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Identifying and Evaluating Revenue Strategies for Parks and Recreation Departments across the Western United States

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Introduction

The City of San Jose Parks, Recreation, and Neighborhood Services department's core services are to provide recreation and community services and to maintain and operate parks. The department's vision is to be a national leader among Parks and Recreation departments by cultivating healthy communities through quality programs and dynamic public spaces. Its mission is to build healthy communities through people, parks and programs. This study revolved around the concept of financial sustainability for Parks and Recreation departments. Many Parks and Recreation departments are highly dependent on their municipality's general fund. This can cause programming and sustainability issues when there is a budget shortfall and the general fund has to be reduced.

The City of San Jose has been using several tactics in order to be less dependent on its general fund including grant applications, partnerships with other local governments, reuse programs, facility rentals, and sponsorships or naming rights for local businesses or corporations. In 2009, the City of San Jose passed the "Pricing and Revenue Policy" in order to be more consistent with council policy and remain within approved cost recovery goals. The Parks, Recreation, and Neighborhood Services Department (PRNS) made the goal to increase its cost recovery level to forty percent by 2014. Recently, the City of San Jose Parks and Recreation Department has reached a thirty-nine percent cost recovery rate.

The Recreation and Community Services Division Manager initiated the idea of surveying other large cities along the western United States to see what methods their Parks and Recreation Departments are employing to be financially sustainable. The goal of this this paper has been to study the strategies currently being implemented to determine which would be feasible and beneficial for the City of San Jose Parks and Recreation Department to adopt. The concept of feasibility was be analyzed in terms of simplest and smoothest implementation processes, and the concept of beneficial was analyzed in terms of highest level of financial savings or gain for the department.

The City of San Jose seeks to be a dynamic and innovative leader among the nation's Parks and Recreation Departments. This project has helped foster that commitment by researching innovative programs and policies that may be beneficial for the City of San Jose to implement and by also helping to lead the way for other cities to become less dependent on their municipality's general fund. Therefore, the two research questions for this project are as follows: 1). What revenue strategies are being adopted in large cities across the western United States to enable Parks and Recreation Departments to be financially sustainable and less dependent on their municipal general fund? 2). Which of these strategies would be the most feasible and beneficial for the City of San Jose to implement?

Background

In 2007-2008, prior to the implementation of the Pricing and Revenue Policy of 2009, the City of San Jose Parks, Recreation, and Neighborhood Services department had an operating budget of close to $70 million dollars. The programs or services the City of San Jose PRNS department provided tended to be free or well below the market value. As reported in the PRNS Pricing and Revenue Policy Memorandum dated March 2009, the cost recovery rate for the department was approximately 22%, meaning that 78% of program costs were supported by the general fund. The department focused more on the importance of delivering services to the community rather than on how cost effective the service was or how beneficial the service was to the community (*Pricing and Revenue Policy* 2009).

Given the fiscal environment and the significant general fund budget deficit, the PRNS department re-evaluated the services it provided and evolved its service mentality to better match its resources. The department could eliminate or greatly reduce services, increase user fees, or find other alternative strategies to generate more revenue. The PRNS department decided upon two major actions: (1) to revise its *Green Print*, a twenty-year plan and business model for the department, and (2) to develop the Pricing and Revenue Policy, which provided guidelines for the department to determine how to be less dependent on the City of San Jose's general fund.

The current *Green Print* is comprised of several sections, including an elements section, which states the vision, mission, guiding principles, goals, and strategies for the PRNS department for the next twenty years. Within the body of the document, there are three major sections, which include financing and marketing strategies, facilities and programs within the PRNS department, and urban planning area strategies. The section on financing and marketing strategies is useful for understanding the various revenue strategies that recreation departments might employ. For example the financing section suggests the three options of created income, partnerships, and differential pricing methods. The area of created income includes pursuing grants, sponsorships, and foundation funding. The area of partnerships involves working alongside both private and public entities in order to build relationships with volunteer groups, school districts, and community based organizations. Lastly, the area of differential pricing methods includes adding a variety of differential rates based on weekend or weekday times for facility rentals, as well as, early bird registration opportunities in order to best accommodate the schedules and price points of potential customers (*Green Print Table of Contents* 2009). These sections in the *Green Print* highlight what the City of San Jose is currently doing to pursue sustainable revenue strategies for the Parks, Recreation, and Neighborhood Services department.

The previous *Green Print* was written in September of 2000. Since then, there had been numerous changes in the City of San Jose's environment, causing a need to update the original *Green Print*. The original format planned on receiving an annual investment of $60 million dollars to complete all intended projects by the year 2020. However, based on the fiscal situation of 2009, which included declining revenues in PRNS's operating and capital funds, the *Green Print* was revised to include realistic expectations of when projects could be delivered or completed. The updated *Green Print* also shifted the department's focus towards projects that would build a sustainable foundation for the future (*Green Print Introduction 2009).* The new goals of the department included providing environmentally and financially sustainable recreation programs and infrastructure assets, environmentally responsible recreation facilities, accessible recreation opportunities in order to be responsive to the health of the community, partnering with the community in order to promote environmental stewardship and volunteerism, improving the livability of the surrounding community by providing quality programs and facilities, and lastly, by providing nationally recognized parks, trails, open spaces, recreation amenities and programs that meet the growing needs of the community (*Green Print Elements* 2009).

The new Pricing and Revenue Policy for PRNS was approved in June 2009. It provided a framework for the department to determine how much to subsidize services, created a financially sustainable approach to recreation services and facilities, and ensured affordable access to programs and services. All fees and charges for PRNS services now developed have to be consistent with the policy.

The five guiding principles are:

1. Identify the level of benefit a customer receives to determine the subsidy level. The three different levels of benefit are public, merit, and private services. Public services are highly subsidized because they provide the highest level of benefit to the community (Examples include youth services or access to neighborhood parks), Merit services have a combination of community benefit and individual/private benefits (Examples include swim classes or senior recreation), and Private services have individual benefit with little to no community benefit (Examples include dance or piano lessons).
2. Calculate the cost of services and include direct and indirect costs.
3. Determine the cost recovery goals by considering the level of benefit (described in point one), cost of service, and the availability of funding.
4. Ensure affordable access by providing scholarships.
5. Create revenue by pursuing sponsorships and grants. Another strategy to generate more revenue is to diversify the pricing method (prime and non-prime time rates) to optimize when a facility is used that best fits schedules and price points. Develop partnerships with other agencies to enhance services and keep the programs affordable.

These five guiding principles have assisted the PRNS executive leadership staff to determine sustainable pricing methods for the services, programs, and classes the department provides to the public. A positive implication of these guiding principles has been the ability for the department to calculate costs that are competitive with the average market rate when providing private services, such as dance or soccer lessons, for the community. These principles have also created a way for offering needed public services, such as, youth services or access to neighborhood parks, at an affordable rate for community members who need them. Every city has unique and differing needs, and these guiding principles have worked at identifying the needs and wants of the community, creating pricing methods that are financially sustainable for the department, providing scholarships for those in need, and utilizing collaborative partnerships to enhance current programs and services.

The general fund subsidy for PRNS reduced from 78% to 72% after the first year the policy was implemented. The department's general fund dependence has further been reduced in each subsequent year and in 2013-2014, the reliance was estimated to be just below 40%. As highlighted in the 2013 Annual Report for PRNS, 20,318 participants enrolled in programs and services. PRNS provided 582 programs for adults, 2,815 programs for children, and 168 programs for special needs individuals. It is also estimated that the City also partnered with over 300 various community-based organizations and outside agencies (City of San Jose PRNS Annual Report 2013).

Significance

This topic has been important to research due to the numerous stakeholder groups it will benefit. The stakeholders of this research project include Parks and Recreation

Department administrative staff who implement the pricing policies, field staff who carry out policies, the organizations who partner with the city or choose to sponsor a city program, program participants who partake in the City of San Jose's recreation services, and third party community members who benefit from the positive externalities of the department's services. What are the interests of these stakeholders? Administrative personnel value cost efficiency and the ability to grow the cost recovery rate of the department. Field staff value customer service and increasing the number of participants who enroll in their programs or receive their services. Outside organizations often give out of benevolence or with the additional opportunity of marketing their organization. Program participants value receiving quality recreation experiences at an affordable price. This research project aims to provide a benefit to all stakeholder groups by researching revenue strategies that will increase the cost recovery rate of the department while also continuing to offer sustainable, quality programs for the public.

The intent of this paper has been to benefit the City of Jose Parks, Recreation, and Neighborhood Services Department, as well as, other large cities across the western United States. In research databases, which house scholarly articles, one would find that the body of knowledge is full of articles devoted to park conservation and revenue strategies for national and state parks. There is a limited amount of data available that focuses specifically on recreation services offered at a local level. The lack of available research for the local level park system has led to the motivation behind writing this paper. Therefore, a reason for completing this research paper was contributing to the data available involving local Parks and Recreation departments. Finally, the overarching purpose of this research project was to add to the scholarly knowledge available in order to help administrative staff when proposing policy changes to council members and local policy makers. In addition, the purpose of utilizing a survey was to learn from other municipalities and gain insight from their experiences. In the long run, effective revenue strategies will help valuable and well-loved programs endure during times of financial difficulty.

Literature Review

This review will address some work already completed on parks departments and national recreation agencies, which provides valuable information to this study. In a general sense, this literature review will explore research about local government cut back management strategies. It will explore general parks and recreation management and how these agencies are working to increase revenues and provide a sustainable income. Current and recent tactics for identifying financial strategies and public perspectives on these financial strategies will be addressed as well. The outline of this literature review will address five major questions regarding revenue strategies for local parks and recreation departments.

1. What previously complied or published studies provide the best available information?
2. What do these selected studies conclude about local government parks and recreation fiscal management and revenue strategies?
3. What are the apparent methodical strengths and weaknesses of these studies?
4. What remains to still be discovered about the topic?
5. What appears to be, according to the studies selected, the most effective methods for developing new information on this topic?

First, what previously complied or published studies provide the best available information? When searching through research databases, there are numerous articles on public agency fiscal management, but not much research specifically on local parks and recreation departments. The relevant research that was ultimately included for use in this project touched on topics as broad as surveying the public's opinion with respect to how local governments are handling fiscal stress, as well as, articles describing how local government agencies view intergovernmental financial aid during times of instability. Articles with a more narrow focus, such as a case study on the City of Santa Ana, were incorporated because they looked at the detailed components involved in a community overcoming its high budget deficit.

