

Minutes

LCMR Parks Study Group Mon., July 28, 2003 9:00 a.m. - Noon Room 5 - State Office Building

Members Present:

Representatives: Dennis Ozment (Chair), Phyllis Kahn, Kathy Tingelstad
Senators: Linda Higgins, Carrie Ruud, Dallas Sams, Jim Vickerman

Members Absent: Rep. Jim Knoblach

Staff Present: John Velin, Susan Von Mosch, Sandy Smith

Chair Ozment called the meeting to order at 9:20. Susan Von Mosch reviewed information on user fees and charges collected in the State Park and Metropolitan Regional Park systems. The information was gathered from staff of DNR parks and metropolitan regional park implementing agencies.

Rep. Tingelstad moved to approve the minutes from the July 15th Parks Study Group meeting. Motion passed.

Wayne Sames, DNR, presented examples of fees used in some non-metropolitan regional parks from web sites and brochures. Mr. Sames stated that not many of the non-metro regional parks have annual permits or daily parking fees. Some provide and charge for camping. The Cannon Valley and Mesabi Trails collect fees using wheel passes. There are entrance fees for heavily used facilities, like Quarry Park in St. Cloud, and revenues generated are used to support the park operations. Additional information on fees used in these parks is being gathered and will be presented at a later meeting.

Jon Oyanagi, Anoka County Assistant Director for Parks, reviewed the county's regional park system and explained that the Anoka County philosophy is to charge the right fees for special use activities. Bunker Beach and Chomonix Golf Course are enterprise funds, revenues from these facilities covers the operations and maintenance cost of each facility. Rep. Tingelstad asked how Anoka County compares with other regional parks on park development issues. Mr. Oyanagi responded that the park system was initially developed in the 1960s, therefore the county has been re-developing many of its regional parks.

Sen. Vickerman commented that the water quality of swimming beaches has been in the news lately and he asked who tests the water at swimming beaches. Mr. Oyanagi responded that local jurisdictions are responsible for water testing.

Martin Walsh, Carver County, explained that the County's philosophy is to support park services and land supply with tax dollars and rely on user fees to supplement the tax dollars supporting parks. Since inception, the Carver County parks have had single access entry points. They use honor boxes and, as use warrants, they have moved to staffing park entrances. Parks staff compare fees with neighboring counties annually and adjust fees if necessary. Because Carver County is located further out in the metro. area they believe fees should be a little less.

Rep. Ozment asked Mr. Walsh to explain reciprocal agreements. Mr. Walsh responded that Carver and Washington counties honor each other's annual vehicle permits. A park user with a

Carver County annual permit can purchase a Three Rivers Park District annual permit at a 40 percent discount \$15. Similarly, a person with a Three Rivers Park District annual permit can purchase a Carver County annual permit for \$10.20, a 40 percent discount. Reciprocity applies to the annual vehicle permits.

Rep. Tingelstad asked Carver County's comparison of fees with other counties. Mr. Walsh responded that they look at park fees in Wright County. Honor boxes are used and parks are not staffed during the week. During the transition to gates and honor boxes, county staff compared wages and revenues collected and decided it wasn't cost effective to staff during the week. There are compliance problems with the honor box; need to patrol to get good compliance. Rep. Tingelstad asked about compliance rates. Mr. Walsh guesses it is about 50 percent. Rep. Kahn commented that she would be interested in honor box compliance with more enforcement. Need strict enforcement, clear notice of penalty, and big penalties to get high compliance. Mr. Walsh stated that parking violations in park areas increased to \$90 with new legislation this past session.

Randy Quale, City of Bloomington, stated that the city has a cooperative agreement with Three Rivers Park District for the parking lot at Bush Lake. The city contracts out the concession at Bush Lake and earns about \$3,000 in revenues annually. They also test beach water weekly.

Sen. Higgins asked how beach water quality problems could be fixed. Mr. Quale said they try to rake and collect goose droppings and are exploring other options for controlling the problem in the future. Some problems are caused by storm water runoff.

Rep. Tingelstad asked about the concession contract. Mr. Quale responded that the city had managed the concession stand but did not make a profit. The city bid out the concession operation, get 15 percent of gross sales, and it has become a money maker.

