



**CITY OF ANN ARBOR – PARKS ADVISORY COMMISSION  
MEETING MINUTES  
January 15, 2008**

The regular meeting of the Park Advisory Commission was held on Tuesday, January 15, 2008 at 4:00 p.m. in the Council Chambers located in City Hall, 100 N. Fifth Avenue, Ann Arbor, Michigan.

I. The meeting was called to order at 4:15 p.m. by Chair, L. Berauer.

II. Roll Call:

Members Present:	(9)	L. Berauer, B. Macomber, D. Barrett, J. Grand, J. Lawter, S. Offen, G. Nystuen, S. Rosencrans, T. Berla (4:20 arrival)
Ex-Officio Members Present:	(1)	S. Kunselman
Ex- Officio Members Absent:	(0)	None.
Members Absent:	(0)	None.
Staff Present:	(10)	C. Smith, J. Miller, A. Kuras, D. Borneman, K.C. Bemish, J. Dehring, M. Warba, J. Davis, G. Trocchio, P. Kohring
Guests:	(6)	K Sidney, G Thompson, D. Drake, P.Bancel, J. Lumm, M. Lovelace

**APPROVAL OF AGENDA**

**PUBLIC COMMENTARY - AGENDA ITEMS (3 Minutes per Speaker)**

**Karen Sydney** spoke on Parks spending and commended the Commission on their active encouragement of public input. Ms. Sidney also stated she prepared a memo as well as a supporting spreadsheet on various answers to questions that were raised at last meeting and requested that the memo and supporting spreadsheet be included in the minutes so complete information is available to the public. She explained her calculations for operating Huron Hills as a park. She also said that she had spoken with Susan Pollay from DDA who indicated that there is no contract between the Police and DDA. DDA does rent parking spaces from the City and the rent can be used for any City expense including Police. The parking contract does not require the City to provide a specific amount of Police services. Time limits for approved Minutes – Open Meetings Act requires that draft Minutes be available 8 days after the meeting and approved Minutes be available 5 days after approval. There is no separate time requirement for approved Minutes. More information available on Open Meetings Act and Parks spending on Citizens News Service at [www.cnsa2.blogspot.com](http://www.cnsa2.blogspot.com).

To: Ann Arbor Parks Advisory Commission  
From: Karen Sidney  
Date: January 15, 2008  
Re: Questions raised at December PAC meeting

I appreciate your efforts at financial oversight of parks spending. I have been following city finances for several years and would like to share with you information I have collected that will answer questions raised at the December PAC meeting.

You asked for the cost of operating Huron Hills as a park but parks staff was unable to provide you with a "ball park" figure. Included in the public comments to the golf course report is one from Jane Lumm. She reports that at a meeting with Jayne Miller and in later emails with Jayne Miller and Councilmember Rapundalo the annual cost to maintain Huron Hills as a park was estimated at \$250,000 to \$300,000.

This cost estimate appears to be low. I analyzed budgeted expenses for fiscal years 2008 and 2009 using the city's BRASS budget report I received in October 2007. A spreadsheet with the calculations accompanies this memo.

I calculated a per acre cost for various categories of parks expenses in the general fund and the new millage fund. These cost estimates exclude costs of operating general fund recreational facilities. Huron Hills has 116.23 acres. The 2008 per acre cost for administration is \$1,740, which results in an annual cost of \$202,240 just for administration. The per acre cost of the NAP program (794) and forestry (464) results in an annual cost of \$146,217 for a combined cost of \$348,457 per year assuming operation as a natural area.

If Huron Hills is operated as an active park but not a recreation facility, the 2008 per acre operating costs are \$4,581 for annual costs of \$532,450. Adding the cost of administration results in total annual costs of \$734,690. Therefore, the annual operating costs of operating Huron Hills as a park, but not a golf course, is between \$348,457 and \$734,690 depending on whether the park is a natural area or an active park with sports fields, trails, parking lots, etc. According to the fiscal year 2007 audited financial statements, the golf courses (both Leslie and Huron Hills) reported a loss of \$243,576.

You also asked about a police contract with the DDA. I spoke with Susan Pollay on 1/7/08 and asked whether there were any DDA-police contracts. She said there were no contracts for police services. The DDA does rent parking spaces from the city. Since the city can use the rent from that contract for any expense it chooses, the money could be used to pay for police services. However, the rent agreement does not mandate the city provide a given level of police service.

You also asked about time limits for providing minutes to the public. The open meetings act requires that draft minutes be available 8 days after the meeting. Approved minutes must be available 5 days after approval. There is no separate time deadline for approved minutes.

**Submitted by Karen Sidney, Jan. 15, 2008**

Total acres per PROS plan	2,046.12
Less golf courses	-265.88
Less farmer's market	-1.06
Non enterprise fund acres	1,779.18
Less natural areas	-896.21
Active parks acres	882.97

	Number of Acres	FYE 2008 BUDGET	Per acre Cost	FYE 2009 BUDGET	Per acre Cost
Combined General fund & millage					

Administration, fringes & debt service	1779.18	3,095,243	1,740	3,175,204	1,785
Forestry	1779.18	826,248	464	909,800	511
Mowing	882.97	1,180,745	1,337	1,208,680	1,369
Other maintenance & equipment	882.97	2,454,396	2,780	2,696,464	3,054
Subtotal		<u>4,461,389</u>	4,581	<u>4,814,944</u>	4,934
NAP	896.21	711,928	794	732,928	818
Transfer to police	1779.18	<u>250,000</u>	141	<u>250,000</u>	141
TOTAL		8,518,560		8,973,076	

**DETAIL**

Parks- General fund		7,226,299		7,434,909	
		-		-	
Less non parks forestry		1,129,571		1,119,952	
Less non parks operations		-17,554		-17,554	

Less rec facility operating costs

2,637,807<sup>-</sup>

2,569,064<sup>-</sup>

Total parks operation & admin costs	3,441,367	3,728,339
General Fund Breakdown		
Administration, fringes & debt service	1,893,800	1,938,212
Mowing	1,180,745	1,208,680
Other maintenance & equipment	366,822	581,447
	3,441,367	3,728,339
Parks-Fund 71 (new millage)		
Administration	1,201,443	1,236,992
Forestry	826,248	909,800
Other repairs, maintenance & equip	2,087,574	2,115,017
Transfer to police	250,000	250,000
NAP	711,928	732,928
TOTAL fund 71	5,077,193	5,244,737

**Linda Berauer** saw no problem in including the comments in the Minutes. They can be emailed to Christen Smith and copied to Linda Berauer, who will see that Lynn gets them.

**Dee Drake** is the head women's golf coach at Huron and assistant men's coach at Huron. He spoke in favor of keeping Huron Hills as a golf course, if not enhancing it as a golf course. Speaking as a golf coach – Huron Hills is the primary facility that the women's golf team uses for all matches, practices etc, it's an appropriate course for the level of play that they are able to do at this time. It is also used by several golf teams in the area, almost all of the JV golf teams in the area, and some varsity golf teams in the area. It's a wonderful facility to play golf at – particularly for kids. It's also because of the enhancement of the practice facility i.e. practice putting greens etc – perfect for their needs and right across the river from Huron High and very convenient. As a supporter of junior golf, it's an appropriate course for kids to play on; there are very few options for kids to play on in this area, private or public. As a resident of the City, I pay taxes for recreational facilities and even if it doesn't make money, he thinks it's worth supporting because it's a recreational facility, not as a park or green space, but as a recreational facility that should stay as it is for that reason.

**Mike Lovelace** is the current boy's varsity golf coach at Ann Arbor Huron and was appalled at the idea that Huron Hills may even be thought about to leave the City. Huron Hills is a huge part of the development – not sure if we realize as a golfer you have to start somewhere and progress with the goal of getting to the advanced level. Here in Ann Arbor if you just picked up a club, you might go to a range or Georgetown, a par 3 course where you can just barely start to hit the ball. Once you start getting better you like to challenge yourself which is where Huron Hills has a perfect niche right here in Ann Arbor. Whenever he drives by Huron Hills he sees 4<sup>th</sup> -8<sup>th</sup> graders all in little 4-somes playing, developing their game and if they want to go on, if you ask those kids where they hope to play eventually, they'll tell you Leslie Park and those kids can manage Huron Hills. The front 9 is wide open and is an excellent developmental part and the back 9 you have to be precise and still a place to teach people how to play so that eventually they can go to Leslie, which is much more difficult. If you take out Huron Hills, you will take out the whole developmental part of golf and if those kids move to Leslie, you will slow play down so much that the better golfers will not want to play there. Likewise, it would almost decimate the girl's program at Huron. Leslie is too long and too hard for them. In his first 10 years as coach he took at least 8-10 golfers and played exclusively at Huron Hills because they wouldn't make it around Leslie.

