

MEMORANDUM

TO: Mayor and Council
FROM: Jayne Miller, Community Services Area Administrator
DATE: January 25, 2010
RE: Community Services Area – Parks System Follow Up Information from December 2009 Council Retreat

This memo serves as the initial response to issues raised at the December 2009 Council retreat regarding the Parks System.

Issue: Land acquisition millage - repurpose millage to support parks system.

Response: The Open Space and Parkland Preservation Program fund balance as of October 31, 2009 is \$18,266,602. Of the fund balance amount, \$6,318,071 has either recently been expended or has already been approved by Council, leaving the total available fund balance of approximately \$11,948,531. Please note that the available fund balance does not include all administrative and personnel costs to date, or any other outstanding vendor invoices (i.e. appraisal, survey, environmental) that have not been paid.

Fund Balance as of 10/31/09:	\$18,266,602
Total Spent / Obligated funds:	<u>\$ 6,318,071</u>
Unobligated Funds:	\$11,948,531

GAC Obligated Funds:

Webster Church (closed 11/09)	\$ 590,257
Girbach (closed 12/09)	\$ 815,767
Braun	\$1,363,000
Gould	\$ 269,000
Nixon (closed 12/09)	<u>\$1,107,587</u>
Total:	\$4,145,611

PAC Obligated Funds:

Wes Vivian / Elizabeth Kaufman	\$ 636,000
219 Chapin / Patricia Harroun	<u>\$ 280,000</u>
Total:	\$ 916,000

Administrative / Other Funds Obligated*:

Debt Service payment for 2010	\$1,220,125
The Conservation Fund **	<u>\$ 36,335</u>
Total Admin. Obligated:	\$1,256,460

* *The administrative funds obligated do not include City personnel who allocate a portion of their time to the program after 10/31/09.*

** *The Conservation Fund has submitted invoices for work through 11/09.*

The City issued bonds for this millage. The bond debt service payments are due annually through Fiscal Year 2033. For 2010, the bond debt service payment due is \$1,220,125 and the payments increase over time with the final payment in FY 2033 being \$1,379,400. See table below for details. The calculations of estimated available funds do not include any investment income that would be generated from the funds in the bank. The estimated millage revenue calculations below estimate a 5.7% decrease in 2011, an additional 5% decrease in 2012. It is projected to increase 1.7% in 2013 and 3% increase in 2014, but remain flat thereafter.

As a side note, even with the current fund balance, the investment income generated by the fund balance is not enough to cover the bond debt service payments through 2033.

Fiscal Year	Estimated Millage Revenue	Bond Debt Service Payments	Est. Available Funds
2010	\$ 2,205,759	\$ 1,220,125	\$ 985,634
2011	\$ 2,091,060	\$ 1,233,725	\$ 857,335
2012	\$ 1,986,507	\$ 1,236,125	\$ 750,382
2013	\$ 2,020,278	\$ 1,242,725	\$ 777,553
2014	\$ 2,080,886	\$ 1,248,325	\$ 832,561
2015	\$ 2,080,886	\$ 1,252,925	\$ 827,961
2016	\$ 2,080,886	\$ 1,261,525	\$ 819,361
2017	\$ 2,080,886	\$ 1,268,925	\$ 811,961
2018	\$ 2,080,886	\$ 1,275,125	\$ 805,761
2019	\$ 2,080,886	\$ 1,280,125	\$ 800,761
2020	\$ 2,080,886	\$ 1,288,106	\$ 792,780
2021	\$ 2,080,886	\$ 1,294,644	\$ 786,242
2022	\$ 2,080,886	\$ 1,299,738	\$ 781,148
2023	\$ 2,080,886	\$ 1,307,438	\$ 773,448
2024	\$ 2,080,886	\$ 1,313,438	\$ 767,448
2025	\$ 2,080,886	\$ 1,322,738	\$ 758,148
2026	\$ 2,080,886	\$ 1,329,019	\$ 751,867
2027	\$ 2,080,886	\$ 1,333,331	\$ 747,555
2028	\$ 2,080,886	\$ 1,345,675	\$ 735,211
2029	\$ 2,080,886	\$ 1,349,325	\$ 731,561
2030	\$ 2,080,886	\$ 1,355,725	\$ 725,161
2031	\$ 2,080,886	\$ 1,364,650	\$ 716,236
2032	\$ 2,080,886	\$ 1,370,875	\$ 710,011
2033	\$ 2,080,886	\$ 1,379,400	\$ 701,486

As of March 1, 2010, the amount needed to pay off the \$18,900,000 of remaining open space bonds would be \$21,150,000. The \$2,250,000 additional cost is because at current rates the escrow would earn about 2.3% while paying out 4.4% for 5 years to the 2015 call date.

It is important to note that there are recurring land acquisition costs for the two leases paid to Norfolk Southern for leases at Argo and Bandemer Parks. These annual lease payments are covered by the land acquisition millage. The total annual lease payment is roughly \$7,800.00. Should the acquisition funds be repurposed, I would recommend that the City set up an endowment out of the available acquisition funds to cover these costs annually. Based on a 3% interest rate, the endowment needed would be \$260,000.00.

Issue: Public/private partnership for Huron Hills Golf Course (HHGC)

Response: City staff has been approached by two different businesses regarding public/private partnerships for Huron Hills Golf Course. The basic concept that both businesses have recommended would convert the front seven holes to a driving range, while retaining the back 11 holes for golf. If such a partnership were established, staff believes it would minimize the City's financial risks with this park property while retaining it as a golf facility.

Issue: Understand cost to support Huron Hills Golf Course if it wasn't golf course.

Response: If the City did not run Huron Hills Golf Course as a golf course and continued to own the land, the parkland would need to be maintained at some level as discontinuing all maintenance would not return the park to a native or natural state.

