

City of Glendale Council Workshop Agenda

September 17, 2013 – 1:30 p.m.

Welcome!

We are glad you have chosen to attend this meeting. We welcome your interest and encourage you to attend again.

Form of Government

The City of Glendale has a Council-Manager form of government. Policy is set by the elected Council and administered by the Council-appointed City Manager. The Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of six electoral districts and are elected by the voters of their respective districts (see map on back).

Voting Meetings and Workshop Sessions

Voting meetings are held for Council to take official action. These meetings are held on the second and fourth Tuesday of each month at 7:00 p.m. in the Council Chambers of the Glendale Municipal Office Complex, 5850 West Glendale Avenue. **Workshop sessions** provide Council with an opportunity to hear presentations by staff on topics that may come before Council for official action. These meetings are generally held on the first and third Tuesday of each month at 1:30 p.m. in Room B3 of the Glendale Municipal Office complex.

Special voting meetings and workshop sessions are called for and held as needed.

Executive Sessions

Council may convene to an executive session to receive legal advice, discuss land acquisitions, personnel issues, and appointments to boards and commissions. Executive sessions will be held in Room B3 of the Council Chambers. As provided by state statute, executive sessions are closed to the public.

Regular City Council meetings are telecast live. Repeat broadcasts are telecast the second and fourth week of the month – Wednesday at 2:30 p.m., Thursday at 8:00 a.m., Friday at 8:00 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 1:30 p.m. on Glendale Channel 11.

If you have any questions about the agenda, please call the City Manager's Office at (623)930-2870. If you have a concern you would like to discuss with your District Councilmember, please call the City Council Office at (623)930-2249



For special accommodations or interpreter assistance, please contact the City Manager's Office at (623)930-2870 at least one business day prior to this meeting. TDD (623)930-2197.

Para acomodacion especial o traductor de español, por favor llame a la oficina del administador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.

Councilmembers

Cactus District – Ian Hugh
Cholla District – Manuel D. Martinez
Ocotillo District – Norma S. Alvarez
Sahuaro District – Gary D. Sherwood
Yucca District – Samuel U. Chavira



MAYOR JERRY P. WEIERS

Vice Mayor Yvonne J. Knaack – Barrel District

Appointed City Staff

Brenda S. Fischer – City Manager
Nicholas DiPiazza – Acting City Attorney
Pamela Hanna – City Clerk
Elizabeth Finn – City Judge

Meeting Agendas

Generally, paper copies of Council agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting from the City Clerk Department inside Glendale City Hall. Additionally, the agenda and all supporting documents are posted to the city's website, www.glendaleaz.com

Public Rules of Conduct

The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. It is inappropriate to utilize the public hearing or other agenda item for purposes of making political speeches, including threats of political action. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for ending a speaker's time at the podium or for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

How to Participate

Voting Meeting - The Glendale City Council values citizen comments and input. If you wish to speak on a matter concerning Glendale city government that is not on the printed agenda, please fill out a blue Citizen Comments Card. Public hearings are also held on certain agenda items. If you wish to speak on a particular item listed on the agenda, please fill out a gold Public Hearing Speakers Card. Your name will be called when the Public Hearing on the item has been opened or Citizen Comments portion of the agenda is reached. **Workshop Sessions** - There is no Citizen Comments portion on the workshop agenda.

When speaking at the Podium, please state your name and the city in which you reside. If you reside in the City of Glendale, please state the Council District you live in and present your comments in five minutes or less.

Regular Workshop meetings are telecast live. Repeat broadcasts are telecast the first and third week of the month – Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.



Council District Boundaries





GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers
5850 West Glendale Avenue
September 17, 2013
1:30 p.m.

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

CALL TO ORDER

WORKSHOP SESSION

1. COUNCIL ITEM OF SPECIAL INTEREST: BILLBOARDS
PRESENTED BY: Brian Friedman, Executive Director and Jon M. Froke, AICP, Planning Director
2. COUNCIL ITEM OF SPECIAL INTEREST: PARKS AND RECREATION FEES AND AMENITIES USAGE
PRESENTED BY: Erik Strunk, Executive Director, Parks, Recreation and Library Services and Lori Bye, Recreation Manager
3. COUNCIL ITEM OF SPECIAL INTEREST: CIVIC CENTER SELF-SUSTAINING GOAL
PRESENTED BY: Julie Watters, Interim Executive Communications Director and Mario Rochin, Civic Center Manager

CITY MANAGER'S REPORT

This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.

COUNCIL ITEMS OF SPECIAL INTEREST

Councilmembers may indicate topic(s) they would like to have discussed by the Council at a future Workshop and the reason for their interest. The

Council does not discuss the new topics at the Workshop where they are introduced.

EXECUTIVE SESSION

1. LEGAL MATTERS

- A. City Council will discuss and consult with the City Attorney to receive an update, to consider its position, obtain legal advice and instruct its attorneys in pending litigation and settlement discussions relating to *City of Glendale v. Conair Corporation, et al.* (A.R.S. § 38-431.03(A)(3)(4))
- B. City Council will discuss and consult with the City Attorney to receive an update, to consider its position, obtain legal advice and instruct its attorneys in contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation regarding Development Agreement No. 3-4857 between the City of Glendale and Traverse Bay Properties, L.L.C. (A.R.S. § 38-431.03(A)(3)(4))
- C. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

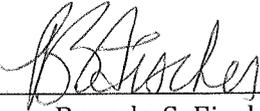
- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at

a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

Items Respectfully Submitted,



Brenda S. Fischer, ICMA-CM
City Manager



WORKSHOP COUNCIL REPORT

Meeting Date: **9/17/2013**
Meeting Type: **Workshop**
Title: **BILLBOARDS**
Staff Contact: **Brian Friedman, Executive Director**
Jon M. Froke, AICP, Planning Director

Purpose and Policy Guidance

This is a request for City Council to discuss and provide guidance on the location of static and digital billboards.

The Community & Economic Development (CED) Department provided a memorandum to Mayor and Council, dated July 11, 2013, which provided additional information concerning billboards for City Council consideration and study prior to the workshop today.

Background

Static billboards are externally illuminated and display a single message which can only be changed by physically placing a new message on the sign. Digital billboards are electronic, internally illuminated, and can display multiple messages in sequence and changed by a computer program operated away from the sign. Both static and digital billboards are regulated by the City's Zoning Ordinance.

On June 26, 2012, the City Council approved a Zoning Text Amendment (ZTA11-01) for digital billboards. The approved ZTA provided a new definition and a new section to enact zoning regulations and establish a set of development standards to regulate digital billboards along the Loop 101 in the Sports and Entertainment District. Digital billboards are limited to sites zoned Planned Area Development (PAD) and requires sites to have at least 1,000 feet of freeway frontage on the Loop 101 as well as a one-third mile (1,760 feet) separation between signs on a single PAD.

On March 1, 2012, Planning Commission conducted a workshop and a public hearing regarding ZTA11-01. No action was taken at the workshop. At the public hearing, the Commission moved to recommend approval of ZTA11-01; however, the motion failed 3-4.

On November 15, 2011, staff presented the proposed Zoning Text Amendment during a City Council Workshop. Council directed staff to continue working on the amendment. Staff did not receive a consensus from Council to change the text amendment during the workshop.



WORKSHOP COUNCIL REPORT

At the October 6, 2011 Planning Commission Workshop, the commission initiated ZTA11-01, Zoning Text Amendment for digital billboards, which was previously considered as freeway billboard signs as part of ZTA09-01.

On June 2, 2011 and August 4, 2011, Planning Commission voted to continue discussion of the section of ZTA09-01 regarding freeway billboard signs.

The City Council adopted the Westgate PAD through a public hearing process in 2002, which included a number of outdoor building and digital signs, identified in the Westgate PAD as "Spectaculars." Currently, there are two billboards located on the east side of the Loop 101 in Westgate.

Council approved a comprehensive update of the Zoning Ordinance in 1993, which included billboard regulations.

Analysis

Since the adoption of ZTA11-01 on June 26, 2012, staff has not received a request from the community to amend the Zoning Ordinance relative to billboards.

As noted in the Council Communication on June 26, 2012, "The amendment will emphasize that digital billboards are only to be erected in proximity to the Sports & Entertainment District." ZTA11-01 established definitions and development standards for digital billboards. After a thorough examination with the public prior to the adoption of ZTA11-01 and with no filed request from the community to amend the zoning ordinance after its adoption, city staff finds the existing ordinance appropriate and well founded. Should the City Council wish to amend the standards, a Zoning Text Amendment can be initiated if staff is directed accordingly.

Previous Related Council Action

On July 11, 2013, staff provided a memorandum to Mayor and Council that provided the history and analysis of billboards within the city.

At the City Council Evening Meeting on May 14, 2013, under Council Comments and Suggestions, Councilmember Sherwood stated that he wished to have a public discussion about billboards at a future Workshop.

The issue of digital billboards was introduced and discussed as part of the City Manager's Update at the March 5, 2013 Council Workshop.



WORKSHOP COUNCIL REPORT

Community Benefit/Public Involvement

Static billboards have been located in Glendale for many decades and are primarily placed in heavy commercial or industrial areas and away from residential neighborhoods. Similarly, digital billboards are located within the Sports & Entertainment District, maintaining a significant distance away from residential neighborhoods as well. With the adoption of the City's Design Review in 1983, the community, the City Council and the City's Development Team have focused on creating and maintaining a reputation for quality development. This consistent focus has created the distinguished and recognized level of quality associated with both Glendale's aesthetic appearance and unique character here in the West Valley.

Leading up to the approval of ZTA11-01, public involvement was garnered through the required Citizen Participation process. On May 24, 2012, a legal notice was published in The Glendale Star, which indicated which sections of the Zoning Ordinance were proposed to be amended. On May 25, 2012, staff, as the applicant, mailed notification postcards to property owners within 300 feet of the proposed area within the Sports and Entertainment District and those persons listed as Interested Parties on the City-Wide Additional Notification list.

Public testimony concerning ZTA11-01 occurred at the Planning Commission meeting of March 1, 2012. At the public hearing three speakers spoke in support of allowing digital billboards in the designated Sports and Entertainment District.

On November 9, 2011, a neighborhood meeting was held at the City Council Chambers and approximately 30 property owners and interested parties attended. The comments received repeated those previously mentioned.

Public testimony concerning freeway billboard signs occurred at the Planning Commission public hearings of June 2, 2011, and August 4, 2011, as part of ZTA09-01 Zoning Text Amendment Ordinance Update. During the June 2, 2011 Planning Commission meeting, concern was expressed regarding the impact of digital billboards on the existing neighborhoods located along the Loop 101 between 51st Avenue and Bell Road.

Budget and Financial Impacts

The city taxes advertising at 2.9%. Due to the revenue sharing that public entities expect for the use of their land, locating digital billboards on privately owned land is less expensive for the advertising company. With the exception of the two billboards located on city property in the Sports and Entertainment District, which are subject to lease agreements within the city, the city's annual revenue from digital billboards last year was only from transaction privilege (sales) taxes.



WORKSHOP COUNCIL REPORT

Attachments

Department Memorandum



Community & Economic Development Department Memorandum

DATE: July 11, 2013
TO: Mayor & Council
FROM: Brian Friedman, Executive Director
Jon M. Froke, AICP, Planning Director
SUBJECT: Billboards

Mayor & Council,

At the City Council Evening Meeting on May 14, 2013, under Council Comments and Suggestions, Councilmember Sherwood stated that he wished to have a public discussion about billboards at a future Workshop. The issue of digital billboards was also discussed at the March 5, 2013 City Council Workshop.

Community & Economic Development Department staff plan to bring this item to workshop on a future agenda. Meanwhile, we wanted to provide additional information concerning billboards for City Council consideration and study prior to the workshop.

BACKGROUND

Billboards consist of a static display of sign copy or a digital billboard which consists of an internally illuminated display of sign copy. Billboards are regulated by the City's Zoning Ordinance.

CHRONOLOGICAL HISTORY OF PLANNING COMMISSION AND COUNCIL MEETINGS

On June 26, 2012, the City Council approved a Zoning Text Amendment (ZTA11-01) for digital billboards. The approved ZTA provided a new definition and a new section to enact zoning regulations and establish a set of development standards to regulate digital billboards along the Loop 101 in the Sports and Entertainment District. Digital billboards were limited to sites zoned Planned Area Development (PAD) and requires sites to have at least 1,000 feet of freeway frontage on the Loop 101 as well as a one-third mile (1,760 feet) separation between signs on a single PAD.

The public process leading to the council adoption of the Zoning Text Amendment (ZTA) included a significant amount of discussion regarding the appropriate geographic locations for billboards. City Council decided to only permit digital billboards on property located in the City of Glendale's Sports & Entertainment District. This District is the geographic area located between Northern Avenue and Camelback Road on the Loop 101. ZTA11-01 also eliminated static billboards from C-3, Heavy Commercial zoning districts which protected established

neighborhoods and Historic Districts. Static billboards are permitted in the M-1 and M-2 zoning districts in Glendale.

