



City of Lewisville, TX

City Council

Agenda

151 W Church Street
Lewisville, Texas 75057

Monday, October 29, 2018

6:00 PM

**MCL Grand Theater
Recital Hall
100 N. Charles St.
Lewisville, Texas 75057**

**CALLED-SPECIAL WORKSHOP SESSION - JOINT MEETING OF LEWISVILLE
CITY COUNCIL, LEWISVILLE 2025 ADVISORY BOARD AND PARK BOARD**

Call to Order and Announce Quorum is Present

1. [Proclamation: Declaring Friday, November 2, 2018 as “Arbor Day”](#)
2. [Discussion Related to the Defining of Individual Benefits and Community Benefits Related to the Cultural and Recreational Activities](#)

Adjournment

NOTICE OF ASSISTANCE AT THE PUBLIC MEETINGS

The Medical Center of Lewisville Grand Theater and Recital Hall are wheelchair accessible. Access to the building and special parking are available at the south entrance facing Main Street and the north entrance facing Church Street (Please note parking spaces on both of these streets along the Medical City Lewisville Grand Theater are back-in only). Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the City Manager's Office at (972) 219-3405 or by FAX (972) 219-3410 at least two (2) working days prior to the meeting so that appropriate arrangements can be made.

The City Council reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

I do hereby certify that the above notice of meeting of the City of Lewisville City Council was posted at City Hall, City of Lewisville, Texas in compliance with Chapter 551, Texas Government Code on _____, 2018 by _____ AM.

City Secretary

Proclamation

Whereas, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

Whereas, trees can reduce the erosion of our precious topsoil by wind and water, cut heat and cooling costs, moderate the temperature, clean the air, produce oxygen, and provide habitat for wildlife; and

Whereas, Lewisville has been recognized as a Tree City USA by the National Arbor Day Foundation and desires to continue its tree-planting ways; and

Whereas, recognizing that forests provide habitats to about two-thirds of all species on earth and sustainable management of all types of forests is beneficial; and

Now, therefore, I, Rudy Durham, Mayor of the City of Lewisville, Texas, and on behalf of the Lewisville City Council, do hereby proclaim Friday, November 2, 2018 as:

"ARBOR DAY"

in the City of Lewisville and urge all citizens to support efforts to care for our trees and woodlands and to support our City's community forestry program, and I urge all citizens to plant trees to gladden the hearts and promote the well-being of present and future generations.

Proclaimed this 29th day of October, 2018

**Rudy Durham, Mayor
City of Lewisville**

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Stacie Anaya, Parks and Recreation Director

DATE: October 22, 2018

SUBJECT: **Financial Management and Cost Recovery Model Workshop**

BACKGROUND

The City has retained 110% Inc to lead discussions and analysis with staff, elected officials and stakeholders to create a fiscal management philosophy and establish a cost recovery model for all parks, recreation and cultural programs/services. The process will include:

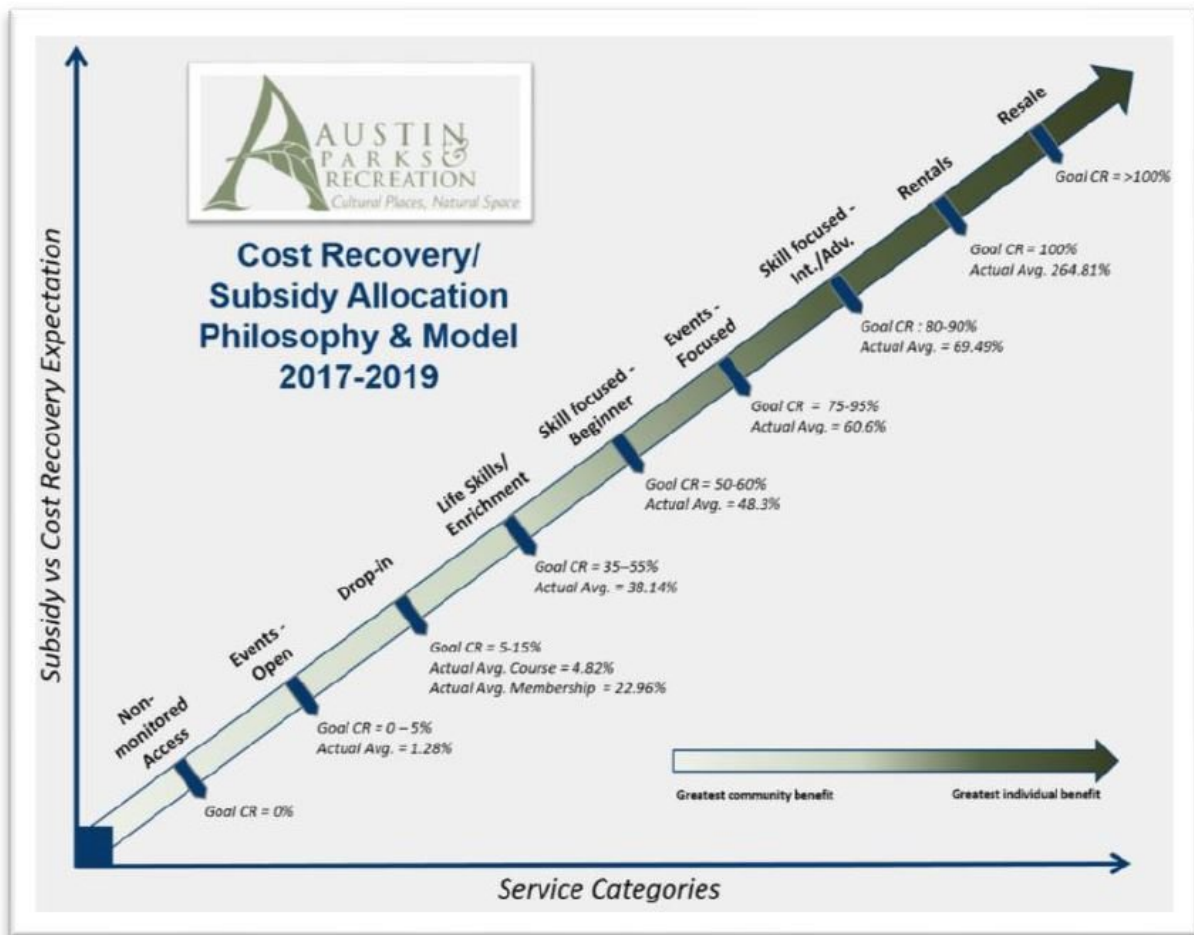
- An analysis of existing organizational values and purpose and their alignment with fiscal policies
- Systematic examination of internal and external environments that impact the organization's capacity to operate
- Identification of key issues and opportunities to which the organization should dedicate efforts and resources to create the greatest impact.

Jamie Sabbach and Lisa Paradeis from 110% Inc will be leading the City through this process.

An initial training workshop was held on August 29. Throughout the day, members of the City's leadership team, Parks & Recreation and Community Relations & Tourism Departments and key stakeholders met with the consultant to review the key steps of the process and inspire a shift in the approach to establishing financial management and fee setting procedures. A copy of the consultant's presentation is included for your review and refresher.

ANALYSIS

One of the key components of the process is establishing a continuum of service categories which define the types of programs and activities offered by the departments. These service categories will not be labeled by age of participant or type of program, but will encompass the level of staff involvement for providing the program and scope of access or participation by the community (ranging from entire community to the individual). Once the service categories have been established staff, stakeholders and policy makers will determine the level of community and individual benefit to be gained from the programs/activities. Eventually this will lead to a decision on the subsidy OR cost recovery each category should realize when the programs/activities are offered. This continuum will fit on one page for easy reference and use during the budget process. An example of the continuum created by the City of Austin Parks & Recreation Department is shown below:



Throughout the process of creating a financial management philosophy and a cost recovery model for programs and activities two workshops will be held with City Council, the 2025 Committee and the Parks & Recreation Advisory Board. The Arts Advisory Board will be asked to sit in on these workshops as well.

The first workshop is scheduled for Monday, October 29 at 6:00pm at the MCL Grand. During the workshop, the consultant will lead members of the respective boards in a discussion to begin defining the terms individual benefit and community benefit for the City of Lewisville. This discussion will compliment the work of the internal staff team who will work with the consultant earlier in the day to begin creating service categories for the types of programs and activities offered.

The second workshop will be held in the first quarter of 2019. Between workshops, the consultant will be working with staff and the sub-committee appointed by the City Council to review current process, draft new policies and procedures, and solidify service categories and subsidy rates before bringing the final product to City Council for approval.

The timeline for the remaining steps in the process is shown in the table below:

Task	Team	3Q 2018	4Q 2018	1Q 2018	2Q 2019
Kick off Meeting	110%, Project Team	August 1			
Education & Training	110%, Project Team, Staff & Elected, Appointed Officials	August 29			
Evaluation & Analysis of Current Condition	110%, Project Team	X	X		
Identify Key Issues & Opportunities	110%, Project Team		X	X	
Design Financial Management Philosophy	110%, Project Team			X	X
Policy Development and Deliverables	110%, Project Team, Staff & Elected, Appointed Officials			X	X

RECOMMENDATION

No action is needed at this time.



A Smart
Approach...

110%
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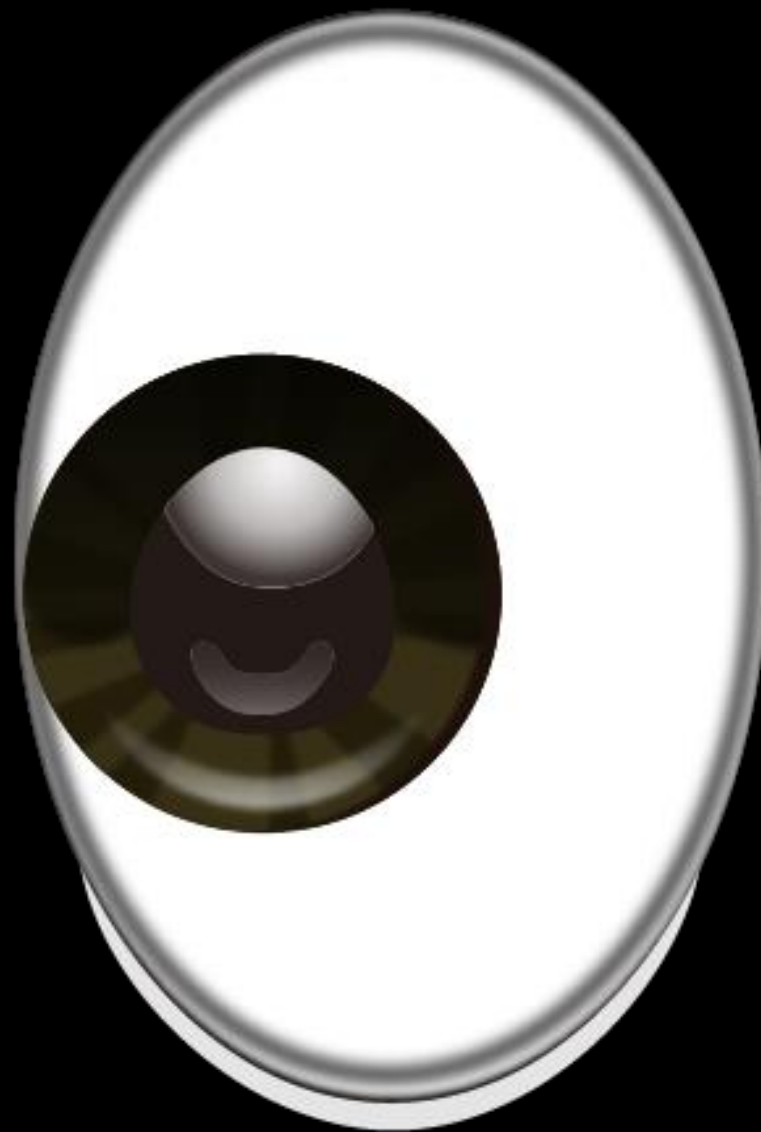
**Are you
smart
about
managing
money?**