Second, what do these selected studies conclude about local government parks and recreation fiscal management and revenue strategies? The studies, articles, and documents that have been selected have proven beneficial because they cover both the explanation of current and plausible revenue strategies, as well as, survey results of the public's perspectives on these strategies. The following paragraphs will focus on question number two and dive deeper into what each individual scholarly source has found. The first few articles will look at the issue of government financial resources at large, and the latter articles will focus primarily on the specific components of parks and recreation departments.

Dellar and Maher (2006) found that local governments treat Federal and intergovernmental aid differently during times of stability and instability. During times of stability, local governments will treat the aid transfers as permanent and most likely build it into its base budget. However, in times of instability, local governments will treat aid transfers as stimulatory and use it as a temporary source of funding. In addition, in times of instability, local governments are more inclined to cut quality of life services, such as, libraries, parks, and recreation services. Parks and recreation services are one of the first services to be downsized when there is fiscal stress (Dellar & Maher 2006).

Carr, et al (2010), surveyed residents of the state of Michigan to learn their priorities in times of government fiscal stress. A majority of residents would allow for tax increases for public safety services. However, when referring to non-public safety services, such as, street cleanings, garbage collection, and parks and recreation services, a majority of residents were in support of contracting out services to nearby governments and private vendors. Residents did not necessarily support cutting public employee positions or wages. Instead, residents were in favor of creating strategies to continue the current status of local public services (Carr, et al. 2010). This article helps illuminate the public's views surrounding government budget deficits.

The next two sources are helpful because they show in two specific case studies how communities chose to handle fiscal stress. The first article is a case study of the City of Santa Ana (McGrath 2013), which focuses on the strategies the city chose in order to overcome its current budget deficit. Some of the strategies included outsourcing its fire department, as well as, other city services, negotiating employee compensation reductions, revenue increases, expenditure controls, and service reductions. The second is a case study on a large recreational park in Canada that has a majority of its programs and activities successfully operated by volunteers. Barnes and Sharpe (2009) looked at how host agencies view and engage with their volunteers. Suggestions are given in order to strengthen the relationship between the community members who offer their time and talents and the parks and recreation staff who oversee the parks and recreation facilities. The authors call for no longer using the term "volunteer" but instead using the term "friend" (Page 7). An adaptive goal is to develop a more informal and flexible relationship in order for non-staff members to want to support the recreation activities in their community.

Some research focuses on the protection and upkeep of our parks on both a federal and local level, finding it imperative to not only preserve our parks, but to also protect them in a financially, sustainable way. Morgan (1996) addresses the concern for protecting and managing state parks. Many parks become over developed and thus, become no longer feasibly sustainable. The author suggests for state parks to be divided into three different types of categories: natural areas, historical areas, and recreational areas. By distributing these categories evenly throughout the state, public resources will be allocated more equitably with a more financially sustainable approach. The author also advocates for private businesses or entrepreneurs to partake in owning or constructing the luxury or recreational aspects of state parks. This would cause the state government to act in a supervisory role rather than an operational role. This article is relevant because it would be beneficial to research whether any of these ideas for state parks could be applied to local city parks (Morgan 1996).

Krinsky and Simonet (2011) study the workforce that manages and takes care of local parks and explore the concept of privatization of parks and how that might affect the neighboring communities. A poorly maintained park often depresses the real estate value surrounding the park. Parks that are maintained in good condition add to the local economic development and benefit nearby landowners (Krinsky & Simonet 2011). This concept may be beneficial to research further to test whether it is possible to partner with private businesses in order to maintain local parks in depressed areas and create new revenue strategies for local parks and recreation departments.

Lau (2012) looks at alternative ways of providing recreation services to lower income and underserved communities. Local recreation departments can partner with private businesses and non-profits to offer mobile and relatively inexpensive ways for local residents to stay active and physically healthy. Lau considers the concept of transitioning parks agencies from being producers of parks to facilitators of recreational services (Lau 2012). Findings diverge concerning possible benefits of partnering with private organizations. Lau has concluded that there are many positive benefits to Public Private Partnerships (PPP); while other researchers (Krawchenko, et al. 2011) are not fully convinced the benefits will outweigh the costs.

Krawchenko, et al. 2011 argue against the use of Public Private Partnerships (PPP) under certain circumstances. These circumstances include when the use of a certain public space is highly controversial, when there involves an unsolicited bid, when the procurement method is sole-sourced, and when councilors are funded by the private partner involved in the bid. Local governments need to be aware of public scrutiny and need to stray away from situations that have the appearance of self-interest and private gain. The authors do not, however, argue to do away with all Public Private Partnerships. Not all partnerships are negative, and they can be used as an effective tool for delegating public services to local businesses (Krawchenko, et al. 2011).

Some researchers have found that PPP provide positive benefits. HeeSoun (2006) argued that even though it is common to assert the statement that it is financially beneficial to contract out public services to outside entities, it is difficult to prove the level of efficiency and cost savings when contracting out a public service. This research study was able to show that contracting out to nonprofit organizations produces a higher cost savings compared to contracting out to private organizations and other governments. Secondly, HeeSoun found that manager council government types are more likely to contract out local services than provide services directly. Finally, when contracting out to private organizations, the expenditures were higher than when contracting out to other governments or nonprofit organizations.

Another alternative that is often suggested is instituting user fees or charges. Sun and Jung (2012) explore the effectiveness of instituting user charges for local public services. They study parks and recreation services, as well as, sewage services and demonstrate that a greater reliance on user charges will result in a lower expenditure level for parks and recreation services (Sun, et al. 2012). This helps to solidify the current research because it is important to either discover new strategies or confirm already known strategies for increasing revenue for the parks and recreation department.

Dietl poses an intriguing thought, which can possibly be applied to public recreation agencies. He focuses on the business economics of sport leagues and clubs and was able to find that the level of social welfare increased as the club became more win maximizing. Moving from a non-profit status to the level of profit-maximizing status also caused the level of social welfare to increase (Dietl 2009). This strategy may be worth researching in the future in order to possibly increase both the level of revenue and the level of social welfare in local parks and recreation departments.

Financing Outdoor Recreation touches on several recommendations for financing parks and recreation departments. A few options include utilizing general obligation and revenue bonds as a way for state and local governments to afford capital investments, as well as, instituting entrance, parking, or user fees. Two other ideas presented are federal grants and loans programs. The author recommends that the federal grants should not exceed more than forty percent of the cost and should be instituted as a matching program. The author suggests that grants be used for planning, the acquisition of land, and the development of facilities. Federal loans are suggested for cases where immediate funds are needed but are not available (*Financing Outdoor Recreation* 2002).

Samnaliev, et al (2006), focused on the public's view of alternative funding sources for parks and recreation departments. It is interesting to note that in 2002, the author of *Financing Outdoor Recreation* focused primarily on the use of loans and grants; however, in the listing of alternative funding options by Samnaliev, et al. in 2006, grants and loans are not mentioned. The more recent available literature on revenue strategies seems to suggest that perspectives of local public officials has changed over time from placing a high reliance on federal loans to no longer wanting to increase their reliance on federal funding and wanting to shift their attention to the private market and corporate sponsorships. This shows that revenue strategies for parks and recreation departments has shifted and developed over time, and there is still much to be discovered in this area of research.

Samnaliev, More, and Stevens (2006), aimed to describe current public opinion regarding instituting fees for recreation and possible alternative revenue sources for parks and recreation services. These alternative sources included donations, sponsorships, facility closures, and outsourcing to outside organizations. The study surveyed over 800 responses from Idaho and New Hampshire residents. The goal of surveying two different states was to check for any major differences in thought between east coast and western residents. The study found that western residents appear to be more involved their parks and recreation departments (Samnaliev, et al. 2006).

Based on the survey responses received by Samnaliev, et al., the researchers decided it would be most beneficial to institute a mixed policy using several of the revenue alternatives. Corporate sponsorships were accepted for the use of educational facilities and visitor centers. The idea of instituting a fee or donation system was considered acceptable by non-frequent users. However, more frequent users were less accepting of instituting fees and were marginally accepting of the concept of donations. The authors found negative aspects of each of these resource alternatives. For example, it was stated that donations might not bring in enough sustainable revenue, and corporate sponsorships may create an atmosphere with too much commercialization that involves the private industry more than originally envisioned. Overall, the research authors believe that, yes, there are more efficient and sustainable revenue options available, but the government should move with caution as the public's opinion still appears very impressionable (Samnaliev, et al. 2006).

Before one can move forward with new research, it is important to assess how existing research has been conducted. The following segment will discuss the third question, what are the apparent methodical strengths and weaknesses of these studies? This literature review reveals a consistent balance of each of various types of methodologies. It is comprised of four case studies, two surveys, four statistical analysis tests, and three descriptive secondary data studies. Each of these methodologies has its strengths and weaknesses, and each methodology is useful depending on the context of the research.

Case studies are beneficial because they can be in depth and very detailed with many findings, however, they can also be too specific that the researcher cannot apply the findings to other situations. For example, the case study on the large recreational park in Canada provided useful tactics and recommendations, however, one needs to be cautious of assuming what worked for the Canadian park will be successful for the City of San Jose Parks and Recreation department. Surveys can hold a large sample size, which can increase the applicability to other situations, however a weakness of surveys is the possibility of having data based on respondents' opinions and personal perspectives and not on factual data. However, if the researcher is looking for public opinion, this can be a beneficial method to use. For example, the survey from Carr et al. 2010 gives the reader the opinions and perspectives of local Michigan residents regarding cutback management. This survey provides this current research project with data that shows residents do not always favor cutting public job or reducing public wages. Local Michigan residents are also in favor of using new and innovative revenue strategies to maintain the status of current public programs (Carr et al. 2010). This survey succeeded in providing data that can be used as a foundation for further research in the area of public revenue strategies.

Statistical analysis tests are often seen as more reliable and valid if based on numerical data and not on personal opinion. However, these tests can be costly and very time consuming, and the researcher needs to have the ability to decipher and interpret the numerical data accurately. It is important to note the difference between correlation and causation. For example, HeeSoun (2006) found that financial savings occur when contracting out to non-profits and other governments when compared to private organizations. The data showed that financial savings is correlated with non-profits, but the data did not prove that using a non-profit caused the increase in financial savings. One must be cautious of claiming a causation that is merely a correlation of two pieces of data.

