



Bend Metro Park & Recreation District

January 31, 2022

# Board of Directors Annual Workshop Agenda

[www.bendparksandrec.org](http://www.bendparksandrec.org)



*play for life*





## **Our Vision**

To be a leader in building a community connected to nature, active lifestyles and one another.

## **Our Mission**

To strengthen community vitality and foster healthy, enriched lifestyles by providing exceptional park and recreation services.

## **We Value**

Excellence by striving to set the standard for quality programs, parks and services through leadership, vision, innovation and dedication to our work.

Environmental Sustainability by helping to protect, maintain and preserve our natural and developed resources.

Fiscal Accountability by responsibly and efficiently managing the financial health of the District today and for generations to come.

Inclusiveness by reducing physical, social and financial barriers to our programs, facilities and services.

Partnerships by fostering an atmosphere of cooperation, trust and resourcefulness with our patrons, coworkers and other organizations.

Customers by interacting with people in a responsive, considerate and efficient manner.

Safety by promoting a safe and healthy environment for all who work and play in our parks, facilities and programs.

Staff by honoring the diverse contributions of each employee and volunteer, and recognizing them as essential to accomplishing our mission.



**District Office | Don Horton, Executive Director**

799 SW Columbia St., Bend, Oregon 97702 | [www.bendparksandrec.org](http://www.bendparksandrec.org) | (541) 389-7275



# Board of Directors

Workshop – January 31, 2022

Bend Park and Recreation District Office – Community Room

## Agenda

The Board Workshop will be held in person with a virtual link. Members of the public are invited to join the meeting using Zoom.

Please use the link below to join the webinar:

<https://us02web.zoom.us/j/84713219029?pwd=UGMwYUppTWg3MGtvQzZyeEYrdlh5dz09>

Passcode: 878721

Or Telephone:

US: +1 669 900 6833

Webinar ID: 847 1321 9029

Passcode: 878721

### Workshop – 9:00 a.m.

1. **Strategic Plan - Annual Action Plan Mid-Year Review & December 7, 2021 Board Retreat Discussion** *Michelle Healy and Rachel Colton (60 min)*

On June 18, 2019, the board adopted the 2019-2022 Strategic Plan (plan). The plan includes three pillars--Employees and Workplace Culture, Community Relationships, and Operations and Management Practices. Within the pillars, there are 11 desired outcomes, 21 strategies, and numerous actions to support the strategies. The plan also includes suggested performance measures for each desired outcome to track the district's progress over time.

The plan is a living document that will include annual updates to ensure the plan's relevancy in meeting the district's desired outcomes, and to track progress in accomplishing the action items that support desired outcomes. The last action update to the board was in September of 2021. At that meeting, the board extended the plan implementation timeframe through 2024, to provide two additional years to complete plan actions. This update will focus on progress on action items in the first two quarters of fiscal year 2021/2022.

For the 2021/2022 fiscal year, the plan identifies 52 action items. The majority (38) of the 52 action items are complete or in progress, with 14 action items that have not yet started. With the two-year extension of the plan, some of these action items will not begin until subsequent fiscal years.

Performance measures are a valuable tool to help the district track progress toward achieving desired outcomes in the plan. Over the past two years, staff has presented 11 performance measures for board review and feedback. This year staff will bring updates for five of these

performance measures (data was not available to update the remaining six), and will provide an update regarding potential future performance measures.

Finally, staff prepared a summary table of the board priorities identified during the December 7, 2021 board retreat and compared how those priorities align with the district's strategic plan, and other district principals or documents. The table will be reviewed and discussed during the workshop.

*Goal of agenda item:* Review progress made on the actions and performance measures, and suggest modifications as necessary. Additionally, review the table of board priorities that were identified during the December 7, 2021 board retreat.

*Supporting Documents (attached):* Adopted Strategic Plan – available on the BPRD website ([direct link](#)), Attachment A – Fiscal Year 2021-2022 Annual Action Plan (Mid-Year Review); Attachment B – Performance Measures Report; Attachment C - December 7 Board Retreat Summary Table

## **2. Recreation Cost Recovery and Financial Forecast – Matt Mercer (60 min)**

While early indications are that demand for many recreation programs and services will rebound rapidly and enter a new growth stage, there are some questions with adult indoor fitness use. The bigger challenge over the next several years is likely to be on the supply side as continued front-line staffing challenges will likely impact our ability to increase capacity to meet demand in many areas.

The recreation department is funded largely through user fees, but also requires general fund tax support to ensure programs and services are affordable, accessible and financially feasible. The level of tax support for programs is determined by the board adopted cost recovery guidelines. Cost recovery expectations vary depending on the type or category of service. Services that have broad community access and benefit are subsidized at a higher level than programs that have more limited access and primarily benefit the individual served. Highly individualized services should not require any tax subsidy. Staff uses these cost recovery guidelines to determine appropriate fees for programs and services. The User Fees and Charges Policy is attached and provides a detailed explanation of cost recovery philosophy and methodology as well as current cost recovery guidelines.

The COVID-19 pandemic has severely impacted recreation services over the past two years and will likely have lingering effects for at least the next several years. Labor market conditions have also impacted recreation services over the past year and will almost certainly prove challenging this next year and possibly longer. Impacts include both the ability to meet front line staffing needs and the increasing cost of wages and benefits. As a result, many programs are operating on the lower end of the cost recovery range and some are below the minimum cost recovery level. Staff does not recommend modifying these guidelines as they are critical to maintaining the long-term financial sustainability of recreation services. However, staff asks for board support to adjust fees and program

expenses over the next two years so that programs and services are meeting cost recovery goals.

Staff has prepared a financial forecast for the recreation department to estimate the potential tax subsidy required to support recreation programs and services over the next five years. A summary of the forecast is attached and will be discussed at the workshop. This forecast is incorporated in the district-wide financial forecast to be presented later.

*Goal of agenda item:* Confirm cost recovery guidelines. Review recreation department financial forecast. Ensure board priorities are addressed.

*Supporting Documents:* Attachment D – Fees and Charges Policy; Attachment E – Recreation Financial Forecast FY 2023-2027

### **3. Break 10 min**

### **4. Capital Improvement Plan (CIP) Discussion – Michelle Healy and Brian Hudspeth (60 min)**

Staff will present the first draft of the proposed 2023 – 2027 CIP. The proposed CIP carefully weighs project priority against the forecast of available funding resources. For the first draft of the 2023-2027 CIP staff has updated the status of projects included in the current CIP and added future projects informed by the comprehensive plan, asset management plan, ADA transition plan, or board priorities to meet community needs. Following the workshop, the draft 2023-2027 CIP may be additionally adjusted upon board direction; with the final CIP adopted in June 2022 as a part of the annual budget process.

*Goal of agenda item:* Review and discuss Draft 2023-2027 CIP

*Supporting Documents:* Attachment F – Draft CIP for Fiscal Years Ending 2023-2027

### **Lunch 12:10-12:40**

### **5. Financial Forecast – Kristin Donald (60 min)**

The financial forecasting model has become a valuable tool in predicting the effects of capital funding decisions, operational strategies, levels of service, subsidy levels, expanding parks and facilities, and economic circumstances on the district's financial viability. Being able to foresee how decisions today will affect the Bend Park and Recreation District's future operational budgets is vital to ensure the long-term financial sustainability of the district. Financial forecasting becomes even more important as BPRD adds facilities and services, and as operating costs continue to increase. This financial forecast is for planning purposes only and to help guide the upcoming budget process.

As we begin to prepare for the FY2022-23 budget we are forecasting, at a high level, the future of the district for the next five years. We use broad estimates with the information that we have now. Inflation, labor costs, and the continued regeneration of programs are challenges we must consider as we approach the next budget cycle and possibly for future years. Inflation is increasing over double what we can grow our property tax, which is 3% by state law. Inflation in the 6% to 8% range will have an impact on staffing costs limiting the availability of funds for services and special projects.

Overall, the district remains in good financial health. Even though this financial forecast takes a conservative approach, our projections continue to show that we are living within our means in the 5-year term and will continue to maintain at least two-months of reserves.

The forecasts, and the underlying assumptions, will be presented and discussed during the workshop.

*Goal of agenda item:* Staff hopes that this tool will help provide a means for the board to gain an understanding of the future financial capacity of the district for decision-making on property tax-funded priorities.

*Supporting Documents:* Attachment G – Financial Forecast FY2023 – FY2027

## **6. Board Self-Evaluation (60 min)**

The board of directors' self-evaluation is a best practice to ensure that the board remains accountable to those they serve and collectively working to meet the mission of the district. Each board member has been provided the self-assessment as a guide. The board will use this time to discuss the collective responses of the self-assessment.

*Goal of agenda item:* To conduct the board self-evaluation.

*Supporting Documents:* Board self-evaluation responses will be provided at the meeting

**BEND PARK AND RECREATION DISTRICT  
2019-2024 STRATEGIC PLAN  
PILLARS AND DESIRED OUTCOMES**

**Employees &  
Workplace Culture**  
*Becoming a workplace  
that is second to none in  
performance and  
satisfaction*



- Sufficiently staffed with well-qualified employees in all positions
- Employees have the opportunity to learn and grow
- A workforce that is heard, informed, involved and valued

**Community  
Relationships**  
*Strengthening community  
connections and  
partnerships*



- The district is strategic about partnerships
- A community better informed about the district
- District services that are accessible to all
- Exceptional customer and community experiences

**Operations &  
Management Practices**  
*Building upon current  
management practices  
that support responsible  
use of resources and  
stability*



- Staffing levels that are consistent with district growth
- Balance between caring for existing infrastructure and new development
- Be a local leader in environmental stewardship
- Financial well-being supported by strong business practices



**BEND PARK AND RECREATION DISTRICT**  
**2019-2024 STRATEGIC PLAN**  
**SUMMARY OF FISCAL YEAR 2021/2022 ACTION ITEM STATUS BY PILLAR**

**Employees &  
Workplace Culture**  
*Becoming a workplace  
that is second to none in  
performance and  
satisfaction*



- 2 complete actions
- 4 complete/in progress actions
- 5 in progress actions
- 3 not started actions

**14**

**Community  
Relationships**  
*Strengthening community  
connections and  
partnerships*



- 1 complete action
- 8 complete/in progress actions
- 6 in progress actions
- 6 not started actions

**21**

**Operations &  
Management Practices**  
*Building upon current  
management practices  
that support responsible  
use of resources and  
stability*



- 1 complete action
- 7 complete/in progress actions
- 4 in progress actions
- 5 not started/on-hold/delayed actions

**17**

**Total Action Items      52**





**BEND PARK AND RECREATION DISTRICT  
2019-2024 STRATEGIC PLAN  
FISCAL YEAR 2021/2022 ACTION ITEM SUMMARY**

## **Employees and Workplace Culture**

Sufficiently staffed with well-qualified employees in all positions  
Employees have the opportunity to learn and grow  
A workforce that is heard, informed, involved and valued

### **Completed**

- Identify and implement opportunities for cross departmental teams
- Evaluate the new Flexible Work Schedule policy to determine if it's meeting the needs of employees, the District and the overall intent of the policy and adjust as necessary

### **Completed/In Progress**

- Recruit to new audiences
- Evaluate part-time/seasonal structure to determine if there are more responsive ways to meet business and employee needs
- Forecast and communicate potential future positions
- Provide supervisors and managers tools and/or training to improve the performance evaluation process

### **In Progress**

- Collect and analyze data to inform and improve employee retention strategies in areas with high turnover
- Evaluate effectiveness of onboarding process. Enhance consistency and delivery methods District-wide based upon evaluation.
- Enhance professional development program for interested employees
- Evaluate effectiveness and value of mandatory training
- Develop alternative training delivery methods



**BEND PARK AND RECREATION DISTRICT  
2019-2024 STRATEGIC PLAN  
FISCAL YEAR 2021/2022 ACTION ITEM SUMMARY**

## Community Relationships

The district is strategic about partnerships  
A community better informed about the district  
District services that are accessible to all  
Exceptional customer and community experiences

### **Complete**

- Identify and formalize legacy community partnerships that have not been documented

### **Complete/In Progress**

- Create stronger and more meaningful partnerships with government agencies
- Educate our workforce on how to respond effectively and professionally to misinformation about BPRD
- Increase knowledge of and access to the district's scholarship program
- Invest in targeted programming that minimizes barriers for low-income populations
- Expanded targeted outreach for the Latinx population
- Analyze recreation participant data to identify underserved geographic areas in programming
- Evaluate the effectiveness of the Needs Based Assistance (NBA) policy and plans in 2022 and adjust as necessary
- Evaluate and prioritize removal of additional barriers to participation

### **In Progress**

- Develop method for ongoing education and information sharing with the Board, Budget committee members and the public on district finances and resource allocation decisions
- Develop a BPRD 101 fact sheet, presentation template and talking points
- Create a BPRD tour where District staff and/or Board members can present District information and happenings of interest Increase knowledge of and access to the district's scholarship program
- Create a diversity, equity and inclusion program that develops a value statement, policies and training opportunities
- Develop and implement a Customer Loyalty Program
- Develop operational and communications strategies for the opening of the park at Big Sky and unique amenities at Alpenglow.



**BEND PARK AND RECREATION DISTRICT  
2019-2024 STRATEGIC PLAN  
FISCAL YEAR 2021/2022 ACTION ITEM SUMMARY**

**Operations & Management Practices**

Staffing levels that are consistent with district growth  
Balance between caring for existing infrastructure and new development  
Be a local leader in environmental stewardship  
Financial well-being supported by strong business practices

**Complete**

- Complete the River Access Study that identifies the appropriate level of recreation access with the environmental impacts on the Deschutes River

**Complete/In Progress**

- Cross train employees to ensure there is back up and support for key functions in order to balance work loads
- Determine additional steps and resources necessary to fully implement the district's Asset Management Plan
- Develop a tool to forecast O&M costs prior to a project being listed on the CIP
- Plan and prioritize funding for a new Park Services Shop
- Evaluate current and preventative maintenance practices and adjust as needed
- Work with the Board of Directors to determine the district's role in providing transportation options within the urban trail system in collaboration with the City of Bend
- Measure progress on meeting the LOS targets for parks and trails in the adopted Comprehensive Plan and CIP

**In Progress**

- Implement additional sustainable practices in each operational area which embrace environmental standards and support the City of Bend's Climate Action Plan
- Develop specific environmental responsibility guidelines which drive purchasing decisions (including equipment, supplies, structures, furnishings, etc.)
- Develop a communications plan to educate and inform District staff about operative and capital budgets
- Implement a risk-based approach to reserves and periodically evaluate.



**BEND PARK AND RECREATION DISTRICT  
2019-2024 STRATEGIC PLAN  
FISCAL YEAR 2021/2022 ACTION ITEM SUMMARY**

## Not Started Action Items

### **Employees & Workplace Culture**

- Review existing benefits package, as well as new and non-traditional benefits (identify what non-traditional benefits are)
- Evaluate the effectiveness of the recognition program
- Address the need for on-call support in all departments

### **Community Relationships**

- Develop a communications partnership plan
- Revise the district's current partnership policy to define different levels of collaborative relationships and criteria
- Create a partnership management plan with supporting processes and systems
- Develop maps, signage and other information highlighting accessible recreation opportunities
- Evaluate the value and feasibility of collecting demographic information through registration and implement if warranted
- Create a district customer experience program which includes expectations and how-tos, helpful hints, etc.