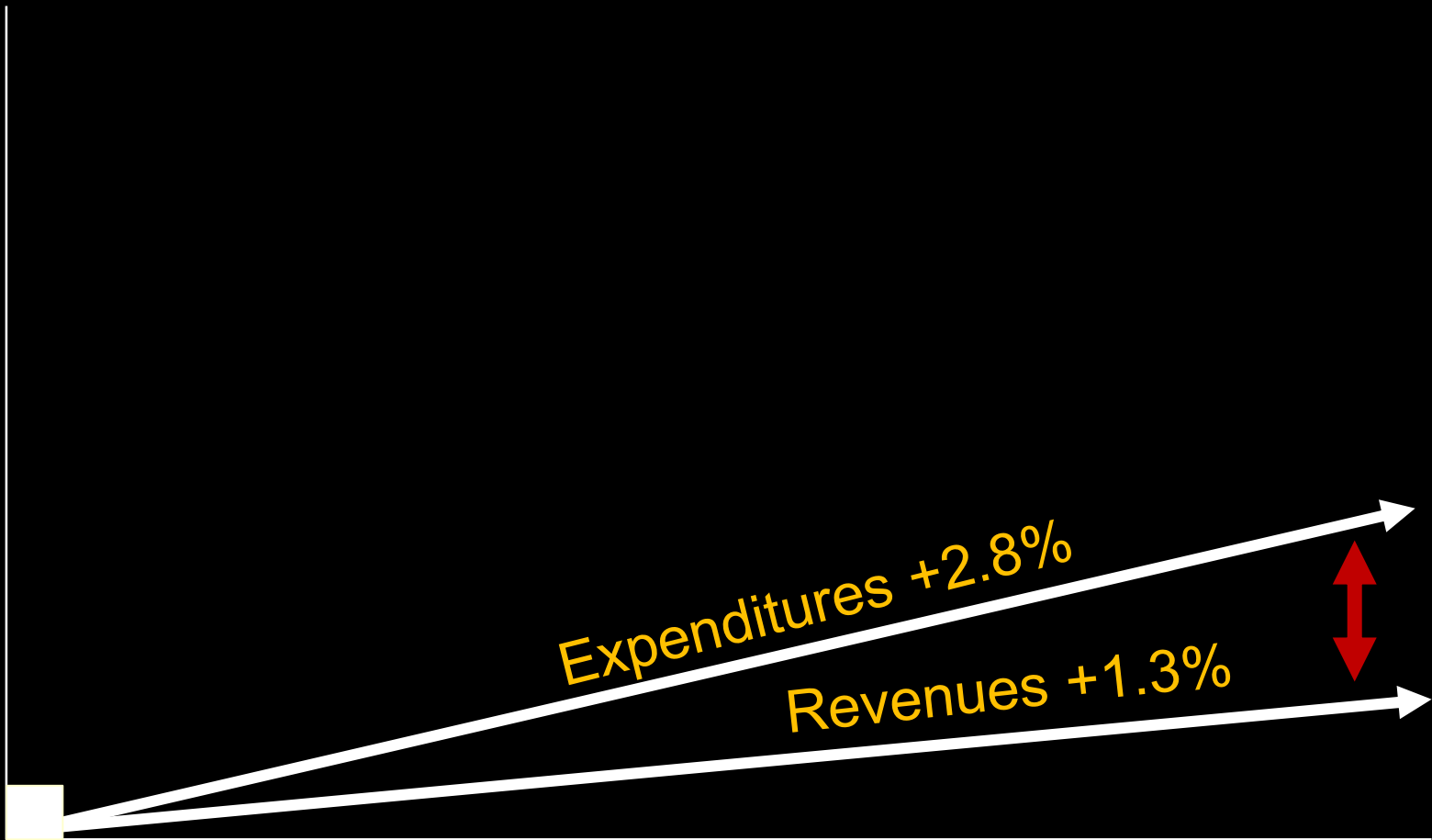


***“No one spends other people’s money
as carefully as they spend their own.”***

-Milton Friedman







LOCAL GOVERNMENT OFFICIALS & PARKS AND RECREATION



Essential?

LOCAL GOVERNMENT OFFICIALS SAY PARKS AND RECREATION IS A SOLUTION

TO SOME OF THE TOP ISSUES FACING THEIR COMMUNITIES
(INCLUDING PREVENTING YOUTH CRIME, PREVENTING COMMUNITY QUALITY OF LIFE)

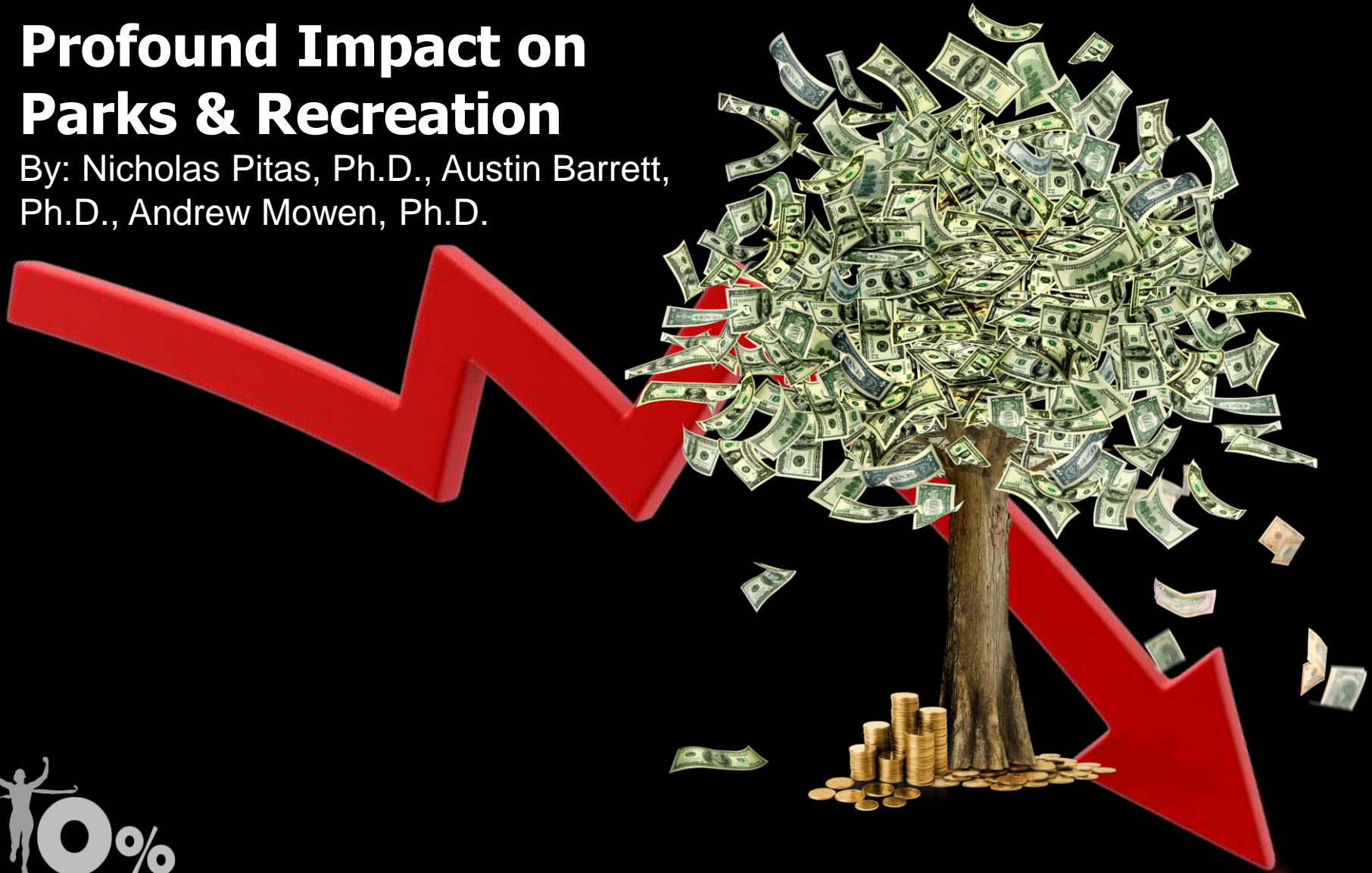
**BUT ARE LESS LIKELY TO VIEW PARKS AND RECREATION AS A CONTRIBUTION TO
THEIR #1 CONCERN: ATTRACTING & RETAINING BUSINESS**



**While 6 in 7 agree that parks and recreation
IS WELL WORTH THE TAX DOLLARS SPENT ON IT,**
they indicate that parks and recreation is likely to be hit with the
largest cut in funding when the city/town/county suffers budgetary pressure

The Great Recession's Profound Impact on Parks & Recreation

By: Nicholas Pitas, Ph.D., Austin Barrett,
Ph.D., Andrew Mowen, Ph.D.



Major recessions of the last 40 years...



