

Budget Committee Meeting
May 18, 2023



TUALATIN HILLS
PARK & RECREATION DISTRICT

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



Budget Committee Overview

Memo to Budget Committee

**Agenda for May 18, 2023 Budget
Committee Meeting**





MEMO

To: The Budget Committee
From: Doug Menke, General Manager
Date: May 11, 2023
Re: May 18, 2023 Budget Committee Meeting

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

The information being presented is organized as follows:

1. Budget Committee Overview: Meeting agenda and cover memo.
2. Minutes of the April 20, 2023 Budget Committee Work Session.
3. Budget Committee Questions & Answers (provided for informational purposes only).

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 2023/24 budget and to approve THPRD's property tax levies for this same year.

Your meeting is scheduled for 6:00 pm, Wednesday, May 18, 2023, online.



Tualatin Hills Park & Recreation District Budget Committee Work Session

May 18, 2023
6 pm

Online Meeting: <https://www.youtube.com/watch?v=3hMzBNcRd6I>

AGENDA

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|--|------------------------------------|
| 1. Call Meeting to Order | Elizabeth Edwards, Committee Chair |
| 2. Approve April 20, 2023 Work Session Minutes | Elizabeth Edwards, Committee Chair |
| 3. General Budget Information | Jared Isaksen, Finance Director |
| 4. Public Comment* | Elizabeth Edwards, Committee Chair |
| 5. Budget Committee Discussion | Elizabeth Edwards, Committee Chair |
| 6. Approve 2023/24 Budget & Property Taxes to be Imposed | Elizabeth Edwards, Committee Chair |
| 7. Adjourn | Elizabeth Edwards, Committee Chair |

*Public Comment: Testimony is being accepted for this meeting via email (written) or virtually via MS Teams (spoken).

If you wish to submit written testimony via email, please do so by 5 pm on Wednesday, May 17, to budgetcommitteecomments@thprd.org. Testimony received by the deadline will be read into the record during Public Comment with a 3-minute time limit.

If you wish to speak during the virtual meeting, please sign up by emailing budgetcommitteecomments@thprd.org by 5 pm on Wednesday, May 17, with your name, email address, phone number and testimony topic. You will be provided additional instructions and a link to access the meeting. Testimony will be taken with a 3-minute time limit during Public Comment.

In compliance with the Americans with Disabilities Act (ADA), this material in an 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.



**Minutes of the
April 20, 2023
Budget Committee
Work Session**





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

A Tualatin Hills Park & Recreation District Budget Committee work session was held electronically on Thursday, April 20, 2023, 6 pm.

Present:

Elizabeth Edwards	Chair/Budget Committee Member
Heidi Edwards	Secretary/Budget Committee Member
Jon Cascino	Budget Committee Member
Chris Howard	Budget Committee Member
Felicita Monteblanco	Budget Committee Member
Alfredo Moreno	Budget Committee Member
Carolyn Uy	Budget Committee Member
Natalie Zehner	Budget Committee Member
Doug Menke	General Manager

Absent:

Barbie Minor, Budget Committee Member
Tya Ping, Budget Committee Member

Agenda Item #1 – Call to Order

The work session was called to order by Chair Elizabeth Edwards at 6:00 pm.

Agenda Item #2 – Approve February 22, 2023 Meeting Minutes

Heidi Edwards moved to approve the minutes of the February 22, 2023 Budget Committee meeting. Felicita Monteblanco seconded the motion. The minutes were UNANIMOUSLY APPROVED.

Agenda Item #3 – Opening Comments

Note: A PowerPoint presentation was used for the entirety of the agenda, a copy of which was entered into the record.

General Manager Doug Menke welcomed committee members to the FY 2023/24 Budget Committee Work Session and provided opening comments, noting that the budget committee members play a critical role regarding the budget development process. Doug stated that a balanced budget is being presented to the budget committee that delivers on our district values and priorities.

Agenda Item #4 – Public Comment

The public was invited to provide input on the proposed budget in-person virtually or via email to the budget committee. There was no public comment received.

Agenda Item #5 – District Planning Process

Deputy General Manager Aisha Panas provided an overview of the district's planning process.

