

Parks and Recreation Board
Meeting Minutes

The Parks and Recreation Board of the City of Mesa met in a regular meeting at the City Council Chambers, 57 East First Street, on December 12, 2002.

Members Present:

LeRoy Brady
Robert Brinton
John Dyer
Joseph Fu
Fernando Guerrero, Jr.
Dina Lopez
Bud Page
David Peterson
John Storment
Robin White

Staff Present:

Tim Barnard
Diane Eft
Don Flavell
Joe Holmwood
Terri Palmberg
Bob White
Mark Woodward

Others Present:

Kevin Christopher
Joanie Flatt
Eric Staley
David Udall
Gene Valentine
Laura Watson
Others

Members Absent:

Don Thompson, excused

The meeting was called to order at 12:02 p.m. by Robin White, Chair.

Approval of Minutes

David Peterson made a motion, Bud Page seconded, and it was unanimously carried to approve the minutes from the planning meeting of November 12, 2002.

Public Comments

No public comments.

Food/Beverage Services at Dobson Ranch Golf Course

Don Flavell reported that in January 1998, the City entered into a concession agreement with J. P. Zachs, Inc. to provide designated food and beverage services at Dobson Ranch Golf Course (the Ranch House Restaurant, the on-course snack shop, and the on-course mobile food/beverage carts). The term of this agreement was for five years and will terminate on December 31, 2002.

The City developed and released a Request For Proposal (RFP) to solicit proposals from qualified food and beverage service providers. The proposals were due May 10, 2002, and two proposals were received. A selection committee consisting of three staff members and two members of the Parks and Recreation Board (John Dyer and John Storment) was established. On May 29, 2002, the presentations/interviews were conducted with the proposers.

The committee evaluated the proposers based on the following criteria:

- Business/management experience as it relates to the food/beverage service concession at Dobson Ranch Golf Course

- Customer service and programs focusing on both the golfing and general public
- Financial return to the City of Mesa
- Experience and qualifications
- Appropriateness and value of proposed capital improvements
- Validity of revenue and expense projections

Cactus Concessions rated slightly higher on their presentation to the committee, but the committee felt J. P. Zachs would do a better job of providing services to the golfers and the public. They are a known commodity, will provide a better financial return to the City, and are willing to make the capital improvements requested.

Additionally, J. P. Zachs will deposit \$300.00 a month starting in month 19 (July 2004) of the contract into a separate account for capital improvements and repair. This money will be used for ongoing capital repair and cosmetic upgrades during the term of this agreement. This will help keep the facilities looking good as the contract nears its end.

This agreement is set up on a price per square foot of building space as rent each month. In addition, once gross revenues exceed \$650,000, the City will gain a small percentage of additional rent and a small amount of rent from the on-course food/beverage cart. Under this format, the proposal from J. P. Zachs offers a substantially greater return to the City than the proposal from Cactus Concessions. This will supply a consistent reliable revenue stream during the term of the contract.

It is recommended that the Board grant approval for the City to enter into an agreement for five years with J.P. Zachs dba Ranch House Restaurant at Dobson Ranch Golf Course with two one-year options. J. P. Zachs will be responsible for the operation of the Ranch House Restaurant, the on-course snack shop, and the on-course mobile food/beverage carts at Dobson Ranch Golf Course. The five-year agreement will commence on January 1, 2003 and will terminate on December 31, 2007.

John Storment asked if changing the configuration of the golf course would impact revenue from the on-course snack shop.

Flavell said this has been discussed with Bud Snickles, President of J.P. Zachs, Inc., golfers at Dobson Ranch, and pro shop staff. Opinions vary on whether revenue would increase or decrease with the recent modification to the golf course.

John Dyer asked about capital improvements that would be made.

Flavell said improvements to the Ranch House Restaurant include but are not limited to new flooring, upgrades to the restrooms, painting of partitions and doors, new carpeting and window treatments, and upgraded kitchen lighting.