Lastly, descriptive secondary data is sometimes easier to obtain and can cover a wide range of research findings. One area of caution is to be aware of using irrelevant or outdated secondary data. For example, the article *Financing Outdoor Recreation* 2002, may not hold the most current data, considering that most of revenue strategies mentioned were bonds, capital investments, or federal loans. The suggestions may be beneficial, however, they may already be considered common knowledge and not actually providing any new data to the reader. The article, however, is beneficial to this research to see where public revenue strategies are currently and what is considered the status quo for pursuing public funding.

Looking back, one source, which has proved to be particularly beneficial to the research, is the survey on the public's attitudes regarding financing public recreation lands because it involves the acceptability level of the public towards alternative ways to raise recreation revenues. Another valuable source is the case study on alternative approaches for meeting the needs of underserved communities. This case study provides a creative array of revenue and programming strategies that could possibly be added to the City of San Jose Parks and Recreation department. Lastly, of the statistical analysis studies, both the study on contracting out recreation services and the study on instituting user fees provided a strong foundation of revenue strategies on which the City of San Jose can base its data collection.

In summary, the research focused primarily on parks systems, ranging from discussing how a park's upkeep and value affect the neighboring communities to discussing involving community members and volunteers as a means to run and oversee recreation parks programs. Existing literature also incorporated the possibility of Public Private Partnerships and contracting out parks and recreation services. Numerous articles touched on public perception of contracting out local services and how a Public Private Partnership might affect local recreation participants and the surrounding community. A few researchers argued that public private partnerships would bring about positive results, such as, bringing in revenue for large recreational parks and also providing recreational needs for underserved communities. Other researchers believed that Public Private Partnerships might not be the most efficient or public trust building avenue to go down. A few articles mentioned that instituting user charges and fees were more forthright and open than Public Private Partnerships about where public money was being allocated. Overall, the available literature supports the need for new and innovative revenue strategies, while also suggesting that public opinion and cost efficiency need to be the foundation for discovering new revenue strategies.

Even though the available literature on local recreation departments consists of valuable resources, there are still areas in need of research. The fourth question asks what remains to still be discovered about the topic? To be more specific, what remains to still be discovered about revenue strategies and sustainable financial planning for parks and recreation departments? Additional research on the use of private donations, grants, partnerships, naming rights, and sponsorships would be useful. For example, the private sector, as well as, individual contributions towards recreation equipment, such as exercise and fitness materials, and technological equipment, such as computers for a youth or senior citizen lab, could possibly be sponsored by an outside organization. This avenue of financing for recreation services is worth researching.

Some specific areas to research include asking the following questions: Which cities have attempted and are using any of the formerly mentioned revenue strategies? For the recreation and parks departments that have implemented these strategies, how much revenue has been acquired? Have these strategies been beneficial? Was there a smooth implementation or public acceptance of these revenue strategies? If pursued, the research to answer these questions could potentially lead local city departments into a more fiscally responsible and sustainable future.

In conclusion, the fifth and final question asks, what appears to the most effective methods for developing new information on this topic? Both surveys and secondary data have proved to be the most beneficial research methods thus far. The surveys developed a strong working knowledge on how the public views parks and recreation services, as well as, current or proposed financial strategies. This has provided a strong foundation on what research has already found and where it now needs to continue. Secondary data has shown what studies have already been conducted, thereby, allowing this research to not merely become a repetition of past studies. Therefore, some possible sources of data that can further this specific area of research include Parks and Recreation administrative staff surveys, parks and recreation departmental budget documents, annual reports, and local policies highlighting ten year or twenty year plans for specific parks and recreation departments. This research paper hopes to add to the exiting literature by surveying the revenue strategies that western cities are currently implementing. The ultimate goal of this paper is to provide more insight into how local cities can ensure their parks and recreation departments are cost recovery and financially sustainable.

Methodology

The two main methods for collecting data for this study were surveys and secondary data. For this project, the following two research questions have been analyzed in greater detail: 1) What revenue strategies are being adopted in large cities across the western United States to enable Parks and Recreation Departments to be financially sustainable and less dependent on their municipal general fund? 2) Which of these strategies would be the most feasible and beneficial for the City of San Jose to implement?

The first question focused on revenue strategies that are currently being implemented across the western United States. It first involved defining what cities needed be surveyed and second what specific revenue strategies needed to be researched. The western cities surveyed included large cities from California, Oregon, Washington, Arizona, and Nevada, such as, San Diego, San Jose, San Francisco, Fresno, Sacramento, Portland, Seattle, Phoenix, Tucson, and Las Vegas. These cities were chosen because they had a high population rate, ranging from just under 500,000 to over a million residents. Although it has a high population rate, Los Angeles was not selected. With over three million residents, selecting Los Angeles would have created an outlier with a much larger population and size than the other cities in the study. Therefore, the cities of San Diego, San Jose, San Francisco, Fresno, and Sacramento were selected because they had the next top five highest population rates in California. Portland, Oregon; Seattle, Washington; Phoenix, Arizona; Tucson, Arizona; and Las Vegas, Nevada; were selected because they are the only cities in their respective states that had a population rate above 500,000.

In order to survey these cities, phone and email surveys with key administration staff from each of these large cities were administered to receive a listing of the strategies currently being implemented in each of their respective cities. The first step involved researching the names and contact information of the directors, assistant directors, division managers, superintendents, analysts, fund development staff, and supervisors from each city's parks and recreation department websites. The next step consisted of contacting, via phone and email, each of the previously mentioned positions to ask if they would be interested in completing the survey. The goal was to survey a variety of the formerly mentioned parks and recreation personnel in order to receive sufficient information about each city's policies. This could have taken as little as one survey per city or as much as five surveys per city. The anticipated end result was to acquire enough data to create a strong response from each city for each survey question.

The survey focused on the revenue strategies of grants, corporate sponsorships, naming rights, donations, and contracting out to private or non-profit organizations. The survey also addressed discovering new revenue strategies that were not formerly mentioned. The specific survey questions are listed near the end of this methodology section. The goal was to survey the strategies currently being implemented and of these strategies, decide which would be feasible and beneficial for the City of San Jose Parks and Recreation Department to employ. The concept of feasibility was analyzed in terms of simplest and smoothest implementation processes, and the concept of beneficial was analyzed in terms of highest level of financial savings or gain for the department.

During the data collection period, seven of the ten selected cities were able to return a full, completed survey. Therefore after entering the collected survey data, in order to hopefully locate more data, annual reports were reviewed to learn which revenue strategies are currently being implemented. This review process involved searching each city's parks and recreation website for its annual reports and fiscal year budget documents. For example, the City of San Jose Parks and Recreation Department, has uploaded its annual reports from the past several years for the public to read. In these annual reports, it has been clearly stated what new strategies the department is using and which of the strategies have been successful. Ideally each of the proposed cities would have had the same annual report information readily available on its website. However, not all of the departments had this information readily available on its department's website or online archives. The review process found that several cities did not compose a department annual report, but rather the department revenue information was included in the city wide annual budget.

In retrospect, it would have been beneficial to have found an annual report for each of the respective cities to determine whether any current revenue strategies led to recognized successes or lessons to learn from. One would have been able to gain a working knowledge of this based on the outcome of the annual reports. Annual reports are often written as a success story of the past year's endeavors, and they may have also included lessons learned from the previous year's decisions. Having a report from each of the cities would have been useful for this study because they would have been written with parks and recreation employees and customers in mind. They are often written with the intention of being clear and concise outlining the growth and major decisions that have taken place over the previous year.

The second research question involved an analysis of phone and email surveys to explore which strategies were considered most feasible and beneficial to implement. Phone and email surveys were chosen in order to bring qualitative insights to the analysis. The second component of the research question focused on the professional perspectives of key parks and recreation personnel in order to learn from them. The survey questions were successful because they solicited the advice and feedback of administrative staff. The questions asked which strategies were beneficial and how to implement these successful revenue strategies. The survey helped identify which strategies were not successful and why specific strategies were not implemented.

The respondents had the flexibility of being conducted through phone or email, depending on the preference of the respondent. It was originally presumed that the survey would take around twenty to thirty minutes to complete, however each survey took about one hour to complete. The survey sample size was contacted in late December and early January and asked if they are interested in participating in this project. Surveys were conducted for roughly two months, from the beginning of January through the end of February. In the findings section, the collected data will be displayed in tables. There is one table per survey question to display the varying responses amongst the seven cities that completed a survey. Fortunately, the data collection process also received enough information to create a table for each of the revenue strategies, showing the strengths and weaknesses that each of the respective cities associates with each of the different revenue strategies.

One anticipated outcome was to confirm whether large western cities are using the following types of revenue strategies: grants, corporate sponsorships, naming rights, donations, and contracting out to private or non-profit organizations. Another anticipated outcome was to discover a revenue strategy that was not formerly mentioned. Lastly, an anticipated outcome was to hear why specific strategies have been or have not been implemented in each of the respective cities. The following section lists out the survey questions asked of key Parks and Recreation employees and executive staff. The first five questions of the provided survey focused on the first research question, *"What revenue strategies are being adopted in large cities across the western United States to enable Parks and Recreation Departments to be financially sustainable and less dependent on their municipal general fund?"* Questions six through thirteen of the provided survey focused on the second research question, *"Which of these strategies would be the most feasible and beneficial for the City of San Jose to implement?"*

<u>Parks and Recreation Services Revenue Strategies Survey</u>

1. What percentage of your Parks and Recreation budget comes from the municipal general fund?

2. Is your Parks and Recreation department working towards becoming less dependent on your city's general fund?

3. If no, what is the reason for not pursuing a higher cost recovery level for the parks and recreation department?

4. If yes, what is the fiscal goal your department is aiming towards in order to become less dependent on the general fund?

5. What financial strategies are currently being used to become more financially cost recovery and less dependent on the general fund?

6. Of the financial strategies currently being used, which had the most successful implementation process?

7. Of the financial strategies attempted over the past decade, what strategies proved to be unsuccessful?

8. Which revenue strategies were met with least amount of resistance?

9. Which revenue strategies were met with a high level of resistance?

10. Out of the financial strategies used, which strategies provided the most benefit for the department?

11. If not already mentioned, has your department pursued any of the following revenue strategies: grants, corporate sponsorships, naming rights, donations, and contracting out to private or non-profit organizations?

