



REPORT/RECOMMENDATION

To: City Council	Agenda Item <u>Item No. VII. E.</u>
From: John Keprios, Director Parks & Recreation Department	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion <input type="checkbox"/> Information
Date: August 21, 2012	
Subject: User Fee Policy	

ACTION REQUESTED:

The Park Board recommends approval of the attached City of Edina Per Participant User Fee Policy.

INFORMATION/BACKGROUND:

The Park Board discussed the User Fee Policy Working Group's proposal at their June 12, 2012 meeting and a copy of those minutes is attached. At their July 10, 2012 meeting, the Park Board passed a motion unanimously to approve the User Fee Policy Working Group's recommendations plus the changes proposed by the Park Board. A copy of those meeting minutes is attached.

The Working Group was led by Park Board Chairperson Keeya Steel. The Working Group met with youth athletic association presidents on a Sunday evening to get their feedback on the proposed policy which addresses primarily the per participant user fee that affects participants in Edina's youth athletic association programs that use City of Edina athletic facilities.

After lengthy discussion, debate and changes to the Working Group's original proposal, the Park Board agreed to recommend the attached proposed policy for the City Council's consideration.

Staff supports the proposed policy.

ATTACHMENTS:

- User Fee Working Group's Recommendation 5/16/2012
- User Fee Policy Working Group Recommendations Section of the June 12, 2012 Park Board Minutes
- User Fee Policy Working Group Recommendations Section of the July 10, 2012 Park Board Minutes

Mission of the User Fees Working Group

The Working Group will evaluate current fee scales and costs associated with facility use, while also developing policy that may be currently lacking for potential user groups.

Background

The City's current practice of reporting Park and Recreation Department expenses related to athletic associations' use of City facilities did not allow us to determine variable costs by athletic association.

The City has four documents outlining the City's relationship with its youth athletic associations: *Priority Use of Edina's Scheduled Outdoor Athletic Facilities Policy (2007)*, *Priority Use of the Edina School District's Gymnasiums Policy (2007)*, *Priority Use of the Edina Aquatic Center Facility Policy (2012)*, and the *Relationship Document (2012)*.

Per participant user fees currently are assessed to all youth athletic associations that use outdoor athletic facilities¹ or gymnasiums. The Park Board recently increased the per participant user fee to \$11 per participant for 2012, up from \$9 in 2011. Total revenue from per participant user fees for youth athletic associations in 2010 was \$95,697. Total revenue from participant user fees for City adult athletic program in 2010 was \$14,368. *Appendix A* lists Edina youth athletic associations, the facilities they use, whether or not they pay the per participant user fee, estimated participants and any hourly fees that they pay.

The hockey association is assessed a per participant user fee in addition to a fee for the use of the Braemar facility, because the association also uses the outdoor hockey rinks.

Youth athletic associations may rent City and Edina Public Schools gyms, in addition to paying the per participant user fee.

In 2010, the City's total field maintenance cost was \$327,171.

Following a review of the City Council's 2012 revision of the Priority Use of the Edina Aquatic Center Facility Policy and the Relationship Document, the working group discovered two discrepancies:

1. The Relationship Document provides an exception to team eligibility for the Swim Club. Other clubs make decisions based on ability as well, but are not included in this exception – the Edina Volleyball Association and Edina Soccer Club.
2. Edina Basketball Association functions like Edina Baseball Association providing house and traveling leagues for all ages. However, Edina Girls Athletic Association also offers house league basketball. This conflicts with the "one youth athletic association per sport" rule.

¹ Not the Edina Swim Club

Recommendations

The User Fees Working Group makes the following recommendations regarding the City's youth athletic association policy.

1. Per participant user fee

- a. Without further information on variable field maintenance costs, we support the current per participant user fee practice for City recognized official youth athletic associations² who use outdoor athletic facilities (green spaces and outdoor hockey rinks)³ and City-owned gyms where all participants are assessed the same fee.
- b. We recommend staff annually document variable maintenance costs, staffing costs, capital improvement needs, and in-kind donations by association. This information will be used to justify future user fee increases.
- c. We recommend that per participant user fee increases take effect the following fiscal year and the fee may not be raised two consecutive years in a row. This will allow the youth athletic associations more time to adjust their budgets to accommodate user fee increases.

2. Financial reporting

- a. Existing priority use policy documents require youth athletic associations to submit their financial statements annually. Currently, there is significant variation in the format of these submissions. We recommend that the associations submit a financial reporting form developed by City staff.
- b. We recommend that the associations be required to report the percent of youth residents participating in their association along with their financial statement, since no formal residency reporting method exists at this time.

3. Youth athletic associations that use enterprise facilities

- a. Since a second priority use document was recently created for the Edina Aquatic Center, we recommend creating a third priority use document for Braemar Arena. This document should recognize Braemar City of Lakes Figure Skating Club as priority use youth association, and include the Edina Hockey Association. This document would include similar guidelines outlined in the existing priority use policy documents.

² "Priority Use of Edina's Scheduled Outdoor Athletic Facilities Policy", page 2

³ This does not include golf courses, Edina Aquatic Center, or tennis courts

User Fees Working Group Recommendation– 5/16/12

- b. We recommend that associations that exclusively use enterprise facilities are exempt from the per participant user fee, because they pay competitive hourly fees to use these facilities.

4. Tournament policy

- a. We recommend that City staff monitor and report these costs separate from regularly scheduled events.

