

Minutes

**Board of Directors and Budget Committee Meeting
Wednesday, May 23, 2018, 6:00 p.m.
Bob Keefer Center for Sports and Recreation
250 S. 32nd Street, Springfield, Oregon**

I. CALL TO ORDER

President Ballew called the meeting to order at 6:02 p.m.

II. ROLL CALL

Board Present: Anne Ballew, Janice Ross, Greg James, Lee Beyer (arrived at 6:28 p.m.)

Board Absent: Denise Bean

Budget Committee Present: Tammy Fitch, Raúl de la O, Brian Young

Budget Committee Absent: Darlene Raish, Jeff Thompson

Staff Present: Michael Wargo, Superintendent; Eric Adams, Planning Parks & Facilities Director; Dania Ballard, Finance Director; Nicole Gibson, Administrative Services Director; Jennifer Holland, Bob Keefer Center Program Manager; Ryan Taxara, Early Childhood and Youth Recreation Program Manager; Christine Crutcher, Aquatics Program Manager; Kate Reid, Community Engagement Supervisor; Kim Lyddane, Special Events and Outdoor Recreation Program Manager; Mert Mansur, Facilities, Operations and Maintenance Supervisor; Ken Randall, Structures Supervisor; Damon Crume, Park Services Program Manager; Angela Arnold, Accountant; Karen Van Cleave, Accounting Assistant.

Guests: None

III. FLAG SALUTE

President Ballew led the group in the flag salute.

IV. AJUSTMENTS TO THE AGENDA

There were no adjustments to the agenda.

V. ELECTION OF OFFICERS FOR THE FY 2018 BUDGET COMMITTEE

Director James, seconded by Director Ross, moved to nominate Tammy Fitch as Budget Committee Chair. The motion passed unanimously 6:0

Chairperson Fitch, seconded by Director James, moved to nominate Raúl de la O as Budget Committee Vice-Chair. The motion passed unanimously 6:0.

VI. OPENING REMARKS

President Ballew welcomed the budget committee members to the meeting and thanked everyone for attending.

VII. SUPERINTENDENT'S BUDGET MESSAGE

Superintendent Wargo thanked Dania Ballard and her staff, Angela Arnold and Karen Van Cleave, for their hard work and preparation on the FY 2019 budget. He also thanked the program managers for their attendance and noted that each manager would give a budget update on their respective programs.

Superintendent Wargo reviewed the following highlights from his budget message:

- The District continued to be in a good financial position
- Several factors influenced the budget including an increase of recreational revenue from FY18 ; Recreation Services cost recovery of 54% for FY19, 55% for FY20 and 56% for FY21; under-expenditure allowance of 98% over five years; Minimum wage increases would be 75% funded from the General Fund and 25% from other revenues; transfer of \$350,000 to the Building and Construction Fund from the General Fund and \$100,000 transferred to Dorris Ranch due to a reduction in nut harvest and grant revenues; the District will maintain a minimum of 12% operating budget reserves.
- Organizational needs were assessed resulting in a downgrade of the Deputy Superintendent position to a Director of Recreation. The District will recruit for a full-time supervisor to oversee customer service and front desk operations, and a park ranger to provide safety and security.
- District assessed value will increase by 3.5%, uncollectable taxes were budgeted at 5.5%, a payment of \$275,061 payment was anticipated for full faith and credit bonds with a balance owed at \$2.42 million. The final bond payment would be in FY21 and the second issue would be completed in FY31.
- Personnel costs increased by 3.2% due to the restructure of positions and an increase in the minimum wage and cost of living. The District's health insurance premiums increased by 4%. There were approximately 9.8% of full-time employees that had reached the top of their range, which limited their increase in salary. 71 salaried employees and 24 part-time employees worked more than 25 hours per week and were eligible to receive health insurance.

VIII. FY19 BUDGET REVIEW, FIVE-YEAR PROJECTIONS AND BUDGET REVIEW PROCESS

Dania Ballard stated that the proposed budget for FY2019 came to \$21,823,049. She went over the proposed budget amounts for each individual fund including: general fund, bonded debt, building and construction fun, bond construction fund, SDC fund, BPA stewardship fund, Dorris Ranch special revenue fund, aquatics reserve fund, technical equipment reserve fund, vehicle/equipment maintenance fund and sports park reserve fund.

Ms. Ballard said the objective of the five-year property tax revenue projections was to have 12% in reserves at the end of five years. She added that the proposed FY2019 budget would meet that plan.

IX. PUBLIC INPUT FROM THE AUDIENCE STATEMENT

Chairperson Fitch read a statement for public input stating that comments were limited to three minutes each and anyone wanting to speak was required to state their name and address.

X. BUDGET PRESENTATIONS FROM STAFF

A. General Fund

1. Administrative Services Division

- a. Board/Superintendent** – Superintendent Wargo stated that the total proposed FTE for FY2019 would be 2.0 which include himself and an executive assistant. Significant changes for the department included several increases including \$5,000 for contractual services, \$6,150 for collective bargaining association fees and \$10,000 for marketing to assist with the upcoming 75th Anniversary.
- b. Finance** – Ms. Ballard said a new department had been created called Rental Properties to better facilitate property rental related management. This fund was previously within the Parks and Facilities budget. Additionally, Ms. Ballard reported that proposed FTE for FY2019 would increase to accommodate an Accounts Receivable/Billing Clerk position (.625 FTE).

[For voting purposes, Director Beyer joined the meeting at 6:42 p.m.]

- c. Human Resources & Information Technology** – Ms. Gibson stated she was proposing an increase in FTE for FY2019 to include an Administrative Services Supervisor, a Guest Services Coordinator and a Park Services Ranger. Additionally she reported that fund 61702 increased due to the need to replace aging computers. Additional increases included Miscellaneous Revenue, and Licenses, Permits and Certifications.

