



A Smart
Approach...

110%
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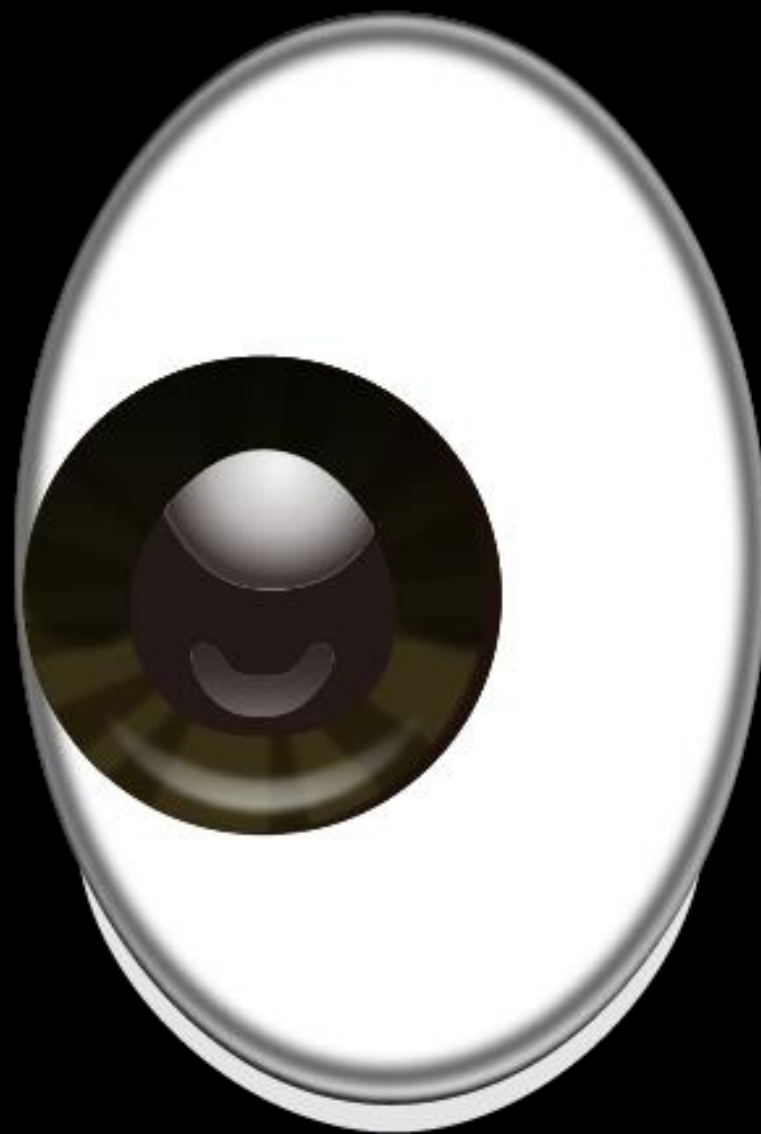
**Are you
smart
about
managing
money?**

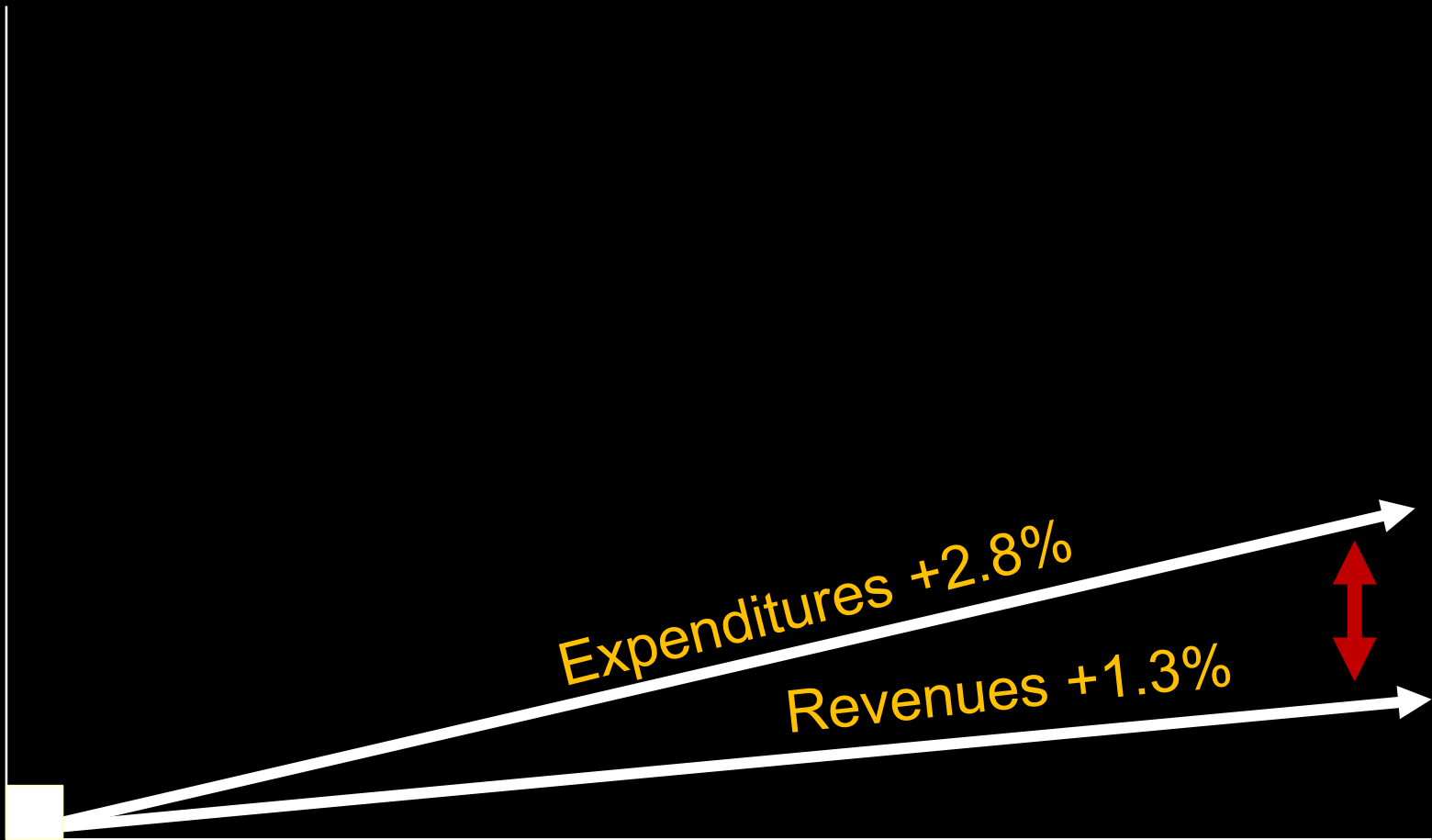


***“No one spends other people’s money
as carefully as they spend their own.”***

-Milton Friedman







LOCAL GOVERNMENT OFFICIALS & PARKS AND RECREATION



LOCAL GOVERNMENT OFFICIALS SAY PARKS AND RECREATION IS A SOLUTION

TO SOME OF THE TOP ISSUES FACING THEIR COMMUNITIES
(INCLUDING PREVENTING YOUTH CRIME, PREVENTING COMMUNITY QUALITY OF LIFE)

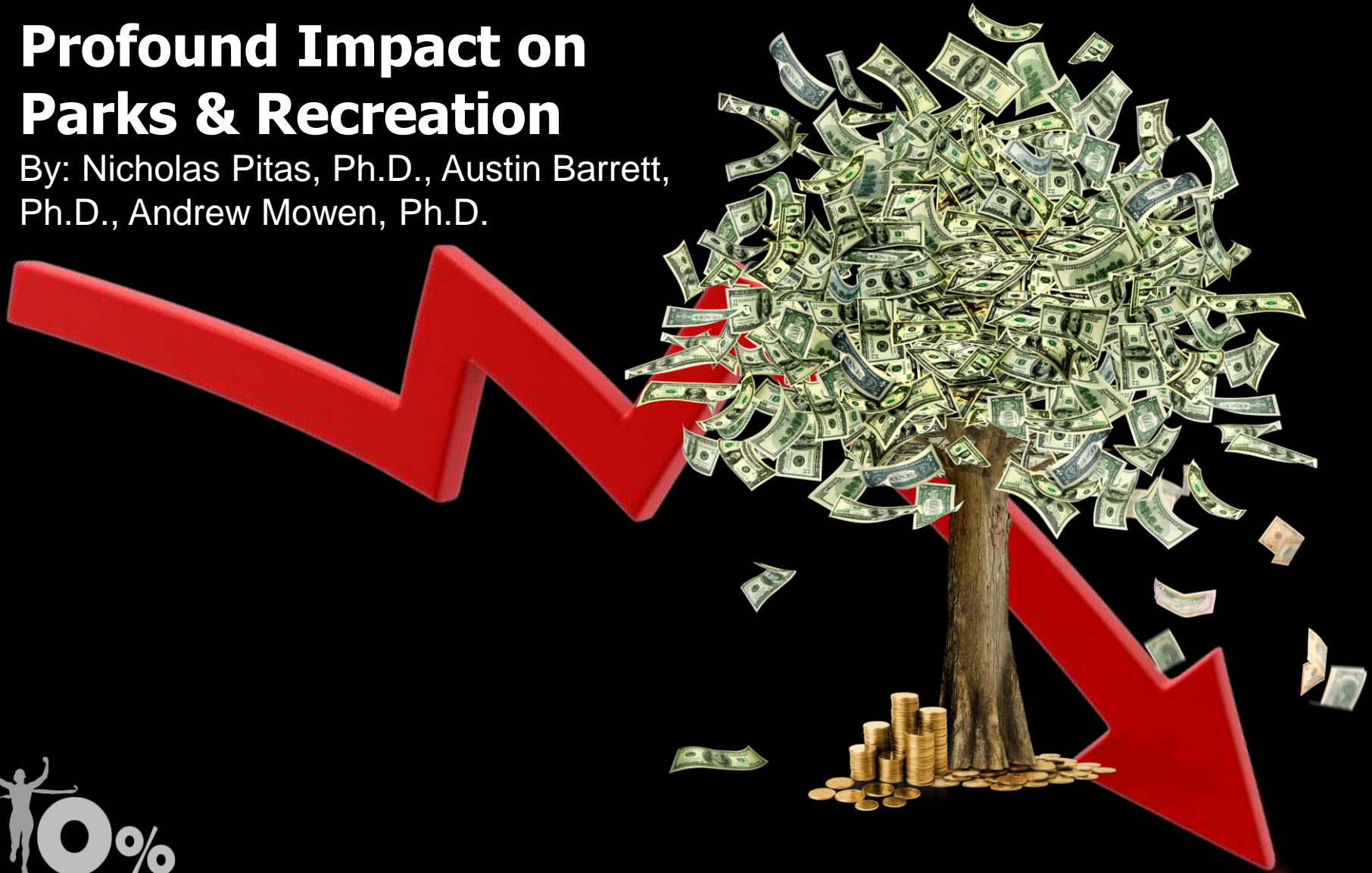
**BUT ARE LESS LIKELY TO VIEW PARKS AND RECREATION AS A CONTRIBUTION TO
THEIR #1 CONCERN: ATTRACTING & RETAINING BUSINESS**



**While 6 in 7 agree that parks and recreation
IS WELL WORTH THE TAX DOLLARS SPENT ON IT,**
they indicate that parks and recreation is likely to be hit with the
largest cut in funding when the city/town/county suffers budgetary pressure

The Great Recession's Profound Impact on Parks & Recreation

By: Nicholas Pitas, Ph.D., Austin Barrett,
Ph.D., Andrew Mowen, Ph.D.



