

**MINUTES  
OF THE SPECIAL MEETING OF THE  
PARK BOARD  
HELD AT CITY HALL  
SEPTEMBER 27, 2011  
7:00 PM**

***I. CALL TO ORDER***

Chairman Hulbert called the meeting to order at 7:00 pm

***II. ROLLCALL***

Answering rollcall were Members Peterson, Steel, Hulbert, Deeds, Jones, Segreto, Lough

***III. APPROVAL OF MEETING AGENDA***

**Member Peterson made a motion, seconded by Member Deeds, approving the meeting agenda.**

**Ayes: Peterson, Steel, Hulbert, Deeds, Jones, Segreto, Lough**

**Motion Carried.**

***IV. COMMUNITY COMMENT***

Ray O'Connell, 4612 Valley View Road, addressed the Park Board regarding the Braemar Men's Club. He wanted to let the Park Board know that this is the first year they've allowed members from outside of Edina which means they have now added 57 new members. The reason he brings this up is because it's something to consider as far as the budget and because in part this will not only reinforce the membership but the attendance will also grow.

***V. REPORTS/RECOMMENDATIONS***

***V.A. Quality of Life Survey Presentation – City Manager Scott Neal***

Scott Neal, City Manager, gave the Park Board a power point presentation of the results from Decision Resource's "2011 Quality of Life Survey".

***V.B. Budget Question/Answer Discussion – City Manager Scott Neal***

Scott Neal, City Manager, answered questions about the City's budgeting process and other budget related questions from the Park Board.

***V.C. Enterprise Facility Business Plans and 2012 Enterprise Facility Budgets*** – Member Lough asked how often are the business plans done and when are they prepared. Mr. Keprios replied they are done about every two years; however, they are running a little behind on this one for a variety of reasons; this is the 2010-2011 Business Plan cycle.

**Braemar Arena** - Member Deeds stated on a cash basis it looks like the arena is about \$340,000 short of budget this year and asked Mr. Bauman for some insight on that. Mr. Bauman replied there was a shortfall on ice rental due to the fact a couple of hockey camps that they were expecting and counting on went out of business. In addition, the Figure Skating Club also reduced their ice rental throughout the year. Member Deeds asked where Braemar Arena would be proportionally on the utilization of the ice time that is available; would it be 75 % of available time. Mr. Bauman replied it wouldn't be that high mainly because kids are in school during the daytime hours that they are open for operation. He noted that they are looking at some options for the kids who get out of school a little earlier to utilize that ice time.

Member Jones asked if there is a contractual relationship between the concession stand and the Edina Hockey Association to which Mr. Bauman replied currently there is not, but that they are looking into it. Mr. Keprios commented that they do have a contractual relationship with the Edina Baseball Association

with regards to the operation of the Courtney Fields Concession Stand and he has asked Mr. Bauman to work closely with the EHA and analyze what is going to be the best arrangement for the city.

Chair Hulbert asked about dasher board advertising in the west arena. Mr. Bauman replied that EHA has expressed an interest in selling ads in the west arena, they would have the support of the Figure Skating Club and there would be no conflict being that EHA would then have two rinks and the Figure Skating Club only one rink. He indicated that he has asked EHA to draw up a new proposal as far as a percentage that the City would receive from the sales of the dasher board advertising. Chair Hulbert asked if the City could sell them to which Mr. Bauman replied that is something they have been looking into with Jennifer Bennerotte, Communications Director. Chair Hulbert asked if the City currently receives anything from the other two arenas to which it was noted the City receives 25% of the sales.

Chair Hulbert stated that somebody told him that they paid to have a sign up in the arena three years ago and they haven't been asked to pay for the last two. Mr. Bauman responded that has been a major issue and that was one reason why they did not give the west arena back to EHA. He noted that a new gentleman has taken over the advertising sales for EHA and he has been working very closely with him over the last two weeks and feels they are going to be able to get everything under control. This gentleman is doing all of the investigating to find out who has paid and who has not and to make sure the city will get the money they are due.