On March 1, 2012, Planning Commission conducted a workshop and a public hearing regarding ZTA11-01. No action was taken at the workshop. At the public hearing, the Commission moved to approve ZTA11-01; however, the motion failed 3-4.

On November 15, 2011, staff presented the proposed Zoning Text Amendment to the City Council at their City Council Workshop. Council directed staff to continue working on the amendment. Staff did not perceive any Council consensus for changing the text amendment during the workshop.

Planning Commission initiated ZTA11-01, Zoning Text Amendment for digital billboards at the October 6, 2011 Planning Commission Workshop. The subject matter for ZTA11-01, digital billboards were also previously considered as freeway billboard signs as a part of ZTA09-01 by the Planning Commission when ZTA09-01 was under consideration.

Prior to the October 6, 2011 meeting, consideration of freeway billboard signs as a part of ZTA09-01 was withdrawn from consideration by the city.

On August 4, 2011, Planning Commission voted to continue discussion of the section of ZTA09-01 regarding freeway billboard signs to the October 6, 2011 Planning Commission meeting.

On June 2, 2011, Planning Commission voted to continue discussion of the section of ZTA09-01 regarding freeway billboard signs to the August 4, 2011 Planning Commission meeting.

The City Council adopted the Westgate PAD through a public hearing process in 2002, which included a number of outdoor building and digital signs, identified in the Westgate PAD as "Spectaculars." There are two billboards located on the east side of the Loop 101 in Westgate.

Council approved a comprehensive update of the Zoning Ordinance in 1993, which included billboard regulations.

CHRONOLOGICAL HISTORY OF PUBLIC INPUT

Public input leading up to the approval of ZTA11-01 was completed through the required Citizen Participation process. On May 24, 2012, a legal notice was published in The Glendale Star, which indicated which sections of the Zoning Ordinance were proposed to be amended. On May 25, 2012, staff, as the applicant, mailed notification postcards to property owners within 300 feet of the proposed area within the Sports and Entertainment District and those persons listed as Interested Parties on the City-Wide Additional Notification list.

Public testimony concerning ZTA11-01 occurred at the Planning Commission meeting of March 1, 2012. At the public hearing three speakers spoke in support of allowing digital billboards in Glendale.

On November 9, 2011, a neighborhood meeting was held at the City Council Chambers and approximately 30 property owners and interested parties attended. The comments received repeated those previously mentioned concerning dimensions and standards of the existing billboards on the city's Park and Ride Lot as the standard for future billboards.

Public testimony concerning freeway billboard signs occurred at the Planning Commission meetings of June 2, 2011, and August 4, 2011, as part of ZTA09-01 Zoning Text Amendment Ordinance Update. During the June 2, 2011 Planning Commission meeting, concern was expressed regarding the impact of digital billboards on the existing neighborhoods located along the Loop 101 between 51st Avenue and Bell Road.

ANALYSIS // RELATED REQUESTS / FISCAL IMPACTS

ANALYSIS

Billboards are erected and removed based on various factors such as zoning, site location and stipulations related to development of property.

Since 2002 billboards have been erected at the following locations:

- Park & Ride Lot (2).
- Westgate (2).
- Sportsman Park West (2).
- Cornerstone @ Camelback (1).
- Northern Avenue at 71st Avenue (1).
- Grand Avenue at 55th Avenue (1).

Since 2002 billboards have been removed at the following locations:

- Olive Marketplace (4).
- Grand Avenue (5).

RELATED REQUESTS

1. American Outdoor Advertising had a contract with the City to erect five billboards on city property. American Outdoor built two digital billboards on the Park and Ride Lot located on Glendale Avenue at the Loop 101. These are identified as "Agua Fria North" and "Agua Fria South" in the License Agreement. Last year, American Outdoor Advertising, the city's private partner, was acquired by Lamar Outdoor Advertising (Lamar). The City and American Outdoor previously agreed to an agreement for an additional location on Camelback Road. It has been mutually agreed upon by all parties that the Camelback Road site will not be pursued as the site is too small and, given; CBS Outdoor erected a Digital Billboard just north of the northwest corner of Camelback Road along the Loop 101 on privately owned property known as Cornerstone at Camelback.

Staff continues to work with Lamar Outdoor Advertising and their representative to erect two additional digital billboards on city owned property in the Sports & Entertainment District. Lamar, along with their representative, continues to express an interest in ratifying the

previously approved License Agreements and erecting additional digital billboards which will be brought forward for council consideration at a later date. License Agreements for two additional locations were scheduled for the July 2, 2013 evening meeting. At the request of the applicant, the License Agreements were tabled to allow additional time for review.

2. Becker Boards and their representative have expressed a desire to place static billboards on the Palm Canyon property, an approved Planned Area Development. The PAD currently allows the construction of office buildings on vacant property located at the northwest corner of Bell Road and the Loop 101. Staff is reviewing their submittal to amend the PAD to allow two static billboards on the west side of the Loop 101 at this location. The application is presently under review.

On July 2, 2013 the applicant, Rose Law Group, conducted an initial neighborhood meeting at the Glendale Adult Center. Adjacent residents were invited to the meeting that allowed the applicant to introduce the billboard proposal to the public. Approximately 58 people attended the meeting. No support for billboards was offered by the residents who attended the meeting.

FISCAL IMPACTS

The City of Glendale taxes advertising at 2.9%. Locating Digital Billboards on privately owned land is less expensive for the advertising company than locating on publicly owned land. This is due to the revenue sharing that public entities expect for the use of their land. With the exception of the two billboards located on city property per the License Agreement mentioned above, annual revenue from digital billboards last year was minimal.

RECOMMENDATION

In the one year since the adoption of ZTA11-01, staff has not received a request from the community to amend the Zoning Ordinance relative to billboards. The public appears to be comfortable with the existing standards and ordinance approved by Council on June 26, 2012.

As noted in the Council Communication on June 26, 2012 “The amendment will emphasize that digital billboards are only to be erected in proximity to the Sports & Entertainment District.” ZTA11-01 established definitions and development standards for digital billboards. In conclusion, city staff finds the existing ordinance appropriate, recently thoroughly examined with the public and well founded with respect to the zoning standards in place for both static billboards and digital billboards. If the City Council wishes to amend the standards a Zoning Text Amendment can be initiated if staff is directed accordingly.

BLF:JMF



CITY COUNCIL REPORT

Meeting Date: **9/17/2013**
Meeting Type: **Workshop**
Title: **COUNCIL ITEM OF INTEREST: PARKS AND RECREATION FEES
AND AMENITIES USAGE**
Staff Contact: **Erik Strunk, Executive Director, Parks, Recreation and Library Services**

Purpose and Policy Guidance

The purpose of this item is to provide Council with information related to the increase in user fees that occurred on July 1, 2012, and the corresponding impact it has had on overall revenue and the use of parks and recreation amenities.

Background

The ability to set and collect all parks and recreation fees is specified in Section 27 of the Glendale City Code. While the City makes every attempt to provide quality parks, facilities and recreation programs without directly imposing fees for the use of these amenities, prudent business practice often necessitates the implementation of fees for persons who most directly benefit from certain parks, facilities and programs.

Specifically, City Code states that these fees and charges may be established at a level that permits the City to recover its cost of providing such amenities to the community. Although department staff can make recommendations to the department fee structure, only the City Council has the authority - by resolution - to set all fees for the use of the city's parks and recreational facilities and programs. City Code also provides the discretion to establish resident and non-resident fee structures.

At the May 21, 2013 City Council Workshop meeting, Vice-Mayor Knaack requested: a) an analysis of the July 1, 2012 fee increases for certain parks and recreation services; b) a discussion of these impacts by the Parks and Recreation Advisory Commission; c) a follow-up presentation to the Council at a Workshop.

As a part of the budget process in 2012, the Parks and Recreation was given direction by Council to increase/establish new fees for: aquatics pool admission, rental and lesson fees; Adult Center membership, programming and rental fees; Foothills Recreation and Aquatics Center membership and entrance fees; rental fees for the Historic Sahuaro Ranch; miscellaneous fees for general park rentals (i.e. - ramadas, amphitheater, beer permits, vendor fees); fee increases for the Glendale Recreation After School Program; and ball field rental fees. Each year, the department generates approximately \$2.5 million in revenue (based on a 5-year average).

In total, there were 89 fee adjustments that generated a total of approximately \$250,005 in new



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revenue during FY 12-13 (the projected amount was initially \$593,927 for Parks and Recreation; however, it was reduced by \$337,500 when the General Fund GRASP program was eliminated in November 2012). Of this amount, approximately \$237,000 went to General Fund and the remaining portion to the department’s self-sustaining program fund. As a part of the FY 12-13 budget discussion, specific direction was also provided to establish a 50% cost recovery initiative for the operation of the City’ summer swim season at the Rose Lane Aquatics Center and Foothills Recreation and Aquatics Center. The same 50% cost recovery initiative was requested for the Glendale Adult Center.

Analysis

The 2011 Update to the Parks and Recreation Master Plan stated that the use of the department’s five-category “Price Plan” was “strong and reflected current best practices in the industry”. When coupled with periodic market reviews, the department uses this Plan to calculate appropriate user fees to offer competitive parks and recreation programs and services. The various Plan categories consist of:

- Category 1: Basic Recreation Programs, Parks and Facilities
- Category 2: Core Programs, Park and Recreation Facilities
- Category 3: Tiered Services for Program, Parks and Recreation Facilities
- Category 4: Revenue Centers, Programs and Facilities
- Category 5: Partnership Development

It has been through this Plan that the department has been able to successfully balance the provision of recreational programs and services (with fewer resources) with charging an appropriate pricing structure that continues to benefit consumers.

A. Revenue

What follows is a summary of the comparative data between FY 11-12 and FY 12-13 for each of the following parks and recreation categories where fee adjustments were made on July 1, 2012.

- Adult Center: Resident membership fees were increased from \$10 per year to \$40 per year, while non-resident fees were increased from \$15 per year to \$60 per year. There were a total of 2,748 members in FY 12-13, which is a 13% decline in membership from the previous year (3,152).

Fiscal Year	Members	% Change	Revenue	% Change
2010	3,304	-	\$37,544	-
2011	3,312	0%	\$37,535	0%
2012	3,152	-5%	\$36,680	-2%
2013	2,748	-13%	\$57,010	55%
Average:	3,129	-6%	\$42,192	18%



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The total cost to operate the Adult Center in FY 12-13 was \$372,052 and total revenue generated approximately \$174,000, which represents 47% cost recovery ratio.

- **Aquatics Program:** The summer swim season occurs from the first Saturday in June to the first Saturday in August at the Rose Lane Aquatics Center and the Foothills Recreation and Aquatics Center. Beginning the 2012 season, recreation swim hours were reduced by 16 hours per week in addition to shortening the season by an entire two weeks. Despite this, overall patronage and revenues increased by 3%.

Fiscal Year	Patrons	% Change	Revenue	% Change
2010	62,140	-	\$190,298	-
2011	69,920	13%	\$235,904	24%
2012	49,935	-29%	\$247,599	5%
2013	51,277	3%	\$254,399	3%
Average:	58,318	-4%	\$232,050	11%

The total estimated cost for the 2013 Summer Aquatics Season was \$421,066 and total revenue for both Rose Lane and the Foothills facilities was \$254,399, which represents a 60% cost recovery ratio.

- **Ball Field Reservations:** The City owns a variety of green space athletics fields that are available for use by sports leagues and residents. Examples of these would include the Thunderbird Paseo, Foothills Park, Sahuaro Ranch, O'Neil Park, and Brian Anderson Field sports complexes, in addition to the Bonsall Park North in-line hockey rink.

Fiscal Year	Hours Reserved	% Change	Revenue	% Change
2010	10,576	-	\$124,211	-
2011	10,699	1%	\$179,817	45%
2012	11,904	11%	\$237,655	32%
2013	10,772	-10%	\$204,046	-14%
Average:	10,988	1%	\$186,342	21%

In FY 12-13, there were a total number of 10,772 user-hours for these facilities, while in FY 11-12, there were 11,904, which is a 10% reduction. Overall revenues decreased by 14% over this same time period to \$204,046 in FY 12-13.

- **Facility Rentals and Miscellaneous Permits:** This category consists of various revenue-generating amenities that are rented out by the department. Examples would include park ramadas, City Hall meeting rooms, the rental of the Sahuaro Ranch Historic Area, the issuance



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of beer permits, park vendor permits, and other miscellaneous fees. In FY 12-13, the Sahuaro Ranch Historic Area generated \$62,775 in revenue, which is a 37% increase in revenue over FY 11-12. At the same time, there was a noticeable increase in the use of the area for weddings and corporate functions, which is the result of the department's marketing efforts.

Historic Sahuaro Ranch Park

Fiscal Year	Reservations	% Change	Revenue	% Change
2010	44	-	\$27,918	-
2011	45	2%	\$45,110	62%
2012	51	13%	\$45,772	1%
2013	75	47%	\$62,775	37%
Average:	54	21%	\$45,294	33%

In FY 11-12, there were a total of 1,524 ramada rentals, while there were 1,263 last fiscal year. In total, revenue declined by 1%, while reservations did so by 17%.