1981

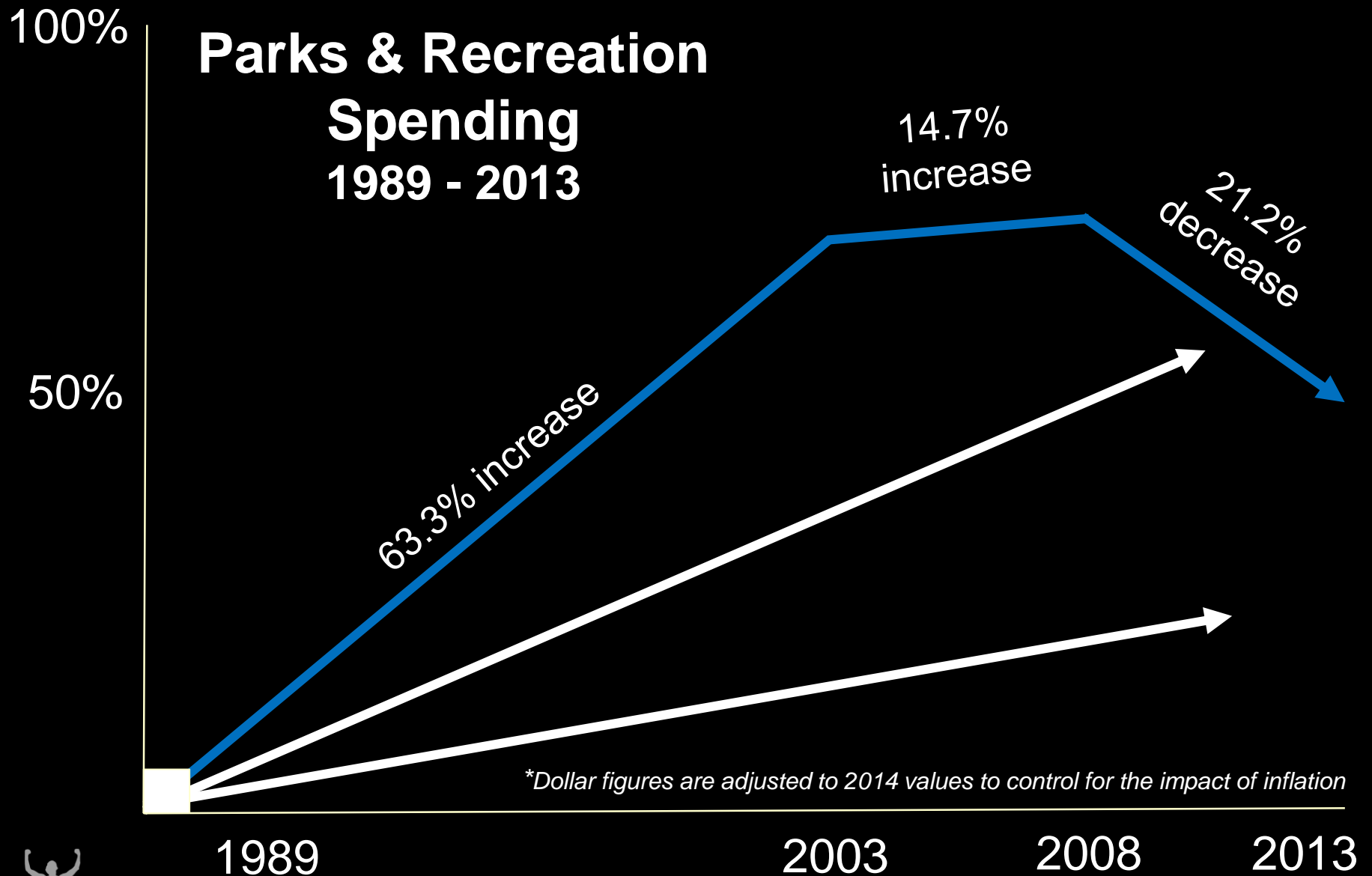
1990

2001

2007

?