Member Jones asked why is it that the money for selling the boards is not coming through the city. Mr. Bauman replied he has been working with Ms. Bennerotte in trying to decide which route they want to go and do they want to continue to help out EHA? Mr. Keprios stated that this is not unique to Edina, it's very expensive to have a child in the hockey program or a figure skating program and it's part of rewarding and developing a good strong business relationship with their two most powerful and needed customers, it's good customer relations. He noted that yes, they could do it themselves but part of this is tradition and it's been viewed as good business sense; however, if you want to change this practice they can certainly do that. Member Jones stated that she is concerned that EHA is bringing in cash and keeping track of who has paid and who hasn't and it seems like an inappropriate model for the city. She suggested it flow through the city and then pay out a percentage to EHA and that way they will know annually who has paid and who hasn't.

Member Segreto commented that she thinks a lot of these questions could be addressed and answered if the relationship between the city and the association were formalized in a contract to which Mr. Bauman stated that he agrees and has requested a contract. Mr. Bauman stated that they want to maximize the dollars that are beneficial to both parties. Chair Hulbert stated he would like to see this topic be discussed with EHA soon and then report back to the Park Board with some recommendations.

**Golf Course** - Member Deeds asked Mr. Anderson why they are approximately a half million dollars under projections in terms of revenues. Mr. Anderson replied that weather-wise it has been the worst he has ever seen, it's been a very tough year to be in the golf business. He noted that their revenues through the end of August were down about 7%; however, the good news is they were able to cut expenses by 11%. He added that mathematically they are ahead of last year.

Member Deeds indicated that on the proposed 2012 budget revenues is approximately \$200,000 higher than you are realizing in 2011. He asked is that projected on the same number of rounds that you are seeing in 2011 and the \$2.00 increase or are you expecting rounds to recover. He stated that he is trying to understand what is behind the revenue estimate. Mr. Anderson replied that rounds as far as participation would be flat but that the weather has to get better as some point in time and combined with the price increase it should bring them at least that as far as additional revenues.

**Centennial Lakes** - Member Deeds stated that in looking at the admissions fee and skate rentals of their competitors it looks like Centennial Lakes is substantially under. He asked if it would be possible to pick up a couple of bucks and generate a few more revenues. Mr. Shirley replied they have talked about charging an admission but currently their thought is to try to make it up in skate rentals. Member Deeds asked if they could raise the skate rental a couple of bucks since they are not charging admission. Mr. Shirley replied that they have been raising it a dollar here and a dollar there but since they just raised it to \$5.00 two years ago they decided not to change it. He pointed out that this year they are increasing their skate inventory to which they have almost doubled in the last three or four years.

Member Deeds asked if they turn a profit on the concessions. Mr. Shirley responded they make a small profit from the popcorn during the summer months. He explained that in the winter time it's combined with everything else because they are also doing the skate rentals. With everything combined it's about \$20,000 during the winter months. Member Jones suggested as another source of revenue to maybe look into selling ice cream during the summer or possibly have some type of café.

Member Peterson indicated that Centennial Lakes and Edinborough Parks were still put together and asked Mr. Shirley if he had any sense on the Centennial Lake side approximately what the cost recovery has been for the last several years. Mr. Shirley replied they are currently around 80% and that's including the promenade. He added that this last year the promenade was budgeted to lose approximately \$70,000 and the promenade was then about 84%. Member Peterson asked if there is any profit with the Farmers Market. Mr. Shirley responded last year their profit was approximately \$2,600 and this year he thinks they will come in with right around a \$6,000 profit.

Member Meyer indicated that the pricing for the weekend rentals seems quite moderate particularly during the peak season. He asked Mr. Shirley if he has ever considered during the peak wedding season to raise the fee to \$1,500. Mr. Shirley replied they are starting to bring it up a little bit every year. He noted they are overdue because they have been stagnate for three years and therefore are recommending a \$100 increase for this next year. He added they are going to see how people react to it and continue to bring it up as much as the market will bear. He commented that they are booked solid Friday and Saturday during June, July, August and even September.