12. What advice or feedback would you offer other parks and recreation departments in order for their department to succeed in implementing cost recovery revenue strategies?

13. What do you see as the strengths and weaknesses of each of these five strategies?

The overall goal of this project has been to combine quantitative data with professional knowledge and opinion to develop a stronger working knowledge of the revenue strategies currently being implemented in Parks and Recreation departments across the western United States. Another component was to discover what has and has not worked for other cities. The City of San Jose Parks and Recreation department is currently pursuing increasing its cost recovery level; therefore, the purpose behind this methodology was to identify whether other large cities are also pursuing higher cost recovery levels, and at what percentage other cities are aiming for their budgets to be less dependent on the general fund. Parks and Recreation departments may vary in the wording of their specific missions and goals, however, all Parks and Recreation departments share a need to be financial sustainable in order to continue to provide the services the members of their communities know and love.

Findings

While collecting the survey data, several cities were very eager to answer the questions. This was an encouragement that the research topic was indeed relevant and necessary. Some cities were very quick to respond with a completed survey, while other cities took a lot longer to respond. A word of advice to those who wish to survey local government departments or state agencies: plan accordingly and do not request survey information in the height of budget season. In retrospect, the first initial survey inquiries could have been sent out a month before they were, due to the high work demands of budget season. It was also quickly realized that the amount of time to conduct the survey was longer than anticipated. It was originally thought that a phone survey would last thirty minutes. Some of the phone surveys conducted lasted over an hour. This was due to the wealth of information that the department staff was willing and able to offer. This again was encouraging to see that this research topic carried with itself a high level of interest, as well as, the possible benefit it could bring to local parks and recreation departments. Some people who were surveyed requested that their answers remain anonymous; therefore, the data tables listed in Appendix A at the end of this paper have had the city name removed. Instead there is a random number associated with each of the answers. A few areas for the survey responses were left blank. This is due to not receiving a completed survey from a city. If the city did not give a complete answer, an attempt was made to research the answer on the city's website. If the website was still unable to provide the answer, it was left blank. This was to ensure that the paper did not include information that was not fully accurate or truly reflective of each of the parks and recreation departments.

At the end of this paper, one will first read in Appendix A that each of the thirteen survey questions has its own table representing the data collected from the each of the respective cities. Secondly, in Appendix B, there are several tables listing out the strengths and weaknesses that the selected cities associated with each of the revenue strategies. In Appendix C, there are tables listing out specific revenue strategies that the various cities have employed, such as, contracting out services, corporate sponsorships, grants, and naming rights. Three things should be noted for Appendix C. First, none of the cities shared any specific examples of a donation, therefore, there is no donation table listed. Second, even though examples of partnerships were not asked for specifically on the survey, some cities offered examples of partnerships that have been beneficial for their parks and recreation department, therefore, there is a table listing partnership examples. Third, this area does list out the city name because the information regarding each specific city is already public knowledge, whether through the city's website or a news article.

The following several paragraphs will describe what the various responding cities answered for each of the thirteen questions. Following that, this findings section will finish with a narrative summary of the first research question, "*What revenue strategies are being adopted in large cities across the western United States to enable Parks and Recreation Departments to be financially sustainable and less dependent on their municipal general fund?"* After the findings section, this paper will close with an application and conclusion section which will focus on answering the second research question *"Which of these strategies would be the most feasible and beneficial for the City of San Jose to implement?"*

Starting with survey question one, "*What percentage of your Parks and Recreation budget comes from the municipal general fund?"* the responses varied from as low as ten percent to as high as one-hundred percent. The average percentage of the selected cities was sixty-one percent. The data showed that one of the cities had brought down its dependence on the general fund to a very low point of ten percent, while another city had not decreased its general fund dependence and still receives its whole budget from the general fund. The data also shows that on average, there is a trend for western parks and recreation departments to receive about two-thirds of the department budget from the general fund.

Question two, "*Is your Parks and Recreation department working towards becoming less dependent on your city's general fund?"* focused on answering whether or not western cities are pursuing less dependence on their city's general fund. Only one city replied no. Three cities responded with both a yes and no answer (reasons for having both a yes and no answer are provided in questions two and three). Three cities replied with a definite yes answer. The data showed that a vast majority of the selected western cities are working towards becoming less dependent on their city's general fund.

Question three, "*What is the reason for not pursuing a higher cost recovery level for the parks and recreation department?*" provided some explanations for why a department may not have the ability to become less dependent on the general fund or why it is beneficial to retain dependence on the general fund. For example, one city stated that there is a benefit to still having reliance on the general fund, because in difficult fiscal times, the general fund spreads its capital funding evenly. Another reason provided by a few cities argued that still relying on the general fund helped the department to provide services to all residents through the use of subsidy programs. The departments went on to share that increased revenue is certainly a goal each year, but the fees and charges schedule and the level of cost recovery are established by Mayor and Council. It has been determined that basic services generate a lower level of cost recovery. In some cities, the Mayor and Council have determined that these basic services should be affordable to the general public. Lastly, one city stated that it is essential to pursue revenue strategies, however the department must be aware of public perception. The department needs to balance reducing costs while still maintaining quality services, and the department also needs to balance the ability to increase revenue with maintaining the public's trust and commitment to its services.

Question four, "*What is the fiscal goal your department is aiming towards in order to become less dependent on the general fund?*" resulted in a wide range of answers. One city had yet to set any fiscal goals while another city had already achieved the goal it had set a few years ago. One city stated that it was difficult to know a specific cost recovery percentage rate to aim for, but the city was currently doing a cost of service assessment. The survey respondent was hopeful that after the assessment, the fiscal goal in terms of a cost recovery rate might become clearer to the department.

Some goals were general in nature while others were specific in providing a numerical percentage for their cost recovery goal. For example, one city stated that it did not have a specific fiscal target to aim for, however, the department was aiming towards the following concepts: Enhancing and broadening the budget, increasing revenue sources, and enhancing the current level of services. Another example of a general fiscal goal involved a goal for commercialized, individualized services as well as Enterprise Fund services. Finally, one city mentioned that the driving goal for becoming less dependent on the general fund was the annual budget and the reduction target mandated by the Mayor.

Some cities provided specific fiscal goals that included a cost recovery level it was aiming towards. One city had set the goal to become at least 40% cost recovery and decreasing its reliance on the city's general fund. This department stated that it was 22% cost recovery in fiscal year 2008-2009, and it recently achieved the goal of 40% cost recovery level in fiscal year 2013-2014. Another city shared that it had set a goal to reach a 35% cost recovery level by June 2015 and a 50% cost recovery level by June 2017. Whether the goal is general or specific, the answers reveal that most cities have already begun to incorporate or implement strategic fiscal goals in order to become less dependent on their city's general fund.

Question five, "*What financial strategies are currently being used to become more financially cost recovery and less dependent on the general fund?*" provided several examples of strategies that western parks and recreation departments are currently implementing. Some financial strategies involved raising fees, cutting expenditures, contracting out services, grant writing, utilizing partnerships and corporate sponsorships, developing a customer relations management database, completing a cost of service assessment, creating a brand for the department, and utilizing existing inventory. One city also mentioned that the strategic use of leases and concessions from bike, canoe, and kayak rentals had helped to increase revenue.

Another city developed a computer system to maximize the use of public lands for rental agreements while also protecting and ensuring the land would not be negatively impacted. This computer system helped the department to increase its revenue through maximizing the use of their public lands. For example, sports reservations and concert series rent out the public spaces. The department developed this system with the two-fold strategy of increasing revenue for the department, while also maintaining the commitment to being good stewards of the land they oversee. A third benefit to this strategy was having the ability to develop outside partnerships in order to provide services and world-class events to the public.

Lastly, a few cities mentioned that their parks and recreation department follows an approved Revenue and Pricing Policy to achieve specific levels of cost recovery based on the type of services the department provides. The Pricing and Revenue Policy for one city was described as a mechanism for allocating the use of public funds, creating a financially sustainable approach for recreational services and facilities, maximizing the use of programs and facilities, and ensuring affordable access to programs and services. Even though an approved Pricing and Revenue Policy was not listed as a specific strategy to achieve a higher level of cost recovery, the cities, which have created one, stated that it acts as a powerful tool for the department to ensure it reaches its cost recovery goals.

Question six, *"Of the financial strategies currently being used, which had the most successful implementation process?"* focused on discovering which strategies the selected cities viewed as successful. Several examples mentioned incorporating new fees or increasing current fees. One of the successful fee increases was the cost for renting a boat spot. The price had not been raised in years, and there was little resistance in raising the fee. Another strategy included increasing fees in the top five revenue-producing programs in the department, for this specific department, the lighting and registration for sports fields were listed as the successful examples. The notion of increasing rental space fees was commonly supported amongst the selected cities. Several cities shared that one of the ways the department was going to close the anticipated yearly savings target was to increase athletic field and facility space fee charges. One of the reasons behind this notion was that, even with fee increases, the price for a wedding venue, sports field, birthday party, or business meeting would still be cheaper than the private market option.

A second successful financial strategy included contracting with outside organizations to sell food at public spaces or parks because the parks and recreation department was able to receive a small percentage of the revenue brought in. This avenue also included utilizing public spaces for public concert series in various parks. Another example involved partnering with outside organizations, such as, the YMCA or other non-profits, to reopen and operate sites that originally had to be closed due to budget cuts. These partnerships helped the department to still provide needed services to the public, that the department was not currently doing. One city shared that engaging with the community and ensuring affordable access for community members was a strategy that was successfully implemented. Lastly, one strategy, which was highly successful, was the commitment to determining cost recovery goals, creating specific revenue strategies for the department, and regularly revising the fees and charges pricing strategy while incorporating flexibility to change based on trends in the market.

Question seven, "*Of the financial strategies attempted over the past decade, what strategies proved to be unsuccessful?*" asked the selected cities to share what they had discovered to be unsuccessful. The most commonly used answer was fee increases. Fee increases were described as the most challenging and were often developed to into a two-step fee increase process to mitigate the challenge. Other cities also mentioned that instituting fees had been difficult when assessing economic needs of the surrounding community. These cities advised that the department needed to remember to look at each fee individually when proposing fee increases.