Major recessions of the last 40 years...



1981

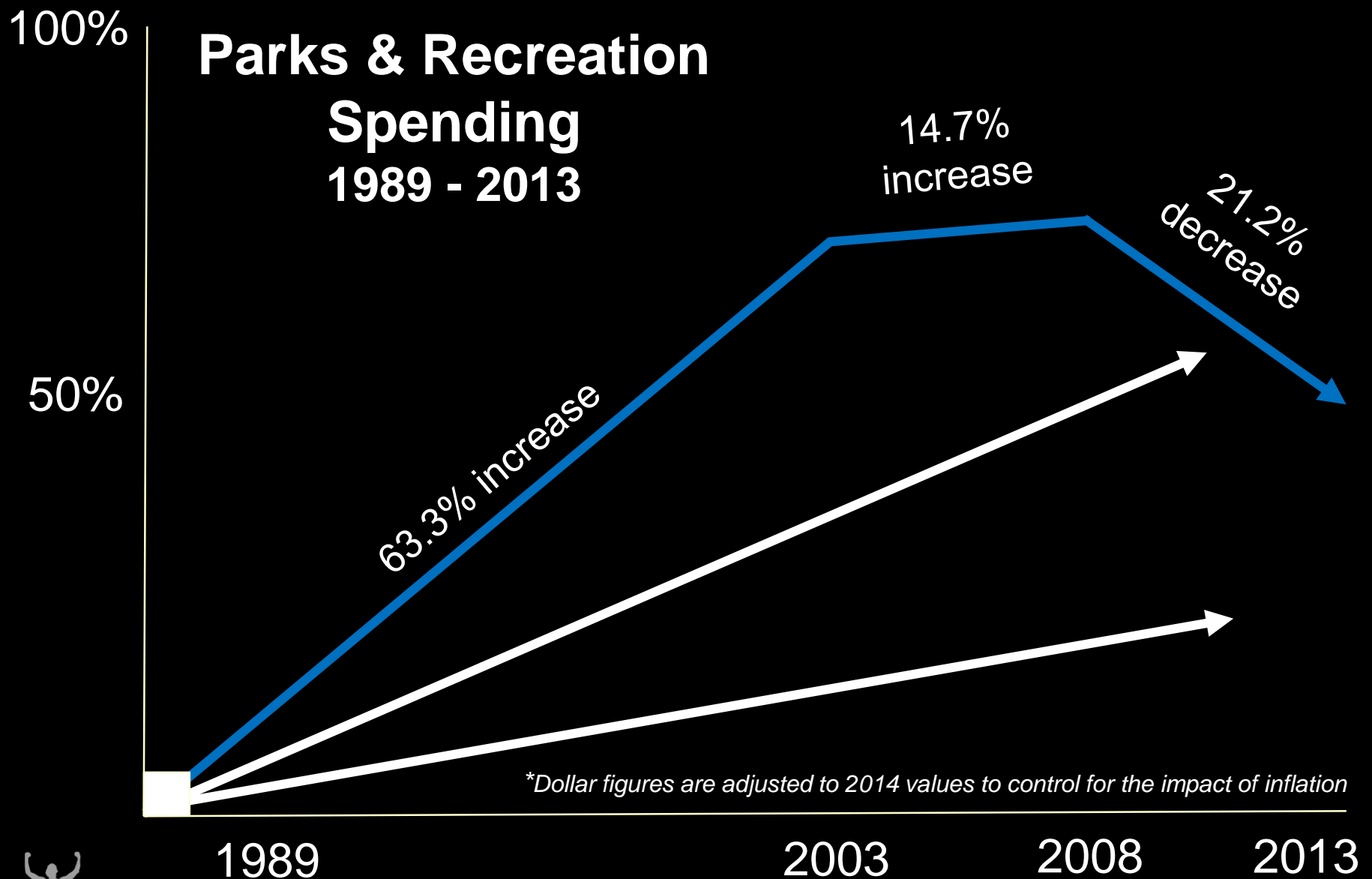
1990

2001

2007

?

