



## 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, Tuesday, April 17, 2018, at the Elsie Stuhr Center, Manzanita Room, 5550 SW Hall Boulevard, Beaverton.

Present:

Susan Cole	Chair/ Budget Committee Member
Stephen Pearson	Secretary/Budget Committee Member
John Griffiths	Budget Committee Member
Ali Kavarianian	Budget Committee Member
Shannon Kennedy	Budget Committee Member
Wendy Kroger	Budget Committee Member
Anthony Mills	Budget Committee Member
Felicita Monteblanco	Budget Committee Member
Holly Thompson	Budget Committee Member
Doug Menke	General Manager

Absent:

Miles Glowacki	Budget Committee Member
----------------	-------------------------

### Agenda Item #1 – Call to Order

The work session was called to order by Chair Susan Cole at 6:05 pm.

### Agenda Item #2 – Election of Officers

**Shannon Kennedy nominated Stephen Pearson to serve as secretary of the budget committee. Anthony Mills seconded the motion. Shannon nominated Susan to serve as chair of the budget committee. Anthony seconded the motion. Hearing no further nominations, the nominations were 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 2018/19 Budget Committee Work Session and outlined the interactive public meeting process. He announced that THPRD received the Government Finance Officers Association's Distinguished Budget Presentation Award for the 14<sup>th</sup> consecutive year.

### A. Guiding Themes/Strategies for FY 2018/19

Doug referenced the Comprehensive Plan Update, Strategic Plan, five functional plans, and Service and Financial Sustainability Analysis as tools staff used to develop the following themes that drove the development of the proposed FY 2018/19 budget:

- Ensure THPRD serves our entire community and eliminates barriers that could limit participation from some segments of our community
- Enhance communication and outreach efforts with patrons and residents

- Maintain and enhance service levels in THPRD parks, trails, natural areas and facilities
- Ensure continuity of service and minimize service disruptions
- Move cost recovery on THPRD services toward established targets

Doug noted that the proposed amount to fund the General Fund budget is just over \$62 million.

## **B. Diversity & Inclusion**

Keith Hobson, director of Business & Facilities, referenced the three pillars of the National Recreation and Park Association: Social Equity, Health & Wellness and Conservation. He noted that social equity is a theme throughout the budget and categorized the current activities THPRD provides to support this pillar:

- Welcoming environment
- Partner support
- Financial assistance
- Targeted programming

Keith stated that to show financial commitment to these initiatives the budget allocated is just over \$2.3 million. In addition, THPRD has created a grant strategy to elevate efforts for additional funding resources.

Shannon Kennedy asked if any staff education was included in the \$2.3 million, such as implicit bias training.

- ✓ Keith replied that training costs are included, and training is given by our diversity and equity coordinator, housed in the Human Resources department.
- ✓ Doug shared that THPRD added implicit bias training during the recent Advisory Committee recruitment.
- ✓ Holly Thompson added that it was also given prior to the board member selection process.

## **C. Goal Outcomes & Performance Measures**

Katherine Stokke, Interim Operations Analysis manager, provided an update on goal outcomes and performance measures and described the process staff used for FY 2018/19, noting that based on board of directors' priorities, eight business plans were completed and proposed to be funded in FY 2018/19.

### **Agenda Item #4 – Review Proposed 2018/19 Fiscal Year Budget Resources**

Keith provided a brief overview of the budget process. He stated that the proposed budget reflects staff's final proposal. The budget committee may make changes, 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 adopted budget.

Keith stated that THPRD's total resources for the FY 2018/19 proposed budget are approximately \$117 million. Of the total resources:

- A little over one-third is from beginning Cash on Hand (\$43 million), with nearly 80% of Cash on Hand (\$34 million) in capital carry forwards from the bond, System Development Charge (SDC) and general funds.
- A little over one-third (\$40 million) is from property taxes.
- The balance is from a variety of sources including program user fees, SDC fees, grants, and other income.

Keith explained that there is an approximately 16% increase in resources due to beginning fund balance, SDC revenues and debt proceeds, but noted that otherwise there is little change in resources between FY 2017/18 and FY 2018/19.

### General Fund Resources

- The tax levy is based on estimated assessed value. The budget committee will be asked to approve tax levies at the May meeting. The proposed budget was prepared with an estimated increase in assessed value of 4.5%, which is slightly higher than the actual growth in assessed value for FY 2017/18. Taxes have been increased by 3% on existing properties where market value is more than assessed value. New development growth is conservatively estimated at 1.5%, consistent with FY 2017/18.
- The beginning fund balance is projected at \$6.5 million, consistent with the estimate provided in the February midyear budget binder. This amount and the carry forward are both higher due to increased cash carry forward balances and increased project carryovers.
- Program revenue is projected to increase by 7.9% from the FY 2017/18 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 run over minimum.
- Interest revenue increased 32% mainly due to increases in interest earning rates.
- SDC revenue increased 29% due to continuing development activity in the North Bethany and South Cooper Mountain areas.
- Transfers-in reflect the general fund revenue collected from the bond and SDC funds for project management. This has decreased approximately 28% due to reductions of remaining bond projects and temporary bond staff.
- All other resources remain relatively unchanged from the prior year.