**MINUTES
OF THE MEETING OF THE
PARK BOARD
HELD AT CITY HALL
June 12, 2012
7:00 PM**

VI.B. User Fee Policy Working Group Recommendations

Chair Steel read the mission of the User Fees Working Group "The Working Group will evaluate current fee scales and costs associated with facility use, while also developing policy that may be currently lacking for potential user groups". She informed the Park Board that in reality they had to limit the scope of their recommendations because of the magnitude of the issue that they were dealing with. They focused on youth athletic associations because that was the main user group that City Council discussed.

Chair Steel showed the Park Board some graphs and explained that currently user fees are assessed to all youth athletic associations that use outdoor athletic facilities or gymnasiums. She noted she included in the Park Board packet an appendix which outlines which associations pay the user fee and what kind of revenue they are looking at. She indicated that in 2012 they increased the per participant user fee to \$11.00 which went up from \$9.00 in 2011. She pointed out on a chart the increases over the years and found it interesting that it has barely kept up with the rate of inflation.

Chair Steel explained that as they were trying to evaluate what the cost is associated with the use of the facilities by the youth athletic associations they found it was much more difficult to determine than they thought. She pointed out that the City does not determine variable costs by athletic associations and so the two things they looked at were field maintenance and rink maintenance. She commented that it's also important to know that field maintenance includes adult athletics and some other boulevard treatments so it is a much bigger pot of money than you would think and pointed out that it is rising at a much faster rate than the user fees. She noted that it's really important to emphasize that it's hard to determine what percentage of that maintenance cost is just related to youth athletics. Chair Steel indicated they really hone in on that point because they were asked to compare it to other municipalities. She noted that in the November issue of the "National Recreation Park Magazine" the data that they received in the "Pay to Play" is where they came up with numbers for the 25th percentile median and 75th percentile as well as they also received numbers from the City of Eden Prairie for 2010. She pointed out that the chart actually doesn't mean a whole lot because what they are paying for youth athletics could be entirely different from the materials that another city is paying for so it would be like comparing apples to oranges.

John Connolly, 7309 West Shore Drive, a member of the User Fee Working Group went over their recommendations based on the per park participant fee. He noted that

the group came to a consensus about three things. First, they do support the practice of this and think it's a good philosophical thing as well as the resources that would supplement the scholarship of athletes, handicapped users, etc. Secondly, they determined it would be very helpful in determining the costs for variance of the maintenance costs related to the upkeep of facilities, capital improvements as well as the in-kind donations that a lot of the associations do such as scoreboards, park improvements, etc., so those sorts of things should be taken into consideration with each association. Finally, they recommend the per participant fee increases take effect the following fiscal year so that the fee cannot be raised two consecutive years in row. He explained the reason for that is some of the non-profits are on fiscal years and do not match well with the City of Edina's budget and therefore this gives them time to prepare and allocate based upon their own budget and fiscal year.

Suzanne Kerwin, 5238 Hollywood Road, a member of the User Fee Working Group, talked about their second recommendation that the existing priority use policy document also requires that the athletic associations submit a financial supporting form that's developed by City staff. She explained that currently when the athletic associations submit their financial reporting there is a great variation. Some of the associations will submit a copy of their tax return, others will submit a copy of their bank statement and some have a whole profit and loss which is very detailed so there is a great variety to look through all of these and try to gleam what is important for the City to know. They do recommend that the City staff develop a financial reporting form to make it more simplified. She indicated that they also recommend that the associations should report the percent of Edina residents participating in their association, currently there is no formal residency reporting method that exists.

Bob McGarry, 6304 St. Johns Ave., a member of the User Fee Working Group, talked about their recommendation regarding the youth athletic associations that use the enterprise facilities, specifically the Edina Aquatic Center and Braemar Arena. He pointed out that recently a priority use document was created for the Aquatic Center. He noted they are recommending that a third priority use document be created that speaks to the arrangement at Braemar Arena and recognizes the Braemar City of Lakes Figure Skating Club as a priority use association and also includes the Edina Hockey Association. He indicated that athletic associations that exclusively use enterprise facilities are exempt from the per participant user fee and residency requirements because they pay competitive hourly fees to use these facilities. He added that the Parks and Recreation staff did review their recommendations and the residency requirement was an area they felt did not need to be in these recommendations to which the working group is open to taking that out.

Bob Kojetin, 5016 William Avenue, a member of the User Fee Working Group, talked about the mandated guidelines the Edina Swim Club must follow with regards to the "Priority Use of the Edina Aquatic Center". He indicated that the Edina Swim Club and the Braemar City of Lakes Figure Skating Club are two associations that are basically individual participation sports versus team sports. He explained that these associations pay rent for the facility they use. He noted that the User Fee Working

Group agrees with the 90% residency requirement for team sport associations and they understand that the Edina Swim Club residency requirement should be only 75% because a lot of individuals who participate in swimming come from a lot of different areas. He pointed out the swim clubs throughout the metropolitan area consist of a lot of different facilities in a lot of different communities. He explained that with the Braemar City of Lakes Figure Skating Club it's a little bit different because they skate in maybe two or three different areas and so it's very difficult to control. He commented that if a good coach is in another community that family will follow that coach and travel to that particular community so it's very difficult for them to have 75%, 60% or 90%. He indicated that the Braemar City of Lakes Figure Skating Club and the Edina Hockey Association pay a surcharge fee at Braemar Arena.

