

Budget Committee Meeting
May 16, 2016



TUALATIN HILLS
PARK & RECREATION DISTRICT

*The mission of the Tualatin Hills Park & Recreation District
is to provide natural areas, high quality park and recreational
facilities, services and programs, that meet the needs
of the diverse communities it serves.*



**Tualatin Hills Park & Recreation District
Budget Committee Meeting
HMT Recreation Complex
Peg Ogilbee Dryland Meeting Room
15707 SW Walker Rd., Beaverton**

**Monday, May 16, 2016
6:30 pm**

AGENDA

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| 1. Call Meeting to Order | Stephen Pearson |
| 2. Approve April 18, 2016 Work Session Minutes | Stephen Pearson |
| 3. General Budget Information | Keith Hobson |
| 4. Review Budget Information & Recommendations | Keith Hobson |
| 5. Public Comment* | Stephen Pearson |
| 6. Budget Committee Discussion | Stephen Pearson |
| 7. Approve 2016-17 Budget & Property Taxes to be Imposed | Stephen Pearson |
| 8. Adjourn | Stephen Pearson |

* Public Comment: If you wish to speak, you may be heard under Agenda Item #5 Public Comment. Please state your name and address for the record. Please note there is a three-minute time limit per person.

In compliance with the American with Disabilities Act (ADA), meeting materials in alternate format or special accommodations for the meeting will be made available by calling 503-645-6433 at least 48 hours prior to the meeting.



MEMO

DATE: May 1, 2016
TO: Budget Committee
FROM: Doug Menke, General Manager

RE: **May 16, 2016 Budget Committee Meeting**

Staff have prepared the attached information for your budget committee meeting.

The information being presented is organized into binder tabs as follows:

1. General Budget Information and Committee Overview: Agenda for the May 16, 2016 Budget Committee Meeting and this memo.
2. Minutes of the April 18, 2016 Budget Committee Work Session.
3. General Fund Recommended Adjustment to Proposed Budget: Staff has recommended adjustments to the proposed General Fund budget and are requesting approval of these adjustments by the budget committee. The adjustments reflect the addition of two capital carryforward projects to the Proposed Budget.

These adjustments may be approved or rejected by the budget committee. If approved, they will be reflected in the Approved Budget Fiscal Year 2016/17.

Staff looks forward to meeting with the budget committee, presenting this information, and answering any additional questions the committee may have about the proposed budget. This is the meeting in which the budget committee is requested to approve the fiscal year 2016/17 budget and to approve THPRD's property tax levies for this same year.

Your meeting is scheduled for 6:30 pm, Monday, May 16, 2016, in the Peg Ogilbee Dryland Meeting Room at the Howard M. Terpenning Recreation Complex.



Tualatin Hills Park & Recreation District Minutes of a Budget Committee Work Session

A Tualatin Hills Park & Recreation District Budget Committee Work Session was held at 6 pm, Monday, April 18, 2016, at the Elsie Stuhr Center, Manzanita Room, 5550 SW Hall Boulevard, Beaverton.

Present:

Stephen Pearson	Chair/Budget Committee Member
Susan Cole	Secretary/Budget Committee Member
Miles Glowacki	Budget Committee Member
Jerry Jones Jr.	Budget Committee Member
Ali Kavarianian	Budget Committee Member
Shannon Kennedy	Budget Committee Member
Anthony Mills	Budget Committee Member
Bob Scott	Budget Committee Member
Doug Menke	General Manager

Absent:

John Griffiths	Budget Committee Member
Larry Pelatt	Budget Committee Member

Agenda Item #1 – Call to Order

The work session was called to order by Chair Stephen Pearson at 6 pm. All present introduced themselves.

Agenda Item #2 – Approve February 22, 2016 Minutes

Anthony Mills moved that the budget committee approve the minutes of the February 22, 2016 Budget Committee Meeting as submitted. Miles Glowacki seconded the motion. The motion was UNANIMOUSLY APPROVED.

Agenda Item #3 – Opening Comments

Note: A PowerPoint presentation was used throughout agenda items #3, #4, and #5. A copy of the PowerPoint presentation was entered into the record.

General Manager Doug Menke welcomed everyone to the FY 2016/17 Budget Committee Work Session and outlined the interactive process for the public meeting. He announced that THPRD received the Government Finance Officers Association's Distinguished Budget Presentation Award for the twelfth consecutive year.

A. Guiding Themes/Strategies for FY 2016/17

Doug referenced the Comprehensive Plan Update, the Service and Financial Sustainability Analysis, and the updated Strategic Plan approved by the board of directors in 2013. Staff have now completed, and the board has adopted, the five prescribed functional plans: Natural Resources, Parks, Programs, Trails, and Athletic Facilities. With these tools, staff developed five themes that drove the planning and development of the proposed FY 2016/17 budget:

- Ensure THPRD serves our entire community and eliminate barriers that could limit participation from some segments of our community
- Enhance communication and outreach efforts with patrons and residents
- Maintain and enhance levels of service in our parks, trails, natural areas and facilities
- Ensure continuity of service and minimize service disruptions
- Move cost recovery on THPRD services in line with established targets

Doug noted that the proposed amount to fund the General Fund budget is \$51,584,304.

B. Goal Outcomes & Performance Measures

Seth Reeser, Operations Analysis manager, described the process staff have taken for the FY 2016/17 goal outcomes and performance measures, noting that 13 of the total 26 business plans submitted are to be funded in FY 2016/17, six plans will be funded through other sources, and seven plans were denied. He reviewed the amount of funding required for FY 2016/17 and the continued funding for the approved FY 2015/16 business plans.

Agenda Item #4 – Review Proposed 2016/17 Fiscal Year Budget Resources

Keith Hobson, director of Business & Facilities, stated that the proposed budget reflects staff's final proposal. The budget committee may make changes to the proposed budget, which would be reflected in the approved budget and approved by the budget committee. The board of directors may make limited changes to the budget committee's approved budget, which would be reflected in the final adopted budget.

Keith stated that THPRD's total resources for the FY 2016/17 proposed budget are approximately \$114 million. Of the total resources:

- A little less than half is from beginning Cash on Hand (\$49 million), with approximately 60% of Cash on Hand (\$29 million) in the Bond Fund.
- Approximately one-third (\$34 million) is from property taxes.
- The balance is from a variety of sources including program user fees, System Development Charge (SDC) fees, grants, and other income.

Keith noted that there is little change in resources between FY 2015/16 and FY 2016/17, other than a fairly significant increase in SDC revenue due to increased rates and activity.

General Fund Resources

- The tax levy is based on estimated assessed value. The budget committee will be asked to approve tax levies at their May meeting. The proposed budget was prepared with an estimated increase in assessed value of 4.5%, slightly higher than the budgeted increase in FY 2015/16 assessed value (4%), but equal to the actual growth in FY 2015/16. Taxes generally were increased by 3% on existing properties where market value was more than assessed value. In the 2015/16 budget estimate, approximately 13% of property within THPRD is at market value, decreasing the overall growth to 2.6%, but that issue no longer applies to the 2016/17 estimate. New development growth is conservatively estimated at 1.5%, slightly higher than the budgeted increase in FY 2015/16 (1.4%). Staff continue to monitor indicators that show property values are steadily improving, but still estimated growth conservatively.
- The beginning fund balance is projected at \$4.69 million, which is slightly higher than the estimate provided at the February mid-year meeting.
- Program revenue is projected to increase by 3.5% from the FY 2015/16 budget. Program revenue is built from the compilation of all program activities and is based on actual programs, not an overall estimate. The loss of revenue from programs that do not run is offset by costs that are not incurred. The budget is based on minimum levels of

participation in classes; as such, more revenue than budgeted is realized on the programs that do run.

