

PARKS

INTRODUCTION

Milwaukee County's Department of Parks, Recreation and Culture administers and operates the Milwaukee County Park System. The county park system consists of approximately 15,000 acres of parkland that includes 150 parks, 120 lane miles of park roads and parkways, 15 golf courses, nine outdoor pools, two family aquatic centers, five beaches, 117 tennis courts, 178 picnic areas, 23 major pavilions, 178 athletic fields, the 108-mile Oak Leaf Trail, the Mitchell Park Horticultural Conservatory, Boerner Botanical Gardens, McKinley Marina, Wehr Nature Center, and the O'Donnell Park Parking Structure.

In addition to maintaining this immense variety of physical assets, the Parks Department operates or oversees dozens of recreational programs and activities, including 37 organized sports leagues and a variety of aquatics and exercise programs; coordinates activities with dozens of community organizations and more than 40 "friends" groups; and assists with special events including the Great Circus Parade and Milwaukee Air and Water Show.

Administration and operation of a comprehensive parks and recreation system is not a statutorily mandated function like most other county functions, but instead is one that the county assumed at its own discretion. That decision occurred in the 1930's, when the City of Milwaukee, facing financial difficulties that were hampering its efforts to manage the parks, transferred ownership of most parks to the county. From that point until the early 1980s, the parks were owned by the county and their employees were county employees, but their administration and budget were overseen by a separate Milwaukee County Parks Commission. In 1982, the county executive and county board dissolved the commission and placed the parks and its budget under the direct control of county government.

During the past several years, there has been significant public attention focused on the future of the parks in light of a significant backlog in infrastructure repairs and a significant reduction in full-time staffing and funding. The Public Policy Forum called attention to those challenges in a comprehensive analysis released in December 2002. That analysis found that while the parks were not necessarily "failing the residents of the county" as some had suggested, the county's financial commitment to parks, recreation and culture was two-thirds of what it was in the 1970s (after adjusting for inflation), and county park employment had declined from 1,195 FTEs in 1985 to 802 in 2002, a 33% decrease.

In an updated assessment published in November 2008, the Forum found that "with an estimated \$277 million backlog of infrastructure maintenance and repairs, declining attendance at pools and golf courses, and dependence on a property tax levy funding source that has diminished by two-thirds during the past 30 years, it is clear that the Milwaukee County Department of Parks, Recreation and Culture faces huge challenges."

The Forum report also noted, however, that "despite the bleak outlook...there are signs of hope." It said "the department's success in turning around the Milwaukee County Sports Complex, and its impressive efforts (with the help of private contributions) to recreate Bradford Beach as a

premier summer destination, show that creative management and successful private fundraising can make a big difference. Also, a recent public opinion survey conducted by the Public Policy Forum indicates that despite the poor physical condition of many parks system assets, county residents generally remain pleased with the parks.”

The total budget for the parks department in 2009 was \$44 million. The department’s 2009 budgeted property tax levy was \$25 million, ranking it fourth among all county departments (behind the Office of the Sheriff, Behavioral Health Division and Courts). Other key revenue sources are admissions/user fees, rental revenue and concessions revenue.

The parks department also is one of the county’s largest organizational units in terms of its number of employees, with 548 full-time equivalent positions in the 2009 budget.

BUDGET BREAKDOWN

Table 21 breaks down the Parks Department’s actual expenditures and revenue in 2008, showing both total costs and costs when legacy obligations are subtracted . This analysis shows that the department spent \$5.7 million on central service charges from other county departments, \$27.6 million on its own personnel, and \$9.9 million on non-personnel expenditures, including services and commodities such as fuel and utilities.

The analysis also shows that \$560,000 of the Parks Department’s central service charges and \$3.9 million of its personnel expenditures were not directly connected to the cost of providing or administering parks, recreational and cultural services, but instead were county legacy costs distributed to the department by the central budget office. **This tells us that if a different entity had provided the same services, secured administrative overhead at the same price, and paid the same wages and benefits to its active employees in 2008, it potentially could have administered and operated the parks for \$4.5 million less if it was not responsible for the parks department’s share of the county’s legacy costs.**

In addition, the analysis shows that if legacy costs had been distributed to the Parks Department on the basis of its actual number of retirees, as opposed to its share of the existing county workforce, those costs would have totaled \$9.5 million. This \$9.5 million figure represents a more accurate depiction of the approximate annual county legacy obligation held by the Parks Department. As with every other function analyzed in this report, under a change in governance these legacy costs either could be assumed by the function’s new governing body, or they could remain the responsibility of county government or county taxpayers (if county government no longer existed).