An option would be to allow Natural Area Preservation (NAP) to manage the land as a natural area. The planting and establishment of native prairie or grassland in an area previously in lawn, agriculture, or other land use can be costly and time consuming. However, if established well, the long term maintenance of the site can be relatively inexpensive. Staff does not believe NAP's current funding allocation would allow them to absorb the costs of planting and establishment, but long term maintenance of an area with fire or mowing (with the help of Park Operations) is within their ability.

For the establishment of prairie or grassland, if contracted out (rough calculations are based on specifications for this type of work; there may be volume discounts per acre on larger sites):

- \$3,000/acre for site prep, seed, and installation
- \$5,000/acre for planting establishment and maintenance (typically 3 to 5 years)

Contracting out this type of project is not without precedent; the establishment of the Huron Parkway prairie was contracted.

If this work was done by City staff, the total cost would need to be determined based on staff and equipment rates. Note that the entire property for Huron Hills Golf Course is just over 116 acres. However, the process involves the following steps:

- Site Prep Process: herbicide in spring after some grass growth, mow 1 to 2 weeks after herbicide treatment, use slit seeder at 10 to 12 lbs/acre (Leslie slit seeder can do about an acre a day)
- Seed Cost: all native prairie grass mix \$150-\$200/acre, native prairie grass and wildflower mix \$400 - \$900/acre)
- Planting and Initial Establishment: annual mowing and spot herbicide treatment (\$1,000 -\$1,500/acre for spot treatment by NAP staff)

An annual burn would cost between \$24,000 and \$40,000. In addition, it would require an annual mowing.

Another option is to maintain this site as a park on a regular mowing maintenance cycle. In the Business Plan developed by Golf Convergence, Inc. in fiscal year 2008, it was noted the cost for mowing City parks was \$3,690 per acre, per year. For the current fiscal year 2010, staff estimates the cost to be \$4,000 per acre, per year. Thus, the current cost to mow the 80 acres of Huron Hills as open park land would be \$320,000 per year (36 acres of the property is currently not mowed). The actual cost to maintain Huron Hills as non-golf course park land would need to be assessed and would depend on the ultimate use of the property.

Additionally, decisions would need to be made about the maintenance and clubhouse buildings on the site as well as the pump station and equipment and the golf course maintenance and clubhouse equipment.

Issue: How close are Leslie Park Golf Course and Huron Hills Golf Course to being self supporting.

Response: In FY 2008, staff shared a six-year forecast with City Council showing the golf courses improving their net loss each year, but still losing money by the end of the sixth year. At the end of FY 2009, the first full year of operation with the implemented changes, staff originally projected a loss of \$689,000 and the actual loss was \$454,000; an improvement of \$235,000. Relative to the original forecast, this is over two years ahead of schedule. The forecasted loss for FY 2010 is \$517,288, in line with the original projected loss of \$518,000. The increase in forecasted losses for FY 2010 is due to the significantly higher depreciation costs and municipal service charge increases.

Issue: Explore ways to stop General Fund support to golf – let this play out over next couple of months.

Response: The subsidy to support the golf courses originated as a result of the State of Michigan expressing concern over the increasing deficit in the Golf Course Enterprise Fund as of the FY 07 audit. Per State of Michigan law, an enterprise fund must pass a three-part test every fiscal year. If all three parts of the fiscal test are not met, the local government must prepare a formal deficit elimination plan adopted by their governing body. In February, 2008, Council adopted a plan to direct staff to eliminate the existing deficit in the FY 09 budget preparation. Since that time, the General Fund has financially supported the Golf Course Enterprise Fund with operating transfers that offset losses incurred. There are two choices that will comply with State of Michigan law with respect to supporting the golf courses: 1) the General Fund may continue to subsidize the Golf Course fund as a separate enterprise fund with annual operating transfers until the Golf Fund is not in jeopardy of failing the three-part test; or 2) the one or both of the golf courses can be integrated into the General Fund Parks and Recreation budget and the enterprise fund would be closed.

Issue: Discontinue maintaining some parks; which ones would be recommended?

Response: Approximately 40-50 acres of parkland has been identified where mowing can be eliminated or reduced. Cost savings related to this are difficult to estimate, as there will still be partial mowing at most of the park sites. There will still be fixed costs associated with travel time to each park location, equipment costs, and other costs associated with the FY10 estimated per acre mowing costs of \$4,000/acre, per year. A variable cost such as fuel would be reduced.

Certain parks have also been identified as having areas where snow plowing could be eliminated and trash collection could be reduced. These reductions will also result in fuel savings. The chart below depicts staff recommendations for mowing, snow plowing and trash collection reductions across the parks system.

Park Name	Potential Mowing Reduction	Potential Snow Plowing Reduction	Potential Trash Collection Changes	Potential Acreage Of Mowing Reduction	Notes
Arbor Hills Nature Area	x			0.8	Reduce mowing – in southeast corner
Argo Dam Area	x			0.25	Stop mowing DTE property to southwest of Argo Dam, between railroad and base of dam

Bandemer	x	x	x	1.7	Reduce trash collection at disc golf course, stop plowing north part of south parking lot, mow less of area on Barton Drive
Barton Nature Area	x	x		0.25	Decrease mowing in parking lot area & by detention pond near Barton Dam. Consider not plowing parking spaces.
Beckley	x			0.25	Reduce mowing at west part of park in steeper area of park
Broadway Park		x			Pathways in Broadway Park do not connect to Border to Border trail, so plowing not necessary
Buhr	x	x		6.0	Stop plowing rear gravel lot, confirm portion of park that is Utilities property and charge appropriately
Burns		x			Explore school walk being maintained by AAPS
Churchill Downs	x			0.8	Define edge of park property, and only mow City parkland (appears we are currently mowing beyond park border)
Cranbrook	x			1.5	Reduce mowing at parts of the entrances to park – isolated areas

