



Chapter Five - Investment Priorities and Funding Options

Financial Assumptions

The department has developed investment priorities and funding options with the following financial assumptions:

- o Without further reductions or efficiencies, the department's fiscally constrained budget will be balanced only if revenue growth is sufficient to offset future increases in operating expenses.
- o The department must secure additional funding to close the current budget gap and restore programs and services, such as maintenance, to appropriate levels.
- o The department must secure maintenance funding in conjunction with park development to address ongoing needs.
- o The department needs a reliable, adequate funding source to ensure the sustainability of recreation programs and facilities.
- o The department needs to adopt a cost-recovery policy that acknowledges the different cost-recovery capabilities of each recreation program and facility.
- o To improve service levels, the department must continue to seek efficiencies, innovative business practices, partnerships, leverages, and trade-offs.
- o The community will support programs and services that it believes are worthy of investment.

Parks and Recreation Core Services Business Model

Core services models are standard tools for evaluating cost-recovery rates of parks and recreation services. The department adapted a core services business model and cost-

recovery goals that consider factors unique to Boulder. These include the city's business plan approach, the community's high demand for a range of programs, the structure of the Recreation Activity Fund (RAF), and decreased subsidies in recent years from the city's General Fund. The department's cost-recovery levels generally are lower for programs categorized as essential services. The model will be used to ensure equity and the affordability of programs and services that benefit the whole community.

The department is using its Core Services Business Model to evaluate the cost-recovery and subsidy rates of recreation facilities and programs, including, for example, adult sports programs, park shelter rentals, and the annual flower program. The model will be used to determine appropriate fees for specialized and enterprise-like programs to maintain their higher cost-recovery rates. The department intends to evaluate all facilities, programs, and services and adopt a cost-recovery policy in 2007. The model will be reviewed every two years and is intended to be flexible to respond to changing community and department needs.

If the department is directed to achieve a cost-recovery goal that is lower than the identified goal, the department will present a summary during the next annual city budget process that identifies the additional amount of General Fund subsidy that would be needed to meet the new goal. Department staff will also provide options for other program changes or reductions in lieu of receiving the recommended subsidy.

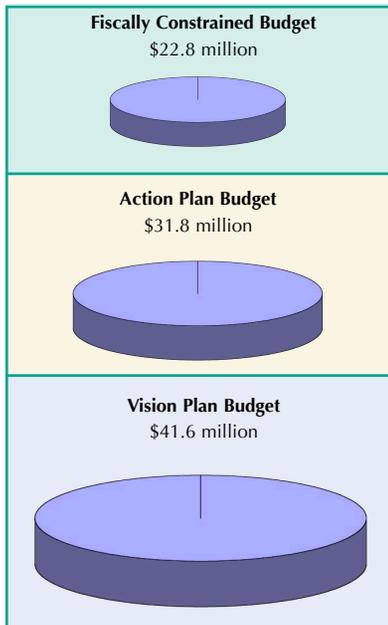
City Business Plan Framework and Parks and Recreation

The city's business plan model provides the framework for developing the department's funding priorities and recommendations. Each city department is required to categorize its programs and services according to whether they are essential, desirable, or discretionary. The city funds programs and services in all three categories. The department's modified definitions of services are:

- o **Essential Services** are basic services, equally available to all residents, at no additional charge. They support the basic operations and maintenance of the system for health and safety purposes.
- o **Desirable Services** benefit a large portion of the community, and are provided to residents at no cost or for an appropriate user fee. They sustain a system derived from significant public investment at parks and recreation industry standards.
- o **Discretionary Services** benefit a wide range of interest groups, age groups, or ability levels. These programs and services develop or enhance the system beyond industry standards. Discretionary programs typically benefit the individual more than the community. In the future, programs and services that fall into the discretionary category and are not meeting cost-recovery targets will be considered for potential reductions or restructuring during times of budget constraints.



Summer pottery camp.



These pie charts illustrate the relative size of budgets needed to achieve each funding level.