It's part of a developmental process. (Handouts from Mike Lovelace provided by Jane Lumm after her public comments.)

**Ed Walsh** passed out a communication to the Commission. He represents a group of Ann Arbor citizens with the desire to maintain the existing golf courses as operating facilities. The group consists of golf, real estate professionals, business people and casual and serious golfers, but most importantly citizens of Ann Arbor who believe the golf courses offer a viable and important recreational option to residents of Ann Arbor. They have reviewed the golf course consulting report from Golf Convergence and have been involved in the process both prior to and since its presentation to Council on December 17. They believe that a few minor improvements will result in the courses remaining the highest and best uses of their respective properties, specifically hiring a golf operations manager to oversee all aspects of golf operations. A person in this capacity should have authority for maintenance, marketing, personnel and operations. This was highly recommended in the consultant's report. In addition, they recommend an oversight committee be formed specifically directed at the golf operations. The golf courses represent the largest use of property and the highest revenue generation of any of the City's recreational activities and it's the only such activity subjected to the scrutiny of inclusion in an enterprise fund and therefore, should warrant a separate oversight committee to ensure its optimal operations. Commit to marketing the facilities. \$1,000 is not enough. This includes acquiring a software package to manage tee times and other scheduling as well as promoting the courses for daily fee play and special events in order to maximize revenues and utilization by the public. The consultant recommended at least \$25,000 annually. Improve the maintenance at Huron Hills. Small changes can provide significant improvements to the physical appearance and playability of the facility. Regular maintenance will undoubtedly prolong the life of the course and defer the needs for major capital improvements. We are very skeptical of the need to replace the irrigation system at Huron Hills and request further study into alternatives. Position Huron Hills as a learning, walkable golf course. It has unique facilities that make it ideal for beginning golfers and those casual golfers such as seniors who wish to walk, many who do so for exercise – Leslie Park is not designed for this. The public benefit of having an active recreation facility such as this for seniors is going to be pronounced in future years as the population ages and the number of retirees increases. Pursue a liquor license for Leslie Park. The consultant report indicated that Leslie Park has the ability to attract special events and additional daily fee golfers by offering alcohol service. We do not disagree; however, they warn against the trap of bigger is better, which many golf courses fall into. They do not believe that the clubhouse needs to be expanded or other facilities be built, but that alcohol service alone would increase revenues. In this way the financial situation of the combined golf operations in Ann Arbor would improve. It should be noted that they believe the preceding recommendations have an excellent probability of success if implemented in total, not in part. They also believe that Huron Hills should be transferred to the general fund and treated as all other recreational activities.

**Jane Lumm** will be sending comments on the golf consultant's report and PAC's thoughtful discussions by electronically. She stated that assessing what to do with these two significant Park properties should be based on balancing public benefits and costs. She believes that maintaining golf at both courses is the clear winner on both counts. No alternative use, whether open park land or another recreation activity, serves a greater public benefit, particularly considering Huron Hills' unique fit with the needs of youth and seniors. Golf and all other City recreation activities belong in the general fund. With golf's revenue generating potential, the net cost, if any, to maintain golf would be less than that for open park land or other recreation activity. With lots of community emotion and the consultant's study, there's a tendency to assume dramatic action is required. It isn't here. The best course of action is to keep what we have and improve it, not with millions of unnecessary capital investment, but with minor increases in spending, primarily for maintenance and marketing. That's all the customers are saying they want. You've heard from an important constituency today representing youth who have reaffirmed what you heard in your meeting in December, that golf courses are not interchangeable and that Huron Hills is the perfect fit for youth and seniors. Golf courses are not swimming pools – all the same. Closing Huron Hills or converting it to a 9 hole course would

send golfers to Leslie Park or to courses outside of Ann Arbor – not a good thing. Leslie Park is too difficult for them, it would slow play even more, an existing problem at Leslie Park and telling resident golfers they can go to Ypsi or Saline is not consistent with what the City's Parks and Rec mission should be. Jayne Miller stated at your last meeting that the neighbors, presumably referring to the group of interested golfers engaged in this, were confused, that Huron Hills is not a neighborhood but rather a community resource. The group couldn't agree more. A municipal golf course is a key community asset and if not for this group there wouldn't have been much community conversation at all. The City did not include golf season pass holders in its survey, and did not bother to talk with the local schools. Fortunately the group did. These are not neighbors but important community stakeholders in Huron Hills. Finally the financials – whether it's the Ann Arbor News' headline of \$4 million of losses over six years or references to the ticking time bomb irrigation system, there's been a cloud of looming financial disaster hanging over these discussions that's simply inaccurate and very unfortunate. The golf courses are essentially breakeven and in fact made \$88,000, or over \$2 per round last year on a cash flow basis. The irrigation system can be maintained without millions of up-front investment. Also, last month it was mentioned that rounds at Huron Hills were potentially subsidized to the tune of \$10 per round, costing citizens upwards of \$200,000-\$500,000. It is interesting to note that just 3 years ago Huron Hills generated \$125,000 positive cash flow – huge losses at Huron Hills? We pay golf consultants the equivalent amount of annual losses that Huron Hills incurred this past year. As you deliberate, please ask yourself which course is the better fit with the City's vision for its' rec facilities, it's certainly Huron Hills. A public mission doesn't contain language about offering municipal golf only if the course is championship, quality or generates a profit. For a minimal cost we can continue to offer a significant public recreation benefit, hopefully we will.

#### **A - APPROVAL OF MINUTES**

**A-1** The Parks Advisory Commission approved the minutes of December 18, 2007 as written. The minutes were approved unanimously.

#### **SPECIAL PRESENTATIONS**

##### **PUBLIC HEARINGS**

Public Hearing on the Sales and Service of Alcohol (Beer and Wine) at Leslie Park Golf Course Club House

**Linda Berauer** emphasized that this hearing and PAC's consideration of this issue is not deciding on which of the bidders for the liquor license should be awarded the license. They are looking at it from a very narrow Parks point of view, specifically is it a reasonable policy decision to allow a Park facility to have a liquor license and will it really help golf operations in the City to issue a liquor license to Leslie Park.

**Karen Sydney** opposed a liquor license for Leslie because she thinks the money should be spent for things the public says it wants like a skate park or greenway or just keeping the current Parks assets in good repair. The liquor license is part of a plan to attract more corporate and league events. It will require substantial capital investment to expand and remodel the clubhouse to host these events and handle the expanded food and beverage offerings. The consultant's estimate of \$50,000-\$100,000 to expand and model Leslie clubhouse is unrealistic. We have spent \$160,000 on just consultants to remodel the Farmers Market. How can it cost only \$50,000-\$100,000 to expand and remodel the Leslie clubhouse? I'm not a golfer so I asked a client who plays a lot of golf on the City courses and a lot of others what they needed. His response was not a liquor license. Every dollar spent on Leslie is one less dollar for other Parks priorities. A Leslie liquor license is really about how to spend limited Parks resources. When you consider your recommendation, I urge you to consider whether the public will approve of the choices when you go back to them in a few years for a Parks Millage renewal.

**Glen Thompson** observed that he's notices signs at the entrance to all of our parks that say "no alcohol". Once or twice, but very seldom, he's seen a down and out, maybe on hard times, guy who's ignoring the signs. The City's response has been to ask for expenditure of hundreds of thousands of dollars to fund the Police to go in there, take away the guy's alcohol, bust him and make miserable life a little more miserable. There's also a parking problem that's also a similar egregious City difficulty with the Parks. There's also one specific City park where a few guys have a similar problem. They've had a hard day, they've shot over-par and they want a drink or two also. I think I can identify with them but the City wants to spend hundreds of thousands of dollars to modify their facility and hire people to bring the booze to them. Is this really consistent?