Agenda Item #6 – District Values and Budget Priorities

THPRD Board of Directors President, Felicita Monteblanco, shared that the board held a retreat to set the district values and budget priorities for the upcoming FY 2023/24 budget process. The board identified the district values as:

- Leading with Equity with special attention to Racial Equity

- Environmental Stewardship
- Commitment to Community Vision

Felicita provided a brief overview of each of the district's budget priorities:

- Invest in our Employees and Technology
- Focus on Strengthening Programming Opportunities
- Develop Sustainable Operating and Financial Models for the Future

Agenda Item #7 – General Fund Budget

A. Budget Overview

Jared Isaksen, Finance director, provided a summary of the proposed General Fund (GF) budget.

- Staff are requesting full appropriation of the district's budget at \$83 million, which represents a 1% decrease from the prior year
- The majority of this decrease is from the \$4 million decrease in capital projects
- Largest source in the GF is property tax revenue, comprising 47% of the proposed budget totaling \$39.2 million
- The next largest source is carryforward from the current year which is projected to be \$21.5 million making up an additional 26% of the budget
- Program fees and charges are projected to be \$13.8 million, or 17% of the budgeted resources
- The remaining resources for the GF include the grants and sponsorships revenues at 9% and other revenues at 1%

B. General Fund Expenditures

Jared Isaksen, Finance director, provided a summary of the proposed General Fund expenditures.

- Personnel services is the largest portion of the proposed expenses at \$45.3 million, which is 55% of the overall proposed general fund budget
- Materials and services of \$13.2 million have increased by 7.3% due in part to a 7% inflationary factor
- Capital outlay of \$14.3 million decreased by 20% over last year
- No organizational changes are presented in the proposed budget. Jared highlighted the full-time staff additions in the proposed budget.

Jon Cascino referenced the six preschool teachers that were eliminated from the proposed budget and offered a voice of support for the district's preschool programming.

- ✓ Sabrina Taylor Schmitt, Recreation & Aquatics director, explained that the district did not remove preschool teacher positions; rather, these positions would have been funded through a partnership with Northwest Regional Education Service District that has not yet come to fruition. THPRD is committed to continuing to explore this partnership and is in discussions to support the teachers through different options.

Summaries were provided of each division and department budget as follows:

Jared Isaksen, Finance director, provided a brief overview of the Board of Directors and Administration budgets.

- Board of Directors appropriation \$470,393
- Administration appropriation \$14,374,676

Holly Thompson, Communications director, provided a brief overview of the Communications department's accomplishments and budget highlights.

- Total appropriation \$7,048,166
- Communications appropriation \$1,866,581
- Community Programs appropriation \$1,019,936
- Safety Services appropriation \$702,615
- Information Services appropriation \$3,459,034

Christine Hoffman, Human Resources director, provided an overview of the Human Resources department's budget highlights.

- Total appropriation \$1,531,329
- Risk & Benefits appropriation \$1,392,872

Jared Isaksen, Finance director, provided an overview of the Finance Services department's budget highlights.

- Total appropriation \$1,629,804
- Finances Services appropriation \$1,476,551
- Accounting and Budget appropriation \$602,632

Felicita Montebalanco asked what measure of success THPRD is using around the district's work with women and minority owned businesses.

- ✓ Jared Isaksen will follow up to answer Felicita's question.

Jon Cascino asked if one of the technology improvements planned is an upgrade to the district's registration portal.

- ✓ Holly Thompson replied that THPRD will first complete the financial system upgrade, then the website upgrade, followed by the registration system upgrade.

Aisha Panas, deputy general manager, provided an overview of the Park Services Division budget.

- Park Services appropriation \$16,366,624
- Maintenance Operations appropriation \$11,530,572
- Planning appropriation \$965,597
- Design & Development appropriation \$1,024,569
- Nature & Trails appropriation \$2,008,398

Elizabeth Edwards asked what the timeline is for implementing an asset management system.

- ✓ Aisha Panas responded that THPRD is in the first phase of scoping for asset management software solutions. Possible funding will come in FY 2024/25.

Julie Rocha, Sports & Inclusion director, provided an overview of the Recreation Services Division budget.

- Recreation Services appropriation \$29,619,336

Sabrina Taylor Schmitt, Recreation & Aquatics director, provided an overview of the Recreation department.

- Recreation appropriation \$10,286,176
- Aquatics appropriation \$7,731,429
- Maintenance Coordination appropriation \$1,347,954
- Sports & Inclusion appropriation \$8,892,841

Jon Cascino asked about the availability for THRIVE student placement.

