



Bend Metro Park & Recreation District

April 16, 2024

Board of Directors Agenda and Reports

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play for life



Our Vision

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

Our Mission

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

We Value

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

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

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

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

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

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

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

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

play for life

District Office | Don Horton, Executive Director

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



Board of Directors

April 16, 2024

District Office Building | 799 SW Columbia | Bend, Oregon



AGENDA

The board will meet in person at 5:30 pm with virtual links to the regular meeting. The public may provide public input in-person at the meeting or via the virtual Zoom link.

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/81375434939>

Or Telephone:

253 215 8782

Webinar ID: 813 7543 4939

5:30 pm CONVENE MEETING

Swear in Board Member

ROLL CALL

VISITORS

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

STAFF INTRODUCTIONS

Kim Johnson

- Billie Ameika, Community Relations Assistant

Katy Aceto

- Erica Pereda, Rentals and Events Specialist

WORK SESSION

1. Volunteer Update – *Kim Johnson (20 min)*
2. SDC Annual Index – *Kristin Toney (20 min)*

CONSENT

1. Minutes: 4/2/2024
2. Approve Health Insurance Contract

BUSINESS SESSION

1. Appoint Budget Committee Member (*15 min*)

2. Approve Boyd Acres Shop project design consultant – *Bronwen Mastro (15 min)*
3. Approve Fiscal Policies – *Kristin Toney (15 min)*

EXECUTIVE DIRECTOR’S REPORT

REPORTS

BOARD MEETINGS CALENDAR REVIEW

GOOD OF THE ORDER

ADJOURN



Accessible Meeting/Alternate Format Notification

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

BOARD AGENDA COMMUNICATION

AGENDA DATE: April 16, 2024

SUBJECT: Volunteer/Community Engagement report

STAFF RESOURCE: Kim Johnson, Community Engagement Supervisor

PREVIOUS BOARD ACTION: None

ACTION PROPOSED: None

STRATEGIC PLAN:

Pillar: Community Relationships
Outcome: Exceptional customer and community experiences
Strategy: Provide exceptional experiences during each facet of the customer’s interaction with the district

BACKGROUND

Connecting residents with programs, events, facilities, parks and trails is central to the mission and values of the district. This includes providing opportunities for people to engage as supporters of district efforts.

The district offers opportunities for volunteers to engage in a wide variety of experiences that support programs, events, facilities and projects. Kim Johnson, community engagement supervisor, will provide a review of volunteer service over the past year and the current opportunities for engagement. She will also highlight a few of the great people who volunteer and share how their support makes a difference for patrons, staff and our community.

BUDGETARY IMPACT

None

ATTACHMENTS

- A. 2023 Volunteer Engagement Review
- B. 2023 Volunteer Service Summary and Comparison



2023 Volunteer Engagement Summary

Bend Park & Recreation District welcomes, values and honors volunteers as essential partners in providing recreation services for our community. We strive to engage volunteers with opportunities that have purpose, match their interests, serve the needs of the district and our community, promote stewardship and enhance experiences for everyone.

The annual volunteer engagement summary provides a picture of the tremendous support that volunteers provide to park district programs, activities and facilities. The number of volunteers and the hours recorded vary each year based on the needs of the district, opportunities offered and the consistency of service reporting by volunteers. The district is known as a great place to volunteer and we are successful in recruiting enough qualified volunteers to fill essential positions and sufficient support for most opportunities offered.

In 2023, more than **1,247** volunteers contributed time, effort and expertise, providing over **44,949** hours of valuable service to the district and our community. The service hours contributed are the equivalent of **22** full time employees (FTE).

Volunteer service is assigned an hourly value each year by The Independent Sector, a national non-profit organization that provides statistics on volunteerism. The values listed here reflect the data available for the average wage plus benefits for non-management, non-agricultural workers. The value of volunteer time increases annually, reflecting inflation and the higher cost of labor.

- National Value of Volunteer Time - \$31.80 per hour (as of April 2023)
- Oregon Value of Volunteer Time - \$32.37 per hour (as of spring 2022)

Support to Recreation Programs & Facilities

Volunteer coaches provide essential support for BPRD's youth sport programs. For 2023, **716** people served as volunteer coaches for youth sport teams. Their involvement is key to making those opportunities possible for the **5,929** children who participated in a sport league. **68** of these volunteers coached more than one team and/or more than one sport. It takes the continued and combined efforts of the sport program and community relations staff to recruit the number of volunteers needed, but thanks to strong community support and willing families, teams typically start their season with a qualified and supportive coach.

Ten students from the Heart of Oregon Youth Build program volunteered with the Kids Inc. program in summer and fall of 2023 as part of their curriculum, contributing more than **1,000** hours of service. These volunteers assisted district staff with activities and learned about leading recreation programs and working with elementary school age children.

Caring volunteers provided more than **438 hours** of invaluable support to participants in the therapeutic recreation programs. These volunteers are in the pool as buddies and cheerleaders for the children that participate in the adaptive aquatics program, assist at summer day camps, and support adult enrichment activities, special events and more. Staff report that the volunteers are the heart of the programs and truly make a difference for participants and their families.

Teen volunteers are involved with recreation and swim programs in the summer and holiday breaks. The volunteer opportunities offered provide work experience and skill-building for the volunteers, support to the program and participants and serve the district as a tool for developing future employees.

- **34** students ages 12 to 15 participated as junior lifeguards and swim instructor aides. The volunteers supported recreation swim times and swim lessons at JSFC and Larkspur.
- Art Station camps, Cougar Camp, Riley Ranch Nature Camp and the Summer Buddies preschool program benefitted from the support of **35** incredible teen helpers.

Support to Outreach Efforts

District staff initiated a pilot program for summer 2023 affectionately called “Get Kids to Camp”. This program included support with program fees, transportation, clothing and food needed in order for the children to participate. Volunteers picked up and delivered lunches to multiple program sites over the eight weeks of the program. The **four** volunteers that helped out are **retired BPRD employees** that care deeply about getting kids connected and involved.

Support to Parks and Trails

Community interest in stewardship and caretaking for parks and trails is an asset to the district. Volunteers help with litter pick up, weed pulling, planting and special projects and serve as extra “eyes and ears” to monitor and report maintenance, safety or community concerns. Volunteers also offer important support to the district’s goose management efforts.

- **27** parks and/or park amenities (including off leash areas) and **18** trail sections or natural areas and were supported by volunteers. Volunteer reported incidences of vandalism and graffiti helps staff in their ability to address these concerns quickly.
- The volunteer hosts at Riley Ranch and Shevlin parks provide a positive presence, friendly reminders and contributed more than **687** hours to enhance visitor experience.
- Volunteer groups took on **9** seasonal weed removal, park clean up and planting projects.
- **10** volunteers and their dogs visited the park regularly to help with hazing efforts. These volunteers a qualified through an evaluation provided by a trainer before they are eligible to volunteer with their dongs off-leash in the parks.

2024 Volunteer Engagement Initiatives

- Develop a volunteer program to support food & beverage operations at Larkspur.
- Implement new tools for volunteers to post and share service hours.
- Host scheduled volunteer project days to support caretaking for natural spaces and trails.
- Continue collaborative work with Deschutes Historical Museum to create a program and volunteer resources needed to host tour opportunities at the Hollinshead-Matson Homestead House museum.

2023 Volunteer Service Summary

	2023		2022		2019	
	Volunteers	Hours	Volunteers	Hours	Volunteers	Hours
Recreation						
Fitness & Swim - JSFC & LCC						
Fitness center & class support	23	735	16	971	37	1417
Junior Lifeguard/Swim Instructor Aide	34	846	28	620	60	1,490
Aquatics program support	0	0	4	52	37	1,417
Childcare & preschool programs	15	283	12	261	13	284
Larkspur Community Center/Bend Senior Center						
Facility and activity support (not fitness & swim)	23	1,235	16	1,313	45	1,418
The Pavilion						
Youth ice & roller sport coaches	22	431	39	635	14	136
Youth Sports						
Team coaches	716	34,888	691	32,666	766	36,876
Recreation, Enrichment, Childcare						
Therapeutic Recreation	12	438	2	56	6	147
After school and summer childcare - Kids Inc, Op Rec	11	1,314				
Youth art & enrichment	14	470	18	986	55	1,113
BPRD Hosted Events						
July 4th Pet Parade	43	106	35	105	65	193
Hollinshead tours, Winter Solstice, park openings	10	30	9	30	10	36
Community Outreach & Engagement						
Outreach activities & events	14	105	8	32	12	375
Parks & Trails						
Goose Management	10	405	9	272	7	230
Riley Ranch, Shevlin & Alpenglow Park Hosts	13	687	14	981	10	711
Park & Trail Projects						
Individuals & groups	98	332	169	385	238	419
Adopt-a-Park, Trail, Off Leash Area						
Individuals & groups	169	1,646	483	7,459	223	5,289
Administration						
BPRD Board of Directors	5	876	5	991	5	1,009
BPRD Budget Committee	5	55	5	55	5	80
BPR Foundation Board of Directors	6	60	6	64	5	40
BPRD Naming committee	4	7	5	9		
Volunteer Service Total	61,247	44,949	1,574	47,943	1,613	52,680