John Dyer made a motion, David Peterson seconded, and it was unanimously carried that the City enter into an agreement with J.P. Zachs dba Ranch House Restaurant at Dobson Ranch Golf Course with two one-year options, to commence on January 1, 2003 and terminate on December 31, 2007.

Catering Services at Hohokam Stadium

Mark Woodward reported that in March 2000, the City entered into an agreement with Arizona Catering to provide exclusive catering services at Hohokam Stadium during spring training games. The term of this agreement was for three years, ending on December 31, 2002. In September 2002, City staff developed and released a Request for Proposal (RFP) for these services, with proposals due on October 2, 2002.

The two proposals received were from Arizona Catering and Atlasta Catering. Both proposals met the minimum criteria of the RFP and staff proceeded to schedule interviews. At the October 2002 Parks and Recreation Board meeting, three Board members (Robert Brinton, Dina Lopez, Bud Page) were appointed to serve on a selection committee with designated City staff, including a representative from the Purchasing Division.

On November 7, 2002, presentations/interviews were conducted with the two proposers. The format consisted of each proposer making a brief presentation and giving an overview of their written proposal. The selection committee then asked questions of the proposer, and the proposer then asked questions of the committee. Each proposer was evaluated on a point system based on the following criteria:

- Response Format and Organization
- Proposed Menu Items
- Offerors Experience/References
- Method of Approach and Operation to Provide Desired Service
- Financial Contribution to the City
- Experience and Training of Catering Staff and Servers
- Presentation to the Selection Committee

Following this process, it was evident that both Arizona Catering and Atlasta Catering Service were qualified to provide these services. Both proposers have a very good understanding of what is necessary to provide the level of customer service that the stadium clientele have come to expect.

The selection committee is recommending that the City enter into an agreement with Atlasta Catering Service for a term of three years, with the possibility of two additional one-year extensions at the City's sole option. This recommendation is based on the following:

- Atlasta proposed giving the City 18%; Arizona Catering proposed 16%
- The selection committee felt that Atlasta offered a wider variety of affordable menu options
- The Atlasta representative gave an excellent presentation to the selection committee
- Atlasta has high quality/trained staff
- Atlasta has 26 years of catering experience
- Atlasta rated higher after the presentation/interview process

Dyer asked about the amount of revenue generated for the City of Mesa.

Woodward replied the City currently receives about \$2,500 annually.

White asked for public comments.

Joanie Flatt said she was shocked when she learned of the committee's recommendation to enter into an agreement with Atlasta Catering Service rather than Arizona Catering, which is a Mesa-based business that has served the community, when the financial difference would be only a few hundred dollars. Arizona Catering has been the caterer at Hohokam Stadium for many years and has received good reviews. Arizona Catering was previously a client of Flatt's business but is no longer a client. Last year Arizona Catering invested thousands of dollars in purchasing a building on West Main Street in Mesa (the Coco's building), renovated it, and installed a catering kitchen. Every city across the Valley is saying buy locally. Flatt said she implores the Board to re-examine this issue and give the contract to a business in Mesa that has served the City so well.

Robert Brinton said the selection committee looked at whether or not preference could be given to a Mesa caterer when City preference criteria was not included in the RFP. The committee followed all the guidelines of the RFP. When evaluating contracts in the future, consideration could possibly be given to community-based organizations. Brinton said he believes the process was done responsibly by the committee. However, as a Board member, he will not be voting for the committee's recommendation due to the feeling that future evaluations should include the opportunity to consider businesses that are Mesa-based.

Peterson said the City has a legal responsibility to follow the guidelines of procurement. The RFP that was issued stated the criteria by which the proposers would be evaluated. If special consideration will be given because a business is based in Mesa, that needs to be stated in the RFP.

Joseph Fu said the 16% financial return currently paid by Arizona Catering is fueling the Mesa economy. Arizona Catering is Mesa-based so there is a financial economic benefit in Mesa.

