



REPORT/RECOMMENDATION

To: City Council	Agenda Item <u>Item No. VIII. C.</u>
From: John Keprios, Director Parks & Recreation Department	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion <input type="checkbox"/> Information
Date: June 12, 2012	
Subject: Edinborough Park Study Recommendations	

ACTION REQUESTED:

Review and discuss the staff recommendation to improve the cost recovery percentage at Edinborough Park. The recommended plan keeps the pool and fitness facilities, renovates the current locker rooms, adds a locker room, and reduces operating expenses by reducing trees and plants. All Park user fees will be increased, including admissions, birthday parties and pool rental.

INFORMATION/BACKGROUND:

The Park Board and City Council held joint work sessions on January 3rd, 2012 and March 20th, 2012 to review reports prepared by the consulting team of ATS&R and Ballard*King which made recommendations to improve the cost recovery rate of Edinborough Park. At the conclusion of the March, 20th, 2012 work session, staff was asked to prepare a recommendation to the Park Board and the City Council. Staff made a presentation of a recommendation to the Park Board on June 12, 2012. The Park Board was asked for their review and comment only.

Staff is recommending several changes to Edinborough Park in an attempt to:

- Increase the cost recovery percentage
- Improve the function of the pool, locker rooms and lower level of the Park (grotto)
- Increase handicap accessibility
- Increase Edina resident use of the pool and playpark
- Provide much needed updates to the facility

The recommendation includes the following:

POOL

- Keep the pool and fitness facility
- Complete capital improvement updates needed to replace the pool shell and replace the pool deck tile and wall tile and add air conditioning in the track.
- Renovate the locker rooms to add a new locker room in the space of the existing pool storage room and combine the current men's and women's locker room into one large locker room.

PARK

- Remove large trees in Park – approximately 38 trees. Many of the trees are from the original construction of the Park and have either outlived their life expectancy or have become so large that they are looking tired and have become a safety hazard. Most tall Norfolk Pines are being held up by support cables. The large trees were not expected to live more than 7 years in the indoor Park setting. Many have been there over 25 years.
- Renovate the lighting system to significantly improve energy efficiency and significantly reduce energy costs. This becomes an option with the removal of the large trees. The large trees require the existing lighting qualities and levels.
- Reduced staffing levels needed for horticultural maintenance.
- Fill in the lower level of the grotto. This would eliminate our handicap accessibility barrier and provide a much larger, more usable space. The lower pond would be filled in, reducing maintenance costs; however, public art displays could be added.

INCREASE REVENUES

- Increase the pool/track and playpark daily admission rate by \$1.07 per person (from \$6.44 to \$7.51) and increase the 10 admissions pass by \$10.73 (from \$53.64 to \$64.37).
- Increase the weekend Adventure Package birthday party rate from \$139.46 to \$151.19 and increase the weekday Peak Package birthday rate from \$85.82 to \$96.55.

- The Edina Swim Club is willing to make a large financial and time commitment to rent additional pool time. Edinborough's pool would become "home" to the Edina Swim Club. The proposed annual financial commitment from the swim club is \$53,010 for a 43 week season.
- Increase the pool rental fee from \$30/hour to \$45/hour or \$7.50/hour/lane.

This proposal requires a much smaller capital expenditure than the option to fill in the pool. \$582,000 is required to provide larger locker rooms and \$189,500 is needed to resurface pool and replace wall and deck tile.

It would cost \$1,654,100 to fill in the pool, provide a toddler play structure and add birthday party/meeting rooms. This option, while keeping the pool, also maintains a valuable community asset for kids, adults and seniors.

Filing in the pool would provide significant assets in a toddler play space and much improved birthday party/meeting rooms. The cost recovery for this option is 86% in 2014 and 72% in 2018, compared to 84% in 2014 and 70% in 2018 for the pool option.

Staff believes that we may have an opportunity to negotiate continued association fees with Marriott, Edina Park Plaza, the Edinborough Condo Association and Corporate East. City Attorney Roger Knutson prepared an addendum to our existing 30 year agreements that would extend those contracts for another seven years. They would be renewable again after those seven years expire. Director Keprios, Manager Faus and Assistant Director Kattreh met with representative from all four associations on July 11th. All representatives responded favorably and stated that they would pass the contract renewal on to their decision makers and respond to us as soon as possible. Renewed association revenues are not factored into the budget projections.

ATTACHMENTS:

- A. Financial Projections
- B. June 12, 2012 Park Board Minutes

CITY OF EDINA



Edinborough Park Study Financial Projections

Page 1 - Baseline Projections

Page 3 - Pool and Track/Fitness Option

Page 5 - Playpark Option

Page 7 - Playpark and Artwalk Option

EDINBOROUGH PARK
Baseline Scenario

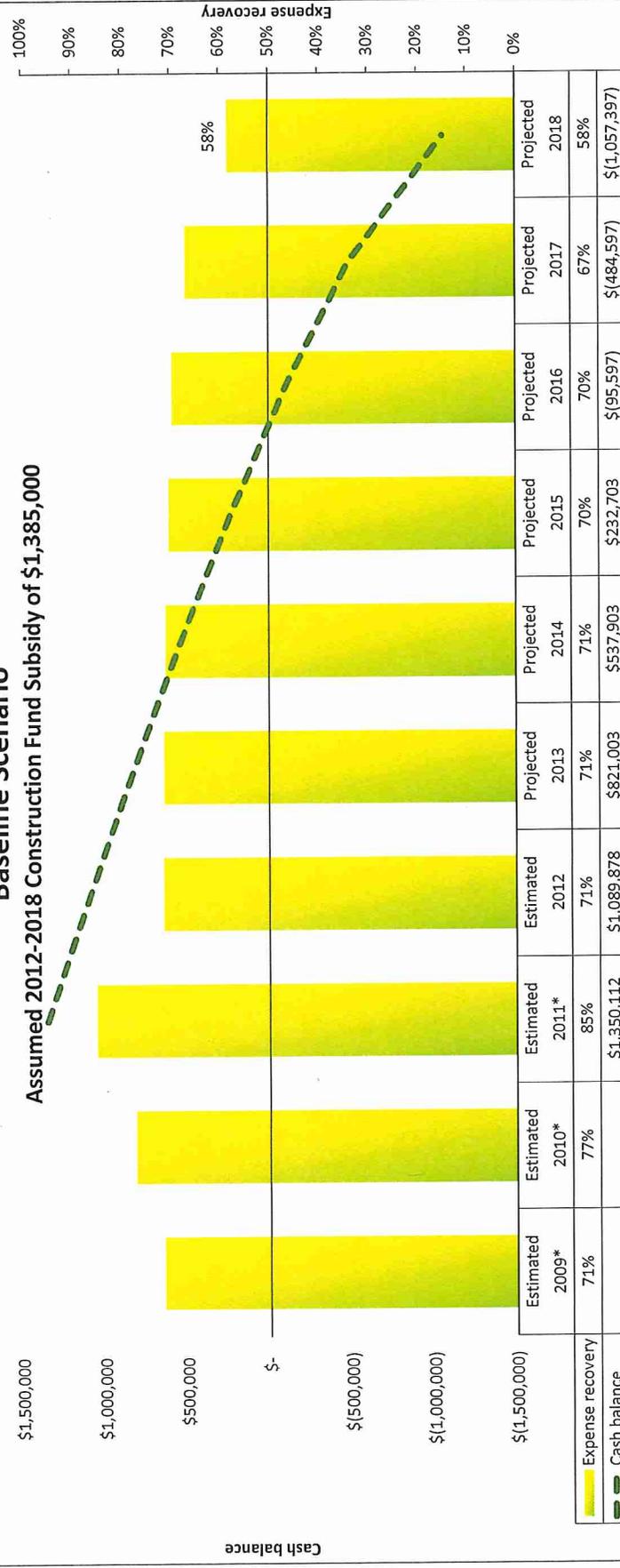
	2009*	2010*	2011*	2012	2013	2014	2015	2016	2017	2018
	Estimated	Estimated	Estimated	Estimated	Projected	Projected	Projected	Projected	Projected	Projected
Operating revenues										
Concessions sales	\$ 29,386	\$ 29,328	\$ 52,975	\$ 175,000	\$ 185,000	\$ 189,600	\$ 194,300	\$ 199,200	\$ 204,200	\$ 209,300
Memberships	57,078	52,515	54,436	56,000	58,000	57,400	58,800	60,300	61,800	63,300
Admissions	563,735	569,591	654,971	550,000	550,000	563,800	577,900	592,300	607,100	622,300
Building rental	143,442	163,492	208,865	150,000	150,000	153,800	157,600	161,500	165,500	169,600
Equipment rental	7,814	11,397	15,261	8,500	8,500	8,700	8,900	9,100	9,300	9,500
Association fees	203,245	217,122	202,423	212,100	214,200	224,800	228,700	232,700	200,300	47,200
Total revenues	1,004,700	1,043,445	1,188,931	1,151,600	1,163,700	1,198,100	1,226,200	1,255,100	1,248,200	1,121,200
Operating expenses										
COGS	40,055	42,164	70,603	99,000	105,000	107,600	110,300	113,100	115,900	118,800
Personal services	666,921	677,701	637,146	783,210	797,479	821,400	846,000	871,400	897,500	924,400
-Staffing reduction	-	-	-	-	(17,000)	(17,500)	(18,000)	(18,500)	(19,100)	(19,700)
Contractual services	386,027	316,198	308,998	331,500	335,000	343,400	352,000	360,800	369,800	379,000
Commodities	175,145	148,342	169,991	182,200	187,700	192,400	197,200	202,100	207,200	212,400
Central services	39,573	38,495	51,850	56,424	57,096	58,500	60,000	61,500	63,000	64,600
Depreciation	98,750	128,994	160,199	159,500	166,700	182,400	197,100	213,300	232,000	243,100
Total expenses	1,406,471	1,351,894	1,398,787	1,611,834	1,631,975	1,688,200	1,744,600	1,803,700	1,866,300	1,922,600
Operating loss	(401,771)	(308,449)	(209,856)	(460,234)	(468,275)	(490,100)	(518,400)	(548,600)	(618,100)	(801,400)
Nonoperating revenues, (expenses), and transfers										
Interest income	37,364	73,650	95,866	40,500	32,700	24,600	16,100	7,000	(2,900)	(14,500)
Miscellaneous	1,125	-	-	-	-	-	-	-	-	-
Transfers	250,000	102,091	150,963	125,000	271,700	209,100	172,300	253,900	169,700	183,300
Total nonoperating	288,489	175,741	246,829	165,500	304,400	233,700	188,400	260,900	166,800	168,800
Change in net assets	(113,282)	(132,708)	36,973	(294,734)	(163,875)	(256,400)	(330,000)	(287,700)	(451,300)	(632,600)
January 1 net assets	-	-	-	2,636,318	2,341,584	2,177,709	1,921,309	1,591,309	1,303,609	852,309
December 31 net assets	-	-	\$ 2,636,318	\$ 2,341,584	\$ 2,177,709	\$ 1,921,309	\$ 1,591,309	\$ 1,303,609	\$ 852,309	\$ 219,709
Non-GAAP cash reconciliation										
Change in net assets	\$ (113,282)	\$ (132,708)	\$ 36,973	\$ (294,734)	\$ (163,875)	\$ (256,400)	\$ (330,000)	\$ (287,700)	\$ (451,300)	\$ (632,600)
Depreciation	98,750	128,994	160,199	159,500	166,700	182,400	197,100	213,300	232,000	243,100
Capital expenditures	(512,510)	(194,949)	(179,628)	(125,000)	(271,700)	(209,100)	(172,300)	(253,900)	(169,700)	(183,300)
Other accruals	(117,470)	29,854	-	-	-	-	-	-	-	-
Change in cash	(644,512)	(168,809)	17,544	(260,234)	(268,875)	(283,100)	(305,200)	(328,300)	(389,000)	(572,800)
January 1 cash	-	-	-	1,350,112	1,089,878	821,003	537,903	232,703	(95,597)	(484,597)
December 31 cash	-	-	\$ 1,350,112	\$ 1,089,878	\$ 821,003	\$ 537,903	\$ 232,703	\$ (95,597)	\$ (484,597)	\$ (1,057,397)
Expense recovery	71%	77%	85%	71%	71%	71%	70%	70%	67%	58%
Capital Improvement Projects: Assumed inflation 2.50%										
Concrete repairs		EP-09-016		125,000						
Replaster Pool		EP-00-017			71,800					
Track Air Conditioning		EP-11-005			66,600					
Exterior Entryway Doors		EP-11-007			82,000					
Upstairs Restroom Remodel		EP-11-009			30,800					
Replace Carpeting		EP-06-007				12,600				
Lift to Birthday Party Area		EP-09-014				42,000				
Adventure Peak Remodel		EP-09-021				26,300				
Adventure Peak Wave Slide		EP-11-006				26,300				
Interior Entryway Doors		EP-11-008				63,000				
Pool Boiler		EP-12-002				12,600				
Security Camera System		EP-08-007					43,100			
Track Floor		EP-09-015					70,000			
North Sidewalk		EP-10-011					32,300			
Park Boiler		EP-12-003					26,900			
Pool and Wall Tile		EP-08-021						88,300		
Adventure Peak Renovation		EP-11-010						33,100		
Pond and Waterfall Renovation		EP-12-004						22,100		
Fill in tree rings		NEW			20,500					
Window washing		NEW				26,300				
Facility Maintenance		NEW						110,400		
POS System		NEW							28,300	
Replacement Equipment		NEW							141,400	
Hot water heater & holding tanks		NEW								23,200
Scissors lift		NEW								15,100
Facility Repair		NEW								145,000
Total				\$ 125,000	\$ 271,700	\$ 209,100	\$ 172,300	\$ 253,900	\$ 169,700	\$ 183,300

* Edinborough Park's finances were combined with Centennial Lakes in one fund through 2011 and were separated into two funds starting in 2012.

In order to show comparative historical data in this format, certain assumptions and estimates were made by the Finance Department for fiscal years 2009-2011.