BOARD AGENDA COMMUNICATION

AGENDA DATE:	April 16, 2024
SUBJECT:	Revised System Development Charge (SDC) Fee Schedule effective July 1, 2024
STAFF RESOURCE:	Kristin Toney, Administrative Services Director Michelle Healy, Deputy Executive Director Don Horton, Executive Director
PREVIOUS BOARD ACTION:	The SDC Fee Schedule was last set with Resolution No. 2023-03 on May 2, 2023, effective July 1, 2023.
ACTION PROPOSED:	Revising SDC Fee Schedule effective July 1, 2024 that includes annual index adjustment and aligning the single-family and multi-family tiers with the city's SDC tiers.
STRATEGIC PLAN:	
Pillar:	Operations and Management Practices
Outcome:	A balance between caring for existing infrastructure and new development
Strategy:	Ensure the district is maintaining its adopted level of service targets

BACKGROUND

The district's annual SDC fee schedule adjustment becomes effective on July 1 of each year, corresponding with the district's budget cycle. The timing of the decision regarding the fee adjustment is sequenced to correspond with the district's annual budget process and to inform the City of Bend and Deschutes County of SDC fee changes in a timely manner. When the board adopted the new park SDC methodology in 2019, the methodology included data that enables the district to charge SDC fees for single-family and multi-family residential units by tiers and/or average rates.

In 2022, the City of Bend began a project to update the city's SDC methodologies and associated projects lists and fee schedules, as well as their Municipal Code. The project included engagement with city council, city advisory bodies, and external stakeholders. February to August 2023, city staff held six meetings with a stakeholder group representing a variety of community and development interests. Work sessions were held with the city council on September 6, 2023, and December 6, 2023, to review recommended approaches from the stakeholder group process and major changes proposed under the methodology update. At the December 19, 2023 board meeting city staff presented to the board an update on their SDC changes with a request for the district to consider possible changes to their own fee index and ordinances.

On January 17, 2024, City Council held a first reading of changes to SDCs, but continued the public hearing on adoption of the methodologies and fee schedule in response to public comment. On February 21, 2024, Bend City Council held a work session to hear from staff on public comments received and recommended adjustments to the methodologies, project lists, and fee schedule. On May 1, 2024, the public hearing that began on January 17, 2024, will be resumed for the public to provide additional comments on the revised reports or fee schedule, and for council to consider their adoption.

The city has also met with district staff regarding the district’s park SDCs and possible areas of alignment for consistency of billing and for ease of SDC payers. As part of updating the comprehensive plan we will be updating the SDC project list. This work will start this summer and with the consultant we will also review our ordinance for possible changes. We have reviewed some of the areas we can update without a change to our methodology and one is with our tiers.

With the annual fee index we can align our single-family tiers to match the city’s tiers that will aid in their billing and be consistent for developers. We can also remove the multi-family tiers and use the average. The city did not have multifamily unit tiers based on their outreach, which has suggested that it helps families who needed larger multifamily units that could be less expensive housing than single family homes. Below is the comparison of the index inflation adjustment including not making tier changes and making the tier changes:

Current Tiers		
Fees	2023-24 fee	2024-25 fee adjusted for inflation
Single Family Average	10,852	11,266
Single Family (<501 sq ft)	7,425	7,708
Single Family (501 - 1,000 sq ft)	8,074	8,382
Single Family (1,001 - 1,600 sq ft)	9,376	9,734
Single Family (1,601 - 3,000 sq ft)	10,635	11,041
Single Family (>3,000 sq ft)	11,895	12,348
Multi Family Average	7,380	7,661
Multi Family (0 bedrooms)	4,689	4,867
Multi Family (1 bedrooms)	5,166	5,363
Multi Family (2 bedrooms)	8,377	8,697
Multi Family (3 bedrooms)	10,852	11,266

Recommended Tier Changes		
Fees	2023-24 fee if adjusted to new tier	2024-25 fee adjusted for inflation
Single Family Average	10,852	11,266
Single Family (<600 sq ft)	7,770	8,066
Single Family (601 - 1,200 sq ft)	8,725	9,058
Single Family (1,201 - 1,600 sq ft)	9,637	10,004
Single Family (1,601 - 2,200 sq ft)	10,288	10,680
Single Family (2,201 - 3,000 sq ft)	10,896	11,311
Single Family (>3,000 sq ft)	11,895	12,348
Multi Family Average	7,380	7,661

BUDGETARY IMPACT

The SDC Fee Schedule has impacts on future SDC fee revenues and the funding available for SDC eligible projects in the district’s adopted Capital Improvement Plan.

STAFF RECOMMENDATION

Provide feedback regarding the tier adjustments being included in the annual fee index adjustment scheduled May 7, 2024.

He explained the positive impacts of sports on kids including research that shows that active kids do better in life. He said this type of facility would allow kids to practice in any weather and conditions and could serve as an emergency shelter.

Mr. Berry described their group as made up of volunteers from local counties with an executive board, sports advisory body and pro-athlete and sports performance advisory board. He explained the principles of the alliance as unite, advocate, communicate and support. He said the location is planned for the Deschutes County Expo Center with public funding to build, but may also seek private funding and suggested something could be built on park and recreation land, he shared his concerns that private funding may price some kids out.

He asked for funding from the district to help pay for the feasibility study to get started. He said they have raised about \$60,000 from other agencies and the feasibility study will provide direction on what to build and the associated costs.

CONSENT

1. Minutes: 03/19/2024
2. Board Policy - Archive Policy
3. Board Policy - Definitions Policy
4. Accept Collier Property Dedication

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

BUSINESS SESSION

1. Needs-based Assistance Annual Report and Approve Needs-based Assistance Plan for 2024-2025 – *Matt Mercer*

Mr. Mercer shared the structure of the needs-based assistance program, He said it includes outreach and targeted programs, recreation scholarships, therapeutic recreation and inclusion support, free and low-cost activities, and additional financial support from other outside sources. He spoke about the number of households that qualify for the scholarship programs continues to increase to record levels, and of those qualifying most continue to be high need. He said an estimated \$710,000 will be given in scholarships this year and budgeted for \$650,000. He explained that average assistance per household is decreasing over time to \$567 this year, Youth Recreation (includes Kids, Inc) is the highest use by program followed by JSFC/Larkspur swim lessons/passes and art enrichment. This year, 53% of SNAP households in Bend have been approved for scholarships in the district up from 23% in 2020. He attributed the growth to outreach efforts despite SNAP recipients declining in the area.

Mr. Mercer reviewed the scholarship resources as:

Tax Support: \$545,000

Sponsorships: \$58,000

Donations: \$27,000

Cell Tower leases: \$80,000

Other assistance sources include:
BPRD Foundation Gap Fund
Therapeutic Recreation Opdyke Fund
Partner Contributions
Medicaid Flexible Funds
Medicare Advantage Funds

Mr. Mercer spoke about the outreach efforts to low income housing communities, Latino families, community partnerships, special events and targeted activities.

He explained the 2024-25 plan highlights for scholarship use and scholarship resources.

Scholarship use:

- No changes in qualification and assistance levels
- Use expected to level off
- Budget \$725,000 - \$75,000 over current year budget and \$15,000 over estimate
- Employ strategies to remain within budget as necessary

Scholarship Resources

- General Fund: \$500,000
- Food and Beverage division profits: \$30,000
- Grants: \$30,000

Sustainable strategies

- Increase alternative funding sources
 - Food and beverage profits
 - Sponsorships
 - Grants
 - Donations
- Reduce expenditures for childcare program
 - Consider ERDC program for Kids INC
 - Separate childcare from general scholarship program
 - Consider a household cap on assistance

He reviewed the funding sources for 2024-25 year.

Director Owens made a motion to approve the Needs-Based Assistance Plan for Fiscal Year 2024-25 and include funding resources to support the plan in the 2024-25 Budget Proposal. Director Barram seconded. The motion was approved unanimously, 4-0.

2. Determine Board Member Appointment Finalists

Director Hovekamp said there were ten applicants for the vacant board seat. He thanked the applicants for their interest in serving on the board of directors. He said the board received the

complied scores after the board members individually scored the applications. Director Schoen suggested that they either appoint the top scoring applicant or select five to interview. Director Barram said she had a similar thought to appoint the top scoring applicant and offer other opportunities to the other applicants. She said she appreciated all the information that the applications provided. Director Owens said the process states that there would be an interview, but she could support either option mentioned. Director Hovekamp agreed that both options are reasonable. The board continued to discuss the options and decided to appoint the top candidate.

Director Schoen made a motion to appoint the top scoring applicant to be named to the board of directors. Director Barram seconded. The motion was approved unanimously, 4-0.