- ✓ Sabrina Taylor Schmitt responded that program availability is a site-by-site situation. All THPRD programs have room for growth. Alternate transportation is also an option being considered for some facilities.
- ✓ General Manager Doug Menke mentioned that Beaverton School District also has openings in their afterschool programs. THPRD is not in the same position as before the pandemic with the reality of hybrid work environments and families making different decisions.

Agenda Item #8 – Other Funds

Jared Isaksen, Finance director, provided an overview of other funds presented in the proposed budget document.

- Mitigation Maintenance Reserve appropriation \$199,500
- Debt Service Fund appropriation \$8,674,550

Agenda Item #9 – Capital Projects

Aisha Panas, deputy general manager, provided an overview of the district's Capital Projects appropriation (\$14,732,201), as well as the Metro Bond appropriation (\$8,628,415), System Development Charge (SDC) Projects appropriation (\$57,738,451) and Bond Capital appropriation (\$2,388,890).

Carolyn Uy asked about the process for factoring in environmental stewardship when considering equipment replacements.

- ✓ Aisha Panas responded that THPRD is working in phases. The Facilities Functional Plan that's in process will address near-term replacements and the district's climate action plan, also in process, will also provide some direction.

Agenda Item #10 – Budget Committee Open Discussion

Elizabeth Edwards thanked staff for their presentations. She commented on the effort it takes to consolidate this amount of information to provide it to the committee and the public.

General Manager Doug Menke referenced the questions received from the committee members prior to this evening's work session, answers to which were provided to the committee and will be included within the May meeting materials. Doug shared that THPRD has many partners and in partnership there are great outcomes.

Jon Cascino thanked staff for the presentation and for the opportunity to provide feedback. He stated that he saw a clear connection to district values and budget priorities throughout the proposed budget. He asked if this budget is on the path toward a sustainable operating model.

- ✓ Doug replied that this budget is asking for full appropriation, but adjustments will be made where possible over the course of the fiscal year. Consideration of a local option levy is a reasonable approach to rebuilding a sustainable model.
- ✓ Deputy General Manager Aisha Panas commented that the FY 2023/24 budget will be managed just as previous budgets have been during the last few years of the pandemic. Staff has been doing internal work to identify ways to save money now and she has been meeting with departments to find ideas for untapped revenue sources.

Natalie Zehner thanked staff for the presentation and commented that it is good to see the inclusion aspect reflected in the current year and the climate goals reflected already from last year. She is interested in learning more about the upcoming asset management software system in terms of costs and benefits.

Agenda Item #11 – Date of Next Budget Committee Meeting

Chair Elizabeth Edwards announced the next budget committee meeting will be Thursday, May 18, 2023, at 6 pm to consider approval of the FY 2023/24 budget.

Agenda Item #12 – Adjourn

There being no further business, the meeting adjourned at 7:35 pm.

Recording Secretary,
Jessica Collins

Transcribed by,
Kristin Preston



Budget Committee Questions & Answers



2023-2024 Budget Questions:

1. Page BI-11: We are cutting six full time preschool teacher positions?

Response: The partnership with Northwest Regional Education Service District (NWRES D) for funding the six full-time teachers did not happen in 2022/23. We have reduced those positions from the budget, but are still in discussion on how we can partner with NWRES D to improve service delivery to students in our program. This includes funding for increased staffing support in the classroom.

2. Page RE-8: Does program revenue of \$453k at the tennis center for open play include pickleball?

Response: Yes, that is for both indoor and outdoor play.

3. Page CIP-19: 2026 seems to have a very significant jump for costs of ADA improvements. Why?

Response: The projects identified in FY26 represent the first phase of project scoping for much larger construction projects that are projected to occur beginning in FY28. In FY26, we propose completing design, permitting, and updating cost estimates for six ADA improvement projects at four sites. Funding for ADA projects tends to vary year-to-year based on other projects identified each cycle; FY26 is when we believe we'll have staff capacity to manage these initial project scoping tasks.

4. Page ADM-9: There is no mention of investment in employees for 23-24. Budget too tight? (I see this in other departments as well, budget priorities left out - cost measure?)