One city gave the specific example of how increasing fees for public attractions had been highly unsuccessful. Their department operates public gardens that people can visit. Even with attempting a two-tier fee increase, the public was not pleased. The public shared that they felt the department had begun to "privatize" the garden and asked to keep the admission prices lower. Ultimately, the department did not increase admission fees. One city shared that calculating the cost of service had proven to be a challenging task for them due to the City's fiscal structure and tracking and the complexity of the programs. For example, they mentioned that attempting a cost recovery model was not successful for their Senior Nutrition Program. Lastly, one city stated that planning ongoing programs with funds from a few select large donors was unsuccessful because the department now had additional expenditures without any new consistent revenue to cover those expenditures.

Question eight, "*Which revenue strategies were met with the least amount of resistance?*" attempted to discover which strategies had little resistance during its implementation. Ironically, fee increases was listed for a majority of the responses. One city explained that raising program revenues showed little resistance because, even after an increase in price, public classes and venues are cheaper than private options. For example, the department could raise the price for swimming or dance lessons, fitness and gym memberships, facility reservations for parties or wedding venues, and field reservations for sports leagues and still be competitive with the private market price. Another city stated that instituting a fee structure could be smooth with low resistance depending on the specific user group affected. For example, this same city agreed that instituting fees based on the use of the facility were received with a low amount of resistance.

One city mentioned that the fees and charges that had been adopted by the City Manager's Office to the Budget office to create adopted fees for their department had a low amount of resistance. Instituting or increasing fees had resistance only because it was a new way of doing business and a new mind set, however, the cost recovery goal effort was a department wide effort and a large scale in implementation, thus helping to decrease the resistance level. One department stated that corporate sponsorships for gyms and special events had shown little resistance and a high level of potential for their staff to pursue. One city shared that it was very difficult to answer this question because most of the strategies they had pursued were met with a high level of resistance. Lastly, one city said the mode of least resistance for their department was offsetting the General Fund by rightsizing different lines of business, such as aquatics and the natural resources unit. This strategy was welcomed because it did not result in service level cuts. Adjustments were based on an historical analysis of revenues, and expenses were easily accepted.

Question nine, "*Which revenue strategies were met with a high level of resistance?*" focused on sharing lessons that the various departments had learned from strategies that were met with a lot of resistance. One city shared that contracting with a private company to sell commodities or food on public property had a lot of public resistance. Even when the department attempted to contract with small, local businesses, the public saw the effects as negative. The department also tried contracting with cell phone companies because the use of the land would be only in cell towers and the physical representation of the contract would be discrete, but this strategy received a lot of resistance as well. They realized that a lot of resistance seemed to arise whenever the department would attempt to contract out for the commercial use of public lands.

Even though increasing fees was previously listed under the category of least resistance for most cities, some cities listed fee increases under this question, stating that implementing an increase in field use fees was very difficult, causing the city to create a tiered approach to raising fees over the course of two years. Another department explained that increasing fees and levels of cost recovery for basic services to the larger general public was met with public frustration and pushback. For example, a third city shared that instituting cost recovery for their Senior Nutrition Program was a very difficult challenge.

Another area that was met with a high level of resistance was gaining support for sponsorship and partnership revenues. In one particular city, the Mayor and Council supported the idea, but difficulties arose when trying to agree on which specific sponsorships would be allowed, such as, deciding which entities would be accepted for a park or facility naming right. One department listed grants as a strategy to refrain from using because they are not always assured. This city went on to explain that grants can receive a lot of resistance internally from department staff because they are beneficial for one time projects but not for ongoing programs, and financial staff must be aware of this common pitfall of grants.

Question ten, *"Out of the financial strategies used, which strategies provided the most benefit for the department?"* provided several examples of strategies the selected cities considered to be beneficial. Most of the examples provided were different from each other, meaning there was not much repetition or overlap in the answers. The following sentences show the variety of answers that were given. One city stated that using public lands for big events, that draw large crowds and provide a high public benefit strengthened the department's relationship with the public. Another city said that maximizing the use of the land for facility or field reservations brought in a high level of revenue for the department. The increase of reservation fees and lighting fees for sports fields was mentioned as one of the most beneficial decisions one department had made in the past several years. One department answered that rightsizing its different lines of business had been the most beneficial strategy implemented.

Planning ahead, one city explained the need to ensure the implementation of a long-term funding strategy for the growth and replacement of assets. This city also shared two highly beneficial strategies. First, the use of government bonds which the city can renew every ten years, and second, the institution of a System Development Charge Fee in order to have reserve funding for a growth in population. Another beneficial strategy mentioned by a different city was fund transfers, stating that it is imperative to remember that all of the departments are apart of the same city and allowing extra funding to go to other departments benefits the city as a whole. Lastly, one city revealed that integrating a philosophy of a cost recovery model throughout the whole department, while also having the staff to incorporate the model provided a high level of benefit to the department.

Question eleven, "*If not already mentioned, has your department pursued any of the following revenue strategies: grants, corporate sponsorships, naming rights, donations, and contracting out to private or non-profit organizations?*" gave a picture of how many cities were utilizing the previously listed revenue strategies. The data reported that the top two most commonly used strategies were grants and contracting out. Both of these strategies were currently being employed by six different western cities. Donations and corporate sponsorships were next in line for the most utilized strategy. Both donations and corporate sponsorships were listed by five different cities. Naming rights was the least pursued strategy with only four cities stating they had ever used the naming rights strategy. The answers to this question also revealed that two different cities have pursued the use of all five strategies for their parks and recreation department.

Question twelve, "*What advice or feedback would you offer other parks and recreation departments in order for their department to succeed in implementing cost recovery revenue strategies?*" provided several suggestions and pieces of advice that the various parks and recreation departments had gained from past experiences. The first set of examples of advice involved working successfully with others: remember to determine your stakeholders before making any revenue changes, look at the needs of the surrounding community and the market at large when making revenue changes, get the support of any appointed advisory committees, as well as, the elected body. Remember that the general public has to be part of the discussion, and they must be assured that services will be improved.

Other points of advice revolved around attempting to implement a new revenue strategy. Remember to identify clear and realistic outcomes. Establish short term and long-term goals for the project. Ensure that there are adequate resources to accomplish your goals. Get buy in from executive managers, staff, and customers. Know the required rules and procedures to implement the proposed changes, and remember that transitions and changes take time.

A few cities provided advice surrounding the implementation of new fees or the increase of current fees. The cities explained that the department should have in place a system of collecting data that can accurately reflect the true costs of running and maintaining programs within the department. For example, fees might have remained the same to benefit public users, but operating costs could have increased. Without a pricing justification and effective data, the department could easily be placed in a defensive position when it comes to changing prices due to increased operational costs. In order to further strengthen the rationale behind fee increases, have clearly defined cost recovery goals that have been reviewed and approved by both the executive and legislative sides. The process for defending fee increases will be less resistant if those fee increases result in meeting stated cost recovery goals.

The last words of advice were focused on the long term planning of parks and recreation departments. Some departments shared that strategic staff placement can have a lasting impact on the services the department is able to provide to the public. For example, each department needs highly trained staff; who are successful in community engagement, as well as, staff who are successful in grant writing. One city advised other parks and recreation departments to utilize public lands for field or facility reservations, as well as, possible restaurants. They instructed that having privately owned public spaces improves the quality of the land while also providing the department with outside resources with whom it can collaborate. They also encouraged other cities to remember that the parks and recreation department is a steward of the public land and must prepare accordingly to protect the land and also repair aging infrastructures for the community. Finally, for one city, successful planning for the future of their parks and recreation department meant utilizing ten year bond issuances as a debt financing strategy, rolling over twenty year bond issuances to maintain current assets, retaining a strong balance of general fund subsidy with externally generated resources so the department does not exclude lower income populations from its services, and keeping its external resources diverse so their department was not overly dependent on a single corporate sponsorship or one continued grant to run your program.

The final question of the survey, number thirteen, "*What do you see as the strengths and weaknesses of each of these five strategies?*" resulted in several examples of the strengths and weaknesses of each of the five revenue strategies. The complete list of the positive and negative attributes of each strategy can be found in Appendix B at the end of the paper. For example, two weaknesses listed for grants were that grants are often only available for one time projects but not for operating funds, and grants require a lot of staff time to apply for. However, two positive attributes are that grants can be utilized to maintain trails and creeks and having a successful grant writer can bring in large financial gains. The two points for the weaknesses of corporate sponsorships explained that numerous rules often regulate the specifics of a sponsorship agreement and what the department needs may not be what the corporation intends to do with the finances (For example: New sports jerseys versus irrigation or lighting). The two examples listed for the strengths of corporate sponsorships stated there are a large variety of corporate organizations to choose from and work with, and if successful, this revenue strategy provides the department with the ability to work with an organization who has rich financial resources and who supports the recreation programs or parks.

The two weaknesses of naming rights are having a name associated with the department that does not align with the department health/wellness mission or vision and it can be politically contentious. The data listed the following two strengths for naming rights: the ability to lease park spaces and the roofs of maintenance buildings to cell phone carriers. This can be a good partnership that does not come with too many obligations, and they also allowed for some sufficient financial amounts and opportunities for one-time projects. Two reasons for why a donation is a weak revenue strategy explained that donations can sometimes cause inequities (For example, the areas of town that receive enough donations are often the more affluent neighborhoods, leaving the underserved areas without) and that donations are not a reliable source of revenue for ongoing programs. It was stated, however, that donations have these two strengths: donations are beneficial for unique, noncore programs that when containing many donation sources, can offset the direct costs of that unique program and donations allow for some sufficient financial amounts and opportunities for one-time projects.

Lastly, the collected data listed the following two reasons for weaknesses of contracting out its services: resources need to be available to develop and maintain the relationships with the service provides to ensure service delivery and the public may view contracting out as privatizing public resources or lands. Contracting out recreational services showed these two strengths: contracting out to an expert of the field who can operate the service more efficiently (example: a golf course) and contracting out to non-profit organizations, who can provide a higher cost savings and a stronger community impact by utilizing volunteers. Overall, each city provided a rationale behind why their department had either successfully implemented the proposed strategy or why the department had chosen to not pursue the strategy.