Mr. Kojetin noted that regarding the Tournament Policy, it really goes back to how much does it cost the City to have full-time and part-time staff prepare fields for activities during the weekends when tournaments are generally held. He indicated that if a tournament is a fundraiser for an athletic association then they are expected to pay for operating expenses incurred by the City. He stated that it's never been a written policy but the User Fee Working Group is proposing that those costs should always be documented as a matter of practice. They need to find out what to charge for the use of Van Valkenburg Park or Courtney Fields. We need to know what it is going to cost the City to run that facility for the weekend for the association's fundraiser tournament.

Chair Steel informed the Park Board there were a few issues that they discussed at their last meeting in trying to develop this policy. The first issue is the relationship document makes an exception to team eligibility for the Edina Swim Club but it doesn't have this exception for other associations that make decisions based on the participant's ability. The second issue is there is one athletic association per sport; however, this isn't true for the Edina Girls Athletic Association which has the same sports and so just to move forward and have compliance the City Council may want to look at these issues.

Mr. Keprios pointed out he thinks the way the relationship document is written is it encourages one association per sport but there are some minor exceptions as it was pointed out. He noted that the City Council recently approved a new priority access document for the Edina Aquatic Center and also changed the original Relationship Document created by the Youth Sports Task Force. The new document makes one exception for the Edina Swim Club to abide by a 75% residency requirement. He noted that it mentions in the User Fees Working Group recommendations not included in the exception are the Edina Volleyball Association and the Edina Soccer Club and asked is there a reason that was called out, do they not meet the 90% residency. Chair Steel responded that it's not about residency, it's about team performance. Mr. McGarry explained they were just pointing out some verbiage that is written in the relationship document that talks about sports being open to all participants; however, he believes the situation with the Edina Swim Club, Edina Soccer Club and the Edina Volleyball Association is that they have tryouts and therefore do not take everyone who wants to participate. He noted they were just pointing out a discrepancy in a statement

that was made in regards to having a program that is open for everyone. Mr. Keprios responded they make an exception for the Edina Swim Club in that area because the participant needs to be a competent enough swimmer before they can be a member of the Edina Swim Club. He stated that as far as the Edina Soccer Club it's not just open to anyone of any talent and is considered the traveling component of soccer in Edina which is why there are two separate associations.

Mr. Keprios asked with regards to staff monitoring and reporting tournament costs he assumes they would like that information gathered as best they can when it comes time to approve the fees and charges to which Chair Steel replied yes. Mr. Keprios noted that fee is separate from the per individual user fee because when they do have a fundraiser tournament they pay a per field per day fee. Chair Steel replied in talking about a tournament policy they are looking at more than just a fee that they pay but want to know what is the staff time and everything else that goes into it. Mr. Keprios explained that as staff they take all of that into account when they propose the fees. He noted that if Park Board wants to get into that level of detail, there are a lot of variables that come into play and therefore some of it is their best guess because they don't budget it that way. He stated they can tell you pretty much what the staff costs were for a particular tournament and it's going to vary from one sport to the next, from one tournament to the next and costs will also vary depending on the weather. He commented that they would be happy to try if you feel you need that level of information although it's going to be a little more documentation and time for staff. Chair Steel responded that she doesn't think it was necessarily the feeling of the working group that they need that level of detail but rather felt that the City Council wanted that variable cost so she would just turn it to them and let them decide the level of detail they want.

Mr. Keprios pointed out that as they go down the road he thinks it's important for the Park Board to remember that a lot of these facilities are used by more than just the youth athletic associations so he thinks it becomes debatable and an important issue of how much of the cost of that burden should be on the shoulders of just the youth athletic associations. He noted that it's a bit of a departure from past practice of the fees and charges policy, for example, how much of the financial burden should fall on the shoulders of the general public who benefit for having outdoor rinks or the times when there is no scheduled play and it's open to the general public.

Mr. Keprios asked if the working group gave some thought to or are suggesting that maybe it should vary per sport as the sports differ in what it costs to provide. Chair Steel replied that they did not even weigh that decision because they don't have the data to support that. She stated that they support the current practice because it's the best thing that works with the data they have.

Mr. Connolly commented there was debate internally about this amongst them and in particular there was one sport that used to use a school district facility that now uses park land and they were questioning the per participant fee. He noted it's so difficult sometimes to not make it at least a blanket policy and it was their feeling that it was

better to do it as a blanket policy. He noted that in this circumstance it was consistent and for your staff to monitor that it was just a clear communication tool and yes, he thinks the conclusion was they wanted it to be consistent and felt that it was the right way to go.

Mr. Kojetin indicated they had a meeting with all of the presidents of the associations and they all seemed to agree with the same amount of money that each one of the participants would pay for each association. They felt that \$11.00 wasn't that big of a burden because they will charge it right back to the participant when they register. He noted that if it went up to \$20 or \$25 then they would be concerned and would want to know where the money is going.

Member Cella asked the working group if they considered charging the actual hours of the gyms and fields the associations were using because there may be one group using a facility one hour a week who are then subsidizing the group that is using it 25 hours a week. She noted it's very easy to count up hours of use versus just a head count and if they actually charged per hour of use of a field or a gym and made them pay based on that basis rather than just a per head it might increase fees. Chair Steel replied they didn't receive data on that so they didn't look at hours but she thinks when they were talking about variable costs different facilities and different fields actually have different costs so that hourly rate would have to be variable. For example, a gym is going to be much cheaper because a soccer field is always much more expensive to maintain. She commented that when they talked with the athletic associations she thinks the general sentiment is this is for the kids and do we really want to be picking the winners and losers of certain sports because kids are choosing soccer over volleyball so it's a tricky decision. Member Cella commented that it's a little more complicated if they are looking at hours but it would seem to maybe be a fairer way to do it and it may generate more revenue, she doesn't know you would have to do the numbers and figure out what your price point was for your hourly use but it's something to think about.

