AGENDA
CITY OF HARRISONVILLE
BOARD OF ALDERMEN
BUDGET MEETING
CITY HALL
SEPTEMBER 20, 2016
6:00 PM

1. **Call to Order**

   A. **Roll Call**

2. **Budget Items**

   A. **2017 Parks & Recreation Budget Proposal**

3. **Adjourn From Budget Session**

Posted on City Hall Bulletin Board this 19th day of September 2016

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Kim Hubbard, City Clerk

The Board of Aldermen Budget Meeting is a public meeting but is not a meeting of the public.

City of Harrisonville est. 1836

STAFF REPORT

TO: **Board of Aldermen**

FROM: **Chris Deal, Parks Director**

DATE: **September 14, 2016**

SUBJECT: **2017 Parks & Recreation Budget Proposal**

Type of Item: *Approval*

Please see Mr. Deal's attached memo.

A. Action Item (ID # 2336)

2017 Parks & Recreation Budget Proposal

Attachments:

BOA Memo for 2017 Budget (PDF)

2017 Budget Presentation BOA (PDF)

MEMO

TO: Board of Aldermen

CC: Parks & Recreation Board

FROM: Chris Deal, Parks & Recreation Director
Wendy Hershberger, Assistant Director

DATE: September 14, 2016

RE: 2017 Parks & Recreation Department Budget Proposal

Included with this memo is the power point presentation for the 2017 budget proposal, which will be presented on Tuesday, September 20th. Staff will answer questions on any part of the 2017 budget that evening. For the most part, a 3 year average was used for revenue and expense projections for each of the Parks & Recreation Department funds.

In summary, the **Park Fund #11** operations are similar to previous years as a "maintenance only" budget. As a change in this year's budget process, it is important to note that the General Fund allocation is not included in the budget at this time, as that allocation is a request being made of the General Fund, which is the same procedure this year for all city departments. The amount being requested from the General Fund is $233,827.

The Jefferson Park sidewalk construction to the Community Center is included as an objective for the 2017 budget, but since this project is underway in the 2016 budget, it will not be included in the 2017 budget. However, this project will be a re-appropriation request for the 2017 budget as these funds come from the Parkland Dedication Fund. The project is currently budgeted at $50,000.00 in the Park Fund with matching grant funds anticipated for the additional expense. Currently there is $55,242.00 in the Parkland Dedication Fund.

Also included as an objective for next year is to bring forward a ballot measure to City of Harrisonville residents to approve the continuation of the Parks Sales Tax at a rate of ½ of one percent, beyond 2022. This would be a no tax increase issue and it would provide funding for continued operations of the Parks & Recreation Department. The budgeted expense for the election fee is $10,000.00 based on previous city ballot initiatives. This expense is subject to change based on how many other initiatives share the ballot during that particular election.

The **Aquatic Center Fund #13 (Outdoor Pool)** will operate with a <$19,730.00> deficit. The Outdoor Pool revenue was established by looking at the last 3 year's actuals and this year's revenue. Within the last three years we have seen the attendance at the outdoor pool gradually decline, but with good weather this summer, the attendance improved. Staff continues to make improvements to the pool and to market to the public the best we can, but the weather will always be a factor in this fund.

Regarding expenses for the Outdoor Pool, staff looks very closely at all expenses and we do our best to keep costs down. But with an aging facility, equipment and facility improvements must be taken care of in order to ensure safety and to continue quality services. It is important to note that the fund balance at the Outdoor Pool is approximately $47,000.00. Staff is hopeful that revenue will increase in future years, but if not, the Outdoor Pool could run out of fund balance reserves in the next 2 years.

The **Community Center Fund #15** will operate with a <$70,491.00> deficit and there are two main factors that impact the 2017 budget. The first issue is less membership income with a new fitness facility opening in town and several of our adult category members canceling their memberships to utilize that facility. From calls we have made to those leaving, the main reason is to use the newer equipment and to take advantage of the longer hours that facility is open. In an effort to address this issue with a minimal budget impact we are budgeting to open the facility on the weekdays at 5am rather than 5:30am. The cost to make this adjustment, approximately $2,400, we believe will be easily recouped by any adult memberships we regain and/or prevent from canceling their memberships.