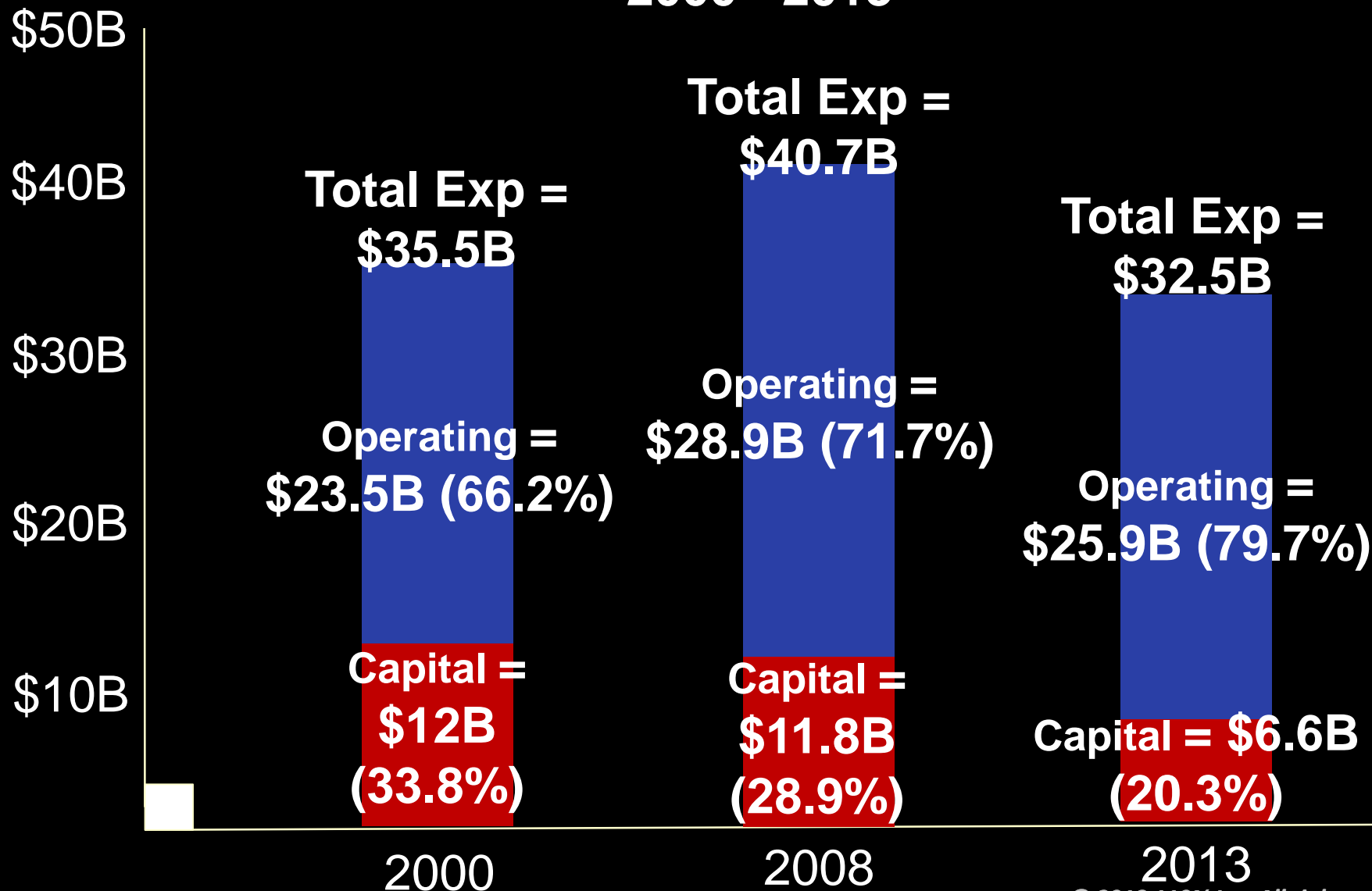
Parks & Recreation Spending 1989 - 2013

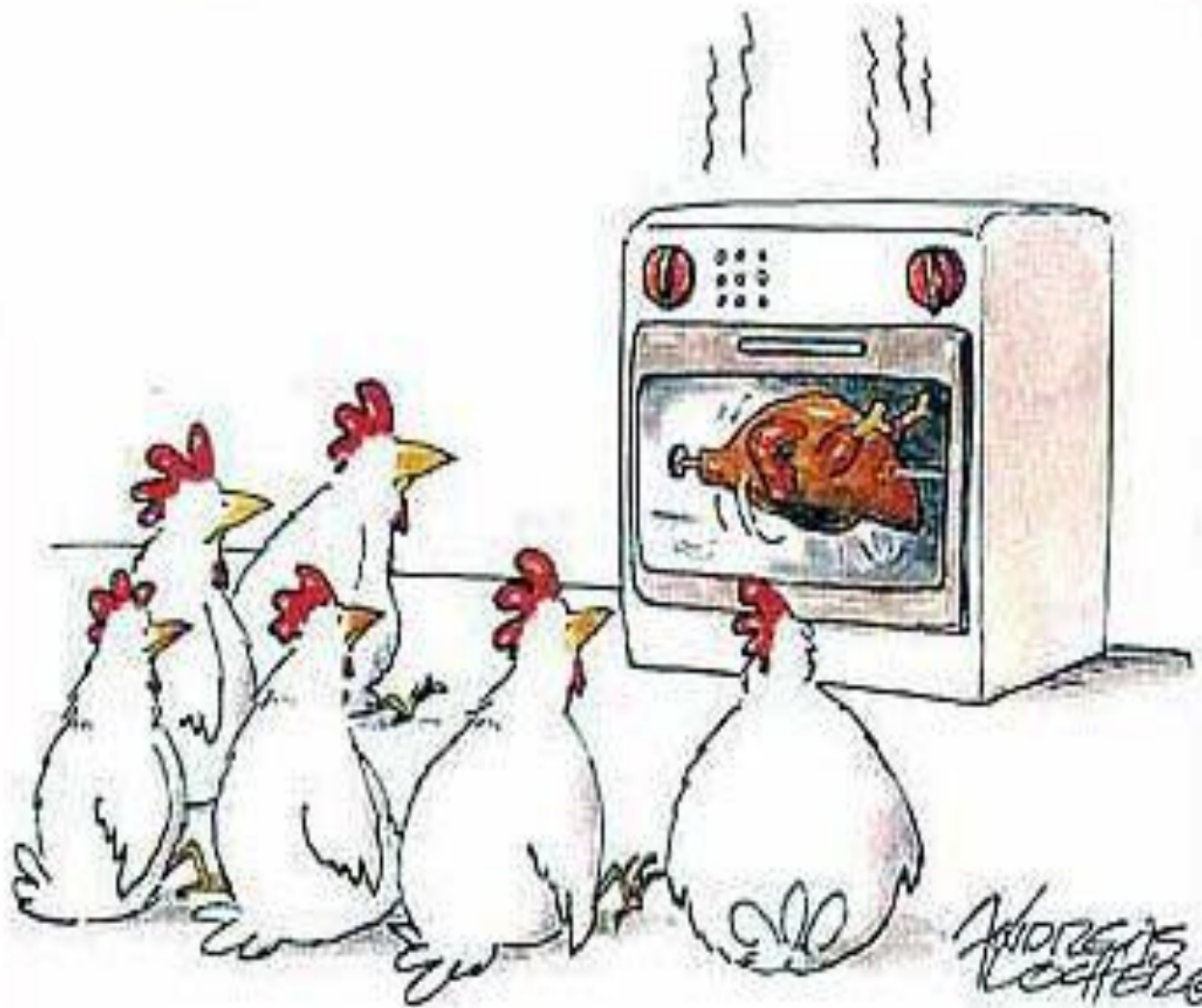


**Dollar figures are adjusted to 2014 values to control for the impact of inflation*

Operating & Capital Expenditures

2000 - 2013





REALITY TV



**We provide
everything to
everyone all
the time...**

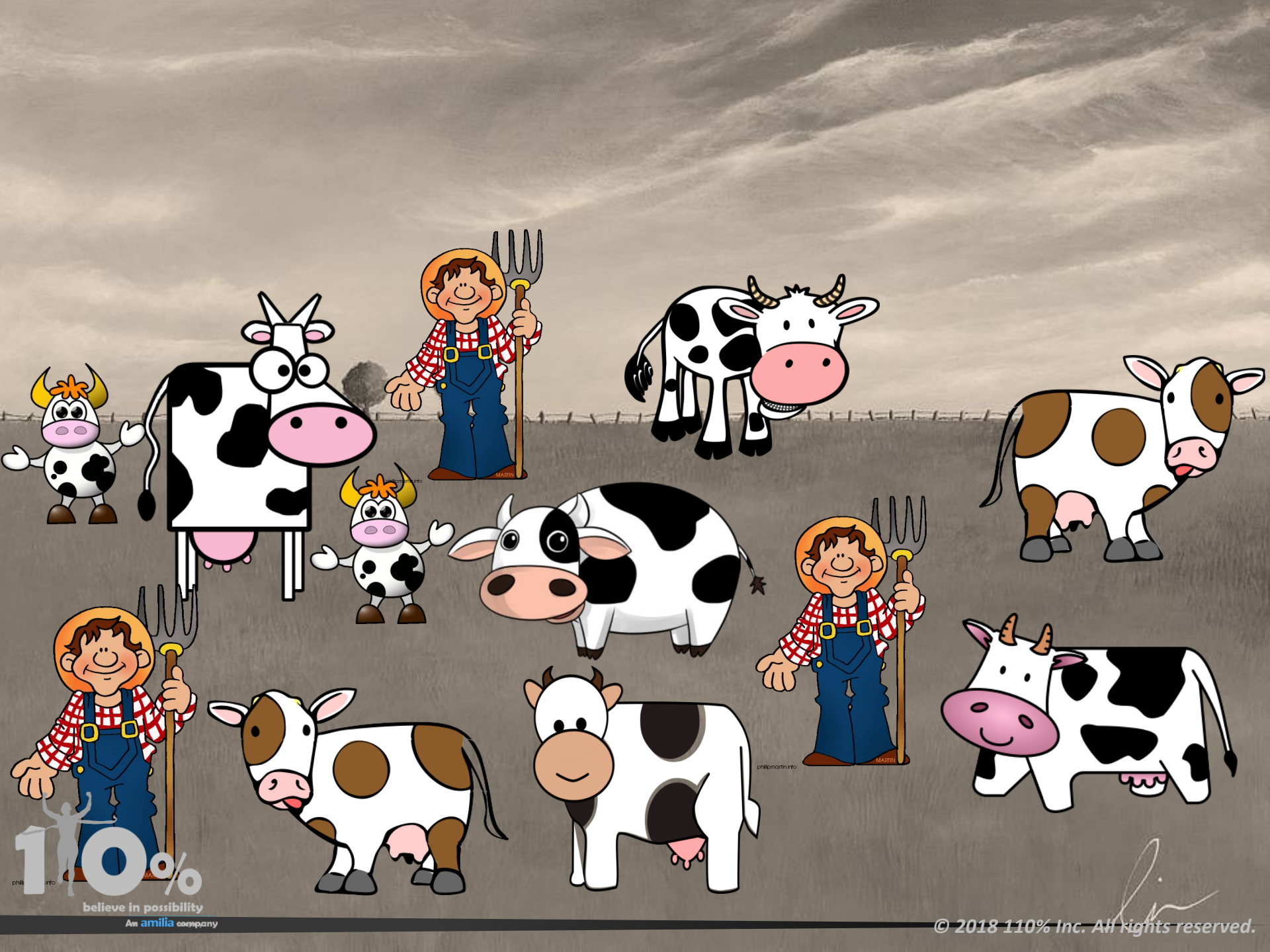


**We provide
everything to
everyone all
the time...**



philipmario

MADON



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**“I want
what I
want...”**



Figure 12: Should the Department offer what is requested by residents, or what is complementary to what is already provided in community?

The Department should provide facilities and programs that...
complement other community offerings but not duplicate them (even if the duplicated city programs are less expensive).
OR
are requested by residents, regardless of whether they are provided by other agencies in our community.

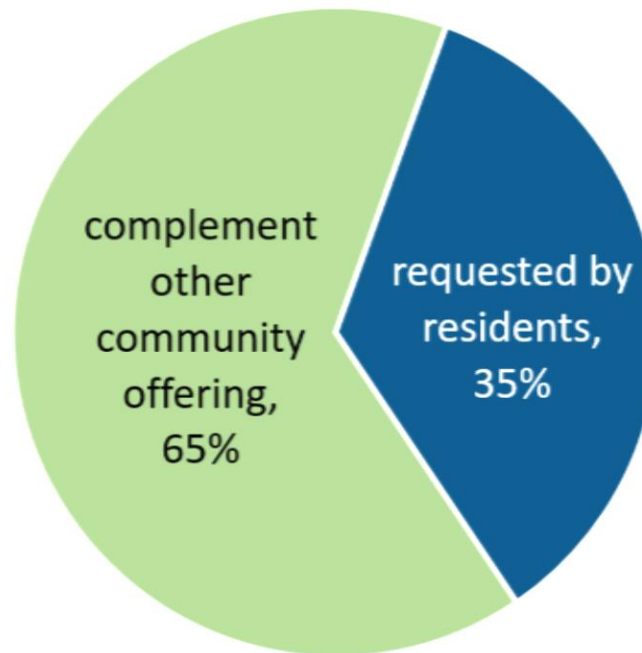
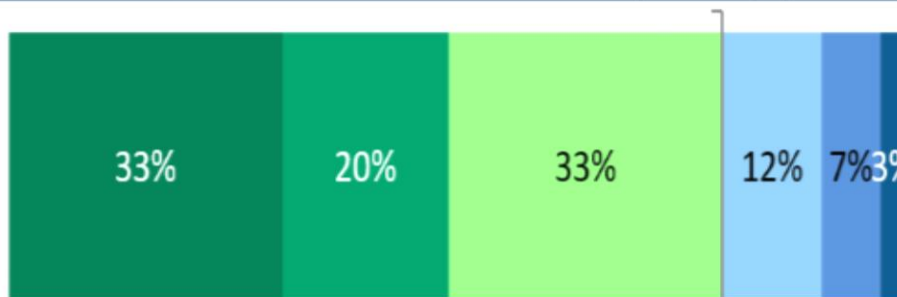


Figure 9: Focus on taking care of what we have versus invest in response to increasing demand

Please indicate how strongly you lean one way or the other for the pair of statements about the City of Mesa's Department of Parks, Recreation and Community Facilities funding priorities below. For example, if you feel strongly about the statement to the right, check the box closest to that statement, if you lean slightly toward the statement on the left, check a box closer to the middle.

What do you think should be the funding priority in the next few years?