Director Schoen made a motion to nominated Cary Schneider to be appointed to the board of directors. Director Barram seconded. The motion was approved unanimously, 4-0.

The board discussed the budget committee seat opening that Cary Schneider will vacate. They agreed to open it to the general public and invited the board applicants to apply for the seat as well.

EXECUTIVE DIRECTOR'S REPORT

- Executive Director Horton spoke about a temporary bill on recreation immunity, he said the board members received a printout in their packet about it (attached to the minutes). He said legal counsel for the district has agreed to work further on this topic for a more permanent resolution.
- He announced the Riverfront Street plan community outreach is planned April 18, 5-7 pm at the district office. He invited the board to attend to see the three concept plans.
- He informed the board of the date of the next Community Celebration scheduled for April 12 at Larkspur Center and said the board was welcome to attend.

BOARD MEETINGS CALENDAR REVIEW

GOOD OF THE ORDER

- Director Schoen welcomed all the staff introduced at the meeting and mentioned the work and progress at Little Fawn Park. She asked for clarification on whether the Sports Complex will come before the board again for the donation. Ms. Healy said the donation amount would be within the approval of the executive director.
- Director Owens said she picked up a list of events from Larkspur Center and read some of events that were part of an Aprils Fool's joke.
- Director Barram said she will be virtual next meeting.
- Director Hovekamp thanked all the applicants for the board vacancy and welcomed Cary to the board seat. He mentioned that he is pleased that the district is acquiring a small area of property at Discovery Park to improve the trail alignment there.

ADJOURN: 7:35 pm



Prepared by,

Sheila Reed
Assistant to the Executive Director

Nathan Hovekamp, Chair

Jodie Barram, Vice-Chair

Donna Owens

Deb Schoen



FOR IMMEDIATE RELEASE:

March 27, 2024

CONTACT:

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Governor Signs Bill Restoring Recreational Immunity

SALEM, Ore. – Governor Tina Kotek today signed SB 1576, legislation containing temporary language which restores recreational immunity for local governments responsible for access to hiking trails and other recreational sites across Oregon.

A recent court ruling in a case involving an injury sustained on a public trail took away the immunity public and private landowners enjoyed when allowing free access to their property for recreational purposes. SB 1576 temporarily clarifies that running, walking, and cycling are recreational activities, and the public is not liable for injuries sustained while enjoying them.

“SB 1576 allows cities to open, and keep open, trails, bridges and staircases to allow Oregonians and their guests to recreate without carrying extra liability and risk for the public,” said League of Oregon Cities Lobbyist Scott Winkels. “It’s appropriate the Legislature adopted a temporary fix this session, and we look forward to working in the 2025 legislative session towards a durable solution to protect access to free recreation.”

CIS, which insures many of Oregon’s cities and counties, also issued the following statement:

“Because SB 1576 went into effect immediately, all trails that were previously closed due to the *Fields v. City of Newport* court decision can now be reopened without undue risk to local government budgets and programs. CIS’ previous advice to close improved trails is rescinded.

CIS is very happy to encourage local governments throughout Oregon to let their constituents know that all trails and recreational opportunities are open for business once again and will remain open throughout the summer season.”

About the League of Oregon Cities

Founded in 1925, the League of Oregon Cities is a voluntary association representing all 241 of Oregon’s incorporated cities. The LOC helps city governments serve their citizens by providing legislative advocacy services, policy consultation, intergovernmental relations assistance, networking and training, technical assistance, and publications.

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BOARD AGENDA COMMUNICATION

AGENDA DATE:	April 16, 2024
SUBJECT:	Employee Health Insurance Contract
STAFF RESOURCE:	Don Horton
ACTION PROPOSED:	Approve the Executive Director to execute employee health insurance contract for fiscal year 2024-25
STRATEGIC PLAN:	
Pillar:	Employees and Workplace Culture
Outcome:	Sufficiently staffed with well qualified employees in all positions
Strategy:	Review existing benefit package

BACKGROUND

The district contracts with our insurance broker, Brown & Brown to secure the optimal employee medical insurance plan at competitive rates each year. This year, Brown & Brown reported that the district's medical insurance provider, PacificSource, initially proposed a 12.9% increase, but through negotiation on behalf of the district, they successfully reduced the increase to 7.95% for medical and prescription drug coverage for all benefited staff.

All other benefits remain unchanged at 0% with the current carriers with the exception of the self-insured full-time dental plan which has been recommended to increase the budget amount by 2%.

Given the district's sizable benefited staff, the PacificSource contract amount surpasses the executive director's signing authority.

BUDGETARY IMPACT

The PacificSource medical insurance plan will cost the district \$2,325,758.00 for the benefit plan year June 2024 through May 2025. The Benefits Committee reviewed the rate increase and agreed to continue with PacificSource. The 2024-25 fiscal year budget has been built using this new contract amount.

STAFF RECOMMENDATION

Staff recommends granting approval to the executive director to sign the PacificSource medical insurance contract for the benefit plan year June 2024 through May 2025.

MOTION

I move to approve the executive director to sign the benefit plan year June 2024 through May 2025 medical insurance contract with PacificSource for the amount of \$2,325,758.00.

BOARD AGENDA COMMUNICATION

AGENDA DATE:	April 16, 2024
SUBJECT:	Appoint Budget Committee Member
STAFF RESOURCE:	Kristin Donald, Administrative Services Director
PREVIOUS BOARD ACTION:	The board appointed Cary Schneider to the board of directors on April 2, 2024, leaving a vacancy on the budget committee.
ACTION PROPOSED:	Appoint budget Committee Member

BACKGROUND

The district's Budget Committee consists of five members that are appointed by the Board of Directors. To be eligible to serve as a budget committee member, per Oregon's Local Budget Law, a candidate must reside within the district's boundaries, be a registered voter, and be willing to commit to serving a three-year term. There is currently one vacant seat on the district's budget committee with a three-year term remaining. The vacancy is left by Cary Schneider, who was recently appointed to serve on the board of directors.

Staff opened applications for the position April 3 – 12, 2024. The board received the applications for independent scoring and selection. The applications include the candidates' responses to supplemental questions intended to provide the board with information on the candidates that will assist them in making their selection.

The board has previously committed to using the following review and selection process:

- board members receive all eligible applications and read, review and rate the candidates on their own time;
- the rating system to be used: the board will rank in order of preference the top candidates.
- staff will summarize the data and will provide to the board prior to the meeting, the names of the candidates who received the highest combined ratings; and
- the board will consider those candidates for appointment at the April 16th meeting.

BUDGETARY IMPACT

None

STAFF RECOMMENDATION

Staff recommends the board review and appoint a budget committee member.

MOTION

I make a motion to appoint _____ to serve a 3-year term on the budget committee.

BOARD AGENDA COMMUNICATION

AGENDA DATE:	April 16, 2024
SUBJECT:	Award Professional Services Contract for Boyd Acres Park Services Complex
STAFF RESOURCE:	Bronwen Mastro, Landscape Architect
PREVIOUS BOARD ACTION:	January 4, 2022 Approved Purchase and Sale Agreement for Boyd Acres Park Services Complex
ACTION PROPOSED:	Approve Professional Services Contract
STRATEGIC PLAN:	
Pillar:	Operations & Management Practices
Outcome:	A balance between caring for existing infrastructure and new development
Strategy:	Continue to “take care of what we have” by prioritizing investments in the district’s existing assets

BACKGROUND

The existing Park Services facilities were built in the 1980s on a sloped site and sized to accommodate support services of the district at that time. The facility is now inadequate to meet today’s needs for space, safety and efficient operations. The district has executed a purchase and sale agreement (PSA) with the City of Bend for the purchase of their existing utility shop on Boyd Acres Rd. The complex is located on 5.08 acres and is comprised of four buildings that house office, shop and warehouse space.

The PSA allows the city to occupy the facility until their new facility is completed. However, planning and design for tenant improvements need to be timed accordingly with the anticipated vacancy of the city at the end of year 2025, so that work is ready to commence at their departure.

The district’s 2018 Comprehensive Plan identifies the Park Services Complex to be a high priority project. This project is included in the district’s 2024-28 Capital Improvement Plan (CIP) for implementation.

In January 2022, the district conducted a feasibility investigation on the property as part of due diligence associated with the PSA to document existing site conditions. The feasibility investigation included a Phase I Environmental Assessment, stormwater inspection, site survey and architectural, mechanical, plumbing and information technology assessments. The architectural assessment evaluated the existing conditions of the buildings and documented them in AutoCAD drawings.

District staff conducted preliminary programming for the complex in fall of 2023. This was an opportunity evaluate current and future operations need, consider how those needs will fit into the new space and establish a high-level scope of anticipated tenant improvements.

On January 31, 2024, the district issued an Informal Request for Proposal (I-RFP) for Professional Design Services for the Boyd Acres Park Services Complex Project. Firms on the district's List of Interested Consultants offering architectural services were invited to propose, there were six in total. The scope of services in the I-RFP included design, engineering, cost estimating, production of construction documents, permitting and construction administration for tenant improvements to the complex.

