

Hood River Valley Parks & Recreation District

Fiscal Year 2023-2024 Proposed Budget



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Fiscal Year 2023-2024 Budget Message

Dear Budget Committee Members,

Thank you for your volunteer service to the community. I am proud to present you with the Hood River Valley Parks & Recreation District fiscal year (FY) 23/24 Proposed Budget.

General Approach: The last year has been one of planning and regrouping after the setback of having our long-range funding plan rejected by the County. Developing a sustainable funding source for operations and planning for capital improvements, namely the pool replacement, remains a top priority. We are working with a consultant through Special Districts Association of Oregon (SDAO) to help guide the Parks District into a long-range plan and work with other local park providers to find a strategy that works for all of us. The goal is to study different taxing models and work this summer to build a package that can be tested with potential voters for a May of 2024 election. As a result, additional funds have been added to legal and professional services.



Property Tax: The district's largest revenue source is levied property tax. Our county's collection rate is strong, and we have been seeing returns above our projections for the last couple of budget cycles. We are projecting a 4% increase based on current year's property tax actual YTD through March 2023.

District Operations/Planning (General Fund): This last fiscal year the district negotiated and signed two option agreements for properties we wish to purchase in the short term. These are complicated real estate agreements which take time, relationship building, patience, creative legal work, and coordination. If these properties are funded and acquired, counting the recently purchased Westside Park, we will have doubled the amount of acreage we manage from just three years ago. Securing this land now is a forward-thinking strategy and a wise investment in our future, but it also makes finding a sustainable funding for operations source so much more critical.

We brought on a full-time administrative assistant last year to focus on the daily financial duties including accounts payable, deposits, payroll, and HR paperwork. Many processes have been streamlined and efficiencies found such as upgrading our credit card system with a corporate card program that makes reconciling and coding expenses much more efficient, and a new timekeeping app for part time employees which streamlines payroll.

In the coming fiscal year, we will focus on developing a funding strategy which partners with other local park providers to efficiently deliver services to the community. The strategy will also need to address our Capital needs including a new pool/community center and funding/development for the land recently purchase and under contract.



Aquatics (General Fund): The pool is limping along and more popular than ever with the public. In 2023, the Hood River Athletic Club shut down their pool. We gained more pool users and have seen an increase in attendance. We are projecting an increase in grant funds due to the Active RX program the Adult Learn to Swim Program, and we are partnering with One Community Health on a large CDC grant application to aid with access, programming, and staffing for outreach positions.



We expect to operate this building for at least three more years and possibly longer depending on the fate of our capital funding campaigns. Therefore, investing in maintenance is a balancing act. We often choose to patch things rather than replace them, which can make operating the facility more cumbersome, less efficient, and put a strain on our staff members to figure out quick fixes.

Staffing continues to be an issue at the pool. We have added funds to the budget to provide a daytime pay differential to attract more people to work the weekday shift during the school year. We are also exploring making the Assistant Aquatics Supervisor a full-time position.

Parks & Maintenance (General Fund): The district operates 8 parks and over six miles of trail with only one full-time maintenance employee who works out of a 10x 14 foot shed in the parking lot. As we bring on more resources to manage, we are at a tipping point and will likely hire a second FTE. We will fund this increase with money set aside in reserves. We plan to purchase a new dump trailer this year which can also haul the Kubota tractor.



Community Recreation (Recreation Fund): This was the first year with a dedicated Recreation fund. The fund is an enterprise fund and roles over from year to year. The way our revenue is collected, and the seasonal nature of our work does not necessarily line up well with our fiscal calendar. For instance, our summer youth programming is our largest revenue source for the year. Most of the revenue will be earned in the current fiscal year, whereas the majority of the expenses will be spent in the future fiscal year. We do seasonal budget reports throughout the year to make sure we are on track and meeting revenue goals.



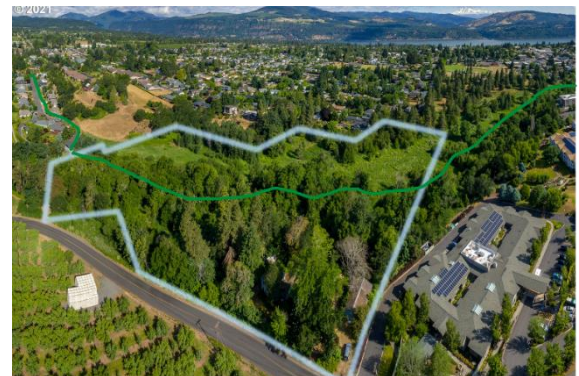
The first year of recreation programming has proven to be a success. We completed our cost recovery analysis, and the board passed a financial sustainability policy which intends to create organizational resilience by way of logical, intentional, and thoughtful guidelines for investment and spending decisions. The strategy encourages revenue generation strategies and practices that are fair, equitable, and responsible.