In conclusion of this findings section, the following paragraphs will include a narrative on the first research question: *What revenue strategies are being adopted in large cities across the western United States to enable Parks and Recreation Departments to be financially sustainable and less dependent on their municipal general fund?"* To begin, the data shows that on average, there is a trend for western parks and recreation departments to receive about two-thirds of the department budget from the general fund. The data also shows that a vast majority of the selected western cities are working towards becoming less dependent on their city's general fund. Only a few cities provided reasons for not pursuing less reliance on the general fund (The specific reasons are formerly listed under question three. Whether the goal is general or specific, the data answers reveal that most cities have already begun to incorporate or implement strategic fiscal goals in order to become less dependent on their city's general fund.

The data also shows that all of the cities employ at least one of the suggested revenue strategies: grants, corporate sponsorships, naming rights, donations, and contracting out to private or non-profit organizations. Some cities are actively pursuing all five of the strategies while other cities have only relied on one or two of the strategies. The data reported that the top two most commonly used strategies were grants and contracting out. Both of these strategies were currently being employed by six different western cities. Donations and corporate sponsorships were next in line for the most utilized strategy. Both donations and corporate sponsorships were listed by five different cities. Naming rights was the least pursued strategy with only four cities stating they had ever used the naming rights strategy. The fact that all of the cities are openly pursuing one or more of the strategies shows that western parks and recreation departments are adopting revenue strategies in order for their services to become more financially sustainable.

As a final restatement summary, some specific financial strategies involved raising fees, cutting expenditures, contracting out services, grant writing, utilizing partnerships and corporate sponsorships, developing a customer relations management database, completing a cost of service assessment, creating a brand for the department, and utilizing existing inventory. Other beneficial strategies have included the use of leases and concessions from bike, canoe, and kayak rentals, as well as, adding costs to rent a boat space from the parks and recreation department harbor. All of these have helped to increase revenue for various departments. Another strategy involved creating a computer system to maximize the use of public lands for rental agreements while also protecting and ensuring the land would not be negatively impacted. Several cities shared that they utilized facility rentals for their public buildings and parks. This included venues for weddings, graduations, and sports field reservations. It was also stated that strategic staff placement provided the department with high revenue gains through successful grants applications and corporate sponsorships. Lastly, a successful financial strategy included contracting with outside organizations to sell food or provide community events at public spaces and parks because the parks and recreation department was able to receive a small percentage of the revenue brought in.

Overall, the data appears to show that western cities, based on the individual needs and demands of their specific communities, are instituting the revenue strategies, which are most acceptable by the public. Even if a certain strategy may result in large financial gains for the department, several cities have stated that they will not pursue the plausible strategy if the public has had a negative reaction to it. This leads the researcher to once again realize the high value that public perception weighs on the outcome of a successful revenue strategy. As this paper transitions into the final section of applying the second research question, *"Which of these strategies would be the most feasible and beneficial for the City of San Jose to implement?"* it is important to remember the importance that public demand plays in the role of selecting and pursuing revenue strategies. As public servants and stewards of public lands, the executive leadership of parks and recreation departments must regularly take into account the needs and opinions of community members. Successful revenue strategies involve continuing well-loved programs while also being a strategy that the public openly supports.

Analysis and Conclusion

This section will utilize the data to explain interpretations of the findings, as well as, share possible recommendations for the City of San Jose to take. More specifically, this section will focus on answering the second research question, *"Which of these strategies would be the most feasible and beneficial for the City of San Jose to implement?"* To end, this paper will suggest ways this area of research can expand in the future.

To begin, the data collection of this research paper provided several key points for parks and recreation departments to apply to their own individual cities. The following paragraphs will share some key interpretations of the findings to help departments succeed in increasing their cost recovery rate. First, remember to include the opinion of the public when proposing new revenue strategies. Invest the extra time needed to conduct community meetings, surveys, and newsletters to gain the insight and opinion of the community. Pursuing community buy in will always be a benefit to any cause. If the parks and recreation department hopes to continue to offer quality programming that the community will support, the parks and recreation department needs to invest the time and energy into learning what the community wants.

Second, remember that the parks and recreation department has been elected as a steward of public lands. When pursuing possible revenue strategies, it is imperative that the parks and recreation leadership staff demonstrate decisions that protect the environment and position the department to remain as good stewards of the land. This mindset will help the department pursue environmentally sustainable revenue approaches while also retaining the trust of the public at the same time. In addition, it is important to remember that a vast majority of community members care about preserving public lands and not privatizing the lands. If the department is proposing a revenue strategy that involves collaborating with a private organization, it is essential to be as transparent as possible and openly share with the public the costs and benefits associated with pursuing the collaborative partnership.

Third, when reassessing fee rates and charges, know the current market rate for the programs and classes being offered. Keeping the city prices lower than the market rate will help parks and recreation departments remain competitive. Remember the value that donations and scholarships bring towards ensuring affordable access for all residents. Maintain a certain level of flexibility when instituting fee rates and charges. The first several attempts may not put the department at a competitive advantage. Be willing to adapt and change the fee rates in a manner that will allow more residents to enjoy services. Flexibility and strong customer service will ultimately result in a larger customer base for the department in the long run.

The final key applicable point is to intentionally project ahead. Only use one-time funding for one-time projects. Do not use the addition of new finances to create ongoing programs. Use one-time additional resources to maintain and update assets, purchase supplies, or finish a project that clearly has a completion date. Remember that guaranteed ongoing funding through grants and donations is rare; therefore, plan according when making projections or promises to the public. Lastly, prepare a comprehensive plan to provide sustainable long-term funding for capital assets and infrastructures. Programs and classes are valuable; however, unless the department plans accordingly, there will not be any sustainable infrastructures to house the classes and programs that benefit the public.

Of the data collected, in terms of simplest and smoothest implementation processes, it is suggested that the two most feasible strategies to implement are 1) public sponsorships of community events and 2) adjusting fees and charges to be competitive with market rates. A majority of the responding cities perceived these two strategies as successful in their implementation processes. The first strategy of incorporating public sponsorships of community events has been successful due to the large crowds it can bring to the city, as well as, the high level of community benefit the various events bring to the public. Some examples worth pursuing are large concert series and other corporately sponsored events. Ideally, this strategy would help the public see the community benefit in partnering with a private organization, and that not all public private partnerships result in privatizing public lands. The second strategy selected as the most feasible for implementation is the increase of prices in order to compete with the market rate. Western parks and recreation departments are fortunate enough to work around some of the most beautiful landscapes in the county. Departments can utilize this opportunity to provide relatively inexpensive wedding and birthday venues for the public, while earning some consistent revenue for the department. In addition, several western cities stated that both facility rentals and fee adjustments have helped their department improve its level of financial sustainability.

Using the definition of highest level of financial savings or gain for the department, the second category of most beneficial strategy for departments to implement involved the following four strategies: 1) the strategic placement of staff in grant writing and collaborative partnership positions, 2) the utilization of naming rights and corporate sponsorships, 3) the development of a computer system to determine the maximum utilization of public lands while still protecting the land and maintaining high quality lands, and 4) the increased use of privately owned public spaces. Under the first strategy of strategic staff placement, one city recorded that with the right staff pursuing grants, their department had been able to generate millions of dollars in grant revenue on a regular basis. This city also went on to state that if a department is willing to make the investment to hire a professional grant writer, the monetary results will far outweigh the salary paid to the professional grant writer. The second strategy of naming rights and corporate sponsorships was seen as financially beneficial by the cities that utilize them. However, it must be noted that even though the financial gains may be high, each city must weigh the perception of the public with the benefit that could be received through the corporate sponsorship or naming right. In the long run, public perception will outweigh any possible benefit; therefore, the department should plan according and involve community input from strategy conception to conclusion.

The third most beneficial strategy listed is to develop a computer system, which can accurately reflect what the maximum utilization of public lands could be without negatively affecting the quality of the lands. For example, one city mentioned that it uses this system to determine how often the sports fields can be rented out and how often public land venues can be reserved for events, while still maintaining enough time for the land to rest from use and be watered for an appropriate amount. This system looks at the long-term sustainability of the lands. The city even mentioned that it has denied reservation permits if the land use had already been maximized. This approach also supports the concept of pursuing public buy in by remembering that the parks and recreation department must maintain the ability to be good stewards of the land entrusted to them. This leads to the fourth and final strategy of utilizing privately owned public spaces. This strategy focuses on allowing private individuals or organizations to buy the land from the city, if the land will be maintained as a public space. Since the private individual or organization will own the land, it will hopefully be maintained at a high level of quality because the owner is a financial stakeholder in the land. The ultimate goal of this fourth strategy is two-fold: to increase the quality of public spaces and to improve the strength of the city's collaborative relationships.

The final paragraphs of this paper will share a few possible recommendations for the City of San Jose to take as well as future research ideas that would complement the research of this paper. The first recommendation for the City of San Jose Parks, Recreation, and Neighborhood Services Department is to conduct annual or semi-annual collaborative meetings with other western cities. The goal of this action step is to build and strengthen professional relationships between the executive staff of large western cities in order to share revenue ideas, successes, and lessons learned amongst the varying cities. Joining together with the same goal in sight will hopefully assist each of the departments in reaching its targeted fiscal goals. The second recommendation for the City of San Jose is to incorporate community input as much as possible when pursuing revenue strategies. Invest the time and resources required to administer surveys, hold community meetings, and share public newsletters in each of the council districts. Incorporate the community to discover which specific strategies they would support. With the support of the community behind the department, pursuing and implementing a proposed strategy will result in a much smoother implementation process. Finally, the last recommendation for the City of San Jose is to consistently have in place a system for calculating current operating costs. Even though the price of a class or program may have remained the same, the indirect and direct costs of operating the class and program have increased over time. Having a system in place will help employees, as well as, executive staff accurately state the true operating costs of the program when adjusting rates or requesting more funding.

In reflecting on this research paper, one must ask what future areas of research can be done to complement and add to the research completed for this project. There are two main areas of future research that would greatly benefit the area of sustainable revenue strategies for local parks and recreation departments. The first additional area of research would involve surveying the different types and structures of local governments to see how their leading representatives perceive alternative revenue strategies for parks and recreation departments. Surveying the council district and mayoral representatives directly could possibly help parks and recreation departments understand the perspective of their local governing bodies. This future research could also possibly reveal the common ground that local parks and recreation departments have with their city officials, as well as, the advice and political perspectives that city officials might have regarding the implementation of alternative revenue strategies for local parks and recreation departments.

