

# Operations & Staffing

## BACKGROUND

### Manhattan Parks and Recreation Organizational and Financial Analysis

The consultant team assessed the organizational and management structure, staffing, and the financial investment the City makes in both parks and recreation and the Flint Hills Discovery Center with respect to effectiveness and efficiency. The assessment was done with limited, available data, most of which was provided by the department.

Under the guidance of the City Manager, the Parks and Recreation Director oversees daily operations of Parks, Recreation, Flint Hills Discovery Center, and the Sunset Zoo.

The parks and recreation department employed 66 full-time, eight part-time, and 34.09 temporary positions, adopted in the 2022 operating budget. A city-wide pay study was conducted and implemented in 2023, resulting in a 23% increase in personnel costs from 2019/20 to 2023, (\$4.4 million to \$5.4 million).

### The City of Manhattan's Investment in Parks and Recreation Staffing

To determine if staffing is at an appropriate level, this analysis focused on parks and recreation without considering enterprise funds or activities, the zoo, the cemetery, or animal services. FTEs (both full-time and part-time) positions were considered, as reported in the City's 2022 adopted budget. The Parks and Recreation Department (Department) had approximately 108.09 FTE in 2022.

When compared to other typical agencies serving similar populations (population of 54,218 illustrated in the demographics section of this master plan), the Department's 108.09 FTE is similar to other similar parks and recreation agencies and is appropriate. Comparable agencies serving a community between 50,000 to 99,999 might have between 46 and 127.5 FTE or a median of 75.8. Since the City is at the lower end of the population range, FTE should be closer to the bottom of the range.

Another way to look at staffing is by direct comparison to population served or FTE per 10,000 residents. The Department provides 19.94 FTE per 10,000 residents in comparison to other typical agencies that might employ from 6.6 (low) to 18.1 FTE (high) or a median of 11.1 FTE per 10,000 residents. This level of staffing may provide opportunities to increase efficiencies by shifting positions to greater priorities.

Benchmarking included herein is not intended to be a sole tool for decision-making as each agency and community offer different programs, facilities and serve different needs; however, comparisons to other parks and recreation agencies may offer an additional and helpful perspective. Other metrics serve to help understand the investment the City of Manhattan makes in delivering parks and recreation as shown in Table 6.1.

Table 6.1: Comparable Parks and Recreation Agency Comparable Metrics

Metric	Manhattan, KS	NRPA Metrics for Comparable Agencies (median)
Population	54,218	50,000 to 99,999
Operating expenditures per capita	\$100.59	\$103.95
Park and recreation revenues per capita	\$31.75	\$25.14
Revenues as a percentage of operating expenditures (cost recovery)	13%	25.7%