Mr. Keprios commented that's an excellent point because when users pay for either a field or a gym it creates an equalizer so that it becomes more fair and equitable. He explained that the per participant fee was originally viewed to be a one-time per year per sport season fee to give the association's priority access to the facility. He noted that it was never intended to cover all of the costs of maintenance and added that it certainly gets skewed such as when Member Cella pointed out that there is such a variety of use. He indicated that this is the first year the school district is now charging for everything that they never charged for before. He noted that maybe that's the direction we should be heading with the City fields, we should charge the priority access fee as they should start calling it and give some thought to the per hour usage of fields.

Mr. Kojetin asked Mr. Keprios if the City is charging the school district for using City facilities and does the City get charged for using school district facilities. Mr. Keprios replied the only thing the City charges the school district for is indoor ice time at

Braemar Arena. He noted that they have done computations and it ends up being approximately a \$30,000 gift that the City is giving the school district each year. He noted it's something they haven't charged; it's just been the philosophy of supporting school sports; however, if that philosophy changes then it very well may change.

Member Jones asked the working group if they talked about their philosophy of what the fees should be covering and were they thinking they should be covering total costs of the use of the fields. Ms. Kerwin replied it was discussed but they did not come to any consensus on that issue. She noted the per participant fee generates a lot of money for the City to keep the park facilities used by the athletic associations going and they agree it's a good thing. She stated that they weren't able to get at the specific costs per sport and they didn't get the hours but that is an interesting way to look at it.

Ms. Kerwin pointed out that in their discussions with the athletic associations presidents they seemed very comfortable with the current system because it is easy and that is probably why it started out that way. She noted that she could see a whole can of worms opening up to change it; therefore, they didn't want to recommend any changes without having the hard data which isn't there in the budget right now. She indicated that one thing they did hear was while the youth athletic association fees don't cover the total costs of what the associations are getting using the facilities and the upkeep and maintenance of those there are a lot of volunteer hours that go into these organizations and they don't have a hard dollar figure for all of the volunteer hours that are able to provide these services to the community.

Member Jones indicated that a lot of the recommendations are for trying to gather data but she doesn't want staff to gather data if they don't have a philosophy of what it is they are going to do with that data. She noted once they know how much these might cost would you recommend that the associations ought to be paying their total cost or a certain percentage because they are going to be setting policy. Chair Steel responded that she thinks the reason you want this specific data is because of the interest of the City Council, they wanted them to look at the variable costs so they are saying well you can't look at the variable costs until you have the data on it and if you want the data on it you have to go collect it. She commented that she doesn't know what the feeling of the Park Board is on variable costs but feels they were kind of driven by the City Council and since we are advisory they expressed interest in that.

Member Jones asked the working group if they looked into the League of Women Voters study on private use of public facilities to which Ms. Kerwin replied yes. Member Jones asked was the working group comfortable with the study or is there a reason why this wasn't part of the Park Board's background material. Chair Steel replied that she thinks the League Study is much more comprehensive than the scope of their working group and they had a lot of trouble just getting the data they wanted because of the way the City reports information.

Mr. Connolly pointed out that you get into a lot of variables with the usage especially in fields because baseball takes up a little more dressing than a soccer field and there are

other sports that use the facility that don't beat a field up as much as other sports so there is just no way to determine how much it takes.

Member Jones indicated that she appreciates Member Cella's comment about the per hour and noted that is what they are currently doing with the Edina Aquatic Center and Braemar Arena. She noted another thing she would like to see as part of the recommendation going to the City Council would be that they need to try to figure out these figures and one of the reasons for that is because she thinks there is a perception that what they are paying covers the full cost of maintenance and sometimes the youth athletic associations feel as if they are being charged more than other people because they are registering for a sport and not just paying taxes. She commented that she would be looking for something in writing, if they are going to continue with the user fee, when they register that states so much is going to the City to cover a certain percentage of the sport and this way it would be very clear that it may not be 100%. She noted that she thinks from the League of Women Voters study it looks like it might be 25% of the cost of the sport to the City. She stated she thinks this would then give the people a feeling for where they stand and it would be a little more transparent so that is why she would actually collect the data. Chair Steel replied she thinks that is a great point but it may be a little difficult to individually say this is your percentage; however, when they look at fees and charges they have an opportunity to inform the public of what this cost is covering. Therefore, if they can collect this data they can be clearer. Chair Steel stated she really enjoyed meeting with the association representatives and thinks there should be more dialog and build on those relationships because they are volunteers. She noted there is a lot to learn and the working group had to wrap their heads around this model and the nuances and so she thinks they can do a better job of educating the associations and other residents.