Focus on taking better care of what we have and improve the condition and appeal of recreation facilities and parks. This means new facilities or parks would not be built, expanded or acquired.	↔	Invest in building or expanding recreation facilities in response to increasing demand. This means existing facilities would continue to be maintained at current levels with "deferred maintenance" continuing to grow over time. (Deferring repair work may evolve into more serious conditions or shortening the life cycle of systems and facilities.)
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Unfair competition



1. Take care of common resources
(e.g., environment, infrastructure)

2. Impact societal issues/conflicts
(e.g., health, social equity)



1. Take care of common resources
(e.g., environment, infrastructure)

2. Impact societal issues/conflicts
(e.g., health, social equity)

Education

Health & Wellness

Social Equity

Conservation

Resources



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The Terrible State of Our National Parks —in Photos

Broken pipes, crumbling walkways, closed trails—this is what the \$11.6 billion maintenance backlog looks like on the ground



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	Preventative Maintenance	Life Cycle	Replacement Cost	Annual Replacement Contribution
Recreation Center	\$50,000.00	30 years	\$30,000,000.00	\$100,000.00
-Dance floor	\$2,500.00	5 years	\$25,000.00	\$5,000.00
-Cardio/weights	\$2,500.00	3 years	\$35,000.00	\$12,000.00
- Gym floor	\$2,500.00	10 years	\$50,000.00	\$5,000.00
<i>totals</i>	\$57,500.00		\$30,110,000.00	\$122,000.00

Preventative Maintenance only	
year 1	\$122,000.00
year 2	\$126,270.00
year 3	\$130,689.00
year 4	\$135,264.00
year 5	\$139,998.00
total deferred years 1-5	\$654,221.00

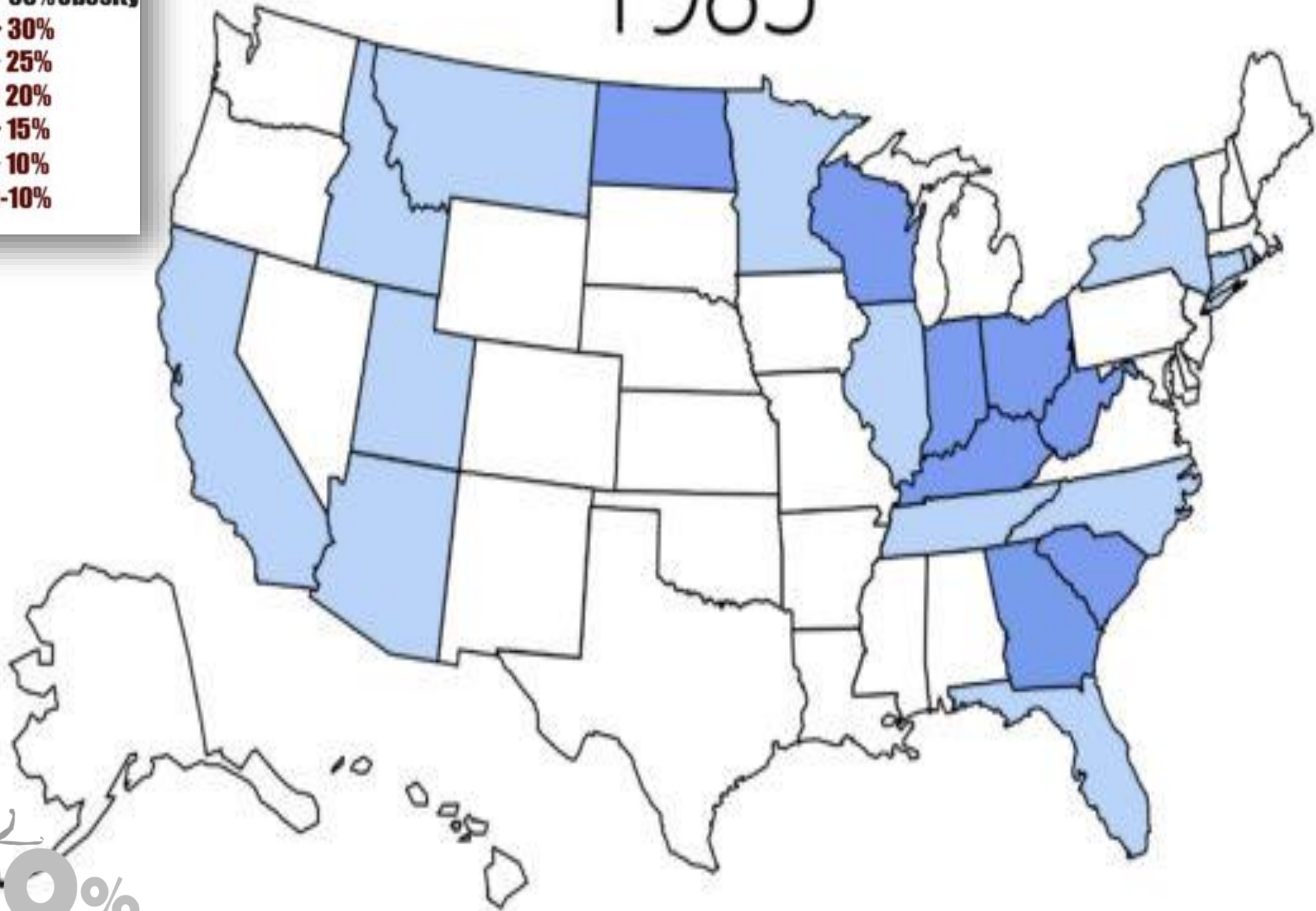
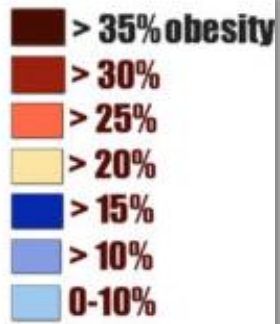
Neither Prev. Mtc. nor Replacement	
year 1	\$179,500.00
year 2	\$185,783.00
year 3	\$192,285.00
year 4	\$199,015.00
year 5	\$205,980.00
total deferred years 1-5	\$962,563.00

*3.5% CPI (annual growth)

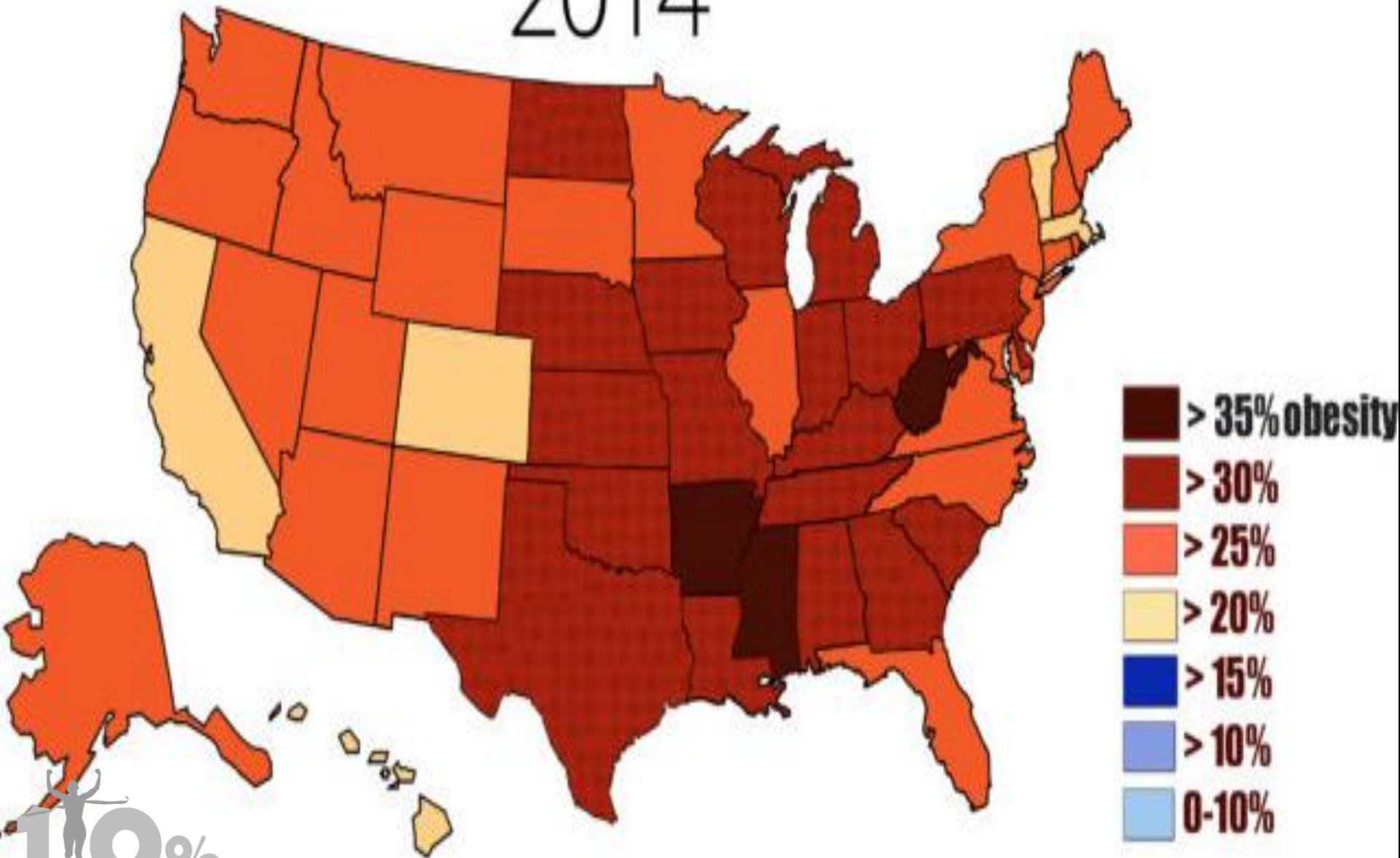
\$10,000 investment
in 20 years @
5%/year = \$25,390
(\$1270/yr.)



