

CITY OF APPLE VALLEY
PARKS AND RECREATION ADVISORY COMMITTEE
January 7, 2010

Minutes of the January 7, 2010 Apple Valley Parks and Recreation Advisory Committee.

PRESENT: Parks and Recreation Advisory Committee Chair Russ DeFauw, Committee Members Cindy Hart, Matthew Mittelsteadt, Tina Rankin, Darrell Retka, Lee Strom and Patrick Sullivan; Park Maintenance Superintendent Tom Adamini; Recreation Superintendent Scott Breuer; Valleywood Manager Jim Zinck; Arena Manager Gary Pietig; Department Assistant Dorene Perkins Monn; Finance Director Ron Hedberg; City Planner Tom Lovelace; and Clearwire Representatives Steven Kenny, Julio Hernandez and Joveth Manese.

ABSENT: None

Welcome new Committee member Matthew Mittelsteadt as Youth Representative.

ITEM #1. Committee Chair DeFauw called the meeting to order at 7:00 p.m.

ITEM #2. Approval of Agenda

MOTION: by Lee Strom, seconded by Darrell Retka to approve the agenda as presented.

VOTE: Yes – 7, No – 0

ITEM #3. Audience – 10 Minutes Total Time Limit – For Items Not on the Agenda

Chair DeFauw asked if anyone was present to address the Parks & Recreation Advisory Committee at this time on any items not on the meeting agenda. No one requested to speak.

ITEM 4. Approval of the Minutes for September 2009

MOTION: by Lee Strom, seconded by Patrick Sullivan to approve the September, 2009 meeting minutes as presented.

VOTE: Yes – 7, No – 0

ITEM 5.A. Agenda Items –Valleywood Year End Summary and 2010 Fee Proposal

Valleywood Manager Jim Zinck presented the 2009 Valleywood Year End Summary. 2009 was a record year for golf operations. showing an increase in revenue of approximately \$33,000. Much of the increase is from the food and beverage service. However, it is increasingly difficult to see increases of the past. Mr. Zinck outlined Valleywood's plan to continue to expand the promotional

reach with improved website presence, public access television and e-mail promotions, community outreach, and target on-course promotions. All revenue has been posted, but there are outstanding budgetary expenditures for 2009 before final numbers will be available.

Staff reports the number of golf rounds have continued to climb over the last five years. There has been discussion as to the right number of rounds for the course and staff believes that would be about 35,000. More than that and it gets difficult to maintain course conditions the public requires.

60 of the 77 season passes held in 2009 were residents. There was a small increase in Jr. season passes when non-resident students from Apple Valley schools were allowed to purchase resident passes (as part of the golf team). Valleywood continues to be a daily access course.

Overall revenues during the last five years have continued to increase. The large increases of 2007 and 2008 were due to major operation changes. Staff is proposing a few minor changes for 2010. The proposed fee increases to the 9-hole rate are to encourage play of 18-hole rounds.

Going forward, Valleywood is looking at a new reservation system to save costs and provide better service, also resetting of the inventory system to work with the Finance Department's system for more consistent tracking. Major strides have been made in the food and beverage area over the last years by implementing specials, bringing in other products, and expanding beer/liquor operations, but staff believes room for continued growth is fairly minimal.

From what staff is hearing from other area courses it's a difficult economy and golf operations have been fairly flat. Staff is very encouraged with Valleywood's progress.

Chair DeFauw asked for clarification of Valleywood's accounting practice. Finance Director Hedberg reviewed the different accounting changes that take place on the reports during the yearly process; accruals for invoices that come in after the end of the year, corrections to depreciation from projections done at the beginning of the year to actual at the end of the year, major purchases such as a large mower at \$55,000 that was coded as an operating lease and changed to a capital lease after the audit, inventory adjustments and insurance allocations.

Accounting methods are cash basis, accrual and modified accrual. Cash basis is recorded as expenditures are made or receipts are received. Accrual basis is reported as the financial effect when incurred or earned, not based on cash flow. Government also has modified accrual which reflects current financial resources.

Modified accrual is used for government funds, of which Valleywood is not, but also used for budgetary purposes in enterprise funds. The City's budgeting is done on a modified accrual basis. Monthly reports are done on a cash basis. Modified accrual and accrual are done at the end of the year.

Director Hedberg reviewed some of the changes he is proposing for more up-to-date/accurate reporting; such as, an electronic purchase order system, computerization of fixed asset records, and budgeting on full accrual for enterprise funds.