The district received four proposals on February 28, 2024. A review committee comprised of district staff evaluated the proposals. Following the committee's initial review, the two highest scoring proposers were invited to submit fee proposals.

After evaluating the fee, the district entered into negotiations with the highest scoring proposer, Stemach Design + Architecture. The district has worked with Stemach Design + Architecture on several projects previously, including the architectural assessment of the Boyd Acres Complex in 2022.

It is expected to initiate programming May 2024 and for construction documents to be complete spring 2025. This will allow sufficient time for permitting and bidding, so that a contractor will be on board and ready to start the tenant improvements in January 2026.

Because there are some unknowns when working with existing buildings, the design services contract is broken into two phases. This will help ensure the design and construction budgets are aligned in each phase. The first phase includes site analysis, code analysis, programming and schematic design. A cost estimate will be completed with schematic design and the second phase of design fees will be based on the scope of work approved in schematic design. The second phase will include design development, construction documents, permitting and construction administration.

BUDGETARY IMPACT

The 2024-2028 Capital Improvement Plan (CIP) allocates \$9,150,000 in property taxes for the project. To date, \$26,899 has been spent on the project leaving \$9,123,101 allocated to complete the project.

The \$6,500,000 purchase price for the property was determined by an appraisal done in 2019. The final purchase price will be determined by a second appraisal to be done at the time of purchase, but cannot be more than 10% higher or lower than the baseline value established in the first appraisal per the terms of the signed PSA. Staff is projecting a maximum purchase price of \$7,150,000, for the property. This leaves about \$1,973,100 remaining for design, permitting, construction of tenant improvements and other miscellaneous costs.

The estimated budget for design services is \$180,000. The negotiated fee for the first phase of professional design services with Stemach Design + Architecture is a cost not to exceed \$34,900. This leaves \$145,100 for the second phase.

STAFF RECOMMENDATION

Staff recommends that the board approve the Boyd Acres Park Services Complex Professional Design Services contract with Stemach Design + Architecture with a cost not to exceed \$34,900. Staff further recommends the board approve a 10% design contingency of \$3,490 for a total phase one design budget not to exceed \$38,390.

Following the completion of the first phase of design, staff anticipates bringing a contract amendment for the second phase before the board for consideration. The scope of the second phase of design will be informed by the work done in phase 1.

MOTION

I move to authorize the executive director to negotiate and execute a professional services agreement for the Boyd Acres Park Services Complex Professional Design Services contract with Stemach Design + Architecture with a cost not to exceed \$34,900, and to approve a 10% design contingency of \$3,490 for a total phase one design budget not to exceed \$38,390.

ATTACHMENT

None

BOARD AGENDA COMMUNICATION

AGENDA DATE:	April 16, 2024
SUBJECT:	Adoption of Board Financial Polices
STAFF RESOURCE:	Kristin Toney, Administrative Services Director
PREVIOUS BOARD ACTION:	Adopted Fiscal Board Polices 2014
ACTION PROPOSED:	Adopt Board Fiscal Policies
STRATEGIC PLAN:	
Pillar:	Operations and Management Practices
Outcome:	Financial well-being supported by strong business practices
Strategy:	Invest in services that provide the greatest community benefit while maintaining financial stability

BACKGROUND

The purpose of fiscal policies is to set parameters for fiscal activities. The Board of Directors' Financial Policies is to enable the district to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by the Board of Directors as the basic framework for overall financial management of the district, to guide long-range financial planning and decision making, and to achieve financial objectives.

The Board of Directors are responsible for adopting all new and revised district Financial Policies. The executive director and the administrative services director shall be responsible for administering these policies and for developing and implementing guidelines and procedures consistent with these policies.

The staff has completed the task of reviewing and updating these policies, related procedures, and definitions. The goal of the review and update process was to ensure the district's compliance with all applicable laws and regulations and to implement best practices in the financial disciplines.

The revisions included:

- Combining Board policies and administrative policies to have all our financial policies in one set of policies
- Updating of terms and acronyms regarding the Annual Comprehensive Financial Report throughout the policies
- Section 4 Fund Balance and Reserve Policy was updated to align with Resolution 2023-04, adopted May 5, 2023 that set the fund balance policy to align with best practices and a risk based approached
- Section 14 Capital Asset Policy the capitalization threshold moving from \$5,000 to \$10,000, this is due to inflation and changes in best practices

- Section 15 Grants Policy was updated to better address federal awards and to give better guidance regarding the application and administration of grants

The executive director shall ensure that each department complies with these policies and procedures once adopted.

BUDGETARY IMPACT

None but this does help guide our financial and budget processes.

STAFF RECOMMENDATION

Staff recommends that the board adopts the Board Financial Policies.

MOTION

Motion: I make a motion to adopt the Board Financial Policies Sections 1 through 15.

ATTACHMENT

1. Section 1 - Board of Directors' Financial Policies
2. Section 2 - Financial Planning Policy
3. Section 3 - Operating Budget Policy
4. Section 4 - Fund Balance and Reserve Policy
5. Section 5 - Accounting, Auditing, and Financial Reporting Policy
6. Section 6 - Capital Improvement Policy
7. Section 7 - Investment Policy
8. Section 8 - Pension Funding Policy
9. Section 9 - Debt Management Policy
10. Section 10 - Internal Controls Policy
11. Section 11 - Revenue Policy
12. Section 12 - Expenditure Policy
13. Section 13 - Cash Management and Electronic Payment Policy
14. Section 14 - Capital Assets Policy
15. Section 15 - Grants Policy



Nathan Hovekamp, Chair

Board of Directors' Financial Policies Overview

Philosophy

The Bend Park and Recreation District is an Oregon special district, authorized by Oregon Revised Statutes ORS 266 and ORS 198, to levy taxes and legally hold property for the sole purpose of providing park and recreation services to residents living within the district's boundary. To provide these services, the district may purchase supplies, employ staff, enter into contracts, and perform other incidental tasks necessary to exercise that authority. The district does not have the authority to provide other services typically provided by other general purpose governments (e.g. cities and counties).

The Bend Park and Recreation District is committed to responsible financial management through financial integrity, prudent stewardship of public assets, planning, accountability and full disclosure. The broad purpose of the Board of Directors' Financial Policies is to enable the district to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by the Board of Directors as the basic framework for overall financial management of the district, to guide long-range financial planning and decision making, and to achieve the following general financial objectives.

Board of Directors' Financial Policy Objectives

The objectives for comprehensive financial policies are to:

- Guide the Board of Directors and district management policy decisions that have significant fiscal impact.
- Support financial planning for long-term needs and organizational sustainability.
- Maintain financial stability and sufficient financial capacity for present and future needs.
- Provide, maintain and protect public facilities, assets and infrastructure.
- Set forth direction and guiding principles that minimize the financial risk in providing district services.
- Provide the financial stability necessary to navigate through economic downturns, adjust to changes in the service requirements of the community and respond to other changes as they affect the district's residents.
- Employ balanced and fair revenue policies that provide adequate funding for desired services.

- Promote sound financial management by ensuring accurate and timely information on the district's financial condition.
- Protect and enhance the district's credit rating so as to obtain the lowest cost of borrowing and also to assure taxpayers and the financial community that the district is well managed and financially sound.
- Promote cooperation and coordination within the district, and with other public agencies, the community, and the private sector in the financing and delivery of services.
- Adhere to the highest standards of financial management and reporting practices as set by the Government Finance Officers Association, the Governmental Accounting Standards Board and other professional standards.
- Fully comply with finance-related legal mandates, laws and regulations.

Definitions

The following two terms are commonly used in oral and written communications regarding financial matters, and are also used in the Board of Directors' Financial Policies, their meanings are intended to be in agreement with the following definitions:

- **Material (or materiality)** – in the context of financial reporting, the notion that an omission or misstatement of accounting information is of such significance as to make it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. Thus, materiality provides a threshold or cut-off point rather than being a primary qualitative characteristic which information must have if it is to be useful.
- **Significant (or significance)** – less severe than material, yet important enough to merit attention by those charged with governance, and denotes the degree of importance or relevance.

Responsibilities

The Board of Directors shall be responsible for adopting all new and revised district Financial Policies. The executive director and the administrative services director shall be responsible for administering these policies and for developing and implementing guidelines and procedures consistent with these policies.

The Board of Directors, through the executive director, shall be responsible for reviewing and updating these policies, related procedures, and definitions no less than every five years. More frequent review and update of individual financial policies shall occur as specified in the individual policies, as requested by the Board of Directors, or on an as-needed basis. The goal of the review and update process is to ensure the district's compliance with all applicable laws and

regulations and to implement best practices in the financial disciplines. The executive director shall ensure that each department complies with these policies and procedures.



Nathan Hovekamp, Chair

Financial Planning Policy

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 in light of 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.

- 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.
- 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.