- Grant revenue reflects grants awarded in the current fiscal year, but not yet received, as well as grants that staff will submit applications for in the next fiscal year. For grants staff have not yet applied for, revenue is tied to specific expenditures. In the event the grant is not awarded to THPRD, there will be no budget shortfall. Of the \$1.6 million of budgeted grant and contribution revenue, approximately \$58,000 supports operating expenses, \$1.4 million supports capital projects, and \$180,000 is a federal interest subsidy that supports debt service payments.
- Transfers In reflects bond-related and SDC-related staffing for project management, which is carried in the General Fund, but reimbursed from the Bond and SDC Funds. The decrease in Transfers In is due to the reduction in project management charges due to the completion of projects.
- All other resources remain relatively unchanged from the prior year.

A. Program Revenue Analysis

Seth Reeser, Operations Analysis manager, provided a year-over-year program revenue and participation comparison, noting that overall total revenue increased slightly in calendar year 2015, as did the overall number of patrons. Reductions in the Aquatics and Recreation departments' participation levels are reflective of the district's offering of the Deluxe Pass beginning in January 2015, which incorporated the district's instructor-led fitness programming into a drop-in format. Seth also provided a detailed overview on the impact of two recent district policy changes: out-of-district fees and the district's cancellation policy. Out-of-district revenue increased slightly in calendar year 2015, while participation increased 17%. The cancellation policy changes have also had the intended effect of ensuring maximum participation in district activities and improving district customer service.

Anthony Mills inquired how much revenue the district has received from the cancellation fee.

- ✓ Seth replied that since this is a new policy, the district has enforced the fee rather leniently, but that the amount would be no more than \$40,000.

Chair Pearson inquired whether the district has realized an increased ability to fill classes by widening the cancellation window from two to five days prior to the start of the class.

- ✓ Seth replied that although it is too early to verify, staff has confirmed this anecdotally. By increasing the amount of time between the start of the class and last day to cancel, staff has a better chance to fill the class by contacting those on the waitlist.

B. Cost Recovery Targets

Seth reviewed how cost recovery targets are established based on the type of service being offered. He noted ways to improve cost recovery include decreasing costs, and increasing prices and participation.

- ✓ Keith added that in future years, the district will begin keeping a record of actual cost recovery percentages as compared to the budgeted cost recovery percentages in order to provide a better measure of whether the district's budget is moving in the right direction and how the district is truly performing in meeting cost recovery goals.

Shannon Kennedy asked for clarification regarding the goal of 100% cost recovery. When is the district forecasting that each area will meet its targeted 100% cost recovery?

- ✓ Keith replied that some areas are going to be more challenged than others in meeting this target. The Recreation department is a good example in terms of how much further ahead it is in meeting this target. The difficulty in assigning a timeline to cost recovery is that if the district moves too aggressively in increasing fees, participation would drop to a degree that would require additional fee increases in order to make up for the dramatic

loss in participation, thereby creating a self-perpetuating downward trend. The district's current strategy is to evaluate ways to increase participation and reduce programming costs, while also cautiously reevaluating fee increases. When the cost recovery goals were initially set, the interpretation was that the goal of 100% cost recovery was to be viewed as a direction for the district, rather than the ultimate outcome.

- ✓ General Manager Doug Menke added the historical perspective that for many years cost recovery was not a factor considered when setting program fees. Due to tax support limitations, the first program fee increase in nine years was issued in 2007. The current cost recovery efforts represent a significant change in policy, one which can be aspired toward, but with the recognition that there is a delicate balance between fees and participation.

Shannon asked whether cost recovery is considered a best practice in the park and recreation industry.

- ✓ Keith replied that the district's cost recovery model is based on a national model developed by the district's consultant that has been used by multiple districts throughout the country and that it is also somewhat recognized in park and recreation literature. The model applies more to districts that are heavily fee-dependent, such as THPRD, rather than those that are heavily tax-funded.
- ✓ Doug noted that nation-wide, agencies that are managing this subject matter carefully are better able to manage their asset replacement schedule. Agencies that are not addressing this issue are having difficulty maintaining an ever-growing asset replacement backlog with no identified funding source.

Shannon described that when looking at the existing actual cost recovery percentages compared to the desired targets, the current status is underwhelming. She wondered whether it would be more reflective of the district's progress in this area to show an annual percentage increase goal, such as increasing cost recovery by 2% annually, rather than as a total actual cost recovery percentage versus the 100% target.

- ✓ Anthony expressed agreement with Shannon's suggestion, and asked if there is a better way to reflect the progress desired for some program areas if the target of 100% cost recovery is not realistic and may never be achieved.
- ✓ Keith replied that one of the challenges in setting incremental targets was the uncertainty of how all of the changes being made were going to affect the overall cost recovery rates. As the district develops a two or three-year track record for these adjustments, this is something that could be further explored.

Susan Cole inquired whether the district has considered categorizing cost recovery targets for in-district versus out-of-district participants. She questioned whether the 25% premium paid by out-of-district participants is equal to that of the contributions made by in-district participants via their property taxes.

- ✓ Keith described the previous method of addressing out-of-district participants via an assessment fee equivalent to that of the average property tax payment of an in-district resident. The intent of the change to a 25% surcharge was not to benefit out-of-district patrons, but to benefit in-district patrons by reducing the number of cancelled classes by increasing participation, which in turn increases revenue that benefits the district overall. Keith explained that the entire cost recovery methodology is based on who benefits: a service provided that has a heavy public benefit has lower cost recovery expectations, whereas a service provided that has a mostly individual benefit has higher cost recovery expectations. This is regardless of whether the participant is in or out-of-district. In setting the 25% surcharge, the district reviewed what other agencies were assessing and 25% seemed like a substantial, but supportable percentage. Some agencies' surcharges were as low as 10% while some were as high as 50%. As THPRD monitors out-of-district revenue, if a dramatic spike in participation is seen, that might indicate an opportunity to capture more revenue via a higher surcharge.

Agenda Item #5 – Review Proposed 2016/17 Fiscal Year Budget Resources

A. Operating Expenditures

Keith Hobson, director of Business & Facilities, noted that because THPRD has a balanced budget, appropriations total approximately \$114 million in the FY 2016/17 proposed budget. Total General Fund appropriations are approximately \$52 million, representing an increase of approximately 7%.

- Personal Services costs increased by 4.4%. The current three-year collective bargaining agreement expires on June 30 and tentative consensus has been reached on the new agreement. The budget reflects costs in line with the tentative agreement. A cost of living increase of 1.25% is included, as well as a 3% increase for health benefits and no increase for dental benefits. Payroll tax rates are unchanged with the exception of a decrease in the unemployment tax rate. Given the low market earnings over the last year, a 22% increase in retirement plan costs has been included.
- The FY 2016/17 proposed budget reflects an addition of two new full time positions, although both have already been created through a mid-year reorganization and offset by the elimination of two other full time positions. The proposed budget also reflects an upgrade of three regular part time positions to full time, and the elimination of one other full time and two other regular part time positions. The total effect is a net increase of two full time positions and a net decrease of five regular part time positions, all of which were either vacant or are temporary bond related positions. The district consistently evaluates vacant positions prior to filling as part of the ongoing cost recovery efforts.
- Budget targets for Materials and Services were given an indexed increase of 2.5%. The FY 2016/17 proposed budget includes a 3% increase, which includes the indexed increase plus targeted increases for service and supply costs for program expansions and maintenance service and supply costs to keep up with facility additions. Increases in utility rates, primarily water, were fully offset by decreases in other utility rates, primarily natural gas and vehicle fuel.
- General Fund capital outlay is up about 15% compared to last year.

Shannon Kennedy commented on the capital replacement reserve fund, noting that when the public sees a 7% increase in the General Fund, it should be kept in mind that some of those funds are being set aside now for future capital replacement items.