Ramada Reservations

Fiscal Year	Reservations	% Change	Revenue	% Change
2010	1,687	-	\$137,195	-
2011	1,620	-4%	\$143,685	5%
2012	1,524	-6%	\$132,976	-7%
2013	1,263	-17%	\$131,924	-1%
Average:	1,524	-9%	\$136,445	-1%

- **Foothills Recreation and Aquatics:** This facility was opened in 2006 and provides fee-based fitness center activities such as basketball, racquetball, swimming, a 5,400 square foot fitness room that contains fitness equipment; an indoor walking/running track, a rock climbing wall, meeting rooms and an activities room for youth.

Fiscal Year	Membership Passes	% Change	Revenue	% Change
2010	37,274	-	\$589,346	-
2011	36,465	-2%	\$598,893	2%
2012	35,288	-3%	\$612,498	2%
2013	26,017	-26%	\$599,245	-2%
Average:	33,761	-11%	\$599,996	1%

The facility is also operating under a goal of recouping at least 78% of its operating expenses. Combined with all other revenues and cost reduction measures, the Center achieved this goal in



CITY COUNCIL REPORT

FY 12-13 with an 82% cost recovery ratio (operating expenses totaled \$1,222,526, while revenue totaled \$1,000,943).

B. Non-Profit Discount

As a part of the Council Item of Special Interest, the Mayor expressed interest in learning more as to whether there is any discount provided to non-profit organizations. The Department does not have a formal administrative policy that allows for the provision of services and programs at a discount to non-profit organizations. Rather, under Section 27-36 of the City Code, it is left to the discretion of the Executive Director to consider any request to reduce established rental rates for a partner of the City and/or a non-profit organization. When such requests are made (only one formal request was made in FY 12/13), the applicant is charged the resident rate and is responsible for any direction staff costs that may result due to the need for supervision and/or security at the site.

This item was reviewed and discussed by the Parks and Recreation Commission on August 17 and it indicated its support of the concept. If so directed by Council, a specific non-profit rate will be established and implemented.

Previous Related Council Action

The Council last adopted fee increases for Parks and Recreation Services at the June 26, 2012 Regular Council meeting.

Community Benefit/Public Involvement

The ability to establish park and recreation fees assist the City's efforts to provide quality parks, facilities and recreational programs. While it is the practice of the City to provide expected and core "quality of life" services at no charge to Glendale residents, service benefits that become more individualized assign a higher level of cost recovery to those who benefit from the service. It is therefore a best business practice and not uncommon to charge an appropriate fee for services and programs that have less of an impact on the public good, yet serve to enrich the community on a more personalized level. Examples would include certain athletic field rentals, special interest classes, and before and after-school programs. The 2012 fee increases and their corresponding impact were reviewed and discussed by the Parks and Recreation Advisory Commission at their August 17, 2013 summer retreat.

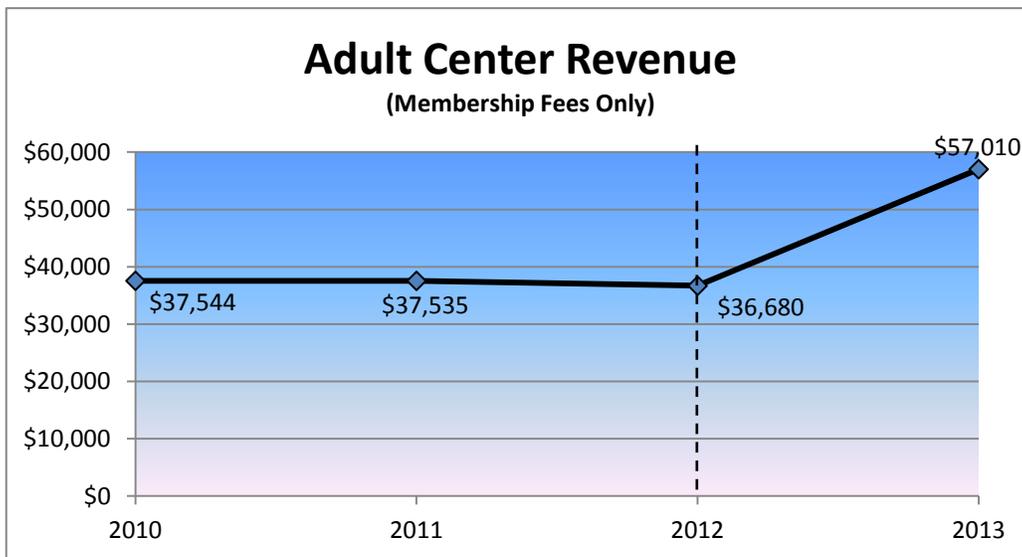
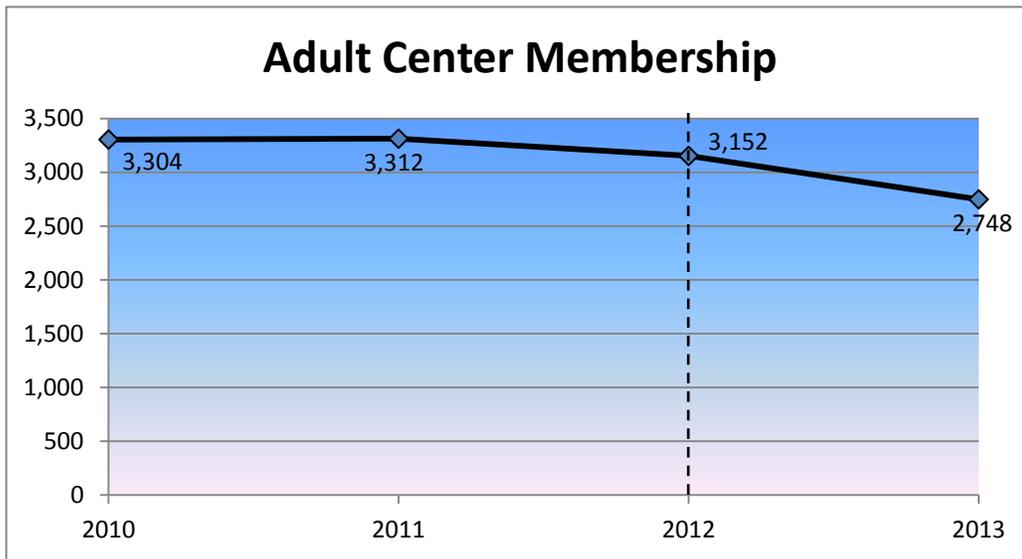
Attachments

Other

Fee Increase Analysis and Statistics

Glendale Parks and Recreation Adult Center Membership

Fiscal Year	Members	% Change	Revenue	% Change
2010	3,304	-	\$37,544	-
2011	3,312	0%	\$37,535	0%
2012	3,152	-5%	\$36,680	-2%
2013	2,748	-13%	\$57,010	55%
Average:	3,129	-6%	\$42,192	18%



Note: Vertical dash represents year of fee increases.

Adult Center Detail Revenue & Use Analysis

Summary Statistics	FY 11-12	FY 12-13	% Change
Resident Members	2,248	1,900	-15%
Non-Resident Members	904	848	-6%
Total Revenue	\$79,861	\$99,603	25%

Resident Membership	Annual Fee	Members	Revenue
FY 11-12 Resident Stats	\$10	2,248	\$23,160
FY 12-13 Resident Stats	\$40	1,900	\$37,360
Comparative Summary:	300%	-18%	61%

Non-Resident Membership	Annual Fee	Members	Revenue
FY 11-12 Resident Stats	\$15	904	\$13,520
FY 12-13 Resident Stats	\$60	848	\$19,650
Comparative Summary:	300%	-6%	45%

Rental Resident Fee Category	Fee	% Change	Revenue
Hourly FY 11-12 Resident Rate - Entire Palo Verde Room	\$150	-	-
Hourly FY 12-13 Resident Rate - Entire Palo Verde Room	\$158	5%	-
Hourly FY 11-12 Resident Rate - Multi-Purpose Only	\$116	-	-
Hourly FY 12-13 Resident Rate - Multi-Purpose Only	\$122	5%	-
Hourly FY 11-12 Resident Rate - Dining Area	\$35	-	-
Hourly FY 12-13 Resident Rate - Dining Area	\$37	6%	-

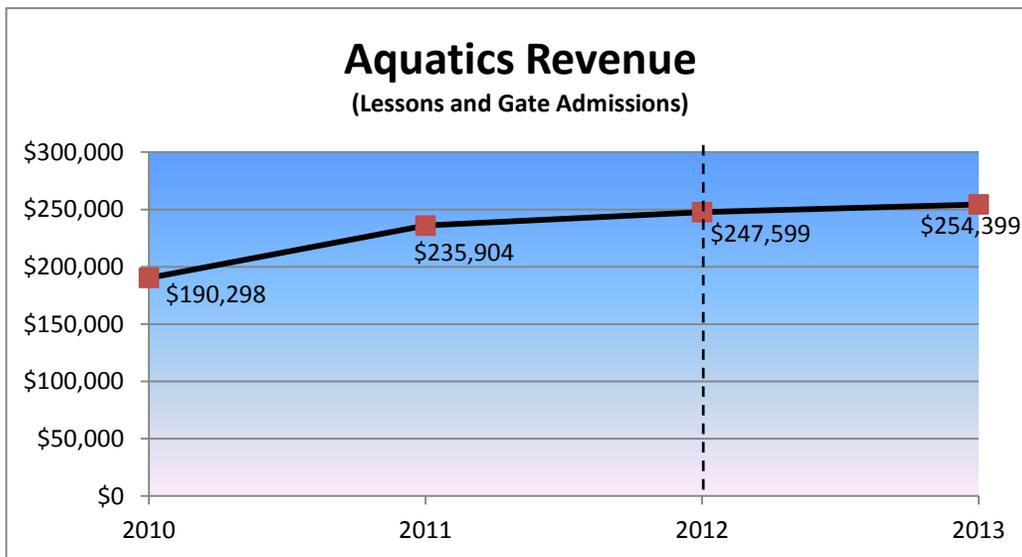
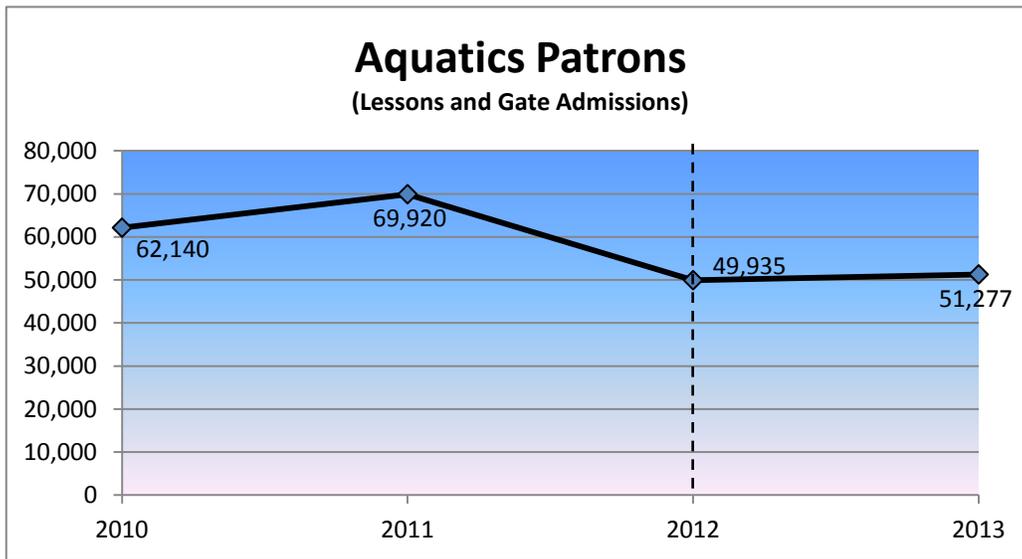
Rental Non-Resident Fee Category	Fee	% Change	% Change
Hourly FY 11-12 Resident Rate - Entire Palo Verde Room	\$181	-	-
Hourly FY 12-13 Resident Rate - Entire Palo Verde Room	\$200	10%	-
Hourly FY 11-12 Resident Rate - Multi-Purpose Only	\$144	-	-
Hourly FY 12-13 Resident Rate - Multi-Purpose Only	\$152	6%	-
Hourly FY 11-12 Resident Rate - Dining Area	\$43	-	-
Hourly FY 12-13 Resident Rate - Dining Area	\$46	7%	-

Rental Category Summary	Total	% Change	Revenue	% Change
FY 11-12 Room Rentals	59	-	\$42,498	-
FY 12-13 Room Rentals	48	-19%	\$40,553	-5%

Miscellaneous Category	Total	% Change	Revenue	% Change
FY 11-12 Membership Badge Replacement	146	-	\$188	-
FY 12-13 Membership Badge Replacement	52	-64%	\$104	-45%
FY 11-12 Basic Computer Class Series	11	-	\$495	-
FY 12-13 Basic Computer Class Series	38	245%	\$1,936	291%

Glendale Parks and Recreation Summer Aquatics

Fiscal Year	Patrons	% Change	Revenue	% Change
2010	62,140	-	\$190,298	-
2011	69,920	13%	\$235,904	24%
2012	49,935	-29%	\$247,599	5%
2013	51,277	3%	\$254,399	3%
Average:	58,318	-4%	\$232,050	11%



Note: Vertical dash represents year of fee increases.

