Deferred Maintenance and Capital Projects:

A Funding Analysis

University of North Carolina at Charlotte
Gerald G. Fox Master of Public Administration
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UNIVERSITY OF NORTH CAROLINA CHARLOTTE

GREENSBORO Parks & Recreation
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Advanced Seminar in Public Management Problem Solving
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INTRODUCTION

1.0 Executive Summary

The City of Greensboro Parks and Recreation Department enlisted the Gerald G. Fox Master of Public Administration capstone class at the University of North Carolina at Charlotte (MPA Team) to conduct a research project to assist in finding a way to fund deferred maintenance and capital projects in the department. Deferred maintenance is when routine repairs or upgrades are postponed to a later date due to a lack of resources. Capital projects include new construction, expansion, or renovation. The MPA Team interviewed benchmark jurisdictions to identify best practices and organize potential solutions for the Parks and Recreation Department in Greensboro.

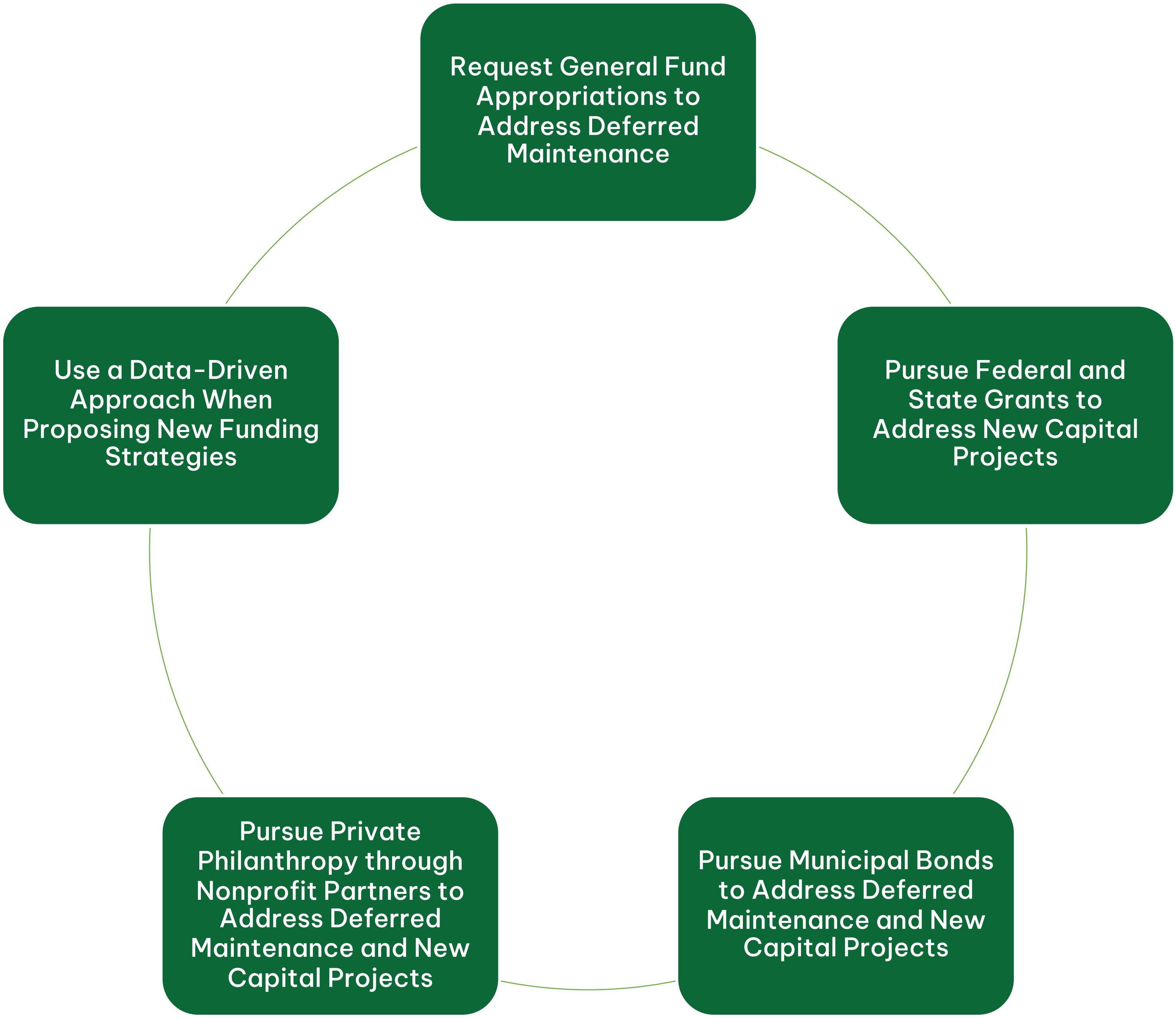
To provide Greensboro's Parks and Recreation Department with adequate recommendations, the MPA Team conducted research regarding deferred maintenance and capital improvement projects by interviewing 22 comparable jurisdictions and reviewing scholarly articles and non-academic sources. The MPA Team identified three main goals for this research.

Best Practices	Sources	Recommendations
Identify best practices for deferred maintenance backlog across jurisdictions.	Synthesize literature and policy documents regarding funding sources for deferred maintenance and capital projects.	Evaluate findings and make recommendations on how to address deferred maintenance and capital projects.

The MPA Team found that general fund appropriations were the most popular funding mechanism for addressing deferred maintenance balance with 72.7% of the benchmark jurisdictions using these funds for deferred maintenance. Public grants and aid were found to be a viable option to fund capital projects and should be examined further to address deferred maintenance backlog. Over 50% of the jurisdictions use municipal bonds to fund their capital improvement plans and capital maintenance projects.

1.0 Executive Summary

The MPA Team developed five major recommendations for the city of Greensboro Parks and Recreation Department to consider. These recommendations were based on the MPA Team's literature review and findings from benchmark jurisdictions. The MPA Team utilized Greensboro's Plan2Play's Master Plan nine "Big Ideas" as a framework for the recommendations. The five recommendations are as follows:



2.0 Project Background

The City of Greensboro Parks and Recreation Department (hereafter referred to as the Client) was established in 1933 and is advised by the Parks and Recreation Commission. The department currently has approximately 146 full-time equivalents (FTE). The City of Greensboro Parks and Recreation Department has an existing deferred maintenance and capital projects backlog in excess of $100 million. There is no dedicated funding source to address this need. The department's operating budget is funded on an annual basis through the City of Greensboro general fund. Historically, funding for deferred maintenance and capital projects occurs when general obligation (GO) bonds are passed. However, GO bonds are infrequent and not on a set schedule. Greensboro Parks and Recreation adopted a department wide master plan in 2019 called Plan2Pay. This plan centers around nine “Big Ideas” or priorities that will help guide the department for the next 20 years.

The City of Greensboro Parks and Recreation Department is exploring funding options for deferred maintenance and capital projects. In August 2022, students in the Gerald G. Fox Master of Public Administration (MPA) Program at UNC Charlotte were asked to conduct research on comparable municipalities to find out how they address funding for capital projects and deferred maintenance.

The MPA Team, in coordination with the City of Greensboro Parks and Recreation Department, set the following goals for the research:

- Identify best practices for addressing deferred maintenance and capital projects across benchmark organizations
- Synthesize relevant literature and policy research regarding funding options for deferred maintenance and capital projects
- Evaluate findings to make informed recommendations on how to address the deferred maintenance and capital projects backlog

The UNC Charlotte MPA Team worked throughout the Fall 2022 semester to interview comparable municipalities, synthesize findings from benchmark organizations and appropriate literature, and make recommendations to the Client.

The report proceeds as follows. First, the role that parks and recreation play in local communities and the importance of funding maintenance and capital projects are discussed briefly. Second, the methodology of the study is explained. Next, findings from the literature and benchmark cities are discussed. Fourth, recommendations based on the findings are presented. The report ends with a final discussion and conclusion. Acknowledgments, references, and appendices are provided at the end of the report.

3.0 Parks and Recreation

Local parks and recreation departments benefit individuals, families, and communities in multiple ways. These departments often manage parks, open spaces, and recreation centers, and provide organized programming to members of the community. The National Recreation and Park Association (NRPA) states that parks and recreation provide (i) economic value, (ii) health benefits, (iii) environmental benefits, and (iv) social importance that make them essential services to communities (n.d.).

(i) Local park and recreation agencies provide **economic value** as their expenditures support economic activity and job creation. "Local parks and recreation agencies in the United States generated $218 billion in economic activity and supported more than 1.3 million jobs in 2019" (NRPA, n.d.). Studies have also shown that property values increase the closer homes are to a recreational space (Crompton & Nicholls, 2020). Higher property values can lead to increased property tax collection for the jurisdiction.

(ii) **Health benefits** from a park system stem from providing active and passive recreational opportunities for residents. Walking, swimming, movement, and exercising benefit public health. The U.S. National Health and Nutrition Examination Survey (NHANES) finds that children and adults in the United States spend approximately 7.7 hours per day being sedentary (U.S. Department of Health and Human Services, 2018). With many Americans living sedentary lifestyles, it is important to provide access to safe areas for them to be active. Parks and recreation departments encourage activity in children and can be a natural collaboration partner for organizations addressing youth health (Risisky & MacGregor, 2022).

(iii) Noted **environmental benefits** of parks and urban green spaces include air pollution reduction, lower city surface temperatures, and improved climate change resilience (Chen et al., 2021).

(iv) For **social importance**, many community members cite their local park as something they are proud of in their neighborhood. Parks and recreation departments provide safe gathering places for the community and "Parks and recreation services are often cited as one of the most important factors in surveys of how livable communities are" (NRPA, n.d.).

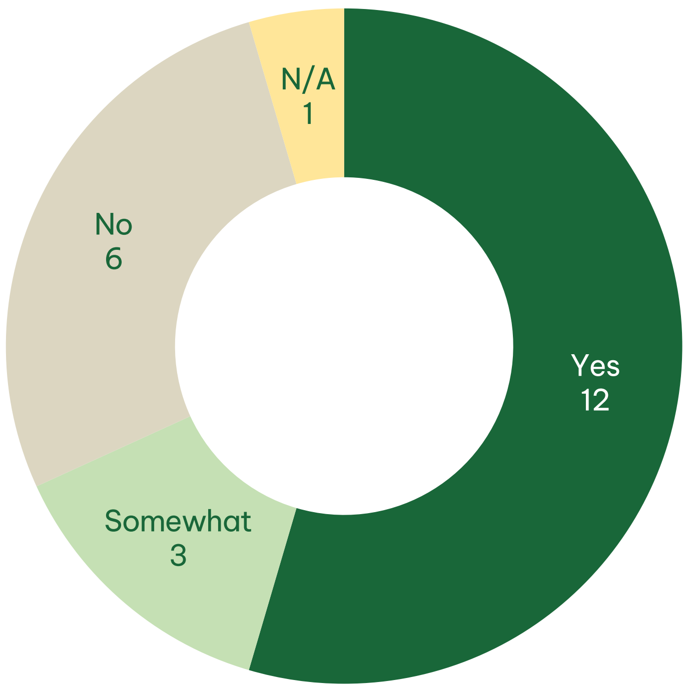
Parks and recreation agencies engage in capital projects, which typically require different sources of funding from many other department operating expenditures. Capital projects are defined by the Local Government Budget Fiscal Control Act (LGBFCA) as, "a project that (1) is financed at least in part by bonds, notes, or debt instruments or involves construction or acquisition of a capital asset" (Millonzi, 2018). Securing capital funding is essential to local governments being able to complete their vision of a new park, new school, or other community project.

3.0 Parks and Recreation

Infrastructure and assets managed by local governments require maintenance, both routine and intermittent, and there are costs associated with this maintenance. If this maintenance is delayed due to lack of funding, lack of staff, or diverting funds to other needs, this is referred to as deferred maintenance. Delaying maintenance has the potential to cause the state of repairs to worsen and increase the associated costs and time of fixing assets (Loris, 2020, p. 1, & Kim, 2022). Maintenance that is initially assessed as minor cosmetic repairs can worsen if not addressed in a sensible timeframe. “Scholars argue that asset maintenance is the most challenging capital management practice for the U.S. sub-national governments” (Kim, 2022, p. 143). Accruing balances of deferred maintenance has been an ongoing issue for many local governments since the 1950’s (Dornan, 2002). These deferred maintenance balances can increase year over year, causing the cost to be transferred onto future taxpayers, who will have to pay a higher price once the infrastructure fails or becomes so neglected that it is unusable (Kim, 2022).

Acquiring the necessary funding for parks and recreation agencies can be a challenging issue. Many parks and recreation departments are currently experiencing difficulties with funding for both deferred maintenance and capital projects. Parks and recreation agencies are often one of the first agencies to have their funding cut in local government during tough economic times (Mowen et al., 2017). Thus, the difficulties with attaining sufficient funding for deferred maintenance and capital projects is not unique to the Greensboro Parks and Recreation Department. Indeed, of the 22 benchmark jurisdictions surveyed for this report, only 12 reported that they were “satisfied” with their level of funding. Several have also experienced cuts in recent years. When budgets are limited, parks and recreation departments are at risk of cuts that can damage their ability to maintain service levels for their communities.

Please select the choice that best reflects your personal opinion:
I am satisfied with our department's funding.



3.0 Parks and Recreation

For example, the city of Norfolk, Virginia reported significant cuts in funding over the past few years due to the COVID-19 pandemic, causing them to fall below adequate staffing needs. As citizens adapted to stay-at-home orders, decreased socializing, and guidance to limit time indoors, demand for public outdoor parks spaces and facilities soared.

Many benchmark jurisdictions indicated that the first months of the pandemic (approximately March - June 2020) experienced high rates of parks and greenway usage, though the funding did not necessarily correlate to the increased demand. While one benchmark jurisdiction reported that they felt their governing body expected them “to do more with less,” another benchmark explained how their government recognized the need and provided additional resources. Parks and recreation departments are important to a community’s health and vitality, and sustainable funding provides both the foundation and needed flexibility for a department to operate successfully.

METHODOLOGY

4.0 Methodology

The MPA Team engaged in a number of tasks when carrying out its research:

- Reviewed relevant literature regarding funding for deferred maintenance and capital projects.
- Identified comparable organizations for benchmarking.
- Developed interview questions and interview protocol.
- Conducted interview with benchmark jurisdictions.
- Analyzed and reported the results from the literature review and interview.

4.1 Benchmark Jurisdictions

The MPA Team took a multi-step approach to identify benchmark organizations. An extensive list of comparable jurisdictions was compiled using a **three-step approach**.

First, a list of jurisdictions of comparable population size and total adopted budget was assembled. The population average for the jurisdictions in 2021 was 290,096, and the total adopted budget for jurisdictions averaged $806,175,301. Population data was gathered via the U.S. Census Data website (https://www.census.gov/quickfacts) and budget data was acquired from each jurisdiction’s website.

Second, regional criteria were addressed by focusing on identifying benchmarks within the state of North Carolina, and progressively moving into bordering states with organizations that had similar characteristics to the Client.