Shannon asked why the Conestoga Recreation & Aquatic Center yields more revenue than other facilities.

- ✓ Keith explained that both recreation and aquatic programs are housed in one facility, generating more revenue.

### **A. Cost Recovery Targets**

Katherine Stokke, Interim Operations Analysis manager, reviewed contact hours and program revenue over the last seven fiscal years and noted that contact hours and program revenue generally track in the same direction and both continue to increase. Cost recovery districtwide has increased despite the decrease in certain departments. This is due to reallocating resources and programs between departments allowing for the shift of indirect costs and moving closer toward overall targets.

Stephen Pearson asked if the cost recovery targets included the impact of the programs outlined earlier in the social equity initiatives.

- ✓ Katherine confirmed that it is included.
- ✓ Keith added that this measures the revenue needed to meet cost recovery goals. Some of the social equity programs are Tier 1 which means they have a zero cost recovery target

Anthony Mills, referring to the slide, requested clarification on the percentages of cost recovery and if the total percentage at the bottom was the total percentage of the column above.

- ✓ Katherine explained it is a weighted average of cost recovery numbers.

Anthony asked why the 16/17 actual is lower or almost equal to the previous year in all categories, but districtwide the number has gone up.

- ✓ Katherine explained programs and special activities had a shift in staffing and allowed the allocation of administrative costs to be more evenly spread.

Shannon Kennedy asked if there was a document in the binder that shows the different tiers of cost recovery.

- ✓ Keith noted that this can be provided in the update packet in May. It is based on the cost recovery pyramid that was adopted as part of the Service and Financial Sustainability Plan. Targets range from zero for Tier 1 activities to 200% for Tier 5 activities. Every facility and every department will have a different cost recovery target depending on the services.

John Griffiths would like to see the targets and the current match because they could be higher than 100%.

- ✓ Keith confirmed this depending on the type of program.

Stephen Pearson asked if fees are increased to try and meet cost recovery targets.

- ✓ Keith answered that there can be an increase in program fees when the calculated fees for classes are not meeting targets, but only up to a certain percentage. He shared the balanced approach to cost recovery:
  - Increase fees
  - Decrease costs
  - Obtain outside funding

Shannon inquired why Nature and Trails dropped 10% from the previous year.

- ✓ Katherine explained that the prior summer season was one week shorter and most of their revenue is generated from summer programs.

## **Agenda Item #5 – Review Proposed 2018/19 Fiscal Year Budget Resources**

### **A. Operating Expenditures**

Keith noted that because THPRD has a balanced budget, appropriations total approximately \$117 million in the FY 2018/19 proposed budget. Total General Fund appropriations are approximately \$63 million, an increase of approximately 17%.

- Personal Services costs increased by 6.1%. The current three-year collective bargaining agreement expires on June 30, 2019, and the budget reflects costs in line with the agreement. A cost of living increase of 4.2% is included, as well as a 6.9% increase for health benefits. Dental benefits and payroll tax rates are unchanged. Based on the most recent valuation dated July 1, 2017, pension costs are budgeted to be 5.8% higher than last year.
- The FY 2018/19 proposed budget reflects the addition of one new full-time position, the conversion of two part-time positions to a new full-time position and conversion of one regular part-time position to a full-time position. The total effect of this is a net increase of three full-time positions and a net decrease of one regular part-time position. THPRD consistently evaluates vacant positions prior to filling as part of ongoing efforts to move toward cost recovery.
- Budget targets for Materials and Services were given an indexed increase of 2.5%. The FY 2018/19 proposed budget includes a 3.3% increase, which includes the indexed increase but also targeted increases in business plans and utility rate increases. Utility rate and utilization changes are reflected in the proposed budget; gas and electricity are anticipated to remain unchanged, while water is projected to increase.
- General Fund capital outlay is up 95% compared to last year due to general fund debt support for two bond projects and increased funding for capital replacements.

### Board of Directors

Lori Baker, chief financial officer, provided a brief overview of the Board of Directors appropriations, including:

- Election funding for FY 2018/19 for three positions totaling \$50,000.

Shannon inquired what the \$50,000 covers.

- ✓ Lori explained that Washington County manages the election and allocates the money amongst the agencies involved based on the number of voting constituents in the district.

### Administration

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

- Make progress on district goal outcomes
- Implement the Comprehensive Plan Update and Service and Financial Sustainability Plan
- Maintain cooperative relationships with local agencies and organizations
- Drive internal and external diversity initiatives
- Direct bond capital program

### Communications & Outreach

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

- Produce annual report to distribute to district households and demonstrate accountability to the public
- Encourage diverse participation at public meetings, events and activities
- Build the district brand

Shannon inquired about the symbolism of the district logo.

