

## Building a better operating budget

By Don Savard, CSFM, CGM

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Every year schools, park departments and other organizations that operate Facility Management Departments create operating budgets for their next fiscal year. When financial officers attempt to connect dollar amounts to the maintenance and operation of a sports field or grounds department, sometimes the most crucial details are missed. Worse yet, the input of an experienced grounds or sports field manager is often underutilized and the result is an underfunded budget and an inadequate grounds maintenance program.

Budget conscious sports field and grounds managers who know their costs can provide invaluable information for creating an operating budget.

A budget is nothing more than a plan described in financial terms. There are two sides to a budget, the money you have to spend or the revenue side and what you are going to spend it on or the expense side. These two sides must equal (or balance). Operating budgets or expense budgets list the primary activities undertaken by a unit to achieve its goals, convert them into line items and allocate a dollar amount to each.

There are a couple of ways to begin when creating a budget. A traditional way is an Incremental Budget, taking last year's budget and inflating it by a percentage, adjusting each line item until it balances. Another way is to list all of your projected activities and find the costs and justify the request for funding. This is called a Zero Base Budget. Both methods have advantages and disadvantages.

Many budget administrators use the Incremental Budget approach because it is simple and easy to understand. The budget remains stable from year to year and change is gradual. Managers can continue to operate



# FACILITY & OPERATIONS

their departments as they have before. But if there were problems, such as waste or underfunding, they will likely remain.

The Zero Base method is the reverse. Rather than building from the previous year's budget, every projected activity and expense is listed from scratch, and every line item must be justified. This approach requires more time and effort but if done correctly results in a right sized and more accurate budget. Zero-based

budgeting is useful for grounds and facilities departments to show to the administration or management what the costs really are, especially where the output is difficult to identify and all expenditures are looked at as overhead.

Regardless of which budget method you use, there are certain steps necessary to gather the information needed to build a budget that works. You must know how the site will be used. For example, is it an open space used for a

variety of activities, or will it be used for a single purpose such as baseball games? What are the expectations of the owner? Will certain rules or conditions apply such as the amount and severity of use, non sports activities such as concerts or use during inclement weather? Different sites will have different budgets based on their maintenance levels. Find out the expectation of the owner first. Without the support of the owner, you might waste your time to budgeting

## Here's an example, using a Level 3 maintenance program:

### Mowing

- Mow 2 times per week or as needed to maintain 2-inch mowing height year round
- Never removing more than 1/3 growth at any time
- Sharp mower blade
- Alternate mowing pattern each time
- Remove excess clippings as needed

### Irrigation

- Maintain soil moisture equivalent of one inch rainfall per week using sprinklers as needed

### Nutrient Management and Pest Management

- Annually; 3.75 lbs./1000 sq. ft. Nitrogen and Potassium,

- 1 lb./1000 sq. ft. Phosphorus, based on soil test results
- Pest control products as required

### Aeration

- Deep root aeration in spring and fall
- Aerate monthly, or more as required
- Other aeration methods employed as required
- Machine seeding in the spring and fall during optimum time
- Overseeding wear areas weekly during growth periods

### Sports fields: Level 3 Maintenance

- In compliance with sport specific regulations and standards
- Clean, safe, playable and in good repair
- Game lines: always visible, fresh for games
- Field repairs: made promptly as required

## Pest Management Economic Thresholds (Sample)

PEST	COUNT OR % SQ. FT. OF AREAS	ACTION LEVEL	CONTROL TREATMENT	POPULATION REQUIRED FOR PROACTIVE TREATMENT NEXT SEASON
Diseases: Brown Patch, Gray Leaf spot, Pythium	3-4%	5%	5%	No program
Surface Feeding Insects: Chinch bugs, Sod Webworm	2 insects	2 insects	4-5 insects	4-5 insects
White Grubs:	3-4 larvae	3-4 larvae	5-6 larvae	5-6 larvae
Green June Beetle Grub	1 larvae	1 larvae	2 larvae	2 larvae
Broadleaf Weeds	2-3%	2-3%	2-5%	No Program
Grassy Weeds	2-3%	2-3%	2-3%	3-4%



for a different level than what your owner envisions.

