



Proposed Budget

July 1, 2022 to June 30, 2023

Fiscal Year 2022-23

www.bendparksandrec.org



play for life



Bend Park & Recreation DISTRICT

Budget Committee Fiscal Year 2022-23

<u>Board Members</u>	<u>Term Expires</u>
Nathan Hovekamp	June 30, 2025
Deb Schoen	June 30, 2025
Zavier Borja	June 30, 2025
Jason Kropf	June 30, 2023
Ariel Mendez	June 30, 2023
<u>Citizen Members</u>	<u>Term Expires</u>
Daryl Parrish	December 31, 2024
Larry Kimmel	December 31, 2022
Donna Owens	December 31, 2022
Thomas Fisher	December 31, 2023
Joanne Matthews	December 31, 2023

Executive Director
Don Horton

Deputy Executive Director
Michelle Healy

Administrative Services Director
Kristin Donald

Director of Recreation Services
Matt Mercer

Communications and Community Relations Manager
Julie Brown

Finance Manager
Eric Baird

Bend Park & Recreation District
799 SW Columbia Street
Bend, OR 97702
541-389-7275

www.bendparksandrec.org



Bend Park & Recreation DISTRICT

2022-23 Proposed Budget Table of Contents

District Budget Message	1
Readers Guide	3
Budget Summary	4
Background	5
Budget Process	9
Fund Structure	10
Economic Outlook	11
Awards	12
FY2022-23 Budget Summary	13
Fund Summaries	17
General Fund	19
Facility Rental Special Revenue fund	22
System Development Charges Special Revenue Fund	24
Facility Reserve Fund	25
Equipment Reserve Fund	26
Debt Service Fund	27
Department Summaries	28
Executive Director's Office and Administrative Services	31
Strategic Planning and Design	32
Communications and Community Relations	34
Parks Services	35
Recreation Services	37
Capital Improvement Plan Summary	39
Appendices	44
Appendix A- Financial Forecast	45
Appendix B Statistical Information	48
Appendix C- Financial and Budget Policies	51
Appendix D- Glossary	69
Appendix E- Required Legal postings and Resolutions	73

District Budget Message - Budget for Fiscal Year 2022-2023

Bend Park and Recreation Budget Committee Members and District Residents,

I am pleased to present the 2022-23 Bend Park and Recreation District (district) proposed Annual Budget for the fiscal year beginning July 1, 2022 and ending June 30, 2023 (FY23). This budget represents the thoughtful work of dozens of people in developing the spending plan for our organization for the coming fiscal year. This budget represents the district's comprehensive financial plan for providing park and recreation services for community residents and visitors for the coming fiscal year.

Budgeting is a collaborative and community process. Other planning efforts, such as the district's comprehensive plan, strategic planning, financial forecasting, capital improvement planning, and annual action planning, drive the annual budget development. The board of directors and staff seek and receive community input in the development, review, and revision of these planning documents throughout the year. The budget represents the board's and community's fiscal priorities for the upcoming twelve months of operations based on these long-range plans, which support the district in achieving its vision of building a community connected to nature, active lifestyles, and one another.

Getting Back to Normal

Budget development always has its share of unknown variables that we try to anticipate and prepare for, and in this regard, developing the 2022-23 budget is no different from any other year. This proposed budget brings our operations to pre-pandemic levels while responding to the economic conditions. With transitioning out of the pandemic we continue to respond by shifting and balancing priorities to ensure district financial stability in an ever-changing economic environment.

Just this month operations at Juniper Swim and Fitness Center and Larkspur Community Center combined will match pre-pandemic levels previously seen at JSFC alone. Now that we have matched previous participation rates we can concentrate on growing our offerings to meet the need of district households. In outdoor recreation, parks and trails numbers continue to grow beyond what we experienced in pre-pandemic times.

Key Factors Influencing Decisions

With the changing economy and pandemic impacts there are other influences in the FY2022-23 budget development:

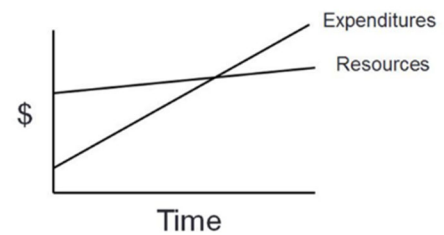
Taking care of what we have- The district recognizes the importance of balancing the priority of operations of the facilities and services we provide community residents, with taking care of our assets, all of which are supported by general fund property taxes. We have maintenance projects at Juniper Swim and Fitness Center pools planned and other equipment replacements funded through our reserve funds.

Preparing for future impacts- The district continues to invest in new parks, trails and recreation facilities as we remain committed to providing the same level of service current residents experience to our newest residents. Most of the projects on the Capital Improvement Plan (CIP) are funded with revenue from System Development Charges (SDCs). However, as our community looks for ways to address the growing affordable housing crisis, waiving SDCs has been identified as a tool used to incentivize affordable housing development. Programs like this, while they do help to address community-wide issues, could jeopardize essential services provided by the district if other funding revenue is not identified to fill the gap brought about through programs aimed at redirecting district resources.

Investing in our staff- In the 2022-23 budget, we propose a cost of living adjustment (COLA) that ties to the inflation we saw in January's Consumer Price Index for western small cities of 8.1%. This increase will adjust the cap on our pay scale to help retain and attract a talented workforce. We also propose additional funds to support the Education Assistance and higher education scholarship programs, aimed at helping staff gain necessary skills to better prepare them in current and future positions.

Financial stability- We maintain our commitment to fiscal prudence in all business decisions, including those related to staffing, employee benefits, developing and renovating parks, trails, and facilities, limiting or reducing future maintenance costs, and balancing tax support and fees in operating recreation programs and facilities. This balanced proposed budget reflects the district's continued commitment to long-term financial stability. Maintaining our financial position within the triangle shown on the chart, assures fiscal stability within the proposed budget.

Budgeting Within Our Means



FY2022-23 Proposed Budget

The district's Fiscal Year 2022-23 budget shows a balanced budget with healthy reserves for planned future projects and maintaining assets. The proposed budget is anticipating \$41.3 million in revenues and combined with fund balance for a total of \$83.8 in total resources. The district's proposed budget is planning \$46.4 million in expenditures for total budget requirements of \$83.1 million, which includes contingencies and reserves. This budget will support 277.4 full-time equivalent employees and \$13.8 million in capital spending.

Revenues

Revenues for the district are expected to increase by \$1.5 million, a 4% increase over last year's budget. The district's main sources of funding are property taxes, charges for services (user fees) and System Development Charges. We are conservatively optimistic with our estimates that we will continue to see development growth and our programs returning to normal levels.

Expenditures

Early shut-downs across the country in response to the pandemic, impacted the supply chain. This is impacted the development of this budget with expected increases in operations across the board. Labor has been another challenge. Expenditures for the district's proposed budget are projected to decrease by \$7.3 million, a 14% decrease compared to last year's budget. The decrease is mainly in capital spending with large projects that happened in the prior year that are wrapping up this year along with planning of the next projects. Personnel and Operating expenditures saw a 7% increase and 32% increase respectively.

Conclusion

The district's offerings and services provide a sense of place. Our philosophy of "Play for Life" is about living in the moment, but also about creating a legacy for the future. We believe that play holds the key to happy and healthy lives in our community - now and for generations ahead. This budget reflects the cumulative effort, support, and policy direction from the board of directors and the budget committee, and the professional aims and contributions of district staff. It is through the dedication and commitment of all that we can effectively support the priorities of community members through responsible financial planning and management of their tax dollars. Finally, I wish to express my appreciation and gratitude to the board of directors and the citizens on the budget committee for their invaluable leadership and service.

Respectfully submitted,

Don Horton

Executive Director

Readers Guide

THE BUDGET IS DIVIDED INTO SECTIONS

SUMMARY

FY 2022 - 23 Budget

The Budget Summary includes a high-level overview about the district, its structure, and budget process. The Summary also presents tables and graphs of the current year's budget.



FUND SUMMARY

Funding Detail

This section explains the fund structure of the district and the purpose of the funds. The budget for each fund is presented along with analysis of past financials and current projections.



DEPARTMENT DETAIL

Activity Detail

This section gives organizational structure of the district. Each department is summarized with its goals for the upcoming year.



CAPITAL SUMMARY

CIP

This plan shows the capital project planning for the district and discusses the projects, the funding and any future costs



APPENDICES

Additional information about the district that aid in budget understanding

Budget Summary



Budget Summary Section

Most local governments in Oregon, from the smallest cemetery district to the largest city, must prepare and adopt an annual budget. The law provides for two important things:

- It establishes standard procedures for preparing, presenting, and administering the budget.
- It requires citizen involvement in the preparation of the budget and public disclosure of the budget before its formal adoption.

This Budget Summary provides information about the district, along with information about the budget process, revenues, expenditures, and the district's programs and services. It is intended to provide an accessible, transparent way of learning about the district's budget, while accurately showing how the district invests its resources.

Background

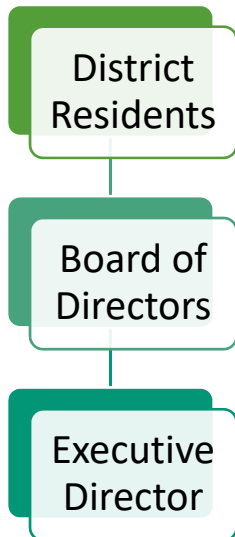
Bend began as a logging town, but is now a gateway for many outdoor recreational activities such as cycling, hiking, golfing, rock climbing, and ice, snow, and water sports.

Voters established the Bend Park and Recreation District (district) on May 28, 1974. The district had been a department of the City of Bend prior to that date, and was formed as a separate special district under the Oregon Revised Statutes as a priority of the community citizens to protect park and recreation funding from the pressures of other community priorities. And in 1976, the citizens voted to dedicate property tax funding for the sole purpose of providing this community with park and recreation services.



The district boundaries and population are slightly larger than those of the city of Bend. The city of Bend is in Central Oregon, just east of the Cascade mountain range, and encompasses an area of 32.6 square miles. Bend is the largest city in Central Oregon with a population estimate of 102,900. Bend serves as the seat for Deschutes County and as the hub of economic activity in a three-county region including Deschutes, Jefferson, and Crook counties.

District Structure



The board of directors, composed of five elected board members, forms the legislative branch of the district government, and sets policy, appoints Budget Committee members, adopts the annual budget, and hires and directs the Executive Director. The Executive Director is responsible for the administration of the district.

The district's annual budget planning process is the culmination of a more comprehensive long-term planning process, which starts with our vision, mission, and value statements. These statements serve the purpose of defining for the public, staff, volunteers, and board of directors why our organization exists, who we serve and how we serve them. These statements drive our budgetary priorities.

1,978
developed
park acreage

- Over 90 miles of trails
- 8 off-leash dog areas
- 4 skate parks
- 3 disc golf courses
- 16 horseshoe pits



- 8 tennis courts
- 19 pickleball courts
- 8 basketball courts
- 15 soccer fields
- 2 baseball fields
- 15 softball fields

Sports fields
and courts

42
playgrounds

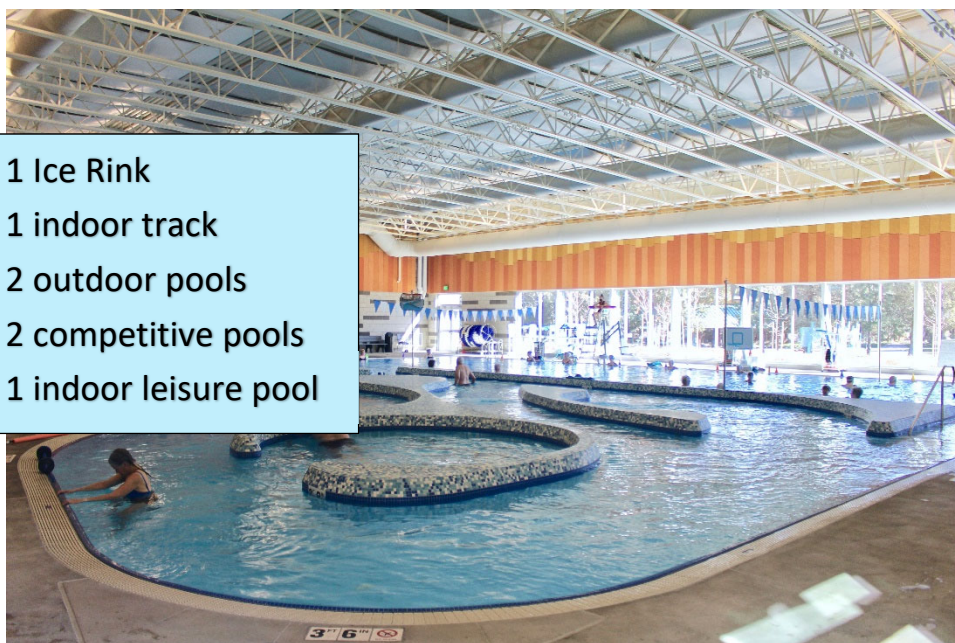
17 art
installations

2 outdoor
stages

2 fishing
pounds

3 recreation
Facilities

- 1 Ice Rink
- 1 indoor track
- 2 outdoor pools
- 2 competitive pools
- 1 indoor leisure pool



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.

Comprehensive Plan and Strategic Plan

The district also has a Comprehensive Plan and a Strategic Plan. The long-term planning is intended to answer the questions: where are we now; where do we want to go; and how will we get there? With the foundation and direction provided by its comprehensive and strategic plans, the district annually updates and adopts its five-year Capital Improvement Plan (CIP), its five-year financial forecast, and its annual budget.

Our Comprehensive Plan

The district board of directors adopted the district's current Comprehensive Plan in July 2018. The plan is the guiding document for the next ten years of parks and recreation in Bend. This plan addresses the rapid growth Bend has experienced in the past decade and accommodates another decade of growth by planning for more parks, trails, amenities, and indoor recreation facilities. The projects and policies identified in the plan are based upon the needs, desires and ideas identified by the community over a two-year public engagement process. Listening to our residents has helped us develop one of the most diverse recreation programs in the state, and a park system envied across the nation. We could not do this without our community's input, support, and trust.

Our Strategic Plan

The Strategic Plan's over-arching capstone, pillars and foundation are designed to strengthen the district's operations and management practices, community relationships, and employees and workplace culture. The plan focuses on addressing key issues like access and affordability, communication, growth impacts, sustainability and stability, and trust. The process was internally-focused, as opposed to the Comprehensive Plan process which was externally-focused, and the Strategic Plan process included significant input from over 100 employees. This plan provides staff direction for a three-year period and outlines our outcomes, strategies, actions, and performance measures. Below are our pillars and the desired outcomes we work towards:



As we go into this next budget year the action items under way for the plan are:

Employees & Workplace Culture

- 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

Community Relationships

- Develop method for ongoing education and information sharing with the Board, Budget committee members and the public on district finances and resource allocation decisions
- 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 bike park at Big Sky and unique amenities at Alpenglow

Operations & Management Practices

- 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

Performance Measure

Our Performance measures helps us measure our work towards the Comprehensive Plan and our Strategic Goals. Each department has measures for their performance and the following measures the district is currently tracking:

1. Percentage of individuals who are very or somewhat familiar with Bend Park and Recreation District
2. Percentage of individuals who know that Bend Park and Recreation District is a separate agency from the City of Bend
3. Percentage of individuals who are very or somewhat satisfied with parks and recreation services in Bend
4. Percentage of individuals who strongly or somewhat agree that Bend Park and Recreation District provides good customer service
5. Levels of Service (LOS) in the Comprehensive Plan are met or exceeded for parks and trails
6. Percentage of individuals who strongly or somewhat agree that Bend Park and Recreation District is a good steward of the environment
7. The number of drop-in visits per resident at district recreation facilities
8. The cumulative number of Latino families served by district outreach efforts
9. The year over year increase in the amount of need's based financial support provided
10. The percentage of the total estimated district population served by organized recreation activities during the period
11. The percentage of households qualifying for the recreation scholarship program as a percentage of households qualifying for the Supplemental Nutrition Assistance Program

Potential performance measures being evaluated include metrics associated with energy and water use, implementation of American with Disability Act transition projects, website usage, trail usage and volunteer hours.

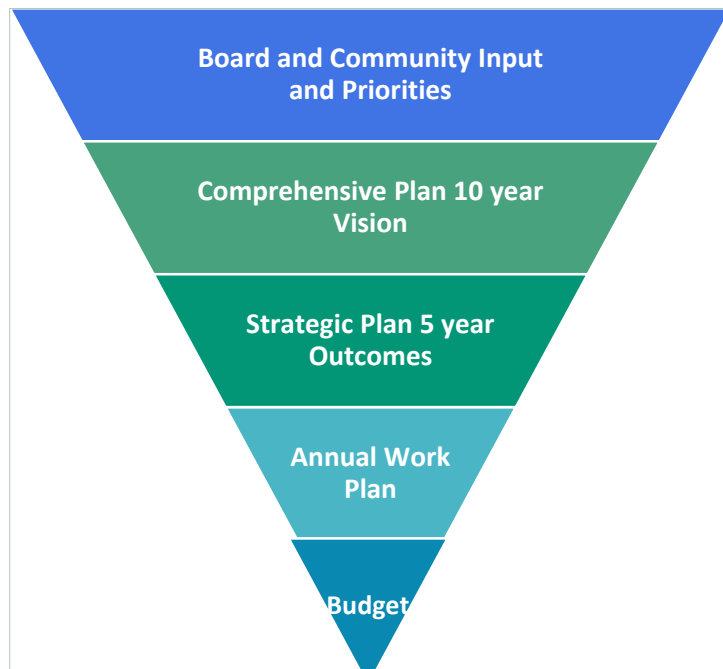
See the Department Details Section for more performance measures and data.

Budget Process

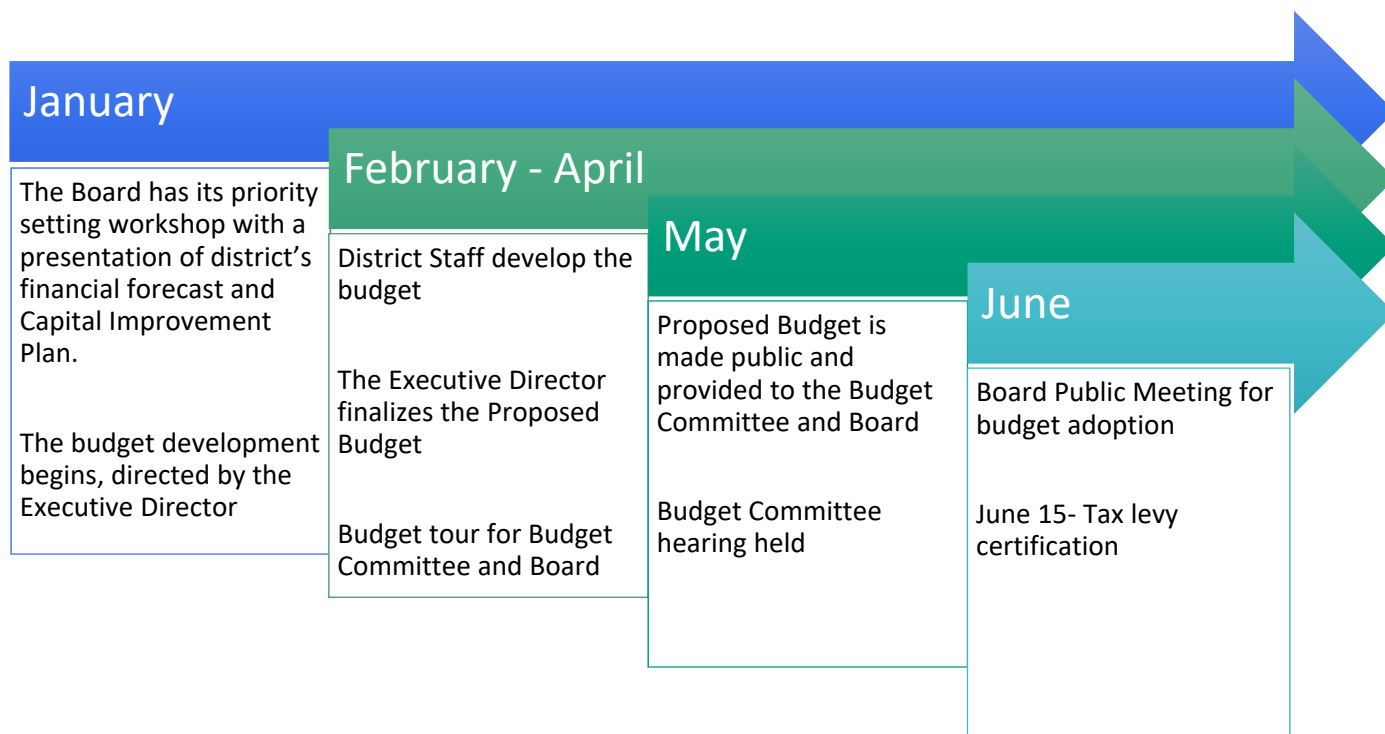
The district plans for the long-term needs of our community through the Comprehensive Plan and the Strategic Plan. Along with these documents, the capital improvement plan is used to budget for capital projects and in the annual plan the budget is developed.

The district follows Local Budget Law established by the State of Oregon. Oregon's Local Budget Law serves the following purposes:

- Establishes standard procedures for preparing, presenting, and administering the budget
- Outlines programs and fiscal policies
- Requires estimates of resources and expenditures
- Encourages community member involvement in the preparation of the budget and public disclosure of the budget before its formal adoption
- Controls expenditure of public funds



To give the public many opportunities to participate in the annual budgeting process, Local Budget Law requires that a Budget Officer be appointed and a Budget Committee, consisting of community members and members of the board be formed. The following chart outlines our process and timing for the budget:



Fund Structure

The activities of the district are funded through various means that are accounted for within specific funds. The district has a comprehensive fund plan for financial accounting in accordance with the provisions of the recommendations of the National Council on Governmental Accounting as outlined in their publication Governmental Accounting, Auditing, and Financial Reporting (GAAFR), which is the standard accounting guide for local governments. Governmental funds are a group of funds that account for activities associated with the district's basic operations. This group of funds uses a modified accrual basis of accounting and focuses on operating revenues and expenditure. The funds used by the district are detailed below. Fund summaries, which provide revenue and expenditure detail, are included within the General Fund and Other Funds sections of this budget document.

General Fund	•The operating fund of the district and accounts for the general operation of the district
Facility Rental Special Revenue Fund	•Accounts for the proceeds of district facility and park rental revenues
System Development Charges (SDC) Special Revenue Fund	•Accounts for the acquisition and development of the community's park system
Facility Reserve Fund	•Accounts for acquiring, constructing, and re-developing parks, trails and buildings
Equipment Reserve Fund	•Accounts for new and replacement vehicles, furniture, fixtures, equipment, and technology
General Obligation (GO) Debt Service Fund	•Accounts for the accumulation of property taxes levied to pay principal and interest on GO bond debt

Budget and Financial Policies

See detailed Financial and Budget Policies in Appendix C. The Budget must be “balanced,” and the district can use fund balance as a resource to balance the budget. Fund balance should not be used as a long-term approach to balancing the budget. Planned uses of fund balances should be limited. It is also appropriate to use fund balance when fund balances have increased beyond the reserve requirements due to higher than anticipated revenues. In this circumstance, the use of fund balances will be used for one-time expenditures, not ongoing operating costs. In all circumstances, it is important to retain sufficient undesignated fund balance for unforeseen circumstances.

Basis of Budgeting

The basis of budgeting and accounting refers to when a transaction or related event is recognized in an agency's budget, or in the operating statement, both of which follow Generally Accepted Accounting Principles. All governmental funds (including the general, special revenue, debt service and capital projects funds) use modified accrual as both the basis of budgeting and for accounting/financial reporting. Under the modified accrual system, revenues are recognized in the accounting period in which they become “measurable and available.” The Executive Director develops and presents the budget to the Board of Directors for consideration and adoption. The budget identifies significant financial and service issues, identify funding requirements and sources of funds, provide supplemental information on programs and service areas, include budget and performance details for all district departments, and relate recommendations to the district's vision and goals. Once the budget is adopted the Administrative Services Director shall maintain a system for financial monitoring and control of the district's Operating Budget during the fiscal year.

Financial Policies

The following is a summary of the policies that have a direct impact on the budget process; a complete listing of fiscal policies to be adopted with the budget are in Appendix C. The district shall annually prepare a long-term financial forecast to promote responsible planning for the use of resources, and to assist in ensuring the delivery of priority services through all types of economic cycles. The purpose of this plan is to ensure the district's ongoing financial sustainability beyond a single fiscal year budget cycle considering our long-term service vision and objectives.

