



Bend Metro Park & Recreation District

May 2, 2023

Board of Directors Agenda and Reports

www.bendparksandrec.org



play for life



Our Vision

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

Our Mission

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

We Value

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

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

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

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

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

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

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

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

play for life

District Office | Don Horton, Executive Director

799 SW Columbia St., Bend, Oregon 97702 | www.bendparksandrec.org | (541) 389-7275



Board of Directors

May 2, 2023

District Office Building | 799 SW Columbia | Bend, Oregon



4:00 pm EXECUTIVE SESSION – The Board will meet in Executive Session prior to the regular meeting pursuant to ORS 192.660(2)(e) for the purpose of discussing real property transactions. This session is closed to all members of the public except for representatives of the news media. News media is asked to contact Sheila Reed to attend sheilar@bendparksandrec.org.

AGENDA

The board will meet in person with a virtual link to the regular meeting. The public may provide public input in-person at the meeting or via the virtual Zoom link.

Please use the link below to join the webinar:

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

Passcode: 878721

Or Telephone:

US: +1 669 900 6833

Webinar ID: 847 1321 9029

Passcode: 878721

5:30 pm CONVENE MEETING

VISITORS

The board welcomes input from individuals at our public meetings about district-related issues. Members of the community who wish to make public comment may attend the meeting virtually. To provide a public comment, click on the "Raise Hand" option. You will be called into the meeting in the order received. Visitors should turn on their cameras and microphones. All remarks should be limited to 3 minutes or less and relevant to a topic on the agenda. If there are questions, follow up will occur after the meeting. Thank you for your involvement.

STAFF INTRODUCTIONS

Matt Roberts

Joe White

Josh Gibbs

WORK SESSION

1. Park Services Update: Water Use – *Mike Duarte and Trip Freeman (15 min)*
2. Food and Beverage Operations – *Matt Mercer (20 min)*

CONSENT AGENDA

1. Minutes: 04/04/2023

BUSINESS SESSION

1. Adopt Resolution No. 2023-03 – Adopting a Revised Fee Schedule for System Development Charges, effective July 1, 2023 – *Kristin Donald (15 min)*
2. Approve Resolution No. 2023-04 Adopting Fund Balance Policy – *Kristin Donald (20 min)*

EXECUTIVE DIRECTOR’S REPORT

PROJECT REPORT – In Board Packet

BOARD MEETINGS CALENDAR REVIEW

GOOD OF THE ORDER

ADJOURN



Accessible Meeting/Alternate Format Notification

This meeting location is accessible. Sign and other language interpreter service, assistive listening devices, materials in alternate format or other accommodations are available upon advance request. Please contact the Executive Assistant no later than 24 hours in advance of the meeting at sheilar@bendparksandrec.org or 541-706-6151. Providing at least 2 business days’ notice prior to the meeting will help ensure availability.

BOARD AGENDA COMMUNICATION

AGENDA DATE:	May 2, 2023
SUBJECT:	Landscape Irrigation and Water Conservation Management
STAFF RESOURCE:	Mike Duarte, Landscape Manager Trip Freeman, Landscape Supervisor
PREVIOUS BOARD ACTION:	None - prior board presentations on Oct 10,2021 and June 7, 2016
ACTION PROPOSED:	None
STRATEGIC PLAN:	
Pillar:	Operations and Management Practices
Outcome:	Be a local leader in environmental stewardship.
Strategy:	Improve efforts to be responsible stewards of the natural environment.

BACKGROUND

Water management is one of the larger tasks the landscape department manages. It encompasses everything from conservation measures, maintenance, installation, billing, and managing the district-owned water rights. The landscape team maintains existing irrigation systems to a high standard. Over the past decade, the landscape crew has been converting irrigation systems to smart controllers in order to reduce water consumption.

During the work session, staff will provide information about the district's water management program, our central control systems and how they support water conservation efforts.

BUDGETARY IMPACT

None at this time.

STAFF RECOMMENDATION

None, information provided for discussion only.

MOTION

None, information provided for discussion only.

BOARD AGENDA COMMUNICATION

AGENDA DATE:	May 2, 2023
SUBJECT:	Food and Beverage Operations
STAFF RESOURCE:	Matt Mercer, Recreation Services Director Michael Egging, Recreation Manager
PREVIOUS BOARD ACTION:	None
ACTION PROPOSED:	None – for information only
STRATEGIC PLAN:	
Pillar:	Operations and Management Practices
Outcome:	Financial well-being supported by strong business practices
Strategy:	Invest in services that provide the greatest community benefit while maintaining financial stability.