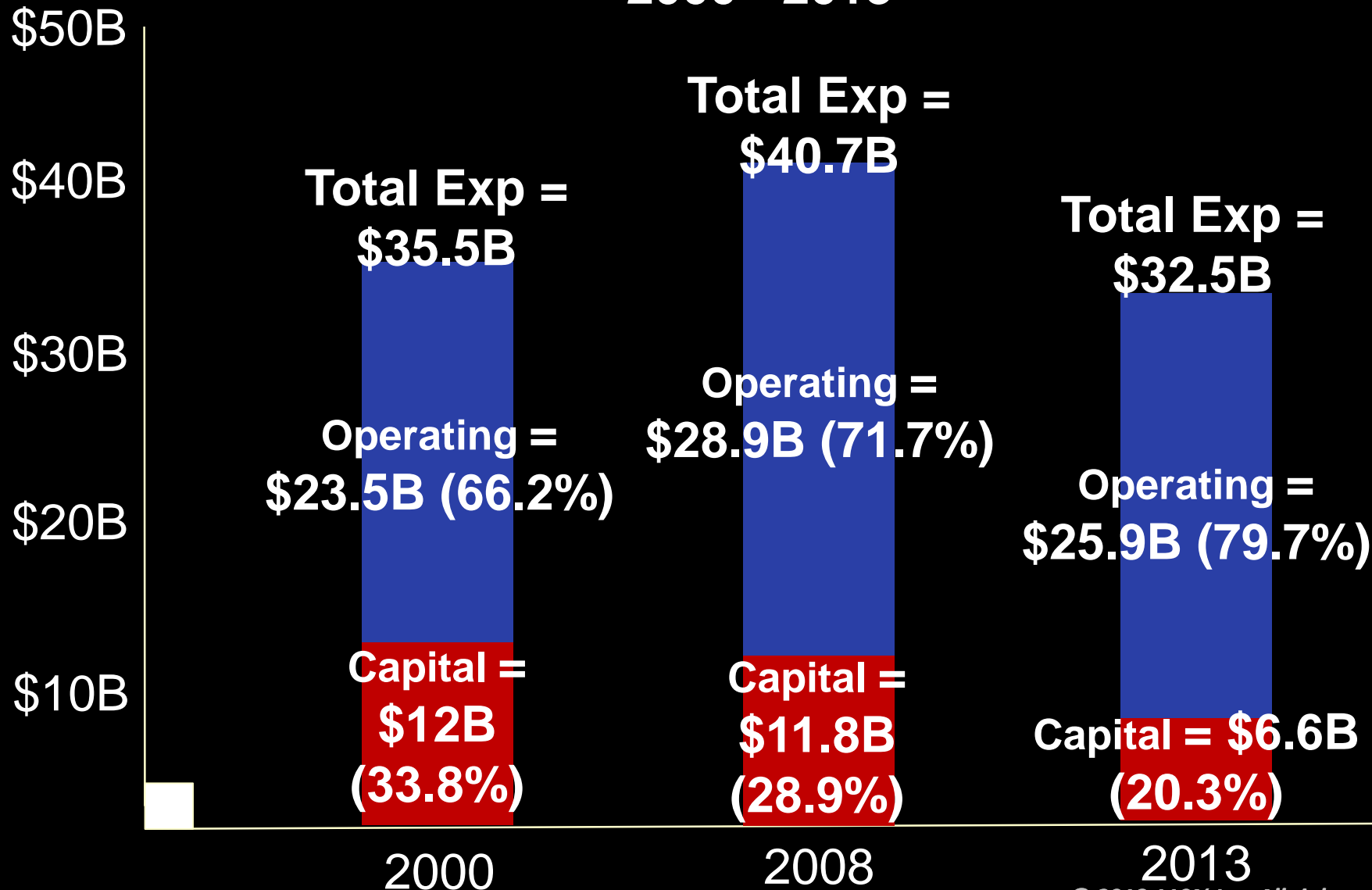
Parks & Recreation Spending 1989 - 2013

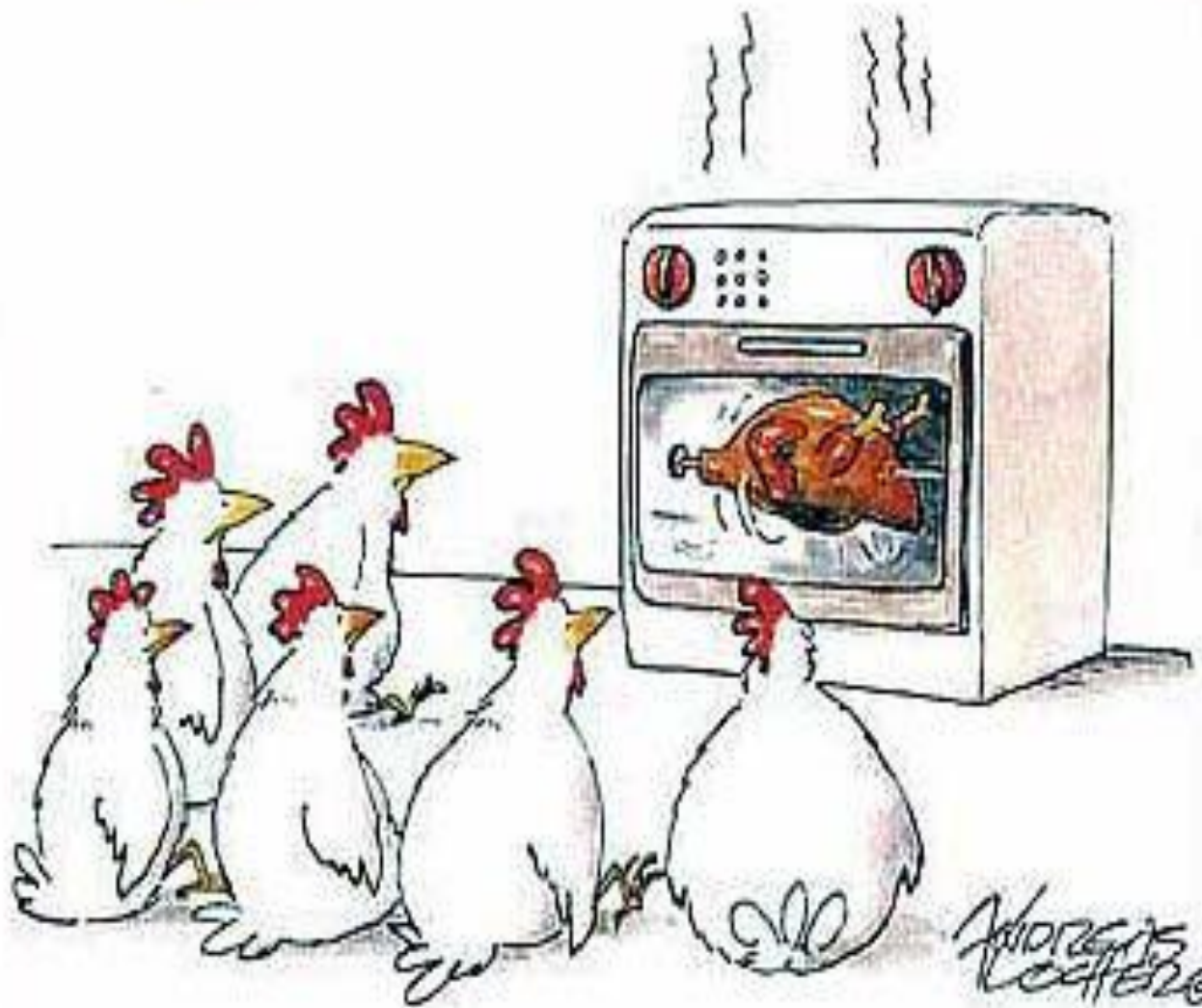


**Dollar figures are adjusted to 2014 values to control for the impact of inflation*

Operating & Capital Expenditures

2000 - 2013





REALITY TV



**We provide
everything to
everyone all
the time...**

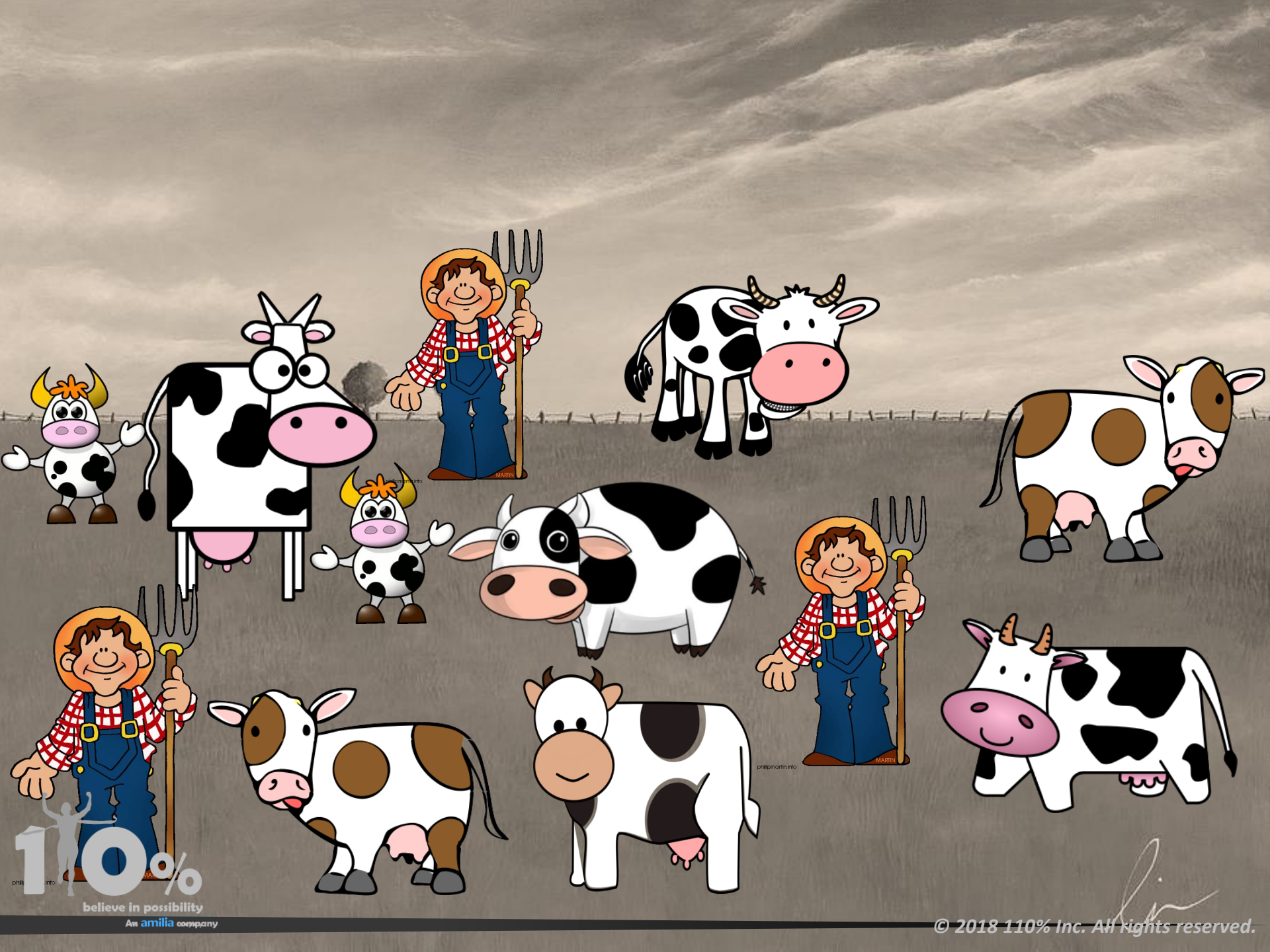


**We provide
everything to
everyone all
the time...**



philipmario

MADON



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**“I want
what I
want...”**



Figure 12: Should the Department offer what is requested by residents, or what is complementary to what is already provided in community?

The Department should provide facilities and programs that...
complement other community offerings but not duplicate them (even if the duplicated city programs are less expensive).
OR
are requested by residents, regardless of whether they are provided by other agencies in our community.

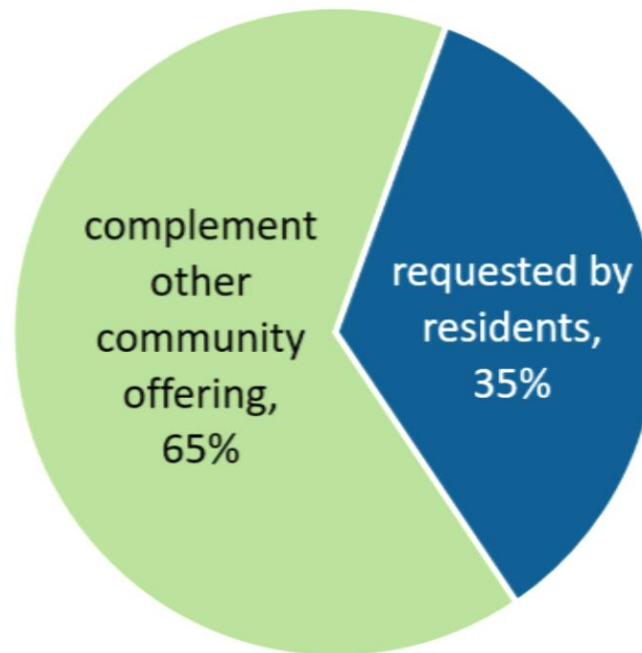
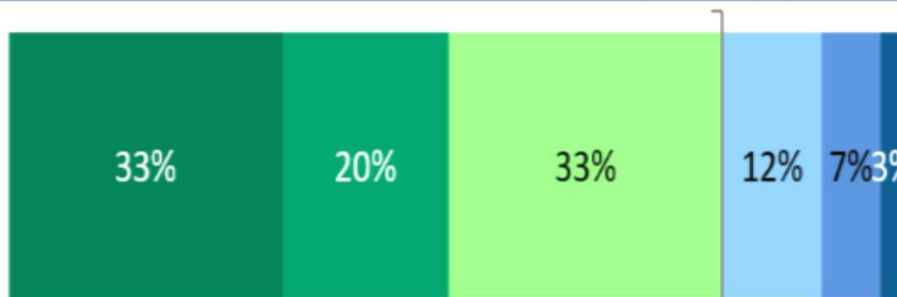


Figure 9: Focus on taking care of what we have versus invest in response to increasing demand

Please indicate how strongly you lean one way or the other for the pair of statements about the City of Mesa's Department of Parks, Recreation and Community Facilities funding priorities below. For example, if you feel strongly about the statement to the right, check the box closest to that statement, if you lean slightly toward the statement on the left, check a box closer to the middle.

What do you think should be the funding priority in the next few years?

Focus on taking better care of what we have and improve the condition and appeal of recreation facilities and parks. This means new facilities or parks would not be built, expanded or acquired.	↔	Invest in building or expanding recreation facilities in response to increasing demand. This means existing facilities would continue to be maintained at current levels with "deferred maintenance" continuing to grow over time. (Deferring repair work may evolve into more serious conditions or shortening the life cycle of systems and facilities.)
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Unfair competition



1. Take care of common resources
(e.g., environment, infrastructure)

2. Impact societal issues/conflicts
(e.g., health, social equity)



1. Take care of common resources
(e.g., environment, infrastructure)

2. Impact societal issues/conflicts
(e.g., health, social equity)

Education

Health & Wellness

Social Equity

Conservation

Resources



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The Terrible State of Our National Parks —in Photos

Broken pipes, crumbling walkways, closed trails—this is what the \$11.6 billion maintenance backlog looks like on the ground



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	Preventative Maintenance	Life Cycle	Replacement Cost	Annual Replacement Contribution
Recreation Center	\$50,000.00	30 years	\$30,000,000.00	\$100,000.00
-Dance floor	\$2,500.00	5 years	\$25,000.00	\$5,000.00
-Cardio/weights	\$2,500.00	3 years	\$35,000.00	\$12,000.00
- Gym floor	\$2,500.00	10 years	\$50,000.00	\$5,000.00
<i>totals</i>	\$57,500.00		\$30,110,000.00	\$122,000.00

Preventative Maintenance only	
year 1	\$122,000.00
year 2	\$126,270.00
year 3	\$130,689.00
year 4	\$135,264.00
year 5	\$139,998.00
total deferred years 1-5	\$654,221.00

Neither Prev. Mtc. nor Replacement	
year 1	\$179,500.00
year 2	\$185,783.00
year 3	\$192,285.00
year 4	\$199,015.00
year 5	\$205,980.00
total deferred years 1-5	\$962,563.00

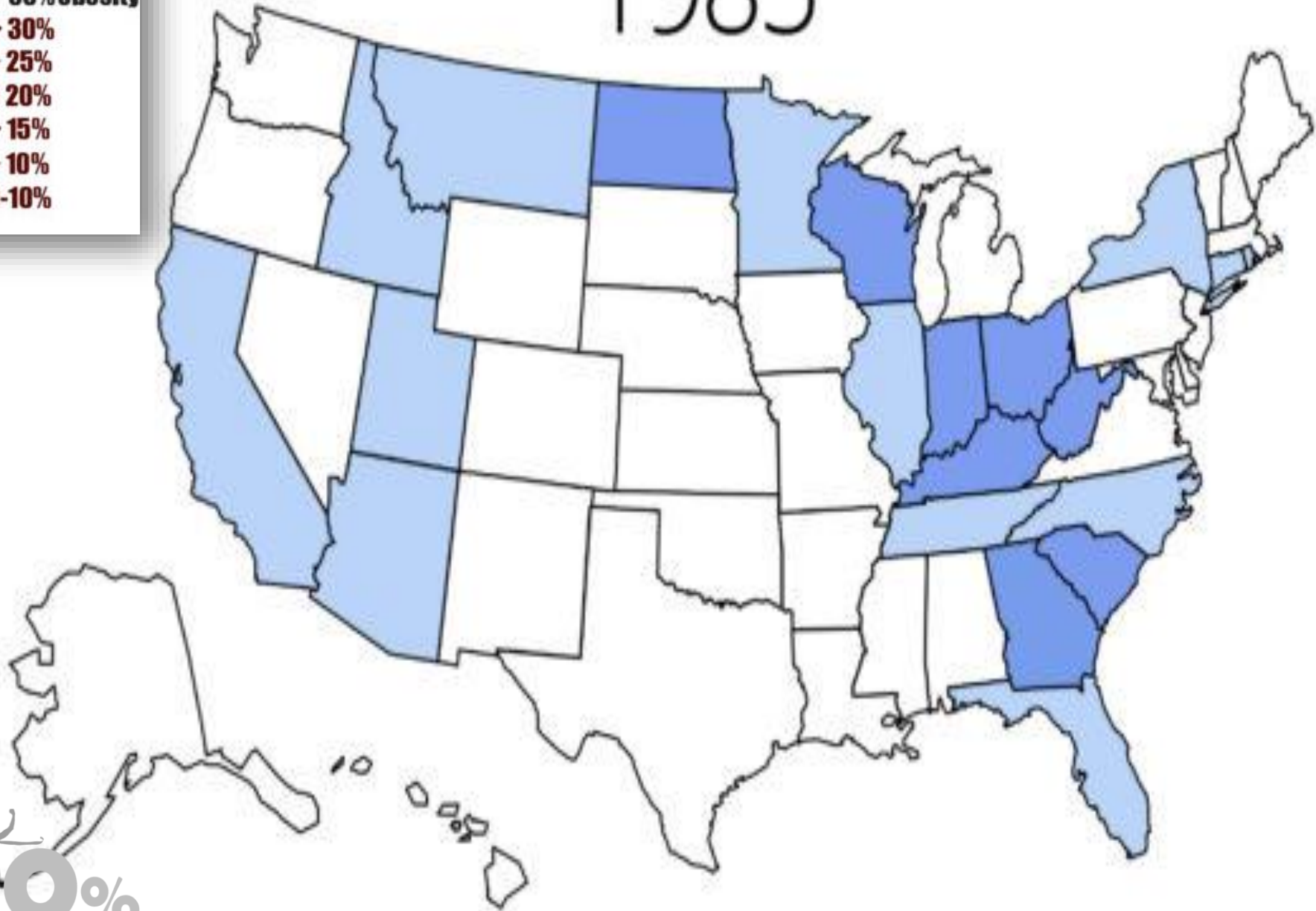
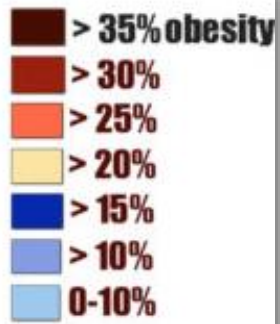
*3.5% CPI (annual growth)