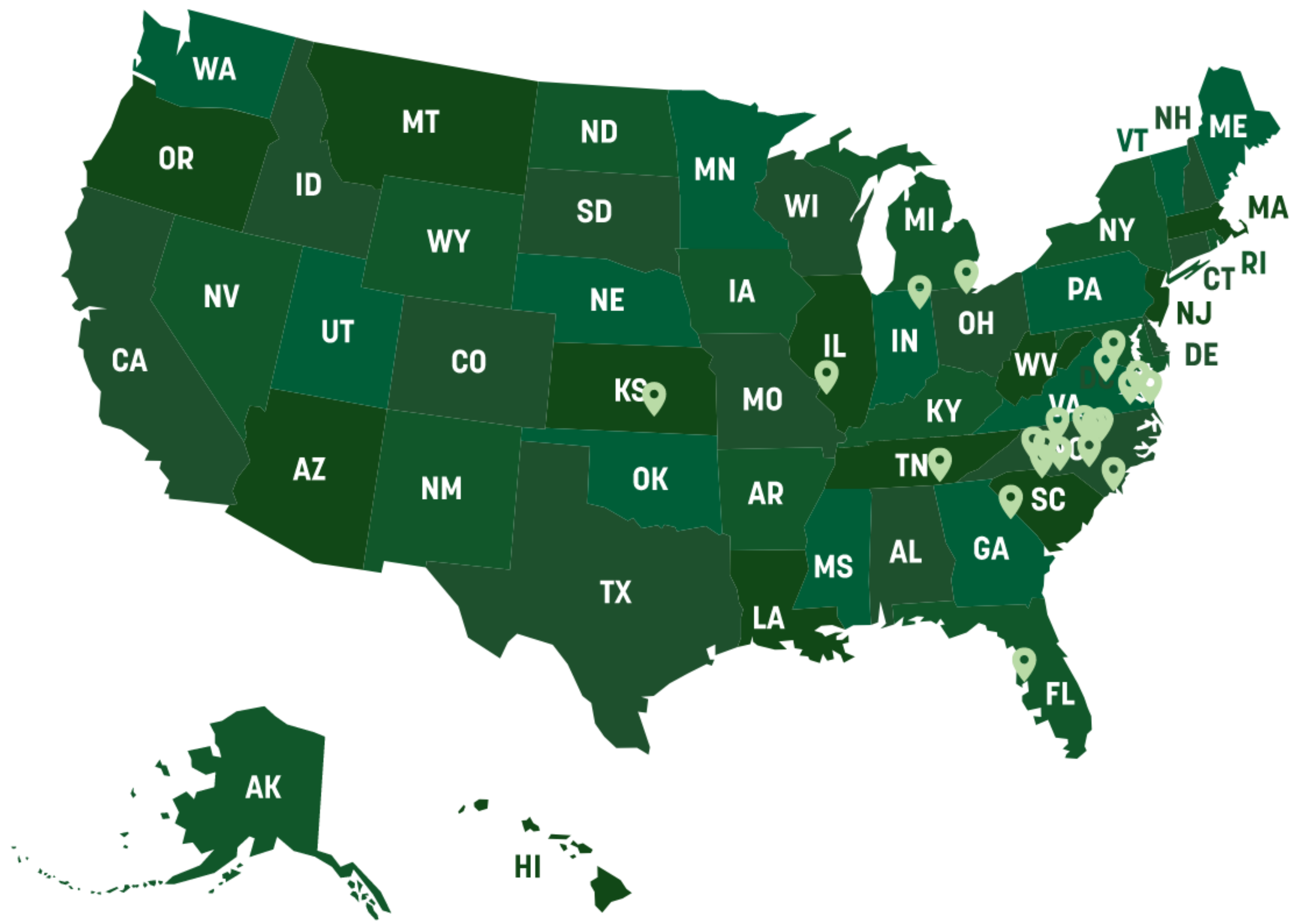
Lastly, the MPA Team included a list of peer cities that was identified by the Client’s Plan2Play Master Plan. The Plan2Play Master Plan identified eight peer cities of similar population sizes, services offered, and departmental structures (Plan2Play, 2019).

Average Population Size
290,096

Average Adopted Budget
$806,175,301

Some deviations to the guidelines above were made. The MPA Team included select jurisdictions that have population sizes 25%+ larger than Greensboro, ranging from 395,699 to 1.12 million. The majority of these jurisdictions had budgets that are at least 30% larger than Greensboro’s, ranging from $890 million to $2.45 billion. Because of the continuous growth of Greensboro in recent years, the MPA Team believed that these organizations provided value as they might have overcome some of the challenges that the Client is currently facing related to demand for services as a jurisdiction's population increases. Additionally, jurisdictions with which MPA Team members had previous working relationships were also included as benchmarks. These jurisdictions had population sizes ranging from 79,000 to 1.12 million, and budgets ranging from $275,000 to $2.45 billion.

4.1 Benchmark Jurisdictions



The MPA Team identified 30 comparable jurisdictions (Appendix 10.3). Team members contacted all 30 jurisdictions, 22 of which agreed to be interviewed or respond to survey questions in writing. The jurisdictions were approved by the client before interviews were conducted. The officials interviewed included parks and recreation directors, assistants, and analysts primarily. Appendix 10.3 contains information regarding the identified jurisdictions.

Arlington County, VA
Augusta, GA
Cary, NC
Chattanooga, TN
Durham, NC
Fayetteville, NC
Fort Wayne, IN
Gaston County, NC
Mecklenburg County, NC
Newport News, VA
Norfolk, VA
Raleigh, NC
Richmond, VA
Rock Hill, SC
St. Louis, MO
St. Petersburg, FL
Toledo, OH
Union County, NC
Virginia Beach, VA
Wichita, KS
Wilmington, NC
Winston-Salem, NC

4.2 Literature Review

The MPA Team conducted a thorough review of the literature on deferred maintenance, capital projects, and the numerous funding sources typically associated with these projects. The types of literature the MPA Team reviewed ranged from financial textbooks, government budget documents, local government websites, regulatory agency documents, various laws and statutes, and academic articles. The literature review informed the MPA Team's questionnaire.

4.3 Questions & Interviews

Interview questions were developed via an examination of the literature and discussions with the Client. The items on the questionnaire (Appendix 10.4) consisted of qualitative questions to best ascertain each jurisdiction's funding situation, perception of political support, and success of various funding sources for deferred maintenance and capital projects. Quantitative questions were also used to provide context for the size of each jurisdiction and their non-published budget information.

The entire MPA Team was involved in conducting interviews, with each team member interviewing two to three benchmark jurisdiction officials. These officials were initially contacted via email and telephone.

Once contact had been made, each team member set up a video conference meeting with the jurisdiction. Meetings took place between September 22, 2022, and October 13, 2022. If a jurisdiction was unable to have a video conference meeting, they were given the option to fill the questionnaire out themselves and return it to the team member via email. Two of the jurisdictions elected to fill out a survey instead of participating in a virtual interview. Each video conference interview took between 30 and 90 minutes. Follow-up questions were asked via email and telephone when further clarification was needed.

Summary statistics for the benchmarks are listed in the table below. Summary data for each benchmark jurisdiction are available in the appendix (Appendix 10.5).

Summary Statistics	
Average Number of P&R Facilities	106
CAPRA Accredited	9
Carries Deferred Maintenance Balance	13
Average Department Budget	$ 21,651,519
Median Deferred Maintenance	$ 17,500,000
Average Fee Revenue	$ 5,021,687
N	22

**CAPRA is the Commission for Accreditation of Park and Recreation Agencies, a commission within the National Recreation and Parks Association (NRPA) (NRPA.org).*

FINDINGS

5.0 Findings

This section explores different funding options for both deferred maintenance and capital projects. The funding options include: general fund appropriations, municipal bonds, installment financing, user fees, certificates of participation, dedicated sales taxes, special assessments or special taxing districts, Powell Bill funds, public grants and aid, philanthropy, and corporate sponsorships. Findings from the literature review and benchmark jurisdictions are discussed in the subsections below.

Funding Sources for Deferred Maintenance

	General Fund Appropriations	Philanthropy	Municipal Bonds	User Fees	Non-Reverting Funds	Dedicated Sales Tax	Bank Loans & Installment Financing	Powell Bill Funds	Public Grants & Aid	CIP
Arlington County, VA*	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Augusta, GA*	✓	✗	✗	✗	✗	✓	✗	✗	✓	✗
Cary, NC*	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Chattanooga, TN	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓
Durham, NC	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Fayetteville, NC*	✓	✗	✗	✗	✗	✗	✗	✗	✗	✓
Fort Wayne, IN	✓	✗	✓	✗	✗	✗	✗	✗	✓	✗
Gaston County, NC*	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗
Mecklenburg County, NC*	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Newport News, VA	✓	✗	✗	✗	✗	✗	✗	✗	✗	✓
Norfolk, VA*	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓
Raleigh, NC	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Richmond, VA	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓
Rock Hill, SC	✓	✓	✗	✗	✗	✗	✗	✗	✓	✗
St. Louis, MO*	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
St. Petersburg, FL	✓	✗	✗	✗	✗	✓	✗	✗	✗	✗
Toledo, OH	✓	✗	✗	✗	✗	✗	✗	✗	✓	✗
Union County, NC*	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Virginia Beach, VA	✓	✗	✗	✗	✗	✗	✗	✗	✗	✓
Wichita, KS	✓	✗	✗	✗	✗	✗	✗	✗	✗	✓
Wilmington, NC	✓	✗	✓	✗	✗	✗	✗	✗	✗	✓
Winston-Salem, NC	✗	✗	✓	✗	✗	✗	✗	✗	✓	✗
Totals	16	1	3	0	0	2	0	0	6	8

The tables above and below shows funding sources that benchmark jurisdictions reported using for deferred maintenance and capital projects. The green check marks indicate that a jurisdiction reported using a particular funding source, while a red "x" indicates that the jurisdiction did not report using that funding source during the interviews.

Funding Sources for Capital

	General Fund Appropriations	Philanthropy	Municipal Bonds	User Fees	Non-Reverting Funds	Dedicated Sales Tax	Bank Loans & Installment Financing	Powell Bill Funds	Public Grants & Aid
Arlington County, VA	✓	✓	✓	✗	✗	✗	✗	✗	✗
Augusta, GA	✓	✗	✗	✗	✗	✓	✗	✗	✓
Cary, NC	✓	✗	✓	✓	✗	✗	✗	✗	✓
Chattanooga, TN	✓	✗	✗	✗	✗	✗	✗	✗	✗
Durham, NC	✗	✗	✓	✓	✗	✗	✓	✗	✓
Fayetteville, NC	✓	✗	✗	✗	✗	✗	✗	✗	✓
Fort Wayne, IN	✓	✓	✗	✗	✗	✗	✗	✗	✓
Gaston County, NC	✓	✗	✗	✗	✗	✗	✗	✗	✓
Mecklenburg County, NC	✓	✓	✗	✗	✗	✗	✗	✗	✓
Newport News, VA	✓	✗	✓	✗	✗	✗	✗	✗	✗
Norfolk, VA	✗	✗	✗	✗	✗	✗	✗	✗	✓
Raleigh, NC	✗	✓	✓	✗	✗	✗	✗	✗	✓
Richmond, VA	✓	✓	✓	✗	✗	✗	✗	✗	✗
Rock Hill, SC	✓	✓	✓	✗	✗	✓	✗	✗	✗
St. Louis, MO	✗	✓	✗	✗	✗	✗	✗	✗	✓
St. Petersburg, FL	✓	✓	✓	✗	✗	✗	✓	✗	✓
Toledo, OH	✓	✓	✗	✗	✗	✗	✗	✗	✓
Union County, NC	✓	✗	✗	✗	✗	✗	✗	✗	✓
Virginia Beach, VA	✓	✗	✓	✗	✗	✗	✓	✗	✓
Wichita, KS	✓	✗	✓	✓	✗	✓	✗	✗	✓
Wilmington, NC	✓	✗	✓	✗	✗	✗	✗	✗	✗
Winston-Salem, NC	✓	✗	✓	✗	✗	✗	✗	✗	✓
Totals	18	9	12	3	0	3	3	0	16

**Jurisdiction does not have deferred maintenance balance but uses funding sources for parks and recreation maintenance.*

5.1 General Fund Appropriations

Findings from the Literature

The primary source of funding for many parks and recreation agencies is appropriations from their jurisdictions' general funds, though funding from non-tax revenue sources is growing in popularity (Mowen et al., 2006). General fund appropriations are provided to agencies on an annual basis and are typically used for operating expenses which can include personnel costs, utilities, and supplies. Many jurisdictions also use general fund appropriations to fund smaller capital expenditures, such as maintenance costs and new projects that fall below a certain dollar threshold (i.e., creating a short sidewalk or adding water fountains along a greenway) (Millonzi, 2018).

In periods of recession or other fiscal uncertainty, parks and recreation operating budgets are often among the first to experience cuts (Walls, 2014). These budget cuts force parks and recreation officials to make difficult decisions such as decreasing operating expenses or capital expenditures. In fact, after the COVID-19 pandemic, parks and recreation agencies across the United States cut capital expenditures by an average of 37% in 2021 (Roth, 2021).

While budget cuts have led parks and recreation agencies to seek alternative sources of funding, appropriating general fund revenues for deferred maintenance is a particularly sustainable approach. If funding for deferred maintenance is appropriated through the general fund via a dedicated line item, that line item will likely serve as a more stable funding source that the department will not have to compete for each year in the budgeting process (Community Tool Box, n.d.). An alternative mechanism that local governments can use is to allocate current revenues to a capital reserve fund that can be used to support both capital projects and deferred maintenance. Both of these approaches are more formalized and transparent, which can lead to more stable and predictable funding for projects (Millonzi, 2018). This stability allows jurisdictions to engage in long-term planning, as recommended by the Government Finance Officers Association to ensure effective management of capital assets (GFOA, 2022).

5.1 General Fund Appropriations

Findings from the Benchmark Jurisdictions

Sixteen (72.7%) of the 22 benchmark jurisdictions that the MPA Team interviewed indicated that they use some form of general fund appropriations to fund their deferred or ongoing maintenance needs

Over 40 percent of those jurisdictions (seven out of 16) are located in North Carolina. These numbers indicate that funding deferred maintenance through general fund appropriations is a popular approach. The 16 jurisdictions that use this funding source have adopted parks and recreation budgets for fiscal year 2022 of $91.62 per capita. Greensboro sits below the average of these jurisdictions, with $74.51 for the parks and recreation budget per capita.

Six of the 16 jurisdictions that use general fund appropriations to fund their maintenance needs have no deferred maintenance.

This may indicate adequately sized appropriations can be an effective method to reduce and/or maintain a low to zero deferred maintenance balance. These six jurisdictions have parks and recreation per capita budgets that range from $6.28 to $121.55 (average of $71.61). Note that Union County has a per capita budget of $6.28 due to the low number of parks and recreation facilities (three) the jurisdiction maintains. When Union County is removed, the average per capita spending of the remaining five jurisdictions is $84.68. Greensboro's per capita parks and recreation spending is $10.17 per capita below the average of these five jurisdictions. This gap in funding indicates that Greensboro's parks and recreation department may require more funding per capita in order to address their deferred maintenance backlog and ongoing maintenance needs.