Consider the following differences in maintenance levels:

Level 1 Showpiece facility (professional sports facility)

Level 2 Comprehensive stewardship (College facility or high end sports facility)

Level 3 Managed care (well maintained high school or park)

Level 4 Reactive management (minimal care, mowing, no irrigation, occasional fertilizer)

Level 5 Crisis response (neglected, occasional mowing)

After you know what maintenance level to provide, this is the information you need to find:

- Complete chemical and physical soil testing results for accurate plant nutrition and soil management.
- Area measurements to help you determine how much product to buy as well as predict the time needed to complete tasks.
- Identification of the grass types for fertilizer requirements, seed and sod selection plus task management.
- Identification of weed, insect and disease pressures for control product selection and timing.
- An irrigation audit to quantify the effectiveness of the irrigation system and the drainage of the soil.
- The amount of use, type of use, time of year the use occurs, and under what conditions to plan your schedule.
- The effectiveness of the current maintenance program so you can make the appropriate changes.

Consider the thresholds for acceptable wear damage, weeds or pest pressures that you will tolerate before corrective measures will be taken? Think about what can go wrong plus how and when you would respond.

Next, conduct an inventory of your resources. This includes the people who will do the work, as well as the equipment, materials, and time to get the work done. You will also need to find out how much money was spent in the past and whether it was adequate. All of this information will be used to create a program that satisfies both needs and wants.

At this point you are ready to write your maintenance program. Make a list of all the activities in your program. For each activity list:

- the frequency of each activity
- number of people and the man-hours required and the cost
- time constraints
- the equipment needed and cost materials needed and the cost

To graphically illustrate your program,

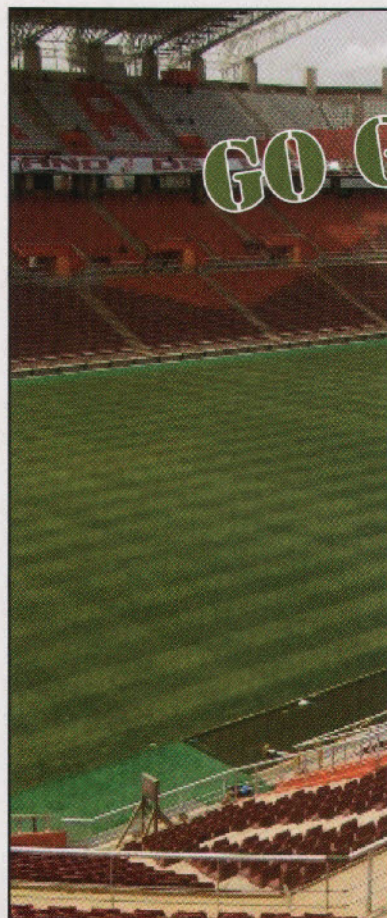
create a calendar showing when the activities will occur. This visual aid is helpful for scheduling resources and time around scheduled events. It will help you paint a realistic picture of what tasks your organization can do in-house, or whether you should outsource or eliminate.

The information obtained from the activities list is the nuts and bolts of your operating budget. Be sure to include any overhead expenses that your operation is charged, such as rent, utilities, or other line items. A spread sheet program on your computer will help you organize your data. Remember that you will have to present this to the financial people, so keep it simple but complete; and above all, neat and easy to read. Check your figures carefully and submit your budget. Expect one of the following scenarios:

- They need more information.
- They want you to redo all or part of it.
- They rejected it outright.
- They bought it, you are done!

