



Proposed Budget

July 1, 2025 to June 30, 2026

Fiscal Year 2026



Bend Park &
Recreation
DISTRICT



Bend Park & Recreation DISTRICT

Budget Committee

Fiscal Year 2025-26

Board Members

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Donna Owens
Deb Schoen
Nathan Hovekamp
Cary Schneider

Citizen Members

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Cara Marsh-Rhodes
Joanne Matthews
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Staff

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Michelle Healy
Administrative Services Director
Kristin Toney
Human Resources Director
Kathleen Hinman
Community Engagement Director
Julie Brown
Planning and Development Director
Brian Hudspeth
Park Services Director
Sasha Sulia
Recreation Services Director
Matt Mercer
Finance Manager
Eric Baird
Assistant to the Executive Director
Shelia Reed

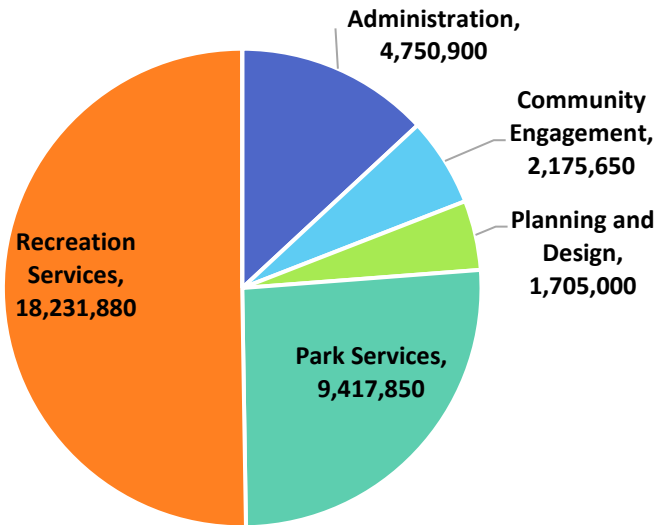


Bend Park & Recreation DISTRICT

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

Budget in Brief

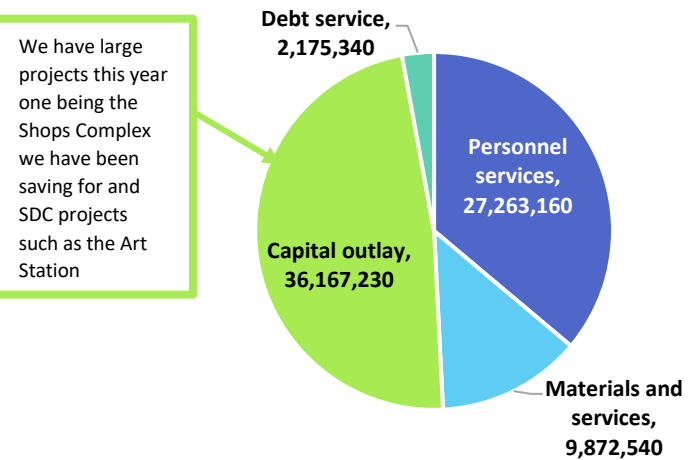
What does it **cost to operate** the district? \$36.3M



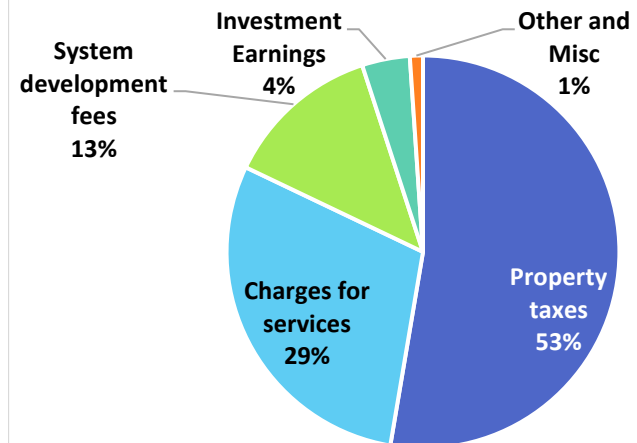
Average over 676 employees that make up 301 Full Time Equivalents

Full-Time Positions	157
Part-Time Benefited	45
Part-Time/Seasonal Positions	99
	<hr/>
	301

What is the district's **total budget** with capital projects? \$75.5M



How much and where does the district's money come from? \$50.4M



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District Budget Message - Budget for Fiscal Year 2025-2026

Bend Park and Recreation Budget Committee Members and District Residents,

We are pleased to present the Bend Park and Recreation District (district) proposed Annual Budget for the fiscal year beginning July 1, 2025 and ending June 30, 2026 (FY26). This budget represents the district's comprehensive financial plan for providing park, trail and recreation services to community residents and visitors for the coming fiscal year. Dozens of people worked to develop this spending plan by contributing program proposals, evaluations of capital needs, operational priorities and goals for the upcoming year.

Budgeting is a collaborative process. Other planning efforts, such as the district's comprehensive plan, strategic planning, financial forecasting, capital improvement planning and annual action planning, drive the annual budget development. The budget represents the board's and community's fiscal priorities for the upcoming twelve months of operations based on these long-range plans, which support the district in achieving its vision and mission. Budget development always has its share of unknown variables that we try to anticipate and prepare for, and in this regard, developing the 2025-26 budget is no different from any other year. This year, we find ourselves in a strong financial position, and we are making strategic decisions to ensure we maintain this excellence in the future. Budget conditions are more constrained as we have grown over years and decades, so we are having to make harder choices when prioritizing our funding resources for the upcoming fiscal budget year. We need to focus on efficiency and evaluate what matters most as we take care of what we have first. Our system is aging, and we have large renovation projects on the horizon that make it imperative that we grow smarter.

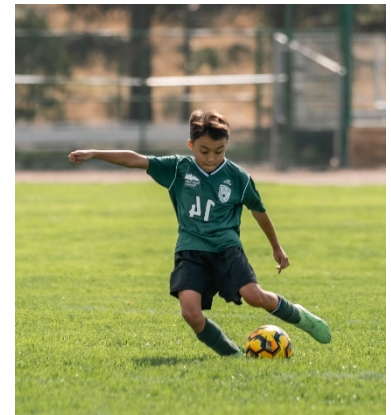
Key Factors Influencing Decisions

The changing economy, district growth and board priorities influence the FY2025-26 budget. Costs associated with our team (650+ people on any given day) make up three quarters of our general fund budget. These costs have increased an average of 3.4% this year, including for a cost-of-living adjustment, merit increases, healthcare benefits, PERS and Paid Leave Oregon. In addition, we have compensation and pay equity studies budgeted to occur on FY26 to ensure we are competitive in the job market. We have more buildings to care for with the pending purchase and remodel of the Boyd Acres Shop Complex for park operations, and the construction of the new Art Station building this year.

We must be proactive in how we grow as an organization. The following priorities influenced our decision making for the budget:

Assets

Efficiency – In the coming year, we are asking managers and supervisors to work with teams to identify and discuss opportunities to innovate and perhaps find efficiencies. We will be launching a program and training to help facilitate this process. We remain focused on the high-quality services and experiences that we provide to the community, but this is an invitation to question, “that’s how we’ve always done it,” and propose better, different, and even less of what may no longer be feasible or working for the size of the organization today.



Taking care of what we have-

Team- Our team is the district's greatest asset for taking care of what we have. A strategic plan goal is to "Maintain quality, clean and safe parks, trails and facilities." We have seen significant growth along with large increases in personnel costs. We have our competitive and equity pay study budgeted and the result will influence future budget staffing costs. We have included a 2.5% cost of living adjustment and performance pay up to 3%.

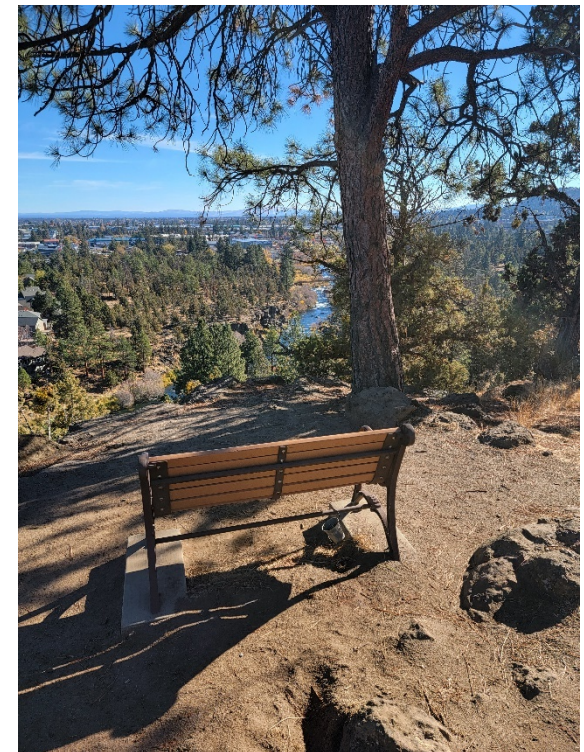
Maintenance – Maintenance expenses include costs, such as gas, tools and other materials. Maintaining our assets helps defer larger repairs, provides the level service targets, and aids in safety. This year's budget has funding in the General fund for regular maintenance, and the Facility Reserve fund has larger projects including replacing the Larkspur Park playground and the start of the Juniper Swim and Fitness Center pool roof replacement project.

Smart growth- Holistic and sustainable expansion that is fiscally viable and operationally sustainable is key to ensure that we can maintain our service levels within restricted funding. We are looking into indoor recreation facility possibilities to fill in gaps in needs rather than building an additional recreation center, which will need a future levy or wait for the tax base to increase enough.

Evolving Community Conditions

Safety- Safety across the district continues to be a priority. We are seeing increased vandalism and more challenging patron interactions. Continued investment in our buildings is needed along with planning for the new parks included in the CIP. Additional parks increase the need for park steward hours, so an additional seasonal position has been added this year.

Service Expectations – The district reaches out to the community with surveys and outreach efforts to inform the comprehensive plan, strategic plan and to the recreation service plan. The community is changing with its growth, and we have set the strategic plan goal to "Support the recreational needs of an evolving community through programming, parks, trails and facilities." This goal, along with maintaining levels of service, will require some shifting of priorities with funds to ensure we can meet expectations in an efficient way and have the broadest effect. We hope to better define this with strategic plan actions planned this year.



Scholarship and Inclusion - The scholarship program has continued to grow over the past several years, which is a testament to staff's efforts to eliminate barriers to participation. However, the funding levels have reached a maximum point where more alternative funding is needed to match the general fund contribution. This will be the first year with the newly implemented scholarship expenditure cap of 6% of budgeted recreation revenues. The district is implementing several additional changes to the scholarship program with the goal of controlling the escalating expenditures we've seen over the past several years. Inclusion spending continues to exceed its budget and our inclusion program will be reviewed to ensure we are using the dollars effectively and fairly, as we are seeing a much higher demand.

Climate- The impacts of climate change are already being felt by many communities. In response, some local governments are choosing to develop plans that both acknowledge the threat of climate change and propose strategies for reducing the possible impacts on their communities. Our strategic plan includes the strategy, "Continue efforts to be responsible stewards of natural environment and evaluate and identify opportunities to respond to changing environmental conditions." We will be looking at what a plan would entail for the district. We also have several fire fuel reduction projects starting this budget year.

FY2025-26 Proposed Budget

The district's Fiscal Year 2025-26 budget is a balanced budget with healthy reserves for planned future projects and maintaining assets. The proposed budget is anticipating \$50.4 million in revenues and \$75.5 million in expenditures for total budgeted requirements of \$118 million, which includes contingencies and reserves. This budget will support 301 full-time equivalent (FTE) employees for \$27.6 million and has \$36.2 million in capital spending.

Revenues

The district's main sources of funding are property taxes, charges for services (user fees) and System Development Charges (SDCs). Revenues for the district are expected to decrease by \$1 million, a 2.2% decrease over last year's budget due to less grant funding for capital projects.

Expenditures

We continue to feel the impacts of high inflation and labor costs continue to be a challenge, but we are seeing some relief with a reduction in our unemployment taxes. Expenditures for the district's proposed budget are projected to increase by \$22, a 29.1% increase compared to last year's budget. The increase is mainly in capital spending on large projects such as the purchase and remodel of the new Park Services Shop Complex and planned projects in the System Development Charges fund such as the Art Station. Personnel and operating expenditures each saw increases of 3.4% and 6.0% respectively, for a total of \$1.5 million increase.

	2025-26 Proposed Budget	2024-25 Adopted Budget
Revenues		
Property taxes	26,530,620	25,739,176
Charges for services	14,820,900	13,984,180
System development fees	6,500,000	7,479,000
Other Revenues	2,524,460	4,267,900
Total Revenues	50,375,980	51,470,256
Expenditures		
By Category:		
Personnel services	27,263,160	26,322,790
Materials and services	9,872,540	9,282,507
Capital outlay	36,167,230	15,251,338
Debt service	2,175,340	2,640,607
Total Expenditures	75,478,270	53,497,242

Fund balance

Fund balance is critical for financial stability and flexibility. Reserves aid in governments being able to respond to events, buffer against economic downturns, and are a factor for bond ratings. Therefore, local governments establish a minimum fund balance. With the revision of the reserve balance policy last year, this budget continues our annual look at the needs for minimum fund reserves in our General fund and Reserve funds. All funds are budgeted to have the reserves needed based on the policy, our forecasts and the capital improvement plan.

Conclusion

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

Respectfully submitted,

Michelle Healy

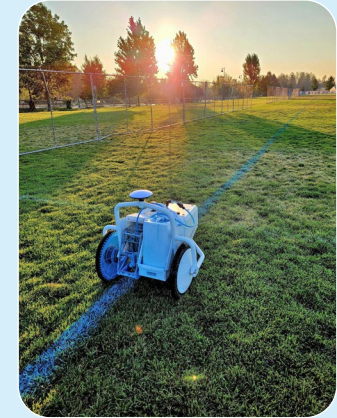
Michelle Healy

Executive Director

Kristin Toney

Kristin Toney

Administrative Services Director



SUMMARY

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

FUND SUMMARY

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

DEPARTMENT DETAIL

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

CAPITAL SUMMARY

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

APPENDICES

- Additional information about the district that aid in budget understanding.



Bend Park & Recreation
DISTRICT

BUDGET SUMMARY



Budget Summary Section

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

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

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

Background

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

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

The district boundaries and population are slightly larger than those of the city of Bend. The city of Bend is in Central Oregon, just east of the Cascade Mountain range, and encompasses an area of 37.6 square miles. Bend is the largest city in Central Oregon with a population estimate of 106,000. Bend serves as the seat for Deschutes County and as the hub of economic activity in a three-county region including Deschutes, Jefferson and Crook counties.



District Structure

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

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

District System at a Glance

Our Vision

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

Our Mission

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

Comprehensive Plan and Strategic Plan

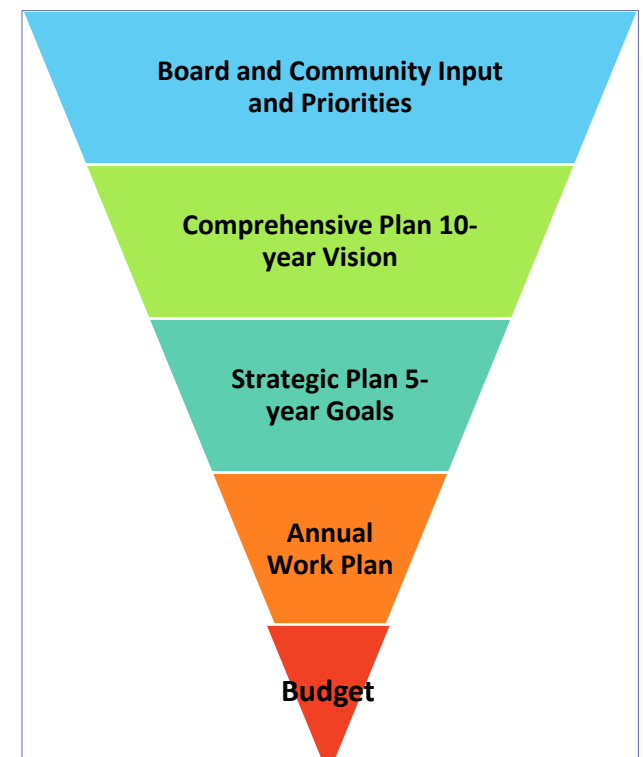
The district also has a Comprehensive Plan and a Strategic Plan. The long-term planning is intended to answer the questions: where are we now?; where do we want to go?; and how will we get there? With the foundation and direction provided by its comprehensive and strategic plans, the district annually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

Our Comprehensive Plan

The district board of directors adopted the district's current Comprehensive Plan in July 2018. The 2018 Comprehensive Plan was designed as a living document, with a scheduled update midway through its 10-year timeframe. The Midterm Comprehensive Plan Update was adopted by the board November 2024. The plan is the guiding document for the next ten years of parks and recreation in Bend. This plan addresses the rapid growth Bend has experienced in the past decade and accommodates another decade of growth by planning for more parks, trails, amenities and indoor recreation facilities.

Summary of the key elements of the 2024 midterm update:

- Vision, Mission, Community Pledge, and Values



- Population and demographics
- Policies
- Maps for existing parks and trail facilities
- Park and trail inventory
- Community Needs Survey and the Needs/Unmet Needs Analysis
- Level of service analysis

Our Strategic Plan

The Strategic Plan's over-arching capstone, pillars and foundation are designed to strengthen the district's operations and management practices, community relationships, and employees and workplace culture. The board adopted the 2024-2029 Bend Park and Recreation District Strategic Plan October 2024.

Priorities: are the former strategic plan "pillars" and the foundational element of our plan. They are the key focus areas that an organization chooses to help achieve its long-term vision

Team Service Community

- **Goals:** are the former strategic plan "desired outcomes" and are an objective we set for ourselves to achieve a desired future state
- **Strategies:** are a roadmap for how we will meet our goals

Team

- Attract and retain qualified employees at staffing levels that support our desired service levels
 - Align recruitment, on-boarding and retention practices with the desired needs, work experience and work practices of employees
 - Build staffing plans to maintain the desired level of service
 - Be competitive with other employers' wages and benefits
- Foster a workforce that is heard, informed, involved and valued
 - Continue to develop a collaborative and welcoming work culture across departments and between all levels of the organization
 - Provide opportunities for employees to contribute in areas beyond their daily activities, and advance in the organization
- Invest in the growth and development of all district employees
 - Support a culture of learning and growing by providing support for staff to access training
 - Offer diverse recognition and appreciation programs
- Support the well-being and safety of all district employees

- Keep up with changing workforce needs and adapt how the district works to enhance employee experiences
- Identify opportunities to enhance a welcoming, safe and inclusive work environment

Service

- Maintain quality, clean and safe parks, trails and facilities
 - Take care of what we have by prioritizing investment in existing assets
 - Develop and use data and best practices to increase work efficiency, and use benchmarks to track progress over time
- Support the recreational needs of a growing and evolving community through programming, parks, trails and facilities.
 - Maintain adopted levels of service targets for parks, trails and facilities
 - Monitor and adapt programming to meet community needs
- Balance fiscal, environmental and social sustainability
 - Use financial modeling and other planning tools to holistically evaluate, plan and forecast maintenance needs, operational funding and replacement
 - Continue efforts to be responsible stewards of the natural environment and evaluate and identify opportunities to respond to changing environmental conditions
 - Cultivate a culture of community connections

Community

- Deliver positive patron and community experiences by offering services that are accessible and welcoming to all
 - Develop and redevelop parks, trails and facilities to ensure they are welcoming, and inclusive
 - Plan and create welcoming, inclusive, safe and universally accessible opportunities and programs that address barriers to participation
- Expand and leverage collaborations to increase impact
 - Dedicate resources to seek grant and alternative funding opportunities to support priorities
 - Strategically align with partners that enhance the district's efforts

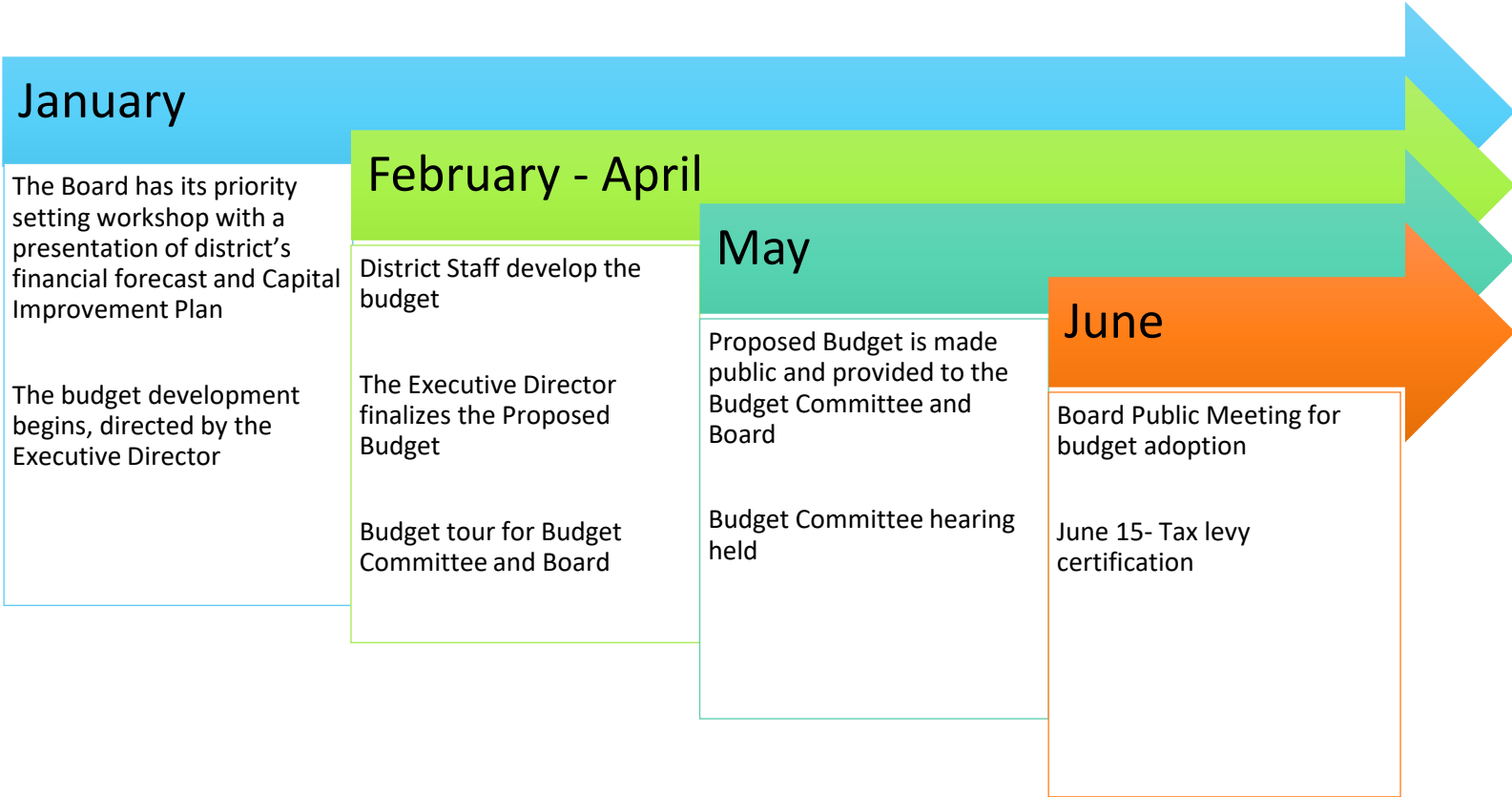
Budget Process

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

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

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

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



Fund Structure

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

Budget and Financial Policies

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

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

Basis of Budgeting

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

Financial Policies

The following is a summary of the policies that have a direct impact on the budget process; a complete listing of fiscal policies to be adopted with the budget are in Appendix C. The district shall annually prepare a long-term financial forecast to promote responsible planning for the use of resources, and to assist

in ensuring the delivery of priority services through all types of economic cycles. The purpose of this plan is to ensure the district's ongoing financial sustainability beyond a single fiscal year budget cycle considering our long-term service vision and objectives.

Fund Balance and Reserves

General Fund Ending Fund Balance- The General Fund beginning fund balance that exceeds budgeted beginning balance shall be added to the General Fund contingency as a set aside. The General Fund contingency should be used for future Capital Improvement Plan funding, mitigating overhead revenue shortfalls in future years, paying down existing debt as advised by the Executive Director, or other unanticipated needs or emergencies, as prioritized through future budgeting processes and, ultimately, adopted by the Board of Directors. ***See Appendix B for the Fund Balance analysis to set this year's minimum fund balance.***

Revenue Policy

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

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

Expenditure Policy

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

FY2025- 2026 District Statistics and Economic Outlook

We continue to respond by shifting and balancing priorities to ensure the district's financial stability in an ever-changing environment. Inflation is impacting the development of this forecast with rising personnel costs and district growth. Most economic outlooks now call for an economic cooling. Looking at the state of Oregon, according to the *Oregon Economic and Revenue Forecast, December 2024*¹:

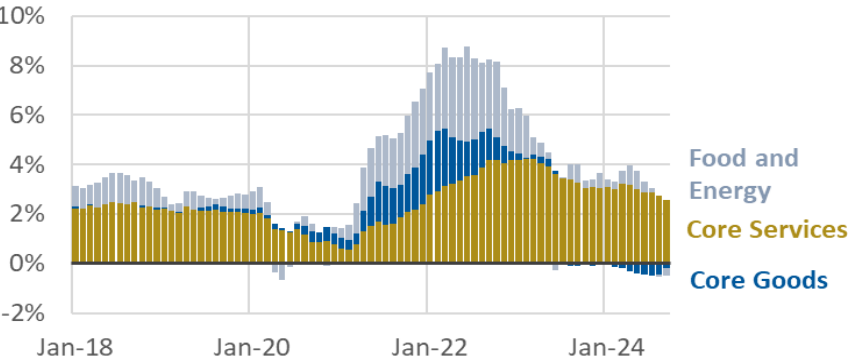
The national economy appears on track to continue normalizing relative to post-pandemic distortions, but the campaign to restore stable, low inflation remains incomplete. The pace of output growth, as measured by GDP, continues to moderate but remains above the economy's longer-term potential. As a result, inflation pressures are proving persistent as the economy continues to face labor and capacity constraints.