Dina Lopez, a member of the selection committee, said the committee had the same discussion about giving consideration to a Mesa-based business. However, Atlasta should not be penalized because it is a Phoenix company. Arizona Catering probably services many communities besides Mesa. Lopez said she feels strongly that with the criteria given, the committee's recommendation should be approved..

Fernando Guerrero, Jr. made a motion, Dina Lopez seconded, and it was approved by a vote of 7-3 (nay – Brinton, Fu, Page) that the City enter into an agreement with Atlasta Catering Service for a term of three years, with the possibility of two additional one-year extensions at the City's sole option, to commence January 1, 2003 and terminate December 31, 2005.

Mesa Indoor Aquatic Center Project

White welcomed Dr. Eric Staley, Vice Chairman of Hartsook Companies, Inc. Staley reported that Hartsook's contract with the City of Mesa was for a pre-campaign program. The first step in the process involved a look at the mechanism and infrastructure to support the mechanics of the proposed campaign. Staley met with City officials and evaluated current staffing and what roles the Parks and Recreation Division and other City departments would play in the campaign.

The first phase involved development of a case statement, evaluating prospects for the campaign, and the interview process. A list was developed and groups were formed for one-on-one interviews, focus groups, and mail surveys.

The second phase was the assessment. A preliminary draft case statement was prepared and was mailed to hundreds of people and selected interview groups. Also, personal interviews were held with people of affluence or influence. Telephone interviews were held and responses were also received by survey. Fifty-nine personal contacts were made.

The presentation to the Parks Board is the third phase. The assessment phase included 11 questions asked of the interviewees. Many Parks Board members participated in this process. The goal was to engage people in conversation rather than ask questions. Staley then gave a PowerPoint presentation of the Executive Summary for the Aquatic Center project.

He reported that the campaign readiness review consisted of: 1) evaluation of staff; 2) drafting of the case statement; 3) evaluation of prospects; and 4) development of assessment lists.

The assessment phase consisted of: 1) personal interviews; 2) small group discussions; 3) phone interviews; and 4) a mail survey. The interviewees were asked several questions, including:

- Does the project have value to Mesa and fulfill the City's mission?
- Can the goal of \$2.5 million be achieved?
- Will you volunteer your time and talent to this effort?
- Will you support this project financially?
- What campaigns will compete for private support?
- Will or should the competition prohibit a private dollar campaign?

Recommendations received from the interviewees included:

- Finalize the site issue once and for all and let this be known to the community.
- Respond with a clearly articulated parking plan.
- Develop a comprehensive business plan that addresses operating costs and usage.
- Control project costs. Cut if possible, but definitely not one penny more should be added.
- Provide substantiated information on economic impact.

Staley said recommendations for campaign readiness are:

- Hire a development director for the project supported by counsel or retain outsourced campaign management.
- Revise case statement according to findings and key recommendations of interviewees.
- Develop a business plan.
- Create a prospect database.
- Research prospects.
- Form a volunteer leadership team.

Recommendations for a fundraising campaign are:

- Goal of \$2.5 million, all for capital.
- Timeline of 2 years.
- Pledge periods of 3 to 5 years.
- Develop schedule of naming opportunities.

- Develop schedule of sponsorship opportunities with naming (over and above the campaign goal in support of operations on a multi-year basis).
- Recruit and train volunteers.
- Solicit top down, inside out (people closest to the project should be approached first).

Staley reviewed the proposed Chart of Giving. He said Mesa is not a community that is fully formed in its sense of philanthropy, so financial support would most likely be at the \$100 level and below.

There were a variety of attitudes on how this project compared to the Mesa Arts Center (MAC) project. Some thought it was on par and some thought it was in competition. This project has a groundswell of support. Many people indicated they thought aquatics was much more egalitarian than the MAC.

The proposed organizational chart for the campaign steering committee was reviewed. The Foundation for Mesa Parks and Recreation is recommended as the governing body so funds are not co-mingled with government funds.