5.1 General Fund Appropriations

Findings from the Benchmark Jurisdictions cont.

The interviews revealed that increases in general fund appropriations can be an effective way to reduce deferred maintenance backlogs. For example, in fiscal year 2016, Mecklenburg County had a deferred maintenance balance of approximately $18 million. Through the creation of a detailed long-term maintenance plan to address the issue, Mecklenburg County was able to get approval from the County Manager and Board of County Commissioners to allocate between $4 million and $4.5 million ($3.56 to $4.01 per capita) from the operating budget each year for five years to address the deferred maintenance backlog. When Mecklenburg County was proposing this approach to their Board in fiscal year 2017, they defined the following benefits for aggressively addressing the deferred maintenance balance.

- Capital repairs and replacements extend useful life of assets
- Overhead costs are reduced with efficient system replacements
- Defined preservation plan addresses current and future capital investments (Mecklenburg County, 2017)

Today, the Mecklenburg County Board continues to allocate funding to address maintenance for Mecklenburg County Park & Recreation in the department's annual budget ($4 million for preventing maintenance in the FY23 adopted budget). This funding is used for preventive maintenance now that their deferred maintenance backlog has been eliminated.

5.1 General Fund Appropriations

Findings from the Benchmark Jurisdictions cont.

The City of Fayetteville, North Carolina indicated having no deferred maintenance for over 15 years. The Fayetteville Parks and Recreation Department funds maintenance through their capital investment plan (CIP). The funding from the CIP comes from general fund appropriations. The CIP contains approximately $53 million (which equates to half of a penny per capita of the annual property tax rate) in funding for parks and recreation projects for fiscal years 2022 to 2026, including new park projects and maintenance projects. The only maintenance projects funded through the CIP are parks and recreation projects. Fayetteville's city council focuses on maintaining their current sites over adding new projects. Each new park project has a maintenance budget built into the overall project budget, which is the department's main avenue for maintenance funding. There is also fund balance available for maintenance projects, but it is only considered for use in the case of a non-forecasted maintenance event.

FAYETTEVILLE PARKS & RECREATION CUMBERLAND CO.

Finally, the City of Durham, North Carolina reported tremendous headway in reducing their deferred maintenance balance over the past several years after they adopted a policy to allocate five cents of the general property tax rate to the city's deferred maintenance. By allocating these funds, the city's governing body gave the Parks and Recreation Department the ability to fund projects that will have the most impact on the community while meeting the needs of the growing deferred maintenance backlog. These funds have mainly been used for smaller projects under $100,000. The city has completed projects related to playground renovations, sidewalk maintenance, upgrades to comply with the Americans with Disabilities Act (ADA) standards, bathroom renovations, and trail repairs.

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5.2 Municipal Bonds & Other Bonds

Findings from the Literature

There are several types of municipal bonds that jurisdictions can use to borrow money. All bonds issued in North Carolina must be approved by the state's Local Government Commission (Millonzi, 2018). The strongest type of bond is a *general obligation (GO) bond* which a jurisdiction will repay by levying property tax. This type of bond is typically used to finance projects for the general public benefit such as schools, parks, or libraries. Millonzi (2018) writes that "a full-faith-and-credit pledge of a North Carolina jurisdiction is a promise to levy whatever amount of property tax is necessary to repay the debt" (p. 182). In most instances, GO bonds must be approved by the voters via referendum.

An exception to the voter requirement of a traditional GO bond, would be to utilize a *two-thirds bond*. A two-thirds bond allows a jurisdiction to issue additional debt for up to two-thirds of the amount of the principal paid on its outstanding GO bond debt in the previous fiscal year (Millonzi, 2018). For example, if a jurisdiction paid $600,000 against its GO bond principal balance in fiscal year 2023, it may then issue up to $400,000 of debt through a two-thirds bond in fiscal year 2024. Limitations of using a two-thirds bond include that they must be used in the fiscal year immediately following the year in which the debt was reduced, and the balance may not be accumulated over multiple years (Millonzi, 2018; NC G.S. § 159-49). However, the fact that this type of bond is flexible in that it may be used for projects other than the purpose for which the original GO bond was approved and does not require voter approval may make it a useful option (Millonzi, 2018).

A *revenue bond* is supported by revenue generated by the system or project the bond is being used to fund (Millonzi, 2018). Unlike GO bonds, revenue bonds do not require voter approval. Millonzi (2018) explains that revenue bonds are mostly used to fund water and sewer but can also be used for "public transportation, airports, hospitals, stadium, recreation facilities, and stormwater drainage" (p. 187). Another type of revenue bond sometimes used is a lease revenue bond. Instead of using revenues to repay a debt, often a local government will enter an agreement with a trust or other institution and pay a lease to use the facility (Chen and Bartel, 2022).

5.2 Municipal Bonds & Other Bonds

Findings from the Literature cont.

Project development financing allows a jurisdiction to borrow money in order to improve a "currently blighted, depressed, or underdeveloped area" with the goal of increasing the property tax value (Millonzi, 2018, p. 189). Project development financing bonds are known in other states, and sometimes referred to in North Carolina as tax increment financing or TIF (Millonzi, 2018). The debt is then repaid with the additional revenue raised from the increased property tax. G.S. 159-103(a) identifies approved uses for project development bonds which includes several capital costs related to parks and recreation including athletic fields, playgrounds, parks, and more. However, the statute specifically does not allow this type of bond to be used for stadiums, arenas, golf courses, swimming pools, wading pools, and marinas (Millonzi, 2018). Before these bonds are approved by the local government commission, they must receive approval from the NC Department of Environmental Quality and the NC Department of Commerce. While project development financing bonds do not require voter approval, there must be a public hearing on the proposal before the county commissioners vote to approve.

Installment financing allows local governments to borrow money in a loan transaction to finance or refinance government property assets (Millonzi, 2018). Similar to project development financing, a public hearing is required before approval of installment financing and local government commission approval may or may not be required (Millonzi, 2018). Installment financing is a method used to help jurisdictions fund large capital projects; it differs from other borrowing methods by not usually getting involved with the issuance of bonds (Millonzi, 2018). If local governments are planning on using installment financing to fund capital projects or fund deferred maintenance improvement, they would need to grant a security interest (Millonzi, 2018).

General Obligation (GO)

Revenue

Project Development Financing

Installment Financing

5.2 Municipal Bonds & Other Bonds

Findings from the Literature cont.

All of these sources of funding can be used for parks and recreation projects. However, it is less common that revenue bonds are used because this type of funding would require that the debt be funded by the revenue from the project, and park facilities usually do not generate significant revenues (Mathur, 2009). The popularity of parks projects with voters gives GO bonds a reasonable chance of being approved during referendums (Millonzi, 2018). Since bonds are repaid over a number of years, they enable departments to acquire resources that cannot be supported adequately via their annual appropriations (Mathur, 2009). This also makes bonds useful for long-term capital projects that a parks and recreation department may be proposing. For example, Mathur (2009) describes how the city of San Jose, California successfully used GO bonds to finance almost 50 years of park improvements that had previously not been funded. Mathur (2009) highlights the importance of having a plan for how the GO bonds will be used and in the case of San Jose, the funds were used both for long neglected improvements and construction of new facilities.

There can be challenges with using bonds to fund projects in parks and recreation departments. While GO bonds are one of the cheapest ways to borrow, they require voter approval which can delay funding and risk a negative vote. Revenue bonds are generally less feasible than GO bonds because they depend on the revenue or user fees produced by the enterprise to repay the debt. In order to ensure that revenues can cover the repayments, investors will often ask local governments to have a feasibility study conducted by an independent source to show that the fee/charge structure is sufficient to cover the debt (Millonzi, 2018). Bonds are also a non-recurring source of funding and in many cases, only come around every few years.

5.2 Municipal Bonds & Other Bonds

Findings from Benchmark Jurisdictions

Of the 22 benchmark communities, 12 (54%) are currently using GO bonds or project development financing to fund capital improvement plans or capital maintenance projects. Six of the jurisdictions mentioned bonds as their main source of funding for capital projects.

General obligation bonds, called "Park Bonds" are used in Arlington County, Virginia. Arlington County adopted a capital improvement plan in July, using a bond referendum to approve $220 million for capital maintenance and some new park construction over the next 10 years. Mecklenburg County, North Carolina reported granting tax increment financing, also known as project development financing, to form private partnerships to help finance capital projects. No jurisdictions reported using revenue bonds to fund capital projects. Bonds were the third most popular approach to funding capital projects behind general fund appropriates and grants and aid, demonstrating that bonds are an important option to consider when exploring how a jurisdiction can fund capital projects. All benchmark communities had a bond rating of A or better. Eleven of the 22 jurisdictions had a AAA rating but there was no correlation between bond ratings and the use of bonds for capital projects.

There are three (13.6%) jurisdictions that use bank loans/installments to fund their capital projects

The three jurisdictions (City of Durham, NC, St. Petersburg, FL, and Virginia Beach, VA) also used other funding sources such as CIP, grants, and bonds to help fund the cost of their capital projects. The City of Virginia Beach reported using GO bonds as an additional borrowing method on funding their capital projects. Similarly, Durham and St. Petersburg also supplemented bank loans and installment financing with bonds although they did not specify the type of bond. It is evident from the benchmark jurisdictions that using bank loans/installment methods to fund capital projects often results in needing other funding sources in order to cover the full cost of the capital projects.

5.2 Municipal Bonds & Other Bonds

Findings from Benchmark Jurisdictions cont.

Only three jurisdictions (13.6 %) are using GO bonds (Wilmington and Fort Wayne) or two-thirds (Winston-Salem) bonds for deferred maintenance.

This low number is not surprising given that voters are likely to be more supportive of new and exciting projects as opposed to deferred maintenance of existing facilities. However, in 2016, 63.87% of citizens in the city of Wilmington, North Carolina voted in favor of a $30.4 million Park Bond that covered both new projects and deferred maintenance (North Carolina State Board of Elections, 2016). Citizens of Wilmington were provided detailed information on the 15 proposed projects, such as the predicted costs and scope of work associated with each project, a map of where the efforts would be focused, and several public meetings at various locations to take comments and questions. The Park Bond increased the property tax rate by 2.1¢ per $100 of assessed valuation in Wilmington. Fort Wayne, Indiana also uses bonds to fund a portion of their deferred maintenance but made the point that bond issuance only happens about every 15 years or so. This makes bonds less frequent and therefore not always a reliable source of funding for deferred maintenance. While all three jurisdictions reported supplementing bonds with other funding sources such as grants and operating line items, Fort Wayne, Wilmington, and Winston Salem all reported the importance of using bonds to help address deferred maintenance.

There are no benchmark jurisdictions that utilized revenue bonds, bank loans, or installment financing as a funding method for their deferred maintenance. The benchmark results align with the literature, which found little evidence of using bank loans/installment financing as a method to fund deferred maintenance. In conclusion, the benchmark jurisdictions show that revenue bonds, bank loans, or installment financing are not a prevalent method to fund parks and recreation deferred maintenance.

5.3 User Fees

Findings from the Literature

A user fee is a government-bestowed charge that is issued to individuals who voluntarily utilize and benefit from a government provided service (Millonzi, 2018; Sun and Jung, 2012). For example, the fee paid by each attendee at a park facility is typically enough to cover a portion of the maintenance expenses associated with the operation of that park facility (USDA, 1999). User fees have the potential to be used in neighborhoods that provide access to a boat ramp, trailway, or picnic area as a means of covering the cost of providing this service. This option can be used as a means of generating revenue for parks and recreation departments and is often seen as an acceptable alternative to implementing special levies (Chen, 2022).

User fees can be used to fund capital projects. When this is done, localities typically apportion charges through a 'per visit' fee or through a fixed coverage charge (Buckley, 2010; Chen, 2022). The 'per visit' user fee charges those who attend the park or facility upon entrance to the property (Government Accountability Office, 2008). This type of user fee can be challenging to maintain due to the need for an employee or volunteer to be present for the collection of funds. Alternatively, a fixed coverage charge is implemented on an annual basis for all residents within a specified area (Government Accountability Office, 2008) and does not require the presence of an employee for collection. For a parks and recreation department, this would mean annually charging the neighborhoods surrounding a park or facility. When implementing user fees, this option is favorable to parks departments (Government Accountability Office, 2008) as it eliminates the need to have an employee collect funds at the entrance to the park or facility and streamlines the attendee payment process.

5.3 User Fees

Findings from the Literature

User fees are typically used for recreational and cultural activities and are often associated with outdoor art galleries, museums, auditoriums, coliseums, parking, and waterway access (Millonzi, 2018). While user fees do not generally cover the entire cost of operation, deferred maintenance, and capital projects for park facilities, they can help a city create additional funding for support on city projects by providing supplemental revenue that can be put towards maintenance costs (Sun and Jung, 2021). One of the primary drawbacks to the implementation of user fees is that the administrative costs associated with the collection and processing of the fee may hinder the total earnings collected (Congressional Research Service, 2019). Additionally, this type of fee can potentially decrease the equitable outlook that comes with all citizens' ability to enjoy the public greenspace area freely (Sproule-Jones, 1994). In areas of mixed incomes, user fees may create a wealth disparity gap regarding the availability of services to citizens (Sproule-Jones, 1994). Finally, it is important to note that locals may have previously been able to enjoy their parks without having to pay any of the costs directly. Therefore, applying a new fee or raising existing fees may be met with strong objections from citizens.

While none of the jurisdictions interviewed indicated that they funded deferred maintenance with user fees, three of the 22 jurisdictions reported that user fees aided in funding capital projects.

Findings from the Benchmark Jurisdictions

The city of Raleigh, North Carolina was one of 6 jurisdictions interviewed that was able to keep a portion of their user fees for its own use. The department gets to keep one third of the user fees while the other two-thirds is moved to the city's general fund. The Director of Raleigh Parks and Recreation reported that the city generates about $12 million in fees. User fees are typically used to fund department programs and operational costs.

The Union County Parks and Recreation department in North Carolina generates a substantial amount of user fees, primarily through fees for renting out campgrounds. If the department was able to retain their user fees, the fees would support 26.7% of the department's fiscal year 2023 expenses ($719k revenues out of $2.9M expenses). While the department is not technically able to retain these user fees, their County Manager created a Renovation and Renewal Fund three years ago that allocated $125,000 to the department per year. This funding can be rolled forward from year to year and is used to fund the department's capital needs (i.e., new lawn mowers, roof repairs, etc.). This Renovation and Renewal Fund was designed as a mechanism for the department to recoup a portion of their user fees.

5.4 Certificates of Participation (COPs)

Findings from the Literature

Certificates of Participation (COPs) are a variant of lease-purchase financing (Bloomfield et al., 1998). COPs allow the government to fund capital projects without issuing bonds. COPs can be used to fund major capital projects. Some advantages of using COPs are that they have fewer government rules and regulations than with bond issues, they are not subject to statutory debt limits, and they do not need voter approval via referendum (Bloomfield et al., 1998). Certificates of Participation pay investors through lease revenues as opposed to bond interest. The private investor uses the proceeds from the COPs to construct capital projects that are leased to the municipality, which releases the municipality from restrictions on the amount of debt that it can issue (Certificate of Participation, n.d.).

