

# RECREATION CONFERENCE – SESSION OUTLINE

Session Title:

## REVENUE GENERATION FOR PARKS AND RECREATION

**SESSION DESCRIPTION (25 words):**

Increase revenues, meet cost-recovery goals, and take a creative deep-dive into dozens of “Revenue Generating” ideas designed to help Parks and Recreation agencies THRIVE!

**SESSION DESCRIPTION (Full Text):**

It is vital that Park and Recreation Agencies press forward in their efforts to generate additional Revenue, instead of being passive and just “hoping” that more participants register for the recreation programs. This workshop will dive into 50 to 60 ideas for generating revenue for your agency. Some of these, you will likely already be doing, but may need to think about them in new ways. Others will be new ideas that you can put into practice starting tomorrow. By increasing revenues, you will allow your agency to have more resources available for other programs, and will help your agency reach its cost recovery goals.

**SESSION TARGET MARKET:** RECREATION PROGRAMMERS / AGENCY DIRECTORS / SUPERVISORS

**Education Track:** BEST PRACTICES / RECREATION PROGRAMMING / LEADERSHIP

**Speaker’s Name:** MARK HONBERGER

**Total Length:** 1.25-hour session (75 min)

**SESSION LEARNING OBJECTIVES:** Participants will:

- 1) Understand why it is important for Park and Recreation Agencies to press forward with additional Revenue Generation, and how it relates to Expenditures
- 2) Learn how to have an Entrepreneurial Attitude
- 3) Analyze dozens of creative and exciting revenue generation idea, determining which creative ideas to take-home and get started with next week



**SESSION NEEDS IDENTIFICATION:** When we think of the mission of the Parks and Recreation Profession, we do not usually think about the need to increase revenue. We do not have stock holders like corporations do, who demand continual increases of profit each year; but we do have citizens in our communities who pay taxes. Therefore, we should not forget that the General Fund monies our department spends are actually the public’s money. We should be good stewards of it. On the expenditure side, we should be actively seeking organizational efficiencies, and ways to reduce costs throughout the organization; but we should also be looking at the other side of the coin, Revenues. We need to stretch those public dollars, in order to be able to offer more recreational opportunities to the public. By generating additional revenues in addition to the general fund tax dollars we receive, our departments can either reduce the General Fund subsidy for our department, or we can offer additional programs. Often, we can do both... but only with a robust program of creative revenue generation.

**MARK’S EXPERIENCE PRESENTING EDUCATION SESSIONS:** Throughout his 30+ years in the Parks and Recreation Profession, Mark Honberger has annually provided training presentations on a variety of recreation topics. He has provided training sessions for the California Park and Recreation Society (District Training Events & State Conferences), the Arizona Park and Recreation Association (State Conference 2017, 2018, 2020, 2021), the Nevada Park and Recreation Society (State Conference 2018, 2019), & the New Mexico Park and Recreation Association (State Conference 2019). Additionally, Mark has conducted numerous Team Building sessions for parks and recreation agencies.

**MARK’S EXPERIENCE WITH THIS SUBJECT MATTER:** Throughout his 30+ years in the Parks and Recreation Profession, Mark Honberger has had a passion for Revenue Generation. Each year, he continually explored ways to increase the income side of a Recreation Program Budget, while also working to find organizational efficiencies (i.e. better ways of doing things) to reduce the expenditure side. The result of this lifetime passion is a full “professional toolbox” loaded with 50-60 revenue generating ideas. These ideas that have proven successful in increasing cost recoveries and also providing additional funding to support new recreation programs offered to the community.

**SESSION OUTLINE**

**Introduction of Speaker (2 Minutes)**

**Introduction of Topic (10 Minutes)**

- A) Attention Grabber: Bring out the importance of Revenue Generation. Ask Audience to raise hand to share a reason why they think it is important to generate additional revenue. Reward those who answer with a sweet treat.
  - a. Increase Cost Recovery
  - b. Provide additional resources to use on other recreation programs
  
- B) NEEDS IDENTIFICATION: Discuss the need for this topic and this session. (from above)

## Cover Learning Objectives (3 Minutes)

### PRESENTATION OF TOPIC SPECIFICS

#### Importance of Revenue Generation (5 Minutes)

(LEARNING OBJECTIVE #1)