The Core Services Business Model categories:

- o **Basic Services** recover 0-15 percent of costs. Basic services are the foundation of parks and recreation, provide widespread enjoyment, and are central to the department's mission. They generally include providing and maintaining parks and providing programs and services to under-served community members. They may meet legal requirements or enhance public health and safety. Examples: public open swim and turf areas in parks.
- o **Merit Services** recover 15-35 percent of costs. Merit services benefit a large proportion of the community, and both the individual and community benefit. They typically are not offered by other service providers due to the expected level of subsidy. Examples: park shelters, annual flower program, and EXPAND.
- o **Enhanced Services** recover 35-70 percent of costs. Enhanced services benefit a wide range of user groups but are targeted to interest groups, age groups, or ability levels and are most beneficial to individual users. They can take place at parks or facilities with higher operating costs. Examples: recreation centers, general youth recreation instruction, and dog parks.
- o **Specialized Services** recover 70-100 percent of costs. Specialized services benefit and are targeted to specific interest groups or ability levels and generally have fewer participants. They benefit the individual and, to a lesser degree, the community. Examples: Pottery Lab, Pleasant View Fields, and adult sports.
- o **Enterprise-like Services** recover 100 percent of costs. Enterprise-like services compete in the free market and are targeted to specific users based on an expressed demand and willingness to pay. Facilities are typically expensive to build and maintain, may be of high quality, and are capable of attracting special events and promoting tourism. Enterprise-like services

typically fund capital improvements. Examples: Flatirons Golf Course, Boulder Reservoir, and individual and group lessons.

Funding Plans

Master plan recommendations, aligned with the city's business plan, are linked to one of three funding strategies. Each funding scenario assumes that budget allocations will be increased annually to offset inflation pressures and retain current purchasing power.

Fiscally Constrained Plan uses the department's existing budget, but reallocates it to align with the highest priorities for programs and services.

Implications for Parks and Recreation. To some degree, the department currently funds all categories (essential, desirable, and discretionary) of programs and services within the fiscally constrained plan. The plan balances capital development, maintenance, and operations of existing parks, recreation facilities, and programs with the need to provide services for under-served populations. The department's funding structure provides multiple funds for operating and capital functions. The fiscally constrained plan will be maintained only if revenue growth and budget allocations are sufficient to offset future increases in operating expenses. The department will continue to evaluate business practices, make internal improvements, and leverage resources. If revenue growth from sales tax, property tax, user fees, or General Fund support is insufficient, the department may need to reduce programs and services to absorb increases in operating costs due to growth and inflation.

Action Plan allows for the department to restore or expand facilities, programs, and services when funding becomes available.

Implications for Parks and Recreation. The action plan includes

services that are identified as high priority for restoration or growth. It addresses service level improvements, costs, and alternative sources of funding. As additional funding becomes available, the department will be more fiscally stable and sustainable. It will then be able to improve maintenance, provide services for under-served populations, add recycling sites and renewable energy sources, and enhance facilities to encourage additional use.

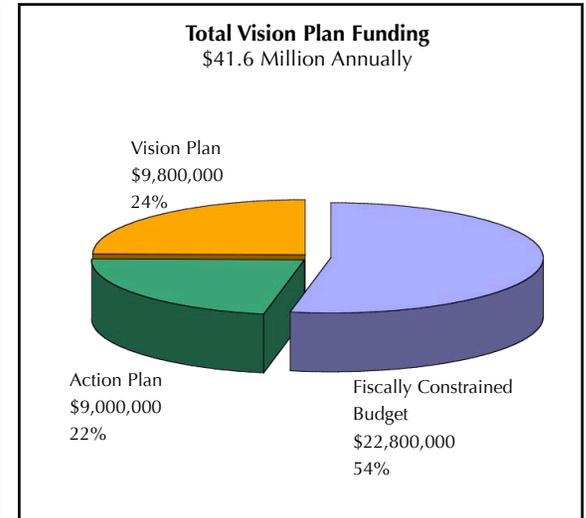
Funding required for Action Plan: Additional \$9.0 million annually (ten-year total: \$90 million)

Vision Plan allows for the complete set of services and facilities desired and used by a significant portion of the community, aligned with values and policies, and accompanied by alternative funding proposals.