Finally, in terms of the department’s overall share of the county’s outstanding liabilities, its share of the county’s OPEB liability is \$171.7 million, while its share of the pension fund liability (consisting of both POB debt and the unfunded liability) is \$54 million. In addition, the total General Obligation debt on parks facilities is \$119.7 million, a significant amount that also either would have to be picked up by the receiving entity or assumed by county taxpayers if the parks were transferred elsewhere.

Table 21: Breakdown of Parks Department 2008 Actual Expenditures and Revenues and Legacy Costs

Parks	Cost to operate as county department (current practice)	Cost to operate minus legacy costs	Legacy costs	
			Using 2008 fringe allocation method*	Based on retiree history**
Administrative	\$1,946,424	\$1,756,433	\$189,991	\$184,303
Information technology	\$713,649	\$643,990	\$69,659	\$67,574
Legal counsel	\$0	\$0	\$0	\$0
Facility management	\$321,011	\$289,677	\$31,334	\$30,396
Fleet management	\$2,755,837	\$2,486,839	\$268,998	\$260,944
Central charges/overhead	\$5,736,921	\$5,176,939	\$559,982	\$543,217
Salary and wages	\$17,544,931	\$17,544,931	\$0	\$0
Social security	\$985,466	\$985,466	\$0	\$0
Employee healthcare	\$3,190,052	\$3,190,052	\$0	\$0
Employee pension	\$1,439,239	\$1,439,239	\$0	\$0
Retiree healthcare	\$3,190,052	\$0	\$3,190,052	\$7,441,945
Retiree pension	\$719,619	\$0	\$719,619	\$1,518,834
Other	\$556,302	\$556,302	\$0	\$0
Personnel costs	\$27,625,661	\$23,715,990	\$3,909,671	\$8,960,779
Non-personnel expenditures	\$9,920,300	\$9,920,300	\$0	\$0
TOTAL EXPENDITURES	\$43,282,882	\$38,813,228	\$4,469,654	\$9,503,996
State revenue	\$144,995	\$144,995	\$0	\$0
Federal revenue	\$0	\$0	\$0	\$0
Other revenue	\$19,476,488	\$19,476,488	\$0	\$0
TOTAL REVENUES	\$19,621,483	\$19,621,483	\$0	\$0
TOTAL LEVY	\$23,661,399	\$19,191,745	\$4,469,654	\$9,503,996
Unfunded OPEB liability ***	\$171,745,937	\$171,745,937	\$171,745,937	\$171,745,937
Unfunded pension liability***	\$54,046,800	\$54,046,800	\$54,046,800	\$54,046,800
Outstanding debt and interest	\$119,658,211	\$119,658,211	\$119,658,211	\$119,658,211
TOTAL LONG-TERM DEBT	\$345,450,949	\$345,450,949	\$345,450,949	\$345,450,949

* In 2008, the county distributed legacy costs evenly to all departments based on number of active employees and salary levels.

** This method distributes legacy costs according to a department's retiree history.

*** Estimated liability allocated to department is based on the department's retiree history.

POTENTIAL ALTERNATIVE SERVICE PROVIDER

The most commonly discussed alternative provider/administrator of parks and recreation in Milwaukee County is a separate parks district. The following provides a brief analysis of that option.

Discussion

Our research on administration of public parks and recreational facilities in other jurisdictions throughout the country finds that with few exceptions, local public parks are owned and administered using one of two approaches. The first and most widely used involves some type

of general purpose government – typically city, village, town or county. Under such an approach, the operation and maintenance of the parks generally is controlled by a designated parks department or director. The department or director is accountable to a municipal manager, elected board, or both. In Wisconsin, this is the only type of governance structure allowed by state law.