- A) Cost Recovery
  - a. Define it (a percentage) (expenditures divided by revenue)
  - b. Share Examples
  - c. Determine which agencies have a required Cost Recovery (*Audience Participation*)
- B) The Mission of Parks and Recreation as a profession
  - a. Essentially “Make Life Better”
  - b. We do not normally think of revenue in that mission
  - c. We are not corporations, with stock holders demanding profits
  - d. But our General Funds are the public’s monies
    - i. We need to be good stewards of it
- C) Revenue and Expenditures
  - a. Two sides of same coin
  - b. Good Stewards of Expenditures
    - i. Seek organizational efficiencies (to reduce costs)
  - c. Good Stewards of Revenue
    - i. Seek to generate additional revenue beyond General Fund Dollars
- D) Revenue Generation is Vital for Parks and Recreation Agencies
  - a. Increase Cost Recovery
  - b. Provide additional resources to use on other recreation programs

#### Learn how to have an Entrepreneurial Attitude (5 Minutes)

(LEARNING OBJECTIVE #2)

- A) Have a “Marketing Mindset”
  - a. Seek ways to encourage additional registrations or purchases
  - b. Agency info must get in front of your citizen’s eyes
  - c. Incentivize the purchase
  - d. Add Value to the purchase (they get more than they expected)
  - e. Be creative
- B) Be open minded
  - a. Not a “it will never work” attitude
  - b. Yes, not all ideas are for every agency
  - c. But do not be so quick to dismiss an idea that, with a little creativity and effort, could pay off big time
- C) “Commercial” Recreation
  - a. A lot of colleges, who have recreation degrees, have this as a concentration

- b. Fitness Centers, Travel Agencies, Wilderness Guides, Etc.
- c. How to bring this focus into a municipal recreation agency

## Analyze Dozens of Revenue Generation Ideas (35 Minutes)

(LEARNING OBJECTIVE #3)

### A) TAX RELATED AGENCY REVENUES

- a. Tax Revenue (Obvious)
  - i. Tax Revenue (for city or special district)
  - ii. Park Impact Fees
  - iii. Landscape & Lightings Districts
    - 1. should have automatic escalators
  - iv. Community Facility Districts
- b. Tax Revenue (Not So Obvious) (or at least, just difficult to accomplish)
  - i. Bond Measure for Recreation
    - 1. Recreation vs School Districts
    - 2. Cities vs Recreation Districts
    - 3. Share Example of CHRPD

### B) FACILITY RELATED REVENUES

- a. Facility Rentals (obvious)
  - i. Buildings/Rooms, Sports Fields, Park Picnic Areas
  - ii. Reassess fee structure. There are ways to make the fees defensible
  - iii. If you are not doing facility rentals, then start!
- b. Facility Rentals (not so obvious)
  - i. Parking lots
  - ii. Streets (really all public right of ways, such as alleys)
  - iii. Sports Courts: Basketball, Tennis, other
  - iv. Banners across street (Choose a busy road, more eyeballs)
    - 1. cost includes maintenance staff time needed to put it up and down
- c. Equipment Rentals
  - i. Jump house rentals (if no company in community already)
  - ii. Park Package = volleyball net, ball, rope lines, horseshoes
  - iii. Sports Gear: Basketballs, Tennis Racquets, Etc (be creative)
- d. Jump House Company Registry
  - i. We need them to abide by certain rules, or not allowed on park. They pay a small annual registration fee, sign agreement, and get to be on the list of “usable” vendors
- e. Birthday Party rentals (not in a building)
  - i. Creating that space for the birthday party
  - ii. At older Pools (newer pools already have space built in design)
  - iii. Or perhaps at a playground (or park area near playground)

- f. “Be the party” Service (Rent-A-Party)
  - i. Birthday Party Package includes: staff, decoration (only a few themes), cake (from partnership with local shop), a couple of fun activities = Offered as a service at an agency-owned facility
  - ii. Movies in the Park “at your place” (we owned the projector, screen, and equip)
  - iii. Cost includes staff, usage of equip (set up by staff), supplies, etc., Plus a healthy mark up (perhaps 100% over costs)