## **B - UNFINISHED BUSINESS**

### **B-1 Land Acquisition Strategic Plan Approval**

**G. Trocchio** explained that through the functions of GIS it has been possible to identify vacant parcels within the City as well as portions of parcels that are vacant and working with staff and PAC, through their expertise, come up with certain criteria to score or find some of those parcels that may be suitable for Park land. This is meant to be one of the tools used in looking at potential purchases for Park land as well as using the PROS plan, PAC's expertise, staff input and any other expertise that may be needed in looking for Park land acquisitions. The resolution has been slightly revised from the one previously brought to PAC to clearly identify all of the others tools being used in supplement to this.

**G. Nystuen** moved, supported by **S. Rosencrans** to consider the Land Acquisition Strategic Plan Resolution.

**G. Nystuen** supports this now that it's clear that we're using many of the items of the PROS plan and the goals as part of the consideration of the acquisitions in addition to the material generated showing the vacant lands in the City on various maps.

*On a voice vote – **Motion Passed** – Unanimous*

**Approval of Minutes** – **L. Berauer** opened discussion of the Minutes, seconded by **S. Rosencrans**. Linda complimented the staff person who did the Minutes, capturing the high points of discussion without being overly detailed. It should be a model of what the Minutes should be.

*On a voice vote – **Minutes Passed As Written** – Unanimous*

### **B-2 Golf Course Report**

**J. Lawter** moved, supported by **J. Grand** to consider the Golf Course Recommendations resolution.

**J. Lawter** reviewed and read the recommendations from the Golf Course Report to the Commission. City Council will receive a recommendation from PAC in January.

**S. Rosencrans** stated there were a number of suggestions, recommendations and concerns that have been brought up through public commentary regarding the Golf Course reports. **S. Rosencrans** also stated he has calculated approximately seven points to contribute to the discussion and provide the public with answers through the course of his research.

1. The course satisfies a need for beginner, senior and slow paced golf. Answer - It was found that the private sector provides for 17 courses within 25 miles, comparable in play style to



Huron Hills at a variety of price points. The estimated portion of the population that has this need is 4% according to the Golf Convergence report.

2. Golf should be subsidized at a comparable standard to other Parks sports activities. Answer – All of the recreational offerings provided by Parks that have a net cost to the general fund are for facilities and activities that are not adequately provided for in the private sector. Golf is more than adequately provided for in the private sector and in fact according to the Golf Convergence report our area is over-supplied with golf opportunities by 25%. Furthermore, golf is currently subsidized by the general fund to the tune of \$4.47 per visit at Huron Hills and \$10.48 per visit at Leslie Park; making them currently the two most heavily subsidized sporting facilities in our system per visit.
3. There is a need for two golf courses in the Parks system. Currently the number of rounds of golf played by people using our public golf courses is 35,770. The number of golfers in a 10 mile radius which contains all of Ann Arbor is 40,986 – all according to the Golf Convergence report. Leslie Park by itself has the capacity to facilitate all of those rounds of golf and many more.
4. By implementing improvements in facility infrastructure and promotion we can improve the financial status of the golf courses. According to the Golf Convergence report if we make all of the improvements stated in the golf bailout resolution before us today, it is predicted that we will still lose over \$4 million over the next 6 years. The up-front costs of the improvements suggested in the resolution is \$3,388,650, which makes a total investment of nearly \$7,400,000 with no hope of ever recovering those monies through golf operations.
5. Huron Hills is a multi-use facility because it offers sledding and cross-country skiing opportunities in the winter. This would still be true if the land were converted to other park uses.
6. The view of Huron Hills from adjacent roads and homes offers a more pleasant experience. Again, this would still be true if the land were converted to other park uses.
7. Converting land to other parks uses would increase traffic and activity in the area. My response to that is this is the goal whether one wants to retain golf at Huron Hills or not.

He also briefly had a couple of other factors he felt should be considered.

1. Currently the City is in negotiations to acquire properties to facilitate the priority needs as stated in the PROS plan for sports activities facilities. Whereas the properties in negotiations may offer the best opportunities to meet those needs among available properties in our area, all of them are outside of the City limits, all are not central to the population of Ann Arbor, and all have problems that include heavy contamination of toxins, and current ownership issues that complicate negotiations.
2. The cost of acquiring these lands currently in negotiation is roughly \$6 million.
3. The property currently occupied by Huron Hills Golf Course would be more than suitable to meet all of the needs of future facilities for which we have established priorities. With no acquisition costs, ownership problems etc, the converting of Huron Hills property to those facilities would save the acquisition costs and all costs of improvements for operations at Huron Hills.

There is a potential to save a lot of money by converting it to other uses for which we have established priorities.

**S. Offen** agreed with some of the points made, but was not sure he agreed with all of the financial evaluation. Without understanding how Scott got to those numbers, he wasn't certain that was an agreed upon assessment of the financial impact of the Huron Hills Golf Course. It certainly can be Scott's opinion but he doesn't think that represents the view of all of PAC. He doesn't believe that the consultant is necessarily accurate in his \$4 million in 6 years. Some of the issues such as other uses are going to happen. They don't know what the ultimate use would be but given a natural use of the park land, the view would still be attractive. He would support the recommendation to continue the 18 hole golf course, with the investments that are suggested to see if the market can be improved and if all of these could demonstrate to the City and PAC that Huron Hills is a viable alternative that can work as an entry-beginners level golf course. He doesn't really think there are as many golf courses out there which address the beginning golfer as the consultant and others believe. He doesn't believe that beginning golfers are going to drive much more than a few miles to learn to play golf, especially in this community. They would only drive a few miles or stay within the City.

**T. Berla** stated he believed Scott reversed the numbers of the subsidy of the two courses - \$4.47 for Leslie Park and \$10.48 for Huron Hills subsidies. He doesn't believe Huron Hills is going to make it, it's no where close financially. It's a great idea, it's great that this was done, but he doesn't think anything that has been done should be looked at as a failure, he feels that staff has worked really hard to make this work and has no criticism of them, and thinks that Golf Convergence did a very good job of exploring the issues and is really glad they were hired. Since he's not a golfer when it comes to some of the claims i.e. Ms. Sidney and Mr. Thompson's assertion that it would be a net cost to acquire a liquor license, obviously Golf Convergence and staff believe that it will be a net benefit. He does think that a golf board making these decisions might not be a bad idea in the future and he would support that if PAC could come up with a good plan for that. To check out what he thought was the real deal, he asked what a reasonable projection would be for Huron Hills over the next 5 years and based on the fact that the expenses for last year were listed at almost \$400,000 and in looking at things that staff recommended and said was critical, over 5 years the capital investments that are needed plus the additional expenses of more personnel, his estimate of the cost of running the course is going to be \$600,000 per year. He then said that the revenue from each round of golf is \$17 per round, including concessions etc. If anything, it would go down when prices are lowered. By taking the best scenario with no inflation on the expenses and the number of rounds going up 10% per year for the next 5 years, in 2008 the City would lose \$340,000 and in 2012 that would drop to \$219,000. The net loss would be \$1.4 million. The City would be subsidizing the course to almost \$10 per round. The number of rounds has gone down 10% in the last 10 years and he's sure the course can be presented in a nicer way and he's sure it will have an impact but it would need to double next year and then keep going up to get to the point where it's breaking even. From his perspective, \$1-\$2 million would potentially be thrown away to keep something going that he doesn't believe would work. They need to get up to 30,000-40,000 rounds per year to get where we were 10 years ago and he doesn't see that happening. He would like to propose an amendment to replace the second bullet in the second to last Resolved clause to say that "The City should plan for the possible closing of Huron Hills Golf Course at the end of the 2008 or 2009 season, or thereafter, and that all expenditures until such time should be evaluated in terms of their impact should we close." Perhaps it should be considered having a millage just for this course in the future. If the taxpayers are going to pay for the course, they would explicitly be asked to pay for this.