1985

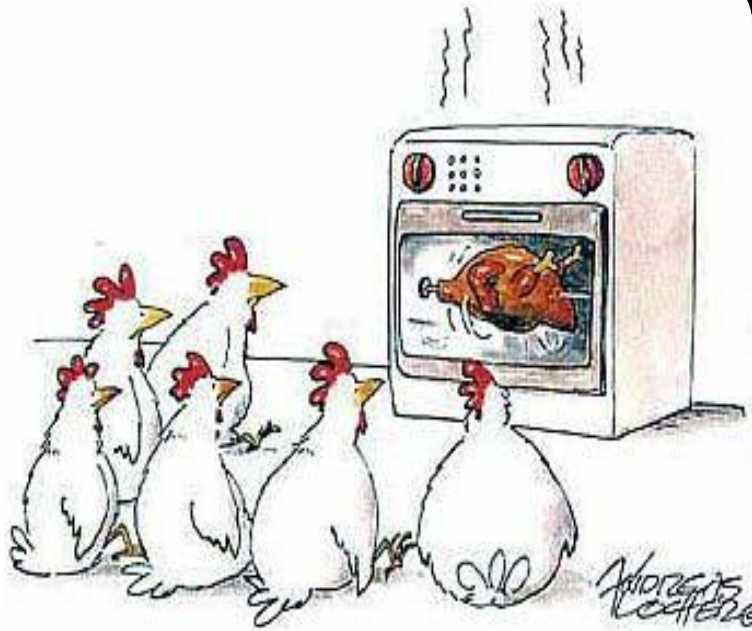


2014



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REALITY TV

Others...

Lack of revenue diversification

Education not a priority

Uninformed constituencies

False sense of self

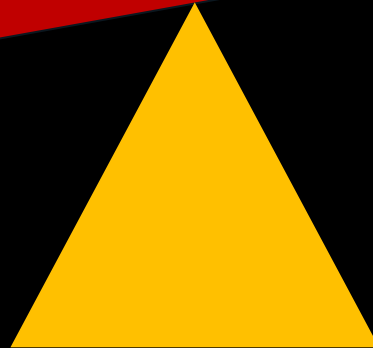
“Different” avoidance

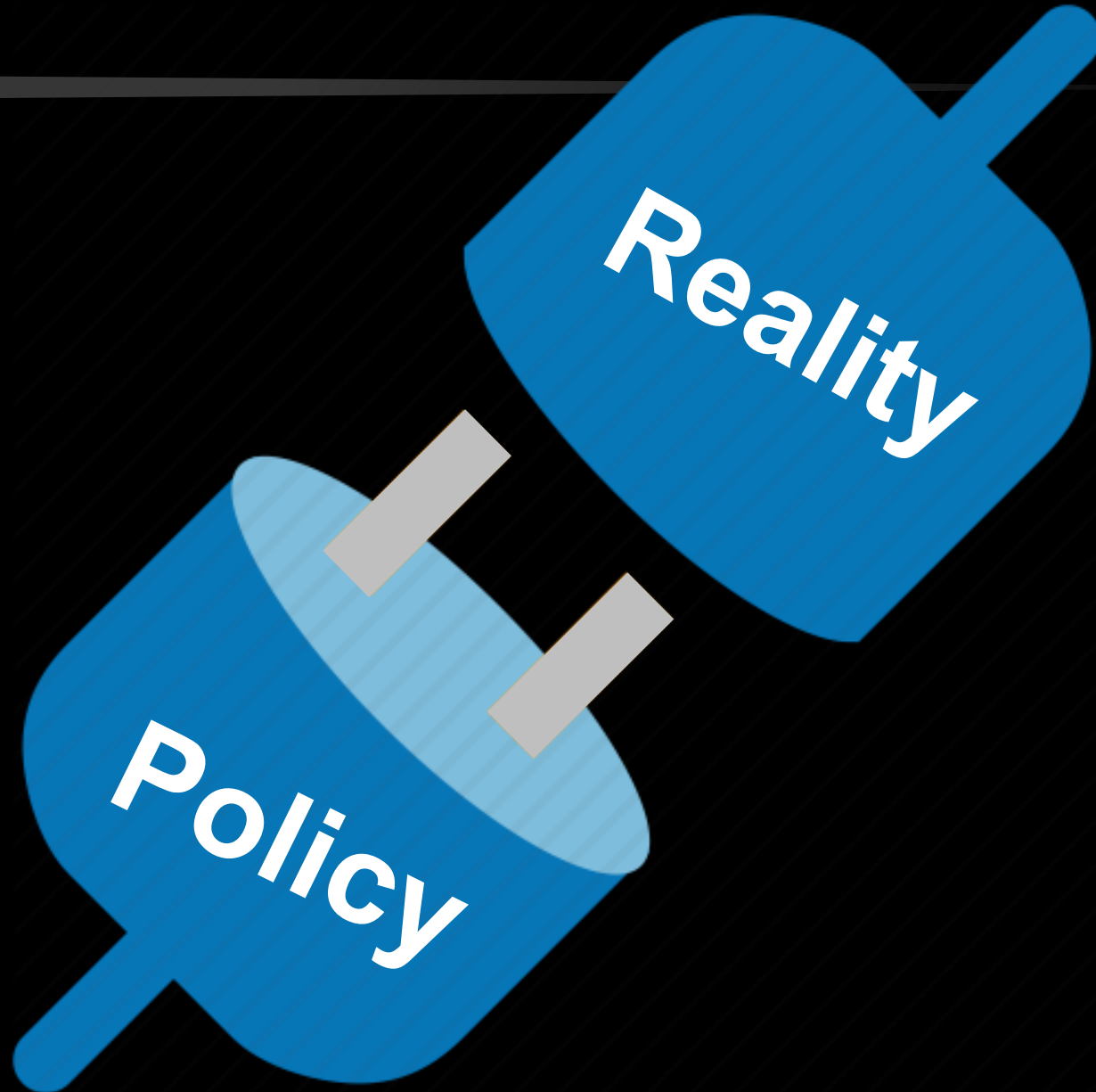
Lemming syndrome



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A tipping point!





Management principles



Social purpose

Spending choices & revenue opportunities



Cost recovery philosophy of yesterday

Parks

0 -10% cost recovery

Youth Sports

50% cost recovery

Adult Sports

75% cost recovery

Aquatics

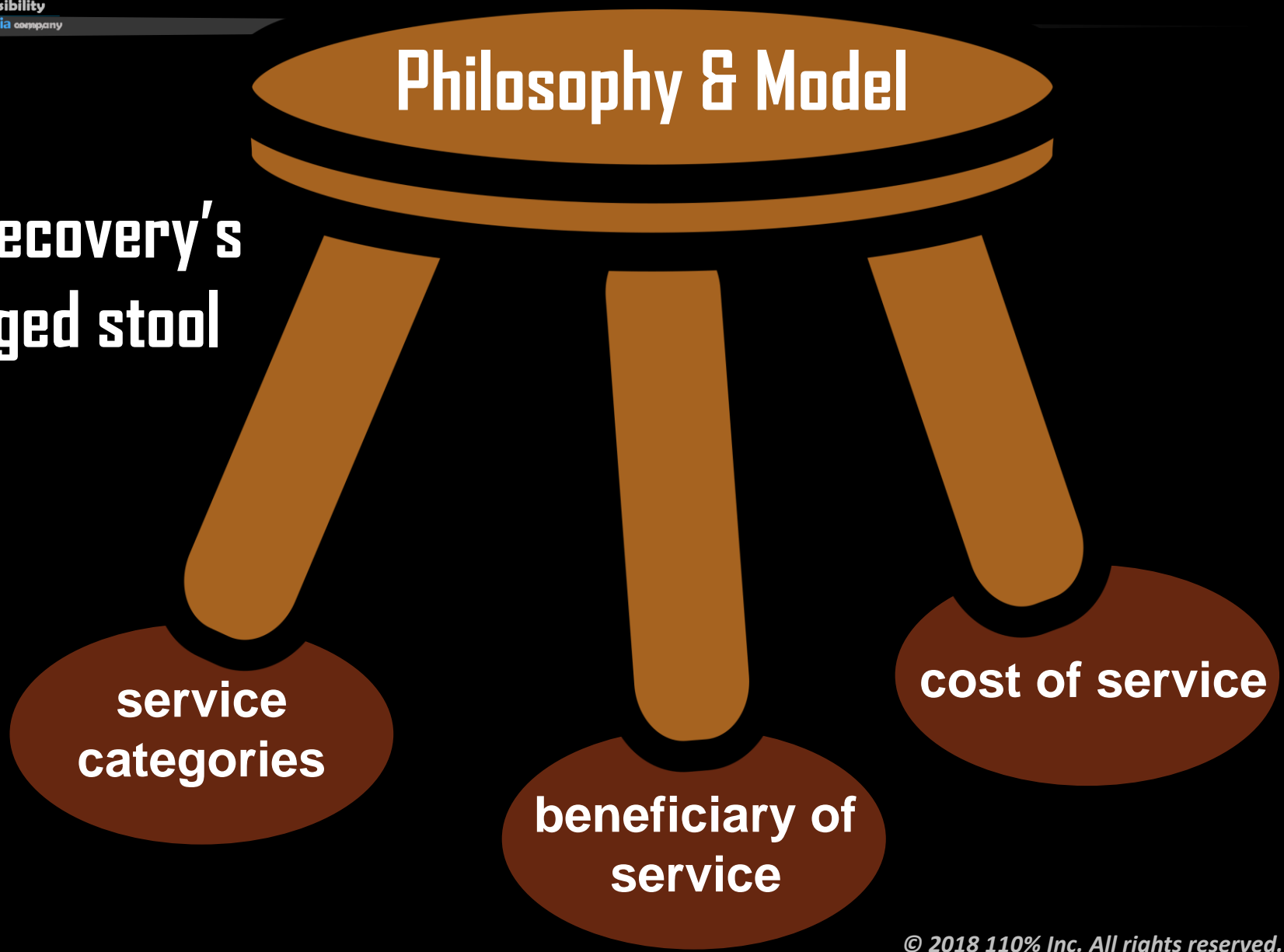
50% cost recovery

Seniors

25% cost recovery

and so on...

Cost recovery's 3-legged stool



Cost recovery goal =
50%?

Cost recovery goal =
75%?

Vs.