Member Kathryn Peterson commented under 1C it says "fees may not be raised two consecutive years in a row" and asked if that was based on specific feedback from the associations. She stated that she has been on athletic association boards and she thinks if it's a \$1.00 or \$2.00 increase that two years in a row isn't a big deal but if you were talking about \$10.00 or \$20.00 that would be huge; however, if it's a nominal increase it's hard for her to imagine that doing that two years in a row would be a hardship. Mr. Connolly responded that it's not a hardship but from a budgeting standpoint a lot of these associations register their athletes months in advance so when they budget it lines up with their fiscal year and at least they can estimate and make a better decision businesswise based upon if they know what that fee is going to be and that was their consensus going forward.

Member Kathryn Peterson suggested including tournament information in the financial reporting, the revenues and expenses of tournaments. She pointed out regarding the 90% residency, what she found challenging when she was on the Edina Baseball Board is not because baseball selects kids from outside of Edina but they do have a policy of allowing kids to play both who are residents of Edina and who go to school in Edina which includes OLG, Calvin Christian as well as kids who go to Edina High

School through open enrollment. She noted that open enrollment has kind of created a little bit of a challenge around that and where you would think it would be really a slam dunk to get that 90% baseball probably runs around 92% to 93% it's lower than what you would think because of open enrollment. Mr. Keprios responded that he thinks the intent was that for those who are enrolled in Edina schools that are non-residents through open enrollment would qualify as a resident when they are doing the tabulation. It's just those that don't go to a school in Edina and don't live in Edina that would qualify as a non-resident.

Member Cella commented that as she understands the 90% residency requirement is that it is to give you a priority use of fields and facilities and now the Edina Swim Club has a 75% residency requirement because they are getting priority use of the pool space so the only one that doesn't have a residency requirement is the Braemar City of Lakes Figure Skating Club. She asked if they get priority usage of ice time. Mr. Keprios replied currently there is no access to the Braemar Arena facility policy in place. He explained what they are recommending is that you not have a residency requirement for that group but that would be contrary to what the City Council recently passed for the Edina Aquatic Center. He noted the Figure Skating Club is significantly different than the Edina Swim Club because less than 30% are residents. Member Cella asked but they still get a priority usage of ice time because it seems to her that the residency is so that you are standing in a better place in line to get time and space; however, if they are not in a better place in line then she can understand why there would be no requirement. She noted that they would have to think about why only one club doesn't have to follow the rules of everybody else if, in fact, they are getting a better place in line but if they are not then there is no reason for it. Mr. Keprios responded there really hasn't been a need to establish a policy out there they have just been following what is the best business practice to sell all of the ice and they've been a wonderful customer for many, many years and they've evolved to a lesser and lesser percentage of residents. He commented that when they operate it like a business it's a fine line between what is good public policy and what's best business practice.

Chair Steel noted that 3B of the working group's recommendation states "We recommend that associations that exclusively use enterprise facilities are exempt from the per participant user fee and residency requirements, because they pay competitive hourly fees to use these facilities". She stated the Edina Swim Club does not pay a per participant user fee so it is their feeling to make this across the board for enterprise facilities that is your qualifier and then they don't have residency requirements. The reason she believes they wanted to create a Braemar City of Lakes Figure Skating Club document that cited them as a priority user is because there is a history there, there is an established relationship and other associations spoke well of them so she thinks they are trying to find somewhere in between to work with the different characteristics of each association.

Member Jones indicated she thinks the City Council just passed something on the Hornet's Nest where they would be charged an additional user fee and asked how the working group's recommendation fits in with that. Chair Steel replied it doesn't, they

were trying to create a recommendation as City Council was making their own so it does not. Member Jones asked if the working group is continuing to recommend that. Chair Steel replied yes and if the Park Board takes issue with one of the specific recommendations they can change that, otherwise City Council can address it with the understanding that things have changed. Member Jones replied regarding enterprise facilities it would be nice to have the flexibility to insert a user fee if they need to make capital improvements as they are doing with the Hornet's Nest so she would recommend they take that out of "3B". Chair Steel responded there is no reason you can't assess a user fee, it's just you can't assess the per participant user fee, so that shouldn't affect it. Member Jones stated for example for the Hornet's Nest they were recommending not an increase in the user fee, that's what you are referring, we recommended a per participant user fee. Member Cella stated she believes Member Jones is correct that in the documents it states both the Hockey Association and the Braemar City of Lakes Figure Skating Club both had to pay \$20.00 a head fee for a number of years as part of the contributing to the capital renovations for Braemar Arena. Chair Steel replied she would just be a stickler and not say that \$22.00 per head is a per participant user fee because when the Park Board approves the per participant fee it's the same dollar amount for every association and so that is how she would deal with that. Member Kathryn Peterson noted that she thinks it's more like a capital improvement surcharge and that she agrees with Chair Steel, it's similar but different than what is in here because it's not applied across the board.

Mr. Keprios pointed out that you are kind of mixing your tasks. The \$15.00 per participant surcharge fee that was charged the Braemar City of Lakes Figure Skating Club and the Edina Hockey Association was used to convert the Braemar Pavilion into what is now the East Arena. There were several capital improvements needed so the two groups agreed to pay \$15.00 per player surcharge for the life of the bonds. When those bonds got paid off, before they recently renovated the West Arena, the \$15.00 surcharge fee ended when the bonds were paid off. Mr. Keprios noted that now with the advent of the Hornet's Nest they are taking the same approach in that they need some help paying for these bonds. The Park Board agreed that would be an appropriate revenue source that will end when those bonds are paid off so therefore it is not an access fee that you've really set off to study.

Mr. Keprios commented that the fees and charges discussion is an important one and it's one that you can easily get off on tangents and quickly become overwhelming. Therefore, he would recommend you focus on just the one fee that you have chosen to study and carry this on to the next meeting.