Fund Balance and Reserves

General Fund Ending Fund Balance- The General Fund beginning fund balance that exceeds budgeted beginning balance shall be added to the General Fund contingency as a set aside. The General Fund contingency 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.

Revenue Policy

The district shall maximize and diversify its revenue base to raise sufficient revenue to support and maintain essential services, and to prevent undue or unbalanced reliance on any one source of funds. This revenue diversity will protect the district in instances where there are short-term fluctuations in any one revenue source. One-time revenues shall be used only to increase fund balances, decrease debt or for non-recurring expenditures such as capital acquisitions, one-time projects, and grants. The district shall avoid using temporary revenues to fund mainstream services or for budget balancing purposes.

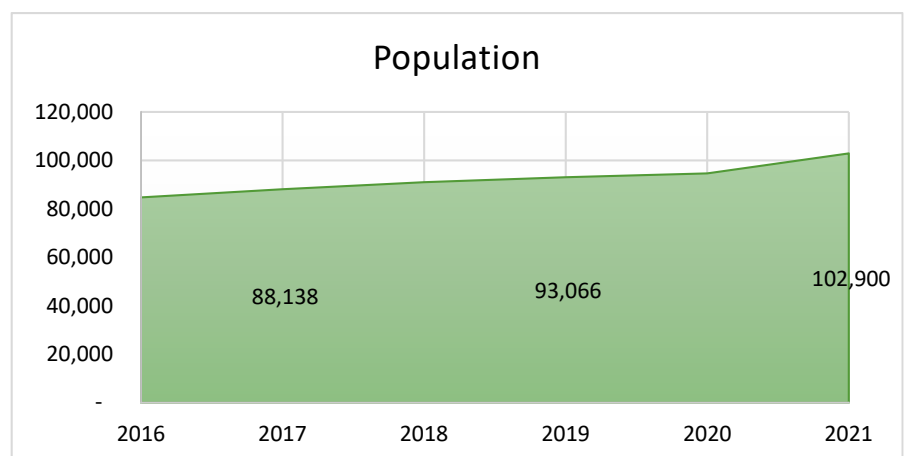
The Cost Recovery and Subsidy Allocation models are included in the User Fees and Charges Policy, which is periodically reviewed and approved by the Board of Directors no less than every four years. The model is the method by which the district's funding philosophy is operationalized into a clear strategy for allocation of district resources and for fee setting.

Expenditure Policy

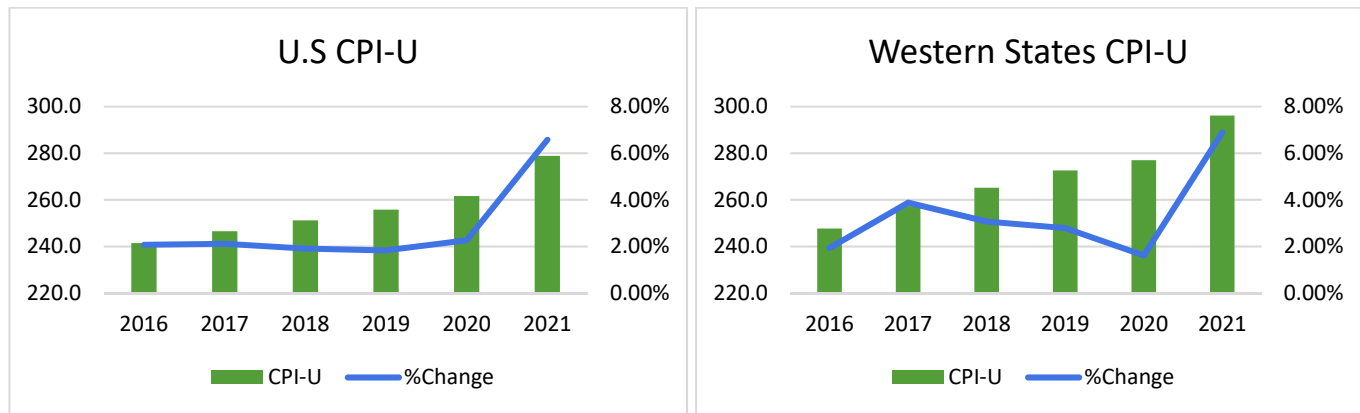
Expenses should always be for district operations and strategic goals. Department heads and the Finance Department monitor expenditures. All expenditures must comply with laws, rules, and regulations and have proper support and authorization.

FY2022- 2023 Economic Outlook

Recently, the pandemic changed the world, nation, state and the district. Now going into the third year of the pandemic the economic impacts are still making budget impacts. The early shut downs across the country in response to the pandemic impacted the supply chain. Now nationwide we are seeing supply chain issues and higher demand. This is driving up costs in many areas. This has impacted the development of this budget 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 increases in wages. We continue to see growth in our district.



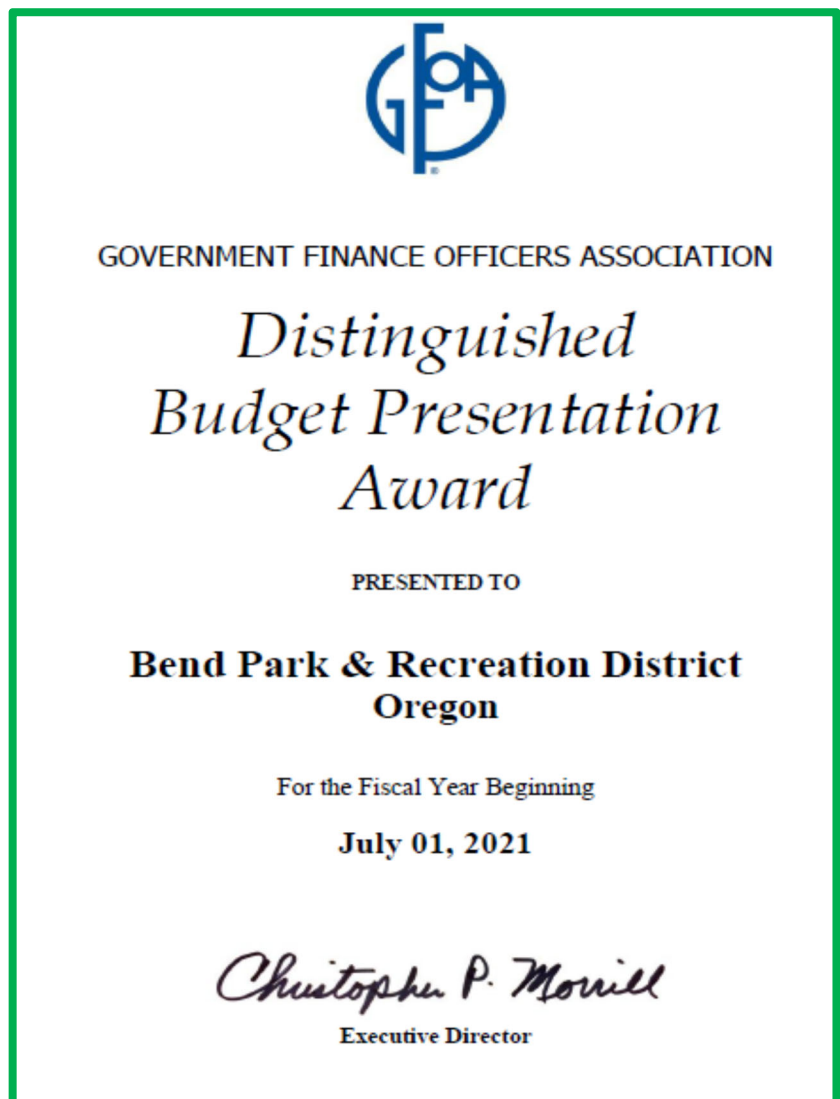
The district uses the Consumer Price Index as a general gauge of price inflation this includes all Items, Unadjusted, Urban Consumers (CPI-U). The district's living wage ordinance bases increases in CPI-U for Western States.¹



See Appendix A for the Financial Forecast FY2023 – FY2027 for additional economic information and Appendix B for other Statistical Information.

Awards and Accomplishments

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the district for its annual budget for the fiscal year beginning July 1, 2021. The district has received this award for each budget it has prepared in the past seven years. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.



¹ Bureau of Labor Statistics, US Department of Labor

FY2022 – 2023 (FY23) Budget Summary

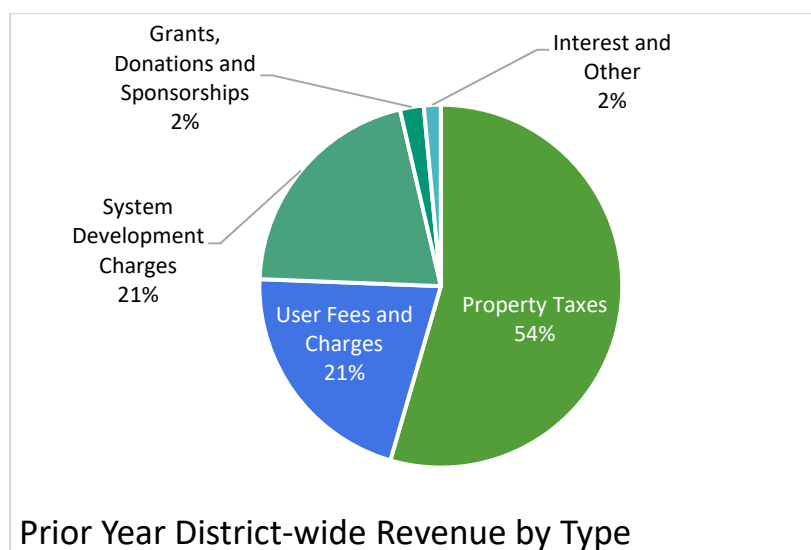
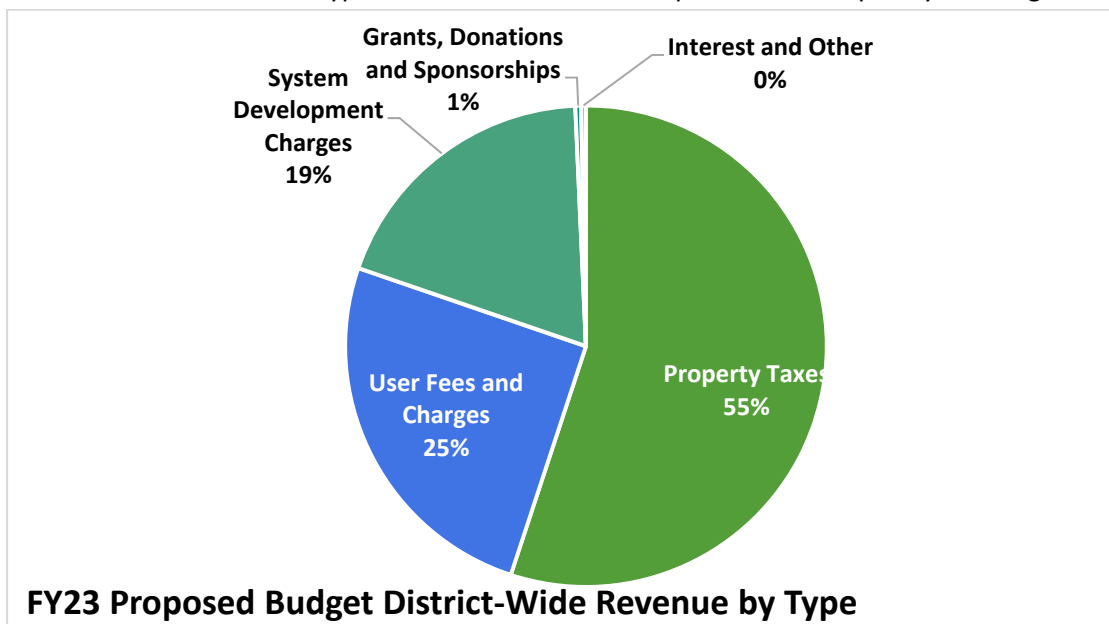
What is the District's Budget? - Overall District Summary

The district's Fiscal Year 2022-2023 is estimated to receive over \$41.3 million in revenue. FY23 Budget appropriations are \$46.4 million. This will support 277.4 full-time equivalent employees and \$13.8 million in capital spending. Major changes to the FY23 budget are illustrated below:

	System					2022-23 Proposed
	General Fund	Development Charges Fund	Facility Rental Fund	Reserve Funds	Debt Service Fund	
RESOURCES						
Beginning Fund Balance	7,869,272	12,824,419	1,331,251	15,356,704	148,061	37,529,707
Revenues						
Property Taxes	20,799,800	-	-	-	1,997,951	22,797,751
User Fees and Charges	9,798,300	-	490,400	-	-	10,288,700
System Development Charges	-	7,879,000	-	-	-	7,879,000
Grants, Donations and Sponsorships	161,100	-	-	-	-	161,100
Interest and Other	(151,400)	56,000	12,000	287,000	3,500	207,100
Total Revenues	30,607,800	7,935,000	502,400	287,000	2,001,451	41,333,651
Interfund Transfer	615,000			4,300,000		4,915,000
TOTAL RESOURCES	\$ 39,092,072	\$ 20,759,419	\$ 1,833,651	\$ 19,943,704	\$ 2,149,512	\$ 83,778,358
REQUIREMENTS						
Expenditures						
Personnel	21,622,432	-	306,276	-	-	21,928,708
Materials and Services	7,056,197	17,000	76,800	1,026,265	-	8,176,262
Capital Outlay	-	10,991,153	85,000	2,694,358	-	13,770,511
Debt Service	508,050	-	-	-	2,049,731	2,557,781
Total Expenditures	29,186,679	11,008,153	468,076	3,720,623	2,049,731	46,433,262
Interfund Transfer	4,300,000	615,000	-	-	-	4,915,000
Contingency	4,961,735	2,000,000	1,000,000	2,200,000	-	10,161,735
Reserved	-	7,136,266	365,575	14,023,081	99,781	21,624,703
TOTAL REQUIREMENTS	\$ 38,448,414	\$ 20,759,419	\$ 1,833,651	\$ 19,943,704	\$ 2,149,512	\$ 83,134,700
Unappropriated Fund Balance	\$ 643,657	\$ -	\$ -	\$ -	\$ -	\$ 643,657

Where Does the Money Come From? -Revenues

Overall, revenues are estimated at \$41.3 million, a \$1.5 million increase or 4%, over the prior year. The difference is mainly due to the increase in recreation programs returning to pre-pandemic levels increasing charges for services. The largest revenue source is property taxes. System Development Charges are the funding for new development capital projects and with current development makes up a large portion of the district's revenue as well. Below is the breakdown of the types of revenue and the comparison for the prior year budget.



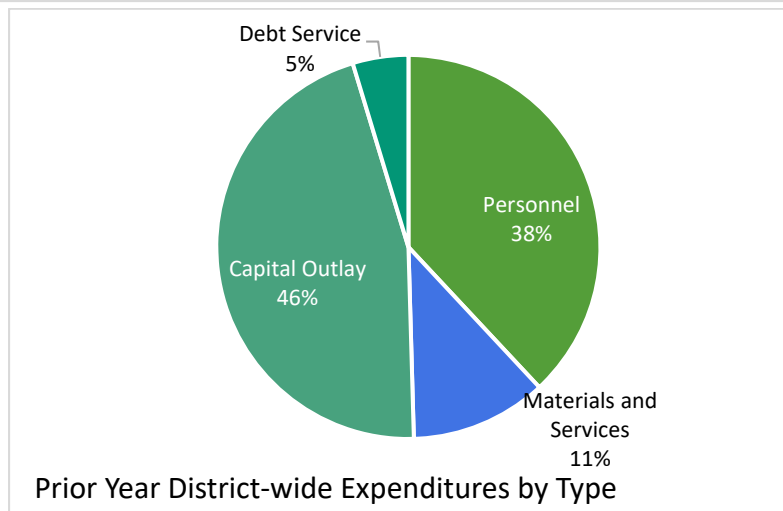
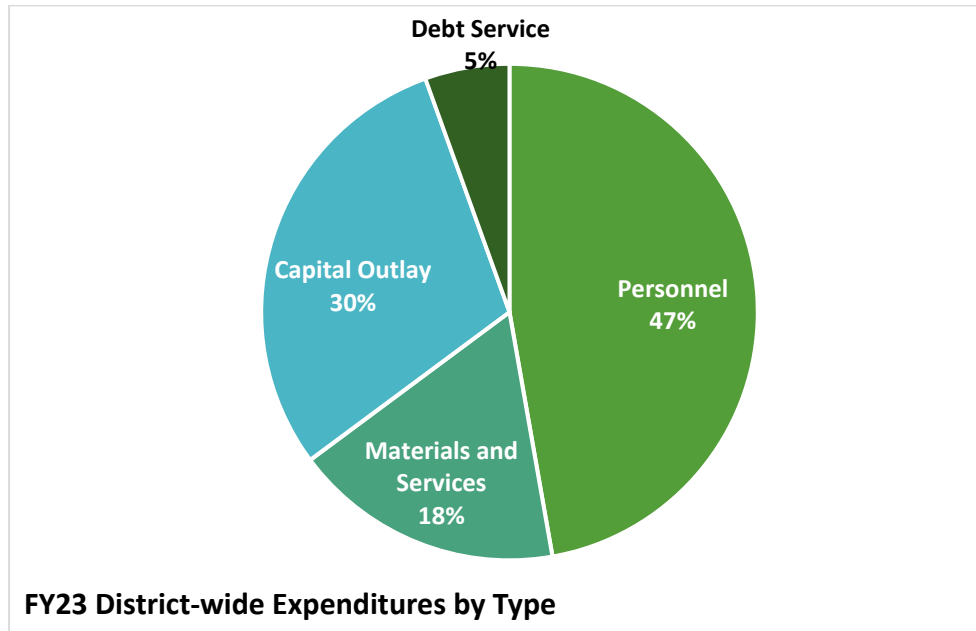
Where Does the Money Go? - Appropriations

Expenditures, often called "Appropriations," are classified under one of four major categories: Personnel, Materials and Services, Capital, and Debt Service. FY23 appropriations are \$46.3 million, a decrease of \$7.3 million or 14% from the prior year. This is mainly due to higher amounts of capital expenditures planned in the prior year than the current year.

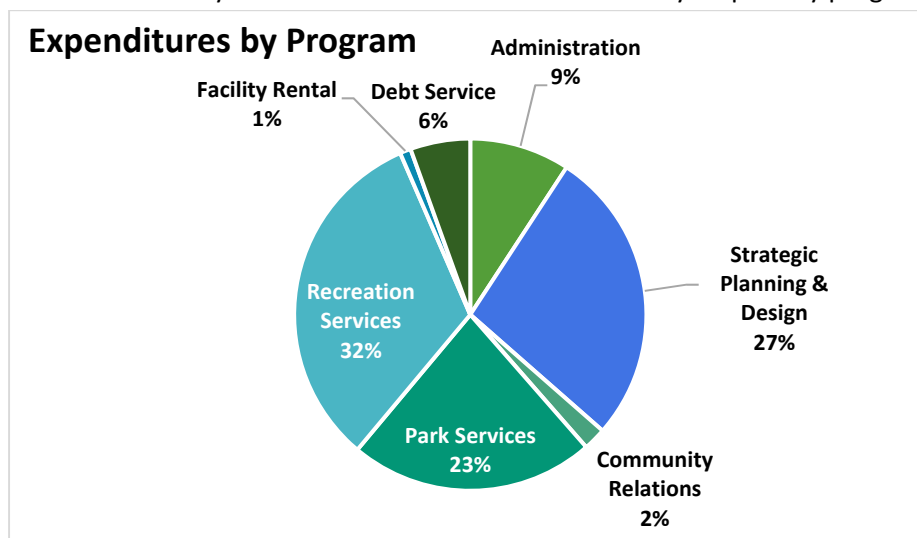
- Personnel increased by \$1.4 million or 7% from the prior year. The Benefits Committee recommended an 8.1% cost of Living adjustment (COLA) for wages. Other benefits saw minor increases and mainly in regards to health insurance of 2%. Unemployment insurance did see an increase but a much higher increase was estimated in the prior year than what was imposed, decreasing costs in the current budget.

- Materials and Services increased by \$2 million or 32% from the prior year. We are seeing the impacts on of inflation along with the increase in our system and new programs.

The graph below shows the relative percentage of the FY23 budget expenditures for all funds and the comparison from the prior year.



To look at expenditures another way we can look at from where the money is spent by program:



Who Works for the District? - Staffing

We strive to maintain service levels with our growing community. We have a strategic approach to staffing and as we grow and return from the pandemic, staffing increases are needed. Over all fulltime positions have decreased, and this is mainly due to full-time being reduced in Recreation to re-class into part-time for better recruitment. The proposed budget does include two new full-time positions; one new position is a Communication Specialist for the Communication and Community Relations Department and the other is an Administrative Assistant II for the Recreation Department. Part-time hours are increasing as Recreation services return to pre-pandemic levels.

	2019-20 Actual	2020-21 Budget	2021-22 Amended	2022-23 Proposed	Budget Change
Executive Director's Office and Administrative Services					
Full-Time Positions	15.0	15.0	16.0	16.0	0%
Part-Time/Seasonal Positions	0.6	0.6	0.6	0.6	0%
	15.6	15.6	16.6	16.6	0%
Strategic Planning and Design					
Full-Time Positions	11.0	11.0	11.0	11.0	0%
Part-Time/Seasonal Positions	0.5	0.8	0.8	0.8	0%
	11.5	11.8	11.8	11.8	0%
Community Relations					
Full-Time Positions	5.0	5.0	5.0	6.0	20%
Part-Time/Seasonal Positions	-	-	-	-	0%
	5.0	5.0	5.0	6.0	20%
Park Services					
Full-Time Positions	50.4	51.9	56.8	56.8	0%
Part-Time/Seasonal Positions	12.8	18.3	12.2	12.2	0%
	63.2	70.1	69.0	69.0	0%
Recreation					
Full-Time Positions	38.4	41.7	60.8	56.8	-7%
Part-Time/Seasonal Positions	84.7	113.6	100.6	113.8	13%
	123.1	155.3	161.4	170.6	6%
Facility Rental Special Fund					
Full-Time Positions	2.0	3.4	3.4	3.4	-1%
Part-Time/Seasonal Positions	-	0.5	0.1	-	-100%
	2.0	3.9	3.6	3.4	-4%
Total Staffing					
Full-Time Positions	121.8	128.0	153.0	150.0	-2%
Part-Time/Seasonal Positions	98.6	133.8	114.2	127.4	11%
	220.4	261.8	267.2	277.4	4%

How Does the District Plan for the Future? - Fund Balance

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) for the General fund. Other funds have fund balances to save for future projects that are planned for later in the five-year capital improvement plan, basic asset maintenance for our facilities and equipment replacement.

Fund Summaries



Fund Summaries

The purpose of fund summaries is to capture and detail the financial condition of each district fund. A fund summary provides information on revenues, expenditures and ending funds available. In addition, it functions as a planning mechanism, as it allows expenditures to be matched to available revenues and/or fund balance. Fund summaries also identify components of funds available and anticipated uses. It is important to note that sources and uses are always balanced because a fund's sources either are expended, become restricted, committed, or assigned, or become unrestricted (unreserved or undesignated) funds available. Government funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The district only has governmental funds which include the General fund, Special revenue funds, Debt fund and Project funds. By maintaining separate funds, the district is able to comply with laws that require certain money to be spent for specific purposes.

General Fund

- The operating fund of the district and accounts for the Executive Director's office, administrative services, planning and design, park services, community relations and recreation services.

Facility Rental Special Revenue Fund

- Accounts for the proceeds of district facility and park rental revenues (i.e. Aspen Hall, Hollinshead Barn). Primary expenditures are personnel, building maintenance, and renovation costs.

System Development Charges (SDC) Special Revenue Fund

- Accounts for the acquisition and development of the community's park system. Funding is provided by a fee charged against developing residential properties. Expenditures are restricted by state law to capacity-enhancing and reimbursement projects for parks, trails and indoor recreation facilities.

Facility Reserve Fund

- Accounts for acquiring, constructing, and re-developing parks, trails and buildings. Principal revenue sources are from transfers from the General Fund, investment income, and grants and contributions.

