



# Adopted Budget

July 1, 2023 to June 30, 2024

Fiscal Years 2023-24 (FY24)

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



*play for life*



# Bend Park & Recreation DISTRICT

## **Budget Committee Fiscal Year 2023-24**

### **Board Members**

Deb Schoen  
Nathan Hovekamp  
Zavier Borja  
Donna Owens  
Jodie Barram

### **Citizen Members**

Daryl Parrish  
Corey Johnson  
Cara Marsh-Rhodes  
Cary Schneider  
Joanne Matthews

### **Staff**

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

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# Bend Park & Recreation DISTRICT

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# District Budget Message - Budget for Fiscal Year 2023-2024

## Bend Park and Recreation Budget Committee Members and District Residents,

We are pleased to present the 2023-24 Bend Park and Recreation District (district) Annual Budget for the fiscal year beginning July 1, 2023 and ending June 30, 2024 (FY24). 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. Dozens of people worked to develop this spending plan by contributing program proposals, evaluations of capital needs, operational priorities and goals for the upcoming year.

Budgeting is a collaborative 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.

Budget development always has its share of unknown variables that we try to anticipate and prepare for, and in this regard, developing the 2023-24 budget is no different from any other year. We saw increased costs with personnel with inflation, increases in unemployment, workers-comp, health insurance and Paid Leave Oregon. Our district has also grown, with park and trail additions.

## Key Factors Influencing Decisions

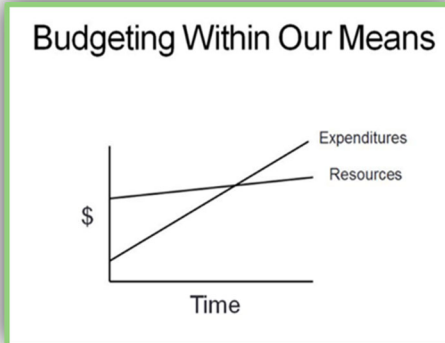
The changing economy, district growth, the strategic plan and board priorities influence the FY2023-24 budget development. Specifically, the following priorities influenced decision making for the budget:

*Fund increasing employee costs-* This budget saw many employment cost increases. Cost of living adjustment is proposed at 5% and performance-based raises up to 3%. The district unemployment rate has increased significantly to 5% along with increases to workers-comp. Health insurance increased by 6.5%, which is lower than expected with the market predicting as high as 13%.

*Taking care of what we have-* Many of our projects funded in the facility reserve fund are to maintain our assets along with our facility operating budgets and park services budgets. Addressing vandalism has increased regular maintenance budgets as well.

*Enhance safety-* Hiring an additional Park Steward is planned and investing in cameras along with other safety improvements at our facilities have been budgeted. A review was done by an outside consulting firm regarding safety for our facilities that will help guide our safety decisions.

*Trails investment-* The Natural Resources Division has been restructured to include a Trails division to centralize duties and responsibilities, and this includes an additional supervisor. The capital plan also includes \$1.1 million in projects this year for trails including the Galveston to Miller's Landing project.



*Support expanded program capacity-* Recreation’s budget is planning for capacity expansion in many of its programs, and expanding concession operations with additional staffing in full-time and part-time roles. While selling concessions is not new to the district, this expansion takes a more wholistic approach to selling goods district-wide with the intent of directing profits to the scholarship program.

*Continued commitment to DEI work-* We will continue our decades-long commitment to serving all district residents. Funding is planned for additional staff training and to further implement the DEI action plan.

*Continued support for profession development-* We continue funding the education assistance program along with college scholarships for Kids Inc staff. Selected staff are budgeted to attend outside trainings and conferences, along with Human Resources expanding our internal training program.



## FY2023-24 Budget

The district’s Fiscal Year 2023-24 budget shows a balanced budget with healthy reserves for planned future projects and maintaining assets. The proposed budget is anticipating \$48 million in revenues and \$58 million in expenditures for total budgeted requirements of \$96.8 million, which includes contingencies. This budget will support 290.7 full-time equivalent (FTE) employees and \$20.8 million in capital spending.

### *Revenues*

The district’s main sources of funding are property taxes, charges for services (user fees) and System Development Charges (SDCs). Revenues for the district are expected to increase by \$6.9 million, a 17% increase over last year’s budget due to growth in property taxes and SDCs along with our growing programming make up the increase.

### *Expenditures*

We continue to feel the impacts of high inflation and labor continues to be a challenge, but we are seeing some relief for both factors. Expenditures for the district’s proposed budget are projected to increase by \$11.4 million, a 24.6% increase compared to last year’s budget. The increase is mainly in capital spending with large projects that were in the planning phase last year. Personnel and operating expenditures saw a 16.2% increase and 10.6% increase respectively.

### *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. With the revision of the reserve balance policy, this budget begins our annual look at the needs for minimum fund reserves in our General fund and Reserve funds. See appendix C for the analysis and our minimum for this budget year. All funds are budgeted to have the needed reserves based on the policy, our forecasts and capital improvement plan.

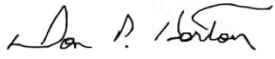
## Conclusion

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, we 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



Kristin Donald

Administrative Services Director



# Readers Guide

## THE BUDGET IS DIVIDED INTO SECTIONS

### SUMMARY

#### FY 2023 - 24 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

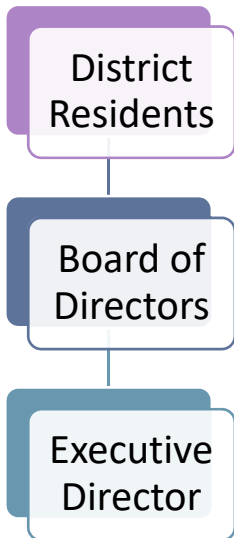
Bend began as a logging town, but is now a gateway for many outdoor recreational activities such as cycling, hiking, golfing, rock climbing, and ice, snow, and water sports.

Voters established the Bend Park and Recreation District (district) on May 28, 1974. The district was 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. 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.

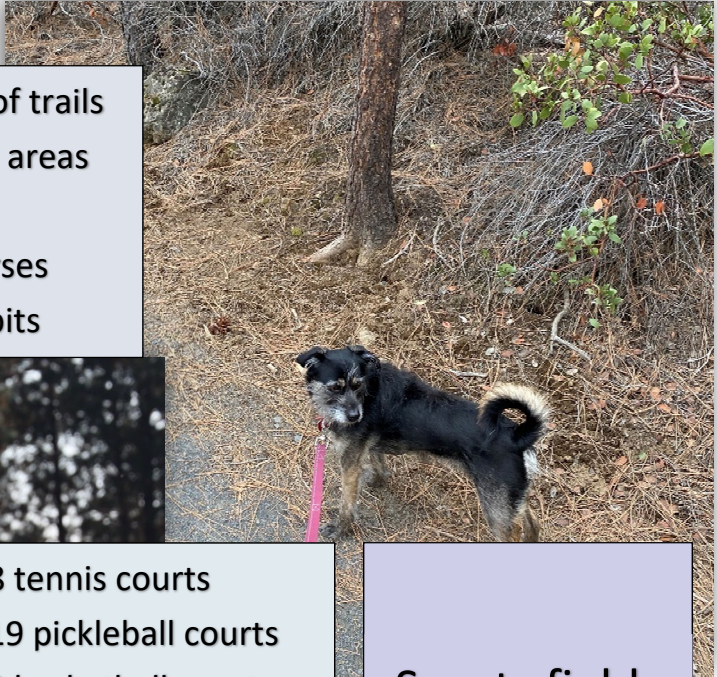
The district’s annual budget planning process is the culmination of a more comprehensive long-term planning process, which starts with our vision, mission and value statements. These statements serve the purpose of defining for the public, staff, volunteers, and board of directors why our organization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



# District System at a Glance

2,088  
developed  
park acreage

- Over 80 miles of trails
- 9 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

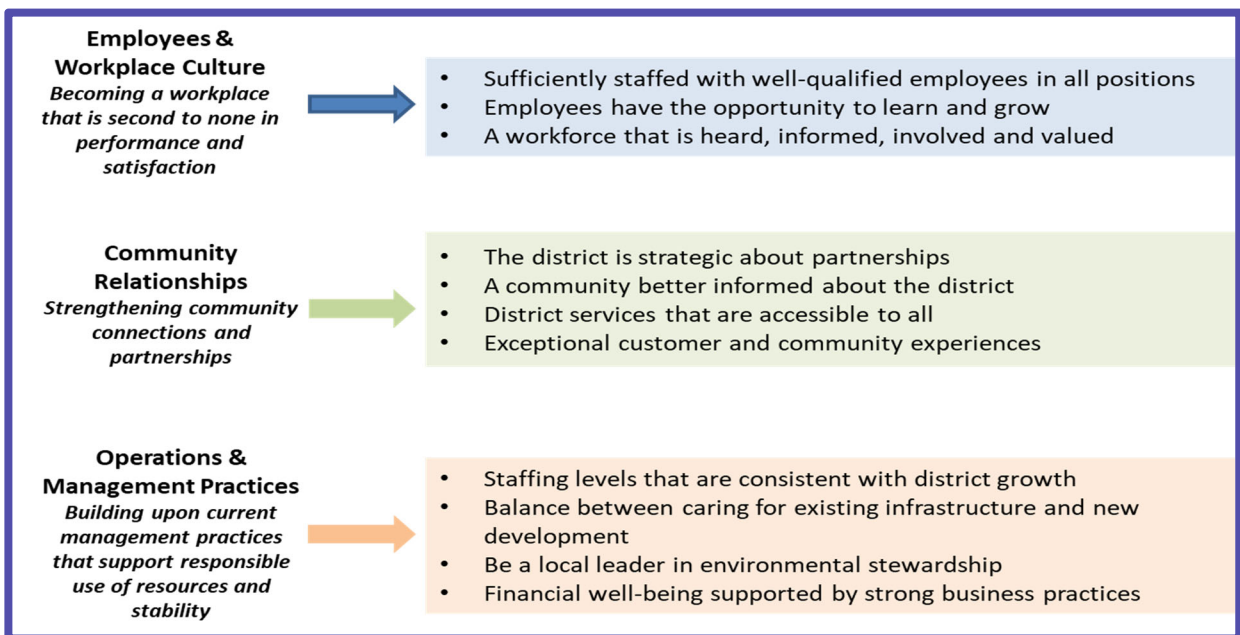
The district also has a Comprehensive Plan and a Strategic Plan. The long-term planning is intended to answer the questions: where are we now?; where do we want to go?; and how will we get there? With the foundation and direction provided by its comprehensive and strategic plans, the district annually 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. 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:



## Performance Measure

Our Performance Measures helps us measure our work towards the Comprehensive Plan and our Strategic Goals. 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

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

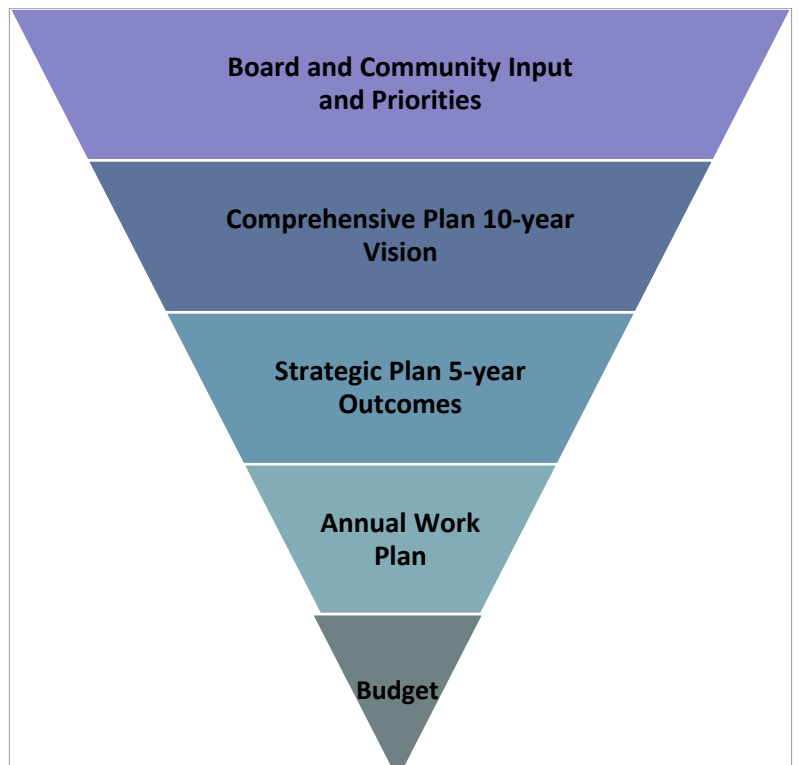
## Budget Process

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.

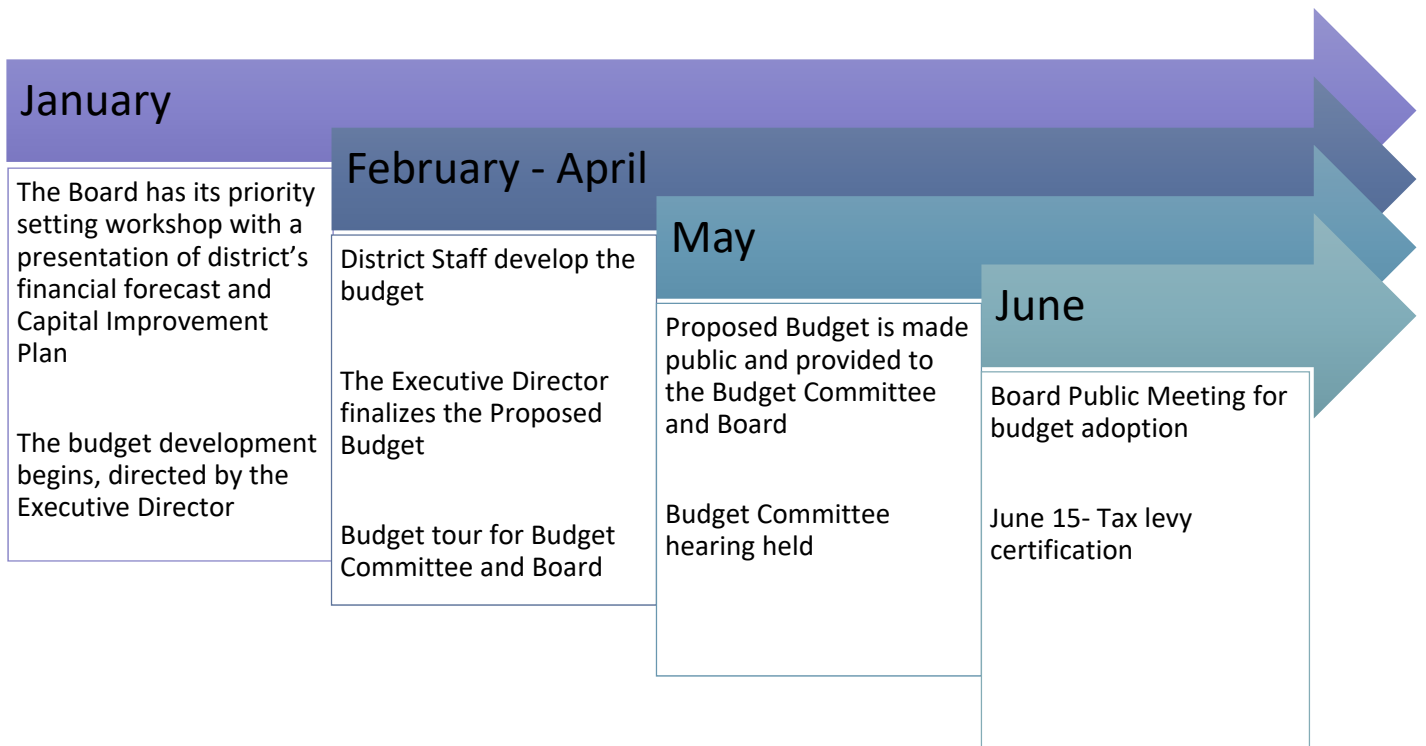
The district follows Local Budget Law established by the State of Oregon. Oregon's Local Budget Law serves the following purposes:

- 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.

<b>General Fund</b>	<ul style="list-style-type: none"> <li>•The operating fund of the district and accounts for the general operation of the district</li> </ul>
<b>Rental Special Revenue Fund</b>	<ul style="list-style-type: none"> <li>•Accounts for the proceeds of district facility and park rental revenues</li> </ul>
<b>System Development Charges (SDC) Special Revenue Fund</b>	<ul style="list-style-type: none"> <li>•Accounts for the acquisition and development of the community's park system</li> </ul>
<b>Facility Reserve Fund</b>	<ul style="list-style-type: none"> <li>•Accounts for acquiring, constructing and re-developing parks, trails and buildings</li> </ul>
<b>Equipment Reserve Fund</b>	<ul style="list-style-type: none"> <li>•Accounts for new and replacement vehicles, furniture, fixtures, equipment and technology</li> </ul>
<b>General Obligation (GO) Debt Service Fund</b>	<ul style="list-style-type: none"> <li>•Accounts for the accumulation of property taxes levied to pay principal and interest on GO bond debt</li> </ul>

## Budget and Financial Polices

*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 Polices*

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. ***See Appendix C for the Fund Balance analysis to set this year’s minimum fund balance.***

### *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.

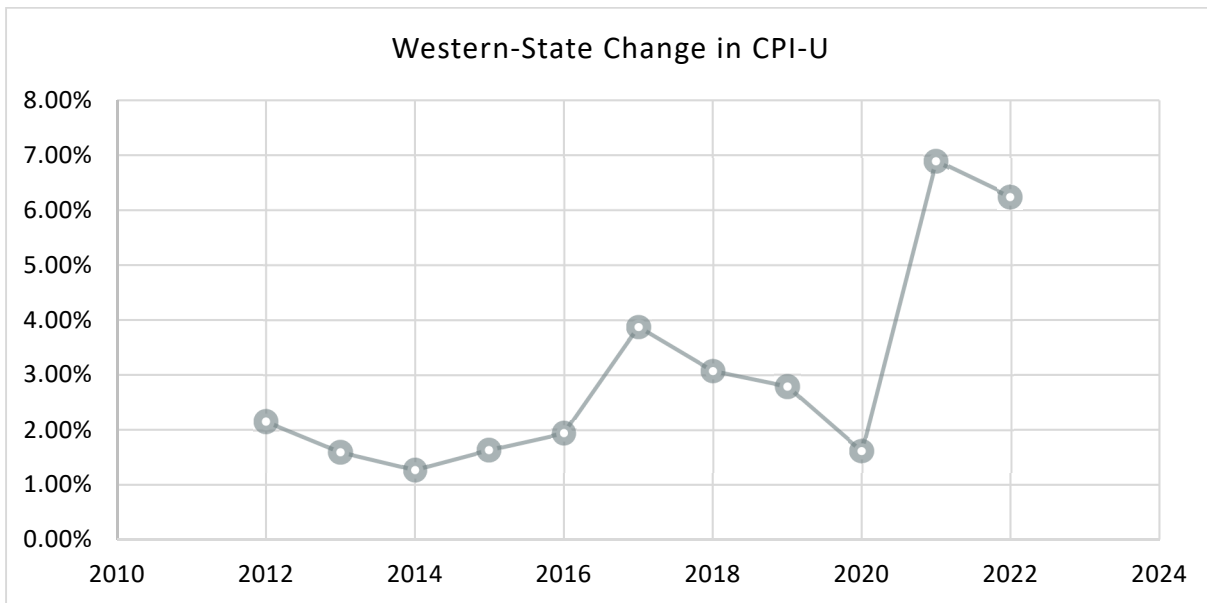
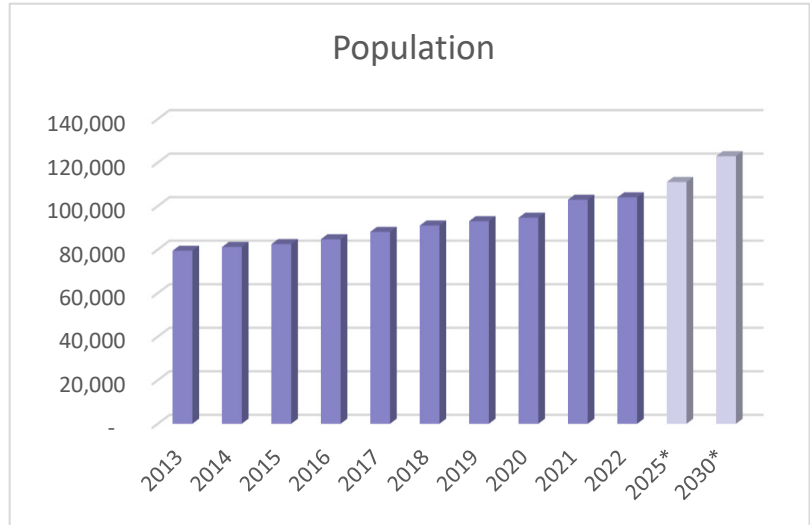
*Expenditure Policy*

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.

### FY2023- 2024 Economic Outlook

We continue to respond by shifting and balancing priorities to ensure the district’s financial stability in an ever-changing environment. Inflation is impacting the development of this forecast along with the likelihood of a recession. Most economic outlooks now call for a mild recession. The district’s living wage ordinance bases increases in CPI-U for Western States released in February, for the month of January.

The district uses the Consumer Price Index for Western States as a general gauge of price inflation this includes all Items, Unadjusted, Urban Consumers (CPI-U).<sup>1</sup>

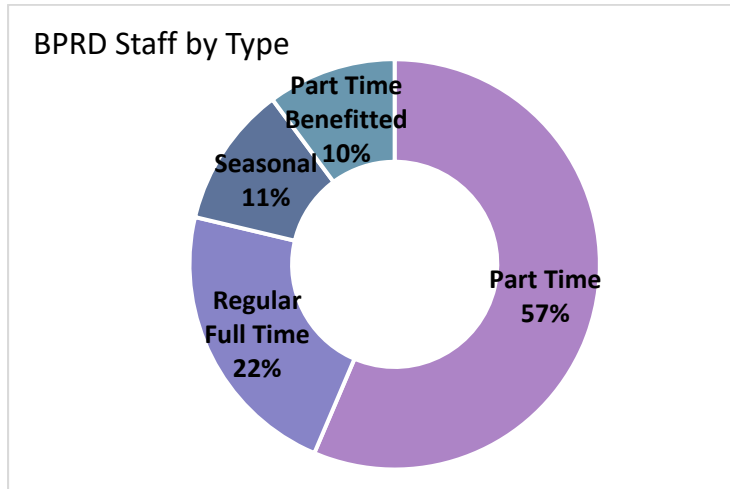


**See Appendix A for the Financial Forecast FY2024 – FY2028 for additional economic information and Appendix B for other Statistical Information.**

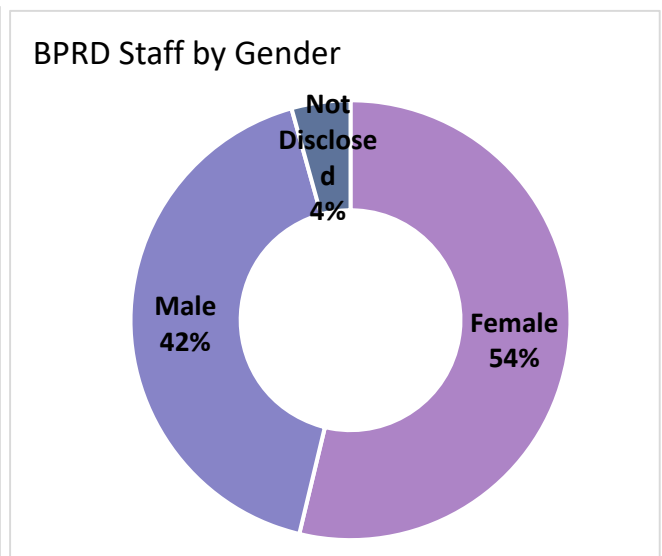
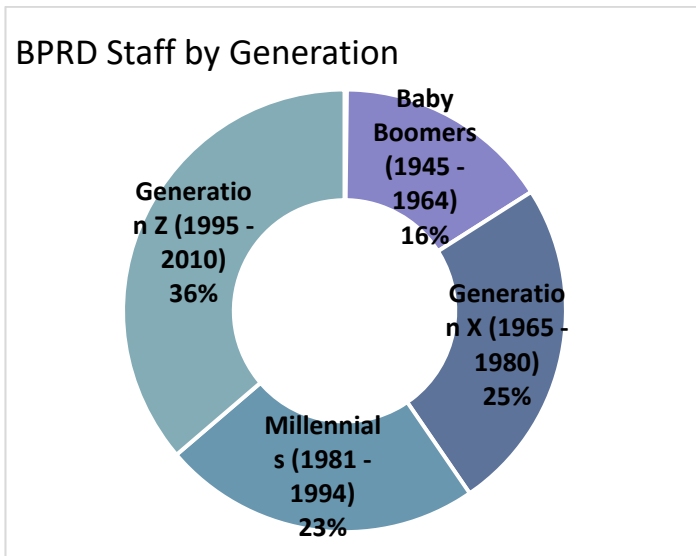
<sup>1</sup> Bureau of Labor Statistics, US Department of Labor

## People of the District

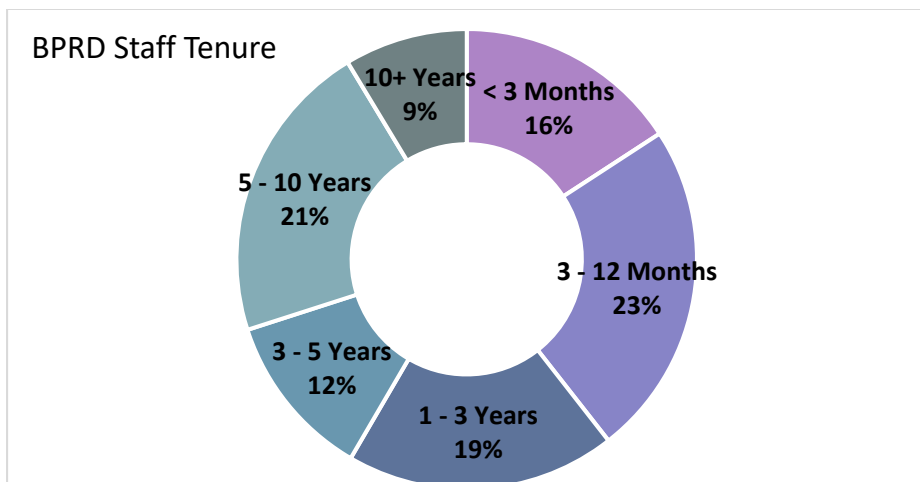
The district is nothing without its people. Our services are delivered by staff and we have varying types of employment and majority of the headcount is in Recreation:



We also employ a variety of demographics.