BACKGROUND

The district currently operates simple food and beverage operations at recreation facilities including Juniper Swim & Fitness Center, Larkspur Community Center and The Pavilion. The district has also provided concession operations at athletic fields in the past through concessionaires. These operations have generally sold over-the-counter, pre-packaged items with the exception of some pre-prepared, warm-food options at The Pavilion. As a result, food and beverage options have been limited in terms of quality, variety and healthy choices. The operations have also generated very little profit to help support district subsidized services.

The district intended to operate a small café in Larkspur Community Center; however, this was delayed due to the COVID pandemic and has yet to open. The Pavilion concession operations were also suspended during the pandemic and are still operating at a reduced capacity. District staff has used this time to explore opportunities and alternatives for future food and beverage services, including resources, levels of service and contracting versus in-house delivery methods.

The district believes there are opportunities to enhance the experience of users by offering higher quality, healthier and convenient food and beverage options while at the same time developing a significant and ongoing revenue source to support the Recreation Scholarship Program. Staff believes these goals can best be realized by developing an internal food and beverage operation and complementing this with concessionaire agreements. This will require some investment and an entrepreneurial approach, including the willingness to explore mobile concession operations in some parks and athletic complexes. Several recent district surveys have shown an increasing acceptance and desire for some park concessions.

The proposed budget for Fiscal Year 2023-24 includes funding to create a food and beverage division under the Recreation Department that includes the hiring of a full-time supervisor and up to \$30,000 in equipment purchases and improvements. The operation will require some subsidy (up to \$70,000) in the first year due to start-up costs associated with 3-months of planning and development before operations actually start. The expectation is that the food and beverage division will generate net revenue the following year with the goal of providing substantial six-figure support to the Recreation Scholarship Fund in future years. Although we anticipate success with this program, there are no assurances that we will generate enough revenue to see a sufficient return on investment. Part of the business planning process will be setting realistic financial targets with divestment strategies should the program not meet expectations.

Staff will provide additional information during the board work session and seek board input and support for the concept in advance of the budget. Staff also intends to bring a more complete business plan to the board for review once it has been developed.

BUDGETARY IMPACT

The 2023-24 Proposed Budget includes resources to support the creation and implementation of a food and beverage division. Expenses are budgeted at \$460,000 with revenue budgeted at \$390,000. The \$70,000 budgeted subsidy in the first year of operations is due to start-up costs including the hiring of a supervisor to develop plans prior to launching operations. The proposed budget also includes \$30,000 in one-time capital equipment outlay. As described above the operation would be expected to generate a profit in future years with proceeds supporting the Recreation Scholarship Fund.

ATTACHMENT

None



Board of Directors

April 4, 2023

District Office Building | 799 SW Columbia | Bend, Oregon



A video of the entire board meeting can be viewed on the website:

<https://www.bendparksandrec.org/about/board-meeting-videos/>

BOARD PRESENT

- Deb Schoen
- Nathan Hovekamp
- Jodie Barram
- Donna Owens

BOARD ABSENT

- Zavier Borja

STAFF PRESENT

- Don Horton, Executive Director (virtual)
- Michelle Healy, Deputy Executive Director
- Julie Brown, Manager of Communications and Community Relations
- Kristin Donald, Administrative Services Director
- Matt Mercer, Director of Recreation
- Sheila Reed, Assistant to the Executive Director
- Brian Hudspeth, Development Manager
- Kim Johnson, Community Engagement Supervisor
- Rachel Colton, Planner
- Justin Sweet, Business Analyst
- Bronwen Mastro, Landscape Architect
- Sue Boettner, Recreation Manager
- Jeff Hagler, Park Stewardship Manager

VISITORS

- None

WORK SESSION

1. Volunteer and Community Engagement Report Update – *Kim Johnson*

Ms. Johnson thanked the board for their volunteer service and spoke about how the district provides volunteering opportunities. She reviewed the number of volunteers, hours contributed and the full time equivalency to staff. She said the numbers are almost back to 2019 levels of support.

Ms. Johnson shared that volunteers to the district support recreation programs, park and trail maintenance, special events, projects and fundraising. The majority of the district volunteers are in youth sports. Teen volunteers work in aquatics, preschool, youth art and camps.

2. Needs Based Assistance Report for Fiscal Year 22-23 – *Matt Mercer*

Mr. Mercer reviewed the Needs-based Assistance program. He explained that scholarship use has continued to go up with outreach efforts and is projected to be just over \$700,00 from \$200,000 in 2018-19. More households are applying and qualifying for scholarships, some are individuals and some are households. High need vs. moderate need is also increasing in the applications.

Mr. Mercer said last summer, 299 households (144 Spanish speaking) and 1,251 individuals (594 Spanish speaking) were issued free summer family passes. This resulted in 3,643 visits.

Mr. Mercer added that scholarships are funded by grants, tax support, cell tower leases, sponsorships and donations.