Summer Aquatics Season Detail Revenue & Use Analysis

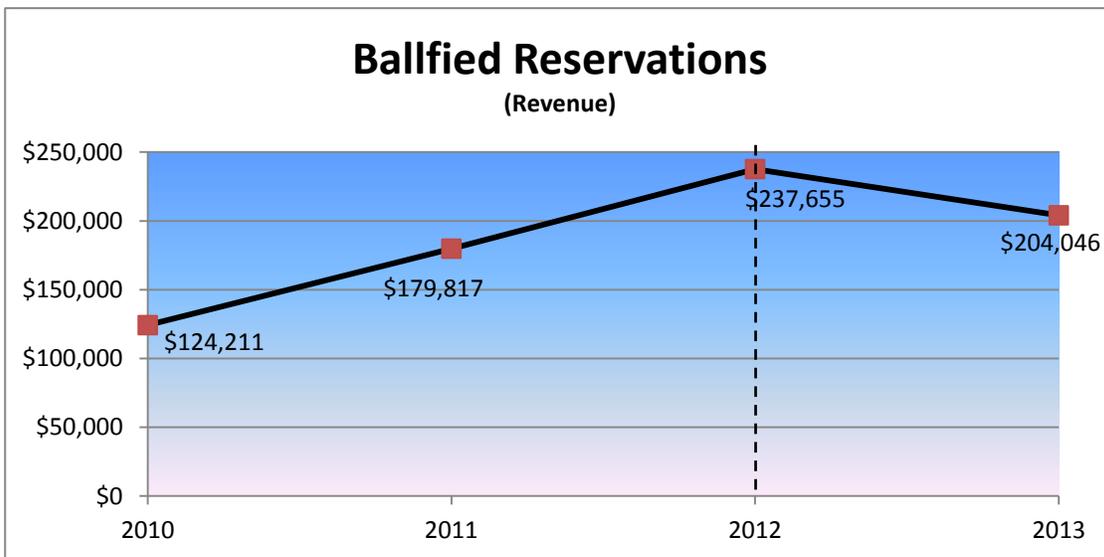
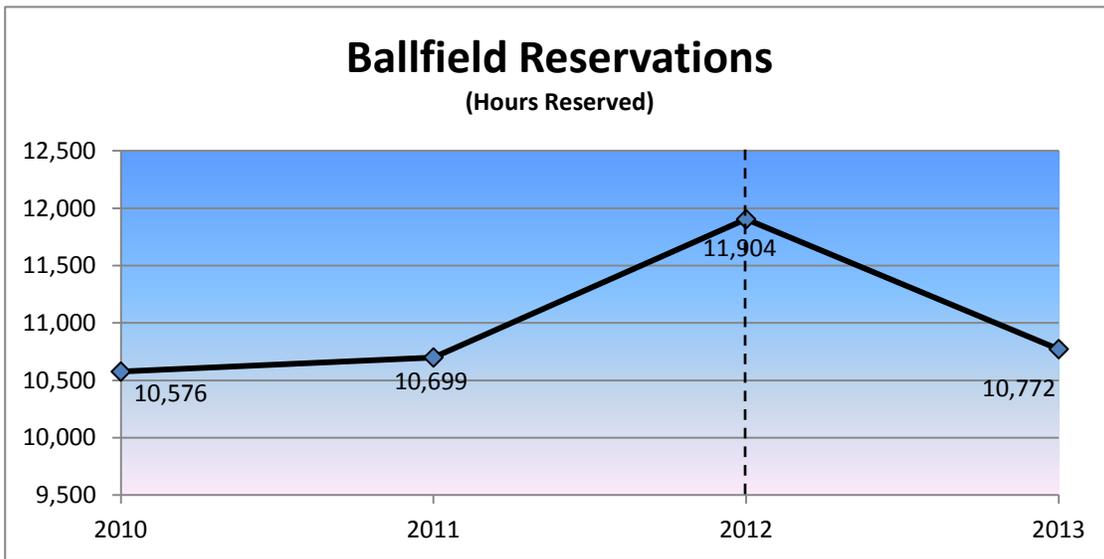
Summary Statistics	Summer 2011 Fee	Summer 2012 Fee	Summer 2013 Fee	2011 - 2013 % Change	2011 Usage	2012 Usage	2013 Usage	2011 - 2013 % Change	Summer 2011 Revenue	Summer 2012 Revenue	Summer 2013 Revenue	2011 - 2013 % Change
Total for Rose Lane Aquatics:	-	-	-	-	41,935	24,535	23,195	-45%	\$95,025	\$105,368	\$99,915	5%
Total for Foothills Recreation & Aquatics:	-	-	-	-	26,985	25,400	28,082	4%	\$140,879	\$142,231	\$154,484	10%
Total Aquatics Activities:	-	-	-	-	68,920	49,935	51,277	-26%	\$235,904	\$247,599	\$254,399	8%

Resident Categories	Summer 2011 Fee	Summer 2012 Fee	Summer 2013 Fee	2011 - 2013 % Change	2011 Usage	2012 Usage	2013 Usage	2011 - 2013 % Change	Summer 2011 Revenue	Summer 2012 Revenue	Summer 2013 Revenue	2011 - 2013 % Change
Rose Lane Swim Lessons	\$21	\$26	\$26	24%	544	639	611	12%	\$11,424	\$16,614	\$15,886	39%
Foothills Swim Lessons	\$21	\$26	\$26	24%	773	1002	1111	44%	\$16,233	\$26,052	\$28,886	78%
Rose Lane Private/Semi Private Lessons	\$30	\$35	\$35	17%	27	30	46	70%	\$810	\$1,050	\$1,610	99%
Foothills Private/Semi Private Lessons	\$30	\$35	\$35	17%	166	199	189	14%	\$4,980	\$6,965	\$6,615	33%
Rose Lane Lap Swim	\$2	\$3	\$3	50%	0	55	23	23%	\$0	\$165	\$69	69%
Rose Lane Aquatics Ctr Admission- Youth(3-17)	\$1	\$3	\$3	150%	21692	11678	10829	-50%	\$21,692	\$29,195	\$27,072	25%
Rose Lane Aquatics Ctr Admission-Adult(18-54)	\$3	\$5	\$5	67%	8916	5191	4456	-50%	\$26,748	\$25,955	\$22,280	-17%
Rose Lane Aquatics Ctr Admission-Senior(55+)	\$3	\$3	\$3	20%	263	308	293	11%	\$658	\$924	\$879	34%
Foothills Aquatics Ctr Admission- Youth(3-17)	\$3	\$3	\$3	0%	9636	10675	12182	26%	\$24,090	\$26,688	\$30,455	26%
Foothills Aquatics Ctr Admission-Adult(18-54)	\$5	\$5	\$5	0%	5171	4999	5946	15%	\$25,855	\$24,995	\$29,730	15%
Foothills Aquatics Ctr Admission- Senior(55+)	\$3	\$3	\$3	20%	562	414	419	-25%	\$1,405	\$1,242	\$1,257	-11%
Rose Lane Swim Pass 15 Use Age 3-17	\$13	\$33	-	-	8	20	-	-	\$104	\$660	-	-
Rose Lane Swim Pass 15 Use Age 18-54	\$39	\$70	-	-	4	4	-	-	\$156	\$280	-	-
Rose Lane Swim Pass 15 Use Age 55+	\$33	\$40	-	-	0	0	-	-	\$0	\$0	-	-
*Foothills Swim Pass 15 Use Age 3-17	-	\$33	-	-	-	19	-	-	-	\$627	-	-
*Foothills Swim Pass 15 Use Age 18-54	-	\$70	-	-	-	12	-	-	-	\$840	-	-
*Foothills Swim Pass 15 Use Age 55+	-	\$40	-	-	-	0	-	-	-	\$0	-	-
Lifeguard Training/WSI Classes	\$125	\$150	-	20%	12	8	-	-	\$1,500	\$1,200	-	-
Rose Lane Summer Parties	\$145	\$200	-	38%	12	0	-	-	\$1,740	\$0	-	-
Foothills Summer Parties	\$200	\$200	\$200	-	41	36	33	-20%	\$8,200	\$7,200	\$6,600	-20%
Private Swim Team Rentals per hour - Rose Lane (excludes required lifeguards)	\$24	\$28	\$28	17%	0	2	20	20%	\$0	\$56	\$560	560%
Private Swim Team Rentals per hour - Foothills (excludes required lifeguards)	\$26	\$41	\$41	58%	115	107	101	-12%	\$2,990	\$4,387	\$4,141	38%
Water Aerobics 15 Use Punch Card	\$60	\$68	\$68	13%	107	2	-	-	\$6,420	\$136	\$68	-99%
Average/Total:	-	-	-	33%	48,049	35,400	36,259	-25%	\$155,005	\$175,231	\$176,108	14%

Non-Resident Categories	Summer 2011 Fee	Summer 2012 Fee	Summer 2013 Fee	2011 - 2013 % Change	2011 Usage	2012 Usage	2013 Usage	2011 - 2013 % Change	Summer 2011 Revenue	Summer 2012 Revenue	Summer 2013 Revenue	2011 - 2013 % Change
Rose Lane Swim Lessons	\$38	\$49	\$49	29%	41	18	11	-73%	\$1,558	\$882.00	\$539	-65%
Foothills Swim Lessons	\$38	\$49	\$49	29%	140	130	133	-5%	\$5,320	\$6,370.00	\$6,517	23%
Rose Lane Private/Semi Private Lessons	\$35	\$42	\$42	20%	0	1	4	40%	\$0	\$42.00	\$168	168%
Foothills Private/Semi Private Lessons	\$35	\$42	\$42	20%	64	18	53	-17%	\$2,240	\$756.00	\$2,226	-1%
Rose Lane Lap Swim	\$2	\$3	\$3	50%	-	-	-	-	-	-	-	-
Rose Lane Aquatics Ctr Admission- Youth(3-17)	\$1	\$4	\$4	250%	6446	3954	4186	-35%	\$6,446	\$13,839.00	\$14,651	127%
Rose Lane Aquatics Ctr Admission-Adult(18-54)	\$6	\$6	\$6	0%	3869	2531	2621	-32%	\$23,124	\$15,186.00	\$15,726	-32%
Rose Lane Aquatics Ctr Admission-Senior(55+)	\$5	\$5	\$5	0%	113	104	95	-16%	\$565	\$520.00	\$475	-16%
Foothills Aquatics Ctr Admission- Youth(3-17)	\$3	\$4	\$4	17%	6262	4717	4707	-25%	\$18,786	\$16,509.50	\$16,475	-12%
Foothills Aquatics Ctr Admission-Adult(18-54)	\$6	\$6	\$6	0%	3684	2759	2961	-20%	\$22,104	\$16,554.00	\$17,766	-20%
Foothills Aquatics Ctr Admission- Senior(55+)	\$3	\$5	\$5	67%	252	302	238	-6%	\$756	\$1,510.00	\$1,190	57%
Rose Lane Swim Pass 15 Use Age 3-17	-	\$49	\$49	-	-	-	-	-	-	-	-	-
Rose Lane Swim Pass 15 Use Age 18-54	-	\$86	\$86	-	-	-	-	-	-	-	-	-
Rose Lane Swim Pass 15 Use Age 55+	-	\$71	\$71	-	-	-	-	-	-	-	-	-
*Foothills Swim Pass 15 Use Age 3-17	-	\$49	\$49	-	-	-	-	-	-	-	-	-
*Foothills Swim Pass 15 Use Age 18-54	-	\$86	\$86	-	-	-	-	-	-	-	-	-
*Foothills Swim Pass 15 Use Age 55+	-	\$71	\$71	-	-	-	-	-	-	-	-	-
Lifeguard Training/WSI Classes	\$150	\$200	\$200	33%	-	1	-	-	-	\$200.00	-	-
Rose Lane Summer Parties	\$175	\$275	\$275	57%	-	-	-	-	-	-	-	-
Foothills Summer Parties	\$275	\$275	\$275	0%	-	-	9	90%	-	-	\$2,475	2475%
Private Swim Team Rentals per hour - Rose Lane (excludes required lifeguards)	-	-	-	-	-	-	-	-	-	-	-	-
Private Swim Team Rentals per hour - Foothills (excludes required lifeguards)	-	-	-	-	-	-	-	-	-	-	-	-
Water Aerobics 15 Use Punch Card	\$75	\$83	\$83	11%	-	-	-	-	-	-	\$83	83%
Average/Total:	-	-	-	39%	20,871	14,535	15,018	-28%	\$80,899	\$72,369	\$78,291	-3%

Glendale Parks and Recreation Ballfield Reservations*

Fiscal Year	Hours Reserved	% Change	Revenue	% Change
2010	10,576	-	\$124,211	-
2011	10,699	1%	\$179,817	45%
2012	11,904	11%	\$237,655	32%
2013	10,772	-10%	\$204,046	-14%
Average:	10,988	1%	\$186,342	21%



* - Note: Fee increases were implemented in February 2010 and July 2012.
Sahuaro Ranch Ballfield was closed in 2010 due to renovation.