The district keep longevity in mind especially as we start looking forward for succession planning:



## 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, 2022. 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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Bend Park & Recreation District  
Oregon**

For the Fiscal Year Beginning

**July 01, 2022**

*Christopher P. Morrill*

Executive Director



# FY2023 – 2024 (FY24) Budget Summary

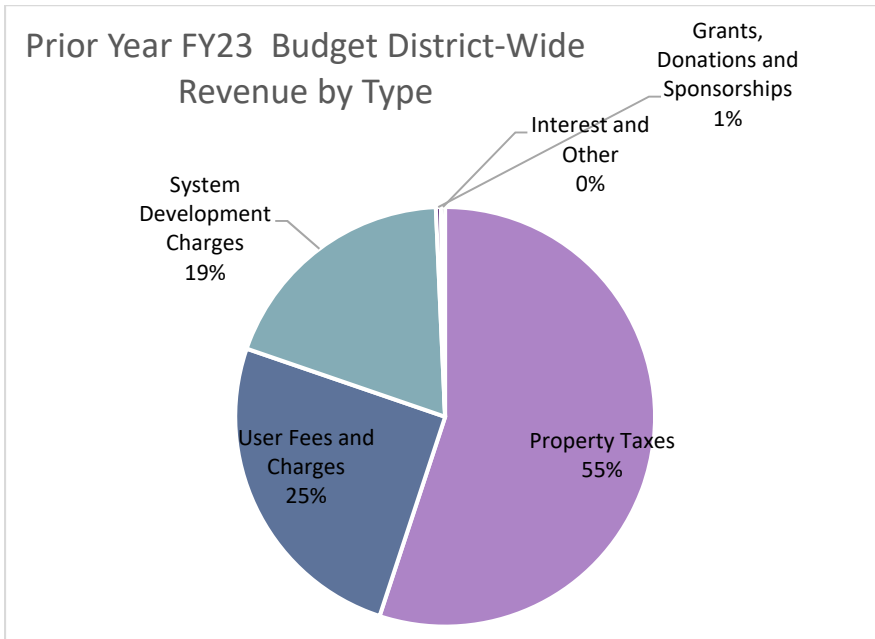
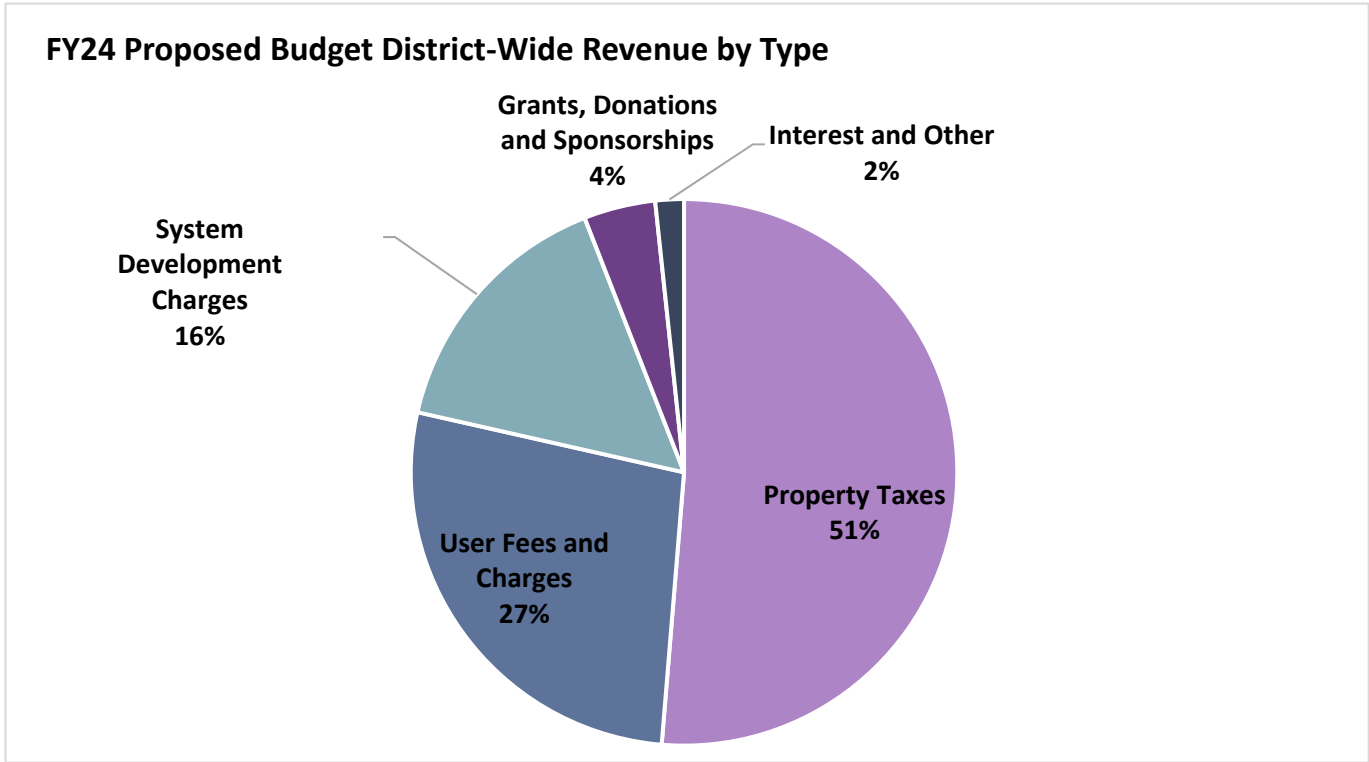
## What is the District's Budget? - Overall District Summary

The district's Fiscal Year 2023-2024 is estimated to receive over \$48 million in revenue. FY24 Budget appropriations are \$58 million. This will support 290.7 full-time equivalent (FTE) employees and \$20.8 million in capital spending. Major changes to the FY24 budget are illustrated below:

	General Fund	System Development Charges Fund	Rental Fund	Reserve Funds	Debt Service Fund	2023-24 Adopted	Change in Budget \$	Change in Budget %
<b>RESOURCES</b>								
<b>Beginning Fund Balance</b>	<b>10,604,860</b>	<b>11,331,748</b>	<b>1,473,895</b>	<b>18,233,331</b>	<b>111,193</b>	<b>41,755,027</b>		
<b>Revenues</b>								
Property Taxes	22,626,576	-	-	-	2,063,731	<b>24,690,307</b>	1,892,556	8.3%
User Fees and Charges	12,591,600	-	515,900	-	-	<b>13,107,500</b>	2,818,800	27.4%
System Development Charges	-	7,479,000	-	-	-	<b>7,479,000</b>	(400,000)	-5.1%
Grants, Donations and Sponsorships	66,500	-	-	1,970,663	-	<b>2,037,163</b>	1,876,063	1164.5%
Interest and Other	457,000	206,000	12,000	287,000	3,500	<b>965,500</b>	758,400	366.2%
<b>Total Revenues</b>	<b>35,741,676</b>	<b>7,685,000</b>	<b>527,900</b>	<b>2,257,663</b>	<b>2,067,231</b>	<b>48,279,470</b>	<b>6,945,819</b>	<b>16.8%</b>
Interfund Transfer	615,000			6,250,000		<b>6,865,000</b>	1,950,000	39.7%
<b>TOTAL RESOURCES</b>	<b>\$ 46,961,536</b>	<b>\$ 19,016,748</b>	<b>\$ 2,001,795</b>	<b>\$ 26,740,994</b>	<b>\$ 2,178,424</b>	<b>\$ 96,899,497</b>		
<b>REQUIREMENTS</b>								
<b>Expenditures</b>								
Personnel	25,157,191	-	333,471	-	-	<b>25,490,662</b>	3,561,954	16.2%
Materials and Services	8,466,780	17,000	99,100	461,000	-	<b>9,043,880</b>	867,618	10.6%
Capital Outlay	-	11,580,909	137,600	9,179,168	-	<b>20,897,677</b>	6,957,166	50.5%
Debt Service	507,150	-	-	-	2,092,131	<b>2,599,281</b>	41,500	1.6%
<b>Total Expenditures</b>	<b>34,131,121</b>	<b>11,597,909</b>	<b>570,171</b>	<b>9,640,168</b>	<b>2,092,131</b>	<b>58,031,500</b>	<b>11,428,238</b>	<b>24.6%</b>
Interfund Transfer	5,750,000	615,000	500,000	-	-	<b>6,865,000</b>	1,950,000	39.7%
Contingency	-	2,000,000	100,000	2,200,000	-	<b>4,300,000</b>	(5,861,735)	-57.7%
Reserved	5,550,982	4,803,839	831,624	14,900,826	86,293	<b>26,173,564</b>	4,548,861	21.0%
Unappropriated fund balance	1,529,433	-	-	-	-	<b>1,529,433</b>	885,775	137.6%
<b>TOTAL REQUIREMENTS</b>	<b>\$ 46,961,536</b>	<b>\$ 19,016,748</b>	<b>\$ 2,001,795</b>	<b>\$ 26,740,994</b>	<b>\$ 2,178,424</b>	<b>\$ 96,899,497</b>		

*Where Does the Money Come From? -Revenues*

Overall, revenues are estimated at \$48 million, a \$6.9 million increase or 17% over the prior year. The largest revenue source is property taxes and we saw a large increase last year and predict further growth. User Fees and Charges have grown with our recreation programming. System Development Charges (SDCs) fund new development capital projects and with makes up a large portion of the district’s revenue. Below is the breakdown of the types of revenue and the comparison for the prior year budget.

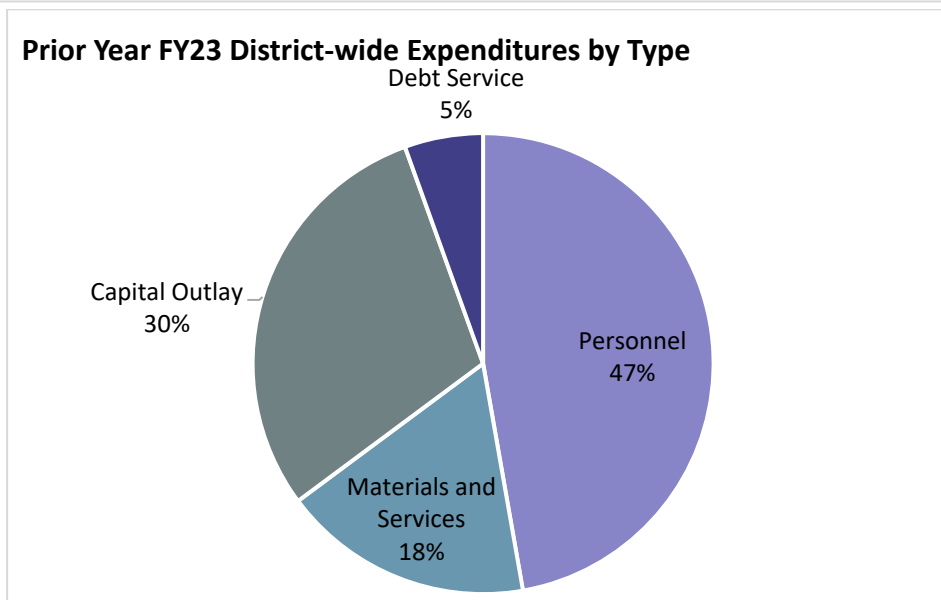
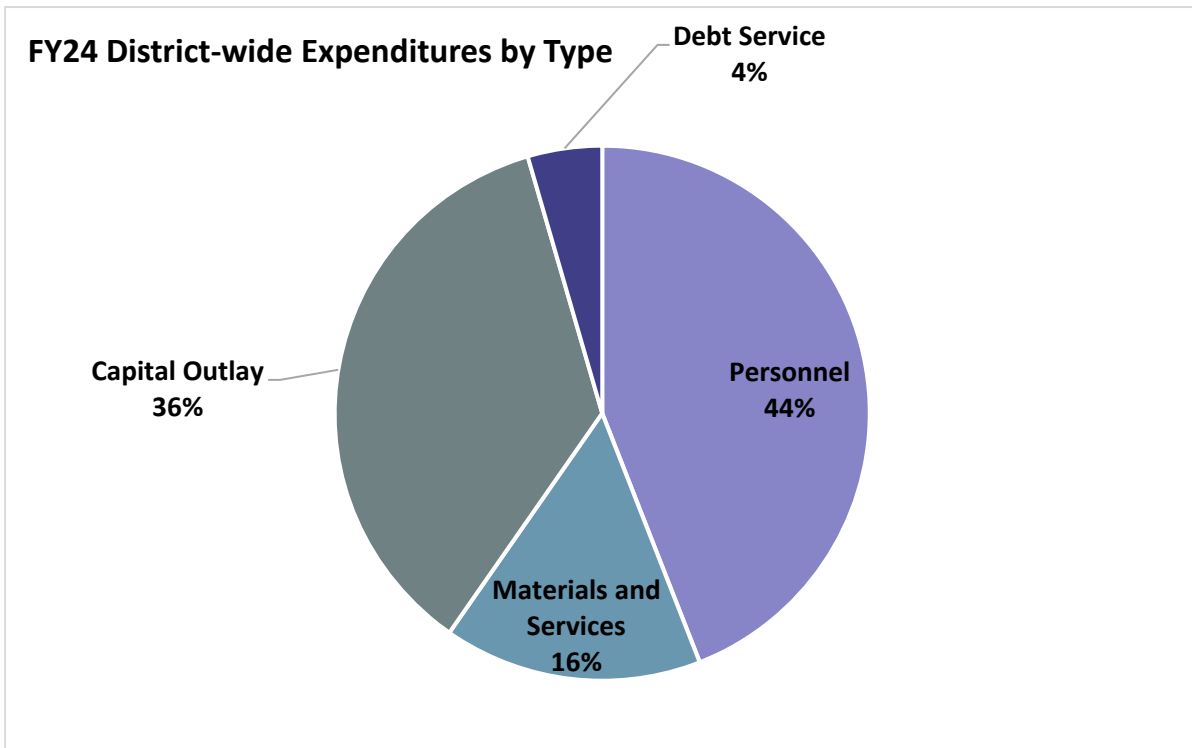


### Where Does the Money Go? - Appropriations

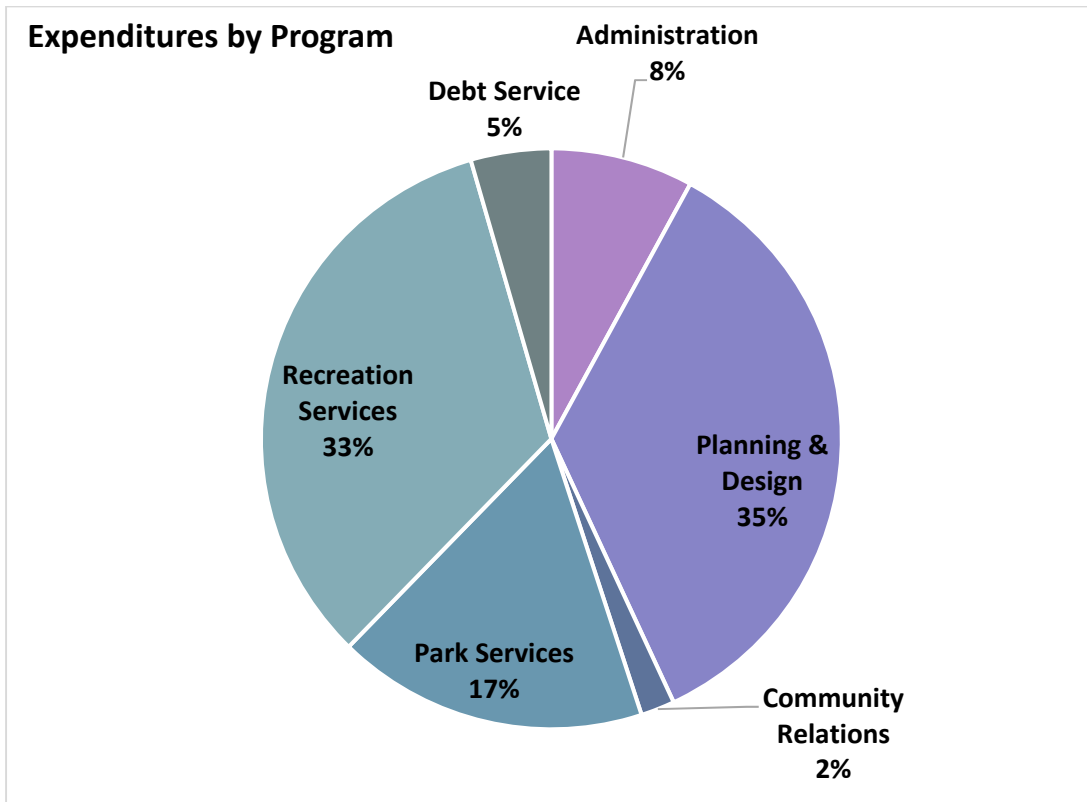
Expenditures, often called “Appropriations,” are classified under one of four major categories: Personnel, Materials and Services, Capital and Debt Service. FY24 appropriations are \$58 million, an increase of \$11.4 million or 24.6% from the prior year. This is mainly due to higher amounts of capital expenditures planned in the prior year than the current year of 50%.

- Personnel increased by \$3.5 million or 16.2% from the prior year. The Benefits Committee recommended an 5% cost of Living adjustment (COLA) for wages and up to 3% based on performance. Other benefits saw minor increases and mainly in regards to health insurance of 6.5%. Unemployment insurance has a 5% increase.
- Materials and Services increased by \$867,618 or 10.6% from the prior year. Inflation impacts are responsible along with the increase in our system and new programs.

The graph below shows the relative percentage of the FY24 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:



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

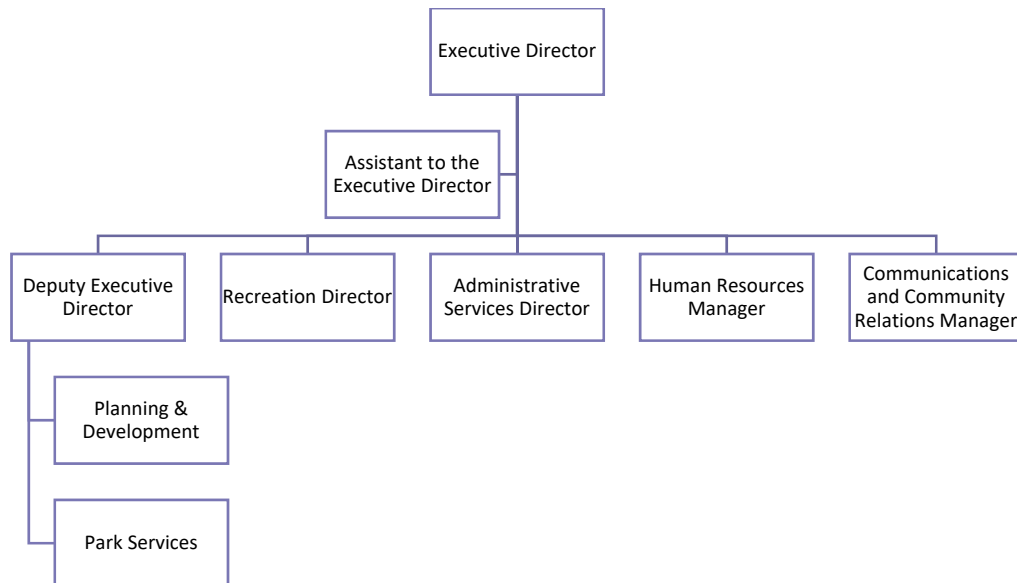
Fund balance is critical for financial stability and flexibility. Reserves aid in governments being able to respond to events, buffer against economic downturns, and are a factor for bond ratings. Therefore, local governments establish a minimum fund balance. For the FY24 budget we reviewed GFOA’s best practice, and its referenced material, as well as GFOA case studies and examples of polices from other local governments. See Appendix C for the full analysis. We are recommending the following minimum reserves:

- **General Fund-** Minimum fund balance to be reserved should be 90 days of Recreation operating expenditures, because a large portion is covered by charges for services, and 30 days of operating expenditures for the rest of the district since these are covered by property tax revenue.
- **Reserve Funds-** At minimum these funds should have next year’s planned expenses covered.

### 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, staffing increases are needed. The proposed budget includes 290.7 full-time-equivalent (FTE), a 6% increase from last year.

- Planning & Design- is adding part-time hours for help with mapping technology.
- Park Services are adding a full-time Park Steward and a Trails Supervisor.
- Recreation is adding a full-time concession supervisor to implement an expanded concession operation, and full-time manager and program supervisor positions as a part of a reorganizing to address recent and future growth staff Part-time hours are increasing as recreation services expand capacity.



	2020-21 Adopted	2021-22 Amended	2022-23 Adopted	2023-24 Adopted	Budget Change
<b>Executive Director's Office, Administrative Services and HR</b>					
Full-Time Positions	15.0	16.0	16.0	16.0	0%
Part-Time/Seasonal Positions	0.6	0.6	0.6	0.6	0%
	<b>15.6</b>	<b>16.6</b>	<b>16.6</b>	<b>16.6</b>	0%
<b>Planning and Design</b>					
Full-Time Positions	11.0	11.0	11.0	11.0	0%
Part-Time/Seasonal Positions	0.8	0.8	0.8	1.0	33%
	<b>11.8</b>	<b>11.8</b>	<b>11.8</b>	<b>12.0</b>	2%
<b>Community Relations</b>					
Full-Time Positions	5.0	5.0	6.0	6.0	0%
Part-Time/Seasonal Positions	-	-	-	-	0%
	<b>5.0</b>	<b>5.0</b>	<b>6.0</b>	<b>6.0</b>	0%
<b>Park Services</b>					
Full-Time Positions	51.9	56.8	56.6	58.6	4%
Part-Time/Seasonal Positions	18.3	12.2	12.2	12.2	0%
	<b>70.1</b>	<b>69.0</b>	<b>68.8</b>	<b>70.8</b>	3%
<b>Recreation</b>					
Full-Time Positions	45.2	44.1	56.4	58.4	4%
Part-Time/Seasonal Positions	114.1	120.7	114.3	126.9	11%
	<b>159.3</b>	<b>164.8</b>	<b>170.7</b>	<b>185.3</b>	9%
<b>Total Staffing</b>					
Full-Time Positions	128.1	153.0	146.0	150.0	3%
Part-Time/Seasonal Positions	133.8	134.3	127.9	140.7	10%
	<b>261.9</b>	<b>287.3</b>	<b>273.9</b>	<b>290.7</b>	6%



# 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.

### 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

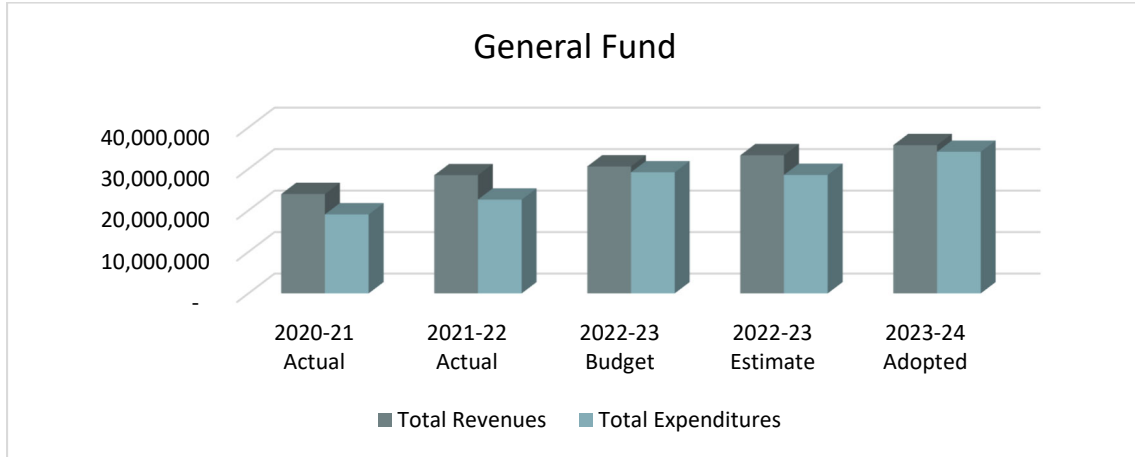
- Accounts for new and replacement vehicles, furniture, fixtures, equipment and technology. Principal revenue sources are from transfers from the General Fund, investment income, and sale proceeds from surplus vehicles and equipment.

