

Hood River Valley Parks & Recreation District
Fiscal Year 2022-2023 Proposed Budget



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Fiscal Year 2022-2023 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) 22/23 Proposed Budget.

The last few years have been anything but normal and there have been many unanticipated changes which has made planning and budgeting a little more challenging. Staff has learned to be nimble and quick to adapt to change. The year started off hopeful with the Covid 19 related closures behind us. In the fall, we found ourselves struggling with the nationwide workers shortage. In October, we only had 9 lifeguards (usually around 25). We adapted by putting management staff on the lifeguard stand, limiting hours, closing two days per week, raising lifeguard pay, and offering monthly paid lifeguard training courses. We are happy to say that as of May 9th, we are back to 7 days a week and offering swimming lessons again.

This winter and spring we have seen inflation and supply chain issues starting to affect the pricing and availability of supplies, chemicals, and fuel. We have adapted by purchasing more bulk and getting supplies earlier when possible.

Over the summer, we crafted an agreement with the school district to transfer the management of Community Education to the Parks District. They agreed to give us favorable access to their facilities and fund two full-time employees for three years. We have hired staff, added office space, and are starting to bring on programming for this summer. We are developing programs, applying for grants, and partnering with others to make this program sustainable by 2025.

General Approach: Developing a sustainable funding source for operations and planning for capital improvements, namely the pool replacement, remains a top priority. We made plans to put a measure forming a new Parks District at a new rate on the May 2022 ballot; however, the County Board of Commissioners were not comfortable with our plan to finance the capital debt payment out of the general fund rate. We are regrouping and working with our partners on another funding plan that we hope to put out in the next fiscal year.

We had another year with a healthy beginning fund balance roll over from FY 20/21 which means that we have set ourselves up well going into this fiscal year. We budgeted \$613,235 in reserves that will be used if needed to help us transition and partner with other agencies and set us up to take a wider role as a parks and recreation service provider in this area.

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 from current year's actual.

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 increase by 2.75% upon plan renewal in July 2022, a nice reprieve from the 20% and 18% increases we saw in the last two years.
- Minimum wage is increasing 5.88% this year.
- Aquatic Center staff wages increased by 13% over the last year.
- Personnel costs make up 57% of our operating budget.

Revenue: When the Parks District agreed to take over Community Education from the school district, we decided to hire a consultant (Amila 110 Percent) to help us develop a cost recovery strategy which could be used to understand the impact that program costs have on the overall budget, assign different revenue recovery goals for categories based on a continuum of community benefit vs individual benefit, and set pricing appropriately. Our goal will be to set pricing in order to recover costs at a certain subsidy or profit depending on where it falls on the continuum, then roll excess revenue back into the program to support the subsidies. We plan to address equity by making our assistance program very simple to access, and we are working with local groups and nonprofits to fund participants, so we recover costs, and anyone has the opportunity to participate. The study is not complete yet, so program revenue was estimated using historical trends and best guesses for programs may recover and cost. We will update and adjust as the study progresses.

For Aquatic Center Revenue, we are projecting a 7% increase. The aquatic center is supported by property tax dollars at 46% and user fees covering 54%.

Recreation Fund: Due to the nature of how revenue and expenses cycle through seasonally, we have decided to create a separate fund for recreation programming. Many Recreation Services will act more like an enterprise program, which is a self-supporting fund that sells goods and services to the public. Some programs will be offset with subsidies from grants, the general fund, and other revenues where appropriate.

Capital Projects: We are continuing to expand the Indian Creek Trail South Side Connector with naturescape park. We put \$60,000 in the budget to complete this project. We are still holding out hope for developing the dog park on the city and port property and have \$50,000 as a place holder. The park is permitted and shovel ready and as soon as the city gives us approval, we are ready to get started.

System Development Charges Fund: Last year the district increased SDC Charges for a single-family home by 20% to \$6,077. Following guidance from the May 2019 board meeting, the strategy is to phase in an increase of 12% this year to raise rates to the maximum defensible rate \$6,835 in 22/23. From this year on, the rate will rise at 3% per year as set by the 2017 SDC Methodology. The SDC fund is projected to continue building this fiscal cycle with revenue outpacing spending.

We purchased 20 acres off Fairview Drive in September. We spent \$750,000 out of the SDC account for this purchase and financed the other \$750,000 to be paid back over 10 years. Our annual payment for the loan is roughly \$76,000. To help offset the costs of this project, we have applied for a Local Government Acquisition Grant through Oregon Parks and Recreation Department in the amount of \$527,160. Grants will be awarded later this summer.

Improvement Fund: 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. In 2022/23 we are contributing \$35,000.

Again, thank you for reviewing the 2022/2023 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". The signature is written in a cursive, slightly slanted style.

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 \$35,000 to the Improvement Fund.