Equipment Reserve Fund

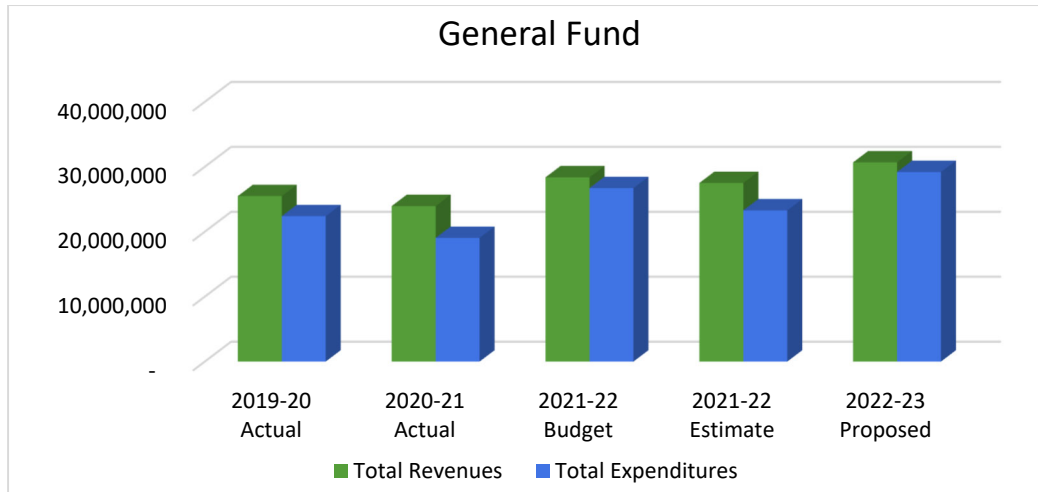
- Accounts for new and replacement vehicles, furniture, fixtures, equipment, and technology. Principal revenue sources are from transfers from the General Fund, investment income, and sale proceeds from surplus vehicles and equipment.

General Obligation (GO) Debt Service Fund

- Accounts for the accumulation of property taxes levied to pay principal and interest on the 2013 GO bond debt.

General Fund

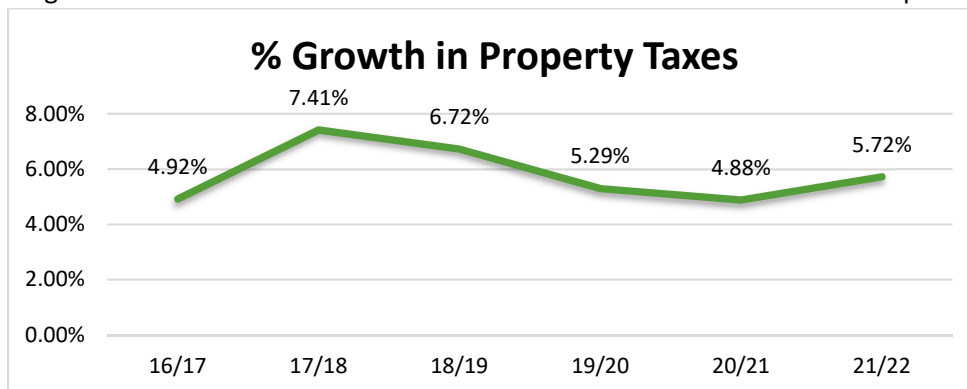
The district's General Fund is the general operating fund of the district and accounts for the Executive Director's office, administrative services, planning and design, park services, community relations and recreation services. Principal sources of revenue are property taxes, user fees and charges, interest income, grants and contributions. Primary expenditures are personnel, materials, and services necessary to provide quality services for the community. Below is the overall performance of revenue and expenditures for the General Fund that demonstrates we have stayed within our means.



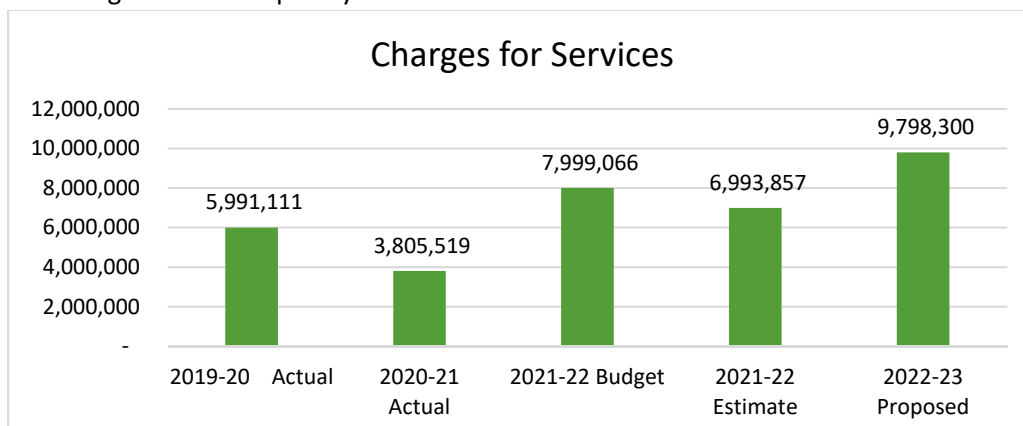
Revenue

The two main revenue streams for the General fund are property taxes and charges for services and all other revenue sources are less than 1%.

- Property taxes- the growth in property taxes is made up of the 3% of higher appraisal the district is allowed to capture along with new construction for a total estimated increase of 4.2% from the prior year.

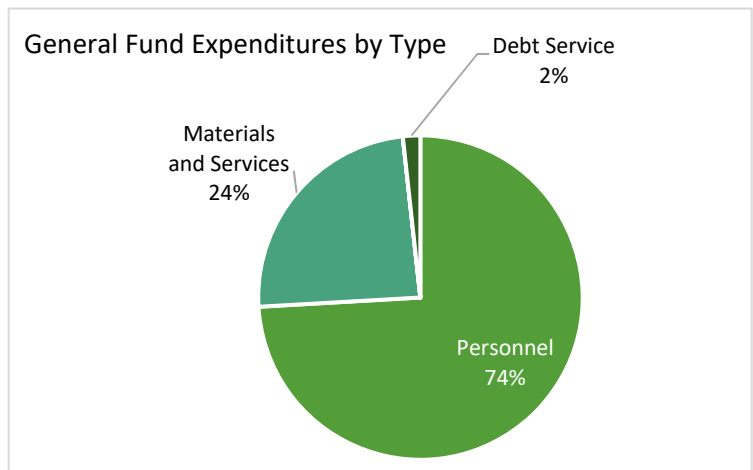


- Charges for services- we are looking to move towards pre-pandemic levels so revenues for the fund are estimated to be higher than the prior years.



Expenditures

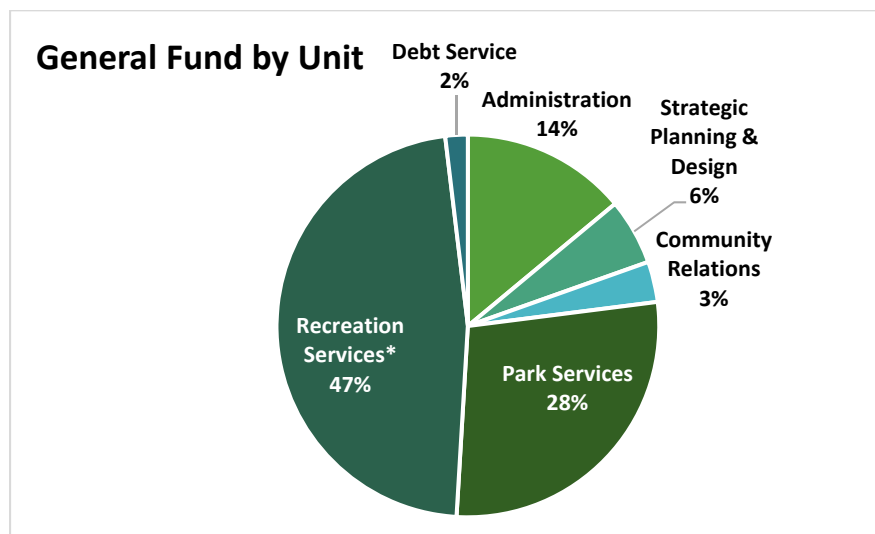
By category personnel is the General Fund's greatest expense. The Benefits Committee recommended an 8.1% cost of Living adjustment (COLA) for wages. Other benefits saw minor increases and mainly in regards to health insurance of 2%. Unemployment insurance did see an increase but a much higher increase was estimated in the prior year than what was imposed decreasing costs in the current budget for an overall 7% change in personnel. Materials and services saw the largest increase and this is due to ramping up of programs, inflation and the growth of our park system.



Debt service remained the same for the loan that will be paid by the end of fiscal year 2025 for the expansion and remodeling of Juniper Swim & Fitness Center in 2005.

Year Ending June 30	Loan Payable - Financing Agreement, Series 2014		
	Principal	Interest	Payment
2023	471,812	36,238	508,050
2024	482,661	24,489	507,150
2025	492,540	12,335	504,875
	<u>\$ 1,447,013</u>	<u>\$ 73,062</u>	<u>\$ 1,520,075</u>

Looking at expenditures by unit, or program, Recreation and Park Services are the larger portions of the General Fund budget. See department details section regarding specific budget details for each unit. Recreation does track its subsidy, which means taking its expenses against the revenue they bring in (charges for service), and the proposed budget has a \$4.2 million-dollar subsidy. This subsidy is lower than what was predicted during the financial forecast.



Fund Balance

Reserves aid in governments being able to respond to events, buffer against economic downturns, and are a factor for bond ratings. District policy sets its minimum at 17% of budgeted operating expenditures (capital is excluded since those are one-time expenses) for the General fund. With the proposed budget the contingency is the 17% of expenditures leaving \$643,657 in unappropriated fund balance.

General Fund Budget

	2020-21 Actual	2021-22 Budget	2021-22 Estimate	2022-23 Proposed	Change in Budget \$	Change in Budget %
RESOURCES						
Beginning Fund Balance	8,731,949	7,859,045	8,793,640	7,869,272		
Revenues						
Property Taxes	19,359,752	19,955,000	19,955,000	20,799,800	844,800	4%
Charges for Services	3,805,519	7,999,066	6,993,857	9,798,300	1,799,234	22%
Investment earnings	86,388	100,000	60,000	80,000	(20,000)	-20%
Contributions	53,608	7,000	55,171	78,100	71,100	1016%
Grant Revenue	7,089	25,000	172,020	83,000	58,000	232%
Intergovernmental	445,000	37,000	40,997	-	(37,000)	-100%
Reimbursement of interfund services	149,762	170,000	150,000	(272,400)	(442,400)	-260%
Miscellaneous	39,193	85,984	82,766	41,000	(44,984)	-52%
Total Revenues	23,946,311	28,379,050	27,509,811	30,607,800	2,228,750	8%
Transfer in	375,114	625,000	350,000	615,000	(10,000)	-2%
TOTAL RESOURCES	33,053,374	36,863,095	36,653,451	39,092,072	2,228,977	6%
REQUIREMENTS**						
Expenditures						
By Program:						
Administration	2,819,080	3,733,330	3,162,628	4,201,454	468,124	13%
Strategic Planning & Design	1,311,791	1,495,000	1,431,784	1,642,781	147,781	10%
Community Relations	615,216	913,030	705,690	972,276	59,246	6%
Park Services	6,448,993	7,470,336	7,023,715	8,067,932	597,596	8%
Recreation Services*	7,338,107	12,597,388	10,452,519	13,794,186	1,196,798	10%
Debt Service	506,547	507,843	507,843	508,050	207	0%
Total Expenditures	19,039,734	26,716,927	23,284,179	29,186,679	2,469,752	9%
Interfund Transfers	5,220,000	5,500,000	5,500,000	4,300,000	(1,200,000)	-22%
Contingency (17% of Expenditures)	-	2,646,168	-	4,961,735	2,315,567	88%
Reserved	-	-	-	-		
TOTAL REQUIREMENTS	24,259,734	34,863,095	28,784,179	38,448,414	3,585,319	10%
Ending Fund Balance	8,793,640	2,000,000	7,869,272	643,657		

*Recreation Subsidy 4,192,386

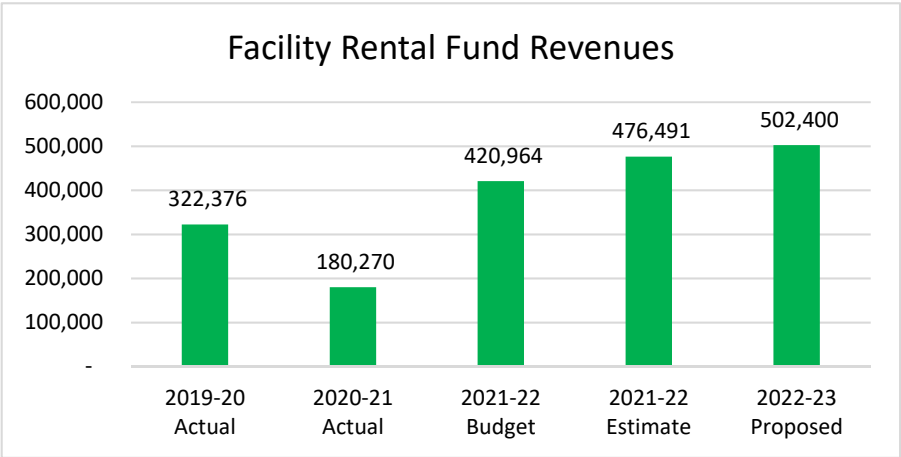
	2020-21 Actual	2021-22 Budget	2021-22 Estimate	2022-23 Proposed	Change in Budget \$	Change in Budget %
REQUIREMENTS**						
Expenditures						
By Category						
Personnel	14,808,830	20,149,210	17,487,727	21,622,432	1,473,222	7%
Materials and Services	3,724,357	6,059,874	5,288,609	7,056,197	996,323	16%
Capital Outlay	-	-	-	-	-	0%
Debt Service	506,547	507,843	507,843	508,050	207	0%
Total Expenditures	19,039,734	26,716,927	23,284,179	29,186,679	2,469,752	9%

Facility Rental Special Revenue Fund

The Facility Rental Fund is used to account for the proceeds of district facility and park rental revenues (i.e. Aspen Hall, Hollinshead Barn). Primary expenditures are personnel, building maintenance, and renovation costs.

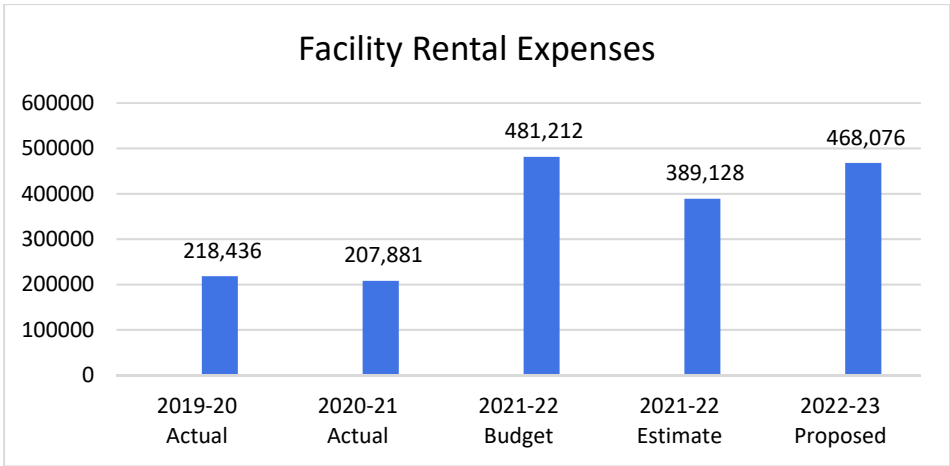
Revenue

Facility rentals were greatly impacted by the pandemic the last two fiscal year. We have seen recovery this last fiscal year and plan to continue to see a recovery in our rentals.



Expenditures

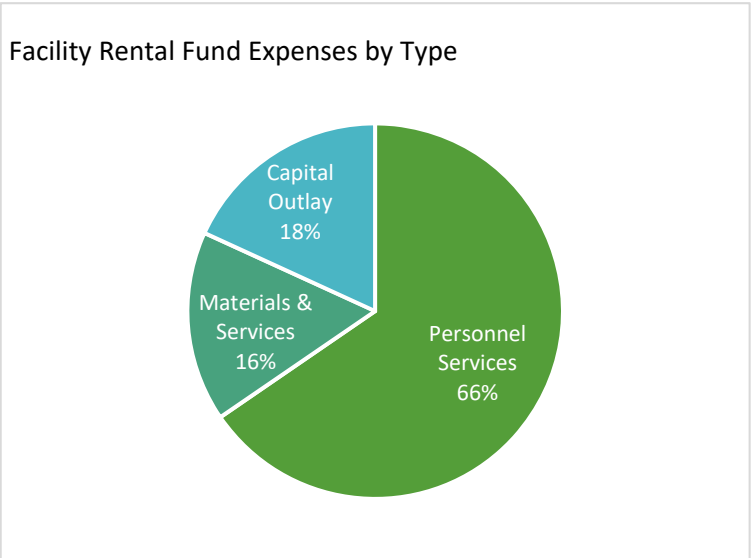
With the increase in rentals expenditures will again return to normal levels. In addition, there are capital expenses for repairs of the rental facilities.



Expenditures by category the fund saw the same 7% increase in personnel as noted in the General fund and in budget summary regarding all personnel costs.

Fund Balance

The fund balance for this fund is to cover any shortfall in operations along with maintenance and capital repairs for the rental facilities.



Facility Rental Fund Budget

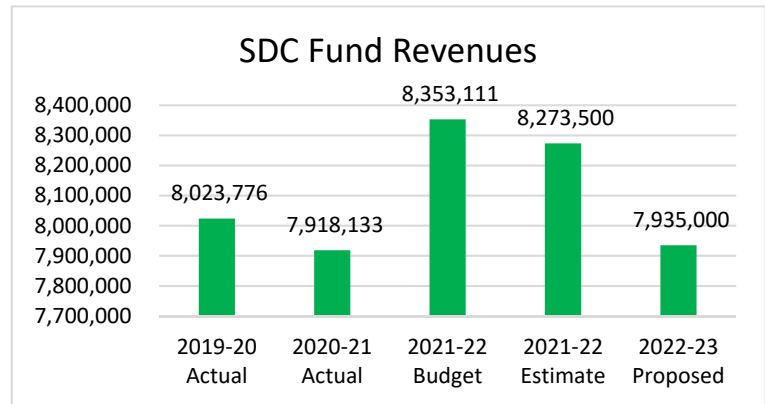
	2020-21 Actual	2021-22 Budget	2021-22 Estimate	2022-23 Proposed	Change in Budget \$	Change in Budget %
RESOURCES						
Beginning Working Capital	1,271,499	1,202,411	1,243,888	1,331,251		
Revenues						
Interest	10,174	14,825	7,121	12,000	(2,825)	-19%
Charges for Services	170,096	406,139	469,370	490,400	84,261	21%
Miscellaneous	-	-	-	-	-	0%
Total Revenues	180,270	420,964	476,491	502,400	81,436	19%
TOTAL RESOURCES	1,451,769	1,623,375	1,720,379	1,833,651	210,276	13%
REQUIREMENTS						
Expenditures						
Facility Rental Program:						
Personnel	165,832	306,460	289,842	306,276	(184)	0%
Materials & Services	35,629	84,752	70,374	76,800	(7,952)	-9%
Capital Outlay	6,420	90,000	28,913	85,000	(5,000)	-6%
Total Expenditures	207,881	481,212	389,128	468,076	(13,136)	-3%
Interfund Transfers	-	-	-	-		
Contingency	-	1,142,163	-	1,000,000		
Reserve for Future Maintenance	-	-	-	365,575		
TOTAL REQUIREMENTS	207,881	1,623,375	389,128	1,833,651	210,276	13%
Ending Fund Balance/Working Capital	1,243,888	-	1,331,251	-		

System Development Charges (SDC) Special Revenue 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 against developing residential properties. Expenditures are restricted by state law to capacity-enhancing and reimbursement projects for parks, trails, and indoor recreation facilities.

Revenue

The demand for housing in Central Oregon is very high and a large portion of the projected increase. In addition, the need for deed-restricted affordable housing units is urgent and during the recent update to the SDC methodology in 2019, the board of directors opted to contribute to housing affordability by waiving park SDCs for specific types of affordable housing and implementing a tiered fee structure by dwelling size. The tiered fee structure will be in its second year. There has been some slowing in building due to supply chain and with processing of design approvals and building permits. With the unpredictability of these funds we have stayed conservative in our estimates while remaining within range of the last five-year average.



Expenditures

The expenditures are based on the Capital Improvement Plan. These projects are often multi-year projects in addition the construction season straddles our fiscal year.

Fund Balance

The fund balance of this fund will grow during development years and are used for multimillion-dollar projects since these our expansion projects. This is again why the district follows best practices and has a five-year capital improvement plan.

SDC Fund Budget

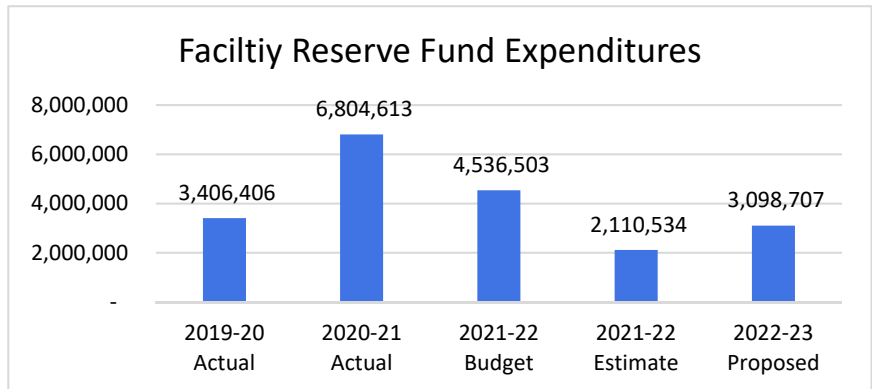
	2020-21 Actual	2021-22 Budget	2021-22 Estimate	2022-23 Proposed	Change in Budget \$	Change in Budget %
RESOURCES						
Beginning Working Capital	14,084,912	15,466,084	15,389,208	12,824,419		
Revenues						
Interest	125,327	96,500	96,500	56,000	(40,500)	-42%
System Development Charges	7,792,806	8,256,611	8,177,000	7,879,000	(377,611)	-5%
Total Revenues	7,918,133	8,353,111	8,273,500	7,935,000	(418,111)	-5%
TOTAL RESOURCES	22,003,045	23,819,195	23,662,708	20,759,419	(3,059,776)	-13%
REQUIREMENTS						
Expenditures						
Strategic Planning and Design Program:						
Materials and Services	8,329	40,000	20,000	17,000	(23,000)	-58%
Capital Outlay	6,230,394	19,687,328	10,463,289	10,991,153	(8,696,175)	-44%
Total Expenditures	6,238,723	19,727,328	10,483,289	11,008,153	(8,719,175)	-44%
Interfund Transfers	375,114	625,000	355,000	615,000	(10,000)	-2%
Contingency	-	3,466,867	-	2,000,000	(1,466,867)	-42%
Reserves for future CIP	-	-	-	7,136,266	7,136,266	100%
TOTAL REQUIREMENTS	6,613,837	23,819,195	10,838,289	20,759,419	(3,059,776)	-13%
Ending Fund Balance/Working Capital	15,389,208	-	12,824,419	-		

Facility Reserve Fund

The Facility Reserve Fund is used to account for acquiring, constructing, and re-developing parks, trails, and buildings. Principal revenue sources are from transfers from the General Fund, investment income, and grants and contributions. Primary expenditures of the fund are land acquisitions, new park development, facility projects, and asset management projects.

Expenditures

The expenditures are based on the capital improvement plan to maintain the district facilities. Therefore, each year the amount spent can vary based on the projects in progress or saving for future planned projects.



Fund Balance

The needed fund balance is based on the five-year capital improvement plan. As the district's facilities age, we must maintain them and this fund is intended to reserve funds for this purpose to align with the capital improvement plan. The plan is to include the purchase of a new Park Maintenance Facility as well as planning for the future of the Art Station.