The second additional area of research would revolve around surveying private corporations to see their perspective on partnering with local parks and recreation departments through the use of donations, grants, sponsorships, and naming rights. This future area of research would be beneficial because it would help clarify if private corporations are interested in working alongside local parks and recreation departments and if so, what revenue strategies would be ideal for them to employ. This survey would also possibly help create a stronger relationship between local government and private corporations by showing how a private organization can assist parks and recreation departments in providing quality services for the public.

In conclusion, this research paper has focused on surveying what revenue strategies are currently being implemented by large cities along the western United States, and of those strategies, which would be the most feasible and beneficial for the City of San Jose to implement. This research paper has proven that a majority of western states are pursuing alternative forms of funding in order to increase the financial sustainability of their local parks and recreation departments. Parks and recreation department programs and services help to improve not only the health but also the quality of life that residents can enjoy. In order to better serve the community members who utilize local services, the topic of sustainable revenue strategies will continue to be a pressing need for future research.

Appendix A - Parks and Recreation Services Revenue Strategies Survey Results

1. What percentage of your Parks and Recreation budget comes from the municipal general fund?

Percentage of the parks and recreation budget that comes from the general fund:						
City 1	**City 2**	**City 3**	**City 4**	**City 5**	**City 6**	**City 7**
66%	100%	10%	65%	49%	68%	66%

2. Is your Parks and Recreation department working towards becoming less dependent on your city's general fund?

City 1	City 2	City 3	City 4	City 5	City 6	City 7
No	Yes	Yes &No	Yes	Yes	Yes &No	Yes &No

3. If no, what is the reason for not pursuing a higher cost recovery level for the parks and recreation department?

	Reasons for not pursuing a higher cost recovery level
City 1	In order to provide services to all residents through the use of subsidy programs.
City 2	Not Applicable
City 3	Increased revenue is certainly a goal each year, but both the fees and charges schedule and the level of cost recovery are established by Mayor and Council. Basic services generate a lower level of cost recovery. The Mayor and Council have determined that these basic services should be affordable to the general public.
City 4	Not applicable
City 5	Not applicable
City 6	The city just passed the first ever Park District, which will provide Parks with an additional $47 million annually to support operating and capital programs and projects. The funding is additive, and not intended to supplant General Fund support. In other words, it will be used to expand some current services and create new ones. Also, the City has undergone budget reductions since 2008, which has led to some efficiencies (i.e. irrigation savings, fee increases) to meet reduction goals. In most cases, we had to make reductions in services.
City 7	It is essential to pursue revenue strategies, however the department must be aware of public perception. There is also a benefit to still having reliance on the general fund. In difficult fiscal times, the general fund spreads its capital funding evenly. The department needs to balance reducing costs while still maintaining quality services. Also, the department needs to balance the ability to increase revenue with maintaining the public's trust and commitment to its services.

4. If yes, what is the fiscal goal your department is aiming towards in order to become less dependent on the general fund?

	Goals for becoming less dependent on the general fund
City 1	City stated “Not applicable”
City 2	35% cost recovery by June 2015 and 50% cost recovery by June 2017
City 3	A higher level of cost recovery is a goal for commercialized, individualized services as well as Enterprise Fund services.
City 4	It is difficult to know a specific cost recovery percentage rate to aim for, but the city is currently doing a cost of service assessment. After the assessment, the fiscal goal in terms of a cost recovery rate may become clearer to the department.
City 5	The goal of the cost recovery model was to become at least 40% cost recovery and decreasing the reliance on the City’s general fund. PRNS was 22% cost recovery in FY 08-09 and achieved the goal of 40% in FY 13-14.
City 6	The driving goal is the annual budget and the reduction target mandated by the Mayor.
City 7	There is not a specific fiscal target to aim for, however, the department is aiming towards the following concepts: Enhancing and broadening the budget, increasing revenue sources, and enhancing the current level of services.

5. What financial strategies are currently being used to become more financially cost recovery and less dependent on the general fund?

	Examples of current financial strategies being implemented
City 1	Sponsorships, partnerships, contracting out services
City 2	Fee increases and cuts in expenditures
City 3	There is not a specific strategy in place to achieve a higher level of cost recovery. The department generally follows the approved Revenue and Pricing Policy to achieve specific levels of recovery based on the type of services provided and to whom.
City 4	The completion of a cost of service assessment.
City 5	Since 2008, PRNS developed a Pricing and Revenue Policy (Council Policy 1-21). The Pricing and Revenue Policy is a mechanism for allocating the use of public funds, creating a financially sustainable approach for recreational services and facilities, maximizing the use of programs and facilities and ensuring affordable access to programs and services. The guiding principle of the Pricing and Revenue Policy are: 1. Identify the Level of Benefit a Customer Receives, 2. Calculate Cost of Service, 3. Determine Cost Recovery Goals, 4. Ensure Affordable Access, 5. Create Revenue Strategies, and 6. Engage Community. In addition to the Pricing and Revenue Policy, other financial strategies include: PRNS branding, partnerships and sponsorships, training employees to write grants, utilizing existing inventory, and creating a customer relations management database.
City 6	Fee increases and other revenue enhancements are used to offset General Fund

	and increase cost recovery on services.
City 7	Strategic use of leases and concessions to increase revenue for the use of bikes, canoes, kayaks, etc. Developing a computer system to be able to maximize the use of public lands for rental agreements while also protecting and ensuring the land is properly cared for. For example, sports reservations and concert series rent out the public spaces. The department has developed a system to determine the maximum use amount for the public land that will not negatively impact the land. The department has been increasing revenue through maximizing the use of public lands (sometimes with outside partnerships) to provide services and world-class events to the public.

6. Of the financial strategies currently being used, which had the most successful implementation process?

	Examples of strategies with a successful implementation process
City 1	Increasing program revenues
City 2	Increasing fees in the top five revenue producing programs (ex. lighting and registration for sports fields
City 3	City Stated “Not applicable”
City 4	Having fees incorporated
City 5	Determining cost recovery goals; ensuring affordable access; creating revenue strategies, and engaging the community. Both the Recreation Community Services division and Parks division have been revising the fees and charges pricing strategy and incorporating flexibility to change based on trends.
City 6	Strategies to close the anticipated 2016 savings target include athletic field fee increases and revenue increases from added tenants in a newly renovated building.
City 7	Partnering with the YMCA to reopen sites that had to be closed due to budget cuts. These partnerships help the department to still provide needed services to the public. Utilizing public spaces for concert series in various parks. Contracting with outside organizations that sell food at public spaces or parks; the department receives a small percentage of the revenue brought in. Lastly, increasing the cost for renting a boat spot. The price had not been raised in years, and there was little resistance in raising the fees.

7. Of the financial strategies attempted over the past decade, what strategies proved to be unsuccessful?

	Examples of strategies that proved to be unsuccessful
City 1	Planning ongoing programs with funds from a few select large donors
City 2	None were particularly unsuccessful. Fee increases were the most challenging and were developed to into a two-step fee increase process to mitigate the challenge.
City 3	No answer -

City 4	Instituting fees has been difficult when assessing economic needs of the surrounding community. The department needs to remember to look at each fee individually.
City 5	Calculating the cost of service has proven to be a challenging task due to the City's fiscal structure and tracking and the complexity of the programs. Attempting a cost recovery model was not successful in the Senior Nutrition Program.
City 6	I don't recall any unsuccessful attempts. However, we have used accumulated fund balance to close budget gaps for the last three years. This is not sustainable and will result in having to find real cuts this year. Although I would not say this was unsuccessful, it is more a one-time strategy than a strategic one.
City 7	The department has public gardens that people can visit. Even with attempting a two-tier fee increase, the public was not pleased. The public felt that the department had begun to "privatize" the garden and asked to keep the admission prices lower. Ultimately, the department did not increase admission fees. The department also attempted to add a cost of living increase for swimming pools. The public felt that the department should not increase prices, and that language was taken out of the swimming pool contracts.

8. Which revenue strategies were met with the least amount of resistance?

	Examples of revenue strategies met with a low amount of resistance
City 1	Raising program revenues because, even after an increase, public classes and venues are still cheaper than private options. For example, swimming or dance lessons, facility reservations for parties or wedding venues, and field reservations for sports leagues.
City 2	Increase in fitness/gym memberships since the increased price is still relatively inexpensive
City 3	Those aimed at more specialized services
City 4	Instituting a fee structure can be smooth with low resistance depending on the specific user group affected. For example, instituting fees based on the use of the facility were received with a low amount of resistance.
City 5	The cost recovery goal effort was a department wide effort and a large scale in implementation. It had resistance only because it was a new way of doing business and a new mind set. Fees and charges that have been adopted by the City Manager's Office to the Budget office to create adopted fees for the Parks, Recreation, and Neighborhood Services Department had a low amount of resistance. The fees and charges were broken into three categories: Public, Private, and Merit. Sponsorships have had a high level of interest and a high level of potential (examples include sponsorships for special events and gyms).
City 6	We have managed to offset General Fund by rightsizing different lines of business like aquatics and the natural resources unit. This was welcomed because it did not result in service level cuts. The adjustments were based on an historical analysis of revenues and expenses were easily accepted.

City 7	Not Applicable. Most strategies are met with resistance.

9. Which revenue strategies were met with a high level of resistance?

	Examples of revenue strategies met with a high level of resistance
City 1	Private Partnerships
City 2	The increase in field use fees, causing the city to create a tiered approach to raising fees over the course of two years.
City 3	Increasing fees and levels of cost recovery for basic services to the larger general public.
City 4	Grants because they are not always assured. Grants are beneficial for one time projects but not for ongoing programs.
City 5	We did not necessarily encounter strategies with high levels of resistance. Revenue strategies with challenges were due to other factors such as resources. For example, instituting cost recovery for the Senior Nutrition Program.
City 6	A few years ago, we tried to gain support for sponsorship and partnership revenues. The Mayor and Council liked the idea, but then difficulties arose when trying to agree on what sponsorships would be allowed in Parks (i.e. naming rights on parks facilities, etc.).
City 7	Contracting with a private company to sell commodities or food on public property. Even when the department would contract with small, local businesses, the public saw the effects as negative. The department attempted contracting with cell phone companies because the use of the land would be only in cell towers and the physical representation of the contract would be discrete. This strategy received a lot of resistance as well. There has been a lot of resistance whenever the department would contract out for the commercial use of public lands.