Board of Directors

Ann Mackiernan, interim chief financial officer, provided a brief overview of the Board of Directors appropriations, which includes legal and audit services, conference expenses, some district memberships as well as the following:

- Election costs of \$33,000 for FY 2016/17
- Technical Service dollars for events related to the SW Quadrant Community Park

Administration

Ann provided a brief overview of the Administration budget highlights including:

- Direct implementation of the 2008 Bond Measure program
- Manage relationships with other local agencies and organizations
- Pursue grant funds for capital improvements
- Continue implementation of the Comprehensive Plan Update and Service and Financial Sustainability Analysis recommendations

Communications & Outreach

Bob Wayt, director of Communications & Outreach, provided a brief overview of the Communications & Outreach Division's budget highlights including:

- Branding of selected THPRD vehicles

- Support for the Coalition of Communities of Color diversity survey of Washington County
- Continue implementation of the THPRD Marketing Plan

Shannon Kennedy inquired whether the district's experiences in participating in diversity studies has been somewhat limited by the overall lack of diversity within its populace. She inquired whether the district has ever seen actual progress result from these types of studies or surveys.

- ✓ Bob replied that one of the great advantages of the surveys the district has participated in has been to learn more about the cultures that reside within district's boundaries. He noted that the Beaverton area is extremely diverse with over 100 languages spoken at the Beaverton School District. THPRD has much to gain by learning about the diversity of its residents and these studies have been beneficial in this regard.
- ✓ Keith added that, regarding the Coalition of Communities of Color diversity survey in particular, this survey is not so much about setting goals for diversity, but looking at the diversity that exists within the community and reviewing opportunities to improve our employment process and program services to ensure that we are serving the diversity already in our community.

Anthony Mills suggested that the district specifically reach out to certain diverse populations to inquire what type of programs they would like to see offered.

- ✓ Bob agreed, noting that the intent is to go out to various populations and welcome them. Anthony agreed, noting that it is not as simple as sending out a postcard in a different language.

Security Operations

Mike Janin, superintendent of Security Operations, provided a brief overview of the Security Operations Department's responsibilities and budget highlights including:

- Continue to promote safe parks through SARA (Scan, Analyze, Respond & Assess)/CPTED (Crime Prevention Through Environmental Design)
- Continue to investigate encroachments on THPRD property
- Continue to manage intrusion and fire alarms, keyless access controls, and security camera systems
- Continue working partnerships with local law enforcement agencies and the Beaverton School District

Chair Pearson referenced the City of Portland's current issues with homeless camps along trails and in their parks and asked if THPRD is having a similar experience.

- ✓ Mike stated that THPRD has a rule about unlawful camping. Camps are identified by staff, neighbors or patrons. THPRD park patrol works with the proper law enforcement agencies as appropriate to remove the camps. Reports of homeless camps are addressed immediately and park patrol will return to the site of the camp in order to ensure that the camp has not been reestablished.

Jerry Jones Jr. inquired how many of the district's development projects go through the full CPTED program with the Beaverton Police Department.

- ✓ Mike replied that the Design & Development department consistently seeks his advice regarding CPTED criteria during the design process. The police department is not usually contacted for this process as he is confident in his background in the CPTED process.
- ✓ Keith added that CPTED is also taken into consideration through the district's maintenance practices for existing sites.

Miles Glowacki asked approximately how many encroachments on THPRD property are identified annually.

- ✓ Mike replied that due to the collaborative effort between multiple district departments, including the Planning Division and Maintenance Operations, as well as neighborhood oversight, encroachments are generally decreasing. He believes the district's residents have become more aware over time of the district's encroachment policy and encroachments are addressed as soon as they are identified.
- ✓ Doug added that there is a direct correlation between identification of encroachments and the implementation of the district's 2008 Bond Measure in that previously undeveloped trail corridors, natural areas and vacant parkland are now being developed and any encroachments identified.
- ✓ Mike noted that in FY 2014/15 the district investigated 44 encroachments, whereas this fiscal year to-date there have been 9 investigations.

Anthony Mills asked how the district balances its desire for clear site lines in natural areas where wildlife prefers habitat to remain concealed.

- ✓ Mike described the process park patrol uses in order to identify homeless camps that are situated deep within natural areas, noting that park patrol is good at finding any makeshift trails into and out of such areas. The camps then get cleaned up and the homeless are given a list of resources available to them.

Susan Cole inquired whether the Beaverton Police Department patrols any of the district's sites.

- ✓ Mike explained that at times during the summer, park patrol and the Beaverton Police Department will ride the district's trails together.

Susan asked if THPRD park patrol officers are commissioned.

- ✓ Mike replied that they are certified by the Oregon Police Academy in the Private Security Program.

Community Partnerships

Geoff Roach, director of Community Partnerships, provided a brief overview of the Community Partnerships Division's responsibilities and budget highlights including:

- Pursue program related fundraising for SW Quadrant Community Park and complete construction capital fundraising
- Build fundraising actions to fit Champions Council, Park Foundation and THPRD programming interests/needs
- Work with emerging partners to advance sponsorships

Business & Facilities

Keith provided an overview of the Business & Facilities Division's budget highlights including:

- Collaborate with local agency partners to meet long-range planning needs
- Continue implementation of the cost recovery strategy outlined in the Service and Financial Sustainability Plan
- Continue progress on capital improvement program
- Provide legislative advocacy at the state and federal level

Finance Services

Ann provided a brief overview of the Finance Services Department's responsibilities and budget highlights including:

- Create a Chief Accountant position by downgrading the Finance Manager position
- Upgrade the Fiscal Operations Coordinator to Fiscal Operations Supervisor
- Upgrade one of the Accounting Clerk II positions to Accounting Clerk I
- Eliminate the temporary bond accountant position

Anthony Mills inquired whether there are any temporary bond positions still on staff.

- ✓ Keith replied that there is one temporary bond planner position, which will conclude at the end of this calendar year.

Risk & Contract Management

Mark Hokkanen, Risk & Contract manager, provided a brief overview of the Risk & Contract Management Department's responsibilities and budget highlights including:

- Reduce claim costs and improve employee injury recovery rates through Risk Management Steering Committee initiatives and Employee Wellness Program
- Support annual accreditation of Oregon OSHA Safety and Health Achievement Recognition Program (SHARP)
- Provide increased procurement opportunities for Minority, Women and Emerging Small Businesses (MWESB)

Miles Glowacki asked how successful the district's MWESB program has been.

- ✓ Mark described the district's program, noting that although the state's website is helpful, it can be challenging to find contractors for the specific type of work needed by the district. He estimates that less than 10% of those solicited through the MWESB vendor list respond to the district's inquiry.

Chair Pearson inquired whether the Coalition of Communities of Color diversity survey of Washington County referenced earlier this evening would impact the MWESB process.

- ✓ Keith replied that while it may have some impact, the district also has an internal diversity effort for which a plan has just been completed. One of the recommendations is to hold reverse vendor fairs as a way to solicit more MWESB contractors.

Human Resources

Nancy Hartman Noye, Human Resources manager, provided a brief overview of the Human Resources Department's responsibilities and budget highlights including:

- Create a part-time staff recognition and training program
- Establish an online employee onboarding system
- Continue best hiring practices and improve outreach
- Review and revise all full time and regular part time job descriptions in accordance with the Americans with Disabilities Act
- Review and revise the employee handbook

Information Services

Phil Young, Information Services manager, provided a brief overview of the Information Services Department's responsibilities and budget highlights including:

- Migrate email to Microsoft Office 365
- Migrate fleet management to new software
- Upgrade network equipment

Jerry Jones Jr. asked for additional information regarding the fleet management software.

- ✓ Phil replied that the software tracks the vehicles' mileage and maintenance needs.
- ✓ Mark Hokkanen, Risk & Contract manager, noted that the district previously used software that tracked driver behavior, but found it to be too cumbersome. While it was useful for defending the district against claims, overall the cost outweighed the value.
- ✓ Jon Campbell, superintendent of Maintenance Operations, added that the district is also able to track the vehicles' routing through the current software.

Susan Cole inquired if the district uses ACTIVE Net to host its registration system.

- ✓ Phil replied that the district uses its own custom software application for its registration system, but recently explored whether there were any superior products available on the market. However, none were identified as any better than the program currently used by the district.

