

Parks and Recreation Board
Meeting Minutes

The Parks and Recreation Board of the City of Mesa met in a regular meeting at the Parks and Recreation Administration Office, 100 North Center Street, on December 8, 2004.

Members Present:

LeRoy Brady
Robert Brinton
John Dyer
Russ Gillard
Connie Gullatt-Whiteman
Dina Lopez
Bernadine Mooney
Walter "Bud" Page, Jr.
David Peterson
John Storment

Members Absent:

Jeff Kirk, unexcused

Staff Present:

Melanie Dykstra
Rhett Evans
Don Flavell
Mike Holste
Cindy Hunt
Rob McCauley
Terri Palmberg
Bryan Raines
Diane Rogers
Bob White
Sherry Woodley
Mark Woodward

Others Present:

Janet Bevins
Fred Schwartz
Robin White

The meeting was called to order at 12:39 p.m. by Robert Brinton, Chair.

Approval of Minutes

Russ Gillard made a motion, David Peterson seconded, and it was unanimously carried to approve the minutes from the meeting of October 21, 2004.

Public Comments

Robin White, Chair of the Foundation for Mesa Parks and Recreation, presented a Position Statement from the Foundation encouraging the City of Mesa to continue with plans for construction of the Mesa Indoor Aquatic Center.

The City has set aside \$35 million and invested ten years of planning for the Center. The project should go forward; it is crucial development for downtown Mesa. The Foundation's mission statement is to ask the Mayor and City Council to not reappropriate the funds until at least another bid for the aquatic center is issued.

The Foundation paid \$7,500 of the \$15,000 cost for the Hartsook feasibility study. The study said it would not be difficult to raise money for the aquatic center since the fundraising would involve many people. The Foundation is willing to be active in the fundraising effort.

Bud Page asked what the Foundation would like from the Parks Board.

Ms. White said the Foundation is looking for the Board's support of the Position Statement.

Mr. Gillard and John Dyer expressed their support.

Mr. Storment expressed concern about the increase in construction costs if the project were rebid.

Mr. Brinton advised that the Mesa City Attorney has given an opinion that this project would need to go to the voters again due to the \$1.5 million limit. Ultimately City Council will have to

determine if the aquatic center is built. Mr. Brinton said the Mesa Convention and Visitors Bureau Board endorses the development of the Mesa Indoor Aquatic Center.

Cemetery Fees

Mark Woodward reported that the philosophy of the Cemetery program is to provide excellent customer service to the patrons, maintain the grounds in an aesthetic and professional manner, and be competitive with the fees charged by similar facilities in the Valley. The seven-year history of the fee structure for the Cemetery shows an increase in some selected services in FY97-98 and FY00-01 with no fee increases in other years. The increases were to offset the development, capital, and maintenance costs associated with the expansion. The radio tower expansion is slated to occur in FY14-15, while a sellout of traditional spaces will occur in FY09-10. Converting existing spaces to companion spaces or purchasing niche spaces for cremains will be the only available burial options until FY14-15, however, revenue will continue to be generated by opening services and marker settings, but to a reduced degree.

The existing fee structure at the City of Mesa Cemetery is below the corresponding prices of similarly maintained cemeteries in the Valley. While the Mesa Cemetery is not in business to directly compete financially with the other regional cemeteries, it should be able to cover all costs associated with its operations and maintenance expenditures. The cemetery is expected to reach capacity in the developed sections by FY05-06, which will require the construction of the infrastructure in the northwest quadrant and the expansion of the niche bank in the north. The fees currently in place will not allow the cemetery to generate the type of revenue needed to allow its perpetual care fund to remain self-sustaining.

In FY04-05, an estimated \$1.5 million in perpetual care contributions will be captured. The cemetery's fund balance currently is about \$6 million. To generate the amount of income needed to sustain cemetery operations, the target for the fund is recommended at \$35 million. At the current rate of revenue, the fund will reach only \$24.5 million in FY21-22, a shortfall of \$9 million. An increase of 20% in FY05-06, along with a 5% increase annually, will allow the cemetery to attain an estimated fund balance of \$16,063,000 in FY14-15 when the radio station property becomes available for use, and an estimated fund balance of \$35,834,000 at total build out in FY22-23.

Mr. Storment asked if there is a point when the perpetual care fund is sufficient to take care of the build out.

Mr. Woodward replied that when a cemetery plot is purchased, a fee is paid for perpetual care. The cemetery reserve fund update was then reviewed.

