

Operate Parks Like a Business

While extending community reach and providing excellent customer service

by Mindy Craig | May 2014

City councils and managers want to see parks and recreation departments provide more programs and facilities that pay their own way without large general-fund allocations, yet also provide economic development and improved livability for cities. The last few years of the economic recession have only added to this pressure. Parks and recreation organizations need to transform themselves to meet this challenge.



Photo Courtesy Of EcoMotion Tours

Revenue Generation

Historically, parks and recreation has been considered a public service, free and accessible to everyone. Over time, the cost for better facilities, ongoing maintenance, increased competition from private clubs, expanded needs, and reduced tax dollars has overwhelmed the availability of funding. In some cities, the parks and recreation department has transformed itself into an entrepreneurial agency trying new approaches, expanding its capabilities, and improving the bottom line. In many other places, an entrenched traditional approach to parks operations is the norm.

Parks *are* there to serve the larger community, regardless of a person's ability to pay, and that is a challenge. Increasing revenue is sometimes seen as a negative and an indication that a provider is moving away from the larger mission of equitable access. Even if an agency is dedicated to increasing revenue, there are barriers—including a lack of good data—to articulating needs to decision makers, an inconsistent understanding at all staff levels of what it means to be more financially accountable, or competing needs, such as environmental protection of resources.

Changing The Culture

Changing how an organization does business is the answer to becoming more entrepreneurial and increasing cost recovery. This cultural change relies on collaboration with maintenance and program staff, facility managers, the director, etc. It also requires firm leadership to help maintain the balance between the historic and important goal of access while finding ways to increase cost recovery.

A new business culture starts with an agreement on cost-recovery goals and the creation of an environment that fosters novel approaches to doing business. Listening to the staff and the community is critical to this transformation. Very often, a department does not question how it has done things in the past. However, when a stakeholder dialogue is initiated, surprising information is often forthcoming that can help to inform and shape this new culture.

Identify Gaps And Opportunities

An environmental scan or needs assessment is a quantifiable way to know what a department has and what it needs. This review of programs, facilities, operations, and policies should be comprehensive. One of the benefits of today's technology is greater access to good information. Reservation systems, for example, provide much better data on users and revenue, and information about other providers is more readily available online to evaluate and compare efforts.

A new analysis of how facilities are actually used, who is using them, and how much it costs to maintain them will probably be needed. One area to evaluate is the facility-use schedule. Mid-day and mid-morning lulls are typical. Understanding the details of these schedules can provide opportunities for new uses and groups. For example, the department may be able to launch a corporate training program or serve schools and camps during low-use periods.

Learn what regional providers are doing in marketing and how they integrate new trends and policies. Typically, interviewing similar organizations and researching national trends can provide fresh concepts that may not have been tried in the department or that would otherwise not have been supported.



Photo Courtesy Of Facebook San Jose Parks, Recreation and Neighborhood Services

Engaging the community—both users and potential users—should be a foundation of this assessment. Many departments, because of their superior organization, are very good at serving sports groups. But what about the average person who wants to attend a dance class, hold a picnic, or learn how to draw? These community members are generally not as well-represented, and are more difficult to reach, so the outreach should be broadened for more diversity. Using social media, conducting intercept surveys, and working with other organizations or schools is an important approach to reach community members.

Finally, look at the staff operations and the day-to-day work. Are the right people in the right places? Are program managers working at their highest level? Are maintenance practices up-to-date and connected to goals, such as sustainability? Are there staff silos where some facilities are well-managed where others are failing? Maximizing staff capabilities and understanding skill gaps are essential to retooling the organization.

The Right Fee

Setting fees is perhaps one of the most difficult areas for those parks professionals unfamiliar with having a revenue-generating focus. However, completing a comprehensive fee analysis and creating a strategy for revamping fees is a cornerstone of becoming a more entrepreneurial organization.

City officials in San Jose undertook this type of evaluation when they realized they could not afford to operate

all of the facilities and programs. The officials redesigned the fee structure and program-retention policy to adapt to market trends and community needs, and to dramatically increase their cost-recovery level. By creating a framework to inform every type of fee, like group classes, to higher fees for special-use activities, like wedding venues, programs and facilities became more self-sustaining. To mitigate access concerns for community members who cannot pay, the new fee policy includes scholarships for populations who need assistance. In addition, San Jose used this new policy to end low cost-recovery programs. In 2010-2011, the department reported a 97.4-percent cost-recovery rate!

A framework, such as San Jose's, helps managers make good decisions, and uses strong data and information to justify the need to charge. Other areas, such as reservation policies and program-retention policies, should be evaluated as well.

Fill Gaps And Leverage Opportunities

Once the specifics are known of what you have and what you need, it is time to fill the gaps and build on new opportunities. Working closely with the same stakeholders as in the needs-assessment phase, create a plan for the organization that is both visionary and realistic. The plan focuses the organization on where you want it to go, and excites and empowers the staff and partners to help you get there. The reality comes from quantifiable data that can be used as a measurement of success and informs implementation.

Perhaps one of the biggest trends to help fill gaps is building stronger partnerships with other providers. It is difficult to eliminate facilities or programs that you have traditionally managed, but don't overlook this necessary tactic. Partners may help get the word out about the organization, or they may be able to provide staff capabilities that are not possible with the current budget. They can also offer flexibility and adaptability.

Another successful approach is that of a pilot. Selling a new facility or program with the requisite staff and resources can be quite difficult; however, a decision-maker may be more accepting of a pilot program with a short time frame and limited expenses. This provides a proving ground to see if an idea can really work, or it may save you from one that does not pencil out. The pilot also can serve as a tool to inspire staff members to come up with new ideas and put them into play relatively easily.

Finally, the vision and implementation must be based on real numbers and reasonable data. Illustrating ideas with relevant trends and historic data, while demonstrating community needs and clear economics, is the most effective way to obtain support. Of equal importance is to know to whom to sell ideas and to tailor proposals accordingly.

Getting agreement on the priorities and means of transforming a department is not easy. You will likely need much help and continued engagement with decision-makers, staff members, and the community to be successful. However, the results will be substantial and a real help in creating a revived organization that is agile and accountable while serving its mission.

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