Operations Analysis

Seth Reeser, Operations Analysis manager, provided a brief overview of the Operations Analysis Department's responsibilities and budget highlights including:

- This is a new department as of FY 2016/17 whose appropriations have been transferred out of the Office of the Director of Business & Facilities
- Develop cost basis for affiliate rentals to meet cost recovery goals
- Develop performance-management monthly reporting tools to facilitate informed decision making

Anthony Mills inquired how the cost recovery target is calculated for field sports.

- ✓ Seth explained that all of the staffing that is required for athletic facility maintenance, including program coordinators, as well as the utility costs for operating the fields is added up and divided by the total number of field hours used, which is approximately 65-70,000 hours annually. The district will also begin exploring whether to charge more based on different types of activities, such as tournaments versus practice fields, as well as whether it costs more to maintain certain sports to different standards.

Anthony asked where field sports fall on the cost recovery pyramid and whether the district is recouping the targeted amount desired through the current field fees.

- ✓ Seth replied that private tournaments are at the top of the pyramid, while practice fields are at Tier 3. There are different cost recovery rates based on the type of usage.
- ✓ Keith noted that the district is making progress in moving toward cost recovery for field sports, but that more work is needed. This topic is a great example of fixed-cost variables in that maintaining a field is a relatively fixed cost, but there are some variable costs to the field preparation. One of the keys to improving cost recovery is to increase the utilization of the fields being maintained, whereas maintaining a field that is underutilized has the opposite effect on cost recovery.
- ✓ Doug added that it will take time for the district to realize its goals for cost recovery in this area as the usage is predominantly youth sports. It is a benefit to the entire community to have children active and the district does not want to dissuade this with its field fees.

Chair Pearson described the confusion that occurs when taxpayers are asked to pay field fees. He questioned whether the district is sufficiently communicating what the field fees cover versus what is funded through property taxes.

- ✓ Keith explained the public sorting exercise that occurred when determining where services should be located on the cost recovery pyramid, noting that one of the reasons that a field fee is assessed is because once that field is being used exclusively by a sports group, whether for practice or games, that field then becomes off limits for general public use. The field fee is accounting for the exclusive use of that field.
- ✓ Doug further clarified the different levels of maintenance intensity for various sports, such as lining baseball fields, noting that some teams prefer to line their own fields in order to reduce their field fees.

Maintenance Operations

Jon Campbell, superintendent of Maintenance Operations, provided an overview of the Maintenance Operations Department's responsibilities and budget including:

- Install exterior LED fixtures for the Conestoga Recreation & Aquatic Center
- Purchase of a robotic pool vacuum for the Conestoga Recreation & Aquatic Center
- Install electric deduct meters on the HMT Recreation Complex

- Funding for a digital playground analyzer
- Funding to conduct an Arc Flash study
- Impact of operational changes on utilities

Shannon Kennedy inquired whether the district received any complaints from the public regarding its conservation-based irrigation reductions this past summer.

- ✓ Jon replied that he is not aware of any complaints received.
- ✓ Keith commented that the district posted signage explaining that the change in irrigation practices were due to water conservation efforts.
- ✓ Doug added that most residents appreciated the district's conservation efforts.

Bob Scott asked how close the district is to fulfilling its Signage Master Plan.

- ✓ Jon replied that the district's Priority One sites have been completed and that Priority Two and Three sites may be completed as early as the end of next winter.

Jerry Jones Jr. asked what the anticipated return on investment is for the Conestoga Recreation & Aquatic Center LED lights and whether more sites are being considered.

- ✓ Jon replied approximately 4.5 years, noting that more sites are being explored.
- ✓ Keith added that none of the district's sports fields have LED lights yet as it is a fairly new technology; however, both of the district's upcoming sports field projects, the SE Field Project and SW Quadrant Community Park, will have LED lights. He explained the delay in using LED lights for sports fields due to the upfront capital costs, length of warranty, and payback periods, which have improved over time. Indoor sites are also being further evaluated. He described the district moving from energy savings performance contracts to being a part of Energy Trust of Oregon's Strategic Energy Management cohort. The district has completed enough energy savings projects that we feel able to self-manage future projects.

Jerry suggested that the district reach out to the City of Beaverton's sustainability department regarding its Better Buildings Challenge since it appears that the district is already fulfilling those requirements and could gain recognition for being a leader in the area.

Jerry referenced the decline in fuel prices and asked whether the district has planned to take advantage of those reductions by funding additional paving projects.

- ✓ Keith replied that this is something that the district would look at with any capital savings.

Susan Cole referenced the new parks that are being developed by the district and inquired how the district ensures that it has enough resources to maintain the new properties to the same standard as the current acreage is maintained.

- ✓ Keith replied that maintenance impact statements analyze what the costs are to maintain a site based on its master plan, which helps the board make an informed decision when approving the master plan. As projects are completed, the impact statement amounts are automatically incrementally added to the maintenance budget.

Susan asked whether the district has ever decided against development of a site due to the maintenance impact statement.

- ✓ Keith replied not at this time, as maintenance of sites is prioritized. Before business plans are considered for funding, the district funds its incremental maintenance obligations.

Planning

Jeannine Rustad, superintendent of Planning, provided a brief overview of the Planning Department's responsibilities and budget highlights including:

- Continue coordination with City of Beaverton and Washington County on the South Cooper Mountain, North Bethany and Bonny Slope West developments
- Continue to support the work of the Parks Bond Citizen Oversight Committee
- Prepare a grant tracking and prioritization system based on functional plans and pursue grant funding

Anthony Mills asked for additional information regarding the park locations identified for the Bonny Slope West development area.

- ✓ Jeannine noted that although there are some target areas identified, there are no fixed park locations called out. The district must either work with the developers as one large development project going through the land use process or get ahead of the developers by working with individual land owners to sell their property directly to the district.

Jerry Jones Jr. inquired whether there are fixed park locations for the South Cooper Mountain development area, similar to the North Bethany area.

- ✓ Jeannine replied that the South Cooper Mountain community plan reflects general park locations, but not fixed sites. She described how the first development application for that area that went through the Beaverton Planning Commission was conditioned to provide a 2.5-acre park that would ultimately belong to THPRD.
- ✓ Keith noted that the district was able to acquire some land holdings within the South Cooper Mountain area ahead of the development.

Chair Pearson asked if the grant funding being pursued by the district is in order to develop some of the land purchased through the 2008 Bond Measure.

- ✓ Keith replied that development of some of the district's bond land acquisitions, especially within the neighborhood park category, are included for funding in the SDC Capital Improvement Plan, but it may be several years before that funding becomes available. Grant funds would help expedite that process.

Miles Glowacki asked for additional information regarding the intergovernmental agreement (IGA) being negotiated with the City of Beaverton to memorialize THPRD as the parks provider for the city.

- ✓ Jeannine described the need to formalize the district's agreement with the City of Beaverton to be the area's park provider, noting that THPRD has been providing those services since its inception. The IGA would also offer clarity to some situations arising as the area becomes denser and more urbanized, such as how to address urban plazas, as well as streamlining the more than 30 other IGAs already in place between the two agencies.

Design & Development

Steve Gulgren, superintendent of Design & Development, provided a brief overview of the Design & Development Department's responsibilities and budget highlights including:

- Construction of Westside/Waterhouse Trail, SW Quadrant Community Park, SE Field Project, and Westside Trail #18
- Continue to move forward with Somerset West Park and Cedar Hills Park bond master planning processes
- Continue involvement with developers in North Bethany for numerous trail and park projects
- Monitor Tualatin Valley Water District's redevelopment of Ridgewood View Park

Jerry Jones Jr. inquired whether Westside Trail #18 has a funding shortfall due to the project's grant funding being awarded in 2009 and the increase in construction costs since then.

- ✓ Steve confirmed this, noting that the grant award was \$2.4 million and that the cost has increased since that time. Unfortunately, the district was impacted by the lengthy federal

process, which is why there is such a delay between the grant award and the start of project construction.