¹ <https://www.oregon.gov/das/OEA/Pages/forecastecorev.aspx>

The November presidential and congressional elections will have significant consequences for the national economic outlook. While it is premature to economically “score” many of these measures until more granular details are available, it is still possible to see clear economic repercussions for the outlook as a result. In particular, expansion of tariffs, more restrictive immigration policies, tax reforms/cuts and deregulation stand as significant departures from the status quo, which broadly informed consensus estimates prior to the election.

Inflation is slowing

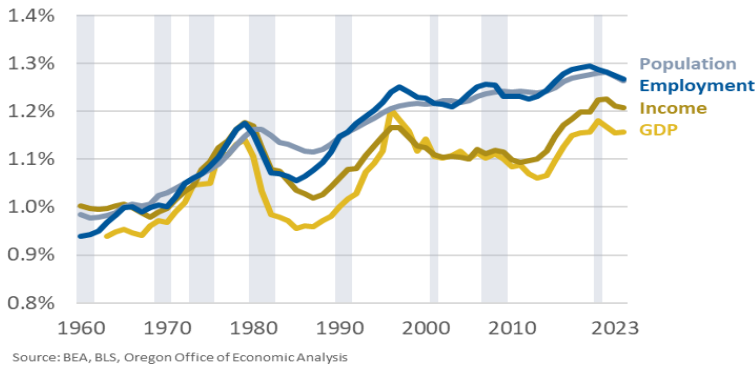
Decomposing Year-over-Year Change in the West Region Consumer Price Index



Latest Data: Sept 2024 | Source: BLS, Oregon Office of Economic Analysis

Oregon Usually Grows Faster than U.S.

Oregon as share of U.S. total



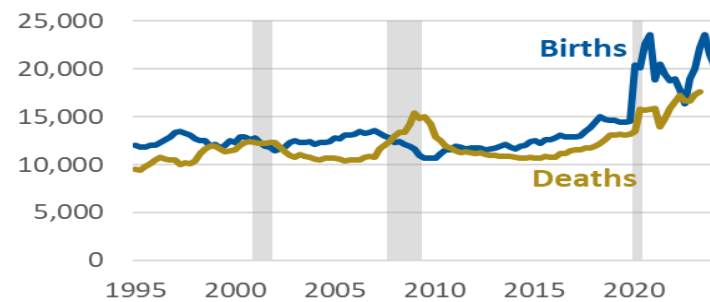
Source: BEA, BLS, Oregon Office of Economic Analysis

Oregon’s economy is currently demonstrating moderate health. Output growth is lagging the national statistics but is showing some signs of reacceleration. Net job creation remains positive, but it is concerning to see job creation concentrated in just a few industry categories.

Oregon economic activity will be highly vulnerable to the national priorities noted above. Oregon’s labor market has proven resilient in the post-pandemic era and is operating at high levels of labor utilization, based on measures such as labor force participation or the employment-population ratio. As such, the state will need to depend on in-migration (from other states or internationally) to supply sufficient additional workforce. Oregon’s population growth has slowed with deaths continuing to outnumber births and growth is predicted at a slower pace than in the last decade. Oregon continues to see mixed population signals. The number of surrendered driver licenses at Oregon DMVs remains steady at around the same pace as last decade.

Oregon Economic Dynamism

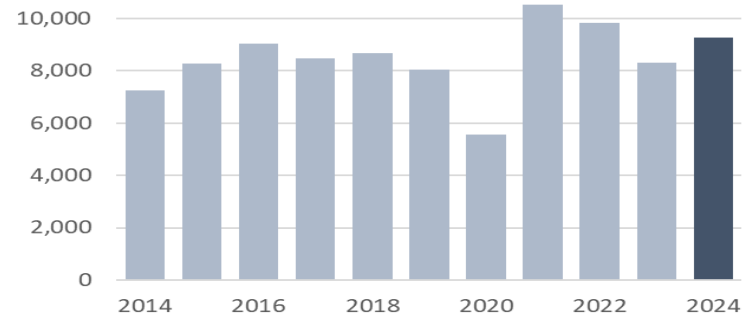
Number of establishments



Data: 4 qtr sum | Latest: Births 2024q1, Deaths 2023q2
Source: BLS, Oregon Office of Economic Analysis

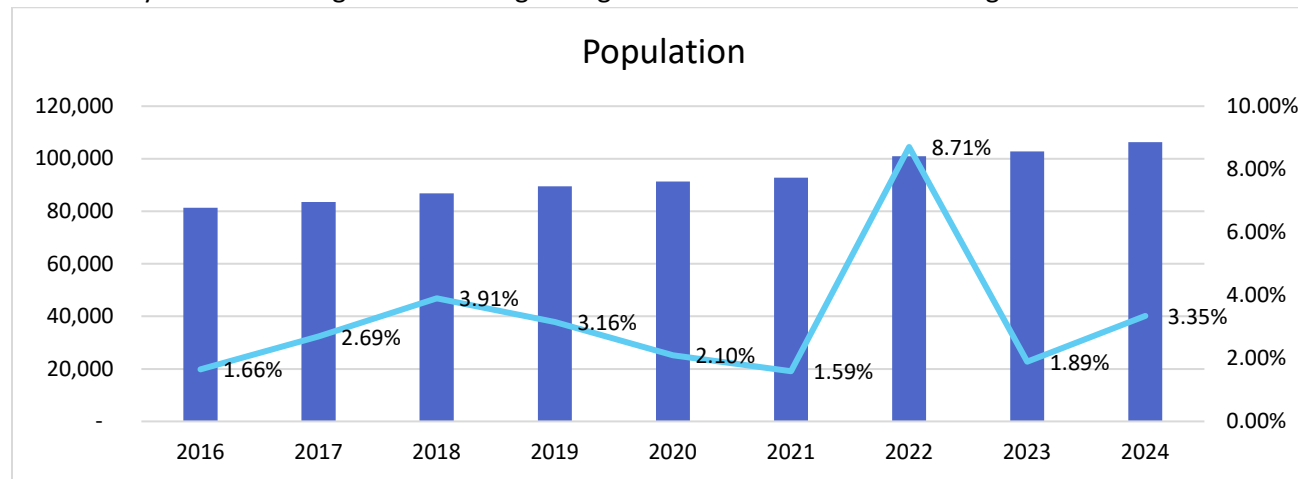
Oregon Surrendered Driver Licenses

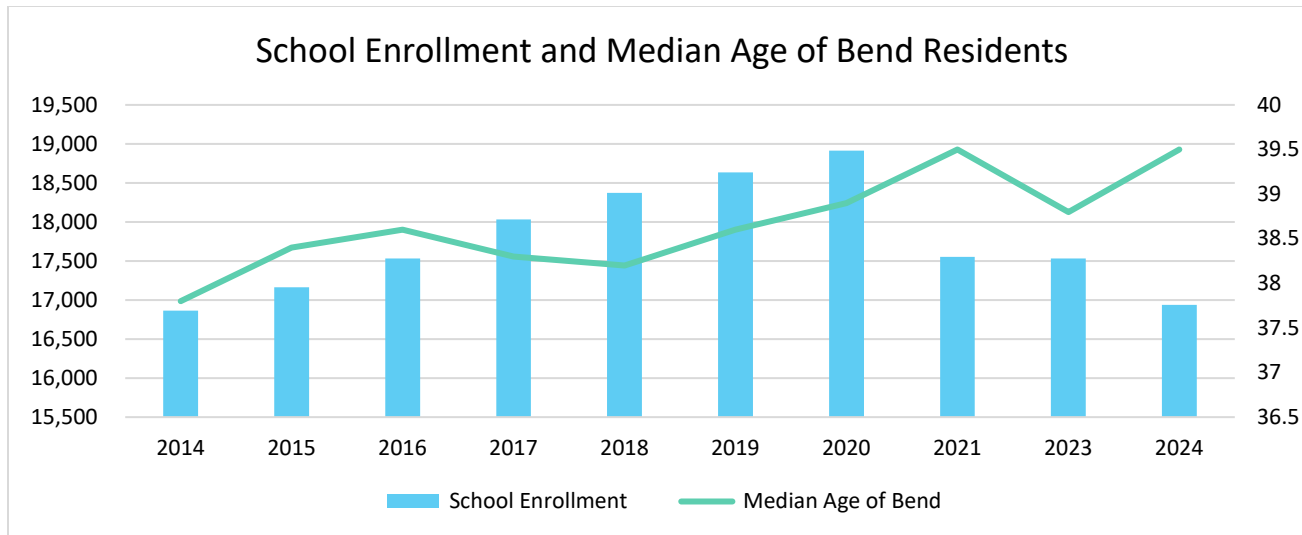
Average of 3 months ending September for each year



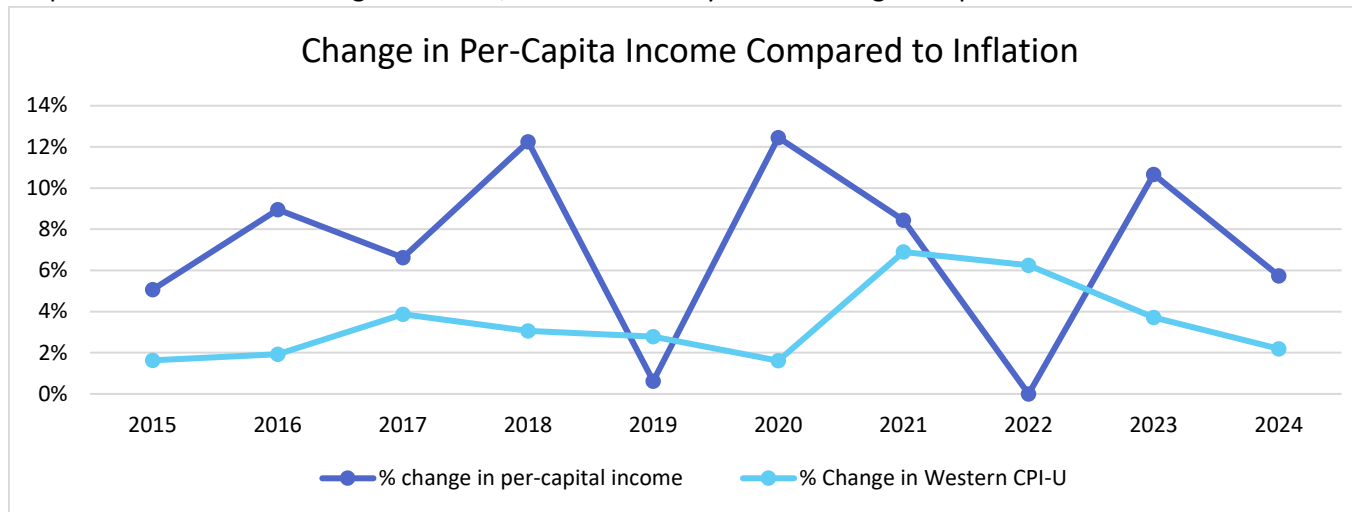
Source: Oregon Dept of Transportation, Oregon Office of Economic Analysis

Our district has averaged 3% increase in population over the last 5 years per Portland State University Population Research Center. And we have seen much slower growth the last two years with the age of residents growing and school enrollment declining.





The population's per capita income continues to grow as well, demonstrated by the 6% change compared to inflation of 2.2%²:



Development continues with multi-family housing being a greater portion in recent years:

² U.S. Department of Commerce, Bureau of Economic Analysis

Awards and Accomplishments

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the district for its annual budget for the fiscal year beginning July 1, 2024. The district has received this award fourteen times. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.



FY2025 – 2026 (FY26) Budget Summary

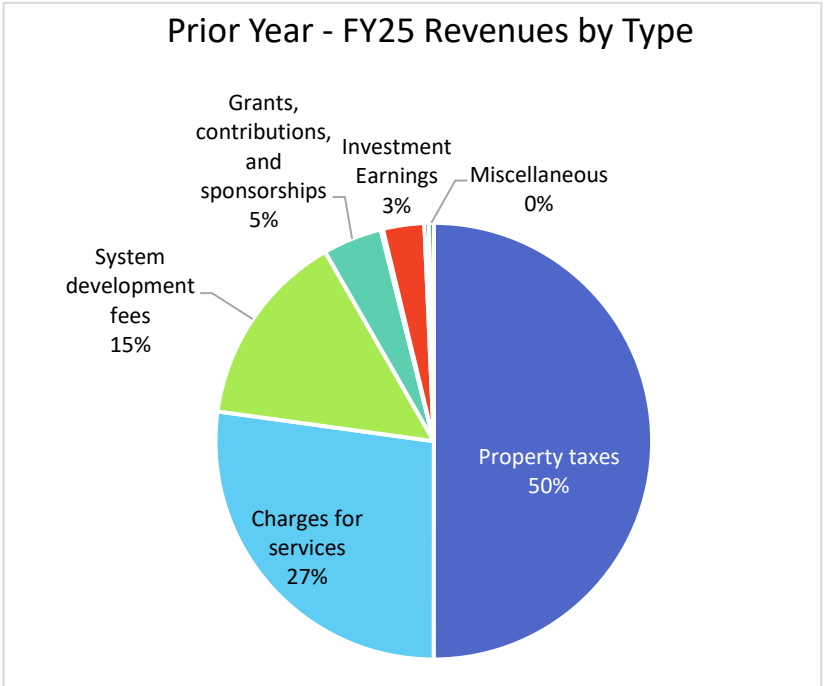
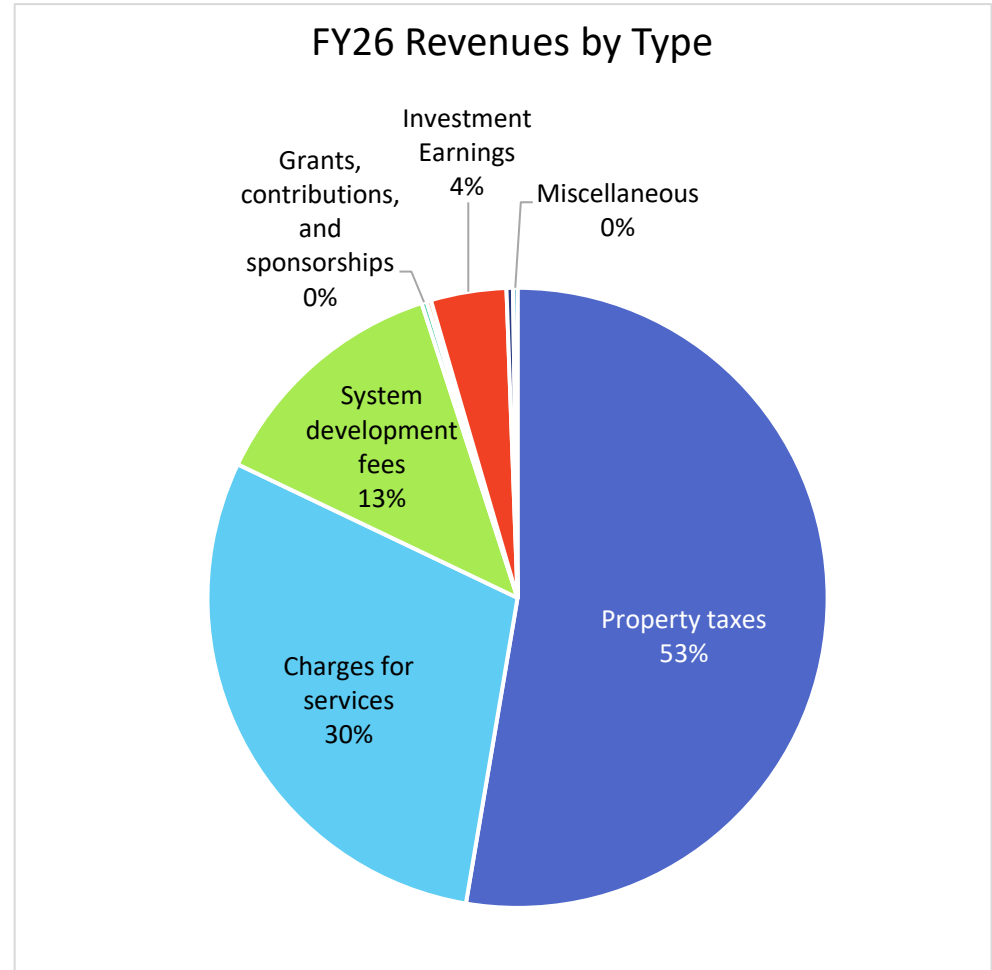
What is the District's Budget? - Overall District Summary

The district's Fiscal Year 2025-2026 is estimated to receive \$50.4 million in revenue. FY26 Budget expenditure is \$75.5 million. This will support 301.4 full-time equivalent (FTE) employees and \$36.2 million in capital spending. Major changes to the FY26 budget are illustrated below:

	General Fund	System Development Charges Fund	Rental Fund	Reserve Funds	Debt Service Fund	2025-26 Proposed Budget	2024-25 Adopted Budget	Change in Budget \$	Change in Budget %
RESOURCES									
Beginning Fund Balance	9,691,810	25,698,900	1,785,230	24,660,560	173,050	62,009,550	47,873,492	14,136,058	22.8%
Revenues									
Property taxes	24,414,540	-	-	-	2,116,080	26,530,620	25,739,176	791,444	3.0%
Charges for services	14,164,500	-	656,400	-	-	14,820,900	13,984,180	836,720	5.6%
System development fees	-	6,500,000	-	-	-	6,500,000	7,479,000	(979,000)	-15.1%
Grants, contributions, and sponsorships	138,000	-	-	-	-	138,000	2,250,000	(2,112,000)	-1530.4%
Intergovernmental	115,000	-	-	-	-	115,000	90,000	25,000	21.7%
Investment Earnings	543,000	733,000	55,460	619,000	33,000	1,983,460	1,572,000	411,460	20.7%
Reimbursement for interfund services	170,000	-	-	-	-	170,000	170,000	-	0.0%
Miscellaneous	108,000	-	-	10,000	-	118,000	185,900	(67,900)	-57.5%
Total Revenues	39,653,040	7,233,000	711,860	629,000	2,149,080	50,375,980	51,470,256	(1,094,276)	-2.2%
Interfund transfers in	615,000	-	-	6,893,500	-	7,508,500	7,215,000	293,500	3.9%
TOTAL RESOURCES	49,959,850	32,931,900	2,497,090	32,183,060	2,322,130	119,894,030	106,558,748	13,335,282	11.1%
REQUIREMENTS									
Expenditures									
By Category:									
Personnel services	26,895,130	-	368,030	-	-	27,263,160	26,322,790	940,370	3.4%
Materials and services	9,386,150	100,000	100,000	286,390	-	9,872,540	9,282,507	590,033	6.0%
Capital outlay	-	17,089,460	50,000	19,027,770	-	36,167,230	15,251,338	20,915,892	57.8%
Debt service	-	-	-	-	2,175,340	2,175,340	2,640,607	(465,267)	-21.4%
Total Expenditures	36,281,280	17,189,460	518,030	19,314,160	2,175,340	75,478,270	53,497,242	21,981,028	29.1%
Interfund transfers out	6,000,000	908,500	600,000	-	-	7,508,500	7,215,000	293,500	3.9%
Contingency	-	2,000,000	100,000	1,250,000	-	3,350,000	4,250,000	(900,000)	-26.9%
Reserves	6,062,080	12,833,940	1,279,060	11,618,900	146,790	31,940,770	40,418,685	(8,477,915)	-26.5%
TOTAL APPROPRIATIONS	48,343,360	32,931,900	2,497,090	32,183,060	2,322,130	118,277,540	105,380,927	12,896,613	10.9%
Unappropriated Fund Balance	1,616,490	-	-	-	-	1,616,490	1,177,821	438,669	27.1%

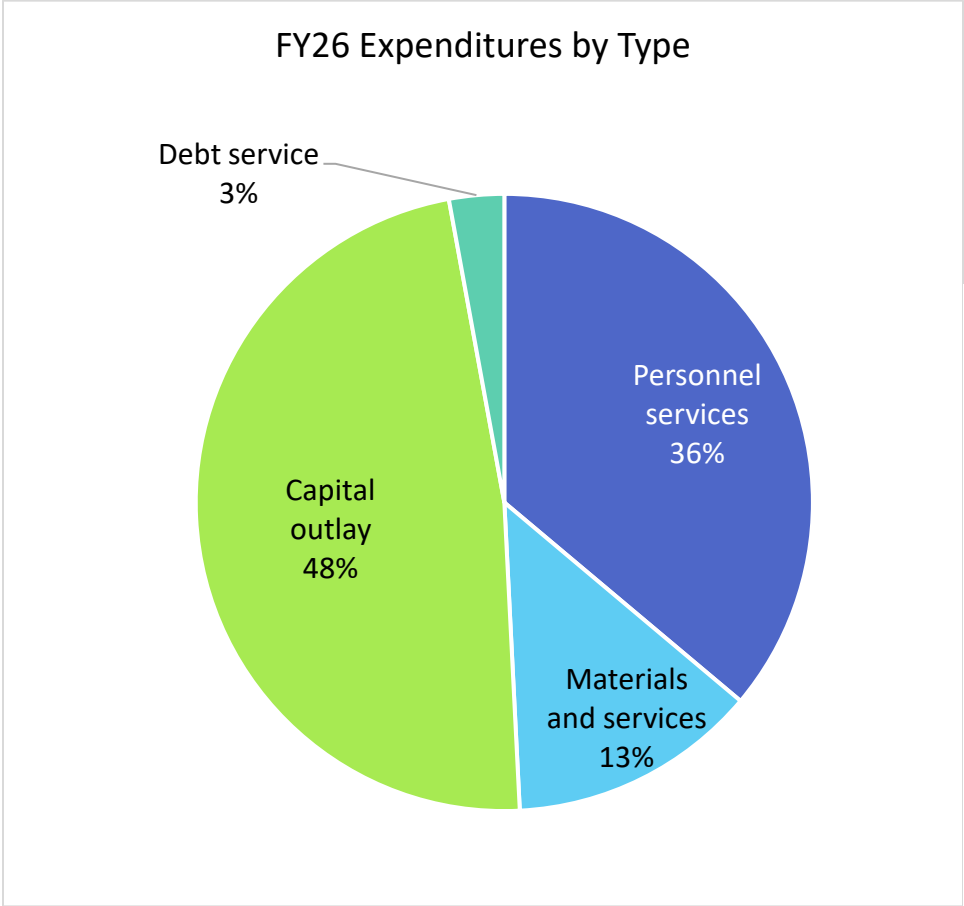
Where Does the Money Come From? -Revenues

Overall, revenues are estimated at \$50.4 million, a \$1.1 million decrease or 2.2% over the prior year. The largest source of revenue is property taxes and User Fees and Charges have grown with our recreation programming. System Development Charges (SDCs) fund new development capital projects and make up a large portion of the district’s revenue. Below is the breakdown of the types of revenue and the comparison for the prior year’s budget.

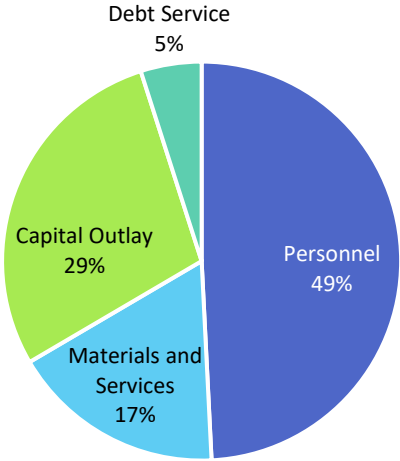


Where Does the Money Go? - Appropriations

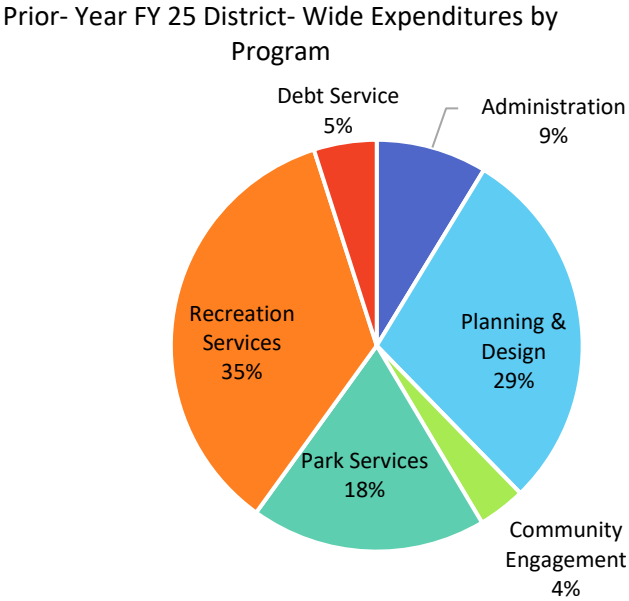
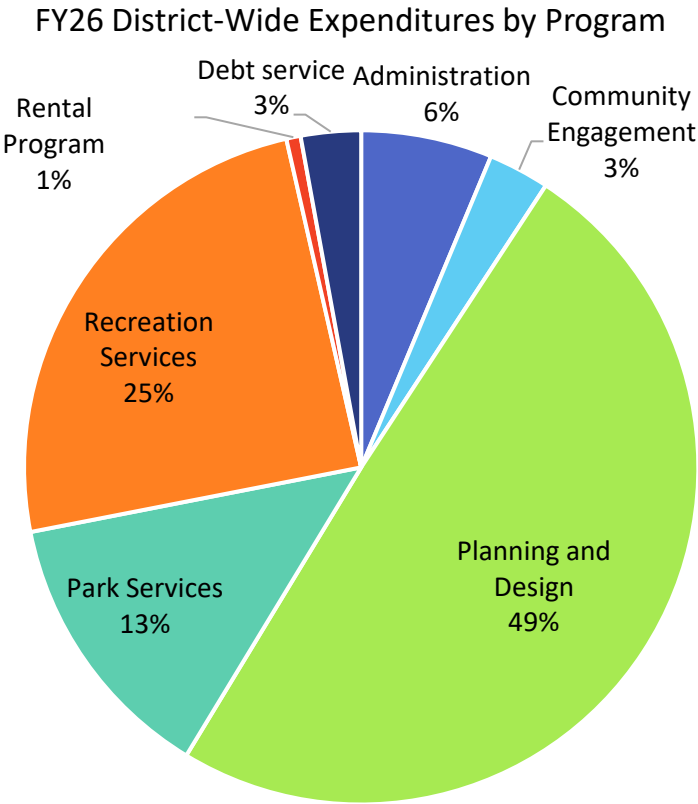
Expenditures, often called “Appropriations,” are classified under one of four major categories: Personnel, Materials and Services, Capital and Debt Service. FY26 appropriations are \$75.5 million, an increase of \$22 million or 29.1% from the prior year. This is mainly due to the higher amounts of capital expenditures that have been planned. Personnel increased by \$940,370 or 3.4% from the prior year. The Benefits Committee recommended a 2.5% cost of Living adjustment (COLA) for wages and up to 3% based on performance. We saw a health insurance rates increase of 7.5% and a large decrease in unemployment insurance. Materials and Services increased by \$590,033 or 6% from the prior year. The graph below shows the relative percentage of the FY26 budget expenditures for all funds and the comparison from the prior year.