Facility Reserve Fund Budget

	2020-21 Actual	2021-22 Budget	2021-22 Estimate	2022-23 Proposed	Change in Budget \$	Change in Budget %
RESOURCES						
Beginning Working Capital	12,874,180	9,818,947	11,232,886	14,642,352		
Revenues						
Interest	81,112	75,000	50,000	75,000	-	0%
Grant Revenue	-	807,300	200,000	-	(807,300)	-100%
Miscellaneous	185,207	-	20,000	200,000	200,000	100%
Total Revenues	266,319	882,300	270,000	275,000	(607,300)	-69%
Interfund Transfers in	4,970,000	5,250,000	5,250,000	4,000,000	(1,250,000)	-31%
TOTAL RESOURCES	18,110,499	15,951,247	16,752,886	18,917,352	2,966,105	19%
REQUIREMENTS						
Expenditures						
By Category:						
Martials and Services	-	-	-	1,006,265	1,006,265	100%
Capital Outlay	6,804,613	4,536,503	2,110,534	2,092,442	(2,444,061)	-54%
Total Expenditures	6,804,613	4,536,503	2,110,534	3,098,707	(1,437,796)	-32%
Contingency	-	2,444,744	-	2,000,000	(444,744)	-18%
Reserves for Park Maintenance Facility	-	6,200,000	-	9,200,000	3,000,000	48%
Reserves for Asset Management	-	2,770,000	-	2,618,645	(151,355)	-5%
Reserves for Art Station Location	-	-	-	2,000,000	2,000,000	100%
TOTAL REQUIREMENTS	6,804,613	15,951,247	2,110,534	18,917,352	2,966,105	19%
Ending Fund Balance/Working Capital	11,305,886	-	14,642,352	-		

REQUIREMENTS**	2022-23 Proposed
Expenditures	
By Program	
Parks Services	1,959,717
Recreation Services	1,138,990
Total Expenditures	3,098,707

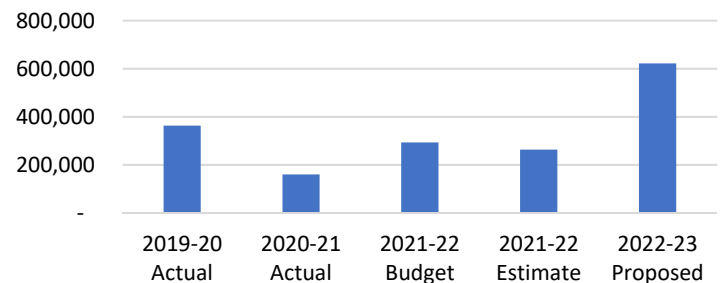
Equipment Reserve Fund

This fund is authorized and established by resolution number 245, on July 1, 2004 for the following specified purposes: To set aside funds, through transfers, for replacing vehicles, equipment, furniture, fixtures and technology. The Board reviewed this fund in 2014 and decided to continue utilizing this reserve fund. Date cannot be more than 10 years after last review and the next Review Year is 2024. Principal revenue sources are from transfers from the General Fund, and sale proceeds from surplus equipment.

Expenditures

The expenditures are based on equipment and vehicle management. Spending varies by year depending on rotation schedules or expansion of the system or programs. Some of this year's purchases includes equipment for the addition of Alpenglowl to the park systems. Replacements of five vehicles and the purchase of two vehicles for Recreation. In addition, a new E-bike program purchasing bikes and storage lockers is planned.

Equipment Reserve fund Expenditures



Fund Balance

As the district's equipment and vehicles age, we must maintain or replace them and this fund is intended to reserve funds for this purpose so a healthy fund balance that aligns with our equipment and asset tracking.

Equipment Reserve Fund Budget

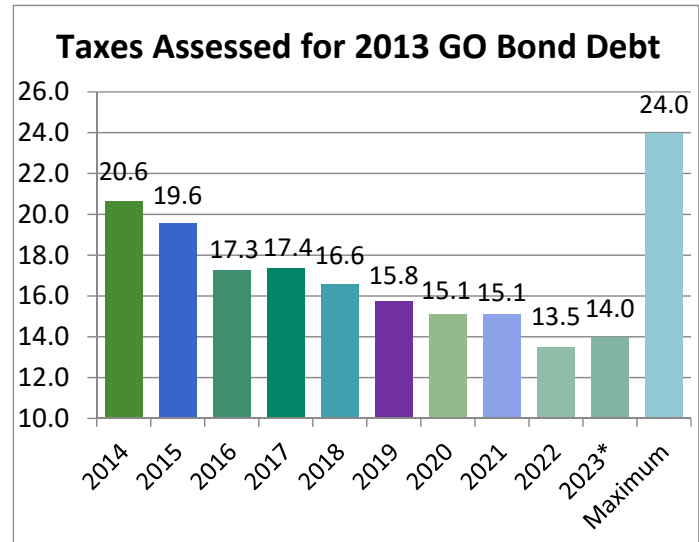
	2020-21 Actual	2021-22 Budget	2021-22 Estimate	2022-23 Proposed	Change in Budget \$	Change in Budget %
RESOURCES						
Beginning Working Capital	605,039	703,410	714,852	714,352		
Revenues						
Interest	4,398	4,000	500	2,000	(2,000)	-50%
Other Income Misc. Rev	15,850	10,000	12,000	10,000	-	0%
Total Revenues	20,248	14,000	12,500	12,000	(2,000)	-14%
Interfund Transfers in	250,000	250,000	250,000	300,000	50,000	20%
TOTAL RESOURCES	875,287	967,410	977,352	1,026,352	58,942	6%
REQUIREMENTS						
Expenditures						
By Category:						
Martials and Services	-	-	-	20,000		
Capital Outlay	160,435	293,000	263,000	601,916	308,916	105%
Total Expenditures	160,435	293,000	263,000	621,916	328,916	112%
Contingency	-	-	-	200,000	200,000	100%
Reserves for Equipment Replacement	-	674,410	-	204,436		
TOTAL REQUIREMENTS	160,435	967,410	263,000	1,026,352	58,942	6%
Ending Fund Balance/Working Capital	714,852	-	714,352	-		

REQUIREMENTS**	2022-23 Proposed
Expenditures	
By Program	
Administration	79,001
Parks Services	429,000
Recreation Services	113,915
Total Expenditures	621,916

General Obligation (GO) Bond Debt Service Fund

The GO Debt Service Fund accounts for the accumulation of property taxes levied to pay principal and interest on the 2013 GO bond debt. The General Obligation Bond Debt Service Fund is a Debt Service Fund that was established for the issuance of the June 5, 2013 General Obligation bonds (Series 2013 GO Bonds) to receive the property taxes related to the Series 2013 GO Bonds issuance, and to pay the annual debt service on these bonds. Any funds remaining after all debt responsibilities related to the Series 2013 GO Bonds have been fulfilled, and at the time of the dissolution of the General Obligation Bond Debt Service Fund, will transfer to the General Fund.

Year Ending June 30	Principal	Interest	Payment
2023	1,315,000	734,731	2,049,731
2024	1,410,000	682,131	2,092,131
2025	1,510,000	625,731	2,135,731
2026	1,610,000	565,332	2,175,332
2027	1,725,000	492,881	2,217,881
2028	1,840,000	423,881	2,263,881
2029	1,960,000	350,281	2,310,281
2030	2,065,000	291,482	2,356,482
2031	2,175,000	226,950	2,401,950
2032	2,295,000	156,263	2,451,263
2033	2,420,000	81,675	2,501,675
	\$ 20,325,000	\$ 4,631,338	\$ 24,956,338



GO Bond Debt Service Fund Budget

	2020-21 Actual	2021-22 Budget	2021-22 Estimate	2022-23 Proposed	Change in Budget \$	Change in Budget %
RESOURCES						
Beginning Fund Balance	208,288	290,290	264,711	148,061		
Revenues						
Property Taxes	2,022,350	1,713,442	1,888,882	1,997,951	284,509	17%
Interest	7,453	5,000	3,200	3,500	(1,500)	-30%
Total Revenues	2,029,804	1,718,442	1,892,082	2,001,451	283,009	16%
TOTAL RESOURCES	2,238,092	2,008,732	2,156,793	2,149,512	140,780	7%
REQUIREMENTS						
Expenditures						
Bond Principal Payments	1,155,000	1,225,000	1,225,000	1,315,000	90,000	7%
Bond Interest Payments	818,381	783,732	783,732	734,731	(49,001)	-6%
Total Expenditures	1,973,381	2,008,732	2,008,732	2,049,731	40,999	2%
Interfund Transfers	-	-	-	-	-	0%
Reserved for Future Debt Obligations	-	-	-	99,781	99,781	0%
TOTAL REQUIREMENTS	1,973,381	2,008,732	2,008,732	2,149,512	140,780	0
Ending Fund Balance	264,711	-	148,061	-		

Department Detail



Department Summaries

The District has 5 main organizational units and they are funded as follows:

Organizational Unit	General Fund	Facility Rental Fund	SDC Fund	Facility Reserve Fund	Equipment Reserve Fund	GO Debt Service Fund
<i>Executive Director's Office and Administrative Services</i>	✓				✓	
<i>Strategic Planning and Design</i>	✓		✓	✓		
<i>Community Relations</i>	✓					
<i>Park Services</i>	✓			✓	✓	
<i>Recreation Services</i>	✓	✓		✓	✓	

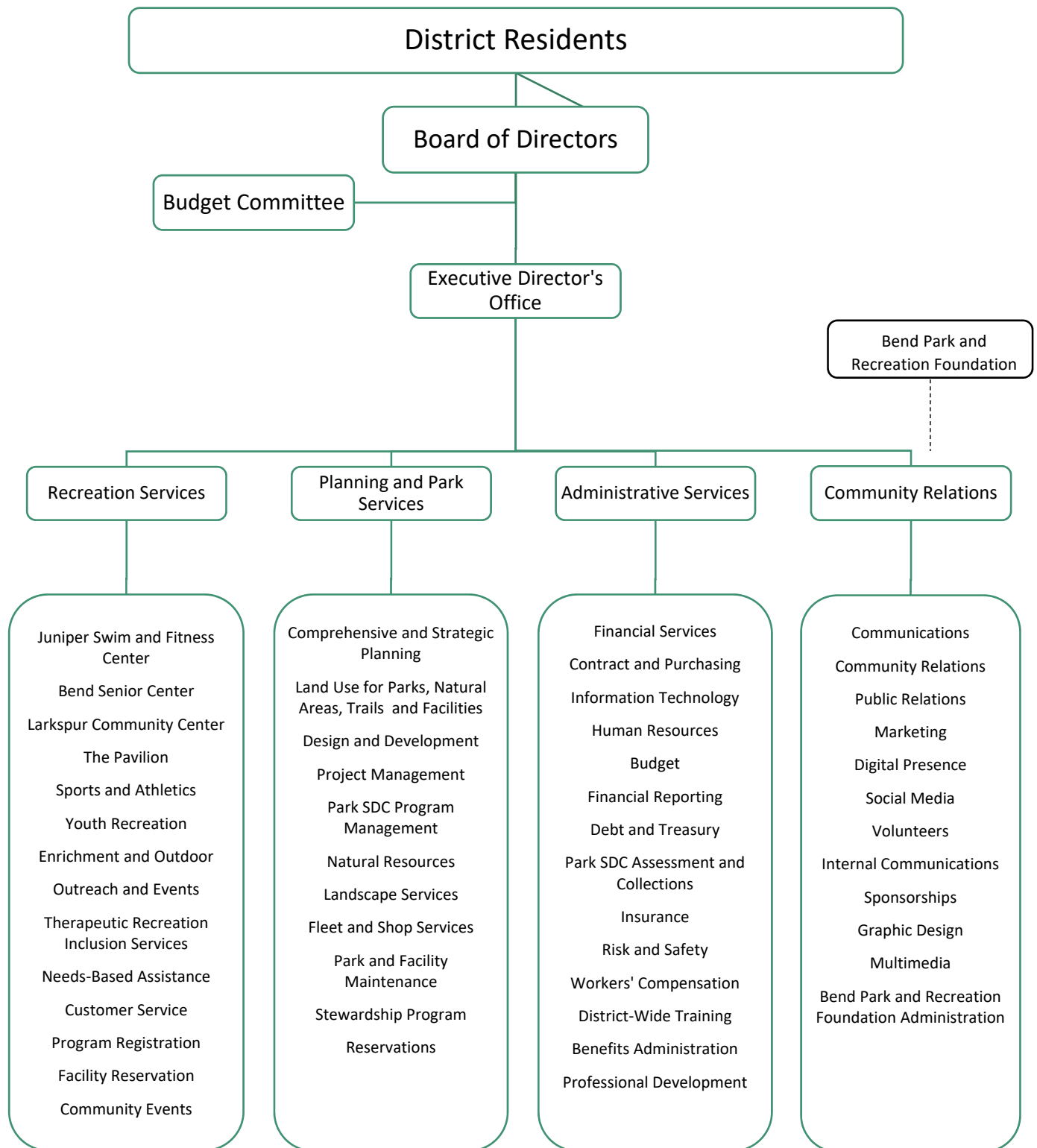
Funding by program in the proposed budget is below:

	General Fund	System Development Charges Fund	Facility Rental Fund	Reserve Funds	Debt Service Fund	2022-23 Proposed
Expenditures						
By Program:						
Administration	4,201,454	-	-	79,001	-	4,280,455
Strategic Planning & Design	1,642,781	11,008,153	-	-	-	12,650,934
Community Relations	972,276	-	-	-	-	972,276
Park Services	8,067,932	-	-	2,388,717	-	10,456,649
Recreation Services	13,794,186	-	-	1,252,905	-	15,047,091
Facility Rental	-	-	468,076	-	-	468,076
Debt Service	508,050	-	-	-	2,049,731	2,557,781
Total Expenditures by Program	29,186,679	11,008,153	468,076	3,720,623	2,049,731	46,433,262

The Department Summaries will describe the following for each department:



Organizational Chart



Executive Director's Office and Administrative Services

Provide strategic direction and support services to the district board, staff, and residents to ensure efficient operation of the district through sound and sustainable financial resource management and planning.

The Executive Director's Office provides overall direction and management of the district through implementation of board policy and sound management practices. The Administrative Services Department manages the technology, staff and financial functions of the district including, human resources, benefits, workers' compensation, staff training, risk management, safety, insurance, information technology, finance, payroll, accounts payable, accounts receivable, purchasing, and contracts.

2021-22 Key Success

- Adapted strategies and updated policies for the ever changing COVID-19 guidelines and requirements
- Compliance with protocols and training for OR-OSHA temporary heat and smoke rules
- Nimble and creative wage adjustments due to ongoing competitive market for front line positions
- Updated credit card processor and other information technology security defenses

2021-22 Key Challenges

- Attracting qualified applicants to part-time front line and full-time technical positions during the nation-wide staffing crisis and the general shift in people's values regarding work-life balance and returning to work
- Interpreting and maintaining compliance with ongoing changing COVID rules and guidance
- Short turnaround for compliance with OR-OSHA temporary rules

Performance Measurements

- Receiving the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for the Annual Comprehensive Financial report
- Receiving the GFOA Distinguished Budget Award

2022-23 Key Goals & Objectives

- Select, purchase, and implement a Human Resources Management System (Human Resources and Payroll)
- Implement the Education Assistance policy
- To continue to seek GFOA awards in financial reporting

2022-23 Major Budget Items

- Human Resources Management System purchase and implementation
- Education Assistance Program- tuition reimbursement funding
- Increases in technology and services for greater security
- E-bike program for the district that includes purchasing bikes and secure storage lockers

FY23 Budget

General fund budget for Executive Director's Office and Administrative Services:

	2019-20 Actual	2020-21 Actual	2021-22 Budget	2022-23 Proposed	Change in Budget
Expenditures by Category					
Personnel	1,698,379	2,004,941	2,545,980	2,571,651	1%
Materials and Services	917,670	814,140	1,187,350	1,629,803	37%
Total Expenditures	2,616,049	2,819,080	3,733,330	4,201,454	13%

Budget by fund:

	General Fund	Reserve Funds	2022-23 Proposed
Administration	4,201,454	79,001	4,280,455

Strategic Planning and Design

Department manages the district's comprehensive and strategic planning; Capital Improvement Plan (CIP); System Development Charge (SDC) program; and park, trail, and recreation facility design and construction.

Primary responsibilities include interfacing with public agencies and private developers; planning, design, and construction of capital projects; coordination of professional services and preparation of contract documents and specifications; monitoring land use applications; property entitlements; easements; grant writing; long-range planning studies, and coordination of community projects and public input processes.

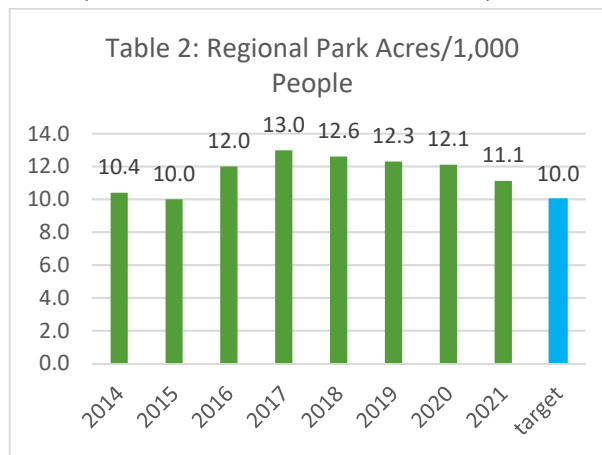
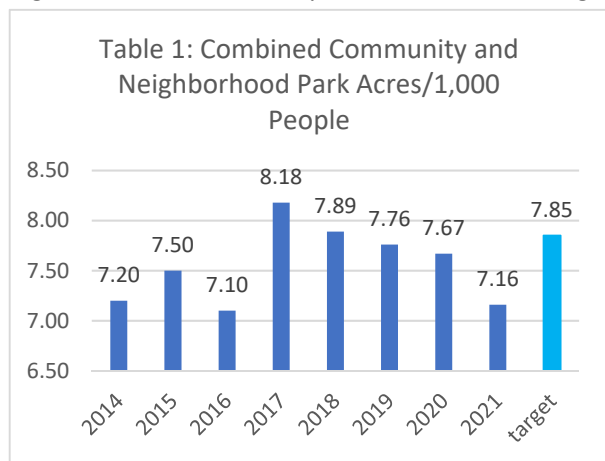
2021-22 Key Success

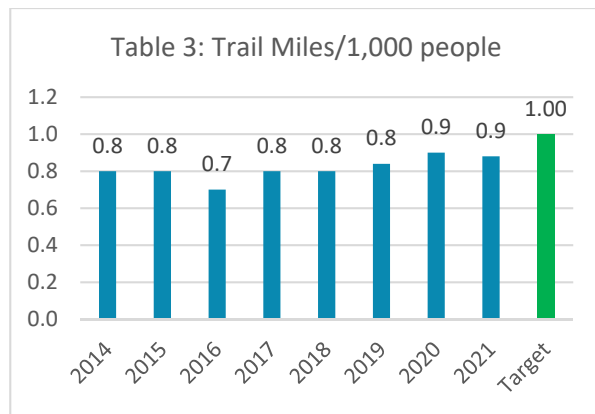
- See CIP
- Adopted the Deschutes River Access and Habitat Restoration Plan, applied and awarded \$51K grant from Oregon State Marine Board to begin design at Millers, McKay and Columbia parks
- Received a \$350K grant from Visit Bend's Bend Sustainability Fund to help support the construction of the Big Sky Bike Park
- Completed diversity, equity and inclusion (DEI) district wide organizational assessment, created equity mapping tool to help establish new metrics for park and trail level of service analysis and revamped Public Involvement Plan (PIP) template to assure equity is integrated into project outreach and engagement efforts
- Prepared Trails Action Plan that outlines key trail development priorities for the board, including executing new trail management agreement between the district and the city of Bend
- Provided comments and land use coordination for 42 future private developments to assure district park and trail needs are addressed, processed one annexation adding 375 acres to the district

Performance Measurements

The park and open space planning process defines the Level of Service (LOS) target for each class of facility to help the district determine how well existing facilities meet current needs, and what future improvements will be required to reach or maintain the LOS as the population grows. Additional criteria such as geographic distribution and the particular features and amenities included in various parks are equally important in measuring the general effectiveness of the district's provision of parks and trails. The district's comprehensive plan also set a goal of providing neighborhood or community parks within a ½ mile walk of most homes.

Tables 1-3 illustrate the district's level of service for neighborhood and community parks, regional parks and trails through 2021* as compared to the targets adopted in the district's comprehensive plan.





*LOS measurements are calculated using certified population estimates provided by Portland State University in July of each year. Due to the timing of the release of these estimates and the budget process, the LOS numbers lag by one year.

2021-22 Key Challenges

- Keeping up with rapid pace of population growth and development
- Escalating land and construction costs; challenges with hiring subcontractors, procuring materials (supply chain), permitting and legal delays
- Delays and resistance related to negotiating easements for key trail connections with property owners
- Difficultly acquiring park land due to dwindling supply and strong market competition from developers and investors

2022-23 Key Goals & Objectives

- Complete construction of Hollygrape Park ADA upgrade, Drake Park Bank and Trail Improvements, Big Sky (Phase 1), Little Fawn and Fieldstone parks
- Complete construction of Riverbend South Access and Restoration project in collaboration with the Upper Deschutes Watershed Council
- Negotiate intergovernmental agreement with City of Bend and begin design for the development of the Galveston to Miller's Landing segment of the Deschutes River Trail
- Conduct public outreach, planning and design for Pine Nursery Phase 5, Hollinshead Park, Shevlin West neighborhood park site, Millers-McKay-Columbia river access, and the access study at Riverbend and Farewell Bend parks
- Prepare DEI action plan, begin implementation and tracking

2022-23 Major Budget Items

- See CIP
- Prepare DEI action plan, begin implementation and tracking
- Complete districtwide Perception Survey
- Prepare new Easement Policy for board adoption

FY23 Budget

General fund Budget for Strategic Planning and Design:

	2019-20 Actual	2020-21 Actual	2021-22 Budget	2022-23 Proposed	Change in Budget
Expenditures by Category					
Personnel	1,202,877	1,270,568	1,427,180	1,536,132	8%
Materials and Services	65,869	41,223	67,820	106,649	57%
Total Expenditures	1,268,746	1,311,791	1,495,000	1,642,781	10%

Budget by Fund:

	General Fund	System Development Charges Fund	2022-23 Proposed
Strategic Planning	1,642,781	11,008,153	4,280,455

Communications and Community Relations

Communicate the value of the district's role in Bend's quality of life today and for generations to come; support awareness of district offerings and participation in programs.

Strategies include: communicating benefits of Play for Life; informing residents of projects and major work; building relationships with organizations and individuals; supporting programs and services, events, and rental facilities with marketing and sponsorship efforts; managing a district-wide volunteer program; and providing administrative support for the Bend Park and Recreation Foundation.

2021-22 Key Success

- Provided ongoing operational communications support for changes and processes in timely ways to public and staff
- Executed a comprehensive marketing campaign to support HR recruiting as a solution for staffing challenges
- Celebrated the opening of Larkspur Community Center with communications efforts, volunteers and tour organization
- Managed volunteer engagement opportunities, including new programs and opportunities
- Furthered bilingual communication for Spanish-speaking patrons with increased frequency of Spanish language newsletters and introduced a Spanish language Facebook account

2021-22 Key Challenges

- Fast-moving pandemic restrictions and operational changes increased workload considerably
- Community Relations team was understaffed for a significant portion of the fiscal year
- Recreation programs and facilities were impacted by staffing challenges, state restrictions and reduced offerings

Performance Measurements

- Volunteer engagement annual summary report
- Website metrics

2022-23 Key Goals & Objectives

- Introduce new parks and amenities to the community (i.e. Alpenglow's climbing area and splash pad and Big Sky's bike park)
- Resume print publication for mailing to households with revised scope and format
- Support new and expanded efforts to serve underrepresented communities
- Providing marketing and communications support for indoor fitness opportunities as the public health situation improves.

2022-23 Major Budget Items

- Hollinshead Homestead House interpretative panels
- Park grand opening events
- Proposed new staff position

FY23 Budget

General fund budget for Communications and Community Relations:

	2019-20 Actual	2020-21 Actual	2021-22 Budget	2022-23 Proposed	Change in Budget
Expenditures by Category					
Personnel	508,727	537,775	604,230	695,098	15%
Materials and Services	236,901	77,441	308,800	277,178	-10%
Total Expenditures	745,628	615,216	913,030	972,276	6%

Park Services

To care for places where people play, learn, and grow, and to protect our natural and cultural resources for the enjoyment of community residents.