Park & Recreation Services

Aisha Panas, director of Park & Recreation Services, provided a brief overview of the Park & Recreation Services Division's responsibilities and budget highlights including:

- Enhanced focus on staff development
- Pursue accreditation as a park & recreation agency
- Continue to strive to reach underserved populations

Chair Pearson asked for additional information regarding the part time employee recognition and training effort.

- ✓ Aisha commented that as the economy has been improving, there have been more employment opportunities for part time workers. An internal staff team developed a plan on how to better show the district's appreciation to its part time employees, which is an effort that will begin in the coming year. It will address recruitment efforts, compensation, as well as recognition of current part time employees, who are critical in providing THPRD's services.

Jerry Jones Jr. inquired whether the minimum wage increases are accounted for in the proposed FY 2016/17 budget.

- ✓ Keith noted that district staff has been tracking the minimum wage increase effort as it moved through the legislative process and analyzing what the impact might be to the district. The first year impact on the district is fairly small and has been incorporated into the budget. The impact will be greater in subsequent years. The full phase-in estimate, assuming there is no cascade effect, is about \$1.5 million. The impact will be much greater if adjustments to wages are needed for those already above minimum wage.

Bob Scott asked for additional information regarding the decrease in THPRD scholarship program funds being budgeted for FY 2016/17 as compared to FY 2015/16.

- ✓ Aisha noted that the budget for this program is based on past usage, which has stabilized.

Aquatics

Sharon Hoffmeister, superintendent of Aquatics, provided a brief overview of the Aquatics Department's responsibilities and budget highlights including:

- Expand Make a Splash swim lessons and drowning prevention education
- Four-month Aquatic Center closure for capital improvement projects
- Initiate new partnership with Care Oregon to provide fitness program access to Medicaid recipients

Miles Glowacki inquired how the district would accommodate a new swim team at South Cooper Mountain High School.

- ✓ Sharon replied that this is expected to occur and that the district would likely recommend that the new high school utilize Aloha Swim Center.

Jerry Jones Jr. asked whether the anticipated revenue included within the proposed FY 2016/17 budget accounts for the upcoming closure of the HMT Aquatic Center.

- ✓ Sharon described the challenge in budgeting for a closure where the duration is not yet known. Although there is not much accommodation for the closure within the Aquatic Center budget, more information regarding the duration and impact of the closure will be known in time for the FY 2016/17 mid-year budget review. If the closure is not started on

time, or is not as long as planned, the department still needs the budgeted funding in order to be able to offer programs during the time that the facility is not closed.

Sports

Deb Schoen, interim superintendent of Sports, provided a brief overview of the Sports Department's budget highlights including:

- Transfer of Adaptive Recreation and Inclusion Services from Programs & Special Activities
- Begin implementation of the Athletic Facilities Functional Plan
- Transfer and upgrade regular part time office tech from the Tennis Center to the Athletic Center

Recreation

Eric Owens, superintendent of Recreation, provided a brief overview of the Recreation Department's responsibilities and budget highlights including:

- Develop programs for underserved populations
- Continue to develop and grow other program areas to partner with new or current medical community partners
- Build upon afterschool programs to provide safe and healthy programs for children of working parents

Shannon Kennedy inquired about the proposed increase in FTE in the Recreation Department.

- ✓ Eric replied that the increase is due to expanded programming hours, especially in response to the district's new Deluxe Pass, as well as an increase in demand for summer camps and afterschool programs.

Programs & Special Activities

Lisa Novak, superintendent of Programs & Special Activities, provided a brief overview of the Programs & Special Activities Department's responsibilities and budget highlights including:

- An overview of the volunteer hours received by the district
- Transfer of Adaptive Recreation and Inclusion Services to Sports Department
- Begin implementation of the updated ADA Transition Plan

General Manager Doug Menke recognized Lisa's upcoming retirement after almost 37 years with the district.

Natural Resources & Trails Management

Bruce Barbarasch, superintendent of Natural Resources & Trails Management, provided a brief overview of the Natural Resources & Trails Management Department's responsibilities and budget highlights including:

- Implement at least four Natural Resources Functional Plan short-term milestones for community engagement
- Start one new natural resource restoration/enhancement bond project

Shannon Kennedy inquired what Professional and Technical Services would entail for the Natural Resources & Trails Management budget.

- ✓ Bruce replied that these would be specialized services, such as arborist work and weed management contractors.

B. Capital Expenditures

Keith provided an overview of the funded Capital Projects.

- Information Services capital and Maintenance Operations equipment may be found in their respective department budgets.
- Projects are prioritized toward maintenance replacements and some selected improvements.
- Total replacement funding is approximately \$3.2 million, which includes Information Services and Maintenance Operations capital.
- Capital projects funded by outside sources include approximately \$1.4 million from grants.
- The total carryforward balance is \$2.9 million, plus additional funding of \$800,000 for a total of approximately \$3.7 million. Approximately \$3.4 million of this total is attributed to two large projects: the Aquatic Center roof replacement and the synthetic turf field installation at Conestoga Middle School.
- Challenge Grant allocations are \$90,000 but with the recent revisions to the advisory committee structure, district staff is determining how this will be allocated out to each advisory committee or friends group.
- Replacement projects to note:
 - Replacement of the synthetic turf at HMT field #2
 - Resurfacing of 16 tennis courts at 5 sites, including: PCC Rock Creek, Highland Park Middle School, and Forest Hills, McMillan, and Mitchell Parks
 - Building exterior work at Cedar Hills and Garden Home Recreation Centers, Schlottmann House and Fanno Farmhouse
 - Play structure replacement at Butternut and Greenway Parks and Cedar Hills Recreation Center
 - Continued implementation of the Signage Master Plan
- Investments in items to improve employee safety and significant new funding to address ADA improvement items identified through the recently completed ADA facilities audit.

Keith explained that the Capital Improvement Plan (CIP) section lists all capital expenditures regardless of funding source. The section contains tables that show capital outlay for FY 2016/17 and a five-year projection, and shows the source of funding for this capital.

Keith noted that the CIP section includes the unfunded capital and deferred replacements. The unfunded capital list includes maintenance replacement items as well as new capital requests from staff or advisory committees. Unfunded capital is categorized by severity of need. Overall, the level of unfunded capital has increased slightly from FY 2015/16. It is down in all categories except for an increase in Category 3, which is due to inclusion of the two synthetic turf fields at PCC Rock Creek that have been deferred based on condition of asset.

Keith stated that the amount of replacements due in FY 2016/17 is approximately \$3.6 million. This amount is on the high end of the average, which ranges between \$2.5 and \$3 million. Again, this is largely due to the two synthetic turf fields at PCC Rock Creek. Cost adjustments and purged items (i.e., projects that were on the list due to age, not necessarily the need to be replaced, and project redundancies or service level adjustments) resulted in a reduction in the backlog by approximately \$100,000. The total replacement funding needed is \$7.5 million; however, only \$3.2 million is available to be funded in FY 2016/17. The resulting backlog projected for June 30, 2017 is approximately \$4.3 million.

Keith reviewed the backlog balances over the last 10 years. He noted that the backlog peaked in 2010 and has trended downward since with a slight increase in FY 2014/15 due to an unusually large balance for major replacements. He noted there will be a couple more years with higher than normal obligations (FY 2016/17 and FY 2018/19), but overall there is a downward trend. The district will be at or below normal obligations in all the other years out until 2022/23. It is not necessarily the district's goal to get the deferred balance to zero as some

replacement deferrals are intentional due to condition of assets. Maximizing the useful life of the district's assets ensures that the district receives the best value for its investment.

Bob Scott asked what capital replacement item causes the increase in FY 2018/19.

- ✓ Keith replied the Fanno Creek Service Center roof replacement project.

