

# Meeting Minutes

## City Council Quality of Life Subcommittee Meeting

April 10, 2023 | 2:00 p.m.

City Hall 5<sup>th</sup> Floor Large Conference Room

175 S. Arizona Ave., Chandler, AZ



### Call to Order

The meeting was called to order at 2:03 p.m.

### Roll Call

#### Subcommittee Attendance

Vice Mayor Matt Orlando

Councilmember Christine Ellis

Councilmember Jane Poston

#### Staff Attendance

Dawn Lang

John Sefton

Joshua Adams

Chris Smith

Becky Kuiper

Erika Berry

Tera Scherer

### Discussion

JOHN SEFTON, Community Services Director, presented proposed fee changes for the City's Community Services department. MR. SEFTON summarized the process of reviewing fees annually as part of the budget process, gave an overview of the current fee policy and procedures used in determining fees, and explained how this data is used to make recommendations to council, who has the final authority to change fees.

DAWN LANG, Deputy City Manager/CFO stated the City has been diligent about updating system development fees and utility fees, but not as diligent in updating the City's fee schedules annually. MS. LANG further stated that some of the fees have not been updated since 2010. MS. LANG briefly explained the process of updating fees, as stated in the City Code, public posting requirements, and the planned use of the City's social media platforms to collect input from

residents. MS. LANG further explained that the agreed upon fees schedule will then be posted publicly for 60 days prior to being added to a future Council meeting agenda for action.

COUNCILMEMBER POSTON asked if the proposed fee changes will be presented to boards and commissions after today's meeting.

MS. LANG AND MR. SEFTON affirmed that that is the next step in this process. MR SEFTON further stated that the proposed fees schedule will be presented to the Parks and Recreation Board at the April 19 meeting.

COUNCILMEMBER ELLIS asked if this Council subcommittee input would be included in the presentation to boards and commissions.

MS. LANG stated that was correct and that the City Manager may review the recommendations of the Council subcommittee members and potentially adjust the list of proposed changes that are determined to be of concern today or edited based on the policy direction provided by subcommittee members. From there, boards and commissions will make further recommendations to City Council. MS. LANG stated that all fees charged by any department, outside of utility fees, must be made available online by law.

COUNCILMEMBER ELLIS asked if the proposed fee changes are due to inflation and recalled the difficulty the City was having filling open lifeguard positions.

MR. SEFTON responded that the proposed fee increases is primarily a result of increased costs for things like chemicals and staffing, and that although the percentage of increase on some of the proposed fees seems high, that is due to the delay in seeking an increase over the years.

VICE MAYOR ORLANDO inquired how Chandler aligns with the area's competitive market, primarily for our sports complexes and ramadas.

MS. LANG replied that City Code requires a summary of comparatives from surrounding cities be used as part of the analysis when making the recommendations that will be discussed with the subcommittee today.

VICE MAYOR ORLANDO wanted to confirm that information pertaining to other cities is part of the policy when setting fees so residents are aware of the process.

MR. SEFTON stated that the policy defines the market rate as the process of comparing specific services, programs, and facility fees with neighboring communities for the purpose of finding a median rate to charge for equivalent services, programs, and fees. MR. SEFTON shared that the current fee schedule was adopted in 2008, with minimal updates made. He added that all entities

have some type of fee structure and pricing philosophy surrounding parks and recreation programs based off class registration for programs and activities, and facility rental costs and admission, with two categories of fees that have minimal barriers for the community from a pricing standpoint. The first category is community programs, services and facilities and this category is not expected to recover 100 percent of their costs but would remain subsidized, with a good example being our parks that are available for use year-round without a cost to the community.

MR. SEFTON stated the second category is enhanced or specialized services such as intermediate softball or club teams that guides the cost recovery higher towards 100 percent cost recovery and that the entities expect to cover the full cost involved for private facility use.

VICE MAYOR ORLANDO asked if the fees collected go back to the departments collecting the fees or if they go to the general fund and then distributed.

MS. LANG responded that fees collected go into the general fund and that no fees collected are returned to the program or department collecting the revenue, but rather to serve the City as a whole.