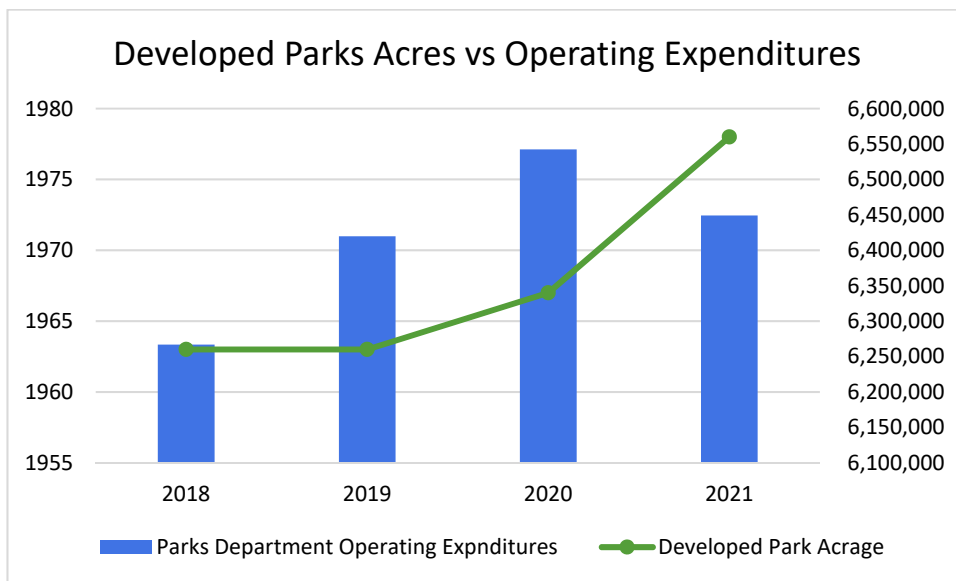
The department provides maintenance operations of parks, trails, and facilities, and supports community residents by providing the best facilities for all services. Responsibilities also include management of park and trail use, asset replacement and ADA transition plan implementation, promotion of safety and rule education for parks, trails and facility users, district-wide fleet and equipment services, and support for special events and recreation programs.

2021-22 Key Success

- Renovated the Harmon Hobby Hut building and transition it into the new location for the district's clay program
- Continued to provide a high level of service for parks and trails with a reduction in staffing
- Developed and implementing the CIP \$5,000-\$50,000 long-term forecasting
- Applied and awarded \$63,000 in grant funds from the Oregon Forestry Department for fuel reduction projects at Eastgate and Shevlin Parks
- Entered into purchase and sale agreement with City of Bend for property on Boyd Acres Road for a new Park Services Shop Complex

Performance Measurements

- Work orders completed for preventative maintenance versus the number of workorders completed for reactive maintenance



2021-22 Key Challenges

- Continuing to provide a high level of service maintaining the parks, trails and facilities with a reduction in staffing
- Difficulty recruiting, hiring and retaining full-time, part-time and seasonal positions
- Significant increase in graffiti and vandalism in parks and along trails, resulting in hundreds of labor hours and thousands of dollars to clean or fix
- Keeping staff and patrons safe while addressing the needs of people experiencing a mental health or other crisis in parks and along trails

2022-23 Key Goals & Objectives

- Assume the maintenance of new parks, including Alpenglow, Big Sky bike park, North Point and Fieldstone
- Transitioning gas powered equipment and vehicles to more efficient and climate friendly electric powered
- Replace several air handling units in district facilities including JSFC, Bend Senior Center and Hollinshead Barn
- Implement grant funded hazardous fuels reduction projects in Eastgate and Shevlin Parks

2022-23 Major Budget Items

- Replacing five older inefficient vehicles and one piece of equipment

- Assembling a new maintenance team with equipment to the landscape community park division to assume the maintenance of Alpenglow Park (Program includes: upgrading current vacant PM-1 position to a PM-2, truck, utility vehicle, small equipment and materials)

FY23 Budget

General fund budget for Park Services:

	2019-20 Actual	2020-21 Actual	2021-22 Budget	2022-23 Proposed	Change in Budget
Expenditures by Category					
Personnel	4,492,464	4,608,974	5,377,980	5,776,315	7%
Materials and Services	1,927,250	1,840,019	2,092,356	2,291,617	10%
Total Expenditures	6,419,714	6,448,993	7,470,336	8,067,932	8%

Budget by fund:

	General Fund	Reserve Funds	2022-23 Proposed
Park Services	8,067,932	2,388,717	10,456,649

Recreation

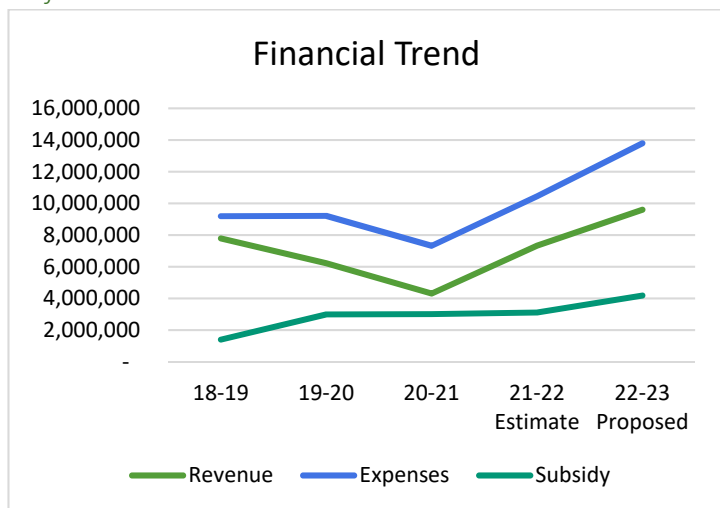
To enhance the health and well-being of the community, families, and individuals by providing exceptional recreation facilities, programs, and services accessible to everyone.

The department consists of Juniper Swim and Fitness Center, Larkspur Community Center – Home of Bend Senior Center, The Pavilion, Art Station, registration and customer service, outreach and events, and a diverse array of recreation and enrichment programs for people of all ages and abilities. The department is responsible for managing facilities, developing, and implementing programs, responding to community issues and needs, and providing excellent customer service.

2021-22 Key Success

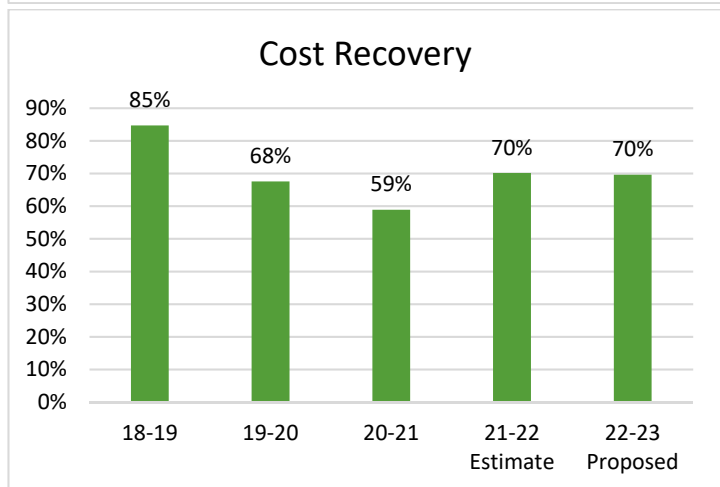
- Restored most services and ramped up program capacity and facility hours as COVID restrictions were relaxed.
- Provided a record \$470,000 in scholarship assistance, supported by \$170,000 in grant funds and strong outreach efforts.
- Relocated art programs after loss of Art Station facility maintaining the same level of service.
- Developed strategies to address front line staffing challenges including COCC/OSU scholarship programs, BLP Schools intern program, part-time to full-time position conversions, bonus programs and wage increases.
- Demonstrated strong fiscal management. Estimated year-end subsidy of \$3.1 million is \$1.3 less than budgeted.

Performance Measurements



Cost recovery represents the portion of the direct cost of operating recreation programs and facilities that are recovered through user fees and other non-tax resources.

Cost recovery has recovered from the pandemic years but is anticipated to remain below pre-pandemic levels due to the opening of Larkspur Community Center and increases in personnel costs.



The financial trend shows revenue and expenses and the corresponding tax subsidy required to support the recreation department.

The district was able to keep revenue and expenses aligned during the pandemic, limiting the additional tax subsidy required. Substantial growth this year and next year are the result of rapid recovery from the pandemic and the opening of Larkspur Community Center.

2021-22 Key Challenges

- COVID Pandemic - The ongoing COVID pandemic including the Delta and Omicron surges and OHA requirements continued to impact the way we delivered services and the demand for some programs.

- Staffing Shortages – The inability to hire and retain front line staff resulted in shortened facility hours, lower program capacity and additional workload on supervisor staff.
- Increasing Costs – General inflation, combined with wage increases necessary to attract and retain staff, have significantly increased the cost of providing nearly all programs and services.

2022-23 Key Goals & Objectives

- Build front line staffing capacity including implementation of new strategies.
- Restore full facility operating hours and services at recreation facilities.
- Increase capacity where possible to better meet community demand for programs.
- Improve registration experience and processes.
- Continue to ensure access for all through outreach efforts, scholarship program, inclusion services, registration access and removal of barriers.

2022-23 Major Budget Items

- 31% increase in revenue due to a combination of increased capacity, participation and fee adjustments.
- 34% Increase in personnel services due added FTE to support program growth and wage increases.
- 24% increase in materials and services due to program growth, supply chain disruptions and inflation.
- Kids INC Scholarship Program - \$60,000
- New Administrative Assistant position 65,700
- Program development and expansion fund - \$300,000 offsetting revenue and expense

FY23 Budget

General fund budget for Recreation Services:

	2019-20 Actual	2020-21 Actual	2021-22 Budget	2022-23 Proposed	Change in Budget
Expenditures by Category					
Personnel	7,370,243	5,943,059	10,193,840	11,043,236	8%
Materials and Services	1,839,764	1,395,048	2,403,548	2,750,950	14%
Total Expenditures	9,210,007	7,338,107	12,597,388	13,794,186	10%

Budget by Fund:

	General Fund	Reserve Funds	2022-23 Proposed
Recreation Services	13,794,186	1,252,905	15,047,091

Capital Improvement Plan Summary



Capital Summary

The district's CIP organizes projects by priority, project capacity and timing constraints, and identifies funding sources for all anticipated projects. This organization creates a realistic plan to address the current and expected infrastructure needs of the district, subject to resource constraints. It is a plan for physical improvements to parks, trails, and public facilities throughout the district. The underlying motives behind the CIP are to improve safety, mobility, and lifestyles of district residents and visitors, and ultimately to positively support the local economy.

This comprehensive CIP document is available for download on the district's website at: <http://www.bendparksandrec.org/CIP>.

The five-year projection of the CIP provides the district a guide for capital improvement planning, cost estimates, and related operational expenses, which allow for forecasting future projected expenditures. The plan is a fluid document, revised annually, to reflect changes in priorities, opportunities, and circumstances.

When the board and budget committee approve the budget annually in May, the projects with activity occurring in the first year of the CIP are included in the budget. The board traditionally adopts the upcoming fiscal year's budget and the five-year CIP by separate resolutions during the first board meeting in June. The five-year summary page of the CIP is following, and provides the five-year project list along with project funding allocations, project stage, project funding sources, and projected timing.

- Capital Improvement Plan Funding Sources- There are four primary funding sources for the district's capital improvements:
 - Property Tax Revenues Property tax revenues fund most the district's annual operating costs, and as such, the highest priorities for this revenue source are for funding current year operations, setting aside reserves for future operations, and for funding certain capital projects. Asset management projects are the community's and district's top priority for property tax-funded capital projects, as other funding sources are generally not available for these projects. All other CIP priorities that are not eligible for other funding sources are paid for through this revenue source.
 - System Development Charges- The SDC program charges a fee for residential development within the district's boundaries. These funds are used to maintain the current level of park and recreation service as the population increases. The SDC program has been a vital revenue source for meeting the recreational needs of new residents.
 - Alternative Funding- includes grants, contributions, partnerships and other financing such as bond issuance.

Included with the CIP Summary in this budget document. The comprehensive adopted CIP document includes additional detailed information for each project in the CIP, including projected operating and maintenance costs (<http://www.bendparksandrec.org/CIP>).

With the addition of the Community Park, Alpenglow, we have added one-time equipment purchases and increased operational budgets to care for this community park. We are also working on neighborhood parks that will add to an increase in operating costs for our park services budgets to maintain.

Many of our asset management projects will help reduce maintenance costs and we intend to find energy efficiency whenever possible to have operational savings.

2021-22 Key Success

- Completed construction of Alpenglow Community Park, Northpointe Park, Canal Row Trail Connection, two COCHT Trail crossings, Haul Road Trail, Skyline Park Parking lot lighting upgrade, and the JSFC Indoor pool tank renovation
- Adopted the Deschutes River Access and Habitat Restoration Plan, applied and awarded \$51K grant from Oregon State Marine Board to begin design at Millers, McKay and Columbia parks

- Received a \$350K grant from Visit Bend's Bend Sustainability Fund to help support the construction of the Big Sky Bike Park
- Developed park acreage increased from 1,967 to 1,978 and 1.8 miles of primary trails were added to the system.

2022-23 Key Goals & Objectives

- Complete construction of Hollygrape Park ADA upgrade, Drake Park Bank and Trail Improvements, Big Sky (Phase 1), Little Fawn and Fieldstone parks; complete construction of Riverbend South Access and Restoration project in collaboration with the Upper Deschutes Watershed Council
- Complete design and permitting for Phase 1 of the North Unit Canal Trail and negotiate intergovernmental agreement with city of Bend and begin design for the development of the Galveston to Miller's Landing segment of the Deschutes River trail
- Conduct public outreach, planning and design for Pine Nursery Phase 5, Hollinshead Park, Shevlin West neighborhood park site, Millers-McKay-Columbia river access, and the access study at Riverbend and Farewell Bend parks
- Negotiate and approve development agreements to acquire and develop future neighborhood parks in the Easton, Talline and Steven's Ranch developments

Project Type	Approved Funding Allocation	Prior and Current Fiscal Years	Total FY2023-2027	FY 2023 Funding By Source			FY 22-23 Total	FY 23-24 Total	FY 24-25 Total	FY 25-26 Total	FY 26-27 Total
				Property Tax Revenue	SDC	Alternative					
Community Parks											
Pine Nursery Park Ph. 4 (Pending Partnership)	78,504	28,504	50,000	-	-	-	-	-	-	50,000	-
Pine Nursery Park Ph. 5	5,000,000	-	5,000,000	-	400,000	-	400,000	2,300,000	2,300,000	-	-
Park Search Area 25 (Alpenglow Park)	9,525,000	9,475,000	50,000	-	50,000	-	50,000	-	-	-	-
Big Sky Park Expansion	4,810,000	3,323,300	1,486,700	-	150,000	-	150,000	200,000	-	1,136,700	-
Total Community Parks	19,413,504	12,826,804	6,586,700	-	600,000	-	600,000	2,500,000	2,300,000	1,186,700	-
Neighborhood Parks											
Land Acquisitions	3,273,729	-	3,273,729	-	1,026,770	-	1,026,770	-	1,090,280	-	1,156,679
Neighborhood Parks Design & Development	2,846,853	-	2,846,853	-	-	-	-	1,381,364	-	1,465,489	-
Golf and Country Club Site	2,370,559	817,641	1,552,918	-	1,423,418	-	1,423,418	129,500	-	-	-
Park Search Area 1 (Northpointe Park)	2,680,716	2,610,716	70,000	-	70,000	-	70,000	-	-	-	-
Park Search Area 4 (Fieldstone Park)	2,906,800	42,400	2,864,400	-	2,864,400	-	2,864,400	-	-	-	-
Park Search Area 5 (Talline)	250,000	-	250,000	-	-	-	-	-	-	-	250,000
Park Search Area 9 (Shevlin West)	1,667,510	164,442	1,503,068	-	200,000	-	200,000	1,303,068	-	-	-
Park Search Area 11 (Discovery West Park/TH)	2,673,050	-	2,673,050	-	70,000	-	70,000	65,000	-	966,300	1,571,750
Park Search Area 14 (Bear Creek)	2,176,400	-	2,176,400	-	-	-	-	-	1,000,000	1,176,400	-
Park Search Area 24 (Stevens Ranch)	1,587,500	-	1,587,500	-	-	-	-	225,000	1,362,500	-	-
Park Search Area 27 (Country Side)	2,867,700	-	2,867,700	-	-	-	-	-	920,500	-	1,947,200
Park Search Area 28 (SE Area Plan)	2,412,763	-	2,412,763	-	-	-	-	564,000	1,848,763	-	-
Total Neighborhood Parks	27,713,580	3,635,199	24,078,381	-	5,654,588	-	5,654,588	3,667,932	6,222,043	3,608,189	4,925,629
Trails											
Galveston to Millers Landing	800,000	96,396	703,604	-	-	-	-	703,604	-	-	-
Riley Ranch Nature Reserve Bridge	1,200,000	-	1,200,000	-	-	-	-	-	1,200,000	-	-
Putnam to Riley Ranch Bridge	155,000	440	154,560	-	-	-	-	154,560	-	-	-
Kirkaldy to Putnam	63,100	3,662	59,438	-	-	-	-	42,203	17,235	-	-
Deschutes River Trail North Trailhead	320,000	-	320,000	-	-	-	-	20,000	300,000	-	-
Miscellaneous Trails	640,000	-	640,000	-	40,000	-	40,000	150,000	150,000	150,000	150,000
COHCT Crossings	84,082	64,000	20,082	-	-	-	-	20,082	-	-	-
North Unit Irrigation Canal Trail (NUID)	212,207	43,505	168,702	-	168,702	-	168,702	-	-	-	-
COHCT Blakley To Hansen Park	395,535	-	395,535	-	75,000	-	75,000	75,000	-	25,000	220,535
Total Trails	3,869,924	208,003	3,661,921	-	283,702	-	283,702	1,165,449	1,667,235	175,000	370,535
Community Wide											
Drake Park DRT Trail & Bank Improvements	8,092,175	2,346,545	5,745,630	334,967	4,452,863	957,800	5,745,630	-	-	-	-
Riverbend South River Restoration & Access Project	279,100	24,900	254,200	254,200	-	-	254,200	-	-	-	-
River Access McKay, Millers, & Columbia Project	492,168	25,000	467,168	-	-	100,000	100,000	367,168	-	-	-
River Access Riverbend Park	1,075,000	5,000	1,070,000	-	-	45,000	45,000	200,000	525,000	300,000	-
Total Community Wide	9,938,443	2,401,445	7,536,998	589,167	4,452,863	1,102,800	6,144,830	567,168	525,000	300,000	-

Project Type	Approved Funding Allocation	Prior and Current Fiscal Years	Total FY2023-2027	FY 2023 Funding By Source			FY 22-23 Total	FY 23-24 Total	FY 24-25 Total	FY 25-26 Total	FY 26-27 Total
				Property Tax Revenue	SDC	Alternative					
Asset Management Projects											
Accessibility Improvements	500,000	-	500,000	50,000	-	-	50,000	75,000	125,000	125,000	125,000
Asset Management Projects (\$5,000-\$50,000)	1,120,000	-	1,120,000	180,000	-	-	180,000	200,000	240,000	250,000	250,000
Park Services Complex	9,150,000	102,000	9,048,000	-	-	-	-	-	-	7,996,000	1,052,000
Skyline Field Renovations + Parking Lot Lights	625,000	309,135	315,865		-	-	-	315,865	-	-	-
JSFC Flooring Replacement	200,000	-	200,000	200,000	-	-	200,000	-	-	-	-
Sawyer Park	1,100,000	35,000	1,065,000	750,000	-	250,000	1,000,000	65,000	-	-	-
Hollinshead Park ADA & Preferred Design Concept	1,000,000	-	1,000,000	100,000	-	-	100,000	900,000	-	-	-
Ponderosa Park (North)	1,200,000	-	1,200,000	-	-	-	-	150,000	1,050,000	-	-
Hollygrape Park ADA Renovation	190,000	64,000	126,000	126,000	-	-	126,000	-	-	-	-
Mirror Pond Dredge Commitment	300,000	-	300,000	300,000	-	-	300,000	-	-	-	-
Larkspur Center Re-Roof (Senior Center main Roof)	410,000	-	410,000	410,000	-	-	410,000	-	-	-	-
Pavilion Flooring (Replace original ReActive Sports Floor)	140,000	-	140,000	-	-	-	-	-	140,000	-	-
JSFC Outdoor Pool Renovations	300,000	-	300,000	300,000	-	-	300,000	-	-	-	-
JSFC Outdoor Cover Replacement	270,000	-	270,000	-	-	-	-	-	-	270,000	-
JSFC Roof Replacement (South/East Wing)	170,000	-	170,000	-	-	-	-	-	-	-	170,000
JSFC Air Handling Unit Yoga Wing Replacements	130,000	-	130,000	130,000	-	-	130,000				
Total Asset Management Projects	16,805,000	510,135	16,164,865	2,546,000	-	250,000	2,666,000	1,705,865	1,555,000	8,641,000	1,597,000
Total CIP Funding Allocations	77,740,451	19,581,586	58,028,865	3,135,167	10,991,153	1,352,800	15,349,120	9,606,414	12,269,278	13,910,889	6,893,164

Appendices

Appendix A- Financial Forecast 2023-2027

Appendix B- Statistical Information

Appendix C- Financial and Budget Policies

Appendix D- Glossary

**Appendix E- All Required Legal Postings and
Resolutions**

Appendix A- Financial Forecast FY2023 – FY2027

Presented to the Board at their Workshop 1/31/2022

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.

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
 - Unemployment insurance increase
 - Workers Compensation increase
 - Health insurance costs assumed increased
 - Labor shortage (we may see some vacancy savings)
 - 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.

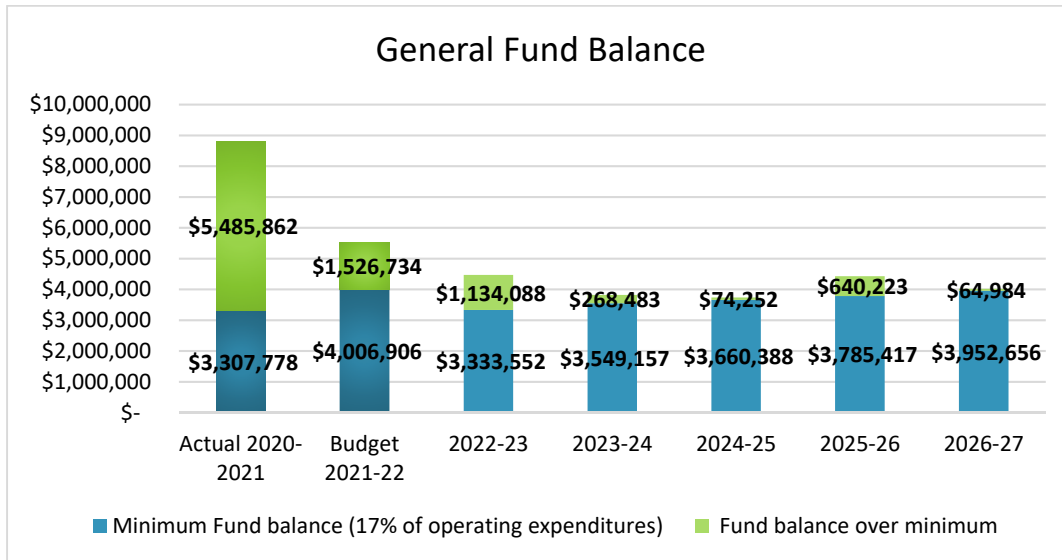
Below are the basic assumptions as a percent (Recreation not included and are accounted for just at the subsidy level for this forecast, because the subsidy is the impact recreation has on the general fund):

Economic assumptions	Actual	Actuals	Budget	Projections				
	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.

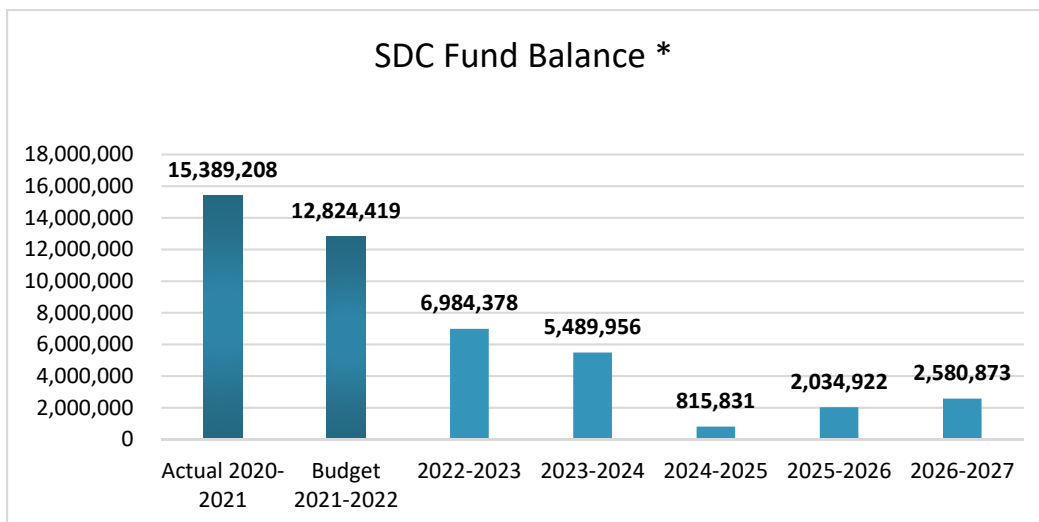
Based on the factors described earlier, the General fund forecast for fund balance is as follows:



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.