Chair Steel made a motion, seconded by Member Gieseke, to table those recommendations until the next meeting and they can discuss it then.

Ayes: Members Dan Peterson, Jacobson, Gieseke, Steel, Cella, Jones, Kathryn Peterson

Motion Carried

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VI.B. User Fee Policy Working Group Recommendations

Chair Steel informed the Park Board that the major item in this is dealing with the Enterprise Facilities and the per participant fee. She pointed out that staff supports the recommendation with one exception. She commented that much of this was due to the pace of the working group and the pace of City Council did not quite meet up and therefore thinks the working group would be okay with staff's recommendation. Member Kathryn Peterson asked that would striking the words "and residency requirements" to which Chair Steel replied yes.

Member Jones indicated that under the first recommendation it wasn't clear if they are recommending the flat fee or if they find out the variable costs may possibly change to a variable fee and therefore is trying to figure out what is being proposed. Chair Steel replied they are following the current per participant user fee which is the flat fee. She pointed out that under "b" it states they will document variable maintenance costs; however, there is no recommendation to charge based on variable costs at this time.

Member Jones stated that she is trying to figure out philosophically if they want to because it sounds as if they haven't made that recommendation and are recommending to wait to find out what those variables costs are in order to find out. Chair Steel responded that the sentiment was that City Council requested more information on the variable cost and so they want to give them that information; however, the User Fees Working Group was uncomfortable making any decision relating to changes in charges without seeing that information. Member Kathryn Peterson commented that she interpreted this as being that to continue with the per participant user fee while at the same time gathering more information about variable cost but not necessarily making that change at this time without more information.

Member Jones asked if they are going to be recommending that the User Fee Group start up again in 2014 to review the variable cost to which Chair Steel replied that is not part of the recommendation. Chair Steel explained they don't know how long it will take to put systems in place to collect this information and get a general sense. She noted that she thinks the City Council will be able to see one of the concerns by charging based on variable costs has its own cost with all of the data collection and for all they know this could be a trial of gathering information or it could be long term but until they try it they are not going to make a judgment.

Member Jones indicated that she is trying to figure out the most efficient way for them to try and answer is what we are charging appropriate fees for our activities. She

commented that she knows she mentioned the "League of Women Voters" report that was completed in 2010 is fairly extensive of how they came up with user fees and expenses and wondered if the User Fee Working Group used that in their recommendations. Chair Steel responded they did not use that data; they received most of their data from staff and talked with the athletic associations. She noted the main question was how much cost recovery do we want from the athletic associations and they hear loud and clear from the athletic associations that it does get passed on to the participants. Therefore, they did not make a philosophical judgment on what that level should be because we don't have the data to determine what the right amount is. She pointed out they are collecting more data on variable maintenance costs but they are also having more transparency about the association's financial statements and kind of getting it all in line so they can make better decisions down the road.

Member Deeds apologized for not being able to attend last month's meeting when this was discussed but the bottom line is they don't have the data to judge whether football costs more than soccer costs more than tennis, etc. Therefore, the recommendation is that we stay status quo, gather data and figure out where we go from here after they have acquired two or three years' worth of data to which Chair Steel replied that is correct.

Member Deeds commented he is a big fan of data and the idea of being able to do a portion cost and have a good idea of what an hour of 13 year old football costs the City versus what an hour of baseball costs the City he thinks is valuable information just for informed decision making. He stated that what the values of the City are and what they want to do once they understand the variables is a whole different thing. He stated that right now they are shooting blind because they have no idea whether flag football costs more or less than baseball or baseball costs more or less than soccer.

Member Hulbert asked how hard is it to get that information, is it a cost issue and don't they have systems in place to do that. He pointed out that he believes this first started a couple of years ago when they were talking about fees for the athletic associations and were asked why they were charged \$9.00 and they really didn't know. He noted that he thinks it was the Mayor who asked why we have never studied this before. He commented that it sounds like they are at a place now where they have collected what they can collect but are unable to come to any conclusions without more data. Therefore, do they want to pursue it any further or just tell City Council this is what we have and see if they want us to dig deeper than that.

Member Jones commented that at their last Park Board meeting no one seemed to have a problem when she mentioned the "League of Women Voters" report because she believes that report has those numbers. She noted she did propose at their last meeting that the report be handed out and discussed at their next meeting. Member Deeds asked if it was Edina specific to which Member Jones replied it is Edina specific and uses data from 2006, 2007 and 2008. She indicated that the report was produced in 2010 so it does have recent numbers and believes it did come up with both an hourly rate. She stated that she is not sure they need to keep looking for more numbers or if

they need to be more specific than what the report states. She noted maybe they can look at this report and discuss philosophically if they agree with Mr. Keprios' philosophy for user fees or if they need a different philosophy.

Member Kathryn Peterson asked if the report explained the sources of the data to which Member Jones replied yes, it came from the Park District. Chair Steel noted that she is very skeptical about the data because they were very adamant about searching for that data firsthand from park staff and their systems do not record that data. She explained that they can break it down for an estimate by the athletic associations but that also includes maintenance for other small pieces of land.