Chair DeFauw, speaking for the Committee, would like to see Valleywood on a full accrual accounting basis, to be accurately judged. A more recognizable accounting system would be like a privately owned business.

MOTION: by Cindy Hart, seconded by Tina Rankin, recommending approval of the 2010 Valleywood Golf Course Fee Schedule as presented.

VOTE: Yes – 7, No – 0

Mr. Zinck credited Assistant Golf Course Manager Matthew Bilek, Maintenance Foremen Scott Lockling and Ken (Lou) Ott, and the seasonal staff at Valleywood for their good work.

ITEM 5.B. Agenda Items –Valleywood Clubhouse Facility Report

Committee reviewed the Valleywood Facility Report Summary, as well as options for a new building vs. rectifying problems of the existing building. Water/mold issues and wall shift have been checked by professionals. They were found to be non-hazardous, but will continue to get worse without remediation. The architectural report by CNH Architects and engineering inspection report by Braun Intertec were included in the agenda packet.

The Committee reviewed improvement Options 1A through 3B with associated costs. Mr. Zinck stated that whether they stay in the current building facility or the City decides to build a new clubhouse, staff's job doesn't change. It's to maximize revenue, do it at the lowest cost possible, keep the public happy, and be in front of the Committee to tell them Valleywood made a little money.

Committee Member Sullivan asked if when they built Valleywood clubhouse it was meant to be permanent. Mr. Zinck responded that he would be surprised if when they built the clubhouse they would expect it to be here thirty years later.

Committee Member Hart asked if staff has any idea how many tournaments Valleywood doesn't have, because of the facility. Mr. Zinck noted that staff has pursued a niche with the smaller company outings of thirty to sixty players. A big event is almost a non-starter for Valleywood. Every year groups come out, look at the facility, then decide against it. Valleywood has one major tournament a year, the Chamber of Commerce outing, and they've chosen Valleywood for a number of reasons.

Committee Member Hart asked how many more could you get (with a new facility)? Mr. Zinck stated that Valleywood would still need to keep that balance as a public access and community golf course. They would not want to be so aggressive as to book three or four tournaments a week that they no longer have public access. The other issue, it's not just the forty player to 100 player, it's typical that the forty player outing is on a much different budget per player than the 100 player outing. The enhanced value is challenged.

Committee Member Hart asked how the weekends would look with bigger outings. Mr. Zinck responded that it would be incumbent on staff to balance. They may lose some of the smaller

outings. With the banquet seating, staff wouldn't look at just golf outings. They would look at meetings, luncheons, etc. A vast majority of tournaments are held weekdays.

Mr. Zinck also stated that it would change the operation somewhat, but would not change the ultimate mission of being accessible to the public, a good value to the residents, and in front of the Committee each year telling them that the Course made a little bit of money.

Committee Member Retka asked Mr. Zinck when he has to balance accessibility, the bottom line, and have City management feel good about the golf operation, which of the proposals he liked. Mr. Zinck responded that with a 250 seat capacity, golf almost becomes secondary. It's much larger than needed, though if that's what is decided, staff will quickly educate themselves and do everything needed to make it profitable. From an operational standpoint, he feels that the Course needs about 50% more than they currently have; a facility that can accommodate 80 to 100 in the general area with additional patio seating, and a basement for cart storage.

Committee Member Mittelstadt questioned the importance of basement storage. Mr. Zinck responded that there has been discussion of electric carts. The Course would need storage, if not underground, then some sort of pole barn or tent structure where the carts could be charged. It would be less expensive to have a separate building for cart storage, but not as aesthetically pleasing.

Another consideration noted was the need for additional parking for a 250 seat capacity facility.

Committee Member Strom asked where would the City look for that type of money? Director Hedberg stated that the City can issue debt on the facility. The problem is how do you pay for it. A facility of \$5 million would have \$400,000 per year debt service. On top of the incremental operations, you will be in the banquet business.

Director Hedberg's spoke from experience with the City of Cottage Grove with a similar facility built in 2000. The building was financed with general obligation funds. Once the bonds are paid off, they can look at paying off the debt service. They're still ten years away from that. They are full every Friday and Saturday with events. It's the weekdays that can't support it. Over the last eight years they've lost over \$1 million just on the clubhouse operations. Support will need to come from somewhere, if not from the golf side, then somewhere else. The operational cost is really the piece we need to add to this.