Ballfield Reservations Detail Revenue & Use Analysis

Summary Statistics	FY 11-12 User Hours	FY 12-13 User Hours	% Change	FY 11-12 Revenue	FY 12-13 Revenue	% Change
Premier Youth, Adult and Tournament	9,743	9,179	-6%	\$196,809	\$171,133	-13%
Non-Premier Category	2,091	1,539	-26%	\$38,396	\$31,575	-18%
Bonsall Hockey Rink	70	54	-23%	\$2,450	\$1,338	-45%
Totals/Average:	11,904	10,772	-10%	\$237,655	\$204,046	-14%

Residents	FY 11-12 Fee	FY 12-13 Fee	% Change	FY 11-12 Revenue	FY 12-13 Revenue	% Change
Premier Youth Ballfield Rentals	\$14	\$17	21%	\$84,967	\$82,660	-3%
Premier Adult Ballfield Rentals	\$25	\$28	12%	\$3,660	\$3,994	9%
Tournament Revenue (Youth & Adult)				\$52,119	\$47,215	-9%
Totals				\$140,746	\$133,869	-5%
Non-Premier Youth Ballfield Rentals	\$10	\$13	30%	\$5,600	\$8,744	56%
Non-Premier Adult Ballfield Rentals	\$18	\$21	17%	\$4,356	\$1,890	-57%
Totals				\$9,956	\$10,634	7%
Bonsall Hockey Rink- Youth	\$14	\$17	21%	\$2,450	\$1,338	-45%
Bonsall Hockey Rink- Adult	\$25	\$28	12%	\$0	\$0	0%
Totals/Average:			19%	\$150,702	\$144,503	-4%

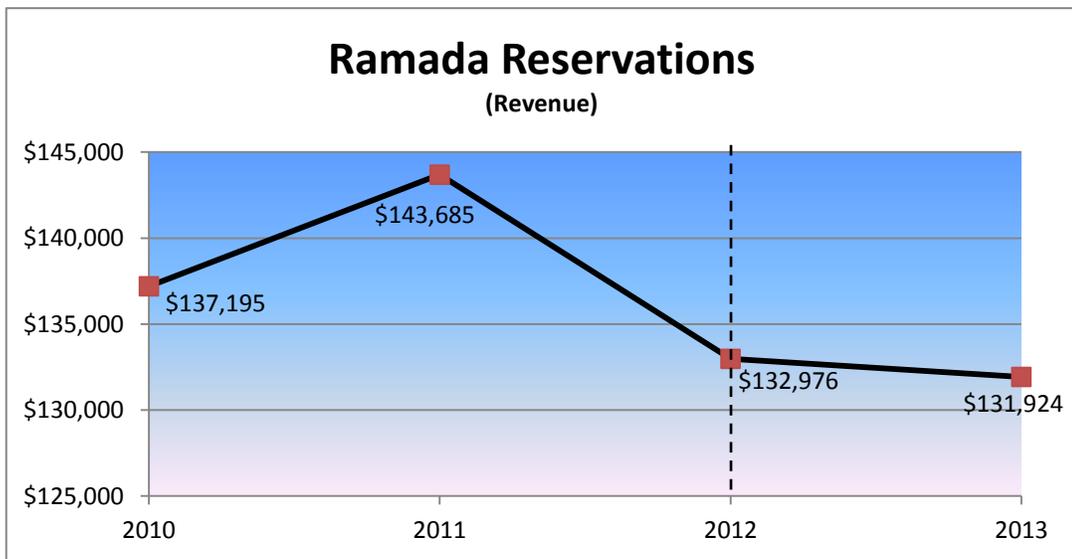
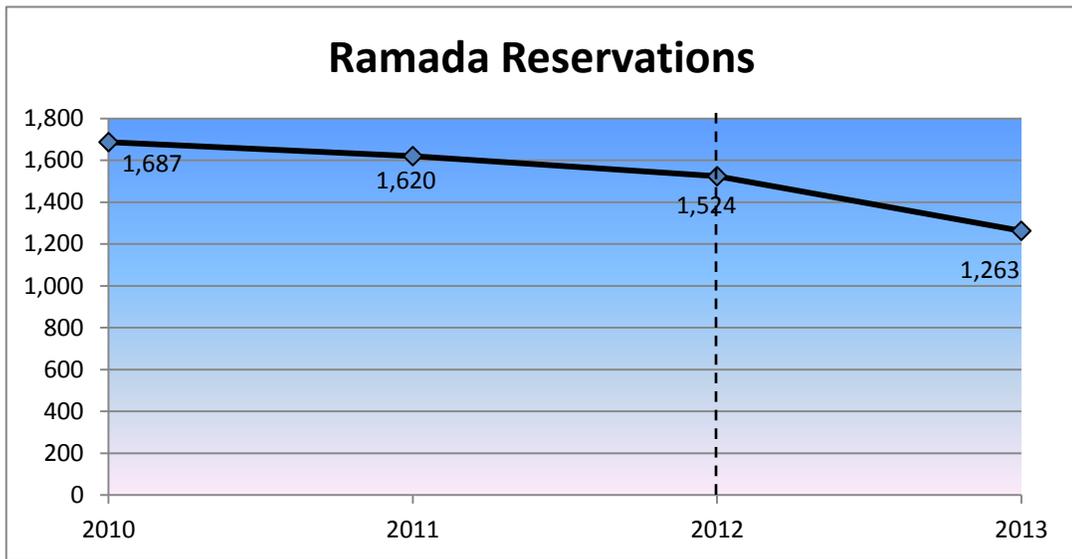
Non-Residents	FY 11-12 Fee	FY 12-13 Fee	% Change	FY 11-12 Revenue	FY 12-13 Revenue	% Change
Premier Youth Ballfield Rentals	\$22	\$25	14%	\$47,058	\$32,398	-31%
Premier Adult Ballfield Rentals	\$36	\$39	8%	\$730	\$1,430	96%
Tournament Revenue (Youth & Adult)						
Totals				\$47,788	\$33,828	-29%
Non-Premier Youth Ballfield Rentals	\$16	\$19	19%	\$16,528	\$19,577	18%
Non-Premier Adult Ballfield Rentals	\$28	\$31	11%	\$952	\$310	-67%
Totals				\$17,480	\$19,887	14%
Bonsall Hockey Rink- Youth	\$22	\$25	14%	\$0	\$0	-
Bonsall Hockey Rink- Adult	\$36	\$39	8%	\$0	\$0	0%
Totals/Average:			12%	\$65,268	\$53,715	-18%

Commercial Rental	FY 11-12 Fee	FY 12-13 Fee	% Change	FY 11-12 Revenue	FY 12-13 Revenue	% Change
Premier Youth Ballfield Rentals	\$25	\$28	12%	\$3,375	\$2,105	-38%
Premier Adult Ballfield Rentals	\$40	\$43	8%	\$4,900	\$1,331	-73%
Tournament Revenue (Youth & Adult)						
Totals				\$8,275	\$3,436	
Non-Premier Youth Ballfield Rentals	\$20	\$23	15%	\$3,520	\$460	-87%
Non-Premier Adult Ballfield Rentals	\$30	\$33	10%	\$7,440	\$594	-92%
Totals				\$10,960	\$1,054	
Bonsall Hockey Rink- Youth	\$25	\$28	12%	\$0	\$0	-
Bonsall Hockey Rink- Adult	\$40	\$43	8%	\$0	\$0	-
Totals/Average:			11%	\$19,235	\$4,490	-77%

Glendale Parks and Recreation Ramada Reservations

Ramada Reservations

Fiscal Year	Reservations	% Change	Revenue	% Change
2010	1,687	-	\$137,195	-
2011	1,620	-4%	\$143,685	5%
2012	1,524	-6%	\$132,976	-7%
2013	1,263	-17%	\$131,924	-1%
Average:	1,524	-9%	\$136,445	-1%



Note: Vertical dash represents year of fee increases.

Facilities and Miscellaneous (Ramadas) Detail Revenue & Use Analysis

Summary Statistics	FY 11-12	FY 12-13	% Change
Total Activities	2148	1844	-14%
Total Revenue	\$148,972	\$153,399	3%

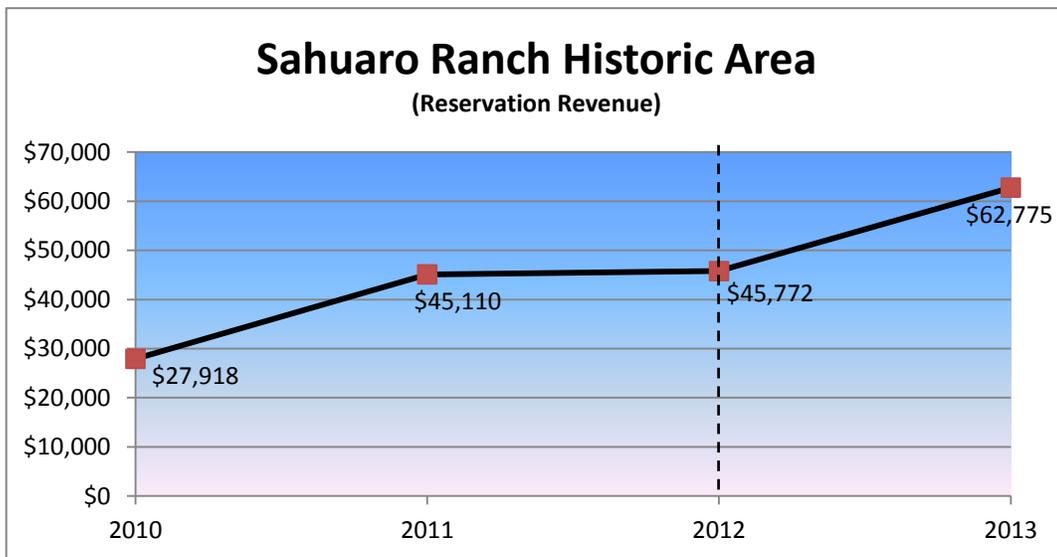
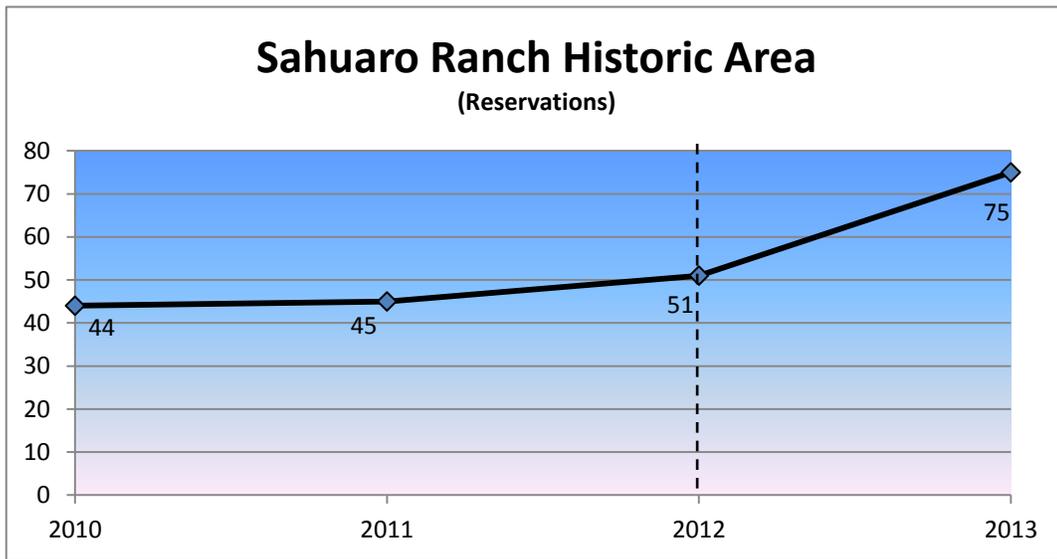
Category	FY 11- 12 Resident Fee	FY 12-13 Resident Fee	% Change	FY 11- 12 Non-Resident Fee	FY 12-13 Non-Resident Fee	% Change
Small Ramada Rentals - Hourly	\$8	\$10	25%	\$10	\$12	20%
Large Ramada Rentals	\$12	\$15	25%	\$15	\$18	20%
SRP & WARP Ramada Rentals	\$20	\$25	25%	\$35	\$40	14%
Amphitheater	\$50	\$55	10%	\$60	\$65	8%
Municipal Complex B-1 Room	\$19	\$22	16%	\$23	\$25	9%
Municipal Complex B-2 Room	\$23	\$25	9%	\$29	\$31	7%
Municipal Complex B-5 Room	\$21	\$23	10%	\$26	\$28	8%
Employee Lounge	\$68	\$70	3%	\$83	\$85	2%
Council Chambers	\$132	\$140	6%	\$158	\$160	1%
Beer Permits	\$15	\$20	33%	\$20	\$25	25%
New Park Vendor Yearly Permit Fee SRP & WARP	\$0	\$250	-	-	\$250	-
New Park Vendor Yearly Permit Fee-Other Parks	\$0	\$100	-	-	\$100	-