CONSENT AGENDA

1. Minutes: 3/21/2023
2. Extend Deadline for Bend FC Timbers Phase 2 Development

Director Hovekamp made a motion to approve the consent agenda. Director Barram seconded. The motion was approved unanimously, 4-0.

BUSINESS SESSION

1. 445 NE Penn Avenue Multiple Unit Property Tax Exemption (MUPTE) – *Michelle Healy and Rachel Colton*

Ms. Platt reviewed the Multiple Unit Property Tax Exemption (MUPTE) program, including eligibility and application requirements, public benefit requirements, and other program considerations. She said the Penn Ave. project is the first MUPTE application; the program sunsets in 2030.

Mr. Russell and Mr. Andrews from Hiatus Homes gave an overview of their company and explained the microunit developments they build. The target market for the Penn Project is remote workers, and Bend has the highest percentage of remote workers in the US at 12%. The development will have some parking and EV stations and fifteen percent of the units will be deed-restricted. The developers stated that due to the interest rate hikes, it is difficult to make multi-unit projects to pencil out and need the MUPTE to make this work.

Ms. Colton explained that this project is not eligible for SDC waivers and can only qualify for the MUPTE exemption. This project waives \$112,000 and more projects are coming, making it challenging for the district to plan ahead for the amounts that will be requested for waiver. Ms. Healy said that BPRD staff are not housing experts, and these projects impact the tax collections of the district; she added that the district does not have other means to make up for the loss of revenue.

The board shared their appreciation for the project and expressed concerns about the financial impact to the district. Ms. Platt added that if this project does not go through, the board is just deferring tax revenue as the lot sits empty.

Director Hovekamp made a motion to support the applicant's request for a ten-year tax abatement for a 40-unit residential development at 445 Penn Avenue as part of the City of Bend's MUPT program. Director Owens seconded. Director Schoen voted in favor and Directors Hovekamp, Barram and Owens voted against. The motion failed, 1-3

2. Award Professional Services Contract for Pine Nursery Park Phase 5 Project – *Bronwen Mastro*

Ms. Mastro explained some of the improvements that staff is considering for phase 5. She said staff issued a request for proposal (RFP), and using the new process she reported that five strong proposals were received, three were invited to provide more information and staff ultimately chose Cameron McCarthy. She said they have extensive experience in turf fields. Ms. Mastro noted that the design for phase five will be brought back to the board at a later date.

Director Owens made a motion to authorize the executive director to negotiate and execute a professional services agreement for Pine Nursery Park Phase 5 to Cameron McCarthy with a cost not to exceed \$593,165, and to approve an additional 10% contingency of \$59,316.50, for a total design budget not to exceed \$652,481.50. Director Hovekamp seconded. The motion was approved unanimously, 4-0.

3. Approve Needs Based Assistance Plan for Fiscal Year 23-24 – *Matt Mercer*

Mr. Mercer shared with the board the changes to the Needs-based Assistance Plan from the prior year:

- Priority registration of high need, vulnerable youth. Eliminate holding spots back and filling some with the listed populations prior to opening registration.
- No-cost access to recreation facilities for mentor programs serving vulnerable youth.
- Change in scholarship level and contribution for programs offered through contractors.
- Addition of outreach and communication.
- Potential changes with grant funding.

He said he is anticipating the scholarship use to go down due to funding, since the district will not have the grant funding received last year and shared the regular funding sources:

- Tax Support
- Cell tower leases
- Sponsorships
- Donations
- Grants
- Other (Opdycke Fund, BPR Foundation Gap Fund and partner contributions)

Mr. Mercer explained the potential strategies for sustainability of the assistance program as the following:

- Reduce assistance levels
- Cap the amount of assistance provided per individual/household
- Provide scholarship assistance for core programs only
- Eliminate adult assistance on passes

Director Hovekamp made a motion to approve the Needs-Based Assistance Plan for Fiscal Year 2023-24 and include funding resources to support the plan in the 2023-24 Budget Proposal. Director Owens seconded. The motion was approved unanimously, 4-0.

EXECUTIVE DIRECTOR’S REPORT

Deputy Executive Director Healy said she is amazed at what this district does for Needs-based assistance and reminded the board about the Budget Tour next Wednesday at 8:30 am.

PROJECT REPORT

BOARD MEETINGS CALENDAR

GOOD OF THE ORDER

- Director Hovekamp said it was a difficult discussion on the agenda tonight, he acknowledged the board and suggested that they will hear from others about the decision. He appreciated the robust discussion on a difficult topic and remarked that he is confident in the decision made.
- Director Owens acknowledged a discussion at the last board meeting that she missed and said in her absence she should have created an out of office notice while on vacation and hopes that people that have emailed understand.
- Director Barram said she is looking forward to the Budget Tour and said it will be educational.
- Director Schoen said she appreciates how thoughtful the board is with difficult decisions.