Dolph Nature Area		x			Eliminate plowing
Douglas Park	X			1.2	Reduce mowing entire park – consider only mowing 3 to 4 times a season
Forsythe Park	x			0.2	Reduce mowing at plaza since plaza has low use
Foxfire North	x			2.0	Reduce mowing – eastern portion
Foxfire West	x			0.1	Reduce mowing at eastern point off Birchwood
Furstenberg Park	x	x		0.25	Reduce mowing in non-picnic areas
Garden Homes Park	x	x		1.5	Reduce mowing in small areas
Greenbrier Park	x			1.2	Reduce mowing northern portion
Hollywood	x			1.1	Reduce mowing southern border
Island Park		x			Stop plowing back lot
Leslie Park	x			4.5	Eliminate mowing in low-use areas
Longshore	x			0.6	Reduce mowing southern sloped border
Mallets Creek	x			0.05	Reduce mowing northwest corner
Manchester	x			1.2	Reduce mowing entire park to only 3-4 times per season
Newport Creek	x			0.1	Reduce mowing northern section
Placid Way	x			1.0	Reduce mowing to east and west of pathway
Plymouth Parkway	x			3.8	Reduce mowing south of pathway
Redbud Nature Area	x			0.1	Reduce mowing on east side

South Maple	x			2.3	Reduce mowing in area behind tennis court and near Maple Road. Maintain mowing near play area and between housing site and play area.
South University	x			0.5	Reduce mowing throughout entire park
Sugarbush	x			4.2	Reduce mowing in less active areas of park
Sylvan	x			0.75	Reduce mowing in less active areas of park
Turnberry	x			1.0	Reduce mowing northwest section
Waymarket	x			1.0	Reduce mowing near wooded section
Winewood Thaler	x			0.3	Reduce mowing in less active areas of park.

Issue: Change/rescind parks millage administration resolution.

Response: This resolution was adopted by Council in August of 2006 (R-378-8-06) and unanimously supported by PAC. The approved resolution is attached. This resolution outlined several policy guidelines and was the basis for the ballot fact sheet communicated to citizens. Below are elements of that resolution that could be modified to provide financial benefit to the General Fund:

- The millage currently does not allow a municipal service charge to be paid with millage funds. The cost allocation plan, as part of the budget process, would allocate \$130,000 annually to the Parks Maintenance and Capital Improvements millage. This annual charge to the millage would be annual revenue to the General Fund.
- Per the adopted resolution NAP receives a fixed 3% annual increase irrespective of the annual decrease or increase in tax revenue. This results in the other parks maintenance and capital improvement budgets having more than their proportionate share of decreases (or in good years, a less than proportionate share in revenue increases) in order to absorb the increase given to NAP. For FY 2010 and 2011, this amounts to over \$75,000.

- Per the adopted resolution, the millage provides for an annual allocation for maintenance/capital ratio. The ratio can be no less than 60/40 and no greater than 80/20. Eliminating the ratio could provide more flexibility for some General Fund costs to be absorbed by the millage. The budget allocations for the millage since FY 08 have been at the 80/20 ratio to allow for the maximum maintenance costs to be absorbed by the millage due to the General Funds budget reductions.
- Per the adopted resolution, Funding Distribution Guidelines was also approved. These Guidelines dictate what park system activities can be charged to the millage and what park system activities can be charged to the General Fund. Modification of these Guidelines could provide for more flexibility in how parks system activities are funded. These Guidelines are attached.
- The approved resolution stipulates the level of General Fund reductions and increases for the parks system relative to the funding for the rest of the City General Fund activities. Modifications to these stipulations could provide savings to the General Fund.

Issue: Sell some parks. Which ones would be recommended?

Response: Staff has done an initial survey of all 160+ parks in the system and has identified 23 parks where further exploration may be warranted. In some instances, the entire park might be saleable, while in other instances, a portion of the park might be saleable. Staff looked at areas that are currently not used or used infrequently, along with parcels that might generate interest from a private buyer. Many parks have deed restrictions so further research would have to be done at a park-specific level should Council wish to further explore this option. It is also worth considering that current land value is much lower than it recently has been. It may be difficult to attract buyers and if a sale was achieved, the land could be undervalued given the current market. Finally, prior to the sale of any parkland, an affirmative vote of Ann Arbor voters would be required,

Park	Notes
Arboretum	Possible University interest
Bader	Low use, not visible
Berkshire Creek	Potentially buildable
Depot	Only a visual resource, has issues with loitering/trash
Devonshire	Would need to retain path access to Gallup, but may be able to reduce size
Dicken Park	Low use
Dicken Woods	Potential developer interest
Douglas Park	Potentially buildable
Eisenhower Park	Currently, numerous encroachment issues

Ellsworth Park	Duplicates SE Area Park uses, especially since University Townhouses installed fence blocking off park from residents
Foxfire East	Low use
Fuller Park	Small triangle west of park not usable part of park.
Garden Homes Park	There has been some interest in smaller sections of park for private use
George Washington Park	Property more an extension of right-of-way and possibly belongs in Streets
Glazier Way	Sell back access easement to homeowners
Manchester	Potentially buildable
Mill Creek	Low use
Molin Nature Area	Back yards of residents
Pittsview	Potentially buildable
Rose White Park	Low use
South University	Underused, but in an area without many parks
Stone School	Low use

Issue: Citizens doing more in parks (clean up, pick up trash, etc) – volunteers.

Response: The parks system currently has an active and well regarded volunteer system in place with NAP through the Adopt-A-Park program. The information being provided is preliminary, without exploration of any potential Union or liability issues. These issues would need to be addressed prior to any decisions being made about program feasibility.

It is important to understand that volunteer programs do not come without expense. Program development and upkeep; volunteer recruitment, training, and management; and materials and supplies all have costs associated with them. The element of time should also be considered; it takes a significant amount of time to create volunteer opportunities that are beneficial from a cost perspective.