Edinborough Park Baseline Scenario

Assumed 2012-2018 Construction Fund Subsidy of \$1,385,000



Cash balance

Expense recovery
Cash balance

EDINBOROUGH PARK
Pool and Track/Fitness Option

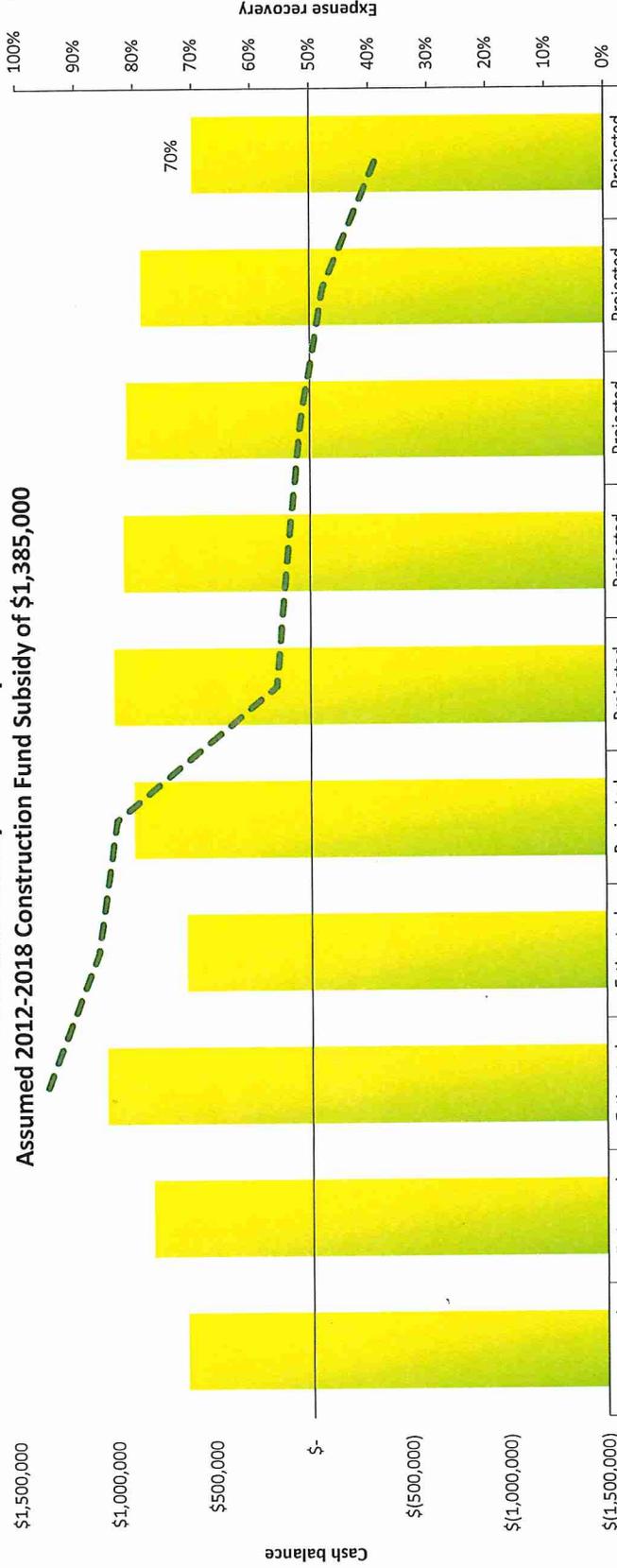
	2009*	2010*	2011*	2012	2013	2014	2015	2016	2017	2018
	Estimated	Estimated	Estimated	Estimated	Projected	Projected	Projected	Projected	Projected	Projected
Operating revenues										
Concessions sales	\$ 29,386	\$ 29,328	\$ 52,975	\$ 175,000	\$ 185,000	\$ 185,000	\$ 189,600	\$ 194,300	\$ 199,200	\$ 204,200
Memberships	57,078	52,515	54,436	56,000	56,000	60,000	61,500	63,000	64,600	66,200
Admissions	563,735	569,591	654,971	550,000	550,000	563,800	577,900	592,300	607,100	622,300
-Rate increase	-	-	-	-	76,000	77,900	79,800	81,800	83,800	85,900
Building rental	143,442	163,492	208,865	150,000	150,000	153,800	157,600	161,500	165,500	169,600
-Rate increase	-	-	-	-	-	26,000	26,700	27,400	28,100	28,800
-Swim club	-	-	-	-	-	53,000	54,300	55,700	57,100	58,500
Equipment rental	7,814	11,397	15,261	8,500	8,500	12,000	12,300	12,600	12,900	13,200
Association fees	203,245	217,122	202,423	212,100	214,200	224,800	228,700	232,700	200,300	47,200
Total revenues	1,004,700	1,043,445	1,188,931	1,151,600	1,239,700	1,356,300	1,388,400	1,421,300	1,418,600	1,295,900
Operating expenses										
COGS	40,055	42,164	70,603	99,000	105,000	110,000	112,800	115,600	118,500	121,500
Personal services	666,921	677,701	637,146	783,210	797,479	821,400	846,000	871,400	897,500	924,400
-Staffing reduction	-	-	-	-	(97,000)	(99,400)	(101,900)	(104,400)	(107,000)	(109,700)
Contractual services	386,027	316,198	308,998	331,500	335,000	343,400	352,000	360,800	369,800	379,000
-Staffing reduction	-	-	-	-	24,000	24,600	25,200	25,800	26,400	27,100
-Lighting efficiency	-	-	-	-	(40,000)	(41,000)	(42,000)	(43,100)	(44,200)	(45,300)
Commodities	175,145	148,342	169,991	182,200	187,700	194,400	199,300	204,300	209,400	214,600
Central services	39,573	38,495	51,850	56,424	57,096	58,500	60,000	61,500	63,000	64,600
Depreciation	98,750	128,994	160,199	162,700	175,400	211,400	244,100	254,800	264,900	272,900
Total expenses	1,406,471	1,351,894	1,398,787	1,615,034	1,544,675	1,623,300	1,695,500	1,746,700	1,798,300	1,849,100
Operating loss	(401,771)	(308,449)	(209,856)	(463,434)	(304,975)	(267,000)	(307,100)	(325,400)	(379,700)	(553,200)
Nonoperating revenues, (expenses), and transfers										
Interest income	37,364	73,650	95,866	40,500	32,700	29,800	5,200	3,500	1,500	(1,900)
Miscellaneous	1,125	-	-	-	-	-	-	-	-	-
Transfers	250,000	102,091	150,963	210,000	364,000	125,200	172,300	143,500	186,700	183,300
Total nonoperating	288,489	175,741	246,829	250,500	396,700	155,000	177,500	147,000	188,200	181,400
Change in net assets	(113,282)	(132,708)	36,973	(212,934)	91,725	(112,000)	(129,600)	(178,400)	(191,500)	(371,800)
January 1 net assets	-	-	-	2,636,318	2,423,384	2,515,109	2,403,109	2,273,509	2,095,109	1,903,609
December 31 net assets			\$ 2,636,318	\$ 2,423,384	\$ 2,515,109	\$ 2,403,109	\$ 2,273,509	\$ 2,095,109	\$ 1,903,609	\$ 1,531,809
Non-GAAP cash reconciliation										
Change in net assets	\$ (113,282)	\$ (132,708)	\$ 36,973	\$ (212,934)	\$ 91,725	\$ (112,000)	\$ (129,600)	\$ (178,400)	\$ (191,500)	\$ (371,800)
Depreciation	98,750	128,994	160,199	162,700	175,400	211,400	244,100	254,800	264,900	272,900
Capital expenditures	(512,510)	(194,949)	(179,628)	(210,000)	(364,000)	(917,600)	(172,300)	(143,500)	(186,700)	(183,300)
Other accruals	(117,470)	29,854	-	-	-	-	-	-	-	-
Change in cash	(644,512)	(168,809)	17,544	(260,234)	(96,875)	(818,200)	(57,800)	(67,100)	(113,300)	(282,200)
January 1 cash	-	-	-	1,350,112	1,089,878	993,003	174,803	117,003	49,903	(63,397)
December 31 cash			\$ 1,350,112	\$ 1,089,878	\$ 993,003	\$ 174,803	\$ 117,003	\$ 49,903	\$ (63,397)	\$ (345,597)
Expense recovery	71%	77%	85%	71%	80%	84%	82%	81%	79%	70%
Capital Improvement Projects: Assumed inflation 2.50%										
Lighting retrofit		EP-12-001		65,000						
Pond and Waterfall Renovation		EP-12-004		20,000						
Concrete repairs		EP-09-016			153,800					
Replaster pool		EP-00-017			71,800					
Track air conditioning		EP-11-005			66,600					
Upstairs restroom remodel		EP-11-009			30,800					
Replace carpeting		EP-06-007				12,600				
Lift to birthday party area		EP-09-014				42,000				
Adventure Peak remodel		EP-09-021				26,300				
Adventure Peak Wave Slide		EP-11-006				26,300				
Pool boiler		EP-12-002				12,600				
Security Camera System		EP-08-007					43,100			
Track Floor		EP-09-015					70,000			
North Sidewalk		EP-10-011					32,300			
Park Boiler		EP-12-003					26,900			
Adventure Peak Renovation		EP-11-010						33,100		
Exterior entryway doors		EP-11-007							90,500	
Interior Entryway Doors		EP-11-008							67,900	
Fill in grotto & tree rings		NEW		125,000						
Ramp to track		NEW			41,000					
Window washing		NEW				26,300				
Upgrade pool tank & deck tile		NEW				189,500				
Provide larger locker rooms		NEW				582,000				
Facility Maintenance		NEW					110,400			
POS System		NEW						28,300		
Hot water heater & holding tanks		NEW								23,200
Scissors lift		NEW								15,100
Facility Repair		NEW								145,000
Total				\$ 210,000	\$ 364,000	\$ 917,600	\$ 172,300	\$ 143,500	\$ 186,700	\$ 183,300

* Edinborough Park's finances were combined with Centennial Lakes in one fund through 2011 and were separated into two funds starting in 2012.