Keith reviewed the district's reserve fund for major replacement items, noting that the available replacement funding for FY 2015/16 and the proposed FY 2016/17 budget are net of \$850,000 each year, which is being appropriated into the replacement reserve fund. Had this amount been put into current year replacements, the replacement funding in those two years would have easily been the highest ever for the district. The amount of funding for the replacement reserve is based on a sinking fund calculation that sets aside the cost of replacing an asset over the life of the asset, which was a key recommendation of the Service and Financial Sustainability analysis. The \$850,000 annual contribution reflects the current year funding need plus a contribution to the unfunded balance from prior years. The total reserve fund balance includes the backlog items already at the end of their useful life, but also includes the portion of used life of all other major assets that will need to be replaced. The proposed budget provides a good balance of adequately funding current year replacements, while managing the deferred replacements backlog and continuing to build a reserve fund for future major replacements.

Jerry Jones Jr. asked whether the district would ever have the opportunity to contribute more than \$850,000 annually to the replacement reserve fund.

- ✓ Keith explained how the \$850,000 annual contribution amount was calculated, noting that it could be increased but the tradeoff would be taking funds out of maintenance replacements. This amount represents a balance of building the reserve fund without significantly impacting maintenance replacements. In addition, the more funds that are allocated to maintenance replacements now drives down the district's overall net balance in sinking fund liability.

Jerry asked whether funds received that are not otherwise allocated, such as the estimated \$40,000 received from cancellation fees, could be allocated to the replacement reserve fund.

- ✓ Keith replied that this could be further explored for future years.

Bob Scott questioned whether the district is saving too many current dollars for future needs.

- ✓ Keith replied that even with the current reserve fund amount of \$1.7 million, there is an unfunded reserve balance of over \$7 million. This strategy was adopted as part of the district's Service and Financial Sustainability analysis, which recommended that the district move toward a pay-as-you-go basis in that each year the appropriate percentage to fund a major replacement item is set aside so that when the replacement item comes due, the entire amount is not having to be allocated from a single year's replacement budget. Contingency is still at around 5% of the total operating budget, which is a reasonable amount.
- ✓ Keith further explained that while the reserve is funding major replacement items, it does not fund replacement of an entire facility. The point at which that the district can entirely fund its major replacements from the reserve fund gives the district the ability to use general fund dollars that are otherwise going into replacements to fund a new facility.

Chair Pearson asked whether the replacement costs for synthetic turf fields are considered when calculating the field fees.

- ✓ Keith confirmed this, noting that is part of the field fee analysis previously mentioned this evening. The portion of the field fees attributable to the cost of synthetic turf replacement would then be allocated to a sinking fund specifically for replacement of synthetic turf.

C. Special Revenue, Debt Service, and System Development Charge

Aisha Panas, director of Park & Recreation Services, noted that the Special Revenue Fund was created in 2005 for funds collected from those who use THPRD's land for mitigation projects. Funds may be used for enhancement, maintenance, or restoration of THPRD natural areas.

Keith provided an overview of the district's Debt Service Fund that accounts for the repayment of principal and interest of THPRD's General Obligation Bonds.

- Repayment of the \$77 million outstanding bond balance from the \$100 million 2008 bond levy is funded through a separate property tax levy.
- The levy amount is set based on the annual debt service payment required and the rate is then determined based on the total assessed value.
- The total levy amount needed is \$6.95 million and based on the projected growth in assessed value results in a property tax rate of \$0.31 per thousand, which continues to be well below the projected rate of \$0.37 stated in the 2008 election materials.
- This lower rate is due to a combination of the favorable market conditions at the time of the original issue and refinancing, but also due to the district's strong credit ratings by the rating agencies.

Keith provided an overview of the System Development Charge (SDC) Fund projects:

- Two significant activities impacting the SDC fund budget were completed earlier this year: an update to the SDC methodology that resulted in a fairly significant increase in SDC rates, and board approval of an updated five-year Capital Improvement Plan (CIP).
- SDC revenue in the proposed budget is substantially higher than the prior year, which is attributable not only to the increased SDC fees, but also to a significant increase in development activity, especially in the new urban service areas.
- Staff are projecting to carryover \$1.4 million of beginning cash combined with \$9.9 million in beginning fund balance committed to carryover projects, for a total beginning balance of \$11.3 million.
- Carryforward projects were included in the FY 2015/16 adopted budget. Approximately \$900,000 is proposed to be added in FY 2016/17.
- Projected SDC revenue for FY 2016/17 is higher than in prior years, but is based on a detailed projection done as part of the SDC methodology update. Staff met with city and county building officials to estimate the number of units projected to be developed over the next 5 years. This is a change in prior practice where trend lines of prior activity were used as a basis for estimation; however, the new urban areas are creating a large amount of development activity that doesn't follow historic trends.
- In prior years, most of the anticipated resources were left in an undesignated appropriations category to ensure that there was a cushion if revenues did not meet the budgeted amount. While there is still approximately \$3 million left as undesignated, this is now only a portion of the projected revenue. The reason for the change is the need to adequately fund \$12.3 million in land acquisition as part of the concept plans for North Bethany, South Cooper Mountain and Bonny Slope West, for which the district has significant commitments to acquire new park land. District staff will closely monitor collection activity during FY 2016/17 to ensure that the district's SDC resources are not overcommitted.
- The proposed budget also includes \$750,000 of funding for new development projects. This amount is lower than FY 2015/16 due to the high level of land acquisition funding needed. Projects have been prioritized toward those with grant leverage or by funding design work that will enable the district to move quickly toward construction when more development funding is available. However, carryover projects will include several park, athletic field and trail projects in FY 2016/17.

- The projects proposed for new funding commitments were based on the updated five-year CIP approved by the board in April and is included in the proposed budget.
- If any new project commitments are recommended during FY 2016/17, and if the actual SDC revenue collections meet the projections, the \$3 million in undesignated project funds can be re-appropriated by board action.

Jerry Jones Jr. asked for additional information regarding the \$1 million building expansion allocation noted within the SDC CIP and what the process would be in order to allocate those funds to a specific site.

- ✓ Keith replied that this is a carryforward item that resulted from the district's adventure recreation analysis. One of the outcomes from that analysis was that it would be more cost effective to expand an existing facility to create a space for adventure recreation activities rather than building an entire facility dedicated to that type of use. District staff is currently evaluating whether an expansion is possible at one of the existing facilities and whether doing so creates a viable operating model for that type of activity. If staff is unable to make a recommendation to the board on this topic by the middle of FY 2016/17 that appropriation will likely be removed.

Bob Scott referenced the district's requirement to fund half-street improvements for streets bordering district park land in the North Bethany area. He asked how the district's half-street obligations would be funded since the street system will likely be constructed before much of the development occurs, which is how the district receives its SDC funding to pay for the half-street improvements.

- ✓ Keith replied that if the district is not developing the park site right away, the developer responsible for constructing the other side of the half-street improvements would complete the district's portion of half-street improvements in exchange for SDC credits.
- ✓ Jeannine Rustad, superintendent of Planning, confirmed this, noting that the developer would construct a quarter of the district's half-street improvement obligation, leaving the remaining quarter for the district to construct once the site is developed. She explained that developers typically own all of the property surrounding linear parks and trails, so the county is conditioning the developer to provide whole street improvements for those areas.
- ✓ Keith added that he does not believe that the district will see too many cases such as what Bob is inquiring about, but when it does occur, the district will attempt to drive the developer toward completing the obligation in exchange for SDC credits.

Susan Cole asked about the various placeholders within the SDC CIP for land acquisition in specific areas.

- ✓ Keith replied that those costs have been calculated based on actual acreage assessments for the district's obligations in those developing areas. Although it is not enough funding to meet the district's total commitment for the areas, it meets the minimum level of commitment the district can make next year based on available funding.

Chair Pearson inquired whether the \$2.6 million in SDC funds currently dedicated to the 2008 Bond Measure will fully offset the deficit within the bond fund.