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 in order 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.

References and Resources

The Adopted Operating Budget

The Five-Year Adopted Capital Improvement Plan

The Financial Forecast

Related Policies

Capital Improvement Policy

Debt Management Policy

Operating Budget Policy



Nathan Hovekamp, Chair

Operating Budget Policy

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 in order 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; the Five-Year Financial Forecast; and the Five-Year Capital Improvement Plan. These plans shall be updated and presented to the Board of Directors prior to the start of the 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 their 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 the Board of Director's agenda communications budgetary impact statements for proposed Board of Directors 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 so as 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. Creation of new funds or elimination of existing funds shall be done by Board of Director resolution. 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. 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.

References and Resources

The Five-Year Adopted Capital Improvement Plan
The Five-Year Financial Forecast
The Strategic Plan

Related Policies

Capital Improvement Policy
Financial Planning Policy
Fund Balance and Reserves Policy



Nathan Hovekamp, Chair

Fund Balance and Reserves Policy

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

Per Resolution 2023-04 adopted by the Board on May 2, 2023 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

Per Resolution 2023-04 adopted by the Board on May 2, 2023, 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 new and replacement vehicles and equipment are maintained. The district's target for the minimum reserve balance shall be the average replacement needs over the coming five years based on the five-year plan for the fund. Analysis shall be performed for each budget year.

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 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 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 Board of Directors may delegate to the executive director or their 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 particular 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.

References and Resources

The Annual Comprehensive Financial Report

Related Policies

Operating Budget Policy



Nathan Hovekamp, Chair

Accounting, Auditing and Financial Reporting Policy

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 \$10,000 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 - In order 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 website.

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.

References and Resources

The Annual Comprehensive Financial Report

Related Policies

Internal Controls Policy

Board of Directors' Financial Policies and Overview



Nathan Hovekamp, Chair

Capital Improvement Policy

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 comply with 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 CIP 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.

References and Resources

The Adopted Operating Budget
The Capital Asset Management Plan
The Five-Year Adopted Capital Improvement Plan
The Five-Year Financial Forecast

Related Policies

Debt Management Policy



Nathan Hovekamp, Chair

Investment Policy

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

General Objectives

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

1. Legality – The investments will be in compliance with all statutes governing the investment of public funds in the State of Oregon.
2. Safety - The investment portfolio shall be designed in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal is to mitigate credit risk and interest rate risk.
 - a. Credit Risk – The district will minimize credit risk, the risk of loss due to the financial failure of the security issuer or backer.

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

Standards of Care

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

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

2. Ethics and Conflicts of Interest - Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual

with whom business is conducted on behalf of the district. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

3. Delegation of Authority and Responsibilities

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

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

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

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

Administration and Operations

1. Delivery vs. Payment- All security transactions entered into by the district will be conducted on a delivery vs. payment (DVP) basis.
2. Safekeeping - Securities may be held in safekeeping by a third party custodian designated by the Investment Officer.
3. Internal Controls - The Investment Officer and executive director are jointly responsible for establishing and maintaining an adequate internal control structure designed to reasonably assure that invested funds are invested within the parameters of this investment policy and, protected from loss, theft or misuse.

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

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

Suitable and Authorized Investments

1. Permitted Investments – Consistent with the Government Finance Officers Association (GFOA) Policy Statement on State and Local Laws Concerning Investment Practices, the following investments are permitted by this policy and pursuant to ORS 294.035, 294.040, and ORS 294.810:
 - a. Obligations of the U.S. government:
 - US Treasury Notes, Bonds and Bills
 - Senior unsecured debt obligations guaranteed by the Federal Deposit Insurance Corporation (FDIC) under the Temporary Liquidity Guarantee Program (TLGP)
 - b. Obligations and guarantees of U.S. government agencies, corporations wholly owned by the U.S. government or any Government Sponsored Enterprises (GSEs). Specific listing:
 - Federal Home Loan Bank – FHLB
 - Federal Farm Credit Bank – FFCB
 - Federal Home Loan Mortgage Corporation – FHLMC

- Federal National Mortgage Association - FNMA
 - c. All treasury and agency securities must be non-callable with a fixed rate
 - d. Oregon Short Term Fund (OSTF) - LGIP
2. Collateralization – All bank deposits, time deposits, certificates of deposit, and money market savings accounts, shall be held in qualified Oregon depositories in accordance with Oregon Revised Statutes, including ORS Chapter 295. Such deposits are designated cash management tools and not investments under this policy or otherwise.

Investment Parameters

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

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

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

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

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

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

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

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

Policy Maintenance and Considerations

1. Review - The investment policy shall be reviewed at least every five years by the executive director and administrative services director 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 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.

Related Policies

Cash Management Policy



Nathan Hovekamp, Chair

Pension Funding Policy

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.

Related Policies

Debt Management Policy

Retirement Plan (Employment Policy)



Nathan Hovekamp, Chair

Debt Management Policy

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 Capital Improvement Plan (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. All short-term or long-term debt financings shall be authorized by a resolution of the Board of Directors. 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 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 their use is determined by the executive director 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 their use is determined by the executive director 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 their use is determined by the executive director 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 their use is determined by the executive director 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 land, 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 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 Refunding - 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 Refunding. 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 Refunding - 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. All short-term or long-term debt financings shall be authorized by a resolution of the Board of Directors.

Related Policies

Capital Improvement Policy



Nathan Hovekamp, Chair

Internal Controls Policy

Policy

The district shall maintain a system of internal controls to safeguard its assets against loss, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies, while assisting to ensure proper financial reporting.

Objectives of Internal Control

A system of internal controls provides reasonable assurance that these objectives have been met:

1. Personnel - Objectives are dependent on competence and integrity of personnel, independence of assigned functions, and their understanding of prescribed procedures.
2. Computer Data Processing - Control over development, modification and maintenance of computer programs; control over use and changes to data maintained on computer files; and application controls.
3. Segregation of Duties - The plan for internal controls should separate functional responsibilities. In general, when the work of one employee is checked by another, and when the responsibility for custody of assets is separate from the responsibility for maintaining the records relating to those assets, then there is appropriate segregation of duties.
4. Authorization and Execution of Transactions - There is reasonable assurance that transactions are executed as authorized.
5. Recording of Transactions - Transactions are recorded as necessary: a) to permit preparation of financial statements in conformance with statutory requirements and accounting principles generally accepted in the United States; and b) to maintain accountability for assets.
6. Access to Assets - Both direct physical access and indirect access through preparation and/or processing of documents that authorize the use or disposition of assets be limited to authorized personnel.
7. Periodic Independent Verification - The records should be checked against the assets by someone other than the persons responsible for the records or the assets. Examples of independent verification are monthly bank reconciliations and periodic physical observation of vehicles and equipment.

Written Procedures

Written procedures will be maintained by the Finance Department for all functions involving the handling of cash and other assets. These procedures shall embrace sound internal control principles.

Responsibilities

The Finance Department is responsible for providing the framework and support for appropriate internal controls for the district, and will design and create most internal controls. Department directors are encouraged to design and recommend department-specific controls to the Finance Department for eventual approval. Each department and department director is responsible for implementing all approved internal controls within their operating area and ensuring that the appropriate procedures are followed. Inherent in these responsibilities is the recognition that the cost of internal control should not exceed the benefits expected to be derived. Also, internal controls may become inadequate as conditions change, thus requiring review and modification. The Finance Department will regularly and systematically review and monitor internal control procedures and compliance with federal and state regulatory requirements pertaining to internal controls or financial reporting.

References and Resources

Cash Handling and Electronic Payments Procedures
Purchasing Procedural Manual



Nathan Hovekamp, Chair

Revenue Policy

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 five 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. In order to limit the financial subsidy of providing services to non-resident users, and in order 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.

References and Resources

A Methodology for Calculating Park System Development Charges
Ordinance No. 12 – System Development Charges
The Cost Recovery and Subsidy Allocation Model
The Five-Year Adopted Capital Improvement Plan
The Five-Year Financial Forecast

Related Policies

User Fees and Charges Policy
Financial Planning Policy
Gifts and Dedications Policy
Grants Policy
Sponsorships Policy



Nathan Hovekamp, Chair

Expenditure Policy

Policy

High priority shall be given to expenditures that will reduce future operating costs, such as increased use of technology and equipment and proven business methods. An appropriate balance will be maintained between budget dollars provided for direct public services and dollars provided to ensure good management and legal compliance. The district shall maintain a risk management program that will provide protection against loss and a reduction in exposure to liability; and a safety program to minimize the district's exposure to liability and thereby reduce the number of claims against the district.

All department heads share in the responsibility of looking at and understanding the district's long-term financial viability, its general spending trends, its projected revenues, and educating themselves, managers, and employees on the necessary short and long-term balance between revenues and expenditures.