We changed last year’s internal transfer from Recreation fund to General Fund to an “admin expense,” which is intended to capture the internal overhead allocation from the General

Fund Admin account to pay for indirect expenses such as printing, office supplies, insurance, uniforms, legal, software, and admin support.

Looking to the future, we plan to continue to expand programming with more adult sports and expanded summer camps. We are seeking grant money to fund an outreach coordinator to help connect us to families who are not in our programs. We are also still working with the school district to update the registration software.

Capital Projects (System Development Charges Fund): We are just wrapping up the latest expansion of the Indian Creek Trail Southside Connector. There may still be a few costs coming through for this project as we build the naturescape playground and paying the final bills.



The District agreed to a three year option to purchase the Campbell Property which is needed to connect the Indian Creek Trail through Hood River. Staff applied for a ODOT Community Pathways Grant for \$5,985,000 to acquire the land and build 1,800 linear foot boardwalk through the wetland between Broken Tee and the College. If we receive the grant, we will need to pay our 10% match up front.



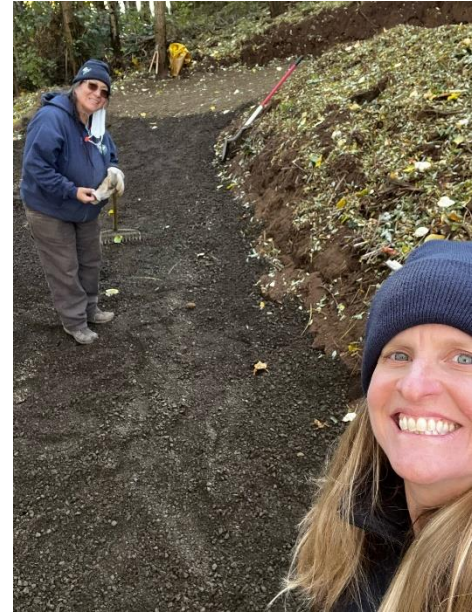
The district also purchased a three-year option agreement on Parkdale Park. This was unbudgeted and not in our capital plan; however, the opportunity was too great to turn down. We are researching grants and financing opportunities and will need to find other revenue sources.

A payment for the loan on the Westside Park Property will take place in March of 2024.

The district is at our rate cap for the current SDC Methodology. The rate will rise at 3% per year as set by the 2017 SDC Methodology. The rate for a single-family home will be \$7,040. SDC revenue did not perform as projected in 2023, so to be conservative we are projecting a 10% decline in residential construction.

Personnel and Benefits Costs: Here are some additional quick facts about our personnel and benefit costs:

- This budget includes 8 full-time employees (with benefits) and approximately 30 part-time and seasonal employees. With inflation at record levels, we factored in a 5% cost of living allowance for all full-time positions.
- The District 's health insurance premiums will decrease by 2% upon plan renewal in July 2023.
- In order to keep up with the market and attract quality staff, we are seeking to add a Flexible Savings Account option this year which will be funded for each Full-Time Employee at the full deductible amount (\$2000). Employees will have the option to contribute their own pre-tax funds to their individual account.
- Minimum wage is increasing 5.1% this year to \$14.20 per hour, and we are paying our standard base wage for entry level positions \$0.55 per hour more than minimum wage to attract more workers
- Personnel costs make up 56% of our operating budget.



Improvement Fund: We have a healthy beginning fund balance rollover in the general fund from the COVID years and are transferring \$450,000 to the improvement fund in anticipation of higher maintenance costs as the pool deteriorates.

Again, thank you for reviewing the 2023/2024 proposed budget. I welcome your feedback. If you have any questions or suggestions, please feel free to reach out to me directly.

Respectfully Submitted,

A handwritten signature in black ink that reads "Mark Hickok".

Mark Hickok, District Director



Improvement Fund

Fund Type - Reserve

Purpose

To set aside revenue for the purpose of improving/maintaining the District's infrastructure.

Intention

The District has historically transferred general fund money to this reserve fund with the intention of building to an amount that will keep the Aquatics Center operational in the event of an aging facility breakdown. We also use this fund to address capital asset replacement.