### **Operations & Management Practices**

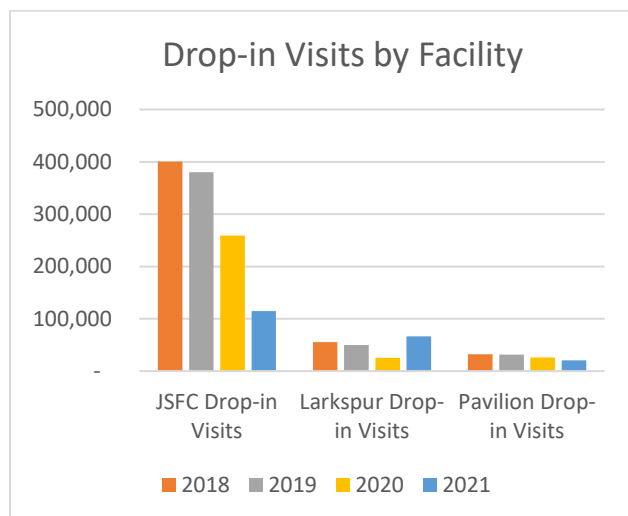
- Define minimum and desired staff levels for each service area of the district
- Education and outreach for staff about the Comprehensive Plan, LOS targets and current status
- Create a public awareness campaign to inform the public about the district's sustainability practices
- Integrate sustainability values and practices in recreation programming when feasible
- Research best practices, methods and tools for long term planning and forecasting to enhance scenario analysis

## Residents Served by Drop-in Activities at Recreation Facilities

**Pillar:** Community Relationships

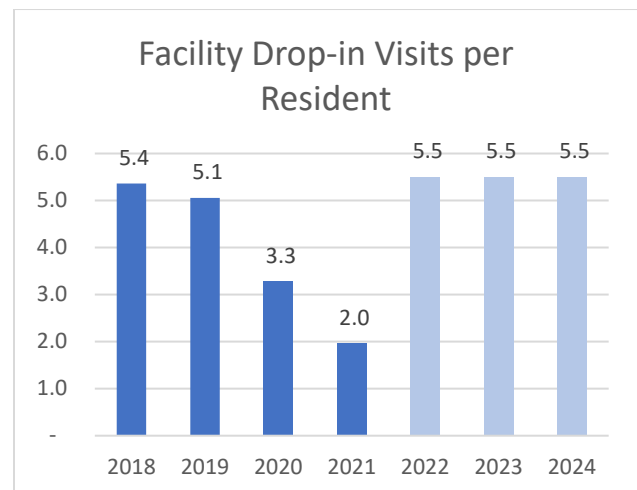
**Desired Outcome 3:** District Services that are accessible to all

**Performance Metric:** The number of drop-in visits to district recreation facilities. This includes pass check-ins and single visit admissions for all drop-in activities including swimming, ice skating, roller skating, fitness center and group exercise classes. This does not include visits generated by registered programs and most facility rental groups. Measurement period: Annually from September 1-August 31.



**Key Performance Indicator:** The number of drop-in visits per resident at district recreation facilities. A baseline of just over 5.0 visits per resident was established in 2019.

**Target:** The target of 5.5 visits per resident was established in 2019, prior to the COVID-19 pandemic, and with the expectation that the opening of Larkspur Community Center would increase capacity and use.



**Status:** Visits per resident dropped substantially to 3.3 and 2.0 visits per resident in 2020 and 2021 respectively due to the COVID-19 pandemic and associated facility closures, capacity limitations and mask requirements. At the same time the district population experienced significant growth. It will likely take several years to fully recover from the pandemic and begin to approach target even with the addition of Larkspur Community Center. The district may need to recalibrate the target once the longer-term impacts of the pandemic are better known.



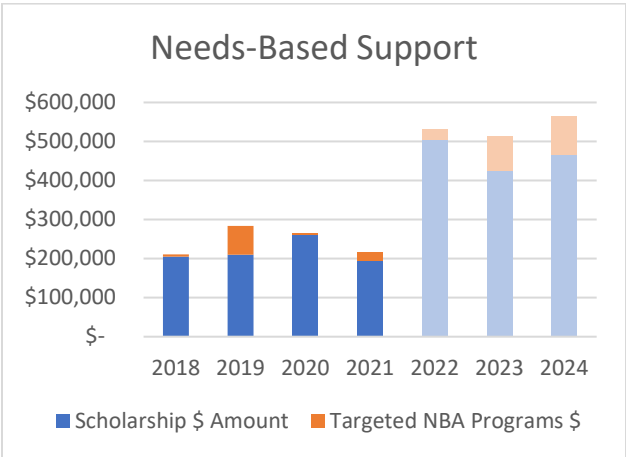
# Needs-Based Assistance (NBA) Provided

**Pillar:** Community Relationships

**Desired Outcome 3:** District Services that are accessible to all

**Performance Metric:** Amount of needs-based financial support provided, including recreation scholarships and programs that exclusively serve low-income populations. Measurement period: Annually from July 1-June 30.

**Key Performance Indicator:** The year-over-year increase in the amount of needs-based financial support provided.



**Target:** The district’s goal is to increase the amount of financial assistance to low income populations by a minimum 10% annually through continued scholarship program outreach efforts and targeted programming efforts.

**Status:** The district provided 25% less scholarship assistance in 2021 compared to 2020 due to a large reduction in programming resulting from the COVID-19 pandemic. The 2021 amount does not include \$445,000 of CARES-funded financial assistance provided to Team Up participants during distanced learning.

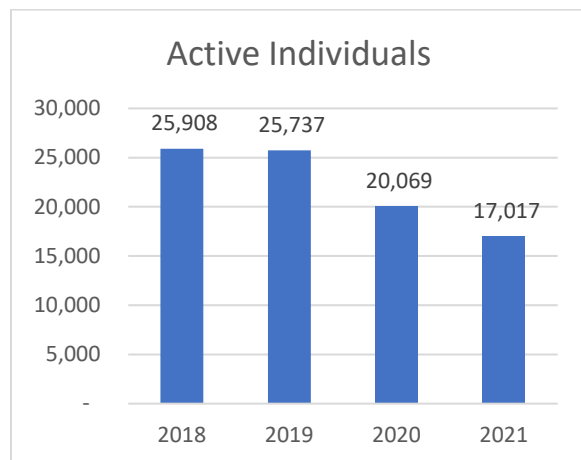
The district anticipates a large increase in scholarship funds provided in 2022, helped in part by a \$150,000 grant from the Oregon Community Foundation. The grant allowed the district to increase the scholarship amount and lowered the eligibility requirements during the grant period of three months. The district anticipates this grant to be a one-time event. As more programming is reintroduced and outreach efforts increase, scholarship use is expected to continue to increase by the 10% target.

## Residents Served by Organized Recreation Programs

**Pillar:** Community Relationships

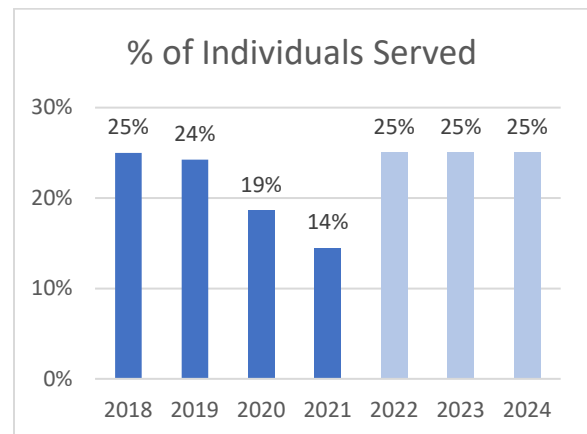
**Desired Outcome 3:** District Services that are accessible to all

**Performance Metric:** The number of unique individuals who registered for at least one organized recreation program or purchased a recreation facility multi-day pass during a one-year period. These numbers do not include drop-in, single admission visits to recreation facilities, rental user groups, special events and other activities that do not require individuals to register. Measurement period: Annually from September 1-August 31.



**Key Performance Indicator:** The percentage of the total estimated district population served by organized recreation activities during the period. The baseline over the past several years is approximately 25%. This is much higher than the national average for park and recreation agencies.

**Target:** The district's goal is to maintain this high level of participation (25%) as the population continues to grow. This will require increasing program and facility capacity to ensure recreation services are accessible to all who desire them.



**Status:** The COVID-19 pandemic resulted in numerous program cancellations and reduced capacity which caused a substantial decrease in the number of individuals served in 2020 and 2021.

This combined with the continued growth of the district's population has resulted in a significant decrease in the percent of the district's population served.

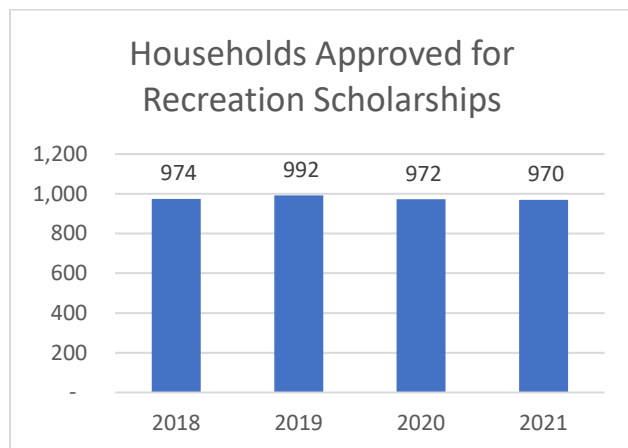
This metric is expected to rebound in 2022 but it may be several years before the district approaches pre-pandemic numbers.

## Scholarship Program Access

**Pillar:** Community Relationships

**Desired Outcome 3:** District Services that are accessible to all

**Performance Metric:** The number of households that have access to the Recreation Scholarship program. Measurement period: Annually from September 1-August 31.



**Key Performance Indicator:** The percentage of households qualifying for the recreation scholarship program as a percentage of households qualifying for the Supplemental Nutrition Assistance Program (SNAP). The district uses the same income qualifications as SNAP and the both programs are available to all ages.

**Target:** The district's goal is to increase 1% annually.

**Status:** Due to the COVID-19 pandemic, SNAP benefit eligibility requirements have temporarily changed and the data on qualifying households has not been updated as well. Unfortunately, the district is unable to verify this Key Performance Indicator.

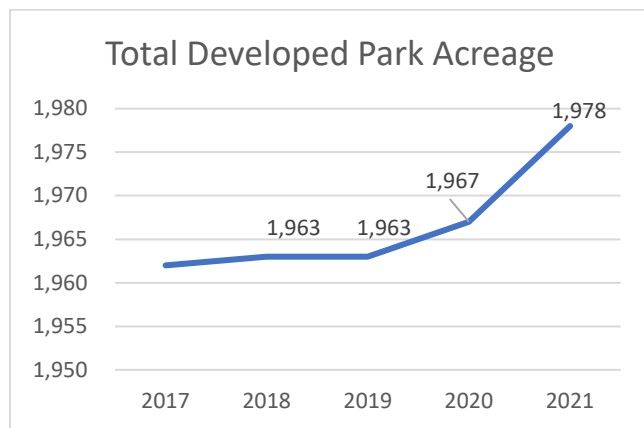
The district, however, still has maintained its data on how many households have been approved for the Recreation Scholarship. Despite providing significantly less programming, the number of approved households this past year remained nearly the same.

## Levels of Service (LOS) in Comprehensive Plan are met or exceeded

**Pillar:** Operations and Management Practices

**Desired Outcome 2:** A balance between caring for existing infrastructure and new development

**Performance Metric:** Total developed park acreage (inclusive of regional, community and neighborhood parks, and natural areas) provided by BPRD.



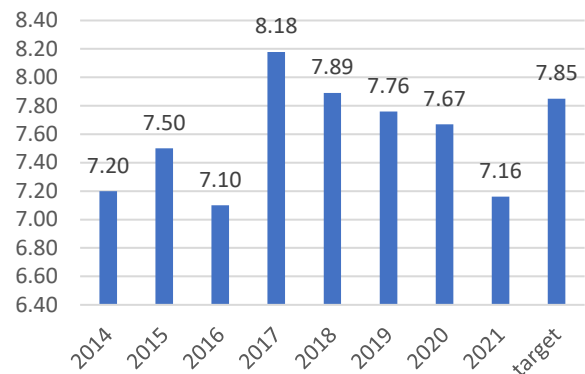
\*Total developed park acreage has increased over time. The 2021 increase can be attributed to the Discovery Park Expansion and Goodrich Pasture Park.

**Key Performance Indicators and Targets:** LOS for parks is measured annually and has the following targets, which were established in the 2018 comprehensive plan.

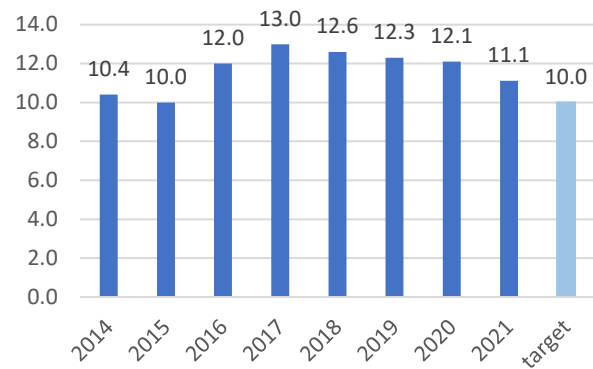
- Neighborhood and Community Parks – 7.85 acres/1,000 people
- Regional Parks – 10.0 acres/1,000 people

Though the metric for community and neighborhood parks differed prior to 2018, previous years data is included for comparison purposes.

### Community and Neighborhood Park Acres/1,000 People



### Regional Park Acres/1,000 People



**Current Status:** BPRD is currently meeting the established LOS target for regional parks, but falling short for neighborhood/community parks. This is a result of rapid population growth and is one of the reasons that BPRD is evaluating proximity to neighborhood or community parks as an additional metric to track to evaluate performance. Specific LOS for 2021:

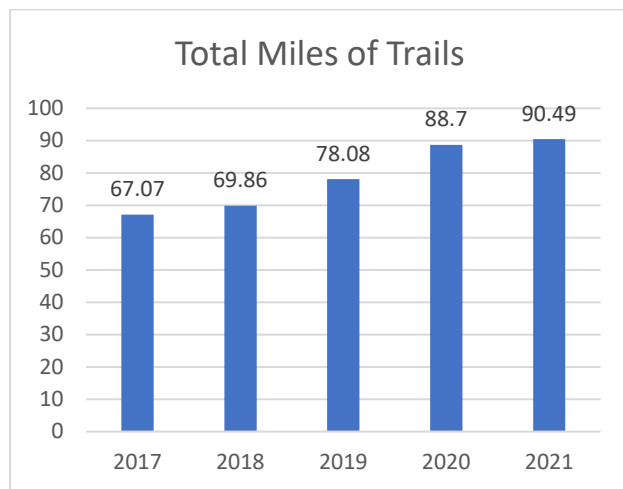
- Neighborhood and Community Parks – 7.16 acres/1,000 people
- Regional Parks – 11.1 acres/1,000 people

## Levels of Service (LOS) in Comprehensive Plan are met or exceeded

**Pillar:** Operations and Management Practices

**Desired Outcome 2:** A balance between caring for existing infrastructure and new development

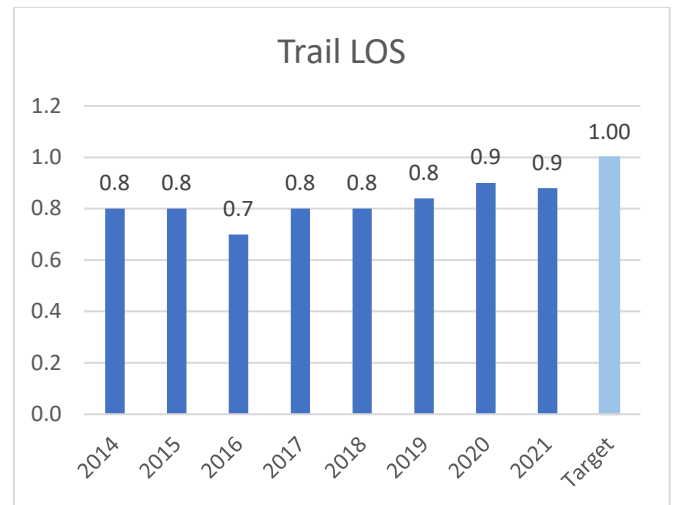
**Performance Metric:** Total miles of “primary” trails.