The second approach involves creation of a special district. Special districts, as noted elsewhere in this report, typically are granted authority to dictate their own budget, issue bonds, and tax citizens within district boundaries. Management is provided by a board of commissioners that can be appointed or elected.

Park districts have been used in numerous jurisdictions since early in the 20th century. In particular, the State of Illinois has more than 280 park districts, nine forest preserve districts and seven conservation districts. Other states with park districts include Ohio, California, Colorado, Minnesota, South Dakota and North Dakota.

A 2008 academic study by Dr. David N. Emanuelson explicitly focuses on effectiveness and efficiency differences between *municipal* parks departments and park districts in the Midwest.²¹ While there are differences between municipal and county parks departments, the findings may have relevance to consideration of a potential park district in Milwaukee County.

Using a quantitative analysis of survey responses submitted by Midwestern park district and department directors, Emanuelson developed several primary conclusions concerning the operations of municipal parks departments and districts.

- Park districts provide higher levels of total services than municipal parks and recreation departments. That finding is not necessarily linked to governance, however, but is more closely related to the “higher levels of operating and capital expenditures that park districts are allowed to make.”
- The higher service levels found in park districts also may be linked to the finding that their staffs have higher professional training levels than parks and recreation departments.
- In terms of efficiency, the data found only “weak evidence” that consolidation of park districts with municipalities produces greater budgetary efficiency and provides “economy of scale” benefits often predicted by policy analysts.

Emanuelson’s bottom line policy considerations are as follows:

“Park districts represent a satisfactory alternative to municipal government providing parks and recreation services at the local level. It does not appear to cost more for park district services

²¹ Emanuelson, David N. 2008. “A Comparative Analysis of Illinois, Ohio, Colorado and South Dakota Park Districts and Parks and Recreation Departments to Wisconsin, Iowa, Missouri, Kansas, Indiana, Michigan Parks and Recreation Departments.” Presented at the Annual Meeting of the Midwest Political Science Association, Chicago.

than if parks and recreation services were provided by the general-purpose municipality and the levels of services are somewhat higher when park districts provide them. As a service delivery alternative, the park district system appears to provide some of its promised advantages while appearing to provide none of the predicted disadvantages.”

Emanuelson wrote a follow-up article in which he analyzed the much smaller number of responses received in the 2008 survey from Midwestern *county* park departments and park districts.²² Again, Emanuelson observed that county park districts provided a much higher level of service as measured by park sites and park acres per thousand citizens, and that park spending per capita was higher. He speculated that the greater degree of administrative autonomy enjoyed by park district administrators in setting operating budgets and making capital expenditures could be one explanation for the service difference.

The article also discusses the experience of Ohio, which allows county park districts to be created by referenda. The referenda allow county park districts to levy property taxes for a maximum of 10 years, after which another referendum is put before voters to extend the district’s taxing authority. The article notes that, according to the Ohio Parks and Recreation Association, two-thirds of Ohio counties have park districts and “there has yet to be a case where voters in any Ohio county have decided against an extension of the districts’ existence.”

Clearly, a key factor in comparing park districts with municipal or county parks departments is the source of funding. Parks departments must compete with other city or county departments for resources, which can make their funding levels inconsistent and contingent on the fiscal health of the municipality or county. In contrast, because districts have their own source of tax revenue, they often are able to provide more services—equipment, programs, maintenance, or staff—than parks departments.

Wisconsin’s neighboring states of Minnesota and Illinois have significant experience with park districts that also may be relevant to the discussion in Milwaukee County. In Minneapolis, the park district was criticized a few years ago by the League of Women Voters (LWV), which acknowledged the quality of Minneapolis parks, but suggested that use of a separate park district created significant service duplication within the city.²³ The LWV asserted that park staff was forced to continually collaborate with city officials and that many of its functions (e.g. infrastructure repair and security) could be handled by other city departments such as police and public works. In addition, the LWV suggested that at-large elections for the board precluded it from being representative of the city’s diverse population. As a solution, the LWV suggested the park district and board be changed to a city department or be re-created as a regional park district.