Operating and Capital Expenditure Accountability

Expenditures will be controlled through appropriate internal controls and procedures. Management must ensure expenditures comply with the legally adopted budget. This includes accomplishing the goals and objectives incorporated into the budget and monitoring each department and/or division budget for compliance with spending limitations. It is the district's practice to compare actual expenditures to budget, generally on a monthly basis. If necessary, actions are taken to bring the budget into balance.

All purchases of goods and services must comply with the district's purchasing policies, guidelines and procedures and with State laws and regulations. The district will make every effort to control expenditures to ensure district services and programs provided to its residents and taxpayers are cost effective and efficient, while also of high quality.

Maintenance and Replacement

An assessment of each district park and facility will be conducted at least every five years. The district will maintain a current asset management plan that provides the methodology and tools to assist with the assessment and prioritization process. The district shall also review the assessment of the condition of its equipment and vehicles annually. The budget will provide sufficient funding for adequate maintenance and orderly replacement of capital assets. Future maintenance needs for all new capital facilities will be projected and included as decision criteria.

Capital Improvements

The district will maintain a five-year Capital Improvement Plan (CIP) and update it annually. The CIP will be developed in conjunction with the operating budget to ensure that all operation and maintenance costs associated with new capital improvements are adequately addressed. All capital improvements will be made in accordance with the adopted plan. The district shall strive to maintain all of its assets at a level adequate to protect the capital investment and minimize future maintenance and replacement costs.

Responsibilities

The finance manager is responsible for implementation of this policy and to put into place the necessary procedures and actions to achieve the parameters outlined within this policy. Each department director will be responsible for the administration of their department/division budget.

References and Resources

Capital Asset Management Plan
The Adopted Budget
The Five-Year Adopted Capital Improvement Plan

Related Policies

Capital Improvement Policy
Internal Controls Policy
Operating Budget Policy



Nathan Hovekamp, Chair

Cash Management and Electronic Payments Policy

Policy

The district shall manage its cash assets in a manner which maximizes security, preserves principal, provides ample liquidity to meet the district's daily cash requirements, and generates a fair return. The district shall maintain and comply with its adopted Investment Policy and shall be consistent with ORS 294.040, and 294.135 to 294.155 approved investments. See ORS 294.035 for district summary of approved investments for details. The administrative services director shall ensure the accurate and timely accounting, investment and security of all cash assets.

The district shall ensure its electronic payment processing services, systems and procedures are easy to use, cost effective and secure. The administrative services director shall contract for and maintain all district banking-related services, including those related to payment card and automated clearinghouse (ACH) processing. Payment cards refer to credit and debit cards. Electronic payment processing refers to the use of credit, debit and ACH methods of payment.

Departments responsible for accepting electronic payments shall comply with all standards and policies related to electronic payment processing. Prior to adding new payment services, departments shall consider the financial and operational impacts of providing this service. Departments shall use the district's e-Commerce platform (also known as the district's payment processing gateway or PPG) for all electronic payment processing services. Exceptions to this requirement must be approved by the finance manager to ensure all electronic payment processing solutions meet all financial and depository requirements. To protect cardholder data and to ensure the best merchant pricing, departments shall comply with district policies and procedures for accepting and processing payment cards.

Cash Balances

The district shall maintain adequate cash balances in each fund to maintain a non-negative cash position at the end of the fiscal year.

Banking and Cash Deposits

The district shall analyze annual cash flow needs. Disbursements, collections and deposits of all funds shall be scheduled to ensure maximum cash availability and earnings potential. The district shall, when permitted by law, consolidate or pool cash balances from various funds for investment purposes and will allocate investment earnings to each participating fund.

District departments shall deposit all cash received, in accordance with the district's Cash Handling Procedures maintained by the Finance Department, to qualified depositories for public funds and collateralized, as prescribed by Oregon Revised Statutes. Only the executive director is authorized to establish bank accounts for the district.

Security Standard

All electronic payment services must be processed in a district-approved secure environment. The Payment Card Industry - Data Security Standard (PCI-DSS) shall be the district's standard for processing electronic payments in a secure environment. This PCI-DSS standard addresses the physical, network, and software environment for payment card services. Departments that use district-approved external software for electronic payment processing services shall use only software that is Payment Application-Data Security Standard (PA-DSS) compliant. PA-DSS is a set of software security standards related to PCI-DSS which applies to software vendors and others who develop payment applications that store, process or transmit cardholder data as a part of authorization or settlement. The Finance Department has determined that a PCI-DSS compliant environment meets the U.S. Department of Treasury recommendation to process electronic payments with sound, risk-based security controls in all ACH systems.

Departments and their approved agents that accept payment cards as a method of payment for services shall maintain compliance with all current and applicable PCI-DSS requirements as established by the PCI Security Standards Council (or its successor). All designated agents, such as third-party payment card processors acting on behalf of a district department must provide proof of PCI-DSS compliance as validated by a Qualified Security Assessor (QSA) and an Approved Scan Vendor (ASV) that is registered and certified by the PCI Security Standards Council.

Third-party processors and/or agents acting on behalf of district departments in the collection of funds are required to deposit in a timely manner all collected funds directly to a district-owned and collateralized bank account.

Responsibilities

The executive director and the administrative services director shall be responsible for implementing and complying with this policy. The finance manager shall maintain and ensure compliance with internal controls and cash handling procedures for all applicable district staff. Department directors shall ensure that their departments comply with these policies and procedures, and shall issue department-specific procedures, as needed, that are consistent with these policies. Department-specific policies may be more restrictive than the related district-wide policies, but may not be less restrictive. The Finance Department is responsible for monitoring and communicating compliance with this policy and related procedures.

Related Policies

Internal Controls Policy
Investment Policy



Nathan Hovekamp, Chair

Capital Assets Policy

Policy

The district shall manage and protect the community's investment in land, buildings and equipment. The district shall ensure compliance with various accounting and financial reporting standards including Generally Accepted Accounting Principles (GAAP), Governmental Accounting, Auditing and Financial Reporting (GAAFR), and Governmental Accounting Standards Board (GASB) Statement No. 34.

GASB Statement 34 states that governments shall provide additional disclosures in their summary of significant accounting policies including the policy for capitalizing assets and for estimating useful lives of those assets, which are used to calculate the depreciation expense. The Statement also requires disclosure of major classes of assets, identification of assets associated with governmental activities from those associated with business-type activities, beginning and year-end balances, capital acquisition, sales and dispositions, and current-period depreciation expense by function.

Capitalizing, Valuing and Depreciating Capital Assets

The Board of Directors, has adopted a Capitalization Policy detailing how the district capitalizes, values and depreciates capital assets.

Capital assets include land, right-of-way (included with land), buildings, improvements, equipment, and other tangible and intangible assets costing over \$10,000, and that have initial useful lives in excess of three years. Additions, improvements and other capital outlays that significantly extend the useful life of an asset will be capitalized. Amounts expended for maintenance and repairs will be charged to expenses as incurred and will not be capitalized. Capital assets are capitalized at the time they are purchased or put into service.

Capital assets are valued at costs including all related ancillary costs to put an asset into service. Ancillary costs may include, but are not limited to: legal and title fees; professional fees; appraisal and negotiation fees; surveying and site prep; and demolition and waste removal. Specifically, the following classes of assets are valued as follows:

1. Purchased Assets – Valued at historical costs including all ancillary costs necessary to put the asset into service. If it is not possible to determine the historical cost, the estimated historical cost will be used.
2. Donated Capital Assets - To be reported at time of donation plus ancillary charges, if any.

The district’s depreciation policies and procedures will be described and disclosed each year in the district’s Annual Comprehensive Financial Report.

Land and land improvements are not depreciated, but are valued and recorded as capital assets of the district.

Buildings, improvements and equipment will be depreciated using the straight-line method over the following estimated useful lives:

ASSETTYPE	CLASS	ASSET CLASS	DESCRIPTION	YEARS
Non-Depreciated Assets	AW	Artwork	Artwork	N/A
	CIP	Construction in Progress	Construction in Progress	N/A
	L	Land including right-of-way	Land & Land Improvements	N/A
Depreciated Assets	B	Buildings and building improvements	Fixtures	20
	B	Buildings and building improvements	Exterior Building Structure, Roof	50
	BI	Buildings and building improvements	Building Improvements (Reno)	10
	CP	Vehicles, equipment and software	Computer Equipment	5-7
	F	Vehicles, equipment and software	Office Furnishings	7
	HE	Vehicles, equipment and software	Heavy Equipment	10
	II	Improvements other than buildings	Hard surface improvements/trails/land improvements/Irrigation & Landscaping/ Design & Engineering/Capitalized Labor/ Fencing, monument park signs, park furnishings, parking lots, playgrounds, dog parks, tennis courts, site furnishings, waterplay features	20
	II	Improvements other than buildings	Footbridge/Small Bridge	20
	II	Improvements other than buildings	Large Bridge/Tunnels	50
	SE	Vehicles, equipment and software	Small Equipment	5-7
	SW	Vehicles, equipment and software	Software	7
VE	Vehicles, equipment and software	Vehicles	10	

- Right-of-Use depends on life of lease or subscription

Disposal of Surplus Capital Assets

Surplus property may be disposed of by any of the following methods upon a determination by the executive director that the method of disposal is in the best interests of the district. Factors that may be considered by the executive director include costs of sale, administrative costs, and public benefits to the district. The finance manager shall maintain a record of the reason for the disposal method selected, and the manner of disposal, including the name of the person, organization or business which the surplus property was transferred.