Bryan Raines, Financial Services Manager, said the cemetery is treated as an enterprise, which means it stands on its own. When the cemetery is built out, it is expected that the interest on the perpetual care fund will be sufficient to maintain the cemetery.

Mr. Gillard asked about the sell out in FY09-10 and build out in FY22-23.

Mr. Woodward said that if the cemetery expands to the northwest, it will be full in FY09-10. There will be a pause in sales until the radio tower land is available. When the land is available and developed, it will yield an additional 4500 spaces. It is estimated that those spaces will be sold out in FY22-23.

Mr. Storment asked if the interim expenses would be for perpetual care only.

Mr. Woodward replied that expenses would be for opening and closing for pre-need purchases, lawn and tree care, etc.

Mr. Brinton asked if there had been discussion with the lease holder about ending the lease early since this would eliminate the gap from build out.

Ms. Palmberg said the last time she spoke to the lease holder, it was Embee Broadcasting and they were not interested in ending the lease.

Mr. Brinton asked if funds generated would help purchase new land for the next City cemetery.

Ms. Palmberg said the City of Mesa will be getting out of the cemetery business when the current space is maxed out, which is a decision made previously by City Management.

Mr. Brinton said he was not comfortable with an automatic 5% increase each year; increases in fees should allow for public discussion.

Connie Gullatt-Whiteman said she agrees that the fees should not be an automatic 5% increase each year.

Ms. Palmberg advised that the recommendation presented to the Board was to only take action on the 20-25% increase; the automatic 5% increase was not in the original wording.

John Storment made a motion, LeRoy Brady seconded, and it was unanimously carried that the Board recommend that action be taken to implement a 20-25% fee increase at the City of Mesa Cemetery.

Administrative Regulation 5.1

Bob White reported that the basic philosophy of the Parks and Recreation Division is to offer year-round diversified recreation programs, services, and facilities ensuring that all citizens have equal opportunities to participate. Therefore, the Division Master Plan called for the evaluation of current cooperative relations based on equity, common values, and vision. Based on that goal, the division's Cost Recovery Solution Squad was formed.

Melanie Dykstra reported that to identify cooperative relationships appropriately, definitions were established regarding classifications, written agreements, and types of relationships/ sponsorships. A report was then created using existing division cooperative relationships, with the following information: classification; type of relationship; written agreement type; contract status; date to be evaluated; performance measures; equality levels invested; barriers to manage; and image and marketing. All information was reviewed and the solution squad made appropriate recommendations for changes.

Ms. Dykstra reviewed the changes recommended for the division's Administrative Regulation 5.1 (Cooperative Relations). Incorporating the changes meets the needs of the division by clarifying both the process and expectations for groups interested in obtaining cooperative relations with the City of Mesa. Due to the limitation of division resources, it is imperative that individuals/groups accepted for a cooperative relations agreement meet the division philosophy and a minimum standard of performance.

Requests for fields and facilities continue to grow. Categories in the A.R. 5.1 priority system are: 1) City use; 2) youth recreation cooperative relationships; 3) public agency sponsored programs or independent youth organizations; 4) private citizen rentals; 5) organized tournaments or clinics, adult leagues or play; and 6) commercial use. Some groups that

previously were recreational are now competitive, which changes the priority. The priority system is not just for community youth groups; it can be applied to all organizations.

Mr. Brinton said that as Executive Director of the Mesa Convention and Visitors Bureau, this agenda item could be viewed as a conflict of interest. He excused himself from discussion and voting and turned the agenda item over to Bud Page, Vice Chair.

Mr. Gillard asked about feedback received from community organizations.

Ms. Dykstra replied that the recommended changes were discussed with the Mesa Parent Youth Athletic Association (MPYAA) and they were agreeable with the new regulation.

Mr. Gillard asked about activities at Mesa Senior Services and the age restrictions on some programs related to the discrimination clause.

Mr. White replied that age restrictions are inherent in some programs, such as Little League and Senior Services, and did not apply.

Mr. Stormont asked how having an agreement with the City would affect priority.

Ms. Dykstra replied that a cooperative relations agreement with the City would be a higher priority.

Mr. Dyer thanked staff for the revised administrative regulation and for allowing enough flexibility for issues to be addressed.

Janet Bevins, President of MPYAA, said MPYAA works well with the City. The organization has a lot of people using a lot of fields and some kind of structure is needed to prevent overlapping.