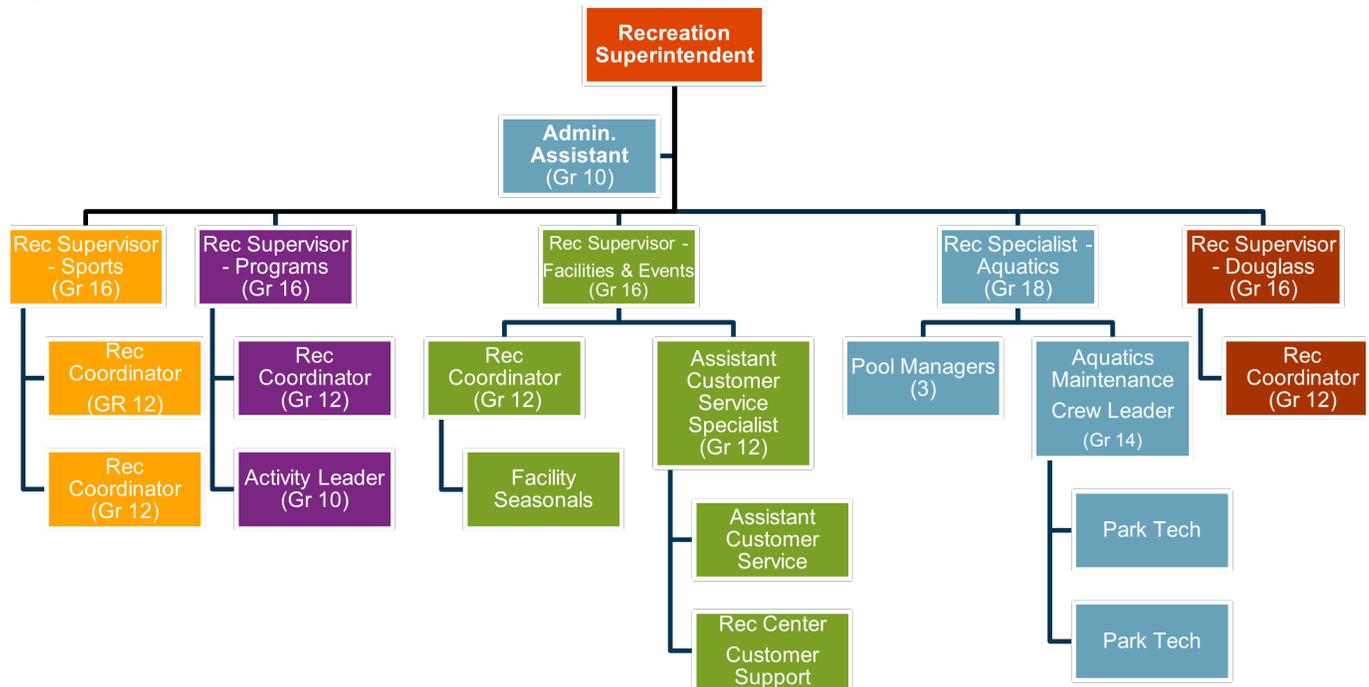
Typical parks and recreation services, without considering the impact from the Flint Hills Discovery Center are low in comparison. Cost recovery for core services suggests a need to further examine both revenues and expenses.

Population density can also help explain appropriate staffing levels. Agencies that serve communities with greater population density typically have more FTEs per resident. Agencies serving communities with more than 2,500 people per square mile may need staffing closer to the higher quartile. Population density in the City of Manhattan is 2,700 residents per square mile which suggests a greater level of staffing may be needed. See Figure 6.1 to see an organizational chart for recreation services.

### Staffing Considerations

This assessment suggests that staffing is above average when compared to other typical agencies. Further, since population is not expected to grow appreciably through 2028, no additional positions are recommended with the exception of a new recreation

Figure 6.1: Manhattan Parks and Recreation - Recreational Organizational Chart, April 2024



and aquatic center. As vacancies occur, there are opportunities for reorganizing or reducing labor costs.

## FINANCIAL ANALYSIS

The community engagement process provided valuable insight into financing the delivery of parks and recreation services. Focus group interviews resulted in the following comments:

- There is a need to create an agreed upon cost recovery plan
- Foster private sector growth
- Quality of life sales tax may be needed
- Identify ways to pay for new pursuits and how to maintain them
- Help the public see the cost of providing services and where their money is going
- Account for ongoing operational costs with future pursuits
- More fees and grant revenue
- Allow payments other than credit card to be acceptable for registration online
- Create sustainable funding sources

### Current Circumstances

The Department adopts an annual budget that sets priorities, guides staff, and provides the primary resources to meet the parks and recreation needs of City residents. The general fund is the primary operating fund. See Table 6.2.

The FHDC budget center is not included in Table 6.2, due to the nature of the operation. Administration personnel costs for Parks and Recreation sit apart in their own Administration, Recreation Administration, and Parks Administration budget centers. Resulting in a different cost recovery calculation for the recreation centers, recreation programs, and waterparks which only considers seasonal labor costs in cost recovery analysis.

The FHDC's 2023 budget center includes administrative personnel costs (Director, Assistant Director, and other managers) which contribute to the actual 2023 expenses of \$1,281,461. FHDC received \$667,580 in revenues which resulted in an actual cost recovery of 52%.

### Measuring the Financial Health of the Department

There are several ways to gauge the Department's financial health. These include the following revenue-to-operating expenditures and operating expenditures per capita.

#### Revenue-to-Operating Expenditures: Cost Recovery

Overall operating cost recovery was budgeted in 2022 at 13%. Comparable agencies may typically recover from 14.7% (low) to 51.9% (high) or a median of 28.5% of operating expenditures from locally generated revenues.