Response: Yes, good point, but no, we have funding for training and development of employees in Communications. It is more a matter of emphasis. For the budget narrative, we focused on two of the district's core values. But we do have department training and development funds that we use to invest in employee development. We also host quarterly district-wide trainings to all staff on a number of communications related topics from best practices for working with culturally specific community-based organizations (CBOs) to best practices for inclusive design and communications marketing. We'll be sure to speak to all three values in future years!

5. Page ADM-39: "Expand and diversify the district's vendor pool, providing non-monetary support to community-based partners that build their internal capacities." Tell me more.

Response: This refers to the district's creation of a Self-Defined Business Inclusion and Diversity program. While the State of Oregon has a Certification Office for Business Inclusion and Diversity (COBID), most MWESB entities are not aware or willing to take the time to complete all the tasks to become qualified. Our program removes those

barriers in our procurement process so that the utilization of Minority, Women and Emerging Small Businesses (MWESB), Service-Disabled Veteran Business Enterprise (SDVBE) and Self-Defined businesses reflect the diversity of our community. Assistance includes support in the COBID application process.

6. Page ADM-43: These measurements seem optimistic.

Response: We use a five-year history as a metric for projected budget figures. This may look slightly lower as we had fewer claims during COVID years. As for the mid-year, FY numbers are multiplied by two for projected outcomes.

7. Page ADM-57: I don't understand what most of these things are "facility deposits audited" "merchant cards" "purchasing card volume"?

Response: Facility deposits are the deposits done at each center, so for all of the centers that run programs that would be the cash/checks deposited per Registration System cash out. Cash Outs can be once per day or can be multiple times per day. Merchant cards are credit cards, and that is the number of credit card payments taken in from the Registration System for classes and rentals. Purchasing card volume is the amount spent by district staff using THPRD purchasing cards.

8. Page ADM-64: There is no narrative.

Response: the community partnerships department was discontinued in FY21 and therefore there wouldn't be a narrative..

9. Page PSV-6: "Asset Management System"tell me more.

Response: This priority effort will allow us to move away from using Excel to manage our capital budget planning and into a more robust asset management software solution that utilizes geographic information systems (GIS) data in tracking and maintaining our overall system. Excel is commonly used by park and recreation agencies to track their capital replacement and deferred maintenance, but it has limits to the amount of data it can manage. With a system of our size, we need to take this step toward a different solution that can track all of our capital assets, provide quick feedback on queries such as "how many acres of park land do we maintain?" and assist us in developing strategies to optimize operational models to care for district property.

10. Page SD-6: The big drop in resources from 23/24 to 24/25 - is that due to all that was discussed at the work session??

Response: Yes, that is correct. Following is a link to that work session and discussion: https://www.youtube.com/watch?v=F_9exKCyw68

11. I would love to see a crosswalk from the budget priorities to the budget, i.e. how the budget priorities show up. How is investing in the employees and technology demonstrated in the budget? What programming opportunities were strengthened? The third budget priority seems answered in the memo on the last page, but I'd be interested in hearing more about the Financial Futures Work Group.

Response: What a great suggestion! We will look into preparing a crosswalk document for future budget development that highlights how each division is working toward district values and priorities. Typically, our practice has been to ask each division director to speak to the values and priorities and highlight them during their verbal presentation of each division's budget at the budget work session. But, the communications staff really liked this suggestion and are committed to developing a cross-walk document for next year.

Information on the Financial Futures Work Group can also be found via the Work Session link noted above, starting at minute 21:00.

Below are questions/information items that we heard during the April 20th Budget Committee meeting along with the responses.

- Information on the district's Minority, Woman, Emerging Small Business program.

Response: In summary we've had a challenge over the last few years from implementing our procurement procedures which have a strong emphasis on using local Minority, Woman, Emerging Small Business/Service-Disabled Veteran (MWESB/SDV) or THPRD self-defined businesses. From businesses closing their doors, to staffing levels at THPRD due to COVID, we've faced an uphill battle. Our current software, SpringBrook, does not track which businesses are MWESB/SDV COBID certified or Self-defined, however we are maintaining a list of self-defined businesses outside of the accounting system. We are doing business with 13 self-defined businesses. We continue to train staff on our program and have put systems in place to encourage staff to seek out MWESB/SDV owned businesses. We have attended local business outreach events hosted by city of Hillsboro and Washington county. We continue to advocate the district's self-defined program to local businesses. We look forward to utilizing the new enterprise resource planning system to better track and measure the district's MWESB/SDV efforts.

- Information on the asset management software project.