- ✓ Bob explained that it represents the diversity of the community and district activities.

John asked for more information on brand development exercises.

- ✓ Bob replied that there is a district marketing plan and the goal is to reach audiences utilizing a wide range of communication tools to meet the needs of the diverse community.

John requested an update on the vehicle wraps.

- ✓ Bob explained that the district completes 12 vehicle wraps per year, which is proposed in this budget.

John asked when the annual report will be released.

- ✓ Bob replied that completion is expected in FY 2018/19.

Felicita Montebianco asked how district perception will be measured.

- ✓ Bob replied that scientific surveys are effective, but costly. Informal surveys are an option and can be done on-line or at community events.

### 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
- Continue to investigate encroachments on THPRD property

- Continue to manage security and fire suppression systems, keyless access controls, and security camera systems
- Continue partnerships with local law enforcement agencies and the Beaverton School District
- Continue to update the Parent Reunification plan
- Fund an additional 800 hours for park patrol staffing

John asked for an update on the number of encroachments.

- ✓ Mike replied that encroachments have been decreasing due to staff's collective efforts.

Anthony inquired whether park patrol receives training regarding how to deal with different populations, specifically regarding bias.

- ✓ Mike shared that staff receive the same trainings as local law enforcement teams. Park patrol staff are ambassadors for the district and interactions consistently remain professional.

Shannon asked if Mike has had to defend one of his park patrol staff from public complaints.

- ✓ Mike replied that he has not.

Chair Cole asked if there has been any noticeable change in the camping population.

- ✓ Mike replied the amount of camps are increasing from year to year. Park Patrol staff locate camps on routine patrols and respond to calls from patrons. Staff respond quickly to the camps and provide information regarding available resources in Washington County.

Chair Cole inquired if there are campers that repeatedly return after removal.

- ✓ Mike replied that on occasion they return.

John asked if camping increases during warmer weather.

- ✓ Mike confirmed this.

John questioned whether they are locals or those moving through the area.

- ✓ Mike provided more information on Washington County resources.

Holly referenced a report that four out of five homeless identify as a local Beaverton resident.

Anthony described an enhanced sheriff patrol district in the area that moves people from one location to another that results in keeping them moving around. He also added that more public shelters open during the colder months explaining the reduced numbers of campers on THPRD property in the winter.

Chair Cole asked how staff patrols parks and trails that have very large or isolated areas such as the Jenkins Estate or Nature Park.

- ✓ Park patrol utilizes both cars and bicycles.

Anthony asked if light rail tickets are given out.

- ✓ Mike confirmed when they are available.

Keith followed up on patrolling large, remote areas and informed the committee that the district is proposing in the budget document to purchase a drone to be shared by Design & Development, Maintenance and Security Operations.

### Community Partnerships

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

- Completion of the capital campaign for SW Quadrant Community Park
- Efficiently increase collaboration and funding for programs for people experiencing disability
- Scholarship program assessment and action plan for broader community collaboration
- Continue Tualatin Hills Park Foundation's (THPF) growth and advancement towards sustainability
- Deepen partnerships among THPRD, THPF and community leaders

Shannon asked if donors expect their donations to go to a specific project or element.

- ✓ Geoff explained that the capital campaign is project specific but the program fund is designed to raise money for Access for All programs.

Anthony inquired if donations go through THPF so that they can be considered a tax write-off.

- ✓ Geoff confirmed that giving to both the district and THPF is tax deductible.

Anthony asked if anyone donates via their estate.

- ✓ Geoff replied that planned giving is not currently pursued, but perhaps in the future.

Holly commented on flexibility of donations and asked whether there is an opportunity in the future to focus on community initiatives such as swimming lessons.

- ✓ Geoff agreed this would be beneficial, but it is key to focus on fewer initiatives in order to ensure they are thoroughly addressed.

### Business & Facilities

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

- Continue project oversight of the bond and SDC capital improvement and the general fund maintenance programs
- Strategic land acquisition targets in new urban service areas
- Continue ongoing legislative advocacy
- Continue pursuit of public and private partnerships
- Budget includes funding to initiate a community visioning process
- A higher debt service due to debt issuance to support two bond projects

Keith noted that the total appropriation for the entire Business & Facilities Division is approximately \$20 million, a 9% decrease over FY 2017/18. The decrease is attributed to reorganizations in Maintenance Operations, and moving staff from Maintenance to the Nature & Trails department to consolidate trails maintenance activity.

### Finance Services

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

- Funding for two temporary positions to backfill existing staff implementing the financial software replacement was carried over to FY 2018/19

Shannon asked the cost to implement the new financial software system.

- ✓ Keith explained that because the cost of the software was carried forward and there will be no additional funding necessary for implementation. Part-time staff and licensing increases were anticipated in this budget cycle.