ADJOURN 8:33 pm



Prepared by,

Sheila Reed
Executive Assistant

Deb Schoen, Chair

Nathan Hovekamp, Vice-Chair

Donna Owens

Zavier Borja

Jodie Barram

BOARD AGENDA COMMUNICATION

AGENDA DATE:	May 2, 2023
SUBJECT:	Resolution No. 2023-03, adopting a Revised System Development Charge (SDC) Fee Schedule effective July 1, 2023
STAFF RESOURCE:	Kristin Donald, Administrative Services Director Michelle Healy, Deputy Executive Director Don Horton, Executive Director
PREVIOUS BOARD ACTION:	The SDC Fee Schedule was last set with Resolution No. 2022-02 on May 3, 2022, effective July 1, 2022.
ACTION PROPOSED:	Adopt Resolution No. 2023-03, providing for a revised SDC Fee Schedule effective July 1, 2023 that includes a 11.44% 2023-24 annual index adjustment.
STRATEGIC PLAN:	
Pillar:	Operations and Management Practices
Outcome:	A balance between caring for existing infrastructure and new development
Strategy:	Ensure the district is maintaining its adopted level of service targets

BACKGROUND

The district's annual SDC fee schedule adjustment becomes effective on July 1 of each year, corresponding with the district's budget cycle. The timing of the decision regarding the fee adjustment is sequenced to correspond with the district's annual budget process and to inform the city of Bend and Deschutes County of SDC fee changes in a timely manner. The current SDC fee schedule went into effect on July 1, 2022, pursuant to Resolution No. 2022-02 adopted on May 3, 2022.

The Methodology Report: Parks System Development Charges, Section 3.4.1 Inflationary Adjustments, outlines the formula for calculating and adjusting fees on an annual basis. The adjustments are proportionately indexed to:

- the Engineers News Record (ENR) US 20–City Average Construction Cost Index; and
- Bend land values as determined by changes in Real Market Value (RMV) as reported by the Deschutes County Assessor's Office

The recommended 2023-24 fee adjustment is based on the proportional rates of change in the two cost factors between December 2021 and December 2022. This year the indices call for a total fee adjustment increase of 11.44% for fiscal year 2023-24 due to the combined effect of:

- an increase in Bend land values (31.15%) combined with
- an increase in the ENR 20-city construction cost index (5.55%)

Applying the index to the current year average unit fees results in the following 2023-24 adjusted average fees: single-family - \$10,852; multi-family - \$7,380; and accessory dwelling unit (ADU) - \$4,689 (see attachment 2).

When the board adopted the new park SDC methodology in 2019, the methodology included data that enables the district to charge SDC fees for single-family and multi-family residential units by tiers and/or average rates. At that time, implementation of a tiered fee schedule was postponed until the city of Bend was able to effectively collect tiered park SDC fees. Since city and county staff can collect park SDC fees by tier, Resolution No. 2023-03 includes the average fee and the tiered fees for both single-family and multi-family units.

BUDGETARY IMPACT

The SDC Fee Schedule has impacts on future SDC fee revenues and the funding available for SDC eligible projects in the district's adopted Capital Improvement Plan. Inflationary-adjusted fees help the district's SDC revenues adjust to the rising costs of acquiring and developing parks, trails and recreation facilities. However, it is important to recognize that there is a time lag between the dates of the indices used and the date the new fees are effective, so in a time of significant cost inflation as we are currently seeing, the annual fee adjustment cannot keep pace.

STAFF RECOMMENDATION

Staff recommends adoption of the SDC Fee Schedule, including both average and tiered fees, contained in Resolution No. 2023-03 which provides for a 11.44% inflationary adjustment determined with the cost indices included in the 2019 adopted SDC Methodology, and outlined above.

MOTION

I make a motion to adopt Resolution No. 2023-03, Adopting a Fee Schedule for System Development Charges effective July 1, 2023.