Some park maintenance activities are easily re-creatable as volunteer work. These activities could be readily incorporated into existing volunteer work, especially through the Adopt-A-Park program. Timeframe for implementation would follow necessary system structural changes and volunteer recruitment and training. Potential implementation of some pilot projects could start as early as spring 2010. Moderate volunteer adoption may be attainable in 1-2 years. Full volunteer adoption may be attainable in 2-3 years. Staff estimates that coordination of this program would necessitate an additional 0.5 FTE position initially. Additional staffing may be needed as the program expands. Examples of park maintenance activities that fall in this category include:

- picking up litter
- cleaning of facilities and structures
- tree planting and early maintenance
- annual and perennial flower bed planting and maintenance
- walking path maintenance and bicycle path/trail maintenance
- simple facility upkeep and maintenance

Other park maintenance activities would need additional equipment sharing and training for volunteers to become fully functional to achieve current standards of upkeep. These activities would require volunteers to work more closely with full-time staff and/or using higher level City equipment to accomplish work. Initial implementation could begin in 1-2 years, with a full implementation date unknown. Staff estimates that creation and upkeep of this program would require an additional 1.0 FTE position to coordinate and oversee the volunteer work. Examples of work in this category include:

- irrigation system maintenance
- athletic field maintenance
- mid-level facility maintenance
- mowing
- trash removal
- materials delivery
- parks inspections
- monthly playground safety inspections, to supplement those done by certified staff

Lastly, a few projects may be better suited to alternative labor options other than volunteers. These projects could be accomplished through partnerships with local prison workers, technical degree programs, and apprenticeships. Potential implementation would follow partnership development with local organizations. Initial implementation may begin in 1-3 years, with full implementation date unknown. Staff estimates that creation and oversight of this program would require the dedication of 1.0 FTE position. Examples of work in this category include:

- lawn mowing
- snow removal
- high-level facility maintenance
- equipment maintenance

Over the last few years, the Parks system has focused more time and resources on maintaining existing assets. This is in direct response to feedback received from the public during the last millage process. As a result, less capital projects are taking place and a vacant Park Planner position, funded from the parks millage, is not being filled. Should Council wish to move forward with implementing an expanded volunteer program, the funding currently allocated for the vacant Park Planner position could be repurposed to create an additional 1.0 FTE Volunteer Outreach Coordinator position.

This would not increase the number of staff, but rather restructure a position to better fit current needs.

Issue: Contract/collaborate/consolidate with AAPS and/or County P&R - reopen discussions.

Response: Staff continually looks for opportunities to explore collaboration and consolidation. The City maintains an open dialogue with AAPS and the County. In particular, the City and AAPS are improving existing use agreements and creating agreements where none exist to better reflect realistic cost sharing such as the recently signed Eberbach lease. This relationship will continue to be cultivated, and expanded where possible. With the County, the Swift Run Dog Park provides a recent example of a collaboration benefitting our citizens. Parks and Recreation Services staff recognizes the potential for collaboration or possible consolidation with AAPS Recreation & Education and Washtenaw County Parks and Recreation. This type of collaboration requires time, effort and a willingness of both parties to seek an outcome that is best for the citizens.

Issue: Explore ways to eliminate General Fund support for parks system.

Response: As currently funded, eliminating General Fund support to the Parks System would mean both the closing of several facilities such as Buhr Pool and Ice Arena, Veteran’s Memorial Pool and Ice Arena, Bryant and Northside Community Centers, Cobblestone Farm, and Fuller Pool as well as the elimination of all parks mowing and snow removal. Retiree health care is also a significant expense that would have to be absorbed elsewhere in the City’s operating budget. For FY 2010, the total support to the Parks System from the General Fund is \$4,256,313 (expenditures net of revenue).

Type of Support	Total Expense	Total Revenue	Net Cost
Parks & Recreation Facilities*	(\$2,849,984)	\$2,071,050	(\$ 778,934)
Parks Administration	(\$ 708,512)	\$ 141,227	(\$ 559,285)
Parks Retiree Health Care	(\$ 605,202)	-	(\$ 605,202)
Park Operations (mowing, snow removal, cemetery, special events, etc.)	(\$2,075,274)	\$ 58,100	(\$2,017,174)
Debt service for Wheeler Service Center	(\$295,718)	-	(\$ 295,718)

*Numbers include Mack Pool and Senior Center

Additionally, the current millage for Park Maintenance and Capital Improvements Millage expires June 30, 2013 (Tax Year 2012). Staff can examine funding options at

the time of the renewal efforts for a replacement millage that would fund the entire park system.

Issue: Reduce or defer parks capital projects - what would impact be.

Response: It is important to note that prior to FY 08, annual funding for park capital improvements was almost double the annual allocation for park capital improvements have been for FY 08 through FY 11. This is expected to continue through the end of the current millage due to general fund reductions. The focus of capital improvements since FY 07 has been to take care of the assets in the Parks System, rather than add new features that will increase the burden in the future.

The majority of recent completely and planned capital projects focus on restoration, rehabilitation or renovation of existing infrastructure. Given the significant reduction in funding for capital improvements, reducing or deferring such projects could result in unsafe or unusable facilities and a potential loss of revenue. Additionally, deferring some capital projects may ultimately, in addition to decreasing safety, necessitate higher capital expenditure later.

Below is a chart that lists recently completed projects, projects in process and future park capital projects.

