



Land Use, Transportation & Infrastructure Committee Summary Minutes

Tuesday, June 14, 2011

10:30 AM City & County Building, Room 391

Members Present: Johnson, Montero, Robb
Members Absent: None
Other Council Present: Nevitt, Linkhart, Lehmann

Committee Staff: Gretchen Williams

Bill Requests

BR11-0439 Adds \$400,000 to the agreement with Softball in Denver, Inc. for a new total of \$562,000 for 4 years (through Dec. 31, 2013) for sports officials for the Adult Sports program.
John Martinez, Citywide Sports, Parks & Recreation

Mr Martinez said participation in the Softball in the City adult league play has increased greatly over the past few years. This year, over 10,000 individuals in 822 teams are playing in the Spring, Summer and Fall seasons. This is up from 500 teams in 2007. More games require more officials. The cost of the officials is covered by the fees from league players. City-wide sports is a special revenue fund with a cost-recovery of about 190%.

A motion offered by Councilmember Robb, duly seconded by Councilmember Johnson to file a bill to carried by the following vote:

AYES: Nevitt, Johnson, Montero, Robb(4)
NAYS: (None)
ABSENT: (None)
ABSTAIN: (None)

BR11-0426 Amends the Code to provide a recreation center tiering

model recommended by the Recreation Center Task Force and related fee changes.

Chantal Unfug, Manager; Dolores Moreno and Thomas Herndon, Recreation Supervisors, Parks & Recreation; Jack Finlaw, Mayor's Chief of Staff; Ed Scholz, Finance Director

The purpose of today's meeting on this topic is for Denver Parks & Recreation (DPR) to respond to questions asked at the Committee meeting June 7.

Membership Payment options: DPR will begin accepting cash in monthly installments from members without checking accounts as well as initiating electronic funds transfer for membership payment.

Recreation Center hours: No center will have reduced hours. The plan will increase the number of centers operating 7 days a week from 4 to 7, and it will add 100 hours across the system. Centers currently open 7 days a week are Central Park Stapleton, Montbello, Montclair and Washington Park. Proposed additional 7-day centers are Athmar, Rude and Scheitler.

Scholarship cap: DPR has no cap on the dollar equivalent of scholarships. The same formula DPS uses for the reduced and free lunch program is used to determine the percent level of scholarship based on household size and income.

Does revenue generated in other recreation systems go to General Fund or back into the system? In the 5-city survey, most systems are funded from the General Fund.

Use center cities as comparables in addition to Denver suburbs: Survey results from 5 cities are included in the attached presentation. Systems vary widely; it is difficult to make comparisons.

Anticipated drop in membership under the proposed plan: DPR does not anticipate a significant drop and may see an increase due to family memberships and increased hours and classes.

Revenue generated by age group: Actual 2010 numbers and projections indicate majority of revenue is from Adult memberships. Actual 2010 revenue: Adult-\$2.15M; Youth-\$347,624; Senior-\$108,800; Special Populations-\$58,027. Projections in attachment.

Explain membership increase when Youth are free, such as the pools the last few summers: Increase in pool users did not reflect new members, just more youth from the My Place program as a result of broad marketing by Kaiser, the sponsor. Additionally, for-profit camps brought busses of campers to the free pools, crowding out others. A policy is now in place to prevent this. Chart showing actual memberships for centers and pools for past three years is in attachment. Pools opened this year on June 4 and close Aug. 14. All DPS students are back in school by Aug. 18. Typically, pools are open 11 weeks.

Fees should be part of Sept. budget discussions, not in June: Revenue from increased fees is in the 2011 budget (Sept.-Dec.) and the 2012 budget (increase projected at almost \$900,000). Without the fee increases, reductions in hours and programs in that amount will have to be

made.

Annual capital investments: The proposed fees add \$150,000 above the typical annual capital investment. For 2011, the capital budget for City-wide Recreation is \$875,000 for projects such as roofing, heating/cooling/ventilation upgrades, and painting.

Impact on Adult membership fee to provide Youth free access: To provide free Youth membership, the proposed Adult fees would have to increase by \$60. The proposal does reduce Youth fees in 7 categories.

Compare average household incomes for suburbs used as comparables to Denver: Denver has the lowest at \$45,438; the next closest is Adams County at \$55,258. Douglas is highest at \$99,522.

Adjust all fees annually up to the regional annual Consumer Price Index (typically \$1-\$3): DPR supports this idea, which would help keep up with rising costs, although it would not preclude DPR from asking Council to approve other adjustments or new fees. The previous year's CIP is generally published by March, so it could be used to adjust fees in September.