Meanwhile, despite the popularity of park districts in Illinois, use within the state has not been unquestioned. In particular, the Chicago Park District was highly criticized in the mid-1990s for being ineffectual and a product of machine style patronage and corruption. Critics argued that

²² Emanuelson, David N. 2009. “Parks in the Midwest.”

²³ League of Women Voters of Minneapolis. 2006. “Minneapolis Government: A Balancing Act II - The Independent Boards”. (April 2006).

reforming the district as a city department would at least partially solve such problems.²⁴ More recently, a debate over park governance developed in Naperville, Illinois. Following several publicly unpopular decisions by the Naperville Park Commission, it was suggested that city leaders consider establishing a municipal parks and recreation department.²⁵ A change of governance structure did not occur in either instance.

The following brief profiles of the Minneapolis and Chicago park districts provide further insight on different approaches to creating and organizing park districts. This information demonstrates that if a municipality or region is considering the creation of a park district, variations can be adopted based on the nature and circumstances of the particular area seeking the change.

**Table 22: A Profile of the Chicago Park District
Chicago, Illinois**

Establishment	In 1934 the Illinois Legislature passed the Park Consolidation Act which combined 22 separate parks districts in the City of Chicago into one unified district.
Property	The district currently owns and maintains 7,590 acres of green space which includes 570 parks, 263 field houses, and 26 miles of lakefront property with 31 beaches. In addition, 10 museums, two conservatories, 16 lagoons and 10 bird and wildlife gardens are located on district property.
Population served	City of Chicago Population: 2,896,016
Governance	The management and control of business and property of the Chicago Park District is vested in a Board of Commissioners as was established by the Park District Act. The Board consists of seven members, each appointed by the Mayor. There are three standing committees for regular business: Administration, Programs, and Recreation. The General Superintendent and CEO is the primary officer below the District Board.
Budget process	The district prepares a budget document following strategic and operational goals. Input is also received from park management and community members. Public hearings are held in each park region in the summer to gain community input before the budget is presented to the District Board. Once the District Board receives the budget, a final public hearing is held prior to final consideration and passage by the board members.
Financial planning	Each year the district prepares a five-year capital plan which is presented to the District Board. A three year operating budget is also prepared each year and is used for long-term financial planning.
Revenue	In 2007, approximately 58.3% of the Park District's revenue came from property taxes while 11.8% and 17.2% came from a personal property replacement tax and charges and services respectively. The district is also allowed to incur debt for the purpose of developing park related projects.

²⁴ Editorial. 1994. "Merge Park District into City Government." *Chicago Sun-Times*, 11 February 1994.

²⁵ Boerema, Amy. 2007. "Should City have a Park District? Some Raise Idea of City Department for Recreation." *Chicago Daily Herald*, 17 February 2007.

**Table 23: A Profile of the Minneapolis Park and Recreation Board (MPRB)
Minneapolis, Minnesota**

Establishment	The Minneapolis Park and Recreation Board (MPRB) was created in 1883 by an act of the Minnesota State Legislature and a vote of Minneapolis residents to preserve, protect, and maintain parks, open space land, and lakes in Minneapolis.
Property	The MPRB owns and maintains approximately 6,400 acres of parkland and water within 182 separate park properties. Features include 49 recreation centers, 396 multipurpose sports fields, 12 authorized beaches, 12 gardens, seven golf courses, four outdoor performance stages, 27 public computer labs, and 43 miles of walking/biking paths.
Population served	City of Minneapolis Total population: 382,618
Governance	MPRB serves as an independently elected, semi-autonomous body responsible for governing, maintaining, and developing the park system. Every four years nine commissioners are elected to the board—one from each of the city’s park districts and three that serve at large. The Superintendent reports directly to the Board of Commissioners.
Budget process	The MPRB budget is created through a process of community input that also utilizes established goals and comprehensive plans. The Superintendent presents a proposed budget to the MPRB. The budget must then be reviewed and passed by the Commissioners.
Financial planning	Each year the MPRB creates, in addition to its one-year budget document, a five-year implementation plan.
Revenue	The MPRB has the ability to levy taxes but the levy must be within the limits set by the Minneapolis Board of Estimation and Taxation. The majority of the MPRB budget, approximately 69%, is generated from property taxes paid by Minneapolis residents. Additional revenue is generated through local government aid (22%), state grants (3%) and other sources and transfers (5%).

