



Department Source: Parks and Recreation

To: City Council

From: City Manager & Staff

Council Meeting Date: April 3, 2017

Re: Establishment of a Parks & Recreation Foundation

Executive Summary

In order to expand the potential sources of funding for the City of Columbia's Parks & Recreation programs and facilities, it is proposed that the City execute an agreement with the Community Foundation of Central Missouri for the establishment of a new fund named the "Columbia Parks and Recreation Fund." This fund is being started with an anonymous \$25,000 donation from a local business. The P&R Fund will be governed by an Advisory Committee consisting of the Chair of the P&R Commission, three at-large Parks & Recreation Commissioners, and the Director of Parks & Recreation. This is similar to the Advisory Committee of the Columbia Arts Fund. Marin Blevins is the Chair of the P&R Commission, and the following Commissioners have expressed an interest in serving on the Advisory Committee: Dan Devine, Ted Farnen and Linda Hutton.

Discussion

The City of Columbia has experienced multiple austere budget years, due to the 2008 recession and continuing poorly performing sales tax revenues. As with other General Fund funded departments, the City's difficult financial situation has adversely impacted the Parks and Recreation Department's annual operating budget. Columbia Parks and Recreation has experienced growth in the number of citizens it serves and the number of parks, miles of trails, number of amenities, and park acres it manages without the necessary, corresponding increase in its operating budget.

Columbia Parks and Recreation's operating budget is primarily funded by the General Fund, the permanent Park Sales Tax, and fees and charges. Due to constraints on the General Fund, its financial support of the Parks and Recreation Department is less now than ten years ago, with little hope of any increase in the future. Since 2001, the permanent Park Sales Tax has funded budget increases related not only to park growth, but because of the lack of increased support from the General Fund, it has also had to fund the increases in personnel packages (health insurance, minimum wage increases, etc.), utilities, intergovernmental charges (the department is charged for internal services from Human Resources, IT, GIS, Finance, Public Communications, City University, Employee Health, etc.), increases related to inflation from vendor products and services, and to offset budget cuts. After sixteen years of funding the park system's growth and the department's increased expenses, the permanent Park Sales Tax revenue is almost completely absorbed into the department's operating budget. Because of the loss of sales tax revenue from Internet sales, future revenue prospects from the permanent Park Sales Tax are dismal. Fees and charges are increased periodically as appropriate for the current market value, but since they represent only a portion of the budget, the increases in fees are not enough to keep up with the increase in



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expenses. Without a corresponding increase in the General Fund and permanent Park Sales Tax subsidies, there needs to be another revenue source to sustain the Parks and Recreation's operating budget for future years.

Columbia Parks and Recreation is proposing to set up a Parks and Recreation Fund as part of the Community Foundation of Central Missouri to collect donations. All gifts to the P&R Fund may be tax deductible. The Community Foundation will provide investing, receipting, distributing, and reporting functions for the fund. Donations to the fund are invested, and the revenue generated from the investments in time could be used to subsidize various Parks and Recreation programs, thus helping to provide a sustainable income for the future. The fund may also be used as a source of matching grants when reaching out to other foundations for funding, and will be eligible to apply for grants or donations that are only available to foundations.

The P&R Fund agreement establishes an Advisory Committee consisting of the Chair of the Parks and Recreation Commission, three Parks and Recreation Commissioners and the Director of the Columbia Parks and Recreation Department. The three at-large Commissioners are appointed by the City Council. Currently, the Chair of the Parks and Recreation Commission is Marin Blevins, and the following P&R Commissioners have expressed interest in serving on the Advisory Committee: Dan Devine, Ted Farnen and Linda Hutton.

The fund is being established by a one-time anonymous donation of \$25,000 from a local business. This donation has already been made and will be transferred from the New Century Fund to the Columbia Parks and Recreation Fund pending Council approval. It is anticipated that the fund will be allowed to grow before any funds are withdrawn for use.

The Advisory Committee makes recommendations for distributions from the Columbia Parks and Recreation Fund and recommendations must be approved by the City Council for any distribution to be made.

Fiscal Impact

Short-Term Impact: None

Long-Term Impact: May provide funds for programs or facilities.

Vision & Strategic Plan Impact

[Vision Impacts:](#)

Primary Impact: Parks, Recreation & Greenways, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable



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Strategic Plan Impacts:

Primary Impact: Social Equity, Secondary Impact: Infrastructure, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Environmental Management, Tertiary Impact: Not Applicable

Legislative History

Date	Action
N/A	N/A

Suggested Council Action

It is recommended that Council authorize the agreement with the Community Foundation of Central Missouri for the establishment of the Columbia Parks and Recreation Fund and appoint Dan Devine, Ted Farnen and Linda Hutton to the three at-large Advisory Committee positions.