**L. Berauer** moved, supported by **D. Barrett** to discuss the amendment.

**T. Berla** explained his calculations: The total expense of running the course in 2007 (from the handout last week) \$388,523. \$780,000 of suggested capital investments at Huron Hills divided by 5 years, then operational investments for Huron of \$88,000, reduced, for a rough cost of running the course of \$600,000 per year for the next 5 years. In his opinion, if things go really well, it will lose \$1.5 million.

**G. Nystuen** stated the costs of not operating as a Golf Course has not been taken into account, then the income is lost and operating costs of 100+ acre park have to be paid. This is also a substantial amount that has to be taken into account. There is strong public support to keep Huron Hills as a Golf Course. Yes, there are serious problems that add up to the fact that for most of the period of recent years, Huron Hills has no capital investment, in addition the road construction and other factors have caused a precipitous drop in use. If it's to be given a chance to be revitalized, it would take longer than one or two years. Her sense of public sentiment is to give it a chance which can't be done with lack of investment for so long and with the environmental conditions we've had (losing the irrigation pump). The big capital investment was the \$525,000 for the irrigation; the pump was done as an emergency last year – a big investment that's already been made. It's not clear whether it could ever operate fully as an enterprise fund.

**L. Berauer** responded to the suggestion that the golf courses could be funded with a Millage by pointing out that if specific Millage money was asked for every park activity, it would be very difficult and people would vote yes on only those activities that they do.

**T. Berla** responded that this is by far the most expensive recreational activity provided and there is no recreational activity that could possibly compare.

**J. Lawter** offered a friendly amendment to the resolution that 3 - 5 year period should be narrowed down to a 3 year period to evaluate its ability to sustain itself as a golf course, assuming reasonable ongoing annual general fund support.

**S. Kunselman** observed that when we're talking about subsidies, he's also asked what the cost is per soccer player at Fuller field. We don't have those numbers but the cost of buying land is millions of dollars to prepare for soccer or other athletic fields. He feels that that cost should also be included in the cost per player. He felt that soccer was a number of the same players that consistently played; it didn't bring in many new players. He felt that subsidizing should be per player whether it's soccer or golf. He attended the Washtenaw County Parks & Recreation meeting several weeks ago where it was discussed that they are planning for many new soccer fields at Rolling Hills, where they've bought 90 acres to expand their recreational programs. Why should the City be engaging in that kind of activity when we should be partnering with them? If we want to put some money toward soccer fields, let's put it out with the County and contribute toward that effort since obviously it's going to cost a lot of money to make soccer fields. Huron Hills is a multi-use piece of land, golf and winter recreational activities. Fuller is 5 months where it's not used – January-March – heavy subsidies, not tax payments. That gets back to the issue of why hasn't the private sector picked up on soccer fields – the cost of the land and the taxes associated with it. There has been an effort by at least one club that bought soccer field land way outside of town, and they've had a very difficult time. If you put the true cost of playing soccer into the cost of the registration to play, then you're going to basically put it into the same parameter as golf and then of course, the private sector will compete. Right now we've subsidized, and rightfully so, because the cost of land is very high and it's our mission as a public body and our charter as Parks & Recreation to subsidize for the greater masses. I'm very adamant about providing a range of activities for the whole community. I hope you're going to support subsidizing fully a skate park in Ann Arbor because there is a bona fide need for that as well, just as we're going to be subsidizing a number of activities such as the dog parks, but we're working in partnerships. Throwing numbers around and saying that this is too heavily subsidized or it's not worth it and we need to make efforts to close it down so we can use it for soccer or other athletic fields, I think sets it up for arguments we can make such as shutting down Fuller and turning that into something else. I don't think it's fair to pit one recreational activity against others. What is the cost per soccer player to maintain Fuller and if you included the price of the land, what is it at that point too, then maybe we can talk about why the private sector hasn't stepped up and tried to compete.

**S. Rosencrans** responded that he would support Tim's amendment; it's a much more appealing approach than the resolution as written. Speaking to soccer fields/playing fields the PROS plan

under Play Fields states on page J-13 of J-15: Soccer fields are located in City parks and on school play fields but the tremendous growth of soccer and other growing sports has placed high demands on existing facilities..... playing fields are one of the most pressing needs within the City as the current number of fields including the City and school fields does not come close to meeting the demand. It's not his intention to pit golf against soccer. He believes that the land at Huron Hills would be suitable for a myriad of activities and in fact looked at contour and water table maps because it had occurred to him that from the presentation of the skate park people, the area where the 8<sup>th</sup> and 10<sup>th</sup> tees and the 9<sup>th</sup> hole, would be an ideal location for the skate park. I think this facility could house a lot of the priority activities and if we are providing for the needs of golfers, which I do believe is important, then I think we should explore other uses for this land. One of the things that we discussed in our meetings is how to go about trying to meet the needs of beginning and senior golfers. We've thrown around some ideas and he would like the time, whether it's 1, 2, 3, 5 years, that we're exploring the uses at the Huron Hills site that we are also exploring how to meet the needs of senior and beginner golf in other ways.

**J. Lawter** responded to Tim's amendment by saying that reasonable people are struggling with trying to be careful with the investments on this course. It's a question of whether you should pay for it and he would say before discussion of the question of what is the subsidy for soccer, he would ask that someone come up with an answer and let them know. In terms of Fuller, it's gone fallow and it needs to be repaired and as part of the Millage mandate it's going to be repaired. Regarding Tim's amendment, some of the capital improvements, one in particular for \$500,000 everyone choked on it. We could not do it and it could break down, then we'd really be in trouble in terms of the irrigation or we could play cat and mouse with it like we're doing, there's not a perfect solution. We're concerned about the long term of this and we don't want to just throw money at it and if Tim's numbers are even close then I think that's worth making sure that that makes its statement. The term should reflect that we're not being irresponsible with what it's going to take to make this work. He would like to hear the exact wording before supporting Tim's amendment.

**L. Berauer** discussed the amendments to be made in the Resolution with the Commission, the language was discussed in depth and decided upon to read, replacing the bullet point – "The City should plan for the possible closing of Huron Hills Golf Course at the end of September, 2008 or September, 2009, or any time thereafter, and any expenditures the City makes until such time shall be evaluated for the financial impact if the course is closed on one of those dates."

**T. Berla** stated that Steve had mentioned soccer and they don't have any numbers. If the land value is used as part of the subsidy, that would have a much bigger impact on the golf courses. That land is worth a billion dollars. We're not selling, but if you're comparing apples to apples... Jayne said several years ago that they would try to turn it around but it's been 10 years that it's been going down.

*On a hand vote – 3 in favor and 6 opposed – Amendment Fails*

**L. Berauer** proposed wording for a friendly amendment – "The City should review the golf course operations on an annual basis to evaluate its ability to sustain itself as a Golf Course, assuming reasonable ongoing annual General Fund support with the goal of making a decision to maintain the golf course facility or identify an alternative use of the property at the end of three years."

**L. Berauer** If Council does approve going forward with this investment, the irrigation system investment will be designed with the flexibility of also using this irrigation for a different use if needed.

**L. Berauer** asked if the Commission agreed with her latest friendly amendment.

*On a voice vote – Motion Passed – Unanimous*

**J. Lawter** offered a friendly amendment adding an additional bullet point, "It is the Parks Advisory Commission's understanding that the General Fund surplus is sufficiently healthy to absorb the recommended financial support and that no other Parks operation or facility will be impacted by this decision."

**L. Berauer** asked if the Commission agreed on the amendment.

*On a voice vote – **Motion Passed** – Unanimous*

**J. Lawter** offered a friendly amendment adding an additional resolved clause, "Resolved, that the \$1.3 million debt charged to the Golf Enterprise Fund will be repaid by the General Fund Reserve."