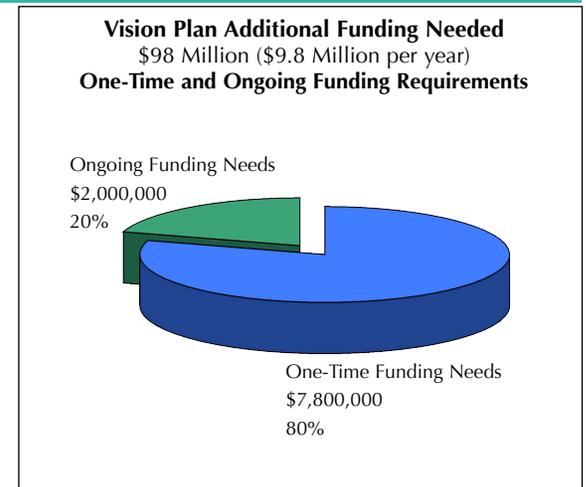
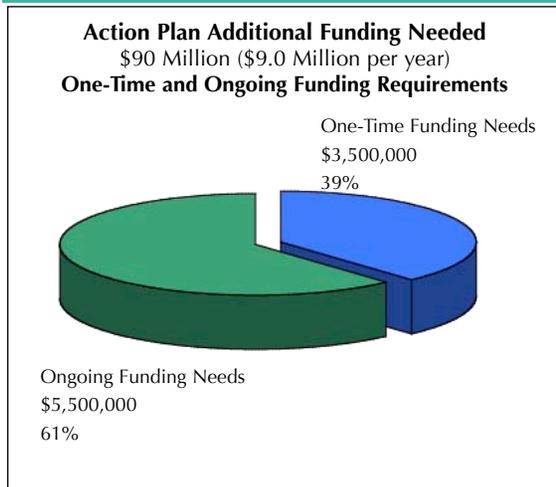
Implications for Parks and Recreation. The vision plan provides a range of high-quality facilities and programs that meet community expectations. It reflects the community's desired mix and level of services, although the specific facilities to be built will be based on continued community input. The vision plan focuses on regaining Boulder's status as a leader among parks and recreation systems. It indicates what can be accomplished with significant, new, and ongoing revenue sources.

Funding required for Vision Plan: Additional \$9.8 million annually (ten-year total: \$98 million)

Funding for Action and Vision Plans



One-Time and Ongoing Funding Needs





Junior Golfers at Flatirons Golf Course



Enjoying one of the indoor pools

Investment Priorities

The department's investment priorities have been guided by the community, PRAB, and City Council. They indicate how the master plan goals are linked to each funding plan. The department's investment priorities are based on the city's business plan, the Core Services Business Model, and an analysis of the department's financial situation (see Appendix E, The Six Parks and Recreation Funds).

Note: There are master plan recommendations at all funding levels for these investment priorities:

Priority 1: Take care of existing assets. (Goals 1, 5) (See page 9 for Master Plan Goals)

Rationale: Provide for the ongoing renovation of park and recreation facilities, assets, and equipment. Ensure the health and safety of community members using parks and recreation facilities. Sustain the department's facilities, operations, and programs at higher service levels.

Priority 2: Develop highest priority park sites. (Goals 3, 6)

Rationale: Achieve park service standards for Boulder's under-served neighborhoods.

Priority 3: Invest in revenue-producing facilities. (Goals 2, 4, 5, 6)

Rationale: Increase fiscal stability by retaining and expanding the department's customer base, strengthening Boulder's economy, and encouraging tourism. Target revenues toward enhanced maintenance.

Priority 4: Increase maintenance funding. (Goals 1, 2, 5, 6)

Rationale: Enhance resources to improve park, forestry, natural lands, and multi-purpose and ballfield maintenance to meet higher standards and community expectations.

Priority 5: Broaden access to programs and services to meet changing demographics. (Goals 1, 5, 6)

Rationale: Increase outreach and reduced-rate opportunities to ensure programs and services are provided to limited-English-speaking residents, at-risk youth, seniors, people with disabilities, and other under-served populations.

Priority 6: Complete remaining gaps in park system. (Goals 3, 6)

Rationale: Strive to meet or exceed park service standards by developing all remaining pocket, neighborhood, and community park sites.

Priority 7: Adapt to changing needs. (Goals 2, 4, 5, 6)

Rationale: Recognize the critical importance of providing for future community needs, and secure funds to meet unidentified but anticipated opportunities.

Priority 8: Implement vision plans and enhance our system. (Goals 1, 2, 3, 4, 5, 6)

Rationale: Become a leader in providing high-quality parks and recreation services and facilities.

LEGEND

 Assumes basic levels of service that can be accomplished within fiscally-constrained funding.

 Requires funding beyond existing levels.

 Requires significant new funding sources.

Investment Priorities for Recreation Facility Development

(such as Recreation Centers, Boulder Reservoir, Flatirons Golf Course, Pleasant View Fields, and satellite ballfields)

Using the framework of the department's investment priorities, the priorities for investing in existing facilities and developing new facilities are as follows:

Fiscally Constrained Plan

Some needed improvements can be accomplished within the fiscally constrained funding level.