Parks & Recreation Advisory Board (PRAB) support for the tiering proposal: Florence Navarro, PRAB member and co-chair of the Recreation Center Task Force (Task Force) with Councilwoman Lehmann, said after the final round of public sessions and listening to the people, she supports the proposal. Her priority is access for youth. At Scheitler Recreation Center, she heard no opposition to the fees. People are not looking for free, just affordable. It is important to them to pay something. It is difficult to find the right balance.

Darrell Watson, PRAB President, said the Board reviewed and discussed the tiering plan and fees several times. The Task Force had a great process for involving the community and the Board. The Board supports the tiered fees as presented and will continue to review the outcomes. He has concerns about indexing fees to CPI because there are too many other factors, and CPI does increase over and above income levels.

Councilwoman Montero said she appreciates all the work on this to keep fees affordable. Part of the intent of tiering is to have the people who can afford full membership rates pay the cost and the City can subsidize those who can not afford to pay. CPI indexing is good in that it will help us keep pace with costs.

Councilman Nevitt agreed, but wanted assurance that there would be no closures or transitions in 2011 or 2012. Ms Unfug replied that if the fee proposal is passed, DPR will not close or transition any centers in 2012. Ed Scholz, Finance Director, committed to no transitions or closures if the new fees are adopted. If not, he said, the City will definitely have to close recreation centers. The new fees need to be adopted in June in order to build the increased revenue into the 2012 budget.

Councilwoman Robb said this is a change in philosophy. The intention up to now has been to heavily subsidize; this plan reduces that. She is unsure that Council should be put in that position. She noted that the proposed Adult memberships are almost on par with some private facilities, such as 24 Hour Fitness, which may result in some loss of members for DPR.

Councilman Nevitt said no one likes to raise fees, but we keep putting it off, DPR's cost keep

rising, and then we have to make large increases. It is wise to index to CPI. We have made a policy choice: If you can't afford it, we'll give it to you. Having CPI built in assures that the ones who can pay will continue to pay the cost.

Councilwoman Montero said the system is not equitable now. It is always the centers in the poorest areas that get closed. CPI would add some protection for these folks.

Councilman Linkhart said he has trouble with the scholarships, which do not cover everyone and are only 50% reductions. Only 1 of 5 kids eligible for My Place is enrolled. People are not willing to do the paperwork for these programs. Many kids living around Rudy Rec Center can not afford these proposed fees. He was hoping this could be discussed with Mayor-elect Hancock before the proposal got to this point.

Dolores Moreno, DPR, said there are opportunities to give total scholarships. There are 30,000 kids eligible for My Place; between 13,000 and 14,000 are enrolled, more than in past years. We do need to do strategic work with DPS and by going to where kids are rather than waiting for them to come to us.

Councilwoman Lehmann said it is important to talk about this as a total system. Recreation centers in low income areas are available to people who can and will pay to use them and the neighborhood kids can be in My Place or get other scholarships. CPI needs to be used so we do not have big increases every few years. This will give us more predictability.

Councilwoman Montero asked her colleagues if they support adding the ability to increase fees annually by CPI in the ordinance. Councilmembers Linkhart, Johnson, Nevitt, Lehmann and Montero said yes. Councilwoman Robb said no. Councilwoman Lehmann did not comment.

Councilman Linkhart cautioned the Administration that Council has always jealously guarded recreation and golf fees. He is most concerned about Youth fees. Other cities have nominal fees for Youth; we want to charge \$95 in the lowest income area in the state. One Westminster recreation center makes \$200,000 a year on hot dogs at birthday parties.

Councilman Linkhart said that if the proposed increase in Youth membership fee is deleted, revenue increase is still about \$1 million. Mr Scholz replied that the revenue in 2011 is not part of the projected \$900,000. The years 2011-12 are not the problem, but beyond that, we would be building on a lower base. Additional revenue may not be realized if the number of memberships drops. This is a conservative approach.

Councilwoman Montero asked Jack Finlaw, Mayor's Chief of Staff, for confirmation of the Administration's agreement concerning closures. Mr Finlaw said DPR was asked to find an additional \$4.2 million in its budget. The proposed revenue increases together with expense reductions achieve that goal. If these fees are approved, the Administration will not consider any recreation center closings or transitions in the 2012 budget.

Councilman Linkhart said he will discuss this with Councilman Hancock during the next two weeks. He may have amendments when this comes to Council.

A motion offered by Councilmember Nevitt, duly seconded by Councilmember Robb

to file a bill to carried by the following vote:
AYES: Nevitt, Johnson, Montero, Robb(4)
NAYS: (None)
ABSENT: (None)
ABSTAIN: (None)