\$10,000 investment
in 20 years @

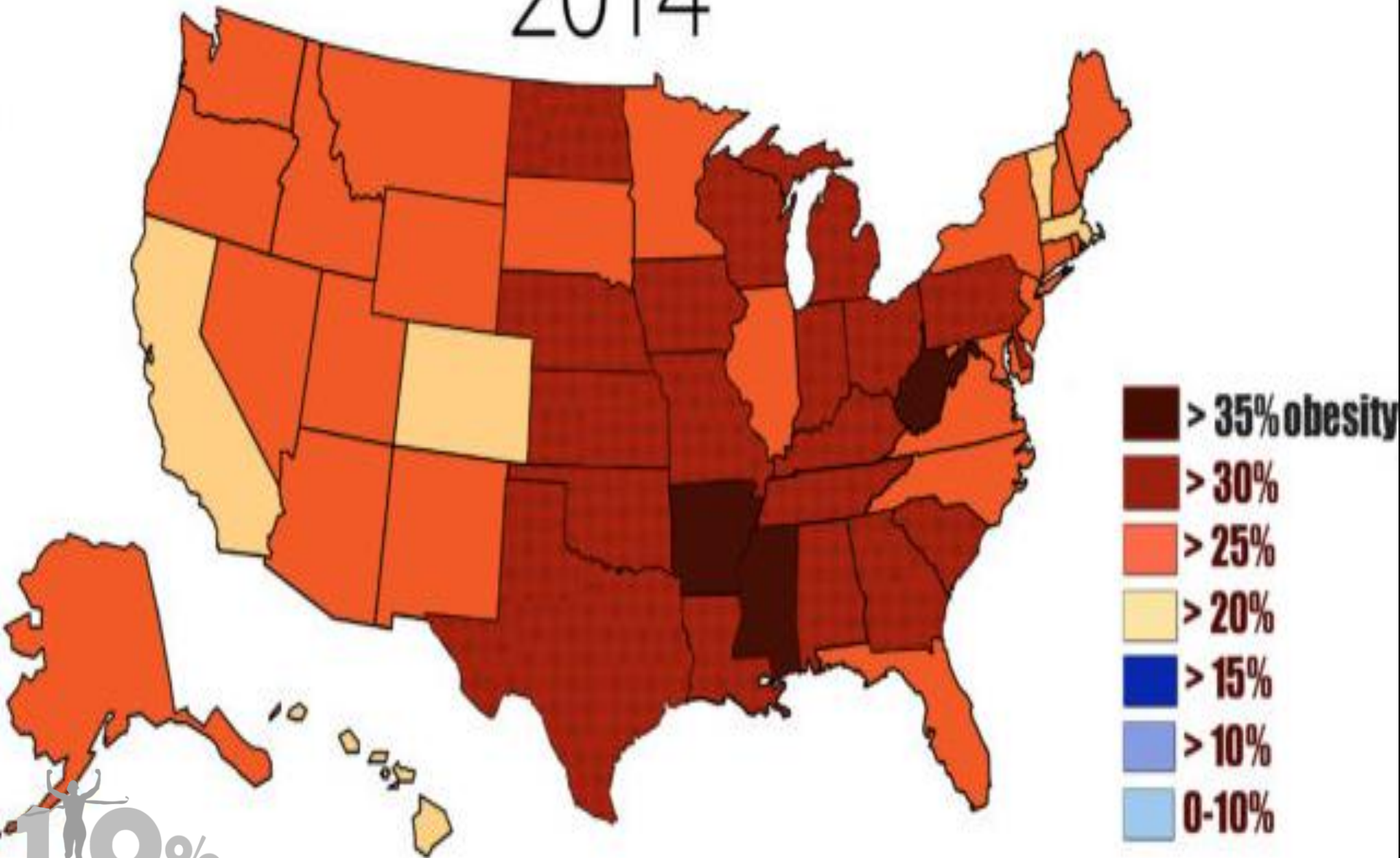
↙ 5%/year = \$25,390
(\$1270/yr.)



1985

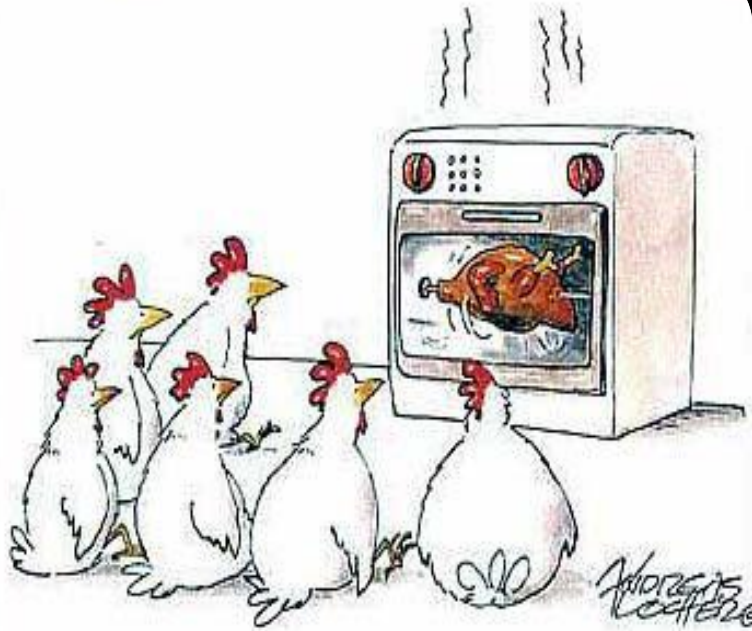


2014



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REALITY TV

Others...

Lack of revenue diversification

Education not a priority

Uninformed constituencies

False sense of self

“Different” avoidance

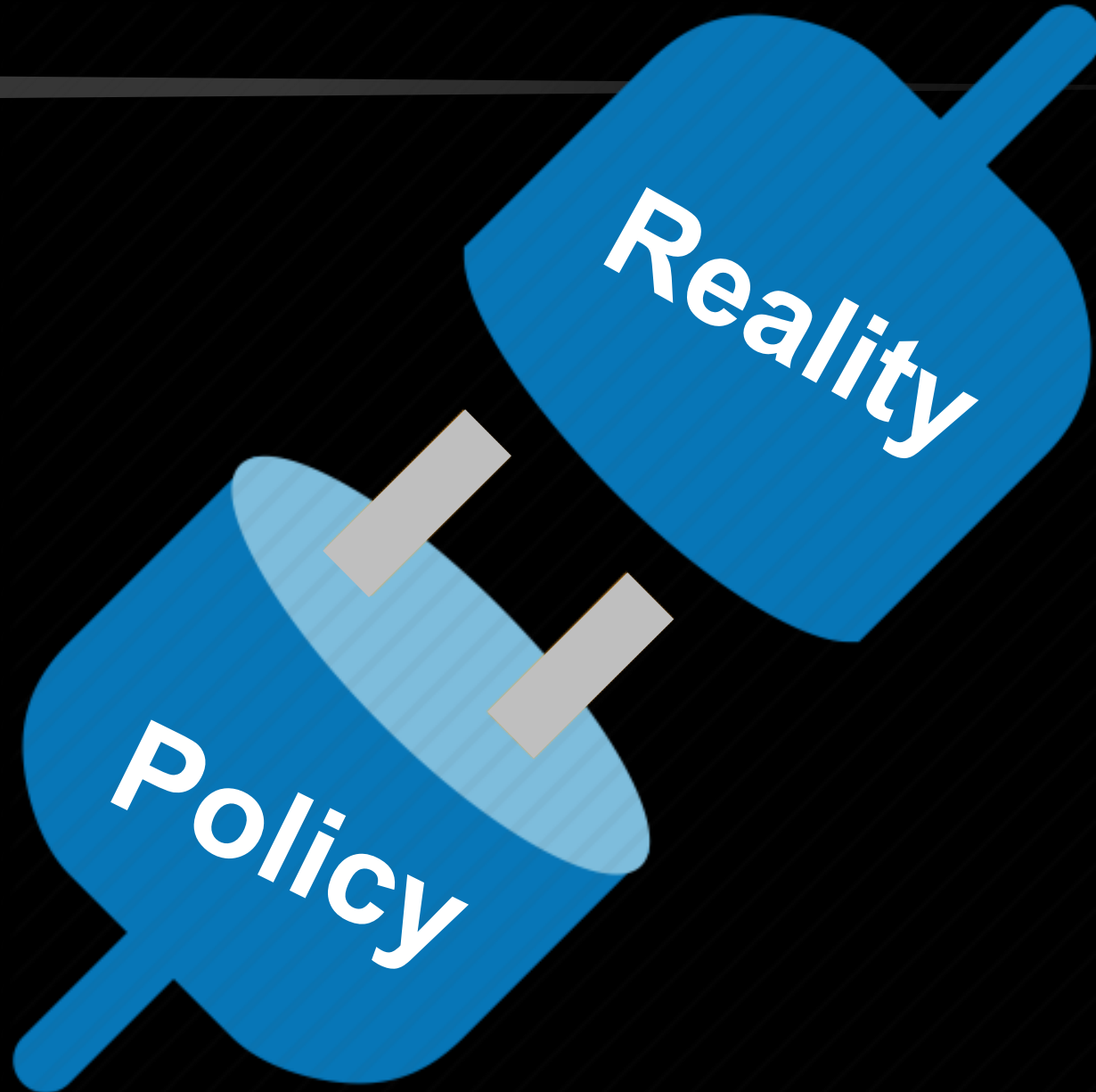
Lemming syndrome



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A tipping point!