Steve Sullivan, Dakota County, stated that the County Board approves the parks fee schedule. The principles followed are to charge comparable, competitive fees for services like camping; to maintain affordable fees to target populations; to set fees to generate revenues offset operating or program costs where there is exclusive use, such as camping. There aren't any fees for park access. The county operates two high-end campgrounds and charges \$18-\$23 for campsites. Camping is a revenue producer, with proceeds supporting other park operations. This summer, the county discontinued lifeguards at Schultz Beach and also stopped charging a fee. The county is considering a moderate increase in campground fees and is looking at trail user fees for equestrian and mountain bikes. The new visitor center at Lebanon Hills Regional Park may provide new user fee options. It would be a major policy change to charge a fee for park access. Whether or not to use vehicle permit fees should be part of a broader fee strategy discussion.

Rep. Tingelstad asked if any consideration has been give to approaching corporate groups, such as the Ys or others. Mr. Sullivan responded that they are exploring providing summer camp activities with the Southeast Y.

Rep. Ozment asked about the demand for and maintenance of horse trails. Mr. Sullivan responded that horse trails do need more maintenance, but part of the problem is that sustainable design standards weren't used 40 years ago when the trails were first developed. There isn't good information on the demand for horse trails. One equestrian group has strongly supported the availability of trails on Lebanon Hills Regional Park.

Greg Mack, Ramsey County Parks and Recreation Department, presented the department's policy on fees: As a publicly financed parks and recreation system, the department provides

some basic services free to the public. However, fees and charges are considered to be a responsible and necessary means to supplement tax revenues and regulate park use where appropriate. Available financial resources, public demand, the cost of providing specific services, and public acceptance will be considered when establishing fees and charges. In cases where areas and facilities are highly specialized by activity and design, which appeal to a select user group, the county will take into account market rates for comparable services. Scholarships, fee reductions or fee waivers may be used, with the infusion of other revenues, to eliminate economic barriers to participation by Ramsey County residents.

The County is challenged by an accessible geography and proximity to neighborhoods. Park entry points are intertwined in neighborhoods; users could avoid paying an entry fee because of easy access. Another concern is that charging for parking could push cars into neighborhoods. The County has studied options including: 1) using a park attendant to collect fees, which is OK for single entry points; 2) automated gate systems, which have significant costs for the gates (\$20,000 each) and barriers; 3) pay and display systems, which cost about \$15,000 per unit and work with enforcement for compliance; 4) envelop display which needs enforcement.

Ramsey County values its recreation assets. It charges for facilities (golf course and ice arenas) and uses the excess revenues to support the parks system. Rep. Kahn asked about the amount of revenues generated over operating costs. Mr. Mack believes that figure is around \$785,000, but he will provide that information to the study group. [Note: Greg Mack provided the following information. The projected 2003 revenue in excess of direct operating expense is \$1,457,842. The actual 2002 amount was \$1,277,866.]

Rep. Ozment asked what role local law enforcement plays in park enforcement. Mr. Mack responded that Ramsey County uses the Ramsey County Sheriffs Department, except for Long Lake Regional Park where the New Brighton city police provide enforcement services. One option would be to give park staff authority to write tickets; this would be more cost effective.

Bob Berscheid, City of St. Paul, provided members with copies of the St. Paul Fee and Recreational Plan and noted that the city partners with a number of organizations, such as the Como Zoo Society and the Como Conservatory Foundation, to operate its regional parks. St. Paul regional parks are similar to those in Ramsey County in that they are located in neighborhoods, don't have single access points, and are very accessible. There is a concern that charging for parking would drive parking into residential neighborhoods. A state bonding provision for the education resource center at Como Park requires that Como Zoo be maintained as a free attraction for the life of the bonds. The city has a significant concessions operation, some city-operated and some contracted out to private vendors. The City Academy operates the concession stand at Lake Phalen.

Rep. Kahn asked if keeping Como Zoo free means no fees for parking are allowed and if the city charged \$2 or \$3 for parking would it have an impact. Mr. Berscheid responded that parking fees aren't included in the appropriation language. The parking lots in Como Park are small; service drives are part of parking and enforcement of paid parking in the lots and service drives would have to be figured out. The city is looking at these issues now. Rep. Kahn asked how much revenue a minimal parking fee at Como could generate. Mr. Berscheid responded that city staff are studying that now. Preliminary research indicates that the benefit could be substantial. In 2004, they are going to be more aggressive in asking for donations.

Sen. Vickerman stated that he doesn't want to take away access from low-income people; parks should be affordable and he wants to keep Como Zoo admission free.

Rep. Ozment asked how much of Como Park visitation is from St. Paul. Mr. Berscheid responded that he estimates 16 percent of visitors are from St. Paul. Rep. Ozment said this is a sign of statewide activity.

