TOWN OF PALM BEACH
RECREATION DEPARTMENT

MINUTES OF THE RECREATION ADVISORY COMMISSION
HELD ON WEDNESDAY, OCTOBER 6, 2010

I. CALL TO ORDER, ROLL CALL & PLEDGE OF ALLEGIANCE

A meeting of the Town of Palm Beach Recreation Advisory Commission was held on October 6, 2010, at Town Hall in Council Chambers. The meeting was called to order by Mrs. Danielle More, Chairwoman at 9:00 a.m. Commission members in attendance were Mr. Della Giustina, Mr. Stephen Hall, Mrs. Danielle Moore, Mr. Henry Jamison, Mr. Daniel McDonnell, Mr. Donald Singer and Mr. Timothy O'Hara. Alternate members in attendance were Dr. Ellen Howe and Mr. Chris Storkerson. Absent from the meeting was Mrs. Pamela McIver. Staff members in attendance were Director Mr. Jay Boodheshwar, Assistant Directors Mr. Alan Brown and Mr. Rod Gardiner, Dockmaster Mr. Jon Luscomb and Office Manager Mrs. Lisa Walkowich. Also in attendance were Town Council President Pro Tem Mrs. Gail Coniglio, and Council Members Mr. William Diamond and Mr. Richard Kleid.

II. COMMUNICATIONS FROM CITIZENS

Mrs. Moore suggested that rather than taking citizen comments at the beginning of the meeting she would prefer to have a questions answered as information is presented.

III. APPROVAL OF AGENDA

Mrs. Moore asked if there were any changes to the agenda. There were none. Mr. Singer made the motion to approve the agenda, seconded by Mr. Della Giustina, all were in favor.

IV. OLD BUSINESS – none

V. NEW BUSINESS

A. Review of Privatization Study Groups' Recommendations and Requests

Mr. Boodheshwar stated that each of the study group meetings began with a brief presentation by staff providing an overview of the recreation department, its history, how it is structured, procedures and policies, budgets and long term financial plan. Staff also provided an overview of each of the facilities being studied including staffing levels, fees and related budgets. He said that to help facilitate each of the meetings with regard to the question of privatization, staff has provided a number of different models that are used by

municipalities. General pros and cons were reviewed as was the potential limitations of the Town's Comprehensive Plan, the Strategic Plan and the Town Charter.

Mr. Boodheshwar summarized the results of the Docks Study Group meeting that was held on September 24, 2010. He stated that at that meeting a unanimous vote was taken which recommended that the study group cease from exploring privatization options but instead recommend to the Recreation Advisory Commission and to the Town Council that staff continue to develop the long term capital improvement plan and further develop its service to make sure that the Docks will remain competitive and successful.

Mr. Boodheshwar then read a letter into the minutes that was dated September 24, 2010, from Campers & Nicholsons, who has expressed interest in the privatization of the Docks. Mrs. Moore said that this letter was distributed to the members of the Docks Study Group. She said that Mr. Vecillio commented by email and stands by his original recommendation for the marina to remain under the control of Town. Mrs. Moore said that if the Town decided to go in this direction an RFP would need to be developed. After further discussion Mr. McDonnell made a motion to accept the recommendations made by the Docks Study Group to cease from exploring privatization options and that every effort should be made to develop long term improvements to the Town Docks. Seconded by Mr. Hall, all were in favor.

Mr. Boodheshwar reported the results of the Recreation Center Study Group that was held on September 28, 2010. He stated that this group did not come to any final conclusion relative to the concept of privatization and suggested the following be prepared for its next meeting.

- Continue to increase the quality of the Recreation Center programs.
- Create a more comprehensive marketing approach for the department.
- Keep the community engaged more frequently through email, social media, local press, local civic organizations, etc.
- Explore expansion of adult enrichment programs in the evenings.
- Approach the Palm Beach County School Board for financial participation in the upkeep of the field.
- Look for corporate sponsorship for special events and programs.
- Investigate further privatization of maintenance.
- Recalculate budget numbers, separating out the park and its functions versus the recreation center.

Mrs. Moore asked if there were any comments from the commission or audience. Mr. Diamond asked if it was the committee's goal to have the recreation center recover 100% of its costs. Mrs. Moore said that it would be difficult because of the maintenance of the park which does not produce revenue. Mr. Storkerson said that one of the difficulties that the study group had in looking at the privatization concept was the burden the recreation center budget had because of the cost of maintaining the facility and the park. He said that 50% of the foot traffic comes from the two schools and cannot be monetized. He said it was not a fair comparison to look at the utilization rates of the participants who use the facility and pay for the various programs versus the maintenance of the park.

Mrs. Moore said that the Recreation Center Study Group will be meeting in the next couple of weeks and will report back at the next regular Recreation Advisory Commission meeting.

Mr. Boodheshwar reported that the Tennis Study Group was held on September 29, 2010. He stated that this group did not come to any final conclusion relative to the concept of privatization and requested the following be prepared for its next meeting.