Shannon asked how long the current system has been in place.

- ✓ Keith replied approximately 20 years, though it has been through several upgrades.

Shannon asked about long-term viability of the new software vendor.

- ✓ Lori replied that will be considered as part of the RFP selection process.

### Risk & Contract Management

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

- Support annual accreditation of Oregon OSHA Safety and Health Achievement Recognition Program (SHARP)
- Reduce claim costs and improve employee injury recovery rates through Risk Management Steering Committee initiatives
- Enhance Employee Wellness Program through collaborations with Human Resources Department
- Enhance Sheltering in Place and Parent Reunification programs with Security Operations Department
- Provide increased procurement opportunities for Minority, Women and Emerging Small Businesses (MWESB)

Shannon inquired if the MWESB practice is working.

- ✓ Mark confirmed that it is working.

Shannon asked if the MWESB vendors are offering competitive bids.

- ✓ Mark confirmed that they are competitive.

Stephen asked if there are measurement stats to track MWESB.

- ✓ Keith responded that the current financial software does not have the ability to track MWESB but is being considered as part of the new software capabilities.

Shannon asked how many contracts are being managed.

- ✓ Mark replied that there are 150 two-party agreements plus additional purchasing agreements that follow MWESB policy.

Anthony asked if the district is prepared for an earthquake disaster.

- ✓ Mark replied that a plan is in place in the district's Emergency Response Plan. He added that next month is earthquake awareness and training is scheduled for staff.

John inquired about the total lease revenue.

- ✓ Mark responded that cell tower leases total approximately \$120,000 and rentals for single-family residences total between \$30,000 to \$40,000.

John asked for clarification on the performance standards workers compensation experience modification ratios, with THPRD's being 0.75 or better.

- ✓ Mark replied that experience modification is a national standard that uses work classification and industry standards to calculate the ratio. Anything below one is above average. The loss ratio is our payment going out on our claims vs the premiums.
- ✓ Keith added that these numbers are exceptional for an organization like THPRD, and THPRD is receiving good premiums.

Shannon asked if we can purchase new insurance outside the risk pool.

- ✓ Keith replied that it is not set up to do so and would not be cost effective.

Shannon asked if the SHARP program offers a discount to THPRD.

- ✓ Mark replied that it does not.

Chair Cole asked if being part of the special districts pool includes fire districts and water districts.

- ✓ Mark confirmed this and stated there are approximately 900 special districts in Oregon.

### Information Services

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

- Deployment of desktop replacements, providing daily support and maintaining PCI compliance
- Carry forward the telephone replacement funds
- Provide support for new financial system replacement

Anthony asked for an explanation on PCI compliance.

- ✓ Clint replied that PCI stands for Payment Card Industry and is the surety standard for accepting credit card payments.

Felicita inquired if emails for part-time employees is in the future from a standpoint of district communication with staff.

- ✓ Clint replied that it has been discussed and staff are evaluating the cost impact. THPRD has a large pool of rotating staff and this would amount to approximately 1,500 email accounts.
- ✓ Keith added that another issue is part-time staff often work infrequently, resulting in slow response time to emails. There are a number of part-time staff that have a THPRD email account and each position is evaluated for issuance of an email account.

Stephen asked about protection of the new financial software.

- ✓ Clint replied that he is involved in the steering committee and provides support in terms of the technical operations to ensure the registration system will be compatible with the new software.

Shannon asked if there were security checks to verify the security of our network and personal information.

- ✓ Clint replied that the district utilizes a third-party contractor who manages and reports back on firewalls and network issues. Our network is encrypted and kept behind a managed firewall and no personal data is shared outside THPRD.
- ✓ Keith added that this topic will be in the upcoming RFP for financial system software.

Holly asked for an update on recurring credit card payments.

- ✓ Clint responded that there is a tentative pilot program anticipated to begin mid to late summer and go live mid to late fall.

Holly inquired if our registration system is scheduled for evaluation or replacement.

- ✓ Clint responded that while it is an old system, staff makes improvements to stay current within the infrastructure. Staff will be looking at a long-term strategic plan over the next couple of years.
- ✓ Doug added that it is a high-functioning program and well appreciated by patrons. Modifications have been made to allow ease of use and manage our patrons' specific needs.

Anthony asked if the district's social media is protected from potential hacking.

- ✓ Clint shared that the more systems in operation causes the potential risk to increase. The goal is always to be on alert to prevent potential problems.

Anthony asked if the users and passwords of staff updating social media are tracked.

- ✓ Clint replied that IS does not track social media account passwords; it is managed at the facility level and in the Communications Department. All internal servers are managed by IS and password changes happen periodically.

Shannon asked if this is tracked on the server or in the cloud.

- ✓ Clint explained that the district has physical servers but runs a virtual environment and is also looking into utilizing a certified government cloud.