Budget

Transfers into this fund from General Fund have varied in the last ten years from \$6,000 to \$76,000. This budget transfers \$450,000 to the Improvement Fund.

Attachments

Proposed Budget

Improvement Fund

		Actual FY21	Actual FY22	Budget FY23	July-March FY23	Proposed FY24
Source of Revenues						
	Beginning Balance	405,693	350,476	335,000	385,476	420,476
	Miscellaneous	0	0	0	0	0
	Intergovernmental Transfers	20,000	35,000	35,000	35,000	450,000
	Total Revenues	425,693	385,476	370,000	420,476	870,476
Object of Expenditures						
	Operating Expenditures	0	0	50,000	0	50,000
	Capital Outlay	75,217	0	320,000	0	820,476
	Total Expenditures	75,217	0	370,000	0	870,476

System Development Charges (SDC) Fund

Fund Type – Restricted Revenue

Purpose

System Development Charge (SDCs) are one-time fees assessed on new development to cover a portion of the costs of providing certain types of public capital facilities to address impact created by new development. Oregon law provides for establishment of SDC fees for transportation, water, wastewater (sewer), stormwater, and parks and recreation facilities.

Intention

Park SDCs help ensure the quality of life keeps pace with our growing and changing city by providing additional parks and recreation facilities needed to accommodate growth.

Budget

The SDC fund has \$707,527 allocated to for the option payment for Parkdale Park and to purchase Campbell property and connect the Indian missing link of the Indian Creek Trail if the ODOT Pathways Grant is approved. .

Attachments

- Proposed Budget

System Development Charge Fund

		Actual FY21	Actual FY22	Budget FY23	July-March FY23	Proposed FY24
Source of Revenues						
	Beginning Balance	1,097,833	1,368,207	675,000	771,189	695,000
	Loan Proceeds	0	750,000	0	0	0
	Interest	5,268	1,446	1,400	1,369	1,800
	System Development Charges	362,847	379,164	341,750	156,389	408,320
	Total Revenues	1,465,948	2,498,817	1,018,150	928,947	1,105,120
Object of Expenditures						
	Operating Expenditures	7,642	6,840	50,300	717	3,300
	Capital Outlay	90,098	1,647,037	893,668	137,701	1,022,357
	Debt Service Interest	0	5,568	6,000	5,641	5,641
	Debt Service Principle	0	68,182	68,182	73,807	73,822
	Total Expenditures	97,740	1,727,627	1,018,150	217,866	1,105,120

Recreation Fund

Fund Type – Enterprise Fund

Purpose

This fund supports all revenue and expenses that are attributable to the newly acquired Recreation Program. The purpose of this fund is to demonstrate the sustainability of the program.

Intention

To responsibly operate the District's newly acquired recreation program. This fund will be attributable to recreation programs outside of any aquatic center activities. The programs include enrichment activities and sports for youth and adults, as well as youth day camps.

Budget

Funded in part by an IGA with the Hood River County School District, the budget for the Recreation Program includes the salaries of two full-time positions, part time positions, supplies for programs and recreation program contractors. One of our objectives is to create programs that are financially accessible for all. At the same time, we aim to manage financially sustainable programs. We will be using the financial support and sustainability strategies from the cost recovery study to help guide pricing for future programs. Revenue earned from programs stays in the Recreation Fund and rolls over from year to year.

Attachments

- Budget details for Recreation
- Proposed Budget

Recreation Fund

		Actual FY21	Actual FY22	Budget FY23	July-March FY23	Proposed FY24
Source of Revenues						
	Beginning Balance	0	0	0	0	225,000
	Programs	0	85,625	381,718	322,427	350,500
	HRSD IGA	0	46,750	172,010	212,269	177,160
	Total Revenues	0	132,375	553,728	534,695	752,660
Object of Expenditures						
	Personnel Services	0	44,799	163,350	140,357	173,964
	Operating Expenditures	0	43,833	180,378	110,910	288,029
	Reserves	0	0	0	0	160,667
	Capital Assets	0	0	15,000	11,743	35,000
	Intergovernmental Transfers	0	0	60,000	60,000	0
	Total Expenditures	0	88,631	418,728	323,010	657,660
Budgeted Requirements						
	Contingency	0	0	35,000	0	25,000
	Unappropriated	0	0	100,000	0	70,000
	Total Requirements	0	0	553,728	323,010	752,660