Table 6.2: Revenues and Operating Budgets

Parks and Recreation Budget Centers	Revenues - 2023 Budget	Expenses - 2023 Budget	Subsidy	Cost Recovery
Administration (1)	\$0	\$375,735	\$375,735	0%
Recreation Administration (2)	\$0	\$891,813	\$891,813	0%
Douglass Community Center	\$14,550	\$325,235	\$310,685	4%
Anthony Middle School Recreation	\$75,000	\$325,384	\$250,348	23%
Eisenhower Middle School Recreation	\$75,000	\$333,299	\$258,299	23%
Recreation Programs	\$669,300	\$622,300	(\$47,000)	108%
Waterparks	\$480,750	\$1,168,599	\$687,849	41%
Blue Earth Plaza Park	\$0	\$69,000	\$69,000	0%
City Parks	\$0	\$4,216,457	\$4,216,457	0%
Depot and Recreation Pavilion	\$32,500	\$62,750	\$30,250	52%
Building Services	\$0	\$812,826	\$812,826	0%

The Department’s resource allocation policy helps to ensure resources are allocated and revenue opportunities are appropriate to support community needs and are in-line with community and City Council values and priorities.

The resource allocation and cost recovery philosophy, originally created by Berry Dunn, is the standard across the United States. The philosophy is based on the concept that while all parks and recreation facilities, programs, and services are intended to improve the lives of community members, not all should necessarily receive the same level of subsidy. In general, the more a facility, program, or service provides a community benefit, the greater the taxpayer subsidy. Programs that provide unique, individual benefits are funded more by user fees and may subsidize programs lower on the pyramid. See Figure 6.2. A breakout of the benefit tiers may be helpful and are shown to the right. To help create a philosophy, The consultant team offers a ten-step process as shown in Appendix F.

**5. Highly Individual Benefit (126%+ Cost Recovery)**

- Competitive Tournaments (Youth and Adult Advanced)
- Competitive Team / League Activities (Youth and Adult Advanced)
- Destination Trips
- For Profit Events/Programs
- Concessions/Vending/Merchandise

**4. Mostly Individual Benefit (101 – 125% Cost Recovery)**

- Youth Intermediate Leagues/Programs
- Adult Intermediate Programs/Leagues

**3. Individual /Community Benefit (51 – 100% Cost Recovery)**

- Youth Developmental Leagues/Programs
- Adult Instructional Programs
- Nonprofit Fundraisers
- Partnership Event/Program
- Indoor Drop-in

**2. Community /Individual Benefit (26 – 50% Cost Recovery)**

- Youth Instructional Programs/Leagues
- MPRD Community/Special Events

**1. Community Benefit (0 -25%)**

- Nonprofit Outdoor Special Events
- Parks and Trails
- Outdoor Drop-in



Figure 6.2: Cost Recovery Philosophy Model

### Indirect Costs

These are costs that can be attributed to more than one (1) program or service and are not generally a part of the user's direct experience. These costs may be somewhat constant or "fixed" regardless of the level of program participation or facility usage. Examples would include program administration and supervisory staff salaries, departmental administrative staff salaries and costs for a facility or vehicle used for different programs.

### Operating Expenditures per Capita

Another metric NRPA aggregates and reports on annually in its Agency Performance Review is operating expenditures per capita. As shown in the 2022 annual performance review, a typical parks and recreation agency in a similarly sized community to Manhattan spent between \$64.04 and \$197.61 or a median of 103.95 per capita. In the 2022, the Department was budgeted to spend \$236.82 per capita. This is higher than the high end for comparable agencies.

### Community Members' Tolerance for Increasing Tax Support

The needs assessment survey tested support for funding a new aquatics facility. Half of survey respondents said they were supportive (24%) or "very supportive" (26%) of a sales tax increase for an indoor aquatics' facility.

Those surveyed who opposed increasing tax support (31%) cited either their reluctance to accumulate debt for capital projects or the belief that users should bear the financial responsibility for the facilities.