VICE MAYOR asked how the departments get "credit" for their programs such as swimming pools.

MS. LANG stated that fees collected get added to the general fund as does general taxes and state-shared revenues to support general government. MS. LANG further stated that this is why the City plans to be more diligent about updating fees schedules, as the use of our facilities and staff time does take away from our general fund revenues as a whole. MS. LANG stated that when it comes to needed increased appropriations, departments come forward with their needs through a decision package as part of the budget process, which does include a request for fee increases. Revenues are reviewed as a whole, and departments are not justifying their staff needs based on their own revenue collected. MS. LANG stated in years when utility increases are expected, for instance, fee increases such as what is being discussed today, are not brought forward as recommendations.

COUNCILMEMBER POSTON asked if the review of fee schedules and changes to those fees is specific to community services, or fees across the City.

MS. LANG responded that fees from each department are considered.

COUCILMEMBER POSTON asked if a review of fees should take place every couple of years.

MS. LANG stated that it is expected that each department bring their recommended changes in fee schedules forward during the budget process and is expected to make their justifications for

those increases. Oftentimes there is public outreach and other things involved in the process so it may just be a handful of fees brought forth. MS. LANG continued that the last time a structured update was completed of the entire fee schedule where meetings were held with every department was around 2017 and then in 2019 a full update was recommended and although a recommendation to increase fees was made, very few were increased, although the market data showed that it was justified.

MR. SEFTON continued the presentation, pointing out the need for understanding the costs associated with maintaining fields, courts and recreation centers and provided a document outlining the current and proposed fee, and the percentage of increase in each area. Further, MR. SEFTON highlighted the recommendation of changing pools to the rental of lanes versus the whole pool, which in turn limits usage by residents during those hours.

COUNCILMEMBER POSTON asked how many teams use our pools for practice.

MR. SMITH stated five teams and some schools, for a total of 11.

COUNCILMEMBER POSTON asked what the difference was between a punch pass and an annual pass.

MR. SMITH stated punch passes do not expire and users purchase a number of visits to the pool, which is tracked electronically on each visit.

MS. LANG pointed out that although the slide shows resident cost and non-resident cost for pool passes, non-residents cannot purchase passes at a discounted rate. Discounted pool passes can be purchased by residents only.

VICE MAYOR ORLANDO asked what other cities do for their resident and non-resident fees for pool entry.

MR. SMITH responded that they are all similar in cost and a handout was provided showing those fee schedules.

VICE MAYOR ORLANDO asked if other cities allow non-residents to visit or if proof of residency must be provided.

MR. SMITH responded that proof of residency was required when Mesquite Groves first opened but that practice has since been stopped as it causes very long wait times.

VICE MAYOR ORLANDO stated he will provide feedback for each individual fee schedule: he wants pool entry raised \$.25 and punch passes and annual passes should be increased. VICE MAYOR ORLANDO would like to raise fees 25 percent across all areas.

MS. LANG stated she is open to accepting recommendations on each type of fee, rather than across the board and requested feedback specific to aquatics fees.

Further discussion was held on swim team/club use of pools in a lane rental capacity versus the current private usage arrangement where the facility is closed to residents during swim practice hours. The subcommittee was amenable to the lane rental option presented by staff but did not provide a clear decision on entry costs and the proposed increase to passes.

MR. SEFTON reminded the Subcommittee that the point-of-sale transactions at the entry points are handled by 17-year-olds and that the increase from \$1 to \$1.25 will make for a more arduous cash handling process with making change and the management of all the quarters.

MR. SEFTON continued the presentation to discuss swim lessons and making that a more viable option for the community by working with the City's Neighborhood Resources Department and the Fire Department on outreach for the community in an effort to promote water safety.

Further discussion was held among the subcommittee members regarding aquatics fee changes and the need to keep costs down to not limit use of swimming pools by our youth.

MR. SEFTON continued the presentation and pointed out that no fee changes are proposed for swim lessons, with Chandler remaining one of the best valued swim instructions in the valley, with a goal of 10,000 lessons offered to our youth this summer. He continued with an overview of the formulas used to determine costs for programs and classes that encompasses all the costs associated with those offerings, including supply costs.