1. Governments. Without competition, by transfer or sale to another public agency.
2. Auction. By publicly advertised auction to the highest bidder.
3. Bids. By a publicly advertised invitation to bid.
4. Liquidation Sale. By liquidation sale using a commercially recognized third-party liquidator selected in accordance with rules for the award of personal services contracts.
5. Fixed-Price Sale. The executive director may establish a selling price based upon an independent appraisal or published schedule of values generally accepted by the insurance industry, schedule and advertise a sale date, and sell to the first buyer meeting the sales terms.

6. Trade-In. By trade-in, in conjunction with acquisition of other price-based items under a competitive solicitation. The solicitation shall require the offer to state the total value assigned to the surplus property to be traded.
7. Donation. By donation to any organization operating within or providing a service to residents in the district's geographic area which is recognized by the Internal Revenue Service as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Disposal of Capital Assets with Minimal Value. Surplus assets which have a value of less than \$500, or for which the costs of sale are likely to exceed sale proceeds may be disposed of by any means determined to be cost effective, including by disposal as waste. The district staff making the disposal shall make a record of the value of the item and the manner of disposal.

Restriction on Sale to District Employees. District employees may compete as members of the public for the purchase of publicly-sold surplus assets.. However, for property to be sold to the first qualifying bidder, employees may not submit purchase offers until at least three days after the first date on which notice of the sale is first publicly advertised.

Responsibilities

The Finance Department will ensure that capital asset transactions are being accounted for and included in our Capital Asset Database. Annually, the Finance Department will review all of the capital outlay expenditures recorded in the general ledger and verify the equipment and asset purchases, disposals and retirements with the appropriate departments. The Finance Department will review the capital project expenditures with the appropriate project manager and determine the appropriate classification for the stage of the project. This information will be reviewed by the finance manager to ensure accuracy.

Equipment, vehicles, computers and related equipment are monitored by Park Services' Fleet Department and the Information Technology Department, respectively. These departments will maintain procedures, train staff on how to properly use the equipment, take physical inventory and seek approval from the executive director for surplus. All disposals of surplus assets shall comply with the Purchasing Policy adopted by the Board of Directors. Their records will be reconciled against the Capital Asset Database annually to ensure accuracy.

References and Resources

The Annual Comprehensive Financial Report

Related Policies

Capital Improvement Policy

Purchasing Policy

Grants Policy

Policy

Grants are an attractive form of funding for governments and frequently come with special requirements that the recipient must follow. Such requirements can apply to the general operations of the grant, specific compliance rules, monitoring of other parties that may receive resources from the grants, specific time frame, and specialized reporting requirements. There are typically negative consequences for failing to meet grant requirements and in addition, grants may, either as a condition of the grant itself or politically, commit the district to financially maintaining a program or asset after the expiration of the grant. This policy provides guidance to staff as it relates to associated processes and procedures in order to maximize the benefits and minimize the risks of accepting grants.

The purpose of this grant policy is to:

1. ensure proper oversight of all funds appropriated to the district;
2. minimize the district's risk of non-compliance with grant requirements; and
3. ensure proper administration and accounting of all grants.

Grant Application and Acceptance

1. **Grants Identification and Application:** The department seeking a grant must provide information to the administrative services Department so that the effects on the district, for example, budget, cash flow, procurement requirements, financial reporting, and/or reporting and compliance requirements can be reviewed, understood and prepared for before the application is submitted.

Applying for and accepting a grant that is not consistent with the overall strategic direction of the district creates the risk that the district will be required to spend matching funds that could be used for other purposes with higher strategic priorities. It also may commit the district to spend funds for maintenance, operations, or other purposes beyond the grant period that it is not prepared to do. Therefore, in order to ensure any potential grant is deemed a benefit to the district, a completed Grant Summary Statement must be provided to the applicable department director and Administrative Services Department.

2. **Strategic Alignment:** Potential grants are assessed by the department director and administrative services director for consistency with the district's mission, priorities, Strategic Plan, Capital Improvement Plan, and/or adopted budget.
3. **Funding Analysis:** Potential grants are evaluated through a multi-year cost/benefit analysis performed by the Finance Department. The analysis should include the amount and source of required matching funds (and whether or not they will need to be set aside) and any other direct costs associated with a grant, the extent to which overhead costs will be covered, in-kind contributions, audit and close-out costs, and potential costs that might need to be incurred by the district beyond the grant period.

4. **Approval for Grant Application:** The final decision to apply for a grant will jointly rest with the department director and the administrative services director. In the event of disagreement, the decision whether to apply for a specific grant will ultimately rest with the executive director. Additionally, a resolution passed by the Board of Directors if its is required by the grantor or by the executive director's direction.
5. **Approval for Grant Acceptance:** Once awarded, the department seeking a grant must provide the administrative services department with the grant award letter/acceptance agreement (notification received detailing the amount of the grant awarded, grant assurances and special conditions, and the guidelines that must be followed to comply with the grant requirements). This information will be used by the department director and the administrative services director to make a final decision on whether the grant will be accepted by the district and if the grant agreement(s) will be signed, as applicable. Grant agreements should follow normal contract policies for review and signature authority. In the event of disagreement, the decision whether to accept a specific grant will ultimately rest with the executive director.
6. **Grant Award Accounting:** The administrative services director, in consultation with department directors and the Executive Director, will determine whether and/or how the grant funds are included in the budget and the Capital Improvement Plan.
7. **Administrative and Operational Support:** The administrative services department, with input from the department director, will establish procedures related to each specific grant, such as:
 - a. The development of an outline that would include how new projects or programs funded by the grant would be implemented and who would be responsible for implementation.
 - b. How information will be communicated to those responsible for the grant, so they can effectively carry out their roles.
 - c. The system/process that will be used to charge expenses against the grant and to obtain reimbursement. This might require both technical procedures to account for time and materials and reporting, as well as informing employees on the importance and methods of charging time and materials correctly.
 - d. Identification of the individual or department responsible for carrying out the grant and making sure that proper resources are available to successfully implement the grant and its related project/program.

Grant Monitoring

Requesting departments are responsible for ensuring that all funds are expended or encumbered prior to the end of the grant period in order for funds to be used adequately and not lost in future award periods. Departments must also monitor grants for compliance with all applicable federal and/or state regulations and ensure that grant expenditures are compliant with grant and district procurement policies and procedures. Departments should contact the administrative services department if assistance is needed with compliance issues.

Departments shall notify the administrative services department if:

1. there is a subsequent alteration in the funding configuration;

2. there is a subsequent alteration in the district's financial obligation;
3. grant funds will be carried forward into the next fiscal year; and/or
4. there is any notification that the grant will be terminated.

Grant Reporting; Reimbursement Requests

The requesting departments are responsible for providing financial reports to, and requesting reimbursements from, grantors. If the requesting departments desire that the reporting and reimbursement requirements are handled by the administrative services department, this request must be communicated at the start of the grant period and will be decided upon by the administrative services director.

Requesting departments who are responsible for grant reporting must comply with all applicable deadlines, including financial reporting and reimbursement requests. Timely requests for reimbursement are crucial to maximizing each grant's financial benefits to the district. Reimbursement requests must be submitted by the deadline(s) required by each grant, if no timeline is required by the grant, reimbursement requests should be completed at least quarterly and submitted to the grantor within 30-days of the end of the prior quarter. The administrative services department will provide all necessary financial information upon request. Prior to submission to grantor, a copy of all reimbursement requests must be provided to the administrative services department who will review for accuracy, completeness, and timeliness of revenue reimbursement requests.

Responsibilities

Department directors must ensure that their departments comply with these policies and procedures, and should issue department-specific procedures, when needed, that are consistent with these policies. Department-specific policies may be more restrictive than the related district-wide policies, but must not be less restrictive. The finance manager is responsible for monitoring and communicating compliance with this policy and related procedures.

References and Resources

Grant Summary Statement

Related Policies

Capital Improvement Policy
Financial Planning Policy
Revenue Policy



PLANNING & DEVELOPMENT PROJECT UPDATES April 2024

COMMUNITY AND REGIONAL PARK PROJECTS



Sawyer Park Entrance and Parking Lot Upgrades: The 30% design development set was reviewed by staff in March. Their comments are being addressed by the design team and will be incorporated into the construction documents. The team is also working on preparing the initial permit package for planning review.



Pine Nursery Park Phase 5: The preferred concept design was approved by the board of directors at the March 19, 2024 meeting. The project is now moving into the design development phase.