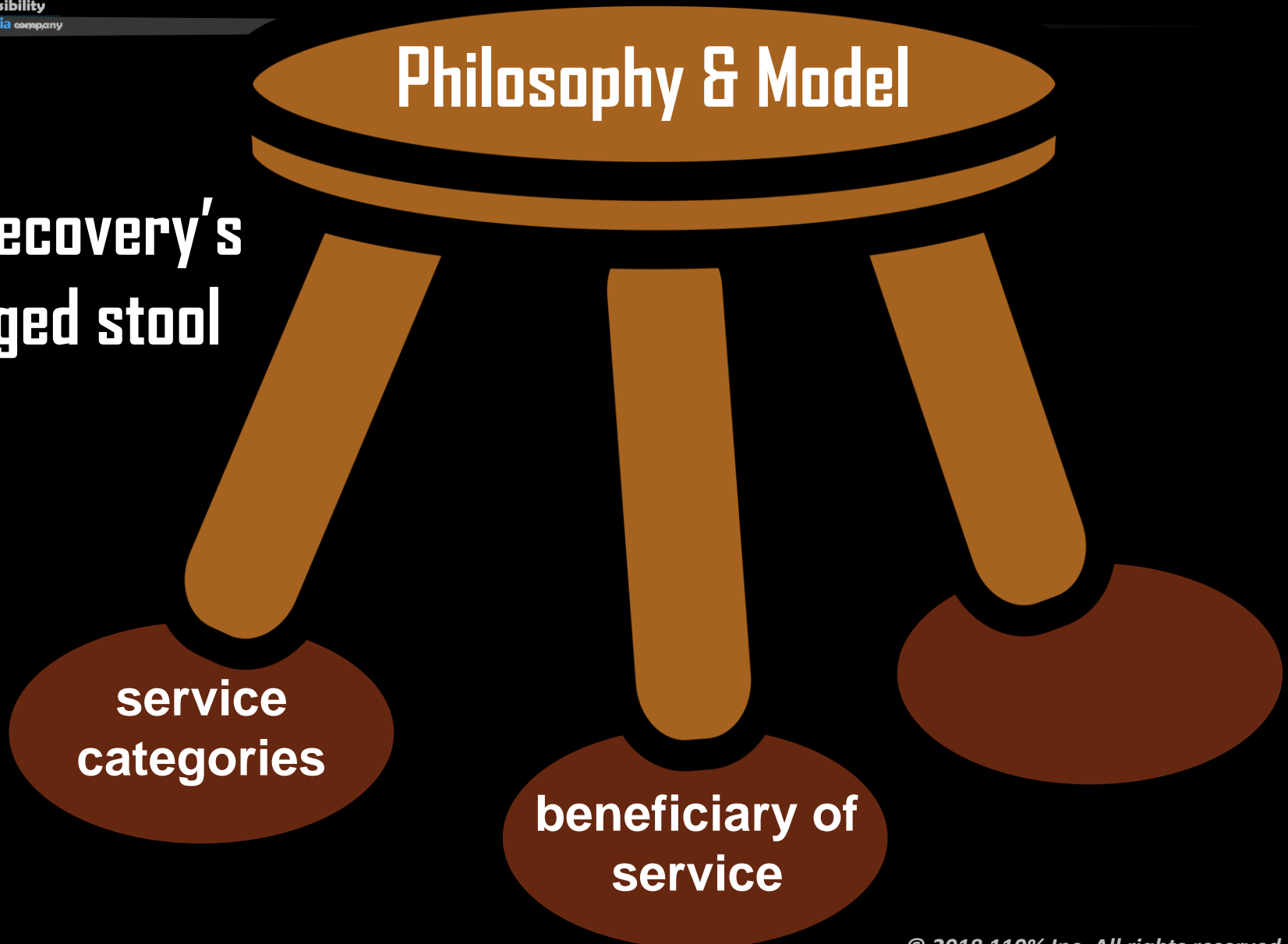




Cost recovery goal = 25%? **Vs.** Cost recovery goal = 80%?

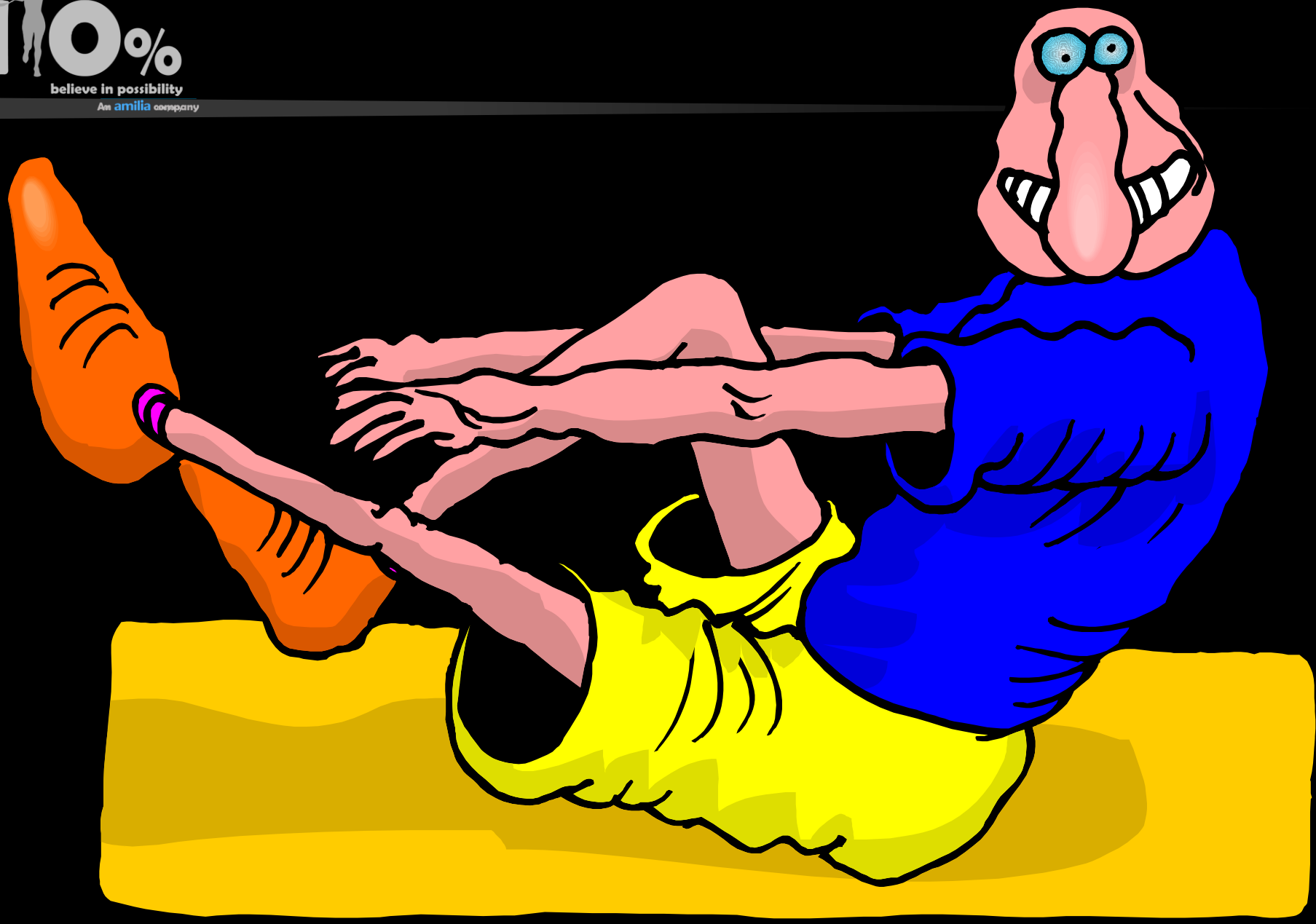


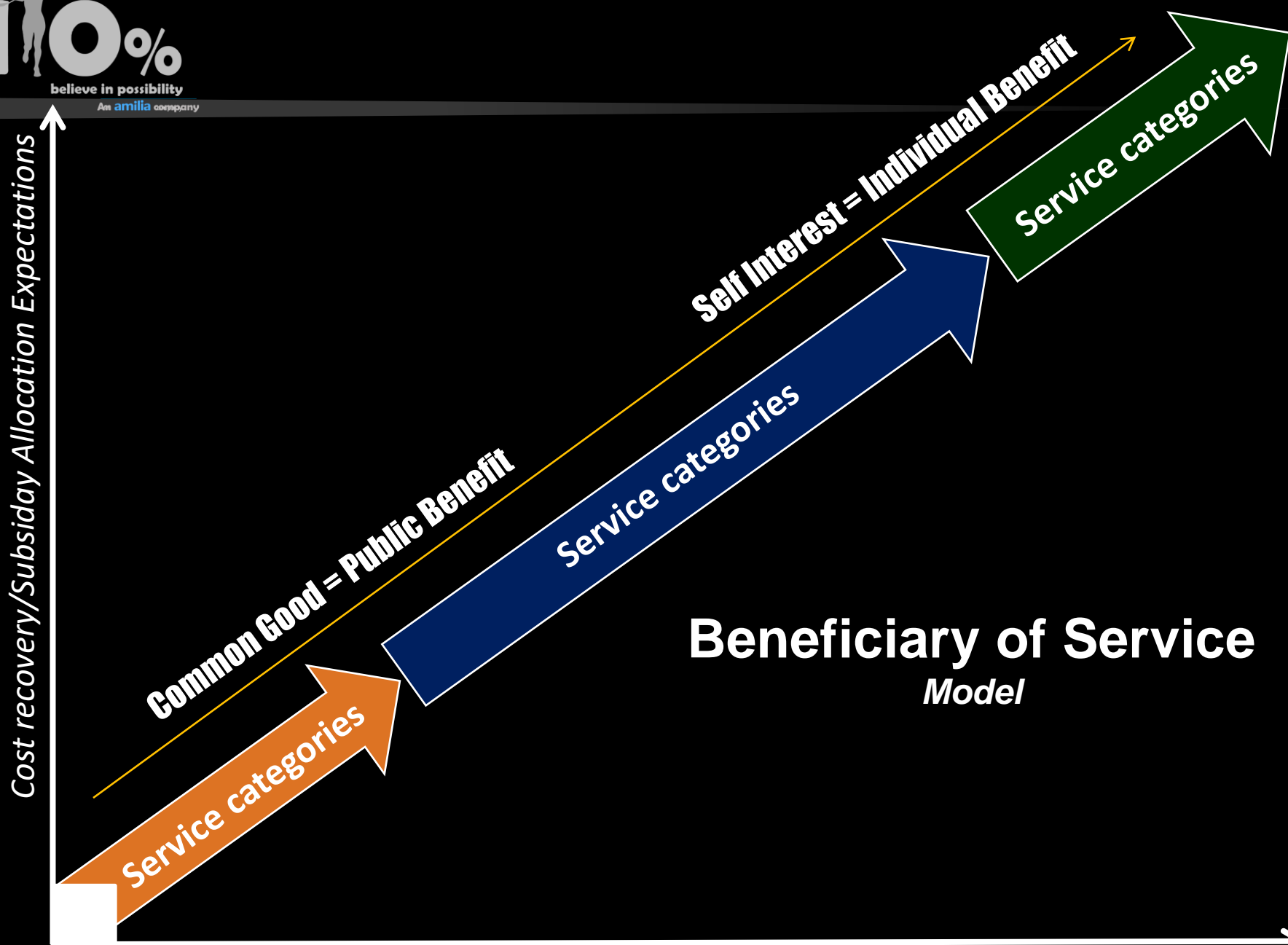
Cost recovery's 3-legged stool



Cost recovery goal = VS. Cost recovery goal =
50%? 50%?