### C) ADVERTISING & SPONSORSHIP REVENUE

- a. Advertisement in Activity Guide
  - i. Determine cost of producing the guide
  - ii. Determine fee for ads
    - 1. Back page full / Inside Quarter page, Half page, full page
- b. Naming buildings
- c. Ballfield Fencing Ads (like Little League does)
- d. Ballfield score board
- e. Disc Golf Holes (sponsor a hole)
- f. Bulletin boards
- g. Rooms in the Community Center (or even tennis courts)
  - i. Even if facility name doesn’t change, inside the room could have a sign with room sponsor logo (“This room brought to you by...”)
- h. On Registration software,
  - i. Online Viewing
  - ii. Printed Receipts
- i. Activity Guide (back page vs interior pages vs whole page vs quarter page)
- j. Website (home page vs interior pages)
- k. Social Media - - Facebook, Instagram Etc
- l. On Program Shirts (Sponsors of fun runs, youth sports programs)
- m. Info sign at street (for promoting agency activities)
  - i. If digital, sponsor could pay for image to be displayed
- n. TV Screens or Monitors
  - i. Marketing idea to highlight agency activities (slide show / Video)
    - 1. On the walls (or on the counters) of registration offices, or in Rec Center Lobbies. It gives people waiting something to look at, while highlighting activities they may not have known about. A picture is worth a thousand words, so how about a video? Results in higher participation rates (more revenue)
  - ii. Can also be used to offer advertising opportunities
    - 1. Similar to when we advertise on movie screens, only the companies will pay to be on our screens (slide/video)
    - 2. Their name could be on a small strip attached at the top of monitor, so patron sees sponsor’s name throughout the registration process
- o. Directional Signs within Community Center or Rec Center
  - i. Main purpose is to give patrons info (think hotel lobby or conf rooms)

- ii. They could also carry advertiser/sponsor name
- p. Park Sign
  - i. Shows name of park, but could also have a space on side for a sponsor
- q. Lawn signs, leading up walkway from parking lot to office,
  - i. In high traffic areas (but out of the way), with sponsors name/logo
  - ii. Would have to be for a season (or a specific time period)
  - iii. Consider replacement costs for any that are vandalized
- r. Vehicle wraps
  - i. Should advertise the agency mainly (Wraps market the agency)
  - ii. But there could be a spot in the design for advertisement/sponsor
  - iii. Perhaps back bumper, people everywhere will see it
- s. Banners / flags
  - i. Along street edge of park, or Along pathways
- t. Policies to consider for advertising and sponsorships
  - i. family friendly companies (No adult bookstore, beer comp? / bars? )
  - ii. How to set pricing for ads and sponsorships
  - iii. Will there be any concerns from citizens not wanting to see it?
- u. How to Sell and Promote Advertising and Sponsorships
  - i. Have to know approx. how many eyes be on the ads (how many people will be looking at it). The costs go up, when there are more eyes on it.
  - ii. Information needs to be on a page (or brochure) listing all of the advertising opportunities, and communicating the benefits of advertising with the park and rec agency
  - iii. This will help you to get the info to entities (commercial, non-profits, etc) who may want to get the exposure
  - iv. Must pursue “customers” for sponsorships and advertising: Businesses, non-profit groups, Individuals
- v. Issues of Concerns with advertising
  - i. How to sell it to your elected officials, Push back is inevitable
  - ii. Takes staff time to put items together
  - iii. Managing the process, after the company has agreed to a sponsorship or ad.
  - iv. Must include some kind of written contract (even if simple)

#### D) RECREATION PROGRAMS REVENUE (LOOK WITHIN)

- a. (The obvious) more participants = more revenue, so do more promotion!
- b. (The not so obvious) Creatively Look for revenue opportunities *within* existing programs:
- c. Contract Instructor Classes
  - i. Market value of Fees (Not usually set correctly, often way below market value)
  - ii. Also look at Instructor percentages (should be 60%)
  - iii. Show Tracy example success across three years....
- d. Aquatics Programs
  - i. Often there is a mis-alignment in the summer pool program, between rec swim hours and the swim lessons (especially if the swim lessons are in demand)