- ✓ Keith replied that the \$2.6 million will offset the deficit for the SW Quadrant Community Park project only. There may be additional SDC appropriations necessary in future years for any additional bond fund deficit resulting from the other last large projects, Cedar Hills Park and Somerset West Park.

Chair Pearson asked whether any concerns were expressed regarding affordable housing when the district was considering the SDC methodology update.

- ✓ Keith replied that there were extensive discussions on this topic with representatives of the developers and the Home Builders Association of Metropolitan Portland. However, the district is heavily reliant on land acquisition and the district's SDC fee takes into account current land values over which the district has no control. If the district were to make an accommodation for affordability, there is no guarantee that it would translate into lower housing prices for the buyers and it would essentially subsidize new park development through other funding sources or would fund new park development at a lower level of service than currently exists, thereby reducing our overall service level.
- ✓ Bob Scott expressed agreement with Keith's comments, noting that the board was not willing to compromise on the level of service provided to these newly developing areas.

D. Bond Capital Projects

Keith provided an overview of the Bond Capital Projects Fund:

- THPRD has issued all of the \$100 million authorization and continues to spend it down.
- Staff have estimated \$29 million in appropriations, down from \$31 million for FY 2015/16. The last year has been focused on planning efforts versus construction, which will change in FY 2016/17 with the construction of SW Quadrant Community Park, Westside to Waterhouse Connector Trail and SE Field Project.
- The Bond Fund Overview by project illustrates project appropriations included in the bond package.
- Based on the Parks Bond Citizen Oversight Committee's fiscal policy, interest earnings on unspent bond funds are allocated to the projects based on the remaining appropriation in order to help offset inflation.
- Staff project a budget shortfall based on estimated project costs. The budget reflects available funds, and the appropriations for the three projects with budget shortfalls do not cover the full estimated cost of these projects. This has been a point of discussion for the oversight committee and they are actively monitoring the budget status to ensure that budget issues do not result in a failure to meet commitments in any bond categories.
- The SW Quadrant Community Park project was one such project that had a budget shortfall. Prior to awarding this bid, district staff communicated extensively with the board and oversight committee on how to address the shortfall. In awarding the bid, the board approved using savings from the Bond Facility Rehabilitation category along with supplemental SDC funding in order to fully fund the project bid award.

Shannon Kennedy inquired about the total estimated bond fund shortfall.

- ✓ Keith replied approximately \$3.9 million.

Steve Gulgren, superintendent of Planning & Development, and Bruce Barbarasch, superintendent of Natural Resources & Trails Management, reviewed bond capital accomplishments as well as showed pictures of various bond projects and explained the status of the different bond areas.

Agenda Item #6 – Public Comment

There was no public comment.

Agenda Item #7 – Budget Committee Questions and Recommendations

Susan Cole inquired about the district's beaver management practices.

- ✓ Bruce Barbarasch, superintendent of Natural Resources & Trails Management, provided a brief overview of the district's beaver management practices, noting that beaver have both an ecological benefit and can present some challenges. How, or whether, they are addressed by the district depends on the location and severity of the impact.

Chair Pearson asked how district staff would recommend allocating an additional \$1 million of revenue within the budget.

- ✓ Keith replied additional funding for replacements and the reserve fund. In addition, the district may further review business plans that were not selected for funding, although those plans would still be run through the filter of cost recovery.
- ✓ Doug agreed and described the unique situation the district is in as a special district, noting that he believes THPRD is cognizant of managing the public's money carefully.

Jerry Jones Jr. commented that he is pleased to see the increase in both out-of-district usage and revenue.

Agenda Item #8 – Date of Next Budget Committee Meeting: May 16, 2016

Chair Stephen Pearson announced that the next budget committee meeting will be at 6:30 pm on May 16, 2016.

Agenda Item #9 – Adjourn

Chair Stephen Pearson noted that he would entertain a motion to adjourn.

Shannon Kennedy moved that the budget committee adjourn the work session. Bob Scott seconded the motion. The motion was UNANIMOUSLY APPROVED.

There being no further business, the meeting adjourned at 9:30 pm.

Recording Secretary,
Jessica Collins



MEMO

DATE: April 26, 2016
TO: Budget Committee
FROM: Keith Hobson, Director of business & Facilities

RE: **General Fund Recommended Adjustments to Proposed Budget**

1) Adjust Capital Project Carryover for Additional Projects: \$111,800

This adjustment reflects an increase of \$111,800 in carryforward beginning balance, and carryforward project expenditures in Capital Projects for \$1,800 for the JQAY House renovation as a continued carryover of funds from the previous fiscal year and \$50,000 to add funds for the Challenge Grant Competitive Fund. This fund is the estimated unused Challenge Grant Funds from the 2015/16 year which are made available on a competitive basis. Additionally \$60,000 is being carried forward for resurfacing of the six indoor tennis courts at the HMT Tennis Center.

Tualatin Hills Park & Recreation District
General Fund Recommended Adjustments to Proposed Budget
FY 2016/17

		Budget Increase (decrease)	
Division/Program	Category	Revenue	Expenditure
1) Adjust Capital Project Carryover for Additional Projects			
Resources	Project Carryforward	\$ 111,800	
Capital Projects	Carry Over Projects		\$ 111,800
		<hr/>	
		\$ 111,800	\$ 111,800

Division: Capital Projects

Description	Prior Year Actual 2013/14	Prior Year Actual 2014/15	Adopted Budget 2015/16	Proposed Budget 2016/17	Approved Budget 2016/17
Summary of Appropriations					
Capital Outlay	2,831,892	1,776,421	6,444,551	7,346,917	7,458,717
Total Appropriations	2,831,892	1,776,421	6,444,551	7,346,917	7,458,717
Summary by Department					
Carry Over Projects	802,963	181,780	4,593,048	3,718,285	3,830,085
Athletic Facility Replacements	600,075	282,343	334,800	775,000	775,000
Athletic Facility Improvements	-	7,500	3,300	-	-
Building Replacements	381,699	478,686	557,543	565,116	565,116
Building Improvements	147,107	194,017	13,200	104,600	104,600
Park & Trail Replacements	591,992	423,660	419,060	602,254	602,254
Park & Trail Improvements	203,428	143,629	401,600	1,391,662	1,391,662
Facility Challenge Grants	47,985	51,620	97,500	90,000	90,000
ADA Improvements	56,643	13,186	24,500	100,000	100,000
Total Appropriations	2,831,892	1,776,421	6,444,551	7,346,917	7,458,717