Capital Project	Description & Project Justification	Cost*	Notes
Kempf House ADA improvements	Existing ramp was replaced with sloped sidewalk as it did not meet existing barrier free code.	\$30,000.00	Completed
Argo Canoe Livery yard renovations	Increased fenced in area and installed sheds for storage and security of assets and for camps to facilitate increased use and programs.	\$30,000.00	Completed
Buhr Ice Rink Floor System Replacement	Ice rink floor had numerous leaks that were no longer repairable. Project replaced sub-floor refrigeration system and concrete surface.	\$714,000.00	Completed
Bandemer Bridge Repair	Beams had rusted and decking deteriorated making the bridge not structurally sound. Beams and decking were replaced.	\$149,781.00	Spring Completion
Gallup Vehicle Bridge Repair	Abutments were failing causing entry road to fail repeatedly. Caused trip hazard and required yearly repairs.	\$60,789.00	Spring Completion

Mary Beth Doyle Disc Golf Course	Play area and disc golf course were removed two years ago to accommodate stormwater work at park. Project was to reinstall park amenities. Included removing dead Ash trees that were hazardous in park.	\$43,000.00	Spring Completion
Mary Beth Doyle Play Area	To meet safety codes	\$73,000.00	Completed
Riverside Park Playground replacement	Riverside park had last remaining wooden play area that did not meet current safety codes.	\$57,000.00	Completed
Leslie Park Playground Replacement	Playground equipment no longer met safety guidelines.	\$56,600.00	Completed
Buhr Park Walk Replacement and stormwater feature	Walk through park from Essex to Allen School severely deteriorated, was a safety hazard and not barrier free compliant. Stormwater basin was put in as part of master plan implementation to reduce runoff.	\$47,244.00	Spring Completion
Walk replacements at Sugarbush, South Maple, Huron Highlands, Leslie Park	All of these walks were severely deteriorated with trip hazards and not barrier free, and were replaced to meet code and facilitate better maintenance.	\$33,073.00	Completed
Parking lot surfacing at Olson Park	Final course of asphalt was installed at parking lot. This had been deferred until soccer fields and restroom was installed.	\$75,000.00	Completed
Leslie Golf Course pedestrian and cart bridge and cart path replacement	Bridges and sections of cart paths deteriorated. Entry walk was replaced to provide barrier free access.	\$215,260.00	Completed
Farmers Market Lighting, painting and sound system	Sheds were painted as surface was peeling and deteriorated. Lighting was replaced with more energy efficient fixtures, sound system installed for events. Gutters were repaired.	\$130,000.00	Spring Completion

Veterans Memorial Park Ice Arena renovations	Fire suppression system installed as required by fire code, dehumidification unit installed to prevent humidity problems, restrooms renovated as they were in poor condition due to age and heavy use.	\$535,426.00	Spring Completion
Buhr Tot Pool Liner Replacement	Pool liner was in severe disrepair.	\$73,000.00	Completed
Fuller Shade Structures	Added to existing structure and constructed new structure, and painted existing structure. This was requested by pool patrons to provide shade, and has been in pool master plan.	\$58,000.00	Completed
Cobblestone Barn Kitchen Renovations	Create more efficient use of space; install trash chute and dumb waiter to facilitate catering events.	\$50,100.00	In Process
Path renovations	Sites to be determined according to state of disrepair and level of use. Potential areas include Veterans Park along Maple, and the path between Beckley Park and Argo and entry to Riverside Park.	\$172,000.00	Future project for Summer 2010
West Park Master Plan Implementation	Majority of work is to improve stormwater issues. Primary funding is from the Stormwater Revolving Loan Fund as well as federal funding. Parks portion is \$215,000 for construction and additional for consultants fee of approximately \$50,000.	\$1,400,000.00	In Process
Play Areas	3-4 Sites determined by condition of equipment as well as safety codes.	\$188,000.00	Future project for Summer 2010
Barrier Free entry to Buhr Pool and Ice Rink	Install sloped sidewalk to replace steps for compliant barrier free access.	TBD	Future project
Parking lot renovations	Renovate parking lots due to poor condition of asphalt at Veterans Memorial and Fuller Parks.	\$100,000.00	Future project for Summer 2010

Parks and Recreation Open Space Plan	Part of the City Master Plan and a requirement in order to receive State funded grants	\$125,000.00	In Progress
Farmers Market	Electrical work to upgrade service in order to install outlets for vendors. Whether there will be additional improvements is yet to be determined.	\$500,000	On-hold

*Costs include engineering, design and construction costs

Issue: What is likelihood of AAPS closing 5 pools.

Response: Currently the AAPS is hosting a series of four Community Forum meetings that share the School Administrator's Budget Recommendations. These recommendations do not include the closure of the five AAPS middle school pools. At the first Community Forum meeting, the idea of closing pools as a cost-savings was not raised by the public. Given that the pool closures are not included in the Administrator's Budget Recommendation, it appears unlikely the pools will close at this time.

Issue: Look at what is funded in General Fund for park maintenance.

Response: After the passage of the current Park Maintenance and Capital Improvements Millage, certain maintenance activities that were historically paid for from the General Fund became millage-eligible expenses. Concerns expressed about continued general fund reductions to the Parks system were addressed by developing Funding Distribution Guidelines for the millage. These Guidelines are attached. As a result, certain core activities such as mowing, and snow maintenance were retained exclusively in the General Fund. Most other park maintenance is funded from the Park Maintenance portion of the millage. Mowing and snow removal have a net cost of over \$2,000,000 annually to the General Fund.

Issue: What recreation facilities would staff recommend closing? (exclude community centers, per Teall)

Response:

Facility	FY 10 Revenues	FY10 Expenditures	Net Cost (Operating Loss)
Cobblestone	\$274,706	\$314,370	(\$ 39,664)
Buhr Pool	\$161,125	\$253,954	(\$ 92,829)
Buhr Rink	\$126,125	\$169,482	(\$ 43,358)
Veterans Pool	\$110,625	\$260,703	(\$150,078)

Veterans Arena	\$500,125	\$526,740	(\$ 26,615)
Fuller Pool	\$248,215	\$260,051	\$ 11,836
Argo Canoe Livery	\$235,475	\$204,479	\$ 30,996
Gallup Canoe Livery	\$225,575	\$217 362	\$ 8,213
Bryant/Northside Community Centers	-	\$158,049	(\$158,049)

In 2009, as part of the process in developing the 2-year budget plan, staff proposed the closure of Mack Pool and the Senior Center. The choice of those facilities was based on a number of factors, one being the net cost to the general fund. Other factors considered in the recommendation were usage level, net cost per user, and whether other like services are offered in community. Attached is a chart that provides an overview of each facility with financial and usage information. Argo, Gallup, Fuller Pool and Veteran's Ice Arena are either self-supporting or very near to being so for day-to-day operations.