System Development Charges Fund

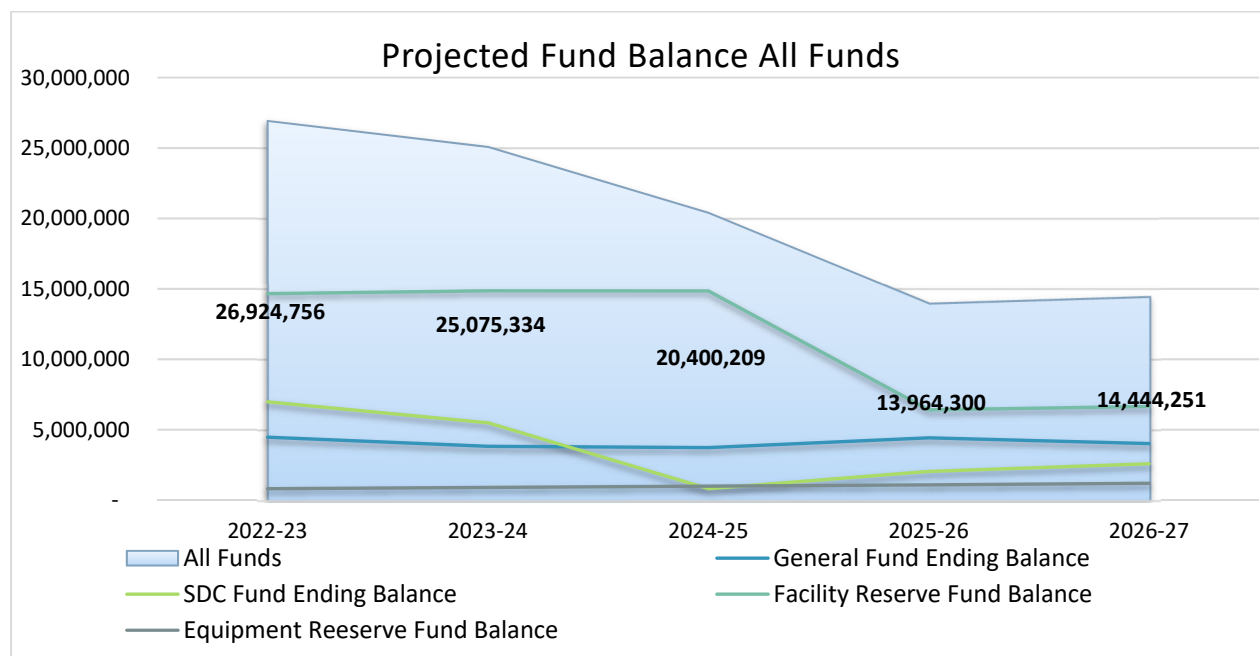
The SDC Fund is used to account for the acquisition and development of the community's park system. Funding is provided by a fee charged for developing residential properties. Expenditures are restricted by state law to capacity-enhancing and reimbursement projects for parks, trails, and indoor recreation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



*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 parks maintenance building, wages keeping up with inflation, meeting retirement fund obligations, maintaining our assets and addressing our parks and trail growth.



Conclusion

Over the past two years, the district has adapted to the pandemic and 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.

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 B- Statistical Information

Source: Bureau of Labor Statistics, US Department of Labor and U.S. Census Bureau

Consumer Price Index

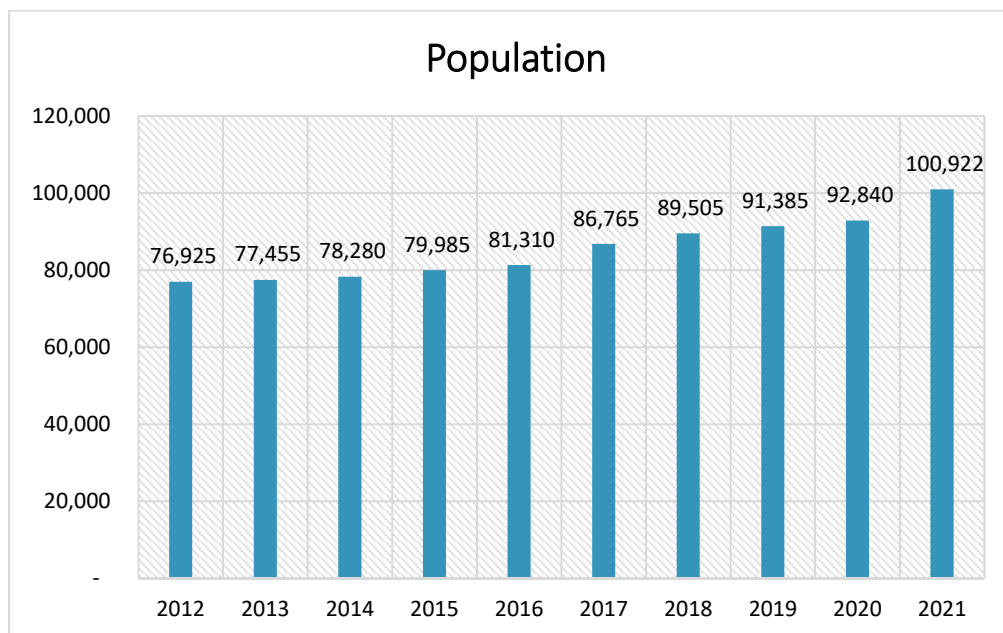
The district uses the Consumer Price Index as a general gauge of price inflation this includes all Items, Unadjusted, Urban Consumers (CPI-U). The district's living wage ordinance bases increases in CPI U for Western States.

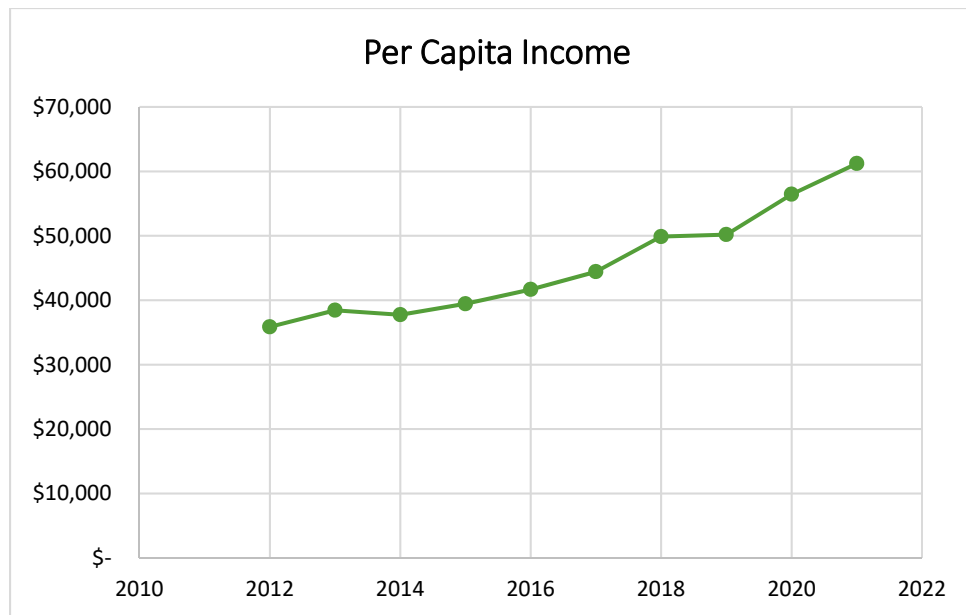
United State CPI-U		
Year Ending December	CPI-U	%Change
2011	225.7	1.50%
2012	229.6	1.73%
2013	233.0	1.48%
2014	234.8	0.77%
2015	236.5	0.72%
2016	241.4	2.07%
2017	246.5	2.11%
2018	251.2	1.91%
2019	255.8	1.83%
2020	261.6	2.27%
2021	278.8	6.57%

Western-State region CPI-U		
Year Ending December	CPI-U	%Change
2011	227.5	1.10%
2012	232.4	2.15%
2013	236.1	1.59%
2014	239.1	1.27%
2015	243.0	1.63%
2016	247.7	1.93%
2017	257.3	3.88%
2018	265.2	3.07%
2019	272.6	2.79%
2020	277.0	1.61%
2021	296.1	6.90%

Population

Bend's population has been growing steadily since 2000. The rate of population has shown a larger increase the last five years. According to the U.S. Census Bureau, Bend's Population has median household income of \$61,216 and 44% of residents holding a bachelor's degree or higher.





Families & Living Arrangements	Deschutes County	City of Bend
Households, 2016-2020	77,040	39,842
Persons per household, 2016-2020	2.47	2.42
Living in same house 1 year ago, percent of persons age 1 year+, 2016-2020	81.50%	80.20%
Language other than English spoken at home, percent of persons age 5 years+, 2016-2020	7.60%	

Housing	Deschutes County	City of Bend
Housing units, July 1, 2019, (V2019)	92,795	
Owner-occupied housing unit rate, 2016-2020	67.90%	59.60%
Median value of owner-occupied housing units, 2016-2020	\$ 389,300	\$415,100
Median selected monthly owner costs -with a mortgage, 2016-2020	\$ 1,777	\$1,861
Median selected monthly owner costs -without a mortgage, 2016-2020	\$ 544	\$ 545
Median gross rent, 2016-2020	\$1,306	\$1,374

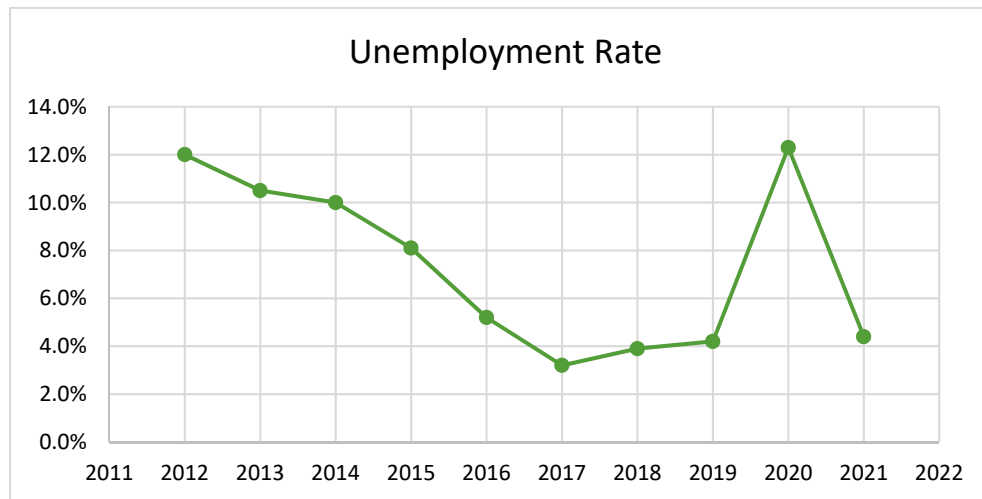
Education	Deschutes County	City of Bend
High school graduate or higher, percent of persons age 25 years+, 2016-2020	93.80%	95.40%
Bachelor's degree or higher, percent of persons age 25 years+, 2016-2020	37.20%	44.90%

Business

The largest employers according to Economic Development for Central Oregon, Central Oregon Profile:

Employer	Product or Service
St. Charles Medical Center	Health Care
Bend-LaPine School District No. 1	Education
Deschutes County	Government
Mt. Bachelor Ski Resort	Recreation
City of Bend	Government
COCC - Bend Campus	Education
Summit Medical Group, formerly Bend Memorial Clinic	Health Care
Safeway	Retail
Lonza, formerly Bend Research	Research
OSU-Cascades	Education

The unemployment rate is recovering after the impacts from the early part of the pandemic:



District Debt Capacity

	FMV	2.5% Debt Capacity	Bonded Debt 6/30	Remaining Capacity	% of Capacity
2016	\$14,839,008,203	\$ 370,975,205	\$ 28,207,136	\$ 342,768,069	7.60%
2017	\$16,590,614,579	\$ 414,765,364	\$ 27,229,657	\$ 387,535,707	6.57%
2018	\$18,998,816,993	\$ 474,970,425	\$ 26,187,178	\$ 448,783,247	5.51%
2019	\$21,375,982,755	\$ 534,399,569	\$ 25,079,699	\$ 509,319,870	4.69%
2020	\$23,348,344,055	\$ 583,708,601	\$ 23,907,221	\$ 559,801,380	4.10%
2021	\$24,827,654,683	\$ 620,691,367	\$ 22,659,742	\$ 598,031,625	3.65%

The district's last bond rating was AA3.

Appendix C- Financial and Budget Policies

Financial Planning Policy

The district shall annually prepare a long-term financial forecast to promote responsible planning for the use of resources, and to assist in ensuring the delivery of priority services through all types of economic cycles. The purpose of this plan is to ensure the district's ongoing financial sustainability beyond a single fiscal year budget cycle considering our long-term service vision and objectives.

The plan is intended to help the district achieve the following:

1. Ensure the district can maintain financial sustainability;
2. Ensure the district has sufficient long-term information to guide financial decisions;
3. Ensure the district has sufficient resources to provide services, programs, and facilities for the community;
4. Ensure potential risks to ongoing operations are identified in the planning process and communicated on a regular basis; and
5. Identify changes in revenue or expenditure structures necessary to deliver services or to meet organizational goals and objectives.

The long-term financial forecast shall include projected revenues, expenditures, and reserve balances for the next five years, and shall be updated prior to the start of the annual budget process.

The district's financial plan should be strategic, reflecting the Board of Directors' and the community's priorities for service while providing resources that realistically fund routine operations. The plan shall be informed by, but not limited to, the district's: Capital Improvement Plan; annual budget; current and future debt service requirements; internal cost calculations; and current economic projections and indices.

Financial planning and budgeting shall be based on the following principles:

1. Revenue estimates shall be prepared on a conservative basis to minimize the possibility that economic fluctuations could jeopardize ongoing service delivery during the fiscal year;
2. Expenditure estimates shall anticipate future needs that are reasonably predictable; and
3. Forecasts shall rely on a common set of basic economic assumptions that shall be established and updated by the Administrative Services Director. The forecasts shall also identify other assumptions used in their preparation and associated risks. Examples of risks can include inflation rates, PERS or health benefit plan changes, and costs of operating and maintaining capital improvement projects, as well as regional economic trends that affect district revenues and expenditures.

Financial Forecast

The five-year financial forecast shall be prepared at least annually prior to the start of the annual budget and capital improvement prioritization processes. The forecast shall be based on current service levels and funding sources, as well as anticipated changes to service levels and funding. If appropriate, the forecast shall identify additional resources necessary to continue the provision of current service levels or projected changes in service levels.

The five-year financial forecast shall inform the district's capital improvement planning and annual budget process, and shall include a summary that provides an overview of the long-range fiscal projection of the General Fund and the System Development Charges funds.

Responsibilities

The Administrative Services Director shall develop the district's five-year financial forecast, including defining the required elements for the plan and the establishment and use of a common set of economic assumptions. The Finance Department shall constantly test both its financial planning methodology and use of planning tools to ensure the provision of timely and accurate information. The Board of Directors shall receive and review a presentation of the forecast, at least annually at the beginning of the budget process.

Operating Budget Policy

The district shall prepare and adopt an annual budget that incorporates all district resources, including grant funds, other revenue sources, cash on hand, savings, ending fund balances, expenses, transfers, reserve funds, debt service funds, and investments (the “Operating Budget”).

The district shall develop and implement a budget process that shall:

1. Make prudent use of public resources.
2. Include long term financial forecast information to ensure that the district is planning adequately for current and future needs.
3. Involve community members, elected officials, employees, and other key stakeholders, including the Budget Committee.
4. Provide objective performance measurement data to assist in assessing program effectiveness.
5. Comply with district policies and procedures, State of Oregon Local Budget Law, and with guidance that has been issued by the Governmental Accounting Standards Board (GASB) and with Generally Accepted Accounting Principles (GAAP).

Budget Prioritization and Preparation

The budget process will be informed by the priorities established by the Board of Directors, based upon prior planning and prioritization efforts to provide for the community’s highest priority needs. The Operating Budget shall also be guided by individual department goals and objectives as identified in the district’s Strategic Plan and departmental annual action plans; by the district’s Five-Year Financial Forecast; and by the district’s Five-Year Capital Improvement Plan. These plans shall be updated and presented to the Board of Directors prior to the start of the then-current annual budget process.

The Executive Director shall develop and present an Operating Budget to the Board of Directors for consideration and adoption. The Operating Budget shall identify significant financial and service issues, identify funding requirements and sources of funds, provide supplemental information on programs and service areas, include budget and performance details for all district departments, and relate recommendations to the district’s vision and goals.

The Administrative Services Director shall issue guidelines and rules for the preparation and review of the departmental budget requests to the Executive Director, including an annual budget process and calendar. The process and calendar shall sufficiently allow for staff participation and Board of Director and Budget Committee input.

The Budget Committee shall annually consider and approve the Operating Budget, and the Board of Directors shall annually consider and adopt the Operating Budget no later than June 30 of each fiscal year. The Operating Budget shall be adopted at the fund level as a total dollar amount for each program or appropriation category.

Budget Monitoring

The Administrative Services Director shall maintain a system for financial monitoring and control of the district’s Operating Budget during the fiscal year. This monitoring system shall:

1. Provide the Board of Directors with pertinent information on revenues, expenditures, and performance at both the department and fund level.
2. Include provisions for amending the Operating Budget during the year in compliance with State of Oregon budgetary statutes and to address unanticipated needs or emergencies.

The Operating Budget will be constrained to the total amount approved by the Budget Committee and as adjusted and adopted by the Board of Directors, including any supplemental budget changes approved by the Board of Directors. Oregon Local Budget Law provides a means to adjust the Operating Budget for emergency expenditures or unforeseen circumstances. All supplemental appropriations for significant programs or additional personnel (appropriations requested after the original Operating Budget is approved) will be analyzed by the Executive Director and will only be carried to the Board of Directors upon his/her approval. All resolutions adjusting the Operating Budget will be prepared by the Finance Department, under the direction of the Executive Director, for Board of Director approval to ensure compliance with budget laws.

The Administrative Services Director shall periodically provide General Fund financial status reports to the Board of Directors on the revenues and expenditures to date. The Administrative Services Director shall also review district financial operations, and if deemed necessary, report to the Board of Directors on financial results, and recommend financial management actions necessary to meet the Operating Budget’s financial planning goals. Monthly reports comparing actual to budgeted expenditures will be prepared by the Finance Department and distributed to each department. Departmental significant budget to actual variances shall be investigated by the appropriate staff and reported to the Department Director and the Administrative

Services Director, to determine potential options for resolution. Any variances significant to the overall Operating Budget will be reported to the Board of Directors.

Review of Proposed Board of Director Actions

The Administrative Services Director shall review significant financial decisions submitted for Board of Director action. The objective of these reviews shall be to ensure compliance with the District's budget direction, identify significant financial and service issues, and identify significant impacts on overall District finances for the Board of Directors. The Administrative Services Director shall review Board of Director agenda fiscal impact statements for proposed Board of Director actions.

Operating Policies

1. **Balanced Budget** - Each district fund budget must identify ongoing resources that match expected ongoing requirements. One-time cash transfers and non-recurring ending balances may either be applied to contingencies or used to fund one-time expenditures; they shall not be used to fund ongoing programs, except as provided in section 2 below.
2. **One-time Funds** - One-time funds are resources that should be used for one-time programs and projects with a defined end date. Future year funding may not be committed in excess of the one-time funds projected to be available in the Five-Year Financial Forecast.
3. **General Fund Ending Fund Balance** - The General Fund beginning fund balance that exceeds budgeted beginning balance shall be added to the General Fund contingency as a set aside. The General Fund contingency 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.
4. **Surplus Revenue** - The district shall budget only the amount of revenue that is needed to fund projected expenditures within the current fiscal year. Anticipated resources not needed to fund current fiscal year spending or unforeseen contingencies shall be budgeted as an unappropriated balance or reserves.
5. **Fund Balances** - The district shall budget loans and transfers when possible and as appropriate to cover negative fund and/or cash balances at fiscal year-end. Fund balances shall be classified appropriately for reporting purposes in accordance with GASB-required classification categories.
6. **Efficiency and Effectiveness** - The district shall optimize the efficiency and effectiveness of its services to reduce costs and improve service quality. The district shall coordinate its service delivery with other applicable public and private service providers in a manner to optimize the benefit to the district and its residents.
7. **Contingencies** - The district shall budget a contingency account for each operating fund adequate to address reasonable but unforeseen requirements within the current fiscal year.

Fund Management

The district shall strive to minimize the number of funds. New funds shall be established and classified in accordance with GASB requirements. Board of Director resolution shall do creation of new funds or elimination of existing funds. The Administrative Services Director shall conduct an annual review to assess if each fund is needed. Each fund in the district shall have a statement of purpose, adopted by resolution of the Board of Directors, which contains several required elements.

Responsibilities

The Executive Director shall present a balanced proposed Operating Budget to the Board of Directors and the Budget Committee on an annual basis. The Budget Committee shall annually consider and approve the Operating Budget, and the Board of Directors shall annually consider and formally adopt the Operating Budget.

Through direction and oversight from the Executive Director, the Administrative Services Director shall coordinate the overall preparation and administration of the district's budget including the process for budget adjustments requiring Board of Director approval; and the department heads shall ensure that their departments comply with budget-related policies and procedures, and shall issue department-specific procedures, as needed, that are consistent with these policies and procedures.

Revenue Policy

The district shall maximize and diversify its revenue base to raise sufficient revenue to support and maintain essential services, and to prevent undue or unbalanced reliance on any one source of funds. This revenue diversity will protect the district in instances where there are short-term fluctuations in any one revenue source.

Resources

The district will obtain resources according to the following principles:

1. The district will use as efficiently as possible the resources that it already collects;
2. The district will collect as efficiently as possible the resources to which it is already entitled;
3. The district will seek new resources, consistent with its then-current financial management policies, stated district goals and objectives, and direction from the Board of Directors; and
4. The district will enforce its authority to collect revenue due the district, up to and including litigation if necessary.

Property Tax Revenue

The district has permanent authority to levy property taxes to support its operations up to a maximum rate. As a part of the annual budget adoption, the Board of Directors adopts a resolution to impose the tax rate that is to be assessed for the upcoming fiscal year.

The district relies on a mixture of property tax revenues 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, natural areas and help support a wide variety of recreation opportunities.

Fees, Charges and Cost Recovery

Services providing private benefits shall be paid for by fees and charges where possible to maximize flexibility in the use of general revenue sources (i.e. property tax revenue) to cover the cost of services with broader public benefit.

The Cost Recovery and Subsidy Allocation models are included in the User Fees and Charges Policy, which is periodically reviewed and approved by the Board of Directors no less than every four years. The model is the method by which the district's funding philosophy is operationalized into a clear strategy for allocation of district resources and for fee setting. Through this review and approval process, the Board of Directors approves the level of tax support to be provided to different categories of services and defines what portion of the cost of providing the services should be recovered through user fees.

The Executive Director and his/her designees shall establish individual user fees and charges and shall systematically review and update these to account for the effects of factors such as additional service costs and market dynamics.

The district recognizes that visitors and Central Oregon residents from outside of the district boundaries will also enjoy the district's parks, facilities, and services. To limit the financial subsidy of providing services to non-resident users, and to ensure that non-resident users pay their fair share for services, the district shall assess additional fees to out-of-district users where most fees are charged. The out-of-district user fees philosophy guides the district in setting fees for the use of district services for those users who reside outside of the District boundaries.

System Development Charges

Future growth within the district should contribute its fair share to the cost of improvements and additions to parks and recreation facilities needed to accommodate such growth. Park System Development Charges (SDCs) shall provide a source of revenue to finance those improvements necessitated by growth. ORS 223.297-223.314 authorizes districts, including special districts, to impose SDCs for parks and recreation. SDC fees shall be calculated, set, adjusted, and collected in accordance with the district's adopted *A Methodology for Calculating Park System Development Charges (Methodology)* and *Ordinance No. 12 – System Development Charges (Ordinance)*. The district's SDC Methodology shall be reviewed every five years or as is feasible, updated accordingly, and ultimately adopted by the Board of Directors.

One-time Revenues

One-time revenues shall be used only to increase fund balances, decrease debt or for non-recurring expenditures such as capital acquisitions, one-time projects, and grants. The district shall avoid using temporary revenues to fund mainstream services or for budget balancing purposes. The district shall not respond to long-term revenue shortfalls with deficit financing and borrowing to support on-going operations. Expenses will be reduced to conform to the long-term revenue forecasts and/or revenue increases will be considered.