Attachments

Proposed Budget

Improvement Fund

		Actual FY20	Actual FY21	Budget FY22	July-March FY22	Proposed FY23
Source of Revenues						
	Beginning Balance	451,034	405,693	350,000	350,476	335,000
	Miscellaneous	0	0	0	0	0
	Intergovernmental Transfers	21,000	20,000	35,000	0	35,000
	Total Revenues	472,034	425,693	385,000	350,476	370,000
Object of Expenditures						
	Operating Expenditures	0	0	50,000	0	50,000
	Capital Outlay	66,341	75,217	335,000	0	320,000
	Total Expenditures	66,341	75,217	385,000	0	370,000

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 and stipends for volunteers. 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.

Attachments

- Budget details for Recreation
- Proposed Budget

Recreation - Worksheet

Recreation - Worksheet			
	Actual YtD March 22	Current Budget	Proposed FY 22/23 Budget
Revenue			
Contract Programs	0	0	175,000
In House Programs	0	0	206,718
Innovative/Other Income	3,218	0	0
HRSD IGA	46,750	93,500	172,010
Total Income			
	49,968	93,500	553,728
Expenses			
Bank Charges	0	0	1,200
Chemicals, Gasses and Fuel	0	0	1,000
Credit card & processing fees	0	0	3,500
Dues, Licenses & Subscriptions	0	0	1,000
Furniture and Equipment	220	5,500	20,000
Legal & Professional Fees	8,813	0	3,000
Meeting and conferences	174	0	0
Payroll Expenses	15,797	45,000	163,350
Insurance - Liability/ work comp	0	0	5,000
Staff Wellness	0	0	1,200
Promotional and Marketing	0	5,000	10,000
Rent or Lease	0	6,000	5,000
Office Expenses	1,955	5,000	8,000
Subcontractors	0	20,000	25,000
Stationary & Printing	0	0	4,000
Supplies	128	6,000	85,778
Tools	161	0	0
Training and Travel	0	500	3,000
Uniforms/Safety Gear	0	500	2,500
Utilities	148	0	1,200
Capital Assets			
Capital Assets	0	0	15,000
Contingency			
Contingency	0	0	35,000
Transfer out			
Transfer out	0	0	60,000
Unappropriated Ending Balance			
Unappropriated Ending Balance	0	0	100,000
Total All Expenses			
	27,396	93,500	553,728

Recreation Fund

	Actual FY20	Actual FY21	Budget FY22	July-March FY22	Proposed FY23
Source of Revenues					
Beginning Balance	0	0	0	0	0
Programs	0	0	0	3,218	381,718
HRSD IGA	0	0	93,500	46,750	172,010
Total Revenues	0	0	93,500	49,968	553,728
Object of Expenditures					
Personnel Services	0	0	45,000	15,797	163,350
Operating Expenditures	0	0	48,500	11,599	180,378
Capital Outlay	0	0	0	0	0
Capital Assets	0	0	0	0	15,000
Intergovernmental Transfers	0	0	0	0	60,000
Total Expenditures	0	0	93,500	27,396	418,728
Budgeted Requirements					
Contingency	0	0	0	0	35,000
Unappropriated	0	0	0	0	100,000
Total Requirements			93,500	27,396	553,728

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 \$180,000 allocated for Dog Park, Southside Trail Connection, and Westside Park.

The SDC fund is projected to continue building this fiscal cycle after the purchasing the Westside Park property. If the District is awarded an acquisition grant through Oregon Parks and Recreation Department, grant money will help replenish this fund.

Attachments

- Proposed Budget

System Development Charge Fund

		Actual FY20	Actual FY21	Budget FY22	July-March FY22	Proposed FY23
Source of Revenues						
	Beginning Balance	829,953	1,097,833	1,365,000	1,368,207	675,000
	Loan Proceeds	0	0	750,000	750,000	0
	Interest	13,496	5,268	7,500	1,281	1,400
	System Development Charges	272,374	362,847	303,850	203,423	341,750
	Total Revenues	1,115,823	1,465,948	2,426,350	2,322,911	1,018,150
Object of Expenditures						
	Operating Expenditures	17,990	7,642	50,300	6,735	50,300
	Capital Outlay	0	90,098	2,376,050	1,647,037	893,668
	Debt Service Interest	0	0	0	5,569	6,000
	Debt Service Principle	0	0	0	68,182	68,182
	Total Expenditures	17,990	97,740	2,426,350	1,727,523	1,018,150

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” consist 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 - Worksheet

	Actual YtD March 22	Current Budget	Proposed FY 22/23 Budget
Revenue			
General Admission	109,311	209,808	230,789
Innovative/Other Income	712	19,839	15,000
Banner Advertising	5,540	0	12,000
Kayak General Admission	410	0	1,750
Lessons	10,242	47,630	49,059
Merchandise Sales	9,105	17,794	21,353
Rentals	40,673	69,805	72,597
Grants	0	1,875	0
Total Income	175,993	366,751	402,548
Expenses			
Chemicals, Gasses and Fuel	13,785	18,197	20,017
Credit card & processing fees	2,798	5,540	5,706
Dues, Licenses & Subscriptions	5,092	3,079	3,171
Furniture and Equipment	1,578	3,500	8,500
Insurance - Wks Comp & Liability	0	3,500	0
Legal & Professional Fees	319	500	1,500
Merchandise Purchases	7,093	10,800	11,340
Payroll Expenses	243,178	458,781	453,358
Taxes, Licenses and Fees	919	0	0
Promotional and Marketing	692	1,500	1,500
Rent or Lease	2,303	2,536	2,500
Repair & Maintenance	31,983	66,000	68,640
Staff Wellness	1,256	1,200	1,320
Subcontractors	18,574	14,000	14,700
Supplies	6,791	16,500	16,995
Tools	122	1,000	0
Training and Travel	1,011	4,500	4,725
Uniforms/Safety Gear	4,306	3,500	3,605
Utilities	93,542	119,255	125,218
Capital Projects	0	0	0
Total All Expenses	435,342	733,888	742,795
<i>Supported by property tax revenue</i>	<i>259,349</i>	<i>367,137</i>	<i>340,247</i>