COPs are an expensive approach to fund capital projects when compared to GO bonds. Having a dedicated revenue source to make the lease payments can help to reduce the cost (Chen & Bartle, 2022). However, the cost of COPs are generally higher than government backed bonds because COPs are not supported through the full faith and credit clause (Bloomfield et al., 1998). Although COPs are not subject to legal debt limits because it is considered a variant of lease-purchase financing, lease payment requires an annual budgetary appropriation (Chen & Bartle, 2022). Furthermore, issuance costs for COPs are more expensive than bonds. Some examples of issuance costs are fees charged by counsel, underwriters, financial advisors, and other firms that are involved in the transaction (Bloomfield et al., 1998).

Findings from the Benchmark Jurisdictions

None of the benchmark jurisdictions indicated that they used COPs for funding either capital projects or deferred maintenance.

5.5 Dedicated Sales Tax

Findings from the Literature

A dedicated sales tax occurs when a portion of the sales tax is used for specific expenditures (Flower Mound, 2022). A dedicated sales tax is a voter approved tax placed on top of the standard state and local sales tax. This can be an increase to the general sales tax or specific taxes can be placed on certain types of goods or services (Beritelli, 2020). In addition to the property tax, the sales tax is one of the largest revenue sources for local governments and can be utilized to fund a variety of items. Dedicated sales taxes produce a reliable funding source that is relatively stable and easy to forecast. Dedicated sales taxes have proven to be cost-effective and are a politically acceptable way of raising substantial amounts of revenue to fund capital projects and can also be used for deferred maintenance (Wilson, 1983).

A dedicated sales tax can be used to fund specific capital projects. A dedicated sales tax for capital projects would be time bound, meaning that it would be implemented before or at the beginning of a capital project, but would be removed once the project is complete (Tran, 2010). It can also have a more general use and be used to support several different initiatives (Bright, 2020), such as capital projects, deferred maintenance, or operating costs for a specific department or program.

Unlike property tax, a dedicated sales tax has the added benefit of capturing tax dollars from consumers living outside the jurisdiction's service area (Wilson, 1983). Another benefit of utilizing a dedicated sales tax is that it helps to ensure that a block of money is available for the designated purpose(s) over time. This provides stability that enables administrators to better plan and effectively allocate funds.

5.5 Dedicated Sales Tax

Findings from the Benchmark Jurisdictions

The City of Augusta, GA utilizes a dedicated sales tax to fund capital projects called a Special Purpose Local Option Sales Tax (SPLOST). SPLOST is an additional 1% sales tax set by Richmond County, GA and approved by voters to fund specific capital projects. The 1% additional sales tax is in place until the completion of the capital projects or 72 months, whichever comes first. The funds generated by the SPLOST are collected by Richmond County and subsequently allocated to the jurisdictions in Richmond County. Currently Augusta is utilizing SPLOST 7, which is the 7th time that SPLOST has been used to fund capital projects. The City of Augusta's Parks and Recreation Department receives only a portion of the total SPLOST 7 funds; $28 million of a total $215.55 million received by Augusta. These funds are used by the Parks and Recreation Department for trail expansions, playground unit replacements, community center renovations, splash pads, and swimming pool renovations, and more. As of November 16th, 2022, SPLOST 8 was approved by voters and will go into effect at the conclusion of SPLOST 7.

The St. Petersburg Parks and Recreation Department also receives funding for deferred maintenance and capital projects from a voter approved one cent sales tax. This tax is used to pay for long-term capital infrastructure projects across the city. This dedicated sales tax is called Penny for Pinellas (https://www.pennyforpinellas.org/) and voters chose to renew this one percent sales tax in 2017. The revenue generated is shared between Pinellas County and municipalities based on population and is used for capital projects such as roads, stormwater upgrades, public safety equipment, parks, and community centers. Spending priorities for the Penny are based on public input received from the annual Citizen Values Survey, the Penny for Pinellas Priority Survey, partner feedback, and public meetings.

Another example of a dedicated sales tax is the use of a local hospitality tax in the City of Rock Hill, South Carolina. The city currently has a two percent local hospitality tax that is assessed on the sale of all prepared meals and beverages served within the city. In alignment with S.C. Code 1976 § 6-1-730(A), the revenue for this tax can be used for tourism-related buildings, tourism-related recreational facilities, and infrastructure related to tourism development. Deferred maintenance and capital projects are addressed by Rock Hill's Department of Parks, Recreation, and Tourism, and their team sees parks facilities as a driver of tourism. The FY2023 hospitality tax is projected to bring in approximately $320,000 and serves as a small but reliable funding source.

Only two (9.1%) of the 22 benchmark jurisdictions utilize a dedicated sales tax to fund deferred maintenance, while only three (13.6%) utilize a dedicated sales tax to fund capital projects. None of these jurisdictions were in North Carolina.

5.6 Special Assessments or Special Taxing Districts

Findings from the Literature

Special taxing districts are defined areas in which additional property taxes are imposed on residents for the purpose of supporting a special event, natural occurrence, or service specific to the area being taxed (Chen, 2022). For example, North Carolina jurisdictions may be authorized as special taxing districts if they require any of the following services: beach erosion/flooding/hurricane protection; ambulance, fire, and rescue services; cemeteries, recreational facilities; or other important capital functions (McLaughlin, 2011). The additional taxes imposed on these special taxing districts are referred to as "special assessments".

Special assessment revenue is collected via payments that are made by citizens living within the special taxing district, in addition to their property tax payments. Specifically for parks and recreation facilities, special assessments allow a jurisdiction to collect revenue from those who live within proximity to and benefit directly from a park, facility, or capital improvement project (Millonzi, 2011). Special assessments ensure that fees collected within a specific area are given directly back to that community through park maintenance and improvement (Millonzi, 2011).

Special assessment funds can be considered for use in building, remodeling, and repairing parks and recreation facilities (Portland, 2022). In addition, these funds can be used to support the purchase of more land to be used by parks and recreation departments (Portland, 2022). When considering the implementation of special assessments as a funding source for deferred maintenance, it is important to identify the impact implementation may have on citizens within the designated area. Special assessments may result in citizen dissatisfaction if implemented in areas of low support (National Cooperative Bank, 2021). More positively, special assessments may increase home values within the special taxing district when they fund quality parks and recreation facilities for the area (Rubenstein, 2021). Home values, however, could be adversely affected if potential buyers were weary of paying increased taxes or fees (National Cooperative Bank, 2021).

Findings from the Benchmark Jurisdictions

None of the 22 benchmarks reported using special assessments to fund either deferred maintenance or capital projects.

5.7 Powell Bill Funds

Findings from the Literature

The Powell Bill is a state fund where North Carolina allocates resources for the building and maintenance of general city streets (Johnston, n.d.). The program began in 1951 to enable municipalities a way of funding roadway construction and maintenance (Benson, 2014). The program follows N.C. General Statutes (NCGS) 136-41.1 - 136-41.4. These statutes lay out the procedures, rules, guidelines, and payments to each municipality. Payments are made on a formula based on 75 percent population and 25 percent road miles maintained by the municipality. In fiscal year 2022, the City of Charlotte received the most Powell Bill funds at $13,679,745.27, while the Town of Falkland received only $1,103.12, with a total disbursement of $154,891,601.78 to 508 participating municipalities (Planning and Programming Division, 2022).

Powell Bill funds are a specific type of state allocation to local governments in North Carolina. They differ from most grants and other allocations in that they have fewer reporting requirements and jurisdictions do not have to apply to receive the funding.

There are very strict guidelines for where each municipality can spend the funds allocated to them through the Powell Bill program. Most items related to engineering, roadway construction and maintenance, drainage system maintenance, right-of-way maintenance, etc. (NC Department of Transportation, 2015). Eligible expenses that could be allotted to park and recreation departments are construction and maintenance of sidewalks, greenways, and bikeways/bike lanes.

Findings from the Benchmark Jurisdictions

None of the nine jurisdictions interviewed in North Carolina used Powell Bill funds within their parks systems.

5.8 Public Grants

Findings from the Literature

Public grants transfer revenue from one government to another to fund specific functions. Most grants to local governments come from federal and state sources. Grants encompass a major funding source for local infrastructure financing and governmental aid (Chen, 2022). Public grants can be utilized to support maintenance and upkeep, funding for new facilities or equipment, and program implementation (National Parks and Recreation Association, 2022).

In recent years, receiving approval for intergovernmental grants has become increasingly difficult, creating challenges for jurisdictions working on long-term capital improvement planning and maintenance fee payment schedules (Chen, 2022). Choosing a state or federal grant program that best suits the needs of the jurisdiction requires considering the political and economic ramifications of receiving funding (Chen, 2022). For example, grants that approve funds for new infrastructures may not be suitable for jurisdictions that are seeking to decrease their deferred maintenance fee schedule, since taking on new projects may just add to the existing deferred maintenance backlog (Grants, 2016). Therefore, it is vital that departments consider their short and long term goals before applying for and accepting grant-style funding (Chen, 2022).

The City of Greensboro Parks and Recreation department has received public grant support through various modes, including the American Rescue Plan Act (City of Greensboro, 2020) which was created as a means of providing financial support during the COVID-19 pandemic recovery (The White House, 2020). There are currently a variety of public grants and aid available to parks and recreation departments that are seeking detailed funding for specific projects or events. For example, the North Carolina Division of Parks and Recreation is providing grants to jurisdictions looking to develop and complete their trailway systems through the 'Complete the Trails' Program (NC Division of Parks and Recreation, 2022). The 'Complete the Trails' Program operates through a $29.25 million dollar fund balance and awards between $10,000 and $100,000 to jurisdictions depending on the needs of their trailway project. An additional public grant opportunity offered through the NC Division of Parks and Recreation (2022) is the 'Accessibility for Parks' grant, which also provides a maximum of $500,000 in funding to jurisdictions for the development of equitable and accessible parks, trailways, and facilities through a $10 million fund balance (Accessibility for Parks, 2022). A final public grant that is available through the North Carolina General Assembly is the 'Parks and Recreation Trust Fund' grant (Parks and Recreation Trust Fund, 2022), which awards funding for public park improvements and deferred maintenance.

5.8 Public Grants

Findings from the Benchmark Jurisdictions

Six of the 22 (27.2%) benchmark jurisdictions use public grants to fund deferred maintenance, while 16 of the 22 (72.7%) jurisdictions use public grants to fund capital projects.

One jurisdiction using federal grants for capital projects is Norfolk, Virginia. The city is using American Rescue Plan Act funds for several capital projects in its parks and recreation department. The Director of Norfolk Parks and Recreation reported that the department is using approximately $18 million in ARPA funding to transform two parks, build a new public fishing dock, and construct a new fitness and wellness center.

AMERICAN RESCUE PLAN

Gaston County, North Carolina takes advantage of public grants to fund a portion of capital projects as well as deferred maintenance. The jurisdiction stated that they have used federal grants, state grants, grants from the Parks and Recreation Trust Fund (also referred to as “PARTF grants”), and grants from the Land Water Conservation Fund. The Parks and Recreation Department for Gaston County has utilized some grant funds for deferred maintenance, but the majority of grant funding that they receive is used for capital projects. Gaston County reported that one of the challenges associated with grant money is that some grants require a match from the jurisdiction. The percentage of funds that must be matched by the jurisdiction differs between funders and specific grants, some grants do not require a match, while others require a 50% match. In these circumstances, a jurisdiction must be prepared to fund the required match before accepting grant funding.

GASTON COUNTY
Parks & Recreation

5.9 Philanthropy

Findings from the Literature

5.9.1 Nonprofit Partnerships

As public funding sources continue to face budgetary constraints, many parks and recreation departments have turned to nonprofits to help fill the financial gap (Cheng, 2014). Cultivating partnerships with nonprofits can help local governments "increase fundraising efforts and diversify revenue portfolios" in response to changes in government spending for parks departments (Cheng and & Yang, 2018, p. 1). Nonprofit organizations include parks foundations, conservancies, "friends of the park" groups, park advocacy associations, and fiscal sponsorships (Walls, 2014). Park unit-supporting nonprofits are often created by dedicated citizens to support a single park or facility, whereas park system-supporting nonprofits exist to raise the quality and quantity of park facilities in a jurisdiction (Cheng and & Yang, 2019).

Nonprofits have many funding advantages that government organizations do not. They are 501(c)(3) public charities, and as such, can receive tax-deductible donations and grants. Additionally, many individuals who support parks would prefer to make gifts to an accredited nonprofit rather than a government unit to which they already pay taxes. This inclination creates a unique opportunity for governmental departments to financially partner with public charities. These entities can also assist parks and recreation departments by providing administrative and operating support, as well as grant research and applications (Walls, 2014).

In a 2021 study of nation-wide parks and recreation departments that partner with nonprofits, the majority of respondents stated that "increased operational capacity" was the most important benefit of the agency-nonprofit relationship, particularly with capacity for fundraising (Pitas et al., 2021, p. 7). Many grants can only be received by 501(c)(3) public charities, so it is valuable for government units to maintain these partnerships (Pitas et al., 2021). Nonprofits can support grant applications by providing independent letters of support, co-writing joint applications, or creating matching grants through their individual donors (Walls, 2014). Some nonprofits can also serve as funders and foundations that offer grant opportunities.

5.9 Philanthropy

Findings from the Literature

Nonprofit Partnerships cont.

Nonprofits are also afforded flexibility in their operations. For one, as non-government entities, nonprofit partners can provide advocacy for parks-related bond initiatives or referendums that parks and recreation department staff cannot. Additionally, as independent nonprofit organizations, parks foundations can spend or allocate their dollars for a wide variety of charitable purposes. They report to a board of directors rather than a governing body and can be flexible to support projects or emerging needs (Cheng, 2017). The majority of parks foundations direct their revenue to a specific jurisdiction's parks and recreation department, which can provide anywhere from hundreds to millions of dollars in supplemental funding that helps diversify a department's funding sources (Walls, 2014).

There are some disadvantages of government units relying on parks foundations or other nonprofit support. Philanthropy is not a stable income source, so it is difficult to forecast future giving levels. The foundations must undertake significant costs and time to fundraise on a large scale, and even then, may encounter restrictive donor-specific limitations. The literature also suggests that parks foundations may not be as successful in smaller jurisdictions, and they may create inequitable access to facilities by improving only the areas which donors care about (Walls, 2014). If a parks department becomes over-reliant on support from a foundation, their governing body may also cut funding in future budget cycles (Cheng, 2017). While parks foundations can be substantial revenue sources and provide the primary funding in some cities, they are "not likely to provide sustainable, long-term financial solutions for parks in most communities" (Walls, 2014, p. 18).