Anthony commented that THPRD should have a plan in place to protect its social media from hacking and potential associated negative press.

### Operations Analysis

Katherine provided a brief overview of the Operations Analysis Department's responsibilities and budget highlights including:

- Identification of process improvements for Service and Financial Sustainability Plan and cost recovery goals
- Complete Strategic Energy Management cohort through the Energy Trust of Oregon and develop long-term strategies for energy savings
- Assist with financial software implementation

### Human Resources

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

- Carry out phase II of the internal diversity development plan which includes supervisory staff trainings
- Develop and implement NEOGOV employee "off-boarding" system
- Prepare for negotiations for a successor collective bargaining agreement (CBA)

Felicita clarified that all supervisory staff will receive specified diversity trainings.

- ✓ Nancy confirmed.

Shannon asked the number of employees for the district.

- ✓ Nancy replied that there are 176 full-time employees, 20 regular part-time and 695 part-time depending on the season.

Shannon inquired about the number of employees represented in the collective bargaining agreement.

- ✓ Nancy replied of the 176 full-time employees, 158 are represented under the CBA.

Shannon inquired which classifications are represented under the CBA.

- ✓ Nancy indicated that all full-time classifications are represented.
- ✓ Keith added that all full-time and regular part-time employees who are not exempt are covered under the CBA with Oregon School Employees Association (OSEA).

### Maintenance Operations

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

- Reorganization of the parks and athletic facilities programs
- Pursue Strategic Energy Management incentives through the Energy Trust of Oregon

- Continue to monitor new service model

John commented on the organizational chart for maintenance and inquired if there is sufficient work for the coordinators and what their duties are.

- ✓ Jon replied that each coordinator manages both full-time and part-time staff and average 60 park sites. The coordinators role is to perform site inspections and make sure standards are being met.

Shannon noted that maintenance reorganizations have happened previously.

- ✓ Keith replied this process has been evolving over time from functional specialization to site-specific ownership.

Anthony asked what average percent of DSL means.

- ✓ Jon replied that DSL is desired service level.

Shannon asked if the desired service level affects employee morale.

- ✓ Keith shared this is a macro-level indicator and doesn't believe it drives down employee morale. It is an indicator of how the district funds the maintenance department. Should those levels decrease then more resources may need to be directed to maintenance
- ✓ Jon added that staff do not see the DSL.

Chair Cole expressed concern with increased water rates.

- ✓ Jon replied that the department is in the fourth year of water conservation and have been able to stabilize costs given the higher rates.

Chair Cole asked if there was a possibility of water reuse or mitigation with other local agencies.

- ✓ Jon replied that it was something staff will look into.
- ✓ Keith indicated that communication and outreach with the public has taken place to educate park users of THPRD's water conservation plan.

Wendy Kroger noted that disc golfers at Greenway Park expressed excitement to have the ability to talk with maintenance staff and being involved in the discussions of possible changes there.

John asked about the progress of the park signage replacements and if there are any left.

- ✓ Jon replied that the replacement of the wooden signs is complete.

Holly commended the innovation and creativity of district staff to improve services.

Anthony shared that he noticed at a Hillsboro High School the irrigation running during a rainy day and asked if that would happen at THPRD.

- ✓ Jon replied that our automated irrigation system would automatically shut off water in that situation.

### Planning

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

- Creation of a full-time land acquisition specialist
- Continue land acquisition with focus on underserved areas as well as future growth areas through baseline GRASP analysis
- Continue implementation of grant strategy
- Continue working with City of Beaverton on the urban service agreement
- Continue to participate in local and regional planning projects

Shannon asked what GRASP stands for.

- ✓ Keith replied Geo-referenced Amenities Scoring Protocol, which is a numerical scoring system for quality and quantity of parks and how well communities are being served.

### Design & Development

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

- Complete master plan phase of the NW Neighborhood Park and NW Youth Athletic Field projects
- Continue master plan phase of the Beaverton Creek Trail
- Oversee construction of the Cedar Hills Park Redevelopment project
- Begin construction on Bonny Slope trail and Crowell Woods Park
- Fund a full-time Engagement & Partnership Specialist

John inquired about the role of the new position.

- ✓ Gery replied that this position would help with multiple departments and ensure the community engagement process is inclusive, culturally responsive and will actively seek input and participation from communities of color and diverse backgrounds. Gery shared a recent success in public outreach utilizing an outside consultant that the new position would perform.

John asked what jurisdictional agencies would the new position work with.

- ✓ Keith responded that the new position would primarily work with the community-based organizations and groups the district is trying to reach.

Holly noted her excitement about this position to not only reach out to the community but to build a strong culture of connectivity within the organization as well.

- ✓ Bob shared that he has a similar position in his department as well as one on the programming side. The goal is for these positions to work closely with one another and staff throughout the organization. Scheduled meetings will be taking place to share outreach strategies and knowledge.