General Fund - District Operations - Worksheet

General Fund - District Operations - Worksheet			
	Actual YtD March 22	Current Budget	Proposed FY 22/23 Budget
Revenue			
Beginning Balance	759,542	245,000	750,000
Interest Earned	6,287	7,000	5,000
Dividends/Credits/Refunds/Other	3,643	1,200	1,200
Other Distributions/HERT	3,411	0	0
Current Year Property Tax	876,504	824,622	912,250
Prior Year Property Tax	33,736	13,000	14,200
Property Tax Interest Earnings	38	200	50
Transfer In	0	0	60,000
Total Income	1,683,161	1,091,022	1,742,700
Expenses			
Bank Charges	982	1,200	1,200
Dues, Licenses & Subscriptions	5,249	7,430	7,500
Insurance - Wks Comp & Liability	23,162	12,500	24,150
Audit Services	0	11,600	12,180
Legal Services	6,510	4,000	8,000
Professional Fees	17,973	25,000	18,000
Meetings and Conferences	159	2,500	2,500
Office Expenses	6,296	5,000	5,000
Payroll Expenses	216,511	238,297	259,334
Promotional and Marketing	2,507	5,000	4,000
Taxes, Licenses and Fees	549	0	0
Staff Wellness	1,187	800	1,200
Stationery & Printing	507	1,200	1,200
Tools	581	750	750
Training and Travel	2,391	6,500	6,500
Uniforms/Safety Gear	626	800	800
Utilities	911		1,200
Contingency	0	35,700	35,700
Transfer Out	0	35,000	35,000
Reserve	0	0	613,235
Unappropriated Ending Balance	0	175,000	175,000
Total All Expenses	286,101	568,277	1,212,449

General Fund - Parks and Trails - Worksheet

	Actual YtD March 22	Current Budget	Proposed FY 22/23 Budget
Revenue			
Innovative/Other Income	278	1,000	1,000
Transfer In	450	0	1,000
Total Income	728	1,000	2,000
Expenses			
Chemicals, Gasses and Fuel	2,333	3,000	3,500
Furniture and Equipment	23,326	2,500	0
Insurance - Wks Comp & Liability	0	1,500	0
Subcontractors	15,326	0	5,000
Payroll Expenses	51,864	74,408	104,279
Promotional and Marketing	54	2,000	0
Repair & Maintenance	10,104	26,000	30,000
Dues, Licenses & Subscriptions	13	0	225
Supplies	6,291	6,200	6,000
Tools	7,353	6,500	7,000
Training and Travel	65	500	1,000
Uniforms/Safety Gear	1,878	1,000	0
Utilities	14,527	20,000	20,000
Capital Projects	0	13,000	15,000
Total All Expenses	133,134	156,608	192,004
<i>Supported by property tax revenue</i>	<i>132,406</i>	<i>155,608</i>	<i>190,004</i>

General Fund

	Actual FY20	Actual FY21	Budget FY22	July-March FY22	Proposed FY23	% of Total
Source of Revenues						
Beginning Balance	242,212	447,239	245,000	759,542	750,000	35%
Taxes and Assessments	821,480	943,472	839,022	917,333	927,700	43%
Interest	23,465	10,556	7,000	6,287	5,000	0%
Aquatic Center Fees	232,960	199,334	366,751	175,993	402,548	19%
Miscellaneous/Other	14,696	64,562	1,000	728	2,000	0%
Intergovernmental Transfers	0	5,699	0	0	60,000	3%
Total Revenues	1,334,813	1,670,862	1,458,773	1,859,883	2,147,248	
Object of Expenditures						
Personnel Services	591,059	510,731	771,486	511,553	816,971	62%
Operating Expenditures	325,103	276,973	428,587	343,024	456,342	34%
Capital Outlay	0	0	13,000	0	15,000	1%
Intergovernmental Transfers	21,000	20,000	35,000	0	35,000	3%
Total Expenditures	937,162	807,704	1,248,073	854,577	1,323,313	
Budgeted Requirements						
Reserves	0	0	0	0	613,235	29%
Contingency	0	0	35,700	0	35,700	2%
Unappropriated	0	175,000	175,000	0	175,000	8%
Total Requirements	937,162	982,704	1,458,773	854,577	2,147,248	