5.9.2 Endowments

One form of long-term funding that can come from a nonprofit partnership is an endowment or institutional/agency fund (Walls, 2014). North Carolina General Assembly Statute 159-30 outlines the public regulations for investing funds to benefit a municipality, but a nonprofit organization has far fewer restrictions as they are not investing tax revenue (NC General Statutes, 2021). Nonprofits can fundraise on behalf of a jurisdiction and then open a fund that aligns with their philanthropic goals, risk tolerance, and time horizon. The initial fundraising could be supported through individual donations, as "...communities should explore direct-giving mechanisms, perhaps through establishment of endowment or trust funds. This would lead to the most direct benefit to parks and park users," (Walls, 2014, p.18). Nonprofit partners can work with local community foundations or financial institutions to establish an endowment fund, additionally lifting the administrative burden (Pitas et al., 2021) of investment management from the jurisdiction.

5.9 Philanthropy

Findings from the Literature

Endowments cont.

For maximum flexibility, a fund can be restricted as “quasi-endowed” or “non-endowed,” meaning that there is a possibility of taking a withdrawal from the fund’s principal balance. For a true endowment, a standard spendable rate is currently around 4% of net investment earnings (Uniform Prudent Management of Institutional Funds Act, 2007). While the amount of the annual distribution could vary depending on endowment restriction and market conditions, it is still a reliable revenue source that could last in perpetuity.

5.9.3 Crowdfunding

Crowdfunding is a donation-based funding method that can accept private donations for specific public improvement projects (Millonzi, 2018). Crowdfunding can be used by governments, community groups, and nonprofit organizations. The way a government uses crowdfunding is via a partnership with nonprofit organizations. Nonprofit organizations help facilitate online platforms and market and manage crowdfunding campaigns (Gasparro, 2018). The dollars raised in these campaigns can be used for a variety of purposes, including raising initial assets for an endowment or new program. With online payment methods, individuals and communities can choose to support causes they care about (Gasparro, 2018).

Crowdfunding can be a way for parks and recreation departments to raise funds for smaller capital projects (Chen and Bartle, 2022). The benefits of using crowdfunding include reducing capital costs linked with privately financed capital projects, being able to swiftly fund small capital projects, reducing risk to investors, involving local citizens, and quickly raising project funds without obtaining public approval by a governing body (Chen and Bartle, 2022). Crowdfunding weaknesses consist of the risk of online platform failure, loss of reputation if funds are not returned, a large amount of effort to initiate a funding campaign, and difficulty funding large capital projects (Chen and Bartle, 2022). One example of a government using crowdfunding for a capital project would be the City of Memphis, Tennessee. In Memphis, dedicated citizens created a crowdfunding campaign that raised $75,000 to help build a local bike transportation project . Total costs for this project were $2 million, which came from both public and private funding sources. The crowdfunding campaign provided the last $75,000 through an online platform called “ioby.org”, and completed the capital campaign (Chen and Bartle, 2022).

5.9 Philanthropy

Findings from the Benchmark Jurisdictions

Ten of the benchmark jurisdictions (45%) used some form of philanthropy to support their deferred maintenance balance or capital improvement projects, with three (14%) receiving funding from an endowment. Eight benchmark jurisdictions (36%) mentioned nonprofit partnerships as important to their overall work. Out of the eight jurisdictions that indicated they used philanthropic sources to fund capital projects, only one jurisdiction (4.5%) used crowdfunding while the rest (32%) used grants from nonprofit organizations, individuals, and corporations.

These findings suggest that philanthropy can be effective in helping local governments fund capital projects, but many jurisdictions will still need larger sums of money to fund more comprehensive projects. While the dollar values of philanthropic support varied greatly across the benchmark jurisdictions (from individual citizen donations of $25 up to private foundation grants of $17,000,000), private and charitable funding sources can provide significant value to parks and recreation departments. In several cases, nonprofit organizations have worked with benchmarks to help them attain private grant funding. Nonprofits that engaged in such activity include Foundation For The Carolinas, Partners for Parks, Carolina Thread Trail, The Trust for Public Land, and the Juvenile Welfare Board.

One example of a successful partnership between a parks and recreation department and parks foundation is demonstrated through the Rock Hill Miracle Park. Constituents of Rock Hill, South Carolina were vocal about their desire to have "an inclusive place for people of all ages and abilities to enjoy play structures," (Interview, October 11, 2022). The York County Disabilities Foundation and Rock Hill Parks Foundation (a fiscal sponsorship of Foundation For The Carolinas) raised the necessary dollars to design and build the park, and now the City maintains only the cost of upkeep. Park visitors of all physical abilities come from around the region to see the state-of-the-art inclusive facility, which adds to the City's tourism economy. The Rock Hill Parks, Recreation, and Tourism Department is also the beneficiary of multiple endowment funds that serve different purposes for their facilities and programs.

5.9 Philanthropy

Findings from the Benchmark Jurisdictions cont.

Fort Wayne Parks and Recreation has a partnership with Historic Fort Wayne, Inc., a nonprofit 501(c)3. The Old Fort is a facility in the purview of the Parks and Recreation Department; however, Historic Fort Wayne, Inc. has voluntarily agreed to operate it. This nonprofit organization has a passion for the fort and pays for all operation costs (staff, electricity, supplies, advertising, and maintenance costs).

City of Fort Wayne
PARKS & RECREATION
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The programming is funded by private and corporate donations solicited by the nonprofit organization. Through this partnership, the maintenance and operational costs of the Old Fort to the Parks and Recreation Department are greatly reduced. The department simply mows the area on their regular grass mowing cycle and advertises the nonprofit's scheduled events for the Old Fort in the department's quarterly brochure.

5.10 Corporate Sponsorship

Findings from the Literature

“A corporate sponsorship consists of a payment by a private entity to an agency for access to the exploitable commercial potential associated with that agency's property” (Pitas et al., 2018, p.74). Corporate sponsorships have traditionally been most prevalent at sporting venues and special events, but partnerships with public parks and recreation agencies are becoming increasingly widespread (Pitas et al., 2015). Unlike other funding processes in the public context, officials can reach sponsorship agreements without the cumbersome activity involving widespread stakeholder input, which can hasten the funding process. However, this can potentially circumvent democratic decision-making. (Pitas et al., 2018). Other considerations include the need for jurisdictions to “decide the extent to which sponsorship activities would occur (i.e., large-scale sponsorship of the entire agency or more targeted sponsorship of special events or programs), the type of sponsors solicited (i.e., local businesses vs. more prominent national brands) and the fit between the jurisdiction and sponsor” (Pitas et al., 2015,p 11).

Studies have shown varying degrees of support and opposition to corporate sponsorships. According to a survey of residents of the Fairfax County Park Authority in the DC Metro area, corporate sponsorships in spaces like visitor centers, athletic fields, and venues have been viewed positively by users. However, more opposition to sponsorships occurred for historic sites, trails, overlooks, and other natural spaces (Samnaliev et al., 2006 and Pitas et al., 2015). Assessing public support for and opposition to sponsorship over time can help government agencies understand whether there is a basis for initiating, growing, or terminating their sponsorship programs (Mowen et al., 2016).

5.10 Corporate Sponsorship

Findings from the Benchmark Jurisdictions

Six of the 22 (22.7%) benchmark jurisdictions that the MPA Team interviewed indicated that they use some form of corporate sponsorship to fund their deferred or ongoing maintenance needs. Three of these jurisdictions (Mecklenburg County, Cary, and Raleigh) are located in North Carolina.

The Town of Cary, North Carolina is actively involved in utilizing corporate sponsorships at its park and recreation facilities. The town has multiple high-profile facilities that are able to be operated and maintained due to the sponsorships that they have obtained. The most notable site is the WakeMed Soccer Park. This is a 150-acre facility, with a 10,000-person stadium, six additional lighted fields, several cross-country tracks, and other amenities. The $14.5 million facility was constructed in 2002 with funds from a county-wide tax. Maintenance for the facility was assumed by the town in 2004. In 2008, WakeMed, a healthcare system with facilities in and around Raleigh, acquired naming rights to the park and provided funds for a sizable renovation plan that took place in 2012 (Town of Cary, n.d.). Due to these renovations, the park is now used for many regional and national competitions and tournaments including NCAA College Cups and ACC Championships. WakeMed Soccer Park is also the home to the professional soccer team, North Carolina FC.

5.11 Making the Case for Funding

Findings from the Literature

Many strategies for funding parks and recreation deferred maintenance and capital projects depend on buy-in and approval from a jurisdiction's governing body. According to the National Recreation and Park Association, 99% of local government officials agree that their communities benefit from parks, and 83% agree that park and recreation services are worth the dollars spent on them (Mowen et al., 2017, pp. 4 & 10). However, a main concern of many local government officials is maintaining a strong economy, of which they may not see parks and recreation as a largest contributor. This can result in lower levels of support for parks and recreation activities by elected officials. It is, therefore, important for parks and recreation officials to make the case for why such activities deserve funding.

Parks and recreation experts can use data-driven strategies to convince governing bodies of the importance of adequately funding parks and recreation agencies. One approach that has had success is highlighting the importance of parks as a key element of a community's public health infrastructure. The National Recreation and Parks Association (NRPA) has compiled resources into a Communications Kit that local parks and recreation departments can use to provide their governing bodies with evidence-based information (NRPA, n.d.). For example, the NRPA provides a testimonial from a public health professor who states that "a great deal of evidence supports that living near a park can enhance physical, mental, and social health." (National Recreation and Parks Association, n.d.).

NRPA

NATIONAL RECREATION AND PARK ASSOCIATION

A jurisdiction can also point to the economic benefits of high-quality parks. Every other year, the NRPA publishes a report on "The Economic Impact of Local Parks". The most recent report found that in 2019, local parks and recreation agencies in North Carolina contributed $6,037,512,440 to the economic activity of the state (NRPA, 2022). The American Planning Association also found that local parks have positive economic impacts on communities through increasing real property values and municipal revenues, as well as attracting affluent retirees, knowledge workers, and homebuyers (Lewis, 2003).

5.11 Making the Case for Funding

Findings from the Literature cont.

Additional external sources of trusted information in the space of parks and recreation may be drawn from the Trust for Public Land and the National Parks Conservation Association (NPCA). For example, in 2019 the NPCA released their recommendations for addressing the deferred maintenance of the National Parks System. These recommendations include "provide investments to national parks in any infrastructure package" and "increase annual appropriations for NPS deferred maintenance through the Interior, Environment and Related Agencies appropriations bill" (National Parks Conservation Association, 2019). While the methods for addressing deferred maintenance at the federal level are not necessarily equivalent to the options for local government, the sentiment of the NPCA remains the same.

> *"For too long, the national parks have been undergoing infrastructure decline among their other funding needs. If Congress fails to fix the infrastructure in our national parks, it will cause the gradual loss of our natural and cultural heritage and the ability of the American public to enjoy and be inspired by it as preserved in our national parks, threatening the tourism economy and the preservation of our uniquely American heritage."*
>
> *- National Parks Conservation Association, 2019*

The literature also suggests that the consistent integration of performance measures throughout the budget process can have an impact on the success of communication of budget priorities (Melkers and Willoughby, 2005). In addition to data obtained externally, parks and recreation agencies should also use their own performance measures to support funding requests. The majority (57%) of local government performance measure users use these performance measures in funding decisions (Wang, 2008). While there are often limitations to the volume and quality of data that can be collected by local governments, states are increasingly using data-driven approaches to making funding decisions (Pew Charitable Trusts, 2018).

Findings from the Benchmark Jurisdictions

Nineteen of the 22 (86.3%) benchmark jurisdictions indicated that they felt that their parks and recreation departments are either fully or somewhat supported by their governing bodies.

Additionally, multiple benchmark jurisdictions cited the importance of gaining elected officials' support for funding changes. Mecklenburg County provided advice for gaining that support, including having a detailed fiscal strategy, citing input from community surveys, utilizing any Parks Advisory Committee who can advocate on behalf of the staff, and citing data from national benchmarks. The key is to have a data-driven, community-driven approach when making any major funding decision proposals.

RECOMMENDATIONS

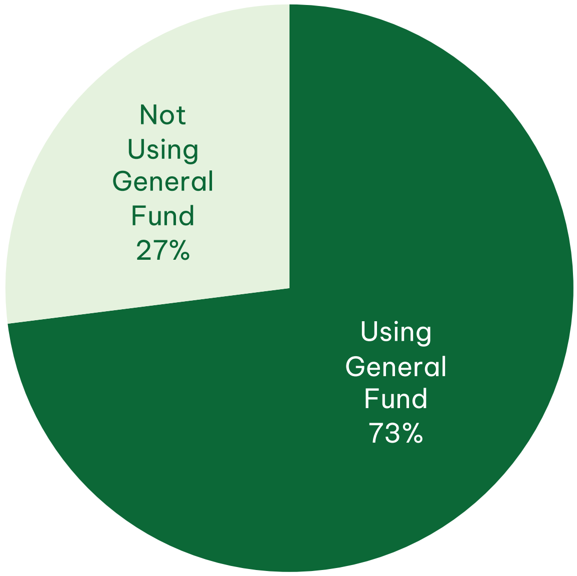
6.0 Recommendations

As established by the Scope of Work for this project, the MPA Team was tasked to evaluate the findings to make informed recommendations on how to address the deferred maintenance and capital projects backlog for the City of Greensboro Parks and Recreation Department. The MPA Team believes that each of the funding sources evaluated in this report have potential to help the department address its capital and deferred maintenance needs. However, some sources are more feasible than others. Therefore, the MPA Team has identified several key strategies it deems to be most feasible for achieving these important goals. Funding sources are considered particularly feasible if they were identified in the literature and benchmark findings as major instruments for financing capital projects and maintenance. While certain recommendations are not supported by the benchmark jurisdiction interviews, the MPA Team determined them to be feasible based on the strength of the support in the literature. Thus, the recommendations focus on the strategies that are commonly used and generate modest to large amounts of revenues. The remainder of this section will discuss each of the MPA Team's recommendations in detail.

6.1 Recommendations

Recommendation 1: Request General Fund Appropriations to Address Deferred Maintenance

Jurisdictions using General Fund Appropriations for Deferred Maintenance



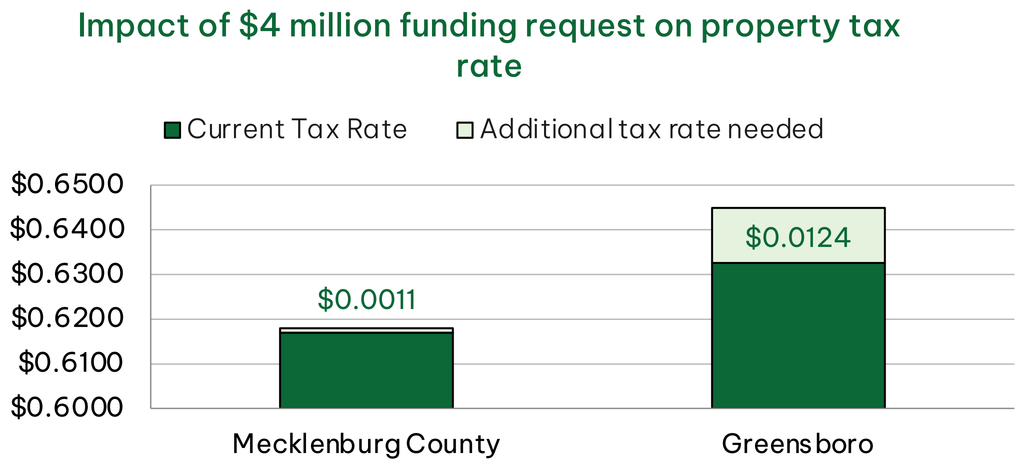
The MPA Team recommends that Greensboro request new funding through a general fund appropriation to address the deferred maintenance backlog in future budget cycles. General fund appropriations have been shown to be a sustainable approach to funding that, once appropriated, are at less risk of being eliminated in future fiscal years (Millonzi, 2018). The MPA Team recommends that the amount of the funding request is proportionate to the need of the department. Greensboro will likely not be able to address all of the deferred maintenance backlog funding needs in a single budget cycle.