Dyer asked for clarification on the question of the project's value to Mesa.

Staley said 12 people were uncertain of its value. He also advised that the numbers indicated do not always add up to 59 (the number of people interviewed) due to some individuals not answering the questions and some were mail survey responses.

Brinton asked about the general feeling of the interviewees for use of the aquatic center, whether competitive or local use.

Staley said there was a relative balance in the opinions on use. Most people would like to see a mixed use, but the aquatic center also needs to be able to attract outside use. A question asked by some interviewees was if there would be a fee associated with public swimming. Also, when discussing the operating budget, concern was expressed about breaking even, making a profit, or requiring a subsidy from the City. Most people believed the economic impact would outweigh the operating costs.

Brinton asked about the costs associated with campaign readiness.

Staley replied that the cost would vary for employment of a development director, probably at a minimum of \$50,000 per year. Hartsook is proposing campaign management, which is a model that could be outsourced to their firm. It would be a two-year project at a cost of \$228,000 and any expenses associated with the campaign. The national average of the cost of campaigns like this is 10-12% of the goal. The larger the campaign, the smaller the percentages because of fixed costs.

Stormont asked about similar experience Hartsook had had with the type of fundraising effort that is being proposed for the Mesa project.

Staley replied that almost every community has faced something like this at some time and that the reality of fundraising is that a small group of people make it succeed or fail. When

considering this type of program, we should not be concerned with 95% of the community, but with the 5% who have the resources and have shown the interest in the project. In terms of funding and the level of competition, giving begets giving. The efforts of the MAC will probably help with funding for this project.

White asked if there was concern about the timing of the fundraising since most private organizations and/or companies have already completed their budgets for 2003.

Staley replied that a pledge period would be beneficial. To be considered in 2004, it will be necessary to begin now. In reality, only about 20% of giving comes from corporations. The other 80% comes from individuals who are responsible for the philanthropy.

White thanked Staley for his presentation.

Meetings and/or Events Attended

Brinton said he attended the dedication of Enid Park. Many residents were in attendance and staff did a great job at this event.

White said she participated in the dedication of Skyline Park, which was also a well attended event. However, it is sad that because of budget constraints, there may be no more park openings for quite a while.

Storment said he attended the Merry Main Street event with his grandchildren and was overwhelmed. It was very impressive and unique.

Director's Report

Joe Holmwood gave the following reports:

- The development of Enid Park was the result of one interested citizen who sent a letter and circulated a petition, resulting in a groundswell of public support. A lot of people made it happen.
- Many staff were involved in the planning and implementation of the Merry Main Street event. Parks and Recreation staff organizes the event, but other City divisions and businesses are also involved. It was very successful.
- Staff recently made a presentation to City Council on the Hawes Loop Road Trail to get some direction. City Council directed staff to go through the usual public input process involving the Parks Board. Therefore, it is planned to conduct a public meeting on this proposed trail. January 8 is the tentative date for the public meeting. Staff will confirm the date.
- At a previous Board meeting, several members were appointed to serve on a Parks Board subcommittee to work with staff on the future capital projects that might be considered as part of any potential bond program. The efforts of that subcommittee should dovetail

with the City's overall efforts. As the details of the City's plan for the future unfold, staff will keep the Board informed. Subcommittee meetings will be scheduled for January.

- Staff is working diligently on the City's budget. It is going to be a very difficult budget year; targets received are going to have significant service impacts. As more information is received, it will be shared with the Board.

Miscellaneous

Storment said that on behalf of the Board, the tenure of Wayne Korinek is recognized. He was present at Korinek's retirement celebration and it was very well attended. Also, the Board appreciates the efforts of Holmwood and his new responsibilities as Assistant Community Services Manager. The Board wishes him well and will help however they can as a board.

There being no further business to come before the Board, the meeting adjourned at 1:20 p.m.

Respectfully submitted,

Joseph H. Holmwood
Assistant Community Services Manager