The above table shows the net cost of the General Fund recreational activities. For that reason alone, proposing closure of those facilities is not suggested. Bryant and Northside Community Centers are the most costly to operate, but it is important to note that these facilities were built in the 1970's with CDBG funds to serve low-income residents. These centers continue to serve predominately low-income residents of Ann Arbor. The Senior Center also operates at a high per visitor cost to the City.

Cobblestone operates at a cost of \$40,000 per fiscal year to the General Fund. The rental portion of Cobblestone is self-supporting, but the Parks & Recreation Customer Service Office is also based at Cobblestone and associated costs are reflected in its operating budget. Buhr Rink operates at a cost of slightly over \$40,000 per fiscal year to the General Fund. Usage of the facility is high and it should be noted that capital improvements in excess of \$800,000 have been made to the infrastructure over the past 4-5 years, including a new rink sub-floor, Zamboni, snow pad, and compressors.

Buhr and Veterans Memorial outdoor pools are the two most expensive remaining facilities to the General Fund. Typically pools are very expensive to run as staffing costs and utility costs are high. Fuller Pool comes close to breaking even in part because of \$35,000 in revenue received from the University for the rental of the Fuller Parking Lots. Both Buhr and Veterans Memorial Pools are heavily used and see in excess of 35,000 visits between Memorial Day and Labor Day. Both pools also see very high usage among scholarship recipients. By closing one pool, the City would still be providing outdoor swimming facilities for Ann Arbor residents, however, if one pool closed, the two remaining outdoor pools would likely not be able to accommodate the overflow of use as all pools have a maximum capacity based on pool deck size. Factors that need to be considered if looking at closing a pool would need to include public desire; public access (including vehicular, pedestrian, bicycle, and public transportation); vehicular parking; use levels; capacity; and condition of facilities, including the upcoming facility infrastructure investment needs of each facility.

RESOLUTION TO AMEND R-378-8-06, RESOLUTION OF INTENT ON THE
ADMINISTRATION OF PARK MAINTENANCE AND
CAPITAL IMPROVEMENTS MILLAGE

Whereas, It is the intent that City Council present to the voters a ballot issue which would consolidate the existing Park Rehabilitation and Development and Park Repair and Restoration millages into a Park Maintenance and Capital Improvements Millage;

Whereas, On August 21, 2006, City Council adopted Resolution R-378-8-06, to inform the voters of the manner in which it intends to oversee the administration of the consolidated millage if the proposed millage is approved by the voters;

Whereas, It has been determined that administration of the consolidated millage would be better addressed by amending the previously adopted guidance for a Park Maintenance and Capital Improvements Millage Administration Policy related to future general fund budget revenue increases and reductions to include the following;

RESOLVED, That City Council amend the adopted policy guidance for the Park Maintenance and Capital Improvements Millage to read as follows:

1. Adoption of the Funding Distribution Guidelines as stipulated in Attachment A;
2. Annual allocation for maintenance is to be between 60% and 80% and capital improvements is to be between 20% and 40% with a total annual allocation being 100%;
3. The Natural Area Preservation Program budget be established at a minimum of \$700,000 for first year of the millage budget and that it receive a minimum 3% annual increase for each of the subsequent five years of the millage to enhance the stewardship of increased acreage of natural park areas;
4. If future reductions are necessary in the City's general fund budget, during any of the six years of this millage, beginning with Fiscal Year 2007-2008, the general fund budget supporting the parks and recreation system for that year will be reduced by a percentage no greater than the average percentage reduction of the total City general fund budget;
5. If future increases occur in the City's general fund budget during any of the six years of this millage, beginning with Fiscal Year 2007-2008, the general fund budget supporting the parks and recreation system for that year will be increased at the same rate as the average percentage increase of the total City general fund budget;
6. City Council will verify these expenditures by examining the audit statement for each year.
7. The millage will not be subject to a municipal service charge;

8. The millage may be subject to appropriate information technology and fleet charges;
9. If the millage is not renewed after the six years, the Natural Area Preservation Program will receive the same percentage of any remaining fund balance from the Park Maintenance and Capital Improvements Millage as was in the approved budgeted in the sixth year of the millage; and

RESOLVED, That if the millage is adopted, the City Administrator is directed to develop an annual millage budget for review and recommendation by the Park Advisory Commission with final adoption by City Council consistent with this Resolution.

Submitted By: Councilmember Johnson

Date October 3, 2006

**PARKS MAINTENANCE AND CAPITAL IMPROVEMENTS
FUNDING DISTRIBUTION GUIDELINES**

ACTIVITY	General Fund	Millage
General Administration & Park Planning		
General parks & recreation administration	✓	
Park system planning		✓
Park Operations & Forestry		
Athletic Fields		
Maintenance	✓	✓
Repairs & capital improvements, excluding mowing		✓
Cemetery		
Maintenance & repairs	✓	
Game Courts		
Maintenance	✓	✓
Repairs & capital improvements		✓
Park Maintenance Equipment (mowers, snow plows, snow blowers, etc)		
Maintenance & repairs	✓	✓
Replacements & capital improvement investments		✓
Park Mechanical Systems (furnaces, air conditioners, etc)		
Maintenance & repairs	✓	✓
Replacement		✓
Flowers/Shrubs & Horticulture		
Park areas	✓	✓
Non - Park areas	✓	
Litter & Refuse		
Collection & removal from park areas	✓	
Park Amenities (benches, buildings, fountains, gates, grills, picnic tables, restrooms, etc)		
Maintenance & repairs	✓	✓
Replacement & capital improvements		✓
Facility operational utility costs	✓	
Mowing		
Park and non-park areas	✓	
Park Security		
Security staffing		✓
Vandalism repair & maintenance		✓
Forestry (Tree Maintenance, Pruning, Tree & Stump Removals, Storm Damage, Plantings, Disease Management, Hazard Work, etc)		
Park & natural areas maintenance	✓	✓
Non-Park areas	✓	
Park area replanting for Emerald Ash Borer recovery		✓
Tree nursery maintenance	✓	