### 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:

- Transfer of maintenance staff to various program facilities
- Budget narratives restructured to reflect NRPA's three pillars: Social Equity, Health & Wellness and Conservation
- Achieved accreditation through the Commission on Accreditation of Park & Recreation Agencies (CAPRA)
- Natural Resources and Trails has changed to Nature & Trails
- Funding for Rec Mobile expansion and upgrade of support staff at Sunset Swim Center

Shannon inquired about the cost associated with the CAPRA accreditation process.

- ✓ Aisha replied that CAPRA fees are based on the size of the organization's budget; for THPRD, the fee was \$3,300. THPRD hosted a three-person visitor group to review the CAPRA submittal and those expenditures are reflected in the Office of the Director budget.

Shannon asked if being certified helps secure grant funding or has other benefits.

- ✓ Aisha replied that this was used as a succession planning tool. Seasoned staff members were paired with newer staff to gather the information needed to meet the standards. It is a compilation of pertinent information that existed but is now documented and shared.

### Aquatics

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

- Continue to offer high quality programs
- Focus on staff recruitment to meet programming demands
- Expand Hire to Train lifeguard recruitment program
- Expand Make a Splash swim lessons
- Fund a support position at Sunset Swim Center

John asked how aquatics is managed at the Conestoga Recreation and Aquatic Center.

- ✓ Sharon replied that although it is combined with a recreation facility, staff ensures that aquatic program management is consistent.

### Sports

Keith Watson, superintendent of Sports, provided a brief overview of the Sports Department's budget highlights including:

- Repurposed vacant position to support adaptive and inclusive recreation
- First year of programming at Mountain View Champions Park
- Continue development of community partnerships to expand districtwide Access for All initiative
- Continue implementation of the Athletic Facilities Functional Plan, emphasizing emerging sports such as pickleball, cornhole and archery
- Incorporate permanent pickleball courts and futsal courts at local parks
- Strengthen working relationship with the Beaverton School District

John asked where the cornhole tournaments are being held.

- ✓ Keith replied that they are held offsite at the Craft Pour House and will be expanding to Progress Ridge.

Shannon asked the reason for the \$770,000 increase.

- ✓ Keith replied that a sizable portion is from the movement of maintenance staff.

### Recreation

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

- Expand cultural programs and special events
- Add Spanish Immersion preschool
- Provide families in need access to 9-month preschool
- Expand Rec Mobile programming
- Continue strategy development with Community Engagement Specialist

Holly asked if the free fitness programs in the park will continue.

- ✓ Eric confirmed that they will continue.

Anthony asked how often the Rec Mobile is utilized.

- ✓ Eric replied almost 7 days a week during the summer months.

Shannon asked the reason for the \$2 million variance.

- ✓ Keith replied that the increase is primarily due to the transfer of maintenance staff and related costs to the facilities they are servicing. This funding was previously included in the Business & Facilities budget.

### Community Programs

Deb Schoen, superintendent of Community Programs, provided a brief overview of the Community Programs Department's responsibilities and budget highlights including:

- Continue collaboration with the City of Beaverton to provide community events and programs
- Expand funding to provide outreach for the community garden program
- Continue to improve volunteer recruitment process
- Continue to develop a framework for the continuous improvement of THPRD facilities for people experiencing disability

Chair Cole asked about events outside the city of Beaverton.

- ✓ Deb replied that the district partners with some areas of unincorporated Washington County, such as the Cedar Mill Cider Festival.

Felicita suggested partnerships with local libraries.

Chair Cole requested an update on the Jenkins Estate concessionaire.

- ✓ Deb shared that the new concessionaire is Dalton's NW Catering and that event bookings are picking up.

Chair Cole asked if there is any knowledge of the widening of Grabbhorn Road.

- ✓ Keith replied that he was not aware of any plans.

Anthony asked if the concessionaire utilized the gatehouse.

- ✓ Deb replied that the gatehouse will host a 3-day per week preschool class out of the Nature & Trails department that has proven successful.

Anthony asked if there was any way to expand services at Camp Rivendale.

- ✓ Deb explained that it is used for a day camp for children and adults with developmental disabilities and is run out of the Athletic Center.
- ✓ Doug mentioned that Dalton's has access to host events at Camp Rivendale when summer camp is not in session and it is a well-utilized park. He added that the summer camp program has been noted as the sole outdoor experience in the metro area for people experiencing disability.

Holly expressed her support for additional event planning in unincorporated Washington County.

### Nature & Trails

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

- Maintenance team transfer
- Addition of grant money for Fanno Creek Greenway
- Additional funds for new park acreage

Chair Cole asked if Cooper Mountain was owned by Metro.

- ✓ Bruce confirmed this and added that it is co-managed with THPRD.
- ✓ Doug explained the history of the partnership with Metro and the inception of the park.