Prior Year- FY25 District-wide Expenditures by Type



To look at expenditures another way, we can look at where the money is spent by program. We budget by activity: Administration, Community Engagement, Planning & Design, Park Services, Recreations Services and Debt Service. With all the large projects this year, Planning and Design is a much larger portion this year.



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

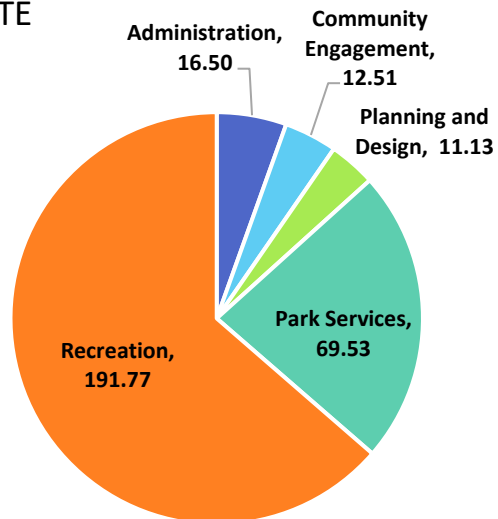
Fund balance is critical for financial stability and flexibility. Reserves aid in governments being able to respond to events, buffer against economic downturns, and are a factor for bond ratings. Therefore, local governments establish a minimum fund balance. For the FY24 budget we reviewed GFOA's best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

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

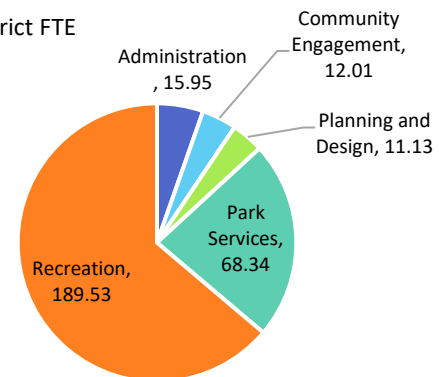
Who Works for the District? - Staffing

We strive to maintain service levels with our growing community. We have a strategic approach to staffing and as we grow, staffing increases are needed. The proposed budget includes 301.44 full-time equivalent (FTE), a 2% increase from last year. Natural Resource is adding one position to help with the many acres of natural areas added to the district's assets recently. With safety concerns an additional seasonal is added to the Park Seward team. Administration is adding seasonal positions to use interns in partnership with Central Oregon Community College and Oregon State University. Recreation is increasing non-benefited part-time hours to aid with program growth.

FY26 District FTE



Prior Year- FY25 District FTE



	2021-22 Amended	2022-23 Adopted	2023-24 Adopted	2024-25 Adopted	2025-26 Proposed	Budget Change
Administration						
Executive Directors Office						
Full-Time Positions	2.00	2.00	2.00	2.25	2.00	-11%
	2.00	2.00	2.00	2.25	2.00	-11%
Administrative Services						
Full-Time Positions	9.00	9.00	9.00	9.00	9.00	0%
Part-Time/Seasonal Positions	-	-	-	-	0.50	100%
	9.00	9.00	9.00	9.00	9.50	6%
Human Resources						
Full-Time Positions	4.00	4.00	4.00	4.00	5.00	25%
Part-Time Benefited	0.60	0.60	0.60	0.70	-	-100%
	4.60	4.60	4.60	4.70	5.00	6%
Community Engagement						
Full-Time Positions	5.00	6.00	6.00	11.00	11.00	0%
Part-Time Benefited	-	-	-	-	-	0%
Part-Time/Seasonal Positions	-	-	-	1.01	1.51	50%
	5.00	6.00	6.00	12.01	12.51	4%
Planning and Design						
Full-Time Positions	11.00	11.00	11.00	10.00	10.00	0%
Part-Time Benefited	0.75	0.75	0.75	0.75	0.75	0%
Part-Time/Seasonal Positions	-	-	0.25	0.38	0.38	0%
	11.75	11.75	12.00	11.13	11.13	0%
Park Services						
Full-Time Positions	56.80	56.60	58.60	57.14	58.14	2%
Part-Time Benefited	-	-	1.25	1.25	1.25	0%
Part-Time/Seasonal Positions	12.20	12.20	10.93	9.95	10.14	2%
	69.00	68.80	70.78	68.34	69.53	2%
Recreation						
Full-Time Positions	44.10	56.40	58.40	61.86	61.86	0%
Part-Time Benefited	48.75	49.40	50.42	43.28	42.75	-1%
Part-Time/Seasonal Positions	71.95	64.90	76.44	84.39	87.16	3%
	164.80	170.70	185.26	189.53	191.77	1%
Total Staffing						
Full-Time Positions	131.90	145.00	149.00	155.25	157.00	1%
Part-Time Benefited	50.10	50.75	53.02	45.99	44.75	-3%
Part-Time/Seasonal Positions	84.15	77.10	87.62	95.72	99.69	4%
	266.15	272.85	289.64	296.96	301.44	2%

FUND SUMMARIES



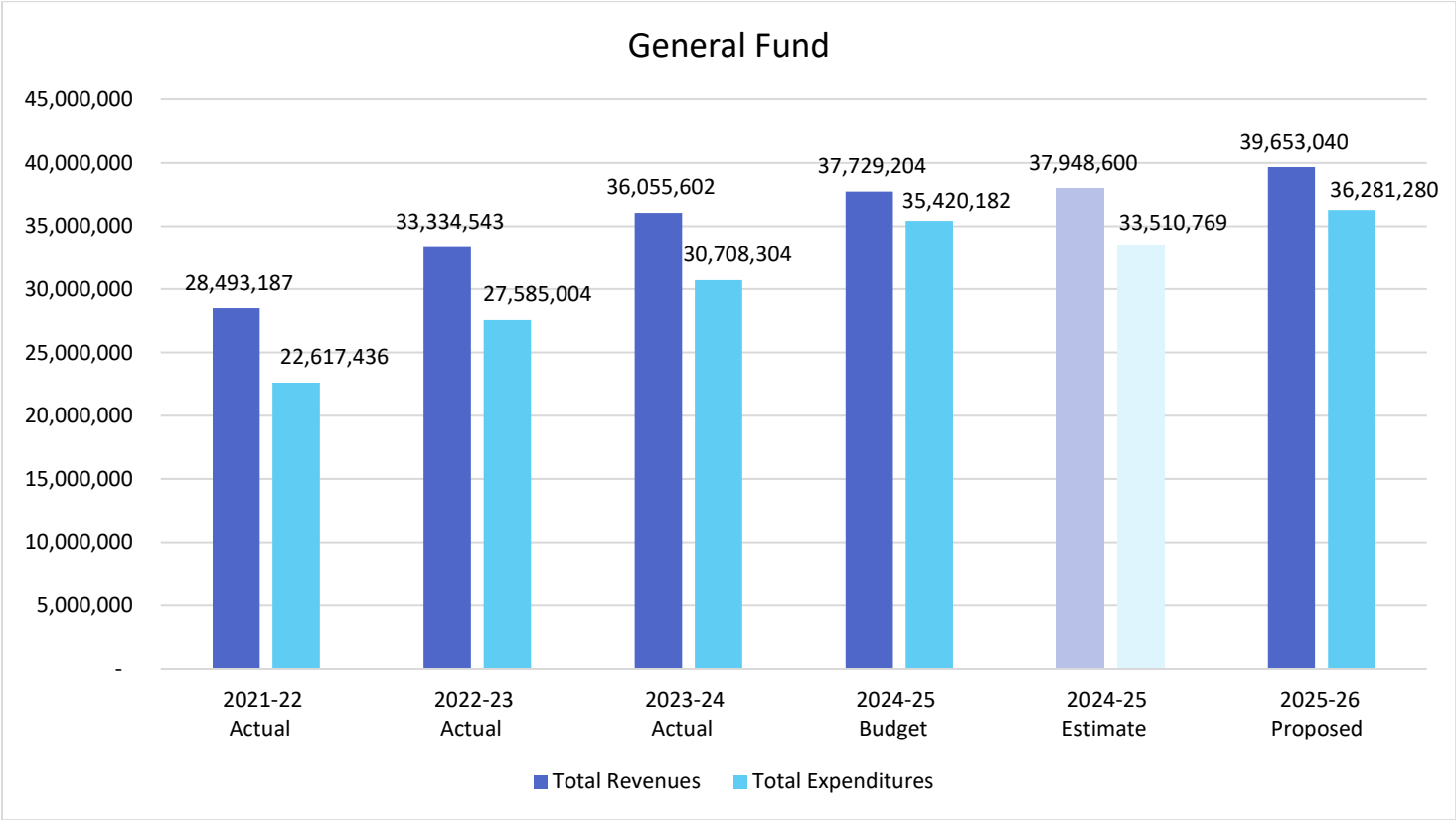
Fund Summaries

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

General Fund	<ul style="list-style-type: none">•The operating fund of the district and accounts for the Executive Director's office, administrative services, planning and design, park services, community engagement and recreation services.
Rental Special Revenue Fund	<ul style="list-style-type: none">•Accounts for the proceeds of district facility and park rental revenues (i.e. Aspen Hall, Hollinshead Barn). Primary expenditures are personnel, building maintenance and renovation costs.
System Development Charges (SDC) Special Revenue Fund	<ul style="list-style-type: none">•Accounts for the acquisition and development of the community's park system. Funding is provided by a fee charged against developing residential properties. Expenditures are restricted by state law to capacity-enhancing and reimbursement projects for parks, trails and indoor recreation facilities.
Facility Reserve Fund	<ul style="list-style-type: none">•Accounts for acquiring, constructing and re-developing parks, trails and buildings. Principal revenue sources are from transfers from the General Fund, investment income and grants and contributions.
Equipment Reserve Fund	<ul style="list-style-type: none">•Accounts for new and replacement vehicles, furniture, fixtures, equipment and technology. Principal revenue sources are from transfers from the General Fund, investment income, and sale proceeds from surplus vehicles and equipment.
General Obligation (GO) Debt Service Fund	<ul style="list-style-type: none">•Accounts for the accumulation of property taxes levied to pay principal and interest on the 2013 GO bond debt.

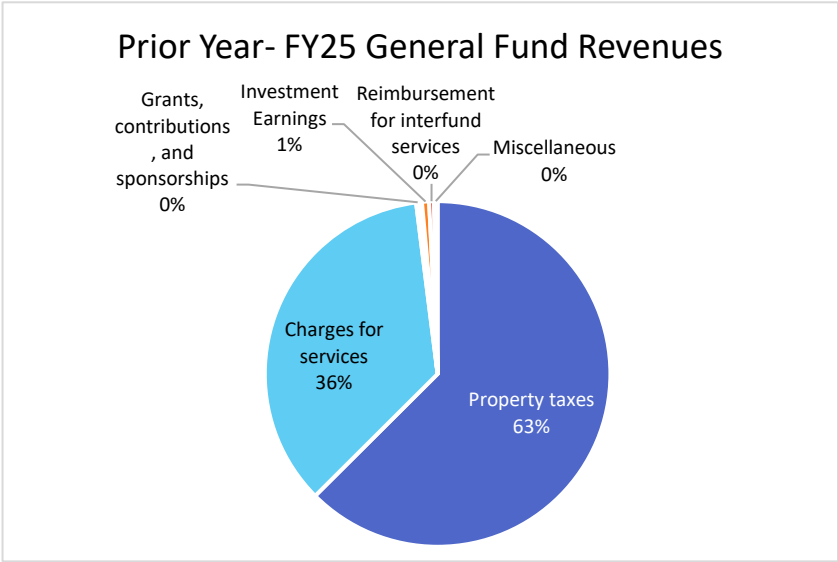
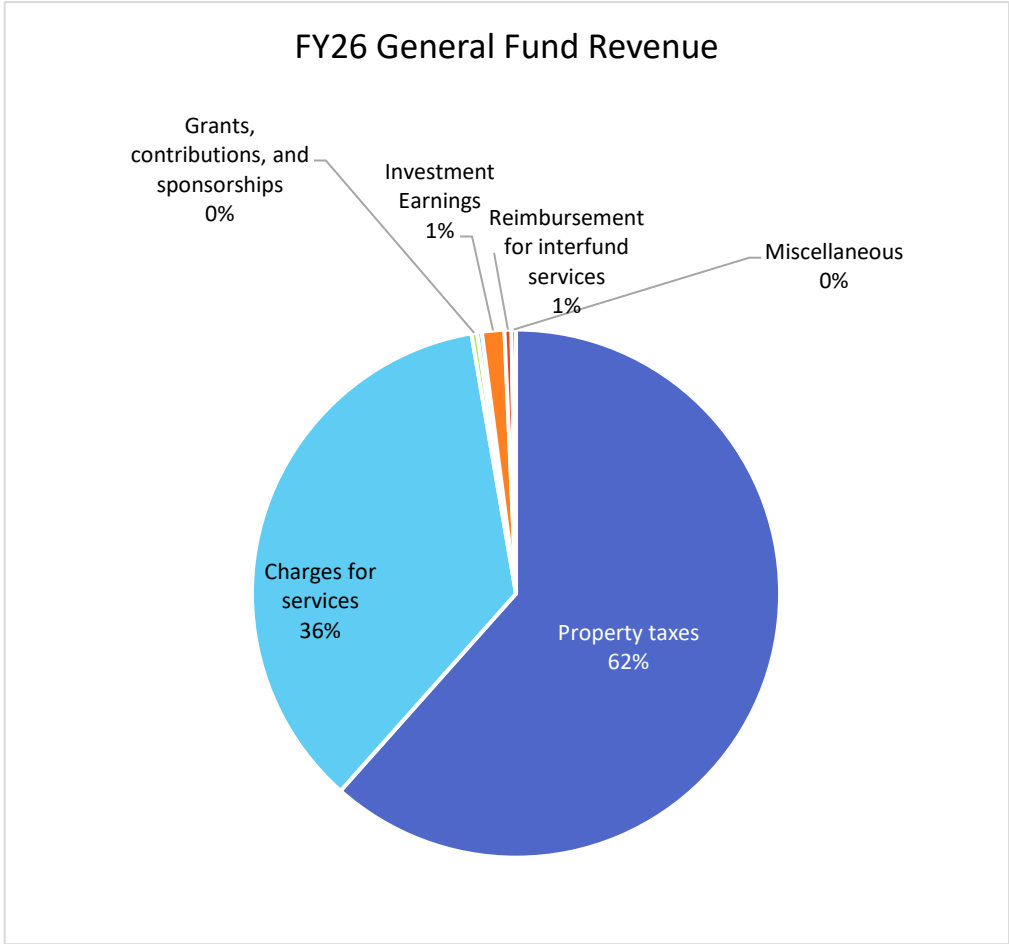
General Fund

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

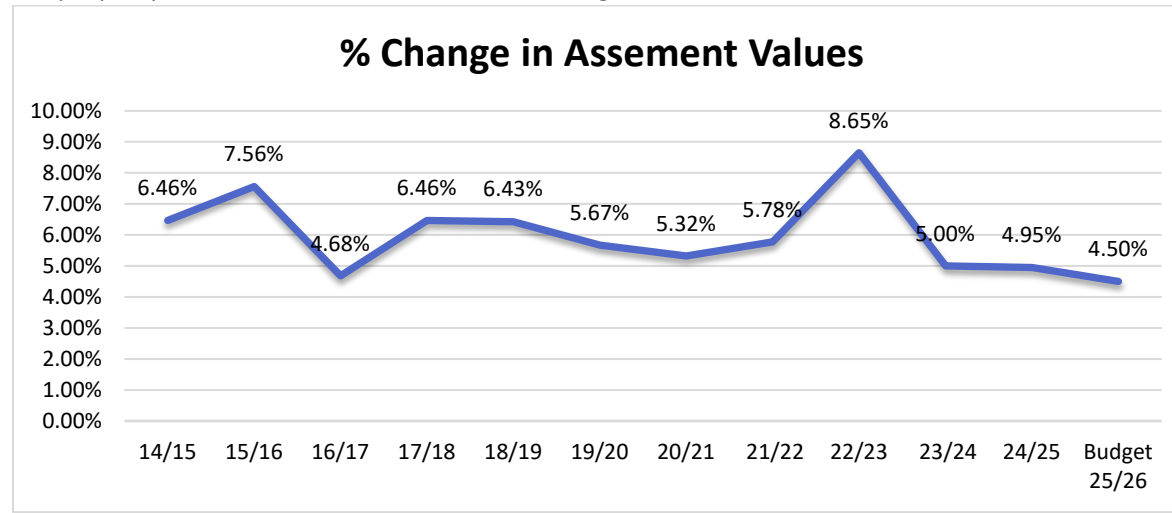


Revenue

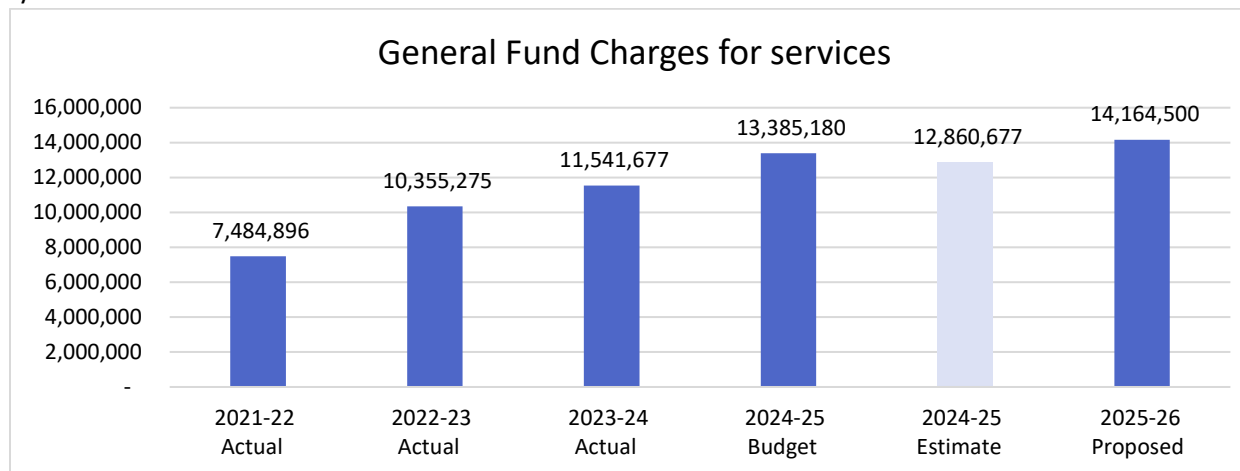
The two main revenue streams for the General fund are property taxes and charges for services and all other revenue sources are less than 2%.



- **Property taxes-** Taxes are based on assessment and the growth in property taxes is made up of the 3% of higher appraisal and new construction. We have seen our budget estimates in FY2024-25 to come in at the estimated 4% and for this upcoming year we are estimating a total increase of 3.5% from the prior year in property tax revenue. We have seen a leveling off of our assessed values and demonstrated in the chart below:

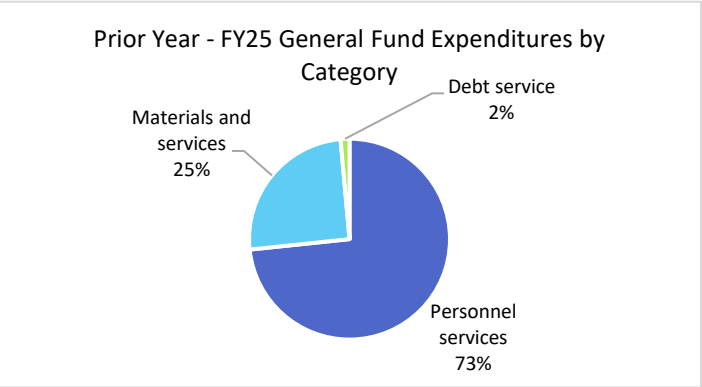
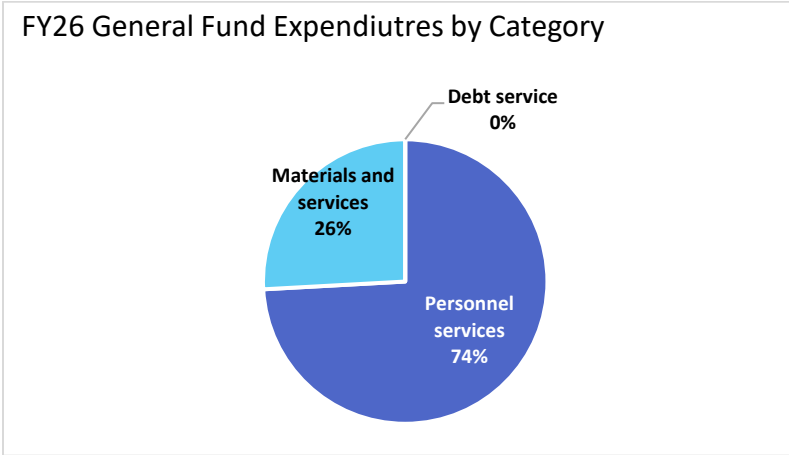


- **Charges for services-** Our recreation programming is still seeing growth along with fee increases and revenues for the fund are estimated to be higher than the prior years.