\*Total trail miles include all primary trails but not connector trails. Increases in 2021 can be attributed to completion of four trail segments, including two on the westside and two on the eastside of Bend.

**Key Performance Indicators and Target:** LOS for trails is measured annually and has the following target which was reaffirmed in the 2018 comprehensive plan.

- Trails – 1.0 miles/1,000 people



**Current Status:** BPRD is currently falling short for trail miles. This is a result of rapid population growth, and BPRD is actively working to increase trail mileage and improve trail connections to parks. In addition, as with parks, BPRD is evaluating proximity to trails as an additional metric to track to evaluate performance. Specific LOS for 2021 is:

- Trails – 0.88 miles/1,000 people

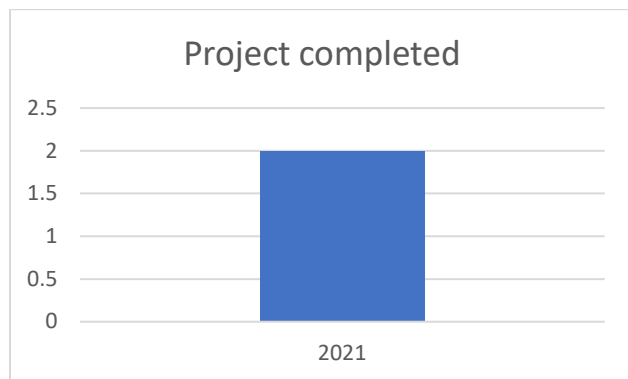


## Deschutes River Access and Habitat Restoration Plan Projects Completed

**Pillar:** Operations and Management Practices

**Desired Outcome 3:** Be a local leader in environmental stewardship

**Performance Metric:** The number of Deschutes River Access and Habitat Restoration Plan (plan) Projects completed annually from January 1-December 31.



**Key Performance Indicator:** The year over year increase in the amount of plan projects completed (if approved by the board, this data will be presented to the board in 2023 after the first full implementation year of the plan).

**Target:** The plan identifies a completion timeline of approximately 10-years. As such, 10% or a total of approximately three projects need to be completed each year in order to complete the plan within the identified timeframe.

**Current Status:** BPRD adopted the plan in November of 2021 and will begin tracking the year over year completion of plan identified projects beginning with calendar year 2022.

No.	Category	Priority	Pillar	Strategic Plan Alignment		
				Desired outcome	Strategy/Action	Additional District Alignment
1	Planning	Support existing planning structures	N/A	N/A	Implementation of the plan is in progress through fiscal year 23/24.	<b>Comprehensive Plan, Trail Action Plan, and Capital Improvement Plan</b> implementation are all in progress.
2	Planning	Open space as critical need as we urbanize	Operations and Management Practices	<b>Desired Outcome 3</b> - Be a local leader in environmental stewardship	<b>Strategy 3b</b> - Improve efforts to be responsible stewards of the natural environment.	<b>Comprehensive Plan</b> - Natural Area parks identified as one of the highest unmet community needs. Numerous projects identified to create/preserve natural areas.
3	Planning	Re-affirm district's vision, mission and values	N/A	N/A	Re-evaluate as part of next strategic plan update or other planning effort.	Board can review and discuss sooner (such as part of Comprehensive Plan update, DEI Action Plan implementation, or other) if desired.
4	Environment	Riverbank restoration/stewardship	Operations and Management Practices	<b>Desired Outcome 3</b> - Be a local leader in environmental stewardship	<b>Strategy 3b</b> - Improve efforts to be responsible stewards of the natural environment. <b>Action</b> - Complete the River Access Study that identifies the appropriate level of recreation access with environmental impacts on the Deschutes River.	<b>Natural Resource River Stewardship Project</b> - resulted in the completion of the River Plan. Implementation of the plan is in progress as evidenced by monies allocated for these projects in the CIP or in operational budgets.
5	Environment	Grow as an environmental champion	Operations and Management Practices	<b>Desired Outcome 3</b> - Be a local leader in environmental stewardship	<b>Strategy 3a</b> - Use environmentally responsible internal practices. <b>Action</b> - Implement additional sustainable practices in each operational area which embrace environmental standards and support the city of Bend's Climate Action Plan.	<b>Environmental sustainability</b> - identified as a district value. Participation in strategic energy management program, commute options, park designs to reduce water and other needs, plus other sustainability efforts in operations.
6	Financial	Protect funding/growth should pay it's own way	Operations and Management Practices	<b>Desired Outcome 4</b> - Financial well-being supported by strong business practices	<b>Strategy 4c</b> - Plan for long-term financial health.	<b>SDC ordinance</b> requires payment of SDCs for new residential development and hotels/motels. Affordable housing waivers to be re-evaluated in 2022.

December 7, 2021 Board Retreat Summary Table

No.	Category	Priority	Pillar	Strategic Plan Alignment		
				Desired outcome	Strategy/Action	Additional District Alignment
7	Financial	SDCs and their role with affordable housing and houselessness	Operations and Management Practices	<b>Desired Outcome 4</b> - Financial well-being supported by strong business practices	<b>Strategy 4c - Plan for long-term financial health.</b>	<b>SDC ordinance</b> requires payment of SDCs for new residential development and hotels/motels. Passed resolution in Feb 2021 to waive SDCs for temporary shelters (not part of cap). Affordable housing waivers to be re-evaluated in 2022.
8	Engagement	Partner with other agencies	Community Relationships	<b>Desired outcome 1</b> : District is strategic about partnerships	<b>Strategy 1b</b> - Partner when there is shared mission and borad community benefit. <b>Action</b> - Create stronger and more meaningful partnerships with other governmental agencies.	<b>Partnership</b> - identified as a district value. Partnerships identified within projects in the comprehensive plan.
9	Engagement	Make DEI the center of conversations	Community Relationships	<b>Desired outcome 3</b> : District services that are accessible to all	<b>Strategy 3a</b> - Develop solutions and required resources to mitigate identified barriers to participation and involvement. <b>Strategy 3b</b> : Foster a climate of inclusion for all community members. <b>Action</b> - Create a diversity, equity and inclusion program that develops a value statement, policies and training opportunities, etc.	<b>Inclusiveness</b> - identified as a district value
10	Engagement	Community partnerships	Community Relationships	<b>Desired outcome 1</b> : District is strategic about partnerships	<b>Strategy 1b</b> - Partner when there is shared mission and borad community benefit. <b>Action</b> - Create a partnership management plan with supporting processes and systems.	<b>Partnership</b> - identified as a district value. Partnerships identified within projects in the comprehensive plan. <b>Community sponsored projects</b> help bring resident's visions to life.

December 7, 2021 Board Retreat Summary Table

No.	Category	Priority	Pillar	Strategic Plan Alignment		
				Desired outcome	Strategy/Action	Additional District Alignment
11	Engagement	Roles with other agencies/explore joint offices	Community Relationships	<b>Desired outcome 1</b> : District is strategic about partnerships	<b>Strategy 1b</b> - Partner when there is shared mission and broad community benefit. <b>Action</b> - Create stronger and more meaningful partnerships with other governmental agencies.	<b>Comprehensive Plan</b> - coordination with other government agencies specified as something the district should continue to do.
12	Engagement	Staff interaction with the board	N/A	N/A	N/A	N/A
13	Engagement	Community interaction, access to public meetings, registration help	Community Relationships	<b>Desired outcome 3</b> : District services that are accessible to all	<b>Strategy 3a</b> - Develop solutions and required resources to mitigate identified barriers to participation and involvement. <b>Action</b> - Increase knowledge of and access to the District's scholarship program.	<b>Comprehensive Plan</b> - Updated approximately every five years to reflect changing community desires and needs.
14	Access	Maintaining levels of service to ensure equitable access as community grows. Use demographic data to inform equitable service	Operations and Management Practices	<b>Desired outcome 2</b> : A balance between caring for existing infrastructure and new development	<b>Strategy 2b</b> - Ensure the district is maintain its adopted level of service targets. <b>Action</b> - Measure progress on meeting the LOS targets for parks and trails in the adopted Comprehensive Plan and Capital Improvement Plan.	<b>Trail Action Plan</b> - used demographic data to inform priorities of trail projects. <b>Comprehensive Plan</b> - Additional demographic analysis work being done related to park search areas and evaluating park system as a whole.

December 7, 2021 Board Retreat Summary Table

No.	Category	Priority	Pillar	Strategic Plan Alignment		
				Desired outcome	Strategy/Action	Additional District Alignment
15	Access	Serve the entire community	Community Relationships	<b>Desired outcome 3:</b> District services that are accessible to all	<b>Strategy 3a</b> - Develop solutions and required resources to mitigate identified barriers to participation and involvement. Multiple specific actions.	<b>Inclusiveness</b> - identified as a district value
16	Access	Equitable access - importance of scholarships, Latino outreach and accessible trails at Drake	Community Relationships	<b>Desired outcome 3:</b> District services that are accessible to all	<b>Strategy 3a</b> - Develop solutions and required resources to mitigate identified barriers to participation and involvement. <b>Strategy 3b:</b> Foster a climate of inclusion for all community members.	<b>Inclusiveness</b> - identified as a district value
17	Access	Quality of life for all of the community	Community Relationships	<b>Desired Outcome 3</b> - District services that are accessible to all	<b>Strategy 3a</b> - Develop solutions and required resources to mitigate identified barriers to participation and involvement. <b>Strategy 3b:</b> Foster a climate of inclusion for all community members.	District mission, vision and values
18	Access	Transportation/travel demand management, parking	Operations and Management Practices	<b>Desired outcome 2:</b> A balance between caring for existing infrastructure and new development	<b>Strategy 2b:</b> Ensure the district is maintain its adopted level of service targets. <b>Action</b> - Work with the board of directors to determine the district's role in providing transportation options within the urban trail system in collaboration with the city of Bend.	<b>Comprehensive Plan</b> - identifies numerous trails projects that will facilitate access to district facilities with alternative modes. <b>Development Guidelines</b> - staff are currently working on white paper and associated research on parking management strategies/guidelines for future board discussion and consideration.
19	Access	Walkshed analysis as the new standard	Operations and Management Practices	<b>Desired outcome 2:</b> A balance between caring for existing infrastructure and new development	<b>Strategy 2b:</b> Ensure the district is maintain its adopted level of service targets. <b>Action</b> - Measure progress on meeting the LOS targets for parks and trails in the adopted Comprehensive Plan and Capital Improvement Plan.	<b>Comprehensive Plan</b> - established framework for the walkshed analysis, which is updated annually.



December 7, 2021 Board Retreat Summary Table

Strategic Plan Alignment						
No.	Category	Priority	Pillar	Desired outcome	Strategy/Action	Additional District Alignment
20	Access	Build out existing trails network, trails as active transportation	Operations and Management Practices	<b>Desired outcome 2:</b> A balance between caring for existing infrastructure and new development	<b>Strategy 2b:</b> Ensure the district is maintain its adopted level of service targets. <b>Action -</b> Work with the board of directors to determine the district's role in providing transportation options within the urban trail system in collaboration with the city of Bend.	<b>Comprehensive Plan and Trails Action Plan-</b> identify numerous trails projects that will result in improvement of the trail system.



**Brady Fuller, Chair**

Page 1 of 9

**User Fees and Charges**

**SECTION 1: GENERAL POLICY**

**1. Purpose**

The purpose of the policy is to provide Board direction to staff in setting fees and charges for programs, facilities and other services.

**2. Introduction**

The Bend Park and Recreation District relies on a mixture of tax revenue and user fees to provide high quality, accessible and diverse park and recreation services to district residents. Tax revenues fund basic services such as parks, trails and natural areas and help support a wide variety of recreation opportunities. Fees and charges are used to offset some or all of the cost of individual participation in a program or use of a facility. Fees and charges shift some of the cost of providing a service to the individuals who benefit directly from it. By charging fees, greater tax support is available to spread over a broader range of services allowing for a more diverse and sustainable park and recreation system.

**3. Funding Philosophy**

The District approach to funding park and recreation services is represented in the Funding Model below. This model illustrates the relationship between the expectation for, access to and benefit from a service and how the service is funded.



Reviewer: Director of Recreation  
Last Review Date: February 2019  
Next Review Date: February 2024  
Review Schedule: 5 years

### General Service Categories

- A. **Community-wide:** Public services that are basic expectations, are widely accessible and provide community-wide benefit make up the base of the Funding Model. These services are usually supported fully or heavily through tax revenues. Examples include: acquiring, developing and maintaining parks, trails and natural areas; completing capital improvement projects; providing essential planning and administrative services; and, facilitating outreach and inclusion so that all may benefit from the system.
- B. **Individual/Community:** Many services provided by the District are not usually considered a basic service but respond to varying levels of community expectations and offer a blend of community and individual access and benefit. These dual benefit services are supported by a mix of user fees and tax revenues proportional to the degree of community expectation and access that the service provides. Examples include: the operation of recreation facilities; most recreation programs; community events; and, facility rentals for non-profit organizations offering community programs.
- C. **Individual:** Services that are not generally expected and/or have limited access and benefit to the community at large are considered private services. These services should not be subsidized through tax revenue and in most cases should generate revenue that help support other services that provide broader community access and benefit. Examples include: concession and merchandise sales; private and/or advanced instruction; and, private and commercial use of facilities.

#### 4. Cost Recovery Methodology

- A. Cost recovery is the method for aligning fee and tax support with the funding philosophy described above. Cost recovery represents the portion of the cost of providing a program or service that is recovered through user fees. Services with broader community expectation, access and benefit therefore should have a lower cost recovery expectation than services that have more limited and individual access and benefit.
- B. Cost recovery expectations for different categories of services are approved and periodically reviewed by the Board of Directors. These cost recovery expectations provide guidance and direction to staff for establishing fees for fee-based services. The cost recovery expectations for service categories are expressed as a range. This is because a variety of factors influence actual cost recovery that cannot always be predicted during the fee setting process including: the number of enrollments; facility utilization levels; and, certain costs. By providing a cost recovery range instead of a single target, it is more realistic to ensure that services are consistently falling in the approved cost recovery guidelines.

## **5. Subsidy Allocation**

Subsidy allocation is the actual amount of tax subsidy that is provided for a service based on the cost recovery expectation. For example, a service that costs \$100,000 to provide and has an 80% cost recovery expectation would require a tax subsidy of \$20,000 whereas another service that has the same cost recovery expectation but costs \$1,000,000 to provide would require a \$200,000 tax subsidy. Because tax subsidy requirements can vary greatly even with the same cost recovery expectation, it is important that subsidy allocation is considered alongside cost recovery. Subsidy allocations for different services are approved by the Board of Directors annually through the budget process.

## **6. Fee Setting Methods**

- A. Fee setting for District programs and services are based primarily on the cost recovery methodology described above. Specifically, this includes:
  - Determining the appropriate category for the program/service
  - Identifying the cost of providing the program/service
  - Applying the approved cost recovery guidelines
- B. Fee setting will also take into account market considerations where applicable including:
  - What people would typically expect or be willing to pay for the service
  - Comparisons with other providers, both public and private, relative to the value of the service
  - Balancing participation goals and affordability with cost recovery expectation
- C. Program fees should at a minimum meet the cost recovery guidelines. Program fees and the resulting cost recovery may be higher when market conditions allow, freeing resources for programs and services that require higher rates of tax support.

## **7. Fee Setting Authority**

- A. The Board of Directors approves cost recovery guidelines for different categories of programs and services. These guidelines are included in this policy and shall be reviewed no less than every four (4) years.
- B. Fees are established by staff for specific programs and services based on the Board-approved guidelines in this policy. Fees will be evaluated and updated to ensure they continue to meet cost recovery guidelines.
- C. The Board delegates to the Executive Director or designee the authority to approve fees that do not meet the cost recovery guidelines.