In order to show comparative historical data in this format, certain assumptions and estimates were made by the Finance Department for fiscal years 2009-2011.

Edinborough Park Pool and Track/Fitness Option

Assumed 2012-2018 Construction Fund Subsidy of \$1,385,000



	Estimated 2009*	Estimated 2010*	Estimated 2011*	Estimated 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Expense recovery	71%	77%	85%	71%	80%	84%	82%	81%	79%	70%
Cash balance			\$1,350,112	\$1,089,878	\$993,003	\$174,803	\$117,003	\$49,903	\$(63,397)	\$(345,597)

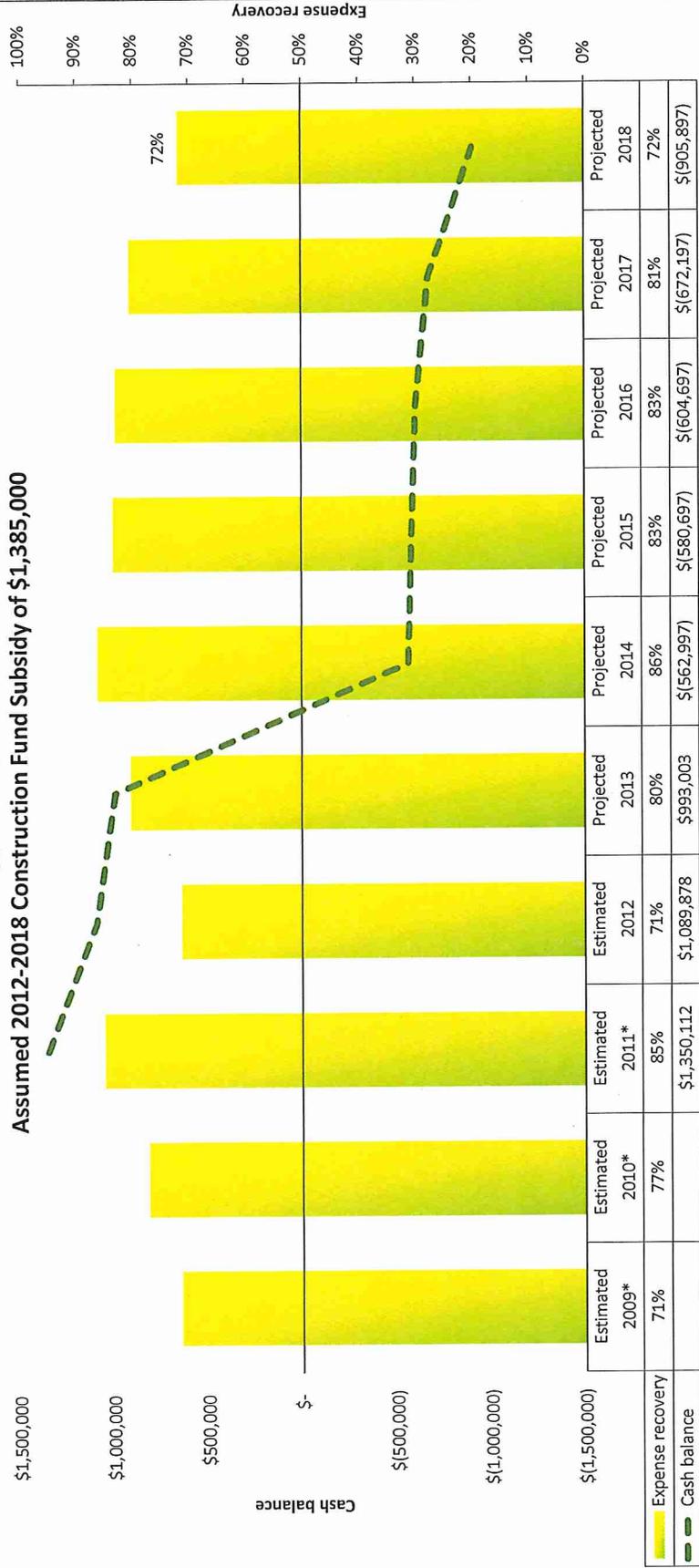
**EDINBOROUGH PARK
Playpark Option**

	2009*	2010*	2011*	2012	2013	2014	2015	2016	2017	2018
	Estimated	Estimated	Estimated	Estimated	Projected	Projected	Projected	Projected	Projected	Projected
Operating revenues										
Concessions sales	\$ 29,386	\$ 29,328	\$ 52,975	\$ 175,000	\$ 185,000	\$ 190,000	\$ 194,800	\$ 199,700	\$ 204,700	\$ 209,800
Memberships	57,078	52,515	54,436	56,000	56,000	57,400	58,800	60,300	61,800	63,300
-Eliminate pool	-	-	-	-	-	(25,000)	(25,600)	(26,200)	(26,900)	(27,600)
Admissions	563,735	569,591	654,971	550,000	550,000	563,800	577,900	592,300	607,100	622,300
-Rate increase	-	-	-	-	76,000	77,900	79,800	81,800	83,800	85,900
-More admissions	-	-	-	-	-	98,000	100,500	103,000	105,600	108,200
-Eliminate pool	-	-	-	-	-	(21,000)	(21,500)	(22,000)	(22,600)	(23,200)
Building rental	143,442	163,492	208,865	150,000	150,000	153,800	157,600	161,500	165,500	169,600
-Rate increase	-	-	-	-	-	26,000	26,700	27,400	28,100	28,800
-More parties	-	-	-	-	-	42,000	43,100	44,200	45,300	46,400
Equipment rental	7,814	11,397	15,261	8,500	8,500	12,000	12,300	12,600	12,900	13,200
Association fees	203,245	217,122	202,423	212,100	214,200	224,800	228,700	232,700	200,300	47,200
Total revenues	1,004,700	1,043,445	1,188,931	1,151,600	1,239,700	1,399,700	1,433,100	1,467,300	1,465,600	1,343,900
Operating expenses										
COGS	40,055	42,164	70,603	99,000	105,000	115,000	117,900	120,800	123,800	126,900
Personal services	666,921	677,701	637,146	783,210	797,479	821,400	846,000	871,400	897,500	924,400
-Staffing reduction	-	-	-	-	(97,000)	(99,400)	(101,900)	(104,400)	(107,000)	(109,700)
Contractual services	386,027	316,198	308,998	331,500	335,000	343,400	352,000	360,800	369,800	379,000
-Staffing reduction	-	-	-	-	24,000	24,600	25,200	25,800	26,400	27,100
-Lighting efficiency	-	-	-	-	(40,000)	(41,000)	(42,000)	(43,100)	(44,200)	(45,300)
-Eliminate pool	-	-	-	-	-	(20,000)	(20,500)	(21,000)	(21,500)	(22,000)
Commodities	175,145	148,342	169,991	182,200	187,700	192,400	197,200	202,100	207,200	212,400
Central services	39,573	38,495	51,850	56,424	57,096	58,500	60,000	61,500	63,000	64,600
Depreciation	98,750	128,994	160,199	162,700	173,600	229,200	283,300	294,000	304,100	312,100
Total expenses	1,406,471	1,351,894	1,398,787	1,615,034	1,542,875	1,624,100	1,717,200	1,767,900	1,819,100	1,869,500
Operating loss	(401,771)	(308,449)	(209,856)	(463,434)	(303,175)	(224,400)	(284,100)	(300,600)	(353,500)	(525,600)
Nonoperating revenues, (expenses), and transfers										
Interest income	37,364	73,650	95,866	40,500	32,700	29,800	(16,900)	(17,400)	(18,100)	(20,200)
Miscellaneous	1,125	-	-	-	-	-	-	-	-	-
Transfers	250,000	102,091	150,963	210,000	292,200	197,000	172,300	143,500	186,700	183,300
Total nonoperating	288,489	175,741	246,829	250,500	324,900	226,800	155,400	126,100	168,600	163,100
Change in net assets	(113,282)	(132,708)	36,973	(212,934)	21,725	2,400	(128,700)	(174,500)	(184,900)	(362,500)
January 1 net assets	-	-	-	2,636,318	2,423,384	2,445,109	2,447,509	2,318,809	2,144,309	1,959,409
December 31 net assets	-	-	\$ 2,636,318	\$ 2,423,384	\$ 2,445,109	\$ 2,447,509	\$ 2,318,809	\$ 2,144,309	\$ 1,959,409	\$ 1,596,909
Non-GAAP cash reconciliation										
Change in net assets	\$ (113,282)	\$ (132,708)	\$ 36,973	\$ (212,934)	\$ 21,725	\$ 2,400	\$ (128,700)	\$ (174,500)	\$ (184,900)	\$ (362,500)
Depreciation	98,750	128,994	160,199	162,700	173,600	229,200	283,300	294,000	304,100	312,100
Capital expenditures	(512,510)	(194,949)	(179,628)	(210,000)	(292,200)	(1,787,600)	(172,300)	(143,500)	(186,700)	(183,300)
Other accruals	(117,470)	29,854	-	-	-	-	-	-	-	-
Change in cash	(644,512)	(168,809)	17,544	(260,234)	(96,875)	(1,556,000)	(17,700)	(24,000)	(67,500)	(233,700)
January 1 cash	-	-	-	1,350,112	1,089,878	993,003	(562,997)	(580,697)	(604,697)	(672,197)
December 31 cash	-	-	\$ 1,350,112	\$ 1,089,878	\$ 993,003	\$ (562,997)	\$ (580,697)	\$ (604,697)	\$ (672,197)	\$ (905,897)
Expense recovery	71%	77%	85%	71%	80%	86%	83%	83%	81%	72%
Capital Improvement Projects: Assumed inflation 2.50%										
Lighting retrofit	EP-12-001			65,000						
Pond and Waterfall Renovation	EP-12-004			20,000						
Concrete repairs	EP-09-016				153,800					
Track Air Conditioning	EP-11-005				66,600					
Upstairs Restroom Remodel	EP-11-009				30,800					
Replace Carpeting	EP-06-007					12,600				
Lift to Birthday Party Area	EP-09-014					42,000				
Adventure Peak Remodel	EP-09-021					26,300				
Adventure Peak Wave Slide	EP-11-006					26,300				
Security Camera System	EP-08-007						43,100			
Track Floor	EP-09-015						70,000			
North Sidewalk	EP-10-011						32,300			
Park Boiler	EP-12-003						26,900			
Adventure Peak Renovation	EP-11-010							33,100		
Exterior Entryway Doors	EP-11-007								90,500	
Interior Entryway Doors	EP-11-008								67,900	
Fill in grotto and tree rings	NEW			125,000						
Ramp to track	NEW				41,000					
Window washing	NEW					26,300				
Infill pool/play structure/mtg rooms	NEW					1,654,100				
Facility Maintenance	NEW							110,400		
POS System	NEW								28,300	
Hot water heater & holding tanks	NEW									23,200
Scissors lift	NEW									15,100
Facility Repair	NEW									145,000
Total				\$ 210,000	\$ 292,200	\$ 1,787,600	\$ 172,300	\$ 143,500	\$ 186,700	\$ 183,300