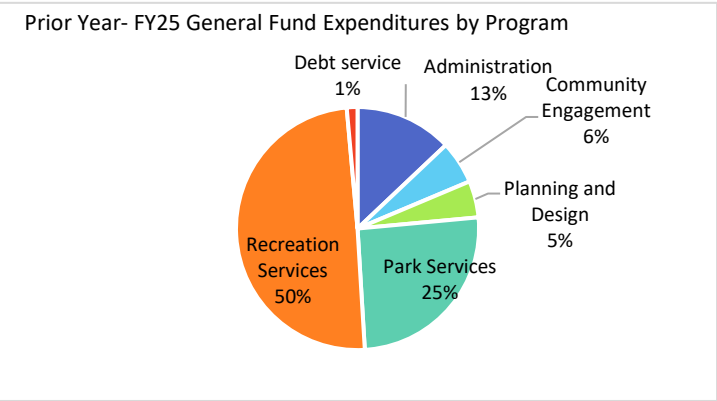
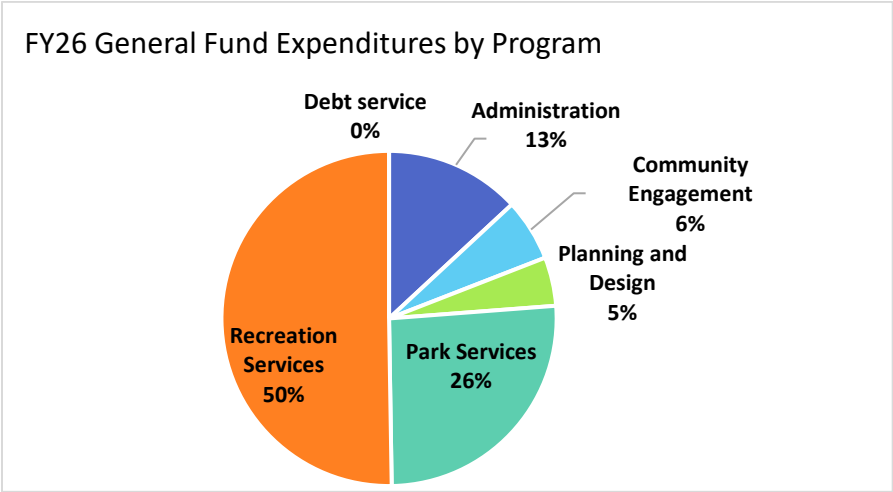


Expenditures

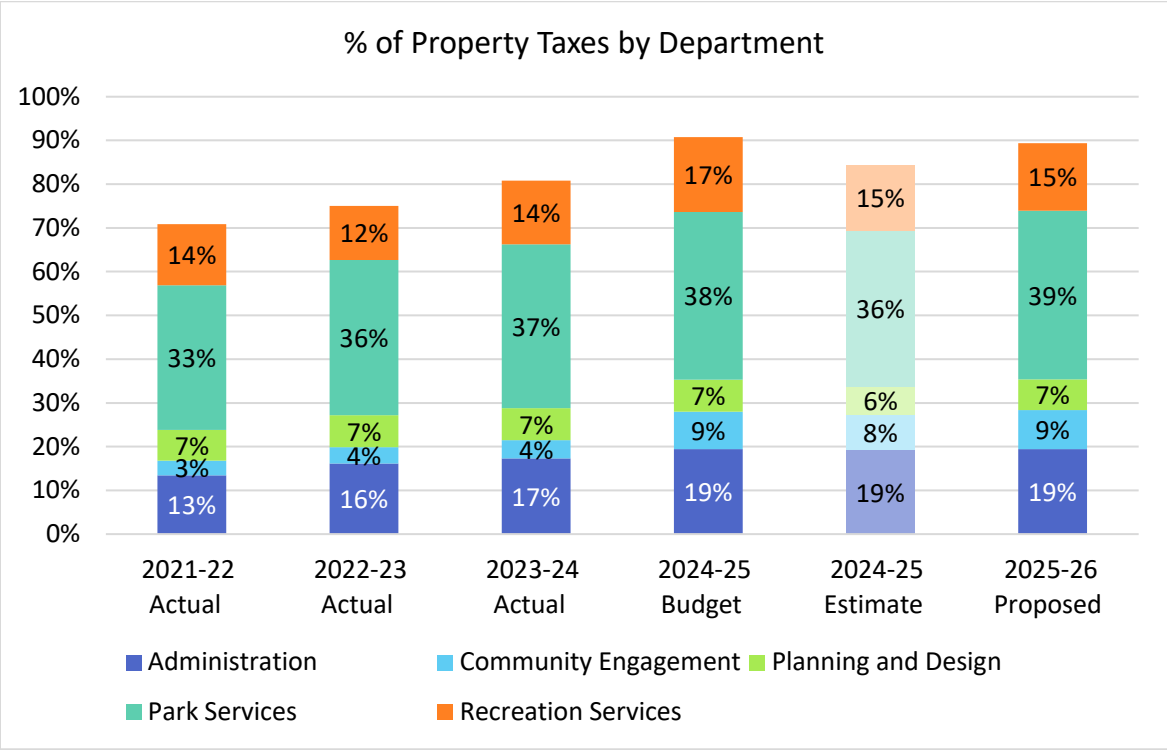
By category, personnel is the General Fund’s greatest expense. The Benefits Committee recommended an 2.5% Cost of Living Adjustment (COLA) for wages. Other benefits saw increases, including a 7.5% increase for health insurance rates. Unemployment insurance decreased to .10% from 2.6%. There are additional staff added in this year one being full-time and the rest part-time and seasonal, for an overall personnel cost increase of 3.5%. Materials and services saw an increase of \$447,743, or 5% due to ramping up of programs, inflation, and the growth of our park system.



Looking at expenditures by unit, or program, Recreation and Park Services are the larger portions of the General Fund budget. See department details section regarding specific budget details for each unit.



Recreation manages its subsidy, which means taking its expenses against the revenue they bring in (charges for service), and the proposed budget has a \$3.7 million-dollar subsidy. Below is each program by percentage of property taxes:



Fund Balance

Reserves aid in governments being able to respond to events, buffer against economic downturns, and are a factor for bond ratings. The district policy is to conduct a risk analysis each year, see the analysis in Appendix B. Minimum fund balance to be reserved should be 90 days of Recreation operating expenditures because a large portion is covered by charges for services, and 30 days of the rest of the operating expenditures because these are covered by property tax revenue. This minimum is \$6,062,080, with \$1,616,490 of fund balance unappropriated as additional contingency resources.

General Fund Budget

	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Estimate	2025-26 Proposed	Change in Budget \$	Change in Budget %
RESOURCES								
Beginning Fund Balance	8,793,640	9,566,358	11,264,129	10,546,230	11,138,979	9,691,810	(854,420)	-8.1%
Revenues								
Property taxes	20,400,847	21,695,563	22,913,508	23,593,124	23,716,448	24,414,540	821,416	3.5%
Charges for services	7,484,896	10,355,275	11,541,677	13,385,180	12,860,677	14,164,500	779,320	5.8%
Grants, contributions, and sponsorships	170,020	442,000	148,672	115,000	139,450	138,000	23,000	20.0%
Intergovernmental	48,847	11,600	280,071	90,000	145,500	115,000	25,000	27.8%
Investment Earnings	80,801	537,159	934,684	250,000	815,000	543,000	293,000	117.2%
Reimbursement for interfund services	86,316	77,467	66,761	170,000	150,000	170,000	-	0.0%
Miscellaneous	221,460	215,479	170,229	125,900	121,525	108,000	(17,900)	-14.2%
Total Revenues	28,493,187	33,334,543	36,055,602	37,729,204	37,948,600	39,653,040	1,923,836	5.1%
Interfund transfers in	396,967	248,232	303,551	615,000	615,000	615,000	-	0.0%
TOTAL RESOURCES	37,683,794	43,149,133	47,623,282	48,890,434	49,702,579	49,959,850	1,069,416	2.2%
REQUIREMENTS								
Expenditures								
By Program:								
Administration	2,738,921	3,509,084	3,964,439	4,586,508	4,549,235	4,750,900	164,392	3.6%
Community Engagement	690,569	805,829	961,576	2,023,560	1,933,256	2,175,650	152,090	7.5%
Planning and Design	1,437,025	1,585,516	1,671,922	1,723,502	1,524,657	1,705,000	(18,502)	-1.1%
Park Services	6,743,630	7,701,998	8,591,713	9,037,042	8,434,160	9,417,850	380,808	4.2%
Recreation Services	10,499,448	13,474,527	15,011,504	17,544,695	16,564,586	18,231,880	687,185	3.9%
Debt service	507,843	508,050	507,150	504,875	504,875	-	(504,875)	-100.0%
Total Expenditures	22,617,436	27,585,004	30,708,304	35,420,182	33,510,769	36,281,280	861,098	2.4%
Interfund transfers out	5,500,000	4,300,000	5,750,000	6,500,000	6,500,000	6,000,000	(500,000)	-7.7%
Reserves	-	-	-	5,792,431	-	6,062,080	269,649	4.7%
Unassigned	-	-	-	1,177,821	-	1,616,490	438,669	37.2%
TOTAL APPROPRIATIONS	28,117,436	31,885,004	36,458,304	48,890,434	40,010,769	49,959,850	1,069,416	2.2%
Ending Fund Balance	9,566,358	11,264,129	11,164,978	-	9,691,810	-	-	0.0%
TOTAL REQUIREMENTS	37,683,794	43,149,133	47,623,282	48,890,434	49,702,579	49,959,850	1,069,416	2.2%
REQUIREMENTS**	2021-22	2022-23	2023-24	2024-25	2024-25	2025-26	Change in	Change in
Expenditures	Actual	Actual	Actual	Budget	Estimate	Proposed	Budget \$	Budget %
By Category:								
Personnel services	16,683,523	20,069,248	22,562,326	25,976,900	24,308,967	26,895,130	918,230	3.5%
Materials and services	5,426,070	7,007,706	7,638,828	8,938,407	8,696,927	9,386,150	447,743	5.0%
Debt service	507,843	508,050	507,150	504,875	504,875	-	(504,875)	-100.0%
Total Expenditures	22,617,436	27,585,004	30,708,304	35,420,182	33,510,769	36,281,280	861,098	2.4%

Rental Special Revenue Fund

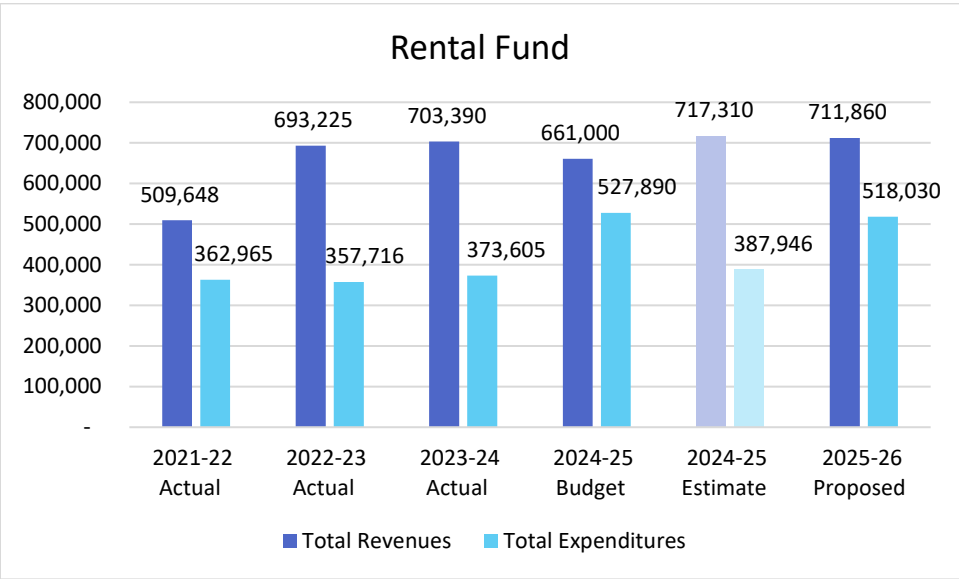
The Rental Fund (formally Facility Rental Fund) is used to account for the proceeds of district facility and park rental revenues (i.e. Aspen Hall, Hollinshead Barn, picnic shelters) and river rentals concession revenue. Primary expenditures are personnel, building utilities and maintenance and renovation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

Revenue

Rentals have recovered from the pandemic and is showing slight a increae. Athletic field rental, previously shown in this fund in FY24, has been moved to Recreation Services general fund where it will be managed by sports and go towards the Recreation subsidy.

Expenditures

With the increase in rentals, expenditures will again return to normal levels. In addition, there are capital expenses for repairs of the rental facilities. The fund saw a slight decrease overall in expenditures due to a reduction in capital amounts but there is a transfer of \$600,000 going to the Facility Reserve fund to pay for the Old Bend Gym wall repair project. There is a 6.4% increase in personnel due to the same changes noted in the budget summary and General fund summary regarding all personnel costs.



Fund Balance

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

Rental Fund Budget

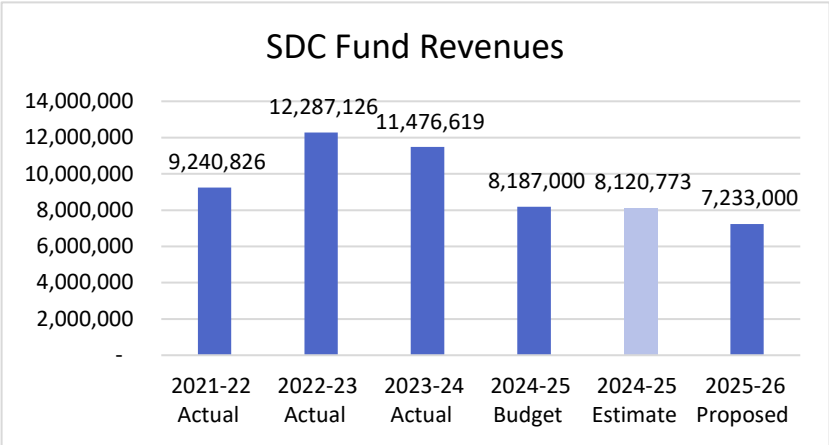
	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Estimate	2025-26 Proposed	Change in Budget \$	Change in Budget %
RESOURCES								
Beginning Working Capital	1,243,888	1,390,571	1,726,080	1,350,379	1,555,866	1,785,230	434,851	32.2%
Revenues								
Charges for services	501,696	643,085	601,075	599,000	633,190	656,400	57,400	9.6%
Investment Earnings	7,952	50,140	102,315	62,000	84,120	55,460	(6,540)	-10.5%
Total Revenues	509,648	693,225	703,390	661,000	717,310	711,860	50,860	7.7%
TOTAL RESOURCES	1,753,536	2,083,796	2,429,470	2,011,379	2,273,176	2,497,090	485,711	24.1%
REQUIREMENTS								
Expenditures								
Rental Program:								
Personnel services	266,497	278,656	287,920	345,890	312,100	368,030	22,140	6.4%
Materials and services	81,252	79,060	74,933	97,000	75,846	100,000	3,000	3.1%
Capital outlay	15,216	-	10,752	85,000	-	50,000	(35,000)	-41.2%
Total Expenditures	362,965	357,716	373,605	527,890	387,946	518,030	(9,860)	-1.9%
Interfund transfers out	-	-	500,000	100,000	100,000	600,000		
Contingency	-	-	-	100,000	-	100,000		
Reserves	-	-	-	1,283,489	-	1,279,060		
TOTAL REQUIREMENTS	362,965	357,716	873,605	2,011,379	487,946	2,497,090		
Ending Fund Balance/Working Capital	1,390,571	1,726,080	1,555,865	-	1,785,230	-		
REQUIREMENTS**								
Expenditures								
By Program:								
Recreation Services	-	-	-	527,890	387,946	-		
Rental Program	362,965	357,716	373,605	-	-	518,030		
Total Expenditures	362,965	357,716	373,605	527,890	387,946	518,030		

System Development Charges (SDC) Special Revenue Fund

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

Revenue

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



Expenditures

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

Fund Balance

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

PROJECT	SDC IMPROVEMENT
Community Parks	
Pine Nursery Park Ph. 4 (Pending Partnership)	50,720
Pine Nursery Park Ph. 5	6,940,236
Neighborhood Parks	
Land Acquisitions	1,900,000
Manzanita Ridge Park	734,231
Park Search Area 14 (Parkside Place)(Bear Creek)	850,000
Park Search Area 27 (Constellation Crest)	880,000
Park Search Area 28 (Easton) (SE Area Plan)	662,763
Park Search Area 18 (Coulter Property)	200,000
Park Search Area 20	50,000
Park Search Area 26	475,000
Galveston to Millers Landing	356,725
Trails	
Miscellaneous Trails	300,000
North Unit Irrigation Canal Trail (NUID)	211,016
South UGB Access & Connections	200,000
Big Sky Trail (Hwy 20 Undercrossing 5)	50,000
Recreation Centers	
Art Station	3,058,765

SDC Fund Budget

	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Estimate	2025-26 Proposed	Change in Budget \$	Change in Budget %
RESOURCES								
Beginning Working Capital	15,389,208	15,602,570	20,122,789	17,352,789	22,522,833	25,698,900	8,346,111	48.1%
Revenues								
System development fees	9,124,371	10,772,411	10,548,400	7,479,000	7,019,700	6,500,000	(979,000)	-13.1%
Intergovernmental	-	964,547	-	-	-	-	-	-
Investment Earnings	89,731	464,525	891,096	708,000	1,100,073	733,000	25,000	3.5%
Miscellaneous	26,724	85,643	37,123	-	1,000	-	-	-
Total Revenues	9,240,826	12,287,126	11,476,619	8,187,000	8,120,773	7,233,000	(954,000)	-11.7%
Interfund transfers in	-	-	-	-	-	-	-	-
TOTAL RESOURCES	24,630,034	27,889,696	31,599,408	25,539,789	30,643,606	32,931,900	7,392,111	28.9%
REQUIREMENTS								
Expenditures								
By Category:								
Materials and services	2,554	169,410	286,729	32,000	131,298	100,000	68,000	212.5%
Capital outlay	8,627,943	7,349,265	8,486,296	9,697,528	4,275,358	17,089,460	7,391,932	76.2%
Total Expenditures	8,630,497	7,518,675	8,773,025	9,729,528	4,406,656	17,189,460	7,459,932	76.7%
Interfund transfers out	396,967	248,232	303,551	615,000	538,050	908,500		
Contingency	-	-	-	2,000,000	-	2,000,000		
Reserves	-	-	-	13,195,261	-	12,833,940		
TOTAL REQUIREMENTS	9,027,464	7,766,907	9,076,576	25,539,789	4,944,706	32,931,900		
Ending Fund Balance/Working Capital	15,602,570	20,122,789	22,522,832	-	25,698,900	-		

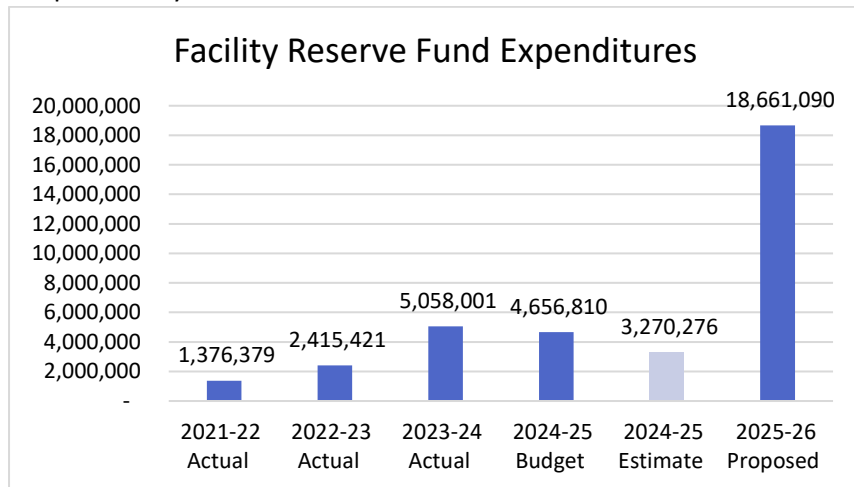
REQUIREMENTS**	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Estimate	2025-26 Proposed
Expenditures						
By Program:						
Planning and Design	8,630,497	7,518,675	8,773,025	9,729,528	4,406,656	17,189,460
Total Expenditures	8,630,497	7,518,675	8,773,025	9,729,528	4,406,656	17,189,460

Facility Reserve Fund

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

Expenditures

The expenditures are based on the capital improvement plan to maintain district facilities, asset management plans and responses to needed maintenance. Therefore, each year the amount spent can vary based on the projects in progress or saving for future planned projects. The big ticket item this year is the acquisition and remodel of the new Park Services complex at Boyd Acres.



Fund Balance

The needed fund balance is based on the five-year capital improvement plan. As the district's facilities age, we must maintain them and this fund is intended to reserve funds for this purpose to align with the capital improvement plan.

PROJECT		TOTAL
CIP		
Sawyer Park		2,017,528
Millers Landing Access Project		10,000
Columbia Park Access Project		658,820
Natural Area Land Acquisition		1,700,000
Bend Whitewater Park Maint. & McKay River Access Project		787,000
SE Bend Regional Park Site (Rose Property)		60,153
Accessibility Improvements		125,000
Park Services Complex		10,517,821
Skyline Field Renovation		345,865
Hollinshead Park ADA & Preferred Design		60,000
JSFC Outdoor Roof Cover Replacement and remodel		600,000
Sylvan Playground Replacement		450,000
Larkspur Park Playground Renovation		500,000
Boys and Girls Club (Wall Renovation)		600,000
5-50		
Crack, seal, stripe	Riverbend Park/DO PL	23,420
Crack, seal, stripe	Farewell Bend	8,740
Tennis Court Re-surface	Juniper Park	34,000
Rescreen lower portion of home run fence	Skyline Park	25,000
Trails resurface	Skyline Park	19,000
Garage Roof Replacement	Jeffers Garage Roof	20,000
PFD loaner kiosk	Drake Park	10,000
Crack, seal,	West Bend Trail	18,130
Crack, seal, stripe	Big Sky South	15,600
JSFC Interior Painting	JSFC	35,000

Facility Reserve Fund Budget

	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Estimate	2025-26 Proposed	Change in Budget \$	Change in Budget %
RESOURCES								
Beginning Working Capital	11,305,886	15,889,593	18,106,907	17,656,907	19,415,496	23,274,510	5,617,603	31.8%
Revenues								
Grants, contributions, and sponsorships	200,000	150,000	144,650	2,135,000	1,134,290	-	(2,135,000)	-100.0%
Intergovernmental	301,106	51,127	16,326	-	-	-	-	-
Investment Earnings	64,616	431,608	684,197	500,000	895,000	597,000	97,000	19.4%
Miscellaneous	144,364	-	21,416	50,000	-	-	(50,000)	-100.0%
Total Revenues	710,086	632,735	866,589	2,685,000	2,029,290	597,000	(2,088,000)	-77.8%
Interfund transfers in	5,250,000	4,000,000	5,500,000	5,100,000	5,100,000	5,893,500	793,500	15.6%
TOTAL RESOURCES	17,265,972	20,522,328	24,473,496	25,441,907	26,544,786	29,765,010	4,323,103	17.0%
REQUIREMENTS								
Expenditures								
By Category:								
Materials and services	-	870,215	268,138	106,400	90,000	184,890	78,490	73.8%
Capital outlay	1,376,379	1,545,206	4,789,863	4,550,410	3,180,276	18,476,200	13,925,790	306.0%
Total Expenditures	1,376,379	2,415,421	5,058,001	4,656,810	3,270,276	18,661,090	14,004,280	300.7%
Contingency	-	-	-	2,000,000	-	1,000,000		
Reserves	-	-	-	18,785,097	-	10,103,920		
TOTAL REQUIREMENTS	1,376,379	2,415,421	5,058,001	25,441,907	3,270,276	29,765,010		
Ending Fund Balance/Working Capital	15,889,593	18,106,907	19,415,495	-	23,274,510	-		

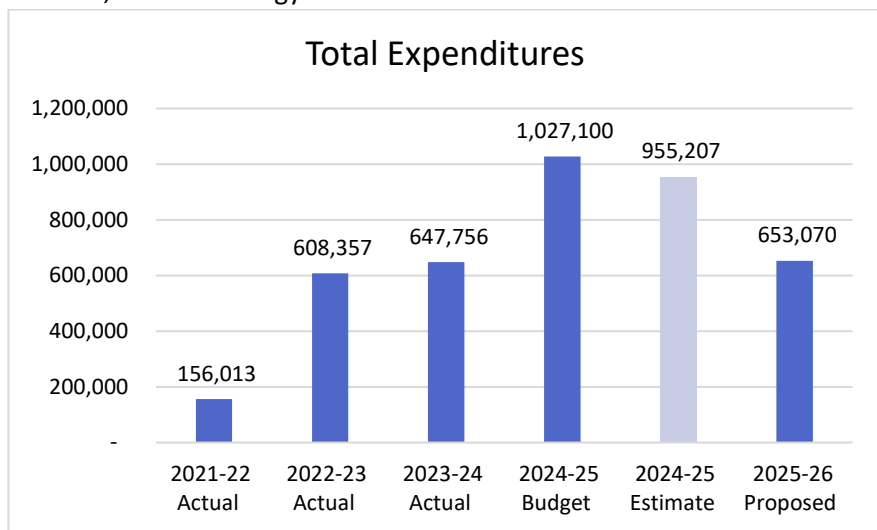
REQUIREMENTS**	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Estimate	2025-26 Proposed
Expenditures						
By Program:						
Administration	33,998	-	-	-	-	-
Planning and Design	702,022	-	4,522,876	4,058,410	2,940,280	18,432,200
Park Services	52,408	1,573,984	79,936	127,500	70,000	193,890
Recreation Services	587,951	841,437	455,189	470,900	259,996	35,000
Total Expenditures	1,376,379	2,415,421	5,058,001	4,656,810	3,270,276	18,661,090

Equipment Reserve Fund

This fund sets aside funds, through transfers, for replacing vehicles, equipment, furniture, fixtures and technology. The Board reviewed this fund in 2014 and decided to continue utilizing this reserve fund. The principal revenue sources are from transfers from the General Fund and sale proceeds from surplus equipment.

Expenditures

The expenditures are based on equipment and vehicle management. Spending varies by year depending on rotation schedules or expansion of the system or programs. Some of this year's purchases include equipment, vehicles, and technology.