CAPITAL PROJECTS

Item Number	Capital Project	Carryover Funds	Additional Funding	Approved Budget 2016/17	Page #
CARRY OVER PROJECTS					
1	JQAY House Renovation	1,800	-	1,800	CIP-5
2	Challenge Grant Competitive Fund	50,000	-	50,000	CIP-5
3	Aquatic Center Renovation	1,821,584	796,000	2,617,584	CIP-5
4	Entry Garbage Cans	4,780	5,000	9,780	CIP-5
5	Play Equipment Design	10,680	-	10,680	CIP-5
6	Parking Lot	194,414	-	194,414	CIP-5
7	Pedestrian Pathway and Playground Equipment	197,115	-	197,115	CIP-5
8	ADA Improvements	13,812	-	13,812	CIP-6
9	PCC Push Button Tennis Lights	3,300	-	3,300	CIP-6
10	Lead Paint Abatement	18,000	-	18,000	CIP-6
11	Ergonomic Office Equipment	3,600	-	3,600	CIP-6
12	Conestoga Middle School synthetic turf field	650,000	-	650,000	CIP-6
13	Tennis Court Resurfacing - HMT Tennis Center (6 indoor courts)	60,000	-	60,000	CIP-6
TOTAL CARRY OVER PROJECTS		3,029,085	801,000	3,830,085	
ATHLETIC FACILITY REPLACEMENTS					
14	HMT Field #2 Synthetic Turf			575,000	CIP-6
15	Skate Park Ramps			25,000	CIP-7
16	Tennis Court - Resurfacing (5 sites)			165,000	CIP-7
17	Baseball/Softball Backstops			10,000	CIP-7
ATHLETIC FACILITY REPLACEMENTS				775,000	
BUILDING REPLACEMENTS					
18	Cardio and Weight Equipment			40,000	CIP-7
<u>Building Exterior</u>					
19	Exterior Siding			60,000	CIP-7
20	Upper Balcony			8,500	CIP-7
21	Graffiti Protector & Interior Sealing Outdoor Restroom			11,055	CIP-7
22	Porch Rebuild			13,700	CIP-8
23	Cedar Hills Exterior Repairs			83,500	CIP-8
24	Roof Repair & Maintenance (4 sites)			8,000	CIP-8
<u>Building Furnishings</u>					
25	Wash Basins			3,400	CIP-8
26	Gym Receiver & Speaker			3,000	CIP-8
27	Tennis Court Wind Screens			1,500	CIP-8
28	Table Replacements			3,000	CIP-8
29	Ergonomic Office Equipment			2,400	CIP-9
<u>Floor Coverings (Long Life)</u>					
30	Refinish Wood Floors (4 sites)			36,351	CIP-9
<u>Floor Coverings (Short Life)</u>					
31	Carpet Replacement (2 sites)			5,000	CIP-9
<u>HVAC Components</u>					
32	HVAC Ductwork (2 sites)			8,950	CIP-9
33	Steam Condensation Pump			2,800	CIP-9
34	Air Handler Bearing (3 sites)			20,200	CIP-9
35	Boiler Retuning			5,570	CIP-10
36	HVAC Dampers & Actuators			3,616	CIP-10
37	Unions, Valves, Lines & Actuators			8,030	CIP-10
<u>Plumbing 25 year</u>					
38	Floor Drains			26,500	CIP-10
39	Boiler Pipe			1,975	CIP-10
<u>Plumbing 15 year</u>					
40	Water Heater			3,500	CIP-10

<u>Pool Apparatus</u>			
41	Three-meter Dive Stands	42,860	CIP-11
42	Pool Slide Resurfacing	5,150	CIP-11
43	Lane Lines	3,000	CIP-11
44	Pool Receiver & Speaker	3,000	CIP-11
45	Guard Chair	5,500	CIP-11
<u>Pool Mechanical System Repair</u>			
46	Pool Valves	2,200	CIP-11
47	Circulation Pump & Motor	5,792	CIP-11
<u>Pool Tank Underwater Lights</u>			
48	Underwater Lights	121,067	CIP-12
<u>Security</u>			
49	Fire Supression at Selected Facilities	8,000	CIP-12
<u>Windows & Doors</u>			
50	Office Door & Jamb	2,000	CIP-12
51	Frosting of Windows	6,000	CIP-12
TOTAL BUILDING REPLACEMENTS		565,116	
BUILDING IMPROVEMENT			
52	Ventilation System	10,000	CIP-12
53	Roof safety protection (3 sites)	54,400	CIP-12
54	Changing Tables	2,500	CIP-13
55	Inflatable Paddle Boards	11,200	CIP-13
56	LED lighting	16,500	CIP-13
57	Deduct Meters	10,000	CIP-13
TOTAL BUILDING IMPROVEMENT		104,600	
PARK AND TRAIL REPLACEMENTS			
58	Concrete Sidewalk Repair (3 sites)	43,373	CIP-13
59	Play Equipment (3 sites)	338,000	CIP-13
60	Picnic Tables and Park Benches (3 sites)	13,645	CIP-13
61	Parking Lot Resurfacing	55,000	CIP-14
62	Bridge Replacement	15,000	CIP-14
63	Drinking Fountain	7,500	CIP-14
64	Asphalt Pedestrian Pathways (5 sites)	23,136	CIP-14
65	Irrigation Systems Redesign & Reconfiguration(5 sites)	20,000	CIP-14
66	Storm Water Management Redesign	40,000	CIP-14
67	Fence Replacements	6,600	CIP-14
68	Signage Master Plan Phase 2	40,000	CIP-15
TOTAL PARK AND TRAIL REPLACEMENTS		602,254	
PARK AND TRAIL IMPROVEMENTS			
69	Memorial Benches	8,000	CIP-15
70	Outdoor Fitness Equipment	17,062	CIP-15
<u>Grant Funded Projects</u>			
71	Connect Oregon - Waterhouse Trail Segment	400,000	CIP-15
72	Rails to Trails - Westside to Waterhouse	48,000	CIP-15
73	Oregon Parks and Recreation Department - Vietnam War Memorial	35,000	CIP-15
74	LGGP - SW Quadrant Community Park	283,600	CIP-16
75	Metro Nature in Neighborhoods	400,000	CIP-16
76	Oregon Watershed Enhancement Board	200,000	CIP-16
TOTAL PARK AND TRAIL IMPROVEMENTS		1,391,662	
FACILITY CHALLENGE GRANTS			
77	Challenge Grants	90,000	CIP-16
TOTAL FACILITY CHALLENGE GRANTS		90,000	
ADA IMPROVEMENTS			
78	ADA improvements - Aquatic Center	92,000	CIP-16
79	ADA improvements - Athletic Center	8,000	CIP-16
TOTAL ADA IMPROVEMENTS		100,000	
TOTAL FUNDED CAPITAL ITEMS		7,458,717	

CAPITAL PROJECTS

Carry Over Projects

ITEM 1: **JQAY House Renovation**

BUDGET: \$1,800

DESCRIPTION: Remaining funds for renovation of historical facility.

ITEM 2: **Challenge Grant Competitive Fund**

BUDGET: \$50,000

DESCRIPTION: Unused Challenge Grant Funds from prior year will be made available on a competitive basis.

ITEM 3: **Aquatic Center renovation**

BUDGET: \$2,617,584

DESCRIPTION: Replacement of metal roof, insulation, vapor barrier, pool tank, pool deck, gutter, tile, dive tower vents, backwash valves and equipment at the Aquatic Center.

ITEM 4: **Entry Garbage Cans**

BUDGET: \$9,780

DESCRIPTION: Replacement of entry garbage cans at select parks.

ITEM 5: **Play Equipment Design**

BUDGET: \$10,680

DESCRIPTION: Design for replacement of play equipment at Cedar Hills Recreation Center.

ITEM 6: **Parking Lot**

BUDGET: \$194,414

DESCRIPTION: Asphalt replacement of parking lot section at Hazeldale Park.

ITEM 7: **Pedestrian Pathway and Playground Equipment**

BUDGET: \$197,115

DESCRIPTION: Replacement and overlay of a portion of asphalt pathways and play equipment structure in McMillan Park.

CAPITAL PROJECTS

ITEM 8: **ADA Improvements**

BUDGET: \$13,812

DESCRIPTION: Replacement of an aquatic lift at the Aquatic Center.

ITEM 9: **PCC Push Button Tennis Lights**

BUDGET: \$3,300

DESCRIPTION: Installation of push button lights for the PCC tennis courts.

ITEM 10: **Lead Paint Abatement**

BUDGET: \$18,000

DESCRIPTION: Lead paint abatement for interior and doors at the Jenkins Estate Main House.

ITEM 11: **Ergonomic Office Equipment**

BUDGET: \$3,600

DESCRIPTION: Replacement of standard equipment with ergonomic office equipment for district staff as needed.

ITEM 12: **Conestoga Middle School synthetic turf field**

BUDGET: \$650,000

DESCRIPTION: Installation of a synthetic turf field at Conestoga Middle School with funding from other sources contributing to overall cost.

ITEM 13: Tennis Court Resurfacing - HMT Tennis Center (6 indoor courts)

BUDGET: \$60,000

DESCRIPTION: Resurface of six indoor tennis courts.

ATHLETIC FACILITY REPLACEMENTS

ITEM 14: **HMT Field #2 Synthetic Turf**

BUDGET: \$575,000

DESCRIPTION: Replacement of synthetic turf playing surface.