Recreation - Detail Worksheet

Recreation - Detail Worksheet			
	Actual YtD March 23	Current Budget	Proposed FY 23/24 Budget
Revenue			
Beginning Balance	0	0	225,000
Contract Programs	54,841	175,000	72,000
In House Programs	188,593	206,718	248,000
Innovative/Other Income	78,993	0	30,500
HRSD IGA	212,269	172,010	177,160
Total Income			
	534,695	553,728	752,660
Expenses			
Bank Charges	0	1,200	0
Chemicals, Gasses and Fuel	554	1,000	0
Credit card & processing fees	8,274	3,500	15,000
Dues, Licenses & Subscriptions	641	1,000	2,700
Furniture and Equipment	5,910	20,000	5,000
Legal & Professional Fees	8,090	3,000	0
Admin Indirect Expenses	0	0	101,629
Payroll Expenses	140,357	163,350	173,964
Insurance - Liability/ work comp	0	5,000	0
Staff Wellness	88	1,200	800
Promotional and Marketing	150	10,000	5,000
Rent or Lease*	7,509	5,000	31,000
Office Expenses	0	8,000	0
Subcontractors	28,416	25,000	60,000
Stationary & Printing	639	4,000	2,500
Supplies	46,041	85,778	57,500
Repair & Maintenance	968	0	2,500
Training and Travel	2,651	3,000	3,000
Uniforms/Safety Gear	0	2,500	0
Utilities	980	1,200	1,400
Capital Assets			
Capital Assets	11,743	15,000	35,000
Contingency	0	35,000	25,000
Reserve	0	0	160,667
Transfer out	60,000	60,000	0
Unappropriated Ending Balance	0	100,000	70,000
Total All Expenses			
	323,010	553,728	752,660

General Fund

Fund Type – General Revenue

Purpose

This fund supports all revenue that is not restricted. Levied property tax collected lives in this fund, as do all operations revenue and expenses. This fund has the most flexibility of use.

Intention

To responsibly operate the District’s administration, recreation and balance capital projects. The General Fund is thought of and discussed with the natural activity separations of: Aquatics Center (the pool), Parks and Trails (maintenance), and District Operations (admin & planning).

Budget

The “Aquatics Center” historically generates enough revenue to cover about half of the cost to operate the facility.

The “Parks and Trails” generate very little income at this point. The cost of maintaining these recreation opportunities are paid for with the property tax dollars.

The “District Operations” consists of the activities that are not specifically directed to the pool or parks and trails but administer them collectively. That includes the management staff, long term planning, the Board of Directors, and various other responsibilities. There may be grant opportunities that assist with some of the projects; otherwise, this is mostly property tax funded.

Attachments

- Budget detail for Parks and Trails, Aquatics, & District Operations
- Proposed Budget

General Fund - Aquatics Center - Detail Worksheet

	Actual YtD March 23	Current Budget	Proposed FY 23/24 Budget
Revenue			
General Admission	130,190	209,808	215,871
Innovative/Other Income	11,613	19,839	9,485
Banner Advertising	2,874	0	14,400
Lessons	23,163	47,630	42,437
Merchandise Sales	17,579	17,794	27,885
Rentals**	49,325	69,805	94,254
Grants	46,300	1,875	40,000
Total Income	281,044	366,751	444,332
Expenses			
Chemicals, Gasses and Fuel	17,137	18,197	24,442
Credit card & processing fees	4,491	5,540	5,384
Dues, Licenses & Subscriptions	3,744	3,079	7,167
Furniture and Equipment	7,995	3,500	8,750
Insurance - Wks Comp & Liability	0	3,500	0
Legal & Professional Fees	493	500	1,500
Merchandise Purchases	14,262	10,800	17,500
Payroll Expenses*	270,545	458,781	550,924
Taxes, Licenses and Fees	785	0	0
Promotional and Marketing	762	1,500	1,500
Rent or Lease	844	2,536	2,000
Repair & Maintenance	72,418	66,000	70,699
Staff Wellness	2,611	1,200	2,500
Subcontractors	210	14,000	30,085
Supplies	17,014	16,500	26,251
Tools	478	1,000	500
Training and Travel	4,511	4,500	4,820
Uniforms/Safety Gear	3,002	3,500	3,605
Utilities	100,308	119,255	165,780
Capital Projects	0	0	0
Total All Expenses			
	521,608	733,888	923,407
<i>Supported by property tax revenue</i>	<i>240,564</i>	<i>367,137</i>	<i>479,075</i>