### 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

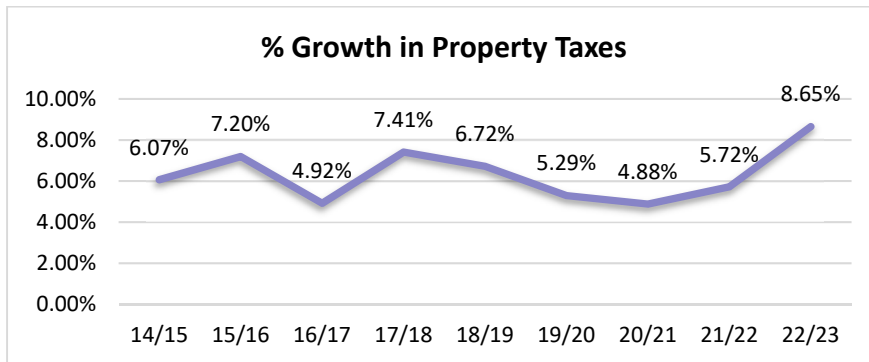
The district's General Fund is the general operating fund of the district and accounts for the Executive Director's office, administrative services, planning and design, park services, community relations and recreation services. Principal sources of revenue are property taxes, user fees and charges, 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.



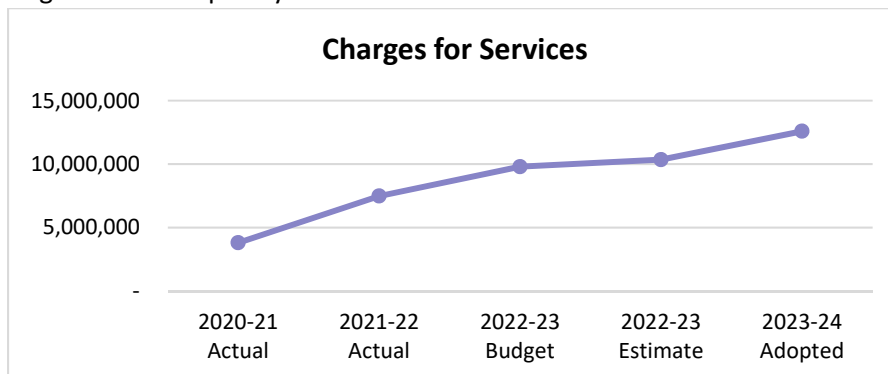
## Revenue

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-** Taxes are based on assessment and the growth in property taxes is made up of the 3% of higher appraisal and new construction. We have seen growth higher than expected for FY2022-23 and surpassed our budget estimates. For the budget we are estimating a total increase of 5% from the prior year in property tax revenue.

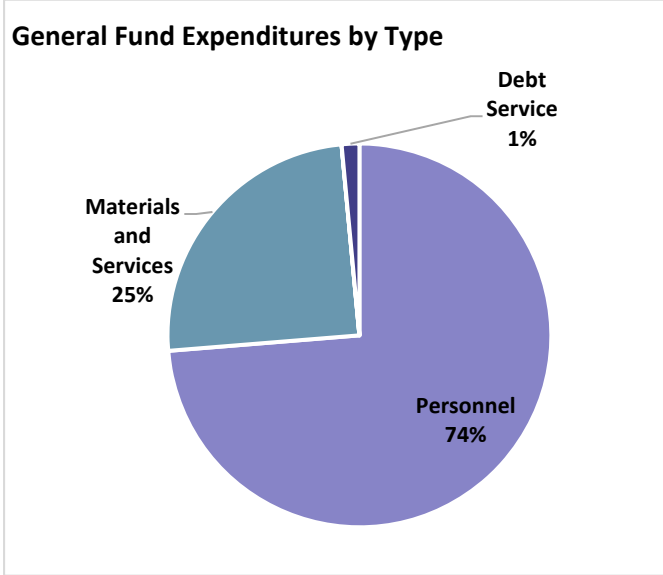


- Charges for services-** Our recreation programming is seeing great growth and revenues for the fund are estimated to be higher than the prior years.



**Expenditures**

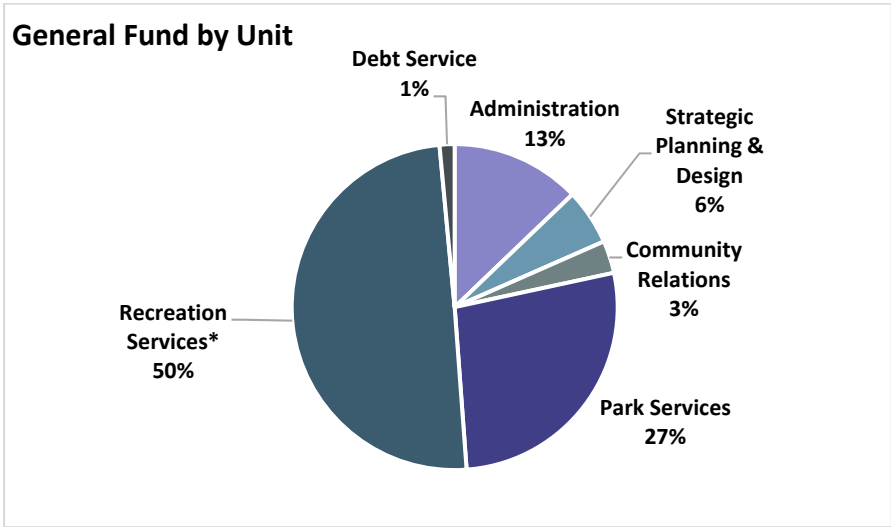
By category, personnel is the General Fund’s greatest expense. The Benefits Committee recommended an 5% Cost of Living Adjustment (COLA) for wages. Other benefits saw increases, including a 6.5% increase for health insurance Unemployment insurance jumped to 5% and we have a full year of Paid Leave Oregon, which covers both employer and employee contribution to the new program. There are additional staff added to Recreation and Park Services for an overall personnel cost increase of 16%. 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 Loan Payable - Financing Agreement, Series 2014			
June 30	Principal	Interest	Payment
2024	482,661	24,489	507,150
2025	492,540	12,335	504,875
	\$ 975,201	\$ 36,824	\$ 1,012,025

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 manages its subsidy, which means taking its expenses against the revenue they bring in (charges for service), and the proposed budget has a \$4.1 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. The district policy is to conduct a risk analysis each year, see the analysis in Appendix C. Minimum fund balance to be reserved should be 90 days of Recreation operating expenditures because a large portion is covered by charges for services, and 30 days of the rest of the operating expenditures because these are covered by property tax revenue. This minimum is \$5,550,982, with \$1,529,433 of fund balance unappropriated as additional contingency resources.

## General Fund Budget

	2020-21 Actual	2021-22 Actual	2022-23 Budget	2022-23 Estimate	2023-24 Adopted	Change in Budget \$	Change in Budget %
<b>RESOURCES</b>							
Beginning Fund Balance	8,731,949	8,793,640	7,869,272	9,566,358	10,604,860	2,735,588	35%
<b>Revenues</b>							
Property Taxes	19,359,752	20,400,847	20,799,800	21,983,604	22,626,576	1,826,776	9%
Charges for Services	3,805,519	7,484,896	9,798,300	10,351,600	12,591,600	2,793,300	29%
Investment earnings	86,388	80,801	80,000	400,000	90,000	10,000	13%
Grant Revenue	7,089	170,020	83,000	385,000	5,000	(78,000)	-94%
Intergovernmental	445,000	48,847	-	7,000	61,500	61,500	0%
Reimbursement of interfund services	149,762	86,316	(272,400)	-	170,000	442,400	-162%
Miscellaneous	92,801	221,460	119,100	160,000	197,000	77,900	65%
<b>Total Revenues</b>	<b>23,946,311</b>	<b>28,493,187</b>	<b>30,607,800</b>	<b>33,287,204</b>	<b>35,741,676</b>	<b>5,133,876</b>	<b>17%</b>
Transfer in	375,114	396,967	615,000	615,000	615,000	-	0%
<b>TOTAL RESOURCES</b>	<b>33,053,374</b>	<b>37,683,794</b>	<b>39,092,072</b>	<b>43,468,562</b>	<b>46,961,536</b>	<b>7,869,464</b>	<b>20%</b>
<b>REQUIREMENTS**</b>							
<b>Expenditures</b>							
<b>By Program:</b>							
Administration	2,819,080	2,738,921	4,201,454	4,126,454	4,386,806	185,352	4%
Planning & Design	1,311,791	1,437,025	1,642,781	1,642,781	1,897,032	254,251	15%
Community Relations	615,216	690,569	972,276	972,276	1,096,848	124,572	13%
Park Services	6,448,993	6,743,630	8,067,932	8,067,932	9,286,797	1,218,865	15%
Recreation Services*	7,338,107	10,499,448	13,794,186	13,246,209	16,956,488	3,162,302	23%
Debt Service	506,547	507,843	508,050	508,050	507,150	(900)	0%
<b>Total Expenditures</b>	<b>19,039,734</b>	<b>22,617,436</b>	<b>29,186,679</b>	<b>28,563,702</b>	<b>34,131,121</b>	<b>4,944,442</b>	<b>17%</b>
Interfund Transfers	5,220,000	5,500,000	4,300,000	4,300,000	5,750,000	1,450,000	34%
Minimum Fund Balance (See Appendix C)	-	-	4,961,735	-	5,550,982	589,248	12%
Reserved	-	-	-	-	-	-	0%
Unappropriated	-	-	643,658	-	1,529,433	885,775	138%
<b>TOTAL REQUIREMENTS</b>	<b>24,259,734</b>	<b>28,117,436</b>	<b>39,092,072</b>	<b>32,863,702</b>	<b>46,961,536</b>	<b>7,869,464</b>	<b>20%</b>
<b>Fund Balance</b>	<b>8,793,640</b>	<b>9,566,358</b>	<b>-</b>	<b>10,604,860</b>	<b>-</b>		
<b>TOTAL REQUIREMENTS</b>			<b>39,092,072</b>		<b>46,961,536</b>	<b>7,869,464</b>	<b>20%</b>

\*Recreation Subsidy 4,139,888

\*\*\*\*\*

	2020-21 Actual	2021-22 Actual	2022-23 Budget	2022-23 Estimate	2023-24 Adopted	Change in Budget \$	Change in Budget %
<b>REQUIREMENTS**</b>							
<b>Expenditures</b>							
<b>By Category</b>							
Personnel	14,365,316	16,683,523	21,626,032	21,155,199	25,157,191	3,531,159	16%
Materials and Services	4,167,871	5,426,070	7,052,597	6,900,453	8,466,780	1,414,183	20%
Capital Outlay	-	-	-	-	-	-	0%
Debt Service	506,547	507,843	508,050	508,050	507,150	(900)	0%
<b>Total Expenditures</b>	<b>19,039,734</b>	<b>22,617,436</b>	<b>29,186,679</b>	<b>28,563,702</b>	<b>34,131,121</b>	<b>4,944,442</b>	<b>17%</b>

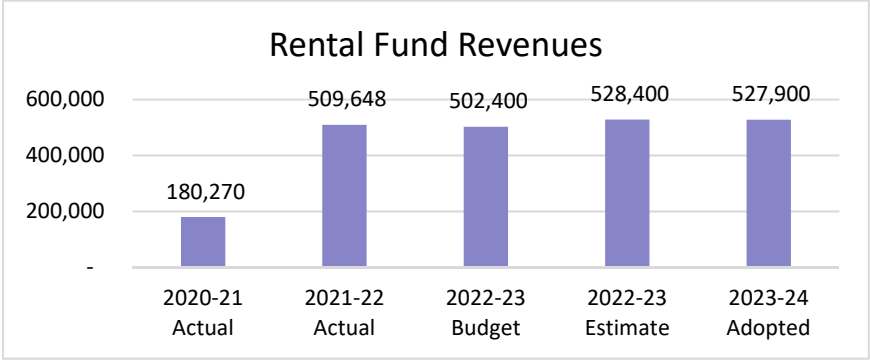


### Rental Special Revenue Fund

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

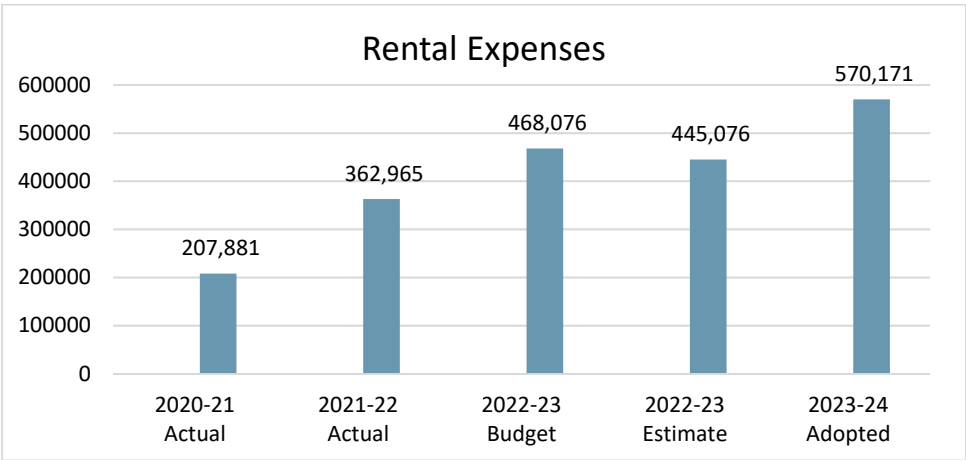
#### Revenue

Facility rentals were greatly impacted by the pandemic but have since recovered. We plan to continue to see a recovery in our rentals. Athletic field rental, previously shown in this fund, has been moved to Recreation Services general fund where it will be managed.

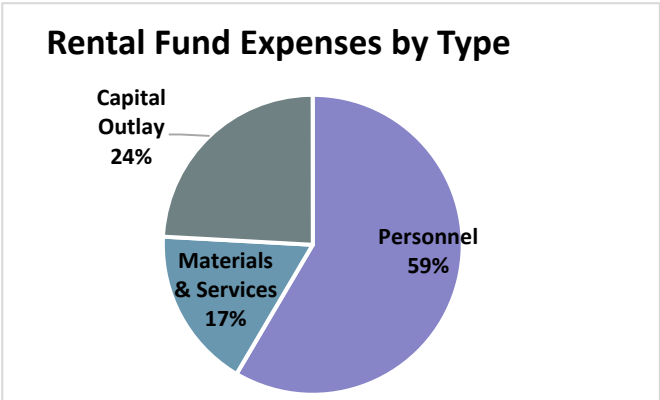


#### Expenditures

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



The fund saw the same 9% increase in personnel as noted in the General fund and in budget summary regarding all personnel costs.



## Fund Balance

The fund balance is to cover any shortfall in operations along with maintenance and capital repairs for the rental facilities. Due to other facility needs, \$500,000 is being transferred to the Facility Reserve fund.

## Rental Fund Budget

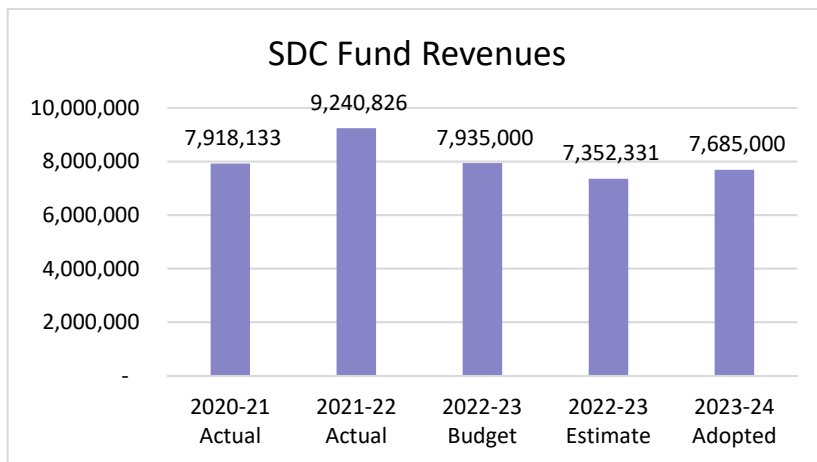
	2020-21 Actual	2021-22 Actual	2022-23 Budget	2022-23 Estimate	2023-24 Adopted	Change in Budget \$	Change in Budget %
<b>RESOURCES</b>							
Beginning Working Capital	1,271,499	1,243,888	1,331,251	1,390,571	1,473,895	142,644	11%
<b>Revenues</b>							
Interest	10,174	7,952	12,000	38,000	12,000	-	0%
Charges for Services	170,096	501,696	490,400	490,400	515,900	25,500	5%
Miscellaneous	-	-	-	-	-	-	0%
Total Revenues	180,270	509,648	502,400	528,400	527,900	25,500	5%
<b>TOTAL RESOURCES</b>	<b>1,451,769</b>	<b>1,753,536</b>	<b>1,833,651</b>	<b>1,918,971</b>	<b>2,001,795</b>	<b>168,144</b>	<b>9%</b>
<b>REQUIREMENTS</b>							
<b>Expenditures</b>							
Facility Rental Program:							
Personnel	165,832	266,497	306,276	283,276	333,471	27,195	9%
Materials & Services	35,629	81,252	76,800	76,800	99,100	22,300	29%
Capital Outlay	6,420	15,216	85,000	85,000	137,600	52,600	62%
Total Expenditures	207,881	362,965	468,076	445,076	570,171	102,095	22%
Interfund Transfers	-	-	-	-	500,000	500,000	0%
Contingency	-	-	1,000,000	-	100,000	(900,000)	-90%
Reserve for Future Maintenance	-	-	365,575	-	831,624	466,049	127%
<b>TOTAL REQUIREMENTS</b>	<b>207,881</b>	<b>362,965</b>	<b>1,833,651</b>	<b>445,076</b>	<b>2,001,795</b>	<b>168,144</b>	<b>9%</b>
<b>Ending Fund Balance/Working Capital</b>	<b>1,243,888</b>	<b>1,390,571</b>	<b>-</b>	<b>1,473,895</b>	<b>-</b>		

## 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 for 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 is responsible for 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 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 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 Actual	2022-23 Budget	2022-23 Estimate	2023-24 Adopted	Change in Budget \$	Change in Budget %
<b>RESOURCES</b>							
Beginning Working Capital	14,084,912	15,389,208	12,824,419	15,602,570	11,331,748	(1,492,671)	-12%
<b>Revenues</b>							
Interest and Misc	125,327	116,455	56,000	520,000	206,000	150,000	268%
System Development Charges	7,792,806	9,124,371	7,879,000	6,832,331	7,479,000	(400,000)	-5%
Total Revenues	7,918,133	9,240,826	7,935,000	7,352,331	7,685,000	(250,000)	-3%
<b>TOTAL RESOURCES</b>	<b>22,003,045</b>	<b>24,630,034</b>	<b>20,759,419</b>	<b>22,954,901</b>	<b>19,016,748</b>	<b>(1,742,671)</b>	<b>-8%</b>
<b>REQUIREMENTS</b>							
<b>Expenditures</b>							
Planning and Design Program:							
Materials and Services	8,329	2,554	17,000	17,000	17,000	-	0%
Capital Outlay	6,230,394	8,627,943	10,991,153	10,991,153	11,580,909	589,756	5%
Total Expenditures	6,238,723	8,630,497	11,008,153	11,008,153	11,597,909	589,756	5%
Interfund Transfers	375,114	396,967	615,000	615,000	615,000	-	0%
Contingency	-	-	2,000,000	-	2,000,000	-	0%
Reserves for future CIP	-	-	7,136,266	-	4,803,839	(2,332,427)	-33%
<b>TOTAL REQUIREMENTS</b>	<b>6,613,837</b>	<b>9,027,464</b>	<b>20,759,419</b>	<b>11,623,153</b>	<b>19,016,748</b>	<b>(1,742,671)</b>	<b>-8%</b>
<b>Ending Fund Balance/Working Capital</b>	<b>15,389,208</b>	<b>15,602,570</b>	<b>-</b>	<b>11,331,748</b>	<b>-</b>		

## 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.

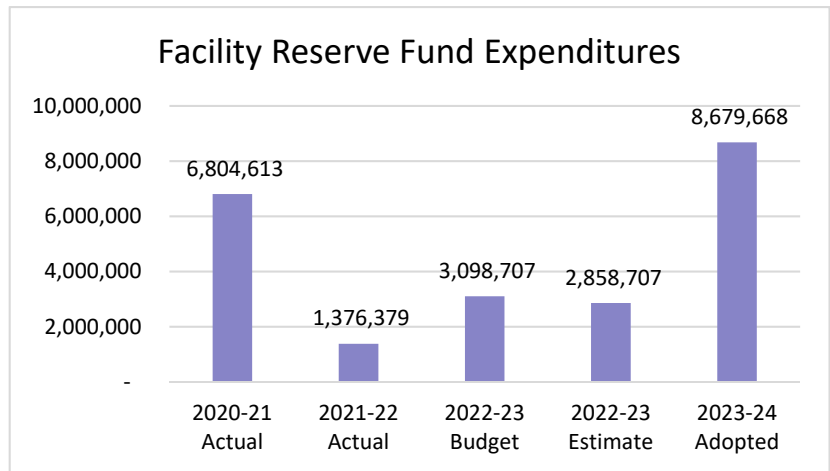
### Expenditures

The expenditures are based on the capital improvement plan to maintain 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 Actual	2022-23 Budget	2022-23 Estimate	2023-24 Adopted	Change in Budget \$	Change in Budget %
<b>RESOURCES</b>							
Beginning Working Capital	12,874,180	11,305,886	14,642,352	15,889,593	17,620,886	2,978,534	20%
<b>Revenues</b>							
Interest	81,112	64,616	75,000	300,000	75,000	-	0%
Grant Revenue	-	200,000	-	150,000	1,970,663	1,970,663	0%
Intergovernmental	-	301,106	-	90,000	-	-	0%
Miscellaneous	185,207	144,364	200,000	50,000	200,000	-	0%
<b>Total Revenues</b>	<b>266,319</b>	<b>710,086</b>	<b>275,000</b>	<b>590,000</b>	<b>2,245,663</b>	<b>1,970,663</b>	<b>717%</b>
Interfund Transfers in	4,970,000	5,250,000	4,000,000	4,000,000	5,500,000	1,500,000	38%
<b>TOTAL RESOURCES</b>	<b>18,110,499</b>	<b>17,265,972</b>	<b>18,917,352</b>	<b>20,479,593</b>	<b>25,366,549</b>	<b>6,449,197</b>	<b>34%</b>
<b>REQUIREMENTS</b>							
<b>Expenditures</b>							
By Category:							
Materials and Services	-	-	1,006,265	841,265	393,000	(613,265)	-61%
Capital Outlay	6,804,613	1,376,379	2,092,442	2,017,442	8,286,668	6,194,226	296%
<b>Total Expenditures</b>	<b>6,804,613</b>	<b>1,376,379</b>	<b>3,098,707</b>	<b>2,858,707</b>	<b>8,679,668</b>	<b>5,580,961</b>	<b>180%</b>
Contingency	-	-	2,000,000	-	2,000,000	-	0%
Reserves for Park Maintenance Facility	-	-	9,200,000	-	9,100,000	(100,000)	-1%
Reserves for Art Station Location	-	-	2,000,000	-	2,000,000	-	0%
Reserves for Asset Management	-	-	2,614,645	-	3,586,881	972,236	37%
<b>TOTAL REQUIREMENTS</b>	<b>6,804,613</b>	<b>1,376,379</b>	<b>18,917,352</b>	<b>2,858,707</b>	<b>25,366,549</b>	<b>6,449,197</b>	<b>34%</b>
<b>Ending Fund Balance/Working Capital</b>	<b>11,305,886</b>	<b>15,889,593</b>	<b>-</b>	<b>17,620,886</b>	<b>-</b>		

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<b>REQUIREMENTS**</b>	
<b>Expenditures</b>	
<b>By Program</b>	
Planning & Development	6,897,168
Parks Services	201,500
Recreation Services	1,581,000
<b>Total Expenditures</b>	<b>8,679,668</b>

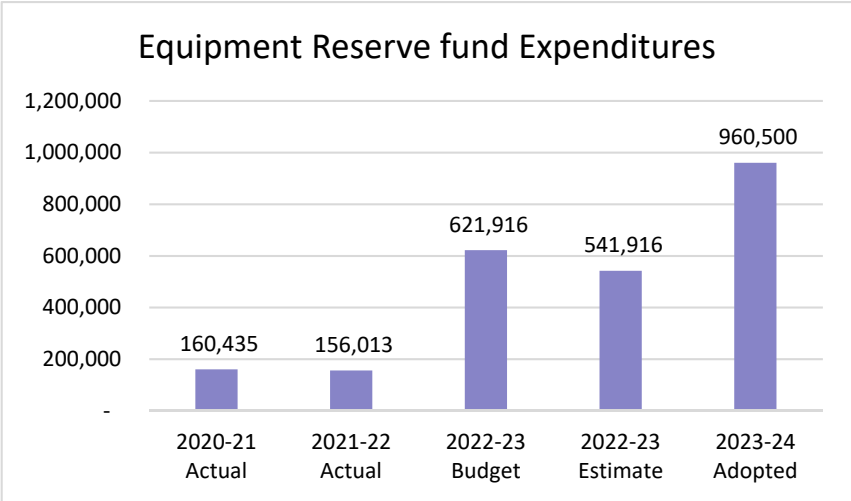


## Equipment Reserve Fund

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. 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, replacement vehicles and equipment, and technology.



