Park Stewardship – FY2020 Park Stewardship program revenue is budgeted at \$3,000. Revenue is derived from donations for a tree and bench program.

Activities offered through this program include the monthly Second Saturday Workday and specially scheduled workdays throughout the year. Volunteers remove invasive species such as buckthorn and garlic mustard, and assist with weeding and keeping the City’s parks healthy. Eight different organizations with over 172 unique volunteers participated in eleven workdays across the City and throughout the year. These volunteers contributed over 385 hours of community service.

Soccer Complex – FY2020 Soccer Complex revenue is budgeted at \$95,000. Revenue for this program is derived from rental/reservation revenue paid by soccer organizations. In FY2020 the City has budgeted a one-time contribution, of \$20,000 from the East Lansing High School, to replace the windscreens for the stadium fields.

City of East Lansing

PARKS AND RECREATION FUND

Estimated Revenues (Continued)

EXPLANATORY INFORMATION (Continued)

Revenue for this program in FY2018 was \$80,247. The reduction from FY2018 to FY2019, is due to the Lansing United men's team moving up to a higher level of professional play on the soccer pyramid and now playing at Cooley Law School Stadium. Although the amended budget for FY2019 is \$65,150, the year-end estimate is now forecasted to be \$75,000.

Attendance for 2018 at the soccer complex was 129,695. Average attendance over the past ten year period is 112,751, with a low of 84,805 in 2009 and a high of 129,695 in 2018. The average attendance curve is expected to level off in the next couple of years as the facility approaches full capacity.

Aquatic Center – FY2020 Aquatic Center revenue is budgeted at \$410,250. Revenue for this program is derived from aquatic center daily, ten visit, and annual pass sales and group rental/reservations. The FY2020 forecast of \$410,250 could be considered optimistic when comparing to 2017 and 2018, but pessimistic when comparing to 2015 and 2016. FY2018 actual revenue was \$383,828.

Attendance for the 2018 season was 41,382. Average attendance over the past ten year period is 47,996, with a low of 40,145 in 2014 and a high of 58,755 in 2012. Weather is the primary determining factor of aquatic center attendance. In addition, the area schools expanding academic school year calendar affects attendance.

ELHCC Guest Services – FY2020 ELHCC Guest Services revenue is budgeted at \$516,500. Revenue for this program is derived from daily, ten visit, six-month, and annual pass sales, facility reservations, and related food service and linen rental. Pass holders have access to the fitness center, gymnasiums, and the pool. Rental/reservation users include non-profit organizations, governmental agencies, individuals, and businesses.

Attendance by pass visitors in 2018 was 45,082. Average attendance over the past ten year period is 45,109, with a low of 40,174 in 2009 and a high of 48,204 in 2011. The average attendance curve is expected to continue to move downward unless reinvestment in the aging fitness center equipment is made. Attendance by rental/reservation users for 2018 was 115,757. Average attendance over the past ten year period is 92,536, with a low of 71,014 in 2009 and a high of 118,125 in 2016. A significant increase in attendance began in 2015 when Bailey Community Center was closed, which moved several recreation, arts, and enrichment classes and summer camp to ELHCC. The average attendance curve is expected to remain flat to slightly increasing over the next one to two years. The FY2020 revenue forecast of \$516,500 represents a 0.7% increase from FY2018 actual revenue of \$512,668.

ELHCC Swim Pool – FY2020 ELHCC Swim Pool revenue is budgeted at \$77,900. Revenue for this program is derived from learn to swim classes, Trojan Aquatics Swim Team, and swim pool rental/reservations. Since all ELHCC pass sales include admission to the swim pool, this revenue for swim pool use is recorded with all other ELHCC pass sales in the guest services budget.

Swim classes had 1,108 registrants in FY2018. The average number of registrants over the past ten years is 1,399, with a low of 1,106 in 2016 and a high of 1,893 in 2009. Swim class registration is expected to be flat to slightly increasing over the next couple of years. The FY2020 revenue forecast of \$77,900 represents only a slight increase over the FY2018 actual revenue of \$76,191.

City of East Lansing

PARKS AND RECREATION FUND

Estimated Revenues (Continued)

EXPLANATORY INFORMATION (Continued)

ELHCC Building – FY2020 ELHCC Building revenue is budgeted at \$30,000. In FY2020, the Parks and Recreation Fund has budgeted a one-time transfer from the General Fund, to assist with the cost of tuck-pointing and an assessment of the south elevation facade of the Hannah Building.

Summer Solstice Jazz Festival – FY2020 Summer Solstice Jazz Festival revenue is budgeted at \$133,350. Revenue for this program is derived from grants (Arts Council of Greater Lansing, MCACA, CRCF, and Arts Commission), contributions, and sponsorships. Attendance at the SSJF was estimated at 7,000 in 2018. A formal method for determining attendance has not been established; attendance is estimated at this time. The FY2020 revenue forecast of \$133,350 compares to actual revenue of \$138,323 in FY2018.