The MPA Team recommends that Greensboro create a detailed funding strategy for the next 5-10 years that lays out how much additional funding would be required each year to eliminate the deferred maintenance backlog. In addition to eliminating the deferred maintenance backlog, the funding strategy should include considerations for addressing new and on-going maintenance needs. These considerations are important to ensure that the deferred maintenance backlog does not continue to grow to unsustainable levels. Requesting general fund appropriations to address deferred maintenance aligns with Greensboro's Parks and Recreation's Plan2Play Big Idea #1: Bring up the Basics. A key strategy of this Big Idea is to "Over time, upgrade all neighborhood parks and add new ways to play". Allocating additional, dedicated funding to address the deferred maintenance backlog would allow Greensboro to make the necessary upgrades in a more timely fashion.

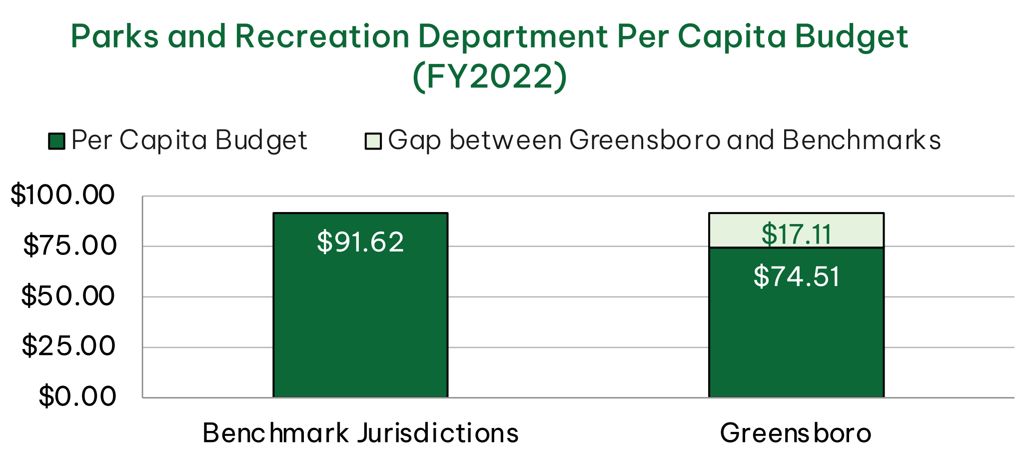
The MPA Team acknowledges that, in order to address a deferred maintenance backlog in excess of $20 million, the balances of general fund appropriation requests over the next several years will likely have to be large. It is not out of the question that the funding requests will be in line with those requested by Mecklenburg County in 2017 when it was trying to address a similar issue. Mecklenburg County received $4-4.5 million dollars per year for five years to both address the deferred maintenance and keep up with on-going maintenance.

6.1 Recommendations

This may be a similar amount to what the City of Greensboro may need to address their deferred maintenance backlog. However, for Mecklenburg County, the impact of that additional funding on the property tax rate is much smaller than the potential impact that level of new funding would have on Greensboro's tax rate. The chart below highlights the disparity of these impacts. Greensboro may need to take a slower approach to driving down the deferred maintenance backlog or consider multiple funding options to address the backlog.



General fund appropriations are the funding source that was cited by the most benchmark jurisdictions as an approach that can be successful for addressing deferred and ongoing maintenance needs. It is also an approach that is well-supported by the literature. As can be seen in the chart below, the jurisdictions that use this funding source have an average adopted parks and recreation budgets for fiscal year 2022 of $91.62 per capita, while Greensboro sits at $74.51 per capita for the same time period. This is a difference of $17.11 per capita spending. It may require significant additional general fund allocations from the property tax revenues in order to address Greensboro's deferred maintenance backlog. However, the chart highlights that additional funding may be necessary to be able to successfully meet the maintenance needs of parks and recreation facilities.



6.2 Recommendations

Recommendation 2: Pursue Federal and State Grants to Address New Capital Projects

The MPA Team recommends that the City of Greensboro seek assistance from federal and state public grants as a means of providing funding for new capital improvement projects. The literature shows that public grants can be used to support funding for new facilities or equipment and program implementation at parks and recreation facilities (National Parks and Recreation Association, 2022). Grants are also a major source of funding for local infrastructure projects (Chen, 2022). Indeed, most (72.7%) of the benchmark jurisdictions examined in this report utilized public grants to fund capital projects.

The City of Greensboro has been successful in obtaining some funding from a number of public grant opportunities, including the National Park Service and the American Rescue Plan Act. During the benchmark review process, the city of Norfolk, Virginia was identified as also using federal funds from the American Rescue Plan Act for parks and recreation financial support. The MPA Team applauds the City of Greensboro Parks and Recreation Department's efforts and encourages it to continue its grant seeking efforts. The search and application processes for grants can be tedious and time consuming (Chen, 2022). Therefore, the MPA Team recommends that the department consider hiring a grant coordinator who takes on the responsibility of identifying, applying for, and administering grant opportunities.

The MPA Team has identified several grant opportunities that are available for parks and recreation activities. The MPA Team recommends investigating a variety of state and federal public aid sources. As discussed in the findings section, organizations such as the North Carolina General Assembly, the North Carolina Division of Parks and Recreation, and the North Carolina Recreation and Parks Association have provided state-funded public assistance. It is important to note that some of these funding opportunities require a match. While a match may be an impediment, funds can be reallocated from the existing budget. For example, every $1 that is invested towards a capital funding grant will result in $2 once matched and obtained. Seen rather as an investment than an expense, this will increase the total funding amount available once the grant is received. Grants that desire a match are an investment that will require an open discussion amongst officials before application. Included on the next page are potential options for funding from the aforementioned organizations.

6.2 Recommendations

The North Carolina General Assembly

Accessibility for Parks Grant

https://www.ncparks.gov/about-us/grants/accessibility-parks-grant

This program provides funding for parks and recreation departments to benefit children and veterans with disabilities. Funds from this grant are eligible to be used for projects that improve accessibility to parks and recreation facilities. Local governments are able to apply for up to $500,000 in funding per application but must match $1 of local funds for every $5 in grant funds.

Parks and Recreation Trust Fund

https://www.ncparks.gov/about-us/grants/parks-and-recreation-trust-fund

This program awards matching grants for park and recreation improvements, public beach access, and improvement in quality of life for communities. It is one of the largest grant programs for parks and recreation in the state of North Carolina.

The North Carolina Division of Parks and Recreation

North Carolina Trails Program – Recreational Trails Program Grant

https://trails.nc.gov/trail-grants

This program awards funds to parks and recreation departments for the construction of trailway projects and/or the completion of safety and education objectives for the improvement of facilities and communities. A minimum of $10,000 and a maximum of $100,000 can be awarded for this grant depending on the project approved. There is a 25% match requirement for all funds received.

The North Carolina Recreation and Parks Association

New Initiative Grant

https://www.ncrpa.net/page/NewInitiativeGrant

This annually awarded mini-grant program provides $1,000 in funding to parks and recreation departments across the state for investments and improvements in current infrastructure.

Nourishing NC

https://www.ncrpa.net/page/63

This program is a partnership between the insurance company, Blue Cross Blue Shield, and the North Carolina Recreation and Parks Association to help jurisdictions across the state fund community gardening programs on parks and recreation land. The maximum amount of funding that can be received per jurisdiction annually is $3,000.

6.2 Recommendations

In addition to the state grant opportunities listed above and in the findings section, the MPA Team identified several federally funded public grant programs that offer jurisdictions funding for new capital financing projects and deferred maintenance. These grant opportunities can range from funding for deferred maintenance to COVID-19 relief to funding for accessibility projects or equitable upgrades. The US Department of the Interior and the National Park Service offers several relevant grant opportunities, including:

US Department of the Interior

Outdoor Recreation Legacy Partnership Grant
https://lwcfcoalition.org/orlp

This program provides funding to allow low-income, economically disadvantaged jurisdictions an opportunity to "...create new outdoor recreation spaces, reinvigorate existing parks, and form connections between people and the outdoors." There is a $300,000 award floor and a $10,000,000 award ceiling for proposed projects.

Battlefield Land Acquisition Grant
https://www.grants.gov/web/grants/search-grants.html?keywords=Parks%20and%20Recreation

This program grants funding for jurisdictions seeking support in the identification, preservation, and protection of historic battlefields within public or protected areas. This grant is awarded in various amounts depending on the identified project with $30,000 available as the award floor and $2,000,000 available as the maximum award amount

The National Park Service

Land and Water Conservation Grant
https://www.grants.gov/web/grants/view-opportunity.html?oppId=342812

This program grants funding to parks and recreation departments for the purpose of providing outdoor recreation opportunities to the public. This grant can be utilized in the development or renovation of existing parks facilities. There is a $300,000 award minimum and a $10,000,000 award maximum.

There are a variety of state-funded public grant programs and resources with which the City of Greensboro has the potential to participate. The North Carolina Division of Parks and Recreation has created a mapping software that locates grants and provides information about opportunities for funding assistance within the designated area of a jurisdiction. This technology streamlines the grant search process and provides a concise way to find funding assistance. In addition, this software is unique because it was designed specifically for connecting parks and recreation departments with a corresponding funding source. This interactive mapping software can be found here: https://ncsu.maps.arcgis.com/apps/webappviewer/index.html?id=d84531dfa7d740a2a84300f53fa5cf45

6.3 Recommendations

Recommendation 3: Pursue Municipal Bonds to Address Deferred Maintenance and New Capital Projects

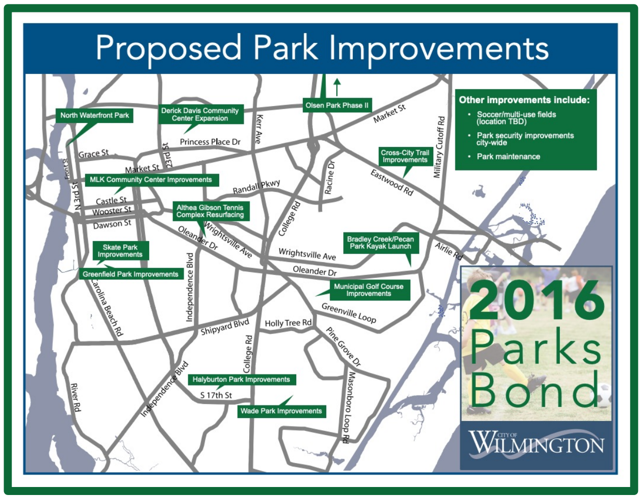
The MPA Team recommends that the Greensboro Parks and Recreation Department consider the use of municipal bonds to fund both deferred maintenance and capital projects. GO bonds, two-thirds bonds, and project development financing are all options currently being used by jurisdictions, including several in North Carolina. According to the interviews with benchmark jurisdictions, bonds are the third most common source of funding for capital projects behind general fund appropriations and grants and aid. GO bonds are tax-exempt and low risk since they are backed by the full faith of the issuer making them one of the most common funding methods that local governments use for capital improvements (Mathur, 2009). Since GO bonds are a way to finance long-term debt, it does not require that the jurisdiction has a reserve fund (Mathur, 2009).

One strategy that has been used in both Wilmington and Raleigh is to have a variety of projects in the GO bond proposal that address maintenance, needed improvements and capital projects. The city of Wilmington passed a $30.4 million Park Bond with 63.87% approval that covered both new projects and deferred maintenance (North Carolina State Board of Elections, 2016). There were 15 proposed projects to be covered by the GO bond which was approved by voters in 2016.

The Raleigh GO bond proposal for parks and recreation also included maintenance and improvement projects as part of a larger capital improvement plan. Raleigh voters approved a $275 million GO bond on November 8th, 2022, with 73.11% approval (North Carolina State Board of Elections, 2022). This was the largest bond ever for the parks department (Johnson, 2022). The bond also included funding for school projects and workforce development. The GO bond will fund a number of improvements to current parks and recreation facilities in addition to some new projects (Johnson, 2022). During the benchmark interviews, the Director of Raleigh Parks and Recreation explained that the city had previously prioritized new facilities instead of addressing repairs in historically vulnerable neighborhoods. The recently approved GO bond will allow the parks and recreation department to prioritize maintenance and improvements in many areas of the city that have been overlooked. Some of these improvements include projects to improve and expand greenways and trails.

6.3 Recommendations

This aligns with Greensboro Plan2Play Big Idea #8 Connect the Trail System and Big Idea #9: Improve Trails & Park Paths. Exploring the use of a GO bond, possibly as part of a larger multi-department bond proposal, would allow Greensboro Parks and Recreation to begin making headway on deferred maintenance and Plan2Play goals.



While a GO bond may not be an immediate solution due to the need for a voter referendum, the relatively low cost of GO bonds makes them an important avenue to consider. Raleigh and Wilmington are able to tackle a significant number of maintenance and improvement projects while also considering new capital projects due to the passage of GO bonds. The MPA Team recommends that the Client begin discussions about how bonds could benefit the community by decreasing the backlog of deferred maintenance.

6.4 Recommendations

Recommendation 4: Pursue Private Philanthropy through Nonprofit Partners to Address Deferred Maintenance and New Capital Projects

The MPA Team recommends that Greensboro explore private philanthropic relationships to assist with attaining grants and creating an endowment fund to support their deferred maintenance and capital improvement budgets. This approach can include creating and strengthening relationships with nonprofits that serve parks and their communities (Pitas et al., 2021) and is aligned with the Plan2Play Big Idea #6 Strengthen Partnerships. Nonprofits can provide unique support as public charities that are more flexible, responsive, and have the capacity to fundraise beyond the scope of a public jurisdiction. The literature supports that private funding of public parks is a mainstay for many government units (Walls, 2014; Cheng and Yang, 2018; Pitas et al., 2021), and nearly 50% of benchmark jurisdictions indicated using philanthropic sources of funding to support their parks and recreation budgets. While philanthropy can diversify and increase revenue sources, it should not be relied upon as a main funding approach as charitable giving trends can be inconsistent, restrictive, exacerbate inequality (Walls, 2014), and possibly impact future public funding allocations (Chen, 2017).

One area that Greensboro can leverage nonprofit partnership is to assist with grants, both in the application stage and as potential funders. The MPA Team recommends that Greensboro Parks and Recreation partner with nonprofit staff or their grants professionals to apply for private funding. Many private grants can only be received by 501(c)(3) nonprofits, so it is valuable for parks and recreation departments to have partnerships with these organizations (Pitas et al., 2021). Additionally, nonprofit partners can support grant applications by providing letters of support, co-writing joint applications, or creating matching grants (Walls, 2014). Establishing these partnerships can help a jurisdiction greatly reduce the administrative burden of applying for and managing grants.