* Edinborough Park's finances were combined with Centennial Lakes in one fund through 2011 and were separated into two funds starting in 2012. In order to show comparative historical data in this format, certain assumptions and estimates were made by the Finance Department for fiscal years 2009-2011.

Edinborough Park Playpark Option

Assumed 2012-2018 Construction Fund Subsidy of \$1,385,000

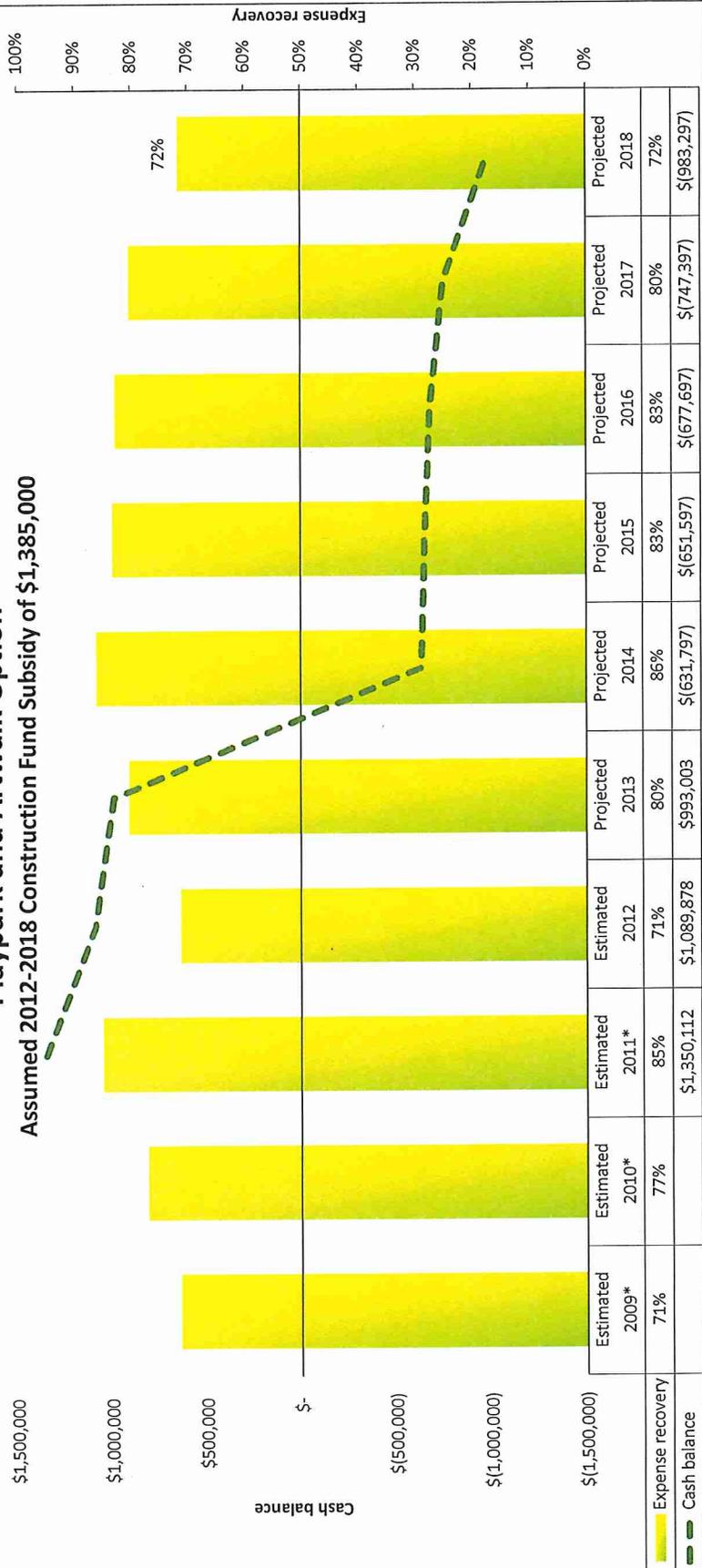


**EDINBOROUGH PARK
Playpark and Artwalk Option**

	2009*	2010*	2011*	2012	2013	2014	2015	2016	2017	2018
	Estimated	Estimated	Estimated	Estimated	Projected	Projected	Projected	Projected	Projected	Projected
Operating revenues										
Concessions sales	\$ 29,386	\$ 29,328	\$ 52,975	\$ 175,000	\$ 185,000	\$ 190,000	\$ 194,800	\$ 199,700	\$ 204,700	\$ 209,800
Memberships	57,078	52,515	54,436	56,000	56,000	57,400	58,800	60,300	61,800	63,300
-Eliminate pool	-	-	-	-	-	(25,000)	(25,600)	(26,200)	(26,900)	(27,600)
Admissions	563,735	569,591	654,971	550,000	550,000	563,800	577,900	592,300	607,100	622,300
-Rate increase	-	-	-	-	76,000	77,900	79,800	81,800	83,800	85,900
-More admissions	-	-	-	-	-	98,000	100,500	103,000	105,600	108,200
-Eliminate pool	-	-	-	-	-	(21,000)	(21,500)	(22,000)	(22,600)	(23,200)
Building rental	143,442	163,492	208,865	150,000	150,000	153,800	157,600	161,500	165,500	169,600
-Rate increase	-	-	-	-	-	26,000	26,700	27,400	28,100	28,800
-More parties	-	-	-	-	-	42,000	43,100	44,200	45,300	46,400
Equipment rental	7,814	11,397	15,261	8,500	8,500	12,000	12,300	12,600	12,900	13,200
Association fees	203,245	217,122	202,423	212,100	214,200	224,800	228,700	232,700	200,300	47,200
Total revenues	1,004,700	1,043,445	1,188,931	1,151,600	1,239,700	1,399,700	1,433,100	1,467,300	1,465,600	1,343,900
Operating expenses										
COGS	40,055	42,164	70,603	99,000	105,000	115,000	117,900	120,800	123,800	126,900
Personal services	666,921	677,701	637,146	783,210	797,479	821,400	846,000	871,400	897,500	924,400
-Staffing reduction	-	-	-	-	(97,000)	(99,400)	(101,900)	(104,400)	(107,000)	(109,700)
Contractual services	386,027	316,198	308,998	331,500	335,000	343,400	352,000	360,800	369,800	379,000
-Staffing reduction	-	-	-	-	24,000	24,600	25,200	25,800	26,400	27,100
-Lighting efficiency	-	-	-	-	(40,000)	(41,000)	(42,000)	(43,100)	(44,200)	(45,300)
-Eliminate pool	-	-	-	-	-	(20,000)	(20,500)	(21,000)	(21,500)	(22,000)
Commodities	175,145	148,342	169,991	182,200	187,700	192,400	197,200	202,100	207,200	212,400
Central services	39,573	38,495	51,850	56,424	57,096	58,500	60,000	61,500	63,000	64,600
Depreciation	98,750	128,994	160,199	162,700	172,600	230,000	286,900	297,600	307,700	315,700
Total expenses	1,406,471	1,351,894	1,398,787	1,615,034	1,541,875	1,624,900	1,720,800	1,771,500	1,822,700	1,873,100
Operating loss	(401,771)	(308,449)	(209,856)	(463,434)	(302,175)	(225,200)	(287,700)	(304,200)	(357,100)	(529,200)
Nonoperating revenues, (expenses), and transfers										
Interest income	37,364	73,650	95,866	40,500	32,700	29,800	(19,000)	(19,500)	(20,300)	(22,400)
Miscellaneous	1,125	-	-	-	-	-	-	-	-	-
Transfers	250,000	102,091	150,963	210,000	251,200	238,000	172,300	143,500	186,700	183,300
Total nonoperating	288,489	175,741	246,829	250,500	283,900	267,800	153,300	124,000	166,400	160,900
Change in net assets	(113,282)	(132,708)	36,973	(212,934)	(18,275)	42,600	(134,400)	(180,200)	(190,700)	(368,300)
January 1 net assets	-	-	-	2,636,318	2,423,384	2,405,109	2,447,709	2,313,309	2,133,109	1,942,409
December 31 net assets	-	(308,449)	(209,856)	(463,434)	(302,175)	(225,200)	(287,700)	(304,200)	(357,100)	(529,200)
Non-GAAP cash reconciliation										
Change in net assets	\$ (113,282)	\$ (132,708)	\$ 36,973	\$ (212,934)	\$ (18,275)	\$ 42,600	\$ (134,400)	\$ (180,200)	\$ (190,700)	\$ (368,300)
Depreciation	98,750	128,994	160,199	162,700	172,600	230,000	286,900	297,600	307,700	315,700
Capital expenditures	(512,510)	(194,949)	(179,628)	(210,000)	(251,200)	(1,897,400)	(172,300)	(143,500)	(186,700)	(183,300)
Other accruals	(117,470)	29,854	-	-	-	-	-	-	-	-