10. Out of the financial strategies used, which strategies provided the most benefit for the department?

	Strategies that provided a high level of benefit to the department
City 1	Ensuring you incorporate a long-term funding strategy for the growth and replacement of assets. The use of government bonds that you renew every ten years. Instituting a System Development Charge Fee in order to have reserve funding for a growth in population.
City 2	Increasing sports field lighting and registration fees
City 3	No answer -
City 4	1) Fee adjustments, which improved operations, 2) fund transfers (remembering all of the departments are apart of the same city and allowing extra funding going to other departments), and 3) large-scale use permits.
City 5	Determining cost recovery goals; ensuring affordable access; creating revenue strategies and engaging the community. Also, restructuring fees based on

	trends and generated revenue at the program level, incorporating a philosophy of a cost recovery model, and having the staff to incorporate the model have provided a high level of benefit to the department.
City 6	We have managed to offset General Fund by rightsizing different lines of business like aquatics and the natural resources unit. This was welcomed because it did not result in service level cuts. The adjustments were based on an historical analysis of revenues and expenses were easily accepted.
City 7	Using public lands for big events that draw large crowds and bring a high public benefit, and maximizing the use of the land for facility or field reservations.

11. If not already mentioned, has your department pursued any of the following revenue strategies: grants, corporate sponsorships, naming rights, donations, and contracting out to private or non-profit organizations?

	Examples of revenue strategies that departments have pursued
City 1	Grants, corporate sponsorships, donations, and contracting out services.
City 2	Corporate sponsorships and contracting out services
City 3	All five strategies have been pursued.
City 4	Yes, on grants, donations, and contracting out. A few rare occasions for the naming rights category.
City 5	The department has utilized all of the five strategies.
City 6	The department pursues capital grants and also contracts out their recreation services to an outside provider.
City 7	Grants, corporate sponsorships, naming rights, and donations. The department has to be very cautious of contracting out because it can cause distrust in the public’s perception of the department.

12. What advice or feedback would you offer other parks and recreation departments in order for their department to succeed in implementing cost recovery revenue strategies?

City 1	1) Utilize ten year bond issuances as your debt financing strategy, rolling over twenty year bond issuances to maintain current assets. 2) Retain a strong balance of general fund subsidy with externally generated resources so you do not exclude lower income populations from your services. 3) Keep your external resources diverse so you are not too dependent on a single corporate sponsorship or one continued grant to run your program.
City 2	The department should have in place a system of collecting data that can accurately reflect the true costs of running and maintaining programs within the department. For example, fees may have remained the same to benefit public users, but operating costs may have increased. Without a pricing justification and effective data, the department can easily be placed in a defensive position when it comes to changing prices due to increased operational costs.
City 3	Get the support of any appointed advisory committees, as well as, the elected

	body. Everyone has to buy in for the strategies to be successful. The general public also has to be part of the discussion, and they must be assured that services will be improved.
City 4	Before making any changes, determine who the stakeholders are. Look at the needs of the surrounding community and the market at large.
City 5	Identify clear and realistic outcomes, establish short term and long term goals for the project, ensure that there are adequate resources to accomplish your goals, get buy in from executive managers, staff, and customers, know required rules and procedures, and remember that transitions and changes take time.
City 6	Have clearly defined cost recovery goals that have been reviewed and approved by both the executive and legislative sides. It will be easier to defend fee increases if they result in meeting stated cost recovery goals.
City 7	The department needs to have buy-in from the community. Be strategic on which specific staff are placed each specific role. The department needs highly trained staff; who are successful in community engagement, as well as, staff who are successful in grant writing. Utilize the use of public lands for field or facility reservations, as well as, possible restaurants. If possible, having privately owned public spaces improves the quality of the land while also providing the department with outside resources whom it can collaborate with. Lastly, remember that the department is a steward of the public land and must prepare accordingly to protect the land and also repair aging infrastructures.

Appendix B - The strengths and weaknesses of each of the five strategies

Grant Strengths
Grants are more readily available
Grants are beneficial for capital projects
Grants can be utilized to maintain trails and creeks
Having a successful grant writer can bring in large financial gains

Grant Weaknesses
Grants require a lot of staff time to apply for
Grants are often available for one time projects but not for operating funds
Grants often have to be reapplied for every year or every few years
If a grant is used to fund ongoing programs, that only adds to required expenses
Grants are time consuming and the reward is often a small financial amount
Grants of a smaller amount tend to be overlooked due to time constraints.
There are often limited staff resources and not all staff are trained to follow or monitor grant strategies
If the department does not have staff solely dedicated to pursuing grants, they become a component of multiple staff responsibilities, and do not get the necessary attention to be successful.
Grants typically need to be managed centrally, and the department does not have the resources to do this.

Corporate Sponsorships Strengths
There are a large variety of corporate organizations to choose from and work with
The ability to work with an organization who has rich financial resources and who supports the recreation programs or parks

Corporate Sponsorship Weaknesses
Being dependent on them for large amounts of money
Often the City Attorney's office will not allow city staff to solicit funding for corporations, therefore an outside consultant will need to be hired to do the soliciting
If you do not have staff solely dedicated to pursuing these strategies, they are just a component of multiple staff responsibilities, and they do not get the necessary attention to be successful.
Can be difficult for the corporation to be invested because the city cannot advertise for the corporation due to sign ordinances.
There are often limited staff resources and not all staff are trained to follow or monitor grant strategies
Can be politically contentious.
Numerous rules often regulate the specifics of a sponsorship agreement.

What the department needs may not be what the corporations intends to do with the finances (example: New sports jerseys versus irrigation or lighting)

Naming Rights Strengths
The ability to lease park spaces and the roofs of maintenance buildings to cell phone carriers. This can be a good partnership that does not come with too many obligations.
Allowed for some sufficient financial amounts and opportunities for one-time projects.

Naming Rights Weaknesses
Caution against having a name associated with the department that does not align with the department health/wellness mission or vision.
If you do not have staff solely dedicated to pursuing these strategies, they are just a component of multiple staff responsibilities, and they do not get the necessary attention to be successful
Not a reliable source for ongoing programs
Can be politically contentious.
There are often limited staff resources and not all staff are trained to follow or monitor grant strategies

Donation Strengths
Beneficial for unique, noncore programs that when containing many donation sources, can offset the direct costs of that unique program.
Allowed for some sufficient financial amounts and opportunities for one-time projects
"Friends" groups often maintain parks
Donations often provide furniture or equipment that bonds can not
Private donations from wealthy individuals who want to care for their community can be a big success

Donation Weaknesses
Donations can sometimes cause inequities. For example, the areas of town that receive enough donations are often the more affluent neighborhoods, leaving the underserved areas without.
If you do not have staff solely dedicated to pursuing these strategies, they are just a component of multiple staff responsibilities, and they do not get the necessary attention to be successful.
Not a reliable source for ongoing programs
Donations are typically small and do not offer a strategy to reduce General Fund.
Takes time to research and cultivate relationships. Need to prepare accordingly.

Contracting Out Services Strengths
Beneficial when contracting out to an expert of the field who can operate the service more efficiently (example: a golf course).
Contracting out to non-profit organizations can provide a higher cost savings and a stronger community impact by utilizing volunteers.
The ability to utilize organizations, such as the YMCA or private sports companies to oversee youth and sports programs.
Contracting services can be successful provided that the contracts are considered partnerships.
The department was able to continue much needed services such as the Senior Nutrition program.
The department can leverage resources to keep community centers open as Re-Use sites by contracting with outside providers.
Useful for designing parks or pools, since they are more knowledgeable

Contracting Out Services Weaknesses
Contracting with private organizations may be efficient, but contracting with the private organization may not reduce costs in the long run.
Using a private organization can create a dependence on having to contract with that specific organization in order to provide that service to the community.
The agency must be mindful of effectively monitoring the services delivered to ensure the value of the contractor (s).
No guarantee that it will decrease costs and the city municipal code requires a livable wage, providing another reason that it may cost more than using in service employees.
In utilizing this strategy, resources need to be available to develop and maintain these relationships and ensure service delivery.
Public may view this as privatizing public resources or lands.
There are often limited staff resources and not all staff are trained to follow or monitor grant strategies

Appendix C - Specific examples of strategies that western cities have utilized

City	Example of Corporate Sponsorships
San Francisco, CA	Google sponsored Wifi for parks
Las Vegas, NV	Zappos sponsors an event that the City has been promoting for many years, Corporate Challenge. Zappos has been helping the city balance expenditures with revenues brought in on the sporting event for the past five years, but 2015 may be the last year.
Portland, OR	Columbia Sportswear, who is based out of a Portland neighborhood, always provides extra funding for their local park above and beyond general fund maintenance.

City	Example of Naming Rights
San Francisco, CA	AT & T has a naming right over the ballpark stadium
San Diego, CA	Qualcomm has a naming right with a stadium
San Diego, CA	The San Diego Sports Arena was renamed the Valley View Casino Center. The casino is owned by the San Pasqual Band of Mission Indians, and San Diego is expected to receive $157,000 over the first five years of the naming right agreement.

City	Example of Contracting Out
San Jose, CA	Contracting out Senior Nutrition Program with Bateman Meals
Seattle, Washington	Seattle contracts out its recreation services to a provider called the Associated Recreation Council (ARC). The unique partnership has been in existence for over 30 years, with ARC providing child-care and programming in the community centers.
Las Vegas, NV	The YMCA runs two city owned facilities at Centennial Hills and Durango Hills, both of which have high utilization rates by the public. Las Vegas also contracts out the Darling Tennis Center (23 courts) to an outside group who runs it.
Portland, OR	Contracting out golf courses to private organizations who are better at running golf courses and understanding tee-times and such than a parks department.

City	Example of Grant
San Diego, CA	Grant from the San Diego Padres for Program materials.

City	Example of Partnerships
San Francisco, CA	Partnership with YMCA to reopen closed clubhouses in order to provide services for the community.
San Jose, CA	Partnerships with organizations, such as Work To Future, to operate re-use sites to provide services for the community. San Jose is also utilizing the St. James Park Activation Pilot- Partnership with eighteen private/public partners to increase the quality of life in the community surrounding the park through healthy programs, such as, yoga, fresh food carts, and music and art activities.
Portland, OR	Portland has a historic mansion that a non-profit runs as a museum. The non-profit also put on events and weddings at the location. Portland also has a number of botanic, Chinese and Japanese gardens, that non-profits run the programming. Portland owns the asset and provides major maintenance to the assets The non-profit collects the fees, overseas the tours, and books the weddings.

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