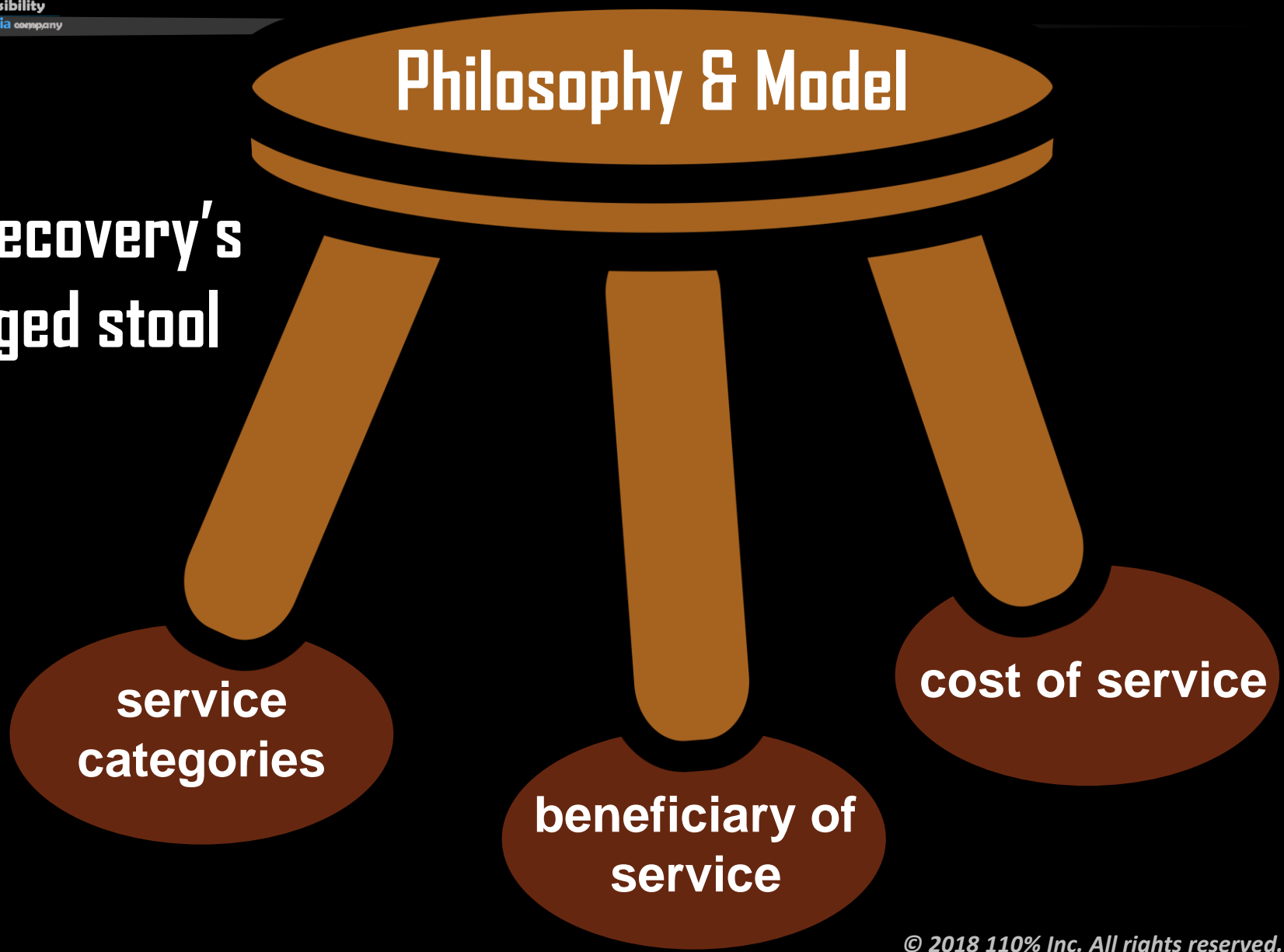






Beneficiary of Service
Model

Cost recovery's 3-legged stool

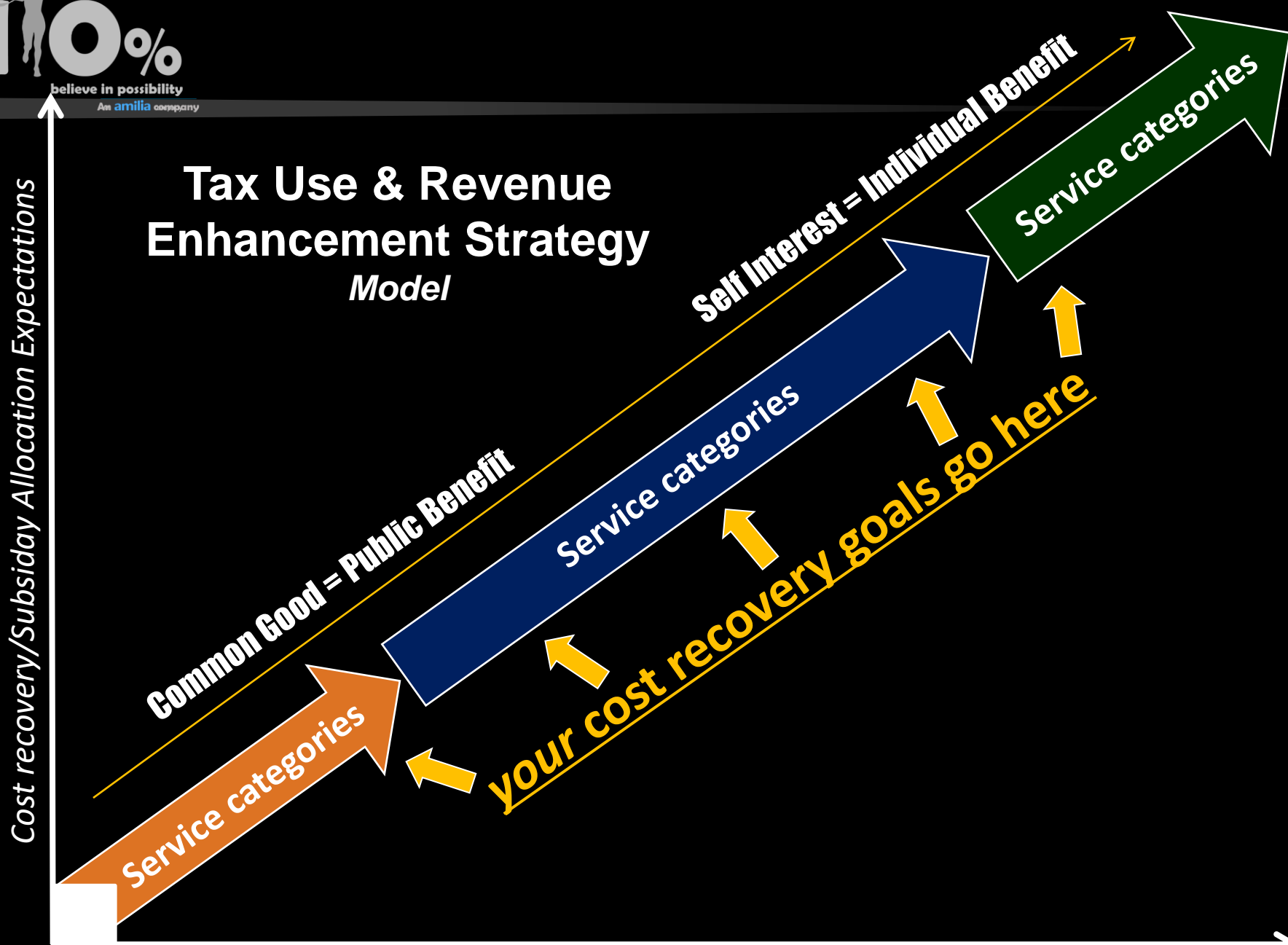




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Cost recovery/Subsidy Allocation Expectations