Fund Balance

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

Department	Asset Type	From	Amount
Vehicles			
Parks	Work Truck	Vehicle replacement schedule	76,000
Parks	Work Truck	Vehicle replacement schedule	76,000
Parks	Work Truck	Vehicle replacement schedule	76,000
Recreation	Full Size Passenger Van	Vehicle replacement schedule	66,000
CE	Work Truck	Vehicle replacement schedule	40,000
Parks	Work Truck	New Program Request- Vehicle	64,570
Parks	Ford Ranger	New Program Request - Vehicle	40,000
Equipment			
Parks	Dump Trailer-	New Program Request - Equipment	8,600
Parks	Kubota Compact Excavator U17-5 model or equivalent	New Program Request - Equipment	36,000
Parks	Soccer Goals	Equipment Replacement Schedule	20,000
Recreation	Copier Pavilion	Equipment Replacement Schedule	8,000
Recreation	JSFC ADA Lift, 50m Portable	Equipment Replacement Schedule	9,400
Recreation	JSFC Upright Bikes (2)	Equipment Replacement Schedule	12,500
Recreation	JSFC Recumbent bikes (4)	Equipment Replacement Schedule	28,000
Recreation	JSFC Strength Machine Package (17 Pieces)	Equipment Replacement Schedule	89,000
Recreation	JSFC Outdoor Chaise Lounge Chairs	Equipment Replacement Schedule	15,000

Equipment Reserve Fund Budget

	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Estimate	2025-26 Proposed	Change in Budget \$	Change in Budget %
RESOURCES								
Beginning Working Capital	714,852	840,361	606,294	863,794	774,937	1,386,050	522,256	60.5%
Revenues								
Grants, contributions, and sponsorships	17,249	5,000	8,863	-	-	-	-	-
Investment Earnings	3,897	18,410	17,894	22,000	13,530	22,000	-	0.0%
Miscellaneous	10,376	50,880	39,642	10,000	52,790	10,000	-	0.0%
Total Revenues	31,522	74,290	66,399	32,000	66,320	32,000	-	0.0%
Interfund transfers in	250,000	300,000	750,000	1,500,000	1,500,000	1,000,000	(500,000)	-33.3%
TOTAL RESOURCES	996,374	1,214,651	1,422,693	2,395,794	2,341,257	2,418,050	22,256	0.9%
REQUIREMENTS								
Expenditures								
By Category:								
Materials and services	-	35,651	156,072	108,700	167,132	101,500	(7,200)	-6.6%
Capital outlay	156,013	572,706	491,684	918,400	788,075	551,570	(366,830)	-39.9%
Total Expenditures	156,013	608,357	647,756	1,027,100	955,207	653,070	(374,030)	-36.4%
Contingency	-	-	-	150,000	-	250,000		
Reserves	-	-	-	1,218,694	-	1,514,980		
TOTAL REQUIREMENTS	156,013	608,357	647,756	2,395,794	955,207	2,418,050		
Ending Fund Balance/Working Capital	840,361	606,294	774,937	-	1,386,050	-		

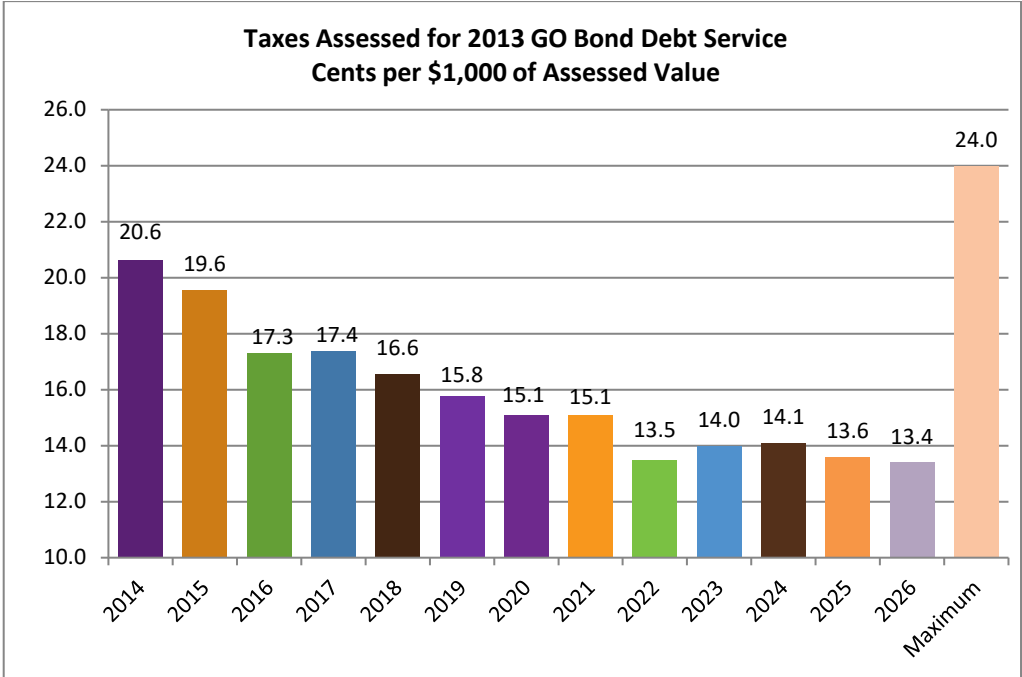
REQUIREMENTS**	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Estimate	2025-26 Proposed
Expenditures						
By Program:						
Administration	81,120	76,441	147,477	55,000	45,721	-
Community Engagement	-	-	-	-	-	40,000
Park Services	68,503	419,117	350,914	735,400	723,503	385,170
Recreation Services	6,390	112,799	149,365	236,700	185,983	227,900
Total Expenditures	156,013	608,357	647,756	1,027,100	955,207	653,070

General Obligation (GO) Bond Debt Service Fund

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

Year Ending June 30	Principal	Interest	Payment
2026	1,610,000	565,332	2,175,332
2027	1,725,000	492,881	2,217,881
2028	1,840,000	423,881	2,263,881
2029	1,960,000	350,281	2,310,281
2030	2,065,000	291,482	2,356,482
2031	2,175,000	226,950	2,401,950
2032	2,295,000	156,263	2,451,263
2033	2,420,000	81,675	2,501,675
	\$ 16,090,000	\$ 2,588,745	\$ 18,678,745

	Fiscal Year Ended June 30, 2024
Real Market Value	\$ 41,212,058,211
	2.5%
General obligation debt limit at 2.5% of real market value	1,030,301,455
Debt subject to limit per ORS 266.512 ⁽¹⁾ :	
General obligation bonds	17,600,000
Net debt subject to 2.5% limit	17,600,000
Legal debt margin	\$ 1,012,701,455
Debt capacity percent	98.3%



GO Bond Debt Service Fund Budget

	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Estimate	2025-26 Proposed	Change in Budget \$	Change in Budget %
RESOURCES								
Beginning Working Capital	264,711	159,473	111,959	103,393	124,982	173,050	69,657	67.4%
Revenues								
Property taxes	1,898,114	1,968,602	2,053,599	2,146,052	2,133,920	2,116,080	(29,972)	-1.4%
Investment Earnings	5,379	33,615	51,555	30,000	49,880	33,000	3,000	10.0%
Total Revenues	1,903,493	2,002,217	2,105,154	2,176,052	2,183,800	2,149,080	(26,972)	-1.2%
TOTAL RESOURCES	2,168,204	2,161,690	2,217,113	2,279,445	2,308,782	2,322,130	42,685	1.9%
REQUIREMENTS								
Expenditures								
Debt service:								
Principal	1,225,000	1,315,000	1,410,000	1,510,000	1,510,000	1,610,000	100,000	6.6%
Interest	783,731	734,731	682,131	625,732	625,732	565,340	(60,392)	-9.7%
Total Expenditures	2,008,731	2,049,731	2,092,131	2,135,732	2,135,732	2,175,340	39,608	1.9%
Reserves	-	-	-	143,713	-	146,790		
TOTAL REQUIREMENTS	2,008,731	2,049,731	2,092,131	2,279,445	2,135,732	2,322,130		
Ending Fund Balance/Working Capital	159,473	111,959	124,982	-	173,050	-		
REQUIREMENTS**								
Expenditures								
By Program:								
Debt Service	2,008,731	2,049,731	2,092,131	2,135,732	2,135,732	2,175,340		
Total Expenditures	2,008,731	2,049,731	2,092,131	2,135,732	2,135,732	2,175,340		

DEPARTMENT DETAIL



Department Summaries

The district has 7 main organizational units and they are funded as follows:

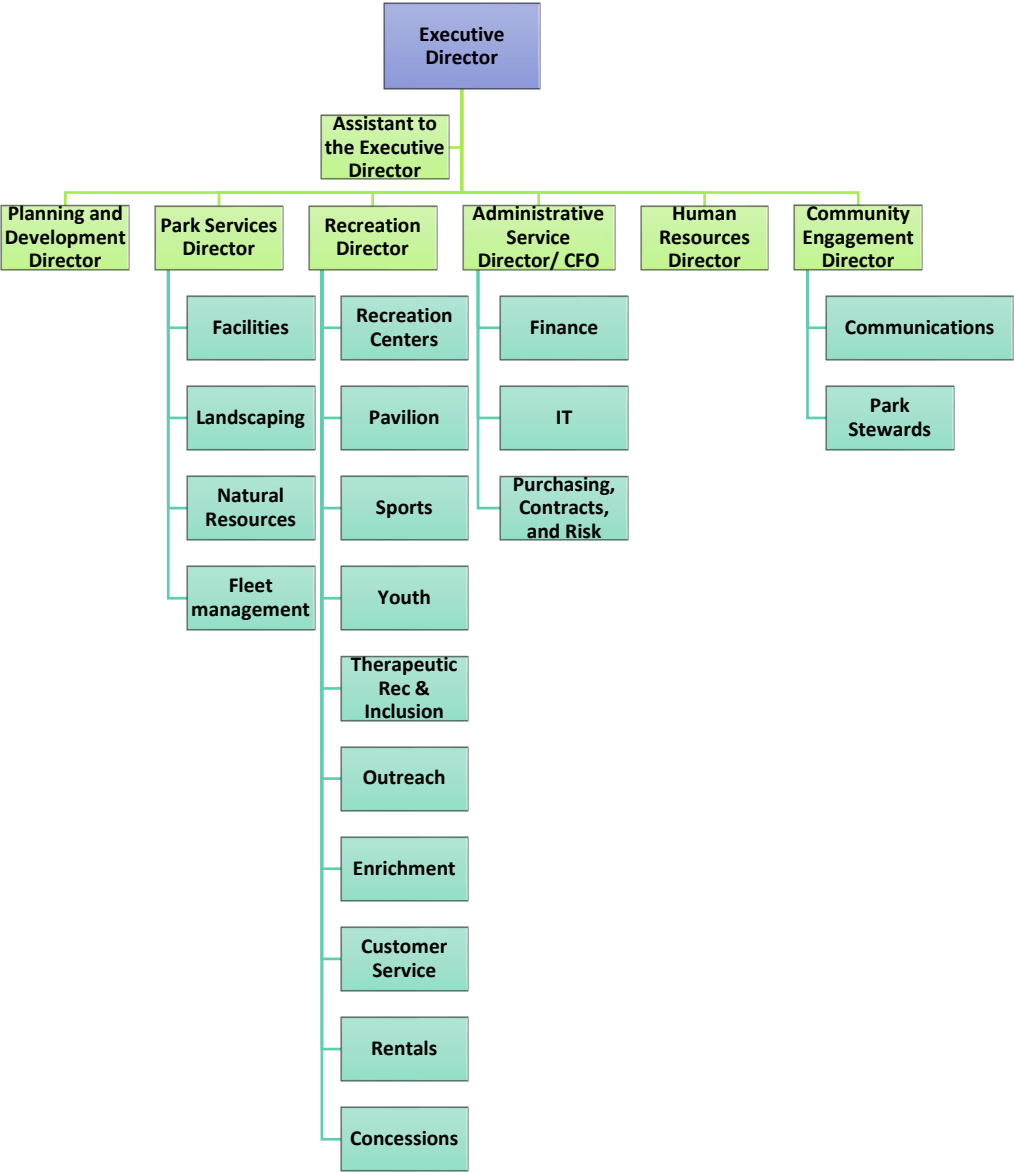
	General Fund	Rental Fund	SDC Fund	Facility Reserve Fund	Equipment Reserve Fund
Executive Directors Office	✓				
Administrative Services	✓				
Human Resources	✓				
Community Engagement	✓				✓
Planning & Design	✓		✓	✓	✓
Park Services	✓			✓	✓
Recreation Services	✓	✓		✓	✓

Funding by program in the proposed budget is below:

REQUIREMENTS**	General Fund	System Development Charges Fund	Rental Fund	Reserve Funds	Debt Service Fund	2025-26 Proposed Budget	2024-25 Adopted Budget	Change in Budget \$	Change in Budget %
Expenditures									
By Program:									
Administration	4,750,900	-	-	-	-	4,750,900	4,641,508	109,392	2.3%
Community Engagement	2,175,650	-	-	40,000	-	2,215,650	2,023,560	192,090	8.7%
Planning and Design	1,705,000	17,189,460	-	18,432,200	-	37,326,660	15,511,440	21,815,220	58.4%
Park Services	9,417,850	-	-	579,060	-	9,996,910	9,899,942	96,968	1.0%
Recreation Services	18,231,880	-	-	262,900	-	18,494,780	18,780,185	(285,405)	-1.5%
Rental Program	-	-	518,030	-	-	518,030	-	518,030	100.0%
Debt service	-	-	-	-	2,175,340	2,175,340	2,640,607	(465,267)	-21.4%
Total Expenditures	36,281,280	17,189,460	518,030	19,314,160	2,175,340	75,478,270	53,497,242	21,981,028	29.1%

The Strategic Plan action items for this year are in the tables following the department details and are followed by last year's performance measure results.

Organizational Chart



Administration: Executive Director's Office, Administrative Services and Human Resources

Executive Director- The Executive Director's office provides overall direction and management of the district through implementation of board policy and sound management practices. This budget includes the Executive Director's office expenses along with the Board and staff committees' expenses.

Administrative Services- Provide tactical, financial, and operational support services to the district board, staff, and residents to ensure efficient operation of the district. The Administrative Services Department functions provide sustainable financial resource management and planning for the district including; insurance, information technology, finance, payroll, accounts payable, accounts receivable, purchasing, risk management and contracts.

Human Resources- Human Resources provides strategic direction and support services to the district board, staff, and residents to ensure efficient operation of the district. Human Resources manages recruiting, employment, employee development, benefits, workers' compensation, and staff training.



Administration

Executive Directors Office

Full-Time Positions 2.00

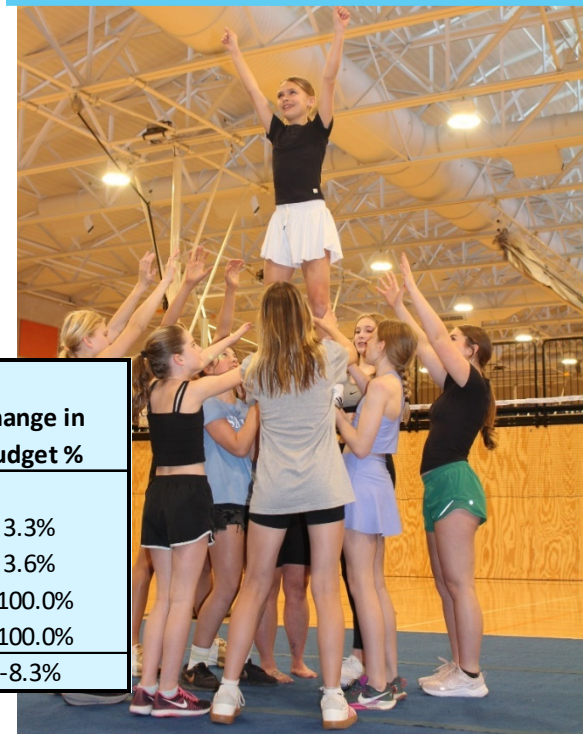
Administrative Services

Full-Time Positions 9.00

Part-Time/Seasonal Positions 0.50

Human Resources

Full-Time Positions 5.00



Administration

General Fund	2025-26 Proposed Budget	2024-25 Adopted Budget	Change in Budget \$	Change in Budget %
Personnel services	2,727,190	2,636,180	91,010	3.3%
Materials and services	2,023,710	1,950,328	73,382	3.6%
Capital outlay	-	55,000	(55,000)	-100.0%
Debt service	-	504,875	(504,875)	-100.0%
Total Expenditures by Program	4,750,900	5,146,383	(395,483)	-8.3%

By Program:

Personnel services
Materials and services
Capital outlay
Debt service

Total Expenditures by Program

Executive Director's Office

2024-25 Key Success

- Executive Director transition
- Strategic Plan Adoption

2024-25 Key Challenges

- Changes in key positions – Recruitment and hiring a new HR Director and Recreation Services Director

2025-26 Key Goals & Objectives

- Implement Board Stipends
- Promote staff and wellness through collaborative initiatives led by the Safety, Wellness, Sustainability, and Employee Relations Committees

2025-26 Major Budget Items

- Training opportunities for executive director and board of directors

Administrative Services Department

2024-25 Key Success

- Transitioning from monthly payroll to semi-monthly payroll
- Implemented new software, hardware, processes, and other administrative initiatives

2024-25 Key Challenges

- Completed first Workers Compensation audit with SAIF which included updates to administrative employee classifications.
- Transitioning all 640+ staff to semi-monthly payroll and communicating the transition.

2025-26 Key Goals & Objectives

- Implement new General Ledger
- Enhance supplier diversity initiatives by incorporating incentives for women-owned and minority-owned businesses in RFPs and quote processes
- Develop BPRD lean program

2025-26 Major Budget Items

- New contracts tracking software
- Increases in software services and overall general expenses with utilities and insurance
- Internship program to partner with local colleges and aid projects

Human Resources Department

2024-25 Key Success

- Created Aspire to Lead training program for existing staff seeking professional growth
- Transitioned an existing position to an HR Business Partner role adding additional skills to the HR team

2024-25 Key Challenges

- Knowledge sharing during key staff transitions by HR Director and Benefits and Leave Specialist
- Balancing increased service requests with having one vacancy

2025-26 Key Goals & Objectives

- Implement changes to the onboarding process to improve staff experience
- Create electronic content for the Supervisor Development Initiative training program

2025-26 Major Budget Items

- Completing compensation and pay equity study this fiscal year

Community Engagement

The newly created team is responsible for aspects of the district's community engagement efforts, including internal and external communications and marketing; park stewardship, volunteer coordination and the safety program. The department develops and establishes community engagement initiatives, directs strategies to strengthen the district's reputation, builds positive relationships with patrons/community, reinforces the district's brand identity and oversees the safety program.

Strategies include: communications, marketing, park stewardship, sponsorships, website and digital media, volunteer engagement, public relations, and safety training, awareness, engagement and compliance for the employees of the district. The department also provides administrative support for the Bend Park and Recreation Foundation.



Full-Time Positions	11.00
Part-Time/Seasonal Positions	1.51



Community Engagement

General Fund	Reserve Funds	2025-26 Proposed Budget	2024-25 Adopted Budget	Change in Budget \$	Change in Budget %
Personnel services	-	1,531,490	1,429,240	102,250	6.7%
Materials and services	-	644,160	594,320	49,840	7.7%
Capital outlay	40,000	40,000	-	40,000	100.0%
Total Expenditures by Program	40,000	2,215,650	2,023,560	192,090	8.7%

By Program:

Personnel services
Materials and services
Capital outlay

Total Expenditures by Program

2024-25 Key Success

- Celebrated the 50th anniversary of BPRD as a special district
- Launched emergency notification system for employees
- Completed Hollinshead Homestead House tack shed grant-funded interpretation project
- Updated the Park Rules Ordinance

2024-25 Key Challenges

- Frequency and severity of requests for assistance from park stewards and contracted security
- Daily workload challenges continue in all areas
- Materials and services costs have increased

2025-26 Key Goals & Objectives

- Inform internal and external audiences about updated Park Rules Ordinance and Code of Conduct.
- Develop level of service for park stewardship and gather benchmark data.
- Manage district-wide OSHA best practices training requirements as part of overall training evaluation.
- Increase engagement and fundraising for BPR Foundation to support scholarships.

2025-26 Major Budget Items

- New outdoor AEDs at sports complexes
- Added seasonal park steward position
- Website accessibility project

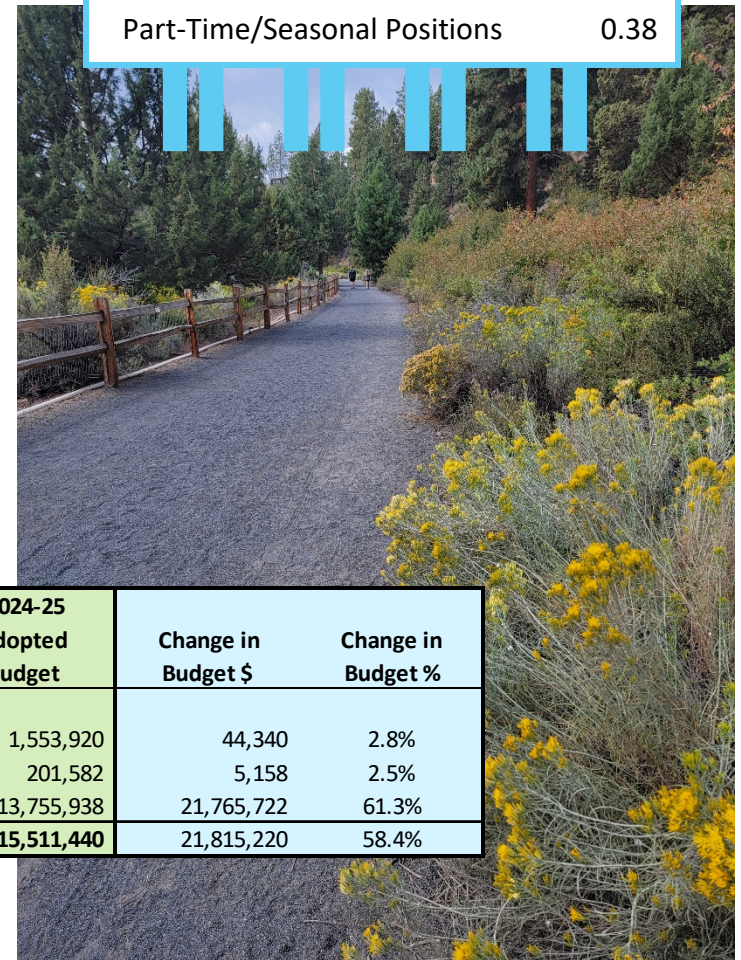
Planning and Design

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

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



Full-Time Positions	10.00
Part-Time Benefited	0.75
Part-Time/Seasonal Positions	0.38



Planning and Design

By Program:

Personnel services
Materials and services
Capital outlay
Total Expenditures by Program

General Fund	System Development Charges Fund	Reserve Funds	2025-26 Proposed Budget	2024-25 Adopted Budget	Change in Budget \$	Change in Budget %
1,598,260	-	-	1,598,260	1,553,920	44,340	2.8%
106,740	100,000	-	206,740	201,582	5,158	2.5%
-	17,089,460	18,432,200	35,521,660	13,755,938	21,765,722	61.3%
1,705,000	17,189,460	18,432,200	37,326,660	15,511,440	21,815,220	58.4%

2024-25 Key Success

- Substantial Completion of the Millers Landing Access Project
- Updated the District Comprehensive Plan
- Implemented a new Strategic Plan

2024-25 Key Challenges

- Acquisition of affordable land
- Managing developer timelines with capital outlay and project timing
- Rising costs of fees and construction
- Balancing property management objectives with timing of property buildouts

2025-26 Key Goals & Objectives

- Acquisition of search area properties
- Complete a Climate Resiliency Plan
- Complete the 2025 Perception Survey
- Start an evaluation project for a South UGB trail connection to the USFS trails

2025-26 Major Budget Items

- Climate Resiliency Plan (\$11k)
- Perception Survey (\$40k)

Park Services

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

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



Full-Time Positions	58.14
Part-Time Benefited	1.25
Part-Time/Seasonal Positions	10.14



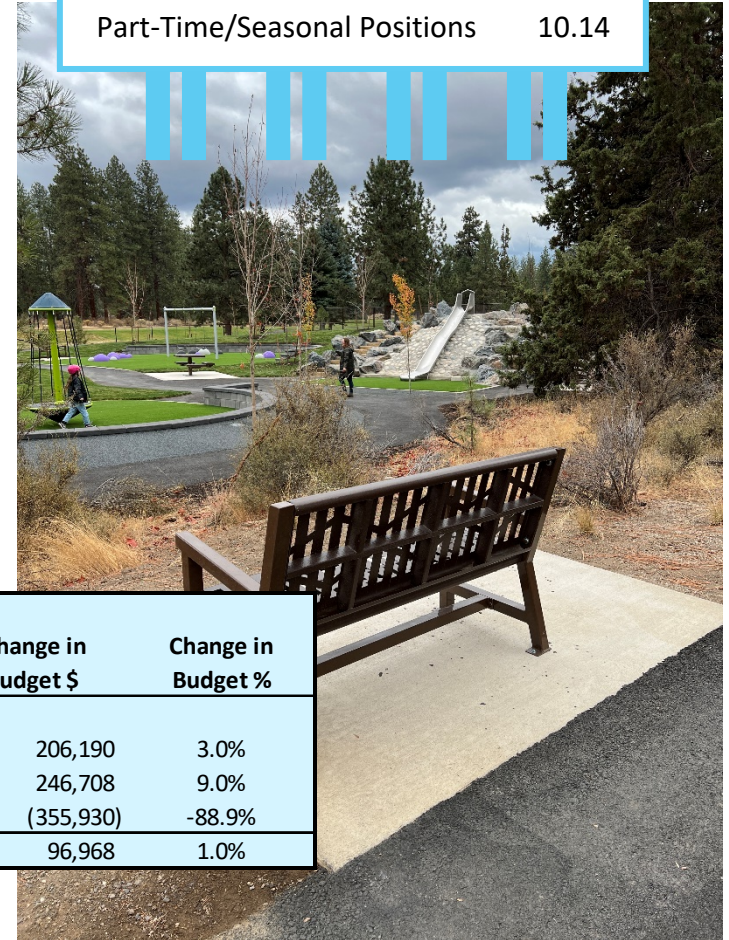
Park Services

General Fund	Reserve Funds	2025-26 Proposed Budget	2024-25 Adopted Budget	Change in Budget \$	Change in Budget %
Personnel services	-	6,842,580	6,636,390	206,190	3.0%
Materials and services	178,490	2,753,760	2,507,052	246,708	9.0%
Capital outlay	400,570	400,570	756,500	(355,930)	-88.9%
Total Expenditures by Program	579,060	9,996,910	9,899,942	96,968	1.0%

By Program:

Personnel services
Materials and services
Capital outlay

Total Expenditures by Program



2024-25 Key Success

- Completed wildfire fuels reduction on 204 acres in 24 parks. The work—performed by both in-house staff and contractors—includes mowing, tree thinning, and pile burning. A highlight is the Natural Resources team burning 511 piles in Eastgate, saving tens of thousands of dollars.
- Purchased the automated robot field painter, “Clifton – the Tiny Mobile Robot.” This machine has significantly improved efficiency and reduced the cost of sports field painting.
- Installed a new camera network system improving security for both patrons and employees at JSFC and Larkspur recreation facilities.