**Edinborough Park** – Member Lough indicated that given there is a consultant reviewing the operations how much of the budget is sort of under contingency pending the results of the study. Also, is there some sort of triage plan that might limit the expenses until they get the study report back? Ms. Kattreh responded she has been trying to put major CIP items on hold for the past couple of years with this thought in mind. She added that she also has the CIP budgeted out a year or two with that in mind.

**Edina Aquatic Center** – Member Lough asked what is the status with the swim school this past year and the upcoming year and how is that integrated into the overall operations. Mr. MacHolda responded that they just completed a two year contract with Martha Burns Swim School. He noted that he recently sent out an RFP to which three parties replied and the successful RFP was Martha Burns Swim School. Member Lough asked if it is a significant source of revenue. Mr. MacHolda replied that as far as significant he would say no. He stated that their primary revenue source still is their season ticket; however, daily admissions have almost caught up the season ticket. He added that the next largest revenue source would be concessions followed by rentals.

Member Deeds stated that for 2012 and 2013 the Aquatic Center is projecting \$280,000 and \$284,000 and asked Mr. MacHolda if he is expecting a decline or do you expect to keep this growth in daily admissions that you've seen. Mr. MacHolda replied that for 2012 and 2013 the big change will be the flow rider. He noted that it's hard to project in the business plan but he is anticipating approximately a \$75,000 increase in revenue. He commented that he does anticipate the new amenity will add interest to the facility and also thinks the concession numbers will go up due to the added traffic.

***V.D. 2012-2016 CAPITAL IMPROVEMENT PLANS***

Mr. Keprios gave a brief presentation on the Park and Recreation side of the CIP. He noted that earlier Member Jones talked about developing a Park and Recreation master plan as a whole. He indicated that his response to that is they've had master plans for all 40 parks to which all 40 parks have been developed with the exception Van Valkenburg. He indicated if they are talking about redeveloping or revisiting a park like they have with Countryside Park and Pamela Park they certainly could look at it and enter into consulting services if that is the direction you are heading. Member Jones replied her question had to do with a master plan for all of the Edina park facilities so they can take a look at capital needs and replacement plans for more of a total park master plan. She explained the reason she is asking is because she is on two committees where people keep asking her questions. They want to know whether we need an indoor athletic facility and what those needs are and whether or not there is some place in Edina for it. Also, she is on the Grandview District Small Area Plan Committee where they are discussing potentially a new redevelopment where there may be some green space, maybe a park or recreation center; however, the question always comes back to are we utilizing our facilities as fully as we can and are we doing it in the most economical way possible. She stated should they consider as Park Board shifting some uses in order to gain some cost savings. In addition how do they budget for the 13 playgrounds that are going to need to be either totally redone or renovated in the next ten years? Chair Hulbert asked Member Jones if she is essentially looking for a CIP but with a few more chapters behind it. Member Jones explained that usually other cities have this done professionally and they go through a needs assessment, they take everything they are gathering, pricing to inventory, and they put it into a bigger picture. She indicated that she thinks they are doing a good job of looking at each enterprise entity kind of in a silo; however, what they need to do is look at the bigger picture and see if there is some other way that they can plan ahead.

Chair Hulbert asked how other cities put together a master plan for their parks. Mr. Keprios indicated he would like to give that some thought. He stated that he thinks what he is hearing is the vision Member Jones sees and the comprehensive Plan that we just forwarded to the Metropolitan Council is not comprehensive enough and you would like a grander plan. Mr. Keprios stated that he just wants to make sure that he understands what it is Member Jones is asking the Park Board to consider on the Master Plan. Member Jones replied other cities master plan contain a broader vision of how they are going to maintain their facilities.