Category	FY 11-12 Reservations	FY 12-13 Reservations	% Change	FY 11-12 Revenue	FY 12-13 Revenue	% Change
Small Ramada Rentals	138	127	-8%	\$5,164	\$5,802	12%
Large Ramada Rentals	85	63	-16%	\$4,813	\$4,089	-15%
SRP & WARP Ramada Rentals	1301	1073	-18%	\$122,999	\$122,033	-1%
Amphitheater	1	2	1%	\$528	\$480	-9%
Municipal Complex B-1 Room	1	1	0%	\$46	\$44	-4%
Municipal Complex B-2 Room	75	75	0%	\$6,246	\$9,300	49%
Municipal Complex B-5 Room	0	1	1%	\$0	\$56	-
Employee Lounge	0	0	0%	\$0	\$0	-
Council Chambers	0	0	0%	\$0	\$0	-
Beer Permits	547	500	-34%	\$9,176	\$11,095	21%
New Park Vendor Yearly Permit Fee SRP & WARP	-	2	-	-	\$500	-
New Park Vendor Yearly Permit Fee-Other Parks	-	0	-	-	0	-

Glendale Parks and Recreation Sahuaro Ranch Historic Area

Sahuaro Ranch Historic Area

Fiscal Year	Reservations	% Change	Revenue	% Change
2010	44	-	\$27,918	-
2011	45	2%	\$45,110	62%
2012	51	13%	\$45,772	1%
2013	75	47%	\$62,775	37%
Average:	54	21%	\$45,294	33%



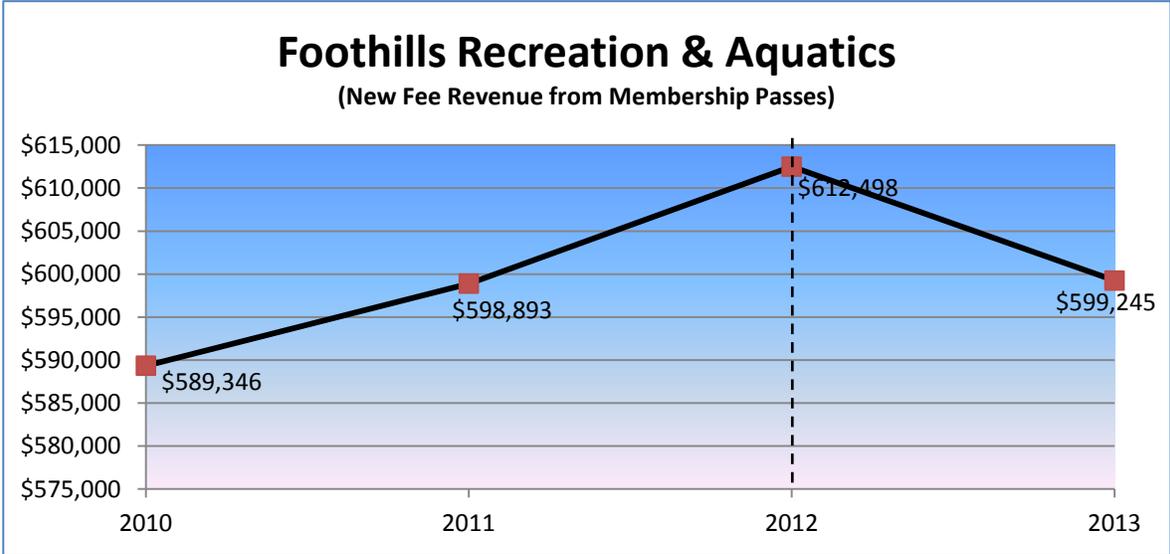
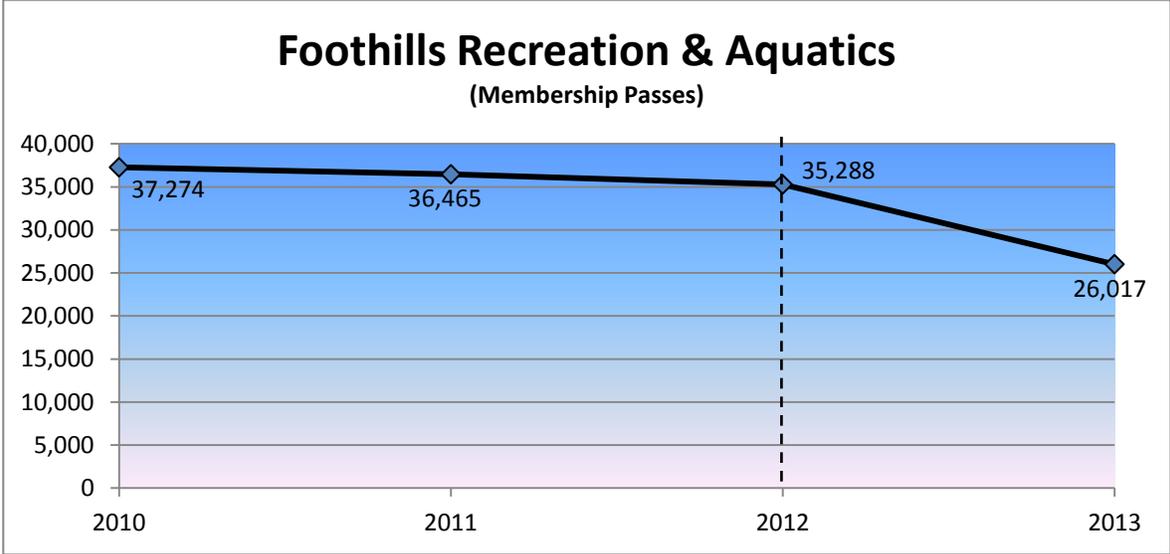
Note: Vertical dash represents year of fee increases.

Historic Sahuaro Ranch Rentals Detail Revenue & Use Analysis

Categories	FY 11-12 Resident Fee	FY 12-13 Resident Fee	% Change	FY 11-12 Non- Resident Fee	FY 12-13 Non- Resident Fee	% Change	FY 11-12 Usage	FY 12-13 Usage	% Change	FY 11-12 Revenue	FY 12-13 Revenue	% Change
Fruit Packing Shed- Weekends	\$425	\$535	26%	\$525	\$659	26%	46	74	61%	-	-	-
Additional Hour	\$129	\$165	28%	\$159	\$199	25%	-	-		-	-	-
Fruit Packing Shed- Weekdays	\$215	\$375	74%	\$265	\$465	75%	-	-		-	-	-
Additional Hour	\$65	\$115	77%	\$79	\$139	76%	-	-		-	-	-
Barnyard- Weekends	\$425	\$369	-13%	\$525	\$465	-11%	0	0	0%	-	-	-
Additional Hour	\$129	\$115	-11%	\$159	\$145	-9%	-	-		-	-	-
Barnyard- Weekdays	\$215	\$259	20%	\$265	\$325	23%	-	-		-	-	-
Additional Hour	\$65	\$85	31%	\$79	\$105	33%	-	-		-	-	-
Foreman's House- Weekends	\$235	\$369	57%	\$289	\$465	61%	2	0	-100%	-	-	-
Additional Hour	\$69	\$115	67%	\$89	\$145	63%	-	-		-	-	-
Foreman's House- Weekdays	\$119	\$259	118%	\$145	\$325	124%	-	-		-	-	-
Additional Hour	\$35	\$85	143%	\$45	\$105	133%	-	-		-	-	-
Demo Area- Weekends	\$215	\$269	25%	\$265	\$335	26%	1	1	0%	-	-	-
Additional Hour	\$65	\$85	31%	\$79	\$99	25%	-	-		-	-	-
Demo Area- Weekdays	\$105	\$189	80%	\$135	\$235	74%	-	-		-	-	-
Additional Hour	\$35	\$59	69%	\$45	\$69	53%	-	-		-	-	-
Front Lawns- Weekends	\$295	\$369	25%	\$369	\$465	26%	2	0	-100%	-	-	-
Additional Hour	\$89	\$115	29%	\$115	\$145	26%	-	-		-	-	-
Front Lawns- Weekdays	\$149	\$259	74%	\$185	\$325	76%	-	-		-	-	-
Additional Hour	\$45	\$85	89%	\$59	\$105	78%	-	-		-	-	-
Olive Grove-Weekend	\$235	\$295	26%	\$289	\$365	26%	0	0	0%	-	-	-
Additional Hour	\$69	\$89	29%	\$89	\$115	29%	-	-		-	-	-
Olive Grove-Weekdays	\$119	\$205	72%	\$145	\$255	76%	-	-		-	-	-
Additional Hour	\$35	\$65	86%	\$45	\$85	89%	-	-		-	-	-
Commercial Photography Permit	-	\$100	100%	-	\$100	100%	-	131	131%	-	\$13,025	-
Overall Totals/Average:			52%			51%	51	206	304%	\$45,772	\$75,800	66%

Glendale Parks and Recreation Foothills Recreation & Aquatics*

Fiscal Year	Membership Passes	% Change	Revenue	% Change
2010	37,274	-	\$589,346	-
2011	36,465	-2%	\$598,893	2%
2012	35,288	-3%	\$612,498	2%
2013	26,017	-26%	\$599,245	-2%
Average:	33,761	-11%	\$599,996	1%



* - Note: The Silver Sneakers Program was implemented in FY13.
Vertical dash represents year of fee increases.

Foothills Recreation & Aquatics Detail Revenue & Use Analysis

Summary Statistics	FY 11-12 Patrons	FY 12-13 Patrons	% Change	FY 11-12 Revenue	FY 12-13 Revenue	% Change
Total for Residents:	22,789	16,653	-27%	\$435,045	\$405,534	-7%
Total for Non-Residents:	9,543	6,092	-36%	\$100,050	\$84,861	-15%
Total for Foothills:	32,332	22,745	-30%	\$535,095	\$490,395	-8%

Resident Category	FY 11-12 Fee	FY 12-13 Fee	% Change	FY 11-12 Usage	FY 12-13 Usage	% Change	FY 11-12 Revenue	FY 12-13 Revenue	% Change
Adult 15-Punch Pass (ages 20-54)	\$60	\$72	20%	133	107	-20%	\$7,500	\$7,560	1%
Adult Daily Pass (ages 20-54)	\$5	\$6	20%	5,155	4,065	-21%	\$25,715	\$24,366	-5%
2 Person * Pass Monthly	\$55	\$60	9%	305	231	-24%	\$16,500	\$13,860	-16%
2 Person * Pass Annual	\$550	\$600	9%	14	5	-64%	\$7,700	\$3,000	-61%
Family Pass ** Monthly	\$65	\$70	8%	506	457	-10%	\$33,215	\$32,255	-3%
Family Pass ** Annual	\$650	\$700	8%	17	21	24%	\$11,050	\$13,950	26%
Student Monthly (ages 13-19)	\$20	\$25	25%	740	764	3%	\$14,920	\$19,565	31%
Student Annual (ages 13-19)	\$200	\$250	25%	5	6	20%	\$1,000	\$1,500	50%
Student 15-punch pass (ages 13-19)	\$38	\$48	28%	78	48	-38%	\$2,850	\$2,304	-19%
Student Daily Pass (ages 13-19)	\$3	\$4	33%	11,187	7,074	-37%	\$33,432	\$28,123	-16%
Youth Monthly (ages 5-12)	\$15	\$20	33%	46	18	-61%	\$720	\$395	-45%
Youth Annual (ages 5-12)	\$150	\$200	33%	1	1	0%	\$150	\$200	33%
Youth 15-punch pass (ages 5-12)	\$30	\$36	20%	17	6	-65%	\$510	\$216	-58%
Youth Daily Pass (ages 5-12)	\$3	\$3	20%	1,814	1,162	-36%	\$4,522	\$3,446	-24%
Senior Monthly (ages 55+)	\$20	\$25	25%	1,817	1,728	-5%	\$36,460	\$44,365	22%
Senior Annual (ages 55+)	\$200	\$250	25%	170	117	-31%	\$34,000	\$28,700	-16%
Senior 15-punch Pass (ages 55+)	\$30	\$60	100%	281	88	-69%	\$8,580	\$5,220	-39%
Senior Daily Pass (ages 55+)	\$4	\$5	25%	449	709	58%	\$1,796	\$3,509	95%
Group/Corporate Pass (Monthly)	\$350	\$400	14%	4	7	75%	\$1,050	\$2,750	162%
Group/Corporate Pass (Annual)	\$3,500	\$4,000	14%	50	39	-22%	\$193,375	\$170,250	-12%
Overall Resident Totals/Average:	-	-	25%	22,789	16,653	-27%	\$435,045	\$405,534	-7%