When asked about the addition of a new recreation center with an indoor aquatics' facility co-located with it, community preferences were similar to a stand-alone aquatic facility. A majority (45%) are supportive of such an increase to support such a facility. A smaller minority (33%) said they would not support a sales tax increase to support this new facility. The balance of participants (22%) reported they were not sure. More specific details about what is included, how much it costs, and where it will be located will sway these voters one way or the other.

Of those who were not supportive, the highest percentage (41%) said it was because they do not support incurring debt for capital projects and 40% believe those who use the facilities should be the ones paying for its development.

### Traditional Parks and Recreation Operations and Capital Development Funding Sources

A high majority of needs assessment survey respondents (84%) said they were in favor of funding parks and recreation services in a more robust nature.

As a result, The consultant team provided a list of potential funding sources to the Department that may be considered. Not all may be used, and, in some cases, there are restrictions noted in the City's Municipal Code. There are a variety of mechanisms that local governments can employ to provide services and to make public improvements. Parks and recreation operating and capital development funding typically comes from conventional sources such as sales, use, and property tax referenda voted upon by the community, along with developer exactions. There are many funding opportunities that may be considered.

Below are categories of funding the City might consider. The full list with explanation is in an appendix attached to this analysis report.

- Traditional Tax and Exactions-Based Funding Resources
- Development Funding
- Fees and Charges
- Alternative Operations and Capital Development Funding Sources
- Loan Mechanisms
- Alternative Service Delivery and Funding Structures
- Partnership Opportunities
- Community Resources
- Grants
- Philanthropy
- Community Services Fees and Assessments
- Contractual Services
- Permits, Licensing Rights, and Use of Collateral Assets
- Funding Resources and Other Options
- Cost-Saving Measures

### Fees for Services

Fees are approved annually and do not appear to create a barrier to participation in recreation programs and activities. Results from the needs assessment survey suggests that only 10% of survey respondents reported that fees were excessive or too high. A minimal number of respondents (17%) suggested that waterpark fees were too high.

### FLINT HILLS DISCOVERY CENTER

The Flint Hills Discovery Center (FHDC) offers an array of programs, services, museum exhibits, and special events for families and young children. In 2022, the center hosted 67,310 visitors and 10,784 active participants. The facility is modestly priced. Actual total 2023 visitation was 95,507 including program participants.

### Operating Hours

The FHDC is open to the public six days per week, Tuesday through Saturday 10 a.m. – 5 p.m. and on Sundays from 12 – 5 p.m. The center is closed on

Mondays. The facility is available and well used for additional hours on Mondays, in the evenings, and on weekends to support rental activities and special events.

The center is open 47 hours per week, or 2,444 hours per year, and for each hour of operation, the City expenses \$141 per hour in labor costs. When offset by admissions revenue, the actual labor cost per operating hour is \$38.34.

### Current Circumstances

In 2023, the facility budgeted \$590,000 in revenues against \$1,357,215 in expenses. The City budgeted a transfer of \$260,000 to support the FHDC. The actual subsidy was budgeted in 2023 at \$767,215,

Table 6.3: FHDC Revenues

FHDC 2023 Revenues	Budget	Actual
Admission Fees	\$181,000	\$249,636
Gift Shop	\$72,000	\$132,144
Educational Programs	\$67,000	\$67,986
Facility Rental	\$100,000	\$87,543
Memberships	\$70,000	\$80,406
Contributions/Other	\$35,000	\$13,668
Donations/Sponsorships/Grants	\$65,000	\$36,197
Transfers	\$260,000	\$260,000

Table 6.4: FHDC Admission Fees

Admission Type	Fee
Adult (Age 18-64)	\$10
Youth (2-17)	\$5
Military with ID	\$8
College Students with ID	\$8
Educators with ID	\$8
Seniors (Age 65+)	\$8
Children (Under 2)	Free
FHDC Members	Free

an additional \$507,215 greater than the City's expectation. To best understand the financial position, the consultants looked at each of the major revenue centers shown in Table 6.3.

### FHDC Admission Fees

In 2023, the average admission fee charged was \$4.50 (\$340,000/75,583 admissions), which is inconsistent with the fee schedule in Table 6.4. The fees are

significantly lower than what the consultants would expect which leads to the greater subsidy.