ATTACHMENT

1. Resolution No. 2023-03, Adopting a Revised Fee Schedule for System Development Charges
2. SDC Adjustment Factor Calculation, Fiscal Year 2023-24

BMPRD RESOLUTION NO. 2023-03**A RESOLUTION OF THE BEND PARK AND RECREATION DISTRICT BOARD OF DIRECTORS
ADOPTING A REVISED FEE SCHEDULE FOR SYSTEM DEVELOPMENT CHARGES.**

WHEREAS, June 4, 2019, the Board of Directors (the “Board”) for the Bend Park and Recreation District (the “District”) adopted Ordinance No. 12 – System Development Charges, authorizing the assessment and collection of System Development Charges (“SDCs”) and Resolution No. 422 – Adopt a Methodology for Calculating System Development Charges; and

WHEREAS, Ordinance No. 12 allows the District to establish SDC fees necessary to serve future public park needs of the residents of the District; and

WHEREAS, the terms “Single-family Dwelling,” “Multi-family Dwelling,” “Mobile Home,” “Accessory Dwelling Unit,” “Dormitory,” and “Hotel/Motel” are defined in Ordinance No. 12, and

WHEREAS, the District incurs costs associated with administering the SDC program, including internal administration as well as payments to the City of Bend and Deschutes County to collect the park SDCs on behalf of the District (the “Administrative Costs”); and

NOW, THEREFORE, the Board of Directors hereby resolves as follows:

1. The District’s SDCs and Administrative Costs for the period July 1, 2023 through June 30, 2024 shall be imposed at the full amount allowed under the adopted Methodology, and shall be:
 - a. Single-family Dwelling Units:

i. Average fee	\$ 10,852
ii. < 501 square feet	\$ 7,425
iii. 501 – 1,000 square feet	\$ 8,074
iv. 1,001 – 1,600 square feet	\$ 9,376
v. 1,601 – 3,000 square feet	\$ 10,635
vi. > 3,000 square feet	\$ 11,895
 - b. Multi-family Dwelling Units:

i. Average fee	\$ 7,380
ii. 0 bedroom	\$ 4,689
iii. 1 bedroom	\$ 5,166
iv. 2 bedrooms	\$ 8,377
v. 3 or more bedrooms	\$ 10,852
 - c. Mobile Home Unit: \$ 9,810
 - d. Accessory Dwelling Unit: \$ 4,689
 - e. Dormitory per Person: \$ 4,341
 - f. Hotel/Motel Unit: \$ 7,491
2. This Resolution shall take effect July 1, 2023.

3. Miscellaneous. All pronouns contained in this Resolution, and any variations thereof, will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the context may require. The singular includes the plural and the plural includes the singular. The word “or” is not exclusive. The words “include,” “includes,” and “including” are not limiting. The provisions of this Resolution are severable. If any section, subsection, sentence, clause, or portion of this Resolution is for any reason held invalid, unenforceable, or unconstitutional, such invalid, unenforceable, or unconstitutional section, subsection, sentence, clause, or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, or constitutionality of the remaining portion of this Resolution. This Resolution may be corrected by resolution of the board to cure editorial or clerical errors.

ADOPTED by the Board of Directors of the District on this 2nd day of May 2023.

Deb Schoen, Board Chair

Attest:

Don P. Horton, Executive Director

**System Development Charge
Adjustment Factor Calculation**

FY 2023-24

		<u>Real Market Value (RMV) All Taxable Properties (A)</u>	<u>Real Market Value (RMV) of New Property (B)</u>	<u>RMV of Property Without New Construction (A) - (B) = (C)</u>	<u>Market-Related Change in RMV (C1 - C2) / C1</u>
1	2022-23	37,150,929,418	407,997,080	36,742,932,338	31.15%
2	2021-22	28,460,018,318	444,173,400	28,015,844,918	

The SDC methodology uses the estimated market-related change in real property value as a proxy for the change in land value because the County Assessor does not publish data about the change in land value alone. The Assessor's Office estimates the total change in real market value (RMV) as well as the value of new construction added to the roll each year. The market-related change in real property values can be estimated by subtracting the new construction value from total RMV. When compared to the base value for RMV from the previous year, an average growth rate for the increase in real property, including land value, can be made.

	<u>20-city Dec. 2022</u>	<u>20-city Dec. 2021</u>	<u>Difference</u>	<u>% Change</u>
ENR CCI	13,175.00	12,481.82	693.18	5.55%

During the 12-month period from December 2021 through December 2022, the Engineering News Record Construction Cost Index 20-City Index changed from \$12,418.82 to \$13,175.00. This represents a percentage increase of 5.55%.