Felicita asked about budget items for advisory committee's in relation to training on values.

- ✓ Aisha replied that the funding for that effort is in the Office of the General Manager and includes training and supplies.

## **B. Capital Expenditures**

Keith provided an overview of the General Fund 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 \$5 million, which includes Information Services and Maintenance Operations capital.
- Capital projects funded by outside sources include approximately \$1.7 million from grants.
- The total carryforward balance is \$2 million, plus additional funding of \$400,000 for a total of approximately \$2.4 million.
- One reason for the increase in capital funding is the anticipation of issuing \$4 million in debt for the completion of two bond projects.
- Energy saving capital improvements include:
  - HVAC improvement at HMT Athletic Center and Sunset Swim Center
- Challenge grant allocations of \$75,000 which provides funds to friends groups and advisory committees.
- Replacement projects to note:
  - Replacement of the two synthetic turf fields at PCC Rock Creek
  - Replacement of the decking and pool tank surface at Raleigh Swim Center, plus partial funding for the first phases of a pool tank resurface and deck replacement at the Conestoga Recreation and Aquatic Center
  - Replacement of bridges and boardwalks at five sites
  - Resurfacing tennis courts at 3 sites, including Roxbury Park, Ridgecrest Park and Rock Creek Landing Park
  - Repairs and initial design work for roofs at the Athletic Center and Fanno Creek Service Center
- Investments in items to improve employee safety and new funding to address ADA improvement items identified through the recently completed ADA Transition Plan.

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 2018/19 and a five-year projection, and shows the source of funding for this capital. The project summary pages include projections of available funding for the General Fund and SDC fund.

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. Unfunded capital is categorized by severity of need. Overall, the level of unfunded capital has decreased significantly from FY 2017/18; it is down in all categories.

Keith stated that the amount of replacements due in FY 2018/19 is approximately \$2.7 million. This amount is on the low end of the average, which ranges between \$2.5 and \$3 million. This was previously a higher amount, but we've adjusted the replacement of the roof at Fanno Creek Service Center due to its condition. Beginning deferred maintenance backlog was \$3.1 million. With an additional increase of \$760,000 due to cost adjustments, the total replacement funding needed is \$6.6 million. With \$5 million available to be funded in FY 2018/19, the resulting backlog projected for June 30, 2019 is approximately \$1.6 million.

Keith reviewed the backlog balances over the last 10 years, noting the backlog peaked in 2010 and generally has trended downward since. He noted obligations are at or below normal until FY 2022/23 when the Fanno Creek Service Center roof replacement would be due along with synthetic turf on HMT field 1. He noted that between now and then we should be able to eliminate the backlog balance and continue to fund the replacement reserve. The benefit of the replacement reserve fund is when its fully funded it will be the source of major replacement funding. It is not necessarily THPRD'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 THPRD's assets ensures that THPRD receives the best value for its investment.

John recalled when the deferred replacement backlog was substantial and commended the accomplishment to see it decrease.

- ✓ Keith commended all for the ability to adhere to financial policies to reach this goal.

Shannon added that, as a citizen member, this is a great demonstration of how financially stable the district is.

- ✓ Doug added that the district could not do this without the budget the public provides, the budget committee and board in this process and the commitment to stay the course. The district is fortunate to have exceptional staff to manage the budget.

Keith reviewed the level of funding for replacement items, showing an overall trend of increasing funding for capital replacements. Based on the last five years and through FY 2018/19, THPRD has made consistently high levels of maintenance replacement funding. He noted that while there may always be some backlog due to condition of assets, the backlog would not be due to funding limitations. He showed the budget committee examples of replacements that demonstrate our backlog in terms of assets used by the public.

John asked whether the replaced synthetic turf fields are recycled.

- ✓ Gery answered that typically that is left up to our sole source vendor, FieldTurf, and they have a few recycle programs. They have the ability to separate the sand from the crumb rubber for recycling purposes.

Keith reviewed THPRD's reserve fund for major replacement items, noting that the available replacement funding the past two fiscal years and the proposed FY 2018/19 budget are net of \$850,000 each year, which is being appropriated into the replacement reserve fund. 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 Plan. 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, and includes the portion of used life of all other major assets that will need to be replaced. A portion of the replacement reserve will be used to fund major replacement items. This is based on the portion of the asset replacement cost that had been funded over the last three years which totals \$408,000. If the replacement reserve was fully funded by the time the Fanno Creek roof project was due, then this would be the source of the funding.

Keith noted that routine replacements are being calculated similarly to FY 2017/18. The total asset base for routine assets is over \$60 million, with an estimated replacement reserve liability of approximately \$30 million. Staff will continue to measure the routine replacements liability each year and prioritize funding to maintain the backlog at an appropriate level; however, the routine replacements reserve will not be funded until the major replacements reserve is fully funded in about 4 to 5 years.

Shannon asked about any tax or audit implications with a replacement reserve.