L. Berauer asked if the Commission agreed on the amendment.

*On a voice vote – **Motion Passed** – Unanimous*

**L. Berauer** asked if the Commission agreed on the amended resolution.

*On a voice vote – **Motion Passed** – Unanimous*

## MEMORANDUM

**TO: Mayor and Council**

FROM: Parks Advisory Commission

DATE: January 22, 2007

SUBJECT: Resolution Regarding Golf Course Recommendations

The City's golf operations are conducted within the Golf Enterprise Fund, a fund that operates solely from fees collected from the golf course operations. Since the early 1990s, the fund has experienced mixed success due to a number of variables. Michigan's current recession has decreased the discretionary dollars that are available for golf and other recreational activities resulting in decreased numbers of golf rounds played at golf courses in Michigan, including Ann Arbor courses. Over the past decade the number of golf courses in the Ann Arbor area has continued to grow which has resulted in an ultra-competitive market. Finally, weather has a profound effect on golf operations and Southeast Michigan experienced above-average rainfall during the 2000 through 2004 golf seasons and has been a factor in decreased participation in the spring of 2007. Each lost day of golf activities at the golf courses results in up to \$12,000 in lost revenue.

Given the most recent history of the local, regional and national golf industry and the status of the City's Golf Fund, Golf Convergence, Inc. (GCI) was hired in July 2007 to evaluate the City golf operations, provide an overview of the current market, evaluate the City golf operations' future viability and profitability, and provide a recommended course of action for the golf properties by December 2007. A golf steering committee was charged with overseeing the consultant's work during this process. The committee included Stephen Rapundalo, representing City Council; John Lawter, representing the Parks Advisory Commission; Doug Davis, of Miles of Golf, representing the private golf industry; and City staff. Throughout the contract period, the consultant met with the Golf Course Steering Committee providing progress updates and to gain input from the committee.

Over the course of its contract, GCI held public meetings to gather input from citizens and golfers about Leslie Park and Huron Hills Golf Courses as well as completing a macroeconomic analysis of the golf industry and microeconomic analysis of golf in the Ann Arbor market. The consultant completed an operational assessment of both City courses, evaluating the course conditioning; capital, technology, and marketing investments; conducting a land use study; and financial analysis of both golf courses. As a result of this work, a business plan for Leslie Park and Huron Hills Golf Courses was presented to the Parks Advisory Commission and City Council in November and December 2007. The Parks Advisory Commission (PAC) committed to providing City Council with a recommendation on the golf courses based on the study and recommendations provided by CGI.

Since receiving this business plan, PAC created a Golf Task Force to review and discuss the report and the options for both courses. PAC and Task Force held numerous meetings to discuss the financial and operational implications associated with the future of the golf course operations as well as alternative options for use of the land, in particular the Huron Hills Golf Course property. PAC also conducted a public hearing on January 14<sup>th</sup> regarding the sales and service of alcohol (beer and wine) at Leslie Park Golf Course clubhouse.

#### Recommendations

The Parks Advisory Commission is making a number of significant recommendations on the future of the City's golf operations. PAC feels strongly that the golf courses need to be evaluated separately, not collectively, because the issues and associated implications are distinct to each golf course.

The recommendations from PAC are in the attached "2008 Parks Advisory Commission Golf Course Recommendations". A number of the recommendations need to be enacted by February 2008 in order to positively impact the 2008 season. The items requiring immediate action are noted in the recommendations.

Below we have identified the basis for the attached recommendations for each course.

#### Leslie Park Golf Course

The Parks Advisory Commission believes that Leslie Park Golf Course has the capacity to regain its competitive edge in the golf industry in southeast Michigan; however, short term assistance is needed to position the golf course for future self sustainability. Fundamental to the attached recommendations are the following:

- o Leslie Park should remain an 18-hole golf course that remains within the golf enterprise fund.
- o The City should provide Leslie Park with a significant financial boost for the 2008 golf season from the City's general fund reserve for needed capital investments, equipment purchases, and operational assistance.
- o The City should provide assistance to Leslie Park for the 2009 and 2010 golf seasons from the City's general fund reserve for operations.
- o The City should award the available liquor license to Leslie Park Golf Course. Our recommendation on this issue is based solely on what is best for the golf course. It is clear to us that providing for the sale of alcohol at a golf course is beneficial for Leslie to be competitive with other courses, an alcohol permit is essential.

#### Huron Hills Golf Course

PAC has considerable concerns about the sustainability of Huron Hills Golf Course, but the overall consensus of PAC is that the City needs to give the golf course an opportunity to see if it

can survive long term as an entry level golf course in the area.

To be able to appropriately assess the ability of Huron Hills to operate as a golf course, PAC feels that it is necessary for the City to provide Huron Hills with initial investments and some ongoing annual financial support. However, PAC recognizes that the following caveats need to be considered in providing this opportunity:

Ensuring that the necessary initial investments be made at Huron Hills. In other words, not over-investing, but providing the essential investments to truly give Huron Hills a chance to compete in the marketplace as a golf course.

Determining a reasonable period of time to evaluate the golf course's ability to survive.

Determining what is the reasonable level of ongoing general fund support to the golf course.

If Huron Hills is not successful as a golf course, determining the alternative uses for the property, how those alternative uses will be determined, and how the alternative uses will be funded.

Given this, PAC's recommendations for Huron Hills Golf Course are based on the following

- o Huron Hills should remain an 18-hole golf course at this time.
- o Huron Hills should be moved to the City's General Fund effective July 1, 2008.
- o The City should provide Huron Hills with a significant financial boost for the 2008 golf season from the City's general fund reserve for needed capital investments, equipment purchases and operational assistance, with acknowledgment of the following:
  - o The biggest single investment at Huron Hills is the replacement of the irrigation system. PAC is recommending that staff complete all of the due diligence associated with replacing the irrigation system during the spring and early summer of 2008, however, prior to recommending approval of the purchase that staff provide status reports to PAC to see if efforts initiated for the 2008 season are having a positive impact on the golf operation. Based on those status reports, PAC will make a recommendation to Council regarding moving forward with the purchase for installation in the fall of 2008. Additionally, PAC recommends that as part of the due diligence efforts, staff explore options in the design of the irrigation system that would allow for potential alternative future uses of the system.
  - o Given the age of the equipment at both courses, PAC feels the equipment investment, while substantial, is important to make. If Huron does not continue as a golf course, the equipment can be moved to Leslie as appropriate or sold, thereby recouping some, if not all, of the investments made.
  - o The City should allow up to a 3 year period of time to evaluate its ability to sustain itself as a golf course, assuming reasonable ongoing annual general fund support.
  - o That a process be undertaken beginning in 2008 to evaluate use options for the Huron Hills property in the event operating the property as a golf course is not successful.

Prepared by: Jayne Miller, Community Services Administrator

Attachments: 2008 Parks Advisory Commission Golf Course Recommendations

#### *GOLF COURSE RECOMMENDATIONS*

*Whereas, The City of Ann Arbor owns and operates the Huron Hills Golf Course and Leslie Park Golf Course;*

*Whereas, Michigan's recession has decreased discretionary dollars that are available for golf and other recreational activities;*

*Whereas, The large number of golf courses in Ann Arbor, and throughout Michigan, create a highly competitive market place;*

Whereas, Golf Convergence, Inc. was hired in July 2007 to evaluate the City golf operations, provide an overview of the current market, evaluate the City golf operations' future viability and profitability, and provide a recommended course of action for the golf properties by December 2007;

Whereas, Golf Convergence, Inc. developed a business plan for Leslie Park and Huron Hills Golf Courses that was presented to the Parks Advisory Commission and City Council in November and December 2007; and

Whereas, The Parks Advisory Commission has been charged with making recommendations on the future of the City's golf operations;

RESOLVED, That the Parks Advisory Commission feels strongly that the golf courses need to be evaluated separately, not collectively, because the issues and associated implications are distinct to each golf course;

RESOLVED, That the Parks Advisory Commission's recommendations for Leslie Park Golf Course are based on their belief that Leslie Park Golf Course has the capacity to regain its competitive edge in the golf industry in southeast Michigan, however, short term assistance is needed to position the golf course for future self sustainability and that as a result,

- It should remain an 18-hole golf course that remains within the golf enterprise fund
- The City should provide Leslie Park Golf Course with a significant financial boost for the 2008 golf season from the City's general fund reserve for needed capital investments, equipment purchases and operational assistance that the golf course will not be expected to repay
- The City should provide assistance to Leslie Park Golf Course for the 2009 and 2010 golf seasons from the City's general fund reserve for operations;

RESOLVED, That the Parks Advisory Commission's recommendation for Huron Hills Golf Course is that the City needs to give the golf course an opportunity to see if it can survive long term as an entry level golf course in the area, and as a result,

- It should remain an 18-hole golf course at this time
- Huron Hills Golf Course should be moved to the City's General Fund effective July 1, 2008
- The City should provide a significant financial boost for the 2008 golf season from the City's general fund reserve for needed capital investments, equipment purchases and operational assistance that the golf course will not be expected to repay, with the following caveats
  - Staff complete all of the due diligence, including exploring options in the design of the irrigation system that would allow for potential alternative future uses of the system; however, prior to approval of the purchase, status reports should be provided to PAC to see if efforts initiated for the 2008 season are having a positive impact on the golf operation. Based on those status reports, PAC will make a recommendation to Council regarding moving forward with the purchase for installation in the fall of 2008.
  - The City should review the golf course operations on an annual basis to evaluate its ability to sustain itself as a golf course, assuming reasonable ongoing annual general fund support, with the goal of making a final decision to maintain the golf course facility or identify an alternative use of the property at the



end of three years.