Bend White Water Park Maintenance: After completion in 2016, the White Water Park is due for maintenance. Staff issued an RFP for professional design services and has awarded a contract to Recreation Engineering and Planning, Inc, (REP). This project will start with an engineering analyst to look at the current functionality of the existing park features and compare them with the original design intents. The initial survey work was completed the week of March 11th. With the results of the analysis, recommendations will be made for potential corrections and needed maintenance.

NEIGHBORHOOD PARK PROJECTS



Manzanita Ridge: The 30% design development set was reviewed by staff in March. Comments are being addressed by the design team and will be incorporated into the construction documents. The team is also working on preparing the initial permit package for planning review. BPRD staff is preparing to construct a split rail fence along the south and west property lines of the park this spring. The fence will help protect the existing natural areas on site from additional impact due to adjacent development.



Little Fawn Park: The construction of Little Fawn Park is underway. Embankment and stormwater work in the Right of Way is being installed as well as grading on site. Completion is expected this fall of 2024.



Hollinshead Park ADA and Preferred Concept Design: Site survey and data collection is nearly complete. Staff released a survey to the public, seeking input as to what parts of the proposed project they are most excited about. The design team will begin work on the initial designs for each of the project elements. When designs are complete, staff will hold a public open house at the Hollinshead Barn and post the designs on the project website to offer multiple opportunities for the community and neighborhood to review the designs, ask questions, and to provide comment. This outreach is planned for spring/summer 2024, and notification of the open house will go out to the neighborhood, be posted on poster boards at the park, and emailed directly to members of the community who signed up for the project email list.

FACILITY PROJECTS



Art Station: Preliminary survey work is completed and information on programming and operations is being collected. Conceptual design will follow soon. The project is posted to the BPRD website to inform the community about the work and submit questions or comments.



Park Services Complex: Design consultant proposals were evaluated in March and the two leading teams were selected to advance to a second round by submitting fee proposals. The team with the highest cumulative score will be selected as the winning team. Award of the design consultant contract is expected to be presented at the April 16, 2024 board meeting.

TRAIL PROJECTS



North Unit Canal Trail: Flagline Engineering continues to make progress on the design and permitting for Phase 1. 60% design plans are complete and staff has submitted the right of way permit application to the City of Bend for the Brinson Road crossing. Epic Land Solutions completed their initial appraisals and BPRD is working on developing offers to acquire necessary trail easements.



Riverfront Street Deschutes River Trail Improvements: An amendment to the 2023 IGA was completed in January and the city has approved a contract with Harper Houf Peterson Righellis (HHPR) for 100% design and engineering plans. HHPR has begun their field survey of the project area and the district is currently working in coordination with the city on a public outreach plan. The first public meeting is tentatively scheduled for April 18.



Manzanita Trail: The district is currently negotiating the final easements and land acquisitions necessary to complete the Manzanita Trail between Discovery Park and Shevlin Park. Construction of a portion of the remaining trail will begin this Fall and the trail is planned to be fully constructed by Spring of 2025. The trail is being constructed by the district’s trail crew.

RIVER PROJECTS



McKay, Miller’s Landing and Columbia Parks River Access Project: Construction level drawings at all access locations continues to progress, and land use permit applications for Miller’s Landing have been submitted. At a recent City of Bend Planning Commission meeting, the districts Waterway Overlay Zone application was approved, a big step forward on the permitting front. Staff applied for additional grant funding from the Oregon State Marine Board’s (OSMB) Waterway Access Grant program in December to help fund construction at Miller’s Landing, and we should find out this spring if that grant application is successful. The district was awarded a grant for \$300,000 from the Visit Bend’s Bend Sustainability Fund (BSF) to help fund Miller’s Landing. In addition to the OSMB grant application for Miller’s Landing, staff has also applied to the Local Government Grant Program (LGGP) for Miller’s landing, as well as an application to the Land and Water Conservation Fund (LWCF) for improvements at Columbia Park.

OTHER PROJECTS AND FUTURE DEVELOPMENT



Discovery Park Art Corridor: After the district approved the installation of up to four art pieces along the Outback Trail in Discovery Park, Brooks Resources applied for and received a \$100,000 grant from Visit Bend’s Sustainability Fund for the installation of three art pieces. District staff is working with Brooks Resources on planning and design of a labyrinth which will be the first of the art pieces to be installed.

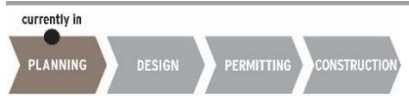


Rose Property Land Acquisition: The district has hired a soil scientist to analyze soil types for the zone change application. To support the zone change request, the majority of the site cannot have high-value soil. An initial 55 test pits were dug in March, and the soil samples will now be analyzed to determine the soil type. If the initial findings indicate that the site does contain significant areas of high-value soil (those suitable for agricultural use), additional test pits will be dug and the soils analyzed.



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

- *Staff continues working with Epic Land Solutions to acquire land in other priority park search areas, not associated with development.*



SDC Waivers for Affordable Housing: Park SDC waivers for 578 units have been approved through coordination with the City of Bend’s Affordable Housing Committee at a cost to the district of about \$3.73 million in waived SDC fees. Following the board approval of an additional 75 waivers for 2024, a remaining 31 waivers are available through the end of the year. Staff and legal counsel have completed the necessary deed restriction documents for 11 of the developments, totaling 394 units. In addition, BPRD has approved SDC waivers for three temporary shelter projects, totaling 32 units.



Comprehensive Plan Update: The 2018 Comprehensive Plan requires a mid-term update, which began with a community needs assessment survey in early October. Staff continues to work on the plan and the board was recently updated on the results of the unmet needs analysis and the prioritized project list. Next steps include finalizing the projects list and associated maps.



Strategic Plan Update: The 2019 Strategic Plan sunsets this year, so staff kicked off an update of the Strategic Plan in January. Staff is currently in the outreach phase, which includes an all-employee survey, focus groups with the leadership and executive teams, and workshops with the board of directors. This phase will continue through May of this year.



Diversity, Equity and Inclusion (DEI) Initiative: The DEI workgroup is working through the steps to formalize into a committee.

Board Calendar 2024

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

April 26

Budget Committee Tour 9am – 3pm

May 7

STAFF INTRODUCTIONS

Clare Gordon

- Aly Roozee, Recreation Supervisor
- Tim Stumpf, FSL/Program Assistant

WORK SESSION

- BPRD 50th Anniversary Proclamation – *Julie Brown (10 min)*
- Strategic Plan Update – *Rachel Colton, Michelle Healy, Kristin Toney (75 min)*

BUSINESS SESSION

- SDC Annual Index – *Kristin Toney (15 min)*
- Approve Sponsorship Policy – *Julie Brown (20 min)*

May 14 and May 16 (if needed)

Budget Committee Meetings

May 21

WORK SESSION

- City of Bend Tree Code – *Sara Anselment*

BUSINESS SESSION

June 4

EMPLOYEE RECOGNITION

Jeff Hagler, Rich Ekman and Greg Brady

WORK SESSION

- City of Bend Tree Code – *Sara Anselment*

BUSINESS SESSION

- Adopt Resolution No. XXX Adopting the 2025-2029 CIP – *Michelle Healy*
- Hold Public Hearing and Adopt Resolution No. XXX – Adopting the Budget and Making Appropriations for Fiscal Year 2024-25, and Adopt Resolution No. XXX - Imposing and Categorizing Taxes for Fiscal Year 2024-25 – *Kristin Toney*
- *(TENTATIVE)* Approve Insurance Agent Contract Award – *Justin Sweet (15 min)*

Future Topics

Approve MUPTTE Resolution and IGA – *Michelle Healy and Rachel Colton (20 min)*

SDC Waivers

IGA with the City for Mirror Pond Silt Removal – *Don Horton (30 min)*

Park Services Report: Hardsurface Program – *Alan Adams and Jason Monaghan (15 min)*
City of Bend Tree Code Update – *Sara Anselment*
Update on Bi-lingual Communications – *Julie Brown and Kathya Avila Choquez (20 min)*
Website Update/Data Sharing – *Julie Brown*
IGA with NUID for canal trail – *Henry Stroud*
Approve SE Neighborhood Park Purchase and Sale Agreement – *Henry Stroud (20 min)*
Drake Park bank and trail improvement CMGC contract review – *Brian Hudspeth*
DEI Update – *Bronwen Mastro*
Approve easement acquisition NUC Trail
Trails count and River Use report
Hold a Public Hearing and Adopt Resolution No. 2024-XX approving the use of alternate contracting method for JSFC Outdoor Pool Cover – *Justin Sweet (30 min)*
Approve Exclusion Policy – *Jeff Hagler (30 min)*
Comprehensive Plan Draft Review– *Sara Anselment*
Comprehensive Plan Adoption – *Sara Anselment*
SDC Project List Update – *Sara Anselment and Michelle Healy*
South UGB Bridge – *Henry Stroud (60 min)*
Art Station Concept review – *Jason Powell (30 min)*