## **SECTION II: COST RECOVERY GUIDELINES FOR RECREATION PROGRAMS AND SERVICES**

1. **Program Category Descriptions:** District recreation programs and services are separated into the following categories based on the degree of community versus individual access and benefit the program provides and the relative level of expectation and reliance the community has for the program.
  - A. **Issue-Focused Services:** Programs and services designed to address a community issue or need that the District has identified as a priority for use of tax resources. Services such as needs-based assistance, inclusion services, outreach and targeted programming to underserved populations are examples.
  - B. **Core Programs:** Programs that are central to supporting the District's mission and initiatives and that there is strong expectation that the District provides. It is also unlikely that other providers could meet the community need. Programs in this category have broad interest, access and participation such as public swimming and skating times or serve a strongly identified need such as after school care, swim lessons and youth sport leagues.
  - C. **Complementary Programs:** Programs that complement core services and contribute to fulfilling the District mission but that there is a lower expectation for the District to provide. Similar programs are typically offered by other providers. Programs in this category include activities with more specialized interest and focus and generally lower capacity and participation such as art, enrichment, STEM and facilitated outdoor programs.
  - D. **Specialized Programs:** Programs not expected and/or necessary to fulfill the mission of the District and serve a narrower population or interest. Programs often require a specific skill level and/or have very limited capacity, and are usually offered by private providers as well. Examples include advanced classes and camps, individualized instruction, small group training, etc.
  - E. **Private Benefit Services:** Services that do not directly support the District mission but are desired by some and can produce revenue to help offset the cost of providing public benefit services. Examples include food and beverage sales, merchandise for resale and private rentals of facilities.
2. **Cost Recovery Guidelines:** The following cost recovery guidelines will be used to establish fees for the categories of recreation programs and services described above. Operated facilities include Juniper Swim & Fitness Center, The Pavilion and Larkspur Community Center.

**Table 1: Cost Recovery Guidelines for Recreation Programs**

<b>Program Category</b>	<b>Operated Facility</b>	<b>Non-Operated Facility</b>
Issue-Focused Services	0-50%	0-50%
Core Programs	60-80%	80-100%
Complementary Programs	80-100%	100-120%
Specialized Programs	100-120%	120-140%
Private Benefit Services	120%+	140%+



3. **Costs Included in Cost Recovery:** The following cost will be considered when applying the cost recovery guidelines to the different categories of recreation programs and services.

**Table 2: Costs included in Recreation Program Cost Recovery**

Location	Direct Costs	Program Management	Registration	Marketing	Facility Operations	Organizational Support	Capital Costs
Operated Facility	Yes	Yes	Yes	Yes	Yes	No	No
Non-Operated	Yes	Yes	Yes	Yes	No	No	No

- **Direct Costs** – costs directly associated with providing the program including staff wages, payroll taxes and benefits, consumable program supplies, etc.
- **Program Management** – costs of planning, coordinating and managing the program including staff wages, payroll taxes and benefits, and indirect costs such as office supplies, phone, staff training, etc.
- **Registration** – costs associated with registration and customer service to support the activity including customer service wages, payroll taxes and benefits, credit card processing fees, printing, etc.
- **Marketing** – costs associated with marketing and communication efforts including the production and mailing of the program guide, website management, advertising and other collateral material.
- **Facility Operations** – direct costs of operating and maintaining facilities including utilities, maintenance, repairs, janitorial, and staffing and materials required to support the ongoing maintenance and operations of a facility.
- **Organizational Support** – services that support the overall operation of the District, including: Human Resources, Finance, Business, IT, Community Relations, Planning and Development, Executive Directors office, etc.
- **Capital Costs** – the initial capital costs to develop the facility, including annual debt service payments or depreciation of these investments and ongoing capital costs required to maintain and improve District facilities and assets.

### **SECTION III: COST RECOVERY GUIDELINES FOR RENTAL FACILITIES**

1. **Rental Definitions:** A facility rental is considered any third party reserved use of a District park, facility or portion thereof. Facility rentals are divided into the following three service categories for cost recovery consideration.
  - **Community Events:** Functions that are promoted as community-wide events and open to all who choose to participate.
  - **Organized Sport User Groups:** Use of facilities to operate organized sports or other recreation activities that are open with some limitations to registered participants.
  - **Exclusive Functions:** Rentals intended for exclusive use by invited guests such as weddings, birthday parties, holiday parties, reunions, etc.
  
2. **Renter Types:** The District recognizes four types of renters in its cost recovery guidelines. The renter type is based on the purpose of the rental function rather than the renting entity.
  - **Partner:** Renter is a formal partner of the District for the rental function.
  - **Non-profit:** Renter is a non-profit organization conducting activities that directly support the mission and purpose of the non-profit organization.
  - **Private:** Renter is a private individual.
  - **Commercial:** Renter is engaging in a commercial “for-profit activity” whether a fee is charged directly or not.
  
3. **Cost Recovery Guidelines:** The following cost recovery guidelines will be used to establish fees for the various categories and types of facility rentals.

**Table 3: Cost Recovery Guidelines for Rental Facilities**

<b>Rental Function</b>	<b>Partner</b>	<b>Non-Profit</b>	<b>Private</b>	<b>Commercial</b>
Community Events	0-50%	50-75%	N/A	100-125%
Organized Sport User Groups	0-50%	75-100%	100-125%	125-150%
Exclusive Rentals	0-50%	100-125%	125-150%	150-200%

4. **Costs Included in Cost Recovery:** The following cost will be considered when applying the cost recovery guidelines to the different types of facility rentals.

**Table 4: Costs included in Rental Facility Cost Recovery**

Facility Type	Reservation	Direct Service	Facility Operations	Organizational Support	Capital Improvements	Capital Costs
Parks & Shelters	Yes	Yes	No	No	No	No
Athletic Fields	Yes	Yes	No	No	No	No
Recreation Facilities	Yes	Yes	Yes	No	No	No
Rental Halls	Yes	Yes	Yes	Yes	Yes	No

- **Reservation** – costs associated with reserving and renting the facility, including processing reservations, credit card procession fees, permits, logistical plans, etc.
- **Direct Service** – cost of direct services provided by the District to support the rental activity such as athletic field preparation for specific activity, athletic field lighting, additional trash or restroom service, site and utility modifications, staff logistical support, delivery and/or set-up of equipment, etc.
- **Facility Operations** – direct costs of operating and maintaining a park or facility including utilities, maintenance, janitorial service, general turf maintenance, staffing and materials required to support the ongoing maintenance and operations of a facility, etc.
- **Organizational Support** – services that support the overall operation of the District, including: Human Resources, Finance, Business, IT, Community Relations, Planning and Development, Executive Directors office, etc.
- **Capital Improvements** – capital costs required to maintain and improve District facilities and assets.
- **Capital Costs** – the initial capital cost to develop the facility, including annual debt service payments or depreciation of these investments.

#### **SECTION IV: OUT-OF-DISTRICT USE AND FEES**

**1. Philosophy:** The Bend Park and Recreation District was established to provide park and recreation services to those who reside or own property within district boundaries. District residents and property owners pay taxes to support District operations. The District recognizes visitors and residents from outside of the District's boundaries will also use and enjoy District parks, facilities and programs. In order to limit the financial subsidy of providing services to non-resident users and ensure that non-resident users pay their fair share for services, the District will normally assess additional fees to non-resident users where fees are charged.

#### **2. Recreation Programs**

- A. Most District recreation programs are designed primarily to serve and benefit district residents; however, the District encourages non-resident participation as many would not otherwise have access to these services. Non-resident participation can also contribute to the overall financial viability of programs by filling available spots. In the event that non-resident participation significantly displaces district residents, the District will consider implementing priority registration to district residents through early registration or other means.
- B. Non-residents will be charged a 20% out-of-district fee in addition to the in-district fee to participate in most recreation programs. The following recreation programs are exempt from out-of-district fees:
  - Drop-in fees at recreation facilities (due to the difficulty in verifying District residency)
  - Programs offered in partnership with Bend-La Pine Schools (for students who reside outside the Bend Park and Recreation District, but within the Bend-La Pine School District boundaries)
  - Private-benefit and specialized services that exist to generate revenue and do not require tax support (i.e. concession and merchandise sales, personal instruction, specialized training, etc.)
  - Exceptions as granted by the Executive Director

#### **3. Facility Rentals**

- A. District facilities are developed and operated primarily to benefit district residents. Many of these facilities are made available for rent by private parties or organizations. The District will prioritize residents when feasible; however, many facilities are scheduled on a first come, first serve basis so resident priority is not possible.
- B. Non-residents will be charged a 20% out-of-district fee in addition to the in-district fee to rent facilities. The following rentals are exempt from out-of-district fees.
  - Governmental agencies or non-profit organizations serving district residents
  - Exceptions as granted by the Executive Director

## **SECTION V: NEEDS-BASED ASSISTANCE**

1. **Philosophy:** The District believes that everyone should have the opportunity to benefit from recreation activities. The District provides this opportunity by offering a diverse array of recreation options, from parks and trails to recreation facilities and programs. Many recreation options are available to the public without charge, including: parks, trails, playgrounds, outdoor basketball courts, skate parks, tennis and pickleball courts, etc. Most organized recreation programs and indoor recreation facilities require a fee to participate. The District recognizes that these fees can present a barrier for some. As a result, the District provides assistance to facilitate access to fee-based recreation programs and facilities for those who are unable to pay the regular fee. While the District would like to make all programs available to district residents regardless of ability to pay, services must be prioritized to ensure that the highest and most critical needs are met with available resources.
  
2. **Types of Needs-Based Assistance:** Financial assistance is provided by the District through two primary methods.
  - A. **Recreation Scholarship Program** uses resources from a specifically budgeted line item to fund a portion of the regular participation fees. The Recreation Scholarship Program is supported through revenue received from cell phone tower leases, Bend Park and Recreation Foundation donations, and General Fund tax resources.
  - B. **Free or Low Fee Programs** includes programs that are offered free to the entire community and/or subsidized services that target low income families and individuals.
  
3. **Eligibility For Needs-Based Assistance:**
  - A. Eligibility will be based on Federal Poverty Guidelines for household income and family size. The District will have a two-tiered system: high need and moderate need. To the degree possible, the qualifying income levels will be coordinated with other assistance programs including school Free and Reduced Lunch Program, SNAP, TANF and Oregon Health Plan,
  - B. The District will work with the Family Action Network and other local agencies to identify and address extreme cases where assistance programs are not adequate to facilitate participation.
  
4. **Funding Priorities:** In order to ensure the most critical needs and services are funded, the following priorities have been established:
  - A. Priority will be given to the following **populations** in order:
    1. Individuals with disabilities, including those on long-term disability.
    2. Youth 18 years and younger.
    3. Adults 19 years and older with qualifying health considerations.
    4. General senior population (65-years or older).
    5. General adult population (19-64 years).
  - B. Priority will be given to the following **programs/services** in order:
    1. Issue-focused programs.

2. Core recreation programs.
3. Complementary recreation programs.
4. Needs-based assistance will not be offered for specialized programs, private services, rentals or the out of district portion of fees.

**5. Needs-Based Assistance Plan and Funding:**

- A. An annual Needs-Based Assistance Plan including recommendations regarding service levels and funding requirements will be approved by the District Board of Directors.
- B. The funding required for the Needs-Based Assistance Plan will be approved through the budget process each year.
- C. The following strategies will be considered if the approved funding is not adequate to meet the demand for needs-based assistance.
  1. Suspend funding to lower priority populations.
  2. Suspend funding of complementary recreation programs.
  3. Reduce the percentage of fee covered by needs-based assistance programs.
  4. Implement limits on the amount of funding received per individual/household.

# Recreation Financial Forecast FY2023-2027

## Background

The COVID-19 pandemic has severely impacted recreation services over the past two years and will likely have lingering effects for at least the next several years. This, in addition to the labor market conditions, makes it particularly challenging to forecast recreation department revenues, expenses and corresponding tax subsidy.

While early indications are that demand for many recreation programs and services will continue to rebound rapidly and even enter a new growth stage, there are some questions especially with adult indoor fitness use. The bigger challenge over the next several years is likely to be on the supply side as continued front-line staffing challenges will likely impact our ability to increase capacity to meet demand in many areas.

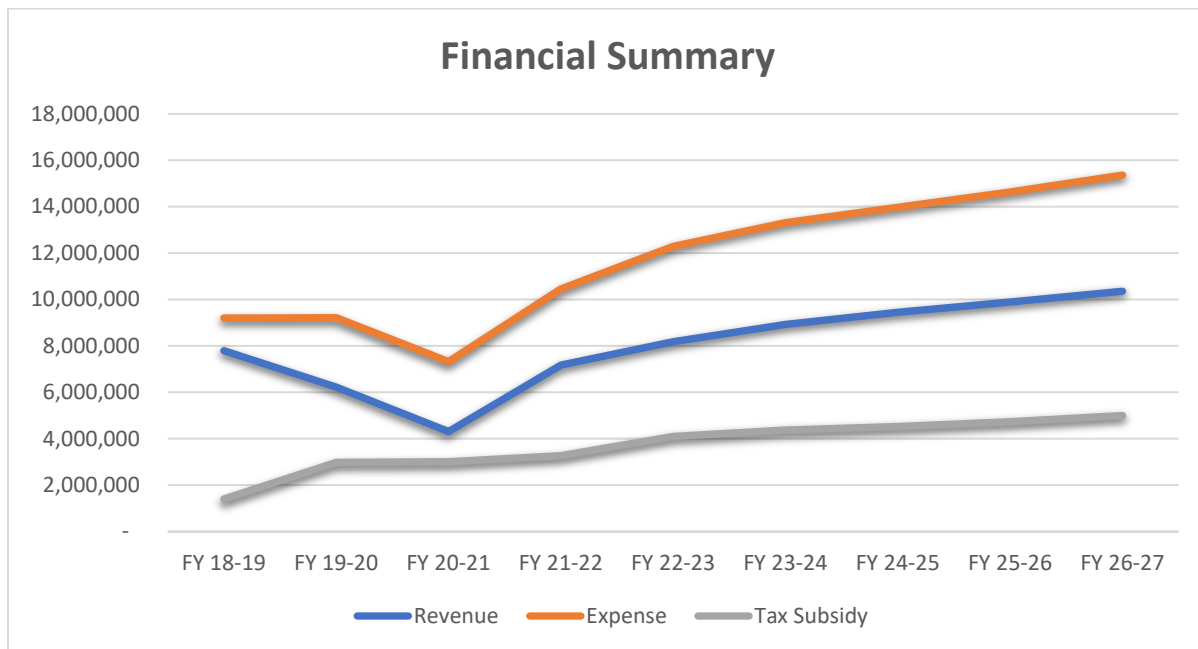
## Major Assumptions

Because of the uncertainty on both the supply and demand sides of recreation programs as well as general questions about the economy in the coming years, we have elected to use relatively conservative assumptions for this forecast. The assumptions are similar to those used in the district-wide financial forecast, but they are modified to reflect the unique operating environment of recreation programs.

- Current cost recovery guidelines remain in place and are met within two years.
- Revenue overall will increase to 5% over pre-pandemic levels in FY 2022-23 as programs continue to rebound and with the added capacity of Larkspur Community Center. The majority of the increase is expected to come through program participation and facility visitation increases although we anticipate some fee increases as well due to increased costs. Growth is projected to taper off the following four years.
- Scholarship use is projected to increase approximately 10% per year due to continued outreach efforts.
- Full-time wages and benefits are anticipated to increase at higher-than-average rates over the next two years due to higher COLA, benefit cost escalation and the conversion of some part-time positions to full-time, before stabilizing over the final three years.
- Part-time wages and benefits are also expected to increase significantly over the next two years due to a combination of the higher wages from both COLA and pay scale adjustments and additional hours to support program growth.
- Materials and supplies are also forecast to follow this pattern with higher increases in the first two years due to both program growth and cost increases exacerbated by supply chain issues before stabilizing again.
- The largest risk in the financial forecast is the revenue increases forecast for Juniper Swim & Fitness Center and Larkspur Community Center. There is plenty of capacity to meet these goals; however, it remains to be seen how strong the rebound and future growth in the indoor fitness industry will be. Some costs for indoor fitness activities such as fitness instructors are variable and can be reduced while others such as facility expenses can not be easily adjusted.
- The forecast does not include the potential relocation and expansion of art and enrichment programs as this is unknown at this time. The forecast assumes that reduced art offerings will take place at Harmon Hobby Hut, Larkspur Community Center and schools.