- o That a process be undertaken beginning in 2008 to evaluate use options for the Huron Hills property in the event operating the property as a golf course is not successful;

RESOLVED, It is the understanding of the Parks Advisory Commission that the General Fund surplus is sufficient to absorb the recommended financial support for golf. No other park operation or facility shall be financially impacted by this decision and neither Park General Funds nor Park Millage funds are to be used to implement these recommendations;

RESOLVED, That the \$1.3 million debt charged to the Golf Enterprise Fund will be repaid by General Fund Reserve; and

RESOLVED, That the Parks Advisory Commission recommend that Council approve the attached 2008 Parks Advisory Commission Golf Course Recommendations for Leslie Park Golf Course and Huron Hills Golf Course.

**B. Macomber** made the clarifying comment that the question keeps getting asked about what the cost of other activities on the property might be. It was decided, and the reason there is a bullet point that reads “that a process be undertaken in 2008 to evaluate use options for Huron Hills property in the event operating the property as a golf course is not successful”, it was decided that we couldn’t even begin to discuss or put numbers on alternative activities because without public input about what those alternative activities may be, it would be completely inappropriate to do that. The point of the bullet and recommending a public process be started is to just get a sense from the public of what alternative activities may be so that we can start running some numbers, and that’s not to say that any decision at any point would be based on finances, but it is a question that has kept coming up as to comparative expenses.

**T. Berla** questioned Steve and Christen about what happens if Council says they’re not going to pay for it out of the General Fund reserve, what happens next?

**S. Kunselman** said that what he would hope is that the Administration is going to put enough funding in to keep the golf course going at least for this next year and buy some time. It’s his understanding that the General Fund reserve is fairly comfortable. He does have a question because they’ve talked about General Fund subsidy, what is PAC’s comfort level on subsidies. It is apparently uncomfortable with \$4-\$10 subsidy per round of golf, but we may be subsidizing swimming, ice skating etc. He thinks there may be some biases against golf and cautioned that they have to be very impartial about what they’re calling a subsidy vs. what other activities they’re supporting. Huron Hills Golf Course has been in the City parks system since 1922 and while thinking that soccer and athletic fields are almighty because there’s growth there, there really isn’t. He’s talked with someone in Pittsfield Township and they just charge more for their fields and hence their fields are in much better shape and maybe we need to think about charging more. If that’s the kind of situation if we want our fields in good shape. He doesn’t want to do that because he wants to see them used – there needs to be a balance. If he had it his way we’d be providing a lot more recreational services because we have cut back in this community on more services than we provide today.

**L. Berauer** stated that it might be helpful for PAC as a whole to develop something that would allow them to make more reasonable comparisons in the future. Maybe it’s something the budget committee could help on.

**L. Berauer** moved, supported by S. Offen to consider the Resolution regarding award of liquor license to Leslie Park Golf Course.

**D. Barrett** questioned whether this needs to be specified as a beer and wine only, vs. alcohol. He offered a friendly amendment, “Resolved, That the Parks Advisory Commission recommends that City Council award the available Class C liquor license to Leslie Park Golf Course and this recommendation is based solely on what is best for the golf course to regain its competitive status in the local golf market.”

**L. Berauer** seconded and asked for a vote on the friendly amendment.

*On a voice vote – **Motion Passed** – Unanimous*

**J. Lawter** proposed an additional friendly amendment, “Whereas, Liquor is currently allowed in the Parks on a special permit basis”;

S. Offen seconded.

**L. Berauer** asked for a vote on the friendly amendment.

*On a voice vote – **Motion Passed** – Unanimous*

**RESOLUTION REGARDING AWARD OF LIQUOR LICENSE  
TO LESLIE PARK GOLF COURSE**

*Whereas, The City of Ann Arbor owns and operates the Huron Hills Golf Course and Leslie Park Golf Course;*

*Whereas, Michigan’s recession has decreased discretionary dollars that are available for golf and other recreational activities;*

*Whereas, The large number of golf courses in Ann Arbor, and throughout Michigan, create a highly competitive market place;*

Whereas, Golf Convergence, Inc. was hired in July 2007 to evaluate the City golf operations, provide an overview of the current market, evaluate the City golf operations’ future viability and profitability, and provide a recommended course of action for the golf properties by December 2007;

Whereas, Golf Convergence, Inc. developed a business plan for Leslie Park and Huron Hills Golf Courses that was presented to the Parks Advisory Commission and City Council in November and December 2007; and

Whereas, The Parks Advisory Commission has been charged with making recommendations on the future of the City’s golf operations, including the issuance of a liquor license for Leslie Park Golf Course;

Whereas, The Parks Advisory Commission’s recommendations for Leslie Park Golf Course are based on their belief that Leslie Park Golf Course has the capacity to regain its competitive edge in the golf industry in southeast Michigan;

Whereas, The Parks Advisory Commission recognizes that providing for the sale of alcohol at Leslie Park Golf Course is a key element for the golf course to be competitive and thereby regain and retain golf customers; and

Whereas, Consumption of alcohol is allowed in City parks, including the Leslie Park Golf Course, by special event permits to allow for the consumption of beer and wine in areas where such

consumption would otherwise be prohibited;

RESOLVED, That the Parks Advisory Commission recommends that City Council award the available Class C liquor license to Leslie Park Golf Course and this recommendation is based solely on what is best for the golf course to regain its competitive status in the local golf market.

**L. Berauer** asked for a vote on the amended resolution.

*On a voice vote – **Motion Passed** – Unanimous*

### **B-3** Park Security Pilot Program Report

**C. Smith** provided a brief overview of the park security pilot program and reviewed the report that was distributed in the packets. On investigation of a contract currently in place with the DDA and the City – there is no contract in place. Safety Services does provide downtown patrolling but it is not under contract and there is no additional service there on a regular basis. They are on foot because that's the most logical way for them to provide patrol, but there is not a contract.

The reports regarding updates on the Parks by Safety Services has focused on incidents by Park that they've tracked over FY 07-08 have not yet been developed as they are very short staffed. They will get it to PAC as soon as they can.

**G. Nystuen** asked who will be replacing Deputy Chief Greg O'Dell who has been the primary contact with Safety Services. Overall there is no safety crisis in the parks but she asked where the arrests for drunk and disorderly took place since typically they are in areas for trouble is expected anyway. It's important to know where they were so they can be evaluated. Parking needs to be separated out since they can no longer do parking. It should no longer be a cost. Community Standards is doing parking enforcement which depends on the timing.

**T. Berla** was under the impression that Council needs a recommendation from PAC. He would recommend that he's comfortable with the Police doing the job and he's uncomfortable with the idea that they would be paid for it, partly because he finds it hard to say that this work that they're doing is the work that they always did and were always supposed to do, and they have to do no matter what, and this is the work that they've added to them.

**L. Berauer** said he was correct and that it should have been done in September. It hasn't been done because they're waiting for more information. Apart from the fact that they're way overdue in having the needed information to be able to get back to Council with their point of view, her concern is that when it was approved as a pilot, it was very clear that nothing was going to come out of the Parks Millage, it was not clear thereafter. If it continues after the 3 month pilot, the source of funding remains the same. Let's have a resolution ready at the next meeting and not wait for this additional data.