Mary Merrill Anderson, Minneapolis Park and Recreation Board, described the city's regional park system and said that open access and equity are hallmarks of the system. The Park Board has explored the use of fees and at times it has been a difficult process, especially related to parking fees. A survey of city residents indicates that charging for parking to use regional parks is a "least desired" fee. The Park Board tests the water at swimming beaches at Lake Hiawatha and Lake Harriet four times a week. Usually, high e. coli counts occur after major rain events because storm sewers drain into the lakes, but the water cleanses itself in 48 hours. The current situation at Lake Harriet is a mystery that the Park Board is working to address. Privatization has been tried with negative results (i.e., Dairy Queen). The Park Board looks at public acceptance as well as the ability to charge fees.

Rep. Kahn asked about the fees for sailboat buoys and if there is still a waiting list. She suggested charging higher fees for higher-income people, such as for sailboat buoys or tripling the costs for Nicollet Pavilion for June weddings. Ms. Anderson responded that she will provide information on the number of sailboat buoys and the waiting lists. She also said that \$1,250 for the Nicollet Pavilion on a Sat. night is competitive.

Sen. Vickerman asked who provides enforcement services in Minneapolis parks. Ms. Anderson responded that the Park Board has a park police unit, who along with park patrol agents (non-sworn officers), provide enforcement. They have agreements with suburban cities for 911 calls in parks that adjoin these jurisdictions.

Rep. Ozment asked if the city has done any human or animal fingerprinting of fecal matter in water and that an LCMR-funded project has developed technology for this. Ms. Anderson responded that they are not at that level of sophistication yet.

Jim Luger, Washington County, stated that in 1986 the county started its park permitting system. The County Board has increased the annual vehicle permit to \$25 in 2004; they also increased camping rates. About 34 percent of the operating budget is financed with revenues from fees and \$200,000 in revenue is generated from property rental. The County Board thinks users should pay, citizens want to see users pay, but parks are there for all people. The county provides free services for non-profit groups and people on economic assistance get free park passes.

Delbert Miller, Three Rivers Park District, reviewed the history of Hennepin County park reserves dating from 1957, through many changes in legislation, name and number of board members. Three Rivers Park District is a unique entity. It is a single purpose district with land in seven counties. Its mission is to promote environmental stewardship through recreation and education in a natural resource-based park system. Its golf courses and Hyland downhill ski area are enterprise funds designed to support the golf and ski operations. They currently have a gate system and collect revenue with that system. Admission is free on weekdays because they looked at the costs of staffing entrance gates, revenues generated, and who was not being served, and decided it made sense. The Park District has its own research department; its fees are market-based; the philosophy is those who play should pay.

Three Rivers has a park police force that follows up on tickets and increases compliance. Horse trails and dog areas are in demand areas with fees.

Bill Morrissey, DNR, Director of Parks and Recreation, presented a slide show on state park fees and distributed copies of the division's Fee Strategy Report and a history of state park fees from 1953, when an annual vehicle permit cost \$1. Until this past Legislative Session the annual vehicle permit fee of \$20 had not increased in seven years. Camping fees had not been increased in eight years. Mr. Morrissey stated that annual permit sales have increased with the increases in daily parking and annual permit fees starting July 1, 2003.

Sen. Vickerman asked why land is added to state if there aren't sufficient funds to operate the parks. Mr. Morrissey responded that there must be a vision, with rapid development of land and urban expansion there is a need to act now to preserve open spaces and land with natural resources. This applies in the Twin Cities metro area, but also to rapidly developing areas on the North Shore and other regions of the state.

Mr. Morrissey gave several examples of revenue generation in the state park system. The Chapel at Fort Snelling generates \$100,000 in rental revenues and Minneapolis park board administers the upper bluff and that brings in \$115,000.

Rep. Ozment asked Mr. Morrissey to provide information on the 1953 state park fees adjusted for inflation compared with today's fees.

Mr. Velin pointed out that pages 5 and 6 of the Fee Strategy contained information on equity, efficiency, and other concepts that study group members may want to consider during future discussions. Similarly, Table 5 presents interesting information from a survey of park users about "who should pay for park services?".

Rep. Ozment asked if Study Group members agreed that the group could focus on operation and maintenance costs, and leave capital improvement costs aside. No one disagreed with this sentiment.

The next meeting of the Parks Study Group was scheduled for Tues., Sept. 9 at 9:00 a.m. The meeting will focus on operations and maintenance financing issues: How much of the parks O&M budgets are financed with state dollars, local property tax dollars, and fees? How much should be financed with state dollars?

The dates for the LCMR Metro Tour, which will focus on metropolitan regional parks and trails, was rescheduled to Tues., Oct. 7th and Wed., Oct. 8th.

The meeting was adjourned at 12:20 p.m.