Committee Member Rankin stated that there has been discussion as to the facility size. Most of the golf events are held in the summer when they can open the outside seating. She would be interested in seeing an 80 to 100 seat capacity facility that would include the deck seating.

Mr. Zinck stated that his focus is on golf operations and whatever we do, we need to enhance our golf operations. You can't ignore the fact that this is a nice community asset. There is something to be said for investing in that asset.

Committee Member Strom said that as the City looks at this going forward, it's in the golf business. They can look at outside vendors to run a food business potentially.

Mr. Zinck noted that in a general sense, a clarity of what we're doing and what the building is intended to do, moving forward is important.

Chair DeFauw stated that personally he is not in favor of getting heavily into the banquet business. He strongly favors a sharply focused functional golf clubhouse, one built to last, preferably with a basement for cart storage. He would not be in favor of looking at a large banquet facility and believes that would be a mission overreach. He also stated, that should we have City Council support, it's hard to imagine with the current economy there will be a better time to build something than right now.

Chair DeFauw suggested that it would be worthwhile to get a quick design and cost estimate for an 80 to 100 seat capacity facility to add to the mix. He suggested that doing nothing is also an option. Committee Member Retka noted that the engineering report states that repairs to the foundation should be made immediately. Chair DeFauw said there is nothing legally that has to be done. He doesn't think it's a good option, but if they can't convince City Council to support some kind of improvement, (it is an option).

Committee Member Rankin asked to see a smaller floor plan to be presented at the March meeting. Valleywood has three years of being profitable and staff has done their homework to help the Committee prepare to solve the clubhouse issue. She thinks it's time to try again. She believes they will have greater success with a modest new building whose purpose is a clubhouse, not a banquet facility. She doesn't want to get into competing with the private sector, it's not what Valleywood is about or wants to be; a functional clubhouse that is more modest, that supports the golf course and allows means of decent revenue going forward, self supporting and makes a profit.

Committee Member Strom noted that the decisions the City makes today will be addressed a long time from now. We need to be clear on the strategy of what the golf course wants to do. If Valleywood is going after the 100 person tournament, a clubhouse that will serve a 100 person tournament or if we're after a 160 person tournament we need a clubhouse to serve 160 person tournament. It's a big piece of the solution, can't look just at the structure itself, but be clear on what the strategy is long term for the golf course.

ITEM 5.C. Agenda Items –Clearwire Antenna Proposal for Wildwood, Hayes, and Galaxie Parks

City Planner Tom Lovelace is coordinating the project for Apple Valley. There is recommendation to the City for a master antennae plan by Clearwire that involves antennae locations at Longridge, Nordic, Quarry Point and Valleywood water reservoirs, co-locating on a pole next to Palomino reservoir, and also Merchant Bank building. Included in the request are four stand alone mono poles, three of them in parks: 90 ft. pole in Galaxie Park, 90 ft. pole in Hayes Park, 145 ft. pole in Wildwood Park, and a 90 ft pole at Christ Church.

The pole at Galaxie would be placed in the skating rink standard, similar to that placed by another company at Hagemeister where they co-located hockey rink lighting on the pole. The company also needs a 200 sq. ft. pad to house their equipment and a fall zone for the poles. For a point of

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reference, there are three towers currently in Apple Valley: 100 ft. pole at Apple Valley High School, 125 ft. pole at Central Maintenance Facility, and 90 ft. pole at River Valley Church.

Current City code allows mono poles to be placed in institutional land as a conditional use. Public parks are selected because of the amount of land available.

Prior to Clearwire submitting an application for a conditional use permit, which would require a public hearing, they've been asked to present their proposal to the Parks and Recreation Advisory Committee and Telecommunications Advisory Committee. After review by the Committees, the request will be forwarded on to the Planning Commission where a public hearing will be held. It will then be forwarded on City Council for final decision.

Clearwire representative Steven Kenny gave background on Clearwire and their proposal for the three Apple Valley parks. Clearwire's is a public company on the stock exchange licensed to cover the area. Their technology is based on line-of-sight, they have to get over the trees. Clearwire is part of Sprint and they will be enhancing the data portion of Sprint's service.

Clearwire representative Julio Hernandez stated that their eventual target for the city is 90% coverage with a dual network system. They may come back with additional site requests, but for the meantime, this would be approximately 70% coverage.

City Planner Lovelace reported that Hagemeister tower was the early tower installed and there were concerns prior to its installation, since then, staff is not aware of any comments or concerns from the public regarding the towers.