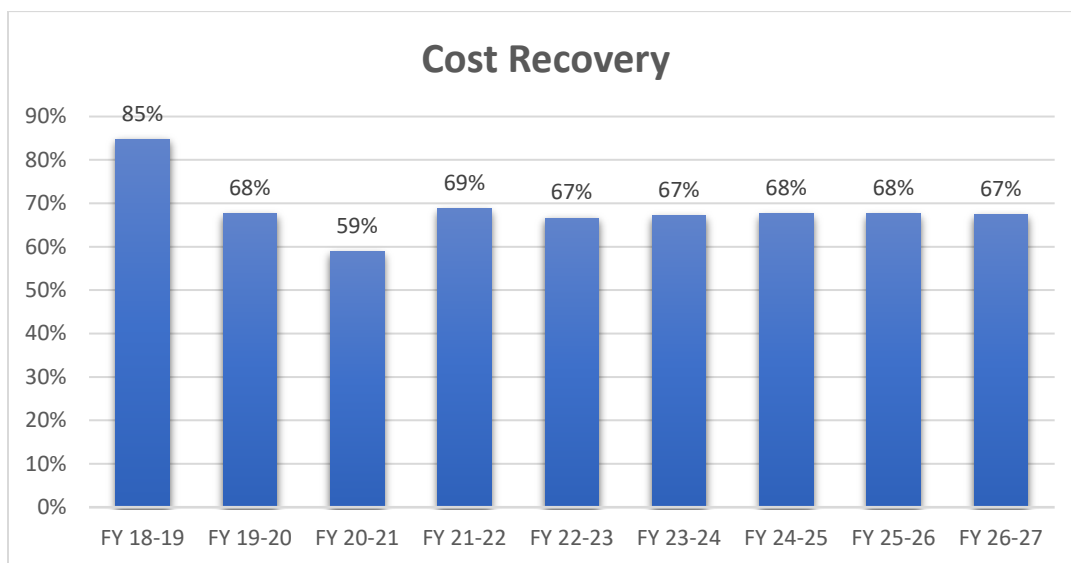
The subsidy required to support the recreation department shown in this forecast is incorporated in the district-wide financial forecast. The subsidy is the shortfall between revenues and expenses and is the net impact on the District General Fund. Typically, if revenues are lower than projected then expenses are also lower resulting in a similar subsidy requirement.

## Financial Forecast Summary



Revenues and expenses for the final quarter of FY 19-20 and the full FY 20-21 were down considerably due to COVID Impacts, including facility and program closures, reduced capacity and staff layoffs. Revenues and expenses rebounded strongly in the current FY 21-22 as facilities and programs were fully operational. Revenue still lags FY 18-19 (the last pre-pandemic year) by 8% while expenses are 14% higher than FY 18-19. This is largely the result of increased staff wages and benefits and the addition of Larkspur Community Center. The net tax subsidy required increased from \$1.4 million in FY 18-19 to an estimated \$3.3 million in FY 21-22.

Revenue and expenses are forecast to increase at a similar pace over the next five years, with larger increases occurring in the first two years as demand rebounds and grows and staffing hours increase to meet this demand along with higher expected COLA and benefit costs.



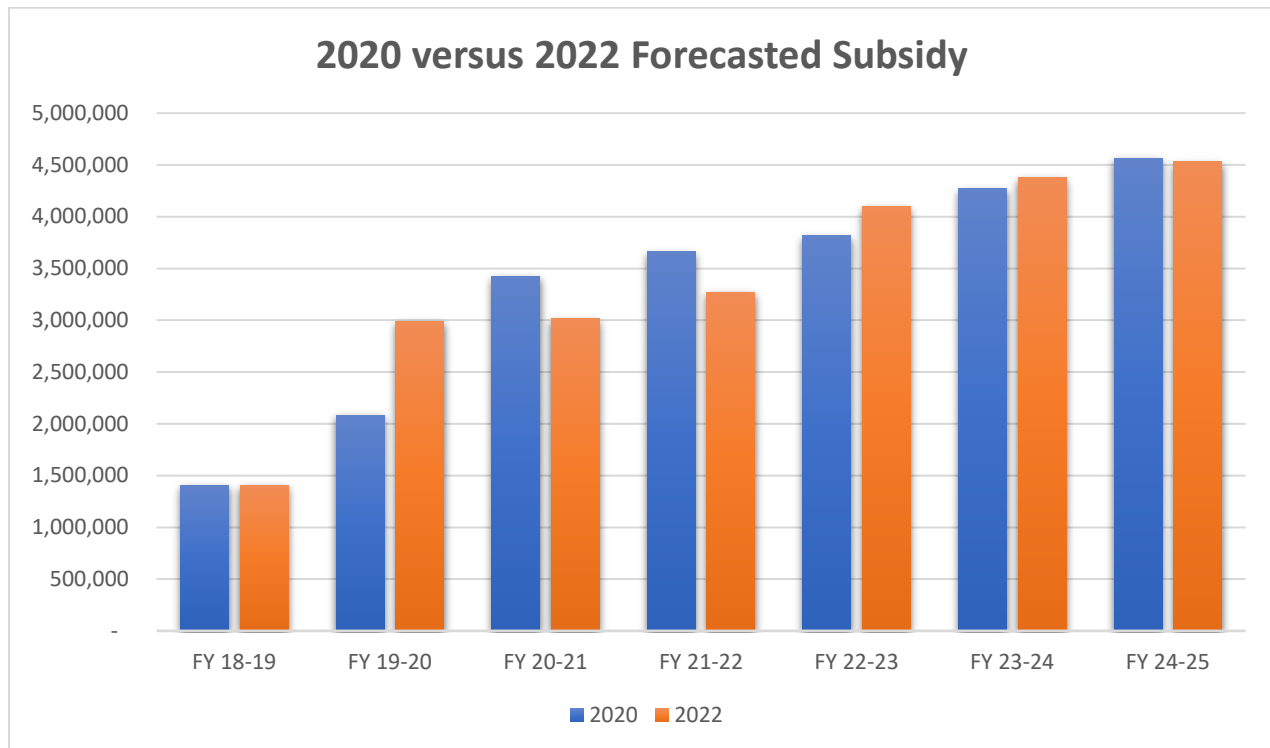
Cost recovery represents the percentage of the cost of providing the services that is paid for through fees, charges and other non-tax resources. Cost recovery declined substantially during the pandemic years after reaching a high of 89% in FY 17-18. Cost recovery is forecast to remain stable at approximately 68% as revenues and expenses stabilize.



## Comparison to Pre-Pandemic Forecast

The last financial forecast was completed in January 2020, just prior to the onset of the pandemic. In that forecast, the district projected a significant increase in the recreation department subsidy due to several factors including:

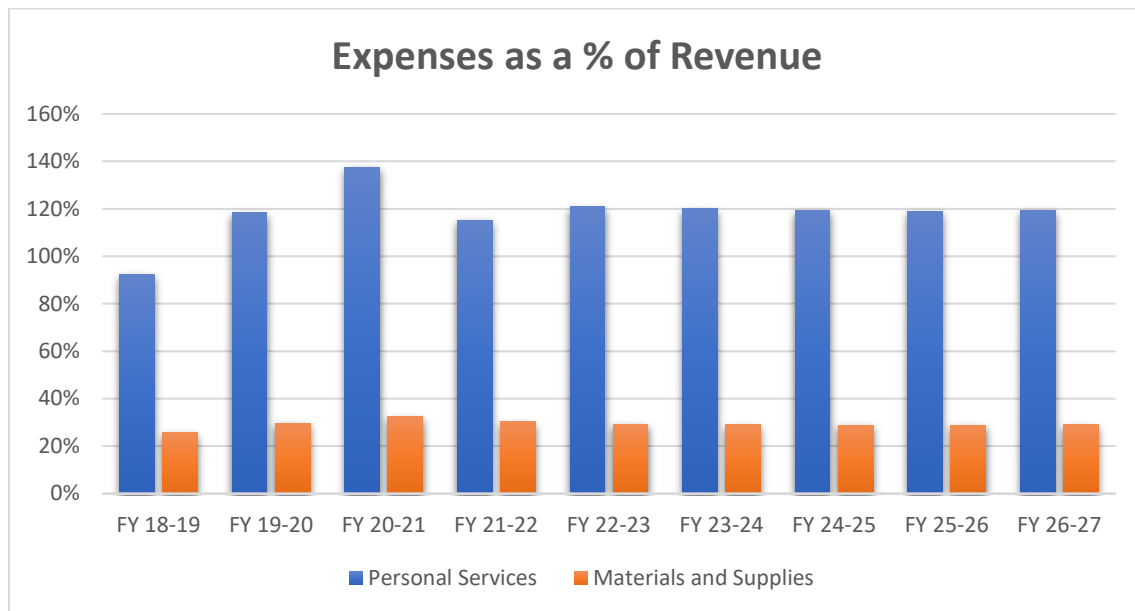
- The difficulty in increasing fees at the same rate as increases in costs, especially personnel costs.
- The addition of Larkspur Community Center; and
- Increases in scholarship and needs-based assistance funding;



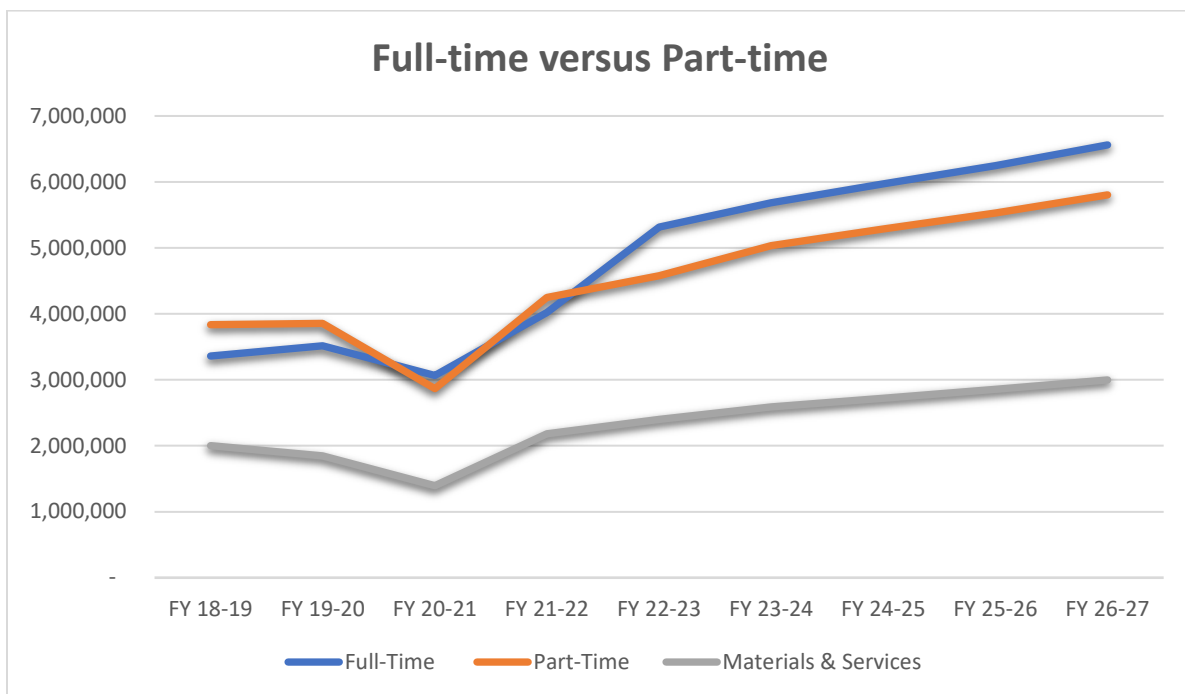
This graph compares the 2020 forecast with the current forecast and perhaps best demonstrates the financial impact of the pandemic.

- FY 2019-20 subsidy was nearly \$1 million higher than projected due to the complete closure of programs and services from mid-March to mid-June. Layoffs and other cost reductions measures were unable to offset revenue losses.
- FY 2020-21 subsidy was just under \$400,000 less than projected due to the delay in opening Larkspur Community Center, cost savings measures put in place due to reduced services and the addition of \$445,000 in CARES funding.
- FY 21-22 subsidy is expected to be around \$400,000 lower than projected due to continued cost saving measures, some planned due to reduced services, and unplanned savings due to the inability to hire staff. The district also received \$172,000 unexpected grants, including the OCF summer program grant.
- FY 22-23 subsidy in the updated forecast is \$282,000 higher than the 2020 forecast. This is due primarily to lower revenue projections, particularly at JSFC and Larkspur Community Center.
- FY 23-24 subsidy in the updated forecast is \$106,000 higher than the 2020 forecast, again due to slightly lower revenue projections.
- FY 24-25 the forecasts converge around \$4.5 million subsidy with very similar revenue projections, suggesting that the impacts of the pandemic have fully subsided.

## Key Trends

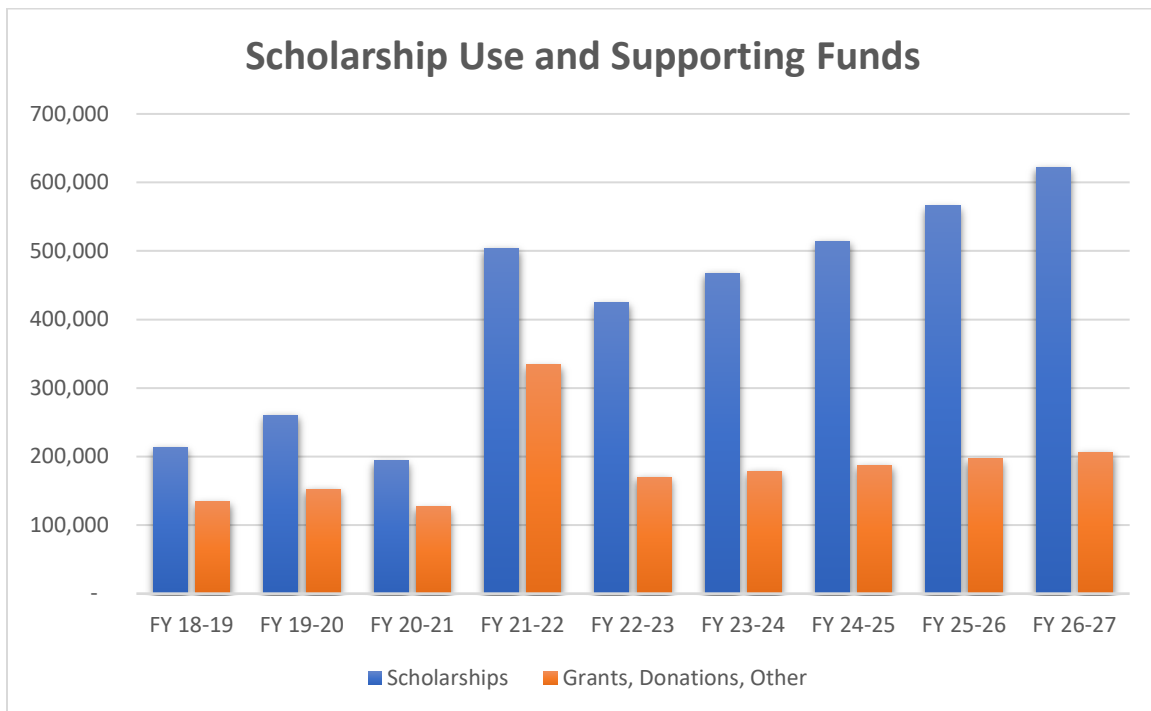


This graph demonstrates how personnel-intensive the recreation department budget is and the impact of wage and benefits costs increasing at a higher rate than revenue. Personnel costs were covered fully by revenue through FY 18-19. They are forecast to stabilize around 120% of revenue in the next five years. Materials and supplies meanwhile have consistently run close to 30% of revenue.