Change in cash	(644,512)	(168,809)	17,544	(260,234)	(96,875)	(1,624,800)	(19,800)	(26,100)	(69,700)	(235,900)
January 1 cash	-	-	-	1,350,112	1,089,878	993,003	(631,797)	(651,597)	(677,697)	(747,397)
December 31 cash	-	(168,809)	17,544	(260,234)	(96,875)	(1,624,800)	(19,800)	(26,100)	(69,700)	(235,900)
Expense recovery	71%	77%	85%	71%	80%	86%	83%	83%	80%	72%
Capital Improvement Projects: Assumed inflation 2.50%										
Lighting retrofit		EP-12-001		65,000						
Pond and Waterfall Renovation		EP-12-004		20,000						
Concrete repairs		EP-09-016			153,800					
Track Air Conditioning		EP-11-005			66,600					
Upstairs Restroom Remodel		EP-11-009			30,800					
Replace Carpeting		EP-06-007				12,600				
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Park Boiler		EP-12-003					26,900			
Adventure Peak Renovation		EP-11-010						33,100		
Exterior Entryway Doors		EP-11-007							90,500	
Interior Entryway Doors		EP-11-008							67,900	
Fill in grotto and tree rings		NEW		125,000						
Window washing		NEW				26,300				
Infill pool/play structure/mtg rooms		NEW				1,654,100				
Add 1/6 mile Artwalk		NEW				109,800				
Facility Maintenance		NEW						110,400		
POS System		NEW							28,300	
Hot water heater & holding tanks		NEW								23,200
Scissors lift		NEW								15,100
Facility Repair		NEW								145,000
Total				\$ 210,000	\$ 251,200	\$ 1,897,400	\$ 172,300	\$ 143,500	\$ 186,700	\$ 183,300

* Edinborough Park's finances were combined with Centennial Lakes in one fund through 2011 and were separated into two funds starting in 2012. In order to show comparative historical data in this format, certain assumptions and estimates were made by the Finance Department for fiscal years 2009-2011.

**Edinborough Park
Playpark and Artwalk Option**
Assumed 2012-2018 Construction Fund Subsidy of \$1,385,000



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

I. CALL TO ORDER

Chair Steel called the meeting to order at 7:04 pm

II. ROLL CALL

Answering roll call were Members Dan Peterson, Jacobson, Gieseke, Steel, Cella, Jones, Kathryn Peterson

III. APPROVAL OF MEETING AGENDA

Member Dan Peterson made a motion, seconded by Member Cella, approving the meeting agenda.

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

IV. ADOPTION OF CONSENT AGENDA

Member Dan Peterson made a motion, seconded by Member Gieseke approving the consent agenda as follows:

IV.A. Approval of Minutes – Regular Meeting of Tuesday, May 8, 2012

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

V. COMMUNITY COMMENT

None

VI. REPORTS/RECOMMENDATIONS

VI.A. Edinborough Park Study Recommendations

Ann Kattreh (Parks and Recreation Assistant Director), Eric Roggeman (Finance Assistant Director) and Susan Faus (Sr. Recreation Facility Manager of Edinborough Park) gave a presentation to the Park Board on the Edinborough Park Study.

Ms. Kattreh asked Brad Gray, a board member from the Edina Swim Club, to talk a little bit about the partnership that is being proposed. Brad Gray, 6005 Girard Ave. So., indicated that he has been asked to re-emphasize their portion of the recommendation related to the additional funds the Edina Swim Club (ESC) would generate. Mr. Gray explained that one of the big issues for the ESC is that they don't have a "home" pool; they rent space in a variety of locations including the pools at South View and Valley View Middle Schools. He noted that they spend the majority of their pool facility money in other communities outside of Edina simply because of the space and the time that is needed. He noted this opportunity to partner with Edinborough would allow them to have a "home" pool for their age 12 and under swimmers which is the largest portion of their club. It would give these swimmers a primary place to swim on a regular basis to prepare for their competitions year around and would provide a consistent environment for them. He noted that, in addition, it also provides an outstanding opportunity for the parents and siblings to have someplace to go during the lengthy practices.

