

## MEMORANDUM

TO: Park Advisory Commission

FROM: Colin Smith, Parks & Recreation Services Manager

DATE: January 23, 2018

SUBJECT: Resolution Recommending Approval of Fiscal Year 2019 Fee Adjustments for Parks & Recreation Services for Argo and Gallup Liveries

Attached for your consideration and approval is a resolution recommending fee adjustments to the Argo and Gallup boat rental prices, to be effective April 14<sup>th</sup>, 2018.

Staff recommend increasing boat rental fees in the form of a user surcharge with collected revenue dedicated to the maintenance of Argo and Geddes dams. Boats with one person shall have a \$1 surcharge, boats with two people shall have a \$2 surcharge, and rafts shall have a \$4 surcharge. The recently approved boathouse lease with Ann Arbor Rowing Club allocated a portion of their annual rent toward dam maintenance needs.

The City's Capital Improvement Plan identifies capital maintenance work needed at Argo and Geddes dams in Fiscal Year 2020 with a cost estimate of \$1,100,000.00. User surcharges will help to offset the cost of the project, and provide funding for future recreational dam expenses.

Argo and Geddes recreational dams create the Argo Pond and Gallup Park and Pond. These locations provide the opportunity for visitors to go on pond paddles, learn basic canoeing and kayak skills, try stand up paddle boarding, take pedal boat trips, and row sculls. Revenues in the amount of approximately \$1,050,000.00 per year are generated through boating activities at the Argo and Gallup Liveries.

The surcharges will bring in approximately \$70,000.00 per year, based on calendar year 2017 boat rental activity. This revenue will be set aside in the Parks Memorials and Contributions Fund for the purpose of funding dam maintenance repair costs at Argo and Geddes dams.

Attached you will find comparative fee data. With the addition of a user surcharge the boat rental fees remain competitive and more affordable than a number of vendors.

RESOLUTION RECOMMENDING APPROVAL OF FISCAL YEAR 2019 FEE  
ADJUSTMENTS FOR PARKS & RECREATION SERVICES FOR ARGO AND GALLUP  
LIVERIES

Whereas, Argo and Geddes dams have upcoming capital maintenance work and will have additional maintenance costs into the future;

Whereas, A user surcharge for the purpose of maintenance needs for the recreational dams could generate \$70,000.00 annually;

Whereas, Revenue generated from a user surcharge would be deposited in the Park Memorials and Contribution Fund for the specific purpose of funding recreational dam repairs;

Whereas, Comparative fee data show the proposed increased fees to be competitive;  
and

Whereas, The Parks Advisory Commission recommends that the Mayor and City Council approve the proposed fees.

RESOLVED, That PAC recommends fees for Parks and Recreation Services be adjusted according to the attached schedule;

RESOLVED, That PAC recommends the attached fee schedule become effective according to the dates in the attached schedule; and

RESOLVED, That PAC recommends revenue generated from the user surcharge be deposited in the Parks Memorials and Contributions Fund for maintenance expenditures for Argo and Geddes dams