One of the strategies the district has recently deployed to address front-line staffing needs is to convert 20 full-time equivalents of part-time hours into 20 full-time benefited positions. This has resulted in full-time salaries and benefits overtaking part-time as the largest portion of the recreation budget. While wages are the same regardless of full-time or part-time status, the benefit cost on full-time employees is more.

## Scholarship Funding



Providing access to recreation for all regardless of ability to pay continue to be a priority of the Board. Staff has increased funding and outreach to support this goal over the past several years. This graph shows the amount of scholarships awarded and the dedicated funding resources that help support them. These include cell phone tower leases, sponsorships and donations, including those from the Bend Park & Recreation Foundation. The difference between is made up by general fund tax support.

- Scholarship use was on record pace in FY 19-20 before the pandemic hit.
- The dip in FY 20-21 is due to reduced program options during COVID-related closures. It also does not reflect that nearly \$1 million in financial assistance provided for the Team Up all day program during distanced learning.
- The resources that year also do not reflect the \$445,000 in CARES Act funding and related donations that helped support Team Up participants.
- Scholarship use during the current FY 21-22 year is estimated at \$500,000. This was supported by a one-time \$150,000 grant from OCF for summer programming and an additional \$22,500 in related donations.
- The forecast projects scholarships use to be \$425,000 and increase approximately 10% a year.
- Grants, donations and other resources are projected to increase 5% each year. The district and foundation plan to pursue other funding options in order to both sustain and expand the scholarship program; however, there is nothing at this point to include in the financial forecast. Planning will likely take the majority of the upcoming fiscal year.

Bend Park Recreation District Five-Year Capital Improvement Plan (CIP)  
for Fiscal Years Ending 2023-2027

Project Type	Project Stage	Approved Funding Allocation	Prior and Current Fiscal Years	Total FY2023-2027	FY2023-27 Funding Allocation by Source				FY 22-23Total	FY 23-24 Total	FY 24-25 Total	FY 25-26 Total	FY 26-27 Total
					Property Tax Revenue	SDC	Alternative	Alt. Type					
Community Parks													
Pine Nursery Park Ph. 4 (Pending Partnership)	Order of Magnitude	78,504	28,504	50,000	-	50,000	-		-	-	-	50,000	-
Pine Nursery Park Ph. 5	Order of Magnitude	5,000,000	-	5,000,000	-	5,000,000	-		400,000	2,300,000	2,300,000	-	-
Park Search Area 25 (Alpenglow Park)	Award/Bid	9,525,000	9,475,000	50,000	-	50,000	-		50,000	-	-	-	-
Big Sky Park Expansion	Award/Bid	4,610,000	3,323,300	1,286,700	-	936,700	350,000	1	150,000	-	-	1,136,700	-
Total Community Parks		19,213,504	12,826,804	6,386,700	-	6,036,700	350,000		600,000	2,300,000	2,300,000	1,186,700	-
Neighborhood Parks													
Land Acquisitions	SDC Methodology	3,273,729	-	3,273,729	-	3,273,729	-		1,026,770	-	1,090,280	-	1,156,679
Neighborhood Parks Design & Development	SDC Methodology	2,846,853	-	2,846,853	-	2,846,853	-		-	1,381,364	-	1,465,489	-
Golf and Country Club Site	Design Development	2,370,559	817,641	1,552,918	-	1,552,918	-		1,423,418	129,500	-	-	-
Park Search Area 1 (Northpointe Park)	Award/Bid	2,680,716	2,610,716	70,000	-	70,000	-		70,000	-	-	-	-
Park Search Area 4 (Petrosa - DA)	Award/Bid	2,906,800	42,400	2,864,400	-	2,864,400	-		2,864,400	-	-	-	-
Park Search Area 5 (Talline)	Order of Magnitude	250,000		250,000	-	250,000	-		-	-	-	-	250,000
Park Search Area 9 (Shevlin West)	Order of Magnitude	1,667,510	164,442	1,503,068	-	1,503,068	-		200,000	1,303,068	-	-	-
Park Search Area 11 (Discovery West Park/TH)	Order of Magnitude	2,673,050	-	2,673,050	-	2,673,050	-		70,000	65,000	-	966,300	1,571,750
Park Search Area 14 (Bear Creek)	Order of Magnitude	2,176,400	-	2,176,400	-	2,176,400	-		-	-	1,000,000	1,176,400	-
Park Search Area 24 (Stevens Ranch)	Order of Magnitude	1,587,500	-	1,587,500	-	1,587,500	-		-	225,000	1,362,500	-	-
Park Search Area 27 (Country Side)	Order of Magnitude	2,867,700	-	2,867,700	-	2,867,700	-		-	-	920,500	-	1,947,200
Park Search Area 28 (SE Area Plan)	Order of Magnitude	2,412,763	-	2,412,763	-	2,412,763	-		-	564,000	1,848,763	-	-
Total Neighborhood Parks		27,713,580	3,635,199	24,078,381	-	24,078,381	-		5,654,588	3,667,932	6,222,043	3,608,189	4,925,629
Trails													
Galveston to Millers Landing	Order of Magnitude	800,000	96,396	703,604	-	703,604	-		-	703,604	-	-	-
Riley Ranch Nature Reserve Bridge	Design Development	1,200,000	-	1,200,000	-	1,200,000	-		-	-	1,200,000	-	-
Putnam to Riley Ranch Bridge	Order of Magnitude	155,000	440	154,560	-	154,560	-		-	154,560	-	-	-
Kirkaldy to Putnam	Order of Magnitude	63,100	3,662	59,438	-	59,438	-		-	42,203	17,235	-	-
Deschutes River Trail North Parking	Order of Magnitude	320,000	-	320,000	-	320,000	-		-	20,000	300,000	-	-
Miscellaneous Trails	SDC Methodology	640,000	-	640,000	-	640,000	-		40,000	150,000	150,000	150,000	150,000
COHCT Crossings	Award/Bid	102,300	64,000	38,300	-	20,082	18,218	1	38,300	-	-	-	-
North Unit Irrigation Canal Trail (NUID)	Conceptual/Schematic Design	212,207	43,505	168,702	-	168,702	-		168,702	-	-	-	-
COHCT Blakley To Hanson Park	Order of Magnitude	395,535		395,535	-	395,535	-		75,000	75,000	-	25,000	220,535
Total Trails		3,888,142	208,003	3,680,139	-	3,661,921	18,218		322,002	1,145,367	1,667,235	175,000	370,535

**Bend Park Recreation District Five-Year Capital Improvement Plan (CIP)  
for Fiscal Years Ending 2023-2027**

Project Type	Project Stage	Approved Funding Allocation	Prior and Current Fiscal Years	Total FY2023-2027	FY2023-27 Funding Allocation by Source				FY 22-23Total	FY 23-24 Total	FY 24-25 Total	FY 25-26 Total	FY 26-27 Total
					Property Tax Revenue	SDC	Alternative	Alt. Type					
<b>Community Wide</b>													
Drake Park DRT Trail & Bank Improvements	Award/Bid	8,092,175	2,346,545	5,745,630	542,997	4,452,863	749,770	1	5,745,630	-	-	-	-
Riverbend South River Restoration & Access Project	Construction Documents	279,100	24,900	254,200	254,200	-	-		254,200	-	-	-	-
River Access mckay, Millers, & Columbia Project	Order of Magnitude	492,168	25,000	467,168	117,168	-	350,000	1,5	100,000	367,168	-	-	-
River Access Riverbend Park	Order of Magnitude	1,075,000		1,075,000	-	-	1,075,000	1,5	50,000	200,000	525,000	300,000	-
<b>Total Community Wide</b>		<b>9,938,443</b>	<b>2,396,445</b>	<b>7,541,998</b>	<b>914,365</b>	<b>4,452,863</b>	<b>2,174,770</b>		<b>6,149,830</b>	<b>567,168</b>	<b>525,000</b>	<b>300,000</b>	<b>-</b>
<b>Asset Management Projects</b>													
Accessibility Improvements	Order of Magnitude	500,000	-	500,000	500,000	-	-		50,000	75,000	125,000	125,000	125,000
Asset Management Projects (\$5,000-\$50,000)	Order of Magnitude	1,250,000	-	1,250,000	1,250,000	-	-		250,000	250,000	250,000	250,000	250,000
Park Services Complex	Order of Magnitude	9,150,000	102,000	9,048,000	9,048,000	-	-		-	-	-	7,996,000	1,052,000
Skyline Field Renovations + Parking Lot Lights	Order of Magnitude	665,000	297,300	367,700	367,700	-	-		-	367,700	-	-	-
JSFC Flooring Replacement	Order of Magnitude	175,000	-	175,000	175,000	-	-		175,000	-	-	-	-
Sawyer Park	Design Development	1,100,000	35,000	1,065,000	1,065,000	-	-	1	1,000,000	65,000	-	-	-
Hollinshead Park ADA & Master Plan	Order of Magnitude	1,000,000	-	1,000,000	650,000	250,000	100,000	4	100,000	900,000	-	-	-
Ponderosa Park (North)	Order of Magnitude	1,200,000	-	1,200,000	850,000	350,000	-		-	150,000	1,050,000	-	-
Hollygrape Park ADA Renovation	Award/Bid	150,000	125,000	25,000	25,000	-	-		25,000	-	-	-	-
Mirror Pond Dredge Commitment	Construction Documents	300,000	-	300,000	300,000	-	-		300,000	-	-	-	-
Larkspur Center Re-Roof (Senior Center main Roof)	Order of Magnitude	410,000	-	410,000	410,000	-	-		410,000	-	-	-	-
Pavilion Flooring (Replace original ReActive Sports Flooring)	Order of Magnitude	140,000	-	140,000	140,000	-	-		-	-	140,000	-	-
JSFC Activity Pool Renovation	Order of Magnitude	300,000	-	300,000	300,000	-	-		300,000	-	-	-	-
JSFC 50M Pool Renovation	Order of Magnitude	700,000	-	700,000	700,000	-	-		-	-	-	700,000	-
JSFC Outdoor Cover Replacement	Order of Magnitude	270,000	-	270,000	270,000	-	-		-	-	-	270,000	-
JSFC Roof Replacement (South/East Wing)	Order of Magnitude	170,000	-	170,000	170,000	-	-		-	-	-	-	170,000
<b>Total Asset Management Projects</b>		<b>17,480,000</b>	<b>559,300</b>	<b>16,920,700</b>	<b>16,220,700</b>	<b>600,000</b>	<b>100,000</b>		<b>2,610,000</b>	<b>1,807,700</b>	<b>1,565,000</b>	<b>9,341,000</b>	<b>1,597,000</b>
<b>Total CIP Funding Allocations</b>		<b>78,233,669</b>	<b>19,625,751</b>	<b>58,607,918</b>	<b>17,135,065</b>	<b>38,829,865</b>	<b>2,642,988</b>		<b>15,336,420</b>	<b>9,488,167</b>	<b>12,279,278</b>	<b>14,610,889</b>	<b>6,893,164</b>

- Alternative Funding Type Key**
- 1 - Grant Funding
  - 2 - Contributions, Collaborations, Fundraising
  - 3 - Debt Financing
  - 4 - Facility Rental Special Revenue Funding
  - 5 - Reimbursable SDC's

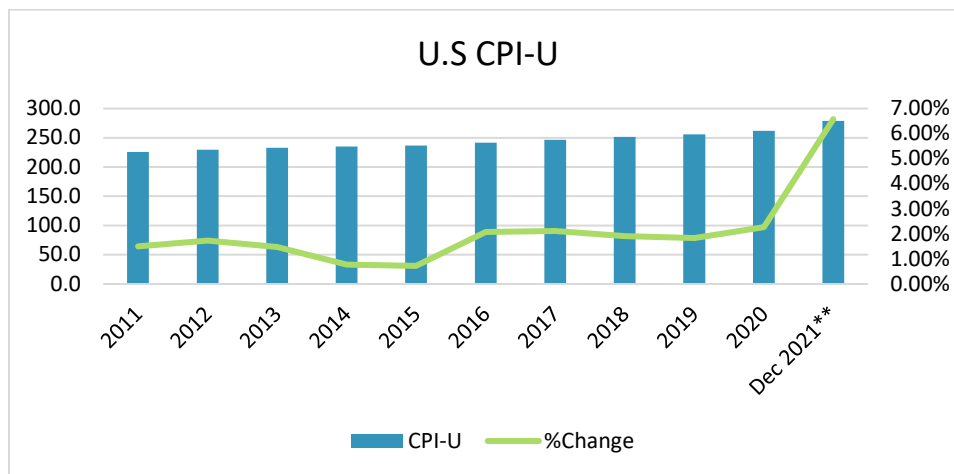
## Background

The financial forecasting model has become a valuable tool in predicting the effects of capital funding decisions, operational strategies, levels of service, subsidy levels, and economic circumstances on the district's financial viability. Being able to foresee how decisions today will affect the Bend Park and Recreation District's future operational budgets is vital to ensure the long-term financial sustainability of the district. Financial forecasting becomes even more important as BPRD adds facilities and services, and as operating costs continue to increase. This Financial Forecast is for planning purposes only and to help guide the upcoming budget process.

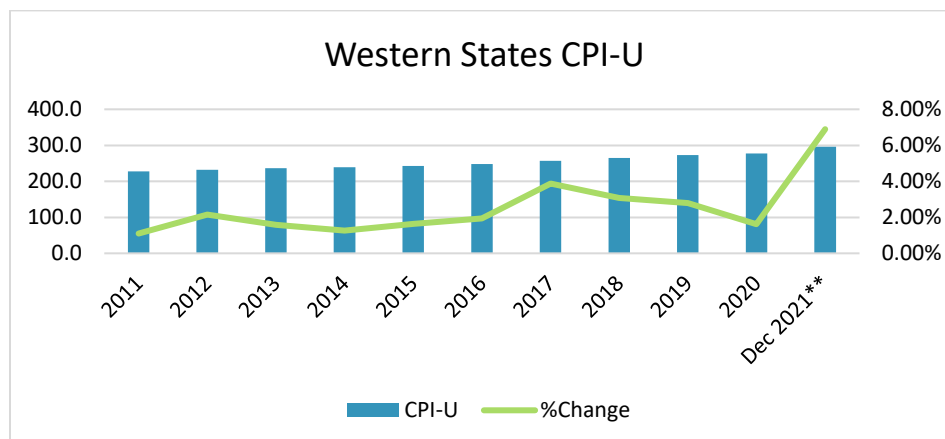
## Economic Outlook

Amidst a worldwide pandemic, we continue to respond by shifting and balancing priorities to ensure the district's financial stability in an ever-changing environment. With the early shut downs across the country in response to the pandemic, the supply chain was slowed down and, in some areas, stalled. Currently, nationwide, we are seeing supply chain issues with increases in demand. This is driving up costs in many areas resulting in high inflation across many markets. Inflation is impacting the development of this forecast with expected increases in operations across the board. Labor has been another challenge. With inflation and shifts in the labor market we must remain competitive in the labor force. With the increase in cost-of-living in the area we are seeing high increases in competing wages.