Mr. Dyer said the purpose of this regulation is to provide a framework, and it will take cooperation between all parties involved. He supports the proposed regulation.

Russ Gillard made a motion, John Dyer seconded, and it was unanimously carried that the Board support the adoption of Administrative Regulation 5.1. (Robert Brinton and David Peterson abstain)

Quality of Life Financial Status

Mr. Raines presented an update on the City of Mesa Quality of Life Program, which was voter-approved in the spring of 1998 as a ½ cent tax added to the 1 cent current tax.

In 1998, a 10-year revenue projection was made to reduce the tax from ½ cent to ¼ cent in July 2006. Projections of sales tax growth of 6½% were to result in revenue of \$382 million for operations and capital expenses to July 2008. The rationale was to use the revenue for capital projects in the first eight years and when reduced, it was to provide for operations of those built facilities.

In 2000, voters approved to rescind sales tax on food, which resulted in a decrease in revenue. The anticipated \$30 million a year from the Quality of Life Program is currently \$20 million a year, due, in part, to the loss of sales tax on food and the aftermath of September 11.

Revenue from the Quality of Life Program has resulted in additional fire stations, about 100 new Mesa Police officers, construction of the Mesa Arts Center, and acquisition of parkland. The City may not be able to afford the operations after FY06-07 (\$1.8 million for parks operations).

Options are to either cease the programs or move them to the City's General Fund. However, the General Fund has problems also. The priority is how to retain current services and programs.

Mr. Gillard asked about the kind of recovery rate it would take to have the indoor aquatic center considered a viable project.

Mr. Raines replied that a double digit sales tax increase would be necessary. There are ongoing concerns about sales tax leakage to outside areas; Mesa is no longer the hub for retail sales.

Golf Enterprise Fund

Don Flavell reported that the intent of the Golf Enterprise Fund, which was established in FY01-02, is for golf to pay for all expenses related to golf and for golf not to be a burden on the City of Mesa's General Fund. All revenues generated by golf are credited to the enterprise fund and all expenses related to golf are debited from the fund. Expenditures covered from the enterprise fund include daily maintenance expenses (payroll, materials and supplies, repair parts, etc.), capital equipment purchases, and capital improvement projects.

At the time of the creation of the Golf Enterprise Fund, the City of Mesa was considering adding a third course to the golf system. The third course would have been funded from the revenues generated from this additional golf course and the revenues generated from the two existing golf courses. The September 11 tragedy occurred shortly after establishment of this fund and the already slowing economy dipped even further and travel and tourism declined significantly. In conjunction with the number of golf courses in Maricopa County, this has created a very competitive golf market. Currently, the number of course in Maricopa County is outpacing demand. Due to this, the addition of a third golf course has been put on hold until the economy and golf market improve in the Greater Phoenix area.

Since the inception of the Golf Enterprise Fund, the City of Mesa has been able to maintain a positive fund balance in light of the difficult economic and golf market trends. The history of the golf enterprise fund balance was reviewed.

Mr. Brinton said golfing was once the main promotional product of the Mesa Convention and Visitors Bureau. However, statewide research indicates that Arizona is no longer being advertised as a golf destination.

Mr. Storment thanked staff for establishment of the Golf Enterprise Fund

Child Abuse Protocol

Due to time constraints, no report given.

Meetings and/or Event Attended

Due to time constraints, no report given.

Director's Report

Ms. Palmberg presented the following reports:

- The division's Management Development Opportunity process will be concluding on January 7, 2005. Bob White has been appointed Parks and Recreation Director effective January 10, 2005.
- As a result of a recent City Council retreat, staff will be providing information to Council on 17 of the division's programs. The overviews of the programs will include: desired outcomes; major customers/stakeholders; products/services provided; potential impact if eliminated; major accomplishments over the last 18 months; and funding and revenue sources.
- The tour of parks and recreation facilities to be conducted immediately following the Board meeting will accomplish one of the action steps in the Board's FY04-05 work plan.
- The February 2005 Board meeting will likely be held at Emerson Elementary School in the evening. A design charette for Beverly Park will be presented and the public will be invited to provide comments.

Mr. Brinton congratulated staff on another successful Merry Main Street. It was held December 3 and had higher attendance than in previous years. It is a good City event that takes a lot of people and a lot of work. It was a job well done.

There being no further business to come before the Board, the meeting adjourned at 2:10 p.m.. A tour of parks and recreation facilities followed.

Respectfully submitted,

Terri Palmberg
Acting Parks and Recreation Director