The second issue is the revised FLSA wage requirements, which has added to our payroll expenses. Our Aquatics Supervisor & 3 Program Coordinators will now have to go to hourly and we will need to add Building Supervisors for weekends and holidays to cover those times that these staff members were working before in an exempt capacity.

An additional change is that the Community Center HVAC maintenance expense has been increased over last year to get closer to the last 3 years of actual expense. This year is already tracking to go over budget so that account has increased to a more realistic number.

The Community Center had been scheduled by the IT department to replace several computers in 2017, with a total cost of $16,600.00. Staff has discussed the possibility of delaying those replacements for another year considering our current budget situation & this expense has not been included in the budget at this time.

The 2017 budget objective for the Community Center is to repair and reseal the parking lot. This project was budgeted two years ago but cancelled because of budget concerns. With a decreasing fund balance in the Community Center Fund, it is not recommended that the funding for this project come from the Community Center, but it is requested to come from the General Fund and the project to be bid along with the city wide asphalt projects for a cost savings. The estimated cost is $50,000.00. There is currently **$319,000** remaining in the Community Center Fund balance.

Staff will answer any questions on the 2017 budget. The Parks & Recreation Board and Parks & Recreation Department staff recommends approval of the 2017 budget. Thank you.

PARKS & RECREATION DEPARTMENT

2017 BUDGET PROPOSAL

City of Harrisonville

Board of Aldermen Meeting

Presented by
Chris Deal,
Parks & Recreation Director

September 20, 2016

Park Fund Divisions

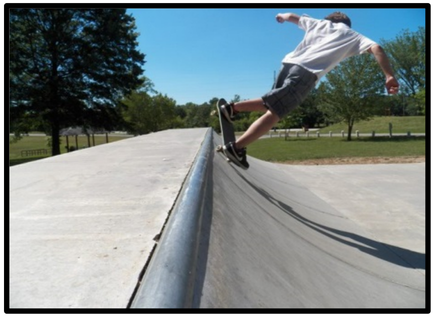
1) Fund 11 – Parks

2) Fund 13 - Aquatic Center (Outdoor Pool)