Mr. Gray pointed out that their community involvement would also increase the capability for the pool to be viable for other community activities because it will be open and it will also give the ESC opportunities to partner with Parks and Recreation to potentially develop additional programming that is currently not available. He pointed out that currently the ESC spends approximately \$4,700 a year of their budget at Edinborough pool and to increase that to \$53,000 a year is very significant. He explained

that the commitment they are making for their initial term is a very long term. He noted that it's binding for the first several years of the contract, which was shown in the financial projections, and they have every expectation to increase their potential over time. He noted that it also provides an opportunity as a swim club to have a higher profile within the City as well as provide a higher profile for others that come to the ESC which would also help them with their residency requirements for their club as well as attract the younger swimmers that are harder to reach that are at the park playing before they reach the age of joining the ESC. It's really a win/win for the City and the ESC.

Member Gieseke indicated Ms. Kattreh had talked about the association dues sun setting and what they would lose over time in those revenues and asked if they could somehow replace some of the revenues by having season passes offered to the same residents because that would essentially replace it and therefore it would be equivalent. Ms. Kattreh replied it is certainly a possibility that they could replace some of those revenues but to think they could replace the majority of those revenues would not be correct at this point because they feel it would be too difficult to estimate accurately how much they could generate from their neighbors for daily user fees or season passes. She commented that they have had discussions with their neighbors about potentially voluntarily extending their association fees and is something that as staff they are pursuing.

Member Gieseke made a suggestion of maybe looking at an option of tying in the Aquatic Center season pass with Edinborough for an additional cost and people could maybe use the indoor pool for a few extra months. Member Kattreh replied that is a great idea and right now they have a great opportunity with Susan Faus being the manager of both the Aquatic Center and Edinborough Park to look at some partnering.

Member Jones asked about the timing needs for the ESC and asked how it can remain open to the residents of Edina. Ms. Kattreh explained that it is their recommendation that they make all of these changes effective this year and that they would increase the pool time for the ESC starting in September. She noted the times they've been working with the ESC is from 3:30 p.m. to 8:00 p.m. Monday through Friday and from 7:00 am to 10:00 am on Saturdays. Therefore, the impact would be to the lap swimmers this fall and some open swim times but it is their opinion that these are not heavily used times and would be much better used by the ESC.

Member Jones commented that the pool is kept fairly warm and wondered if they would continue to keep it warm. Ms. Kattreh responded they have had a lot of discussions about that and they will keep it the same; 83 degrees with the air temperature at 84 degrees, they are very sensitive to the Community Education and some of their classes that use the pool and the ESC is willing to work with them on the pool temperature.

Member Jones indicated that she likes the concept of the walking track and asked why that is not part of Plan A. Ms. Kattreh replied the reason it is not included in Plan A is because part of the ESC proposal to them is that they use the track and fitness facilities as a dry land training facility for their athletes; which there is not a lot of space. She explained that if they do the art walk option they would essentially be eliminating the south side of the track from being used as a fitness opportunity and say the ESC wants to take 15 to 20 athletes up there at any time it's really going to tax the size of that space; however, it's certainly something they could discuss. Member Jones asked if the fitness facilities would be closed from 3:30 p.m. to 8:30 p.m. Monday through Friday to which Ms. Kattreh replied no, it would remain open to the public and it would be a shared use with the ESC.

Member Kathryn Peterson pointed out that when they talk about possible renewals or passes from the association and hotel as potential revenue it's important to note that finances would only come into play with Option A because if there isn't a pool then there is nothing there. Ms. Kattreh commented that Ms. Faus and she did meet with the Marriott Hotel, Edina Park Plaza and Corporate East and they had those exact discussions. She noted that one of their neighbors stated that they didn't really care about the pool;

it was the track that they were most concerned about. She noted one of the other neighbors mentioned that they really liked the option of having both but that the track was important to them as well. Therefore, she agrees the potential for renegotiating is much higher with the pool.

Member Jones commented that Edinborough Park is a really pretty park and she wants to make sure they don't ruin the experience as they try to cut costs. She noted she agrees there are several trees that are overgrown and she is trying to sort through what the proposal is with the trees. She asked if where all of the current tall trees are will those areas be filled in or are there going to be midsized or tall plants put in. She commented that she is just trying to get a sense for how the place will feel once the proposals have been put in. Ms. Kattreh replied that essentially anywhere there are trees in the walkway they propose to remove them. In addition, where there are ficus trees that are growing up really tall in the entrances as well as the lower level that are growing up to the ceiling will be eliminated as well. She added there are some tall ficus trees that she thinks they could let grow and see how they do with the new lighting conditions. She indicated they also have a variety of plants that are in the 6' to 8' range and it certainly would be their goal to try to have some taller plants; not necessarily tree size, because they need different lighting and maintenance requirements. Ms. Kattreh stated that they would propose to remove 38 of the large trees as well as thin out some of the lower plant beds to provide a more updated landscape look. She thinks they should be able to provide a very unique and beautiful environment just using a different type of vegetation. Ms. Kattreh commented another thing worth spelling out is the potential cost savings in terms of an energy retrofit; they would save \$40,000 in just the lighting retrofit and another \$80,000 in staffing costs.

Member Jones asked once the grotto area is filled in what is the plan for potential uses for that space. Ms. Kattreh replied first they could partner with the Edina Art Center and provide gallery space for their local artists. She noted they would potentially also have the ability to set up a birthday party space or maybe even an art class in the more wide open area. She added that they would also level off that space to make it more handicapped accessible as well as provide a much larger space for people to mingle.

Member Jones indicated that one of the prior scenarios they looked at was having catering and party rentals and asked why that is not a feature here. Ms. Kattreh responded it was eliminated because the two other proposals actually provide them a better cost recovery percentage.

Member Dan Peterson asked regarding the user fees of the pool with a lot of letters and emails of people wanting to keep the pool why did the consultants say get rid of it, how did that happen? Ms. Kattreh replied the main answer for that is their partnership with the ESC because that was a discussion that just happened in the last month or two. She indicated that when the consultants looked at the fitness facilities they looked at their current facilities and what it would cost to bring their facilities up to a health club standard and they didn't feel the return on the investment was good enough. She added that without the commitment from the ESC she is not sure the pool option would be viable.

Member Dan Peterson asked regarding the rollover fees and the law that was passed the legislature was not just to get at Edina; it was something else and that happened to affect us; is that correct? Ms. Kattreh replied that is correct, it happened back in the 1980s and it was challenged and the law was upheld.

Member Dan Peterson asked Ms. Kattreh if all of this happens what is her best guess on cost recovery from renting, low to mid 70s or will it get up to 80% or 85%. Ms. Kattreh replied if they were to maintain their association fees at the level that they are to date yes, she thinks it would be safe to say that they would be in the low to mid 80s. Ms. Kattreh asked Mr. Roggeman if he would concur to which he replied yes. Ms. Kattreh noted they would hope that they would be able to motivate some of their association members to potentially voluntarily renew and that would put their percentage somewhere between the low 70s to the low 80s. Member Dan Peterson asked but the law would not restrict the City from renegotiating and have a new 15, 25 or 30 year fee contract to use the facilities, right. Ms. Kattreh replied that they cannot require it but if they voluntarily do it then that would be acceptable. She noted

that they did have the City Attorney at the time these contracts were written give us his opinion and he stated that we would not be able to require the renewal of that 30 year commitment. Member Dan Peterson asked without the fee money of course the individual user fees go up dramatically. Ms. Kattreh replied that's correct, she thinks their user fees right now with the increase that they are proposing are about as high as they could make them.

Arnie Bigbee, 7621 Edinborough Way, noted that Edinborough Park is a real gem in this community, it's a unique result of public/private partnership and he thinks it was ingenious of how in the past they put this together. He indicated that he agrees with Member Jones that it would be a real shame to have that lost as a community resource. He noted that in marketing a property like this it is important to find all of the values and purposes and he thinks the ESC looks like a tremendous value to our community. He noted another thing Edina has committed to do is be a "Do Town" City and he doesn't see a lot of Edina City employees at the fitness center when he is there and he doesn't know what kind of marketing efforts have been made to find out why employees don't use it. He indicated that he heard that there is an incentive for employees to be able to use that facility but they are not using it. It is the kind of facility, equipment, track and all of those things that would put this park into an investment mode, not an expense because the Human Resources we have for the City is probably one the largest resources that we fund every year. He commented that if you change those habits with employee health and wellness over the long term this is an opportunity for our community to be a leader again. They've got a facility that supports that and it would be a real shame from his perspective to see that changed into something else that wouldn't provide that opportunity for their population.