Admission fees have only increased by \$1.00 since 2014. Inflation on the other hand has increased by 31.93% (Department of Labor). Like all other products and services, fees at the FHDC should keep pace. Over the past five years, inflation has increased by 18.9% without any changes in admission fees.

The admission fees were calculated from a portion of both general admission fees and memberships. Annual membership fees and recovery rates are in Table 6.5 and suggest that membership fees are recovered at three or four visits per year. Generally, the consultants would anticipate this to be higher which may contribute to the low actual admission and membership fees collected. A sample of children's museums, and science and technology centers, recovery rates shows a variance between 2 and 8 visits. While 8 visits appear to be an outlier, there is room to increase membership pass fees to 4 or possibly 5 visits toward recovering the cost of the pass.

Table 6.5: Annual Membership Fees and Recovery Rates

Age of Members	Annual Fee	Number of Visits to Recover Annual Membership Fee
Adults	\$30	Three visits
Youth	\$15	Three visits
Children Under 2	Free	N/A
Education Membership	\$27	Four visits
Student Membership	\$27	Four visits
Family Membership	\$80	Three visits
Other - Military	Varies	Varies



Table 6.6: Sample of Similar Marketable Facilities Membership Pass Recovery

Facility	State	Number of Visits to Re-Coup Membership
Flint Hills Discovery Center	Kansas	Three visits
Science and Technology Centers - Regional Peers		
Cosmophere	Kansas	Three visits
Science City at Union Station	Missouri	Three visits
Exploration Place	Kansas	Three visits
The Sternberg Museum of Natural History	Kansas	Four visits
Science and Technology Centers - National Peers		
Exploratorium	California	Two visits
Denver Museum of Nature and Science	Colorado	Three visits
Field Museum	Illinois	Three visits
Science Museum Oklahoma	Oklahoma	Three visits
Scott Family Amazeum	Arkansas	Three visits
Oregon Museum of Science and Industry	Oregon	Three visits
Perot Museum of Nature and Science	Texas	Three visits
Museums and Discovery Centers		
Kansas Children's Discovery Center	Kansas	Two visits
Children's Museum	Maine	Three visits
Portland Children's Museum	Orgegon	Four visits
Don Herrington Discover Center, Amarillo	Texas	Four visits
Ft. Worth, Texas Museum of Science and Industry	Texas	Four visits
Children's Museum of South Bend	Indiana	Four visits
Seattle Children's Museum	Washington	Four visits
Milton J. Rubentstein Museum of Science & Technology - Syracuse	New York	Four visits
St. Louis Children's Museum	Missouri	Five visits
Miami Children's Museum	Florida	Five visits
San Louis Obispo Children's Museum	California	Five visits
Sacramento Children's Museum	California	Eight visits

## The Gift Shop

In keeping with the Department's cost recovery model, the gift shop should be recovering a minimum of 126% of expenses with the excess revenues available to offset other FHDC costs; however, the gift shop recovered only 60% of costs in 2022. Overall, the gift shop lost approximately \$50,000 that year that results from a high cost of goods for items sold (70%), high labor costs (approximately 100% of sales) and remaining impact from COVID-19. In 2023, Gift Shop revenues were budgeted at \$72,000 and actuals were \$132,144.

Additional analysis is needed that includes review of the pricing of gift shop items, internal controls, inventory levels, etc.

## Educational Programs

Revenues for educational programs recover only 40% of labor costs to provide the services. Educational programs are typically subsidized but typically at a lower subsidy rate.

## Facility Rentals

Typically, facility rentals would be expected to recover greater than 126% of expenses to provide the service. Facility rentals for the FHDC recover less than 100% requiring a subsidy from the City's general fund.

## Cost Recovery

The FHDC as part of the City's Parks and Recreation Department should be following the cost recovery philosophy.