Member Jones indicated that she is just saying that they need to take a look at and see are the facilities being used and they need to look at what their plans are and keep open minds toward all of these things. She stated she thinks they need a bigger long range plan that will include everything so that somebody can make some decisions about what they are going to do in the future. Chair Hulbert asked Member Jones if she would research what some other communities are doing, if they are outsourcing, what is the cost, how much staff time it would take, etc. Member Jones replied that she will research it and report back on the specifics.

**Chair Hulbert made a motion, seconded by Member Deeds to remove the Natural Inventory Assessment from the CIP.**

**Ayes: Peterson, Steel, Hulbert, Deeds, Jones, Segreto, Lough, Meyer**

**Motion carried**

Chair Hulbert indicated that he would like to see them take the \$100,000 from the natural Inventory Assessment and earmark it for the golf course driving range reconfiguration. He stated it is long overdue and it is something they will have an immediate return on the investment. Mr. Keprios responded this would be a departure from past practice but that doesn't mean it's wrong; it is certainly something you could recommend to the City Council. Mr. Keprios commented if the Park Board does

decide to go down this road he would encourage you to consider making the suggestion that some of the memorial funds be partnered to get the job done.

Member Lough indicated that if these improvements are specifically designed to be revenue producing he would like to see some estimates about what kind of revenue and what the payback would be. Member Deeds asked that added cost estimates need to be included as well. Mr. Keprios indicated another question would be assuming there is \$100,000 to earmark towards the project coupled with the memorial funds are enough to get the job done.

Member Jones noted that she is not a golfer and commented that the city supports the golf facilities with a lot of money each year that she has a problem thinking they would put another \$100,000 into the golf program. She stated that she realized there are costs to be recovered but ideally they are going to be breaking even next year. She added that they currently have \$300,000 in a gift to them that they could use for this if they wanted to. She indicated there are a whole lot of other projects on the CIP where they could go down the list pretty far if they use that money some other way.

Member Deeds pointed out that he thinks this is an economic question. If the \$100,000 has a rapid payback and if we are going to see substantial expansion in usage of the driving range and therefore revenues and profits then this \$100,000 seems like a reasonable investment. He commented if it can begin generating they could look at it as a loan to the golf course but only if the golf course can return the money in the next go around. If it's positive economics it absolutely makes sense, if it's not positive on the economics then put it in the priority with everything else.

Member Lough indicated that they have enterprise facilities and the Park and Recreation Department and for this to go through no matter the economic attractiveness they are still moving money from one part of the system to another part of the system. He stated if they were to just think in terms of the enterprise budgets he is inclined to think there are a number of capital budgets which would have some sort of potential economic benefit throughout the enterprise facilities. He stated that his suggestion would be to throw them into the hopper on a priority list and they would have three or four capital expenditures to take a look at. He noted they could choose them based upon a payback period, essentially how much revenue they can produce and how fast. He commented that Park and Recreation is not producing revenue but they are generally doing this as trustees for the community and public land. He stated that he does think they need to take into account the fact that if they change this money what are some other possible priorities they may have within the park and recreation system itself. He indicated that he would still like to see the numbers generated but would also like to see a capital improvement list that would become part of two, three or four projects that they would assess based upon their rate of return.

Member Steel indicated that she would also like to see the numbers and commented that to break from the precedent may have future implications as well.

**Member Deeds made a motion, seconded by Member Segreto to approve the CIP at \$680,000 with \$100,000 to be reserved and allocated at a future point. Mr. Keprios asked does that include the plan for the next four years. Member Deeds moved to approve the five year plan with that exception.**

**Ayes: Peterson, Steel, Hulbert, Deeds, Jones, Segreto, Lough, Meyer  
Motion carried.**

**Member Jones made a motion, seconded by Chair Hulbert to accept the CIP for the Aquatic Center.**

**Ayes: Peterson, Steel, Hulbert, Deeds, Jones, Segreto, Lough, Meyer  
Motion carried.**

Member Deeds indicated that he is still trying to figure out the substantial discrepancy between the projected \$285,000 gap and the \$573,706 in the budget as the estimate for the year. Mr. Keprios replied he is going to guess that it has to do with the renovation of the west arena and that the accounting should have taken place on a separate budget, on a different ledger that is a different source of money. It's not the operating budget but through revenue bonds that they needed to renovate the entire west arena. He stated they have not exceeded the budget and they are not anticipating exceeding the capital budget as approved; however, he will look into it and follow up with an answer.