To adjust the cost based upon the index percentages in the 2019 SDC Methodology:

<u>Construction</u>	+	<u>Land Value</u>	=	<u>Adjustment Factor</u>
77% x 5.55%	+	23% x 31.15%	=	11.44%
0.0428	+	0.0716	=	0.1144

<u>Fees</u>	<u>2022-23 fee</u>	<u>2023-24 fee adjusted for inflation</u>
Single Family Average	9,738	10,852
Single Family (<501 sq ft)	6,663	7,425
Single Family (501 - 1,000 sq ft)	7,245	8,074
Single Family (1,001 - 1,600 sq ft)	8,414	9,376
Single Family (1,601 - 3,000 sq ft)	9,544	10,635
Single Family (>3,000 sq ft)	10,673	11,895
Multi Family Average	6,622	7,380
Multi Family (0 bedrooms)	4,207	4,689
Multi Family (1 bedrooms)	4,636	5,166
Multi Family (2 bedrooms)	7,517	8,377
Multi Family (3 bedrooms)	9,738	10,852
ADU	4,207	4,689
Hotel Room	6,722	7,491
Manufactured Home Placement (in a park)	8,803	9,810
Dormitory (per person)	3,895	4,341

BOARD AGENDA COMMUNICATION

AGENDA DATE:	May 2, 2023
SUBJECT:	Resolution No. 2023-04, adopting fund balance and reserve policy effective July 1, 2023
STAFF RESOURCE:	Kristin Donald, Administrative Services Director Don Horton, Executive Director
PREVIOUS BOARD ACTION:	The district adopted its current reserve policies via adopting of administrative rules in November 2014
ACTION PROPOSED:	Adopt Resolution No. 2023-04, setting fund balance and reserve policy.
STRATEGIC PLAN:	
Pillar:	Operations and Management Practices
Outcome:	Financial well-being supported by strong business practices
Strategy:	Percentage of undesignated reserves to budgeted expenditures remains at or above level as set in Board Reserves Policy

BACKGROUND

Fund balance and reserve policies are 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. Fund balance is critical for financial stability and flexibility. Reserves aid in governments being able to respond to events, buffer against economic down turns and are a factor for bond ratings. The district adopted its current reserve policies via adopting of administrative rules in November 2014. In addition, all financial policies are included in the budget book each year. It's particularly important for the district's General fund, the main operating fund of the district and accounts for the general operation of the district. The current fund balance and reserve policy for the General fund states:

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.

The above based on Government Finance Officer Association (GFOA) best practices and recommend a policy be developed articulating “a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period. In particular, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level prescribed.”¹ Keep in mind that the analysis is based more on cities and counties than special districts. The analysis established a 17% of expenditures minimum used a city-like approach and scale resulting a higher than necessary fund balance minimum. This why its important to perform the analysis each budget year to address any risk changes and needs of the district.

The GFOA recommends the following should be in a reserve policy:

Appropriate Level-The amount of reserve needed is unique to every local government since all deal with different revenue streams, live in areas with higher risk of natural disaster, and have different aged infrastructure. At a minimum, the GFOA recommends, “at a minimum, that general purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.” Then based on a review of the governments risk factors determine what is beyond the minimum. Finding the appropriate level should examining the following risks:

1. The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
2. Its perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);
3. The potential drain upon general fund resources from other funds, as well as, the availability of resources in other funds;

¹ <https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund>

4. The potential impact on the entity's bond ratings and the corresponding increased cost of borrowed funds;
5. Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose). Governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance, rather than on unrestricted fund balance.

Use and Replenishment- The reserve policy should include the conditions and/or circumstances where the funds can be used and if the balance goes below the desired level, there should be a plan to relish the reserve. Revenue sources that would typically be looked to for replenishment of a fund balance include nonrecurring revenues, budget surpluses, and excess resources in other funds. In that context, the fund balance policy should:

1. Define the time period within which and contingencies for which fund balances will be used;
2. Describe how the government's expenditure and/or revenue levels will be adjusted to match any new economic realities that are behind the use of fund balance as a financing bridge;
3. Describe the time period over which the components of fund balance will be replenished and the means by which they will be replenished.

Along with the General fund our reserve funds, Facility Reserve and Equipment Reserve, are funded by the General fund. Their purpose is for acquiring, constructing, and re-developing parks, trails and buildings, new and replacement vehicles, furniture, fixtures, equipment, and technology. The current fund balance policy states:

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 needs 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.

Would like to modify this policy to look at the reserves annually with our five-year plans we have for both funds, to better plan the need for fund reserve amounts.

Based on the research and analysis of best practices provided by GFOA, we are recommending adopting a resolution establishing the fund balance and reserve policy that allows for the risk

analysis to be done each budget year to determine the fund balance reserve needed for the annual minimum and any needed additional fund reserves. Keeping in mind that the Facility Reserve fund and Equipment Reserve fund balances will also be included in the General fund's balance consideration when it comes to bond ratings. In addition, describe the use of the minimum reserve and define how it will be replenished as advised by GFOA.

BUDGETARY IMPACT

For the FY24 budget and each budget year going forward we will perform the analysis, following GFOA's methodology, to determine the risk factors and the appropriate level of reserves.

STAFF RECOMMENDATION

Staff recommends adoption of Resolution No. 2023-04, Adopting fund balance and reserve policy effective July 1, 2023.