Arts Planning and Administration – FY2020 Arts Planning and Administration is budgeted at \$3,500. Revenue for this program is derived from sales of artwork from the East Lansing Public Art Gallery. The art gallery is located inside the East Lansing Hannah Community Center and features local artist. Admission is free to the gallery and attendance records are not kept, however gallery attendees can sign a visitor log. The FY2020 revenue forecast of \$3,500 represents an increase in anticipated sales from FY2018 actual revenue of \$2,652.

Community Events – FY2020 Community Events is budgeted at \$23,735. Revenue for this program is derived from space rental (Farmers Market vendors), sponsorships (DMB, DTN and MSUFCU), donations (\$2,000 from MSU for East Lansing Welcomes the World), and merchandise sales. Activities offered through this program include the East Lansing Farmer's Market, Children's Concert Series, Play in the Park, Summer Concert Series, Moonlight Film Festival, Winter Glow, and the Crystal Awards.

Attendance for community events combined is estimated at 34,450 in 2017 and 35,175 for 2018. Admission is free to all community events and attendance is only estimated. The FY2020 revenue forecast of \$23,735 represents a decrease from the \$55,658 from FY2018 actual. The decline is due primarily to not receiving an NEA grant in the amount of \$35,000 for the Great Lakes Folk Festival.

School Age Childcare – FY2020 School Age Childcare is budgeted at \$683,400. Revenue for this program is derived from user fees. Activities offered through this program include before school care, after school care, winter break care, and summer camp.

The School Age Childcare program had 625 registrants in 2018. The average number of registrants over the past ten year period is 567, with a low of 519 in 2011 and a high of 641 in 2014. Attendance is expected to remain flat during the five year construction period for the elementary schools. However, as the new schools open, increased capacity opportunities are expected, as the school district has done a nice job of incorporating school age before/after care in to the design of the new buildings. The FY2020 revenue forecast of \$683,400 represents a slight decrease in revenue from the \$693,020 FY2018 actual revenue. The slight decrease considers relatively flat registration as discussed above.

Recreation and Arts – FY2020 Recreation and Arts is budgeted at \$179,200. Revenue for this program is derived from user fees and fundraising (MSU home football game parking). Activities offered through this program includes, but is not limited to fitness classes, personal training, dance, yoga, ceramics, painting, buddy basketball, and floor hockey.

City of East Lansing

PARKS AND RECREATION FUND

Estimated Revenues (Continued)

EXPLANATORY INFORMATION (Continued)

The recreation and arts program had 3,421 registrants in 2018. The average number of registrants between 2015 and 2018 is 3,678, with a low of 3,421 in 2018 and a high of 3,994 in 2015. Attendance is expected to be flat to slightly increasing over the next couple of years. The FY2020 revenue forecast of \$179,200 represents an increase from the \$167,893 FY2018 actual revenue, mostly attributable to the success of the personal trainer and ceramics programs.

Athletics and Softball Complex – FY2020 Athletics and Softball Complex is budgeted at \$161,750. Revenue for this program is derived from user fees, field rental, concession sales, contributions (EL Basketball Club for middle school interscholastic sports) and fundraising (MSU home football game parking). Activities offered through this program include adult softball leagues, youth softball tournaments, youth recreation baseball, youth recreation basketball, and middle school interscholastic sports. Maintenance of the softball complex, performed by DPW staff, is also included in this division.

The athletics program had 1,433 registrants in FY2018. The average number of registrants over the past ten year period is 2,295, with a low of 1,433 in 2018 and a high of 2,883 in 2009. Adult softball league participation has been steadily declining over the past ten years, a trend that is common in the greater Lansing area and across the State of Michigan. In addition, at the youth level, parents are opting to move their children from recreational level play to club level play at earlier ages. The participation remains strong at the youth level, however, it has transitioned from recreational play to club level play.

To address the aforementioned trends in adult softball and youth baseball/softball, operational plans continue to be revised. All of the City sponsored youth baseball/softball play, currently being played at Marble Elementary School, is being moved to Patriarche Park beginning in 2020. Most East Lansing Club baseball/softball, currently being played at Patriarche Park, is being moved to the softball complex in 2019 and 2020. A sharp decline in tournament rental/reservation use is expected, from eight tournaments in 2018 to four tournaments in 2019. This decline is attributable to a significant increase in fees from \$35 per game to \$70 per game. The loss in revenue is expected to be offset by decreases in DPW staff, regular and overtime expense, and vehicle/equipment expense, beginning in 2020. The full budgetary impact of all of the athletics and softball complex changes will take two to three years to completely flush out.