**Member Deeds made a motion, seconded by Member Peterson to accept the CIP for Braemar Arena**

**Ayes: Peterson, Steel, Hulbert, Deeds, Jones, Segreto, Lough, Meyer  
Motion carried.**

**Member Deeds made a motion, seconded by Member Peterson to accept the CIP for Centennial Lakes.**

**Ayes: Peterson, Steel, Hulbert, Deeds, Jones, Segreto, Lough, Meyer  
Motion carried.**

Chair Hulbert asked since they are in the process of evaluating Edinborough Park is there any way they can delay the \$125,000 in concrete repairs if they step back a year and wait to see what happens with the study. Ms. Kattreh replied that it really addresses two separate issues. She explained there are safety issues on the walkway on the north side of the park that is quite extensive and explained those issues. Again, she stated it is a safety issue but they could try and do their best to patch it for another year. She explained the other issue they are addressing is the parking ramp entrance, which is the main entrance to the park. There are some tripping hazard issues and there are some significant water problems. She stated that it probably could be delayed but they will have to spend some money patching it to keep it safe.

Member Deeds asked these are not things that are going to in any way, shape or form change based on the recommendations of the study, correct? Ms. Kattreh replied there is potential but they certainly wouldn't do any of these construction projects until after the report is completed. Member Lough asked how long could the projects be delayed to which Ms. Kattreh replied she would not want to delay it for more than a year because of safety concerns.

Member Jones asked what it would cost approximately if they were to just do some patching so it would be safe. Ms. Kattreh replied approximately \$5,000 to \$10,000. Mr. Keprios stated that he doesn't think it would be in their best interest to throw money into a repair that is just going to have to be ripped up and replaced the following year. Because it's a safety issue his recommendation would be to get it fixed.

Member Meyer commented that even if the facility or something different was done to it these are public spaces that are in the open that are going to need to be maintained no matter what happens. He is not sure that deferring it accomplishes anything. Member Deeds stated that he agrees with that. Chair Hulbert indicated that at their work session with the City Council it seemed there could be the potential that they relocate the assets in that facility to some other location. He noted that was his point in asking do they want to spend \$125,000 on something when they may find out they are moving Adventure Peak to another part of the city. Member Meyer pointed out but if they are going to sell the building the basic maintenance needs to be done and this sounds like basic maintenance to him.

Member Jones stated that she would like to defer the soft play area for at least a year. Mr. Keprios asked is this not a return on investment the soft play area. Ms. Kattreh replied the soft play area is something she

budgeted for with the possibility that it would be something that the consultant would recommend for more revenue potential.

**Member Peterson moved approval of the CIP for Edinborough Park.** *Member Meyer asked Member Peterson if he wanted to add “pending to be revisited in January just in case we learn something from the consultant that changes their opinion”.* **Member Peterson replied yes. Member Deeds seconded.**

**Ayes - Peterson, Steel, Hulbert, Deeds, Jones, Segreto, Lough, Meyer**

**Motion carried**

Mr. Keprios noted that they are asking for a motion to approve the 2012 CIP for Braemar Golf Course and then discuss the later for the October 11<sup>th</sup> meeting.

**Member Peterson moved Member Deeds seconded.**

Member Lough asked if they are getting a presentation next month regarding the golf course what is it that they are trying to approve. Mr. Keprios responded that he thinks what is being asked is that the Park Board approves the 2012 budget and if you want to withhold any decision on the next four years until the October 11<sup>th</sup> meeting that should be fine. He noted that he does not think a lot is going to happen between now and when the 2012 budget is approved. He stated that at the very least he would like the Park Board's advice on the 2012 proposed CIP because it is his understanding that won't change from the October 11<sup>th</sup> presentation.