MOTION: by Darrell Retka, seconded by Lee Strom. It is the recommendation of the Parks and Recreation Advisory Committee to allow Clearwire to move forward with their application. The Committee requests the right to revisit with City Council and asks for the rental money for the locations to be accrued back to the Park Dedication Fund.

DISCUSSION: Committee Member Retka suggested that some of the Committee members attend the public hearing.

VOTE: Yes – 7, No – 0

ITEM 5.D. Agenda Items – Sports Arena and Hayes Park Arena Fees

Arena Manager Gary Pietig presented the 2010 – 2011 proposed ice rental rates for Committee review. Staff recommends increasing the prime rate \$10/hour and adjusting the 9:45 p.m. to 10:45 p.m. rate to attract adult leagues.

Prime Time 6:00 a.m. to 9:30 p.m. at \$190/hour
Non-Prime Time 9:45 p.m. to 10:45 p.m. at \$170/hour

Non-Prime Time 10:45 p.m. to 6:00 a.m. at \$140/hour

MOTION: by Tina Rankin, seconded by Patrick Sullivan recommending City Council approval of the Sports Arena and Hayes Park Arena 2010 – 2011 fees as presented.

VOTE: Yes – 7, No – 0

ITEM 5.E. Agenda Items – Kelley Park Potential Expansion

Property on the east and west ends of Kelley Park is back in the hands of the lender. City Council is seeking recommendation on purchase of the additional available land for expansion of the park. Conceptual plans were included in the agenda packet. For purposes of this meeting, Staff is looking for a recommendation to proceed, the cost negotiation for purchase will be a City Council decision.

Committee Member Rankin stated that it is highly desirable to acquire all three parcels to bring the park to the street, the extra square footage to the park will better accommodate park events.

Committee Member Retka has been surprised by how popular the park has been. He is all for it if the City can get the land.

Committee Member Strom cautioned as to where the money is going to come from. If there will be four-story condos surrounding this, does it remain a community park or does it become a neighborhood park? Does the Committee want to use money to develop what are now sand pits and put another of these (parks) somewhere else? The money is not unlimited and looking long-term the City has to know where to spend it.

Chair DeFauw noted that he doesn't see a lot of new parks in the future and it's his understanding that Galaxie Avenue will be no more than two-story building.

MOTION: by Tina Rankin, seconded by Cindy Hart recommending City Council look into acquiring the additional available land by Kelley Park.

VOTE: Yes – 6, No – 0 Abstain – 1 (Strom)

ITEM 6.A. Other – Chairperson Russ DeFauw Honored with *Board and Commission Award* by Minnesota Recreation and Park Association

Recreation Superintendent Scott Breuer announced the award of the *Board and Commission Award* by Minnesota Recreation and Park Association to Russ DeFauw. This award recognizes Chair DeFauw's participation on the Parks and Recreation Advisory Committee, contributing towards setting public policies, and advocacy for parks and recreation in the community. Official

presentation of the award to be held January 14, 2010 at Silverwood Park Visitor Center in New Brighton.

ITEM 6.B. Other – Apple Valley Parks and Recreation Honored with *Working With Experience Award* by Dakota County Living Longer and Stronger Partnership

Recreation Superintendent Breuer presented the trophy for the *Working With Experience Award* received by the Apple Valley Parks and Recreation Department for their recruiting, training and managing a positive multi-generational workforce. Formal presentation was held December 4th at the Dakota-Scott Workforce Investment Board's award luncheon at the Burnsville Performing Arts Center

ITEM 6.C. Other – Mid-Winter Fest Reminder

Recreation Superintendent Breuer invited the Committee and members of the public to participate in the activities of the annual Mid-Winter Fest celebration February 6 – 7, 2010.

ITEM 6.D. Other – Winter Brochure

The Parks and Recreation Winter Brochure was sent to residents approximately a month ago. Pick up sites include Apple Valley Community Center, City Hall, and Galaxie Library. The City Newsletter is on the reverse side.

ITEM 6.E. Other – Next Meeting Date

Next Parks and Recreation Advisory Committee scheduled for Thursday, March 4, 2010.

ITEM 7. Adjourn

There being no further business, the Parks and Recreation Advisory Committee meeting was adjourned.

MOTION: by Tina Rankin, seconded by Darrell Retka to adjourn the meeting at 9:40 p.m.

VOTE: Yes – 7, No – 0