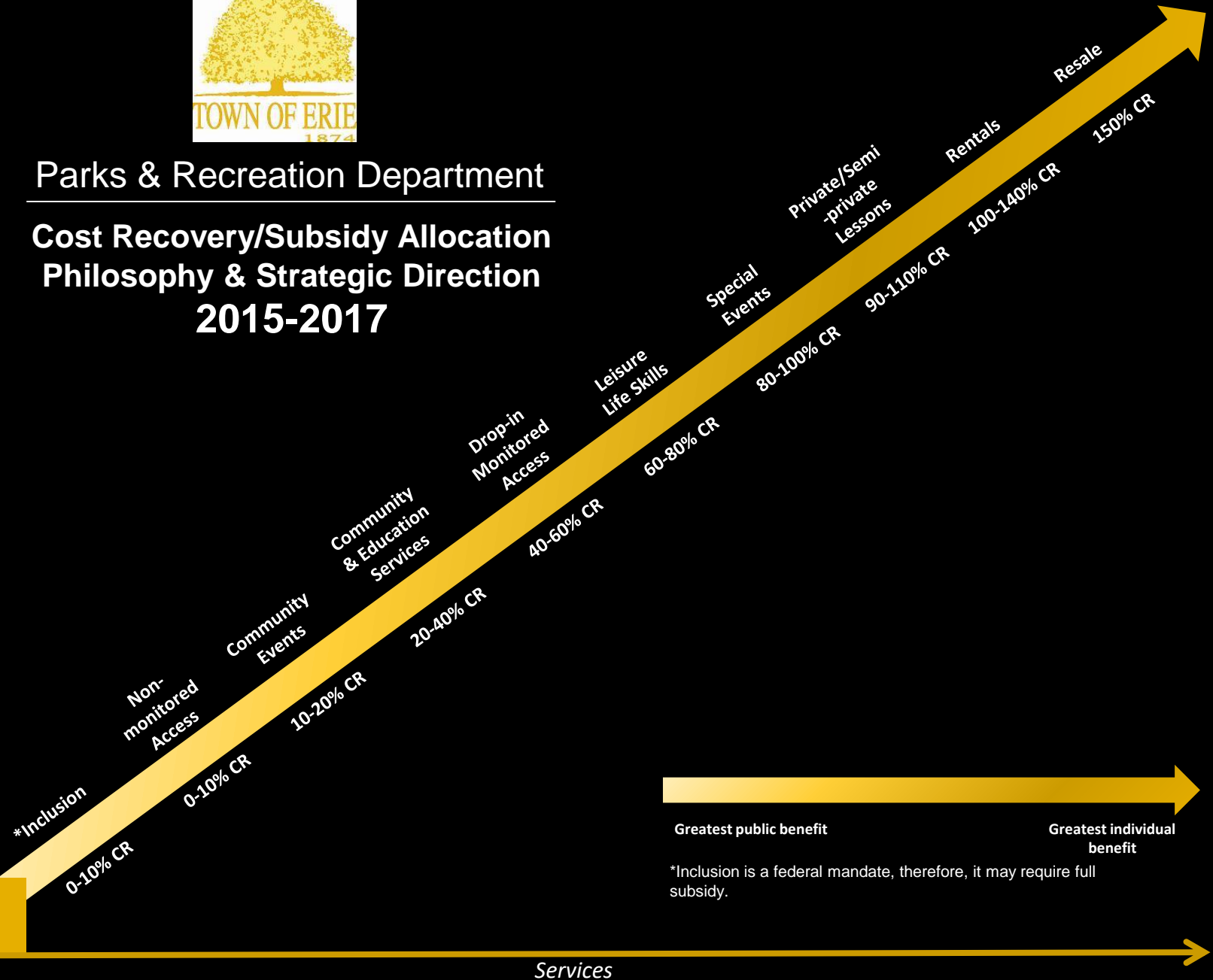
Service Categories



Parks & Recreation Department

Cost Recovery/Subsidy Allocation Philosophy & Strategic Direction 2015-2017

Cost recovery/subsidy allocation goal

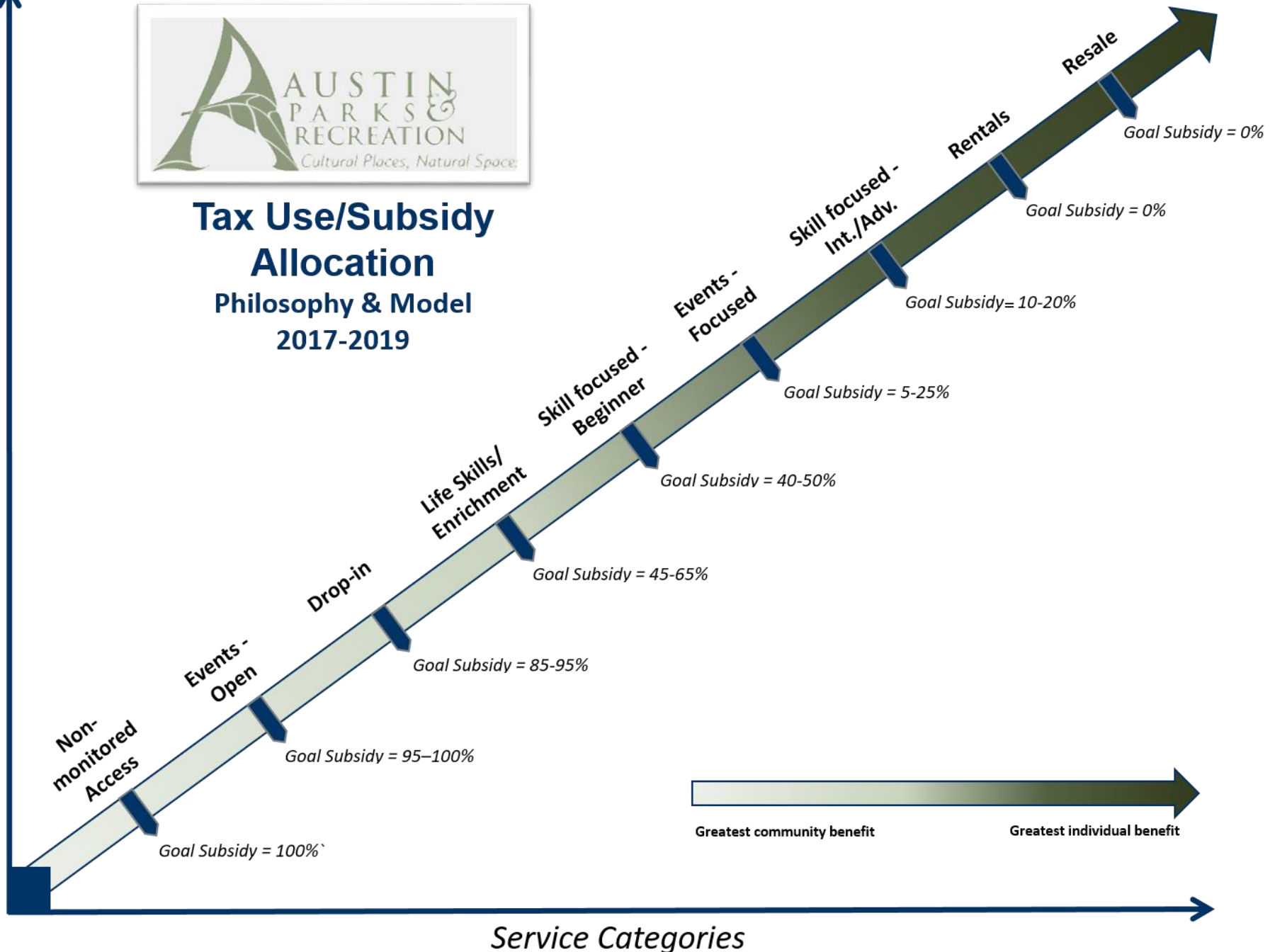


Services



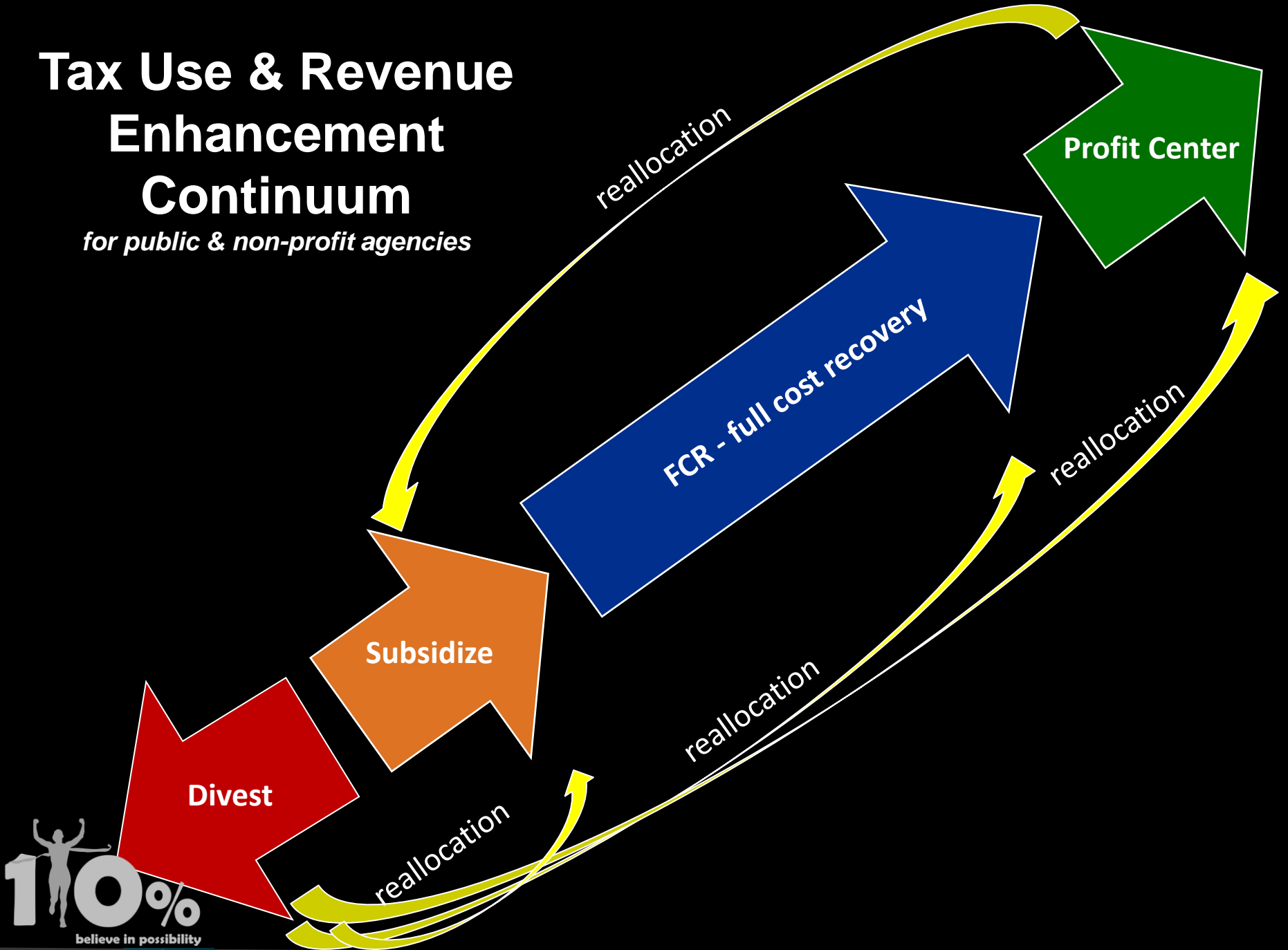
Tax Use/Subsidy Allocation Philosophy & Model 2017-2019

Subsidy vs Cost Recovery Expectation



Tax Use & Revenue Enhancement Continuum

for public & non-profit agencies





What's the plan?







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