VICE MAYOR ORLANDO asked to verify that swim classes are not being changed, but the other programs are increasing.

MR. SEFTON responded that they are basing costs on a factored rate to include class length, number of days it is offered, supply expenses, staff wages, etcetera.

MS. LANG asked to give example of a class and how the cost is calculated.

MS. KUIPER used a class held at the Nature Center as an example that meets for one-hour each week for four weeks at a cost of \$17, will increase to \$24 when using the new formula to calculate costs. MS. KUIPER continued that specialized classes, such as some fitness classes that use contracted instructors that are now \$26, will be increased to \$33. Additionally, MS. KUIPER

explained that in using the new proposed formula, the cost of supplies is included in the cost of the class, eliminating the need for instructors to collect payment separately for any additional supplies or fees.

Discussion was held and all three committee members agreed on the proposed formula for calculating fees for classes and programs, which would allow staff to expand program offerings without seeking further Council approval.

Continuing the presentation, MR. SEFTON gave the proposed fee schedule for adult fitness memberships, which would allow for a six-month option, as requested by many of our seasonal residents. The cost of the six-month pass would be one-half of the year-long pass, just more appealing for those who do not live in Arizona for the entire year.

VICE MAYOR ORLANDO asked the current cost of the membership fee.

MS. BERRY responded the cost for a one-year membership for residents is \$300 for adults and \$225 for Teens and Active Adults (55+).

Further discussion was held among the committee members surrounding the option for six-month passes versus yearly passes, which they believe will allow for more flexibility.

VICE MAYOR ORLANDO asked if it was just the Childwatch program that they are proposing increased fees.

MS. BERRY responded that that is correct.

VICE MAYOR ORLANDO asked for verification that this proposed change is for childcare at the recreation center while the parent is exercising.

MS. BERRY responded that that is correct, the Building Blocks program is separate.

MS. LANG verified the committee members agree with the proposed fee changes for the proposal of the Fit Pass to be available to purchase in six-month increments versus the full year and the Childwatch cost increase. All committee members expressed agreement.

MR. SEFTON continued the presentation with the proposal of the increased costs for tennis court and multipurpose room rental that have not been increased in many years. He stated that the facilities are very much valued by residents.

VICE MAYOR ORLANDO inquired about the difference in the multipurpose rooms.

MS. BERRY responded that the cost breakdown between small, medium and large is specific to the multipurpose room at the Community Center that can be divided into three separate rooms, with one-third being considered the small space at \$56. At Tumbleweed, the room is larger, so half of the Cotton Room would be priced at the medium size. The use of the full space would be the large room cost at both the Community Center and Tumbleweed.

VICE MAYOR ORLANDO inquired about the set-up costs listed.

MS. BERRY responded that when tables and chairs are required, they charge the hourly staff rate.

VICE MAYOR ORLANDO asked about the status of the room rentals in the last five years and whether the usage has gone up, down or stayed the same.

MS. BERRY responded that they are turning people away often and there is a long waiting list to use the facilities.

COUNCILMEMBER POSTON asked for clarification for what “commercial” use is.

MS. BERRY gave an example of someone that is hosting a yoga seminar onsite that requires registration. Costs for that seminar cannot be collected onsite, as money cannot exchange hands, but it is considered a commercial rental because you are conducting business at the City’s facility.

VICE MAYOR ORLANDO asked why the cost for commercial rental isn’t higher.

MS. BERRY responded that the cost is 50 percent higher than the resident rate, which is what was agreed upon by Council previously.

Discussion was held among the subcommittee members surrounding potentially increasing the rate for commercial use of the facilities.

VICE MAYOR ORLANDO inquired how many of the users are using the space for commercial use and how many residents are using it for commercial purposes.

COUNCILMEMBER ELLIS asked about residents using the facilities for commercial usage and perhaps there should be another category.

MS. BERRY responded that regardless of residency, you are still charged the commercial rate.