- ii. Tracy example: swim lessons = cash cow, moved cost recovery from 20% and dropping, up to 50% and climbing (across three-year period)
- e. Event and Program Shirts
  - i. Sponsor Logos on Shirts
  - ii. Higher sponsors = bigger logo, at top
  - iii. Fun Runs, Youth Sports, Athletics, Special Events
- f. Farmers Market (CHRPD example)
  - i. It had faltered, The Chamber had dropped it, the city did not want it
  - ii. Rec District took it. We put it in our park, to make it a recreation event, it also became a marketing event, where we would announce that next week's upcoming activities, which increased attendance.
  - iii. Advertisers paid to have their Verbal Ads/Message spoken on the Market-wide Address System, before and after Announcements were made to highlight the agency's upcoming events and programs. These announcements were made every half hour, throughout the farmers market event. (also raffles)
- g. Movies in Park
  - i. Pre and Post movie Slides on Screen, with Advertising and Sponsorships logos
- h. Booths at special events
  - i. Charge for commercial entities to be at the event (food booths)
  - ii. We did not have to have headache of doing concessions,
  - iii. Plus, the attendees now get hot food, good food. We get revenue
- i. Partner with other agencies, to free up resources
  - i. Use halloween CHRPD Event example, Agency event became a parking lot rental
    - 1. We saved staff and resources to put elsewhere, received rental revenue

## E) VALUE-ADDED REVENUE

- a. Recreation Passes - - (punch card)
  - i. Get more for less (on a per event basis) = Ex. \$4/entry, \$100/summer pass
  - ii. Benefit to Agency = they will pay more for pass, but may not use as much
  - iii. Swim passes, Rec Center passes (Be creative)
- b. Memberships - -
  - i. Similar to passes – patron feels like saving money, but may not use it often
  - ii. Fitness Center, if you have one, perhaps create one (a space or room in Ctr)
  - iii. Create other membership opportunities (Be creative)
- c. Gift Cards - -
  - i. Purchase as gifts for others. "Give the gift of recreation." Promote heavily
- d. Loyalty Programs - -
  - i. Buy 10, get one free (focused on a set of products)
  - ii. For classes, perhaps earn certain \$\$ amount (\$100), get \$10 towards next class.
  - iii. Share examples of Software solutions
- e. Adding "Value"
  - i. Patrons get more than they expected. Go away happier customers
  - ii. Example: Fitness center & Pool Facility were at separate locations and not related. We gave members free access to pool, with memberships

1. As adults don't normally go to pool, only a few took advantage of it
2. But more memberships were sold, due to pool added to membership

#### **F) CONCESSION & LEASING OPPORTUNITIES**

- a. Concessions in Registration Offices (pertinent to that site)
  - i. Discs for Disc Golf Course (sold at the Rec Center located in park with course)
  - ii. Pool Snack Bar (this is a pretty obvious one)
  - iii. Tennis balls (near tennis courts), Be Creative
- b. Concessionaire at Ball Field Snack Bar
  - i. Commercial Entity = pays a flat rate, plus a percentage of sales
  - ii. Volunteer Groups & Non-Profits = Group pays a percentage of sales
  - iii. We save headache of purchasing supplies, & scheduling staff. Receive Revenue
- c. Lease an Unused, or low used, building
  - i. Receive revenue, on year lease (or longer term), for an agency owned building that is not sitting there unused
- d. Lease space within (inside) an existing Community Center, Rec Center, Activity Center
  - i. Example: senior center that leased a separate room, that faces the lobby (it was designed this way on purpose), to a small travel agency

#### **G) DONATION OPPORTUNITIES**

- a. Donations (perhaps from unusual sources)
  - i. Municipality vs Special Recreation District
    1. Cities = less likely to receive donations (the attitude is often: "city has too much money, fix my potholes")
    2. May donate to specific areas for a City, like a Senior Center
    3. Special District = smaller tax revenue, more likely to receive donations, district has special and specific purpose
  - ii. Look for unique opportunities
    1. Example: Prison inmate's fundraiser
- b. Create a list of Donation needs (make it a nice-looking brochure)
  - i. Low-income scholarships for programs
  - ii. "Send a kid to camp" (be creative)
  - iii. List was available on website, mentioned on social media (promote it)
- c. Memorial purchases
  - i. people will want a "in memory of..." plaque for loved ones who passed
  - ii. Benches / trees (be creative)
  - iii. Includes maintenance in fee (& perhaps replacement costs)
- d. Partnerships with Community Groups (Seek an "Equal Value Exchange")
  - i. Doesn't generate revenue, but does gain additional resources for agency

#### **QUESTION AND ANSWERS (15 Minutes)**