- Provide job descriptions and salary ranges of tennis staff.
- Provide a report showing the revenues and expenses of the current professional teaching contract.
- Provide information on the two positions that are retiring within the next 4 years, regarding savings from early retirement and the cost to buy out these two positions.
- Research privatization of additional services.
- Provide a revised budget that shows 55%, 75% and 100% recovery goals, including changes to fees and staffing to make the numbers work.

Mr. Jamison who is part of the Tennis Study Group stated that because they were in the middle of the process that the group needed to wait for the information that was requested before making any final decision. Dr. Howe said that there was still a lot to be discussed. Mrs. Moore asked if there were any comments from the audience. Mr. Diamond stated that in his opinion the closer the commission could get the Recreation Department to achieving 100% recovery the less the drive would be to privatize.

Mr. Storkerson said that there are two sides of the equation, we have spent years reducing expenses and now need to look to tap into new revenue sources.

Mr. Boodheshwar reported that the Golf Course Study Group was held on September 30, 2010. He stated that this group did not come to any final conclusion relative to the concept of privatization and requested the following be prepared for its next meeting.

- Provide information regarding golf course management models from the City of West Palm Beach, City of North Palm Beach and the City of Palm Beach Gardens.
- Research limitations to selling the golf course due to deed restrictions, etc.
- Expand the marketing program to increase rounds of golf.
- Increase the quality of merchandise.
- Research additional privatization of certain functions.

Mr. Boodheshwar said that although no vote was taken, Mrs. Moore summarized that the overall consensus of the study group is not to privatize the golf course and staff should be allowed to continue on the current path of expanding the marketing of the golf course both locally and nationally.

Mrs. Moore asked if there were any comments from the commission. Mr. Hall said that had the question of privatization come up four years ago prior to the renovation the answer and outcome would have been entirely different. With the first part of the renovation completed, through the financial help of Town residents, he felt that the overwhelming feeling of the community would be to maintain this beautiful new facility and not privatize. Dr. Howe said that since the private community stepped up and donated a lot of time, talent and money to help and better the course it would not be right to turn that over to a private company.

Mrs. Moore asked for comments from the audience. Mr. Diamond said that private money is going to be very important to the completion of the golf course project; particularly the clubhouse which Mr. Diamond feels has the potential to be a real source of income for the Town. He said that there have been questions about naming the golf course and how that relates to private sector contributions. He said that he would like some sort of advice from the commission on how to proceed so that we can encourage private sector donations and complete the project.

Mr. Jamison posed a question to Mr. Diamond that even if the Recreation Department were to decrease the subsidy of certain divisions and were able to give the Town more money from the enterprise fund, how much of a difference would there really be in his tax bill. Mr. Diamond stated that from his point of view there are 3 challenges to the Town; to keep as level a tax burden as possible because if we don't he feels we will drive property values down; the second is to reform the pensions: and the third is the need to replenish the beaches. He stated that the Town needs money and by having the Recreation Department facilities make a profit or breaking even will mean more money for the general fund and will help with the cost of beach re-nourishment without having to raise taxes. Mrs. Moore said that even if the Town holds its tax rate steady this doesn't mean the county will; and asked how much beach re-nourishment would cost? Mr. Diamond said that beach re-nourishment could be as much as $40 million dollars and therefore it is very important that the Town be in the business of making money because we cannot lose the beaches as it will affect the whole town.

Mrs. Howe stated that at the shore protection board meetings she heard that the Town did not want to accept money for the beaches because it would mean a loss of control. Mrs. Coniglio said that Mrs. Howe was correct that historically the Town has stood on its own when it came to beach replenishment. She said that the entire Council and the community have redirected that philosophy. Mrs. Coniglio said that the amount the Tourism Development Council collects from the hotels in the Town is approximately $4.5 million dollars, of which 14% goes to coastal. She said the Town has yet to receive any of that money. Mrs. Coniglio stated that last week she attended a workshop with the entire Palm Beach County Commission and presented our case that this can no longer occur. Mrs. Coniglio thanked the Commission for all of their efforts and said that her heart was in the community and that she valued the Recreation Department greatly.

Mr. Kleid said that the Town has changed its position regarding the beach. Originally the Town didn't want to take money because it would jeopardize our position, i.e. access to the beach and restrooms. He said that currently the Town has joined with South Palm Beach and the County in hopes to get a permit for break waters for the southern end of

Reach 8. Mr. Kleid thanked the Commission stating that the process going on was very important to the community.

VI. ANY OTHER MATTERS – Mrs. Moore thanked the Commission and the members of the study groups for putting in such intense effort into the process. She said that Mrs. Walkowich would be in touch with the Commission and the study group members regarding their next meetings.

VII. ADJOURNMENT

The meeting was adjourned by Mrs. Moore at 10:15 a.m.