ACTIVITY	General Fund	Millage
Playground Safety		
Inspections, maintenance, repairs, replacement & capital improvements		✓
Sidewalk, Pathway, Trail, Boardwalk, Greenway		
Maintenance & repairs	✓	✓
Replacements & capital improvements		✓
Snow & ice control maintenance	✓	
Park Parking Lots		
Maintenance	✓	✓
Repairs & capital improvements		✓
Snow & ice control maintenance	✓	
Natural Area Preservation		
Stewardship & restoration		✓
Assessment/Monitoring & project review of City-owned natural areas, conservation easements, and ecological monitoring projects		✓
Environmental education coordination		✓
Outreach & volunteer coordination		✓
Prairie Restoration Activities		✓
Restoration of aquatic ecosystem		✓
Recreation Facilities		
Recreation Equipment (canoes, bikes, ice skates, kayaks, etc)		
Maintenance & repairs	✓	✓
Replacements & capital investments		✓
Facility Maintenance Equipment (zambonis, ice edgers, mowers, etc)		
Maintenance & repairs	✓	✓
Replacements & capital Investments		✓
Mechanical Systems (furnaces, air conditioners, compressors, pool filtration systems, etc)		
Maintenance & repairs	✓	✓
Replacements & capital improvements		✓
Recreation Facility Structures (buildings, structures, plumbing systems, etc)		
Maintenance & repairs	✓	✓
Replacements & capital improvements		✓
Operational utility costs	✓	
General Park Capital Projects		
Improvements for park shelters, park structures, active parks, neighborhood parks & urban plazas, preservation of historic park amenities, & cemeteries		✓

Recreation Facility City Cost/Visitor Operating Budgets with Millage Funds and Municipal Service Charge

	FY03 Actuals							FY04 Actuals							FY05 Actuals							FY06 Actuals						
	# Visitors	\$ Total Revenue	\$ Total Operating Expenses	\$ Total Millage Expenses	Municipal Service Cost, if charged	\$ Net Cost	Net City Cost Per Visitor	# Visitors	\$ Total Revenue	\$ Total Operating Expenses	\$ Total Millage Expenses	Municipal Service Cost, if charged	\$ Net Cost	Net City Cost Per Visitor	# Visitors	\$ Total Revenue	\$ Total Operating Expenses	\$ Total Millage Expenses	Municipal Service Cost, if charged	\$ Net Cost	Net City Cost Per Visitor	# Visitors	\$ Total Revenue	\$ Total Operating Expenses	\$ Total Millage Expenses	Municipal Service Cost, if charged	\$ Net Cost	Net City Cost Per Visitor
Leslie Park Golf Course	28,083	783,540	895,778	5,240	Included in Operating	117,478	4.18	25,456	772,487	956,474	0	Included in Operating	183,987	7.23	25,200	730,597	809,239	0	Included in Operating	78,642	3.12	23,612	706,740	387,080	59,101	Included in Operating	-260,559	-11.04
Huron Hills Golf Course	30,488	416,237	529,532	5,240	Included in Operating	118,535	3.89	25,218	370,442	289,373	0	Included in Operating	-81,069	-3.21	18,733	312,900	343,827	0	Included in Operating	30,927	1.65	17,988	300,799	401,921	36,894	Included in Operating	138,016	7.67
Farmers Market	478,000	80,162	116,028	0	Included in Operating	35,866	0.08	478,000	151,244	102,739	62,630	Included in Operating	14,125	0.03	478,000	131,347	109,266	0	Included in Operating	-22,081	-0.05	478,000	125,347	114,568	0	Included in Operating	-10,779	-0.02
Bryant & Northside Community Centers	10,000	14,204	169,406	65,642		220,844	22.08	10,000	15,813	254,233	820		239,240	23.92	10,000	16,843	199,282	9,743	70,487	262,669	26.27	10,000	17,224	210,478	1,718	91,809	286,781	28.68
Senior Center	15,000	54,590	115,603	1,749		62,762	4.18	15,000	48,074	135,344	7,060		94,330	6.29	15,000	41,699	154,457	9,392	54,633	176,783	11.79	15,000	49,429	149,907	6,069	65,389	171,936	11.46
Veterans Memorial Ice Arena	71,844	621,897	459,931	537,856		375,890	5.23	68,412	657,528	462,949	88,751		-105,828	-1.55	63,000	537,949	475,151	131,807	168,064	237,073	3.76	63,099	527,054	490,617	94,569	214,005	272,137	4.31
Buhr Park Ice Arena	20,807	78,844	111,624	69,932		102,712	4.94	22,558	118,819	121,285	14,543		17,009	0.75	23,464	112,666	107,279	15,736	37,945	48,294	2.06	18,984	108,220	119,524	90,436	52,136	153,876	8.11
Veterans Memorial Pool	38,904	167,814	185,779	579,335		597,300	15.35	35,068	119,695	203,597	36,706		120,608	3.44	33,170	136,346	199,626	32,000	70,609	165,889	5.00	39,000	143,211	221,151	9,213	96,465	183,618	4.71
Buhr Park Pool	30,056	102,545	185,069	21,171		103,695	3.45	29,567	86,096	157,784	2,876		74,564	2.52	37,811	110,250	149,197	12,500	52,772	104,219	2.76	37,660	137,210	155,828	18,683	67,971	105,272	2.80
Fuller Pool	54,987	245,479	190,381	240,834		185,736	3.38	56,844	187,608	178,463	261,227		252,082	4.43	54,117	246,980	190,026	29,979	67,214	40,239	0.74	55,113	260,235	206,583	39,698	90,110	76,156	1.38
Mack Pool	32,233	74,411	156,787	23,041		105,417	3.27	34,035	150,867	198,508	7,818		55,459	1.63	32,403	125,660	202,022	13,414	71,457	161,233	4.98	39,523	139,324	209,311	23,543	91,300	184,830	4.68
Argo Livery	4,856	47,419	71,460	22,751		46,792	9.64	5,547	59,861	87,844	11,344		39,327	7.09	8,104	67,116	102,317	11,549	36,190	82,940	10.23	10,217	105,068	61,531	160,476	26,840	143,779	14.07
Gallup Livery	19,565	118,279	144,972	57,660		84,353	4.31	19,921	125,158	105,388	11,344		-8,426	-0.42	26,639	140,871	115,915	11,549	41,000	27,593	1.04	29,540	218,255	229,194	23,571	99,973	134,483	4.55
Cobblestone Farm	25,000	175,814	181,678	98,300		104,164	4.17	25,000	151,716	205,594	36,048		89,926	3.60	25,000	146,490	176,139	10,014	62,302	101,965	4.08	25,000	177,096	229,172	24,847	99,964	176,887	7.08