## Current Budget Modifications

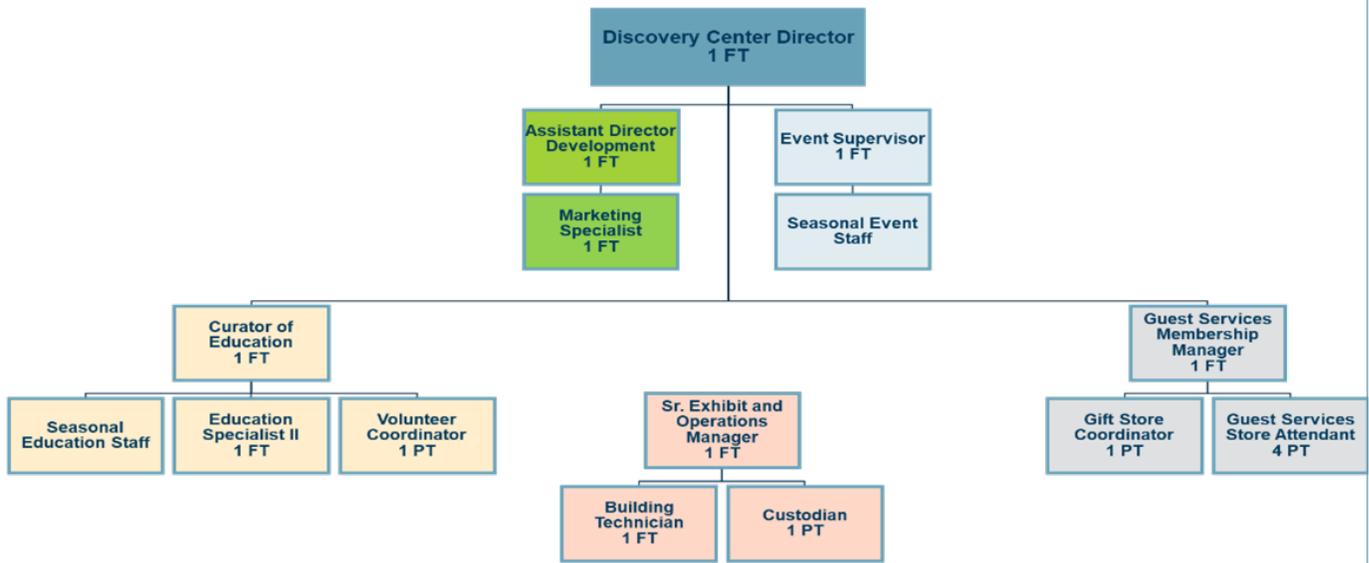
Looking forward, the FHDC budgets for FY 2023 and 2024 (not adopted) suggests significant increases in revenues. Admissions and memberships (+6%), educational revenues (+17%), facility rentals (+36%) along with gift shop reductions in revenue (-13%).

## Staffing

### Addressing the FHDC Subsidy

As documented in the annual budget documents, the expectation of the City is for the FHDC to recover costs beyond the budgeted \$260,000 subsidy. Given current staffing, fees, etc., this is challenging for the Department; however, there are some opportunities that may be considered:

- Conduct a fee study to lead to implementation of a minimal and incremental set of increases to admission and membership fees. Over the course of a three-year, \$3.00 basic and incremental price increase, approximately half of the excess subsidy can be recovered.
- Greater marketing of birthday parties and rental opportunities as revenue opportunities.



## CHALLENGES, KEY FINDINGS AND RECOMMENDATIONS

Observations and staff feedback were considered, along with needs assessment survey responses and the consultant's expertise for this portion of the master plan. This analysis resulted in the following key findings:

1. The City's financial system does not lend itself to providing management information needed to make informed budgetary decisions. A greater level of detail is required—for example, accounting for labor by functional area or program.
2. The City's investment in the delivery of parks and recreation services is above average.
3. The Department and the FHDC requires a greater level of analysis and application of the Department's cost recovery model. A pricing study and new cost recovery goals for facility rentals, admissions, membership prices, and the gift shop are needed.
4. A zero-based budgeting exercise is recommended for both the Department and the FHDC prior to the 2025 budget process.
5. Department staffing is higher than other typical departments. When vacancies occur, decisions to bring staffing in-line may be warranted to increase effectiveness.
6. Pricing for facility rentals should receive further evaluation. Facility rentals in parks and recreation facilities typically recover 150% – 200% of costs. The Department recovers less than 100%, adding to the subsidy.
7. FHDC membership pass fees should be set with a minimum of 4 or 5 visits to recover investment.
8. FHDC regular admission fees should be adjusted to account for inflation. They should increase incrementally over several years.