### 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 Actual	2022-23 Budget	2022-23 Estimate	2023-24 Adopted	Change in Budget \$	Change in Budget %
<b>RESOURCES</b>							
Beginning Working Capital	605,039	714,852	714,352	840,361	612,445	(101,907)	-14%
<b>Revenues</b>							
Interest	4,398	3,897	2,000	14,000	2,000	-	0%
Grant Revenue	-	17,249	-	-	-	-	0%
Other Income Misc. Rev	15,850	10,376	10,000	-	10,000	-	0%
<b>Total Revenues</b>	<b>20,248</b>	<b>31,522</b>	<b>12,000</b>	<b>14,000</b>	<b>12,000</b>	<b>-</b>	<b>0%</b>
Interfund Transfers in	250,000	250,000	300,000	300,000	750,000	450,000	150%
<b>TOTAL RESOURCES</b>	<b>875,287</b>	<b>996,374</b>	<b>1,026,352</b>	<b>1,154,361</b>	<b>1,374,445</b>	<b>348,093</b>	<b>34%</b>
<b>REQUIREMENTS</b>							
<b>Expenditures</b>							
By Category:							
Martials and Services	-	-	20,000	20,000	68,000	48,000	240%
Capital Outlay	160,435	156,013	601,916	521,916	892,500	290,584	48%
<b>Total Expenditures</b>	<b>160,435</b>	<b>156,013</b>	<b>621,916</b>	<b>541,916</b>	<b>960,500</b>	<b>338,584</b>	<b>54%</b>
Contingency	-	-	200,000	-	200,000	-	0%
Reserves for Equipment Replacement	-	-	204,436	-	213,945	9,509	5%
<b>TOTAL REQUIREMENTS</b>	<b>160,435</b>	<b>156,013</b>	<b>1,026,352</b>	<b>541,916</b>	<b>1,374,445</b>	<b>348,093</b>	<b>34%</b>
<b>Ending Fund Balance/Working Capital</b>	<b>714,852</b>	<b>840,361</b>	<b>-</b>	<b>612,445</b>			

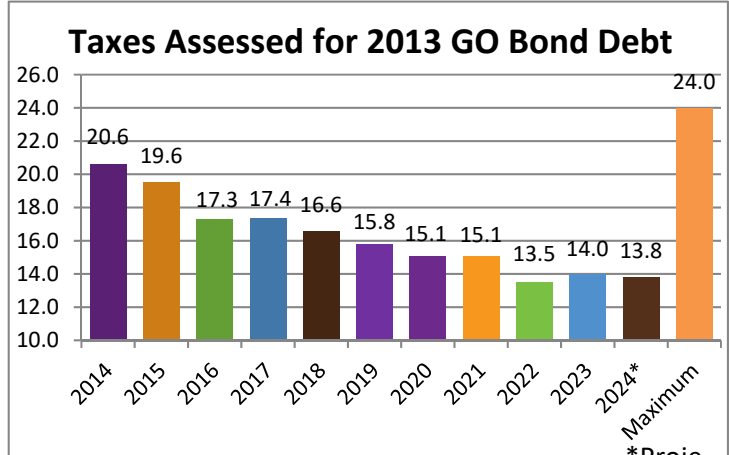
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REQUIREMENTS**	
<b>Expenditures</b>	
<b>By Program</b>	
Administration	223,600
Parks Services	565,000
Recreation Services	171,900
<b>Total Expenditures</b>	<b>960,500</b>

## 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
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
	<b>\$ 19,010,000</b>	<b>\$ 3,896,607</b>	<b>\$ 22,906,607</b>



### GO Bond Debt Service Fund Budget

	2020-21 Actual	2021-22 Actual	2022-23 Budget	2022-23 Estimate	2023-24 Adopted	Change in Budget \$	Change in Budget %
<b>RESOURCES</b>							
Beginning Working Capital	208,288	264,711	148,061	159,473	111,193	(36,868)	-25%
<b>Revenues</b>							
Property Taxes	2,022,350	1,898,114	1,997,951	1,997,951	2,063,731	65,780	3%
Interest	7,454	5,379	3,500	3,500	3,500	-	0%
Total Revenues	2,029,804	1,903,493	2,001,451	2,001,451	2,067,231	65,780	3%
<b>TOTAL RESOURCES</b>	<b>2,238,092</b>	<b>2,168,204</b>	<b>2,149,512</b>	<b>2,160,924</b>	<b>2,178,424</b>	<b>28,912</b>	<b>1%</b>
<b>REQUIREMENTS</b>							
<b>Expenditures</b>							
Bond Principal Payments	1,155,000	1,225,000	1,315,000	1,315,000	1,410,000	95,000	7%
Bond Interest Payments	818,381	783,731	734,731	734,731	682,131	(52,600)	-7%
Total Expenditures	1,973,381	2,008,731	2,049,731	2,049,731	2,092,131	42,400	2%
Interfund Transfers	-	-	-	-	-	-	0%
Reserved for Future Debt Obligations	-	-	99,781	-	86,293	(13,488)	-14%
<b>TOTAL REQUIREMENTS</b>	<b>1,973,381</b>	<b>2,008,731</b>	<b>2,149,512</b>	<b>2,049,731</b>	<b>2,178,424</b>	<b>28,912</b>	<b>1%</b>
<b>Ending Fund Balance</b>	<b>264,711</b>	<b>159,473</b>	<b>-</b>	<b>111,193</b>	<b>-</b>		

# Department Detail



# Department Summaries

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

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

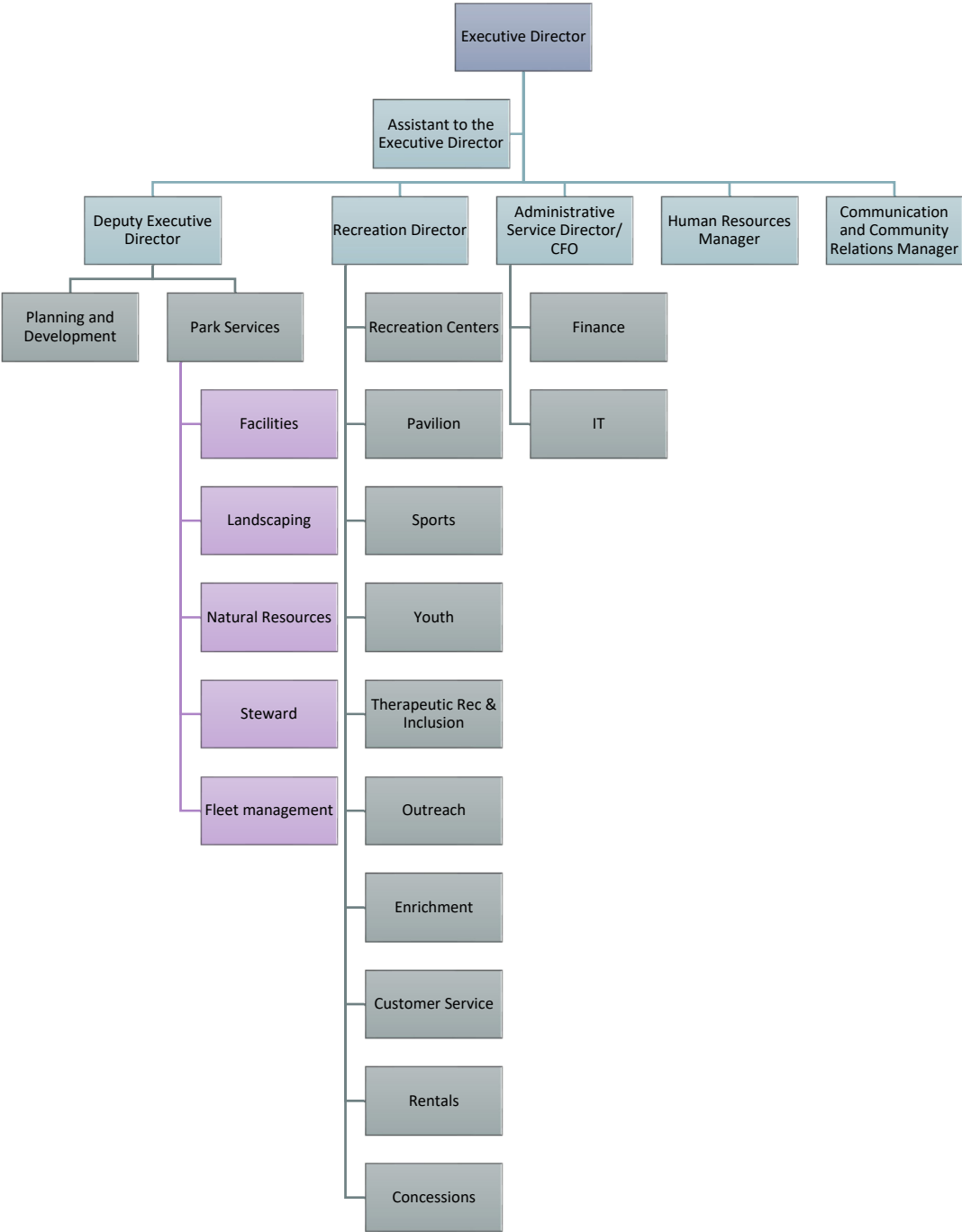
Funding by program in the proposed budget is below:

	System Development				Debt Service Fund	2023-24 Adopted
	General Fund	Charges Fund	Rental Fund	Reserve Funds		
<b>Expenditures</b>						
<b>By Program:</b>						
Administration	4,386,806	-	-	223,600	-	4,610,406
Planning & Design	1,897,032	11,597,909	-	6,897,168	-	20,392,109
Community Relations	1,096,848	-	-	-	-	1,096,848
Park Services	9,286,797	-	-	766,500	-	10,053,297
Recreation Services	16,956,488	-	570,171	1,752,900	-	19,279,559
Debt Service	507,150	-	-	-	2,092,131	2,599,281
<b>Total Expenditures by Program</b>	<b>34,131,121</b>	<b>11,597,909</b>	<b>570,171</b>	<b>9,640,168</b>	<b>2,092,131</b>	<b>58,031,500</b>

The Department Summaries will describe the following for each department, followed by Performance Measures.



# Organizational Chart





## Executive Director’s Office, Administrative Services and Human Resources

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, insurance, information technology, finance, payroll, accounts payable, accounts receivable, purchasing and contracts. Human Resources manage recruiting, employment, benefits, workers’ compensation, staff training, risk management and safety.

### 2022-23 Key Success

- Launch of Paylocity a Human Resources Management System for all employee and payroll functions
- IT-Registration improvements through advances in technology
- Finance- FY 2022 unqualified audit opinion and increased bond rating
- Human Resources – improved attraction of qualified applicants in previously hard to recruit for jobs and retention of staff

### 2022-23 Key Challenges

- Launching Paylocity
- IT- Registration systems being overwhelmed by patrons
- Finance- non-integrated systems and processes and lack of standard financial reports
- HR – Recruiting and retaining employees

### 2023-24 Key Goals & Objectives

- Anticipated Executive Director recruitment
- IT-Teams phone system conversion
- Finance- Redesign Chart of Accounts and develop standard financial reports for departments, leadership and board
- Human Resources- Launch recruiting, onboarding and performance evaluation Paylocity module

### 2023-24 Major Budget Items

- Reductions in materials and services with the reductions based on past spending
- Teams phones and first year without other systems that Paylocity replaced

### FY24 Budget

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

General Fund Expenditures By Category	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Adopted	Change in Budget \$	Change in Budget %
Personnel	2,004,941	1,811,030	2,571,651	2,822,723	251,072	10%
Materials and Services	814,140	927,891	1,629,803	1,564,083	(65,720)	-4%
<b>Total Expenditures</b>	<b>2,819,080</b>	<b>2,738,921</b>	<b>4,201,454</b>	<b>4,386,806</b>	<b>185,352</b>	<b>4%</b>

Budget by fund:

Budget by fund	General Fund	Facility Reserve	Equipment Reserve	2023-24 Adopted
Administration	4,386,806	-	223,600	4,610,406

## 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.

### 2022-23 Key Success

- See CIP summary for capital project successes.
- Prepared districtwide diversity, equity and inclusion (DEI) action plan and completed Community Perception Survey.
- Received a \$1.3 M grant from the Land and Water Conservation Fund for Sawyer Park construction, a \$100,000 grant from the Bend Metropolitan Planning Organization for Gilchrist Bridge design, and a \$100,000 grant from Visit Central Oregon’s Future Fund for design of the McKay, Miller’s Landing and Columbia River Access Project. Supported Upper Deschutes Watershed Council’s successful application for \$142,565 from Visit Bend’s Bend Sustainability Fund for construction of the Riverbend South project.
- Completed land use coordination for 31 future private developments to assure district park and trail needs are addressed, processed two annexations adding 40.65 acres to the district, increased level of service for trails and neighborhood and community parks.

### 2022-23 Key Challenges

- Keeping up with rapid population growth and development.
- Escalating land, material and construction costs; ongoing permit delays.
- Struggle obtaining easements for key trail connections from property owners.
- Difficulty acquiring park land due to dwindling supply, high costs, and strong market competition.

### 2023-24 Key Goals & Objectives

- See CIP summary for key projects.
- Conduct community needs assessment survey and update the *Comprehensive Plan*.
- Prepare a new *Strategic Plan*.
- Update Land Acquisition Policy.

### 2023-24 Major Budget Items

- Comprehensive Plan Update \$61K (half funded with system development charges)
- Strategic Plan preparation \$21K
- DEI contract support \$10K
- Deschutes River Trail (South UGB Bridge) – \$20K to support outreach and facilitation for the initiation of a possible community collaboration around the vision for the project (pending board direction to proceed)

### FY24 Budget

General Fund Expenditures By Category	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Adopted	Change in Budget \$	Change in Budget %
Personnel	1,270,568	1,398,783	1,536,132	1,739,232	203,100	13%
Materials and Services	41,223	38,242	106,649	157,800	51,151	48%
<b>Total Expenditures</b>	<b>1,311,791</b>	<b>1,437,025</b>	<b>1,642,781</b>	<b>1,897,032</b>	<b>254,251</b>	<b>15%</b>

Budget by fund:

Budget by fund	General Fund	Facility Reserve	SDC Fund	2023-24 Adopted
Planning & Development	1,897,032	6,897,168	11,597,909	20,392,109

## 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 registration and drop-in programs.

Strategies include: communicating benefits of Play for Life; informing residents of projects and operations; 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.

### 2022-23 Key Success

- Alpenglow Park and Northpointe Park grand opening events and introductions to the community.
- River recreation and surf wave safety campaign efforts, including videos, signage, website and advertising.
- Facilitated return to pre-pandemic numbers of volunteers engaged in activities.
- HR recruiting efforts campaign was successful and higher yield results of marketing efforts contributed to improved hiring situation.
- Communications supported much-improved patron experience for winter, spring and summer registration openings after system-wide challenges.

### 2022-23 Key Challenges

- Understaffed for portion of the year.
- Registration improvement project shifted priorities and staff time resources.
- Operational changes persisted while also experiencing high community expectations and demand.
- Social media and website urgency for information and response is time-consuming.

### 2023-24 Key Goals & Objectives

- Enhancing customer experience with continuation of work by registration improvement work team.
- Trails experiences expansion with updated digital and print maps.
- New park and trail openings and celebration events.
- Introducing and supporting Big Sky bike park as a new amenity with communications tools needed.

### 2023-24 Major Budget Items

- Print Playbooks: twice per year, magazine style to households.
- On-going recreation support with year-round needs.
- Planning for BPRD’s 50<sup>th</sup> anniversary as a special district.
- Website review and accessibility improvements.

### FY24 Budget

General fund budget for Communications and Community Relations:

General Fund Expenditures By Category	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Adopted	Change in Budget \$	Change in Budget %
Personnel	537,775	588,555	695,098	796,518	101,420	15%
Materials and Services	77,441	102,014	277,178	300,330	23,152	8%
<b>Total Expenditures</b>	<b>615,216</b>	<b>690,569</b>	<b>972,276</b>	<b>1,096,848</b>	<b>124,572</b>	<b>13%</b>

## 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.

### 2022-23 Key Success

- Awarded a \$40,000 grant from the Deschutes Trails Coalition for trail work in Shevlin Park.
- Installed new/updated wayfinding signs and bollards along the Discovery, West Bend, Cascade Highlands, Waterline, Manzanita and Railroad trails.
- Replaced the Bend Senior Center roof and completed multiple upgrades at the whitewater park improving system controls and enhancing safety.
- Created new trail assessment tool to map and evaluate the condition of district trails, paths, sidewalks and social trails.

### 2022-23 Key Challenges

- Difficulty recruiting, hiring and retaining full-time, part-time and seasonal positions.
- Continuing to provide a high level of service maintaining the parks, trails and facilities with a reduction in staffing.
- Increase in graffiti and vandalism in parks and along trails, resulting in hundreds of labor hours and thousands of dollars to clean and repair.

### 2023-24 Key Goals & Objectives

- Provide a higher level of service to the districts trail system by creating a new dedicated trail division. The new trail division will manage all the district’s trails under one division versus two.
- Assume maintenance and operations of new parks and trails including Big Sky Bike Park, Riverbend South river access areas, and Fieldstone Park.

### 2023-24 Major Budget Items

- Assemble a new landscape maintenance team for neighborhood parks to care for new neighborhood parks. Program includes: reclassifying a vacant fleet technician 1 position to a Park Maintenance 2 position (PM-2), utility vehicle, small equipment and materials.
- Create a new trail division under natural resources to manage trails districtwide. New division includes: hiring a new trail supervisor position, upgrading a vacant PM2 to a trail coordinator position, combining two seasonal Park Maintenance Worker -1 (PM-1) positions into a full-time PM-1 position, one truck, small equipment and materials.
- Add a new full-time steward to provide a higher level of service and meet the changing expectations of the community. This new program also includes a new vehicle.

### FY24 Budget

General fund budget for Park Services:

General Fund Expenditures By Category	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Adopted	Change in Budget \$	Change in Budget %
Personnel	4,608,974	4,716,304	5,776,315	6,763,830	987,515	17%
Materials and Services	1,840,019	2,027,326	2,291,617	2,522,967	231,350	10%
<b>Total Expenditures</b>	<b>6,448,993</b>	<b>6,743,630</b>	<b>8,067,932</b>	<b>9,286,797</b>	<b>1,218,865</b>	<b>15%</b>

Budget by fund:

Budget by fund	General Fund	Facility Reserve	Equipment Reserve	2023-24 Adopted
Parks	9,286,797	201,500	565,000	10,053,297

## 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.

### 2022-23 Key Success

- Increased drop-in visitation to recreation facilities by 51% to an estimated 638,000 visits.
- Increased program participation by 25% to an estimated 350,000 visits.
- Improved registration experience, especially during first day registrations.
- Estimated tax subsidy of \$2.9 million is \$1.3 million under budget despite serving substantially more people and providing a record \$690,000 in scholarship support.

### 2022-23 Key Challenges

- Demand for many programs continues to exceed capacity.
- Continued difficulties in recruiting and retaining front line staff (although improved over previous several years).
- Work load at manager/supervisor level due to rapidly growing demand and front-line staffing shortages.
- Balancing increasing cost of providing services with affordability.

### 2023-24 Key Goals & Objectives

- Increase program and facility capacity where resources are available to better meet community demand.
- Implement staffing plan to address increased work load resulting from growth and key retirements.
- Develop food and beverage operations to enhance user experience and provide a future funding source for the Recreation Scholarship Fund.
- Continue to ensure access for all through outreach efforts, scholarship program, inclusion services, registration facilitation and partnerships with other organizations.

### 2023-24 Major Budget Items

- Substantial increases over this year’s estimated year-end actuals in all categories: revenue (21%), personnel (26%) and materials (32%). This is to address continued growth in capacity and demand, implement staffing plan and cover increases in wages and benefits. The tax subsidy of just over \$4 million is \$140,000 less than last year’s budget and \$1 million more than this year’s estimate.
- Scholarship Fund tax subsidy requirement of \$473,000 is three times higher than the current fiscal year as we do not expect grant funding to be available as it has the past two years.
- Addition of food and beverage division: \$389,000 in additional revenue and \$460,000 in expenses. The subsidy in the first year is due to start-up and development costs.
- Budget includes program development and expansion fund of \$300,000 offsetting revenue and expense.

### FY24 Budget

General fund budget for Recreation Services:

General Fund Expenditures By Category	2020-21 Actual	2021-22 Actual	2022-23 Budget	2023-24 Adopted	Change in Budget \$	Change in Budget %
Personnel	5,943,059	8,168,850	11,043,236	13,034,888	1,991,652	18%
Materials and Services	1,395,048	2,330,598	2,750,950	3,921,600	1,170,650	43%
<b>Total Expenditures</b>	<b>7,338,107</b>	<b>10,499,448</b>	<b>13,794,186</b>	<b>16,956,488</b>	<b>3,162,302</b>	<b>23%</b>

Budget by Fund:

Budget by fund	General Fund	Rental fund	Facility Reserve	Equipment Reserve	2023-24 Adopted
Recreation	16,956,488	570,171	1,581,000	171,900	19,279,559



## Performance Measures

### Improved level of community awareness of the district

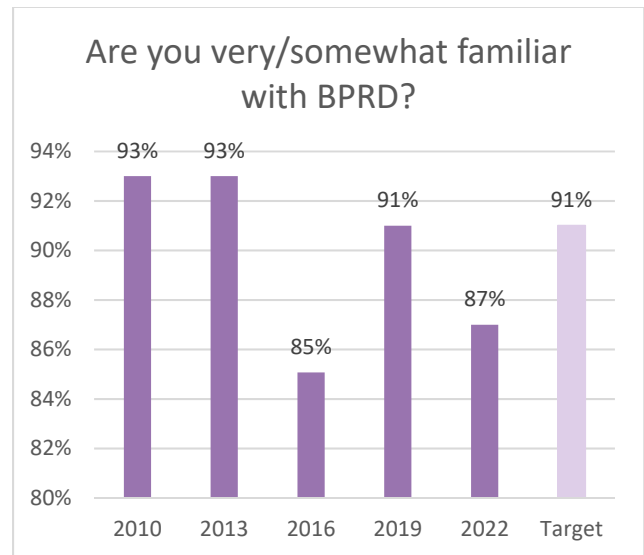
**Pillar:** Community Relationships

**Desired Outcome 3:** A community better informed about the district

**Perception Survey Question:** Are you very familiar, somewhat familiar, or not at all familiar with BPRD?

**Key Performance Indicator (KPI):** Percentage of individuals who are very or somewhat familiar with BPRD. This is measured every three years as part of the Perception Survey, with a 2010 baseline of 93% and an established target of 91%.