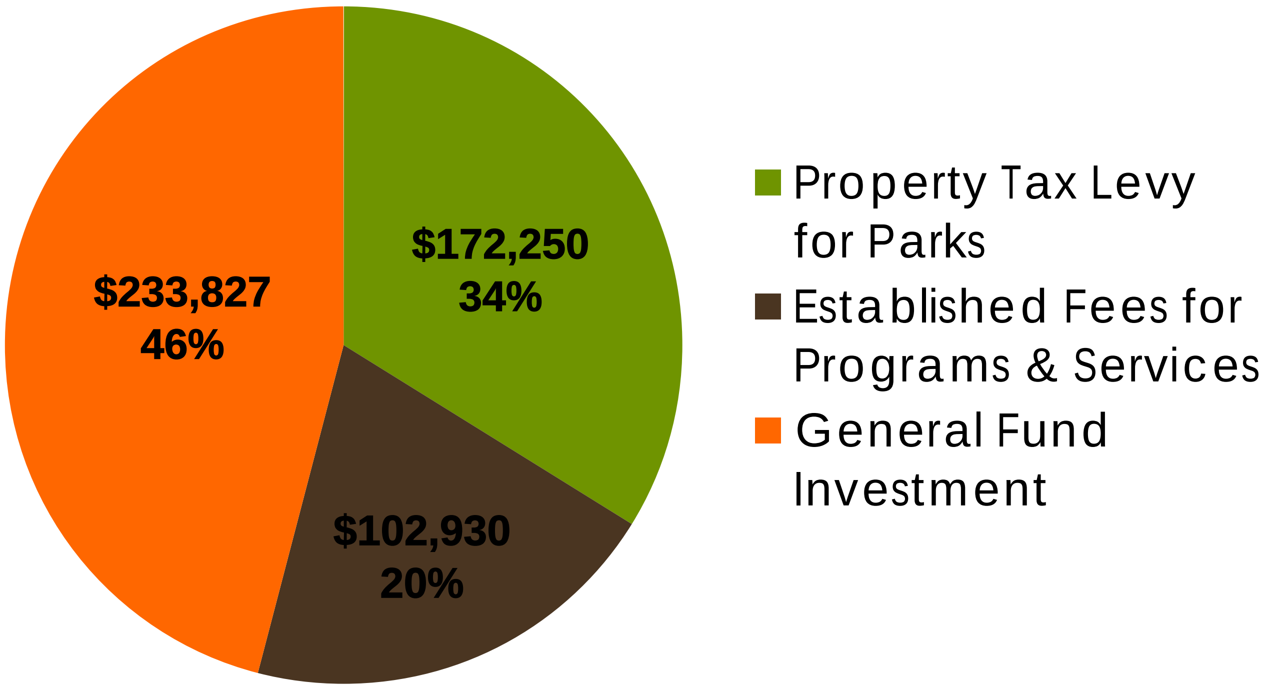
3) Fund 15 – Community Center

Fund 11 – Parks

- Park Fund maintains the City Parks system, North Park Ballfields for league games and tournaments and assists in hosting Special Events


Park Fund Revenue Streams



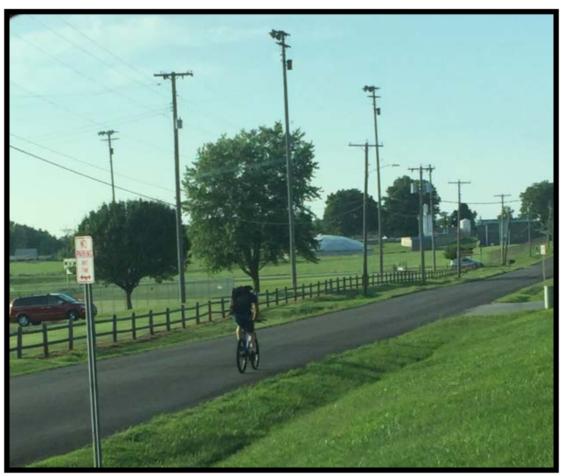
Increase in fees revenue over last 5 years by approx. 50%

Park Fund 2017 Budget

- Minimal change in the Park Fund from year to year as it is in "maintenance mode"
- Printing & Advertising line item increased with the proposed Budget Objective to bring forward a ballot measure for the continuation of the Parks ½ cent sales tax, beyond 2022
  - This would be a "No Tax Increase" issue and if approved there would be no need for future General Fund support past 2022.
    - The budgeted election fee cost is $10,000

Park Fund 2017 Budget Cont.

- **Also included in the Park Fund Objectives is a Sidewalk to the Community Center along Jefferson Parkway.**
  - **This project was budgeted this year and will be a carry over into next year, but is not included directly in the 2017 budget.**