2024-25 Key Challenges

- The increased costs of materials and services.
- Maintaining the current level of service across all divisions.
- Driving in Bend with increased traffic and road construction.

2025-26 Key Goals & Objectives

- Assume maintenance and operations of new parks including Manzanita Ridge Park and Natural Area Property extending from Rocher Way towards Riley Ranch.
- Update the districts tree inventory.
- Implement a new fueling card lock system that will be used district wide.

2025-26 Major Budget Items

- Create a new Park Maintenance Worker 2 position under the Natural Resources and Trails Division to support the increased workload associated with the onboarding of new open space acres and trails. This position also includes a new truck.
- A new truck is to be shared between the Trails and Natural Resources Supervisors
- Replacing five older vehicles (over 20 years old) that no longer meet current safety standards and are becoming increasingly difficult to maintain due to challenges in finding replacement parts.

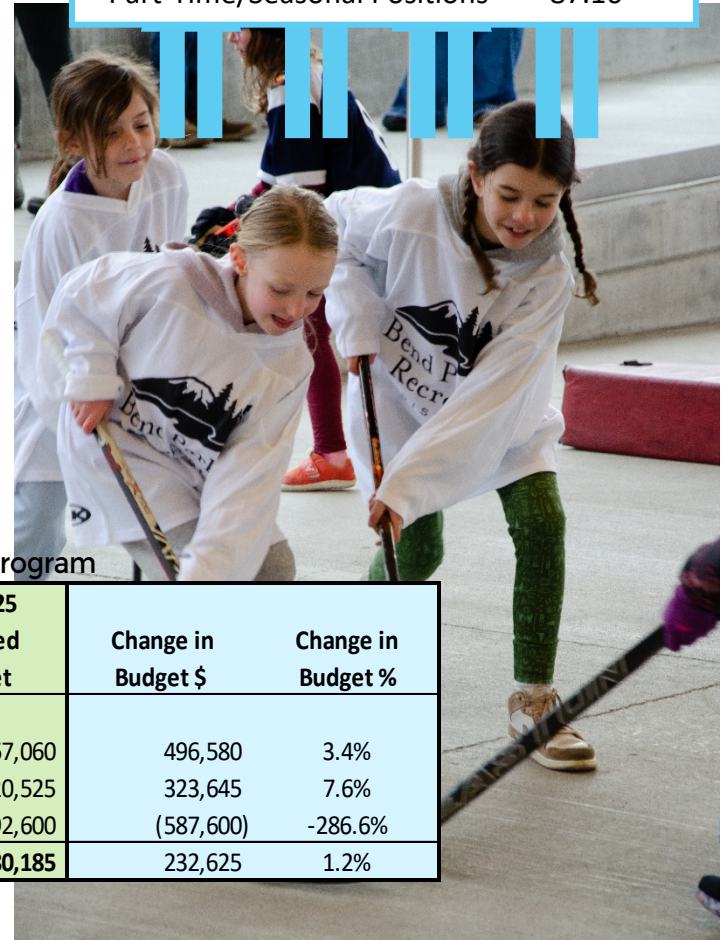
Recreation

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

The department is responsible for managing the district's three recreation facilities and developing and implementing a diverse array of recreation, sport and enrichment activities for people of all ages and abilities. The department also includes customer service, outreach and the recently added food and beverage operations.



Full-Time Positions	61.86
Part-Time Benefited	42.75
Part-Time/Seasonal Positions	87.16



Recreation Services Including Rental Program

General Fund	Rental Fund	Reserve Funds	2025-26 Proposed Budget	2024-25 Adopted Budget	Change in Budget \$	Change in Budget %
Personnel services	14,195,610	368,030	-	14,563,640	14,067,060	496,580 3.4%
Materials and services	4,036,270	100,000	107,900	4,244,170	3,920,525	323,645 7.6%
Capital outlay	-	50,000	155,000	205,000	792,600	(587,600) -286.6%
Total Expenditures by Program	18,231,880	518,030	262,900	19,012,810	18,780,185	232,625 1.2%

By Program:

Personnel services
Materials and services
Capital outlay

Total Expenditures by Program

2024-25 Key Success

- Increased drop-in visits to recreation facilities by 7.8% and registered visits to programs by 4.2% (through March)
- Achieved a high level of satisfaction with programs and facilities with 55% rated satisfaction as a 5 on a scale of 1-5 and 32% rated satisfaction as a 4 in the just completed community recreation survey
- Cost recovery is estimated at 80% versus budget of 78% resulting in a tax subsidy estimated at least half-million less than budgeted
- Completed a new 5-year Recreation Programming Plan and implemented annual service delivery plans in all functional areas

2024-25 Key Challenges

- Facility and program capacity limitations, especially during peak times and for high demand programs
- Consistently meeting front-line staffing needs with qualified staff
- Continued increase in use of scholarship funds and rapid increase in inclusion support needs
- Balancing affordability and financial sustainability as costs of providing services continues to escalate

2025-26 Key Goals & Objectives

- Increase capacity where feasible to meet community need.
- Maintain facilities and program quality at the current high levels of customer satisfaction.
- Plan for opening of new Art Station facility and the 50-meter pool cover project and closure.
- Complete preliminary planning and financial feasibility for future recreation facilities

2025-26 Major Budget Items

- Revenues are budgeted to increase 6% over last year's budget due to increased participation and use and fee adjustments
- Addition of 2.2 FTE of part-time positions over last year's budget to support program growth. Full-time FTE is unchanged
- Cost recovery as budgeted is 79.6% compared to 77.8% last year's budget with the resulting tax subsidy \$173,000 less than last year's budget but \$353,00 more than this year's estimate
- The Equipment Reserve Fund includes \$227,900 for Recreation including \$129,500 to update fitness equipment at JSFC, \$66,000 for the replacement of one van and \$32,400 to replace other equipment and furnishings. The Facility Reserve Fund includes \$35,000 for JSFC interior painting

Strategic Plan FY26 Action Items:

The Strategic Plan's over-arching capstone, pillars and foundation are designed to strengthen the district's operations and management practices, community relationships, and employees and workplace culture. The board adopted the 2024-2029 Bend Park and Recreation District Strategic Plan October 2024. We have planned our action for this upcoming fiscal year.

TEAM

Goal 1: Attract and retain qualified employees at staffing levels that support desired service levels

Strategy a. Align recruitment, on-boarding and retention practices with the desired needs, work experiences and work practices of employees

FY26 Actions:

Develop a consistent onboarding process for new employees

Review turnover with different departments and work areas to better understand where issues exist and develop strategies to address challenges.

Strategy b. Build staffing plans to maintain the desired level of service

FY26 Actions:

Implement a position tracking system in Paylocity (AKA Position management of position control) to help with tracking the number and type of positions, and monitoring positions and their budgets.

Strategy c. Be competitive with other employers' wages and benefits

FY26 Actions:

Benchmark other agency wages and benefits and review for competitiveness

Complete Classification and Compensation Study

Goal 2: Foster a workforce that is heard, informed, involved and valued.

Strategy a. Continue to develop a collaborative and welcoming work culture across departments and between all levels of the organization.

FY26 Actions:

Research, Review, and recommend DEI training and roll-out.

Schedule a Town Hall style meeting for Michelle and staff to review the employee engagement survey and provide district updates.

Strategy b. Provide opportunities for employees to contribute in areas beyond their daily activities, and advance in the organization

FY26 Actions:

Survey staff about ideas for adjustments to the recognition and appreciation program.

Celebrate the successes and current benefits of the recognition and appreciation programs (like gift card winners from impression drawings, more vacation provided over time as a longevity reward, lifetime facility passes, retirement celebrations, etc.) at staff meetings like the Huddle and Scoop

Introduce Team Spotlight Series, choose 3 departments to highlight the work they do to the district.

TEAM

Goal 3: Invest in the growth and development of all district employees

Strategy a. Support a culture of learning and growing by providing support for staff to access training

FY26 Actions:

- Create electronic content for the SDI series to support the in-person training
- Improve channels of communication for existing training and development opportunities
- Create a criteria or process for external trainings that involve travel

Strategy b. Provide opportunities for employees to contribute to areas beyond their daily activities, and advance in the organization.

FY26 Actions:

- Formalize the CPRP Study Group Test Support, includes study material, test fee and group study instruction
- Create a suggestion box in Paylocity Community for suggestions and questions for all committees

Goal 4: Support the well-being and safety of all district employees

Strategy a. Keep up with changing workforce needs and adapt how the district works to enhance employee experiences

FY26 Actions:

- Invite staff to review the results of the employee engagement survey to understand the needs of staff
- Create staff survey for priority benefits (combined with recognition survey)
- Create actions in response to Employee Engagement Survey

Strategy b. Identify opportunities to enhance a welcoming, safe and inclusive work environment

FY26 Actions:

- Develop communications campaign to inform staff and the public about rules and expectations
- Benchmark with other organizations through the employee engagement survey to see how the district is performing.

SERVICE

Goal 1: Maintain quality, clean and safe parks, trails and facilities.

Strategy a. Take care of what we have by prioritizing investment in existing areas

FY26 Actions:

- Re-survey the districts tree survey using GIS creating a tree layer that can be easily updated in neighborhood and community parks.
- Review use and setup of fleet vehicles, create standards for use, acquisition and replacement.
- Develop a plan to use Placer AI to evaluate asset management, facility usage in parks and natural areas to identify assets and activities that drive higher use (trash cans, portable toilets, etc.)
- Use data loggers to monitor MEP systems and seek operational efficiencies and identify potential issues.

Strategy b. Develop and use data and best practices to increase work efficiency, and use benchmarks to track progress over time

FY26 Actions:

- Establish a program to evaluate existing and new programs and services for efficiency and lean practices.
- Evaluate employee time spent driving vs. working to maximize efficiencies
- All departments will evaluate programs/services for need, costs and efficiency; identify 3 opportunities

Goal 2: Support the recreational needs of an evolving community through programming, parks, trails and facilities.

Strategy a. Maintain adopted level of service targets for parks, trails and facilities

FY26 Actions:

- Consider development and use of a LOS metric for indoor facilities.

Strategy b. Monitor and adapt programming to meet community needs

FY26 Actions:

- Create accessible dashboard for up-to-date recreation program and facility usage
- Adapt inclusion support services to address community need and financial sustainability

Goal 3: Steward fiscal resources, and further environment and social sustainability

Strategy a. Use financial modeling and other planning tools to holistically evaluate, plan and forecast necessary expenditures for system expansion, operations and maintenance

FY26 Actions:

- Evaluate scholarship program changes to ensure they are meeting goals for effectiveness, and modify as needed
- Develop and launch standardized, on-demand financial reporting tools
- Complete operational plan and budget for new Art Station
- Complete preliminary feasibility study for potential indoor recreational facility development

SERVICE

Strategy b. Continue efforts to be responsible stewards of the natural environment and evaluate and identify opportunities to respond to changing environmental conditions

FY26 Actions:

Use documents already created and Implement a plan for conversion of equipment to electric.

Define what climate resiliency means to BPRD and establish a process for determining future actions to address climate resiliency throughout the district.

Identify maintenance needs/responsibilities/costs for managing properties that are not developed.

Strategy c. Provide opportunities for building community connections and foster belonging

FY26 Actions:

Plan and implement 3 additional senior social activities

Offer additional sports programs specifically for girls

COMMUNITY

Goal 1: Deliver positive patron and community experiences by offering services that are accessible, responsive to patron feedback, and welcoming to all

Strategy a. Develop and redevelop parks, trails and facilities to ensure they are welcoming and inclusive

FY26 Actions:

Plan and implement 3 additional culturally responsive programs

Provide improved knowledge of public access to district and partner sports facilities.

Identify barriers to sports program participation at schools with low participation rate and develop strategies to increase.

Goal 2: Expand and leverage collaborations to increase impact

Strategy a. Dedicate resources to seek grant and alternative funding opportunities to support priorities.

FY26 Actions:

Implement and market enhanced donation capabilities in the registration system

Document the process and criteria for when and how the BPRD Foundation can apply for grant funding that supports BPRD initiatives, with staff input and management responsibilities for reporting and tracking.

Rollout grant policy and tools. Identify staff responsible for seeking and managing grants.

Strategy b. Strategically align with partners to enhance the district's efforts

FY26 Actions:

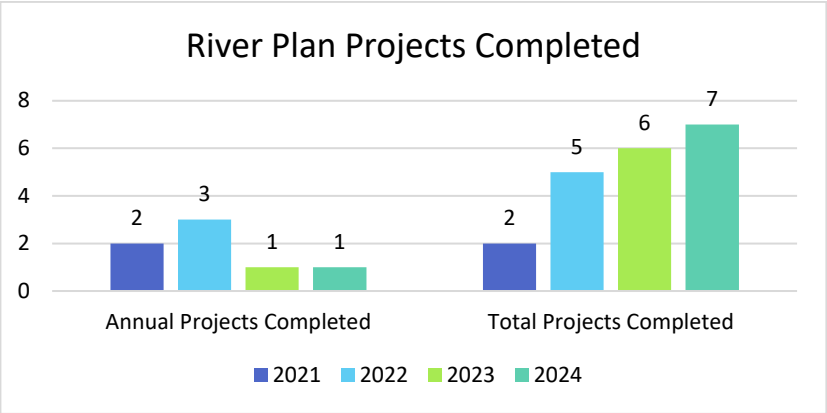
Partner with the City of Bend to identify and implement a process for Park Stewards to issue citations

Collaborate with COCC for financial intern

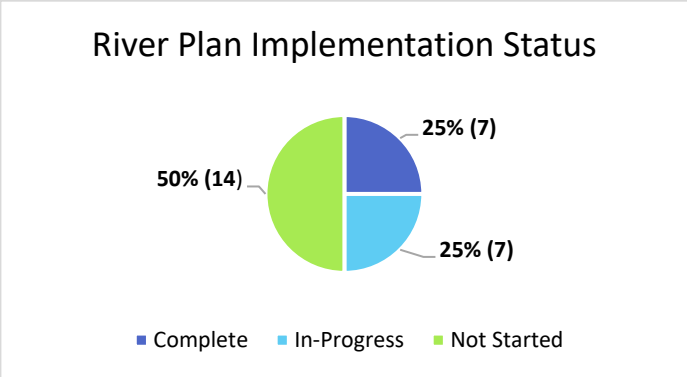
Performance Measures

Deschutes River Access and Habitat Restoration Plan Projects Completed

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



Key Performance Indicator: The percentage of River Plan projects completed annually.

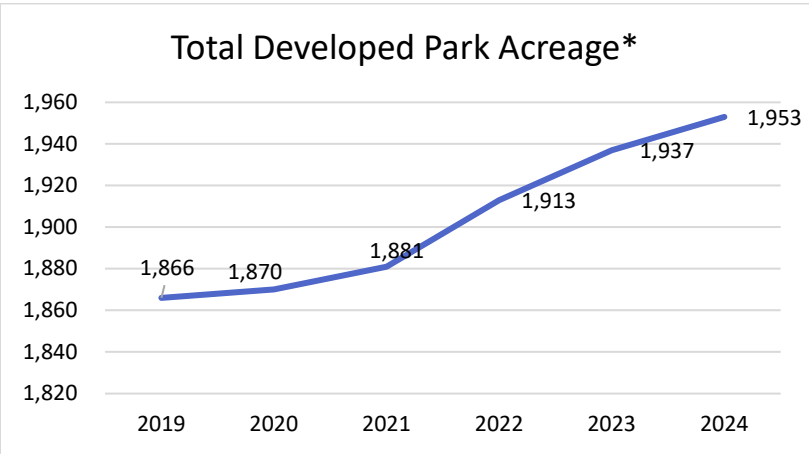


Target: The River Plan identifies a completion timeline of approximately 10-years. There are a total of 28 projects in the River Plan. As such, 10% or a total of approximately three projects need to be completed each year in order to complete the plan within the identified timeframe.

Status: BPRD adopted the River Plan in November of 2021, and has completed seven projects since plan adoption.

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

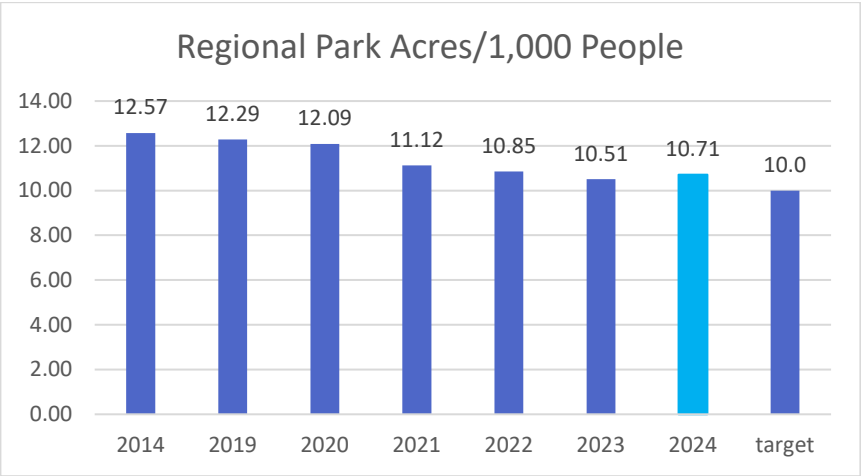
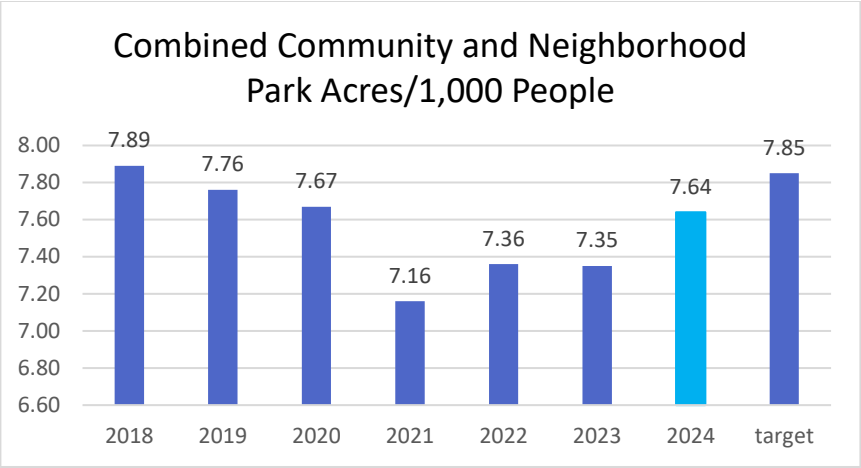
Performance Metric: Total developed park acreage (inclusive of regional, community and neighborhood parks, excludes natural areas and leased off-leash dog areas) provided by BPRD.



*Increases in 2024 can be attributed to the addition of Little Fawn Park and Discovery Park Expansions.

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

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

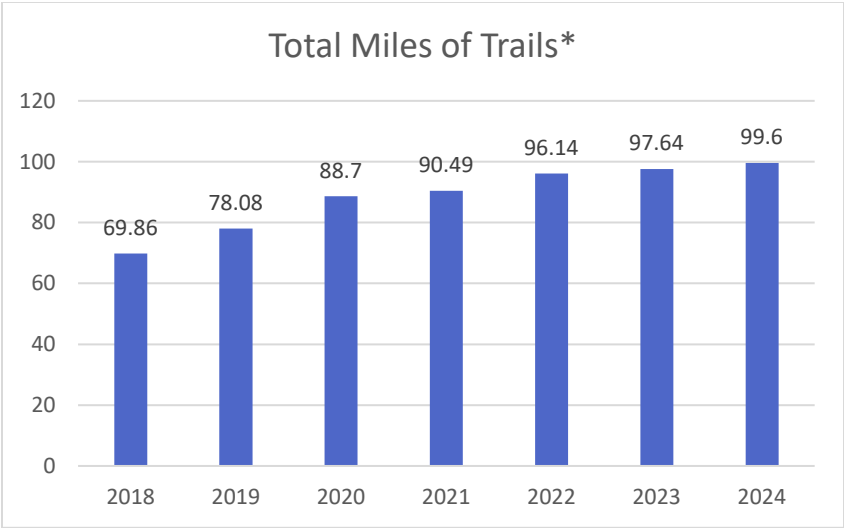


Current Status: BPRD is currently meeting the established LOS target for regional parks but falling short for neighborhood/community parks. This is a result of rapid population growth and is one of the reasons that BPRD also calculates park walkshed annually as an additional metric to evaluate performance. Specific LOS for 2024:

- Neighborhood and Community Parks – 7.64 acres/1,000 people
- Regional Parks – 10.71 acres/1,000 people

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

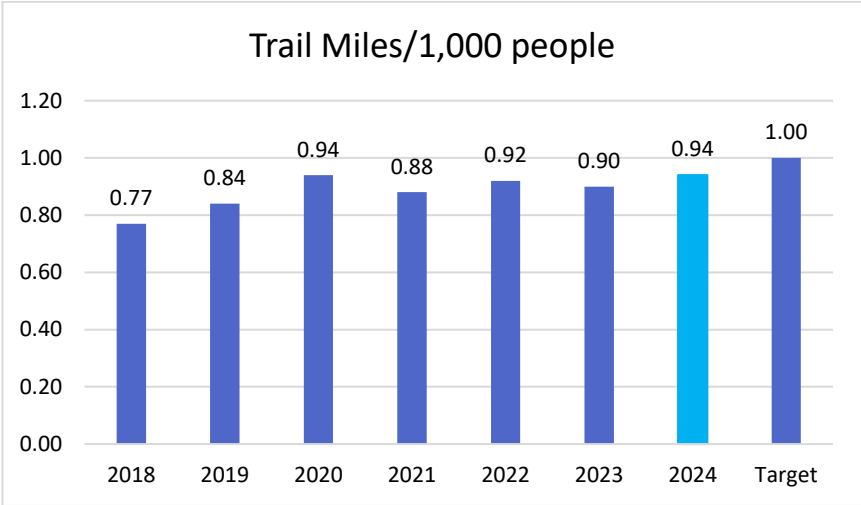
Performance Metric: Total miles of trails.



*Total trail miles include all primary trails but not connector trails. Increases in 2024 can be attributed to trails developed in Discovery Park.

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

- Trails – 1.0 miles/1,000 people

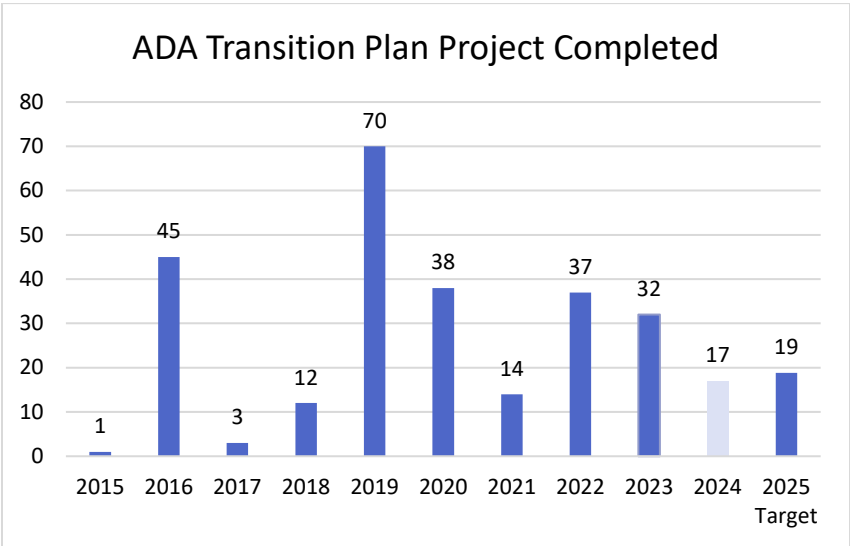


Current Status: BPRD is currently falling short for trail miles. This is a result of rapid population growth and increased densities, and BPRD is actively working to increase trail mileage and improve trail connections to parks. Specific LOS for 2024:

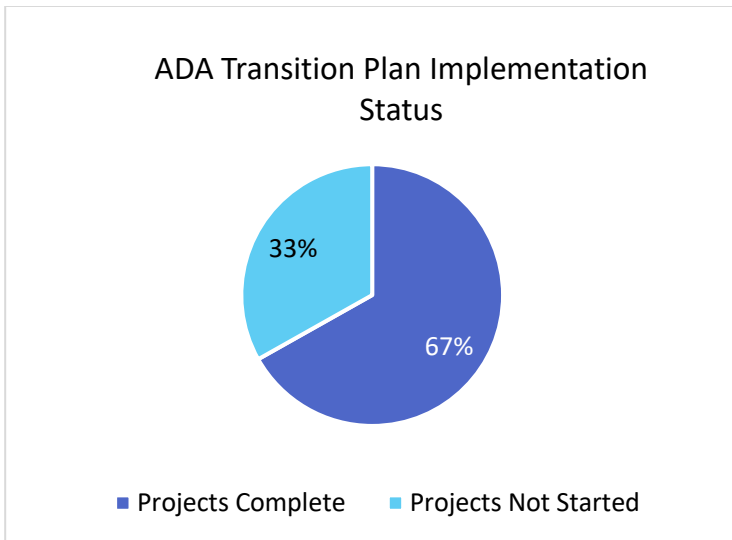
- Trails – 0.94 miles/1,000 people

ADA Transition Plan Projects Completed

Performance Metric: The number of ADA Transition Plan (ADA Plan) projects completed annually from January 1-December 31.



Key Performance Indicator: The year over year increase in the percentage of total ADA Transition Plan projects completed.