**Target:** The target was established as the average percentage of people very or somewhat familiar with BPRD in 2010, 2013 and 2016. This resulted in a target of 91% that will be re-evaluated periodically based upon performance.



**Current Status:** The most current Perception Survey data is from fall 2022, which indicates that 87% of individuals surveyed are very or somewhat familiar with the district. This is below our established target of 91% and a decrease from 2019 data. This decrease in awareness may be a result population growth within the service area, and possibly due to the lack of a printed Playbook since the beginning of the pandemic. Community Relations resumed publishing direct mailers again this year, which may increase community awareness of the district.

## Improved level of community awareness of the district

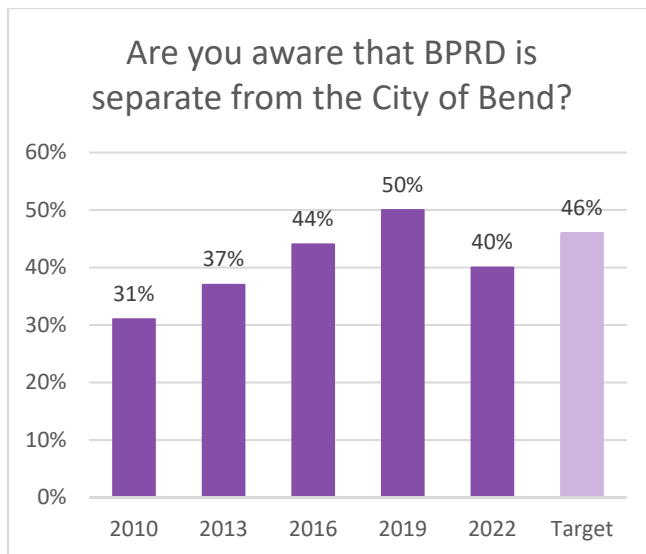
**Pillar:** Community Relationships

**Desired Outcome 3:** A community better informed about the district

**Perception Survey Question:** Is BPRD a department with the City of Bend, or a separate agency not part of the City of Bend or both?

**Key Performance Indicator (KPI):** Percentage of individuals who know that BPRD is a separate agency from the City of Bend. This is measured every three years as part of the Perception Survey, with a 2010 baseline of 31% of individuals who know that BPRD is a separate agency and an established target of a 6% increase every three years in the number of individuals who know that BPRD is a separate agency.

**Target:** The target was established as the average percentage of individuals who know that BPRD is separate agency from the City of Bend in 2010, 2013 and 2016. This resulted in a target of a 6% increase every three years, which will be re-evaluated periodically based upon performance.



**Current Status:** The most current Perception Survey data is from fall 2022, which indicates that 40% of individuals surveyed are aware that BPRD is a separate agency from the City of Bend. This is a 10% decrease from 2019. With the rapid population growth being experienced in Bend, continued education efforts will be necessary to increase public knowledge regarding BPRD and its relationship to the City of Bend. The direct mailers noted in the previous performance measure may help improve community knowledge about the district.

## Customer Satisfaction Rating

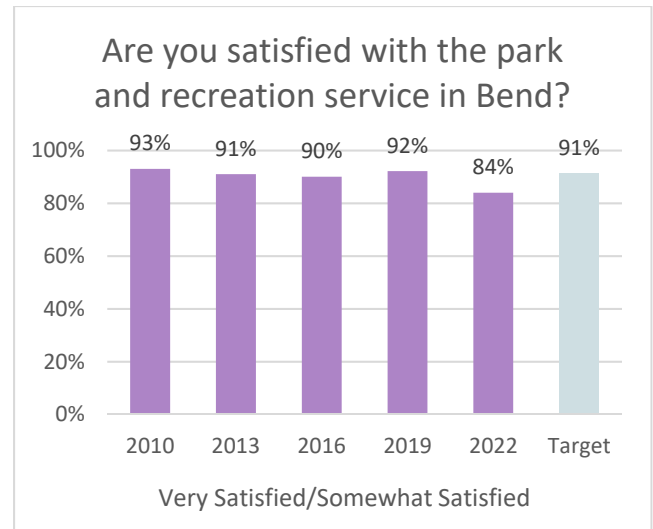
**Pillar:** Community Relationships

**Desired Outcome 4:** Exceptional customer and community experiences

**Perception Survey Question:** Are you very satisfied, somewhat satisfied, not too satisfied or not at all satisfied with park and recreation services in Bend?

**Key Performance Indicator (KPI):** Percentage of individuals who are very or somewhat satisfied with parks and recreation services in Bend. This is measured every three years, with a 2010 baseline of 93% of individuals and an established target of 91% of individuals who are either very or somewhat satisfied with park and recreation services.

**Target:** The target was established as the average percentage of people who are very or somewhat familiar with park and recreation services in Bend in 2010, 2013 and 2016. This resulted in a target of 91%, which will be re-evaluated periodically based upon performance.



**Current Status:** The most current Perception Survey data is from fall 2022, which indicates that 84% of individuals surveyed are very or somewhat satisfied with parks and recreation services in Bend. This is below our established target of 91%. It should be noted that this decrease in satisfaction is consistent with a statewide trend due to bigger challenges facing the community (the pandemic, inflation, etc.) This 91% target is a high standard and BPRD staff would like to continue to maintain this target and re-evaluate it in 2026 to confirm if it continues to be appropriate.

## Customer Service Rating

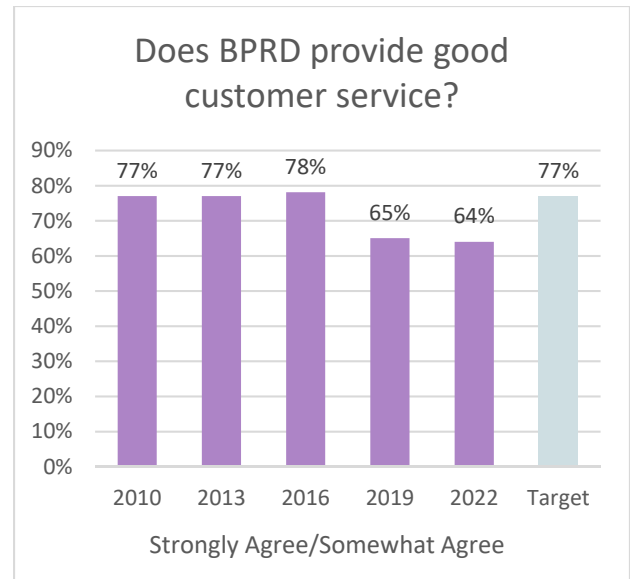
**Pillar:** Community Relationships

**Desired Outcome 4:** Exceptional customer and community experiences

**Perception Survey Question:** Do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with this statement about BPRD – provides good customer service?

**Key Performance Indicator (KPI):** Percentage of individuals who strongly or somewhat agree that BPRD provides good customer service. This is measured every three years, with a 2010 baseline of 77% of individuals and an established target of 77% of individuals.

**Target:** The target was established as the average percentage of people in 2010, 2013 and 2016 who strongly or somewhat agree that BPRD provides good customer service. This resulted in a target of 77%, which will be re-evaluated periodically based upon performance.



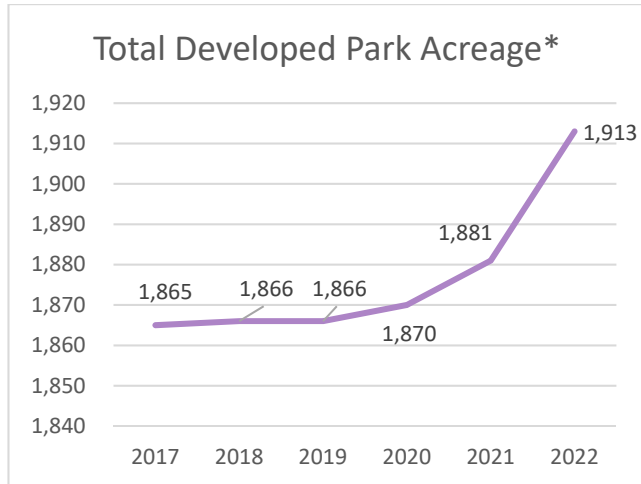
**Current Status:** The most current perception survey data is from 2022, which indicates that 64% of individuals surveyed strongly or somewhat agree that BPRD provides good customer service. This is a slight decrease in customer service satisfaction from 2019 and is below the established target of 77%. BPRD staff have recently made significant improvements to the program registration process and continue to work to enhance customer experience in all realms of the work the district does. In addition, this decrease in satisfaction is consistent with a statewide trend due to bigger challenges facing the community (the pandemic, inflation, etc.) This 77% target is a high standard and BPRD staff would like to continue to maintain this target and re-evaluate it in 2026 to confirm if it continues to be appropriate.

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

**Pillar:** Operations and Management Practices

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

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

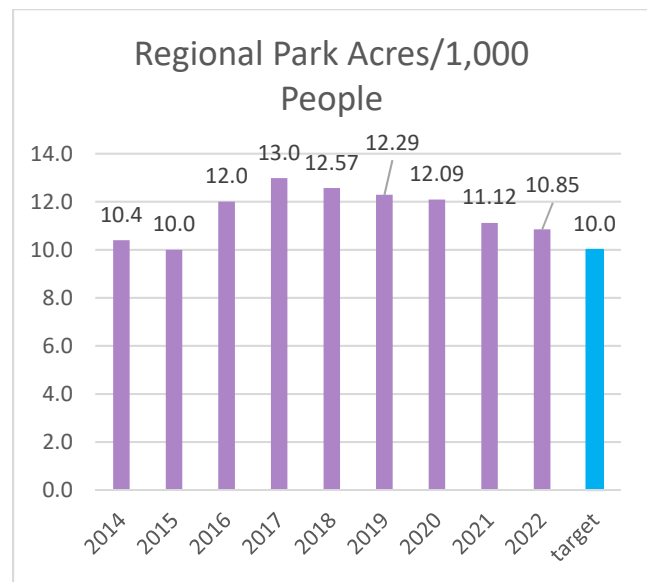
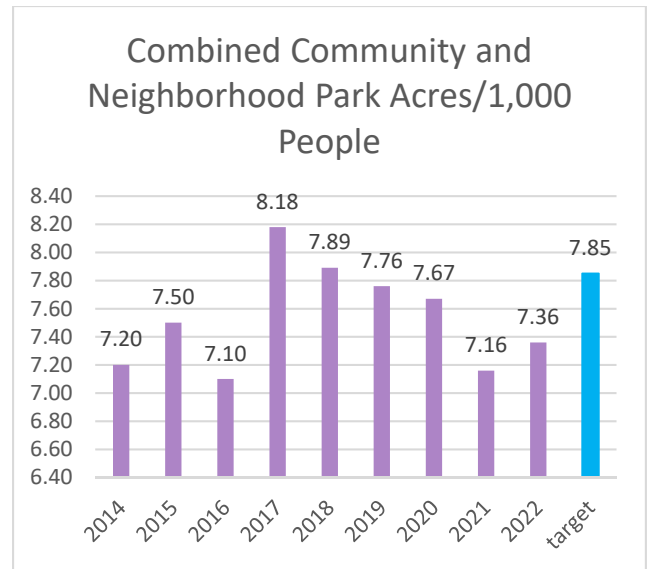


\*Increases in 2022 can be attributed to the addition of Alpenglow and Northpointe Parks.

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

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

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



**Current Status:** BPRD is currently meeting the established LOS target for regional parks, but falling short for neighborhood/community parks. This is a result of rapid population growth and is one of the reasons that BPRD also calculates park walkshed annually as an additional metric to track to evaluate performance. Specific LOS for 2022:

- Neighborhood and Community Parks – 7.36 acres/1,000 people
- Regional Parks – 10.85 acres/1,000 people

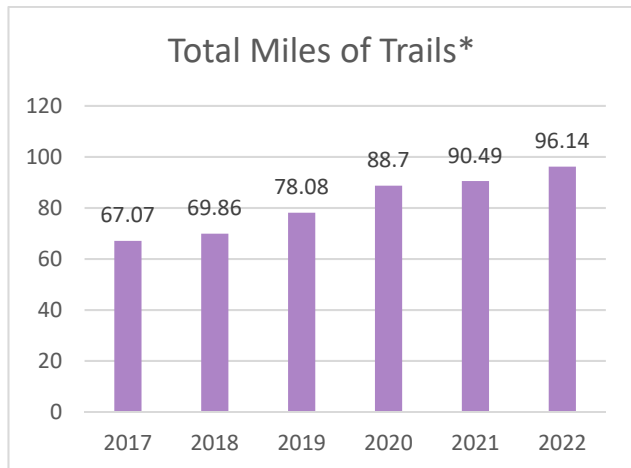


## Levels of Service (LOS) in Comprehensive Plan are met or exceeded

**Pillar:** Operations and Management Practices

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

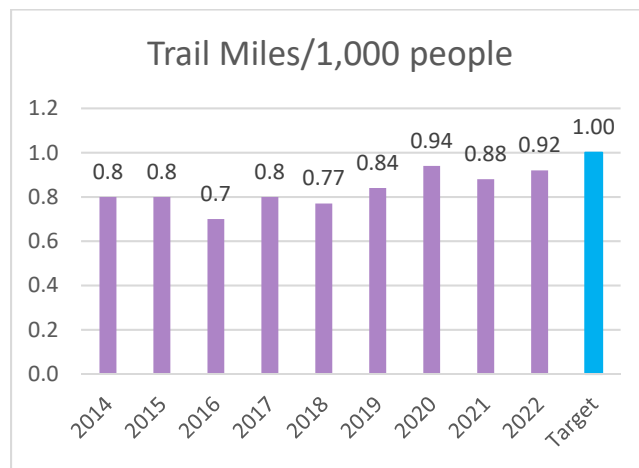
**Performance Metric:** Total miles of trails provided by BPRD.



\*Total trail miles includes all primary trails but not connector trails. Increases in 2022 are primarily attributed to the addition of Alpenglow Park trails, Mazanita Trail extension and North Unit Canal Trail in Petrosa subdivision.

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

- Trails – 1.0 miles/1,000 people



**Current Status:** BPRD is currently falling short for trail miles, but trail level of service has increased since 2021. This is a result of rapid population growth and increased densities, and BPRD is actively working to increase trail mileage and improve trail connections to parks. Specific LOS for 2022:

- Trails – 0.92 miles/1,000 people

## Level of awareness regarding district efforts to be environmentally responsible

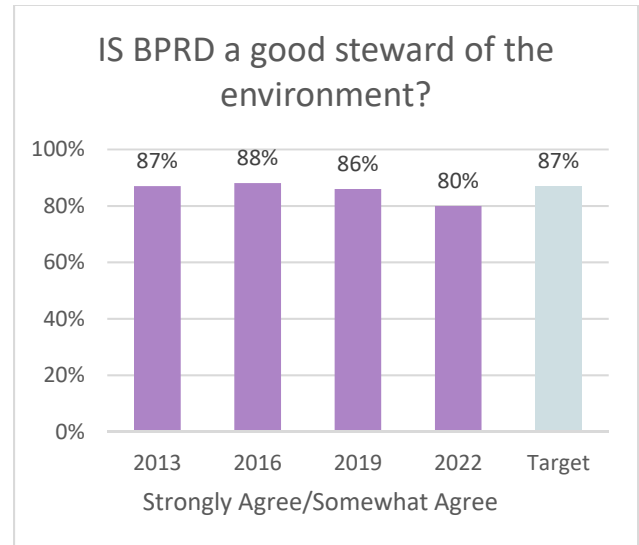
**Pillar:** Operations and Management Practices

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

**Perception Survey Question:** Do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with this statement about BPRD – is a good steward of the environment?

**Key Performance Indicator (KPI):** Percentage of individuals who strongly or somewhat agree that BPRD is a good steward of the environment. This is measured every three years as part of the Perception Survey, with a 2013 baseline of 87% of individuals and an established target of 87% of individuals.

**Target:** The target was established as the average percentage of people in 2013 and 2016 who strongly or somewhat agree that BPRD is a good steward of the environment. This resulted in a target of 87%, which will be re-evaluated periodically based upon performance.



**Current Status:** The most current perception survey data is from 2022, which indicates that 80% of individuals strongly or somewhat agree that BPRD is a good steward of the environment. This is a decrease from 2019 and does not meet the established target of 87%. BPRD staff recently developed a Sustainability Plan and has efforts in all departments to address sustainable operations. In addition, the district recently completed a two-year planning effort to address access and habitat restoration on the Deschutes River. District staff will continue to incorporate sustainability in our operations and planning, and work to educate the community about the work we are doing.

# 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.

The CIP is available on the district's website at: <http://www.bendparksandrec.org/CIP> .

The five-year projection of the CIP provides a guide for capital improvement planning, cost estimates, and related operational expenses, which allow for forecasting future projected expenditures. The plan is a dynamic 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 three 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.

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

With the addition of parks, we have added one-time equipment purchases and increased operational budgets to care for these parks as they come online. Many of our asset management projects will help reduce maintenance costs and we intend to find energy efficiency whenever possible to have operational savings.

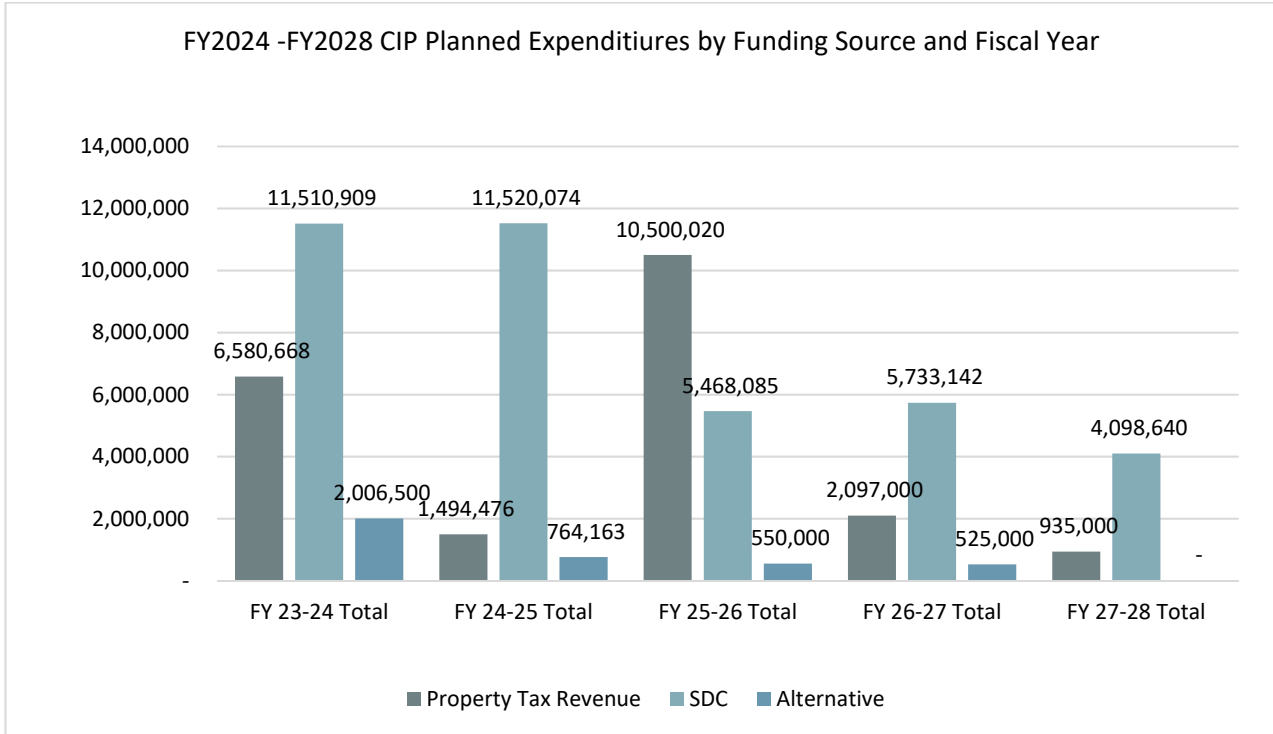
### *2022-23 Key Success*

- Celebrated opening of Alpenglow Park and Northpoint Park.
- Completed construction of Riverbend South Restoration Project, Hollygrape Park ADA upgrade, Big Sky Bike Park Improvements (Phase 1) and the Drake Park Bank & Trail Improvement Project.
- Completed two large asset improvement projects - a roof replacement at the Larkspur Community Center and replacement of the outdoor pool floor liners at Juniper Swim and Fitness Center.

### *2023-24 Key Goals & Objectives*

- Complete two larger asset projects - The Pavilion flooring replacement and a design and engineering assessment for the Bend Whitewater Park.

- Acquire targeted neighborhood and regional/community park land.
- Complete preliminary designs for Miller’s Landing, McKay & Columbia River parks project, Pine Nursery Park Phase 5, Hollinshead Park, Shevlin West neighborhood park site. Complete construction of Little Fawn Neighborhood Park and Fieldstone Park.
- Further permitting and easement acquisition for North Unit Canal Trail, and collaborate with the city of Bend on the design for the Deschutes River Trail (Miller’s Landing to Galveston section).