Non-Resident Category	FY 11-12 Fee	FY 12-13 Fee	% Change	FY 11-12 Usage	FY 12-13 Usage	% Change	FY 11-12 Revenue	FY 12-13 Revenue	% Change
Adult 15-Punch Pass (ages 20-54)	\$72	\$96	33%	92	67	-27%	\$6,192	\$6,240	1%
Adult Daily Pass (ages 20-54)	\$6	\$8	33%	3,111	1,829	-41%	\$18,648	\$14,560	-22%
2 Person * Pass Monthly	\$66	\$72	9%	93	47	-49%	\$5,874	\$3,384	-42%
2 Person * Pass Annual	\$660	\$720	9%	2	0	-100%	\$1,320	\$0	-100%
Family Pass ** Monthly	\$78	\$84	8%	142	107	-25%	\$11,544	\$8,988	-22%
Family Pass ** Annual	\$780	\$840	8%	3	2	-33%	\$2,340	\$1,680	-28%
Student Monthly (ages 13-19)	\$24	\$30	25%	351	240	-32%	\$8,496	\$7,044	-17%
Student Annual (ages 13-19)	\$240	\$300	25%	3	0	-100%	\$720	\$0	-100%
Student 15-punch pass (ages 13-19)	\$45	\$60	33%	39	10	-74%	\$1,620	\$480	-70%
Student Daily Pass (ages 13-19)	\$4	\$5	25%	4,008	2,476	-38%	\$15,992	\$12,363	-23%
Youth Monthly (ages 5-12)	\$18	\$24	33%	30	16	-47%	\$540	\$432	-20%
Youth Annual (ages 5-12)	\$180	\$240	33%	0	0	-	\$0	\$0	-
Youth 15-punch pass (ages 5-12)	\$36	\$48	33%	5	2	-60%	\$180	\$96	-47%
Youth Daily Pass (ages 5-12)	\$3	\$4	33%	637	268	-58%	\$1,911	\$1,060	-45%
Senior Monthly (ages 55+)	\$24	\$30	25%	588	563	-4%	\$13,920	\$17,514	26%
Senior Annual (ages 55+)	\$240	\$300	25%	30	27	-10%	\$6,000	\$6,900	15%
Senior 15-punch Pass (ages 55+)	\$36	\$72	100%	92	27	-71%	\$3,168	\$1,656	-48%
Senior Daily Pass (ages 55+)	\$5	\$6	20%	317	411	30%	\$1,585	\$2,464	55%
Group/Corporate Pass (Monthly)	-	-	-	-	-	-	-	-	-
Group/Corporate Pass (Annual)	-	-	-	-	-	-	-	-	-
Overall Resident Totals/Average:	-	-	28%	9,543	6,092	-36%	\$100,050	\$84,861	-15%

Price Plan

(Reviewed and Discussed with the Parks & Recreation Advisory
Commission on August 17, 2013)

Review of Revenue and Pricing

Parks and Recreation Division – City of Glendale, AZ

August 2013

Revenue and Pricing Plan Policy City of Glendale: Parks and Recreation Division July 2013

It is the mission of the City of Glendale's Parks and Recreation Division to "engage residents and visitors in diverse opportunities to live, invest and play in the community" through four key service areas:

- a. Care of Infrastructure - Parks, facilities, pools and trails
- b. Health and Prevention - Senior, youth, teen, adult & family wellness
- c. Safety - Parks and facility supervision, maintenance, water safety
- d. Community Heritage & Preservation - Conservation, historical properties, parks and green space

To accomplish this, the Parks Maintenance Division has 28 full-time employees and a \$5.1 million operating budget; while the Recreation Services Division has 21 full-time employees and a \$2.3 million operating budget (note: there are also up to 274 part-time, seasonal employees who are employed on a temporary basis to assist). These divisions oversee 55 different neighborhood parks; nine community parks; six regional parks; one conservation park; 20 retention areas; 2 large multi-purpose recreation centers, four neighborhood recreation centers; two outdoor aquatics facilities; four sport field complexes; nine special use facilities; 27 miles of trails; all before and after-school programs; adaptive needs programs; special events; facility rentals; and all special interest classes. Collectively, these efforts and resources offer residents and visitors opportunities to enhance their social, physical, mental and economic health through a variety of diverse programs.

The ability to set and collect these fees is established in the "Parks and Recreation" section of the Glendale City Code¹. It is important to note that the City makes every attempt to provide quality parks, facilities and recreation programs without directly imposing fees for the use of these amenities. However, prudent business practice often necessitates the implementation of fees for persons who most directly benefit from certain parks, facilities and programs.

Specifically, City Code states that these fees and charges may be established at a level that permits the City to recover its cost of providing such amenities to the community. Although department staff can make recommendations to the department fee structure, only the City Council has the authority - by resolution - to set all fees for the use of the city's parks and recreational facilities and programs. City Code also provides the discretion to establish resident and non-resident fee structures.

The 2011 Update to the Parks and Recreation Master Plan stated that the use of the current five category Pricing Plan was "strong and reflect current best practices in the industry". The same Master Plan also contained a recommendation to update the Price Plan in order to generate more revenue while maintain the public good of parks and recreation services. In keeping with this recommendation, the division has maintained the five category Price Plan and periodically conducts a market analysis of comparable and competitive services offered in the community. Hence, when the Glendale City Council last adopted adjusted Parks and Recreation fees in June 2012, it did so based on the five main Price Plan categories that are currently used by the Parks and Recreation Division to review, analyze and implement appropriate user fees for parks and recreation:

¹ - Glendale City Code Section 27-1, (b) & (c); Section 27-2 (a) & (b).

- Category 1: Basic Recreation Programs, Parks and Facilities
- Category 2: Core Programs, Park and Recreation Facilities
- Category 3: Tiered Services for Program, Parks and Recreation Facilities
- Category 4: Revenue Centers, Programs and Facilities
- Category 5: Partnership Development

In using these categories, the Department has been able to successfully balance the provision of recreational programs and services with fewer resources by monitoring expenses and charging the appropriate pricing in a manner that benefits both public and private consumers.

A. Department Fee Philosophy

The funding needed to achieve the Department mission is allocated in the City of Glendale budget. It is allocated each year by the City Council to support many benefits and positive quality of life amenities to residents, the community, visitors, the local economy and the local environment. Specifically:

- Individual Glendale residents benefit when participating in recreation opportunities. The City’s parks and recreation program provides opportunities for living, learning and leading a full and productive life as well as creating pleasure, health and well being. Examples of these benefits include personal development and growth, improving physical and mental health, developing creativity and adaptability, and improved quality of life (i.e. – activities at the Adult Center, Foothills Recreation and Aquatics Center; and Special Interest Classes).
- Parks and Recreation provides community benefits by creating opportunities to live and interact with families, workgroups, neighbors and communities. Examples of these benefits include providing youth positive alternatives for their leisure time (i.e. – before and after school programs); promoting ethnic and cultural understanding and harmony (i.e. – summer camps; Community centers); supporting youth, senior and disabled populations (i.e. - congregate meals at the Adult Center); and developing strong, vital and meaningful activities to connect with the community (i.e. – volunteerism; the annual Folk and Heritage Festival).
- The environment also benefits through Parks and Recreation which provides and preserves parks and open spaces, enhances the desirability of an area as well as contributes to the safety and health of our residents. Examples of these benefits include preservation of open space and trails (the Thunderbird Conservation Park), improved air quality (bicycle paths), safeguarding plant and animal life (Sahuaro Ranch Historical Area), and providing accessible places to enjoy nature (the Wildlife Viewing Area).
- There is also an economic benefit that occurs from having viable parks and recreation programs and facilities. For example, studies show that homes located within 500 feet of a park have a higher appraised value². Likewise, Glendale hosts approximately 41 softball tournaments each year, which generates visitors and sales tax revenue that would have otherwise not occurred. It is well-known that the quality and availability of parks and recreation services are factors in corporate movement or relocation to a City.

² Measuring the Economic Value of a City Park System by Peter Harnik and Ben Welle; “The Trust for Public Land, 2009”; Page 1.

B. Fee Policy

As a part of the 2011 Parks Master Plan Update that was unanimously approved by the Parks and Recreation Advisory Commission, pricing and revenue philosophies were reviewed and recommendations made based on best practices throughout the parks and recreation industry. As a result of these fundamental principles and Council directives, staff reviewed, recommended and received Council direction to adjust fees in June 2012. In doing so, the following observations form the basis of the division's fee policy:

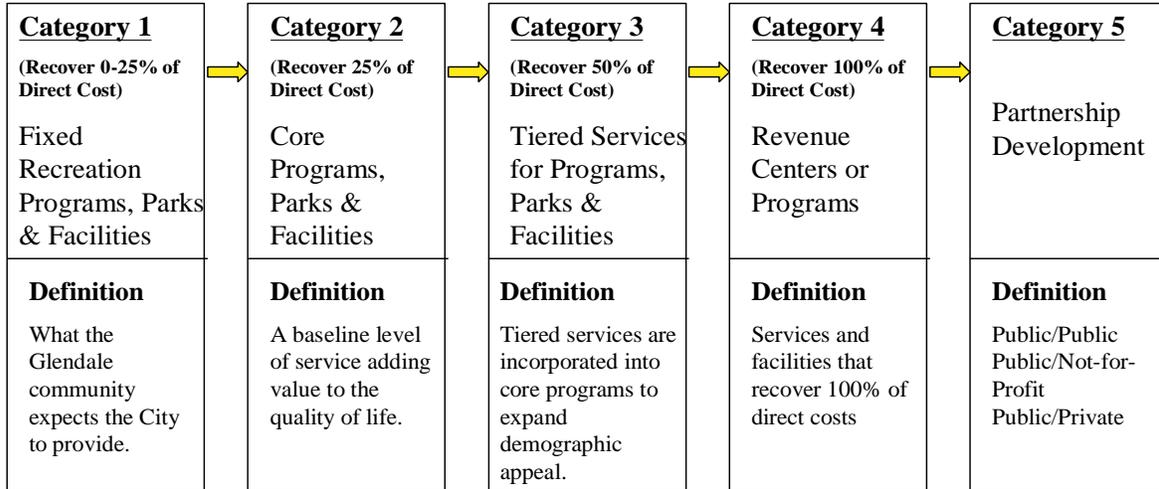
- Cost Recovery: Present day economic reality and limited funding make it necessary to recover a portion of the costs incurred in the provision of parks and recreation services. For example, Council recommended at least a 50% cost recovery fee for all aquatics programs; an increase in the membership fee for the Glendale Adult Center; and various fee increases for value-added and user-supported services (i.e. – membership at the Foothills Recreation and Aquatics Center; certain facility rental rates).
- Public Benefit: While all Glendale residents pay various taxes to support the General Fund, individual taxpayers may benefit in varying degrees from the services provided. Those who benefits from a service, the community in general or the individual/group receiving the service, is a key determinant in pricing services. As service benefits become more individualized, it is appropriate to assign higher levels of cost recovery to those who benefit from the service.
- Non-Resident Fees: The provision of service to Glendale residents is the primary mission of Parks and Recreation. Even so, it is acknowledged that there are those who reside outside the corporate City limits also use these services. These individuals do not pay the same level of taxes as City residents and thus are consuming services that are supported financially by residents. Fees and certain charges for non-residents are therefore higher than those for residents (thereby reducing or eliminating support City residents provide to offer the service).
- Commercial Rates: Patrons who utilize public recreation facilities for commercial gain are charged higher fees than non-commercial users. This pricing practice assigns the cost of services to those who benefit from the use of City facilities and eliminates taxpayer support. These charges are typically comparable to prevailing private/commercial market rate in order to promote private sector facility use. For facility rentals, non-profit and community groups are provided with discounts.

C. Current Glendale Pricing Plan and Model

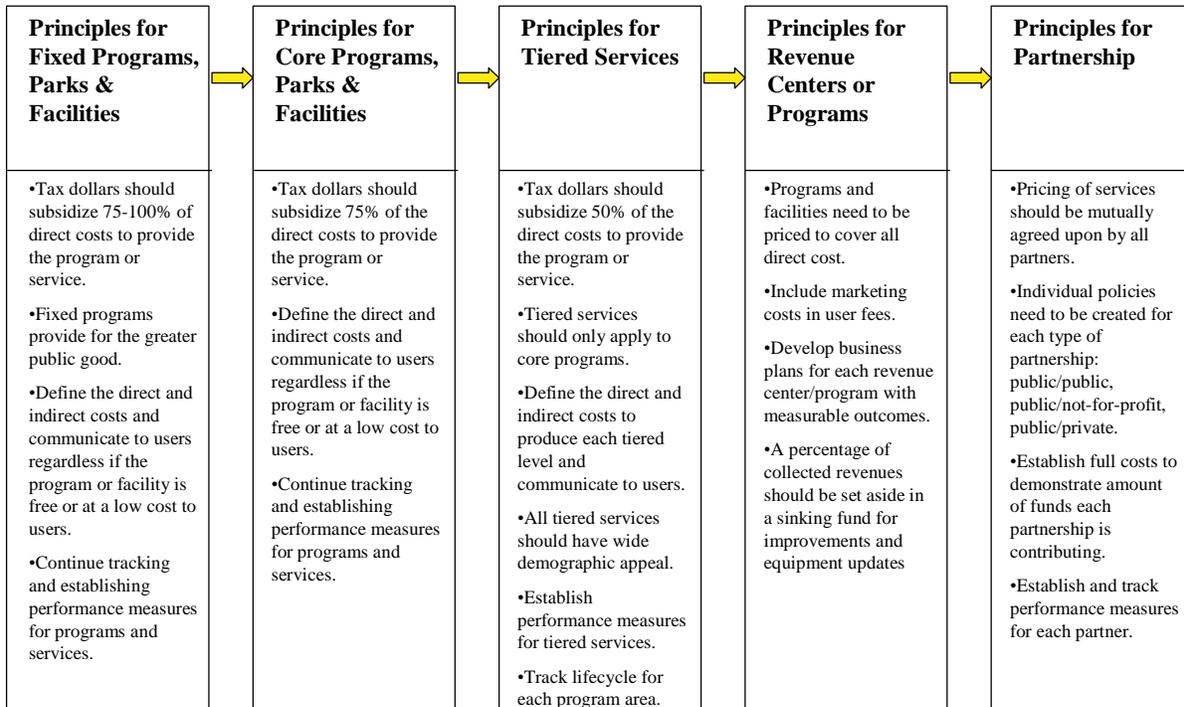
Those who benefit from a departmental service is fundamental to determining a price for the program or service. As services become more individualized and specialized higher levels of cost recovery are assigned to the individual, community or group who benefits from a service. As the level of benefit to the individual increases, so does the level of cost recovery for that service.