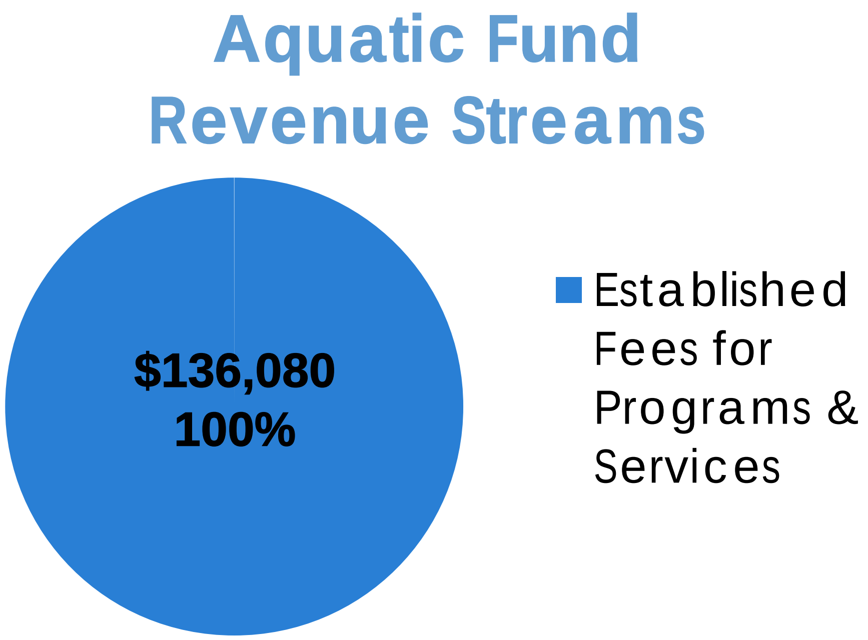
Park Fund 2017 Budget Cont.

- Recognizing the overall needs for General Fund support citywide, the request for a vehicle or mower replacement has been removed from the 2017 budget
- Total expense for the Park Fund: $509,007
  - $233,827 is needed from the General Fund in order to balance the Park Fund budget
  - 2017 request is $15,386 dollars less than the 3 year average of General Fund transfers to the Park Fund

Questions regarding the Park Fund?

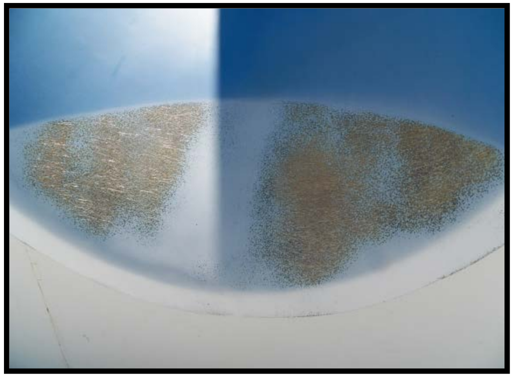
Fund 13 – Aquatic Center

- **Outdoor Pool – Aquatic Center Fund is supported 100% by fees and the Park Board Directed Reserve Fund**



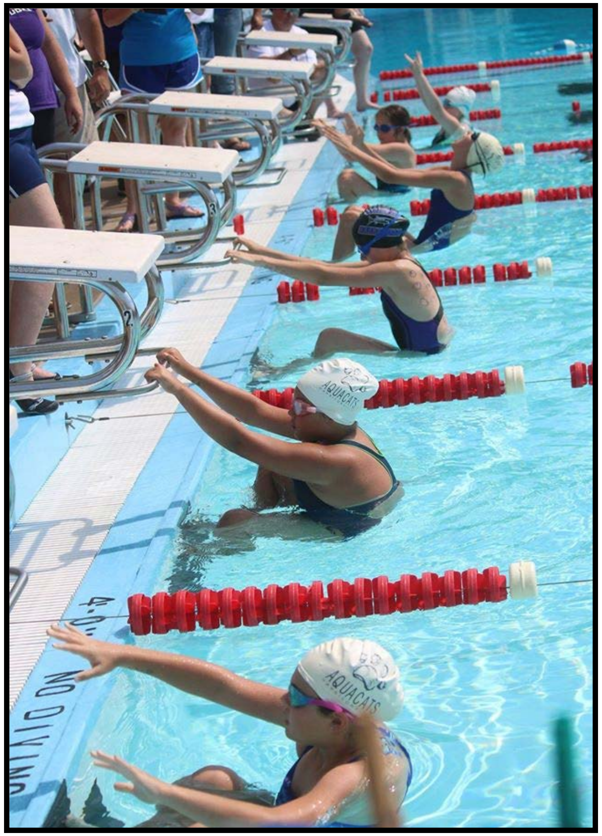
Aquatic Fund 2017 Budget

- **Minimal change in the 2017 budget as compared to last year**
  - **Outdoor Pool is 20 years old with high maintenance costs.**
  - **Revenue is contingent on the weather.**



Aquatic Fund 2017 Budget Cont.