6.4 Recommendations

Based on grants successfully received by the benchmark jurisdictions, the MPA Team recommends that Greensboro and nonprofit partners consider the following grantors (that are also nonprofits) for relationship building and exploration of funding opportunities:

National Recreation and Park Association

https://www.nrpa.org/our-work/Grant-Fundraising-Resources/

The Association's funding priorities include health and wellness, equity, and conservation.

Applicable grant programs for Greensboro's existing skatepark and tennis facilities could include The Skatepark Project or The United States Tennis Association Facility Services Program.

The North Carolina Community Foundation

https://www.nccommunityfoundation.org/apply/grants

The foundation administers the Endowment for Parks and Recreation in North Carolina (https://www.ncrpa.net/page/71), which makes annual distributions to encourage and assist the advancement of recreation and park services in NC.

KABOOM! Playground and Playspace Grants

https://kaboom.org/grants#open

These grants are implemented with community partners to build, open, or improve public spaces for children to play.

The City of Durham, NC partnered with KABOOM! to design and build a new play space. Community members presented ideas about their ideal neighborhood playground, and along with 250 volunteers, the City constructed the new facility.

The MPA Team also recommends that Greensboro explore working with nonprofit partners to open an endowment fund in benefit of the Greensboro Parks and Recreation Department. Three benchmarks (14%) specifically identified endowments as a funding source for their deferred maintenance and capital project budgets, with Wichita, KS receiving up to $2,000,000 per year from their local parks foundation's endowment. Crowdfunding could also be used to drive direct citizen engagement and fundraise from individual donors (Gasparro, 2018). Funds raised could then be invested in diversified long-term options with a community foundation or financial institution, much like the benchmark jurisdiction of Rock Hill, SC.

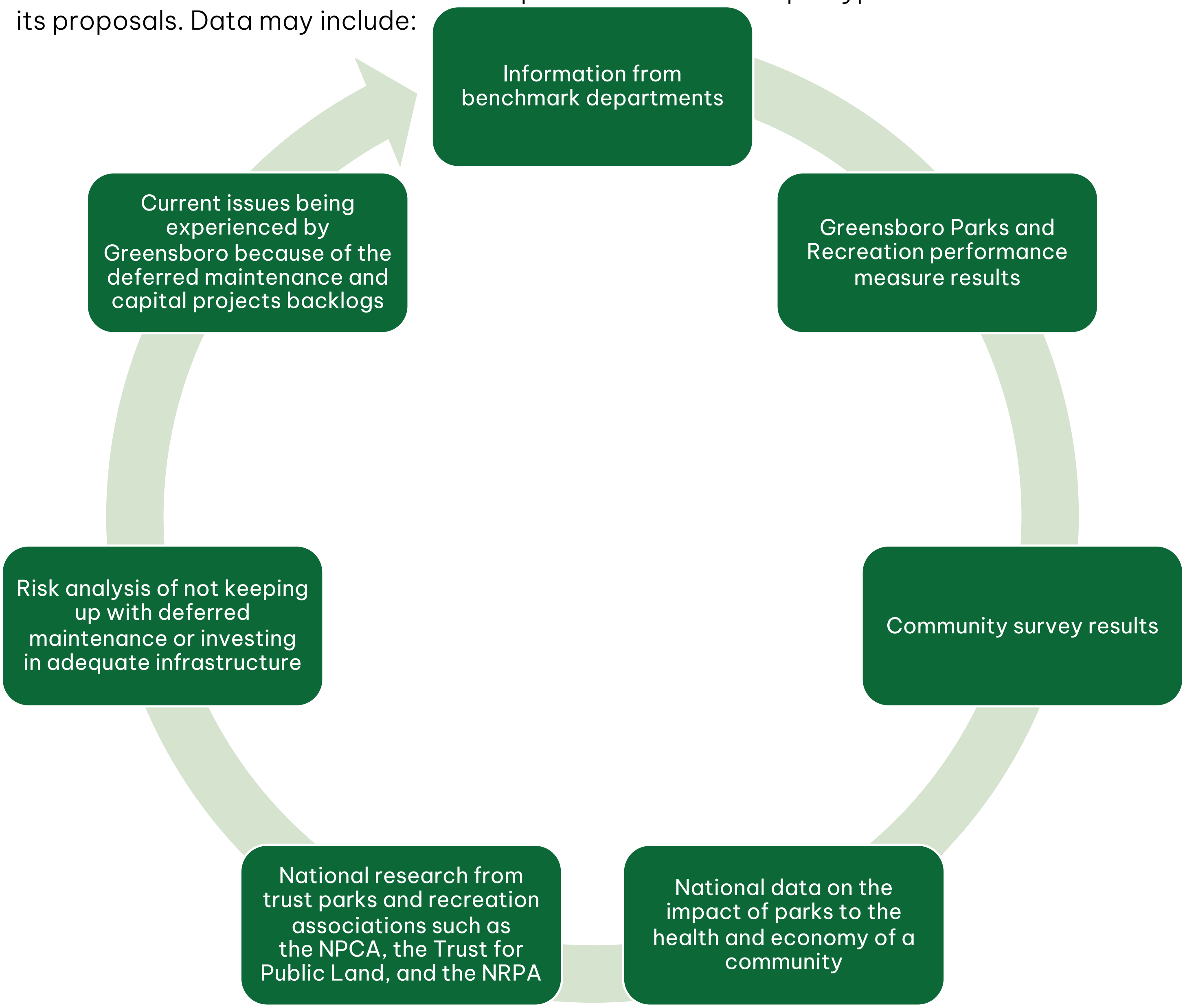
The MPA Team recognizes the existing positive relationships between the Client and the Friends of Greensboro Parks and Recreation Foundation (FGPRF) and Greensboro Downtown Parks. These two nonprofits have demonstrated fundraising success with combined total assets of approximately $1,300,000. Their missions state that they exist to serve the financial needs and overall success of the City's parks facilities (FGPRF, 2020; Greensboro Downtown Parks, 2020). The MPA Team recommends that Greensboro continue to foster relationships with these organizations while also pursuing additional partnerships, as these organizations may be resources for the department to pursue working with for grants and an endowment.

6.5 Recommendations

Recommendation 5: Use a Data-Driven Approach When Proposing New Funding Strategies

The MPA Team recommends that Greensboro be prepared to defend their selected funding strategies using a data-driven approach. Regardless of which funding source(s) the City of Greensboro Parks and Recreation Department elects to pursue, the department will need approval from some level of leadership. This leadership may be Parks and Recreation department leadership, the City Manager, the City Council, or all of the above. There may be political or logistical reasons behind why certain departments and projects have been historically underfunded. A data-driven approach may help counteract potentially ingrained attitudes or business practices.

The MPA Team recommends that the department utilize multiple types of data to advance its proposals. Data may include:



6.5 Recommendations

Leveraging both internal and external data sources to demonstrate how Greensboro compares to different benchmarks can add legitimacy to a new budgetary proposal request. Using external data to support a new policy position in particular can help call leadership's attention to the importance of addressing an issue. Pew Charitable Trusts' 2018 report, "How States Use Data to Inform Decisions" provides examples of several successes that local governments have had in using data-driven approaches to inform policy. This reporting provides details on how local government leaders have used data, such as to craft policy responses to problems. It also acknowledges the challenges of collecting and reporting data, with recommendations for combating these issues (Pew Charitable Trusts, 2018). In the benchmark interviews, Mecklenburg County recommended a multi-pronged, data-driven strategy when approaching elected officials. Their recommendations were to cite input from community surveys and data from national benchmarks. Performing community surveys and using the results to support funding requests aligns to Greensboro's Plan2Play Big Idea #6: Create Community Hearts. A key strategy of this Big Idea is to "Seek community input before investments are made to ensure local needs are met.

It would also be advantageous to use the Parks & Recreation Commission as a voice of support when making budget proposals. The Commission can be an advocate for parks and recreation department requests in a different way than department staff can be, since they directly report to the City Council. It is important for the Greensboro Parks and Recreationdepartment to maintain a strong, close relationship to the Commission so that they can draw on them for support when needed. Maintaining these relationships with the Commission aligns to Greensboro's Plan2Play Big Idea #4: Strengthen Partnerships.

6.5 Recommendations

Finally, the MPA Team recommends creating detailed plans of prioritization of projects and forecasted spending when making the case for using new funding strategies. These prioritizations should be made based on Greensboro's needs assessment of facilities, parks, and trails. For addressing deferred maintenance backlogs, it may be important for Greensboro to recommend a prioritization plan that puts addressing deferred maintenance needs before new projects. Greensboro can cite the successes of two North Carolina benchmark jurisdictions: Cary and Fayetteville. Both of these jurisdictions indicated that they prioritize funding new projects only if they have sufficient funding to maintain a $0 deferred maintenance balance. These jurisdictions focus on maintaining sustainable strategies for both maintenance and capital projects and share the philosophy of maintaining current assets before adding new ones.

Prioritizing deferred maintenance needs before new projects aligns to Greensboro's Parks and Recreation's Plan2Play Big Idea #1: Bring up the Basics. A key strategy of this Big Idea is to "Over time, upgrade all neighborhood parks and add new ways to play" (Parks and Recreation Plan2Play, n.d.). The order in which Greensboro chooses to update existing parks (including addressing deferred maintenance) versus new parks will depend on the prioritization that results from the needs assessment.

CONCLUSION

7.0 Conclusion

Parks and Recreation departments are an important part of local government functions. They support increased economic activity and help to instill a sense of place and pride in a community (National Recreation and Parks Association, 2022). Parks have health benefits as well (National Recreation and Parks Association, 2022; National Recreation and Parks Association, n.d.), giving residents access to activities such as walking, biking, recreational sports, etc. The greenspaces provided by parks also contribute to the environment by decreasing air pollution, which can further improve the health of residents (National Recreation and Parks Association, 2022).

If deferred maintenance is not properly managed, minor low-cost cosmetic repairs can become costly safety hazards in the future (Kim, 2022). Without adequate funding for deferred maintenance, Greensboro's Parks and and Recreation Department infrastructure will likely degrade, leading to higher future costs (Kim, 2022). Inadequate funding for capital projects is a major issue because it leads to stalled projects during critical stages or future deferred maintenance during the life cycle of the facility (National Parks Conservation Association, 2019).

7.0 Conclusion

The City of Greensboro Parks and Recreation Department recognizes the need to adequately fund capital projects and maintenance, so it tasked the MPA Team with the job of exploring possible solutions. The MPA Team made several recommendations in this regard, based upon successful practices identified in the literature and by benchmark parks and recreations departments. The MPA Team also made sure that recommendations aligned with the big ideas from Greensboro's Parks and Recreation Plan2Play Master Plan. These recommendations include:

- Request General Fund Appropriations to Address Deferred Maintenance
- Pursue Federal and State Grants to Address New Capital Projects
- Pursue Municipal Bonds to Address Deferred Maintenance and New Capital Projects
- Pursue Private Philanthropy through Nonprofit Partners to Address Deferred Maintenance and New Capital Projects
- Use a Data-Driven Approach When Proposing New Funding Strategies

Gaining adequate funding for capital projects and deferred maintenance is important for parks and recreation departments. Deteriorating or inadequate infrastructure can result in lower quality of life issues for citizens. The MPA Team commends the City of Greensboro Parks and Recreation Department for being proactive in its efforts to address the issue, and thanks the department for giving team members the opportunity to conduct the analysis in this report.

ACKNOWLEDGMENTS

8.0 Acknowledgements

The MPA Team would like to thank the City of Greensboro's Parks and Recreation Department for providing it with the opportunity to conduct analysis useful to the city and its citizens. The MPA Team would like to give special thanks to **Kobe Riley**, **Deanna Shoe**, and **Shawna Tillery** from the Greensboro Parks and Recreation Department for their commitment to the project as well as their accessibility and advice throughout the time period of the study.

In addition, the MPA Team would like to thank the professionals in the benchmark jurisdictions that participated in the study. The analysis could not have been conducted without their assistance.

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APPENDICES

10.1 Scope of Work

1. Introduction

The City of Greensboro Parks and Recreation Department (the “Client”) was established in 1933. The Department is advised by the Parks and Recreation Commission and currently has approximately 146 full-time equivalents (FTE).

The City of Greensboro Parks and Recreation Department is seeking a research project to explore funding options for deferred maintenance and capital projects. The Department’s existing deferred maintenance and capital projects backlog is in excess of $100 million. There is no dedicated funding source to address this need. The Department’s operating budget is funded on an annual basis through the City of Greensboro general fund. Historically, funding for deferred maintenance and capital projects occurs when General Obligation Bonds are passed. These are infrequent and not on a set schedule.

Students in the Gerald G. Fox Master of Public Administration (MPA) Program at UNC Charlotte have been asked to conduct research on benchmark organizations to find out how they address capital projects and deferred maintenance. The UNC Charlotte MPA team will synthesize findings from benchmark organizations and appropriate literature to make recommended solutions for the Department. This document outlines the goals for the MPA team, the list of tasks to be completed, limitations, timetable, and project deliverables.

2. Goals

The MPA team will seek to do the following in fulfillment of the partnership with the Client:

- Identify best practices for addressing deferred maintenance and capital projects across benchmark organizations
- Synthesize relevant literature and policy research regarding deferred maintenance and capital projects
- Evaluate findings to make informed recommendations on how to address the deferred maintenance and capital projects backlog

3. Tasks

Please note that tasks may be adjusted or added to this list, as the interview results or research dictates, to ensure thorough analysis and thoughtful recommendations. The specific tasks the MPA team will pursue are as follows:

- Research relevant academic literature and other available guidance for local governments related to best practices for deferred maintenance and capital projects funding strategies
- Identify benchmark organizations

10.1 Scope of Work

- Develop a list of interview questions regarding deferred maintenance and capital project funding options
- Conduct interviews with benchmark organizations
- Create an inventory of available resources, funding options, and implementation strategies related to addressing and funding deferred maintenance and capital projects
- Compile research into a report outlining recommendations to the Client about their best strategies for addressing and funding deferred maintenance and capital projects
- Provide a draft of the final report to the Client for review and comment
- Deliver the final report to the Client
- Give a presentation of the findings and recommendations to the Client
- Offer at least one meeting per month between the Client and the MPA team

4. Limitations

The following factors may limit the MPA team's research, reporting, and presentation:

- The amount of time allotted for the MPA team to complete the project is limited to the Fall 2022 semester.
- The tentative dates provided in this scope of work are subject to change in accordance with requirements for the MPA team.

5. Deliverables

The following represents the deliverables of this project for the Client.