All-of-Us Express Children's Theatre – FY2020 All-of-Us Express Children's Theatre (AECT) is budgeted at \$132,200. Revenue for this program is derived from user fees and fundraising (AECT Non-Profit Board). This program offers youth the opportunity to take part in every aspect of theatre production from acting, technical production, and costume design to set construction. Activities offered through this program also include audition workshops and drama camps. The AECT program had 4,651 registrants and/or admissions (ticket sales for shows) in 2018. The average number of registrants/admissions between 2015 and 2018 is 4,381, with a low of 3,969 in 2015 and a high of 4,651 in 2018. Registration and admission is expected to continue to increase slightly in this program over the next couple of years, though fundraising is expected to decrease by a third compared to FY2018.

City of East Lansing

DEPARTMENT APPROPRIATION

FUND
FUNCTION
STAFF RESPONSIBLE

Parks and Recreation
 Culture and Recreation
 Tim McCaffrey

	FY2018	FY2019	FY2020
	<u>Actual</u>	<u>Amended Budget</u>	<u>Budget Request</u>
<u>Parks & Recreation Divisions:</u>			
Park Stewardship	\$ 34,424	\$ 44,550	\$ 43,310
Soccer Complex	153,860	168,780	202,970
Aquatic Center	523,586	451,550	461,540
ELHCC - Guest Services	538,422	536,340	566,480
ELHCC - Swim Pool	153,343	155,200	156,650
ELHCC - Building	701,727	679,570	703,855
Summer Solstice Jazz Festival	117,672	109,995	113,495
Arts Planning and Administration	1,973	3,000	2,600
Respite Center Agreement	10,000	10,000	10,000
Community Events	181,690	137,820	117,310
School Age Childcare	503,060	534,550	550,145
Recreation and Arts	218,255	220,220	245,495
Athletics and Softball Complex	284,689	338,245	306,455
All-of-Us Express Children's Theatre	163,666	150,820	173,835
Administration	835,185	848,945	863,885
Transfer Out to Other Funds	7,000	7,000	7,000
Replenish Fund Balance	-	22,700	-
Total Expenditures & Financing Sources	<u>\$ 4,428,552</u>	<u>\$ 4,419,285</u>	<u>\$ 4,525,025</u>

DEPARTMENT APPROPRIATION

Expenditures include \$2,097,885 for personnel services, \$2,380,140 for operating expenses, \$40,000 for capital outlay (soccer complex improvements), and \$7,000 for a transfer to the Prime Time Senior Program Fund. Included in the operating cost budget of the Administration division, is a \$313,070 expense for general government direct cost allocation.

Park Stewardship – FY2020 Park Stewardship program expense is budgeted at \$43,310. Expenses for this program include \$37,450 of personnel services (.25 FT and .19 FTE) and \$5,860 of operating costs. The FY2018 actual expense for this program was \$34,424. The forecasted expense increase in FY2020, is attributable to increase in staff wages and establishing a part-time contingent intern in FY2019 and continued in FY2020.

DEPARTMENT APPROPRIATION (Continued)

FUND
FUNCTION
STAFF RESPONSIBLE

Parks and Recreation
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DEPARTMENT APPROPRIATION (Continued)

Soccer Complex – FY2020 Soccer Complex expense is budgeted at \$202,970. Expenses for this program include \$19,980 of personnel services (.63 FTE), \$142,990 of operating costs, and \$40,000 of capital outlay. The FY2018 actual expense for this program was \$153,860, the forecasted expense increase in FY2020 is partially attributable to a one-time \$20,000 purchase for wind screens (to be offset by a contribution from ELPS). In addition, \$40,000 is needed for the installation of a new underdrain system on one soccer field. The underdrain project will be completed in lieu of routine aeration and top-dressing in FY2020.

Aquatic Center – FY2020 Aquatic Center expense is budgeted at \$461,540. Expenses for this program include \$199,155 of personnel services (.25 FT and 7.05 FTE) and \$262,385 of operating costs. A small amount of contingent hours have been reinstated from prior year reductions. The FY2018 actual expense for this program was \$523,586, this included \$50,000 for repair of underground piping, an expense not anticipated in the FY2020 budget.

ELHCC Guest Services – FY2020 Guest Services expense is budgeted at \$566,480. Expenses for this program include \$400,900 of personnel services (5 FT and 3.27 FTE) and \$165,580 of operating costs. A small amount of contingent hours have been reinstated from prior year reductions. The FY2018 actual expense for this program was \$538,422. The forecasted increase in FY2020 is attributable to \$9,500 for replacement of tables and chairs and \$19,000 for RecTrac software upgrade.