MOTION

I make a motion to adopt Resolution No. 2023-04, Adopting a fund balance and reserve policy effective July 1, 2023.

ATTACHMENT

1. Resolution No. 2023-04, Adopting Fund Balance and Reserve Policy

BMPRD RESOLUTION NO. 2023-04**A RESOLUTION OF THE BEND PARK AND RECREATION DISTRICT BOARD OF DIRECTORS
ADOPTING FUND BALANCE AND RESERVE POLICY.**

WHEREAS, financial management policy is helpful for developing sound budget practices that sustain current service levels, maintain financial stability and provide for accurate financial reporting; and

WHEREAS, prudent financial management encourages the district to establish this additional Financial Management Policy to serve as a guideline for the district during its budget process and for its financial reporting; and

NOW, THEREFORE, the Board of Directors hereby resolves as follows:

GENERAL FUND

The general-purpose fund will maintain unrestricted budgetary fund balance as the minimum fund balance for each budget year based on the following:

1. The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
2. Its perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);
3. The potential drain upon general fund resources from other funds, as well as, the availability of resources in other funds;
4. The potential impact on the entity's bond ratings and the corresponding increased cost of borrowed funds;
5. Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose). Governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance, rather than on unrestricted fund balance.
6. Fund balance of the reserve funds, since these funds are funded by the General fund and can be relied on as a source for the General fund.

Fund balance will meet this minimum determined unless it has been used as described below.

1. Use and Replenishment Available fund balances shall not be used for ongoing operating expenditures, unless a determination has been made that available balances are more than required guidelines and that plans have been established to address any future operating budget shortfalls. Emphasis shall be placed on one-time uses that achieve future operating cost reductions.
2. Uses that would cause going below the minimum should be limited to:
 - a. Unanticipated expenditures of a non-reoccurring nature.

- b. Meet unexpected increases in service delivery costs replenishment plan should be established when dropping below the minimum and should be replenished at a maximum of three years.

Reserve Funds

The District shall maintain sufficient reserves to provide stable funding for major repairs, replacements and renovations of District parks, facilities, vehicles and equipment. The minimum reserve balances 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.

- The Facility Reserve Fund shall be the fund where reserves for asset management repairs and replacements are maintained, the district’s target for the minimum reserve balance should be based on the average renovation and replacement needs over the coming five years. Analysis with the capital plan update shall be performed for each budget year.
- 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 shall be the average replacement needs over the coming five years based on the five-year plan for the fund. Analysis shall be performed for each budget year.

ADOPTED by the Board of Directors of the District on this 2nd day of May 2023.

Deb Schoen, Board Chair

Attest:

Don P. Horton, Executive Director



PLANNING & DEVELOPMENT PROJECT UPDATES May 2023

COMMUNITY AND REGIONAL PARK PROJECTS



Drake Park DRT & Bank Improvement Project: Construction of the final phase is being completed on three separate sections of the project. First, the beach plaza area is almost finished with final surfacing in process. Next, the trail section from the footbridge to Coyner Point is ready for paving and the micro piles are being installed for the boardwalk section around the point. Finally, boardwalk framing along the northern end of the river is progressing, the stairs to Newport Avenue are poured, and the trail section to Pacific Park is almost ready for paving. Landscape installation will start soon, with final cleanup beginning in the next few weeks. Anticipated completion is June 2023.



Big Sky Park Expansion: The framing and roofing on the new shelter is nearly complete, fencing is going in around the plaza, and the final landscaping and irrigation is also being installed. The bike park signage should arrive soon for installation. Construction is still expected to be complete spring of 2023.



Sawyer Park Entrance and Parking Lot Upgrades: Input from the tribes and SHPO regarding cultural resources within the project site is pending, and their input will inform how the design and project proceed. An application for the Local Government Grant Program (LGGP) was submitted last month to try to obtain additional funding for the project.



Pine Nursery Park Phase 5: The design consultant contract was awarded to Cameron McCarthy, a landscape architecture firm with three offices in Oregon, including one in Bend. The firm has extensive experience in park and artificial sports field turf design and has worked on several other district projects, including Rockridge Park and the Larkspur Center. The project kicks off this month with first steps including a site survey, and an opportunities and constraints assessment.

NEIGHBORHOOD PARK PROJECTS



Little Fawn Park: Staff continues to work with the consultants on the final designs and specifications which should be complete in April. Permit applications for the project have been submitted with staff receiving notification of the approved right of way permit in late March. The project is planned to go out to bid this spring with ground breaking expected to begin this summer.



Fieldstone Park: Site grading and a majority of the paving work is installed, along with irrigation, sod, plantings and other landscaping elements. The installation of the playground and assorted furnishings, including the shelter, have been delayed due to wintery weather, but some items are being worked on as contractors are available. Completion is expected spring 2023.