- Scope of Work
- Interview Questions as distributed to benchmark organizations
- Summary of Interviews with benchmark organizations
- Data Collected from benchmark organizations
- Draft Report for review
- Final Report
- Final Presentation and associated handouts

[illegible] 9/12/2022

The City of Greensboro Parks and Recreation Dept. Representative Date

Megan M. Trawick 9/13/22

Megan Trawick, UNC Charlotte MPA Team Representative Date

10.2 Timeline

Send draft Scope of Work to Client	September 7, 2022
Feedback from Client on Scope of Work	September 9, 2022
Final Client approval on Scope of Work	September 12, 2022
Send finalized Scope of Work to Client	September 13, 2022
Send benchmark organizations to Client	September 21, 2022
Send interview questions to Client	September 21, 2022
Client approval of organizations and questions	September 23, 2022
Team meet with client	October 7, 2022
Interviews and literature review complete	October 10, 2022
Team meet with client	October 21, 2022
Draft #1 complete for professors	October 24, 2022
Draft #2 complete for professors	October 31, 2022
Draft #3 complete for professors	November 7, 2022
Draft of report to the Client for review	November 18, 2022
Draft presentation finished	November 22, 2022
Report feedback back from Client	November 28, 2022
Draft presentation to class	November 29, 2022
Final report and presentation to Client	December 13, 2022

10.3 List of Benchmark Jurisdictions

Primary Jurisdictions:

Fort Wayne, IN
Wichita, KS
St. Louis, MO
Buffalo, NY
Toledo, OH
Cincinnati, OH
Richmond, VA
Arlington County, VA
Asheville, NC
Cary, NC
Durham, NC
Fayetteville, NC

Raleigh, NC
Wilmington, NC
Winston-Salem, NC
Rock Hill, SC
Union County, NC
Gaston County, NC
Mecklenburg County, NC
Augusta, GA
Chattanooga, TN
Knoxville, TN
Newport News, VA
Norfolk, VA

Alternate Jurisdictions:

Wake County, NC
Forsyth County, NC
St. Petersburg, FL

Lexington-Fayette, KY
Chesapeake, VA
Virginia Beach, VA

All jurisdictions above were contacted by the MPA Team. Primary jurisdictions were contacted first, as they were preferred by the client, and alternative jurisdictions as a backup. Of these 30 jurisdictions, 22 responded and are listed below.

Benchmark Jurisdictions who Participated in Survey or Interview:

Fort Wayne, IN
Wichita, KS
St. Louis, MO
Toledo, OH
Richmond, VA
Arlington County, VA
Cary, NC,
Durham, NC
Fayetteville, NC
Raleigh, NC
Wilmington, NC

Winston-Salem, NC
Rock Hill, SC
Union County, NC
Gaston County, NC
Mecklenburg County, NC
Augusta, GA
Chattanooga, TN
Newport News, VA
Norfolk, VA
St. Petersburg, FL
Virginia Beach, VA

10.4 Interview Questions

Name of Government:

We ask that you answer these questions using the fiscal year of your municipality's most recently approved budget. Please indicate the time period covered by that fiscal year:

Is your parks and recreation department accredited through the Commission for Accreditation of Parks and Recreation Agencies (CAPRA)?

Yes ◯

No ◯

What is your government's bond rating?

What is the approximate amount of your department's current annual operating budget?

Please select the choice that best reflects your personal opinion.

	N/A	No	Somewhat	Yes
I am satisfied with our department's funding.	◯	◯	◯	◯
I feel our department is well supported by the governing body.	◯	◯	◯	◯
Voters are generally supportive of our bond referendums.	◯	◯	◯	◯

How many parks and recreation facilities does your department manage?

What types of facilities does your department manage (e.g. pools, parks, greenways, fields)?

What is the approximate annual revenue from fees generated by your department's services, such as park rentals?

Does your department retain those service fees? If so, for what purposes can they be used?

10.4 Interview Questions

Deferred maintenance is defined as work that has been deferred on a planned or unplanned basis to a future budget cycle or postponed until funds are available. Does your department have a deferred maintenance balance?

Yes ◯

No ◯

What is the approximate dollar value of your department's current deferred maintenance balance?

How is deferred maintenance typically funded in your department (e.g. general fund appropriation, user fees, bonds, etc.)? What percentage typically comes from each source?

Is there fund balance or special tax available to support deferred maintenance initiatives?

If so, is there willingness among the governing body to use the fund balance for deferred maintenance?

Are you aware of concerns from elected officials, government staff, or citizens about the amount of deferred maintenance backlog?

Is there a line-item for capital investments in your department's budget?

Yes ◯

No ◯

How are your department's capital projects typically funded (bonds, grants, bank loans, etc.)? What percentage typically comes from each source?

What is the approximate value of proposed projects in your department's capital improvement plan?

Does your department receive funding from any private sources like corporations, foundations, or private grant making? If so, please describe.

What other funding methods or financing techniques has your department considered (e.g. Certificates of participation, institutional investment funds, Pay-As-You-Go, etc.)?

Does your department have a cost recovery policy?

Is there any additional information that you believe would be helpful in our research?

10.5 Benchmark Jurisdictions Financial Data (Financial Data)

Municipality	FY23 Budget	P&R FY23 Budget	% P&R of FY23 Budget	P&R Spending per Capita FY22	FY22 Budget	P&R FY22 Budget	% P&R of FY23 Budget
Greensboro, NC	**$ 688,260,220**	**$ 22,044,585**	**3.20%**	**$ 74.51**	**$ 625,791,520**	**$ 22,223,891**	**3.55%**
Arlington County, VA	$ 1,498,866,793	$ 53,154,373	3.55%	$ 214.25	$ 1,801,471,472	$ 49,912,920	2.77%
Augusta, GA				$ 88.42	$ 1,000,839,830	$ 17,871,560	1.79%
Cary, NC	$ 443,597,881	$ 22,336,793	5.04%	$ 45.47	$ 400,134,869	$ 8,047,000	2.01%
Chattanooga, TN				$ 65.85	$ 317,742,875	$ 11,992,412	3.77%
Durham, NC	$ 570,395,998	$ 18,692,373	3.28%	$ 64.91	$ 529,737,660	$ 18,533,173	3.50%
Fayetteville, NC	$ 249,173,980	$ 26,495,405	10.63%	$ 113.85	$ 240,304,955	$ 23,770,045	9.89%
Fort Wayne, IN	$ 271,859,363	$ 22,414,287	8.24%	$ 75.89	$ 246,555,705	$ 20,184,078	8.19%
Gaston County	$ 361,246,335	$ 3,242,052	0.90%	$ 10.70	$ 342,429,382	$ 2,470,404	0.72%
Mecklenburg County, NC	$ 2,162,471,435	$ 59,163,552	2.74%	$ 54.10	$ 2,017,276,940	$ 60,711,294	3.01%
Newport News, VA				$ 121.59	$ 838,391,221	$ 22,444,558	2.68%
Norfolk, VA	$ 1,008,355,624	$ 18,010,193	1.79%	$ 64.97	$ 929,181,090	$ 15,274,366	1.64%
Raleigh, NC	$ 1,144,208,162	$ 60,780,068	5.31%	$ 116.24	$ 1,069,833,785	$ 54,530,845	5.10%
Richmond, VA	$ 838,715,828	$ 22,233,291	2.65%	$ 82.99	$ 772,831,959	$ 18,805,233	2.43%
Rock Hill, SC	$ 275,911,517	$ 10,066,439	3.65%	$ 209.08	$ 262,981,010	$ 15,493,365	5.89%
St. Louis, MO	$ 1,232,851,506	$ 38,083,467	3.09%	$ 121.55	$ 1,153,649,359	$ 35,652,856	3.09%
St. Petersburg, FL				$ 168.20	$ 711,215,762	$ 43,430,635	6.11%
Toledo, OH				$ 8.02	$ 890,082,734	$ 2,152,767	0.24%
Union County	$ 540,936,496	$ 1,923,433	0.36%	$ 6.28	$ 510,289,544	$ 1,529,811	0.30%
Virginia Beach, VA	$ 2,456,330,307	$ 61,920,837	2.52%	$ 127.92	$ 2,296,760,413	$ 58,544,387	2.55%
Wichita, KS	$ 670,668,931	$ 27,844,199	4.15%	$ 54.29	$ 629,661,161	$ 21,483,433	3.41%
Wilmington, NC	$ 251,158,559	$ 11,124,719	4.43%	$ 90.12	$ 242,237,114	$ 10,601,781	4.38%
Winston-Salem, NC	$ 627,645,650	$ 50,087,180	7.98%	$ 89.91	$ 532,247,790	$ 22,506,470	4.23%
AVERAGE	**$ 859,082,021**	**$ 29,857,215**	**4.13%**	**$ 90.66**	**$ 806,175,301**	**$ 24,361,063**	**3.53%**
MEDIAN	**$ 627,645,650**	**$ 22,414,287**	**3.55%**	**$ 85.70**	**$ 670,438,462**	**$ 19,494,656**	**3.05%**

10.5 Benchmark Jurisdictions Financial Data (Demographic Data)

Municipality	Pop Est 2021	Median Household Income	Pop per sq mi 2020	% Poverty	Sq Mi
Greensboro, NC	**298,263**	**$ 49,492**	**2,307.7**	**18.4%**	**129.58**
Arlington County, VA	232,965	$ 122,604	9,179.6	6.0%	26.00
Augusta, GA	202,123	$ 43,759	688.5	23.2%	302.47
Cary, NC	176,987	$ 107,463	2,949.7	4.7%	59.23
Chattanooga, TN	182,113	$ 47,165	1,272.2	17.6%	142.35
Durham, NC	285,527	$ 61,962	2,513.6	14.2%	112.79
Fayetteville, NC	208,778	$ 46,321	1,406.3	19.9%	148.26
Fort Wayne, IN	265,974	$ 51,454	2,382.8	15.5%	110.74
Gaston County	230,856	$ 53,474	640.7	11.8%	355.75
Mecklenburg County, NC	1,122,276	$ 69,240	2,130.4	11.0%	523.61
Newport News, VA	184,587	$ 54,511	2,699.7	14.8%	68.99
Norfolk, VA	235,089	$ 53,026	4,467.5	17.8%	53.28
Raleigh, NC	469,124	$ 69,720	3,178.9	11.8%	147.12
Richmond, VA	226,604	$ 51,421	3,781.6	20.9%	59.93
Rock Hill, SC	74,102	$ 51,874	1,907.3	14.8%	38.99
St. Louis, MO	293,310	$ 45,782	4,885.0	20.4%	61.74
St. Petersburg, FL	258,201	$ 60,798	4,178.7	11.6%	61.82
Toledo, OH	268,508	$ 39,155	3,365.4	25.6%	80.49
Union County	243,648	$ 82,557	376.6	7.0%	632.74
Virginia Beach, VA	457,672	$ 78,136	1,877.5	7.2%	244.72
Wichita, KS	395,699	$ 53,466	2,454.0	15.5%	161.99
Wilmington, NC	117,643	$ 51,137	2,245.9	19.2%	51.41
Winston-Salem, NC	250,320	$ 47,269	1,880.8	19.2%	132.68
AVERAGE	**290,096**	**$ 61,013**	**2,748.3**	**15.0%**	**162.60**
MEDIAN	**239,369**	**$ 53,246**	**2,418.4**	**15.2%**	**111.77**

10.6 Benchmark Jurisdictions Funding Sources Used

Funding Sources for Deferred Maintenance	General Fund Appropriations	Philanthropy	Municipal Bonds	User Fees	Non-Reverting Funds	Dedicated Sales Tax	Bank Loans & Installment Financing	Powell Bill Funds	Public Grants & Aid	CIP
Arlington County, VA*	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Augusta, GA*	✓	✗	✗	✗	✗	✓	✗	✗	✓	✗
Cary, NC*	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Chattanooga, TN	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓
Durham, NC	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Fayetteville, NC*	✓	✗	✗	✗	✗	✗	✗	✗	✗	✓
Fort Wayne, IN	✓	✗	✓	✗	✗	✗	✗	✗	✓	✗
Gaston County, NC*	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗
Mecklenburg County, NC*	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Newport News, VA	✓	✗	✗	✗	✗	✗	✗	✗	✗	✓
Norfolk, VA*	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓
Raleigh, NC	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Richmond, VA	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓
Rock Hill, SC	✓	✓	✗	✗	✗	✗	✗	✗	✓	✗
St. Louis, MO*	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
St. Petersburg, FL	✓	✗	✗	✗	✗	✓	✗	✗	✗	✗
Toledo, OH	✓	✗	✗	✗	✗	✗	✗	✗	✓	✗
Union County, NC*	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Virginia Beach, VA	✓	✗	✗	✗	✗	✗	✗	✗	✗	✓
Wichita, KS	✓	✗	✗	✗	✗	✗	✗	✗	✗	✓
Wilmington, NC	✓	✗	✓	✗	✗	✗	✗	✗	✗	✓
Winston-Salem, NC	✗	✗	✓	✗	✗	✗	✗	✗	✓	✗
Totals	16	1	3	0	0	2	0	0	6	8

10.6 Benchmark Jurisdictions Funding Sources Used

Funding Sources for Capital									
	General Fund Appropriations	Philanthropy	Municipal Bonds	User Fees	Non-Reverting Funds	Dedicated Sales Tax	Bank Loans & Installment Financing	Powell Bill Funds	Public Grants & Aid
Arlington County, VA	✔	✔	✔	✘	✘	✘	✘	✘	✘
Augusta, GA	✔	✘	✘	✘	✘	✔	✘	✘	✔
Cary, NC	✔	✘	✔	✔	✘	✘	✘	✘	✔
Chattanooga, TN	✔	✘	✘	✘	✘	✘	✘	✘	✘
Durham, NC	✘	✘	✔	✔	✘	✘	✔	✘	✔
Fayetteville, NC	✔	✘	✘	✘	✘	✘	✘	✘	✔
Fort Wayne, IN	✔	✔	✘	✘	✘	✘	✘	✘	✔
Gaston County, NC	✔	✘	✘	✘	✘	✘	✘	✘	✔
Mecklenburg County, NC	✔	✔	✘	✘	✘	✘	✘	✘	✔
Newport News, VA	✔	✘	✔	✘	✘	✘	✘	✘	✘
Norfolk, VA	✘	✘	✘	✘	✘	✘	✘	✘	✔
Raleigh, NC	✘	✔	✔	✘	✘	✘	✘	✘	✔
Richmond, VA	✔	✔	✔	✘	✘	✘	✘	✘	✘
Rock Hill, SC	✔	✔	✔	✘	✘	✔	✘	✘	✘
St. Louis, MO	✘	✔	✘	✘	✘	✘	✘	✘	✔
St. Petersburg, FL	✔	✔	✔	✘	✘	✘	✔	✘	✔
Toledo, OH	✔	✔	✘	✘	✘	✘	✘	✘	✔
Union County, NC	✔	✘	✘	✘	✘	✘	✘	✘	✔
Virginia Beach, VA	✔	✘	✔	✘	✘	✘	✔	✘	✔
Wichita, KS	✔	✘	✔	✔	✘	✔	✘	✘	✔
Wilmington, NC	✔	✘	✔	✘	✘	✘	✘	✘	✘
Winston-Salem, NC	✔	✘	✔	✘	✘	✘	✘	✘	✔
Totals	18	9	12	3	0	3	3	0	16