Management principles



Social purpose

Spending choices & revenue opportunities



Cost recovery philosophy of yesterday

Parks

0 -10% cost recovery

Youth Sports

50% cost recovery

Adult Sports

75% cost recovery

Aquatics

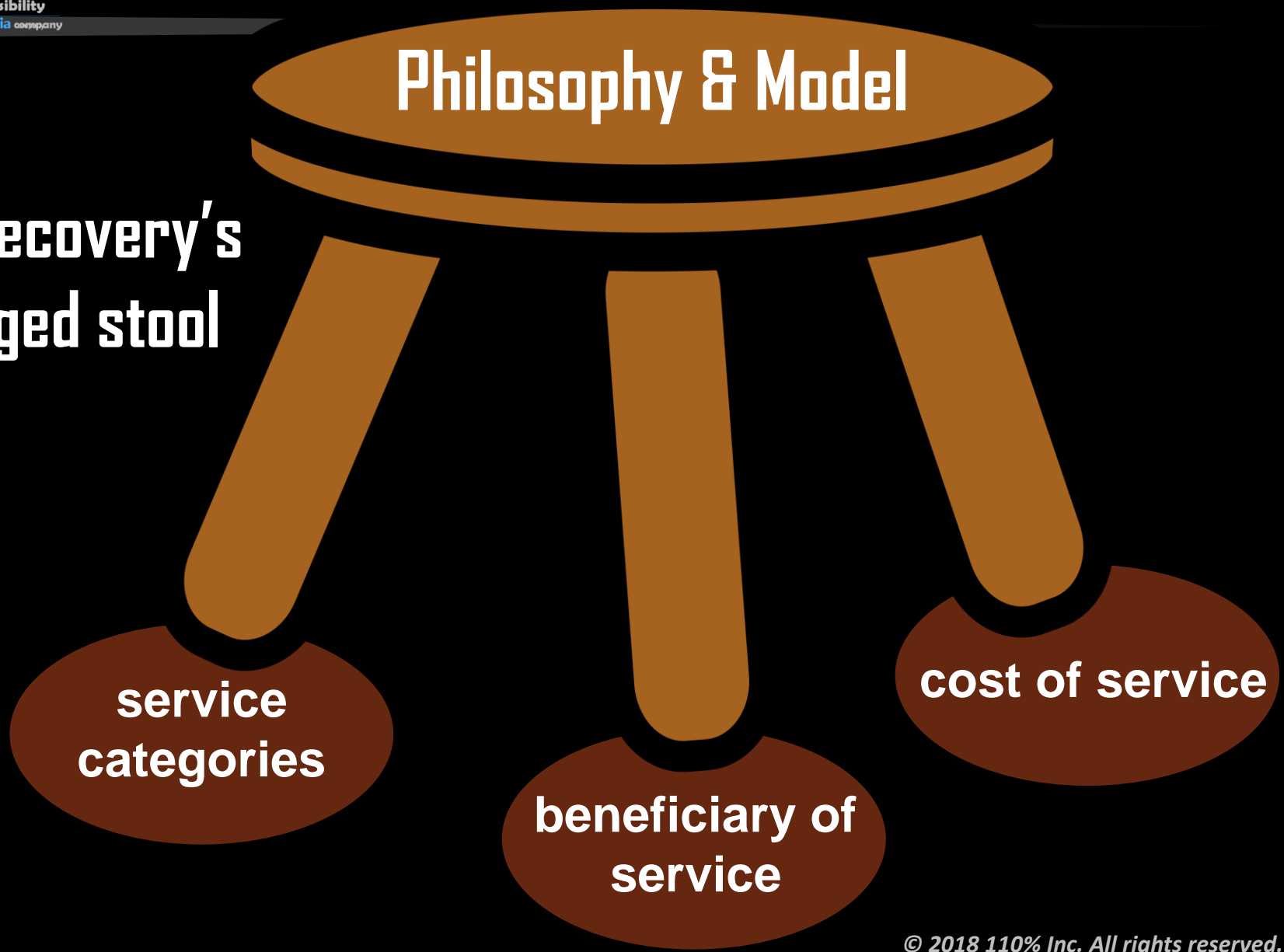
50% cost recovery

Seniors

25% cost recovery

and so on...

Cost recovery's 3-legged stool



Cost recovery goal =
50%?

Cost recovery goal =
75%?

Vs.





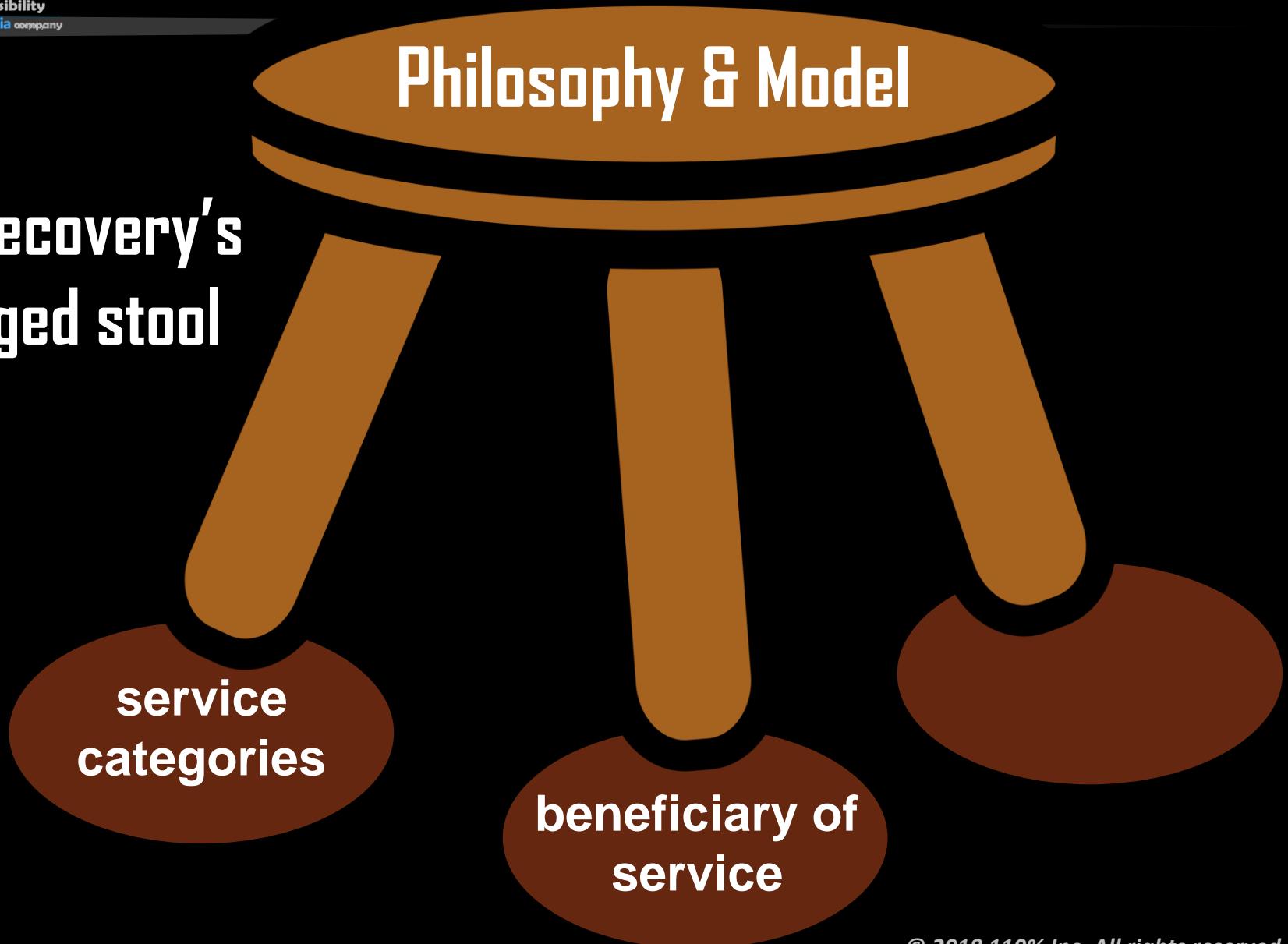
**Cost recovery goal =
25%?**

Vs.