Grants

A potential grant shall be assessed for consistency with the district's mission, strategic priorities, and/or Capital Improvement Plan, and also evaluated for matching requirements and on-going resource requirements before acceptance. Grants may be rejected to avoid commitments beyond available funding. The grant shall be compatible with the district's objectives, and the benefits provided by the grant shall exceed the costs of administration. The district shall not use grants to meet ongoing service delivery needs.

Partnerships, Sponsorships and Contributions

Partnerships, sponsorships, and contributions can be viable alternative revenue sources for the district. Proposed partnerships, sponsorships and contributions shall be assessed for consistency with the district's mission, values, strategic priorities, and/or Capital Improvement Plan, and also evaluated for restrictions and potential impacts on district resources.

Partnerships are a cooperative venture between two or more parties with a common goal that combines complementary resources to develop a mutually beneficial project or achieve a mutually beneficial outcome. In the truest sense, partners have a stake in each other's success. District partnerships as defined here are not deemed to be "partnerships" in the legal definition. The district may partner with various other types of organizations, creating partnerships that are public/public, public/non-profit, or public/private.

Sponsorships are cash or in-kind services and/or products offered by businesses or individuals with the clear expectation that an obligation is created. The district is obliged to return something of value to the sponsor, typically in the form of marketing or public recognition benefits.

A contribution is a transfer of assets from an individual or organization to the district where no goods or services are expected, implied or forthcoming for the donor. Contributions usually take the form of cash, stock, services, materials, art, and/or real property.

Partnerships, sponsorships, and contributions shall be managed and maintained by the Executive Director and Department Directors.

Estimates and Projections

The district shall estimate its revenues by an objective, analytical process using best practices. Revenues shall be estimated realistically and prudently. Revenues of a volatile nature will be estimated conservatively. To emphasize and facilitate long-range financial planning, the district will maintain current projections of revenues for the succeeding five years.

Responsibilities

The SDC Program shall be contained in ordinance and resolutions adopted by the Board of Directors at such times that changes are deemed necessary. The SDC fee shall be adjusted annually based on the rate of change in construction and land costs, and shall be adopted by the Board of Directors.

The Administrative Services Director will oversee compliance of this policy with the participation of all revenue-producing departments and will maintain and monitor roles and responsibilities for the departments. Fee setting will be based on the Board of Director approved User Fees and Charges Policy, and individual fees will be established by the Department Directors and Managers.

Fund Balance and Reserves Policy

The Fund Balance and Reserves Policy is an effort to ensure financial security through the maintenance of healthy reserve fund balances that guide the creation, maintenance, and use of resources for financial stabilization purposes. The district's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels due to temporary revenue shortfalls or unpredicted one-time expenditures. The district also seeks to maintain the highest possible credit ratings which are dependent, in part, on the district's maintenance of a healthy fund balance.

Definitions

The following definitions will be used in reporting activity in the district's governmental funds. The district may or may not report all fund types or fund balance classifications in any given reporting period, based on actual circumstances and activity, and as per prior approval by the Board of Directors.

Fund Types

1. General Fund - Used to account for all financial resources not accounted for and reported in another fund.
2. Special Revenue Funds - Used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.
3. Capital Project Funds - Used to account for all financial resources restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
4. Debt Service Funds - Used to account for all financial resources restricted, committed, or assigned to expenditure for principal and interest.
5. Permanent Funds - Used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the district’s purposes.

Fund Balance Classifications

1. Fund Balance - The excess of assets over liabilities in a governmental fund.
2. Nonspendable Fund Balance - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
3. Restricted Fund Balance - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.
4. Committed Fund Balance - Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
5. Assigned Fund Balance - Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
6. Unassigned Fund Balance - Amounts that are available for any purpose; these amounts are reported in the General Fund. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

General Fund Minimum Fund Balance

The fund balance of the district’s General Fund has been accumulated to meet the purpose of providing stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain an unrestricted fund balance of not less than 17% of annual operating expenditures for each fiscal year (the “General Fund Minimum Fund Balance” target).

The district’s decision to retain an unrestricted fund balance of not less than 17% of operating expenditures will help ensure the ability to:

1. Meet operating cash flow requirements before the collection of property taxes, grant proceeds and other operating revenues.
2. Mitigate short-term volatility in revenues.
3. Absorb unanticipated operating needs that arise during the fiscal year but were not anticipated during the budget process.
4. Sustain District services in the event of an emergency.
5. Mitigate significant economic downturns.
6. Provide adequate funding to cover approximately two (2) months of operating expenses. The Government Finance Officers Association recommends that the minimum General Fund unrestricted fund balance should be no less than either two (2) months of regular operating revenues or expenditures.

The district will use reserves on a one-time or temporary basis for purposes described above. In the event that the General Fund Minimum Fund Balance decreases to a level below the target level established in this policy, the district will develop a

plan to restore reserves to the targeted level, likely from a combination of current and future year additional property tax revenues and reduced spending.

Other Fund Reserves

The district shall maintain sufficient reserves to provide stable funding for major repairs, replacements and renovations of district parks, facilities, vehicles, and equipment. The Facility Reserve Fund shall be the fund where reserves for asset management repairs and replacements are maintained, while the Equipment Reserve Fund shall be the fund where reserves for vehicles and equipment replacements are maintained. The district's target for the minimum reserve balance for each of the two reserve funds, respectively, over the coming five years shall be the greater of either:

- the average renovation and replacement need over the coming five years; or
- 2% of the current total replacement value.

The minimum reserve balance should be evaluated and adjusted on an annual basis. The target balance is intended to be evaluated over the future five-year period, and not just for a single fiscal year. The balance will fluctuate annually and may drop below the minimum target during any specific fiscal year.

Prioritization of Fund Balance Use

When an expenditure is incurred for purposes for which an amount in any of the fund balance classifications could be used (the expenditure is deemed to be an eligible expenditure within each specific fund balance classification), it shall be the policy of the district to spend the most restricted dollars before less restricted in the following order:

1. Nonspendable (if funds become spendable)
2. Restricted
3. Committed
4. Assigned
5. Unassigned

Authority to Commit or Assign Fund Balances

The district's Board of Directors may commit fund balances to be used for specific purposes through the adoption of a formal resolution. A resolution must also be adopted by the Board of Directors to remove a fund balance commitment.

The district's Board of Directors may also commit the proceeds of specific revenue sources to expend for specific purposes within a special revenue fund through the adoption of a formal resolution. A resolution must also be adopted by the Board of Directors to remove a specific revenue source commitment.

The district's Board of Directors may delegate to the Executive Director or his/her designee, the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any fund, and shall be adopted by the Board of Directors through the annual budget process.

Responsibilities

The Board of Directors shall commit fund balances and proceeds of specific revenue sources, or remove prior commitments, through adoption of a resolution. The Executive Director shall assign amounts to be used for specific purposes. The Administrative Services Director is responsible for implementation of this policy.

Accounting, Auditing and Financial Reporting Policy

The district shall maintain a system of financial accounting, monitoring, internal controls, and reporting for all operations and funds, to provide an effective means of ensuring that overall District goals and objectives are met. The system shall also serve to provide district residents, businesses, contractors, partners, and investors with accurate and timely financial information that communicates the district's economic condition and financial status.

The district shall maintain clear, accurate, and understandable financial reporting that provides accountability and transparency for all components of the district's financial affairs and ensures compliance with applicable statutory and other regulatory requirements. The district's financial reports must meet requirements established by applicable governmental regulatory oversight organizations.

Accounting Practices

The district shall establish and maintain district-wide accounting practices that conform to Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB), and state and federal laws and regulations including Oregon Local Budget Law. The district shall also maintain accounting practices that follow best practices prescribed by the Government Finance Officers Association (GFOA). Guidelines for these accounting practices shall include, but shall not be limited to, the following:

1. The district shall use fund accounting procedures and practices for accounting, financial reporting, and budgeting. The district shall use a fund-based accounting and general ledger system, with all necessary additional modules and/or applications. The district shall use the modified accrual basis of accounting.
2. A system of internal controls and procedures will be maintained to provide reasonable assurance of the safeguarding of assets and proper recording of financial transactions and compliance with applicable laws and regulations.
3. All revenues will be recorded by the Finance Department and be audited annually.
4. Full disclosure of all significant events and financial and related matters will be provided in the financial statements and bond representations. Significant events include delinquencies and defaults related to the district's bonds, adverse tax opinions or events affecting the tax-exempt status of bonds, and other events having a significant impact on the district's finances and outstanding bonds. The Administrative Services Director will notify all the Municipal Securities Rulemaking Board of these significant events.
5. Monthly financial reports summarizing financial activity by fund will be provided to each department (and the Board of Directors if requested) for assisting with informed decisions.
6. The district defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Typical examples are land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and various intangible assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Financial Reporting

1. Annual Comprehensive Financial Report (ACFR) and Audit - The district shall prepare a ACFR each year which must be prepared in accordance with GAAP and GASB. The district shall also contract with a qualified firm of independent certified public accountants to perform an annual financial and compliance audit of the district's financial statements. The auditors work for and report to the Board of Directors, and their opinions shall be presented in the district's ACFR.
2. Other district Financial Reports - To ensure transparency and consistency District-wide, all other financial reports issued by the district should use the best available data as the basis for reporting, which in most cases should be consistent with audited information as presented in the ACFR.
3. Availability of Reports to the Public - The district's ACFR and other financial reports will be made available for public inspection and, to the extent practicable, be posted on the district's web site.

Responsibilities

The Board of Directors shall ensure a qualified and competent external auditor is selected and hired to annually perform the district's financial statement audits. The Board of Directors shall also annually receive a review of the district's audited financial statements from the external auditor. The Finance Department shall implement this policy and report to the Executive Director on compliance issues. The Finance Department shall also develop, maintain, and monitor accounting and financial management procedures that comply with this policy.

Capital Improvement Policy

The district shall prepare, adopt, and update at least annually a five-year Capital Improvement Plan (CIP) as a vital part of the annual budget process. The CIP will identify and set priorities for all major capital assets to be acquired or constructed by the district. The first year of the adopted CIP shall be included in the Proposed Operating Budget.

The CIP allows a comprehensive look at the District's capital needs for both new facilities and renovation and replacement of existing ones, and allows the Board of Directors to make the necessary decisions to ensure financial resources match forecasted

needs. The five-year CIP shall also be incorporated into the District's Five-Year Financial Forecast and other long-range financial planning processes.

The Capital Improvement Plan

Capital improvement projects are defined as land or facility purchases or construction which result in a capitalized asset costing more than \$50,000 and having a useful (depreciable life) of five years or more. Also included are major maintenance projects of \$50,000 or more that have a useful life of at least five years. These thresholds ensure that the District's major needs are identified and incorporated in its financial plans, including, but not limited to, the Proposed Operating Budget, Five Year Financial Forecast, and the Capital Improvement Plan.

Projects included in the CIP shall have a description of the project, total cost estimates, estimated year the project will occur, how the project will be funded, and future operations and maintenance cost projections.

Prioritization

The district uses multiple sources and tools in determining CIP prioritization; these may include: citizen surveys; planning tools; level of service targets; needs assessments; development standards and geographic distribution; Board of Director prioritization; community interests; and staff recommendations. Changes to the CIP such as addition of new projects, changes in scope and costs of a project or reprioritization of projects will require the Board of Directors' or Executive Director's prior approval.

Capital Asset Management

The district shall maintain its physical assets at a level adequate to protect the district's capital investment and to minimize future operating, maintenance, and replacement costs, as determined by the Executive Director. The district recognizes that deferred maintenance increases future capital costs, thus placing a burden on future residents. The district also recognizes that the community places their highest priority on the district maintaining current facilities. Therefore, when possible, the budget shall provide for adequate maintenance and the orderly renovation and replacement of district parks and facilities from current revenues.

The district maintains a current asset management plan that provides the methodology and tools to assist with the assessment and prioritization process. The assessment should identify renovation and replacement projects that should be done within the following five years. This information shall be the basis for capital improvement planning for existing facilities and in determining the adequacy of the existing reserves.

Funding

A five-year forecast of revenues and expenditures will be prepared in conjunction with the capital budgeting process. The forecast will include a discussion of major trends affecting district operations, incorporate the operating, maintenance, and capital impact of new projects, and determine available capacity of the District to fully fund the CIP and adequate reserves. Incorporation of capital needs into district five-year forecasts ensures that problem areas are identified early enough that action can be taken to ensure both the maintenance and operation of district facilities and the integrity of district services.

The district shall maintain adequate reserves to provide stable funding for major repairs, replacements and renovations of district parks and facilities. The reserve balance shall be evaluated and adjusted on an annual basis, based upon the target balance as defined in the Fund Balance and Reserves Policy.

The district shall determine the most cost-effective funding method for its capital projects and shall obtain grants, contributions, and other alternative funding sources whenever possible. To the extent possible, improvement projects and major equipment purchases will be funded on a pay-as-you-go basis from existing or foreseeable revenue sources. Fund balances above established reserve requirements may be used for one-time expenditures such as capital equipment or financing of capital improvements, as determined by the Board of Directors. The district shall also utilize pay-as-you-go funding for capital improvement expenditures considered recurring, operating or maintenance in nature.

Debt financing should only be used for funding capital acquisitions or construction projects, and not for on-going maintenance or operations, and shall follow the district's Debt Management Policy. The district may consider the use of debt financing for capital projects under the following circumstances:

1. When the project's useful life will exceed the terms of the financing;
2. When resources are deemed sufficient and reliable to service the long-term debt;

3. When the project is necessary to meet or relieve district capacity needs more immediately than other funding sources are sufficient or available;
4. When those anticipated to benefit from the project include future generations;
5. When market conditions present favorable interest rates; and/or
6. When the issuance of debt will not adversely affect the district's credit rating.

Responsibilities

The Board of Directors approves and prioritizes projects that are included on the CIP. The Executive Director and department heads shall annually prepare the five-year Capital Improvement Plan for the Board of Directors to adopt. The Finance Department will prepare the CIP, the financial forecast, the proposed budget, and any other related documents or tools with significant input from the Executive Director and department heads. The Executive Director and department directors will be responsible for planning, assessing, prioritizing, and communicating potential capital improvement needs and projects.

Investment Policy

This policy defines the parameters within which funds are to be invested by the district. The district is a special district whose purpose is to provide park and recreation services. This policy also formalizes the framework, pursuant to ORS 294.135, for the district's investment activities to ensure effective and judicious management of funds within the scope of this policy.

These guidelines are intended to be broad enough to allow designated investment staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

Governing Authority

The district's investment program shall be operated in conformance with Oregon Revised Statutes and applicable federal law. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this policy are subject to laws established by the State of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

Scope

This policy applies to activities of the district regarding investing the financial assets of operating funds, capital funds, and bond proceeds. Funds managed by the district that are governed by other investment policies are excluded from this policy; however, all funds are subject to statutes and regulations established by the State of Oregon.

General Objectives

The primary objectives, in priority order, of investment activities shall be:

1. Legality – The investments will be in compliance with all statutes governing the investment of public funds in the State of Oregon.
2. Safety - The investment portfolio shall be designed in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal is to mitigate credit risk and interest rate risk.
 - a. Credit Risk – The District will minimize credit risk, the risk of loss due to the financial failure of the security issuer or backer.
 - b. Interest Rate Risk – The District will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates.
3. Liquidity - The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements. A portion or the entire portfolio may also be placed in the Oregon Short Term Fund or a Money Market Savings account, held at an approved institution, which offer next-day liquidity for short-term funds. Where possible and prudent, the portfolio should be structured so that investments mature concurrent with anticipated demands.
4. Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Although return consists of both principal return (gains and losses due to market value fluctuations) and income return (yield), this policy discourages active trading and turnover of investments. Investments should generally be held to maturity.

Standards of Care

1. Prudence - The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

The "prudent person" standard states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

2. Ethics and Conflicts of Interest - Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the district. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

3. Delegation of Authority and Responsibilities

- a. The Executive Director will retain ultimate fiduciary responsibility for invested funds.
- b. Delegation of Authority - Authority to manage investments within the scope of this policy and operate the investment program in accordance with established written procedures and internal controls is granted to the Administrative Services Director, hereinafter referred to as Investment Officer, and derived from the following: ORS 294.035 to 294.048, 294.052, 294.125 to 294.145, and 294.810.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

- c. Investment Committee – The Executive Director may establish an investment committee to provide guidance to the Investment Officer and monitor investment policy compliance.
- d. Investment Adviser – The Executive Director may engage the services of one or more external investment managers to assist in the management of the entity's investment portfolio in a manner consistent with this investment policy. Investment advisers may be hired on a non-discretionary basis. All investment transactions by approved investment advisers must be pre-approved in writing by the Investment Officer and compliant with this investment policy. If the district hires an investment adviser to provide investment management services, the adviser is authorized to transact with its direct dealer relationships on behalf of the district.
- e. Authorized Financial Dealers and Institutions – The Investment Officer will maintain a list of dealers with whom they are authorized to do business. These may include "primary" dealers or regional dealers that qualify under SEC Rule 15C3-1 (uniform net capital rule). If an investment advisor is hired, the advisor may execute directly with the approved dealers.

Administration and Operations

1. Delivery vs. Payment- All security transactions entered into by the district will be conducted on a delivery vs. payment (DVP) basis.
2. Safekeeping - Securities may be held in safekeeping by a third-party custodian designated by the Investment Officer.

3. Internal Controls - The Investment Officer and Executive Director are jointly responsible for establishing and maintaining an adequate internal control structure designed to reasonably assure that invested funds are invested within the parameters of this investment policy and, protected from loss, theft or misuse.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. The district shall comply with all applicable legal provisions and Generally Accepted Accounting Principles (GAAP) relating to investment accounting.

4. Pooling of Funds – Except for cash in certain restricted and special funds, the District will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with GAAP.
5. Independent Review - An external auditor shall provide an annual independent review to assure compliance with Oregon state law and district policies and procedures.

Suitable and Authorized Investments

1. Permitted Investments – Consistent with the Government Finance Officers Association (GFOA) Policy Statement on State and Local Laws Concerning Investment Practices, the following investments are permitted by this policy and pursuant to ORS 294.035, 294.040, and ORS 294.810:
 - a. Obligations of the U.S. government:
 - US Treasury Notes, Bonds and Bills
 - Senior unsecured debt obligations guaranteed by the Federal Deposit Insurance Corporation (FDIC) under the Temporary Liquidity Guarantee Program (TLGP)
 - b. Obligations and guarantees of U.S. government agencies, corporations wholly owned by the U.S. government or any Government Sponsored Enterprises (GSEs). Specific listing:
 - Federal Home Loan Bank – FHLB
 - Federal Farm Credit Bank – FFCB
 - Federal Home Loan Mortgage Corporation – FHLMC
 - Federal National Mortgage Association - FNMA
 - c. All treasury and agency securities must be non-callable with a fixed rate
 - d. Oregon Short Term Fund (OSTF) - LGIP
2. Collateralization – All bank deposits, time deposits, certificates of deposit, and money market savings accounts, shall be held in qualified Oregon depositories in accordance with Oregon Revised Statutes, including ORS Chapter 295. Such deposits are designated cash management tools and not investments under this policy or otherwise.

Investment Parameters

1. Diversification - The investments shall be diversified by:
 - a. Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
 - b. Limiting investment in securities that have high credit risks,
 - c. Investing in securities with varying maturities, and
 - d. Continuously investing a portion of the portfolio in readily available funds such as the Oregon Short-Term Fund per ORS Chapter 294.810.
2. Maximum Maturities - To the extent possible, the District shall attempt to match its investments with anticipated future cash flow requirements. The maximum maturity shall be the anticipated use of the cash or 18 months, whichever is shorter, unless the funds are being accumulated for a specific purpose, including future construction projects, and upon approval of the Board of Directors (ORS Chapter 294.135).

To ensure funds are available for cash flow requirements, the Investment Officer shall limit the maturities of securities owned, based on market value, in order to manage the weighted average maturity of the portfolio to current market conditions and economic expectations. The following guidelines shall apply:

- a. Operating Funds: no more than 20% of the portfolio may be invested beyond 12 months, and the weighted average maturity of the portfolio shall not exceed one year.
 - b. Capital Project Funds: maturities shall be based on cash flow requirements, but no maturities shall exceed three years, unless approved by the Board of Directors. The weighted average maturity shall not exceed 18 months in duration.
3. Maximum Percentages of Investments - Surplus funds available for investment are those funds not required for immediate expenditure, and include: investments, savings accounts, CDs and OSTF deposits. Balances in checking accounts and demand deposit accounts are not considered surplus funds.

The maximum percentages for investments of surplus funds are as follows:

Security	Limitation
U.S. Treasury Issues	Up to 100%
TLGP	Up to 35%, with no more than 5% per issuer
Agency (GSEs)	Up to 33% per issuer
LGIP/Cash	Minimum of 10% of bond proceeds, maximum is the lesser of 100% or the amount permitted by ORS Chapter 294.810

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular security. Securities need not be liquidated to realign the portfolio; however, the Investment Officer will take the steps necessary to correct the situation as soon as possible.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds, such as the OSTF or overnight repurchase agreements, or held in bank balances to ensure that appropriate liquidity is maintained to meet ongoing obligations.

4. Bond Funds - The investment of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. Bond proceeds shall be invested in accordance with the parameters of this policy, ORS Chapter 294.052 and the applicable bond covenants and tax laws; whichever is most restrictive.
5. Securities Lending and Reverse Repurchase Agreements - The district shall not lend securities nor directly participate in a securities lending or reverse repurchase program.
6. Bids and Offers - Before any security purchase or sale is initiated, the Investment Officer shall first determine the appropriateness of seeking competitive bids or offers. Such factors to consider include where the securities are held, the size of the transaction, and the term to maturity. In the event competitive bids or offers are not sought, the decision to do so shall be documented. Competitive bids and offers shall always be sought for security.

Policy Maintenance and Considerations

1. Review - The investment policy shall be reviewed at least every five years to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.
2. Exemptions - Any investment held prior to the adoption of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested as provided by this policy.
3. Policy Adoption and Amendments - This investment policy and any modifications to this policy must be formally approved in writing in advance by the Executive Director.

This policy must be submitted to the Oregon Short Term Fund (OSTF) Board for review if:

- a. This policy allows maturities beyond 18 months unless the funds are being accumulated for a specific purpose, including future construction projects, and upon approval of the Executive Director, the maximum maturity date matches the anticipated use of the funds (ORS 294.135). And either:
 - This policy has never been submitted to the OSTF Board for comment; or

- Material changes have been made since the last review by the OSTF Board.

Regardless of whether this policy is submitted to the OSTF Board for comment, this policy shall be re-submitted not less than every five years to the Executive Director for review and approval.

Responsibilities

The authority to adopt and amend this policy lies with the Board of Directors. The Executive Director and the Administrative Services Director shall be responsible for implementing and complying with this policy. The Executive Director and the Administrative Services Director shall review this policy at least every five years.

Pension Funding Policy

It is the district's policy to provide retirement benefits for its employees once they meet specified qualifications. The district participates in: the State of Oregon Public Employees Retirement System (PERS) retirement plan. The purpose of this policy is to establish minimum standards for the proper funding of the District's pension obligations.

State of Oregon PERS

The district is an employer-participant in the State of Oregon PERS as established in ORS 238.600. Actuarial valuations of PERS are performed for the Public Employees Retirement Board (PERB) to evaluate PERS' assets and liabilities and indicate its current and prospective financial condition. The PERB determines employer-participant contribution rates, which are then used to calculate each employer-participant's annual required contribution. It is the District's policy to make contributions at no less than the rate established by the PERB and required by ORS 238.225.

Accrued Pension Liabilities

The district may elect to fund accrued pension liabilities rather than funding such obligations on a pay-as-you-go basis. The decision of whether or not to fund accrued pension liabilities earlier than statutorily required shall be made solely by the Board of Directors and shall be informed by financial analysis and be deemed financially beneficial in the long term for the district and its residents. The Executive Director and Administrative Services Director shall periodically perform a financial analysis and present it to the Board of Directors.

Early funding could be done through one of two methods.

1. The payment of a lump-sum amount - this method shall require sufficient available and non-allocated reserves.
2. The issuance of pension obligation bonds - the principal amount of outstanding pension obligations and the debt service on such obligations shall be excluded from calculations of outstanding debt under the District's Debt Management Policy.

Pension Contributions

The district contributes the employer contribution amount for the benefit of PERS eligible employees on a monthly basis. This amount is based upon the current PERS-calculated percent of eligible employees' wages; this percent is recalculated bi-annually by the PERB.