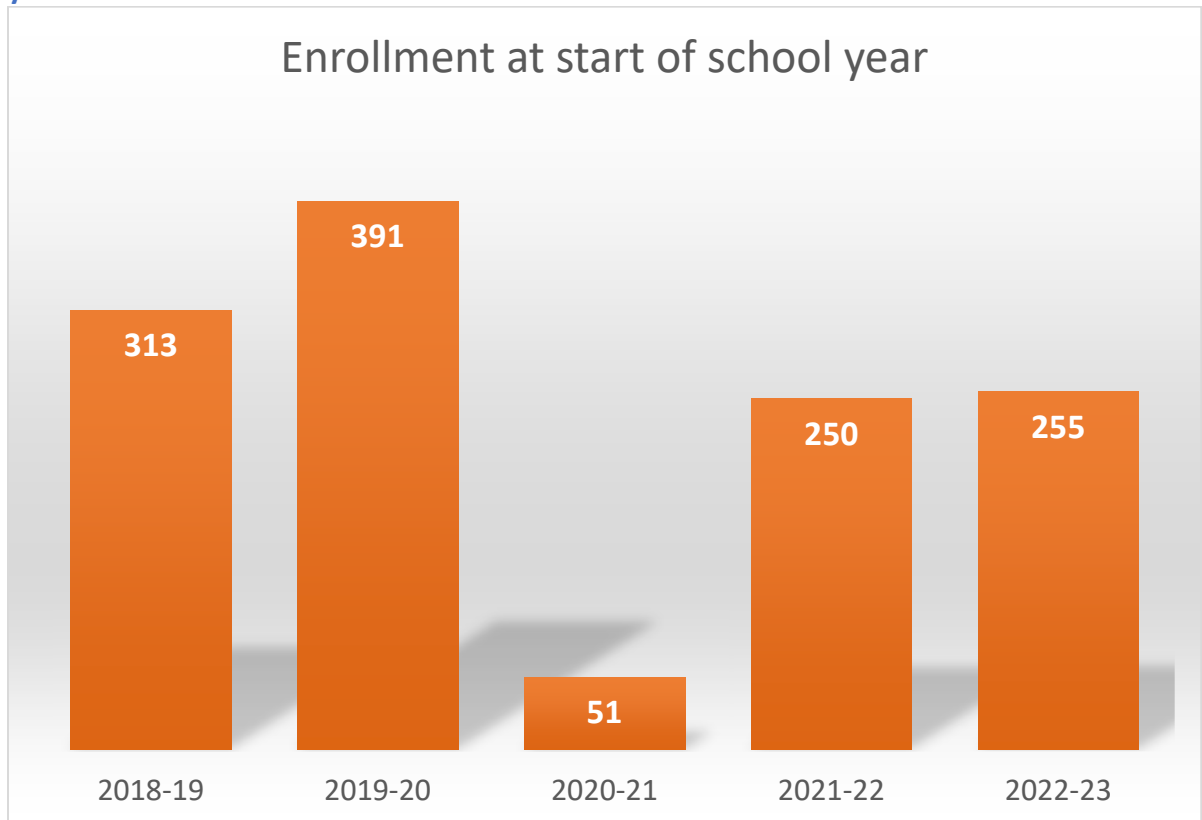
Response: The district is in the initial stage of researching potential asset management software solutions. These programs, sometimes referred to as public works or maintenance management software, are available from several companies. Asset management software helps schedule and record maintenance activities and can produce reports for proactive maintenance/replacement. THPRD staff are beginning the work to assess the district's needs, which will inform the selection of an asset

management solution. In the interim, staff will continue to develop a thorough inventory of existing assets, which is currently underway.

Costs for asset management software are highly variable and are typically based on the population served by the agency, the number and type of assets, and the required contractor hours for installation and staff training for in-house maintenance and operation. Based on conversations with asset managers at other organizations, we believe the range of total program set up and licensing fees for the initial three-year period will range from \$120,000 to \$170,000.

- Information on the district’s THRIVE after school program.

Response: Here is a graph of enrollment at the start of the school year for the last 5 years.



Enrollment is gradually increasing but not yet at pre-pandemic levels. All sites/schools have unfilled spots for this year (the 2022/23 school year). Currently the tuition for this school year, and next year, is \$3,500 for the year. For the next school year that would be \$389 per month for the 9-month program.