Member Kathryn Peterson commented there are so many shared facilities that it seems like it would be pretty complex to do. Member Jones responded that is why she asked at the last Park Board meeting if anyone had a problem with the data for that report to which Member Kathryn Peterson replied she has never seen the report. Member Jones indicated that when she joined the Park Board the report was handed out to her that year by Mr. Keprios. Member Jones pointed out that she thinks it would save staff some time and it would give them more direction if they looked at this. She asked what more do they need because she doesn't see a clear path for their next step for making decisions from this.

Chair Steel indicated they spoke with staff and were told they do not have variable costs but what they did receive was field maintenance and total revenue from the per participant user fees. She noted also in their budget is total field maintenance cost for 2010; however, you can't just easily break that down by the number of participants or hours because it doesn't work that way. Member Deeds asked Mr. Keprios if they were able to assess maintenance costs by the fields, is there a separate line item so that they can have an understanding of the costs of maintenance, etc., on the fields individually. Mr. Keprios responded on a per field basis per year absolutely not. He explained that it sounds like it might be simple but when you get right down to it it's very complex; who was on the tractor that day for that field, was it a wet season, was it a dry season, did it require fertilizer, how much water was needed, how much were fertilizer costs that year, how many games were played, etc., there are so many variables. He noted they don't track it that way. He commented that it really depends on how complex you want to make this to gather information. He added they take their best shot at a field maintenance budget. We operate under a combination program budget and line item budget and to break it down per field, per hour and cost per kid is going to be a little tough.

Member Hulbert asked how does \$11.00 compare to other cities and do they use a similar system. He asked did they just arbitrarily go from \$9.00 to \$11.00 and is \$11.00 kind of in the ballpark of where the group felt they should be not thinking that we need to charge these groups for every single penny of maintenance costs. He asked do they want to subsidize some of it as a City.

Chair Steel replied she did compare their Parks and Recreation dollars and their user fee revenue to Eden Prairie and the bottom line is you cannot compare that fee from city to city. For example, they have a lot of voluntary associations that cover the costs of referees, uniforms and all sorts of costs that don't tie into this revenue because that revenue is just paying for the city expenditures; therefore, she couldn't compare it. She stated that Eden Prairie gets about three times the amount of revenue; however, she doesn't know how much support they give their youth athletic associations. Chair Steel pointed out that user fees rarely keep up with the rate of inflation and that is something she would like to look at down the line of making sure they are staying above the rate of inflation which she thinks is important.

Member Hulbert asked Mr. Keprios when he sees other parks departments how does that number compare. Mr. Keprios replied he thinks some will tell you they don't charge anything and they take the philosophical approach they are in the business to create a quality of life and raise children and there is no fee. Others charge a \$1.00 an hour fee per use and then there are some that charge a fee similar to ours so it's all over the board and there is no common standard.

Member Gieseke indicated he is really only concerned about fairness and be sure someone is able to explain to him how they came up with that number. He noted that if it is data based and it's bad data then that is inherently unfair; therefore he would rather it be a flat fee and be able to explain to him in a couple of sentences why they charge what it is they charge.

Chair Steel asked Mr. Keprios to explain the background of the User Fee. Mr. Keprios pointed out the User Fee started out at \$5.00 in 1987 and it was basically a request from City Council to find another source of revenue and therefore it was decided to charge a per head nominal fee. They started at \$5.00 per sport per season and they did bring some dollars to the budget but also keep in mind that times were a lot tougher back then and they were worried whether they were even going to meet budget just to keep the grass cut. He added they were one of the first ones to ever do it and a few other Cities have since followed suit. He commented that the fee has slowly increased over the years and now there are assumptions being made that maybe this was intended to cover all of the costs for providing the facility.

Chair Steel stated that she doesn't want to get too much into the discussion right now about what that number is because they do have a chance every year to look at that number and set that rate and be able to have transparency and accountability to their youth athletic associations and say this is what you are paying for and this is what the City asks of you. Tonight's discussion is really data based.

Member Deeds commented that he thinks the issue is not about the parks, it's about the IT infrastructure the City is dealing with. He noted the fact of the matter is we have a lousy cost accounting system, we haven't invested in an IDM infrastructure around here and we don't know what we are spending on much of anything. That's not just about parks; IT has made huge leaps since we probably made any substantial

investment in a decent cost accounting system. Until that is put in place and hours are logged and everything else, like a corporation does or anybody else does it but it's an expensive infrastructure investment and it's not a Park Board infrastructure investment, it's a City investment that the City Manager ought to be dealing with. He noted until that time there is no sense in actually asking staff to try and break this down any further because you just don't have the information and the ability to easily capture the costs of getting somebody out and logging every hour or every 15 minute increment that they spend on which field, etc. He commented they could do a short sample of a month or something but a month is not a month is not a month and so he doesn't know what you could make of the data. Therefore, until there is a substantially better IT infrastructure in which the City really is doing a decent cost accounting the variable costs are next to impossible to track.

Member Kathryn Peterson noted that she would also say then that you could expand that to say are the activities at the Senior Center being appropriately priced and are the activities at the Art Center being appropriately priced and all of that because you could philosophically go down that same path.

Chair Steel stated as far as the recommendation on variable costs the wording allows the City Council to decide the depth of that data collection. Member Jones stated just to clarify the recommendation is to keep the flat costs one rate and supports the current participant fee. Therefore, there are two pieces it's supporting first, the \$11.00 charge with this statement to which Chair Steel replied it does not state that, it states it supports the current participant user fee practice. Member Jones asked so it only talks about the practice of the flat fee. Member Cella responded a flat fee based per head rather than per hour or per game per anything else per head.