ELHCC Swim Pool – FY2020 Swim Pool expense is budgeted at \$156,650. Expenses for this program include \$128,450 in personnel services (.25 FT and 4.13 FTE) and \$28,200 of operating costs. The FY2018 actual expense for this program was \$153,343. The just over 2% increase in FY2020, is attributable to staff expenses.

ELHCC Building – FY2020 Hannah Building expense is budgeted at \$703,855. Expenses for this program include DPW charges of \$36,955, utilities (full building) of \$258,000, maintenance contracts and licenses of \$21,450, custodial services (full building) of \$192,000, repairs and maintenance of \$181,275, and insurance, bonds and claims of \$14,175. This is a minimal increase from FY2018 actual.

Summer Solstice Jazz Festival – FY2020 Summer Solstice Jazz Festival expense is budgeted at \$113,495. Expenses for this program include \$13,580 of personnel services (.25 FT and .14 FTE) and \$99,915 of operating costs. The FY2018 actual expense for this program was \$117,672. The slight decrease in FY2020 is attributable to a reduction in contingent wages and advertising.

Arts Planning and Administration – FY2020 Arts Planning and Administration expense is budgeted at \$2,600. Expenses for this program include payments to artist for artwork sold. The art gallery receives 25% of the revenue from the artwork sales with the remaining 75% being paid to the artist. The art gallery has accumulated \$9,208 of reserves from these sales.

Respite Center Agreement – FY2020 Respite Center Agreement expense is budgeted at \$10,000. Expenses for this program include a \$10,000 contribution to Helping Hands Respite Care (HHRC) per an operating agreement between the City and HHRC.

DEPARTMENT APPROPRIATION (Continued)

FUND
FUNCTION
STAFF RESPONSIBLE

Parks and Recreation
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DEPARTMENT APPROPRIATION (Continued)

Community Events – FY2020 Community Events expense is budgeted at \$117,310. Expenses for this program include \$57,700 of personnel services (.50 FT and .80 FTE) and \$59,610 of operating costs. Contingent hours have increased slightly from the addition of the EBT Coordinator position, related to the Farmer’s Market. The FY2018 actual expense for this program was \$181,690. The reduction in the FY2020 expense is primarily attributable to the elimination of the Great Lakes Folk Festival (\$35,000 NEA Grant expense, \$15,000 cash contribution, and \$12,973 DPW overtime expense on the Festival weekend).

School Age Childcare – FY2020 School Age Childcare expense is budgeted at \$550,145. Expenses for this program include \$402,230 of personnel services (2 FT and 10.54 FTE) and \$147,915 of operating costs. The FY2018 actual expense for this program was \$503,060. The FY2020 increase is partially attributable to personnel costs for new and recently hired part-time contingent staff, wage increases to meet minimum wage, and subsequent adjustment of part-time site leader staff wages. Additionally, operating costs increased relating to operating supplies for a new school program (Glencairn re-opening in fall 2019) and increased internal facility use, charged via inter-fund transfer.

Recreation and Arts – FY2020 Recreation and Arts expense is budgeted at \$245,495. Expenses for this program include \$128,670 of personnel services (.50 FT and 1.40 FTE) and \$116,825 of operating costs. The FY2018 actual expense for this program was \$218,255. The FY2020 increase is attributable to increased hours for part-time contingent personal trainers, increased wages for part-time contingent staff, and increased hours for contracted services employees. Revenue generated by the part-time positions and contract service employees covers the wage expenditures. If participation does not meet minimum levels, classes are cancelled and expenses will not occur.

Athletics and Softball Complex – FY2020 Athletics and Softball Complex expense is budgeted at \$306,455. Expenses for this program include \$124,960 of personnel services (.50 FT and .72 FTE) and \$181,495 of operating costs. The FY2018 actual expense for this program was \$284,689. The FY2020 increase in expense is attributable to an increase in DPW charges and in contingent hours and wages.

All-of-Us Express Children’s Theatre – FY2020 All-of-Us Express Children’s Theatre expense is budgeted at \$173,835. Expenses for this program include \$89,840 of personnel services (.50 FT and 2.22 FTE) and \$83,995 of operating costs. The FY2018 actual expense for this program was \$163,666. The FY2020 increase in expense is attributable to increased part-time contingent wages associated with increased participation in programs, increased advertising for shows/productions, and increased operating costs for show offerings.

Administration – The FY2020 Administration expense is budgeted at \$863,885. Expenses for the program include \$473,655 of personnel services (4.0 FT) and \$390,230 of operating costs. The FY2018 actual expense for this program was \$835,185. The general government indirect charge allocation of \$313,070 for the Parks and Recreation Fund, is assigned to the administration budget. The remaining \$77,160 of operation costs consist of operating supplies, employee training, computer rental charges, etc.