- ✓ Keith shared that there are not. Other organizations have similar replacement reserves.

Chair Cole asked if the major replacement reserve is carried in the General Fund.

- ✓ Keith replied that currently this is in the General Fund but staff are investigating how to separate it in the future.

Chair Cole inquired if the synthetic turf replacement would be eligible for SDCs.

- ✓ Keith replied because this is an existing asset and we are not increasing capacity, it is not eligible.

Holly noted the importance of communicating what the replacement reserve is for especially when considering any upcoming bond.

- ✓ Keith added that some of these are amenities to keep facilities operational, such as pool tanks and HVAC systems. Others are more general infrastructure, such as fences and pathways.

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

Aisha explained that THPRD allows developers to use THPRD property to mitigate their impact to wetland areas or buffers around streams. Fees collected from these projects are placed in a Special Revenue Fund to be used to maintain the sites.

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

- Repayment of the \$69 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 \$7.7 million and based on the projected growth in assessed value results in a property tax rate of \$0.32 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 THPRD's strong credit ratings.

Chair Cole inquired if the Urban Renewal Districts affect this levy.

- ✓ Keith confirmed it would have incremental impacts on the current year.

John asked when the bonds will be paid off.

- ✓ Keith confirmed that 50-55% would be paid off by 2027 and the remainder by 2029. The refinance of the bond allowed for a lower rate and a shorter term.

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

- Although increased SDC revenues were anticipated two years ago due to the new rates and the new urban growth areas, staff have scaled back the increases and used a lower revenue estimate in the current year. The projection for 2018/19 is again for an increase based on detailed projections of building permit activity.
- Strong current year revenues will likely exceed the current year budgeted revenue by \$1 to \$2 million.
- Carryforward projects were included in the FY 2017/18 adopted budget. Approximately \$1.4 million is proposed to be added in FY 2018/19.
- The Parks Functional Plan is currently being updated which will lead to an update of the SDC Capital Improvement Program.

- Approximately \$8 million is available for new acquisition and development project commitments.
- Approximately \$6.8 million is budgeted for new land acquisitions. This funding, along with carryforward funding of \$6.2 million, will allow the district to meet projected acquisition obligations in North Bethany and South Cooper Mountain.
- Approximately \$1.2 million is budgeted for new development projects. This funding will help provide matching funds on park and trail grants and to leverage improvements with local partners.
- New development commitments will be adjusted to respond to the needs identified in the updated functional plan and CIP.

Chair Cole asked for additional explanation regarding using debt for the two identified bond projects versus SDCs.

- ✓ Keith replied that after board discussion it was decided to fund the shortfall utilizing both funds. The SDCs will fund the contingency, meaning if we don't need it, we don't spend it. The debt will fund hard costs beyond the contingency. SDCs were not solely used in order make sure that the district could meet obligations for new parks in the expansion areas.

Chair Cole inquired if there were differing SDC rates for expansion areas in South Cooper Mountain and North Bethany.

- ✓ Keith confirmed this and explained that the difference is approximately \$2,000 per single family unit, based partly on land cost in those areas.

#### **D. Bond Capital Projects**

Keith provided an overview of the Bond Capital Projects Fund:

- The carryforward is estimated at \$16.4 million, based on expenditures to date.
- The Bond Fund Overview by project illustrates project appropriations included in the bond levy.
- Staff project a budget shortfall of approximately \$4 million based on estimated project costs, primarily due to the Cedar Hills Park and the Somerset West Park redevelopment projects. The budget reflects available funds, and the appropriations for the projects with budget shortfalls do not cover the full estimated cost of these projects. Cedar Hills Park is currently out for bid. Results due by the end of the week will give a better estimate on project cost.
- The bond capital program is nearing completion. Nearly \$88 million of bond funds have been expended and many project categories have been completed.
- The Parks Bond Citizen Oversight Committee continues to monitor the bond capital program to ensure THPRD meets the commitments made in the bond levy. The committee completed their 10-year charter and delivered their final report to the board in April. This was an update to the full 2016 report due to the limited amount of remaining work to be done.

Gery and Bruce showed pictures of various bond projects and explained the status of the different bond areas including:

- New Community Park Development
- Renovate and Redevelop a Community Park
- Renovate and Redevelop a Neighborhood Park
- Natural Area Preservation
- Natural Area Acquisition

**Agenda Item #6 – Public Comment**

There was no public comment.

**Agenda Item #7 – Budget Committee Questions and Recommendations**

There were no budget committee questions and recommendations.

**Agenda Item #8 – Date of Next Budget Committee Meeting: May 15, 2018**

Chair Susan Cole announced the next budget committee meeting will be May 15, 2018.

**Agenda Item #9 – Adjourn**

There being no further business, the meeting adjourned at 9:46 pm.

Recording Secretary,  
Jessica Collins

Transcribed by,  
Lindsay Lambert