In Milwaukee County, creation of a separate park district to govern and manage the county’s parks and recreational facilities previously has been supported by the county executive (conditional on an elected board) and a key friends group (the Park People of Milwaukee County). Several bills to authorize creation of park districts in Wisconsin have been introduced in the Wisconsin Legislature during the past decade, but none have been adopted.

The most recent – sponsored by Senator Alberta Darling and others in 2007 – would have allowed a park district to be created by resolution of a municipal or county government or by referendum. Such districts would be administered by a seven-member elected and unpaid board and would be funded by the property tax previously utilized by the municipality or county to fund the parks, with the stipulation that the levy cap be reduced by an equivalent amount in that municipality or county. Under the legislation, employees of the former parks department would transfer to the new district and would become members of the state retirement system. The legislation contained no provision to transfer legacy costs to either the district or state, thereby leaving them with the municipality or county.

As noted above, a potential park district in Milwaukee County could be organized in many different ways. The following discussion of pros, cons and logistical issues focuses on the general concept.

Key pros

- Creation of a park district with its own dedicated funding source would remove parks and recreational facilities from competition with other county functions for fiscal and other resources, and would eliminate prioritization of mandated county functions over the parks. It also would provide greater certainty about funding, which is essential for long-term planning.
- Some might argue that an independent park district could function more efficiently because it would be freed from having to utilize county internal services (e.g. fleet management, fiscal, human resources and legal). In the Forum's 2008 report on the parks, the parks director argued that "while additional resources likely are necessary, additional independence would be even better. In fact, she says she would welcome a multi-year guarantee of level tax levy support for operations (similar to the 10-year commitment to the Milwaukee Public Museum), if it were accompanied by the authority to lease and manage her own fleet; hire and pay for her own legal, human resources and information technology staff; and privatize concessions and other functions where it would be profitable to do so."
- Housing the parks in a separate authority could heighten prospects for non-public funding from foundations and other sources.

Key cons

- Housing the parks in a separate district could lead to an increase in spending on parks and recreation services because of lack of competition with other locally funded services, which forces policymakers to prioritize among a wide variety of programs and services and make difficult spending choices.
- Some might argue that "if it's not broken, don't fix it." Despite its funding and other challenges, the Milwaukee County Parks recently was awarded the National Recreation and Park Association's Gold Medal Award in the Park and Recreation Management Program. Placing the parks outside of county government and forcing parks department employees to terminate their county employment might lead to the loss of key staff and harm overall parks administration.
- It could be argued that Milwaukee County already has enough separate governmental or quasi-governmental agencies, and creation of a new park district simply would create another layer of unneeded government bureaucracy.

Key logistical questions/obstacles

- The parks department has one of the highest legacy liabilities of any county function, amounting to more than \$9.5 million annually for health care and pensions for parks department retirees, and nearly \$120 million in outstanding debt on parks facilities and infrastructure. In developing legislation to create a park district in Milwaukee County, the state would need to determine whether the new authority would assume responsibility for the department's legacy liabilities and the outstanding debt on parks facilities.

- The authorizing legislation would need to determine whether county workers moving over to the new park district would be able to remain in the county pension system and receive county health insurance and other benefits, whether they would become members of the state retirement system and receive health care and other benefits from the state, or whether a new benefits structure would need to be created in the district.
- In a memorandum prepared by county board and administrative services staff for the county's Intergovernmental Relations Committee in 2007, concern was expressed over the transfer of equipment and infrastructure to a proposed park district without a similar transfer of debt service, as the county would remain responsible for paying debt service for equipment it no longer owned. Authorizing legislation would need to address that concern.
- The composition of the park district board would need to receive careful deliberation by state officials, who would need to determine whether it should be appointed or elected, whether it would be paid or volunteer, the necessary qualifications of board members, and whether a citizen board could be constructed to have the necessary expertise and experience to oversee a parks and recreational system as immense as that administered by Milwaukee County.