Multi-purpose program space at Iris Center and spray amenity at Spruce Pool

Action Plan

Leverage existing infrastructure and resources by enhancing existing facilities.

Priority 1. Invest in revenue-producing facilities.

Rationale: Increase the department's financial sustainability and customer satisfaction.

Boulder Reservoir and Flatirons Golf Course

Priority 2. Invest in substandard facilities.

Rationale: Bring specific facilities into line with other department assets to improve their function, customer satisfaction, and revenue production.

Multi-purpose practice fields and South Boulder Recreation Center

Vision Plan

Build new facilities to meet community needs and enhance revenues.

Priority 3. Invest in other existing facilities.

Rationale: Provide new amenities and improve customer satisfaction and revenue production (the following are not in priority order).

North Boulder Recreation Center, East Boulder Community Center, Pottery Lab, Pleasant View Fields, Spruce Pool, Scott Carpenter Pool, Skatepark

Priority 4. Invest in facilities with a demonstrated need and community support.

Projects should be self-sustaining with leveraged dollars invested, such as public-private partnerships. Land should be available and suitable for use without displacing other identified community needs.

Priority 5. Invest in potential new facilities.

The value of proposed facilities must be demonstrated to the community. Projects should be self-sustaining with leveraged dollars invested, such as public-private partnerships. Land should be available and suitable for use without displacing other identified community needs.

A new recreation facility can move to Action Level Funding if the following criteria can be met:

1. Little or no funding is required from the department for capital improvements.
2. There is an operations and maintenance agreement.
3. Major infrastructure is in place before facility development (such as the new road in Valmont City Park that will open the park to recreation facility development).
4. The facility is compatible with an updated park site master plan.



Open gym at a recreation center



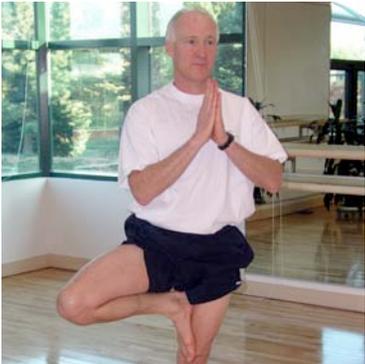
Gymnastics at the North Boulder Recreation Center



A Swiss-ball class



A popular playground



A yoga class participant

Investment Priorities for Park Development

Using the framework of the department's investment priorities (see page 32) and the prioritization process for park development (see Appendix J), the priorities for investing in existing parks and playgrounds and in developing new parks are as follows:

Fiscally Constrained Plan

Some needed improvements at existing parks and playgrounds can be accomplished within the fiscally constrained funding level. *Upgrade one playground and one irrigation system annually, beginning with Salberg and Keewaydin in 2007. Build four new pocket parks, beginning with Holiday in 2007 and then Dakota Ridge, Mesa Memorial, and Hickory. Update community and city park master plans to prepare for future development.*

Action Plan

Make significant enhancements to some existing parks and accelerate park development.

Priority 1. Invest in community parks and some well-used neighborhood parks.

Rationale: Invest in parks that get a significant amount of community use.

Foothills and East Boulder Community Park improvements; new restrooms and picnic shelters at North Boulder Park and Martin Park.

Priority 2. Invest in new parks and continue investments in existing parks.

Rationale: Bring specific facilities into line with other department assets and fill in the gaps in neighborhood parks.

New neighborhood park at Elks; new restrooms and shelters at Scott Carpenter and Harlow Platts; permanent dog parks; Valmont City Park access road.

Vision Plan

Build new facilities to meet community needs.

Priority 3. Invest in new facilities, including unanticipated opportunities.

Rationale: Provide significant new facilities.

Valmont City Park; pocket park in Gunbarrel retail core; pocket park and plaza in the Transit Village; interpretive trail system; begin planning for Area III.