Shevlin West: Public outreach began mid-April and a survey for the public to provide name suggestions will be open through May 8th. After internal review, staff will share public suggestions with the naming committee for their final selection. In preparation, the committee will meet for a site walk this month to become familiar with the project site.

TRAIL PROJECTS



North Unit Canal Trail: Flagline Engineering continues to make progress on the design and permitting for Phase 1 of the trail with sixty percent design plans and draft trail easement descriptions complete. Epic Land Solutions has completed their initial property research within the planned trail corridor and provided the district with a summary of the existing property owners. With that research, district staff are formulating a strategy for right of way acquisition.



Riverfront Street Deschutes River Trail Improvements: The district has partnered with the City of Bend to design improvements to Riverfront Street in Old Bend to increase access for trail users between Drake Park and Miller's Landing Park. The district began work on this project several years, but was forced to stop due to the high level of complexity and funding limitations for the project. However, in April of 2023, BPRD and the City of Bend entered into an intergovernmental agreement to restart the project with shared costs and resources to complete the project designs. The project is being led by the City of Bend with participation and financial support from the district. The district anticipates the designs to be completed in Summer of 2024.



Al Moody Connector Trail: This project has been delayed indefinitely due to trail easements.

RIVER PROJECTS



Riverbend South Access and Restoration Project: Construction on the entire project is nearly complete with punch list items being finalized. The trail surfacing is installed and the trail is open for users. Plantings will occur throughout the year to complete the project.



McKay, Miller's Landing and Columbia Parks River Access Project: The board provided staff with a direction forward toward a preferred conceptual design for all four access point locations at the March 21 meeting. Staff will continue working with the design team over the next six to nine months to look at the current concepts, public feedback, data collected and input from subject matter experts to refine the designs. Developing access points to facilitate use of the river by everyone in the community, regardless of ability, is paramount and remains a top priority.

OTHER PROJECTS AND FUTURE DEVELOPMENT



SDC Waivers for Affordable Housing: Park SDC waivers for 460 units have been approved through coordination with the City of Bend's Affordable Housing Committee at a cost to the district of about \$2.8M in waived SDC fees. Following the board approval of an additional 75 waivers for 2023, a remaining 74 waivers are available through the end of the year. Staff and legal counsel have completed the necessary deed restriction documents for nine of the developments, totaling 385 units. In addition, BPRD has approved SDC waivers for three temporary shelter projects, totaling 25 units.



Park Search Area Planning: District planners regularly work with local developers or property owners selling large parcels of land to acquire property for new parks and trails in district Park Search Areas as defined by the 2018 Comprehensive Plan.

Staff continues working with Epic Land Solutions to acquire land in other priority park search areas, not associated with development. Staff will provide an update to the board when more information is available.



Diversity, Equity and Inclusion (DEI) Initiative: The action plan has been translated to Spanish and graphic design is being finalized and once complete, the English and Spanish versions will be posted to the website. The workgroup is also forming project subgroups for implementation of the action plan.

Board Calendar 2023

**This working calendar of goals/projects is intended as a guide for the board and subject to change.*

May 23 and 25 Budget Committee Meetings

June 6

Executive Session Don's evaluation

Work Session

- ◆ Juneteenth Proclamation – Board (5 min)
- ◆ Worrell Wayside Park – *Don Horton (15 min)*
- ◆ Park Services Overview – *Sasha Sulia (15 min)*
- ◆ Park Services: Natural Resources Vegetation Management – *Sasha Sulia (30 min)*

Business Session

- ◆ Adopt Resolution No. 2023-05 Adopting the 2024-2028 CIP – *Michelle Healy (5 min)*
- ◆ Hold Public Hearing and Adopt Resolution No. 2023-06 – Adopting the Budget and Making Appropriations for Fiscal Year 2023-24, and Adopt Resolution No. 2023-07 - Imposing and Categorizing Taxes for Fiscal Year 2023-24 – *Kristin Donald (10 min)*
- ◆ Approve land acquisition – *Michelle Healy (15 min)*

June 20

Work Session

- ◆ City of Bend MUPTe Overview – *Rachel Colton and Allison Platt (30 min)*
- ◆ Business Use in Parks – *Matt Mercer and Michael Egging (30 min)*

Business Session

- Approve park name for Shevlin West park site – *Rachel Colton (10 min)*
- Approve design consultant contract for Shevlin West park site – *Bronwen Mastro (10 min)*
- Approve Private Security Contract – *Jeff Hagler and Justin Sweet (15 min)*

July 4 - Canceled

July 18

WORK SESSION

BUSINESS SESSION

- Approve construction contract for Little Fawn Park – *Jason Powell*