The district uses the Consumer Price Index as a general gauge of price inflation, which includes all Items, Unadjusted, Urban Consumers (CPI-U). <sup>1</sup> (\*\* only December)



The district's living wage ordinance bases increases in CPI U for Western States released in February, and January's report saw a 7.4% inflation. (\*\* only December)

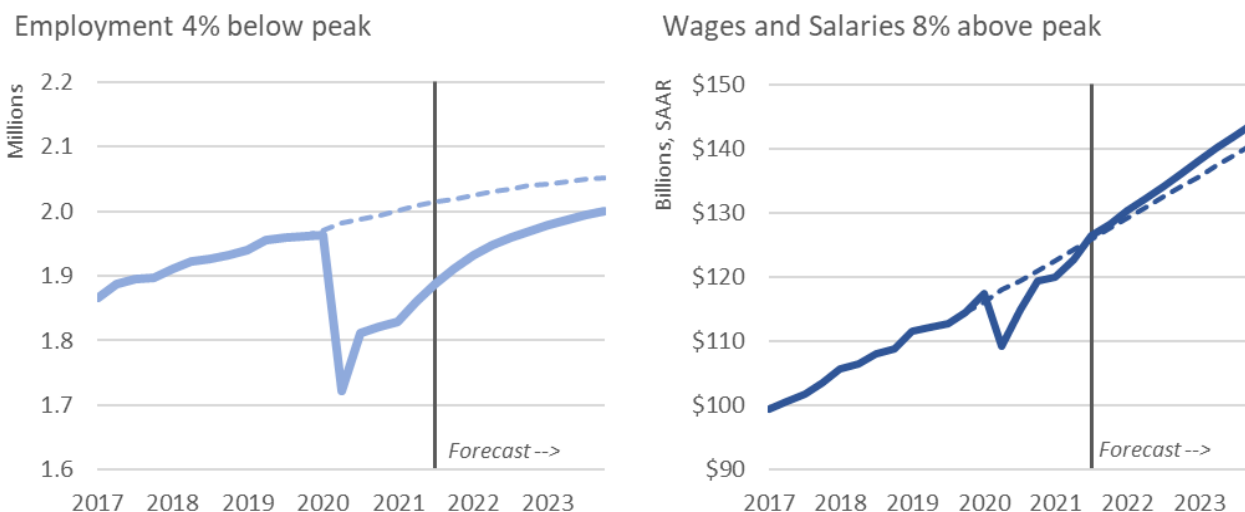


<sup>1</sup> Source: Bureau of Labor Statistics, US Department of Labor

Looking at the state of Oregon, according to the *Oregon Economic and Revenue Forecast, December 10, 2021*<sup>2</sup>:

- Household incomes and spending are remaining strong
- Job recovery has been three time faster than the Great Recession
- Supply-constraints are making growth challenging with labor being a strong factor with labor supply being down
- Labor income is booming with average wages in Oregon 12% higher now than before the pandemic

## Labor Income is Booming

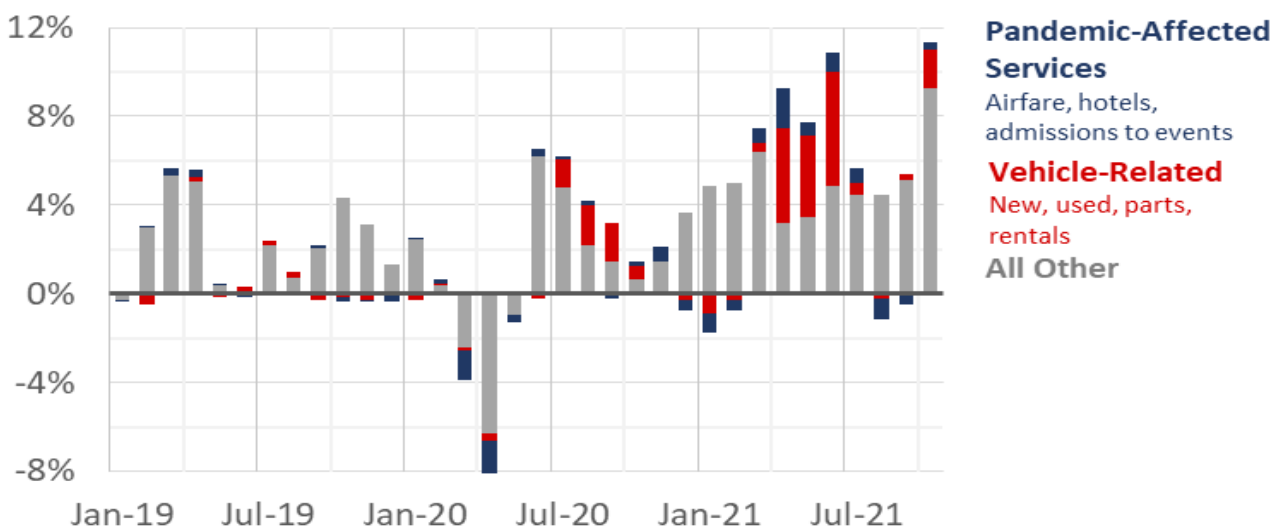


Dotted lines are pre-pandemic forecast | Latest data: 2021q3 | Source: BLS, Oregon Employment Dept, Oregon Office of Economic Analysis

- Inflation is running hot with the supply chain issues with few signs of letting up in the near term

## Inflation Running Above Target

Month-over-Month Change at Annualized Rate

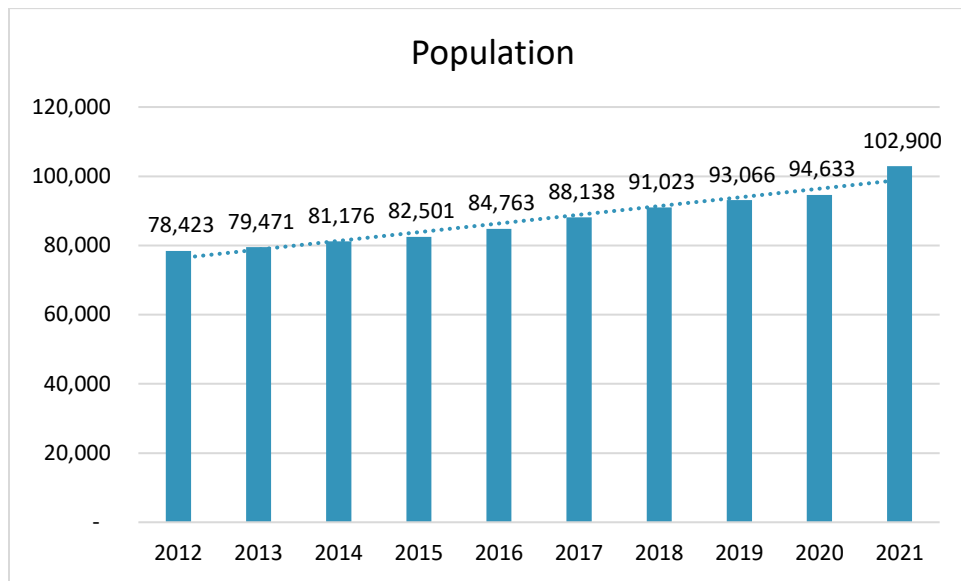


Data: Consumer Price Index, All Items | Latest: October 2021 | Source: BLS, CEA, Oregon Office of Economic Analysis

<sup>2</sup> <https://oregoneconomicanalysis.com/2021/11/17/oregon-economic-and-revenue-forecast-december-2021/>

## District Trends

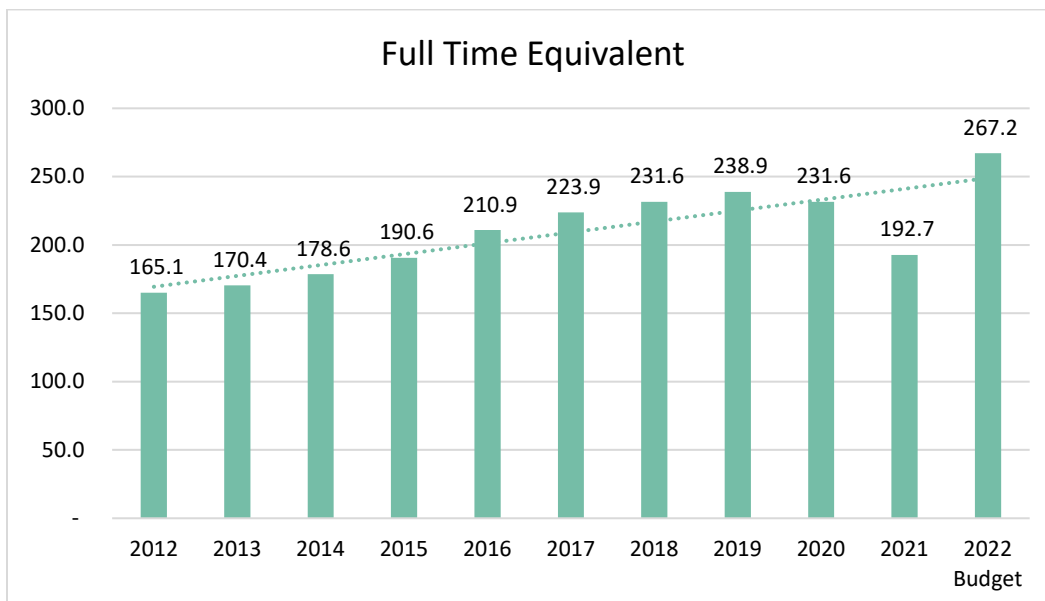
We continue to see growth in our district with averaging 4% increase in population over the last 5 years:



With the onset of the pandemic, the resulting closures, and changes to recreation services, we ended 2020-21 with revenues of \$2.5 million less than budget. This shortfall would have been more severe if it wasn't for recreation's ability to quickly modify and eliminate program expenses (\$4.6 million decrease).

In the current 2021-22 budget, there was a COLA, merit and an additional wage increases to recognize the key roles of our staff during this difficult time and to help make up for a lower wage increase that was awarded to prior year. The 2021-22 budget also included a full year of new wage rates based on the compensation and pay equity study completed in 2020-21, a PERS rate increase, and half a year of a new state-mandated family/medical leave insurance tax.

With the return of our programming, the FY2021-22 budget returned staffing to more normal levels:



## District Forecast

As we begin to prepare for the FY2022-23 budget we are forecasting at a high level the future financial wellbeing of the district for the next five years. We use broad estimates with the information that we currently have. We have taken a



conservative approach with our estimates to ensure we can adapt for any economic down turns. The economic conditions mentioned before and district data were considered the following factors for our assumptions.

## Factors

### Revenue

- **Taxes-** Rates are based upon County Assessor's information. The average for the last five years is 5.93%. Staff estimate a conservative 4% prediction for the 5-year forecast to account for any slowing in growth. We only get to capture 3% of higher appraisal which is far less than inflation.
- **System Development Charges-** These are harder to predict and dependent on when a property is developed. We use past trends and current plans for assumptions.
- **Charges for Services-** This is based on past averages and current trends we are seeing. This again is harder to predict and is on the conservative side due to pandemic and inflation impacting district programming.

### Expenditures

- **Personnel Costs-** Many factors played into our estimates:
  - The CPI-U for December 2021 was 7.4% and we use January's data for COLA increases.
  - Unemployment insurance increase
  - Workers Compensation increase
  - Health insurance costs assumed increased
  - Labor shortage (we may see some vacancy savings)
  - Possible additional PERS contributions
  - New parks and programs coming online needing additional staff
- **Operational costs-** As stated earlier, inflation has gone up due to many factors but mainly the supply chain. We estimate larger operating costs for the upcoming year and not leveling out until early 2023. Operating costs will need to increase as new parks, trails and programs come online.
- **Capital Costs-** These costs are also impacted by inflation, supply chain issues, labor shortages among the building community and construction inflation being higher than general inflation. This Forecast ties directly to the Capital Improvement Plan.

Below are the basic assumptions as a percent (Recreation not included and are accounted for just at the subsidy level for this forecast, because the subsidy is the impact recreation has on the general fund):

	Actual	Actuals	Budget	Projections				
Economic assumptions	Last 5 years	2020-2021	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Investment rate of return and misc rev	2.6%	2.10%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Percentage growth of property tax revenues	5.93%	4.14%	3.07%	4.00%	4.00%	4.00%	4.00%	4.00%
Personnel Costs increases (3 year average)	5.31%	7.19%	18.20%	14.00%	8.00%	5.00%	5.00%	5.00%
Materials and services cost increase	4.00%	-2.00%	31.00%	8.00%	4.00%	2.50%	2.50%	2.50%

## General Fund

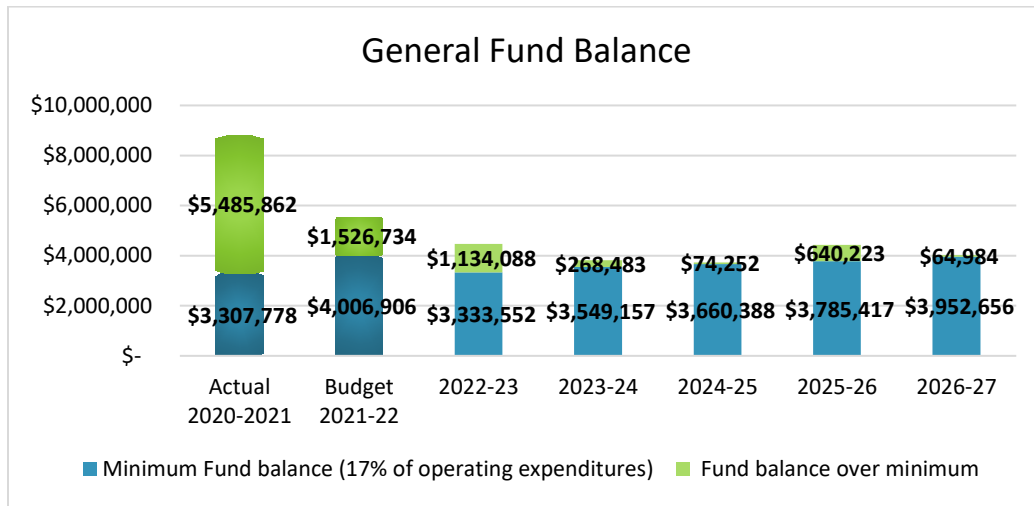
The district's General Fund is the general operating fund and accounts for the executive director's office, administrative services, planning and design, park services, community relations and recreation services. Principal sources of revenue are property taxes, user fees and charges, interest income, grants and contributions. Primary expenditures are personnel, materials, and services necessary to provide quality services for the community.

Fund balance is critical for financial stability and flexibility. Reserves aid in governments being able to respond to events, buffer against economic downturns, and are a factor for bond ratings. Therefore, local governments establish a minimum fund balance. District policy sets its minimum at 17% of budgeted operating expenditures (capital is excluded since those are one-time expenses). The General Fund minimum (also referred to as a contingency reserve) and any amount over the minimum, should be used for:

- future Capital Improvement Plan funding,

- mitigating overhead revenue shortfalls in future years,
- paying down existing debt as advised by the executive director, or
- other unanticipated needs or emergencies, as prioritized through future budgeting processes and, ultimately, adopted by the Board of Directors.