Ryan Siemers, 7004 Lynmar Lane, indicated that he has lived at Edinborough Park off and on since 1986 when it was built. He noted that for Option C that includes the walking trail with the ESC asked if the hours that the ESC would require to use that track be inhibitive of the residents of Edinborough also using the track if not the pool. He stated there is a mixed population at Edinborough to which everyone would benefit from being able to use the pool during hours where kids do not have to be tucked into bed. He commented if they don't need to use the track during the entire peak time after hours or after work hours from 3:00 p.m. to 8:00 p.m. if that might also be an opportunity to have an hour or two everyday where that becomes a walking trail or an art walk. He stated there was a lot of talk about a number of revenue generating opportunities and he thinks you are kind of missing a few that might be worth exploring. The City should also look at opportunities for advertising from local businesses that target the family demographic and the folks that actually use the park such as rotating electronic signs that could be placed at the entrances or somewhat discreet print graphics that could be put on the glass wall between the pool and the kid area. He noted that they could also look at corporate sponsorships since this has been a public/private space that has been funded in the past and so why not continue that kind of opportunity in the future. He also wonders how many members of the ESC are projected for daily use on the track because we already know it's a confined space so how many people are going to feel comfortable in it together. He added that they do own a unit 7615 Edinborough Way, #4302.

Evelyn Raedler, Bloomington resident, indicated that Edinborough Park is not just for Edina people; there are people that come from all of the other surrounding areas so it's important to a lot people not just Edina. She noted that in all of the discussion it was just dollars, dollars and dollars and nothing was said about the health of the community particularly the older people who want to continue an active life. Edinborough and the pool are very, very important to them and that is why there are so many of them here tonight. She commented one clarification she would like to have is if the ESC were to use the pool in the evening what would happen to the evening water aerobics classes because there is an important constituency that has been going to the water aerobics classes for years and years and years and asked would that be cut out. She commented if you are serious about keeping the pool and partnering with Blue Cross Blue Shield in the "Do Town" program then one of the best ways to get people to groove your body every day is to reach out to a population that wants to live, work and play healthier. She added that a very important segment of that population lives within easy driving distance of

Edinborough and perhaps don't even know about it so if this plans go through, market, market, market and you will get a lot of people to use that facility which will help pay for it.

Greg Solum, 3300 Edinborough #550, indicated he has a law office in the Edinborough Corporate Center East and he uses the pool for approximately three miles a week. He would like to echo what has previously been said about the health aspects of this because he thinks one of our main things about parks is focusing on health and wellness. He stated that he realizes it's about dollars and you have to watch that but on the other hand there is the obesity crisis among the children and a lack of fitness facilities available to seniors. He stated the accessibility from the condos at Edinborough to the facilities may not make a lot of money but it's certainly a long-term asset and long-term health benefit for all ages. He commented that he agrees about the marketing and thinks it's an important part of this and thinks that may be part of why the pool may be underused and would strongly recommend Option A.

Barbara LaValleur, 7621 Edinborough Way #2110, indicated she has lived there for over eight years and wants to make it very clear that she is for keeping the pool, the walk around and expanding it in any way that they can to have more exercise equipment. She noted she has used the facility for eight years and it's a critical part of keeping her fit in her 66th year. She noted that she is also a member of the Edina Art Board and the Edina Public Art committee so she is very pleased to hear the commitment to public art and thinks that would add a great deal to the appeal of the space. She commented that although she hates to see the trees go she understands the practicality of that and would be in favor of that. She indicated one question she has is if the pool is being used by the ESC would they be using the whole pool so there would not be any lanes open for the public at that time.

Bill Bryan, 5908 Drew Ave., noted someone commented about City employees and noted that he is a part-time City employee and he has used the whole facility off and on since it was built for rehab. He stated that the track, fitness equipment, pool, the whole works is a gem that the world needs to know more about and know it's out there. He added that he is thankful every day for that facility.

Patrick Shannon, 7622 York Ave. So., #1107, indicated that he thinks the Board would be receptive to renewing this because it is such an asset for the residents who live there. He noted when they bought their condo ten years ago and that was a real selling point that they could walk from his condo right to the park with this grandchildren. It's a beautiful park and if they have to increase the fees or something he thinks it's well worth it. He has been paying \$15.00 a month for ten years and he thinks that is a steal and also thinks the employees are great.

Member Cella stated that she thinks it's important going forward that they put the highest priority possible on renegotiating or working with the entities that pay these monthly fees to keep those ongoing and to work out some mutually agreeable way to keep that going. It sounds like it's important for both the residents but certainly for the City's bottom line as well so she thinks it's a win/win situation.

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

VI.C. Sports Dome Working Group Phase II

Mr. Keprios informed the Park Board that Member Jones has informed him that he has misnamed the group and by their new bylaw rules that were approved by the City Council they are actually a "Committee" so they need to be sure to change the name. He stated that he knows Member Deeds is willing to serve on the reconvening of this committee and that all members of the Sports Dome Committee are Park Board members along with Ms. Kattreh. He informed the Park Board that they have learned that the proposed site south of the South Metro Training Facility is not financially feasible, there is room but it's going to be close to a two million dollar proposition just for site development. He noted they believe there is a much more affordable option out there and the City Council would like the committee to reconvene and review a couple of sites that staff would like to propose. Mr. Keprios asked for a list of the names of the Park Board members on the committee to which it was noted: Members Deeds, Jones, Jacobson, Gieseke, Hulbert and Ann Kattreh.

Member Dan Peterson made a motion, seconded by Chair Steel, approval of the Sports Dome Committee as named.

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

VII. CORRESPONDENCE AND PETITIONS

Mr. Keprios informed the Park Board that handed out tonight is hard copies of the up-to-date emails including something from Skip Reebie that was dropped off at City Hall with regards to Edinborough Park. There is also some information from "First Athlete" on their training facility that they wanted the Park Board to have.

VIII. CHAIR AND BOARD MEMBER COMMENTS

Chair Steel gave the Park Board an update on the self-assessment, she completed compiling it and printing it although left it at home so she will email to Mr. Keprios to forward on to the Park Board. She noted that she is going to work with Mr. Keprios and Karen Kurt, Assistant City Manager, to put some sort of a retreat together to address some of the different things that came up in the self-assessment.

IX. STAFF COMMENTS

Mr. Keprios informed the Park Board as he mentioned earlier that City Council has already voted to approve that the Golf Dome be rebuilt in its exact same location. He noted he was asked about the effect of the loss of the Golf Dome enterprise revenues and stated that the Golf Dome loss of business was covered by insurance because they have business interruption insurance. He noted they are still not sure what that is going to be but he thinks in the end they may do even better than they did last year. He noted that another good reason to put the dome back in its current location is because we have excellent coverage and if they were to move it they would have to pay for new footings and any site restorations that would need to be done. He commented that under the current policy the insurance company will pay for pretty much the entire replacement if it stays on site including paying for additional new building code required expenses that kick into place that may not have been there when it was first built so it's all good news.

Mr. Keprios informed the Park Board that the Hornet's Nest is on an extremely fast track. The proposal and the attorneys have worked it out between the "Drive for the Hive" and our City attorney. He noted that it's going to be a little bit of a design build kind of approach but they still are going through the public bidding process. Their goal is to have a public hearing at the City Council meeting on July 17th to approve the Memorandum of Understanding to approve the project and to approve bids. They hope to have everything in place and all of their money raised so they can go forward with the whole proposal shortly after that date. It is their hope to have this built and operational by Thanksgiving so things are moving along very fast. He pointed out that if they don't meet the obligation of fundraising it will probably be delayed.

Meeting adjourned at 9:28 pm.