KEY ELEMENTS

Fiscally Constrained Plan

Based on current funding levels

- Maintains current operations, programs, and services at recreation facilities
- Maintains current park maintenance standards
- Ensures maintenance funding before starting park construction
- Retains renovation and refurbishment funding for existing assets and infrastructure (such as playgrounds, shelters, and irrigation)
- Creates priorities for funding for health, safety, and sanitation
- Allocates minimal capital funding for all department facilities
- Builds four new pocket parks and one new neighborhood park and funds maintenance for them

Action Plan

Requires funding beyond current levels

- Builds existing undeveloped pocket, neighborhood, and community park sites and funds maintenance for them
- Builds road through Valmont City Park
- Enhances recreation programs for under-served youth, including need-based scholarships
- Focuses additional resources for parks and forestry maintenance
- Increases environmentally sustainable practices, including renewable energy
- Includes significant improvements at the Boulder Reservoir and Flatirons Golf Course
- Builds up to five new multi-purpose practice fields
- Includes major renovation at South Boulder Recreation Center

Vision Plan

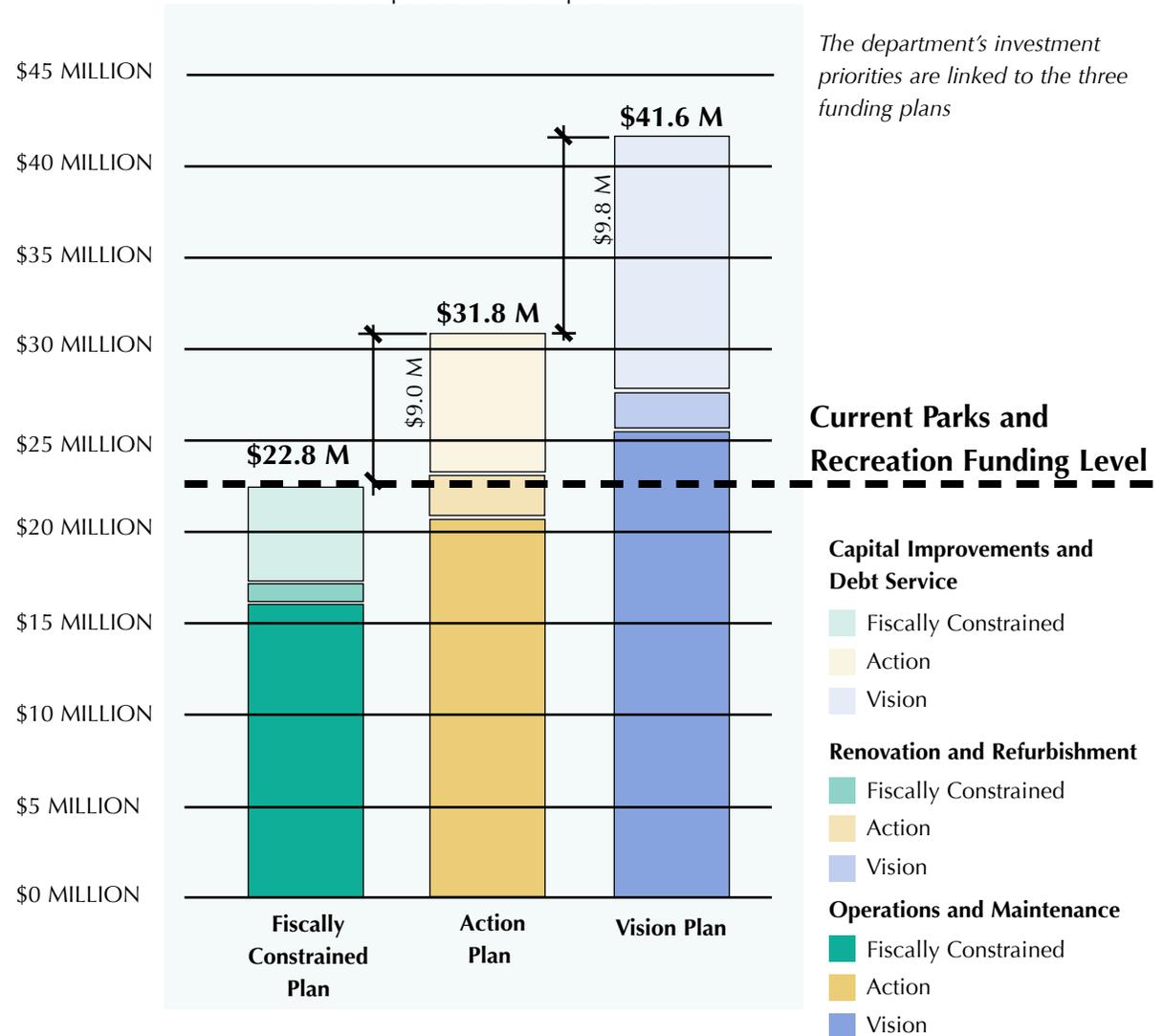
Requires significant new funding levels

- Completes the development of Valmont Park
- Establishes ongoing funding for land acquisition and other unanticipated opportunities
- Uses renewable energy sources for all facilities
- Includes renovation and expansion at EBCC and NBRC
- Creates green spaces and urban plazas within the Transit Village and other redeveloping areas
- Includes major renovation to Scott Carpenter pool
- Includes \$26 million for potential new recreation facilities