Project Type	Approved Funding Allocation	Prior and Current Fiscal Years	FY2024-28 Funding Allocation by Source				Total FY 24-28	FY 23-24 Total	FY 24-25 Total	FY 25-26 Total	FY 26-27 Total	FY 27-28 Total
			Property Tax Revenue	SDC	Alternative	Alt. Type						
<b>Community Parks</b>												
Pine Nursery Park Ph. 4 (Pending Partnership)	78,504	28,504	-	50,000	-	50,000	-	-	50,000	-	-	
Pine Nursery Park Ph. 5	5,000,000	100,000	-	4,900,000	-	4,900,000	2,600,000	2,300,000	-	-	-	
Big Sky Park Expansion	4,922,250	3,757,829	100,000	714,421	350,000	1,164,421	200,000	-	964,421	-	-	
Land Acquisition	4,250,000	-	4,250,000	-	-	4,250,000	4,250,000	-	-	-	-	
<b>Total Community Parks</b>	<b>14,250,754</b>	<b>3,886,333</b>	<b>4,350,000</b>	<b>5,664,421</b>	<b>350,000</b>	<b>10,364,421</b>	<b>7,050,000</b>	<b>2,300,000</b>	<b>1,014,421</b>	<b>-</b>	<b>-</b>	
<b>Neighborhood Parks</b>												
Land Acquisitions	5,746,959	-	-	5,746,959	-	5,746,959	3,500,000	1,090,280	-	1,156,679	-	
Neighborhood Parks Design & Development	3,020,229	-	-	3,020,229	-	3,020,229	-	-	1,465,489	-	1,554,740	
Little Fawn Park	2,610,559	1,000,000	-	1,610,559	-	1,610,559	1,610,559	-	-	-	-	
Park Search Area 5 (Talline)	1,517,500	-	-	1,517,500	-	1,517,500	-	-	-	250,000	1,267,500	
Park Search Area 9 (Shevlin West)	1,667,510	164,442	-	1,503,068	-	1,503,068	200,000	1,303,068	-	-	-	
Park Search Area 11 (Discovery West Park/TH)	2,673,050	70,000	-	2,603,050	-	2,603,050	65,000	-	966,300	1,571,750	-	
Park Search Area 14 (Bear Creek)	2,176,400	-	-	2,176,400	-	2,176,400	-	-	-	1,000,000	1,176,400	
Park Search Area 24 (Stevens Ranch)	1,684,178	-	-	1,684,178	-	1,684,178	-	-	300,000	1,384,178	-	
Park Search Area 27 (Constellation Crest)	3,692,700	-	-	3,692,700	-	3,692,700	1,745,500	1,947,200	-	-	-	
Park Search Area 28 (SE Area Plan)	2,412,763	-	-	2,412,763	-	2,412,763	-	2,412,763	-	-	-	
<b>Total Neighborhood Parks</b>	<b>27,201,848</b>	<b>1,234,442</b>	<b>-</b>	<b>25,967,406</b>	<b>-</b>	<b>25,967,406</b>	<b>7,121,059</b>	<b>6,753,311</b>	<b>2,731,789</b>	<b>5,362,607</b>	<b>3,998,640</b>	
<b>Trails</b>												
Galveston to Millers Landing	800,000	96,396	-	703,604	-	703,604	703,604	-	-	-	-	
Riley Ranch Nature Reserve Bridge	1,200,000	-	-	1,200,000	-	1,200,000	-	-	1,200,000	-	-	
Putnam to Riley Ranch	155,000	440	-	154,560	-	154,560	-	154,560	-	-	-	
Kirkaldy to Putnam	63,100	3,662	-	59,438	-	59,438	-	42,203	17,235	-	-	
Deschutes River Trail North Trailhead	320,000	-	-	320,000	-	320,000	-	20,000	300,000	-	-	
Miscellaneous Trails	750,000	-	-	750,000	-	750,000	200,000	150,000	150,000	150,000	100,000	
North Unit Irrigation Canal Trail (NUID)	512,207	135,961	-	376,246	-	376,246	76,246	300,000	-	-	-	
COHCT Blakley To Hansen Park	425,175	-	-	425,175	-	425,175	150,000	-	54,640	220,535	-	
<b>Total Trails</b>	<b>4,225,482</b>	<b>236,459</b>	<b>-</b>	<b>3,989,023</b>	<b>-</b>	<b>3,989,023</b>	<b>1,129,850</b>	<b>666,763</b>	<b>1,721,875</b>	<b>370,535</b>	<b>100,000</b>	
<b>Community Wide</b>												
Drake Park DRT Trail & Bank Improvements	9,627,231	9,227,231	58,500	310,000	31,500	1,000,000	400,000	-	-	-	-	
River Access McKay, Millers, & Columbia Project	933,295	176,127	117,168	-	640,000	1,500,000	757,168	-	-	-	-	
River Access Riverbend Park	775,000	50,000	-	-	725,000	1,500,000	-	-	200,000	525,000	-	
Art Station	2,500,000	-	-	1,800,000	700,000	4,000,000	500,000	2,000,000	-	-	-	
<b>Total Community Wide</b>	<b>13,835,526</b>	<b>9,453,358</b>	<b>175,668</b>	<b>2,110,000</b>	<b>2,096,500</b>	<b>4,382,168</b>	<b>1,657,168</b>	<b>2,000,000</b>	<b>200,000</b>	<b>525,000</b>	<b>-</b>	



Project Type	Approved Funding Allocation	Prior and Current Fiscal Years	FY2024-28 Funding Allocation by Source					Total FY 24-28	FY 23-24 Total	FY 24-25 Total	FY 25-26 Total	FY 26-27 Total	FY 27-28 Total
			Property Tax Revenue	SDC	Alternative	Alt. Type							
<b>Asset Management Projects</b>													
Accessibility Improvements	575,000	-	575,000	-	-	-	575,000	100,000	100,000	125,000	125,000	125,000	
Asset Management Projects (\$5,000-\$50,000)	1,190,000	-	1,190,000	-	-	-	1,190,000	300,000	180,000	250,000	250,000	210,000	
Park Services Complex	9,150,000	22,980	9,127,020	-	-	-	9,127,020	100,000	-	7,975,020	1,052,000	-	
Skyline Field Renovations + Parking Lot Lights	625,000	309,135	315,865	-	-	-	315,865	-	315,865	-	-	-	
Saw yer Park	2,902,574	289,800	1,313,611	-	1,299,163	1	2,612,774	1,500,000	1,112,774	-	-	-	
Hollinshead Park ADA & Preferred Design	1,000,000	-	650,000	250,000	100,000	4	1,000,000	900,000	100,000	-	-	-	
Ponderosa Park (North)	1,200,000	-	850,000	350,000	-	-	1,200,000	-	150,000	1,050,000	-	-	
Mirror Pond Dredge Commitment	300,000	-	300,000	-	-	-	300,000	-	-	-	-	300,000	
JSFC Flooring Replacement	170,000	75,000	95,000	-	-	-	95,000	95,000	-	-	-	-	
Pavilion Flooring Replacement	190,000	-	190,000	-	-	-	190,000	190,000	-	-	-	-	
JSFC Outdoor Cover Replacement	300,000	-	300,000	-	-	-	300,000	-	-	300,000	-	-	
JSFC Roof Replacement (South/East Wing)	170,000	-	170,000	-	-	-	170,000	-	-	-	170,000	-	
Bend Whitewater Park Maintenance	1,300,000	-	1,300,000	-	-	-	1,300,000	50,000	100,000	1,150,000	-	-	
JSFC Outdoor Pools Wall Liner Replacement	500,000	-	500,000	-	-	-	500,000	-	-	-	500,000	-	
JSFC Main Chiller Unit Replacement	300,000	-	300,000	-	-	-	300,000	-	-	-	-	300,000	
<b>Total Asset Management Projects</b>	<b>19,872,574</b>	<b>696,915</b>	<b>17,176,496</b>	<b>600,000</b>	<b>1,399,163</b>		<b>19,175,659</b>	<b>3,235,000</b>	<b>2,058,639</b>	<b>10,850,020</b>	<b>2,097,000</b>	<b>935,000</b>	
<b>Total CIP Funding Allocations</b>	<b>79,386,184</b>	<b>15,507,507</b>	<b>21,702,164</b>	<b>38,330,850</b>	<b>3,845,663</b>		<b>63,878,677</b>	<b>20,193,077</b>	<b>13,778,713</b>	<b>16,518,105</b>	<b>8,355,142</b>	<b>5,033,640</b>	

Alternative Funding Type Key
1 - Grant Funding
2 - Contributions, Collaborations, Fundraising
3 - Debt Financing
4 - Facility Rental Special Revenue Fund
5 - Reimbursement SDCs (\$450k for #188, & \$275K for #195)

# Appendices

**Appendix A- Financial Forecast 2024-2028**

**Appendix B- Statistical Information**

**Appendix C- Fund Balance Analysis- minimum fund  
balance setting**

**Appendix D- Financial and Budget Polices**

**Appendix E- Glossary**

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

# Appendix A- Financial Forecast FY2024 – FY2028

*Presented to the Board at their Workshop 2/07/23*

## 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.

Other planning efforts, such as the district's comprehensive plan, strategic planning, capital improvement planning and annual action planning, aid in this forecast. The board of directors and staff seek and receive community input in the development, review and revision of these planning documents throughout the year. This financial forecast is for planning purposes only and to help guide the upcoming budget process.

## District Forecast

As we prepare for the FY2023-24 budget (FY24), 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 available now. The economic conditions 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 6.4%. Staff estimate a conservative 4% prediction for the 5-year forecast to account for any slowing in growth. We only 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. We keep these estimates conservative to be able to respond if development stalls.
- **Charges for Services-** This is based on past averages and current trends. This data is developed by the Recreation department based on their cost recovery modeling.

### Expenditures

- **Personnel Costs-** Many factors contribute to our estimates:
  - Inflation on cost of living adjustment and the intent to bring back merit-based wage changes
  - Funding a full year of Paid Leave Oregon: 1% of employee gross income
  - Increase in unemployment rate for this upcoming year and we are predicting it will start to go back down
  - Increases in worker's comp rates
  - PERS increases in FY26 of 2%, which has been confirmed by the plan, and we assume a 2% increase again in FY28
  - Increase in health benefits costs
  - Increases in staffing due to growth and demand
- **Operational costs-** Inflation continues to impact the cost of materials and services. We estimate larger operating costs for the upcoming year before leveling out. Operating costs will also increase as new parks, trails and programs come online.
- **Capital Costs-** These costs are 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 (CIP).

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

Assumptions								
	Actuals	Actuals	Budget	Projections				
	5 year average	2021-2022	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
<b>Economic assumptions</b>								
Investment rate of return and misc rev *	1%	132%	6%	2.0%	2.0%	2.0%	2.0%	2.0%
Percentage growth of property tax revenues	6%	5%	4%	4.0%	4.0%	4.0%	4.0%	4.0%
Personnel Costs increases (3 year average)**	4%	4%	7%	15.7%	11.7%	9.5%	8.0%	8.0%
Materials and services cost increase**	6%	21%	16%	5.0%	5.0%	5.0%	5.0%	5.0%
*Varies year to year and depending on grants and other factors such as SDC admin charges								
**Without Recreation (analysis done separate for cost recovery)								

### General Fund

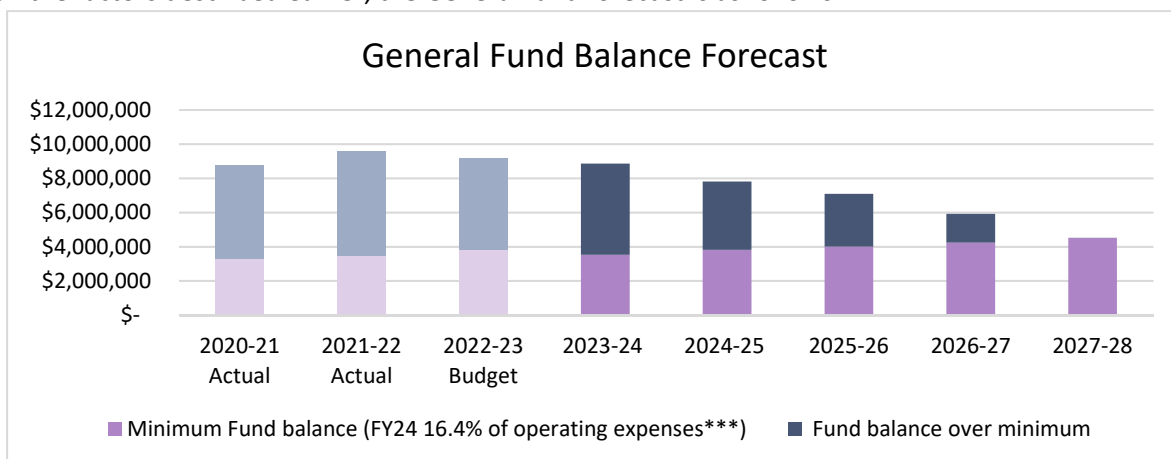
The district’s General Fund is the general operating fund and accounts for the executive director’s office, administrative services, planning and design, park services, community relations and recreation services. Principal sources of revenue are property taxes, user fees and charges, interest income,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

**Fund balance** is critical for financial stability and flexibility. Reserves aid in governments being able to respond to events, buffer against economic downturns, and are a factor for bond ratings. Therefore, local governments establish a minimum fund balance. District policy sets its minimum at 17% of budgeted operating expenditures (capital is excluded because those are one-time expenses).

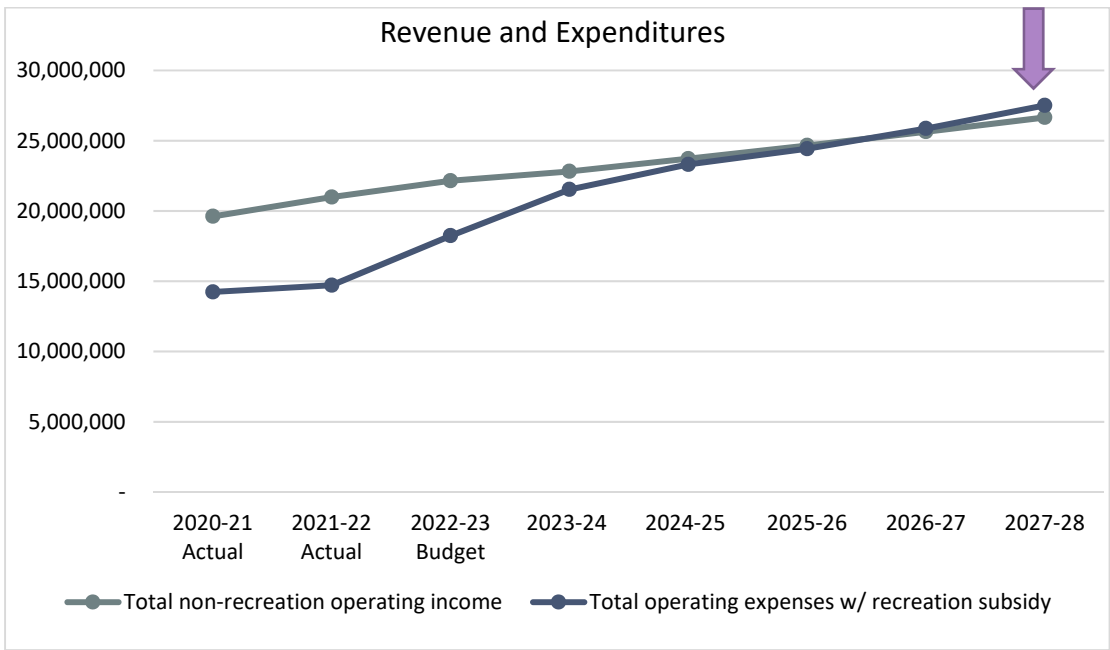
This calculation in the past included transfers going to reserve funds, making the reserve level higher than necessary. In case of a bond issuance, reserves can be included with the General Fund. We recommend maintaining a fund balance based on operating expenses only because this is what we would need in the event of an emergency. Additionally, based on the district’s pandemic experience, funding stability of property taxes and risks for natural disasters **we recommend that the reserve be 16.4% to cover 60 days of operating costs along with the reserve accounts fund balance minimums**. Any amounts over the minimum can be used for:

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

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

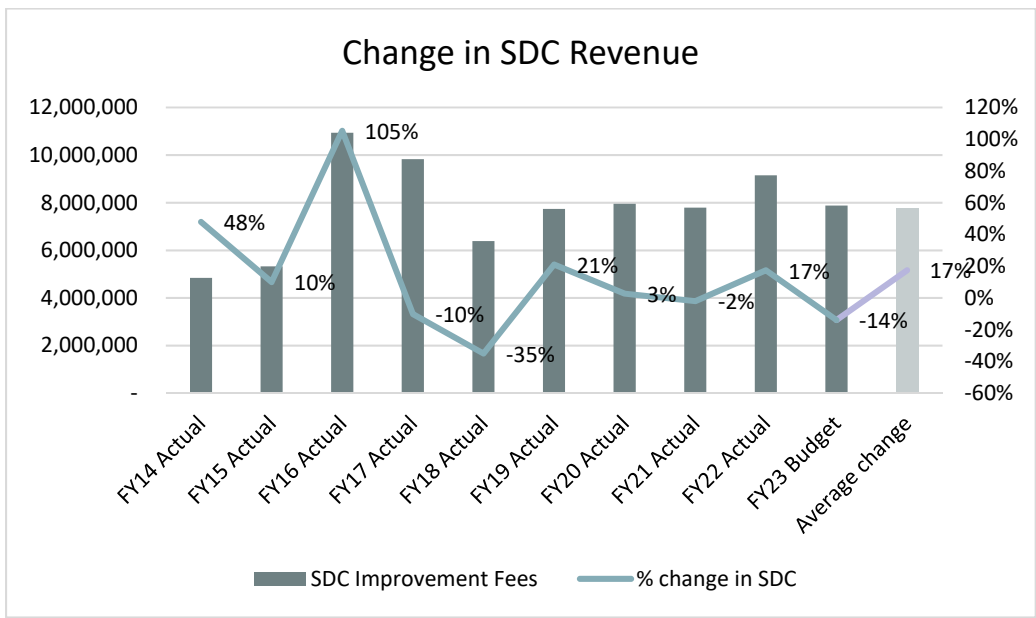


The General Fund needs to continue to save for future maintenance and repair of current facilities, address growth and adapt to changing economic conditions. The forecast shows at the end of the five years, the district will be able to maintain a fund balance minimum of 60 days of operating expenditures. In the last two years of the forecast, our operating expenses start to grow faster than revenue. A healthy fund balance helps the district be able to meet the fund balance minimum but that can only work in the short term. Adjustments will need to be made if inflation and personnel costs continue to rise at the current rates.

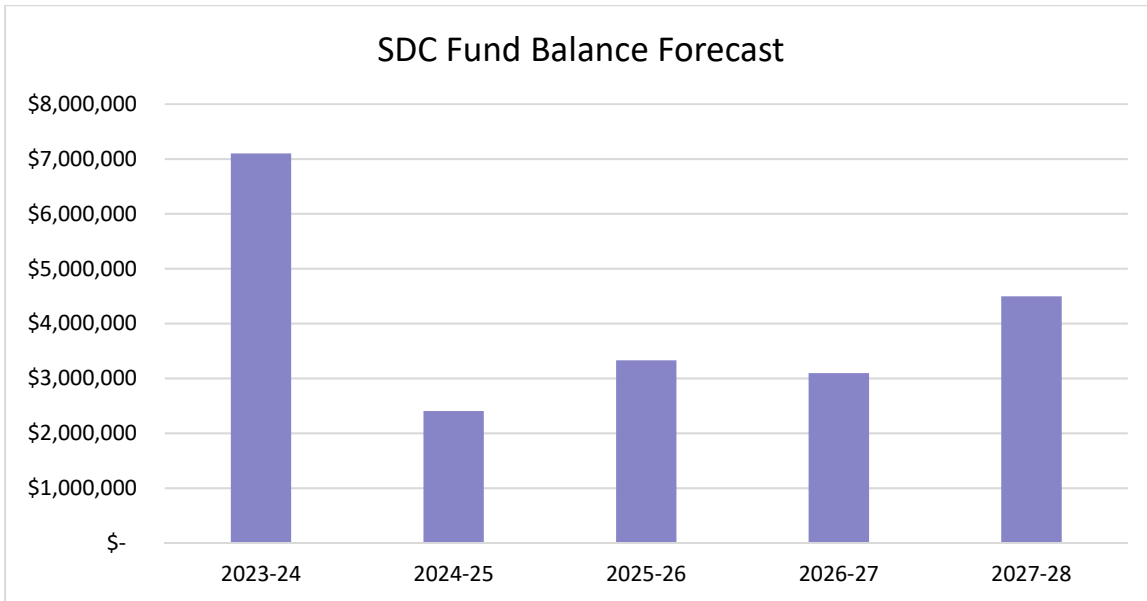


### System Development Charges (SDC) Fund

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. SDC revenue is hard to predict and averaging the change and reviewing downturns and recoveries is necessary. We also review what is up and coming with developers and if there are any changes in their plans. The best approach is to calculate averages to help plan for expenditures. Past trends demonstrate how different each year can be for receiving this type of funding.



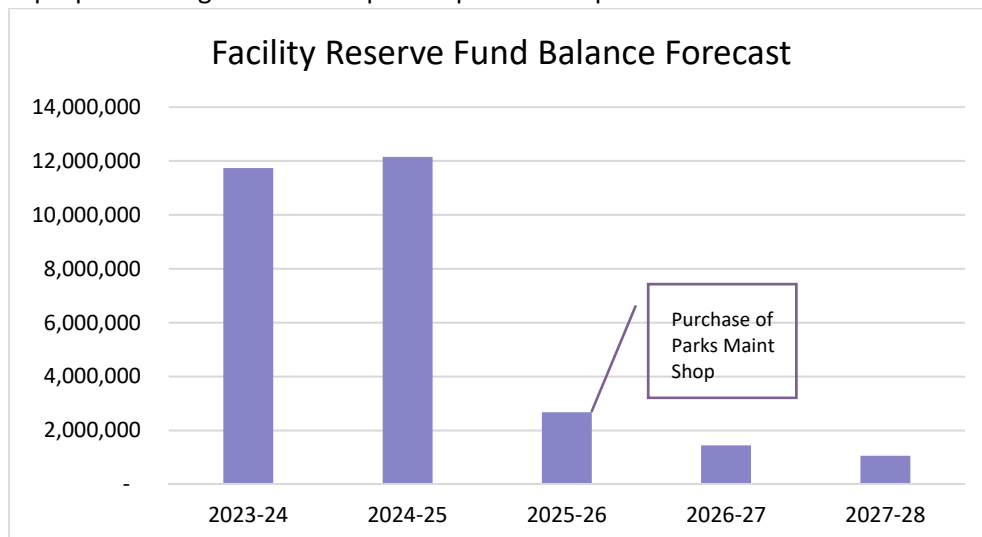
Expenditures are restricted by state law to capacity enhancing and reimbursement projects for parks, trails and indoor recreation facilities. The details of the planned expenditures can be found in the CIP. Fund balance will need some build-up time after large expenditures for the future projects.



#### Facility Reserve and Equipment Reserve Funds

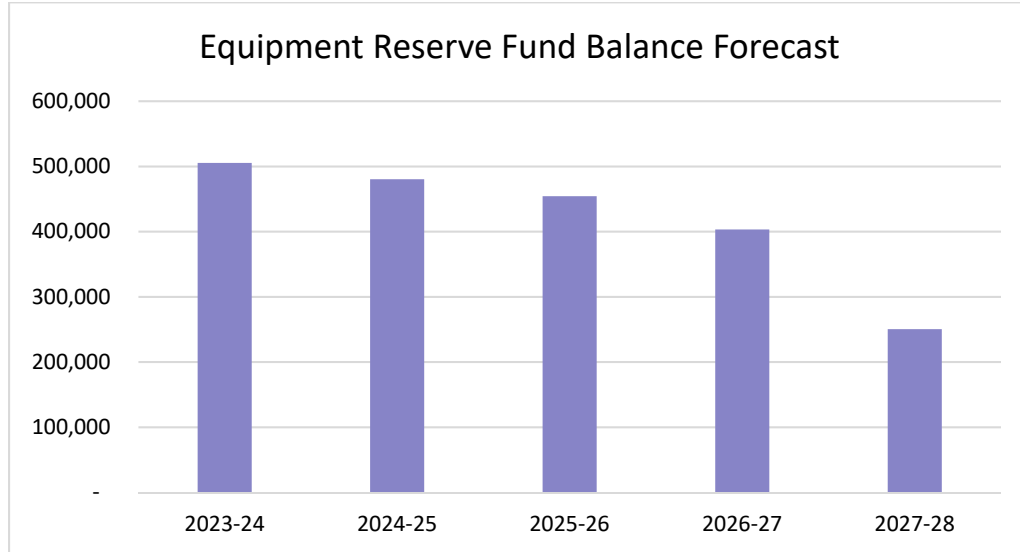
These funds are mainly funding by transfer from the General Fund so capital projects are funded by property taxes. Fund balance is needed to ensure the district can adapt to unplanned or emergency repairs to facilities and equipment.

- 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, grants and contributions. Primary expenditures of the fund are land acquisitions, new park development, facility projects and asset management projects. The expenditures are based on the five-year CIP to maintain the district facilities. 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.



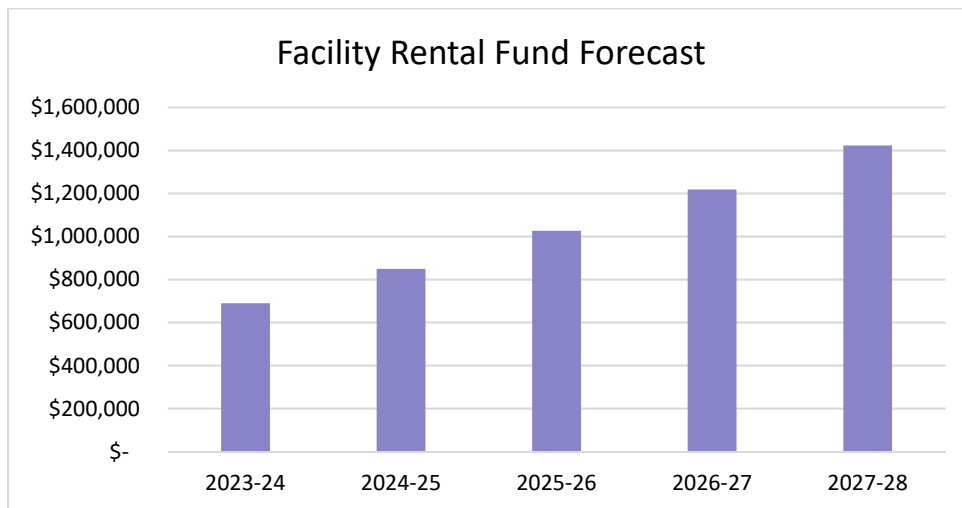


- Equipment Reserve Fund* is authorized and established by resolution 245, on July 1, 2004, for the following specified purposes: To set aside funds, through transfers, for replacing vehicles, equipment, furniture, fixtures and technology. The board reviewed this fund in 2014 and decided to continue utilizing this reserve fund. The next review year is 2024. The expenditures are based on equipment and vehicle management. Spending varies by year depending on rotation schedules or expansion of the system or programs. As the district’s equipment and vehicles age, we must maintain or replace them. This fund is intended to reserve funds for this purpose to align with our equipment and asset tracking.