- **Projected Revenue: $136,080**
- **Projected Expense: $155,810**
- **Projected Deficit: <$19,730>**
  - **(Approx. $47,000 remaining in the Park Board Directed Reserve Fund)**

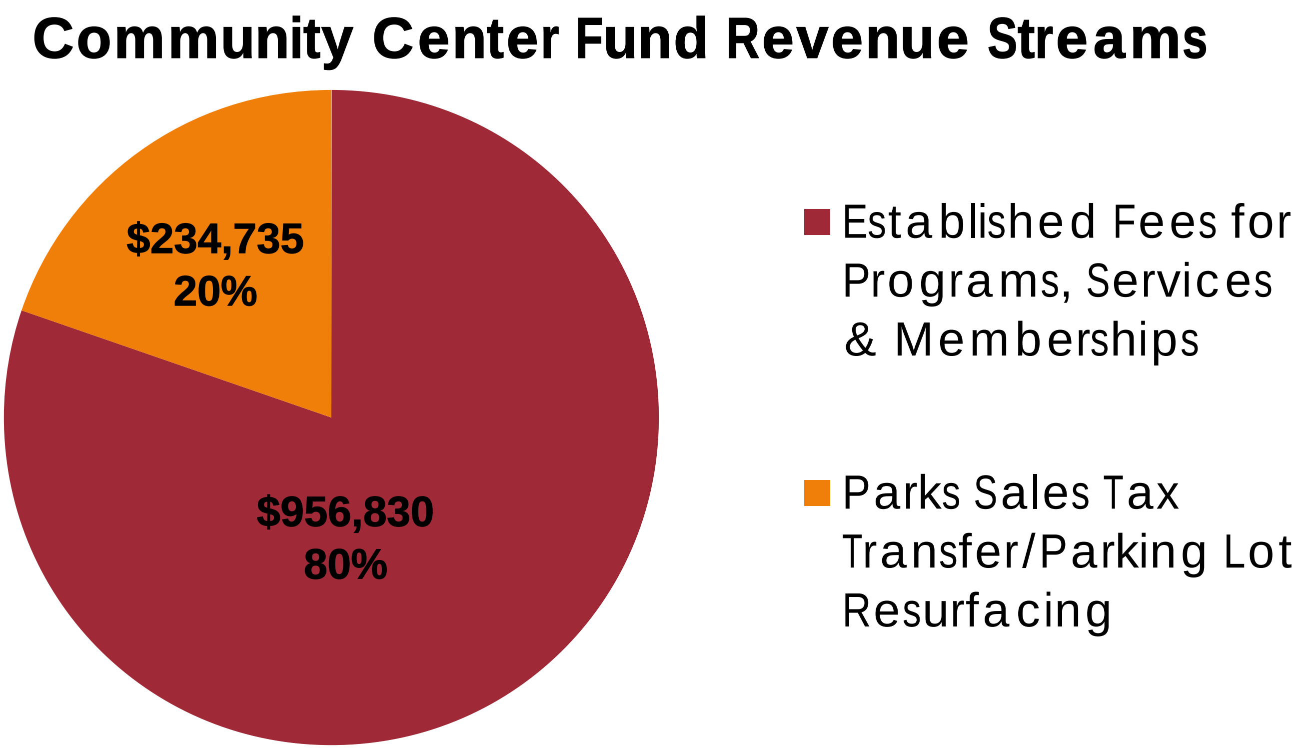


Questions regarding the Aquatic Center Fund?

Fund 15 – Community Center

- Community Center is going into its 11th year of operations, which means higher costs in maintenance and a reduced fund balance.
- Fund is supported by fees and the ½ cent sales tax revenue available after the annual bond payment is made.