(refer to pages 40-45 for a complete list of recommendations)

FUNDING PLANS

Dollars represent annual expenditures



Boulder City Improvement Association II

In 1903, a small group of civic leaders came together to improve Boulder's "health, growth, cleanliness, prosperity, and attractiveness" through the Boulder City Improvement Association. One hundred years later, another group of activists resurrected the association.

Since 2003, the Boulder City Improvement Association II has encouraged community members to adopt parks and medians in need of maintenance. It also has sponsored a "weed pull" at the Boulder Reservoir, a citywide clean-up and celebration, and maintenance at the historic Carnegie Library. For more information: www.bcia2.org.

Boulder Sports Alliance

The Parks and Recreation Department has joined with local sports organizations to form the nonprofit Boulder Sports Alliance (BSA). BSA's goal is to attract and host the nation's best sporting events and activities. Besides providing events for the community to enjoy, the department believes these efforts will encourage economic development for Boulder and help make the department more sustainable economically.

The department's partners are the University of Colorado Athletic Department, Boulder Boulder, the Association of Volleyball Professionals (AVP), USA Rugby, Ultimate Frisbee, and youth sports organizations such as Little League Baseball of America. Membership in BSA is open to any individual or organization.

The Boulder Reservoir

Boulder Reservoir means many things to residents: It's a place to store drinking water, an active recreation area with swimming and boating, and it's surrounded by natural lands that provide wildlife habitat.

Public Works- Utilities owns the majority of the land around the reservoir and is responsible for providing safe drinking water for the city. The Parks and Recreation Department manages the active recreation area on the south shore, as well as 574 acres of the natural land around the reservoir.

The reservoir is the site for large-scale special events in Boulder and the venue for many long-standing events, including the Polar Bear Swim (25 years) and the Kinetics Sculpture Challenge (27 years). It also hosts triathlons and marathons, races for people and dogs, and concerts and festivals. In 2005, the reservoir hosted 19 events that together attracted more than 40,000 people. Thirteen picnic sites that accommodate as many as 1,000 people can be reserved for events such as company picnics and family reunions.

The recreation facility at the reservoir is considered discretionary in the city's business plan because it does not provide a program or service that is essential for city government. However, revenues from the facility go into the Recreation Activity Fund to provide financial support for essential and basic services to the community. Increasing department revenues from activities at the reservoir therefore is critical to the department's financial future.

Successful Partnerships

Partnerships between the Boulder Parks and Recreation Department and other agencies and organizations include the following:

Fortune Park. In 1999, the city approved the acceptance of a pocket park site at the northeast corner of 4th and Canyon donated by Sheila Fortune. In 2003, the department allowed *Growing Gardens of Boulder County*, a nonprofit organization, to temporarily develop the north side for community gardens.

Columbia Cemetery. *The Boulder Garden Club* has assisted the department by designing, installing, and maintaining a flower garden at the entrance to the cemetery. They provide weekly maintenance. *The Columbia Cemetery Conservation Corps* members have provided hundreds of hours of work restoring headstones, allowing the department to leverage its funds. *Historic Boulder, Inc.* also provides a percentage of the proceeds from "Meet the Spirits" to help preserve the cemetery.

Scott Carpenter Park. Since 2004, REI has partnered with the department by donating their time and staff for the adoption of Scott Carpenter Park. Staff from REI supervises a park cleanup twice a year and enlists other volunteers in the community for the cleanup. In 2006, REI donated a \$10,000 grant to the *Parks and Recreation Foundation* for the maintenance of the park.

Barker Park. *Boulder Day Nursery* director, parents, teachers, and students adopted the Barker Park flowerbeds in the spring of 2006, turning the lawn into a beautiful landscaped area. They purchased plant materials for the site, located at Spruce and 15th, and volunteered more than 60 hours in preparing the site, watering, transplanting, and weeding.