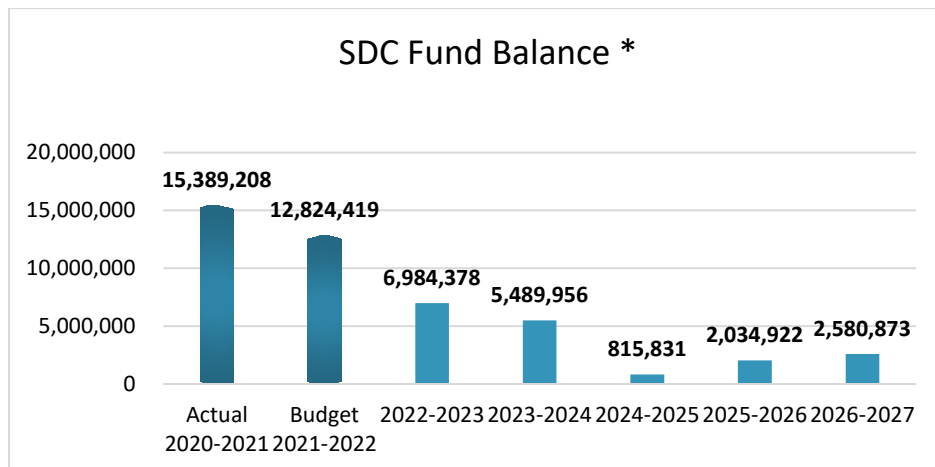
Based on the factors described earlier, the General fund forecast for fund balance is as follows:



The General Fund needs to continue to save for future maintenance and repair of current facilities, address growth and adapt to changing economic conditions. The forecast shows at the end of the five years, the district will be able to maintain a fund balance minimum of two months of operating expenditures. *See specific cost assumptions for the General Fund in Appendix A.*

### System Development Charges Fund

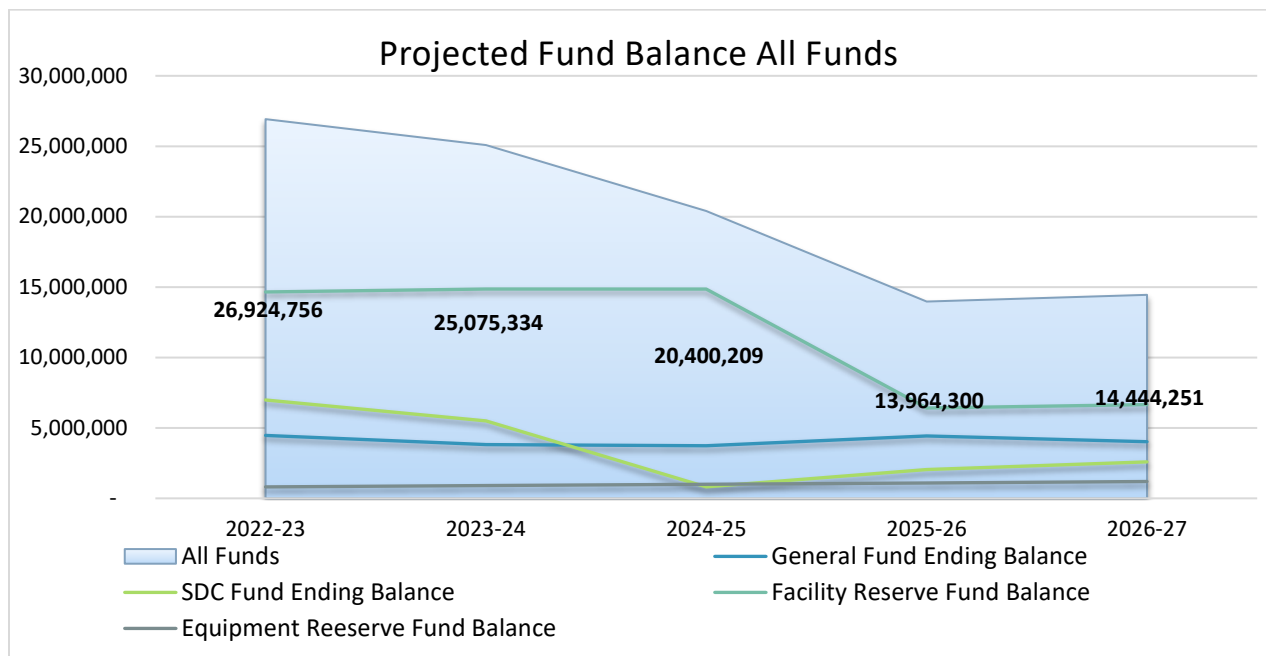
The SDC Fund is used to account for the acquisition and development of the community's park system. Funding is provided by a fee charged for developing residential properties. Expenditures are restricted by state law to capacity-enhancing and reimbursement projects for parks, trails, and indoor recreation facilities. Fund balance will need some build-up after large expenditures for the future projects. *See specific cost assumptions for the SDC Fund in Appendix B.*



\*Note that actual ending fund balance is always higher than budget because the district budgets conservatively.

### All District Funds

Looking at all funds with the current estimates, economic conditions, and past data we can maintain needed fund balances. There are large items and growth taking place, such as the purchase of the new p-arks maintenance building, wages keeping up with inflation, meeting retirement fund obligations, maintaining our assets and addressing our parks and trail growth. *See specific cost assumptions for the Facility Reserve Fund and Equipment Reserve Fund in Appendix C.*



## Conclusion

Over the past two years, the district has adapted to the pandemic has financially weathered its impact by making quick and difficult decisions to reduce staffing levels, close facilities and postpone projects. These cost saving decisions were appropriate during pandemic times, however are not sustainable for long term operations of the district.

Inflation, labor costs, and the continued regeneration of programs are challenges we must consider as we approach the next budget cycle and possibly for future years. Inflation is increasing over double what we can grow our property tax, which is 3% by state law. Inflation in the 6% to 8% range will have an impact on staffing costs limiting the availability of funds for services and special projects in the upcoming FY 22-23 budget. Inflation also influences pricing. Our goal is to carefully monitor price increases to assure prices remain affordable to our residents while allowing the district to continue maintaining a high level-of-service. Should this level of inflation continue, it could further erode additional funds the district has maintained to develop indoor facilities and maintain the high level-of-service we provide in park services.

Currently, Juniper Swim and Fitness Center and Larkspur Community Center are operating less than full time with the total hour between the two equaling the pre-pandemic total of JSFC’s hours. As we see restrictions change and more staff hired, we plan to increase operational hours and offer more programming. Inability of hiring staff continues to be an obstacle to fully operating both facilities.

We have continued our efforts to assist families in need with a focus on diversity and equity issues. We will continue our efforts to provide services that give residents and patrons a sense of place while creating a legacy for the future.

Overall, the district remains in good financial health. Even though this financial forecast takes a conservative approach, our projections continue to show that we are living within our means in the 5-year term and will continue to maintain at least a two-months reserves. Given this conservative approach, it’s likely that we will out-perform these projections allowing the district to continue its trend of maintaining a well-managed and financially stable organization.

## Appendix A

### General Fund Assumptions

#### Assumptions

	Actual Average	Actuals	Budget	Projections				
	Last 5 years	2020-2021	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
<b>Economic assumptions</b>								
Investment rate of return and misc rev	2.6%	2.10%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Percentage growth of property tax revenues	5.93%	4.14%	3.07%	4.00%	4.00%	4.00%	4.00%	4.00%
Personnel Costs increases (3 year average)	5.31%	7.19%	18.20%	14.00%	8.00%	5.00%	5.00%	5.00%
Materials and services cost increase	4.00%	-2.00%	31.00%	8.00%	4.00%	2.50%	2.50%	2.50%

		Projections				
		2022-23	2023-24	2024-25	2025-26	2026-27
<b>Capital assumptions based on CIP</b>						
Accessibility Improvements		50,000	75,000	125,000	125,000	125,000
Asset management (Transfer to Equipment Fund)		250,000	250,000	250,000	250,000	250,000
Asset management (Transfer to Facility Fund)		250,000	250,000	-	-	400,000
Park maintenance shop complex **		-	-	-	7,996,000	1,052,000
Skyline Field and Parking lot lights		-	367,700	-	-	-
Sawyer Park		1,000,000	65,000	-	-	-
Hoolinshed Park ADA & Master Plan		100,000	550,000	-	-	-
Ponderosa Park		-	150,000	700,000	-	-
Drake Park		542,997	-	-	-	-
Riverbend South River Restore & access		254,200	-	-	-	-
River Access McKay, Miller & Columbia		100,000	17,168	-	-	-
Hollygrape Park ADA		25,000	-	-	-	-
Mirror Pond		-	-	300,000	-	-
<b>Total Capital Projects - Property Taxes Only</b>		<b>\$ 2,572,197</b>	<b>\$ 1,724,868</b>	<b>\$ 1,375,000</b>	<b>\$ 8,371,000</b>	<b>\$ 1,827,000</b>

General Fund Costs

	Actuals	Budget	Projections				
	2020-2021	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
<b>Financial impact of assumptions</b>							
Property tax revenues	\$ 19,359,752	\$ 19,955,000	\$ 20,753,200	\$ 21,583,328	\$ 22,446,661	\$ 23,344,528	\$ 24,278,309
Other income (interest, miscellaneous)	253,141	354,984	362,084	369,325	376,712	384,246	391,931
Total non-recreation operating income	19,612,893	20,309,984	21,115,284	21,952,653	22,823,373	23,728,774	24,670,240
Total recreation operating subsidy	3,022,602	4,458,338	4,101,817	4,376,140	4,529,188	4,738,539	5,003,750
Total non-recreation personnel costs	8,222,257	9,955,370	11,349,122	12,257,052	12,869,904	13,513,399	14,189,069
Total non-recreation operating expenses (materials, services)	2,484,658	3,148,326	3,400,192	3,536,200	3,624,605	3,715,220	3,808,100
Additional General Fund- New facility needs and/or contingenc	-	-	250,000	200,000		300,000	250,000
Additional General Fund-Capital Portions	5,220,000	5,500,000	2,572,197	1,724,868	1,375,000	8,371,000	1,827,000
Debt service for JFC 2007 expansion/reno	508,000	508,000	508,000	508,000	508,000	-	-
Total operating expenses	19,457,517	23,570,034	22,181,328	22,602,260	22,906,697	30,638,159	25,077,920
<b>Net operating income</b>	\$ 155,000	\$ (3,260,000)	\$ (1,066,000)	\$ (650,000)	\$ (83,000)	\$ (6,909,000)	\$ (408,000)
<b>Transfer in From Facility Reserve fund</b>	-	-	-	-	-	7,600,000	-
<b>General Fund Balance</b>	<b>\$ 8,793,640</b>	<b>\$ 5,533,640</b>	<b>\$ 4,467,640</b>	<b>\$ 3,817,640</b>	<b>\$ 3,734,640</b>	<b>\$ 4,425,640</b>	<b>\$ 4,017,640</b>
<b>Minimum Fund balance (17% of operating expenditures)</b>	<b>\$ 3,307,778</b>	<b>\$ 4,006,906</b>	<b>\$ 3,333,552</b>	<b>\$ 3,549,157</b>	<b>\$ 3,660,388</b>	<b>\$ 3,785,417</b>	<b>\$ 3,952,656</b>
<b>Fund balance over minimum</b>	<b>\$ 5,485,862</b>	<b>\$ 1,526,734</b>	<b>\$ 1,134,088</b>	<b>\$ 268,483</b>	<b>\$ 74,252</b>	<b>\$ 640,223</b>	<b>\$ 64,984</b>

## Appendix B

### System Development Charge Fund Cost

	Actual 2020-2021	Prior Year's Average 5 years	Estimate 2021-2022	Forecast 2022-2023	Forecast 2023-2024	Forecast 2024-2025	Forecast 2025-2026	Forecast 2026-2027
Beginning Balance	14,084,912	18,800,246	15,389,208	12,824,419	6,984,378	5,489,956	815,831	2,034,922
Interest	125,327	333,695	96,500	64,122	34,922	27,450	4,079	10,175
SDC Reimbursement Fees	576,898	298,779	509,000	423,496	478,526	479,483	479,963	480,442
SDC Improvement Fees	7,215,908	7,641,541	7,668,000	5,238,827	5,919,567	5,931,406	5,937,338	5,943,275
<b>Total Revenue</b>	<b>22,003,045</b>	<b>27,074,260</b>	<b>23,662,708</b>	<b>18,550,864</b>	<b>13,417,393</b>	<b>11,928,295</b>	<b>7,237,210</b>	<b>8,468,815</b>
Total Non-project Expenditures	533,555	492,765	545,000	555,250	564,138	573,187	582,399	591,778
Total Community Parks	3,630,771	2,907,291	8,340,041	5,052,863	2,550,000	2,650,000	836,700	-
Total Neighborhood Parks	1,216,513	1,539,460	1,820,743	5,654,588	3,667,932	6,222,043	3,608,189	4,925,629
Total Regional Parks	-	480,177	-	-	-	1,200,000	-	-
Total Indoor Recreation Facilities	485,795	2,513,151	-	-	-	-	-	-
Total Trails	747,203	512,385	132,505	303,785	1,145,367	467,235	175,000	370,535
<b>Total Expenses</b>	<b>6,613,837</b>	<b>8,445,229</b>	<b>10,838,289</b>	<b>11,566,486</b>	<b>7,927,437</b>	<b>11,112,465</b>	<b>5,202,288</b>	<b>5,887,942</b>
<b>Ending Balance</b>	<b>15,389,208</b>		<b>12,824,419</b>	<b>6,984,378</b>	<b>5,489,956</b>	<b>815,831</b>	<b>2,034,922</b>	<b>2,580,873</b>

## Appendix C

### Facility Reserve Fund Costs

Financial impact of assumptions	Actuals	Budget	Projections				
	2020-2021	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Interest	\$ 81,112	\$ 75,000	\$ 76,500	\$ 78,030	\$ 79,591	\$ 81,182	\$ 56,000
Other income (interest, miscellaneous)	185,207	807,300	50,000	50,000	50,000	50,000	50,000
Interfund Transfers	4,970,000	5,250,000	250,000	250,000	-	-	300,000
Total operating income	5,236,319	6,132,300	376,500	378,030	129,591	131,182	406,000
Capital Outlay	6,804,613	2,444,744					
JSFC Flooring Replacement			-	175,000	-	-	-
Larkspur Center re-roof			410,000	-	-	-	-
Pavilion Flooring			-	-	140,000	-	-
JFSC Activity Pool Renovation			300,000	-	-	-	-
JFSC 50M Pool Renovation			-	-	-	700,000	-
JFSC Outdoor Cover			-	-	-	270,000	-
JFSC Roof Replacement			-	-	-	-	170,000
Other expense (Contingency)			-	-	-	-	-
Total operating expenses	6,804,613	2,444,744	710,000	175,000	140,000	970,000	170,000
<b>Net operating income</b>	<b>\$ (1,568,000)</b>	<b>\$ 3,688,000</b>	<b>\$ (334,000)</b>	<b>\$ 203,000</b>	<b>\$ (10,000)</b>	<b>\$ (839,000)</b>	<b>\$ 236,000</b>
Transfer Out to General fund for Parks Maint Building						(7,600,000)	
<b>Facility Fund Balance</b>	<b>\$ 11,305,886</b>	<b>\$ 14,993,886</b>	<b>\$ 14,659,886</b>	<b>\$ 14,862,886</b>	<b>\$ 14,852,886</b>	<b>\$ 6,413,886</b>	<b>\$ 6,649,886</b>
<b>Minimum Fund balance 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>
<b>Fund balance over minimum</b>	<b>\$ 10,555,886</b>	<b>\$ 14,243,886</b>	<b>\$ 13,909,886</b>	<b>\$ 14,112,886</b>	<b>\$ 14,102,886</b>	<b>\$ 5,663,886</b>	<b>\$ 5,899,886</b>

Equipment Reserve Fund Costs

	Actuals	Budget	Projections				
Financial impact of assumptions	2020-2021	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Interest	\$ 4,398	\$ 40,000	\$ 40,800	\$ 41,616	\$ 42,448	\$ 43,297	\$ 56,000
Other income (interest, miscellaneous)	15,850	10,000	50,000	50,000	50,000	50,000	50,000
Interfund Transfers	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total operating income	270,248	300,000	340,800	341,616	342,448	343,297	356,000
Capital Outlay	160,435	293,000	250,000	250,000	250,000	250,000	250,000
Other expense (Contingency)			-	-	-	-	-
Total operating expenses	160,435	293,000	250,000	250,000	250,000	250,000	250,000
Net operating income	\$ 110,000	\$ 7,000	\$ 91,000	\$ 92,000	\$ 92,000	\$ 93,000	\$ 106,000
Equipment Fund Balance	\$ 714,852	\$ 721,852	\$ 812,852	\$ 904,852	\$ 996,852	\$ 1,089,852	\$ 1,195,852
Minimum Fund balance 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Fund balance over minimum	\$ 564,852	\$ 571,852	\$ 662,852	\$ 754,852	\$ 846,852	\$ 939,852	\$ 1,045,852