#### Facility Rental Fund

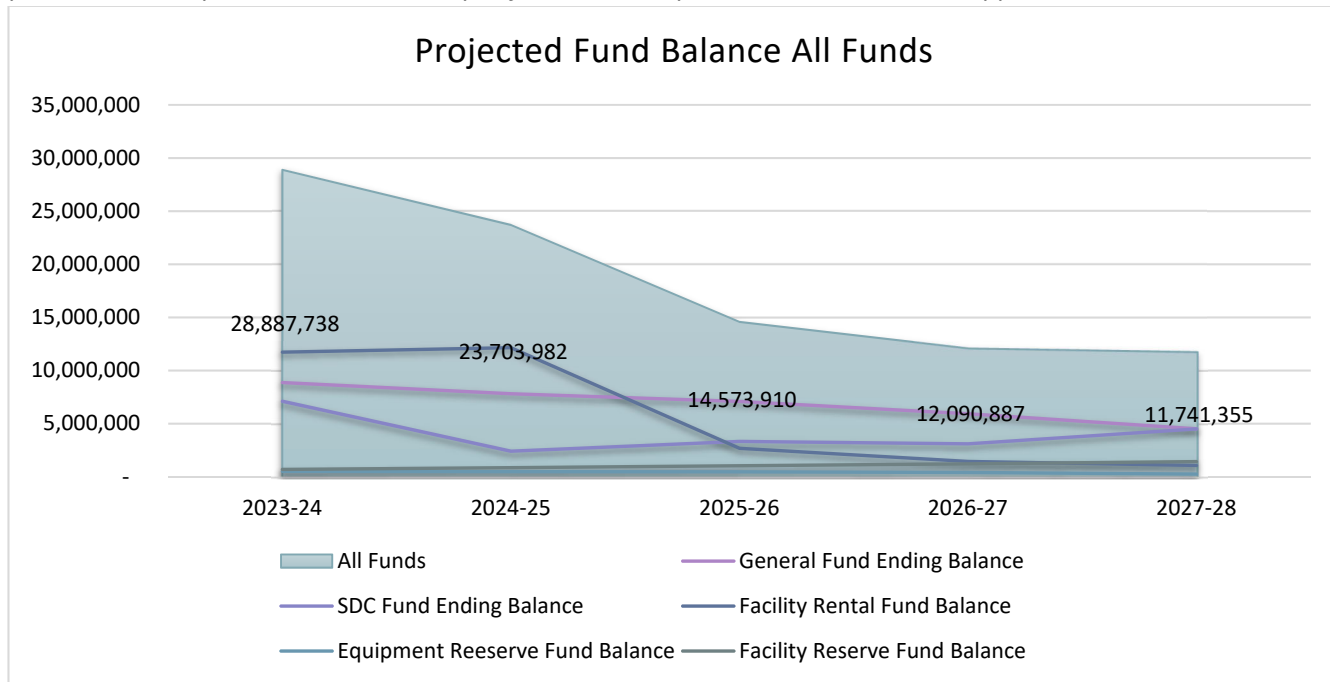
The Facility Rental Fund is used to account for the proceeds of district facility and park rental revenues (i.e. Aspen Hall, Hollinshead Barn). Primary expenditures are personnel, building maintenance and renovation costs. Facility rentals were greatly impacted by the pandemic the last two fiscal year. We have seen recovery this last fiscal year and plan to continue to see a recovery in our rentals. With the increase in rentals, expenditures will again return to normal levels. In addition, there are capital expenses for repairs of the rental facilities. The fund balance is to cover any shortfall in operations along with maintenance and capital repairs for the rental facilities. The fund balance is larger than needed and is being transferred in the facility reserve fund to aid with other projects next year.



#### 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. We can meet minimum fund balances at the end of the five-year forecast, but our ability to save for facility maintenance and equipment replacement begins to decrease due to rising personnel and operational costs. *See specific cost assumptions and details in the appendices.*



## Conclusion

The district continues to be impacted by inflation, workforce shortages and rising personnel costs. Impacts on staffing costs are limiting the availability of funds for saving for large maintenance projects and protentional services in the future. Our goal is the carefully monitor cost increases to assure fees remain affordable to our residents while allowing the district to continue maintaining high levels of service. Should the rate of inflation and personnel costs continue, it will erode the additional funds the district has to maintain facilities and the high levels of service we provide to the community.

This financial forecast takes a moderate conservative approach, and our projections continue to show that we are living within our means. The last year of the five-year term forecasts expenses will be more than revenue, but the district will still be able to maintain minimum reserves.

Overall, the district remains in good financial health and must monitor the possible recession and other economic impacts to ensure our expenses do not outpace revenues. Given this moderate conservative approach, it's likely that we will perform and possibly outperform 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

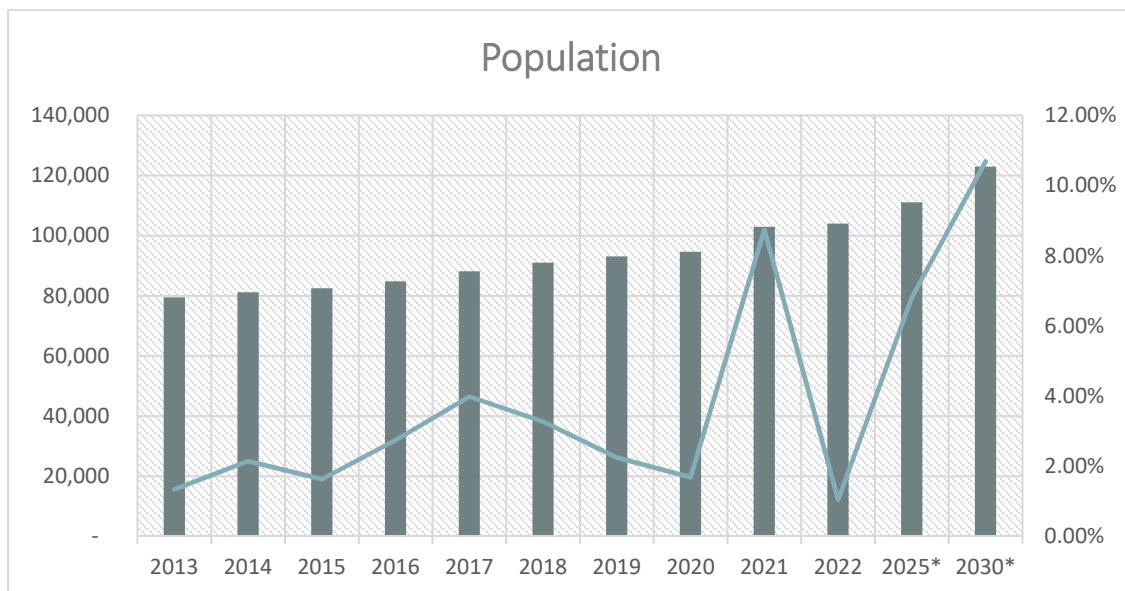
The district uses the Consumer Price Index as a general gauge of price inflation this includes all Items, Unadjusted, Urban Consumers (CPI-U). The district’s living wage ordinance bases increases in CPI U for Western States.

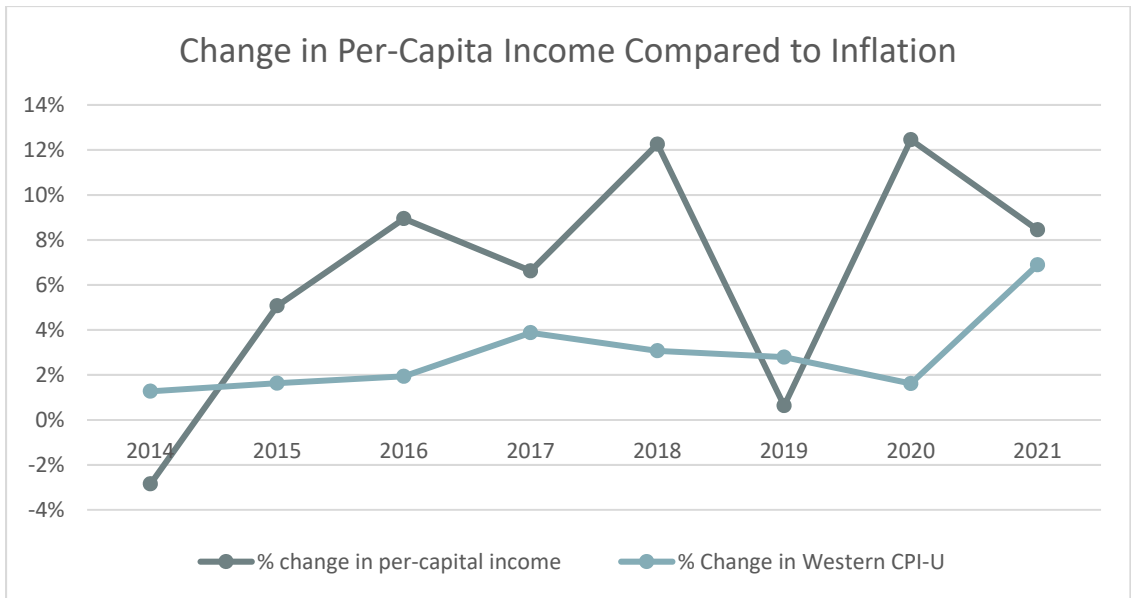
United State CPI-U		
Year Ending December	CPI-U	%Change
2012	229.6	1.73%
2013	233.0	1.48%
2014	234.8	0.77%
2015	236.5	0.72%
2016	241.4	2.07%
2017	246.5	2.11%
2018	251.2	1.91%
2019	255.8	1.83%
2020	261.6	2.27%
2021	278.8	6.57%
2022	296.8	6.46%

Western-State region CPI-U		
Year Ending December	CPI-U	%Change
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%
2022	314.6	6.25%

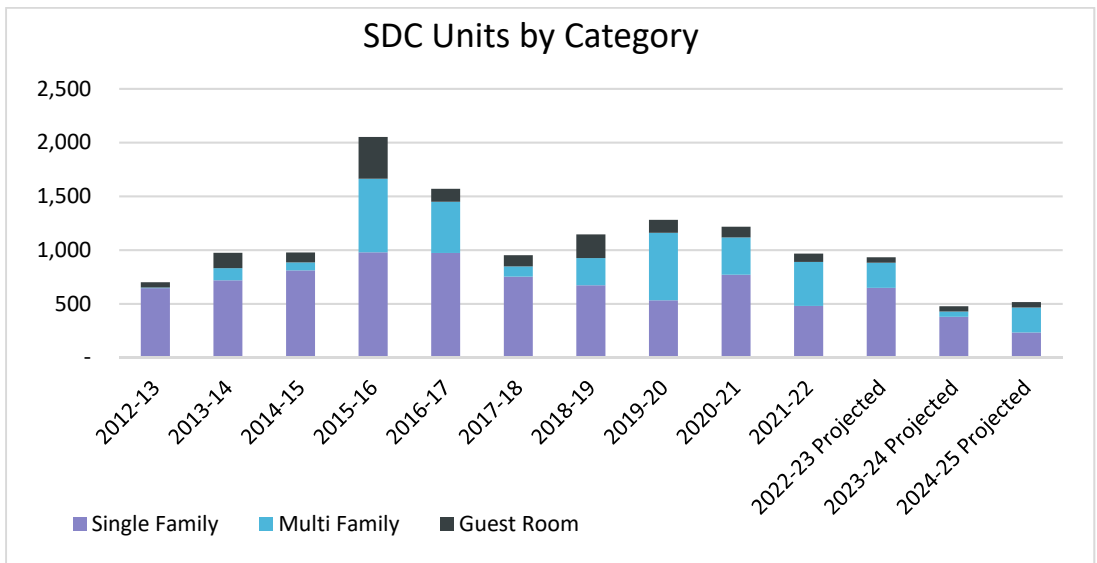
### Population

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.





Development continues to grow in the area which can be demonstrated by Special Development Fees:

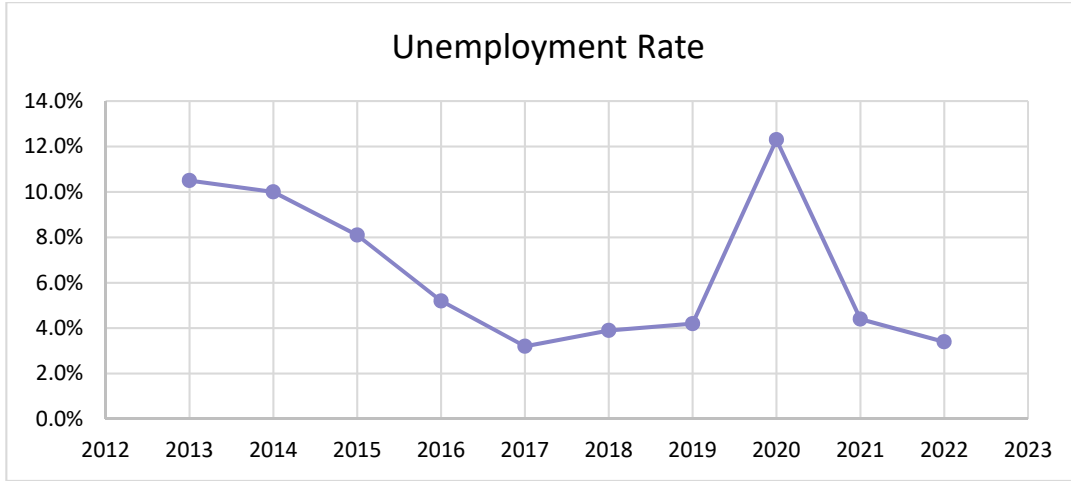


## Business

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

Employer	Product or Service	Employees	% Population Employed
St. Charles Health System	Health Care	3,527	3%
Bend-LaPine School District No. 1	Education	2,160	2%
Deschutes County	Government	1,043	1%
Mt. Bachelor, formerly Mt. Bachelor Ski Resort	Recreation	894	1%
City of Bend	Government	702	1%
Central Oregon Community College (COCC)	Education	653	1%
Summit Medical Group, formerly Bend Memorial Clinic	Health Care	612	1%
OSU-Cascades	Education	442	0%
Lonza, formerly Bend Research	Research	440	0%
Les Schwab Headquarters & Tire Centers	Tire Manufacturer	398	0%

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



### District Debt Capacity

Fiscal Year Ended June 30,	2.5% Debt Limit	Net Debt Subject to 2.5% Limit	Legal Debt Margin	Debt Capacity Percent
2017	414,765,372	25,750,000	389,015,372	93.79%
2018	474,970,425	24,800,000	450,170,425	94.78%
2019	534,399,569	23,785,000	510,614,569	95.55%
2020	583,708,575	22,705,000	561,003,575	96.11%
2021	620,691,367	21,550,000	599,141,367	96.53%
2022	732,635,964	20,325,000	712,310,964	97.23%

The district’s bond rating is AA2 and was moved up from AA3 in Winter of 2022.

# Appendix C- Fund Balance Analysis

## Background

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.

The Board adopted Resolution 2023-04 on May 2, 2023, setting the fund balance policy. The policy requires a risk analysis to be done each budget year to set the minimum fund balance.

For the FY24 budget we reviewed GFOA’s best practice, and its referenced material, as well as GFOA case studies and examples of polices from other local governments. We performed analysis to determine factors for the appropriate level. When looking at our reserve, we followed GFOA’s methodology. Keeping in mind that the analysis is based more on cities and counties than special districts. We are recommending the following minimum reserves:

*General Fund:* Minimum fund balance to be reserved should be 90 days of Recreation operating expenditures since a large portion is covered by charges for services and 30 days of the rest of the operating expenditures since these are covered by property tax revenue.

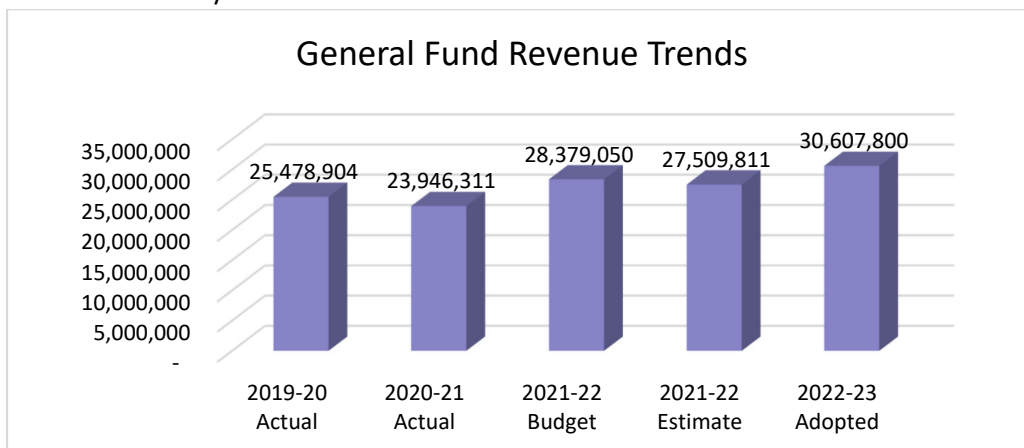
*Reserve Funds:* At minimum these funds should have next year’s planned expenses covered.

## Analysis – General Fund

Using GFOA’s best practice and their own analysis, we examined the district’s risk factors in regards to the General fund and reviewed are capital plans five-year forecasts. We reviewed revenue volatility, infrastructure upkeep, Vulnerability to Extreme Events and Public Safety Concerns, Expenditure Volatility and Growth of the Community. With the recent pandemic and growth of the district have emphasized the importance of fund balances for our district in our General fund and capital funds.

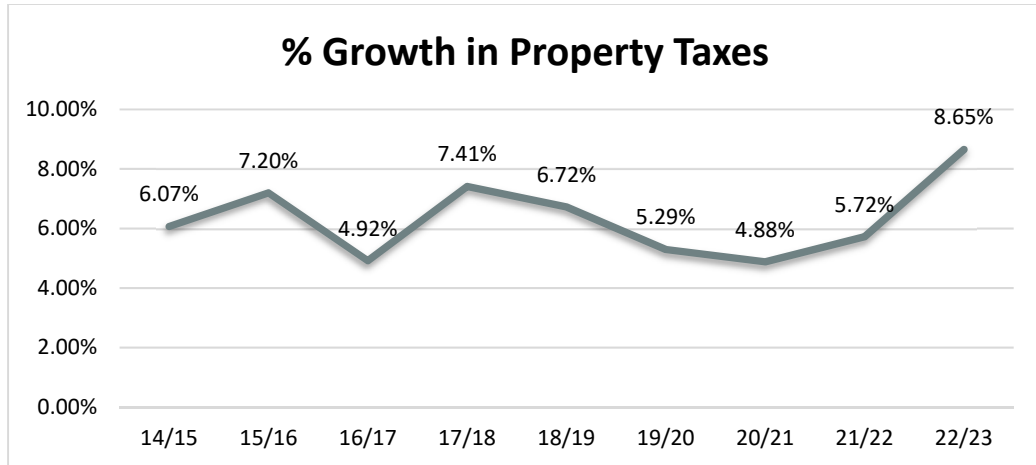
### **Risk Factors Revenue Volatility**

The more volatile a government’s revenue sources the higher a risk for fast changes and the need to respond to down turns. This type of risk requires higher reserve to be in place to be able to respond to revenue drops instead of suddenly reducing service levels. The district’s General fund revenues are mainly from two sources: property taxes and charges for services. Other financing sources are typically for debt issuance and grants so it does not need to be included in the analysis.

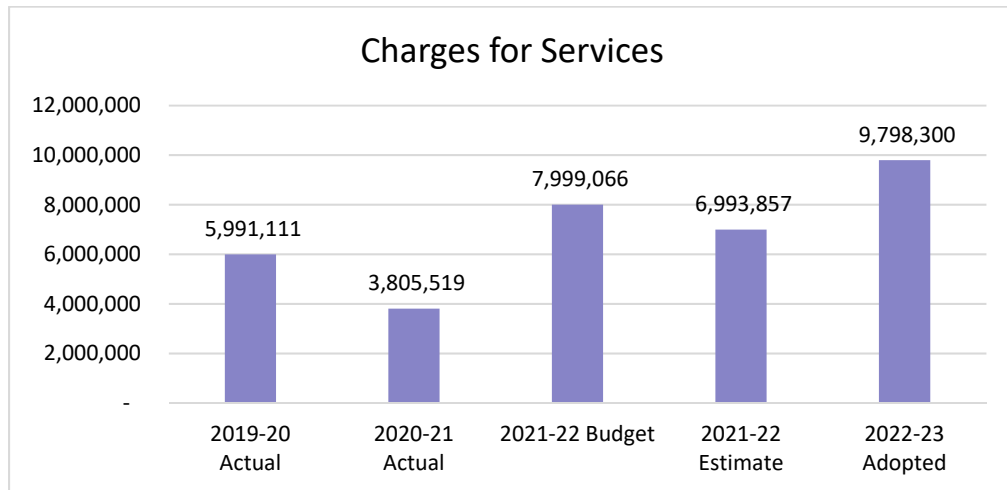




*Property taxes*- Property taxes make up about 53-56% of the General fund’s revenues. Traditionally property taxes are not as volatile as others taxes are, such as sales tax. Based on the linear increase in actuals this revenue is currently not showing signs of volatility



*Charges for Services* - Charges for services has shown volatility. We have seen volatility with COVID-19. The one thing of note is charges for services relate directly to recreation staff. Reducing staff during the pandemic offset in the drop of revenue reducing the financial impact on the district. This is the area of higher risk when the economy shifts down or in an event such as a pandemic.



**Infrastructure Upkeep**

Worn infrastructure holds a potential risk of failure and General fund reserves along with our capital reserve funds may be needed to repair and replace unexpected failures of assets. This area is a risk and is also a reason to have more than minimum to easily utilized funds in emergency infrastructure events. Our recreation centers were expanded and updated recently along with many repairs to our oldest Juniper Swim and Fitness Center that have been completed or in the five-year CIP. New parks and their infrastructure and structures have been added growing our park infrastructure and structure inventory to maintain.

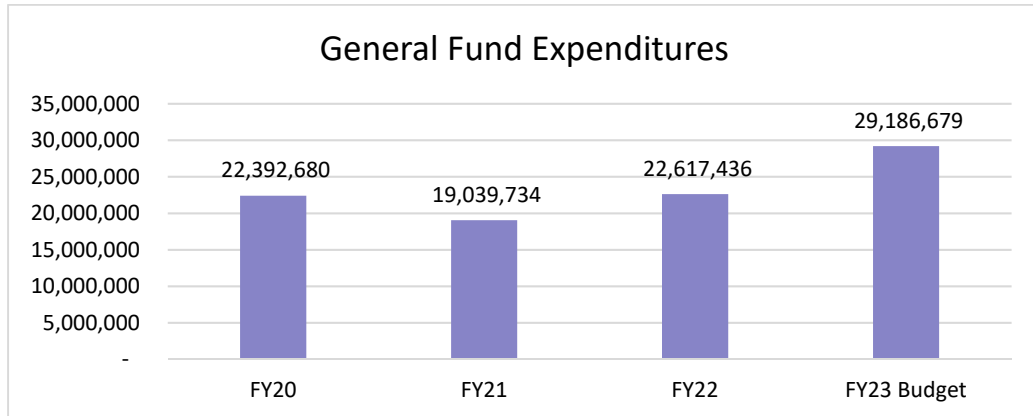
**Vulnerability to Extreme Events and Public Safety Concerns**

Extreme events require public safety programs that must continue to be funded while waiting for any state and federal aid. For example, reimbursement from the Federal Emergency Management Agency (FEMA) does not always occur right away, so it is important to have reserves to absorb the cost in the meantime, and FEMA does not necessarily reimburse 100 percent of the cost of responding to an event. Most FEMA is also run through State

and counties as well. The district does not hold the same obligations or purpose as other local governments these concerns are not a huge risk factor for the district and is fully insured.