**Cost recovery goal =
80%?**

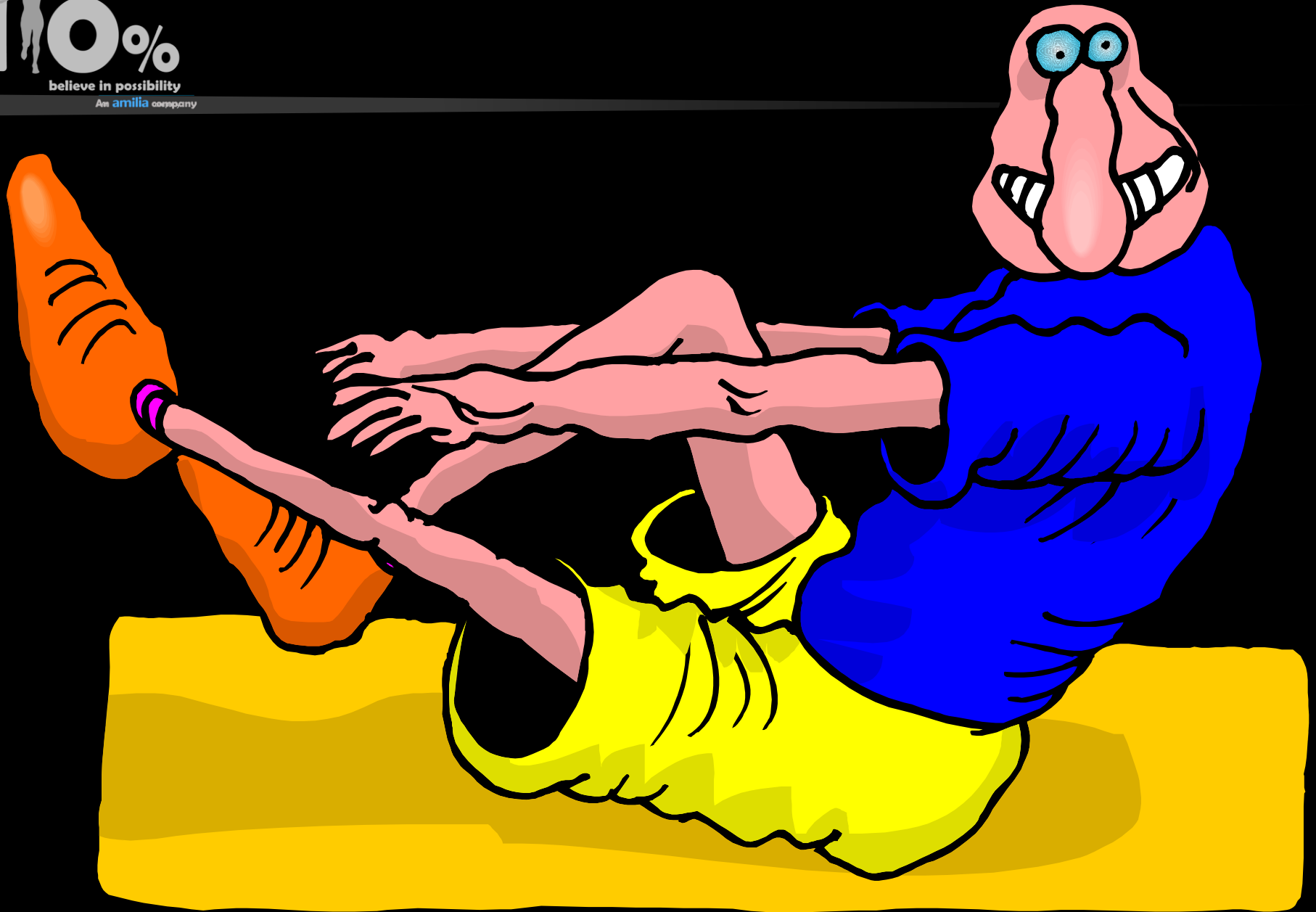


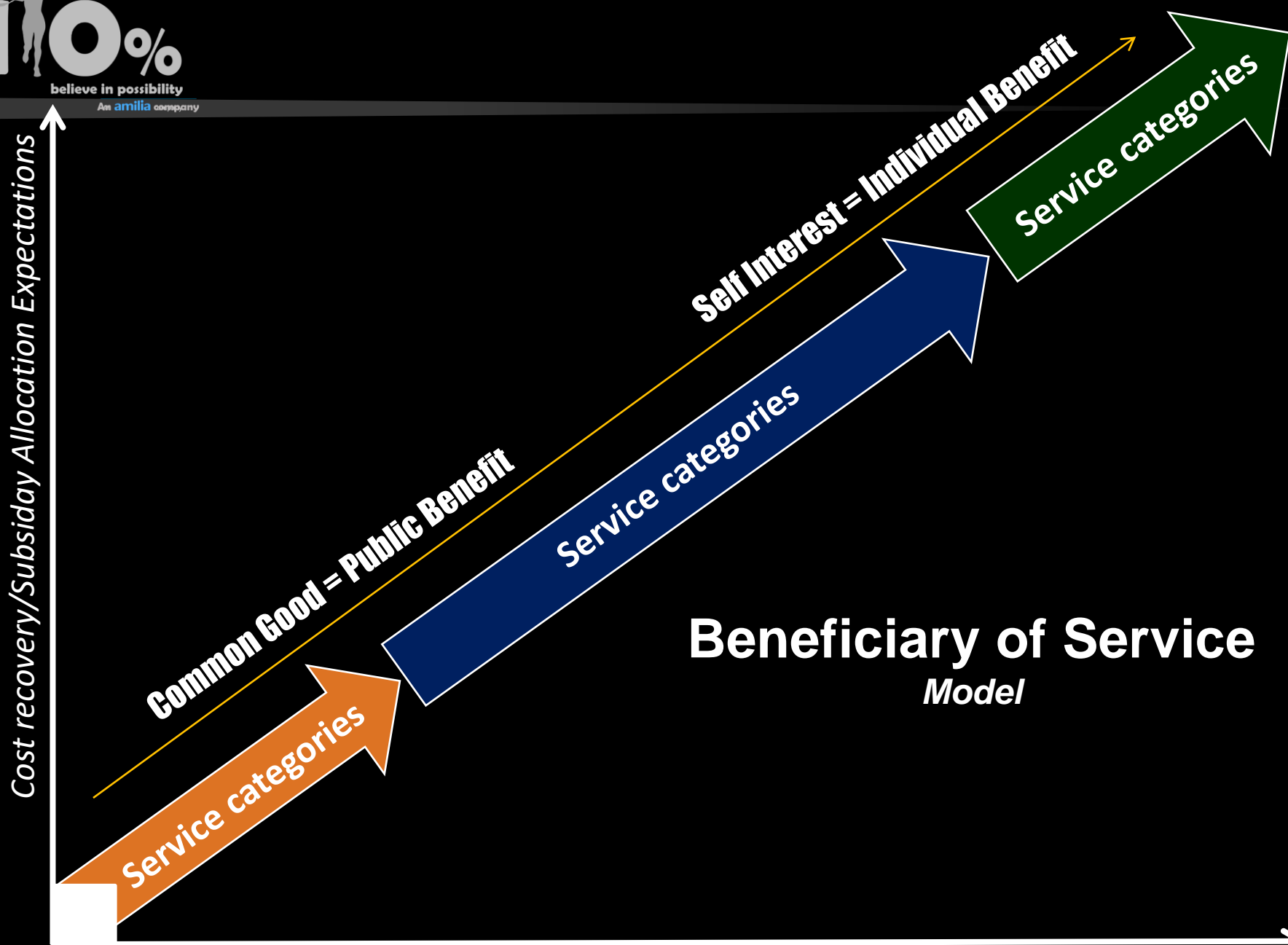
Cost recovery's 3-legged stool



**Cost recovery goal = VS. Cost recovery goal =
50%? 50%?**

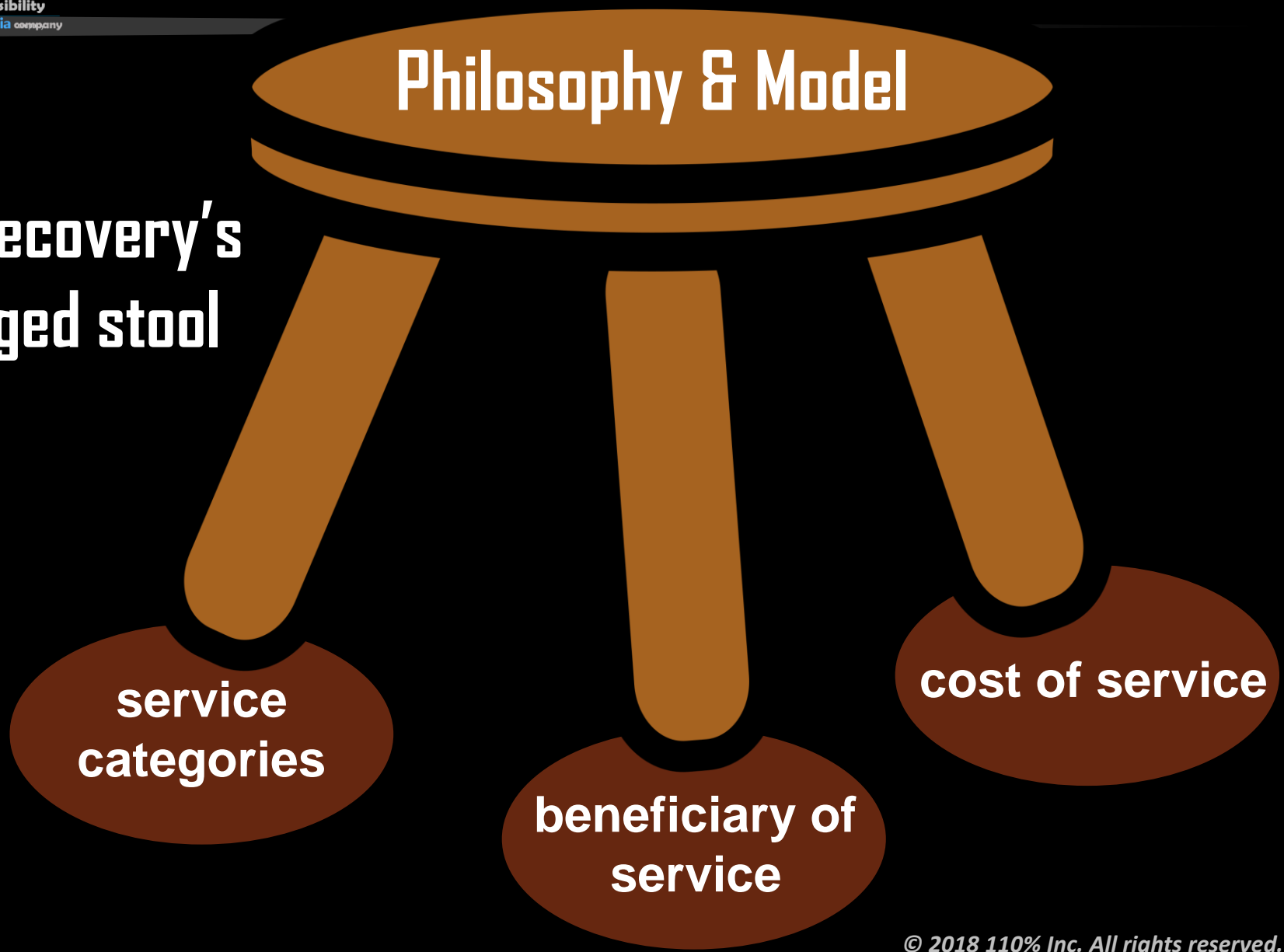




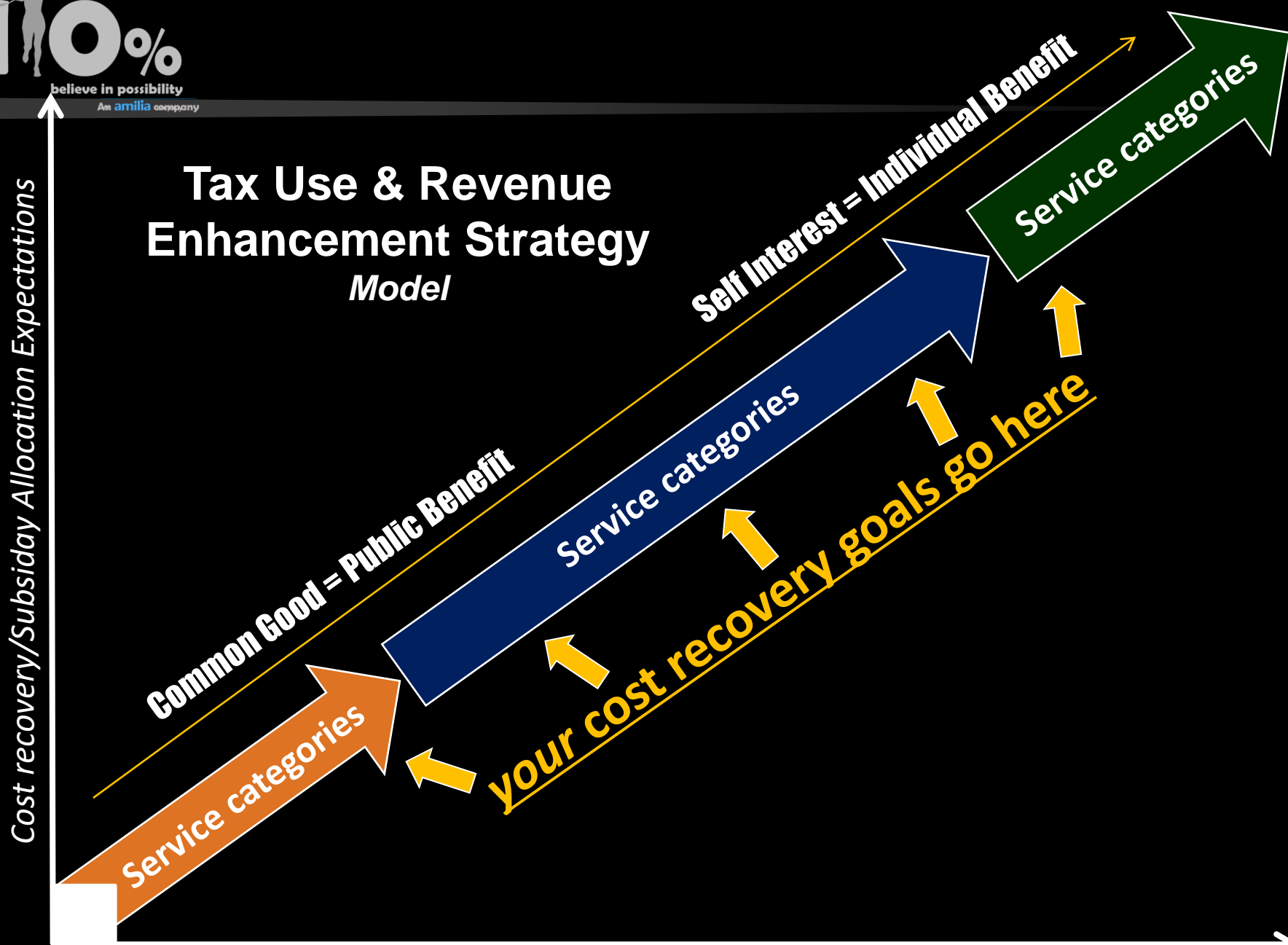


Beneficiary of Service
Model

Cost recovery's 3-legged stool







Cost recovery/Subsidy Allocation Expectations

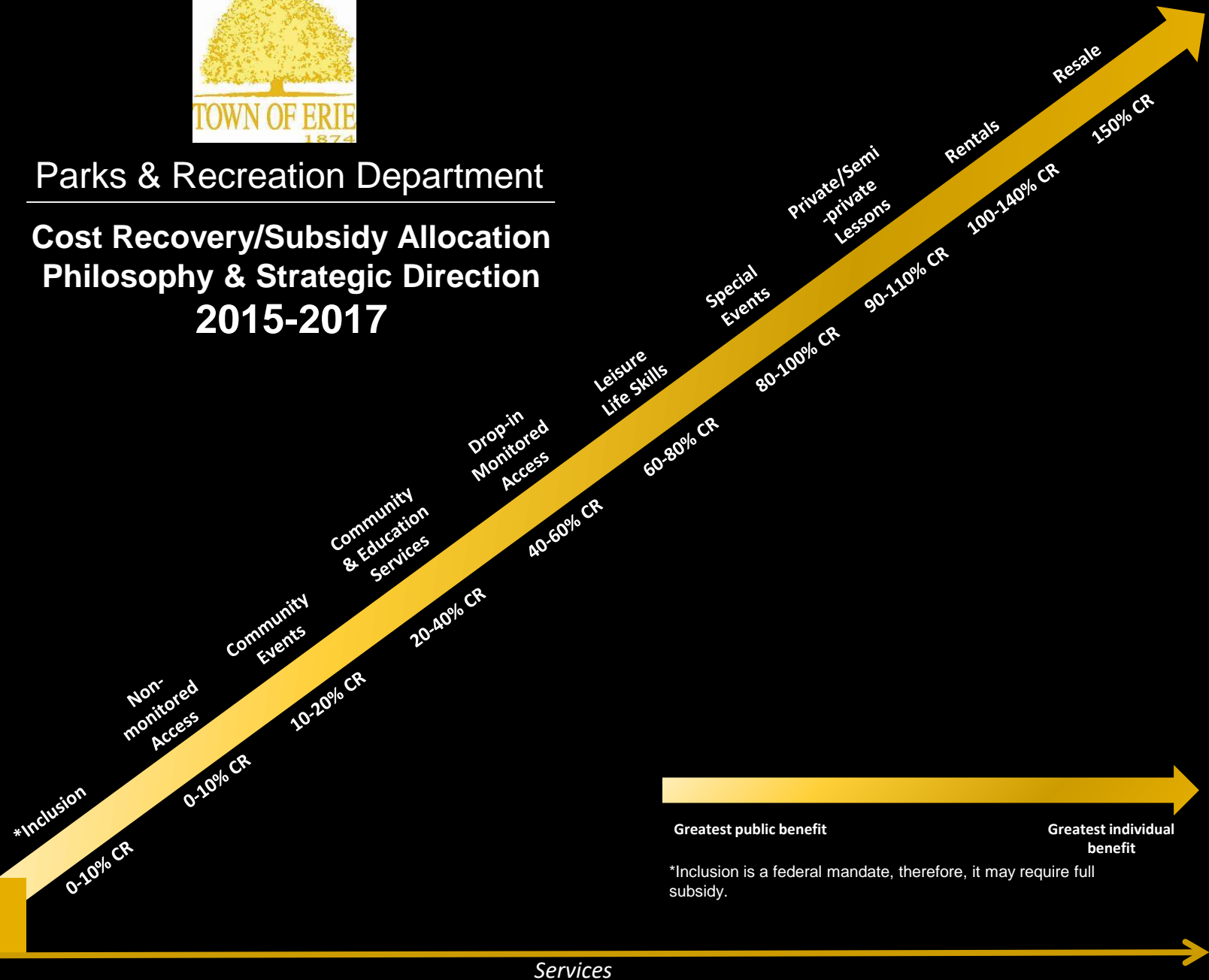
Service Categories