2. Recreation Service Division

- a. Administration** – Superintendent Wargo reported that proposed FTE for FY2019 decreased from 6.5 to 2.0 FTE because Community Engagement would be a separate department.
- b. Bob Keefer Center** – Jennifer Holland shared that she expected revenues to increase for youth recreation and athletics due to new cost recovery goals, as well as an increase in rental revenues. As a result of increased revenues, there would be ActiveNet Fees. Other significant changes included increased for Contractual Services, Repair and Maintenance and Building Improvements.
- c. Early Childhood and Youth Recreation** – Ryan Taxara reported that due to anticipated lower enrollment, Early Childhood Program revenue would decrease

from by over \$121,000, however, youth program fees would increase by \$80,000 between Kids Club, Early Childhood classes and Full-Day Preschool programs.

- d. **Aquatics** – Christine Crutcher reported that proposed FTE for Aquatics would increase a bit from FY18 and that wages for non-bargaining unit part time positions would go up due to the increase in the minimum wage and due to aligning front desk position to a Customer Service I to match other similar positions in the District. She shared that Contractual Services would decrease due to concessions no longer being managed by a vendor.
 - e. **Community Engagement** – Kate Reid shared that for FY2019, Gifts/Grants would be budgeted within individual departments, as well as Advertising and Marketing. Recreational fees increased due in part to 1Pass sales, Printing and Binding increased for the Recreation Guide, but Duplicating expenses were reduced due to a new lease with the copier company.
 - f. **Adult Activity Center** – Sarah Judd said that revenues for the proposed FY2019 budget would increase for hosting a conference and increasing adult fitness classes and promotions to increase participation. Rental Revenues would increase as well by \$2,000 per month until the end of December with a good chance of renewal. Ms. Judd also added that Contractual Services would increase due to additional expenses for conference hosting.
 - g. **Camp Putt** – Kim Lyddane reported that significant changes for FY2019 included increases for Commission/Concessions, Sponsorship/Donations and Rental/Equipment & Facilities. Expenses increased for Part-time Non-Bargaining Unit Staffing due to the need to increase staffing for security reasons. Ms. Lyddane added that she renegotiated a contract with a property owner to reimburse for 35% of revenue instead 40%.
 - h. **Special Events and Outdoor Recreation** – Kim Lyddane said that Commissions would be reduced due to the use of on-site food trucks on-site at Sounds Like Summer events which would also improve customer service. She added that Gifts/Grants would increase due to an \$8,000 Safe Routes to School program grant. Ms. Lyddane reported that the 35 passenger bus would no longer be used saving money in the Gas & Oil – Vehicles and a decrease in Transfer to Veh/Equip Res Funds.
3. **Planning Parks, Parks and Facilities Division** – Eric Adams reported that the most significant changes in the FY2019 proposed budget included an increase for fund 61710 Water due to newly installed irrigation systems, an \$18,000 increase in Contractual Services to support maintenance and monitoring for the Weyerhaeuser landfill, a \$38,000 increase due to reallocation of funds within Structures, Landscape and grounds and fleet departments, and an increase for projected costs associated with restroom maintenance and repair. Additionally, Mr. Adams shared that approximately \$68,000 of annual revenue for commercial and residential rental properties would be transferred to a new department – 150 Rental Properties. This new category would be used for maintenance and repairs for those rentals.

4. Special Payments – Ms. Ballard briefly reported on Fund 900 Special Payments and said funds would be transferred to the 91400 Building and Construction Fund to allocate money for one of the District’s CIP projects. Additionally, Ms. Ballard said another transfer was made to 91900 Dorris Ranch Fund to help support recreation programming and capital improvements to Dorris Ranch.

B. Bonded Debt Fund – Ms. Ballard reported that the final payment for the Bonded Debt Fund would be in 2031.

C. Building and Construction Fund, D. Bond Construction Fund and E. System Development Charges – Referring to the Agenda Memo in the budget book, Mr. Adams went over the District’s five-year Capital Improvement Program which included the Building and Construction, Bond and System Development Charges funds. He said anticipated revenue would be \$487,000 and went over the anticipated subsidy for FY2019 through FY2023. Mr. Adams added that the five-year schedule would enable completion of projects that were canceled in FY2018 due to funding adjustments.

D. Dorris Ranch Special Revenue Fund – Mr. Adams reported that Fund 42246 Filbert Sales would likely decrease \$24,000 due to a reduction in trees and filbert production and that the filbert orchard was being removed and replaced over several years.

E. BPA Stewardship Fund & H. Other Funds – Ms. Ballard went over the BPA Stewardship Fund and four reserve funds including Aquatics, Technical Equipment, Vehicle Equipment and Sports Park.

XI. PUBLIC INPUT FROM THE AUDIENCE

There was no public comment

XII. BUDGET COMMITTEE DELIBERATIONS

The committee did not go into deliberation for any of the budget funds.

XIII. APPROVAL OF RECOMMENDED BUDGET

President Ballen, seconded by Director Beyer, moved that Willamalane Park & Recreation District Budget Committee approve the FY2019 tax rate of 2.007% per \$1,000 of assessed value. The motion passed unanimously 7:0.

President Ballen, seconded by Director Beyer, moved that Willamalane Park & Recreation District Budget Committee approve a levy in the amount of \$1,530,289 for payment of General Obligation bond principal and interest. The motion passed unanimously 7:0

President Ballen, seconded by Director James, moved that Willamalane Park & Recreation District Budget Committee adopt the proposed fiscal year 2019 budget of \$21,823,049. The motion passed unanimously 7:0.