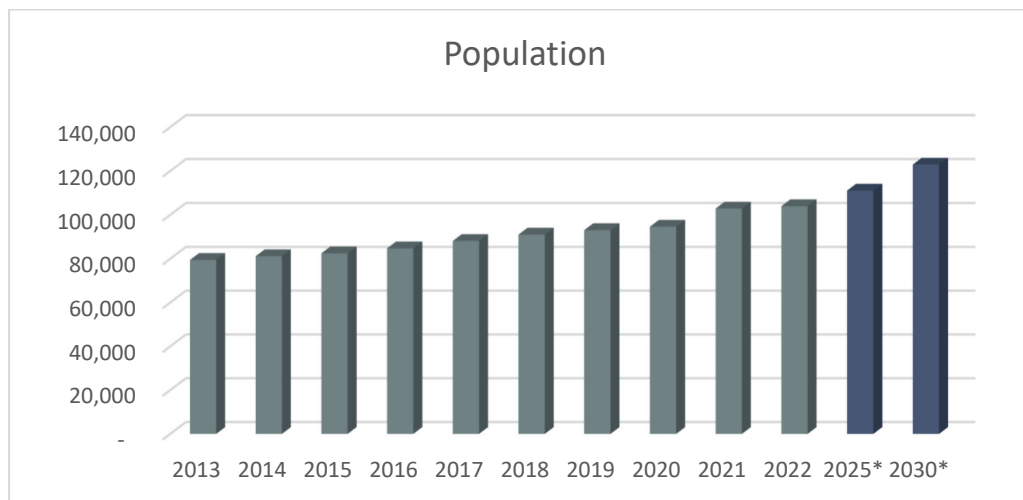
**Expenditure Volatility**

Operating expenditures have grown over time with a dip during the pandemic. Unexpected expenditures or non-reoccurring expenditures are often funded by reserves, unlike re-occurring that should be funded by reoccurring revenues and not reserves. Reoccurring should be part of the operating budget and the risk of non-reoccurring can be planned for in the reserve. The major expenditure is personnel but the personnel budget is below our property tax income.



**Growth of the Community**

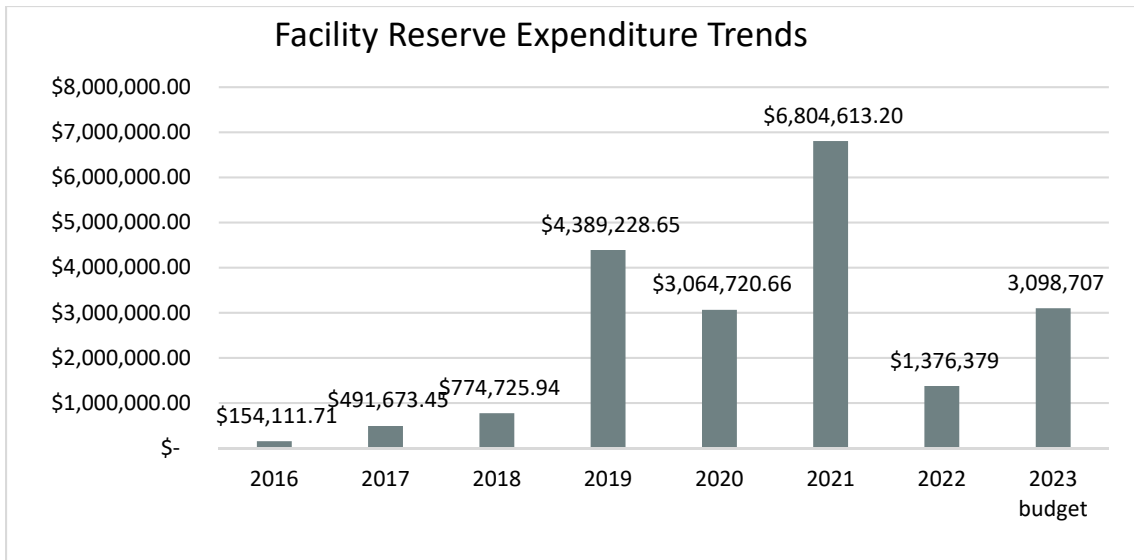
Rapid growth of the community could call for larger levels of reserves, lest service requirements expand beyond the local government’s ability to continue services in the face of revenue interruption. For instance, property tax revenues may not be received until a couple of years after development occurs, yet the government will still need to provide for the public safety, health and welfare of these members of the community in the meantime.” Our district has averaged 3.2% increase in population over the last 5 years per Portland State University Population Research Center's Certified Population Estimates. They are forecasting continued growth of another 6.82% by 2025:



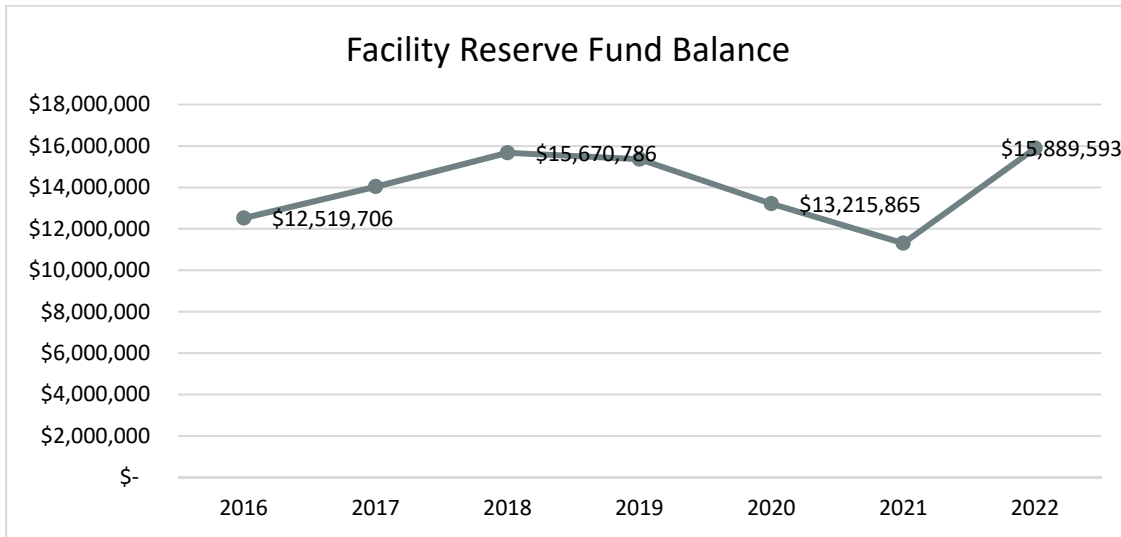
The General fund faces level of service constraints as the district grows. We also see SDCs as the district grows and we add to our district’s inventory that will need to be maintained and SDCs cannot pay for maintenance.

**Analysis – Capital Reserve funds**

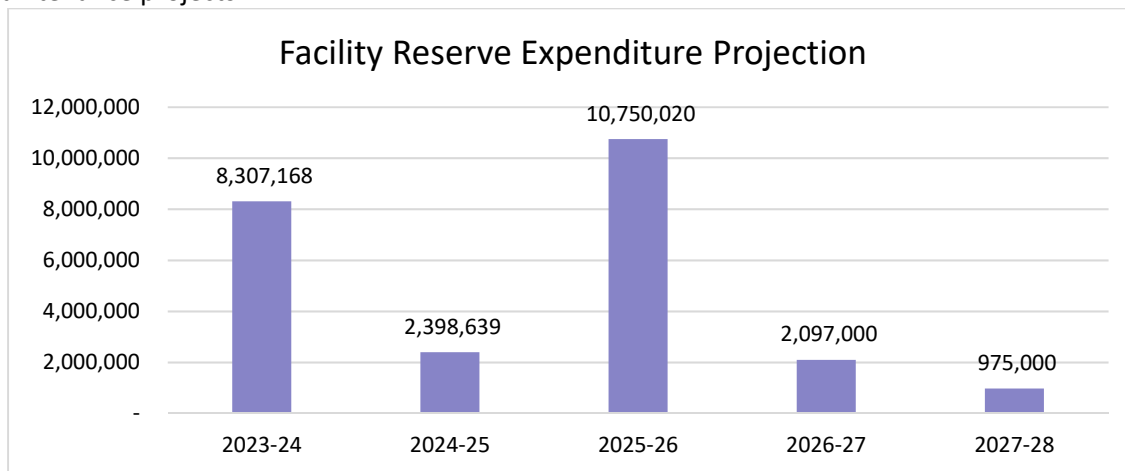
**The Facility Reserve fund** accounts for acquiring, constructing and re-developing parks, trails and buildings. The trends for spending vary from year to year and the district does have long range plans that it saves for in this fund.



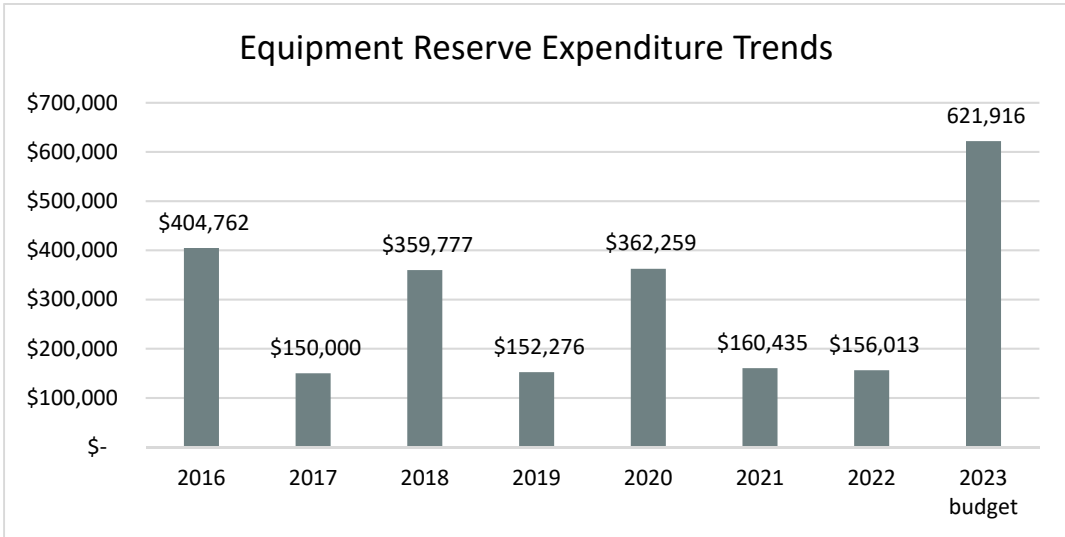
The fund balance has been gaining in anticipation of CIP items and a large one of the new Parks facility purchase of \$9 million.



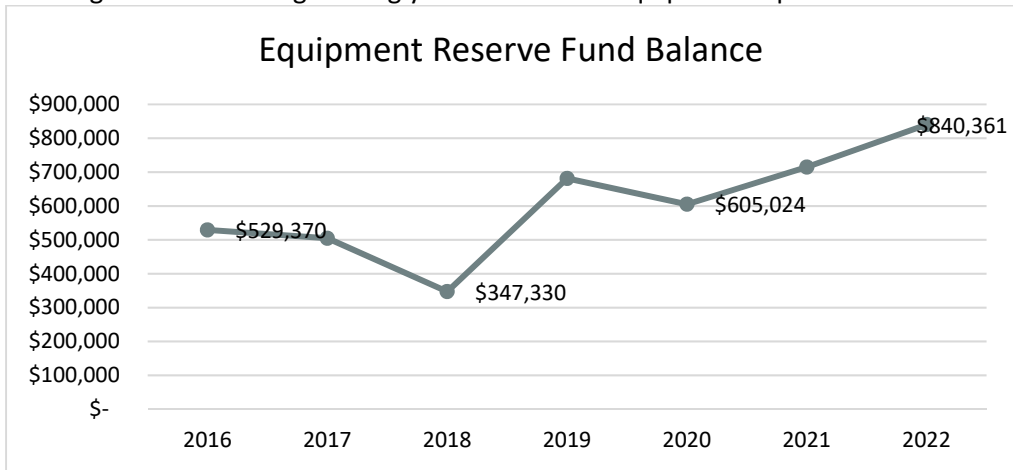
Looking out using the CIP the Facility Reserve fund has the large Parks facility purchase in FY26 along with regular facility maintenance projects.



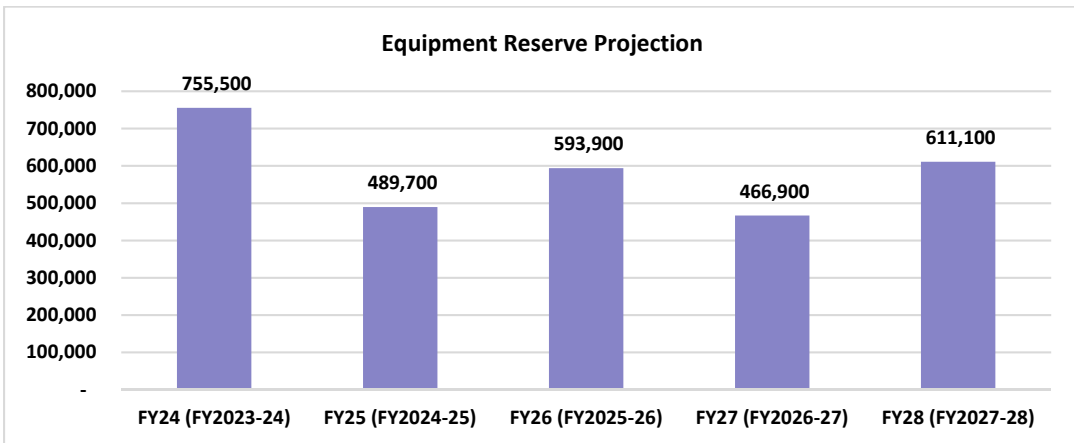
**The Equipment Reserve fund** accounts for new and replacement vehicles, furniture, fixtures, equipment and technology.



The fund balance has grown with savings during years with fewer equipment replacements.



The need for new equipment and replacements that our coming in the next five years the averaging spending of \$250,000 or less is no longer going to be the trend and we are seeing close to half a million needed each year.



## Appendix D- 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 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.

### **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 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.

### **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:

<b>Security</b>	<b>Limitation</b>
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 E- 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 F- 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;



**Affidavit of Publication**  
**STATE OF OREGON, COUNTY OF DESCHUTES**

I, Julius Black, a citizen of the United State and a resident of the county aforesaid; I am over the age of eighteen years, and not part to or interested in the above-entitled matter. I am the principal clerk of the printer of

**The Bulletin**  
 P.O. BOX 6020, BEND, OR 97708

a daily newspaper of general circulation, published in the aforesaid county and state as defined by ORS 192.010 and ORS 192.020, that

**Acct Name:** BEND PARK & RECREATION DIST LEGALS

**PO Number:**

**Legal Description:** NOTICE OF BUDGET COMMITTEE MEETING TWO PUBLIC MEETINGS OF THE BUDGET COMMITTEE OF THE BEND METRO PARK AND RECREATION DISTRICT DESCHUTES COUNTY STATE OF OREGON TO DISCUSS THE BUDGET AND THE CAPITAL IM

a printed copy of which is hereto affixed was published in each regular and entire issue of the said newspaper and not in any supplement thereof on the following dates to wit:

**5/09/23**

I certify (or declare) under penalty of perjury that the foregoing is true and correct.



Signature

Dated at Bend, Oregon, this 9th day of May, 2023

AdName: 377626

State of Oregon, County of Deschutes

Subscribed and Sworn to before me this 10th day of MAY, 2023 by



Notary Public for Oregon



No. _____
In the _____ Court of the
<b>STATE OF OREGON for the COUNTY OF DESCHUTES</b>
<b>AFFIDAVIT OF PUBLICATION</b>
Filed. _____
By _____
From the office of _____
Attorney for _____

**NOTICE OF BUDGET COMMITTEE MEETING**  
 Two public meetings of the Budget Committee of the Bend Metro Park and Recreation District, Deschutes County, State of Oregon, to discuss the budget and the Capital Improvement Plan for the fiscal year July 1, 2023 to June 30, 2024 will be held at the Bend Park and Recreation District Office at 799 SW Columbia Street in Bend, Oregon. The meeting will also include a virtual option for community participation. The link will be included in the agenda on the district website [https://www.bendparksandrec.org/about/board\\_meetings/](https://www.bendparksandrec.org/about/board_meetings/). The meetings will occur on May 23 at 4:00 pm, and May 25 (tentative) 2023 at 4:00 pm. The purpose of the meetings is to receive the budget message and to receive comment from the public on the budget. A copy of the budget document may be viewed on or after May 11, 2023 on the District's website at <https://www.bendparksandrec.org/finance>.  
 These are public meetings where deliberation of the Budget Committee will take place. The board welcomes input from individuals at our public meetings about agenda-related issues. Meeting attendees who wish to speak are asked to submit a comment card provided at the sign-in table. To provide a public comment virtually, click on the "Raise Hand" option on the Zoom platform. 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.

**BMPRD RESOLUTION NO. 2023-06**

**A RESOLUTION OF THE BEND METRO PARK AND RECREATION DISTRICT BOARD OF DIRECTORS  
ADOPTING THE BUDGET AND MAKING APPROPRIATIONS**

**ADOPTING THE BUDGET**

**BE IT RESOLVED** that the Board of Directors of the Bend Metro Park and Recreation District hereby adopts the budget for fiscal year 2023-24 in the total amount of \$96,899,497.

**MAKING APPROPRIATIONS**

**BE IT RESOLVED** that the amounts for the fiscal year beginning July 1, 2023 and for the purposes shown below are hereby appropriated:

**General Fund**

Director's Office and Administrative Services	\$	4,386,806
Planning and Design		1,897,032
Community Relations		1,096,848
Park Services		9,286,797
Recreation Services		16,956,488
Debt Service		507,150
Interfund Transfers		5,750,000
Contingency		5,550,982
<b>Total Appropriations</b>		<b>45,432,103</b>

**Rental Fund**

Rental Program		570,171
Interfund Transfers		500,000
Contingency		100,000
<b>Total Appropriations</b>		<b>1,170,171</b>

**System Development Charges Special Revenue Fund**

Planning and Design		11,597,909
Interfund Transfers		615,000
Contingency		2,000,000
<b>Total Appropriations</b>		<b>14,212,909</b>

**Facility Reserve Fund**

Planning and Design		6,897,168
Parks Services		201,500
Recreation Services		1,581,000
Contingency		2,000,000
<b>Total Appropriations</b>		<b>10,679,668</b>

A public meeting of the Bend Metro Park and Recreation District will be held virtually on June 6, 2023, at 5:30 pm in person and available in a Zoom webinar. The meeting link can be found on the board meeting agenda on the district's website: [https://www.bendparksandrec.org/board\\_meetings](https://www.bendparksandrec.org/board_meetings), or viewers may contact Sheila Reed [sheilar@bendparksandrec.org](mailto:sheilar@bendparksandrec.org) for a link to the meeting. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2023, as approved by the Bend Metro Park and Recreation District Budget Committee. A summary of the budget is presented below. A copy of the budget may be obtained online at [www.bendparksandrec.org/finance](http://www.bendparksandrec.org/finance). This budget is for an annual budget period. This budget was prepared on a modified accrual basis of accounting, the same as the preceding year.

Contact: Kristin Donald

Telephone: 541-706-6109

Email: [kristind@bendpraksandrec.org](mailto:kristind@bendpraksandrec.org)

FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount 2021-2022	Adopted Budget This Year 2022-2023	Approved Budget Next Year 2023-2024
Beginning Fund Balance/Net Working Capital	37,712,185	37,529,707	41,755,027
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	17,110,963	18,167,700	20,586,500
Federal, State & all Other Grants, Gifts, Allocations & Donations	797,338	161,100	2,037,163
Revenue from Bonds and Other Debt	0	0	0
Interfund Transfers / Internal Service Reimbursements	5,896,967	4,915,000	6,865,000
All Other Resources Except Current Year Property Taxes		207,100	965,500
Current Year Property Taxes Estimated to be Received	22,357,913	22,797,751	24,690,307
<b>Total Resources</b>	<b>83,875,366</b>	<b>83,778,358</b>	<b>96,899,497</b>

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	16,950,020	21,928,708	25,490,662
Materials and Services	5,519,474	8,176,262	9,043,880
Capital Outlay	9,957,132	13,770,511	20,897,677
Debt Service	2,545,353	2,557,781	2,599,281
Interfund Transfers	5,896,967	4,915,000	6,865,000
Contingencies	0	10,161,735	4,300,000
Special Payments	0	0	0
Unappropriated Ending Balance and Reserved for Future Expenditure	43,006,420	22,268,361	27,702,997
<b>Total Requirements</b>	<b>83,875,366</b>	<b>83,778,358</b>	<b>96,899,497</b>

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *			
Name of Organizational Unit or Program FTE for that unit or program			
Administration & Administrative Services Department	2,791,237	4,280,455	4,610,406
FTE	17	17	17
Planning & Design Department	1,525,895	1,642,781	8,794,200
FTE	12	12	12
Community Relations Department	690,569	972,276	1,096,848
FTE	5	6	6
Park Services Department	6,853,041	10,456,649	10,053,297
FTE	69	69	71
Recreation Services Department	10,551,685	15,047,091	18,709,388
FTE	165	171	182
Facility Rentals Program	362,965	468,076	570,171
FTE	3	3	3
System Development Charges Program	8,630,497	11,008,153	11,597,909
FTE	0	0	0
Not Allocated to Organizational Unit or Program	52,469,477	39,902,877	41,467,278
FTE	0	0	0
<b>Total Requirements</b>	<b>83,875,366</b>	<b>83,778,358</b>	<b>96,899,497</b>
<b>Total FTE</b>	<b>270</b>	<b>277</b>	<b>291</b>

**STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING \***

The district's Fiscal Year 2023-24 budget shows a balanced budget with healthy reserves for planned future projects and maintaining assets. The proposed budget is anticipating \$48 million in revenues and \$58 million in expenditures for total budgeted requirements of \$96.8 million, which includes contingencies. This budget will support 290.7 full-time equivalent (FTE) employees and \$20.8 million in capital spending. The district's main sources of funding are property taxes, charges for services (user fees) and System Development Charges (SDCs). Revenues for the district are expected to increase by \$6.9 million, a 17% increase over last year's budget due to growth in property taxes and SDCs along with our growing programming make up the increase. We continue to feel the impacts of high inflation and labor continues to be a challenge, but we are seeing some relief for both factors. Expenditures for the district's proposed budget are projected to increase by \$11.4 million, a 24.6% increase compared to last year's budget. The increase is mainly in capital spending with large projects that were in the planning phase last year. Personnel and operating expenditures saw a 16.2% increase and 10.6% increase respectively.

PROPERTY TAX LEVIES			
	Rate or Amount Imposed 2021-2022	Rate or Amount Imposed This Year 2022-2023	Rate or Amount Approved Next Year 2023-2024
Permanent Rate Levy (rate limit 1.461 per \$1,000)	1.461	1.461	1.461
Local Option Levy	0	0	0
Levy For General Obligation Bonds	1,944,611	2,014,018	2,111,292

STATEMENT OF INDEBTEDNESS		
LONG TERM DEBT	Estimated Debt Outstanding on July 1.	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$19,010,000	\$0
Other Bonds	\$0	\$0
Other Borrowings	\$975,201	\$0
<b>Total</b>	<b>\$19,985,201</b>	<b>\$0</b>

\* If more space is needed to complete any section of this form, insert lines (rows) on this sheet. You may delete blank lines.

**Equipment Reserve Fund**

Director's Office and Administrative Services	223,600
Parks Services	565,000
Recreation Services	171,900
Contingency	200,000
<b>Total Appropriations</b>	<b>1,160,500</b>

**GO Bond Debt Service Fund**


Debt Service	2,092,131
<b>Total Appropriations</b>	<b>2,092,131</b>

**Total Bend Metro Park and Recreation District**


Total appropriations including contingency	74,747,482
Total unappropriated and reserve amounts	22,152,015
<b>Total Bend Metro Park and Recreation District Budget</b>	<b>\$ 96,899,497</b>

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 6th day of June 2023.

  
 Deb Schoen, Board Chair

Attest:

  
 Don P. Horton, Executive Director

**BMPRD RESOLUTION NO. 2023-07**

**A RESOLUTION OF THE BEND METRO PARK AND RECREATION DISTRICT BOARD OF DIRECTORS  
IMPOSING AND CATEGORIZING TAXES**

**IMPOSING THE TAX**

**BE IT RESOLVED** that the Board of Directors of the Bend Metro Park and Recreation District hereby imposes the following ad valorem property taxes for tax year 2023-24 upon the assessed value of all taxable property within the District:

1. At the rate of \$1.461 per \$1,000 of assessed value for permanent rate tax; and
2. In the amount of \$2,111,292 for debt service for general obligation bonds.

**CATEGORIZING THE TAX**

**BE IT RESOLVED** that the taxes imposed are hereby categorized for purposes of Article XI section 11b as:

**General Government Limitation**

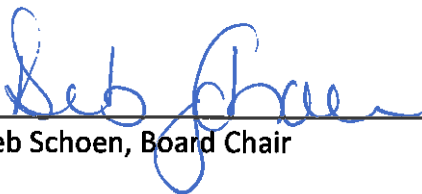
Permanent Rate Tax.....\$1.461 / \$1,000

**Excluded from Limitation**

General Obligation Bond Debt Service .....\$2,111,292

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 6th day of June 2023.

  
 \_\_\_\_\_  
 Deb Schoen, Board Chair

Attest:

  
 \_\_\_\_\_  
 Don P. Horton, Executive Director