Per Oregon Revised Statute 238A, employers may elect to treat the 6% employee contribution as a pick up on a pretax basis, and contribute it for the employee. The Board of Directors adopted Resolution No. 358, effective January 1, 2014, to authorize the employee contributions to be deducted from the salary of employees (a static 6% of eligible employee wages), rather than to pay it as a "pick-up". The District's Board of Directors maintains the sole authority to change this election.

Responsibilities

The authority to elect to fund accrued pension liabilities rather than on a pay-as-you-go basis, and which method is used, lies solely with the Board of Directors. The Executive Director and the Administrative Services Director shall be responsible for implementing and complying with this pension funding policy.

Debt Management Policy

This Debt Management policy provides a general framework under which the district plans for and manages the use of debt financing. This policy should be considered within the broader scope of the district's Financial Management Policies and other district policies and procedures. In addition to adhering to this policy, all district financings will be conducted and maintained in compliance with applicable Federal law, Oregon Revised Statutes, District policies and other regulatory requirements.

It is the objective of this policy that:

1. The district obtain financing only when necessary as determined by the Board of Directors;
2. The process for identifying the timing, amount and type of debt or other financing be as efficient as possible;
3. The most favorable interest rate and other related costs be obtained; and
4. When appropriate, future financial flexibility is maintained.

Debt financing shall only be used to purchase capital assets that cannot be acquired from either available or not otherwise committed or assigned current revenues or fund balances. No debt shall be issued to fund capital projects unless such capital project has been included in the CIP and authorized by the Board of Directors. The useful life of the asset or project shall meet or exceed the payout schedule of any debt the District assumes. A resolution of the Board of Directors shall authorize all short-term or long-term debt financings. The District will comply with all statutory debt limitations imposed by the Oregon Revised Statute and all bond covenants, arbitrage requirements, disclosure and other requirements specified by law.

To enhance creditworthiness and prudent financial management, the district is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning. Evidence of this commitment to capital planning will be demonstrated through adoption and periodic adjustment of the district's Comprehensive Plan and the annual adoption of a Capital Improvement Plan (CIP) identifying the prioritization, costs, and method of funding each capital improvement planned for the succeeding five years.

Use of Debt Financing

Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The district will use debt financing only for one-time capital improvement projects and unusual equipment purchases, and only under the following circumstances:

1. When the project is included in the District's Five-Year Capital Improvement Plan;
2. When the project involves acquisition of equipment that cannot be purchased outright without causing an unacceptable burden on current resources;
3. When the project is the result of growth-related activities within the community that require unanticipated and unplanned infrastructure or capital improvements by the District;
4. When the project's useful life, or the projected service life of the equipment, will be equal to or exceed the term of the financing; and
5. When there are identified, designated revenues sufficient to service a debt, whether from projected revenues, or other specified and reserved resources.

The following criteria will be used to evaluate pay-as-you-go versus debt financing in funding capital improvements:

1. Factors which favor pay-as-you-go financing include circumstances where:
 - a. The project can be adequately funded from available current revenues and fund balances;
 - b. The project can be completed in an acceptable timeframe given the available revenues;
 - c. Additional debt levels could adversely affect the district's credit rating or repayment sources; or
 - d. Market conditions are unstable or suggest difficulties in marketing a debt.
2. Factors which favor long-term debt financing include circumstances where:
 - a. Revenues available for debt issues are considered sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating, which can be maintained;
 - b. Market conditions present favorable interest rates and demand for District debt financing;
 - c. A project is immediately required to meet or relieve capacity needs and existing unallocated cash reserves are insufficient to pay project costs; or
 - d. The life of the project or asset financed is five years or longer.

Short-term Debt and Interim Financing

The district may utilize short-term debt or interfund loans as permitted, to cover temporary shortages due to timing of cash flows which may result from a delay in receipting grant proceeds or other revenues or a delay in issuance of long-term debt. Where the Executive Director determine their use to be prudent and advantageous to the district, and upon prior authorization from the Board of Directors, the Executive Director may enter into the following short-term debt and/or interim financing agreements:

1. Lines and Letters of Credit - The district may enter into agreements with commercial banks or other financial entities for purposes of acquiring lines or letters of credit that shall provide the District with access to credit under terms and conditions as specified in such agreements. Before entering into any such agreements, takeout financing or intended amortization for such lines or letters of credit must be planned for and determined to be feasible by the Executive Director and subject to authorization and approval by the Board of Directors.
2. Bond Anticipation Notes - Where the Executive Director determine their use to be prudent and advantageous to the District, and subject to authorization and approval by the Board of Directors, the district may choose to issue Bond Anticipation Notes as a source of interim construction financing. Before issuing such notes, takeout financing for such notes must be planned for and determined to be feasible by the Executive Director. Bond Anticipation Notes may be sold in either a competitive or negotiated sale.
3. Tax and Revenue Anticipation Notes - Where the Executive Director determine their use to be prudent and advantageous to the District, and subject to authorization and approval by the Board of Directors, the district may choose to issue Tax and Revenue Anticipation Notes to fund internal working capital cash flow needs. Before issuing such notes, cash flow projections will be prepared by the Administrative Services Director and determined to be feasible by the Executive Director. Tax and Revenue Anticipation Notes may be sold in either a competitive or negotiated sale.
4. Other Short-Term Debt may be used when such instruments provide an interest rate advantage or as interim financing.

Long-term Debt

Where the Executive Director determine their use to be prudent and advantageous to the district, in compliance with this policy, and upon prior authorization from the Board of Directors, the Executive Director may enter into the following long-term debt obligations:

1. General Obligation Bonds – The district may issue general obligation debt for capital projects and/or acquisitions, which commits the general obligation of the district. The full faith and credit of the district are pledged to the successive owners of the bonds for the punctual payment of such obligations, when due. General obligation (G.O.) bonds provide the investor with its most secure district transaction, because the district pledges its unlimited authority to levy property taxes for debt service. The district covenants to annually levy a direct ad valorem tax upon all of the taxable property within the district in an amount without limitation as to rate or amount. The taxes, when collected, are required to be applied solely for the purpose of payment of principal and interest on the bonds and for no other purpose until the bonds have been fully paid and discharged.
2. Full Faith and Credit Obligations – The district may issue full faith and credit obligations, for capital projects and/or acquisitions, which benefit the district as a whole, which commit the general obligation of the district. However, unlike GO bonds, the District commits to paying the principal and interest from the district's current permanent tax levy, and does not covenant to annually levy an additional direct ad valorem tax.
3. Revenue Bonds – The district may issue revenue bonds to fund capital projects and/or acquisitions that generate adequate revenues from user fees to support operations and debt service requirements if doing so will yield clearly identifiable advantages. The bonds shall include written legal covenants which require that revenue sources are adequate to fund annual operating expenses and annual debt service requirements.
4. Capital Leases – The district may enter into capital leases for the purpose of the purchase of buildings, equipment, furniture and/or fixtures. The term of any capital lease shall not exceed the useful life of the asset leased.

Selection of Finance Consultants and Service Providers

The district's Administrative Services Director shall be responsible for establishing a solicitation and selection process for securing professional services that are required to develop and implement the district's debt program. Goals of the solicitation and selection process shall include encouraging participation from qualified service providers, both local and national, and

securing services at competitive prices. The solicitation and selection process for such services will comply with district requirements for such services, if appropriate.

1. Bond Counsel - As part of the responsibility to oversee and coordinate all district indebtedness, the Administrative Services Director shall make recommendations to the Executive Director regarding the selection of one or more Bond Counsel firms to be engaged and the duration of the engagement. Bond Counsel may be selected for an individual financing, for a series of financings or for a specified period of time. The Executive Director shall make such selection, taking into consideration these recommendations.
2. Underwriters - The Executive Director shall either solicit proposals for underwriting services for all long-term debt, or may select such services by direct-appointment, if in compliance with the district's purchasing policies and Oregon state statutes. If a solicitation process is used, the process shall include formation of a review committee selected by the Administrative Services Director to evaluate written proposals and, if deemed necessary, conduct oral interviews. The selection of underwriters may be for an individual or series of financings or for a specified period of time. The Executive Director, in consultation with the Administrative Services Director, shall make such selections.
3. Commercial Banks - The Executive Director, in consultation with the Administrative Services Director, may solicit proposals from commercial banks to provide lines of credit, letters of credit, direct loans and direct bank placements as needed. Selection of such providers will be based upon the proposed financial terms deemed most advantageous to the district, including, but not limited to, lowest cost.
4. Financial Advisor - The Executive Director shall either solicit proposals for financial advisor services for all long-term debt, or may select such services by direct-appointment, if in compliance with the district's purchasing policies and Oregon state statutes. If a solicitation process is used, the process shall include formation of a review committee selected by the Administrative Services Director to evaluate written proposals and, if deemed necessary, conduct oral interviews. The time period for engagement may relate to an individual or a series of financings, or for a specified period of time. The Executive Director, in consultation with the Administrative Services Director, shall make such selections. Any firm acting as financial advisor to the District regarding debt issuance must be a registered Municipal Advisor (as defined by the Municipal Securities Rulemaking Board) and must remain in compliance with all securities regulations.
5. Other Service Providers - The Executive Director, in consultation with the Administrative Services Director, shall periodically solicit for providers of other services necessary to carry out the debt issuance activities of the District (paying agents, escrow agents, verification agents, feasibility consultants, rebate consultants, trustees, etc.). The Executive Director, in selecting such additional service providers, shall evaluate the cost and perceived quality of service of the proposed service provider.

Method of Sale

1. Presumption of Competitive Sale - The district, as a matter of policy, shall issue its long-term debt obligations through a competitive sale unless the Executive Director determines that such a sale method is unlikely to produce the best results or is otherwise not in the best interests of the district. In such instances, or when the Executive Director deems the bids received through a competitive sale process as unsatisfactory or does not receive bids, the district may enter into negotiation with an underwriter (or syndicate of underwriters) for sale of the securities.
2. Negotiated Sale - When determined appropriate by the Executive Director, the district may elect to sell its debt obligations through a negotiated sale. Such determination may be made on an issue by issue basis, for a series of issues, or for part or all of a specific financing program. Selection of the underwriting team shall be made pursuant to selection procedures set forth in this policy, consistent with District policies, and as may be adjusted by the Executive Director. It is the district's policy that negotiated sale underwriters receive fair and reasonable compensation for actual expenses incurred as part of the bond transaction, but underwriters will not be compensated for travel expenses unless such travel is specifically requested by the district. The Executive Director will be responsible for monitoring pricing results to confirm that bond price behavior after the pricing date is consistent with reasonable market expectations.
3. Private Placement - When determined appropriate by the Executive Director, the district may elect to sell its debt obligations through a direct bank loan, private placement or limited public offering. Selection of a placement agent shall

be made pursuant to selection procedures developed by the Executive Director, consistent with this policy and with district policies, as applicable.

Refunding of District Indebtedness

1. Monitoring of Refunding Opportunities - The Administrative Services Director shall be responsible for monitoring the interest rates and optional redemption provisions of the district's outstanding debt in order to identify potential current or advance refunding opportunities.
2. Debt Service Savings-Advance Refundings - The district may issue advance refunding bonds (as defined for federal tax law purposes) when advantageous, legally permissible, and prudent, and when net present value savings equals or exceeds 5 percent, calculated in accordance with Oregon Administrative Rules on Advance Refundings. In addition, issuance of advance refunding bonds that generate at least 3 percent, but less than 5 percent, net present value debt service savings may be allowed with the approval of the Executive Director, in consultation with the Administrative Services Director. Such approval, if given, shall be based upon an opportunity cost analysis of the savings benefits of executing the advance refunding versus waiting for a possible future decline in interest rates.
3. Debt Service Savings-Current Refundings - The district may issue current refunding bonds (as defined for federal tax law purposes) when advantageous, legally permissible, and prudent.
4. Restructuring of Debt - The district may choose to refund outstanding indebtedness when existing bond covenants or other financial structures impinge on prudent and sound financial management. Savings requirements for current or advance refundings undertaken to restructure debt may be waived by the Executive Director upon a finding that such a restructuring is in the district's overall best financial interests.
5. Open Market Purchase of District Securities - The district may choose to defease its outstanding indebtedness through purchases of its securities on the open market when market conditions make such an option financially feasible.

Rebate Compliance and Other Post-Issuance Responsibilities

The Administrative Services Director shall be responsible for implementing and complying with the district's Tax-Exempt Bond Post-Issuance Compliance Policy which establishes and maintains a system of record keeping and reporting to meet all post-issuance compliance requirements of the federal tax code and applicable federal securities law.

Disclosure

1. Primary Market Disclosure - The Administrative Services Director shall be responsible for establishing a process for the review, approval, and publication of official primary market disclosure information. Such process shall be periodically reviewed to ensure that the district is complying with legal requirements and following accepted best practices with respect to primary market disclosure.
2. Continuing Disclosure - The Administrative Services Director shall be responsible for preparing and providing required continuing disclosure information to the Electronic Municipal Market Access ("EMMA") or any such successor organization designed to assist districts in maintaining compliance with disclosure standards promulgated by state and national regulatory bodies. The Administrative Services Director shall also be responsible for establishing and maintaining a process to guide continuing disclosure actions and responsibilities. Additionally, the Administrative Services Director may determine that it is in the district's best interest to prepare and provide information beyond the minimum continuing disclosure requirements, and may prepare and provide such information from time-to-time.

Responsibilities

The Executive Director and the Administrative Services Director shall be responsible for implementing and complying with this policy. A resolution of the Board of Directors shall authorize all short-term or long-term debt financings.

Appendix D- Glossary of Terms

Accrual basis. Method of accounting recognizing transactions when they occur without regard to cash flow timing.

ADA. Acronym for the Americans with Disabilities Act of 1990.

Adopted budget. The budget approved by the Budget Committee becomes the adopted budget after the Board of Directors takes action on it. The adopted budget becomes effective July 1.

Ad valorem tax. A property tax computed as a percentage of the value of taxable property.

Appropriation. Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution adopted by the Board.

Approved budget. The proposed budget as amended and approved by the Budget Committee is recommended to the Board for adoption and is referred to as the approved budget.

Art Station. The district re-opened Art Station's doors in October 2016 after its prior owner/operator was unable to continue services. This facility continues the legacy of providing quality art education and play, and offers programs featuring a variety of mediums, including painting, drawing, sculpture, jewelry, glass arts, ceramics, pottery, textiles, and mixed media.

Assessed value (AV). The value set by the County Assessor on real and personal property in order to establish a basis for levying taxes.

Balanced budget. Oregon's Local Budget Law states the local governments must construct their budgets in such a manner that the total resources in a fund equal the total expenditures and requirements for that fund, and the total of all resources of the district must equal the total of all expenditures and all requirements for the district. A budget that meets these specifications is considered balanced.

Beginning fund balance. Net resources (cash and noncash) available in a fund at the beginning of a fiscal year, carried over from the prior fiscal year.

Beginning working capital. The amount of cash resources that a fund has at the beginning of the fiscal year.

Bend Senior Center. A gathering place and center of activities for persons 50 years and better, the Bend Senior Center activities and programs are designed to promote active healthy lifestyles through health, education, recreation, and socialization.

Bend Whitewater Park. Located in the Deschutes River near the Old Mill District, this in-water amenity offers a variety of river recreation opportunities including tubing, kayaking, and surfing.

Board of Directors (Board). A five-member governing body of the district, elected by the residents of the district, which is responsible for developing district goals and setting policy.

Budget. Written report showing the district's comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year.

Budget calendar. The schedule of major events in the budget process.

Budget committee. Fiscal planning board of the district, consisting of the Board of Directors plus an equal number of district residents appointed by the Board.

Budget message. Written explanation of the budget and the district's financial priorities. It is prepared and presented by the Executive Director or Budget Officer.

Budget officer. Person appointed by the Board to assemble budget material and information and to physically prepare the proposed budget – this is the Administrative Services Director.

Capital Improvement Plan (CIP). A planning tool designed to guide the implementation of the district's Comprehensive Plan and to provide for the acquisition and development of parks and recreation facilities during the succeeding five-year period. The CIP is reviewed annually by the Board and revised to prioritize the most important needs and to recognize budget constraints.

Capital outlay. Items which generally have a useful life of two or more years, and cost over \$5,000, such as equipment, vehicles, land, park development, or buildings.

Capital project funds. Funds dedicated to the acquisition, construction, or improvement of capital assets.

CAPRA. Acronym for Commission for Accreditation of Park and Recreation Agencies.

Comprehensive Plan. The district's Comprehensive Plan is a tool used by park planners and the Board to plan for growth in park, trail, facility, and recreation program demands. Based on input from the community, the plan helps guide the future of the district over a ten-year time frame.

Contingency. An appropriation of funds to cover unforeseen events and emergencies, which occur during the fiscal year.

Cost of living adjustment. The district may grant an annual cost of living adjustment (COLA) in any given year that is determined appropriate based on the financial condition of the district. A COLA is applied to the salary schedule, and individual wages, which keeps the pay plan ahead of minimum wage increases.

Cost recovery. Cost recovery represents the portion of the costs of providing services that is recovered through user fees and other non-tax resources.

Current taxes. Taxes levied and becoming due during the current fiscal period, from the time the amount of the tax levy is first established to the date on which a penalty for nonpayment is attached.

Delinquent taxes. Taxes remaining unpaid on and after the date on which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until canceled.

Ending fund balance. The amount that remains unspent in a fund after subtracting budgeted expenditures, including contingency.

Expenditure. The actual outlay of, or obligation to pay, cash. Expenditures exclude fund-level requirements such as contingency and interfund transfers.

Debt service funds. Funds that account for the payment of debt service on general obligation bonds and other long-term debt.

Fiscal year. A 12-month period to which the annual operating budget applies. It is July 1 through June 30 for local governments in Oregon.

Full-time employee. An employee who regularly works a minimum of 40 hours a week in a Board approved full-time position.

Full-time equivalent (FTE). The conversion of total hours worked by multiple employees into the hours worked by a full-time employee (2,080 hours on an annual basis).

Fund. A budgetary and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances, all segregated for specific, regulated activities and objectives. Funds are established in accordance with state and local laws, regulations, and other limitations.

General Fund. A fund used to account for most fiscal activities except for those activities required or determined by the Board to be accounted for in another fund. The District's General Fund accounts for administration, planning, park services, community relations and recreation.

General obligation (GO) bonds. Voter-approved bonds backed by the full faith and credit and taxing authority of the district. These bonds are typically paid from a property tax levied upon all taxable property within the district. GO bonds are used to finance a wide range of capital projects.

GIS. Acronym for geographic information system. GIS is a framework for gathering, managing, and analyzing data.

Government Finance Officers Association (GFOA) Distinguished Budget Award. The highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of award recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and a communication device.

Grant. A donation in cash by one governmental unit to another, or from a non-profit organization, which may be made to support a specified purpose or function, or general purpose.

Interfund transfers. Amounts distributed from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund. An example of this is the interfund transfer from the General Fund to the Facility Reserve Fund.

Juniper Swim & Fitness Center (JSFC). Juniper Swim and Fitness Center is a state of the art health, fitness and recreation facility which offers a variety of quality fitness and aquatic programs for people of all ages and abilities.

Larkspur Community Center. Building on the Bend Senior Center legacy, Larkspur Center is an expansion project which will welcome people of all ages, while retaining and enhancing programs and services to older adults currently provided at the facility. The expanded facility will include approximately 40,000 square feet of additional space and offer a multitude of opportunities to enhance lifelong fitness, learning and enrichment. New proposed amenities will include a warm water pool, fitness facilities and indoor walking track, as well as opportunities for learning and community-building.

Levy. (Verb) To impose taxes for the support of governmental activities. (Noun) The total amount of taxes imposed by a government.

Local Budget Law. Oregon Revised Statutes, Chapter 294, which prescribes budgeting practices for municipalities, counties, and special districts within Oregon.

Local government. Any city, county, port, school district, special district, or community college operated by a separate board or commission; a municipal corporation or municipality.

Maximum assessed value (MAV). The maximum taxable value limitation placed on real or personal property by Oregon's constitution. It can increase a maximum of 3 percent each year. The 3 percent limit may be exceeded if there are qualifying improvements made to the property, such as a major addition or new construction. It may also not be reached in a time of recession when property values decline significantly.

Merit increase. The District evaluates employees annually, at which time the employee is eligible for a wage increase based upon the merits of their prior year performance.

Mission. A statement of an organization's overall purpose.

Modified accrual accounting. The district's budget is created using the modified accrual basis of accounting whereby revenues are recorded only when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" is defined as being collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Objective. A statement of specific direction, purpose or intent based on the needs of the community and the goals established for a given program.

Operating contingency. This is appropriated on the assumption that unforeseen spending may become necessary or a reduction in anticipated revenues may occur. A resolution by the Board must be passed before any of the operating contingency can be transferred to an expenditure category to be spent.

Part-time employee. An employee who regularly works less than 35 hours per week in one or more year-round positions.

Permanent tax rate. The maximum rate of ad valorem property taxes that a local government can impose. Taxes generated from the permanent tax rate can be used by the District for park and recreation services as authorized by the Oregon Revised Statutes. No action of the local government can increase a permanent rate. The district's permanent rate is \$1.461 per \$1,000 assessed value.

PERS. Abbreviation for the State of Oregon Public Employees Retirement System.

Personnel services. Payroll expenses such as: wages, PERS, Social Security, medical, vision and dental insurance benefits.

Proposed budget. Financial and operating plan prepared by District staff and approved by the Executive Director. It is submitted to the public and the Budget Committee for deliberation.

Publication. Public notice given by publication in a newspaper of general circulation within the boundaries of the local government.

RecTrac. The online recreation registration and facility reservation software system used by the district.

Requirements. Budgeted expenditures plus ending fund balance. Requirements include expenditures, contingencies, interfund transfers, debt service, and ending fund balance.

Reserves. Resources set aside for specific future capital projects, asset management, emergency expenses, downturns in the economy, or other unforeseen needs.

Reserve funds. Established to accumulate money from year to year for a specific purpose, such as purchase of new equipment. The District has two reserve funds: the Equipment Reserve Fund (which is for new and replacement vehicles and equipment) and the Facility Reserve Fund (which is for acquiring, constructing, and/or maintaining real property and/or building facilities).

Resolution. A formal order of a governing body; lower legal status than an ordinance.

Resources. Revenue and other monies (beginning fund balances) that the district has or expects to receive.

Revenue. Money received into a fund or department from outside the fund or department.

Seasonal employee. An employee who works for a specific period, but less than six months, or is hired for a limited period of time to complete a specific task or assignment.

Special revenue funds. Funds established to receive money from specific revenue sources that are legally or Board restricted to expend for specific purposes.

Springbrook. The district's financial software system.

Strategic Plan. The Strategic Plan establishes a five-year future direction for the district. It creates direction for strengthening connections with community, the future allocation of resources, financial stability, internal support, and communication, refining organizational culture, and the capacity for learning and growth.

Subsidy. The part of the cost of providing a service that is not covered by the user fee, in order to reduce the fee to the user. Tax subsidy is the portion of the cost paid for through tax revenues.

Supplemental budget. A financial plan prepared to meet unexpected needs or to spend revenues not anticipated when the regular budget was adopted. It cannot be used to authorize a tax.

Systems Development Charges (SDCs). SDCs are fees charged to new development for their fair share of the cost of infrastructure built or needed to serve the new development.

Tax rate. The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable property.

The Pavilion. Designed and developed with 2012 GO Bond funds, The Pavilion is a covered, open air facility which houses a full NHL size ice sheet for ice sports and activities (hockey, curling, open skate, etc.) during the winter months, and hosts a variety of sport and recreation activities during the non-ice season. It is also home to the PAC, an all-day summer camp program for youth.

Unappropriated ending fund balance. Amount set aside in the budget to be used as a cash carryover to the next year's budget, and is not included in the appropriations. It provides the local government with cash until tax money is received from the county treasurer in November. It is also used for maintaining an emergency reserve for the government entity. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency.

UGB. Urban Growth Boundary, an officially adopted and mapped line that separates an urban area from surrounding open lands. All cities in Oregon are required to have a 20-year supply of land for housing and employment in their Urban Growth Boundary.

Appendix E- All Required Postings and Resolutions

- (a) A copy of the notice(s) of the budget committee meeting showing the dates published, or an affidavit of publication, accompanying a copy of the actual publications
- (b) A copy of the notice of budget hearing showing the date published, or an affidavit of publication, accompanying a copy of the actual publications;
- (d) A copy of the resolution statement or ordinance that adopt the budget, and make appropriations;
- (e) If the district is imposing ad valorem taxes or other taxes on property, a copy of the resolution statement or ordinance that imposes the tax;