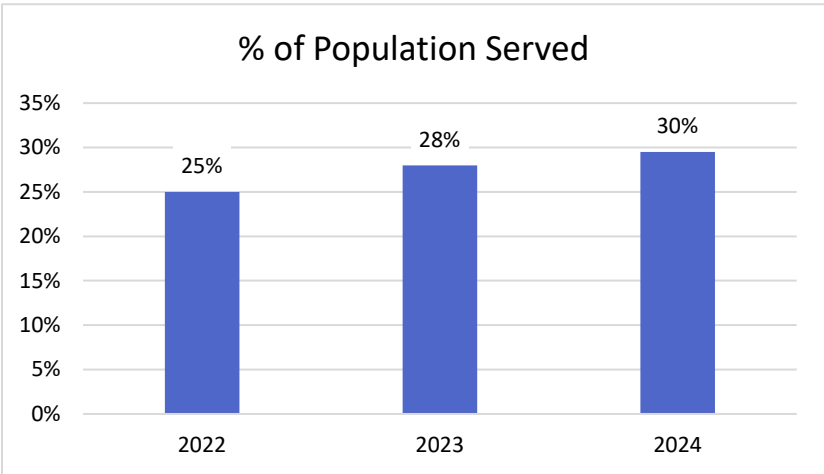
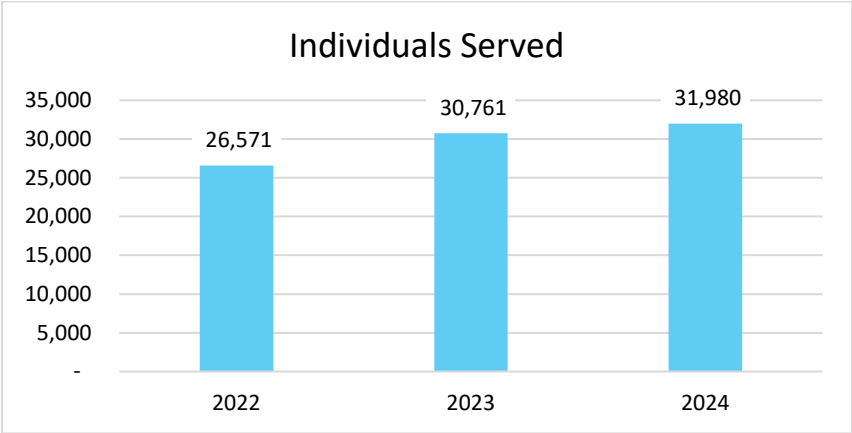


Target: The ADA Transition Plan includes a total of 377 projects. Based upon historic performance, the district established a target to complete 5% of the total project identified in the ADA Plan, or approximately 19 projects per year. However, the actual number completed per year can fluctuate significantly if large capital improvement projects are completed, which can include numerous ADA Plan projects.

Current Status: A total of 32, or approximately 9% of the ADA Transition Plan identified projects were completed in 2023. This includes projects at numerous district facilities, but the majority were completed at Drake Park and Juniper Swim and Fitness Center. With the completion of these projects, a total 252 of the 377, or approximately 67% of the ADA Transition Plan projects have been completed to date.

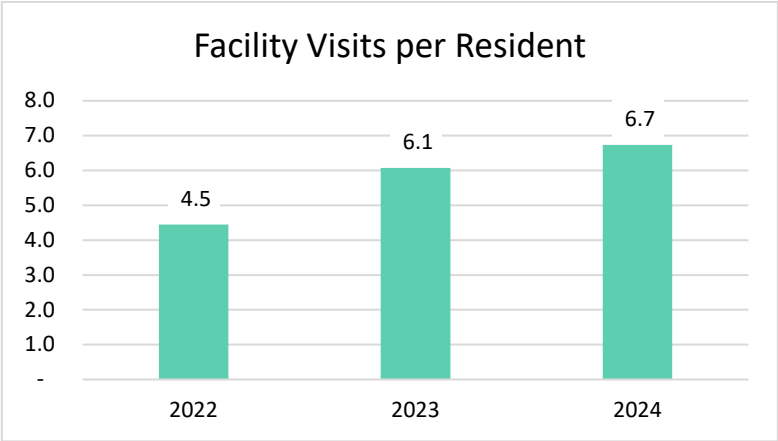
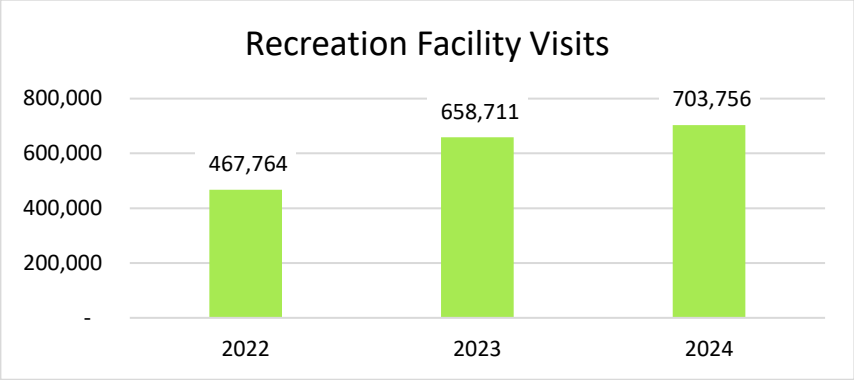
Population Served in Recreation Programs

The district served nearly 32,000 people through registered recreation activities and recreation facility passed for the period September 2023-August 2024. This results in an estimated 30% of the district population served, an increase over the previous year and above the target of 25%.



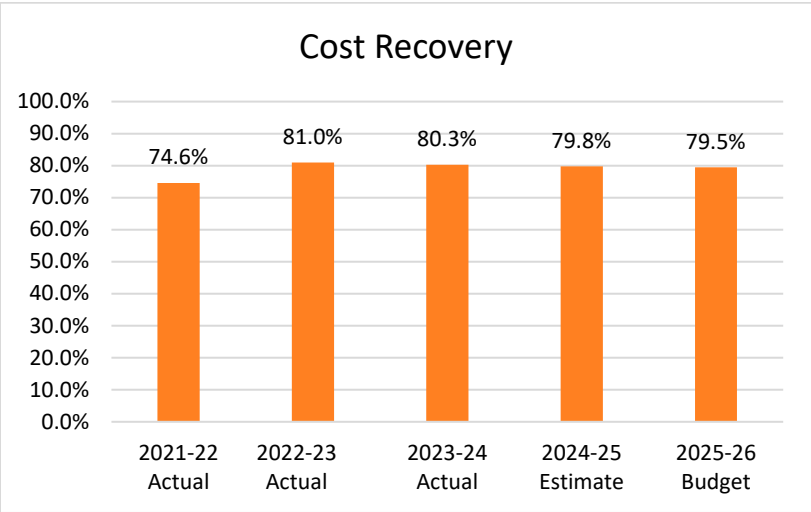
Recreation Facility Visits

The district hosted over 700,000 passholder and drop-in visits to its recreation facilities including Juniper Swim & Fitness Center, Larkspur Community Center and The Pavilion for the period September 2023-August 2024. This equates to 6.7 visits per district resident, the highest rate ever recorded and well above the previous target of 5.5 visits.



Recreation Cost Recovery

Cost recovery represents the percentage of the direct cost of providing recreation programs, facilities and services that is recovered through user fees and non-tax resources. Cost recovery is a good indicator of leverage of tax resources and long-term sustainability. The Recreation Department cost recovery is expected to remain around 80% in the current and new budget year.



CAPITAL IMPROVEMENT PLAN SUMMARY



Capital Summary

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

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

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

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

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

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

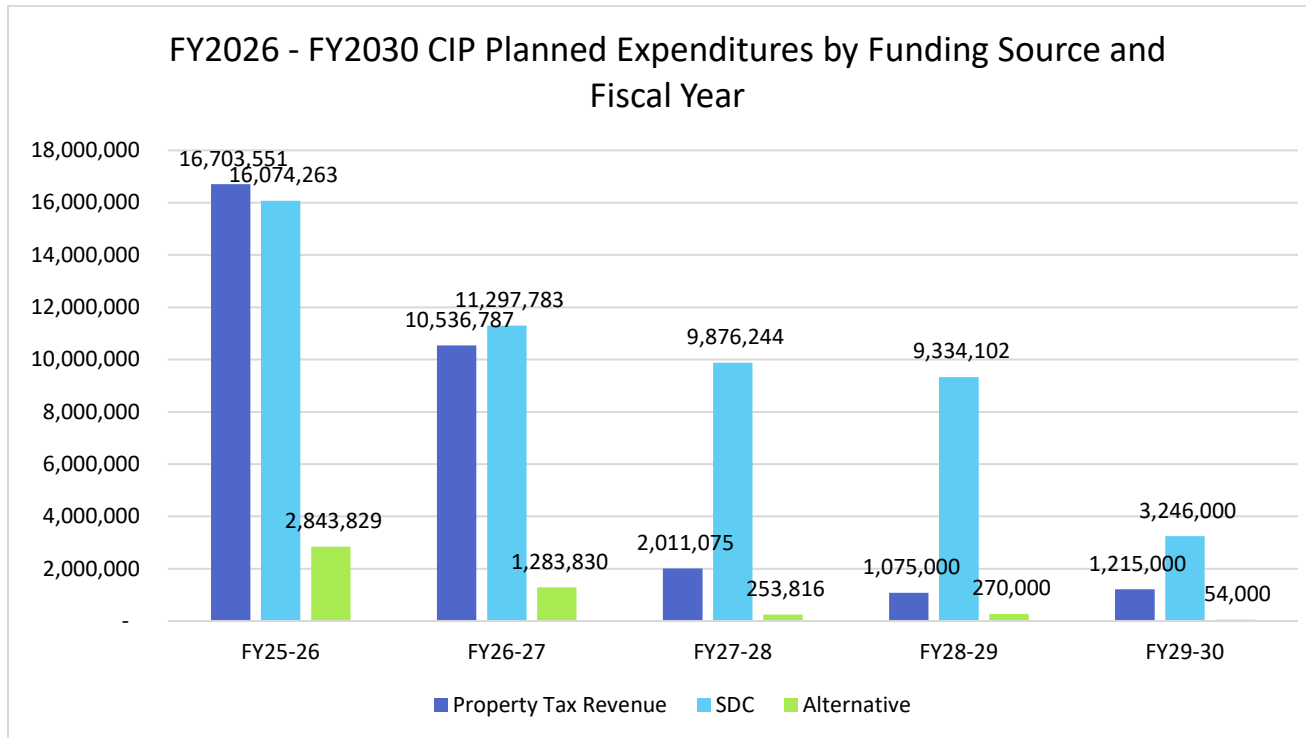
With the addition of parks, we have added one-time equipment purchases and increased operational budgets to care for these parks as they come online. Many of our asset management projects will help reduce maintenance costs and we intend to find energy efficiency whenever possible to have operational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

2024-25 Key Success

- Completed opening of Little Fawn Park
- Completed construction of Millers Landing Access Project
- Completed updates to the SDC program
- Completed design and permitting for Pine Nursery Park Phase

2025-26 Key Goals & Objectives

- Acquire targeted neighborhood and regional/community park land
- Complete the Art Station Project
- Complete Manzanita Park
- Start Columbia Park River Access Project



Project Type	Approved Funding Allocation	Prior and Current Fiscal Years	FY2026-30 Funding Allocation by Source					FY 25-26 Total	FY 26-27 Total	FY 27-28 Total	FY 28-29 Total	FY 29-30 Total
			Property Tax Revenue	SDC	Alternative	Alt. Type	Total FY 26-30					
Community Parks												
Pine Nursery Park Ph. 4 (Pending Partnership)	78,504	27,784	-	50,720	-		50,720	50,720	-	-	-	-
Pine Nursery Park Ph. 5	8,750,000	640,764	350,000	7,359,236	400,000	2	8,109,236	6,940,236	1,169,000	-	-	-
Sawyer Park	2,952,613	371,085	1,129,712	-	1,451,816	1	2,581,528	2,017,528	564,000	-	-	-
Total Community Parks	11,781,117	1,039,633	1,479,712	7,409,956	1,851,816		10,741,484	9,008,484	1,733,000	-	-	-
Neighborhood Parks												
Land Acquisitions	11,600,000	-	-	11,600,000	-		11,600,000	1,900,000	1,700,000	3,500,000	2,500,000	2,000,000
Manzanita Ridge Park	1,767,510	978,279	-	789,231	-		789,231	789,231	-	-	-	-
Park Search Area 5 (Talline)	1,517,500	-	-	1,517,500	-		1,517,500	-	250,000	1,267,500	-	-
Park Search Area 11 (Discovery West Park/TH)	2,923,050	829,526	-	2,093,524	-		2,093,524	-	750,000	850,000	493,524	-
Park Search Area 14 (Parkside Place)(Bear Creek)	2,176,400	-	-	2,176,400	-		2,176,400	850,000	400,000	800,000	126,400	-
Park Search Area 24 (Stevens Ranch)	1,684,178	-	-	1,684,178	-		1,684,178	-	-	300,000	1,384,178	-
Park Search Area 27 (Constellation Crest)	2,888,000	-	-	2,888,000	-		2,888,000	880,000	750,000	1,258,000	-	-
Park Search Area 28 (Easton) (SE Area Plan)	2,128,763	-	-	2,128,763	-		2,128,763	928,763	1,000,000	200,000	-	-
Park Search Area 18 (Coulter Property)	1,750,000	140,000	-	1,610,000	-		1,610,000	360,000	950,000	300,000	-	-
Park Search Area 15	2,400,000	-	-	2,400,000	-		2,400,000	-	2,400,000	-	-	-
Park Search Area 20 (Pinebrook Property)	1,500,000	50,000	-	1,450,000	-		1,450,000	300,000	550,000	600,000	-	-
Park Search Area 26	1,725,000	-	-	1,725,000	-		1,725,000	475,000	-	-	600,000	650,000
Park Search Area 6	3,000,000	-	-	3,000,000	-		3,000,000	-	-	-	3,000,000	-
Park Search Area 32	100,000	-	-	100,000	-		100,000	-	-	100,000	-	-
Total Neighborhood Parks	37,160,401	1,997,805	-	35,162,596	-		35,162,596	6,482,994	8,750,000	9,175,500	8,104,102	2,650,000
Trails												
DRT Galveston to Millers Landing	800,000	443,275	-	356,725	-		356,725	356,725	-	-	-	-
Riley Ranch Nature Reserve Bridge	1,200,000	-	-	1,200,000	-		1,200,000	-	-	-	1,200,000	-
DRT Putnam to Riley Ranch	155,000	440	-	154,560	-		154,560	-	-	154,560	-	-
DRT Kirkaldy to Putnam	63,100	3,662	-	59,438	-		59,438	-	59,438	-	-	-
Deschutes River Trail North Trailhead	320,000	-	-	320,000	-		320,000	-	20,000	300,000	-	-
Miscellaneous Trails	1,450,000	-	-	1,450,000	-		1,450,000	300,000	300,000	250,000	300,000	300,000
North Unit Irrigation Canal Trail (NUID)	512,000	325,061	-	186,939	-		186,939	186,939	-	-	-	-
COHCT Reed Mkt To Hansen Park	425,175	-	-	425,175	-		425,175	-	275,175	150,000	-	-
South UGB Access & Connections	250,000	-	-	250,000	-		250,000	200,000	50,000	-	-	-
Big Sky Trail (Hwy 20 Undercrossing 5)	50,000	-	-	50,000	-		50,000	50,000	-	-	-	-
Total Trails	5,225,275	772,438	-	4,452,837	-		4,452,837	1,093,664	704,613	854,560	1,500,000	300,000
Regional / Community Wide												
Art Station	4,300,000	241,235	-	4,058,765	-		4,058,765	3,058,765	1,000,000	-	-	-
Millers Landing Access Project	1,325,000	1,275,000	-	-	50,000	1,2,5	50,000	50,000	-	-	-	-
Columbia Park Access Project	788,820	160,000	-	-	628,820	1,2,5	628,820	598,820	30,000	-	-	-
Natural Area Land Acquisition	1,700,000	-	850,000	-	850,000	1,2	1,700,000	1,700,000	-	-	-	-
Bend Whitewater Park Maint. & McKay River Access Project	1,300,000	140,833	1,159,167	-	-		1,159,167	845,380	313,787	-	-	-
SE Bend Regional Park Site (Rose Property)	4,650,000	4,145,853	104,147	-	400,000	5	504,147	104,147	400,000	-	-	-
Total Community Wide	14,063,820	5,962,921	2,113,314	4,058,765	1,928,820		8,100,899	6,357,112	1,743,787	-	-	-

Project Type	Approved Funding Allocation	Prior and Current Fiscal Years	FY2026-30 Funding Allocation by Source					FY 25-26 Total	FY 26-27 Total	FY 27-28 Total	FY 28-29 Total	FY 29-30 Total
			Property Tax Revenue	SDC	Alternative	Alt. Type	Total FY 26-30					
Asset Management Projects												
Accessibility Improvements	625,000	-	625,000	-	-		625,000	125,000	125,000	125,000	125,000	125,000
Asset Management Projects (\$5,000-\$50,000)	1,015,000	-	1,015,000	-	-		1,015,000	315,000	200,000	200,000	150,000	150,000
Park Services Complex	11,150,000	260,899	10,889,101	-	-		10,889,101	10,517,821	371,280	-	-	-
Skyline Field Renovation	625,000	279,135	345,865	-	-		345,865	345,865	-	-	-	-
Hollinshead Park ADA & Preferred Design	1,100,000	218,069	781,931	-	100,000	4	881,931	70,856	-	811,075	-	-
Ponderosa Park (North)	1,200,000	-	850,000	350,000	-		1,200,000	-	-	-	-	1,200,000
Pavilion Flooring Replacement	202,000	52,000	150,000	-	-		150,000	-	150,000	-	-	-
JSFC Outdoor Roof Cover Replacement and Renovation Proj	9,670,000	-	9,670,000	-	-		9,670,000	700,000	8,970,000	-	-	-
Sylvan Playground Replacement	600,000	90,000	510,000	-	-		510,000	510,000	-	-	-	-
Providence Park Renovation	1,200,000	-	1,200,000	-	-		1,200,000	-	-	400,000	800,000	-
Larkspur Park Playground Renovation	500,000	-	500,000	-	-		500,000	500,000	-	-	-	-
Stover Park Renovation	500,000	-	500,000	-	-		500,000	-	-	500,000	-	-
Old Bend Gym - Wall Renovation	665,000	100,000	565,000	-	-		565,000	565,000	-	-	-	-
Columbia Park Playground Surfacing Replacement	75,000	-	75,000	-	-		75,000	-	-	75,000	-	-
Old Bend Gym - Roof Replacement	90,000	-	90,000	-	-		90,000	-	-	-	-	90,000
Total Asset Management Projects	29,217,000	1,000,103	27,766,897	350,000	100,000		28,216,897	13,649,542	9,816,280	2,111,075	1,075,000	1,565,000
Total CIP Funding Allocations	97,447,613	10,772,900	31,359,923	51,434,154	3,880,636		86,674,713	36,591,796	22,747,680	12,141,135	10,679,102	4,515,000



Bend Park & Recreation
DISTRICT

APPENDICES

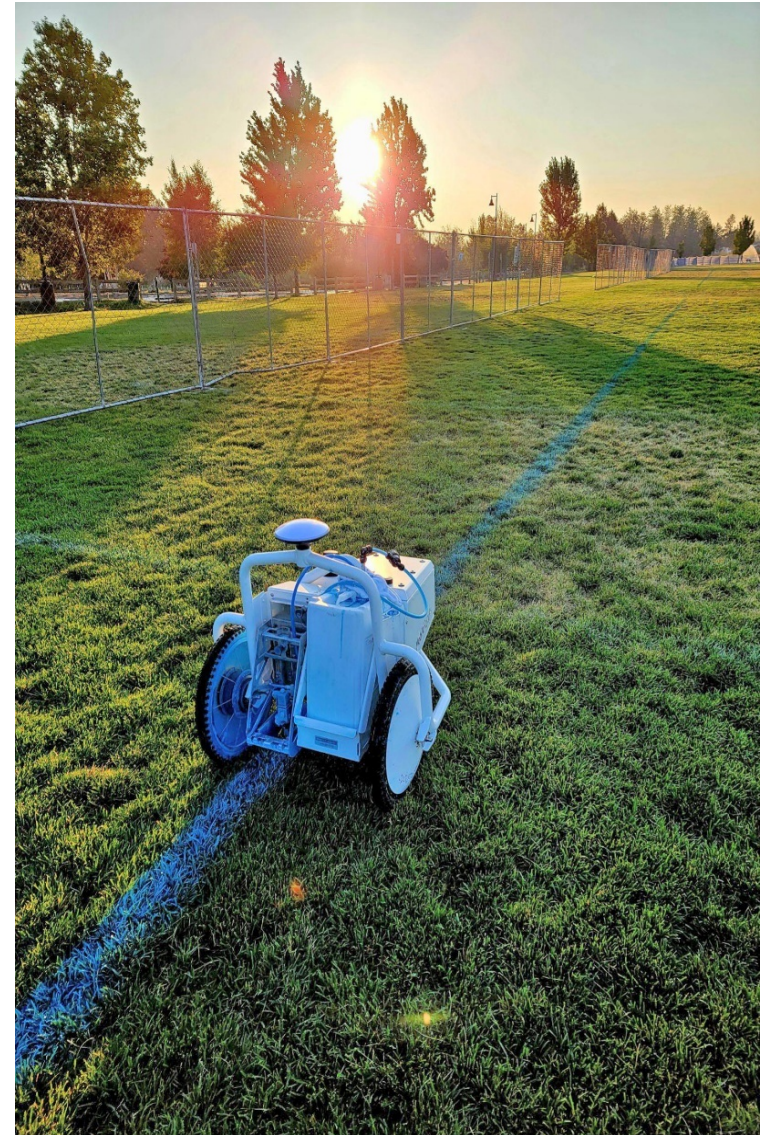
Appendix A- Financial Forecast 2026-2030

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

Appendix C- Financial and Budget Policies

Appendix D- Glossary

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



Appendix A- Financial Forecast FY2026 – FY2030

Presented to the Board at their Workshop 01/31/2025

As we prepare for the FY2025-26 budget (FY26), we are forecasting the future financial wellbeing of the district for the next five years at a high level. We use broad estimates with the information available now. We considered the following factors for all our assumptions:

Baseline Factors

Revenue

- **Taxes-** Rates are based upon county assessor's information. The average for the last five years is 5%. We only capture 3% of higher appraisal, which is far less than inflation. Staff estimate a conservative 4% with slowing to 3% due to the prediction of development slowing.
- **System Development Charges-** These are challenging to predict and dependent on when a property is developed. We use past trends and current plans for assumptions. We maintain conservative estimates to be able to respond if development stalls. We are predicting a decline in development.
- **Charges for Services-** This is based on past averages and current trends. This data is developed by the Recreation department based on their cost recovery modeling.

Expenditures

- **Personnel Costs-** Many factors contribute to our estimates:
 - Wages:
 - Increases with cost-of-living adjustment 3% per year, with an extra 3% in FY27 to anticipate pay equity study
 - Merit-based wage changes 3% a year
 - Growth in staffing
 - Decreases in unemployment and worker's compensation rates than expected during the last budget
 - PERS increases in FY26 of 2%, which has been confirmed by the plan, and we assume a 2% increase again in FY28
 - Increase in health benefits costs
- **Operational costs-** Inflation continues to impact the cost of materials and services, but we will see it at a much lower rate. Operating costs will also increase as we purchase land and as new parks, trails and programs are developed.
- **Capital Costs-** This forecast ties directly to the Capital Improvement Plan (CIP).

SCENARIOS

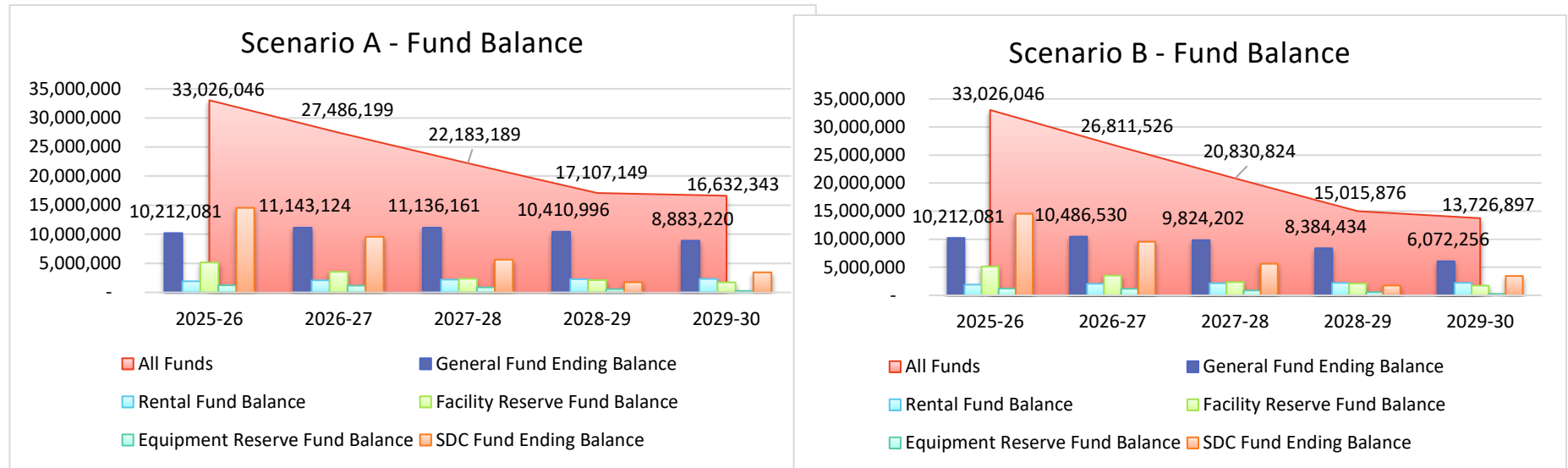
The district's greatest asset, our staff, and our strategic plan has the goal of "attract and retain qualified employees at staffing levels that support desired service levels. We have developed three scenarios that still grows our staff and make possible changes to wages and benefits.