Member Jones asked if they are suggesting that "until" further information to which Chair Steel replied there is no "until" it just states "we support continuing it". Member Jones stated that it says "without further information on variable field maintenance costs" and asked Chair Steel if she wants to strike that and say "we support the current per participant user fee practice". Chair Steel noted that it's just saying the rationale of the user fees working group's recommendation.

Member Jones commented the reason she asks is because of that rationale then the next step you are saying is that you recommend the variable maintenance costs and it states you want to pursue something that may not be flat to which Chair Steel replied no. Member Jones responded she is just trying to figure this out, first they are going to be recommending that they keep the flat fee and secondly they are going to collect data to which Chair Steel noted to justify future increases, whatever that means. Member Jones asked could that mean they just want to do it in aggregate to which Chair Steel asked that would be the current accounting. Member Jones replied she is just wondering do they need to break it down between baseball and hockey, she shouldn't use hockey because it's not a field base, but do they need to have or try to have lacrosse be split up from these other field based sports. Chair Steel explained the rationale for that was City Council asked them to evaluate the variable

maintenance costs so this is just addressing City Council's requests and getting them that information without making changes to the current practice.

Member Deeds asked for a little clarity, so there is a per participant user fee that the EFA and the Lacrosse Association, etc., pays and asked do they pay any other fees such as a rental for the field or an hourly rental fee for the field, etc. Chair Steel replied that in the matrix she previously provided there is an hourly gym fee rental for some associations as well as she believes the Edina Hockey Association pay a rental fee for the arena. Member Deeds asked about the field sports they are talking about. Member Kathryn Peterson replied she knows for baseball they pay an additional fee for tournaments. Member Deeds asked if the normal season is simply covered by the per participant fee to which Chair Steel replied that is correct. Member Jones commented that for Basketball they are charged a per participant fee and then are they also charged an hourly fee for the gyms to which Member Steel replied correct. Member Jones asked so every time they practice they pay an hourly fee on top. Mr. Keprios replied that is correct and explained that now for any school owned athletic facility they will now pay an hourly rate for either gym use, swimming or athletic fields and that is new this year. Member Kathryn Peterson asked does that go to the school district to which Mr. Keprios replied yes because it is owned and operated by the Edina School District and they set their own fees. Member Kathryn Peterson asked so from the City's perspective it's just a pass through to which Mr. Keprios replied from the City's perspective there is currently no hourly fee for fields unless it's for a fundraiser tournament or something not part of the typical program offering.

Member Jones indicated that the schools are maintaining the gyms and the City does not have any costs involved to which Mr. Keprios replied no that is not the case. For the "City Gyms", the city pays 100% of all of the operating expense and capital expense for 30 years. Member Jones asked if those gyms are included in these hourly fees to which Mr. Keprios replied yes, they still pay an hourly fee for those gyms as well. Member Jones indicated that those sports are being charged more by the City because they have the per participant fee and the hourly fee. Mr. Keprios pointed out that the City does not collect the hourly rental fees for the gyms, the school does to which Member Jones asked even for the City gyms. Mr. Keprios explained that the revenues collected for the two City gyms is then taken off of the operating expense invoice that they get so the City is credited back those revenues. He added that the School District also pays an hourly fee for their use of the two City gyms. That is the way the facility use agreement was written.

Member Jones stated that she knows if other people want to rent the gyms or the fields she believes it costs \$48.00 an hour to which Mr. Keprios replied correct. Member Jones asked is that the market rate to which Mr. Keprios replied that is what they analyze to be pretty close to covering their costs. Member Jones commented they are charging \$11.00 a field to which Mr. Keprios replied \$11.00 per participant per season. Member Deeds stated if you look at EFA that amounts to approximately \$6,000. Member Cella commented that it shows on the appendix for the basketball association in 2010 it was \$15,000 and for 2011 it was \$11,790 so they are not really comparing

the cost of the field on a per hourly cost because you are doing heads versus hours so it's a different comparison.

Chair Steel indicated that the question before the Park Board is do you agree with these recommendations or not. Member Dan Peterson stated the answer is yes.

Member Dan Peterson made a motion, seconded by Chair Steel, to approve as Mr. Keprios put in his memo to the Park Board with the exception of the "residency".

Member Deeds asked what are they approving, the entire document to which Member Dan Peterson replied yes the entire document. Chair Steel added the entire document with the exception on Item 3.b. elimination of "and residency requirements".

Member Hulbert commented where it states "we recommend that associations that exclusively use enterprise facilities are exempt from the per participant user fee and requirements, because they pay competitive hourly fees to use these facilities" was that worded like that for the Edina Swim Club. He stated because they have no other pool, they are paying hourly to use the pool and so we determined that was fair for them not to have to pay a participant fee to which Chair Steel replied correct. Member Hulbert asked do they run the risk if they word it like that because an association may pull away from any of our park facilities and so we use just enterprise facilities. He noted that as an example in the winter would the EHA ever say we are not going to use your outdoor rinks we are just going to use Braemar Arena and just use the rinks when we feel we can and they are open. Do you see that as a risk at all? Mr. Keprios replied he doesn't believe so and that the philosophy of the enterprise facilities is ideally they would like to have them all pay their own way but that has not been the philosophy for all of the non-enterprise athletic facilities.

Ayes: Members Dan Peterson, Jones, Cella, Deeds, Steel, Kathryn Peterson, Hulbert, Gieseke

Motion Carried.