*Don Savard, CSFM, CGM, is athletic facility/grounds manager for Salesianum School, Wilmington, DE. ■*

See charts on page 22

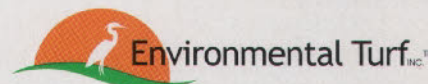


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- Use less fertilizer
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# FACILITY & OPERATIONS

Setup/ take down baseball	2X	40 hours	\$35	Utility cart	\$6.60	Dirt, clay, paint	\$2.50/sf.
Setup/ take down lacrosse	2X	20 hours	\$35	Utility cart	\$6.60	Paint	\$35/field
Setup/ take down football	2X	30 hours	\$35	Utility cart	\$6.60	Paint	\$35/field
Setup/ take down soccer	2X	20 hours	\$35	Utility cart	\$6.60	Paint	\$35/field
Game prep	150 X	4 hours	\$35	Utility cart	\$6.60	Paint	\$35/field
Fertilize	5X	5 hours	\$35	Tractor, spreader	\$12.00	Fertilizer	\$75/field
Weed control	4X	5 hours	\$35	Tractor, sprayer	\$12.00	herbicide	\$100/field
Insecticide	1X	5 hours	\$35	Tractor, sprayer	\$12.00	Insecticide	\$200/field
Field repair	As needed		\$35	Utility cart	\$6.60	Soil, sod	\$1.10 /sf.
Aeration	7X	8 hours	\$35	Tractor, aerator	\$12.00	None	3cents/sf.
Deeptine aeration	2X			Outsourced	\$1500.00	None	3cents/sf.
Overseed	11X	8 hours	\$35	Tractor, seeder	\$12.00	Seed	\$6.50/Msf.
Irrigation	As needed	.75 hours	\$35	Water reel		Water	\$100.00
Mow	66X	5 hours	\$35	Mowers	\$17.00	None	n/a
Litter removal	Daily 300X	1.5 hours	\$35	Utility cart	\$6.60	None	n/a

Sports Field Task Analysis (Sample)

BUDGET (Sample)	Expense		Revenue
Total for Budget			\$208,115.00
EXPENDITURES- Maintenance & Operations			
Grounds/Athletic			
Turf Mowing	\$14,000.00		
Turf Mechanical Services	\$15,000.00		
Sod Installation	\$13,200.00		
Cleanups	\$3,300.00		
Excavation & Trucking	\$700.00		
Grounds Supplies	\$2,000.00		
Grounds Materials	\$14,000.00		
Sod	\$200.00		
Baseball Materials	\$1,500.00		
Field Marking Paint	\$800.00		
Hard Goods Purchases	\$1,000.00		
Equipment Rental	\$250.00		
Soil, Sand, Gravel	\$1,500.00		
Soil, Tissue Testing	\$100.00		
Miscellaneous	\$500.00		
Grounds/Athletic Subtotal		\$68,050.00	
Grounds Equipment			
Purchases	\$7,500.00		
Repairs	\$1,115.00		
Fuel	\$2,000.00		
Grounds Equipment Subtotal		\$10,615.00	
Water- Irrigation			
Water	\$6,000		
Water- Irrigation Subtotal		\$6,000.00	
Vehicle Service			
Maintenance/Repairs	\$4,000.00		
Insurance	\$7,000.00		
Truck Lease Expense	\$15,000.00		
Fuel	\$3,000.00		
Vehicle Service Subtotal		\$29,000.00	
Total for Expenditure- M&O		\$113,665.00	
EXPENDITURES- General& Administrative-			
Payroll	\$60,000.00		
Benefits	\$24,000.00		
Office Supplies	\$400.00		
Telephone	\$1200.00		
Postage/Mailing	\$150.00		
Travel	\$2,500.00		
Training	\$1,200.00		
Publications & Memberships	\$600.00		
Furnishings	\$1,500.00		
Uniforms	\$900.00		
Miscellaneous	\$2,000.00		
G&A Subtotal		\$94,450.00	
Total for Expenditure-G&A		\$94,450.00	
Total for Expenditure-M&O+G&A		\$208,115.00	
Net Surplus (Deficit)			\$0.00