The department currently uses the following five service levels to define its pricing plan and each of them represents a higher level of individual benefit:

Glendale Pricing Model



Glendale Pricing Model



The Pricing Model demonstrates how each category is used to price programs and facility services. The programs and facilities that fall into each strategy are as follows (please note that programs and service can and do shift between category, dependent upon fees and expenses):

- Category #1 - Fixed recreation programs, parks and services (core services). These programs are the programs Glendale residents expect the division to provide at no cost or low cost the user. They are those services that the division must provide and/or are essential in order to capably govern and meet statutory requirements. Specific examples would include the maintenance of safe and clean parks and facilities, the replacement of park infrastructure when needed, off leash dog areas, bike/walking paths, urban forestry maintenance, customer services assistance, and park ranger assistance. These are typically 100% subsidized.
- Category #2 – Programs that add value to the citizens of Glendale’s quality of life. These programs are baseline programs the division provides, expands, enhances, or supports identified core services. They are often services that are broadly supported and utilized by the community and are considered appropriate, important and valuable to the public. An example of this would include the X-Court Facility. These are designed to recover at least 25% of direct costs.
- Category #3 - Programs that provide tiered levels of service for the users to gravitate to. These are programs, services and facilities that are important to governing and effectively service residents, businesses, customers and partners. Examples would include: summer swim and aquatics; the 360 Child Care Program; youth ball field rentals; the Paseo Racquet Center; provision of senior services; and the Youth Sports Complex. These types of programs typically recover up to 50% of their costs.
- Category #4 – Programs that are revenue producing programs and facilities. They are services that generate income of funding from sponsorships, grants, user fees or other sources that offer some or all of its costs and/or provides a meaningful benefit to users. This category would include Special Interest Class programs; the Folk and Heritage Festival; swim team rentals ; beer permits; the community centers; all adult ball field rentals and ramada rentals; self-sustaining GRASP programs; and Skate Court facility; hockey rink rental; special event permits; and meeting rooms at all division facilities. These types of programs usually cover at least 75% - 100% of their expenses.
- Category #5 – Programs, services and facilities that can be provided through partnerships. These services usually provide added value above and beyond what is required or expected. Examples would include the Gallery Glendale; Touch a Truck @ Westgate; special Activities by outside groups (I.e. - Uncle Buck’s Wild West Show); Glendale Community Center Programming; historic Sahuaro Ranch tours; Manistee Ranch; Adult Center trips. There are typically no expenses associated with this category – they are “revenue neutral” in that services are provided at no charge to the City and/or revenues are generated to offset all city expenses.

The actual fee establishment of a program or service is determined by which Price Plan Category it will be placed in, followed by a detailed calculation to arrive at the actual fee. The “ABC” costing form that is used for this purpose is attachment “A”.

D. Issues to Consider

In reviewing the division's current fee structure and Price Plan a few items that should be considered by the Commission would include:

1. Developing a "prime time" rate structure to control or limit use during high demand periods or encourage use during periods of low demand or under use.
2. Recommending a formal non-profit fee rate.
3. Developing a discount program for individuals or families who may be unable to financially afford fee- based services but still desire the opportunity to experience a broad spectrum of recreation activities.
4. Implement "differential fees" - additional fees charged to non-City residents for the use of Department facilities and programs. The fees would vary depending upon the program or service.
5. Charge "nominal fees" - a minimal fee intended to recover a portion of the costs associated with a basic service, as in a field light fee for youth athletic leagues.

DEFINITIONS

The Parks and Recreation division currently uses the following definitions to define the variables that impact the calculation of fees and cost to provide services and programs:

Cost Recovery: To recover the cost of providing a particular service through fees, charges or some other funding source other than the general fund. The level of cost recovery will vary depending upon the program or service.

Department Co-Sponsored: Services that are organized, promoted, and conducted in part by Department staff and in part by an outside agency, organization or individual(s) and are the negotiated responsibility of both parties as defined by a contract or letter of agreement.

Department- Sponsored: Services that are organized, promoted, and conducted by Glendale Parks and Recreation.

Department Facilitated: Services that are organized, promoted, and conducted by an outside agency, organization, or individual(s) with limited assistance from Department staff. These services are the responsibility of the outside group. Department involvement includes permission to use a Department facility or promotional assistance. Normally a contract or letter of agreement defines these levels of service

Direct Costs: Those costs that can be directly and exclusively attributed or assigned to a specific service.

Formula-based Fees: Fees established using a predetermined formula approved by the Mayor and Council. Cost factors used in the formula may include program staffing, administration, registration, supply and facility costs. Examples include Special Interest Classes, camps, adult sports leagues and special program fees.

Full Costs: Both the direct costs and a pro-rata share of the indirect costs that can be attributed to a specific service.

Indirect Costs: Those costs that can be attributed to more than one (1) program or service and are not generally a part of the user's direct experience. These costs may be somewhat constant or "fixed" regardless of the level of program participation or facility usage. Examples would include program administration and supervisory staff salaries, departmental administrative staff salaries and costs for a facility or vehicle used for different programs

License and Permit Fees: Fees to obtain written consent to perform some lawful action, typically after permission has been granted by the Department. Examples include payment to obtain a beer-drinking permit or a vendor permit.

Membership Fees: Charges that entitle individuals to participate in a program for a predetermined duration.

Non-Profit Organization Fees: Fees available only to non-profit organizations with Internal Revenue Service 501(C)(3) tax-exempt status.

Pass Fees: Charges that entitle individuals to use of a facility for a predetermined number or duration. Examples include a quarterly center use pass.

Rental Fees: Payments made for the privilege of exclusive use of park property of any kind.

Sales Revenues: Revenue obtained from the operation of concessions, restaurants and from the sale of merchandise and other property.

Service: Any program, class, event, activity, sales or rental opportunity provided by the Department.

Special Facility: Also called a revenue-based facility. These facilities are approved and constructed with the understanding that all or a major portion of the construction and/or operating costs will be recovered through the collection of user fees and charges

User Fees: Fees for use of a facility amenity or participation in a program or activity.



WORKSHOP COUNCIL REPORT

Meeting Date: **9/17/2013**
Meeting Type: **Workshop**
Title: **COUNCIL ITEM OF SPECIAL INTEREST: CIVIC CENTER
SELF-SUSTAINING GOAL**
Julie Watters, Interim Executive Communications Director
Staff Contact: **Mario Rochin, Civic Center Manager**

Purpose and Policy Guidance

The purpose of this staff report is to provide information for Vice Mayor Knaack's request to evaluate the Civic Center's goal to become 100% self-sustaining. This report will also respond to Mayor Weier's inquiry about the Civic Center's discount policy for non-profit organizations.

Background

In 2012, the Glendale Civic Center was directed to begin working on a plan to become 100% self-sustaining within three years. The intent was to assist the city's General Fund by decreasing the amount of funding for the Civic Center and eventually create a system where the facility would not depend upon the General Fund, but instead would generate enough revenue to support all Civic Center operations.

The award-winning venue opened its doors to the public on December 31, 1999. The Civic Center was created to fulfill a need in the historic downtown to provide high-quality meeting space and attract more people to the area. In 2006, a second ancillary building, the Annex, was added to the campus, offering in total 40,000 square-feet of rentable space for corporate trade shows, private parties, social gatherings and executive meetings. There is no outstanding debt on either building and it is estimated that in the past 14 years, more than a million people have used the Civic Center and adjoining Annex.

Previous Related Council Action

On June 12, 2012, Council approved a 20% room rental rate increase for the Glendale Civic Center. The facility had not adjusted its rates since opening in 1999.



WORKSHOP COUNCIL REPORT

Analysis

Prior to the decision to become self-sustaining the Civic Center's revenue recovery rate averaged 50%, event days averaged 256 and the number of attendees averaged 61,000 each year.

In FY13, due to the implementation of self-sustaining cost-cutting measures, revenue recovery hit approximately 62% but with a corresponding drop in the number of event days and the number of guests.

A review of the Civic Center's budget during the recent economic downturn demonstrates a *decrease* in the overall budget, transfer amount and staffing and an *increase* in revenue and revenue recovery:

YEAR	GENERAL FUND BUDGET	REVENUE GENERATION	GENERAL FUND TRANSFER	REVENUE RECOVERY %	STAFFING
FY 09/10	\$840,000	\$365,265	\$475,435	43%	7 FTE
FY 10/11	\$751,000	\$405,801	\$345,712	54%	6 FTE
FY 11/12	\$759,000	\$406,212	\$357,285	53%	6 FTE
FY 12/13	\$687,000	\$395,451	\$238,750	62%	4 FTE
FY 13/14	\$586,000	\$414,000 <i>(projected)</i>	\$172,000 <i>(projected)</i>	71% <i>(projected)</i>	4 FTE

Current staffing levels are at the lowest ever, four FTEs, compared to the facility's peak staffing of seven FTEs in 2010. The General Fund transfer amount for FY14 is estimated to be approximately \$172,000, the lowest since the facility opened.

Since 2010, the facility's overall budget has been decreased by 31% for a total reduction of \$267,000. And staffing has been cut by 30%.

Cost cutting measures have been implemented including reducing both utilities and staffing for a combined 84%. Staff has utilized more low maintenance plants and shrubs to save time and money and yet still feature an aesthetically pleasing look outside the facility.

All of these cost cutting measures have occurred while day-to-day business has continued with revenue increasing and the venue twice being named the #1 conference center of its size by "Ranking Arizona: The Best of Arizona Business." This award in both 2012 and 2013 positioned



WORKSHOP COUNCIL REPORT

the Glendale Civic Center to outrank nationally known facilities such as Loews Ventana Canyon Resort (Tucson), the Scottsdale Plaza Resort and the Ritz Carlton (Phoenix). Glendale's Civic Center is the only government managed venue on the list.

A review of attendance and activities at the Civic Center for the past five years demonstrates a gradual decrease due in part to the challenging economy and a re-worked business model that focused on becoming 100% self-sustaining.

YEAR	EVENT DAYS	ATTENDEES
FY 09/10	259	73,727
FY 10/11	227	61,828
FY 11/12	232	65,585
FY 12/13	160	53,392
FY 13/14	162 <i>(projected)</i>	56,000 <i>(projected)</i>

While increasing revenue and cutting costs were benefits to the city last year, this occurred under a re-worked business model which included discontinuing some events that simply 'broke even.' In the past, the business model had more flexibility and encouraged events that were revenue neutral as they brought more patrons and activity to the downtown.

Under the new business model, the past two fiscal years have seen a decrease in activity at the facility. In FY13, there were 72 fewer event days and 12,000 less attendees.

These results are part of the challenge to satisfy expectations of being self-sustaining while not compromising the original purpose of the city-owned facility of bringing guests to the downtown. It appears possible the facility could continue to approach 100% cost-recovery but if the past two years are indicative of future results, this will occur with a decrease in attendees and event days.

Non-Profit Discount:

As for a discount for non-profit organizations, for the past 14 years, the Civic Center has had a policy that provides these groups a special rate. These rates are part of the facility's overall booking policies that are council approved.



WORKSHOP COUNCIL REPORT

The discount is offered as a benefit to non-profits that serve the community and an opportunity for the Civic Center to attract their business. The rate is publicized on the Civic Center's website and communicated to eligible clients.

Non-profits receive a 20% discount on room rental alone, and if food and beverage are purchased, the discount increases to 40%. The 20% discount also applies to Glendale residents and city departments. The Civic Center's 20% non-profit discount rate is comparable to other similar government managed conference centers.

In the past year alone, 31 organizations received the 20% non-profit discount and seven additional non-profit groups utilized the 40% discount. These clients accounted for about 27% of the facility's overall client usage in FY13.

Budget and Financial Impacts

At 100% cost recovery, the Civic Center will have no financial impact on the city's General Fund. Within several years, at any percent less than that, there will be a corresponding impact to the General Fund.

Attachments

None