COUNCILMEMBER POSTON inquired if residents are being turned away because of commercial usage.

MS. BERRY responded that they are potentially being turned away, but most reservations are residents.

Subcommittee members discussed the possibility of raising the price for non-resident and resident commercial usage and giving residents priority over non-residents. They all agreed that data specific to who is using the space would be helpful in making this decision.

COUNCILMEMBER POSTON inquired about the policy of commercial renters not being able to accept cash on site.

MS. BERRY stated she believes it is related to tax and licensing and permitting requirements.

MS. LANG responded that Ms. Berry is correct in her response, and MS. LANG stated she will review the current process and provide details to the subcommittee on licensure verifications that may need to take place for commercial rentals.

MS. LANG verified that the subcommittee members agree to increase commercial rental fees. The subcommittee members responded affirmatively.

VICE MAYOR ORLANDO asked to if they should consider resident-only usage of our space.

MS. BERRY stated it is first come, first served and that the waiting list is one-year out.

Further discussion was held among committee members surrounding usage by residents only, to include resident-commercial usage, with no rentals available for non-residents.

MR. ADAMS suggested a priority system for resident rentals and will provide data to the subcommittee members on the facility usage.

MS. BERRY stated that would be a policy change and not a fee update.

MS. LANG agreed that a change in the rental policy may be a council directive whereas changing the fees schedule requires council action.

MR. SEFTON continued the presentation with the Parks rental fees and stated they have had a significant increase in the costs for the upkeep of the outdoor areas as well as the supplies required to maintain them.

VICE MAYOR ORLANDO asked if residents are charged a clean-up fee.



MR. SEFTON stated they have the rental agreement with contact information and staff is asked to report back on the condition and in most cases the team just cleans it up.

COUNCILMEMBER ELLIS asked if we have a deposit that can be kept if the conditions are not left as agreed.

MR. SEFTON stated that it is more the ability and the administrative time to manage a refund program that is prohibitive to this process.

COUNCILMEMBER ELLIS asked if the rental fees include the cost for clean-up.

MR. SEFTON responded that those costs are included in the formula to calculate fees.

VICE MAYOR ORLANDO asked again about prioritizing residents versus non-residents in this area and would like the reporting on usage for this area as well.

MR. SEFTON continued the presentation with an overview of the stakeholder meetings held and stated that there was minimal feedback collected from stakeholders as there were limited participants. He further explained that throughout the valley rental packages vary, with Chandler's fees based off costs that include staffing, related supplies and maintenance.

VICE MAYOR ORLANDO asked about some of the soccer clubs and whether they are charged a resident rate versus a commercial rate.

MS. BERRY responded that the soccer club tournament organizers are charged the commercial rate.

VICE MAYOR ORLANDO inquired about local teams that want to play on our fields and their rates and what resident rates included.

MS. BERRY responded that sometimes families rent fields for special events like reunions, but Snediger is typically commercial rentals used by teams.

COUNCILMEMBER POSTON inquired whether there was any consideration given to prioritizing Chandler businesses versus businesses outside of Chandler and if that is even quantifiable.

MS. BERRY stated that there are a couple organizations that are local, but historical usage shows most leagues schedule tournament play a year in advance, so the City now enters into agreements with clubs that require repeating weeks each year. A few of these agreements are now in year three at Snedigar Sportsplex.

Further discussion was held among subcommittee members that included the suggestion of providing marketing materials aimed at Chandler tourism for tournament goers, the condition of our fields and how we compare to rates of other complexes in our area.

MR. SEFTON will take a more direct look at the sports complex pricing, including that of neighboring cities, and provide the information. MR. SEFTON advised the subcommittee members that the next step in this process for fee changes is to present this information to the Parks and Recreation Board on April 19 with the intention of providing notification of the new and modified fee schedule on April 28.

MS. LANG advised that Council would take action at a future council meeting once all the information and recommendations are compiled after today's meeting with ample time to finalize everything since the implementation date for new fees is not until November 1, 2023.

## **Adjourn**

The meeting was adjourned at 3:34 p.m.



Recording Secretary