	Scenario A FY26-FY30 Forecast					Scenario B FY26-FY30 Forecast PERS Pick-UpFY27					Scenario C FY26-FY30 Forecast				
	2025-26	2026-27	2027-28	2028-29	2029-30	2025-26	2026-27	2027-28	2028-29	2029-30	2025-26	2026-27	2027-28	2028-29	2029-30
Payroll Factors	Projected	Projected	Projected	Projected	Projected	Projected	Projected PERS**	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Performance	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
COLA – FY27 paystudy impact	3%	6%	3%	3%	3%	3%	6%	3%	3%	3%	3%	9%	3%	3%	3%
Health Insurance	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
PERS increase	2%		2%		2%	2%		2%		2%	2%		2%		2%
Dental/vision	3%	3%	3%	3%	33%	3%	3%	3%	3%	33%	3%	3%	3%	3%	3%
Workers comp	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
PFMLA	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Unemployment	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%

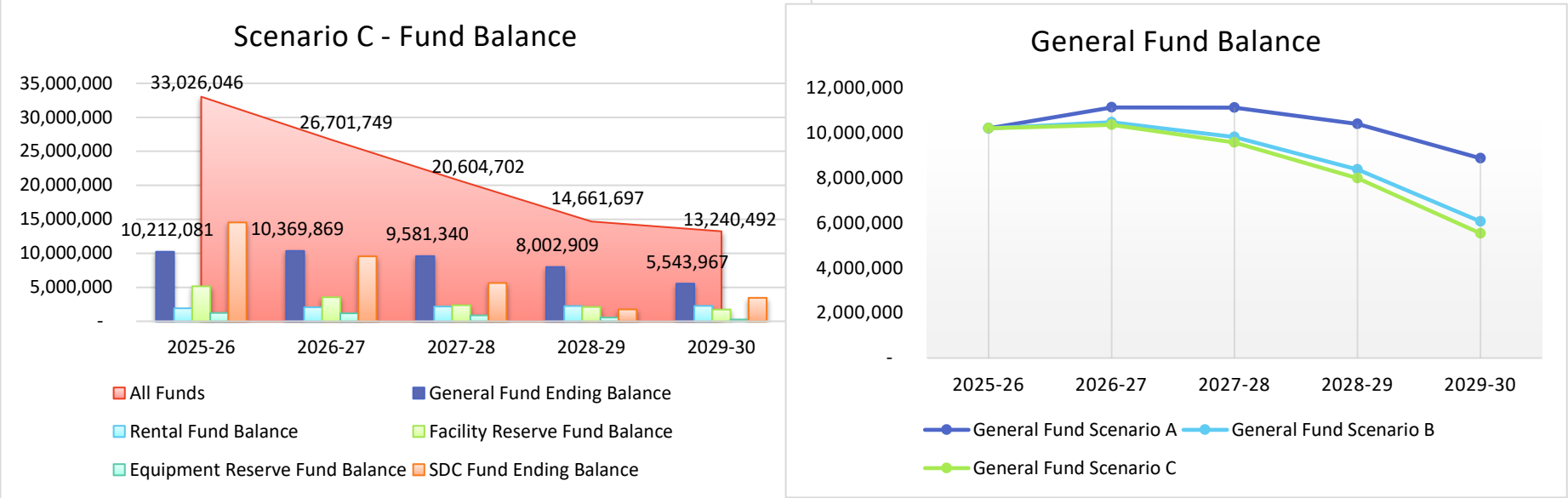
- **Scenario A-** Baseline factors
- **Scenario B-** Baseline factors with district contributing employee portion of PERS for all employees in FY27
- **Scenario C-** Baseline factors with a greater increase in wages after pay study in FY27 of an extra 3% (baseline has 3% for a total of an extra 6%) that could go towards wages and/or other benefits

All District Funds

Factoring in the previously described data, we can maintain needed fund balances for all scenarios, but the balances reduce towards the end of the five years. We also have an \$11 million Park Services Building purchase and remodel that we have been saving for in facility reserve fund balance. 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. Our ability to save for facility maintenance and equipment replacement begins to decrease at a higher rate due to rising personnel and operational costs.



Conclusion

Overall, the district remains in strong financial health, and must monitor the possible recession and other economic impacts to ensure our expenses do not outpace revenues. The forecast indicates some challenges funding major maintenance projects from the general fund. Given this moderate conservative approach, it’s likely that we will perform and possibly outperform these projections, allowing the district to continue its trend of maintaining a well-managed and financially stable organization. The district will need to make shifts to remain competitive in the job market, maintain assets at current level of service, and serve community growth sustainably.

Our goal is to carefully monitor cost increases to ensure the district can continue maintaining high levels of service and addressing growth. Should the rate of inflation and personnel costs continue, it will erode the additional funds the district has to maintain facilities and the high levels of service we provide to the community.

This financial forecast takes a moderate conservative approach, and our projections continue to show that we are living within our means. But we are only able to do that by reducing funding for the reserve funds that repair and replace assets, along with fund equipment for expanding work teams. The board of directors must provide direction using this document, the Capital Improvement Plan, and long-range planning documents on how to address challenges and maintain what we have and adapt to our community needs. [See full board report here: https://www.bendparksandrec.org/wp-content/uploads/2025/01/Board-Report-1.31.2025.pdf](https://www.bendparksandrec.org/wp-content/uploads/2025/01/Board-Report-1.31.2025.pdf)

Appendix B- Fund Balance Analysis

Background

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

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

For the FY25 budget we reviewed GFOA’s best practice, and its referenced material, as well as GFOA case studies and examples of policies from other local governments. We performed analysis to determine factors for the appropriate level. When looking at our reserve, we followed GFOA’s methodology. Keeping in mind that the analysis is based more on cities and counties than special districts. We are recommending again the following minimum reserve:

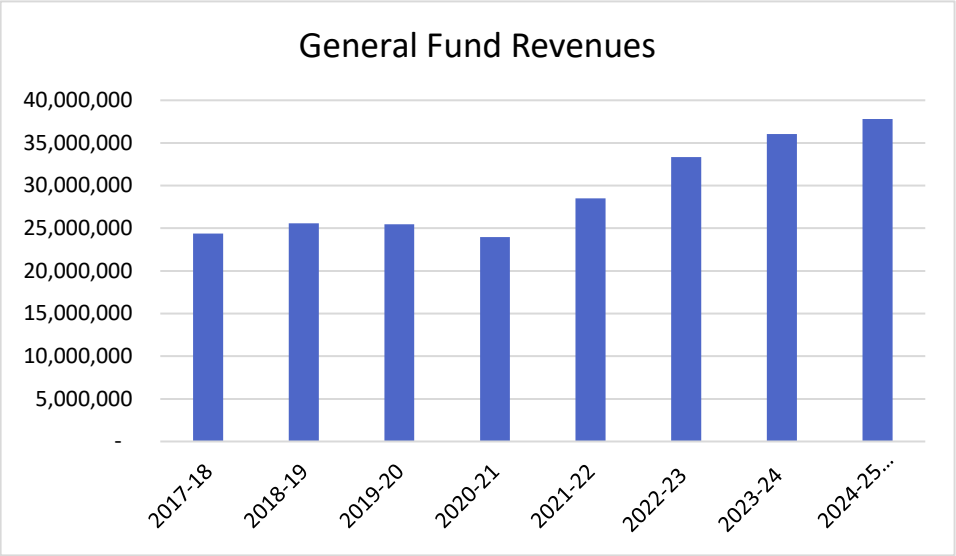
General Fund: Minimum fund balance to be reserved should be 90 days of Recreation operating expenditures since a large portion is covered by charges for services and 30 days of the rest of the operating expenditures since these are covered by property tax revenue.

Analysis – General Fund

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

Risk Factors Revenue Volatility

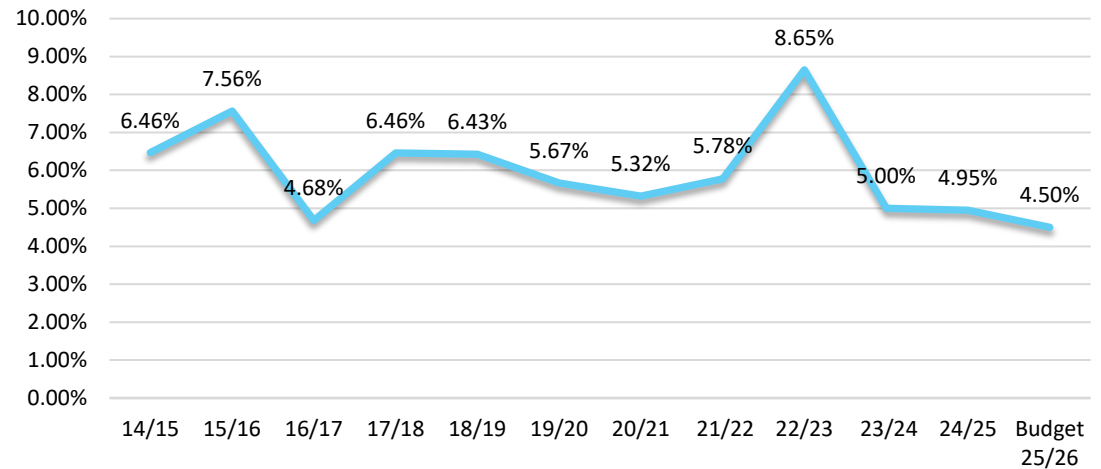
The more volatile a government’s revenue sources the higher a risk for fast changes and the need to respond to down turns. This type of risk requires higher reserve to be in place to be able to respond to revenue drops instead of suddenly reducing service levels. The district’s General fund revenues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



Property taxes- Property taxes make up about 53-56% of the General fund's revenues. Traditionally property taxes are not as volatile as others taxes are, such as sales tax. See the % change in property values:

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

% Change in Assement



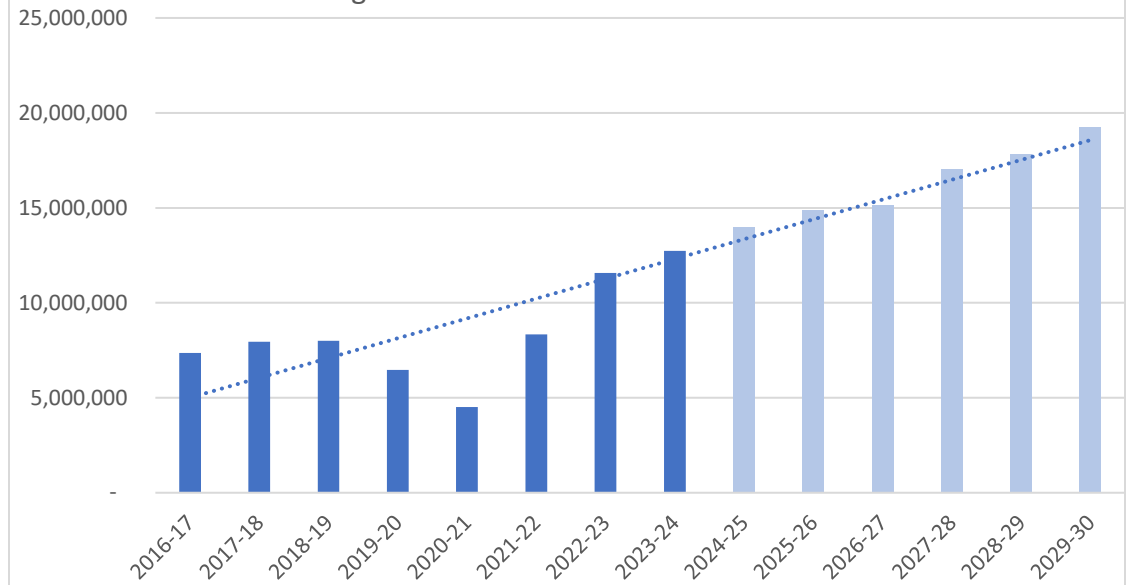
Infrastructure Upkeep

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

Vulnerability to Extreme Events and Public Safety Concerns

Extreme events require public safety programs that must continue to be funded while waiting for any state and federal aid. For example, reimbursement from the Federal Emergency Management Agency (FEMA) does not always occur right away, so

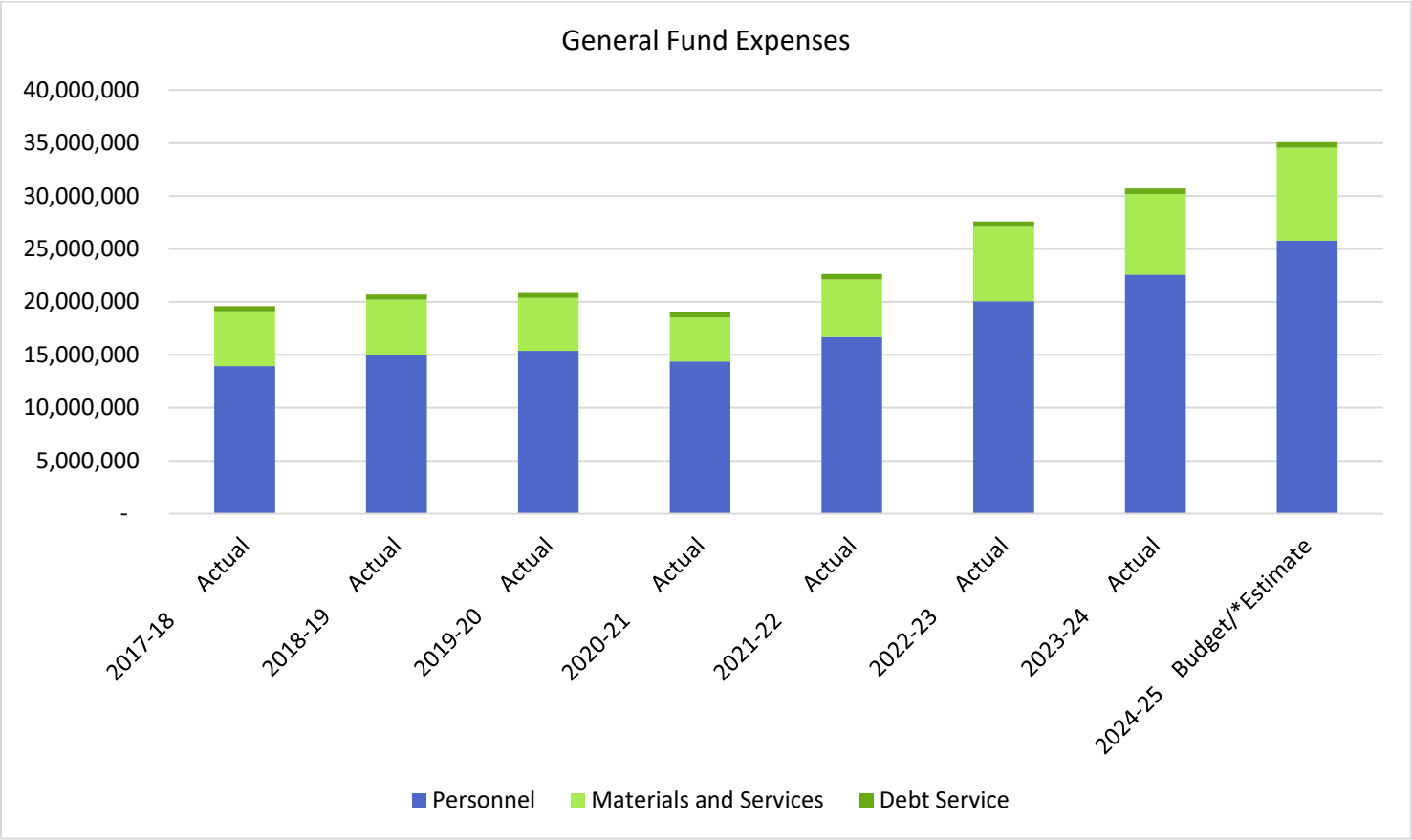
Charges for Services Actual and forecasted



it is important to have reserves to absorb the cost in the meantime, and FEMA does not necessarily reimburse 100 percent of the cost of responding to an event. Most FEMA is also run through State and counties as well. The district does not hold the same obligations or purpose as other local governments these concerns are not a huge risk factor for the district and is fully insured.

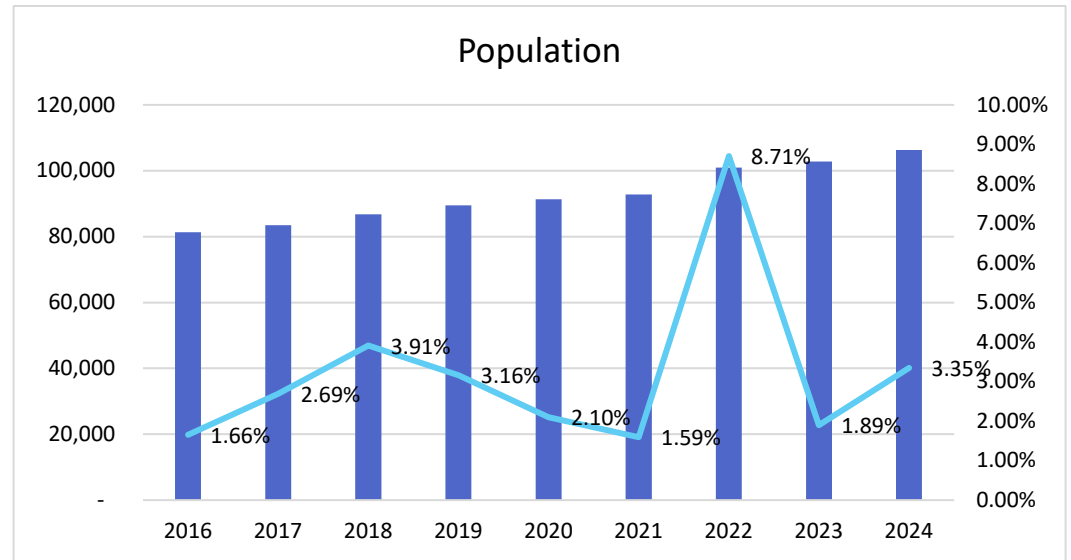
Expenditure Volatility

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

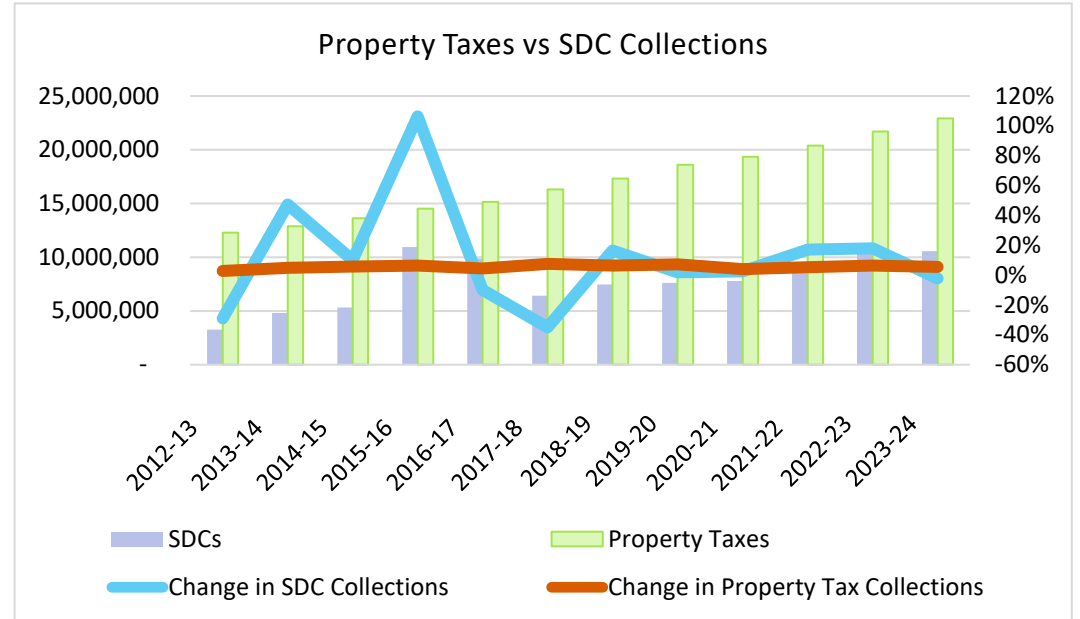


Growth of the Community

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



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



Appendix C- Financial and Budget Policies

For a complete listing of Board Financial Policies see our website the one included here help shape the budget

Financial Planning Policy

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

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

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

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

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

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

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

FINANCIAL FORECAST

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

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

Operating Budget Policy

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

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

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

BUDGET PRIORITIZATION AND PREPARATION

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

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

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

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

BUDGET MONITORING

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

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

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

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

OPERATING POLICIES

1. **Balanced Budget** - Each district fund budget must identify ongoing resources that match expected ongoing requirements. One-time cash transfers and non-recurring ending balances may either be applied to contingencies or used to fund one-time expenditures; they shall not be used to fund ongoing programs, except as provided in section 2 below.
2. **One-time Funds** - One-time funds are resources that should be used for one-time programs and projects with a defined end date. Future year funding may not be committed in excess of the one-time funds projected to be available in the Five-Year Financial Forecast.
3. **General Fund Ending Fund Balance** - The General Fund beginning fund balance that exceeds budgeted beginning balance shall be added to the General Fund contingency as a set aside. The General Fund contingency should be used for future Capital Improvement Plan funding, mitigating overhead revenue shortfalls in future years, paying down existing debt as advised by the Executive Director, or other unanticipated needs or emergencies, as prioritized through future budgeting processes and, ultimately, adopted by the Board of Directors.
4. **Surplus Revenue** - The district shall budget only the amount of revenue that is needed to fund projected expenditures within the current fiscal year. Anticipated resources not needed to fund current fiscal year spending or unforeseen contingencies shall be budgeted as an unappropriated balance or reserves.

5. Fund Balances - The district shall budget loans and transfers when possible and as appropriate to cover negative fund and/or cash balances at fiscal year-end. Fund balances shall be classified appropriately for reporting purposes in accordance with GASB-required classification categories.
6. Efficiency and Effectiveness - The district shall optimize the efficiency and effectiveness of its services to reduce costs and improve service quality. The district shall coordinate its service delivery with other applicable public and private service providers in a manner to optimize the benefit to the district and its residents.
7. Contingencies - The district shall budget a contingency account for each operating fund adequate to address reasonable but unforeseen requirements within the current fiscal year.

Revenue Policy

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

RESOURCES

The district will obtain resources according to the following principles:

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

PROPERTY TAX REVENUE

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

The district relies on a mixture of property tax revenues and user fees to provide high quality, accessible and diverse park, and recreation services to district residents. Tax revenues fund basic services such as parks, trails, natural areas and help support a wide variety of recreation opportunities.

FEES, CHARGES AND COST RECOVERY

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

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

and for fee setting. Through this review and approval process, the Board of Directors approves the level of tax support to be provided to different categories of services and defines what portion of the cost of providing the services should be recovered through user fees.

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

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

SYSTEM DEVELOPMENT CHARGES

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

ONE-TIME REVENUES

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

GRANTS

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

PARTNERSHIPS, SPONSORSHIPS AND CONTRIBUTIONS

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

Partnerships are a cooperative venture between two or more parties with a common goal that combines complementary resources to develop a mutually beneficial project or achieve a mutually beneficial outcome. In the truest sense, partners have a stake in each other's success. District partnerships as defined here are not deemed to be

“partnerships” in the legal definition. The district may partner with various other types of organizations, creating partnerships that are public/public, public/non-profit, or public/private.

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

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

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

ESTIMATES AND PROJECTIONS

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

Fund Balance and Reserves Policy

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

DEFINITIONS

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

FUND TYPES

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

5. Permanent Funds - Used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the district's purposes.

FUND BALANCE CLASSIFICATIONS

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

GENERAL FUND MINIMUM FUND BALANCE

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

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

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

1. Use and Replenishment Available fund balances shall not be used for ongoing operating expenditures, unless a determination has been made that available balances are more than required guidelines and that plans have been established to address any future operating budget shortfalls. Emphasis shall be placed on one-time uses that achieve future operating cost reductions.
2. Uses that would cause going below the minimum should be limited to:
 - a. Unanticipated expenditures of a non-reoccurring nature.
 - b. Meet unexpected increases in service delivery costs replenishment plan should be established when dropping below the minimum and should be replenished at a maximum of three years.

OTHER FUND RESERVES

The District shall maintain sufficient reserves to provide stable funding for major repairs, replacements and renovations of District parks, facilities, vehicles and equipment. The minimum reserve balances should be evaluated and adjusted on an annual basis. The target balance is intended to be evaluated over the future five-year period, and not just for a single fiscal year. The balance will fluctuate annually and may drop below the minimum target during any specific fiscal year.

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

PRIORITIZATION OF FUND BALANCE USE

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

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

AUTHORITY TO COMMIT OR ASSIGN FUND BALANCES

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

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

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

Accounting, Auditing and Financial Reporting Policy

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

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

ACCOUNTING PRACTICES

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

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

FINANCIAL REPORTING

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

Capital Improvement Policy

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

The CIP allows a comprehensive look at the District's capital needs for both new facilities and renovation and replacement of existing ones, and allows the Board of Directors to make the necessary decisions to ensure financial resources match forecasted needs. The five-year CIP shall also be incorporated into the District's Five-Year Financial Forecast and other long-range financial planning processes.

THE CAPITAL IMPROVEMENT PLAN

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

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

PRIORITIZATION

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

Debt Management Policy

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

It is the objective of this policy that:

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

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

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

Appendix D- Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix E- All Required Postings and Resolutions

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