General Fund - Parks and Trails - Detail Worksheet

General Fund - Parks and Trails - Detail Worksheet			
	Actual YtD March 23	Current Budget	Proposed FY 23/24 Budget
Revenue			
Innovative/Other Income/Grant	339	1,000	2,200
Transfer In	0	1,000	0
Total Income	339	2,000	2,200
Expenses			
Chemicals, Gasses and Fuel	1,928	3,500	4,500
Furniture and Equipment	23	0	0
Meetings and Conferences	862	0	0
Subcontractors	10,425	5,000	5,000
Payroll Expenses	73,714	104,279	159,777
Repair & Maintenance	10,384	30,000	33,000
Dues, Licenses & Subscriptions	50	225	1,000
Supplies	7,293	6,000	10,000
Tools	5,644	7,000	10,000
Training and Travel	971	1,000	3,000
Uniforms/Safety Gear	777	0	1,000
Utilities	16,464	20,000	20,000
Capital Projects/Assets	0	15,000	30,000
Total All Expenses			
	128,534	192,004	277,277
<i>Supported by property tax revenue</i>	<i>128,195</i>	<i>190,004</i>	<i>275,077</i>

General Fund - District Operations - Detail Worksheet

General Fund - District Operations - Detail Worksheet			
	Actual YtD March 23	Current Budget	Proposed FY 23/24 Budget
Revenue			
Beginning Balance	1,000,068	750,000	1,100,000
Interest Earned	32,775	5,000	30,000
Dividends/Credits/Refunds/Other	2,443	1,200	102,829
Other Distributions/HERT	17,820	0	18,000
Current Year Property Tax	933,860	912,250	971,214
Prior Year Property Tax	9,719	14,200	8,000
Property Tax Interest Earnings	292	50	300
Transfer In	60,000	60,000	0
Total Income	2,056,977	1,742,700	2,230,343
Expenses			
Bank Charges	224	1,200	1,200
Dues, Licenses & Subscriptions	10,881	7,500	12,000
Insurance - Wks Comp & Liability	26,320	24,150	27,636
Audit Services	25,250	12,180	14,500
Legal Services	9,667	8,000	12,000
Professional Fees	12,900	18,000	44,000
Meetings and Conferences	2,930	2,500	0
Office Expenses	6,169	5,000	7,500
Payroll Expenses	252,466	259,334	309,144
Promotional and Marketing	1,560	4,000	4,000
Taxes, Licenses and Fees	1,241	0	0
Staff Wellness	347	1,200	1,200
Stationery & Printing	1,241	1,200	1,260
Tools	683	750	750
Training and Travel	2,578	6,500	9,000
Uniforms/Safety Gear	758	800	800
Utilities	905	1,200	1,200
Contingency	35,700	35,700	35,000
Transfer Out	35,000	35,000	450,000
Reserve *	0	613,235	369,801
Unappropriated Ending Balance	175,000	175,000	175,000
Total All Expenses	601,819	1,212,449	1,475,991

General Fund Combined

	Actual FY21	Actual FY22	Budget FY23	July-March FY23	Proposed FY24	% of Total
Source of Revenues						
Beginning Balance	447,239	759,542	750,000	1,000,068	1,100,000	41%
Taxes and Assessments	943,472	956,901	927,700	961,691	997,514	37%
Interest	10,556	9,872	5,000	32,775	30,000	1%
Aquatic Center Fees	199,334	280,689	402,548	281,044	444,332	17%
All Other	64,562	71,646	2,000	2,782	105,029	4%
Intergovernmental Transfers	5,699	0	60,000	60,000	0	0%
Total Revenues	1,670,862	2,078,649	2,147,248	2,338,360	2,676,875	
Object of Expenditures						
Personnel Services	510,731	670,298	816,971	596,725	1,019,845	49%
Operating Expenditures	276,973	423,575	456,342	409,536	597,229	28%
Capital Outlay	0	0	15,000	0	30,000	1%
Intergovernmental Transfers	20,000	35,000	35,000	35,000	450,000	21%
Total Expenditures	807,704	1,128,873	1,323,313	1,041,261	2,097,074	
Budgeted Requirements						
Reserves	0	0	613,235	0	369,801	14%
Contingency	0	0	35,700	35,700	35,000	1%
Unappropriated	175,000	0	175,000	175,000	175,000	7%
Total Requirements	982,704	1,128,873	2,147,248	1,251,961	2,676,875	