**S. Kunselman** stated that as far as he knows the adopted budget did not provide for any transfer of money between the Parks Millage and Safety Services. They are supposed to be providing safety and security in our parks as they do anywhere in the City and if you want to give a recommendation, just say that we want them to continue to provide safety and security in our parks at no extra cost. There should not be any extra cost. He's sure they're in the budgeting process and doesn't know if they're expecting to resurrect the idea that was shot down last time.

**D. Barrett** asked if there has been any money set aside, not by the Parks, where is the money coming from for funding the extra hours. What we decide here is not altering that decision.

**C. Smith** responded that a 90 day pilot was originally set up that was July-September, PAC was to comment in October but they've been waiting for some information. Safety Services has

continued their service because it has gone into the winter season and they've reduced their workload. The intent was to buy service and not people so the hours can be used as needed, i.e. fewer hours are used during the summer when it's busy, but would very much like to have more hours per day. Safety Services is providing the additional hours in the parks from their General Fund budget.

**L. Berauer** moved, supported by, **S. Offen** to send the following safety and security services recommendation to Council.

#### RESOLUTION FOR SAFETY AND SECURITY SERVICES IN CITY PARKS

Whereas, PAC has looked at the public safety report for providing safety and security services in the City Parks,

Resolved, That PAC recommends that Council continue to direct Safety Services to provide safety and security in the City parks at no cost to the Parks General Fund budget or the Parks Millage budget through June 30, 2008.

*On a voice vote – **Motion Passed** – Unanimous*

**B. Macomber** stated she would like to have a discussion regarding what Park Rangers do/did and talk about whether that's something that should be put back into next fiscal year's budget.

**L. Berauer** stated that there is also a significant line item in the Park Millage budget that was set aside for security which will not be used if Council accepts the security resolution. She remembered that after finding out how much General Fund money was coming for Parks, they were very disappointed and felt that Council was not abiding by their original resolution and wrote a resolution protesting that. Council didn't agree to do it but some months down the line they agreed to split the difference and return half of what PAC thought was owed the Parks budget from the General Fund. That's what she thought was earmarked for the athletic fields.

**S. Kunselman** recalls that with the budgeting process that money is no longer available. It got moved to athletic field repair at Fuller. Council action took place that did not involve a PAC recommendation. He believes it derived from Councilmember Johnson's proposal. There was some activity on Council that addressed the need to repair the athletic fields at Fuller.

**G. Nyusten** didn't remember shifting \$200,000 to something else. There was \$200,000 of Millage money that was unallocated.

**C. Smith** will provide a copy of the Fund 71 allocation and that will clarify. She did not bring it to this meeting but will email to PAC members tonight.

#### **B-4 Gift Policy**

**T. Berla** moved, supported by, **B. Macomber** to consider the Gift Policy draft.

**T. Berla** provided an overview of the Gift Policy draft. There was no real policy in place with respect to memorials and how much to charge. It was decided that there should be a policy in place so that a staff member didn't have to make all of the decisions without a policy in place. Tim suggested that when a gift is given the focus shouldn't be on the gift but rather to the benefit of the parks. The cost of the memorial, including maintenance, should be covered by the amount donated. Catherine Rising also served on the task force and had a different point of view.

**C. Smith** explained that there is a need to find a way that donors can be contacted if the plaque or bench becomes dated and worn and the opportunity to be given to update these gifts. The proposed policy offers a number of opportunities in addition to plaques that would be suitable for many different types of gifts and doesn't necessarily have to be next to the item.

**L. Berauer** stated the criteria and someone to determine who can donate the plaque and/or gift should be in place. policy is very vague.

**J. Dehring** explained to the Commission the types and forms of recognition and how the recognitions are done.

**B. Macomber** suggested there be a chart of reference explaining gifts and sponsorship as well as the costs so the public will understand exactly what is to be expected.

**C. Smith** stated that Bob Johnson had expressed a concern about the number of benches that are currently placed in Gallup Park. It's a particularly popular place for people to gift. Other communities have come up with a list of items that are no longer accepted in particular park areas. Ideally we would prefer to find other ways to memorialize rather than having a plaque on a particular item unless there was a special situation.

**L. Berauer** questioned page 3, section 4.8 about on-site recognition for memorial gifts not permitted, however the points above seem to imply that on-site recognition can be given for other gifts. Why is that an option for non-memorial gifts but not an option for memorial gifts? It seems odd to make a differentiation based on whether or not it's a memorial. In that same section in 4.2 "in recognition of a gift, preference will be given to providing a form of recognition that is not displayed within the parks". She supported it as a preference but felt that the policy should say who's going to determine that and on what criteria. She's worried that it creates more problems that it solves.

**T. Berla** thought that the criteria was left deliberately vague and left it to the Parks Manager who can refer it to PAC if desired. He felt that if the public was not happy with the answer it would eventually go to PAC for a decision. He stated that his recall is that when it was discussed, there were some park systems that had a park where there were memorial gifts and all of the gifts in the system went to that particular park. Comments have been received that some people don't like seeing all of the plaques in the park. There were so many signs of who gave money that it was felt to be inappropriate for the park.

**S. Kunselman** stated that there's an effort to build a skate park and the skate park organization is doing some fund raising for construction. How does this relate? Is there an example of someone giving \$ toward the construction of a facility as opposed to a bench or tree?

**C. Smith** said it may be that we would consider that to be a gift if it's from a number of givers, it may be that we have a substantial sponsorship from the private sector that we would want to name it after that particular sponsor. There are a couple of different ways that type of situation could go if there are many individuals who are giving.

**J Dehring** clarified by explaining that the task force worked through various versions. Section 4.8 should be eliminated from the draft that PAC is currently working off of. The policy then goes on to tell how various types of recognition were identified. Section 4.2 says that the preference is that we don't give actual recognitions in the parks but there are forms of recognition we will accept. Any level of giving would be gratefully received and acknowledged. Sponsorship is a whole different area and policy. A list of different amenities that could be purchased and the \$ range is being drafted. The gift policy is still a draft and still a work in progress but it's more definitive and gives more detail and responsibilities. Staff wants the gift policy to become an administrative policy.

**L. Berauer** was concerned that it may create more problems than it solves because it's so vague and people will want to know on what criteria decisions are made. She would like something that's stronger than can be used to point to rationalize the decision.

**B. Macomber** thought this was very confusing and there's a lot about what can't be done and the ifs, ands, etc. It might be helpful to have a one page summary with a grid with tiers that gives examples of gifts, who makes the decision, here's what kind of recognition is available. That could be more user friendly. She thought at one point this could be used as an extension of the discussion of raising revenue for parks as well through gifts and sponsorships.

**C. Smith** clarified that a gift is something that is given with no expectation of Parks giving back. A sponsorship is given with some expectation that the giver will get something back i.e. visibility before Parks patrons. They are two very different concepts and a sponsorship policy will be brought forward at another time.

She will work with staff to develop a chart/quick reference that will help work through the policy more easily.

**S. Offen** agreed that a chart made a lot of sense and wants to be sure that there's still an opportunity for small amount gifts to get some sort of recognition even though it may not be in a park. Is there a naming policy or is this something that's coming up? He suggested that perhaps parks stewards could suggest locations for benches etc.

**C. Smith** stated that there is currently a naming policy adopted by PAC that's from the 60s, 70s or 80s that's in the process of being updated. It was discussed at a LAC work session in the past few weeks. It would more fully address the parcel, park or large facility. PAC needs to approve or amend the gift policy so staff can move forward with a campaign to invite gifts and begin receiving gifts that will support the Parks system. Staff will come back next month with a grid and additional information so hopefully final discussion can take place.

**T. Berla** suggested that every gift be recognized in ways that don't include an object and if a recognition object is desired, that is by definition a sponsorship. That might not be possible because it might have tax consequences. Because sponsorship and gifts are related, it might be easier to consider the two together, whether there in the same policy or not.

