

**Metropolitan Domestic Water Improvement
District Board of Directors Meeting**

December 8, 2014

Increase of Maintenance Fee for Public Use of the Board Room

Synopsis

The Board of Directors is requested to discuss the public use of the Board room and whether or not to modify its agreement for community groups with an increased maintenance fee.

Background

Since the District's office building was constructed in 1999, the Board of Directors has allowed tax-exempt community groups and government entities to use the Board room after business hours. The area available to the public includes the Board room, lobby, restrooms, parking lots, and the vestibule near the demonstration garden. Users are required to sign an agreement and provide a certificate of insurance naming the District as the certificate holder with minimum limit amounts of \$100,000/\$300,000 for bodily injury and \$50,000 for property damage.

The facility was initially offered at no charge and use of the facility became very popular, reaching as many as 150 reservations annually. The Board of Directors established a fee in November 2011 of \$20.00 per meeting to cover cleaning, overhead, and administrative costs.

Support from the District staff primarily resides with the General Manager's Executive Assistant, who administers the reservations and collects the fees, though occasionally Utility staff is called after hours to assist groups with securing the facility.

Issues

District staff is revisiting the maintenance fee to make certain calculations are based on the most current data. Initial Board room maintenance fee calculations were based upon the approximate square footage of the Board room but did not take into account the lobby and restroom areas, which are regularly used in conjunction with the Board room. The square footage of the Board room was previously estimated to be 8% of the total District complex. If the lobby and restrooms are added, the percentage is closer to 12%.

District staff compared its facility rental rates with other organizations in the local area. Staff contacted other nearby entities and found that most charge cleaning deposits or various hourly fees in addition to their starting rental rates. For instance, some schools charge separate hourly

fees for electricity and custodial services. Several entities charge according to the duration of the meeting, whereas the District charges a flat rate per meeting.

The following is a list of minimum costs for renting comparably sized facilities:

Tohono Chul Park	\$125 per meeting
Local School Districts	\$80 (plus \$30-35 per hour)
City of Tucson	\$50 per meeting
Pima Community College	\$25 per hour or \$65 for 4 hours
Pima County Public Libraries	No Charge

The fees collected by the District do not currently capture all costs incurred. Initial calculations in 2011 of overhead costs were approximately \$27.00 per reservation; though the Board elected to set the fee lower at \$20.00 per meeting. The costs of janitorial services, supplies, administration, and utilities have increased since the fee was established. Revised cost estimates total \$34.52 per meeting and are explained in detail in the attached table.

Since the implementation of the fee, reservations have dropped by about 50% and as a result administrative time has been reduced. Metro Water District use now accounts for about 70% of events held in the Board room and public use makes up about 30%, compared to 40% and 60%, respectively in 2011. Board room fees collected in Fiscal Year 2013 were \$2,000 compared with a total of \$1,780 in Fiscal Year 2014.

Several community groups have discontinued use altogether stating they have moved their meetings to Pima County Public Libraries to avoid paying a fee and to also to steer clear of ongoing road improvements along La Cañada Drive. Pima County Public Libraries are the only known alternatives available at no charge, or less expensive than the District's current rate.

The Board room and lobby were repainted along with the rest of the office building interior in 2008. New carpet was installed in the Board room in October 2011. High traffic has resulted in extra wear and tear on the walls and furniture. These public areas currently need a few improvements, to include paint touch-ups and carpet cleaning. The original 50 stacking chairs are in fair to poor condition and need to be replaced in the near future and several folding tables were recently replaced.

Groups have often asked to use the District's information technology during their meetings. Use of the District's information technology, including the projector, wifi, and network connections have been prohibited to date due to their high replacement cost and vulnerability to security risks. The Board may wish to discuss whether to include allowing use of this equipment to enhance the value of paid reservations.

The agreement currently states maximum occupancy for the Board room is 50 persons but through discussions with Northwest Fire District, it was determined to be 90 persons.

The District is pleased to serve the community through providing a convenient location for community groups to meet. In addition to paid reservations, the District's Board room has been used as an election polling place for many years. The District facilities continue to be a valuable benefit to District ratepayers and the surrounding community.

Recommendation

It is recommended that the Board of Directors continue allowing public use of the Board Room and Lobby. It is also recommended the Board of Directors set the maintenance fee of \$30.00 per meeting in the attached updated Agreement for Public Use of the Board Room effective January 1, 2015.

Suggested Motion

I move to set the maintenance fee at \$30.00 per meeting in the updated Agreement for Public Use of the Board Room effective January 1, 2015.

Respectfully submitted,

Joseph Olsen, P.E.
General Manager