HCC Fund Revenue Streams



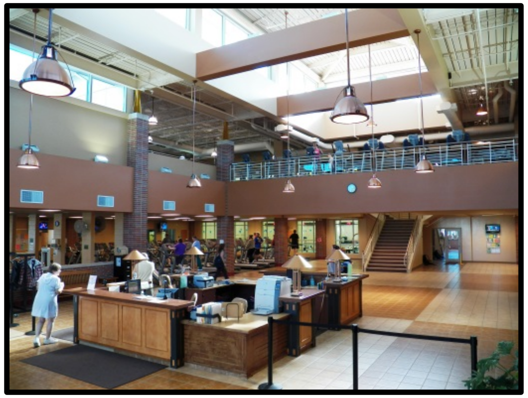
Increase in fees revenue over last 5 years by approx. 5%

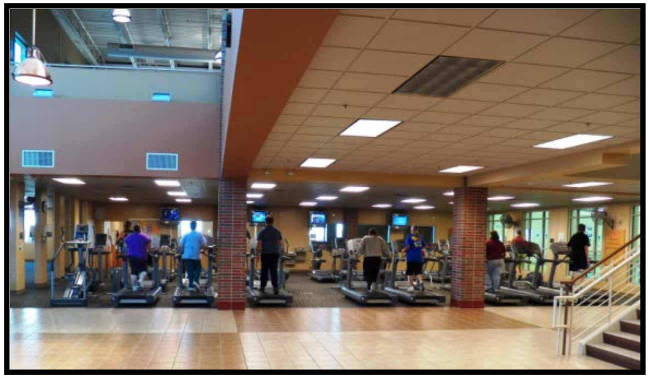
HCC Fund 2017 Budget

- **Two main impacts to the budget this year**
  1) **Revenue is reduced with less members from a new fitness facility opening in town**
     - **Based on calls main reasons are newer equipment & longer hours**
     - **To address issue with minimal budget impact we will be opening at 5am on weekdays rather than 5:30am**
  2) **Expense has increased with the new FLSA wage law requirements**
     - **Aquatics Supervisor & 3 Program Coordinators moved to hourly**
     - **Part-time salaries increased under Administration to add Building Supervisors**
     - **Overtime salaries increased for full-time staff to cover special events and other times needed for program and service delivery**

HCC Fund 2017 Budget Cont.

- **Revenue Adjustments**
  - **Proposed is a $1 dollar fee increase for daily passes. The Center will still be within or below the market price for this service.**
  - **A fee increase is not recommended for our Members at this time, however there will be a mid-year 10% off membership "paid in full" sale, similar to the sale we run in December.**





HCC Fund 2017 Budget Cont.

- **Revenue Support**
  - **Under Transfer from Other Funds is the ½ cent parks sales tax in the amount of $184,735.**
  - **$50,000.00 dollars is also requested from the General Fund transfer for the Community Center parking lot repairs, which is a budget objective for 2017.**
  - **Total transfer requested:$234,735.**

HCC Fund 2017 Budget Cont.

- **Other Adjustments**
  - **The Recreation Programs category is broken out this year in order to track the direct revenue and expenses better, but the numbers are similar to last year's budget.**
  - **Under Building and Grounds, Other Contractual Services was increased to get closer to the 3 year actual in HVAC & other maintenance costs.**
  - **For Capital Projects, $50,000 is included in the expenses for the parking lot project.**

HCC Fund 2017 Budget Cont.

- **Projected Revenue: $1,191,565**
- **Projected Expense: $1,262,056**
  - **Cost Recovery is approx. 94.4%**
- **Projected Deficit: <$70,491>**
  - **(Approx. $319,500 remaining in the Community Center Fund Balance)**

The Parks & Recreation Board approves and recommends the 2017 Budget.

Questions regarding the Community Center Fund or any other questions about the Parks & Rec Department?