**G. Nystuen** inquired when an updated spreadsheet of budget actuals for the first half of the year will be available regarding the recreational facilities, and Park Operations. Some money needs to be allocated for studying and experimenting with innovations that can reduce expenses.

**B. Macomber** believes there is still \$250,000 of Millage that as far as PAC knows remains unallocated. This could be discussed at the next meeting as well as Gwen's suggestion above.

**L. Berauer** is hoping that they can soon receive some information in a form that the budget committee has recommended.

**C. Smith** stated Damon Thompson is working on the draft regarding the budget and due to being short staffed this report is forthcoming.

**T. Berla** RAC updates. Ball field lighting was estimated by Rob Millett at \$9,000 for the entire year. Rec & Ed received an invoice for substantially more than that. This also needs to be discussed at the next meeting since obviously there is some confusion about the issue. Also, there is an upcoming event called Tour de Kids involving little kids from 3-12 years old having a race on their trikes on Father's Day.

## **C - NEW BUSINESS**

## **D - COMMISSION PROPOSED BUSINESS**

D-1 Athletic Field Lighting

## **E - REPORT FROM PARKS AND RECREATION MANAGER**

## **F - REPORT FROM MANAGER OF FIELD OPERATIONS**

## **G - REPORT FROM RECREATION ADVISORY COMMISSION**

## **H - REPORTS FROM RELEVANT COMMISSIONS, COMMITTEES, BOARDS AND/OR TASK FORCES**

## **I - PUBLIC COMMENTARY – GENERAL** (3 Minutes per Speaker)

**Karen Sydney** cautioned PAC to be very careful in when comparing subsidies - apples to apples – since they're probably not. She believes that when you take the golf fund they're using everything that's in the audit which has a lot of overhead and probably when the rec facility fund is used, there is a separate cost center that she would consider to just be the direct costs of operating the rec facilities. If Vets Park were closed, the cost of staffing, pool supplies etc would go away but there would still be the costs of maintaining and plowing the parking lot, mowing and administrative overhead. The new Parks Millage budget contains \$270,000 in a contingency, \$250,000 of which she believes to be Police, according to FOIA information she received. She thinks that budget is over \$200,000 more than the Council budget resolution and she was concerned that the increase to the General Fund got posted over there. Gwen suggested cost savings and last summer Karen noticed that there could be more efficiency in some areas.

**Bill Newcomb** is an Ann Arbor resident and golfer who believes tonight's discussion is the best PAC has ever had and the only discussion on record tackling some of the issues. The big issue is what is a fair and reasonable subsidy, and what is a subsidy. He's compelled to say that PAC shouldn't panic because if you don't put in all of the additional costs that make the golf course lose money, the golf courses actually put \$88,000 into the General Fund for use. Those costs are not going to go away, that will make it several hundred thousand dollars under the line because the cost allocation of City services etc. will not go away. In order to finalize the points of the \$ and get to the issues that everyone is concerned about, the golfers don't want to be viewed as leading a dead horse, in order to accurately get to the numbers. A golf committee is absolutely essential to the future operation of the golf courses. Golfers ask that every effort possible be made to have a citizen's golf committee to answer to PAC and have input. They believe the whole report that assumptions and questions are based on is a suspect report. They don't think the irrigation system today is in chaos or is going to break down now, it may over years. A lot of the \$600,000 maintenance figure includes a lot of the golf course's constant updating, i.e. fertilizer, seed etc. There a lot of capital improvements that take place on a daily basis on a golf course.

**Jane Lumm** complimented Bill Newcomb on his credibility as well as several others in the community who consult with other private and public golf businesses, who are coaches etc. There are many in the community who care and are willing to volunteer in monitoring and evaluating in going forward on a vigorous basis. As Councilmember Kunselman said it's been here since 1922, let's make it continue to be successful. One other thing he said was that our charter or mission is to provide recreation for the masses. This whole conversation of comparing, sinking significant sums of money into Leslie, why it's profitable, it generates money, perhaps an irrigation system at Huron Hills, and 8 months from today we're going to have conversations about alternative uses, bothers her because in none of the meetings has there been one mention

of the comments that have been submitted to the City's web page. There are 32 pages of citizen comments and it troubles her that the season pass holders were never included in the survey. The consultant said that was because they didn't know who those people were. The consultant was to contact the schools; coaches etc but that didn't happen either. We're already talking about having a wider community conversation and with this sport we didn't have a conversation with the actual users. She believes we need to double back and do a better job. In terms of providing services for the masses, it was also stated that there are 17 alternatives within a 25 mile radius to provide services comparable to Huron Hills. The same could certainly be said of Leslie Park and then some. People aren't building courses for beginners, and no courses have been built locally within the last 5-7 years. There are alternatives for Leslie just as there are for Huron Hills. Those are the high end alternatives for the high end golfers. We're saying that if you're at the low end, you have to seek out those alternatives – sorry. The mission should be to provide these kinds of services for the masses just like we do for all other rec programs and facilities and there's not one rec facility in the City that generates close to \$900,000 per year as the golf courses do. Some of the numbers just trouble her. She's only referenced the City's audited numbers and has read every audit for 15 years but in terms of the most recent numbers, Huron Hills has lost money on a cash basis for the last 2 years alone.

In '06 \$48,000 on a cash basis, in '05 \$8,000 on a cash basis, in '04 made \$61,000, in '03 made \$125k. When we talk about potentially having a Millage for \$48,000, as a community/city we've been boasting that we can build a new City Hall for \$65 million without a Millage, and we did just increase the Parks Millage by 20% last year, so citizens have stepped up and supported that. I'm glad Councilmember Kunselman floated the question of "what is your comfort level of subsidy?" I served on PAC, was a Councilmember, and always the metric that we used was that we didn't apply this to any other rec program, that golf needed to be 90+% self-support. No other rec program because golf is the most financially viable of our rec programs and that needs to be valued, particularly if you're looking at this as a bottom line proposition. Two years ago in January 06 PAC received the Golf Fund 47 report that included a breakout for 10 years of number of rounds played at Leslie Park and Huron Hills. She thinks these conversations give the public that Leslie Park is loaded and no one is playing at Huron Hills. As of 2 years ago, the number of rounds played were virtually identical at both and in some years Huron Hills had more than Leslie Park. Over the last 2 years, the pump died in '06 and was replaced last year, the grass was yellow, the pile drivers for the sidewalk improvements went on for 9 months, houses shook during that time, the bridge construction etc. There are various contributing factors. To make this work a golf advisory committee is a wonderful idea.

**L. Berauer** stated that the pages of web comments have been read by everyone and not ignored.

**Glenn Thompson** believes that some decisions have been made on inaccurate, misleading, or false economic information. He believes that some PAC members should be ashamed of themselves and their decisions because this seems to have become the committee to disassemble the recreational programs of the City of Ann Arbor. Golf is not the most subsidized and hopes that all will be looked at and dismantled if that's your intent. He believes that PAC is hiding. It's impossible to find PAC on the web. there is no direct link to PAC, no way to email, no way to find the agenda, and with a great deal of searching the only agenda is the December one, that was as of yesterday. He challenged PAC to get the agenda out there, let people come to them with appropriate information, make decisions on that basis.

**L. Berauer** commented that the agenda should be posted to the web when they're sent to PAC members. She's not sure why that didn't happen this time, she's not sure if that's routinely happening.

**T. Berla** said that there should be a link to email PAC members and agenda should be published



before the meeting. PAC members will look into the problem; it's absolutely not right for that to happen.

**J - CLOSED SESSION TO DEAL WITH LAND ACQUISITION ISSUES** (If Applicable)

**L. Berauer** moved, supported by **S. Offen** to go into closed session.

*Approved by a Roll Call vote – **Motion Passed** – Unanimous*

*The Commission went into closed session at 6:40 p.m.*

The commission met in closed session to discuss land acquisition issues.

**T. Berla** moved, supported by **J. Lawter** to move out of closed session.

*On a voice vote – **Motion Passed** – Unanimous*

There being no further business to come before the Commission, **D. Barrett** moved, supported by **T. Berla** that the meeting be adjourned. The regular meeting was adjourned at 6:55 p.m.

Prepared by,  
Jayne Miller  
Community Services Administrator