Parks & Recreation Department

Cost Recovery/Subsidy Allocation Philosophy & Strategic Direction 2015-2017

Cost recovery/subsidy allocation goal

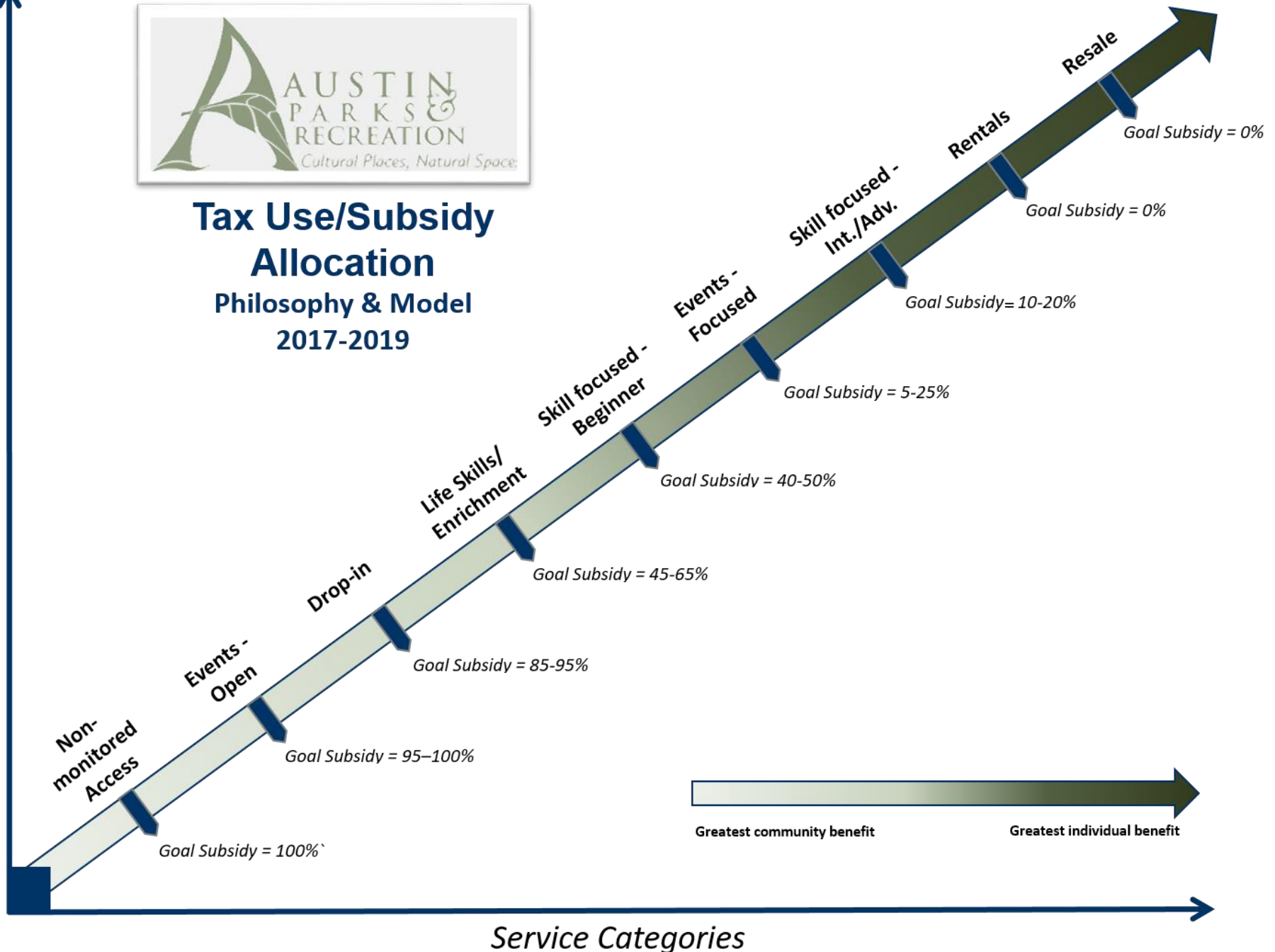


Services



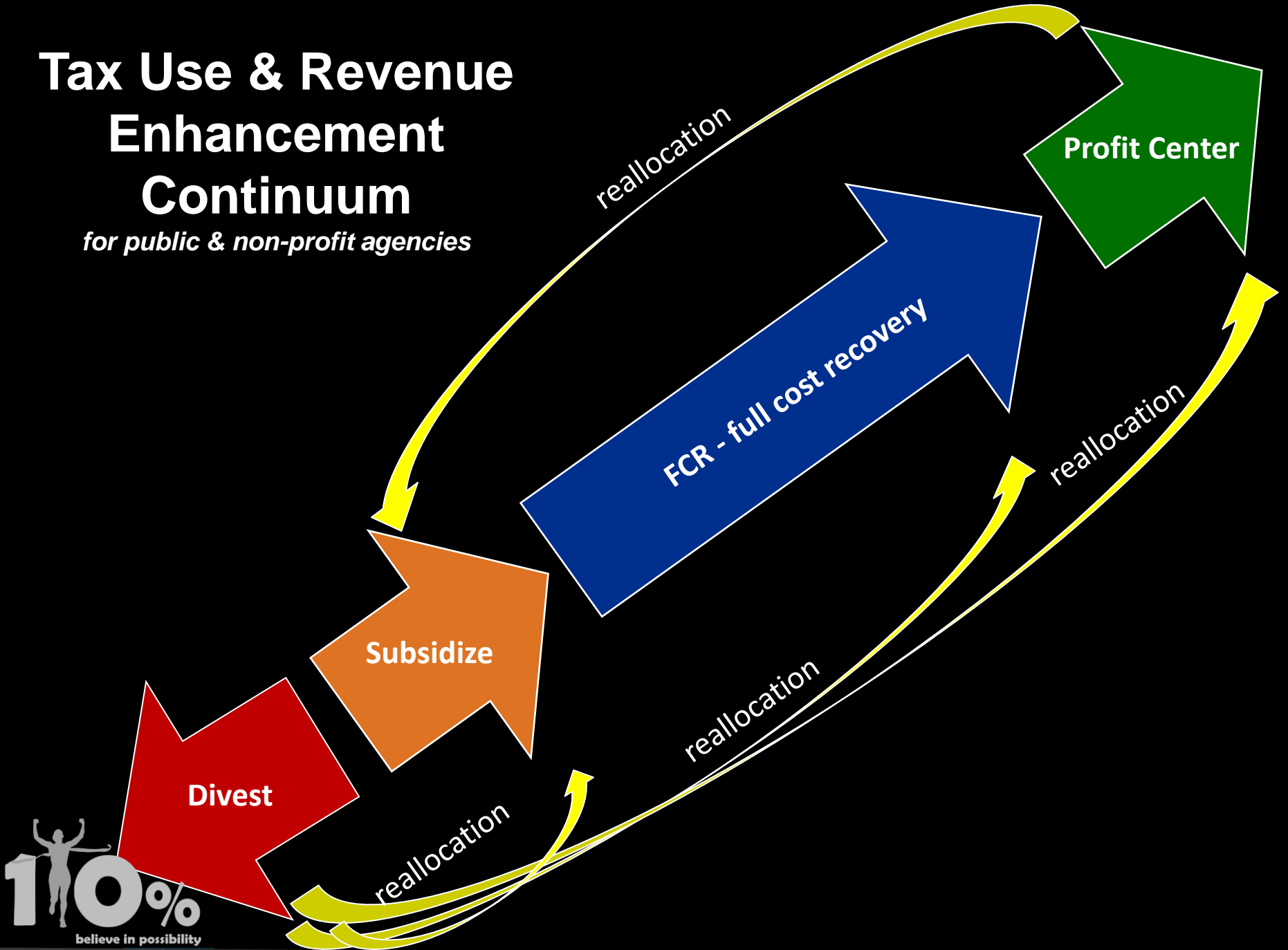
Tax Use/Subsidy Allocation Philosophy & Model 2017-2019

Subsidy vs Cost Recovery Expectation



Tax Use & Revenue Enhancement Continuum

for public & non-profit agencies





What's the plan?







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