* Ann Arbor population: 114,042

- Fund 47
- Fund 46
- Fund 10
- Italics* Estimate

Recreation Facility City Cost/Visitor Operating Budgets with Millage Funds and Municipal Service Charge

	FY07 Actuals							FY08 Actuals						FY09 Estimates							FY03-09 Actual/Estimate			Per Capita Cost	
	# Visitors	\$ Total Revenue	\$ Total Operating Expenses	\$ Total Millage Expenses	Municipal Service Cost, if charged	\$ Net Cost	Net City Cost Per Visitor	# Visitors	\$ Total Revenue	\$ Total Operating Expenses	\$ Total Millage Expenses	Municipal Service Cost, if charged	\$ Net Cost	Net City Cost Per Visitor	Estimated # Visitors (08 numbers)	Budgeted Revenue	Budgeted Operating Expenses	YTD Millage Expenses	Municipal Service Cost, if charged	\$ Net Cost	Net City Cost Per Visitor	# Visitors	\$ Net Cost	Net City Cost Per Visitor	Per Capita Cost Per Visitor*
Leslie Park Golf Course	21,857	615,449	713,179	13,914	Included in Operating	111,644	5.11	22,358	626,131	894,892	2,164	Included in Operating	270,925	12.12	22,358	818,145	1,185,195	626,712	Included in Operating	993,762	44.45	168,924	1,495,879	8.86	13.12
Huron Hills Golf Course	13,913	242,677	388,523	6,638	Included in Operating	152,484	10.96	15,627	226,533	422,045	5,348	Included in Operating	200,860	12.85	15,627	287,723	556,583	62,659	Included in Operating	331,519	21.21	137,594	891,272	6.48	7.82
Farmers Market	478,000	126,978	113,414	1,485	Included in Operating	-12,079	-0.03	478,000	132,855	130,979	0	Included in Operating	-1,876	0.00	478,000	143,160	147,774	0	Included in Operating	4,614	0.01	3,346,000	7,790	0.00	0.07
Bryant & Northside Community Centers	10,168	12,555	178,523	6,123	102,855	274,946	27.04	12,000	0	139,412	7,049	89,139	235,600	19.63	12,000	0	165,000	23,560	101,433	289,993	24.17	74,168	1,810,073	24.41	15.87
Senior Center	14,278	51,423	147,649	4,480	85,067	185,773	13.01	11,392	17,385	171,057	5,628	109,372	268,672	23.58	11,392	46,200	181,492	16,893	111,571	263,756	23.15	97,062	1,224,011	12.61	10.73
Veterans Memorial Ice Arena	76,961	458,573	455,543	13,158	262,458	272,586	3.54	66,073	477,646	498,623	22,806	318,815	362,598	5.49	66,073	540,500	501,348	56,081	308,200	325,129	4.92	475,462	1,739,585	3.66	15.25
Buhr Park Ice Arena	20,902	117,037	125,378	70,813	72,236	151,390	7.24	19,785	123,291	120,395	13,451	76,979	87,534	4.42	19,785	118,400	174,605	9,365	107,337	172,907	8.74	146,285	733,722	5.02	6.43
Veterans Memorial Pool	35,127	127,361	237,108	33,820	136,608	280,175	7.98	32,894	104,044	218,252	88,092	139,548	341,848	10.39	32,894	124,300	230,893	8,160	141,940	256,693	7.80	247,057	1,946,131	7.88	17.07
Buhr Park Pool	42,473	142,702	198,073	5,606	114,118	175,095	4.12	37,712	133,959	225,047	24,775	143,893	259,756	6.89	37,712	143,500	240,965	15,452	148,132	261,049	6.92	252,991	1,083,650	4.28	9.50
Fuller Pool	56,214	241,845	213,663	56,373	123,101	151,292	2.69	45,115	215,300	211,937	18,630	135,510	150,777	3.34	45,115	240,500	249,690	18,850	153,495	181,535	4.02	367,505	1,037,817	2.82	9.10
Mack Pool	32,611	144,336	210,207	22,264	121,109	209,244	6.42	29,732	127,277	234,427	13,035	149,890	270,075	9.08	29,732	123,400	250,777	18,384	154,164	299,925	10.09	230,269	1,286,183	5.59	11.28
Argo Livery	15,349	160,144	128,735	1,925	74,170	44,686	2.91	17,380	184,142	156,778	3,531	100,242	76,409	4.40	17,380	191,000	163,866	3,400	100,736	77,002	4.43	78,833	510,934	6.48	4.48
Gallup Livery	27,035	217,565	192,642	13,459	110,989	99,525	3.68	28,115	219,372	188,680	4,153	120,640	94,101	3.35	28,115	227,500	181,367	3,400	111,494	68,761	2.45	178,930	500,391	2.80	4.39
Cobblestone Farm	25,000	135,079	204,962	6,606	118,088	194,577	7.78	30,037	258,526	265,213	8,303	169,575	184,565	6.14	30,037	233,400	250,416	144,081	153,942	315,039	10.49	185,074	1,167,121	6.31	10.23

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