Chair Hulbert asked Mr. Anderson if he would consider switching the priorities of the structural repair to the golf dome and the driving range expansion. Mr. Anderson replied as far as return on investment the state of the golf dome is actually a big priority in that they would lose revenues if the building were to blow away. Member Jones pointed out this year they made \$80,000 on the dome. Mr. Anderson commented that it's a great insurance policy in that because they had a poor spring and what they didn't make at the golf course they made up at the golf dome.

Mr. Keprios noted that they are asking for a motion to approve the 2012 CIP for Braemar Golf Course and then discuss that later for the October 11<sup>th</sup> meeting.

**Member Peterson moved Member Deeds seconded.**

**Ayes - Peterson, Steel, Hulbert, Deeds, Jones, Segreto, Lough, Meyer**

**Motion carried**

Member Meyer asked do they want to add “review this one again after the presentation”. He noted that they had a bunch of people that didn't vote so he is just bringing that up, do they want to amend it and revote. Member Deeds asked what are they moving on, he thought this is what they did in the motion. Member Meyer asked to repeat the motion. Member Deeds stated he believes the motion was to approve the 2012 budget and to defer approval of the years beyond until they get the report at their October meeting.

Member Meyer commented that all he is suggesting is he thinks that 2012 should still be open to review if there is something new they learn and obviously the work is not going to be done until spring. Member Lough noted that he concurs with that suggestion on the motion. Member Segreto agreed too.

Member Meyer stated so he thinks the motion they are talking about is they are going to approve as it is but if they learn something new between now or by the January meeting they have the option of bringing it up and revisiting or reshuffling or also the implications of if we are saying that we want to consider throwing \$100,000 from the capital budget in there, there may be some reshuffling as well so he thinks today what they are doing is they just have to say we are going to pass it but we are going to have the chance to revisit by January if that's what they choose to do.

Mr. Keprios stated that you already passed a motion and you can't erase what's been done but what you can do and he thinks you reserve the right to is make new motions to change what was previously approved. If you want to adjust what was approved tonight at your October meeting you have the right to do so.

Member Steel asked would it make sense to make a motion or informally communicate to the City Council that they are going to relook at this just so that they know this isn't firm for the Park Board. Mr. Keprios stated that he will be happy to pass that information along to the City Council unless you feel you need a formal motion to that effect.

Member Meyer asked who made the vote they can retract it. Member Deeds stated that they will retract the motion and now make the new one. Mr. Keprios stated you can't erase what you already voted on; you can make a new motion for a different action.

**Member Deeds made a motion, seconded by Member Peterson to pass the 2012 CIP budget for Braemar Golf Course with the provision that they will reconsider it in October after the presentation regarding the consulting report.**

**Ayes - Peterson, Steel, Hulbert, Deeds, Jones, Segreto, Lough, Meyer  
Motion carried**

***V.E. VETERAN'S MEMORIAL PUBLIC PROCESS***

Mr. Keprios informed the Park Board of his plans for the public process for the Edina Veteran's Memorial.

**Chair Hulbert made a motion, seconded by Member Peterson to accept the report as outlined in the staff report.**

**Ayes - Peterson, Steel, Hulbert, Deeds, Jones, Segreto, Lough, Meyer  
Motion carried**

***VI. CORRESPONDENCE AND PETITIONS – None noted***

***VII. CHAIR AND BOARD MEMBER COMMENTS***

**Member Meyer stated that he would like to thank staff because they've done an incredible job putting together all of this important information.**

***VIII. STAFF COMMENTS***

**Mr. Keprios complimented his staff for the fantastic job they've done with their budget, business plan and CIP.**

**There being no further business on the Park Board Agenda, Chair Hulbert declared the meeting adjourned at 10:13 pm.**